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Testo del comunicato

Vedi allegato.

PRESS RELEASE

Media Relations

T +39 06 8305 5699
ufficiostampa@enel.com

enel.com

Investor Relations

T +39 06 8305 7975
investor.relations@enel.com

enel.com

ENEL, NET ORDINARY INCOME UP 11.3% IN THE FIRST QUARTER OF 2019

- **Revenues:** 20,891 million euros (18,946 million euros in the first quarter of 2018, +10.3%)
  - *the increase mainly reflects the growth in revenues posted by Enel Green Power, those from electricity trading in Italy, Chile and Romania and fuel sales in Italy and from the change in the scope of consolidation, notably the acquisition of Eletropaulo (now Enel Distribuição São Paulo)*

- **EBITDA:** 4,548 million euros (4,037 million euros in the first quarter of 2018, +12.7%)
  - *the increase is mainly due to the growth in renewables, better margins in the distribution segment following the acquisition of Enel Distribuição São Paulo, regulatory improvements as well as better margins in generation and trading in Italy and reduced operational costs, mainly reflecting the first-time application of accounting principle IFRS 16*

- **Ordinary EBITDA:** 4,454 million euros (3,909 million euros in the first quarter of 2018, +13.9%) net of extraordinary items in the periods under review

- **EBIT:** 2,981 million euros (2,538 million euros in the first quarter of 2018, +17.5%)
  - *the increase is attributable to the improvement in EBITDA, which more than offset the increase in depreciation and amortisation, mainly due to the application of IFRS 16, which provides for the recognition of costs for leases, including rentals, as leased property, plant and equipment or rights of use over leased assets, items which are depreciated*

- **Group net income:** 1,256 million euros (1,169 million euros in the first quarter of 2018, +7.4%)
  - *the increase reflects the improvement in EBIT, which was only partly offset by an increase in net financial expense and a reduction in income from equity investments accounted for using the equity method*

- **Group net ordinary income:** 1,159 million euros (1,041 million euros in the first quarter of 2018, +11.3%)

- **Net financial debt:** 45,093 million euros (41,089 million euros at the end of 2018, +9.7%)
  - *the increase primarily reflected the first-time application of IFRS 16, capital expenditure in the period, the payment of the dividends on 2018 results, the acquisition of a number of companies from Enel Green Power North America Renewable Energy Partners, LLC ("EGPNA REP"), the effects of which were partly offset by positive operating cash flow, as well as adverse exchange rate developments*

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, Chief Executive Officer and General Manager of Enel, said:

"*In the first quarter of 2019, we registered excellent results confirming the growth path that we are pursuing so far as well as the outstanding performance posted by all business lines. Enel's ordinary EBITDA grew by 13.9% and net ordinary income by 11.3% over the same period of 2018, backed by the continued delivery on our 2019-2021 Strategic Plan pillars. Renewables, whose installed capacity increased by 800 MW this quarter, and distribution networks, which benefitted from the integration of Enel Distribuição São Paulo, confirm their role as driving forces of our performance and in the first quarter of this year accounted for 70% of the Group's ordinary EBITDA. Overall investments increased by 36% in the period and were mainly allocated to asset development, which stood at 1.2 billion euros and focused on renewables in the Americas and Spain as well as on networks in Italy.*

In line with our strategic pillar on Group simplification, we increased our stake in Enel Américas to 56.42% and further strengthened our positioning in renewable generation in North America through the reconsolidation of 650 MW of assets from one of our joint ventures. Again with regards to Enel Américas, we expect the recently approved 3 billion US dollar capital increase, due to be finalised in the coming months, to unlock additional growth opportunities in South America, strengthening our footprint in the region.

In 2019, we envisage an acceleration in capex with a particular focus on renewables in North America, as well as continuing our strong investment in networks, mainly in Italy and South America, whereas cash flow generation is expected to remain solid throughout the period. This good start to the year enables us to confirm the guidance for full year 2019."

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Rome, May 8th, 2019 – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, examined and approved the interim financial report as of March 31st, 2019.

Consolidated financial highlights for the first quarter of 2019

REVENUES

The following table provides a breakdown of revenues by **region/country**:

Revenues *(millions of euros)*	**1Q 2019**	**1Q 2018**	**Change**
Italy	10,804	10,109	6.9%
Iberia	5,045	5,092	-0.9%
South America	4,255	3,086	37.9%
Europe and Mediterranean Area	638	602	6.0%
North and Central America	359	234	53.4%
Africa, Asia and Oceania	38	24	58.3%
Other, eliminations and adjustments	(248)	(201)	-23.4%
TOTAL	**20,891**	**18,946**	**10.3%**

- **Revenues in the first quarter of 2019** amounted to 20,891 million euros, an increase of 1,945 million euros (+10.3%) compared with the same period of 2018. The increase is mainly attributable to:
  - an increase in revenues in the distribution segment, in part due to the acquisition of Enel Distribuição São Paulo in June 2018;
  - an increase in volumes traded by Enel Global Trading in Italy and the increase in revenues on the free electricity market, mainly attributable to the increase in customers acquired in the first quarter in Italy, Chile and Romania;
  - income from negative goodwill, equal to 106 million euros, attributable to the temporary allocation of the purchase price resulting from the acquisition of a number of companies from EGPNA REP, which in the first quarter of 2019 were fully repurchased by the Enel Group through its subsidiary Enel Green Power North America (EGPNA);
  - the payment by an industrial customer of the penalty provided for in an ongoing contract for the supply of electricity with Enel Generación Chile following the customer's exercise of the termination option.

  These factors more than offset adverse exchange rate developments in South America.

- **Extraordinary items** included in revenues in the first quarter of 2019 comprise the gain of 108 million euros on the disposal of Mercure S.r.l., the vehicle company to which Enel Produzione had previously transferred the Valle del Mercure (Italy) biomass plant. **Extraordinary items** included in revenues for **the first quarter of 2018** comprised the payment of 128 million euros provided for in the agreement of e-distribuzione with F2i and 2i Rete Gas on the early all-inclusive settlement of the earn-out connected with the sale in 2009 of e-distribuzione's interest in Enel Rete Gas.

EBITDA

The following table provides a breakdown of EBITDA by **region/country**:

EBITDA (*millions of euros*)	**1Q 2019**	**1Q 2018**	**Change**
Italy	2,016	1,943	3.8%
Iberia	908	859	5.7%
South America	1,321	1,012	30.5%
Europe and Mediterranean Area	106	126	-15.9%
North and Central America	240	121	98.3%
Africa, Asia and Oceania	16	13	23.1%
Other, eliminations and adjustments	(59)	(37)	-59.5%
TOTAL	**4,548**	**4,037**	**12.7%**

- **EBITDA in the first quarter of 2019** amounted to 4,548 million euros, an increase of 511 million euros (+12.7%) compared with the same period of 2018.
  In addition to the factors referred to under the revenues section, the improvement reflects regulatory improvements in South America (mainly Brazil), the reduction in costs for leases, including rentals, as following the application of accounting principle IFRS 16 those payments are recognised under leased property, plant and equipment as rights of use and are therefore depreciated over the term of the associated leases.
  This improvement more than offset the decline in margins in South America attributable to adverse exchange rate developments.

ORDINARY EBITDA

The following table provides a breakdown of ordinary EBITDA by **region/country**:

Ordinary EBITDA (*millions of euros*)	**1Q 2019**	**1Q 2018**	**Change**
Italy	1,922	1,815	5.9%
Iberia	908	859	5.7%
South America	1,321	1,012	30.5%
Europe and Mediterranean Area	106	126	-15.9%
North and Central America	240	121	98.3%
Africa, Asia and Oceania	16	13	23.1%
Other, eliminations and adjustments	(59)	(37)	-59.5%
TOTAL	**4,454**	**3,909**	**13.9%**

Ordinary EBITDA amounted to 4,454 million euros, an increase of 545 million euros compared with the first three months of 2018 (+13.9%).
The extraordinary item for the first quarter of 2019, noted under revenues, regarding the disposal of Mercure S.r.l. includes costs incurred for the reclamation of the Valle del Mercure industrial site in the amount of 14 million euros.

EBIT

The following table provides a breakdown of EBIT by **region/country**:

EBIT (*millions of euros*)	**1Q 2019**	**1Q 2018**	**Change**
Italy	1,463	1,308	11.9%
Iberia	448	434	3.2%
South America	916	708	29.4%
Europe and Mediterranean Area	54	73	-26.0%

North and Central America	160	59	-
Africa, Asia and Oceania	6	-	-
Other, eliminations and adjustments	(66)	(44)	-50.0%
TOTAL	**2,981**	**2,538**	**17.5%**

EBIT in the first quarter of 2019 amounted to 2,981 million euros. The increase of 443 million euros (+17.5%) compared with the same period of 2018 benefitted from the rise in EBITDA, despite the impact of an increase of 68 million euros in depreciation, amortisation and impairment losses. The latter included the depreciation charge (56 million euros) for rights of use over leased assets referred to above, which with effect from January 1st, 2019, are recognised as leased property, plant and equipment and depreciated over the term of the associated leases in application of IFRS 16.

GROUP NET INCOME

In the first quarter of 2019, **Group net income** amounted to 1,256 million euros, compared with 1,169 million euros in the same period of 2018, up by 87 million euros (+7.4%). The increase is largely attributable to the improvement in EBIT. This factor more than offset:

- an increase in net financial expense connected with interest expenses on a larger volume of bonds outstanding and the application of IFRS 16, as well as an increase in expenses from the unwinding of the discount on provisions for risks and charges, mainly those connected with employee benefits in Spain and Brazil; and
- a decline in income from equity investments accounted for using the equity method as a result of the repurchase of a number of companies from EGPNA REP and the effect of the increase in taxation. The latter essentially reflects the recognition in 2018 of deferred tax assets on the prior-year tax losses of 3Sun, only partly offset by the positive effects in the first quarter of 2019 of a reduction in taxes following the election to adopt the preferential "*revalúo impositivo*" mechanism by the generation companies Enel Generación Costanera and Central Dock Sud in Argentina.

GROUP NET ORDINARY INCOME

Excluding the extraordinary items mentioned in the section on revenues, **Group net ordinary income** amounted to 1,159 million euros in the first three months of 2019, an increase of 118 million euros (+11.3%) compared with the 1,041 million euros posted in the same period of 2018. The following table reconciles Group net income and Group net ordinary income for the first quarter of 2019, indicating non-recurring items and their impact on net income, net of the associated tax effects and non-controlling interests.

	1Q 2019	**1Q 2018**	Change	
Group net income (*millions of euros*)	**1,256**	**1,169**	**87**	**7.4%**
Disposal of e-distribuzione interest in Enel Rete Gas	-	(128)	128	**-**
Disposal of Enel Produzione interest in Mercure S.r.l.	(97)	-	(97)	**-**
Group net ordinary income	**1,159**	**1,041**	**118**	**11.3%**

FINANCIAL POSITION

The financial position shows **net capital employed** as of March 31st, 2019 of **95,208 million euros** (88,941 million euros as of December 31st, 2018), which is funded by **equity** pertaining to shareholders of the Parent Company and non-controlling interests of **50,115 million euros** (47,852 million euros as of December 31st, 2018) and **net financial debt** of **45,093 million euros** (41,089 million euros as of December 31st, 2018).

Net financial debt increased by 4,004 million euros (+9.7%) in reflection of the funding requirements associated with investment for the period, the first-time application of accounting principle IFRS 16, which increased financial debt by 1,356 million euros, the acquisition of a number of companies from EGPNA REP, which involved, on top of an overall 225 million euro payment, the consolidation of the debt of the companies acquired (about 600 million euros), adverse exchange rate effects for 660 million euros and the overall payment of dividends for 1,757 million euros. The increase in debt was partly offset by operating cash flow.

As of March 31st, 2019, the **debt/equity ratio** came to **0.90** (0.86 as of December 31st, 2018).

CAPITAL EXPENDITURE

The following table provides a breakdown of capital expenditure by **region/country**:

Capital expenditure (*millions of euros*)	**1Q 2019**	**1Q 2018**	**Change**
Italy	555	408	36.0%
Iberia	375	181	-
South America	439	321	36.8%
Europe and Mediterranean Area	104	36	-
North and Central America	294	262	12.2%
Africa, Asia and Oceania	81	1	-
Other, eliminations and adjustments	23	20	15.0%
TOTAL	**1,871**	**1,229**	**52.2%**

- **Capital expenditure amounted to 1,871 million euros** in the first quarter of 2019, an increase of 642 million euros compared with the same period of 2018 (+52.2%). This growth was mainly the outcome of increased work on distribution networks in Italy and Brazil and on wind and solar plants in Spain as well as on photovoltaic plants in South Africa, India and Zambia, as well as in South America's renewables sector for Enel Green Power.

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OPERATIONAL HIGHLIGHTS IN THE FIRST QUARTER OF 2019

	2019	2018	Change
Electricity sales (TWh)	**77.1**	72.3	+6.7%
Gas sales (billions of m³)	**4.0**	4.1	-2.4%
Electricity generated (TWh)	**59.1**	62.2	-5.0%
Electricity distributed (TWh)	**127.3**	116.1	+9.7%
Employees (no.)	**68,907**	69,272	-0.5%

Electricity and gas sales

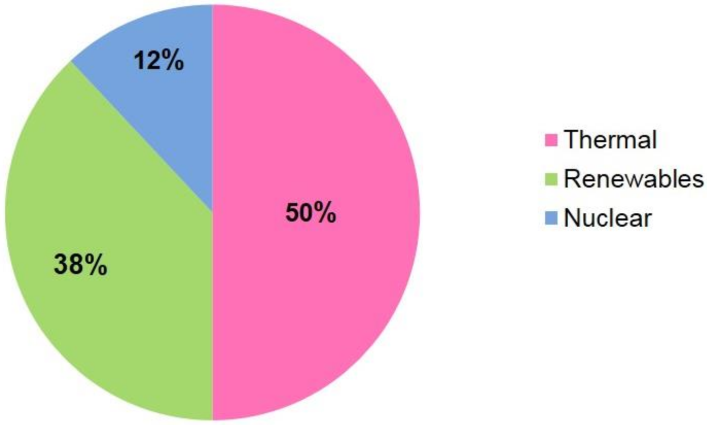
- **Electricity** sold in the first quarter of 2019 amounted to **77.1 TWh,** an increase of 4.8 TWh (+6.7%) on the same period of the previous year, reflecting:
  - an increase in quantities sold in South America (+8 TWh), mainly in Brazil (+8.4 TWh);
  - a decrease in sales in Spain (-1.2 TWh), Italy (-1.1 TWh) and Romania (-0.9 TWh).
- **Natural gas** sales amounted to **4 billion cubic metres**, down slightly on the year-earlier period.

Electricity generated

- Net electricity generated by Enel in the first quarter of 2019 amounted to **59.1 TWh**[1], a decrease of 3.1 TWh on the same period of 2018 (-5%), mainly attributable to a decline in output in Italy and Spain.
  More specifically, this decrease reflected:
  - a decline in thermal generation (-2.8 TWh), mainly due to a contraction in coal-fired generation (-2.7 TWh) in Italy and Spain;
  - an increase in nuclear generation (+0.4 TWh) as a result of lower water availability in Spain;
  - a decline in renewable generation (-0.7 TWh, of which: -1.2 TWh for hydro and +0.5 TWh for wind), mainly due to lower water availability, which was only partly offset by the increase in installed renewable capacity.

[1] 62 TWh including the output from around 4 GW of managed renewable capacity.

Generation mix of Enel Group plants



Zero-emission generation reached 50% of the total generation of the Enel Group considering only output from consolidated capacity. It rose to 53% if managed generation capacity[2] is included. Decarbonisation of the generation mix by 2050 remains the long-term objective of the Enel Group. Renewables accounted for 39% of the Group's mix at the end of 2018, up from 33% in 2017, and are expected to represent about half of the Group's total capacity of 83 GW in 2019.

Electricity distributed

- **Electricity transported** on the Enel Group distribution network in the first quarter of 2019 amounted to 127.3 TWh, of which 57.3 TWh in Italy and 70 TWh abroad.
- The volume of **electricity distributed in Italy** increased by 0.1 TWh (+0.1%) compared with the same period of 2018:
    - registering a slight improvement compared with electricity demand on the national power grid (-0.8%). The percentage change in demand on the domestic market amounted to -1.6% in the North, +1.1% in the Centre, +1.6% in the South and -1% 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 70 TWh, an increase of 11.1 TWh (+19%) compared with the same period of 2018, mainly in Brazil (+11.5 TWh).

EMPLOYEES

As of March 31st, 2019, **Enel Group employees numbered 68,907** (69,272 as of December 31st, 2018). The change in the quarter (-365) reflected the negative balance of new hires and terminations (-476) and the change in the scope of consolidation (+111), including the acquisition of Tradewind in the United States and the disposal of the vehicle company Mercure S.r.l. in Italy.

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

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OUTLOOK

The Group's 2019-2021 Strategic Plan presented in November 2018 focuses on growth in renewable energy, the development and automation of the distribution network, the opportunities for electrification and customer focus. The Group's 2019-2021 Strategic Plan focuses on:

- **Industrial growth**: the Group plans to invest a total of 27.5 billion euros over the plan period, with the aim of generating a cumulative increase in ordinary EBITDA of 3.2 billion euros;
- **Decarbonisation**: a cumulative increase in EBITDA of 1 billion euros between 2018 and 2021 related to renewables. In 2021, 62% of the Enel Group's energy production is expected to be emission-free, compared with 49% in 2018[3];
- **Operational efficiency**: the target of 1.2 billion euros of cumulative benefits generated by efficiencies expected by 2021, mainly due to the effect of digitalisation, has been confirmed;
- **Simplification**: optimisation of the risk/return profile by increasing investments in subsidiaries and active portfolio managment;
- **Human capital**: the commitment to achieving Sustainable Development Goals (SDGs) has been extended until 2030;
- **Return on capital employed**: creation of value amounting to a total of 400 basis points on a WACC of 6.2% in 2021 through investments focused more closely on higher yield assets, efficiency enhancements and portfolio optimisation;
- **Shareholder remuneration**: a 70% dividend calculated on the Group's ordinary net income from 2019 onwards is confirmed, with a compound average growth rate (CAGR) in the dividend per share (DPS) of about +12%. For the first time the minimum DPS will be extended to the next three years, with a CAGR of about +9%.

In 2019 Enel expects:

- an acceleration of investments in renewable projects, particularly in North America, and the continuation of investments in grids, especially in Italy and South America;

- progress in operational efficiency, supported by digitalisation across all of the Group's businesses;

- greater customer focus on a global scale and an acceleration of Enel X's activities in the electric mobility and demand response businesses;

- further progress in simplifying the Group and actively managing its portfolio.

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[3] 51% if capacity operated under the "Build, Sell and Operate" model is included.

RECENT KEY EVENTS

April 10th, 2019: Enel announced that it had increased its stake in its Chilean subsidiary Enel Américas S.A. ("Enel Américas") to 56.42% from 51.8% of the company's share capital following the settlement of two share swap transactions (the "Share Swap Transactions") entered into in October 2018 with a financial institution to acquire up to 5% of the share capital of Enel Américas. Under the terms of the Share Swap Transactions, Enel acquired: (i) 1,707,765,225 shares of Enel Américas common stock; and (ii) 18,931,352 Enel Américas American depositary shares ("ADSs"), each representing 50 shares of Enel Américas common stock, representing, in the aggregate, 4.62% of Enel Américas' share capital.
The price paid for the shares and the ADSs in the Share Swap Transactions amounted to about 198 billion Chilean pesos (116 Chilean pesos per share) and 164.7 million US dollars (8.7 US dollars per ADS), respectively, or about 412 million euros[4] overall.
The price paid by Enel in the Share Swap Transactions was funded with operating cash flow.
The Share Swap Transaction involving Enel Américas common shares is continuing, in view of the initial target of increasing the stake to up to 5% of share capital.
In relation to the proposal to increase the capital of Enel Américas by up to 3.5 billion US dollars, which will be submitted for approval to the Extraordinary Shareholders' Meeting of Enel Américas called for April 30th, 2019, Enel has announced its intention to vote in favour of that proposal. If approved, and subject to market conditions, Enel also intends to subscribe shares of Enel Américas' corresponding to its current stake in the company, i.e. 56.42%, by exercising its pre-emptive subscription rights.

April 30th, 2019: Enel announced that the Extraordinary Shareholder's meeting of the Chilean subsidiary Enel Américas, of which Enel owns 56.42% of the share capital, had approved a capital increase of 3 billion US dollars. The capital increase, to be fully subscribed in cash, will be carried out through the issue of new shares to be offered in pre-emption to shareholders in proportion to the number of shares they hold.
Through this capital increase, Enel Américas aims at enhancing its financial position to pursue new opportunities for organic and inorganic growth, both through minority buy-outs and M&As, optimising cash flows and improving its debt level. Moreover, the capital increase will allow for an increase of the free float and capitalisation of Enel Américas.
In connection with this capital increase, Enel confirms its intention to subscribe, subject to market conditions, shares of Enel Américas corresponding to its current stake in the company by exercising its pre-emptive subscription rights.

More information on these events is available in the associated press releases published on Enel's website at the following address: https://www.enel.com/en/media.html#0

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NOTES

At 6:00 p.m., on May 8th, 2019, a conference call will be held to present the results for the first quarter 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.

[4] At the exchange rates prevailing on April 9th, 2019.

The condensed income statement, statement of comprehensive income, condensed balance sheet and condensed cash flow statement for the Enel Group on a consolidated basis are attached below. 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, has been applied for the first time.
At first-time adoption, the Group selected to use the modified retrospective approach, as permitted by the standard, which involved the restatement of a number of balance sheet items as of January 1st, 2019. The impact on the balance sheet was as follows:

- an increase of 1,356 million euros in *property, plant and equipment and intangible assets;*
- an increase of 1,296 million euros in *long-term borrowings;*
- an increase of 60 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 61 million euros in *operating expenses*;
- an increase of 56 million euros in *depreciation*;
- an increase of 12 million euros in *financial expense*.

Unless otherwise specified, the balance sheet figures as of March 31st, 2019, exclude assets and liabilities held for sale of three renewable plants in Brazil, as well as the company Savion, an investee of Tradewind, which on the basis of the state of progress of negotiations for their sale to third parties, 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** is calculated by correcting the "gross operating margin" for all items generated by non-recurring transactions, such as acquisitions or disposals of firms (for example, 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 of projects in that sector is the result of an ordinary activity for the Group.
- **Group net ordinary income** is defined as "Group net income" generated by Enel's core business and is equal to "Group net income" less all items connected with the non-recurring items referred to in the comments on "ordinary EBITDA", significant impairment losses or writebacks on assets (including equity investments and financial assets) recognised following impairment testing and any associated tax effects or non-controlling interests".
- **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", taking account of "Short-term financial payables" included in "Other current liabilities", all net of "Cash and cash equivalents", "Securities", and "Other financial receivables" included in "Other non-current financial assets", as well as the "Current portion of long-term financial receivables", "Factoring receivables", "Cash collateral" and "Other financial receivables" included in "Other 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 from July 26th, 2007, describing the 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]

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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 held to maturity", "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 held to maturity", "Cash collateral" and "Other 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".

Condensed Consolidated Income Statement

Millions of euro	1st Quarter	
	2019	2018
Total revenue	20,891	18,946
Total costs	17,997	16,444
Net income/(expense) from commodity contracts measured at fair value	87	36
Operating income	**2,981**	**2,538**
Financial income	1,251	1,045
Financial expense	1,922	1,611
Net income/(expense) from hyperinflation	24	-
Total financial income/(expense)	**(647)**	**(566)**
Share of gains/(losses) from equity investments accounted for using the equity method	**(63)**	**37**
Income before taxes	**2,271**	**2,009**
Income taxes	621	481
Income from continuing operations	**1,650**	**1,528**
Net income from discontinued operations	**-**	**-**
Net income for the period (shareholders of the Parent Company and non-controlling interests)	**1,650**	**1,528**
Attributable to shareholders of the Parent Company	1,256	1,169
Attributable to non-controlling interests	394	359
Basic earnings/(loss) per share attributable to shareholders of the Parent Company (euro) [1]	*0,12*	*0,11*

(1) Diluted earnings/(loss) per share are equal to basic earnings/(loss) per share.

Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2019	2018
Net income for the period	**1,650**	**1,528**
Other comprehensive income recyclable to profit or loss (net of taxes):		
Effective portion of change in the fair value of cash flow hedges	364	(306)
Change in fair value of hedging costs	28	161
Share of the other comprehensive income of equity investments accounted for using the equity method	1	2
Change in the fair value of financial assets at FVOCI	5	-
Change in translation reserve	461	(293)
Other comprehensive income/(loss) for the period	**859**	**(436)**
Comprehensive income for the period	**2,509**	**1,092**
Attributable to:		
- shareholders of the Parent Company	1,886	755
- non-controlling interests	623	337

Condensed Consolidated Balance Sheet

Millions of euro

	at Mar. 31, 2019	at Dec. 31, 2018
ASSETS		
Non-current assets		
- Property, plant and equipment and intangible assets	99,528	95,780
- Goodwill	14,365	14,273
- Equity investments accounted for using the equity method	2,052	2,099
- Other non-current assets [1]	16,966	16,697
Total non-current assets	**132,911**	**128,849**
Current assets		
- Inventories	2,814	2,818
- Trade receivables	15,476	13,587
- Cash and cash equivalents	8,471	6,630
- Other current assets [2]	13,502	12,852
Total current assets	**40,263**	**35,887**
Assets held for sale	**722**	**688**
TOTAL ASSETS	**173,896**	**165,424**
LIABILITIES AND SHAREHOLDERS' EQUITY		
- Equity attributable to the shareholders of the Parent Company	33,613	31,720
- Non-controlling interests	16,502	16,132
Total shareholders'equity	**50,115**	**47,852**
Non-current liabilities		
- Long-term borrowings	50,928	48,983
- Provisions and deferred tax liabilities	17,004	17,018
- Other non-current liabilities	11,084	10,816
Total non-current liabilities	**79,016**	**76,817**
Current liabilities		
- Short-term borrowings and current portion of long-term borrowings	10,586	6,983
- Trade payables	12,505	13,387
- Other current liabilities	21,196	19,978
Total current liabilities	**44,287**	**40,348**
Liabilities held for sale	**478**	**407**

TOTAL LIABILITIES	**123,781**	**117,572**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**173,896**	**165,424**

(1) Of which long-term financial receivables and other securities at March 31, 2019 for €2,658 million (€2,912 million at December 31, 2018) and €379 million (€360 million at December 31, 2018), respectively.

(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at March 31, 2019 for €1,661 million (€1,522 million at December 31, 2018), €3,230 million (€3,418 million at December 31, 2018) and €59 million (€63 million at December 31, 2018), respectively.

Condensed Consolidated Statement of Cash Flows

Millions of euros	1st Quarter	
	2018	2017
Income before taxes	**2,271**	**2,009**
Adjustments for:		
Net impairment losses /(reversals) trade receivables and other receivables	144	-
Depreciation, amortization and impairment losses	1,423	1,499
Financial (income)/expense	647	566
Net income from equity investments accounting for using the equity method	63	(37)
Changes in net working capital:		
- Inventories	*15*	*122*
- Trade receivables	*(1,974)*	*(484)*
- Trade payables	*(912)*	*(1,984)*
- Contract assets and contract liabilities	*172*	*-*
- Other assets and liabilities	*1,461*	*815*
Interest and other financial expense and income paid and received	(467)	(445)
Other changes	(465)	(163)
Cash flows from operating activities (a)	**2,378**	**1,898**
Investments in property, plant and equipment and in intangible assets	(1,872)	(1,379)
Investments in entities (or business units) less cash and cash equivalents acquired	(223)	-
Disposals of entities (or business unit) less cash and cash equivalents sold	166	28
(Increase)/Decrease in other investing activities	5	(13)
Cash flows from investing/disinvesting activities (b)	**(1,924)**	**(1,364)**
New issues of long-term financial debt	1,945	3,132
Repayments and other changes in net financial debt	1,182	(4,240)
Receipts/(Outlays) for transactions in non-controlling interest	(10)	-
Dividends and interim dividends paid	(1,757)	(1,390)
Cash flows from financing activities (c)	**1,360**	**(2,498)**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**35**	**(43)**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**1,849**	**(2,007)**
Cash and cash equivalents at beginning of the period (1)	6,713	7,121
Cash and cash equivalents at the end of the period (2)	8,562	5,114

(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 €8,471 million at March 31, 2018 (€4,984 million at March 31, 2018), short-term securities equal to €59 million at March 31, 2019 (€58 million at March 31, 2018) and cash and cash equivalents pertaining to “Assets held for sale” in the amount of €32 million at March 31, 2019 (€72 million at March 31, 2018).

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