

REPORT OF THE BOARD OF AUDITORS TO THE SHAREHOLDERS OF ENEL SPA FOR  
THE APPROVAL OF THE 2009 FINANCIAL STATEMENTS  
(pursuant to Article 153 of Legislative Decree 58/98)

Shareholders,

during the year ended December 31, 2009 we performed the oversight activities envisaged by law.

In compliance with the instructions issued by CONSOB with communication no. DEM/1025564 of April 6, 2001, as amended, we report the following:

- we monitored compliance with the law and the corporate bylaws;
- the directors provided us, on a quarterly basis, with the information on the activity they carried out and on the transactions with the most significant impact on strategic positioning, the income statement, balance sheet or financial situation conducted by Enel SpA (hereinafter also "the Company") and its subsidiaries and we report that the actions approved and implemented were in compliance with the law and the bylaws and were not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Shareholders' Meeting or otherwise prejudicial to the integrity of the Company's assets;
- we did not find any atypical or unusual transactions conducted with third parties, Group companies or related parties;
- in the section "Related parties" of the notes to the financial statements, the directors describe the main related-party transactions – identified on the basis of international accounting standards and the instructions of CONSOB - carried out by the Company, to which readers may refer for details on the transactions and their financial impact. They also detail the procedures adopted to ensure that related-party transactions are carried out in accordance with the principles of procedural and substantive fairness. The transactions were carried out in compliance with the approval and execution procedures set out in the rules –

approved by the Board of Directors in December 2006 in implementation of the provisions of the Italian Civil Code and the recommendations in the Corporate Governance Code for listed companies – referred to in the report on corporate governance and ownership structure for 2009. In any event, all transactions were carried out within the framework of ordinary operations in the interest of the Company and settled on market terms and conditions;

- the Company prepared its statutory financial statements for 2009 on the basis of international accounting standards (IAS/IFRS), as envisaged in Regulation (EC) 1606/2002 and taking account of the provisions of Legislative Decree 38/2005, as it did for the previous year. The financial statements are prepared on a going-concern basis using the cost method, with the exception of items that are measured at fair value under IFRS-EU. As regards recently issued accounting standards, the notes to the financial statements discuss applicable standards adopted for the first time, which did not have a material impact for the Company, and standards that have not yet been adopted and are not yet applicable. The statutory financial statements for 2009 of Enel SpA were audited by the independent auditors KPMG SpA, which issued an unqualified opinion, including with regard to the consistency of the report on operations with the financial statements (pursuant to Article 156, paragraph 4-bis, point d) and Article 123-bis, paragraph 4, of Legislative Decree 58/98).

The most important developments during the year, which are discussed in greater detail in the report on operations, include:

- the acquisition from Acciona, through the subsidiary Enel Energy Europe, of an additional 25.01% of Endesa; following the transaction, the Company holds 92.06% of Endesa;
- a memorandum of understanding with EDF for the joint development of nuclear power in Italy, with the formation together with EDF of the company Sviluppo Nucleare Italia Srl to undertake feasibility studies for the construction of nuclear power plants in Italy;

- the sale, in agreement with Eni, of 51% of its holding in SeverEnergia to Gazprom;
- in implementation of the authorization approved by the Enel Extraordinary Shareholders' Meeting of April 29, 2009, the execution of a capital increase with the issue of 3,216,938,192 new ordinary shares with a total value, including the share premium, of €7,978 million;
- the placement, through the subsidiary Enel Finance International, of two multi-tranche bond issues (one worth more than €6,500 million, the other worth about €3,073 million);
- the distribution of an interim dividend for 2009 of €0.10 per share.

Other significant events involving the Enel Group include:

- Enel Distribuzione sold Terna SpA the entire share capital of Enel Linee Alta Tensione Srl (ELAT), the company to which Enel Distribuzione transferred its high-voltage power lines and associated legal relationships;
- Enel Distribuzione sold 80% of Enel Rete Gas to F2i Reti Italia (a company held by F2i SGR and AXA Private Equity);
- Enel Trade acquired exploration permits and assets in the gas sector held by the Canadian company Stratic Energy Corporation in northern Italy;
- Enel Green Power (i), through its subsidiary Enel Latin America reached an agreement with Energias Renovables, Termica e Hidraulica de Mexico (Enerthi) on the development of wind power projects in Mexico and (ii), through its subsidiary Enel North America, reached an agreement with Geronimo Wind Energy for the acquisition of a minority stake in the American company.

In addition:

- the company Enel Ingegneria e Innovazione was formed with effect from April 1, 2009;
- the Company sold its entire holding in Enel.si to Enel Green Power with effect from January 1, 2009; on May 21, 2009, the Company sold its entire holding in Sfera Srl to Enel Servizi Srl;

- the Company prepared the 2009 consolidated financial statements for the Enel Group on the basis of international accounting principles (IFRS/IAS) and in conformity with the measures issued in implementation of Article 9, paragraph 3, of Legislative Decree 38/2005, as it had for the previous year. The consolidated financial statements for the Enel Group were audited by the independent auditors KPMG SpA, which issued an unqualified opinion, including with regard to the consistency of the report on operations with the financial statements (pursuant to Article 156, paragraph 4-bis, point d) and Article 123-bis, paragraph 4, of Legislative Decree 58/98). The latter also issued unqualified opinions for the Italian subsidiaries of the Enel Group, affirming that the financial statements for 2009 are in conformity with the regulations governing the preparation of the financial statements and provide a true and fair view of the financial situation, performance, recognized income and expenses and cash flows of those companies. The audits of the foreign subsidiaries by the foreign associates of KPMG SpA did not reveal any material issues. Within the scope of their responsibility, the Boards of Auditors of the Italian subsidiaries stated that they conducted their oversight activities in compliance with current legislation and did not report irregularities or note other circumstances requiring mention, expressing their opinion in favor of approval of the financial statements by their shareholders' meetings;
- the report on operations of both the separate and consolidated financial statements both contain a discussion of the main risks and uncertainties facing the Company and the Group as well as information concerning the environment and personnel in line with the amendments introduced with Legislative Decree 32/2007 to Article 2428, paragraphs 1 and 2, of the Civil Code. These risks and uncertainties were examined by the Board of Auditors during meetings with the head of the Administration, Finance and Control department, with the head of internal controls and with other competent units of the Company;

- we note that the Board of Directors of the Company certified that as at the date on which the 2009 financial statements were approved the Enel Group continued to meet the conditions for the listing of shares of companies with control of over companies established and regulated under the law of non-EU countries as referred to in Article 36 of the Market Rules of CONSOB (approved with Resolution no. 16191 of October 29, 2007 as amended with Resolution no. 16530 of June 25, 2008). In application of the materiality criteria for the purposes of consolidation introduced in Article 36, paragraph 2, of the Market Rules, eleven non-EU subsidiaries of the Enel Group have been identified to which the rules in question apply. The balance sheet and income statement for the 2009 financial statements of these companies included in the reporting package used for the purpose of preparing the consolidated financial statements of the Enel Group will be made available to the public by the Company (pursuant to Article 36, paragraph 1a) of the Market Rules) by the day following the approval by the shareholders of the 2009 financial statements of the Company. The articles of association and composition and powers of the control bodies from all the above subsidiaries have been obtained by and are available in updated form to CONSOB where the latter should request such information for supervisory purposes. The Company has verified that the non-EU subsidiaries: (i) provide the auditor of the Parent Company with information necessary to perform annual and interim audits of the Company and (ii) possess an administrative and accounting system appropriate for regular reporting to the management and auditor of the Parent Company of income statement, balance sheet and financial data necessary for preparation of the consolidated financial statements;
- we acquired information and monitored, within the scope of our responsibility, the adequacy of the Company's organizational structure. Organizational arrangements had already been modified in previous years with a substantial degree of centralization of certain activities, with a view to the structural

simplification of the Group. As a result of the new acquisitions abroad and the innovation strategies adopted by the Group, the structure is composed of the following Divisions: Sales, Generation and Energy Management, Engineering and Innovation, Infrastructure and Networks, Iberia and Latin America, International and Renewable Energy, as well as other service companies. Among these, Enel Servizi handles the sourcing and purchasing of goods, works and services, administrative and accounting activities, the administrative management of personnel, the management and optimization of the property portfolio and the management of ICT systems on behalf of all Group companies. Certain central functions were also established to improve the handling of a number of especially critical external factors, namely: the upstream gas function, charged with developing and managing such activities for the Group, and the Group Risk Management function, which manages financial, operational, business and other risks; at the same time, the Finance function was folded into the Administration, Planning and Control function, which was renamed "Administration, Finance and Control". The Board of Auditors feels that the recast organizational system is adequate to support the strategic development of the Company and is consistent with control requirements;

- we monitored the independence of the auditing company KPMG SpA. In April 2009, the Company supplemented the fees of the auditing company for its work in auditing the 2008 financial statements, having obtained the favorable opinion of the Board of Auditors, in view of: (i) the need for the audit report to contain an "opinion on the consistency" between the content of the report on operations and that of the financial statements (Article 156, paragraph 4-bis, point d) of the Consolidated Law on Financial Intermediation, (ii) the extension of the audit procedures conducted by the KPMG network to the work performed by the secondary auditors of the Deloitte network in consideration of the engagement held by the latter to audit Enersis SA and Chielectra SA, and (iii) the examination performed by the auditing company of the effects on the 2008 consolidated

financial statements of the Enel Group of the completion of the initial recognition of the acquisition of 67.05% of Endesa SA (the purchase price allocation process). In addition, in February 2010, the Company approved an additional supplement to the fees for the auditing of the 2009 financial statements in respect of the additional procedures performed in the examination of the effects on the consolidated financial statements of the Enel Group of the recognition of the acquisition of a further 25.01% di Endesa. In 2009, the Company also granted the auditing company KPMG SpA and its correspondents in the KPMG international network other engagements, for a total of €2,732,661 (VAT and expenses excluded) in respect of the following: a) the sustainability report; b) an opinion on the interim dividend of Enel SpA; c) the unbundling of the Enel SpA financial statements; d) certifications for the Enel SpA capital increase; e) certifications for bond issues; f) certifications for tax returns; and g) the Kanto Annual Report. A procedure governing the granting of engagements to auditing companies that work with the Group was formalized during the year. Under this procedure, the Internal Control Committee and the Board of Auditors are required to issue a binding opinion on the granting of each additional engagement to the principal auditor or to entities belonging to its network. The Board does not believe there are any factors that might jeopardize the independence of the auditing company KPMG SpA;

- we examined and monitored the appropriateness of the administrative and accounting system and its reliability in representing operational events, obtaining information from the head of the Administration, Finance and Control department, including in that person's role as the manager responsible for the preparation of the company's financial reports, as well as examining company documentation and analyzing the findings of the examination performed by KPMG SpA. The Chief Executive Officer and the manager responsible for the preparation of the company's financial reports issued a statement (attached to the Company's 2009 financial statements) certifying (i) the appropriateness and

effective adoption of the administrative and accounting procedures used in the preparation of the financial statements; (ii) the compliance of the content of the financial reports with international accounting standards (IAS/IFRS) endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002; (iii) the correspondence of the documents with the information in the books and other accounting records and their ability to provide a true and fair representation of the performance and financial position of the Company; and (iv) that the report on operations accompanying the financial statements contains a reliable analysis of operations and performance, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed. The statement also affirmed: (a) that the appropriateness of the administrative and accounting procedures used in the preparation of the financial statements of the Company had been verified in an assessment of the internal control system and (b) that the assessment of the internal control system did not identify any material issues. An analogous statement is attached to the consolidated financial statements for 2009 of the Enel Group. The assessment of the internal control system was supported by the findings of the independent monitoring;

- we assessed and monitored the adequacy of the internal control system, conducting periodic meetings with the head of internal control operations, attending the meetings of the Internal Control Committee and examining the associated documentation. In the light of our examination and in the absence of significant problems, the internal control system can be considered adequate to the tasks assigned to it. In March 2009 and, most recently, February 2010, the Board of Directors of the Company expressed a positive assessment of the situation;
- we held periodic meetings with the representatives of the independent auditors, KPMG SpA, pursuant to Article 150.3 of Legislative Decree 58/98, and no significant information was found that would require mention in this report;

- complaints were received from a number of customers concerning problems with electricity and gas service. The Board of Auditors requested that the operational units examine the matters and found no irregularities to report, asking that the persons be notified of the findings;
- the Company continues to comply with the Corporate Governance Code drafted by the Committee for the Corporate Governance of Listed Companies, having for some time completed implementation of the recommendations contained in the most recent edition of the Code (March 2006). In February 2009 and February 2010, the Board of Auditors verified that the Board of Directors, in evaluating the independence of non-executive directors, correctly applied the assessment criteria specified in the Corporate Governance Code, adopting a transparent procedure, the details of which are discussed in the report on corporate governance and ownership structure for 2009. As regards the “self-assessment” of the independence of its members, the Board of Auditors verified compliance, in February 2009 and February 2010, noting however that the regular member of the Board of Auditors Carlo Conte met the independence requirements established in Legislative Decree 58/98 (and the related implementing regulations) while not meeting those envisaged in the Corporate Governance Code as he is a senior official of the Ministry for the Economy and Finance, the Company’s controlling shareholder. The members of the Board of Auditors complied, in accordance with the provisions of Article 148-bis of Legislative Decree 58/98 and Articles 144-duodecies et seq. of the CONSOB Issuers Regulation, with the requirement to report any positions of administration and control held in Italian corporations and subsequent reporting of any updates. The disclosures provided indicate that the number of positions held by each member of the Board of Auditors are well below the limit imposed by CONSOB;
- since the listing of its shares, the Company has adopted specific rules, amended in 2006, for managing and processing confidential information and for the disclosure of company documentation and information; details on the application

of the rules are given in the report on corporate governance and ownership structure for 2009;

- the Company has also adopted a Code of Ethics that expresses the commitments and ethical responsibilities involved in the conduct of business, regulating and harmonizing corporate conduct in accordance with standards of maximum transparency and fairness with respect to all stakeholders; in September 2009 the Code was updated in the light of legislative and organizational changes;
- even after the voluntary delisting of the Company's American Depositary Shares (ADS) from the NYSE and the voluntary termination of the registration of the ADS with the SEC, the Company has continued to implement (albeit in simplified form) the procedures concerning the assessment and effective operation of the internal control system for financial reporting adopted previously pursuant to the provisions of the Sarbanes-Oxley Act ("SOA") in order to comply with the obligations established under Article 154 bis of the Consolidated Law on Financial Intermediation;
- with regard to the provisions of Legislative Decree 231 of June 8, 2001, since 2002 the Company has adopted a compliance program consistent with the guidelines established by industry associations and with international best practices. The program initially consisted of a "general part" and two separate "special parts" concerning (i) offences in relations with government, (ii) corporate offences and (iii) offences related to terrorism or the overthrow of the democratic order, (iv) offenses involving the degradation of the individual, (v) criminal and administrative offences involving market abuse and (vi) the offences of manslaughter and negligent personal injury committed in violation of workplace health and safety regulations. In June 2009, the general part and the special part concerning the offences of manslaughter and negligent personal injury committed in violation of workplace health and safety regulations were updated to take account of practical experience gained in application of the rules, court rulings and legislative amendments, and a new special part was approved

concerning offences involving receipt of stolen goods, money laundering, use of money, goods or benefits of unlawful provenance, which recent legislation added to the list of offences covered by the liability governed under Legislative Decree 231/2001. All criminal offences material to the activity of the Company and the Enel Group and currently covered by Legislative Decree 231/01 have been included in the compliance program in order to prevent their occurrence; in 2008 the supervisory body was transformed into a collegial body;

- we received periodic information from the supervisory body responsible for monitoring the operation of and compliance with the compliance model under Legislative Decree 231/01; in 2006 the Board of Directors adopted a "zero tolerance of corruption" plan, which does not supersede the Code of Ethics or the compliance program pursuant to Legislative Decree 231/2001, but rather complements them, incorporating the recommendations of Transparency International in this field;
- in 2009 the Board of Auditors issued no opinions pursuant to Article 2389.3 of the Civil Code concerning the contractual treatment of senior management; the Board issued two certifications pursuant to Article 2412, paragraphs 1 and 5, of the Civil Code concerning bond issues;
- the notes to the Company's financial statements, the report on operations and the report on corporate governance and shareholder structure contain a comprehensive discussion of the forms of remuneration in use and the fixed and variable compensation received by the Chairman, the Chief Executive Officer/General Manager and other directors in 2009 for their respective positions; the disclosures also concern long-term incentive plans (stock option and restricted share unit plans, with details on grant and vesting conditions). The design of these compensation instruments is in line with best practices, fully complying with the imperative to ensure a close link with Company performance and value creation, and their definition and the determination of the related

parameters is performed by the Compensation Committee, which is made up of a majority of independent directors;

- the Board of Auditors' oversight activity in 2009 was carried out in 17 meetings and with participation in the 20 meetings of the Board of Directors and 13 meetings held by the Internal Control Committee. The delegate of the State Audit Court participated in the meetings of the Board of Auditors.

During the course of this activity and on the basis of information obtained from KPMG SpA, no omissions, censurable facts, irregularities or other significant developments were found that would require reporting to the control bodies or mention in this report.

Based on the oversight activity performed and the information exchanged with the independent auditors KPMG SpA, we propose that you approve the financial statements for the year ended December 31, 2009 in conformity with the proposals of the Board of Directors.

Shareholders,

our term of office ends with the Shareholders' Meeting to which you have been called and, accordingly, we invite you to elect a new Board of Auditors.

Thank you for the confidence you have shown us during our service.

Rome, April 9, 2010

The Board of Auditors

## Annex

Pursuant to Article 144-quinquiesdecies of the Issuers Regulation adopted by CONSOB with Resolution no. 11971 of May 14, 1999 (as amended), the following list reports the positions held by each member of the Board of Auditors in the administrative and control bodies of Italian corporations, updated as of the date of this report.

- Franco Fontana – Chairman
  - 1) Chairman of the Board of Auditors of Enel SpA with term expiring on 25/5/2010;
  - 2) Chairman of the Board of Auditors of Polimeri Europa SpA with term expiring on 24/4/2010;
  - 3) Standing member of the Board of Auditors of STMicroelectronics Srl with term expiring on 9/5/2011;
  - 4) Chairman of the Board of Auditors of Messina Fuels SpA with term expiring on 11/7/2011;
  - 5) Standing member of the Board of Auditors of Essocard Srl with term expiring on 29/4/2011;
  - 6) Chairman of the Board of Auditors of Eniservizi SpA with term expiring on 16/4/2011;
  - 7) Chairman of the Board of Auditors of Thales Alenia Space Italia SpA with term expiring on 27/4/2010;
  - 8) Director of Energee 3 Srl with term expiring on 10/2/2012;
  - 9) Standing member of the Board of Auditors of ENI Adfin with term expiring on 24/4/2012;
  - 10) Chairman of the Board of Auditors of 'ENI Oil e non Oil' with term expiring on 7/4/2013.
- Number of positions held in Italian companies whose shares are listed on regulated markets in Italy or other European Union countries and in companies

issuing financial instruments that are widely held by the public pursuant to Article 116 of Legislative Decree 58/98: 1.

- Total number of positions held: 10.
  
- Carlo Conte – Standing member
  - 1) Standing member of the Board of Auditors of Enel SpA with term expiring on 25/5/2010;
  - 2) Chairman of the Board of Auditors of Grandi Stazioni SpA with term expiring on 5/7/2010;
  - 3) Chairman of the Board of Auditors of Fondi Immobiliari Italiani with term expiring on 23/3/2013;
  - 4) Chairman of the Board of Directors of Digint Srl with term expiring on 5/7/2010;
  - 5) Standing member of the Board of Auditors of CO GE MA SpA with term expiring on 3/5/2010;
  - 6) Chairman of the Board of Auditors of Deulemar Holding with term expiring on 11/12/2012;
  - 7) Chairman of the Board of Auditors of SNS Marina di Porticcio SpA with term expiring on 17/5/2012;
- Number of positions held in Italian companies whose shares are listed on regulated markets in Italy or other European Union countries and in companies issuing financial instruments that are widely held by the public pursuant to Article 116 of Legislative Decree 58/98: 1.
- Total number of positions held: 7.
  
- Gennaro Mariconda – Standing member
  - 1) Standing member of the Board of Auditors of Enel SpA with term expiring on 25/5/2010.
- Number of positions held in Italian companies whose shares are listed on regulated markets in Italy or other European Union countries and in companies

issuing financial instruments that are widely held by the public pursuant to Article 116 of Legislative Decree 58/98: 1.

- Total number of positions held: 1.