PRESS RELEASE

Media Relations

T +39 06 8305 5699
F +39 06 8305 3771
ufficiostampa@enel.com

enel.com

Investor Relations

T +39 06 8305 7975
F +39 06 8305 7940
investor.relations@enel.com

enel.com

ENEL SELLS MAJORITY STAKE IN 1.7 GW OF RENEWABLES PLANTS IN MEXICO

- *Agreements signed for the sale to CDPQ and CKD Infraestructura México, under a "Build, Sell and Operate" ("BSO") model, of 80% of the share capital of eight special purpose vehicles ("SPVs") that own plants in operation and under construction*

- *Enel will continue to operate the plants under engineering, procurement and construction ("EPC") contracts and long-term asset management agreements*

- *The transaction is worth 1.35 billion US dollars, of which a price of approx. 340 million US dollars for the sale of the majority interest in the SPVs and approx. 1,010 million US dollars for loans granted to the SPVs by CDPQ and CKD Infraestructura México*

- *Enel is continuing implementation of the BSO model announced in the 2017-2019 Strategic Plan*

Rome, October 9th, 2017 - Enel S.p.A. ("**Enel**"), acting through its renewables subsidiary Enel Green Power S.p.A. ("**EGP**"), today signed agreements with the Canadian institutional investor Caisse de dépot et placement du Québec ("**CDPQ**") and the investment vehicle of the leading Mexican pension funds CKD Infraestructura México S.A. de C.V. ("**CKD IM**") for the sale of 80% of the share capital of a newly formed Mexican holding company ("**Holdco**"), owner of the entire capital of eight special purpose vehicles ("**SPVs**"). The SPVs, currently owned by EGP through the subsidiary Enel Green Power México S.r.l. de C.V., in turn own three plants in operation and five under construction for a total capacity of 1.7 GW.

This agreement is a further step into the BSO (Build, Sell and Operate) model, that combined with EGP consolidated investments, will foster the growth of our renewables footprint" **Antonio Cammisecra**, Head of Enel Green Power, said. "*The new model represents an opportunity for partners willing to invest in a large and diversified portfolio of projects in strategic areas, supported by long-term power purchase agreements, with the plants developed, built and operated by Enel Green Power. This strategy enables us to further exploit our global pipeline of solar and wind projects whereby gain access to additional resources, accelerating our growth. By attracting solid long-term partners in this transaction, EGP confirms the strategic role that Mexico plays in its global presence. We are enthusiastic about the opportunities offered by the Mexican renewables market and it is our intention to continue to invest in the country where EGP will play an active role by managing operating assets and developing new initiatives".*

Under the agreements, EGP will continue to operate the plants owned by SPVs and will complete those still under construction by two newly formed subsidiaries. In addition, as from January 1st, 2020, EGP may transfer additional projects to Holdco. As a result of these possible transfers, it could therefore increase its interest in Holdco until it becomes the majority shareholder.

The transaction is worth 1.35 billion US dollars, of which a price of about 340 million US dollars for the sale of 80% of the Holdco's share capital and about 1,010 million US dollars for financing (related-party loans) granted to the SPVs by CDPQ-CKD. Taking into account the required investment for plants completion to be funded through project financing for approx. 0.9 billion US dollars as well as the related party loans for a total of 1.3 billion US dollars, a 100% valuation of Holdco's enterprise value will be equal to about 2.6 billion US dollars, with the equity value amounting to about 0.4 billion US dollars.

This transaction combines EGP's industrial know-how in business development, engineering & construction and operation & maintenance activities with the long-term investment strategy of CDPQ-CKD IM.

The closing of the transaction, subject to a number of pending ordinary conditions and receipt of the necessary authorisation from the Mexican antitrust authorities, is expected to occur by the end of 2017. The price will be paid at the closing, bearing in mind that the amount will be subject to a subsequent price adjustment normal for this type of transaction, based on variations of the net working capital of Holdco.

The transaction will enable the Enel Group as of the date of closing, to reduce its consolidated net debt by about 1.9 billion US dollars.

This transaction is being conducted using the Build, Sell and Operate *("*BSO"*)* model announced in the Group's 2017-2019 Strategic Plan. The use of the BSO model enables Enel to capitalise the pipeline of renewables projects more quickly, reducing overall risk and accelerating value creation.

The eight SPVs own a portfolio consisting of three plants already in operation (a total of 429 MW) and five projects under construction (a total of 1,283 MW), for an overall total of about 1.7 GW. Specifically, the portfolio consists of about 1 GW from the solar plants Villanueva I (427 MW), Villanueva III (327 MW) and Don José (238 MW) as well as about 0.7 GW from wind farms of Amistad (198 MW), Dominica (200 MW), Palo Alto (129 MW), Salitrillos (93 MW) and Vientos del Altiplano (100 MW). These plants hold long-term power purchase agreements ("PPAs").

Following the closing, in addition to continuing to operate the plants already in operation and those under construction, indicated above, Enel will retain, in Mexico, direct control of about 300 MW of capacity already installed, represented by the wind plants of Stipa Nayaa (74 MW), Zopiloapan (70 MW) and Sureste (102 MW), and the hydroelectric plants of El Gallo (30 MW), Chilatan (12 MW) and Trojes (8 MW), as well as the solar plant COP 16 (134 kW).