

COMPANY PROFILE**S.C. Enel Distributie Dobrogea S.A.****1. Identification**

Trade Registry number /	J13 /791 /2002
Fiscal number	14500308
Listed /unlisted	Unlisted
Sub-sector	Electricity distribution

2. General information

Controlling shareholder	Enel Investment Holding B.V.– 51.0030% ¹
Brief history	<p>In 2005, Enel Distribuzione S.p.A. purchased a stake of 24.62% in S.C. FDFEE Electrica Dobrogea S.A. (as a result of a novation contract of the privatisation agreement signed with Enel S.p.a.). At the same time, Enel Distribuzione S.p.A.increased its holding in the company up to 51% by way of share capital increase as stipulated in the privatisation agreement.²</p> <p>In 2006, S.C. FDFEE Electrica Dobrogea S.A. became Enel Electrica Dobrogea S.A.³</p> <p>S.C. Enel Distributie Dobrogea S.A. resulted from the separation of the distribution and supply activities of Enel Electrica Dobrogea S.A. in accordance with European regulation (Directive 2003/54/EC) and Romanian legislation (Electricity Law no.13/2007)⁴. The spin off process of Enel Electrica Dobrogea S.A.was finalized in July 2007 and the resulting electricity distribution company was subsequently renamed S.C. Enel Distributie Dobrogea S.A.³</p> <p>On 28 December 2009, the entire stake of Enel Distribuzione S.p.A. was transferred to Enel Investment Holding B.V.¹</p>
Description of main activity	Electricity distribution (NACE code 3513).
Other activities	Interconnection services (for both consumers and producers), electricity measurement services (installation and maintenance of power meters, reporting measurements). ³

¹ Directors' report 2009, 2010

² Extraordinary General Shareholders Meeting no 3/ 19 April 2005 published in the Official Gazette no 1612 /19 May 2005 & JPA Audit & Consultanta Valuation Report, October 2010 (valuation reference date 31 May 2010)

³ www.enel.ro – as of 25 November 2010

⁴ JPA Audit & Consultanta Valuation Report, October 2010 (valuation reference date 31 May 2010)

Organization structure Branches	The company is structured into 4 territorial units for electricity distribution headquartered in Constanta, Calarasi, Tulcea and Slobozia. ³
Management structure	Board of directors (7 members with a mandate of 4 years). Day-to-day management activities are delegated to 3 independent managers (general manager, financial director and acquisitions director). ⁴
Regulatory Institution	Romanian Energy Regulatory Authority (ANRE)
Subsidiaries	S.C. Enel Servicii Comune S.A. – 50% ⁴ S.C. Enel Servicii Comune S.A. provides the following services: management, finance & control, ITC, human resources, communication, acquisitions, facility management and general services. ⁴

3. Operational information

Quantitative information	Total electricity distributed in 2010 was of approximately 3,479 GWh as compared to the level recorded in 2009 of 3,349 GWh. ⁵		
	During the last two years, the company distributed electricity as per the category of final consumers: ⁵		
	- GWh –	2009	2010
	Captive	1,855	1,726
	Eligible	1,494	1,754
	TOTAL	3,349	3,479
	The turnover and power distribution revenues of the company for the 2009-2010 period is presented in the following table: ⁶		
	- Lei -	2009	2010
	Turnover, out of which	391,464,506	407,967,280
	Electricity distribution	365,843,532	383,697,765
	The structure of total operating expenses with it main components for the last two years is enclosed in the following table: ⁷		
	- Lei -	2009	2010
	Total operating expenses, out of which:	322,169,853	337,944,174
	Electricity cost	108,242,078	107,439,822
	Expenses with third party services	78,962,225	74,284,108
	Personnel expenses	68,468,092	74,505,430
	Tariff setting components and overall description of		
	Electricity distribution is regulated using the “tariffs basket cap” methodology approved by ANRE Order no. 31/2004, which was		

⁵ Directors’ reports 2009 & 2010

⁶ Notes to the financial statements 2009 & 2010

⁷ Notes to the financial statements 2010

regulatory framework	<p>replaced by ANRE Order no. 39/2007 (amended by Order no 24/2010). The distribution tariffs are set on voltage levels (high, medium or low).⁸</p> <p>The regulated tariffs for distribution services approved by ANRE for S.C. Enel Distributie Dobrogea S.A., for the 2009 – 2011 period, as per voltage category, are enclosed in the table below:⁹</p> <table><tr><td>- Lei / MWh -</td><td>2009</td><td>2010</td><td>2011</td></tr><tr><td>High voltage</td><td>21.00</td><td>21.00</td><td>21.00</td></tr><tr><td>Medium voltage*</td><td>42.00</td><td>42.00</td><td>42.00</td></tr><tr><td>Low voltage**</td><td>107.69</td><td>112.67</td><td>123.72</td></tr></table> <p>Notes: *For medium voltage, the actual tariff for the consumer is calculated by summing up the high and medium voltage tariffs set by ANRE as electricity has to pass through high and medium voltage lines to reach its destination</p> <p>** For low voltage, the actual tariff for the consumer is calculated by summing up the high, medium and low voltage tariffs as electricity has to pass through high, medium and low voltage lines to reach its destination</p> <p>In 2009 and 2010, the company distributed electricity at the following average tariffs:⁵</p> <table><tr><td>- Lei / MWh -</td><td>2009</td><td>2010</td></tr><tr><td>Captive</td><td>150.67</td><td>160.01</td></tr><tr><td>Eligible</td><td>44.34</td><td>49.55</td></tr><tr><td>Overall average</td><td>103.24</td><td>104.34</td></tr></table> <p>Presently, the agreed rate of return on regulated assets for privately controlled main power distributors is of 10% for the 2008 – 2012 period. For the 2005 – 2007 period the rate stood at 12%.¹⁰</p>	- Lei / MWh -	2009	2010	2011	High voltage	21.00	21.00	21.00	Medium voltage*	42.00	42.00	42.00	Low voltage**	107.69	112.67	123.72	- Lei / MWh -	2009	2010	Captive	150.67	160.01	Eligible	44.34	49.55	Overall average	103.24	104.34
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Network details	<p>4 territorial units providing services for the following counties: Constanta, Calarasi, Tulcea and Ialomita⁴, benefiting from a concession right on distribution services for these areas (49 years) granted by the Ministry of Economy in April 2005.⁷</p> <p>The main facts and figures of the company’s distribution network are as follows:³</p> <ul style="list-style-type: none">• 142 transformer stations• 5,081 transformer posts• 7,132.5 MVA power in transformer stations and posts• 35,066 km network out of which 21,993 km low voltage lines, 10,895 km medium voltage lines, 2,178 km high voltage lines																												
Information about the investment plans ³	<p>Enel is currently implementing a 5-year investment plan amounting to EUR 700 million for the modernization of the infrastructure in Banat, Dobrogea and Muntenia Sud, which is to improve the quality of the</p>																												

⁸ ANRE Order no. 31/2004, ANRE Order no. 39/2007, www.anre.ro – as of 25 November, 2010

⁹ ANRE Orders no 130/ 2008, no 100/ 2009 and no 889/2010 setting the 2009, 2010 and 2011 distribution tariffs

¹⁰ ANRE Order no 39 / 2007

	distribution service. During the 2010 – 2012 period, most of the investments will be concentrated on the modernization of the Bucharest network, where the company plans to introduce the Telecontrol technology, modernize power stations and transformer posts and, also, replace power lines.
Major contracts / Main clients	According to 2010 figures, the company's main client was a related party, Enel Energie S.A. (accounting for revenues of Lei 325.18 million as compared to net turnover amounting to Lei 407.97 million). ⁷ Enel Distributie Dobrogea provided in 2010 distribution services to approx. 612 thousands end consumers. ¹
Main suppliers	Some of the main suppliers of the company are related parties: e.g. Electrica Serv, Enel Energie. ⁷

4. Selected Financial Information

Indicators:	2008 (Lei mn)	2009 (Lei mn)	2010 (Lei mn)
Fixed assets	757.31	841.67	1,100.22
Current assets, out of which:	293.40	356.47	400.22
Cash and current account	186.44	228.35	265.75
Total assets	1,051.35	1,198.76	1,501.06
Equity	704.61	806.62	907.59
Long term liabilities	0.00	0.00	0.00
Current liabilities, out of which:	134.82	158.31	309.26
Short term financial debt	0.00	0.00	0.00
Deferred revenue, out of which:	127.15	155.81	201.62
Investment subsidies	127.15	155.81	201.62
Turnover	384.63	391.46	407.97
Operational expenses	340.05	322.17	337.94
Operational profit/loss	57.60	85.02	107.18
EBITDA*)	102.91	132.97	147.63
Interest expenses	0.00	0.00	0.00
Net Profit/ loss	63.65	92.08	99.65
Average staff number	1,153	1,084	1,036

*) Note: EBITDA is calculated as Operational result + Depreciation – Other operational revenues + Expenses with indemnifications donations and assets sold

Information about the financial statements	2008	2009	2010
Bases of preparation: IFRS/RAS	RAS	RAS	RAS
audited/ un-audited	Audited by KMPG Audit SRL	Audited by KMPG Audit SRL	Audited by KPMG Audit SRL

5. Share capital information

No of shares as of 31 December 2010	28,028,556 shares		
Nominal value /share	Lei 10 / share		
Total share capital as of 31 December 2009:	Lei 280,285,560		
Shareholding structure as of 31 December 2009	Enel Investment Holding B.V.	51.0030%	
	S.C. Electrica S.A.	24.9033%	
	S.C. Fondul Proprietatea S.A.	24.0937%	

6. Other information – Transactions with related parties (2010 figures)⁷

Receivables	Lei 93.48 million as compared to total receivables of Lei 115.14 million; mainly refer to distribution services provided by the company
Liabilities	Lei 103.77 million as compared to total liabilities of Lei 309.26 million; mainly refer to advisory and support services provided by group companies, equipment acquisitions
Revenues	Lei 331.34 million as compared to net turnover of Lei 407.97 million
Expenses	Lei 115.41 million as compared to total operating expenses of Lei 337.94 million

Related parties: e.g. Enel Energie, Enel Servicii Comune, Enel Romania