

1. Identification

Trade Registry number /	J35 /274 /2002
Fiscal number	14490379
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 Banat 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 Banat S.A. became Enel Electrica Banat S.A.³</p> <p>S.C. Enel Distributie Banat S.A. resulted from the separation of the distribution and supply activities of Enel Electrica Banat 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 Banat S.A. was finalized in July 2007 and the resulting electricity distribution company was subsequently renamed S.C. Enel Distributie Banat 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
Organization structure	The company is structured into 4 territorial units for electricity

¹ Directors' report 2009

² Extraordinary General Shareholders Meeting no 7/ 19 April 2005 published in the Official Gazette no 1799 /2 June 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)

Branches	distribution headquartered in Arad, Deva, Resita and Timisoara. ³
Management structure	Board of directors (7 members with a mandate of 4 years). Day-to-day management activities are delegated to 3 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% ⁵ S.C. Enel Servicii Comune S.A. provides the following services: management, finance & control, ITC, human resources, communication, acquisitions, facility management and general services. ⁵

3. Operational information

Quantitative information	<p>Total electricity distributed by the company in 2010 amounted to approximately 4,078 GWh as compared to the level recorded in 2009 of 3,858 GWh.⁶</p> <p>During the last two years, the company distributed electricity as per the category of final consumers:⁶</p> <table border="1"> <thead> <tr> <th>- GWh –</th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Captive</td> <td>2,288</td> <td>2,155</td> </tr> <tr> <td>Eligible</td> <td>1,570</td> <td>1,923</td> </tr> <tr> <td>TOTAL</td> <td>3,858</td> <td>4,078</td> </tr> </tbody> </table> <p>The turnover and power distribution revenues of the company for the 2009-2010 period is presented in the following table:⁷</p> <table border="1"> <thead> <tr> <th>- Lei -</th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Turnover, out of which</td> <td>526.409.313</td> <td>556.038.864</td> </tr> <tr> <td>Electricity distribution</td> <td>457.035.995</td> <td>490.466.600</td> </tr> </tbody> </table> <p>The structure of total operating expenses with its main components for the last two years is enclosed in the following table:⁵</p> <table border="1"> <thead> <tr> <th>- Lei -</th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Total operating expenses, out of which:</td> <td>407,401,305</td> <td>433,555,976</td> </tr> <tr> <td>Electricity cost</td> <td>131,517,099</td> <td>122,991,082</td> </tr> <tr> <td>Expenses with third party services</td> <td>99,278,606</td> <td>91,759,916</td> </tr> <tr> <td>Personnel expenses</td> <td>81,972,193</td> <td>87,595,270</td> </tr> </tbody> </table>	- GWh –	2009	2010	Captive	2,288	2,155	Eligible	1,570	1,923	TOTAL	3,858	4,078	- Lei -	2009	2010	Turnover, out of which	526.409.313	556.038.864	Electricity distribution	457.035.995	490.466.600	- Lei -	2009	2010	Total operating expenses, out of which:	407,401,305	433,555,976	Electricity cost	131,517,099	122,991,082	Expenses with third party services	99,278,606	91,759,916	Personnel expenses	81,972,193	87,595,270
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Tariff setting components and overall description of regulatory framework	<p>Electricity distribution is regulated using the “tariffs basket cap” methodology approved by ANRE Order no. 31/2004, which was 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</p>																																				

⁵ Notes to the financial statements 2009, 2010

⁶ Directors' reports 2009 & 2010

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S.C. Enel Distribuție Banat S.A., for the 2009 – 2011 period, as per voltage category, are enclosed in the table below:⁹

- Lei / MWh -	2009	2010	2011
High voltage	21.00	21.00	21.00
Medium voltage*	42.00	42.00	42.00
Low voltage**	115.05	126.28	122.66

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

** 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

In 2009 and 2010, the company distributed electricity at the following average tariffs:⁶

- Lei / MWh -	2009	2010
Captive	158.92	170.89
Eligible	60.28	63.53
Overall average	118.46	120.26

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

Network details

4 territorial units providing services for the following counties: Arad, Hunedoara, Caras-Severin and Timis³, benefiting from a concession right on distribution services for these areas (49 years) granted by the Ministry of Economy in April 2005.⁵

The main facts and figures of the company's distribution network are as follows:⁴

- 98 transformer stations
- 7,286 transformer posts
- 6,611.96 MVA power in transformer stations and posts
- 41,338 km network out of which 26,885 km low voltage lines, 12,466 km medium voltage lines, 1,987 km high voltage lines

Information about the investment plans⁴

Enel is currently implementing a 5-year investment plan amounting to 700 million EUR for the modernization of the infrastructure in Banat, Dobrogea and Muntenia Sud, which is aimed at improving the quality of the 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

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

	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 439.69 million as compared to net turnover amounting to Lei 556.03 million). ⁵ Enel Distributie Banat provided in 2010 distribution services to approx. 856 thousands end consumers. ¹
Main suppliers	Some of the main suppliers of the company are related parties: e.g. Enel Servicii Comune, Enel Romania. ⁵

4. Selected Financial Information

Indicators:	2008 (Lei mn)	2009 (Lei mn)	2010(Lei mn)
Fixed assets	1,015.12	1,072.28	1,288.08
Current assets, out of which:	413.58	561.04	642.22
Cash and current account	273.14	400.22	462.19
Total assets	1,428.75	1,633.37	1,931.03
Equity	999.90	1,152.47	1,312.69
Long term liabilities	0.00	0.00	0.00
Current liabilities, out of which:	156.13	171.32	253.81
Short term financial debt	0.00	0.00	0.00
Turnover	506.78	526.41	556.04
Operational expenses	418.22	407.40	433.56
Operational profit/loss	106.93	140.25	159.72
EBITDA*)	169.53	203.30	223.25
Interest expenses	0.00	0.00	0.00
Net Profit/ loss	114.88	150.65	148.43
Average staff number	1,382	1,313	1,273

*) 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
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Bases of preparation: IFRS/RAS	RAS	RAS	RAS
audited/ un-audited	Audited by KPMG Audit SRL	Audited by KPMG Audit SRL	Audited by KPMG Audit SRL

5.Share capital information

No of shares as of 31 December 2009	38,215,858 shares		
Nominal value /share	Lei 10 / share		
Total share capital as of 31 December 2009:	Lei 382,158,580		
Shareholding structure as of 31 December 2009	Enel Investment Holding B.V.	51.0030%	
	S.C. Electrica S.A.	24.8692%	
	S.C. Fondul Proprietatea S.A.	24.1278%	

6. Other information – Transactions with related parties (2010 figures)⁵

Receivables	Lei 147.18 million as compared to total receivables of Lei 170.59 million; mainly refer to distribution services provided by the company
Liabilities	Lei 97..8 million as compared to total liabilities of Lei 253.81 million; mainly refer to advisory and support services provided by group companies, equipment acquisitions
Revenues	Lei 449.02 million as compared to net turnover of Lei 556.04 million
Expenses	Lei 141.28 million as compared to total operating expenses of Lei 433.56 million

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