

26 | 02 | 2010

endesa2009results

12M RESULTS



Growth in operating results in all businesses

€M	2009	2008	Change
Revenues	25,692	22,836	+13%
Gross margin	11,215	10,320	+9%
EBITDA	7,228	6,895	+5%
Spain&Portugal&Others⁽¹⁾	4,060	3,927	+3%
Endesa Latin America	3,168	2,968	+7%
EBIT	5,052	5,234	-3%
Net finance expenses	984	1,016	-3%
Net attributable income	3,430	7,169	-52%
Net attributable income from ongoing activities⁽²⁾	2,395	2,371	+1%

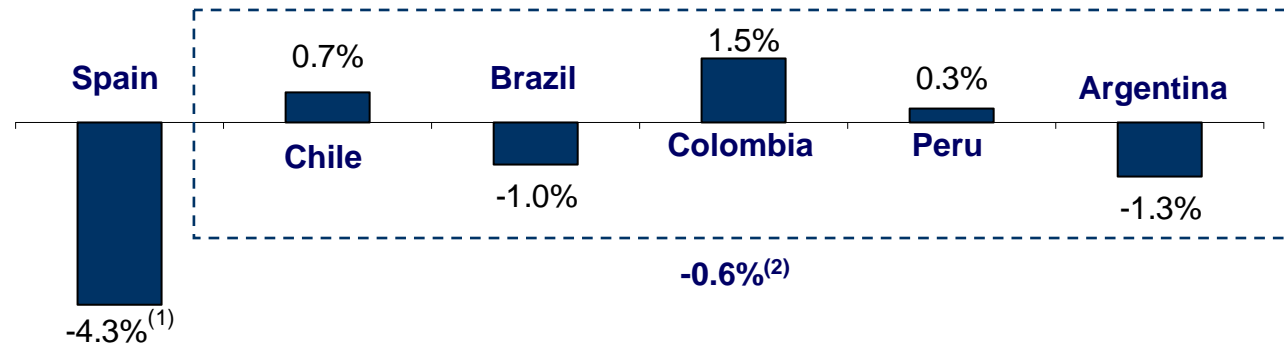
(1) Includes other businesses (mainly Endesa Ireland, Endesa Hellas & trading activities in Europe)

(2) Stripping out the net capital gains from assets sold to Acciona in 2009 (€1,035 M). Assets sold to E.On were not included as ongoing activities in 2008

Results achieved in a challenging environment

Negative demand growth in Spain and slowdown in Latin America

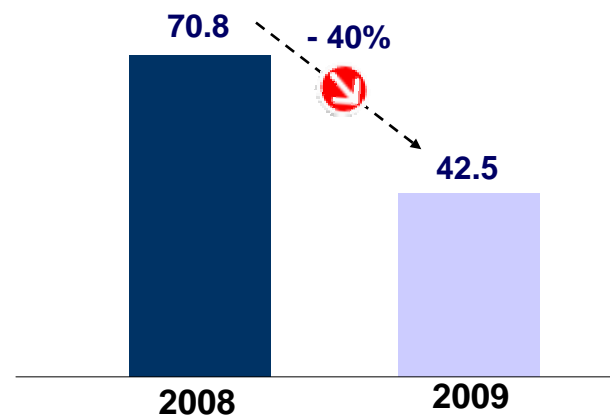
Demand by country: 2009 vs. 2008



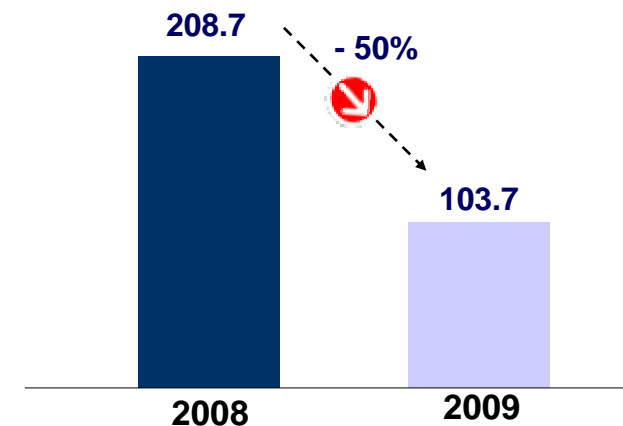
Sharp decline in electricity wholesale prices

Main spot electricity prices

Average pool price Spain (€/MWh) ⁽³⁾



Average spot price Chile (US\$/MWh)

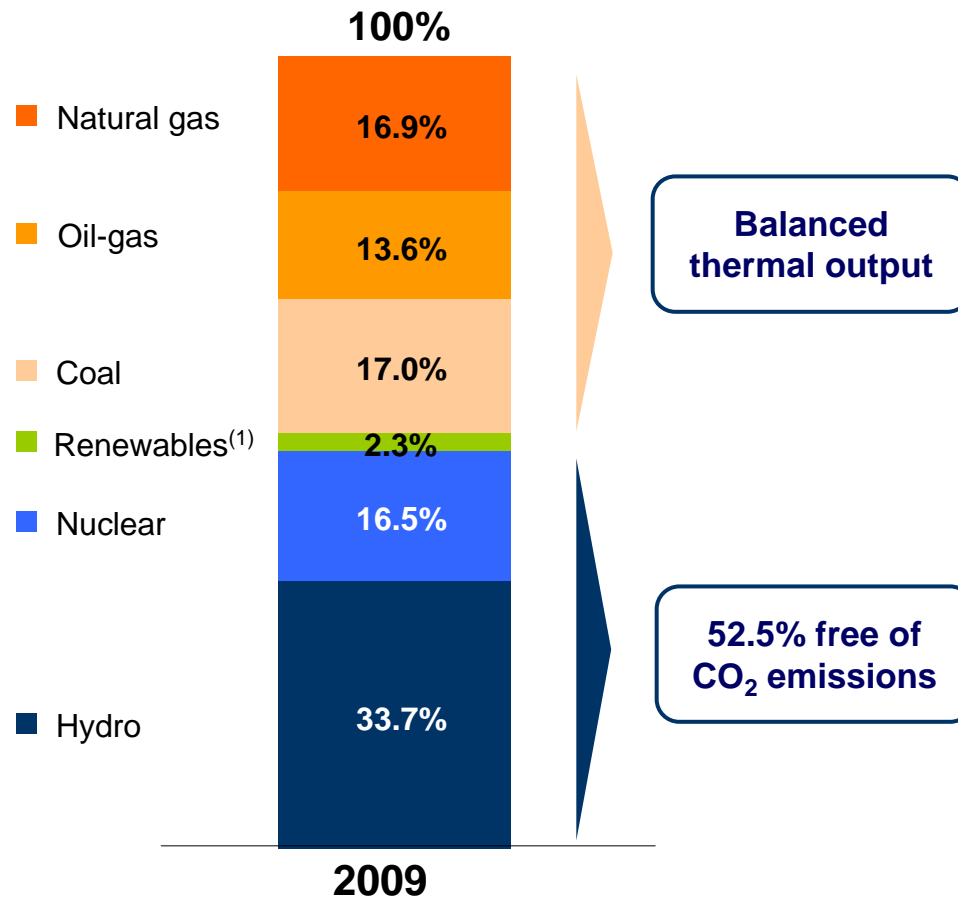


(1) Corrected by working days and temperature effects. Otherwise decline would be 4.6%. Source REE

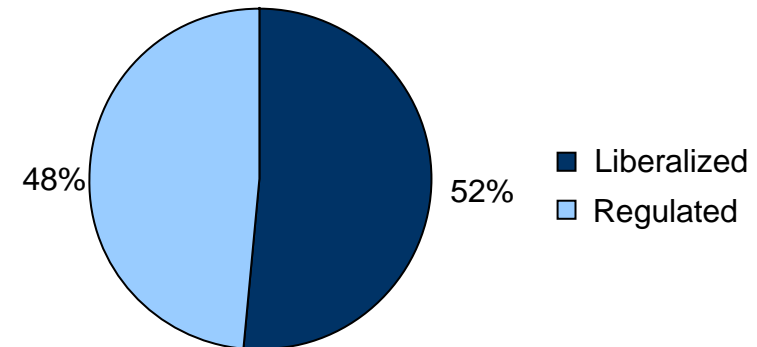
(2) Countries where Endesa operates weighted by TWh (3) Includes capacity payments and ancillary services

Result drivers: robust business platform

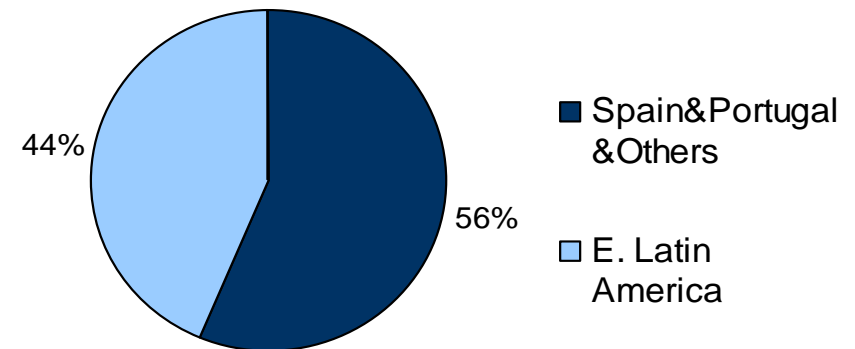
Balanced and competitive generation mix (total output 137 TWh)



Business profile (EBITDA 2009: €7,228 M)



Geographic diversification (EBITDA 2009: €7,228 M)



(1) Includes special regime in Spain and renewables in Latin America

Result drivers: leading position in supply to final customers and consistent energy management strategy

Spain&Portugal 2009

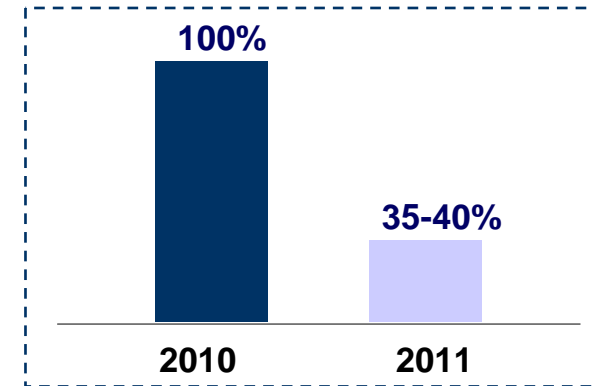
- Excellent position in supply market
- Higher wholesale purchases at lower prices
- Better generation mix lowers variable fuel costs

Latin America 2009

- Medium term contracts between generators and distributors
- More competitive generation mix
- Tariff revisions: >90% of distribution EBITDA with fixed tariff for next 3-4 years

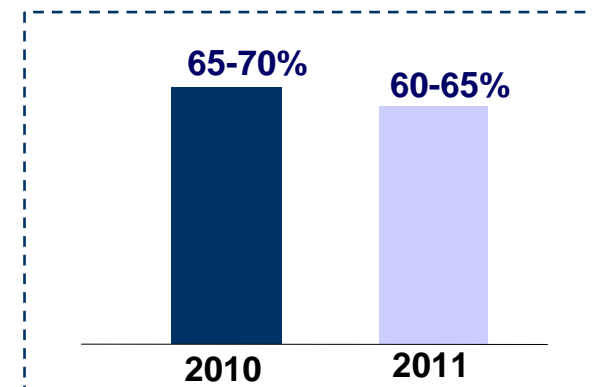
Spain&Portugal 2010-2011

(% estimated mainland output already committed)



Latin America 2010-2011

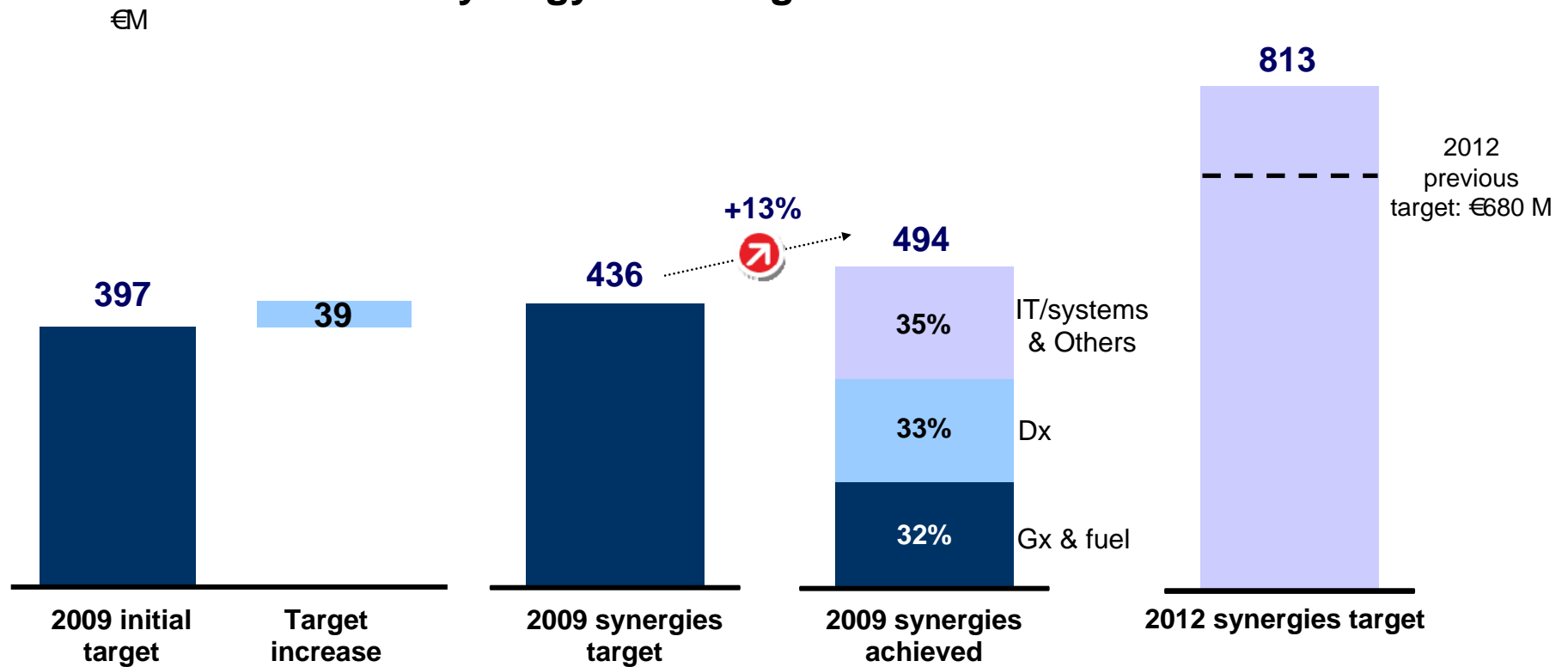
(% estimated output already committed)



Consistent strategy in 2010 as 2009 market conditions are expected to continue

Result drivers: continuous focus on efficiency improvements

Synergy Plan: target exceeded in 2009



- 113% of new synergy target for 2009 achieved
- 61% of 2012 target already achieved

Result drivers: continuous focus on efficiency improvements

Optimization of distribution activities in Spain

O&M reduction & CAPEX optimization

- Digital metering project with Enel
- Best practice sharing with Enel
- Procurement optimization with Enel

Cost efficiency

- Process and equipment standardization
- Economies of scale

Structure optimization

- Simplifying current organization
- Implementation of current workforce voluntary exit agreement signed in 2000

**€298 M provision for structure optimization mainly in Distribution in Spain
included in 4Q 2009 Results**

Regulatory environment in Spain

Recent regulatory milestones:

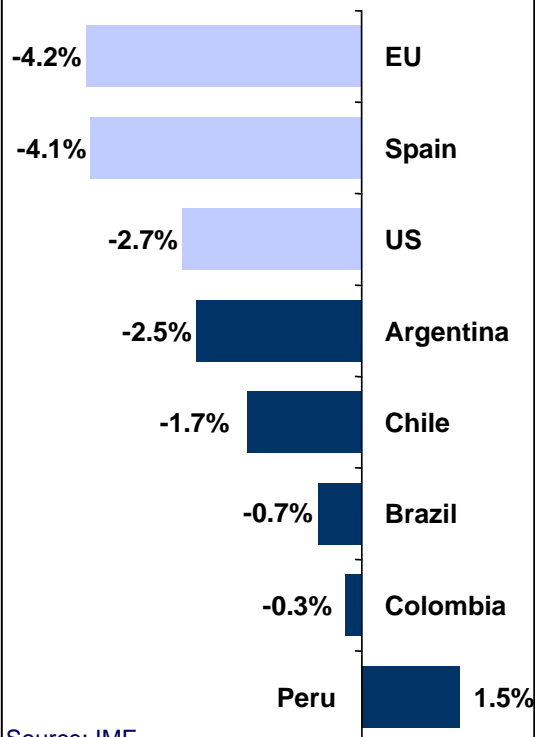
- RDL 6/2009:
 - Set ground for ending deficit generation in 2013 allowing the securitization of historic deficits
 - Social bond
 - Derogation of RDL 11/2007 (“claw-back”)
- Liberalization completed since July 1st - Last resource tariff
- 2010 tariff increase: +14.5% in third party access
- Domestic coal

Latin America: strong performance in 2009

Region resilient to current economic crisis, and...

...stable regulation, better generation environment along with organic growth...

Expected % GDP 2009 vs. 2008

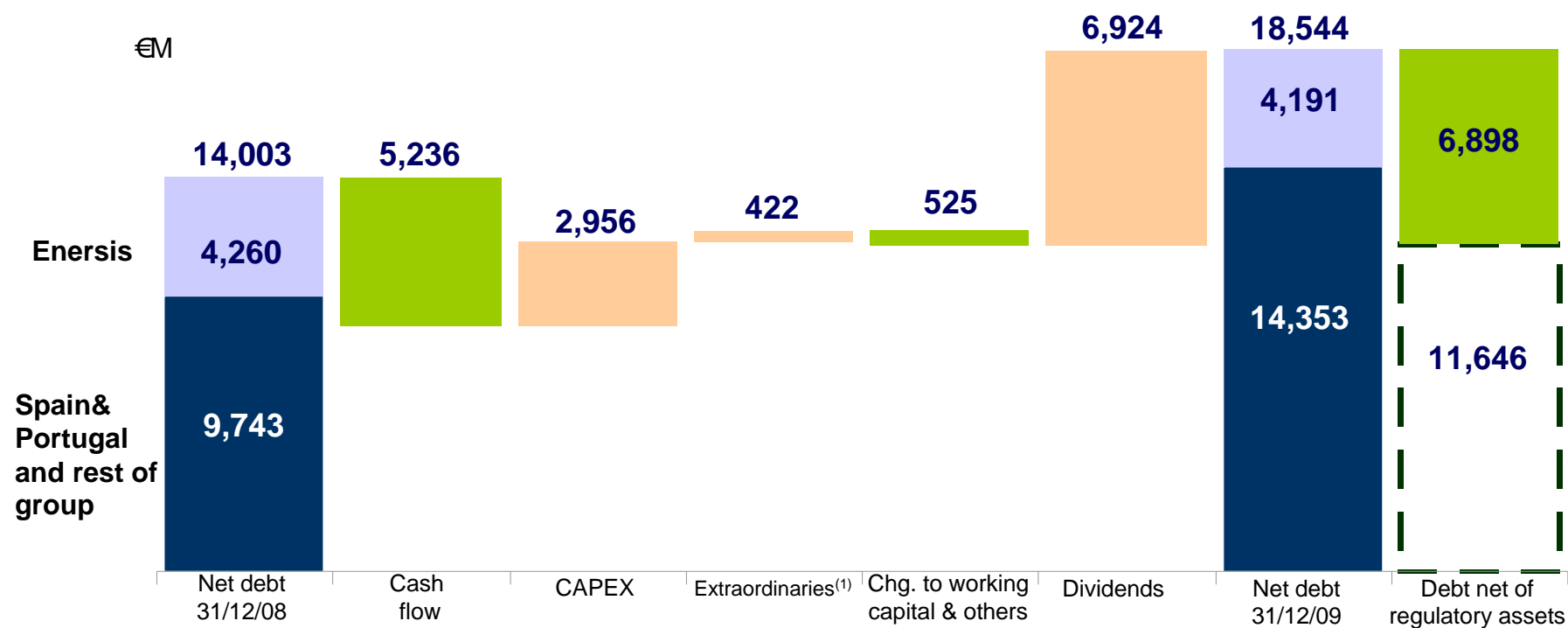


- Stable regulatory environment
- Tariff reviews completed in 5 of our 6 distribution companies (>90% EBITDA)
- Improved generation margin due to higher hydro (60% of mix) and higher gas availability
- Organic growth in our areas add 400,000 new customers annually
- 569 MW of new capacity added in 2009

...lead to strong performance in Latin American business (2009 EBITDA +7%) despite negative FX impact

A sound financial position

Net debt evolution in 2009



	31/12/08	31/12/09
Net debt/EBITDA	2.0	2.6
Leverage (Net debt/Equity)	0.7	1.0

(1) Includes 2009 deficit (€1,905 M), change in consolidation scope: ECYR (€474 M), Portugal (€167 M), Latin America (-€42 M), Endesa Hellas (-€5 M), exchange rate differences (€302 M), financial capex (€687 M) and disposals (€3,066 M).

spain&portugal&others2009

12M RESULTS



Highlights

- **Historic drop in demand (-4.3%⁽¹⁾) and wholesale prices (-40%, €42.5/MWh)**
- **Leading position in Spanish liberalized supply market (42% market share)**
- **Liberalized gross margin +20% due to effective energy management. Positive impact of CO₂ clawback elimination from 1 July**
- **4Q 09 EBITDA includes €298M provisions for efficiency plans**

(1) Corrected for working days and temperature effects. Otherwise decline would be 4.6%. Source REE

Operating income⁽¹⁾ growth despite complicated backdrop

€M	2009	2008	Change
Revenues	17,473	14,482	+21%
Gross margin	6,981	6,324	+10%
EBITDA⁽²⁾	4,060	3,927	+3%
EBIT⁽³⁾	2,555	2,826	-10%
Net finance expenses⁽⁴⁾	535	498	+7%
Net attributable income	2,759	2,209	+25%
Net attributable income from ongoing activities⁽⁵⁾	1,724	1,865	-8%

(1) P&L includes other businesses (mainly Endesa Ireland, Endesa Hellas & trading activities in Europe)

(2) Includes € 298M provisions for efficiency plan and other non homogeneous costs (see slide 17)

(3) Depreciation and amortisation charges were higher due to: restatement of ECYR (€43 M), correction of goodwill for renewable assets (€82 M) and worsening of CO₂ portfolio (€37 M)

(4) Net finance expense increased due to the impact of interest rates on risk provisions recorded at present value, mainly early retirement programmes (EREs) (- €197 M in 2009 vs. - €28M in 2008). Like-for-like -28%

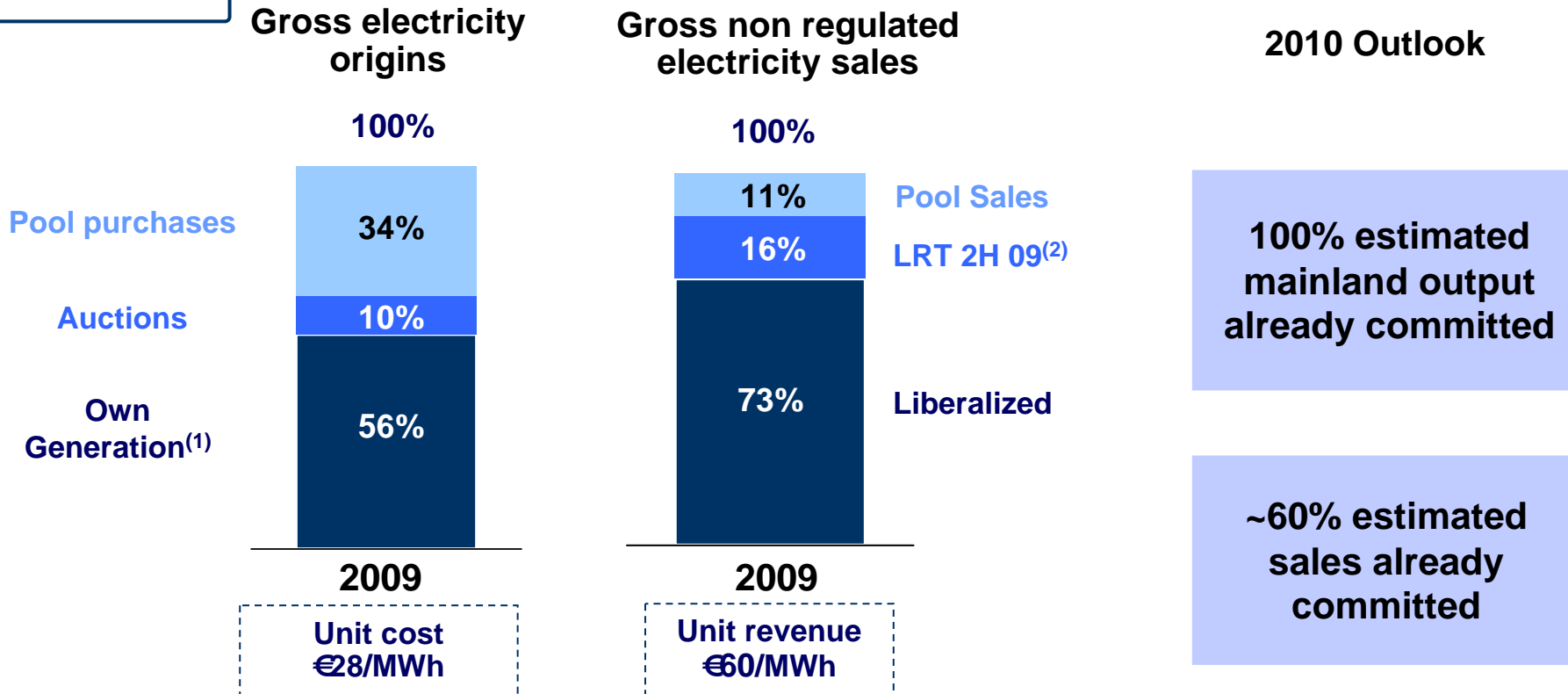
(5) Excluding net capital gains from assets sold to Acciona in 2009 (€1,035 M). Assets sold to E.On were not included as ongoing activities in 2008

Gross margin grew in both, liberalized and regulated businesses



25% increase in electricity liberalized unit margin

Liberalized business Iberia



2009

Unit cost
€28/MWh

2009

Unit revenue
€60/MWh

- Resilient energy selling price
- Competitive energy cost



- 25% increase in electricity unit margin to €32/MWh

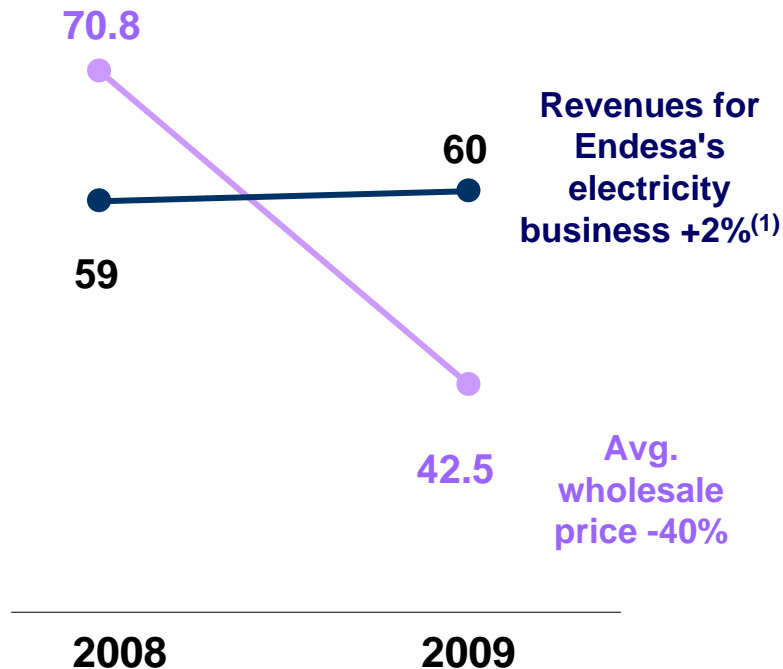
(1) Mainland ordinary regime generation

(2) LRT: last resource tariff, not considered in calculations for unit revenue, cost and margin data

Resilient energy price despite decline in wholesale prices

Liberalized
business Iberia

Unit price evolution
(€/MWh)



Solid position in supply to
final customers

- Sales to liberalized final customers increased 39% to 63.5 TWh⁽²⁾
- 54% lower sales to wholesale market
- Leader in supply (42% market share, 2nd player 26%)
- Average life of contracts: 16.6 months (high & medium voltage)
- Lower claw-back effect in revenues

Supply business provides good protection against price declines

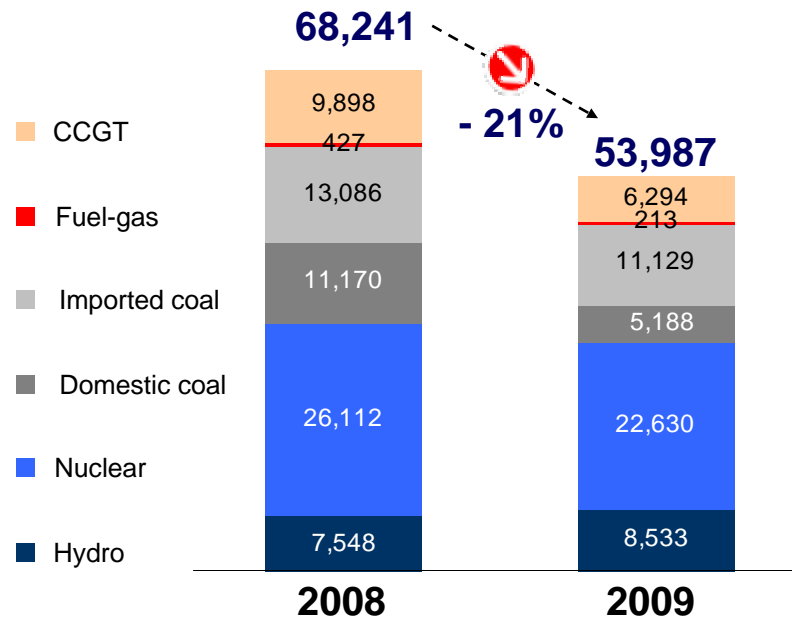
(1) Includes ancillary services and capacity payments

(2) Includes liberalized customers with power > 10 KW supplied by Last Resource Supplier (~ 6.5 TWh)

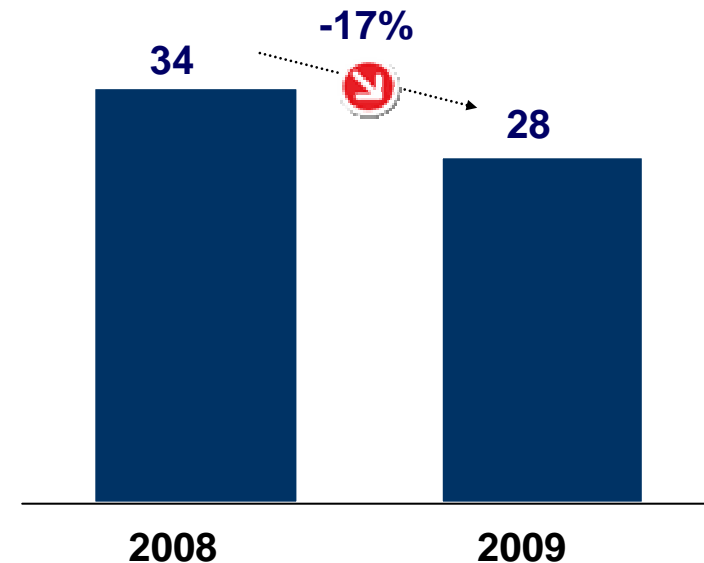
Competitive Energy Cost

Liberalized
business Iberia

Ordinary regime output GWh ⁽¹⁾



Variable unit costs⁽²⁾ for Endesa's electricity business (€/MWh)



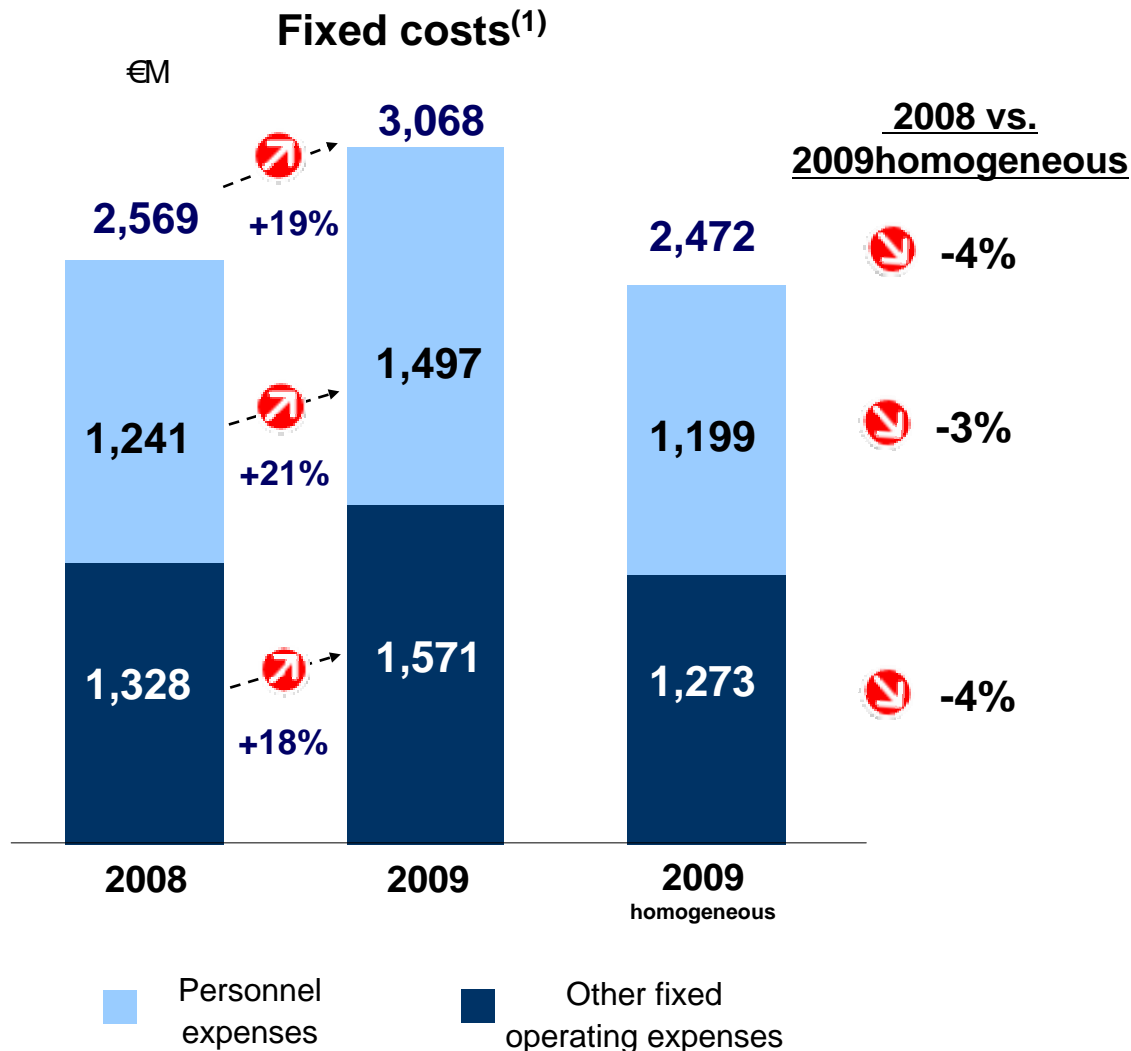
- **Lower fuel cost:**
 - Hydro + nuclear 58% (vs. 33% rest of sector)
 - Lower commodity prices: Unit fuel cost in ordinary regime down 13% to €19.4/MWh
- Lower price in energy purchases: unit cost decline 47% to €34/MWh

- 17% reduction in electricity variable unit cost to €28/MWh

(1) Does not include Tejo in Portugal

(2) Includes costs for fuel, energy purchases, auctions, CO₂ and others

Fixed costs: increase due to one-off items



Main non homogeneous items 2009 vs. 2008:

- Provision for voluntary workforce reduction €298 M
- Nuclear revisions €72 M
- Corporate cost allocation €60 M
- Market liberalization €42 M
- Ireland O&M consolidation €34 M
- Dx claims & others €32 M
- Shut down San Adria €13M
- Others €45 M

(1) Does not include "Work performed by the entity and capitalized"

Operating efficiency plan setting ground for future growth

	Provision 4Q 09	Estimated annual savings (2014e)
Distribution Spain	€240 M	~ €95 M
Commercial services Spain	€37 M	~ €15 M
Others (Spain & Ireland)	€21 M	~ €14 M
	€298 M	~ €124 M

Implementation of current workforce voluntary exit agreement signed in 2000

latin america2009

12M RESULTS



Highlights

- **Growth in electricity output (+3.4%) and distribution sales (+1.5%)**
- **Higher generation margin due to higher hydro (60% of mix) and higher gas availability resulting in lower fuel and power purchase costs**
- **Negative impact of currency translation (€91 M in EBITDA)**
- **>90% of distribution EBITDA with fixed tariff for next 3-4 years**
- **Asset reorganization and sale of non core assets**

Solid growth at operating level and net income in local currency

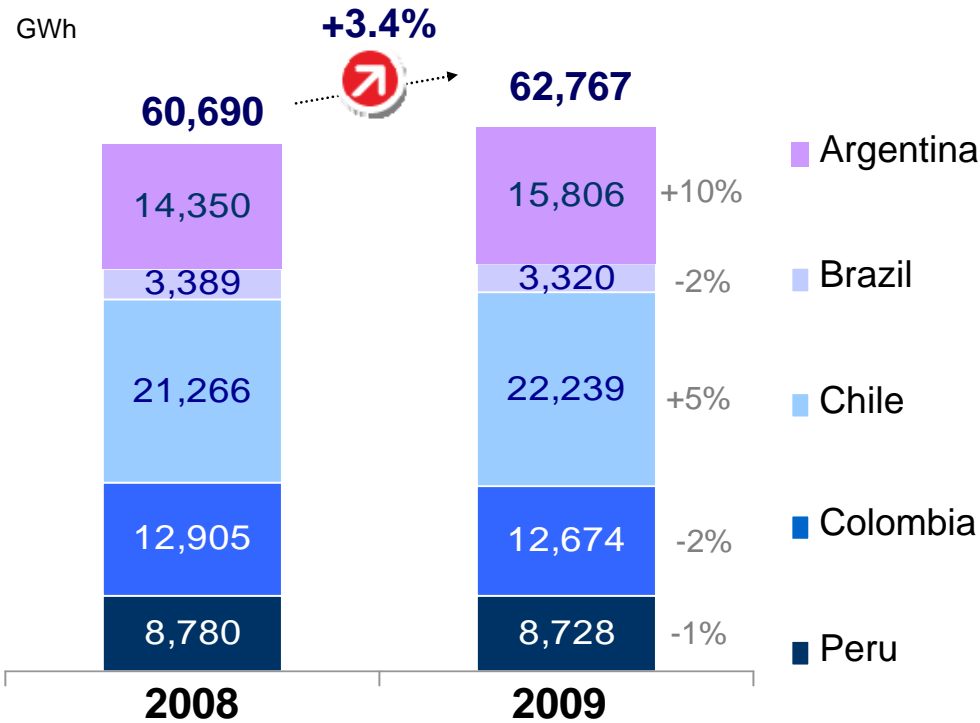
€M	2009	2008	Change
Revenues	8,219	8,354	-2%
Gross margin	4,234	3,996	+6%
EBITDA	3,168	2,968	+7%
EBIT	2,497	2,408	+4%
Net finance expenses⁽¹⁾	449	518	-13%
Net income	1,592	1,343	+19%
Net attributable income	671	506	+33%

- **EBITDA grew 10% in local currency**
- **€504 M of attributable EBITDA comes from direct holdings**
- **Net attributable income includes €83 M gains from non core asset disposals and a one-off item for €86 M**

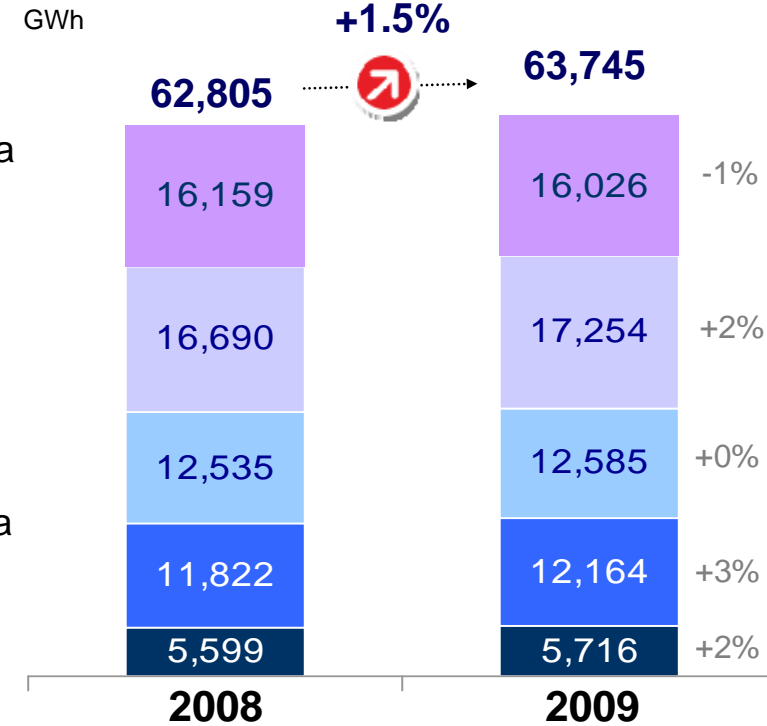
(1) Decrease in net finance expense due to the sharp drop in the average cost of debt (263 bp), higher financial revenue due to the rise in cash flow and the lower value of "Unidades de Fomento" in Chile due to deflation

Growth in electricity output and distribution sales

Generation Output

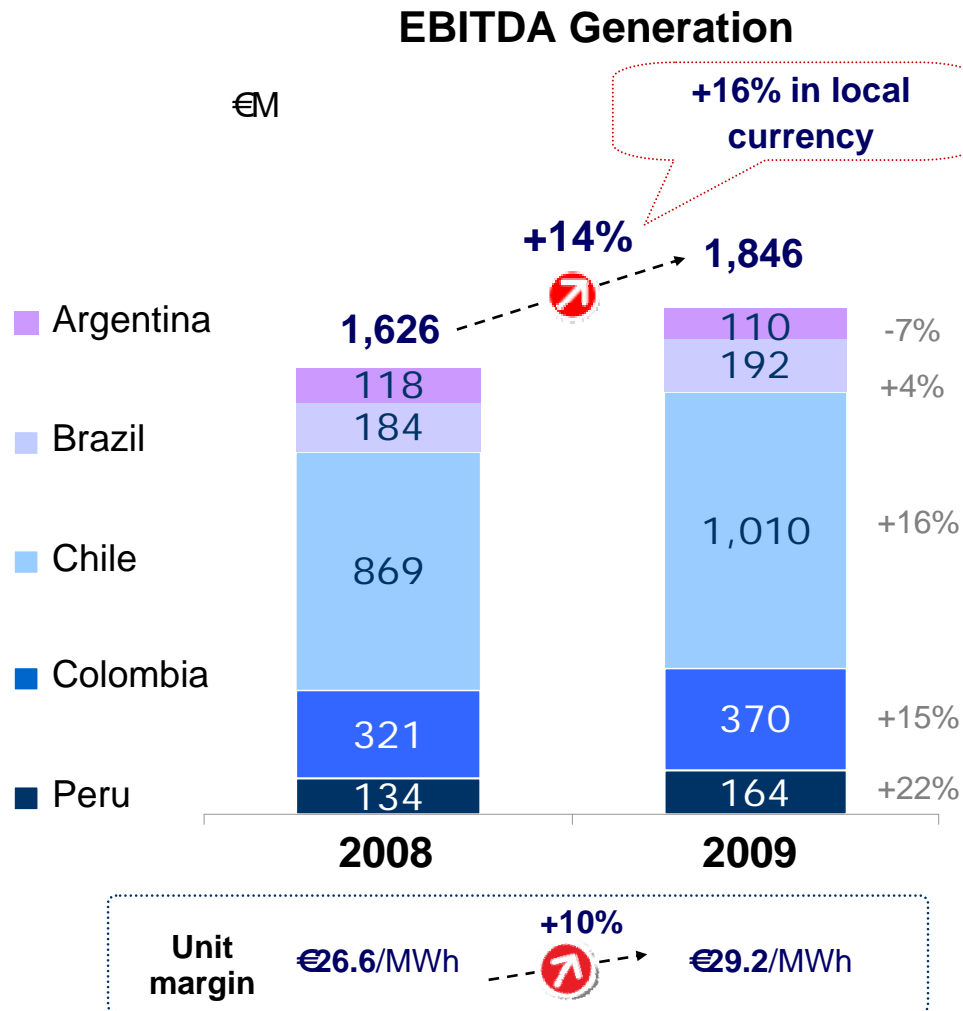


Distribution Sales



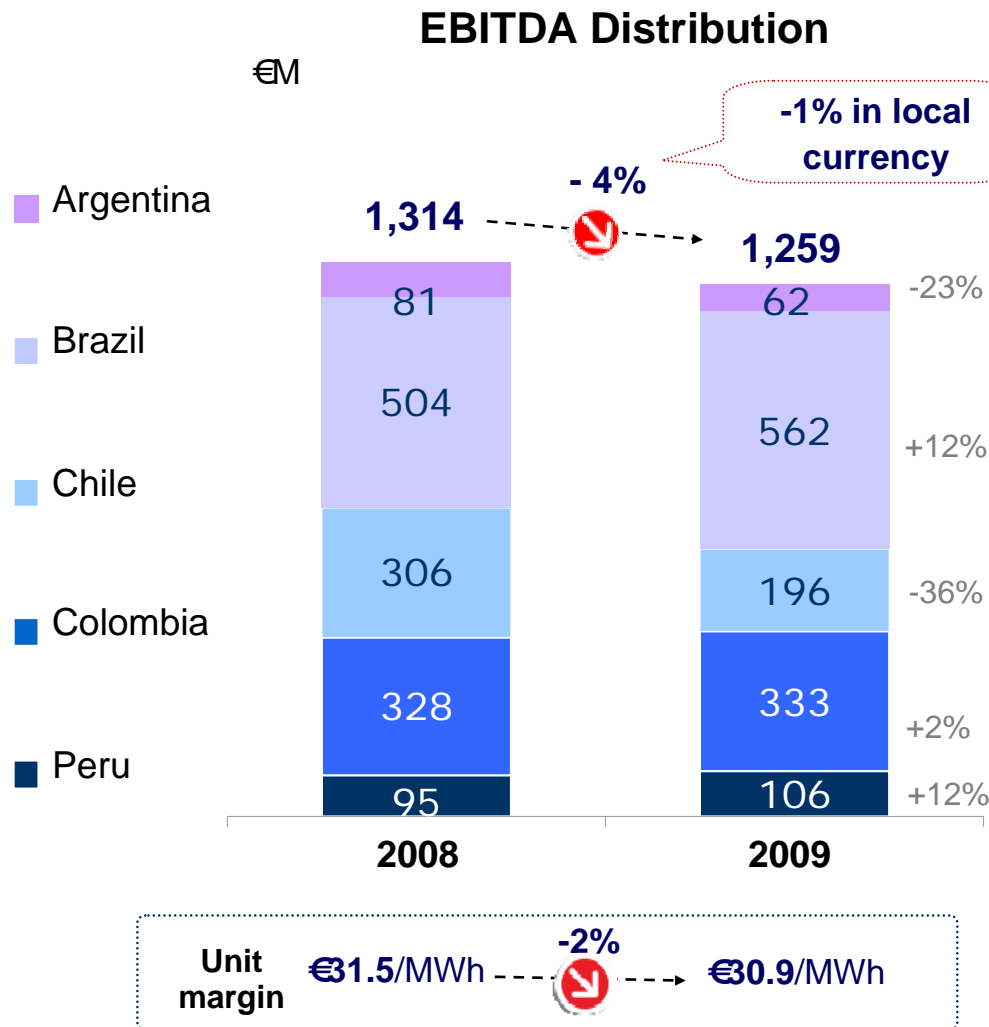
- Increase in output in Chile and Argentina due to higher hydro output
- Growth in distribution sales in all countries except Argentina
- Balanced profile of regulated/liberalized businesses

Strong EBITDA growth in generation business due to higher activity and lower variable costs



- **Positive unit margin performance in Chile (+12%) on the back of higher hydro output, greater gas availability, lower fuel and power purchase costs**
- **Higher sale prices in Colombia due to lower rainfall (+11% unit margin)**
- **Higher hydro output, lower fuel and power purchase costs helped boost unit margin in Peru (22%)**

Maintaining EBITDA in transmission and distribution businesses



- **Chile:** lower margin due to lower sub-transmission tariffs (-€53 M), distribution tariff review (-€21 M) and sub-transmission provision reversed in 4Q 08 (€55 M)
- **Brazil:** better tariffs for Ampla (DAV +2%) and Coelce (DAV +6%)
- **Tariff reviews in Codensa** (DAV -4%, October 09) and **Edelnor** (DAV -0,1%, October 09)
- **Transmission EBITDA** totalled €86 M (+1% vs. 2008 due to a one-off tax provision, -€28 M at EBITDA level)

Organic growth coupled with dynamic portfolio management

2009 new capacity (569 MW)

- **Chile (367 MW)**
 - Quintero GT 257 MW
 - Canela II wind farm 60 MW
 - San Isidro II CCGT 46 MW
 - Hydro: Palmucho (2 MW) and Isla (2 MW)
- **Perú (202 MW)**
 - Santa Rosa GT 200 MW
 - Fuel capacity increase (2 MW)

Main generation projects

- **Bocamina II (coal, 370 MW)**
- **Quimbo (hydro, 400 MW)**
- **Aysen (hydro, 2,750 MW)**

~400,000 new customers in 2009

Portfolio reorganization

- **Edegel: 29.4% sold to Endesa Chile**
- **Edelnor: 24% sold to Enersis**

Non-core asset disposals

- **EEB: sale of 7.2% for €170 M⁽¹⁾**
- **Codensa Hogar: loans portfolio of €180 M⁽²⁾**

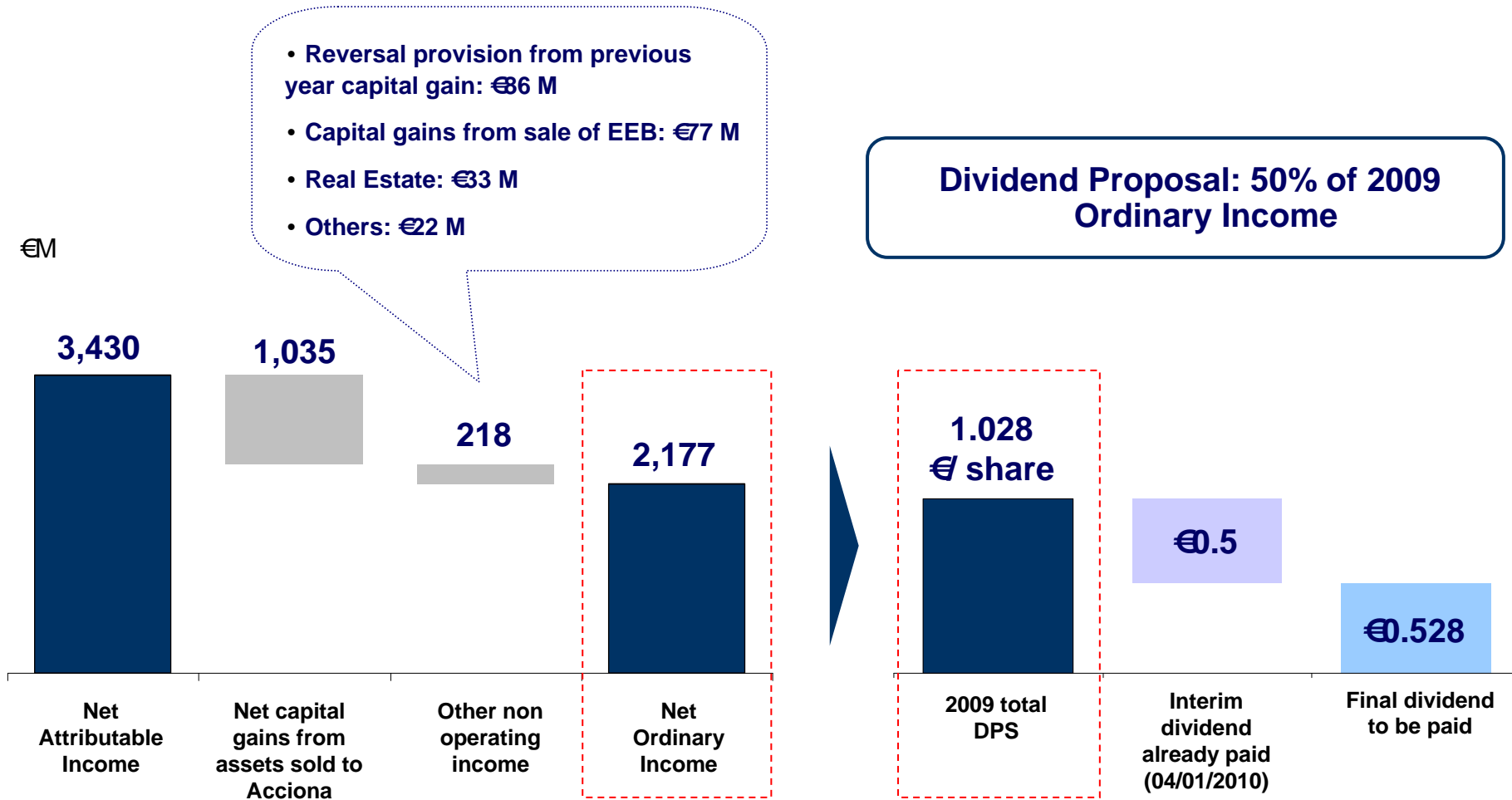
(1) €98 M gross capital gains (2) €17 M gross capital gains

conclusions2009

12M RESULTS



Shareholder remuneration



Excellent results despite a very challenging environment

- **Growth in operating results in all businesses**
- **Robust and diversified business platform**
- **Consistent energy management strategy of hedging margins in liberalized businesses thanks to leading supply position**
- **Focus on operating efficiency plan to set ground for future growth**
- **Latin America organic growth coupled with portfolio management: optimization and higher visibility**
- **Well positioned for 2010**

Explanatory note

- **2009 accounts include two business lines: Endesa Latin America and Spain&Portugal&Others (this one includes other businesses, mainly Endesa Ireland, Endesa Hellas and trading activities in Europe)**
- **To analyse the Group's performance in 2009 and the comparison with 2008, several factors should be taken into account:**
 - **In 2008 the assets that were later sold to E.On were considered discontinued operations.**
 - **The balance sheet for the year ended 31 December 2008 included the assets and liabilities that were going to be contributed to a joint venture with Acciona as “assets and liabilities held for sale and discontinued operations”.**
 - **The balance sheet at 31 December 2009 includes the assets of CAM (“Compañía Americana de Multiservicios”), the assets of Endesa Hellas and the stake in REE are classified as “Non-current assets held for sale and discontinued operations”. These assets do not depreciate. The liabilities associated with these assets are also grouped under “Liabilities associated with non-current assets held for sale and discontinued operations”.**

appendices2009

12M RESULTS



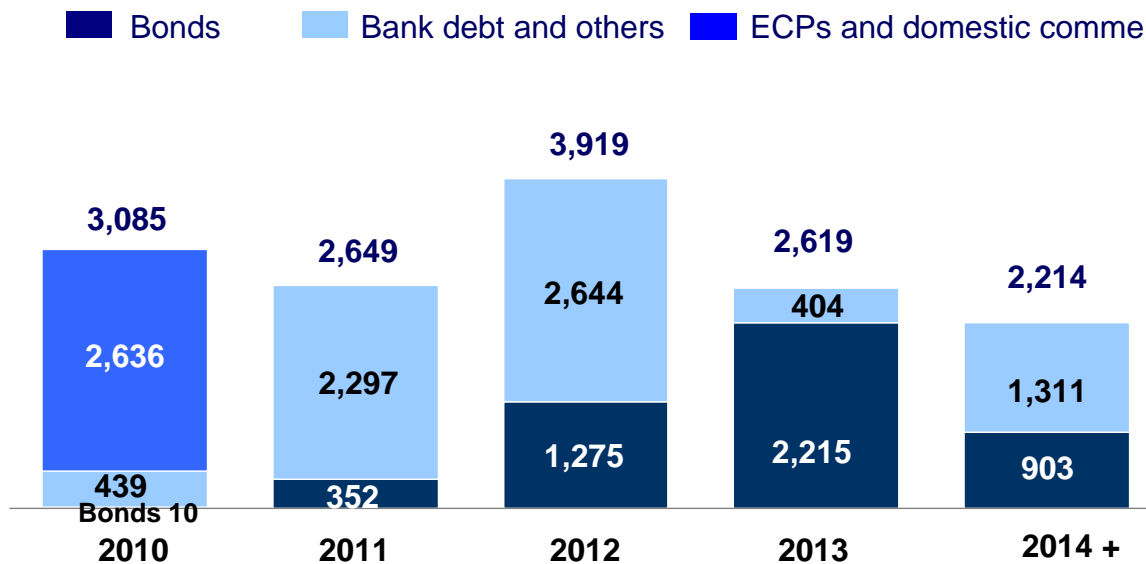
Installed capacity and output⁽¹⁾

MW at 31/12/09		Spain & Portugal & Others		Endesa Latin America		Total	
Installed capacity	Total	23,789		15,853		39,643	
	Hydro	4,729		8,645		13,374	
	Nuclear	3,670		-		3,670	
	Coal	5,804		538		6,342	
	Natural gas	2,197		3,966		6,163	
	Oil-gas	6,564		2,618		9,182	
	CHP/Renewables	824		87		911	
	TWh 2009 (chg. vs. 2008)		Spain & Portugal & Others		Endesa Latin America		Total
Output	Total	74.3	-16.7%	62.8	+3.4%	137.1	-8.5%
	Hydro	8.5	+13%	37.7	+6%	46.2	+7%
	Nuclear	22.6	-13%	-	-	22.6	-13%
	Coal	20.7	-28%	2.6	+14%	23.3	-25%
	Natural gas	7.2	-33%	15.9	+4%	23.1	-11%
	Oil-gas	12.2	-1%	6.5	-14%	18.6	-6%
	CHP/Renewables	3.1	-15%	0.1	+92%	3.2	-13%

(1) Includes data for fully consolidated companies and jointly-controlled companies accounted for using proportionate consolidation

Endesa (excl. Enersis): financial debt maturity calendar

Gross balance of maturities outstanding at 31 December 2009: €14,486M⁽¹⁾



Endesa's liquidity
excl. Enersis
covers 24 months
of debt maturities

▪ Liquidity €7,119M:

€293M in cash

€6,826M available in long-term credit lines

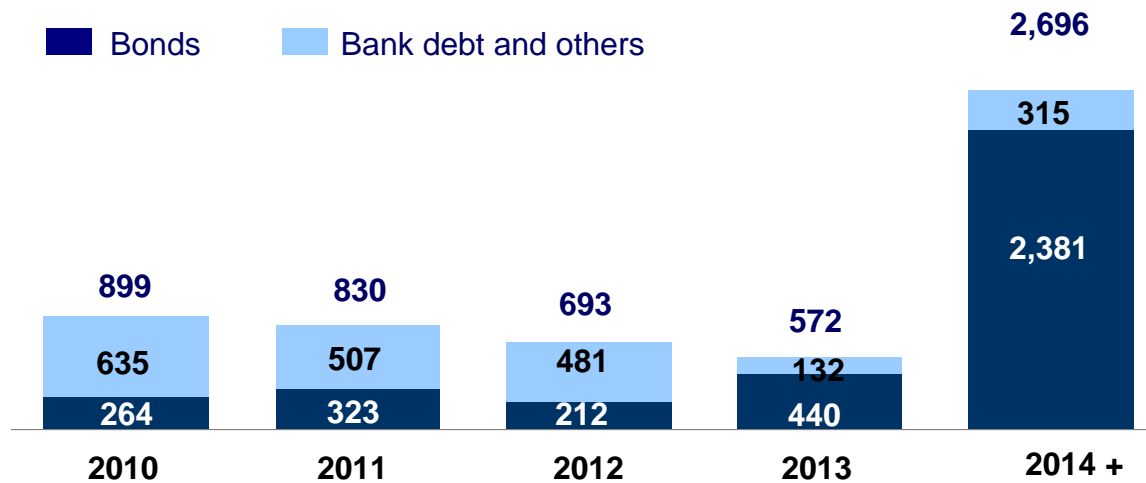
▪ Average life of debt: 3.8 years

(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

(2) Notes issued are backed by long-term credit lines and are renewed on a regular basis.

Enersis: financial debt maturity calendar

Gross balance of maturities outstanding at 31 December 2009: €5,690M⁽¹⁾



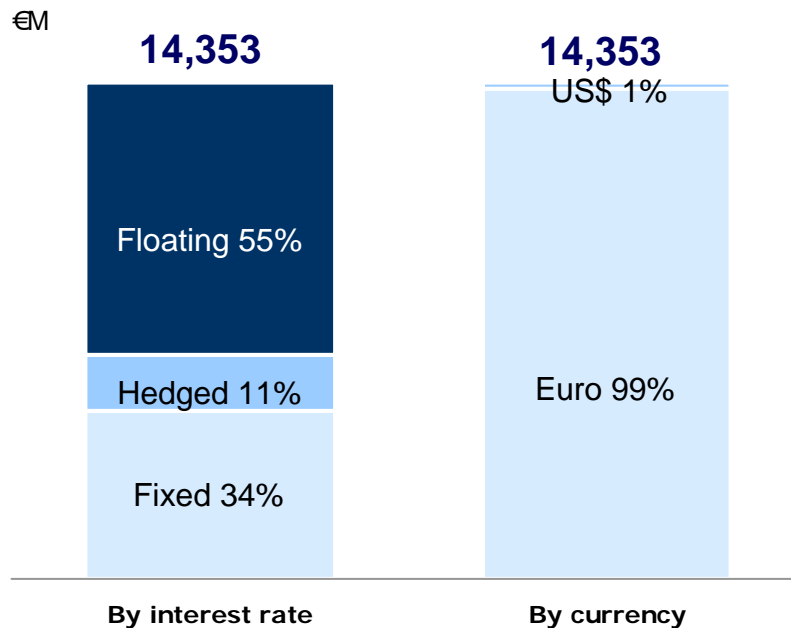
Enersis has sufficient liquidity to cover 35 months of debt maturities

- **Liquidity €1,965M:**
 - €1,545M in cash
 - €420M of syndicated loans available
- **Average life of debt: 5.3 years**

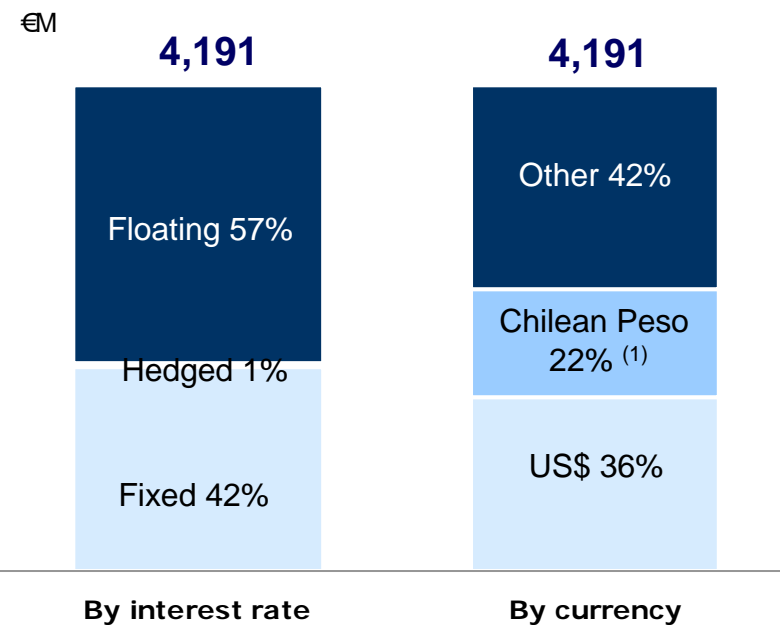
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

Financial policy and debt structure

Structure of Endesa's debt ex-Enersis



Enersis debt structure



Average cost of debt

3.3%

7.3%

- **Debt structure:** Debt in currency in which operating cash flow is generated
- **Policy of self-financing:** Latin America subsidiaries are financed on a stand-alone basis

Highlights by country

EBITDA 2009 (vs. 2008)



Chile

Gen: €1,010M (+16%)

Dist: €196M (-36%)

**Total EBITDA:
€1,206M (+3%)**

- Increased hydro output (+7.7%)
- Higher unit margin due to the improved production mix and increased availability of gas and fewer power purchases
- Tariff revision for Chilectra: 16% decrease in DAV (applicable from 4 November 2008)
- Transmission tariff revision (applicable from 13 January)
- In 2009 the average "nudo" price was US\$100/MWh and the average spot price was US\$104/MWh
- During 2009, Endesa was awarded long-term contracts with a volume of 3.06 TWh/year at an average price of US\$116.4/MWh
- The LNG Quintero regasification plant was commissioned on 12 September
- The Quintero gas turbine (257MW) and Canela II wind farm (60 MW) were brought on stream.
- The "nudo" price for November 2009-April 2010 was set at US\$93.2/MWh
- Chilean peso closed 2009 at 730,53CLP/€ (17% higher vs.2008)



Brazil

Gen: €192M (+4%)

Dist: €562M (+12%)

Trans: €78M (+5%)

**Total EBITDA:
€832M (+9%)**

- Low hydro output (-15%)
- Higher gas output (Fortaleza facility) due to increase gas availability
- Spot prices significantly lower than the previous year (-75%), due to higher rainfall
- Positive impact of the tariff revisions implemented this year and the previous one
- Tariff revision for Ampla: 2% increase in DAV (applicable from 22 April)
- Tariff revision for Coelce: 6% increase in DAV (applicable from 15 March)
- Cien: toll agreement signed for 2009 (€108M)

Highlights by country

EBITDA 2009 (vs. 2008)



Gen: €370M (+15%)

Dist: €333M (+2%)

Total EBITDA:

€703M (+8%)

- Higher sales prices in generation due to lower rainfall.
- Higher margin at Codensa
- Sale of 7.2% of EEB for €170M
- Sale of Codensa Hogar (loans portfolio of €180 M, €17 M gross capital gains)
- Tariff revision for Codensa: 4% decrease in DAV (applicable from 5 October 2009)



Peru

Gen: €164 M (+22%)

Dist: €106 M (+12%)

Total EBITDA:

€270M (+17%)

- Higher generation sales prices
- Increased hydro output (+9%)
- The "barra" price (applicable from May) has been set at US\$41.69/MWh, 1.5% higher than the previous price
- TG8 of the Santa Rosa plant came on stream (200 MW)
- Edelnor higher margin due to better customer mix and reduced losses
- Sale of 29.4% of Edegel to Endesa Chile and 24% of Edelnor to Enersis
- Tariff revision for Edelnor: 0.1% decrease in DAV (applicable from November 2009)



Gen: €110M (-7%)

Dist: €62M (-23%)

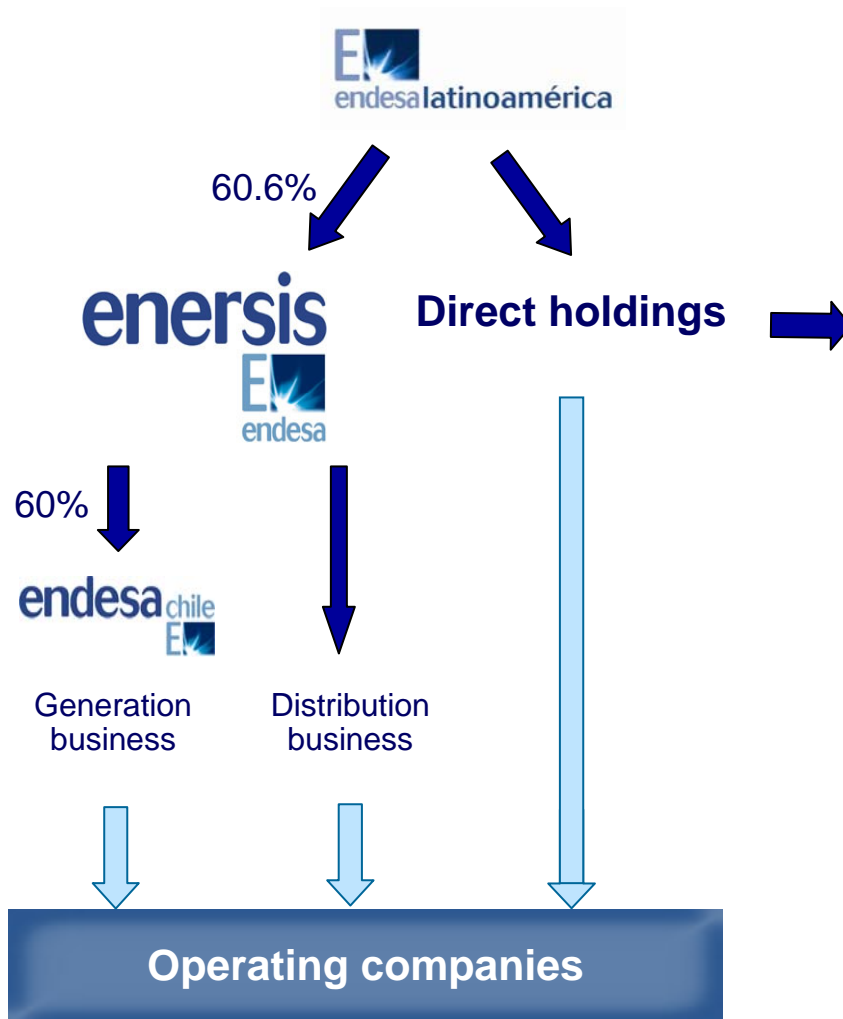
Trans: €8M (-27%)








Total EBITDA:

€180M (-14%)

- Lower generation prices due to normalised rainfall levels
- Higher distribution revenues due to readjustments from previous year and recognition of supply to "villas"
- Higher fixed costs due to higher inflation
- 1Q 08 EBITDA included extraordinaries of €11M in compensation for the TG10 breakdown at Dock-Sud
- Edesur paid €9.5M in dividends during 2009 (first time since 2001)

Endesa has major direct holdings in companies other than Enersis in Latin America



	€M	% direct stake	Proportionate 2009 EBITDA
 Codensa:		26.7%	88
 Emgesa:		21.6%	80
 Endesa Brasil:		28.5%	237
 Edesur:		6.2%	4
 DockSud:		40%	10
Edelnor ⁽¹⁾ :		42%	34
 Edelnor ⁽²⁾ :		18%	4
Edegel ⁽³⁾ :		29.4%	33
Piura:		48%	8
 Pangué		5%	6
Proportionate total			504

(1) 42% until October 15th 2009

(2) 18% from October 15th to year end

(3) 29.4% until October 9th 2009.

Disclaimer

This document contains certain "forward-looking" statements regarding anticipated financial and operating results and statistics and other future events. These statements are not guarantees of future performance and they are subject to material risks, uncertainties, changes and other factors that may be beyond ENDESA's control or may be difficult to predict.

Forward-looking statements include, but are not limited to, information regarding: estimated future earnings; anticipated increases in wind and CCGTs generation and market share; expected increases in demand for gas and gas sourcing; management strategy and goals; estimated cost reductions; tariffs and pricing structure; estimated capital expenditures and other investments; estimated asset disposals; estimated increases in capacity and output and changes in capacity mix; repowering of capacity and macroeconomic conditions. The main assumptions on which these expectations and targets are based are related to the regulatory setting, exchange rates, divestments, increases in production and installed capacity in markets where ENDESA operates, increases in demand in these markets, assigning of production amongst different technologies, increases in costs associated with higher activity that do not exceed certain limits, electricity prices not below certain levels, the cost of CCGT plants, and the availability and cost of the gas, coal, fuel oil and emission rights necessary to run our business at the desired levels.

In these statements we avail ourselves of the protection provided by the Private Securities Litigation Reform Act of 1995 of the United States of America with respect to forward-looking statements.

The following important factors, in addition to those discussed elsewhere in this document, could cause actual financial and operating results and statistics to differ materially from those expressed in our forward-looking statements:

Economic and industry conditions: significant adverse changes in the conditions of the industry, the general economy or our markets; the effect of the prevailing regulations or changes in them; tariff reductions; the impact of interest rate fluctuations; the impact of exchange rate fluctuations; natural disasters; the impact of more restrictive environmental regulations and the environmental risks inherent to our activity; potential liabilities relating to our nuclear facilities.

Transaction or commercial factors: any delays in or failure to obtain necessary regulatory, antitrust and other approvals for our proposed acquisitions or asset disposals, or any conditions imposed in connection with such approvals; our ability to integrate acquired businesses successfully; the challenges inherent in diverting management's focus and resources from other strategic opportunities and from operational matters during the process of integrating acquired businesses; the outcome of any negotiations with partners and governments. Delays in or impossibility of obtaining the pertinent permits and rezoning orders in relation to real estate assets. Delays in or impossibility of obtaining regulatory authorisation, including that related to the environment, for the construction of new facilities, repowering or improvement of existing facilities; shortage of or changes in the price of equipment, material or labour; opposition of political or ethnic groups; adverse changes of a political or regulatory nature in the countries where we or our companies operate; adverse weather conditions, natural disasters, accidents or other unforeseen events, and the impossibility of obtaining financing at what we consider satisfactory interest rates.

Political/governmental factors: political conditions in Latin America; changes in Spanish, European and foreign laws, regulations and taxes.

Operating factors: technical problems; changes in operating conditions and costs; capacity to execute cost-reduction plans; capacity to maintain a stable supply of coal, fuel and gas and the impact of the price fluctuations of coal, fuel and gas; acquisitions or restructuring; capacity to successfully execute a strategy of internationalisation and diversification.

Competitive factors: the actions of competitors; changes in competition and pricing environments; the entry of new competitors in our markets.

Further details on the factors that may cause actual results and other developments to differ significantly from the expectations implied or explicitly contained in this document are given in the Risk Factors section of the current ENDESA Share Registration Statement filed with the Comisión Nacional del Mercado de Valores (the Spanish securities regulator or the "CNMV" for its initials in Spanish).

No assurance can be given that the forward-looking statements in this document will be realised. Except as may be required by applicable law, neither Endesa nor any of its affiliates intends to update these forward-looking statements.

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