



1Q 2007 Results



May 4, 2007

1Q 2007 Results

- **Results in line with 2007 targets**
- **Strong like-for-like growth in a demanding scenario**
- **Dividend in line with the announced target**

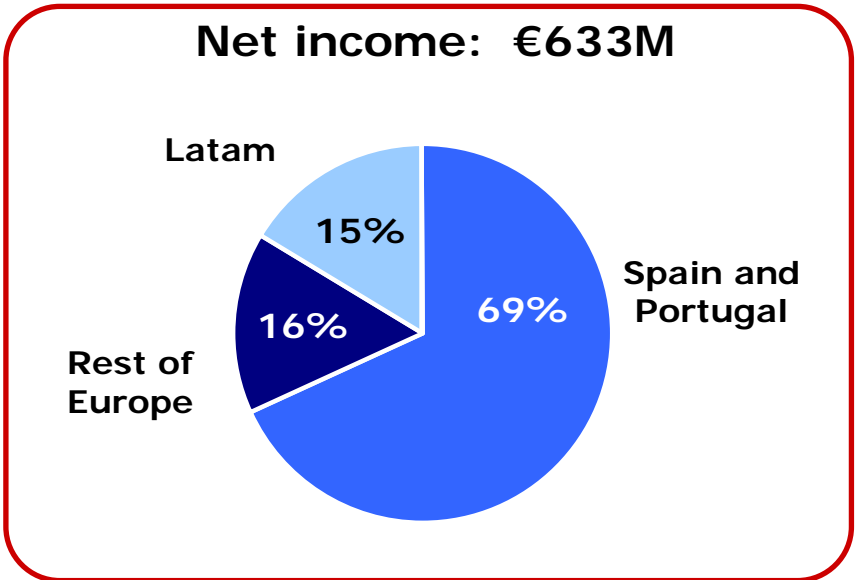
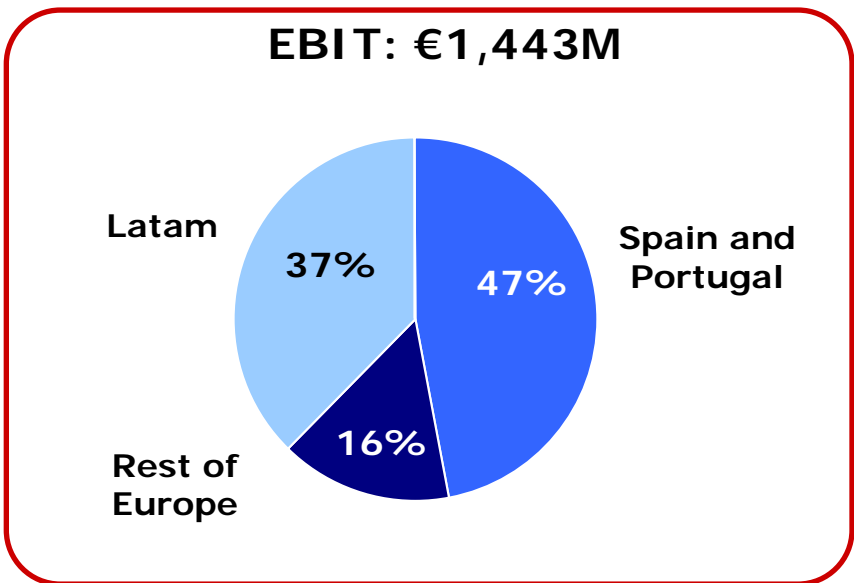
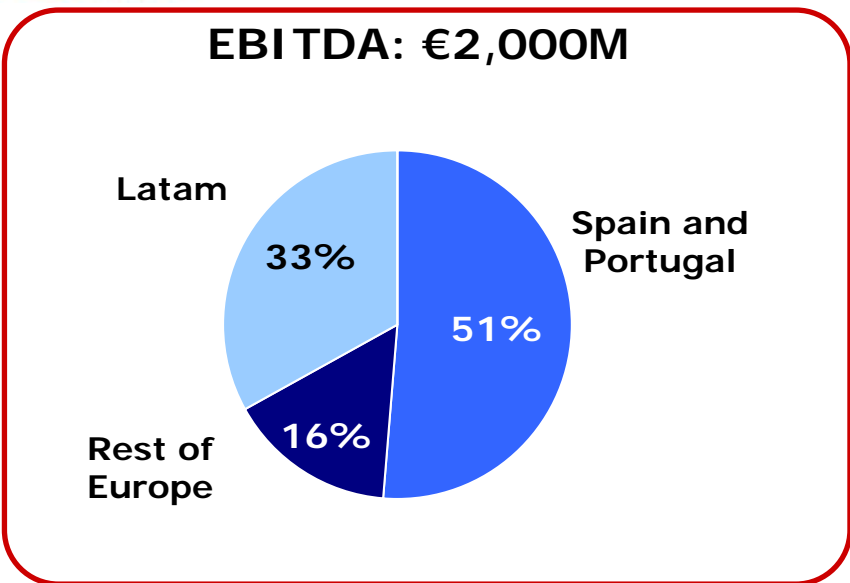
Positive results in 1Q07

€M	1Q 2006	1Q 2007	Change	Like-for-like change ⁽¹⁾
Revenues	5,274	5,069	-4%	+0%
Gross margin	2,734	2,820	+3%	+12%
EBITDA	1,947	2,000	+3%	+15%
EBIT	1,491	1,443	-3%	+13%
Net financial expenses	-232	-236	+2%	-10%
Net income	1,052	633	-40%	+11%
	31/12/06	31/03/07		
Leverage	1.24x	1.24x		

(1) Stripping out the following exceptionals in 2006:

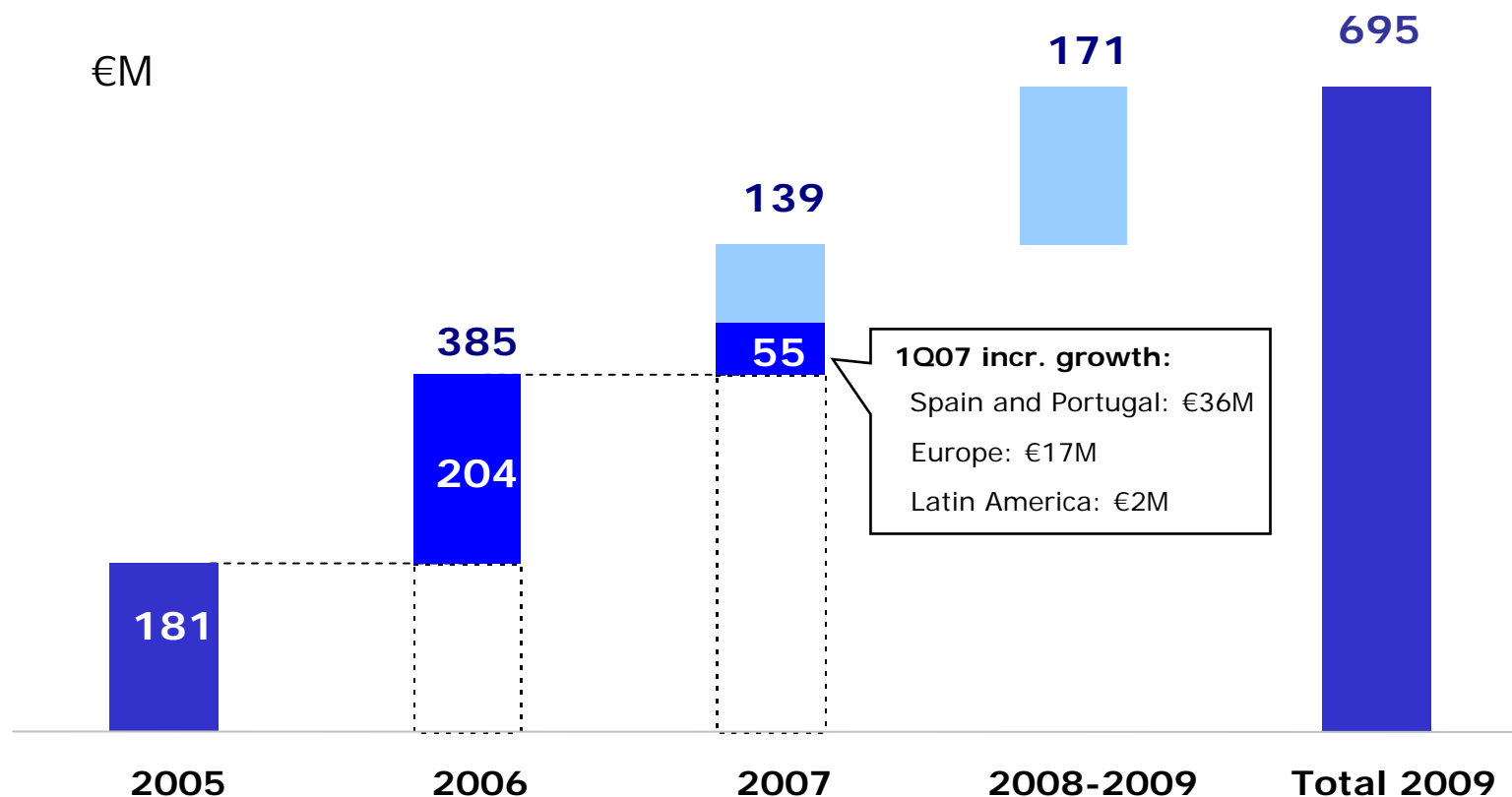
- Recognition of revenues for non-mainland generation extracosts in 2001-2005, with a €212M impact on EBITDA and Net Income, and 31M€ in net financial expenses.
- The tax effect of the Elesur/Chilectra merger, with a €101M impact on Net Income
- Net capital gains for the sale of 5.01% of Auna, with a €171M impact on Net Income

Sound results thanks to diversified portfolio



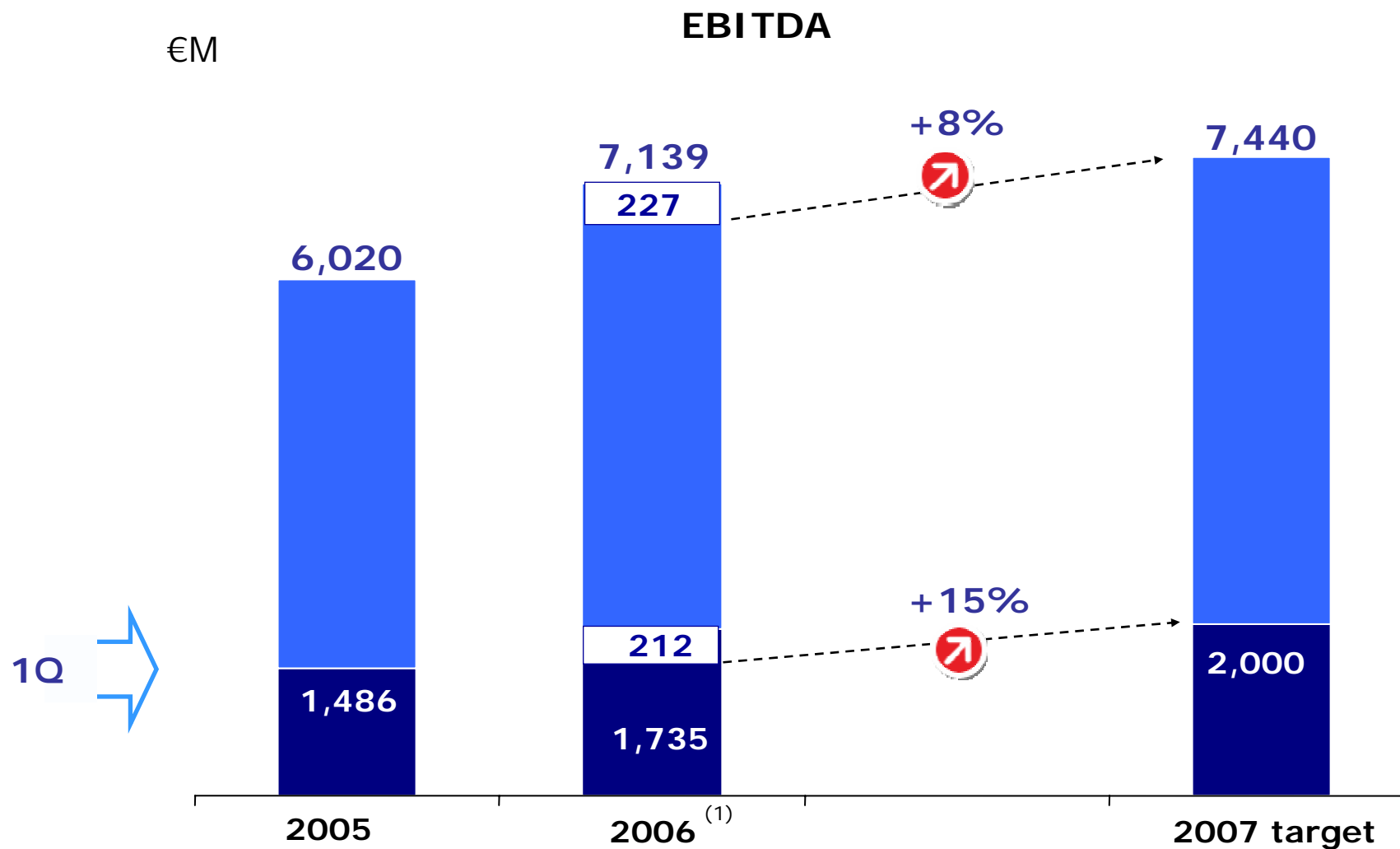
Efficiency Improvement Plan: ahead of schedule

EBITDA improvement due to Efficiency Plan



63% of 2009 target already achieved

Results in line with targets

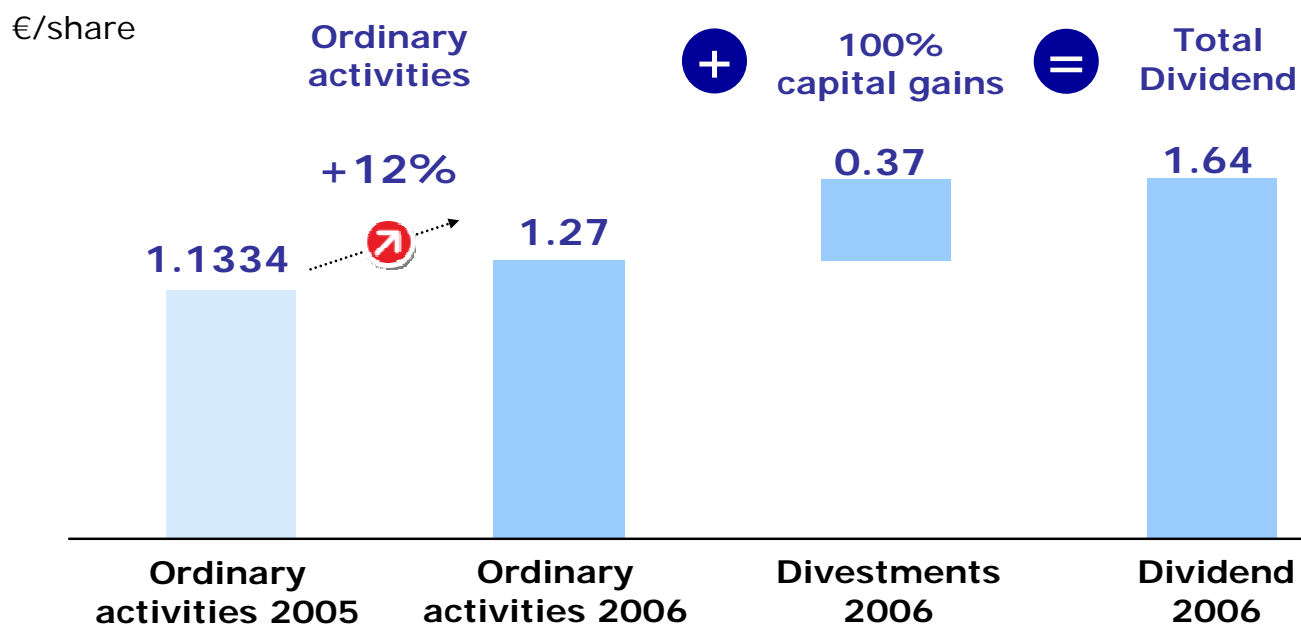


(1) Stripping out recognition of revenues for the non-mainland generation extra costs in 2001-2005: €212M in 1Q06, and €227M for FY06.

Dividend in line with the announced target

- **Payment of 2006 dividend: €1.64/share**
 - Interim dividend of €0.50/share paid in January
 - Final dividend of €1.14/share

Dividend target 2006



- **Progress in the Strategic Plan over €9,900M in five years**

1Q07 Results



Spain and Portugal



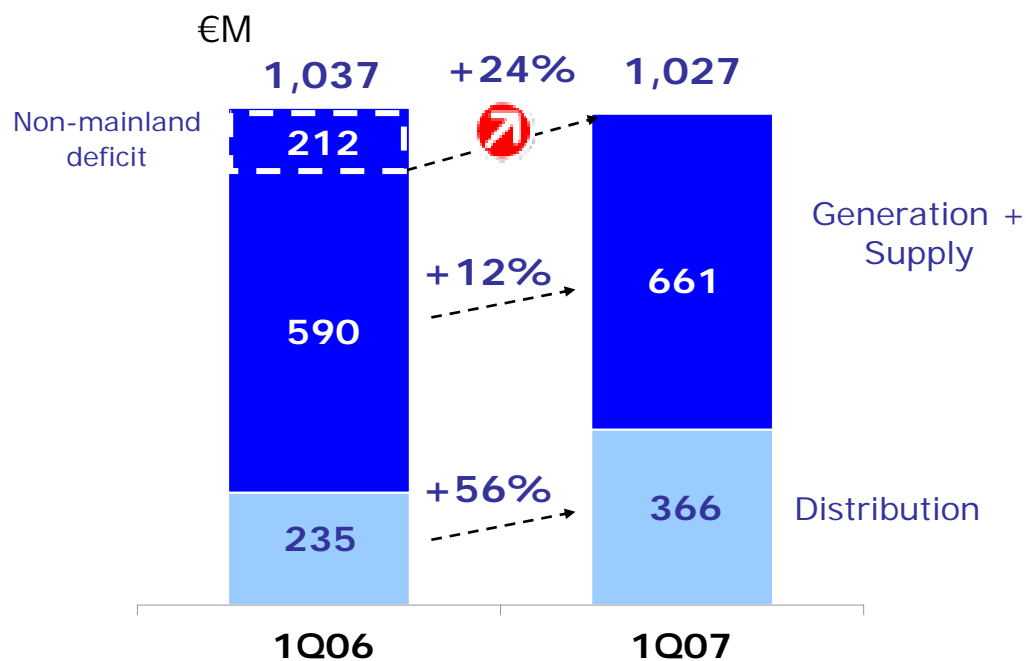
Strong earnings growth

€M	1Q 2006	1Q 2007	Change	Like-for-like change ⁽¹⁾
Revenues	2,578	2,405	-7%	+2%
Gross margin	1,527	1,515	-1%	+15%
EBITDA	1,037	1,027	-1%	+24%
EBIT	773	684	-12%	+22%
Net financial expenses	-81	-74	-9%	-34%
Net income	568	437	-23%	+23%

(1) Stripping out the non-recurrent effect of the non-mainland deficit in 1Q06: €212M in EBITDA and Net Income, and €31M in net financial expenses.

Strong EBITDA growth

EBITDA

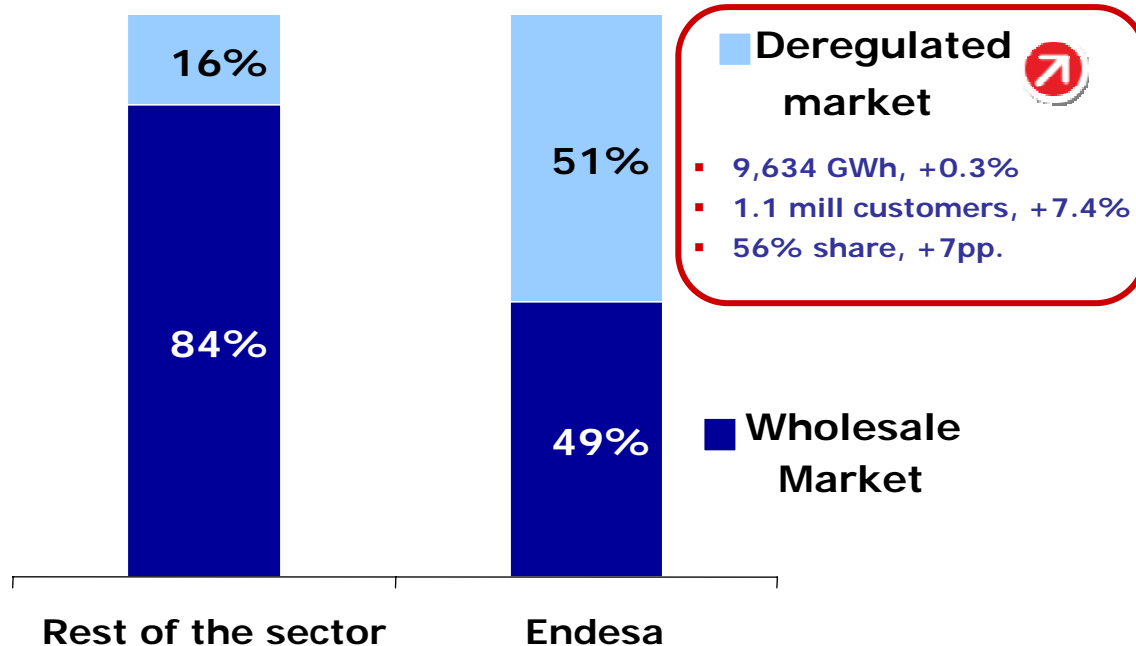


Highlights

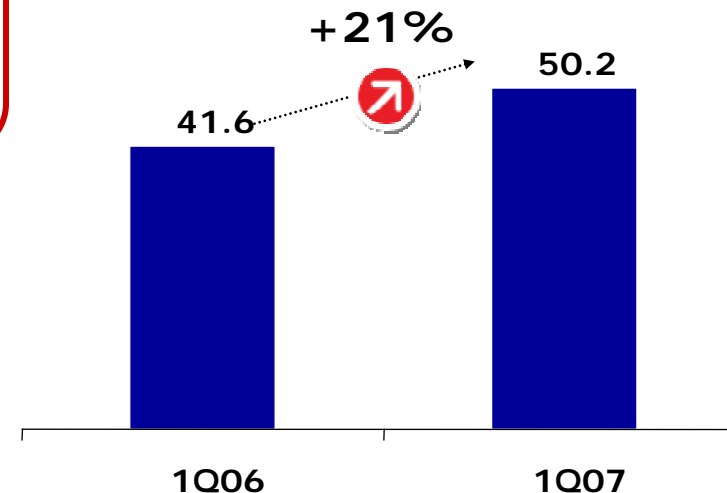
- Leadership and margin enhancement in deregulated business
- Lower CO2 emissions and cost
- Contribution to margins from gas business
- Distribution: impact of regulatory and operating improvements

Selective and profitable supply policy

Electricity sales (GWh)



Equivalent energy price in the deregulated market (€/MWh)

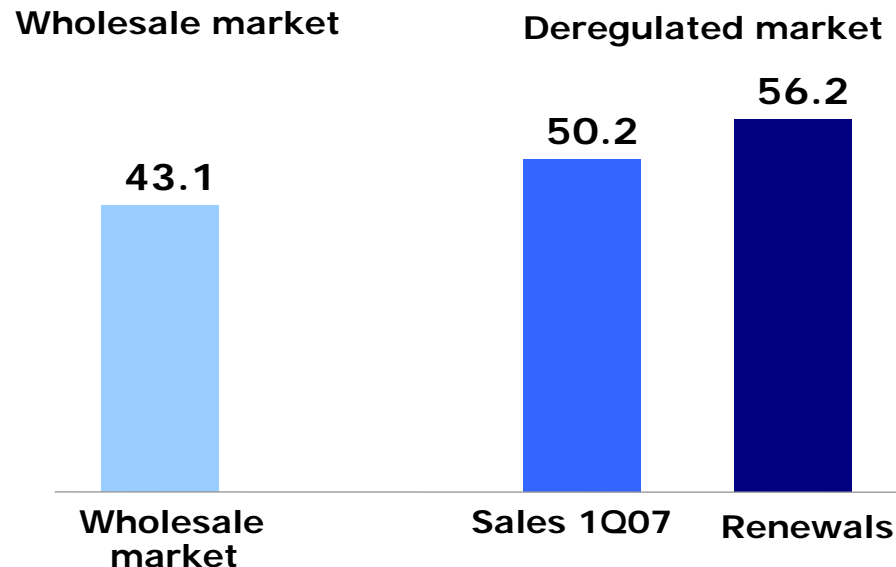


- Sales in the deregulated market as a hedge against price changes in the wholesale market

Leadership and revenue enhancement in deregulated business

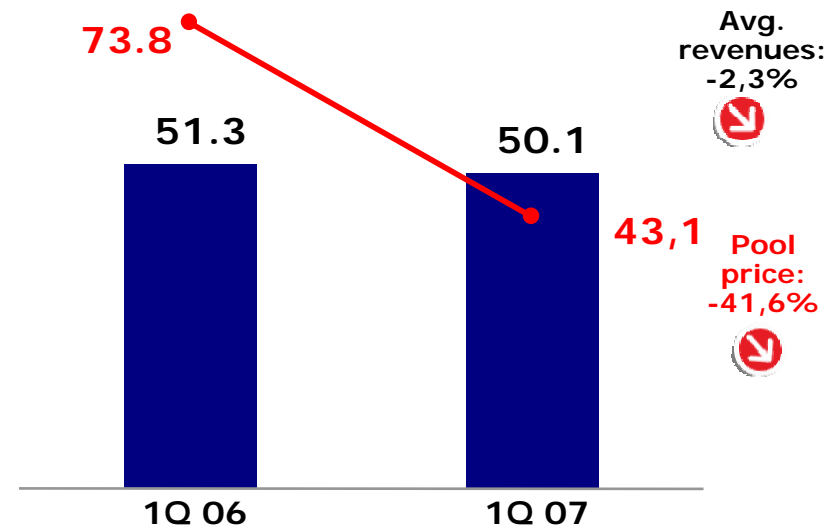
Generation revenue from sales to:

€/MWh



Average revenue from mainland generation⁽¹⁾ and pool price

€/MWh

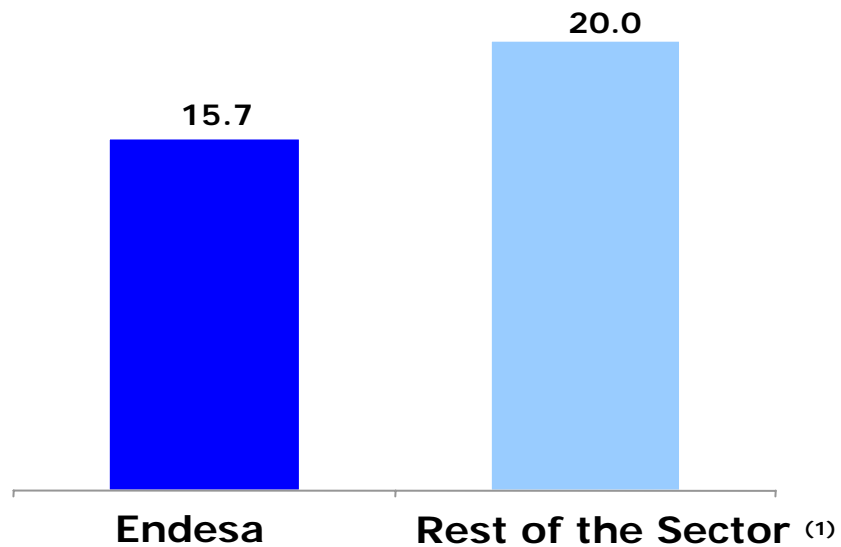


- **Unlocking the value of the customer portfolio: Renewal and signature of new contracts at a price equivalent to €56/MWh (€13/MWh higher than wholesale market)**
- **Average sales price has fallen less than pool price due to hedges offered by the Supply business**

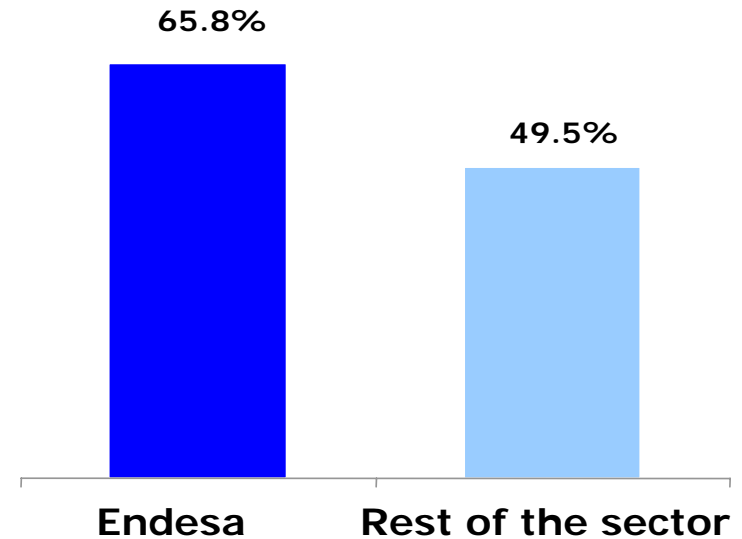
Competitive mainland fuel costs thanks to efficient use of generation portfolio

Mainland fuel cost in Ordinary Regime

€/MWh



Load factor of thermal plants ⁽²⁾ vs. rest of the sector

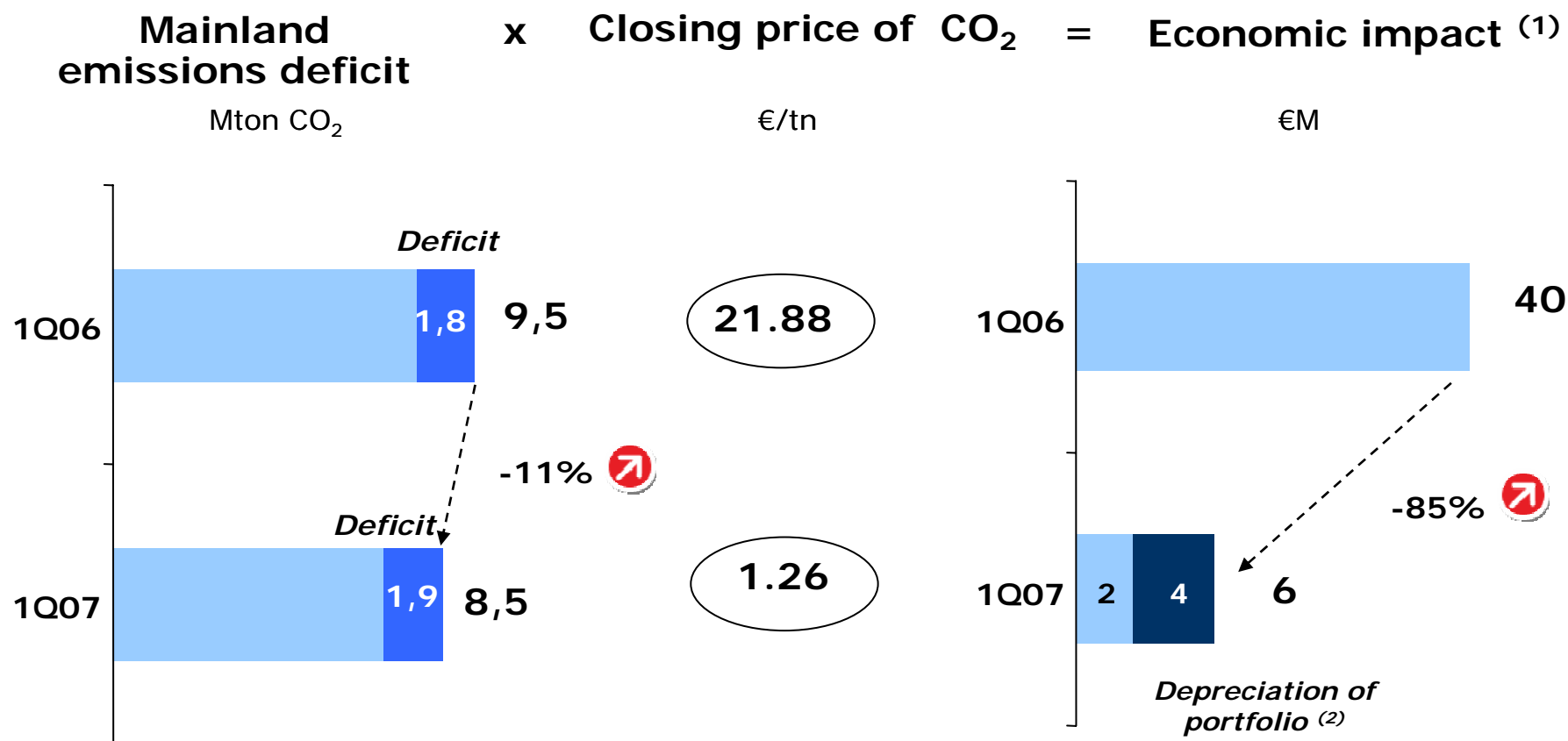


- Even in a scenario with high rainfall, Endesa still boasts the most competitive and efficient generation business

(1) Estimates

(2) Conventional thermal facilities excluding fuel-oil

Lower emissions and CO₂ costs

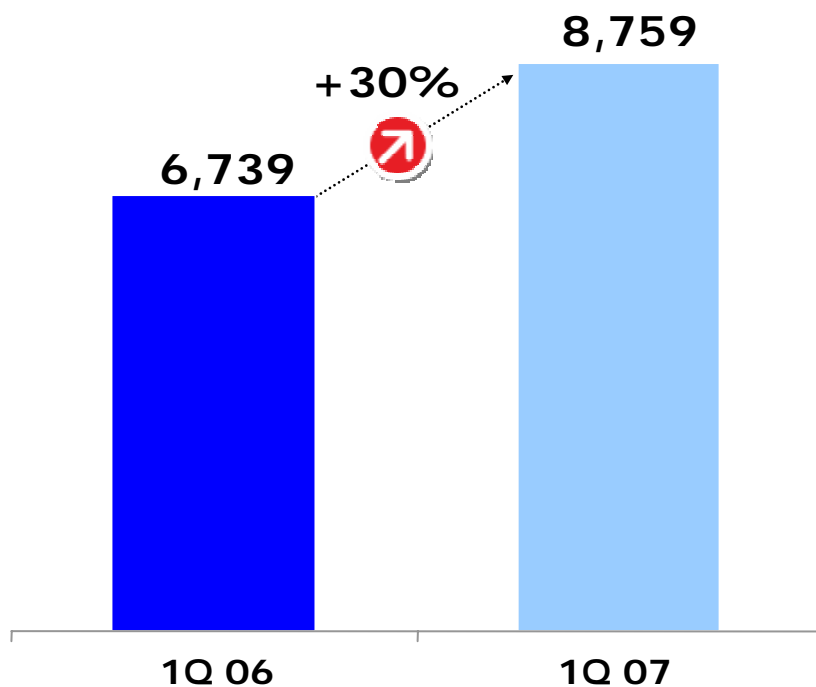


(1) Also, the updated value of CO₂ rights in the 2006 deficit included in the balance sheet until April due to falling prices had a positive impact on EBITDA of Euro 35 million.

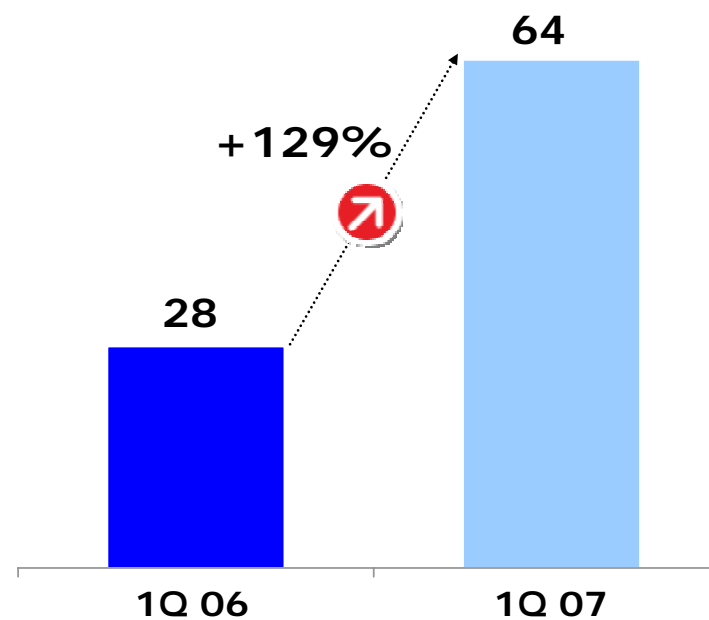
(2) Due to adjustment of rights consumed in 1Q07 to market value, under IFRS, recognised in depreciation and amortisation expense. An additional Euro 16.5 million adjustment was made to the depreciation charge for the decline in the market value of the CO₂ emission rights purchased and not used.

Contribution to margins from natural gas business

Natural gas sales (GWh) ⁽¹⁾



Gross margin (M€)

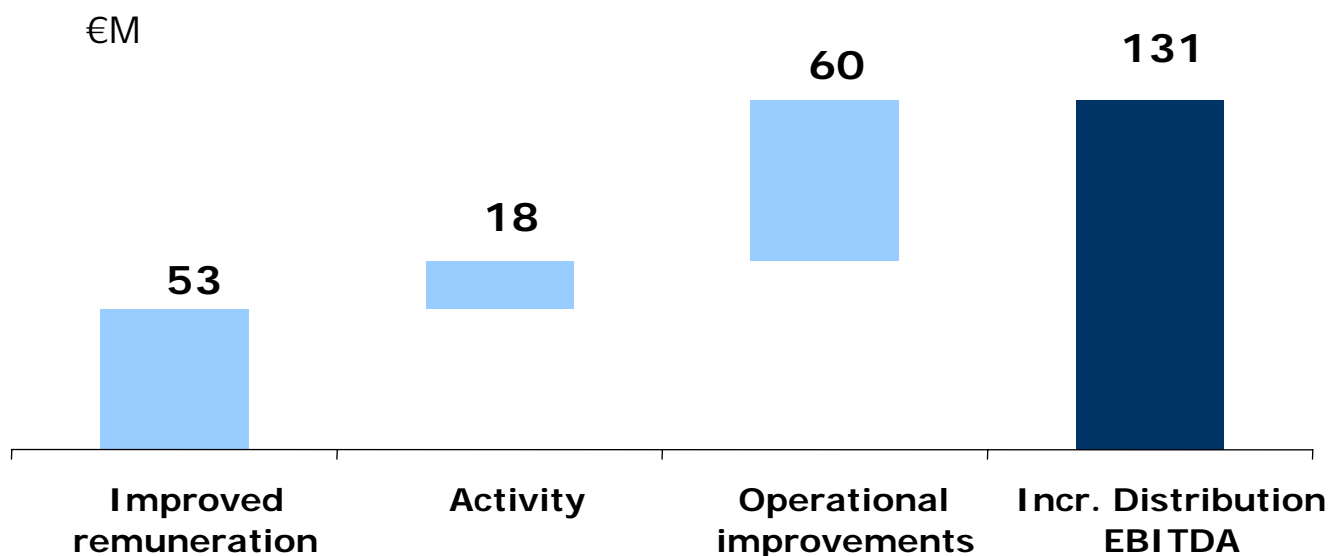


- Endesa obtained a 13.1% share of the deregulated gas market
- It is a strong source of additional margins, offering our customers greater value

(1) Includes regulated and deregulated market. It does not include gas generation consumption. Total gas sales in 1Q (including interest companies): 9,013 GWh +26.2% vs 1Q06

Distribution: strong growth in EBITDA and quality of supply

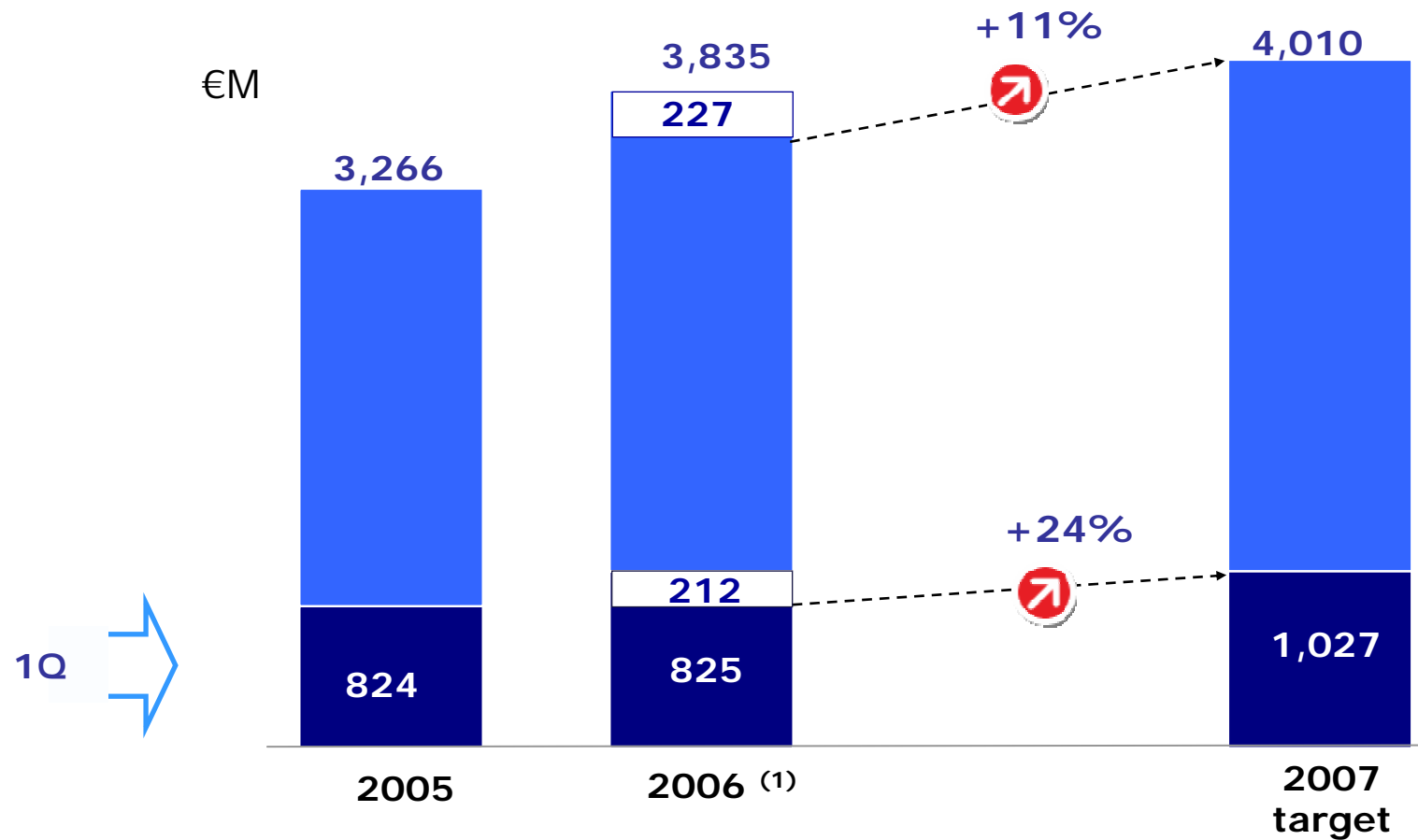
Increase in Distribution EBITDA



- Distribution EBITDA improved largely due to better remuneration, fewer losses and optimisation of fixed costs
- Quality continues to improve: Interruption time has declined 37% in the last 12 months

Results in line with 2007 targets

EBITDA



(1) Stripping out revenues recognized for non-mainland generation extra cost in 2001-2005: €212M in 1Q06, and €227M for FY06.

1Q07 Results



Europe

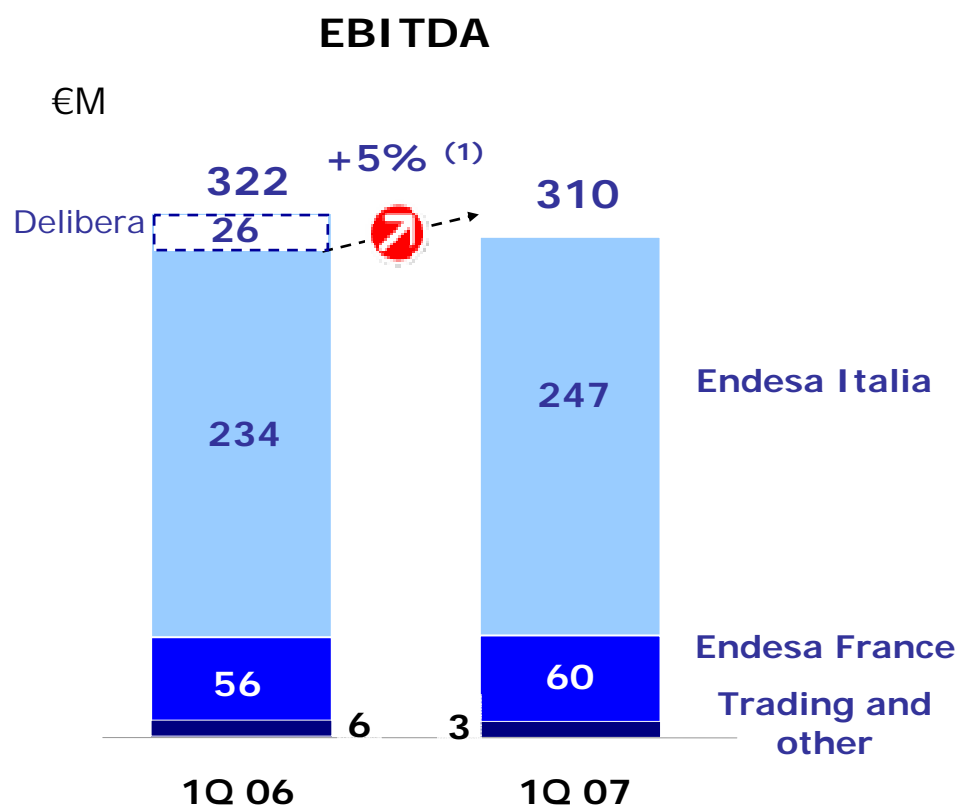


Solid results in a unfavorable market environment

€M	1Q 2006	1Q 2007	Change	Like-for-like change ⁽¹⁾
Revenues	1,165	1,029	-12%	
Gross margin	407	398	-2%	+4%
EBITDA	322	310	-4%	+5%
EBIT	257	224	-13%	-3%
Net financial expenses	-11	-18	+64%	+64%
Net income	118	100	-15%	-4%

(1) Stripping out the Delibra effect in 1Q06: €26M in EBITDA and €14M in net income

Like-for-like EBITDA growth in a demanding scenario



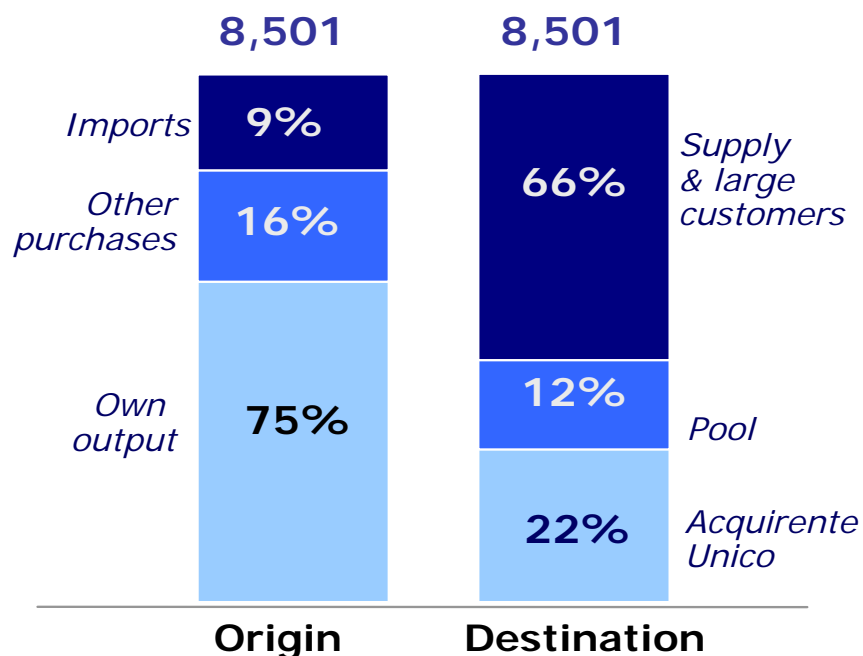
Highlights

- Fall in demand due to high temperatures
- Decrease in activity
- Margins increased despite falling prices
- Progress in the renewables capacity plan
- Energy management: Extracting additional value from its European asset portfolio
- Strategic alliance in Greece with Mytilineos Group

(1) Stripping out Delibera effect in 1Q06: €26M of EBITDA

Endesa Italia: Wider margins offset lower activity

Origin and Destination of Sales ⁽¹⁾ (GWh)

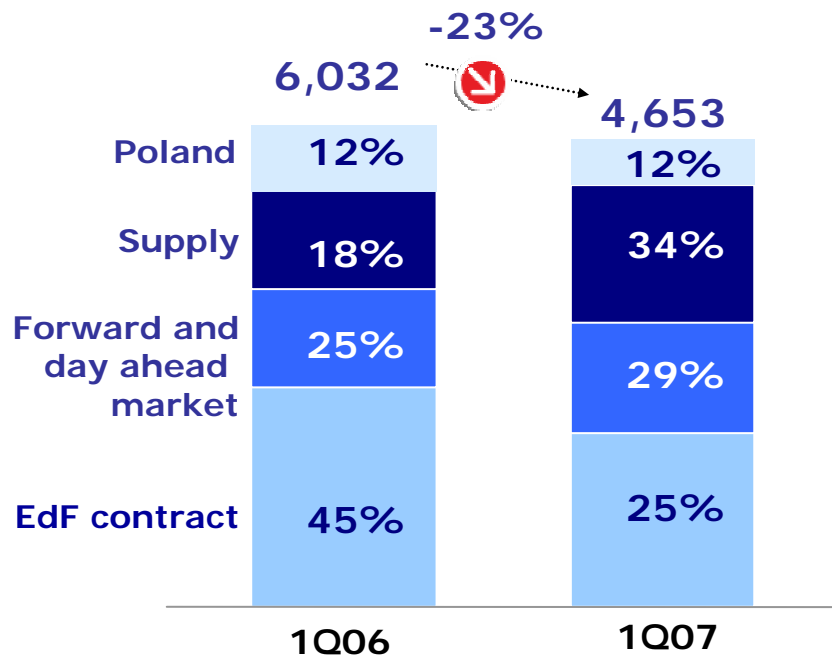


- **Decrease in activity** : 2% fall in demand (warm weather), low rainfall and more imports
- **Increase in unit margin:**
 - Hedge by bilateral contracts and contracts with Acquirente Unico
 - Decline in CO₂ and Brent prices
 - Greater self-sufficiency from Green Certificates (48% vs. 21%) from Renewables and Biomass
- **Progress in renewables plan**
- **Like-for-like EBITDA ⁽²⁾: +6%**

1) Includes energy outputs and purchases
 2) Stripping out Delibera effect in 1Q06: €26M of EBITDA

Endesa France: EBITDA growth in a low energy prices scenario

Breakdown of sales (GWh)



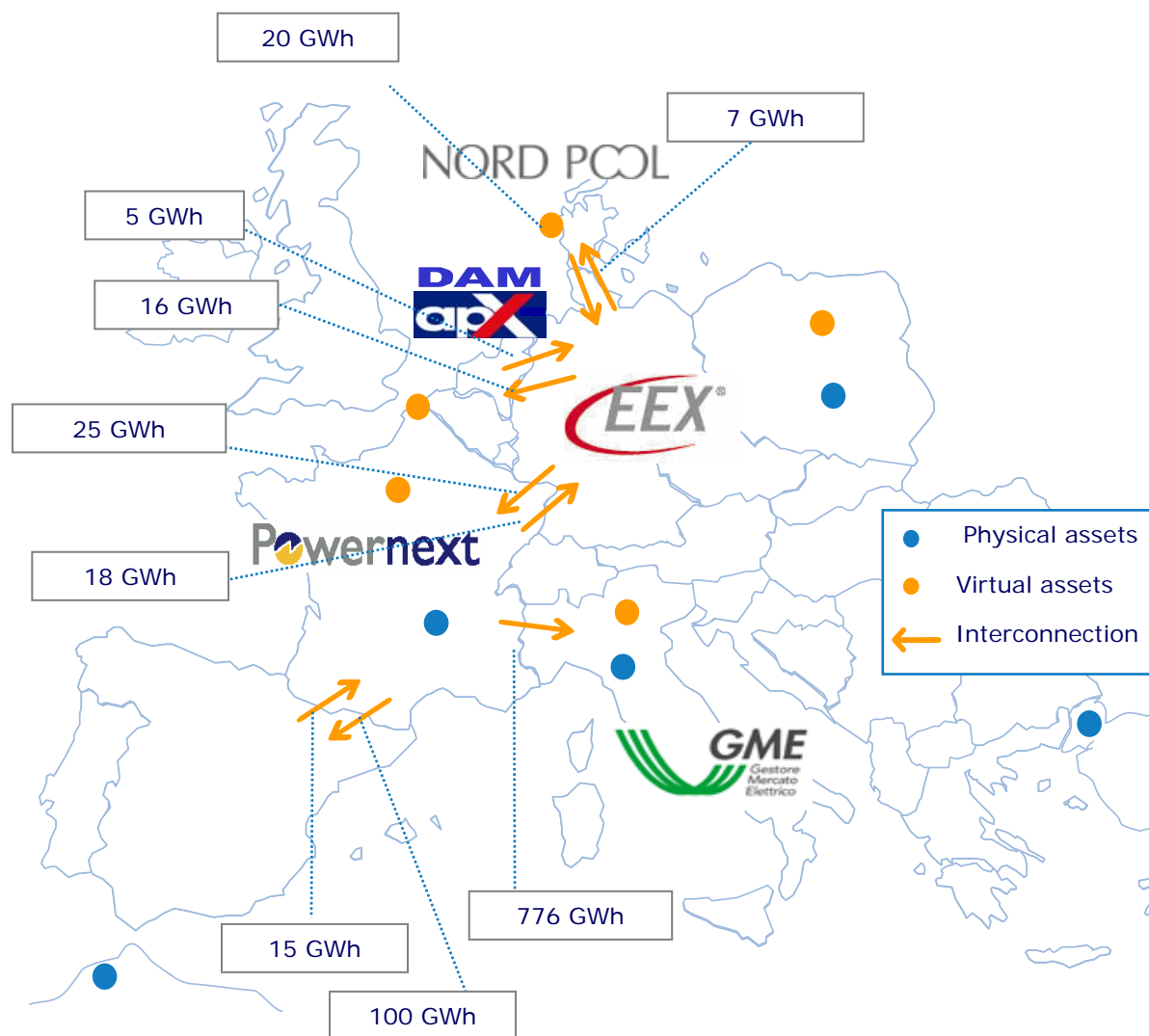
- **Decrease in activity:** Strong decline in demand (approx. -8%) and prices
- **Increase in unit margin:** Output hedged with forward and EdF contracts
- **Increasing contribution from other sales than EdF contract**
- **Lower fixed costs: -8%**
- **First wind farm operational:** Lehaucourt, 10 MW
- **EBITDA: +7%**

Unit margin France	15.4 €/MWh	29%	19.8 €/MWh
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Integrated management of asset portfolio

Trading EBITDA: €15M

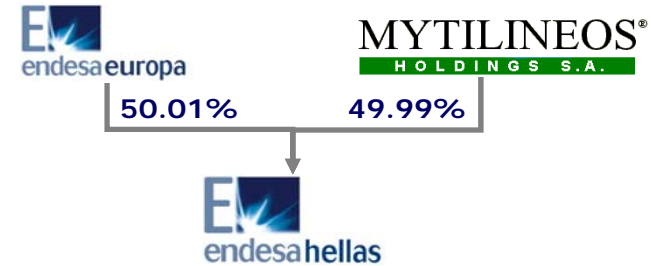
Additional contributions:
 Endesa Italia: €11M
 Endesa France: €5M



Greece: strategic alliance with Mytilineos group

One of the most attractive markets in Europe

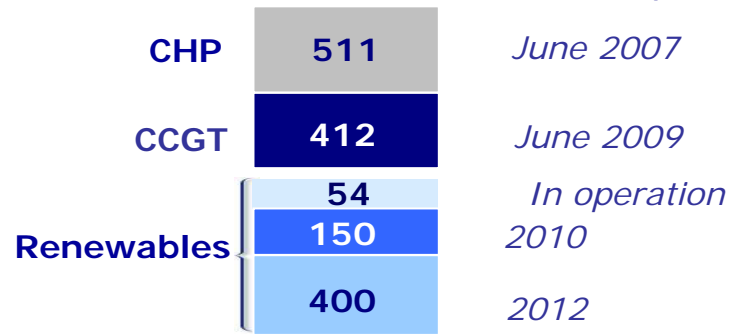
- Lack of capacity
- High prices
- Barriers to entry



Endesa Hellas: Joint Venture with the Mytilineos Group

Assets (MW)

Date of Operation



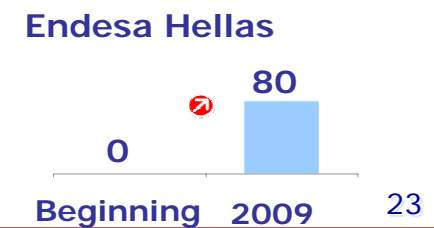
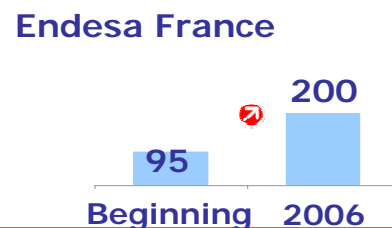
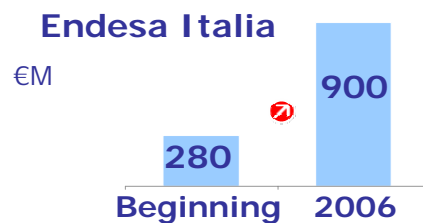
Also, CCGT and coal option

Contribution to Endesa:

€485M
 + Success premium
 + Price adjustment

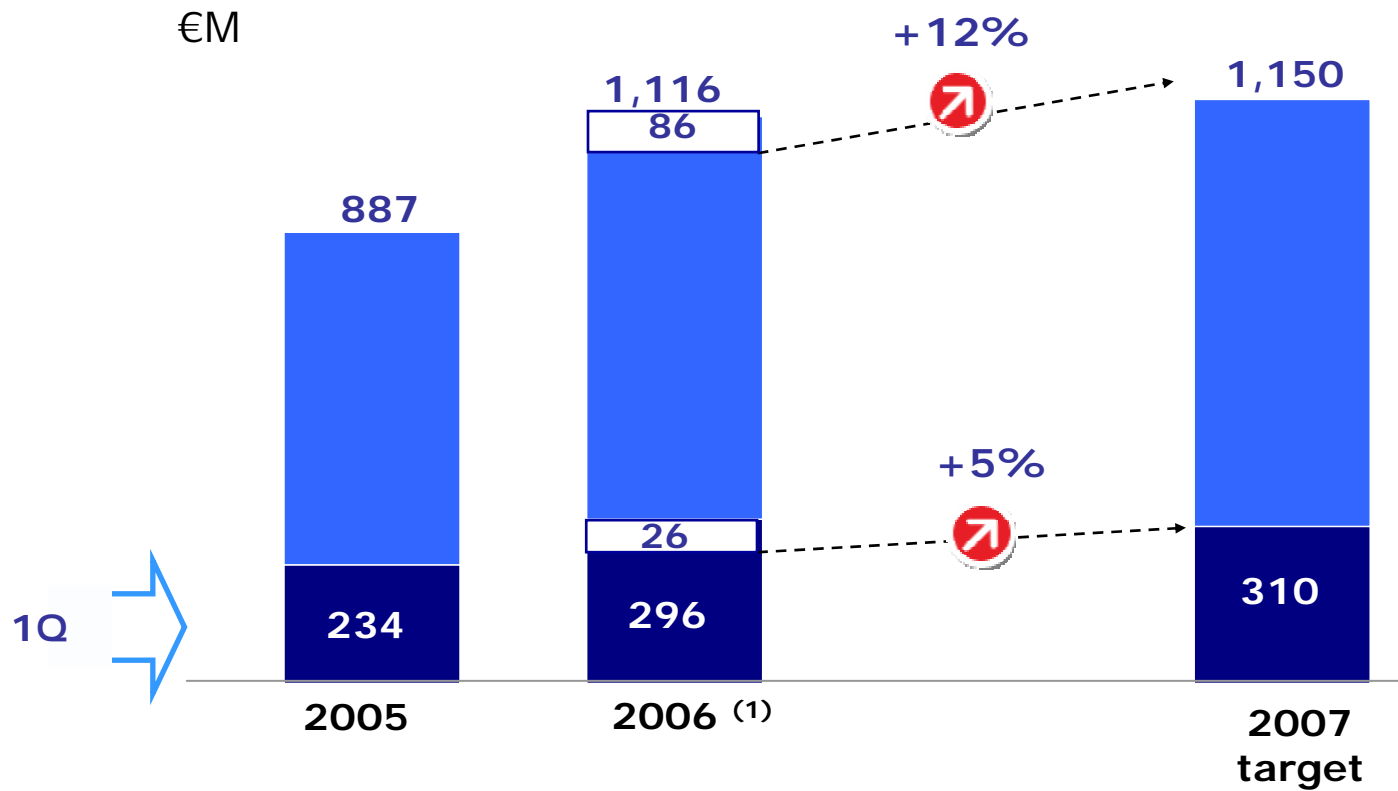
Total €600M ~ IRR 10%

Repeating Italy and France experience. Meeting 2009 targets. EBITDA:



Results in line with 2007 targets

EBITDA



(1) Stripping out the non-recurrent effect for regulatory items: €26M in 1Q06 and €86M in FY06

1Q07 Results



Latin America

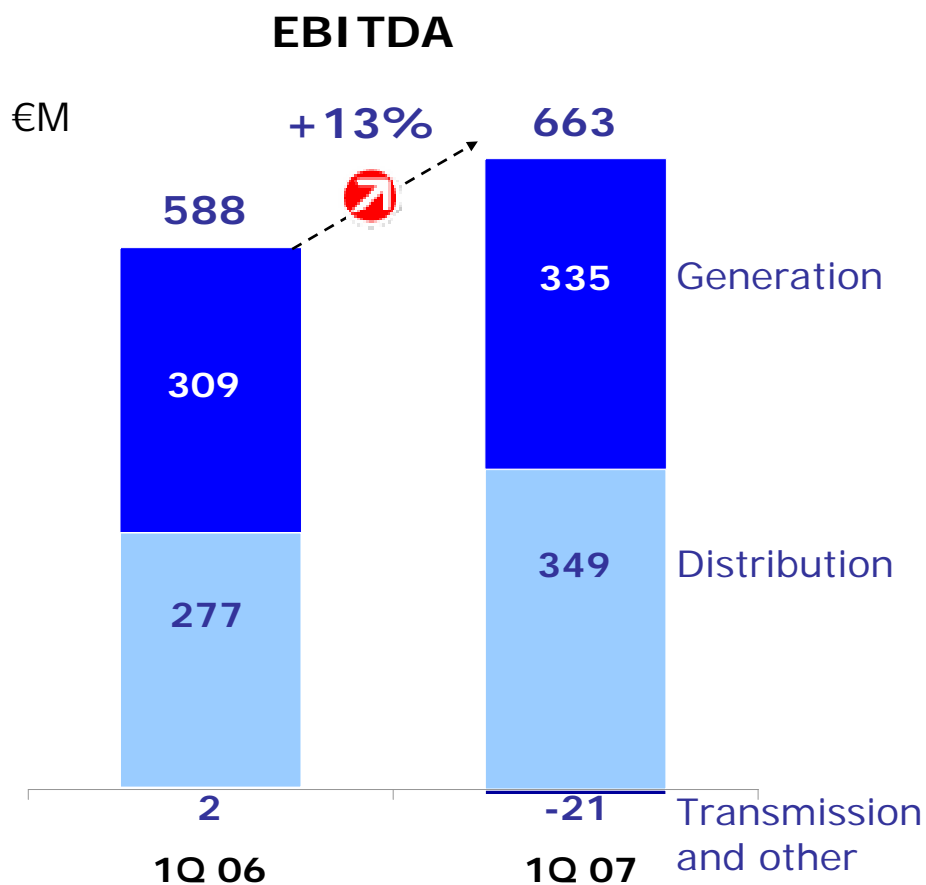


Strong growth in operating results

€M	1Q 2006	1Q 2007	Change	Like-for-like change ⁽¹⁾
Revenues	1,531	1,635	+7%	
Gross margin	800	907	+13%	
EBITDA	588	663	+13%	
EBIT	461	535	+16%	
Net financial expenses	-140	-144	+3%	
Net income before taxes and minorities	341	394	+16%	
Net income	195	96	-51%	+2%

(1) Stripping out the non-recurrent tax effect of the Elesur/Chilectra merger in 1Q06 of €101M of net income.

Strong growth across all businesses



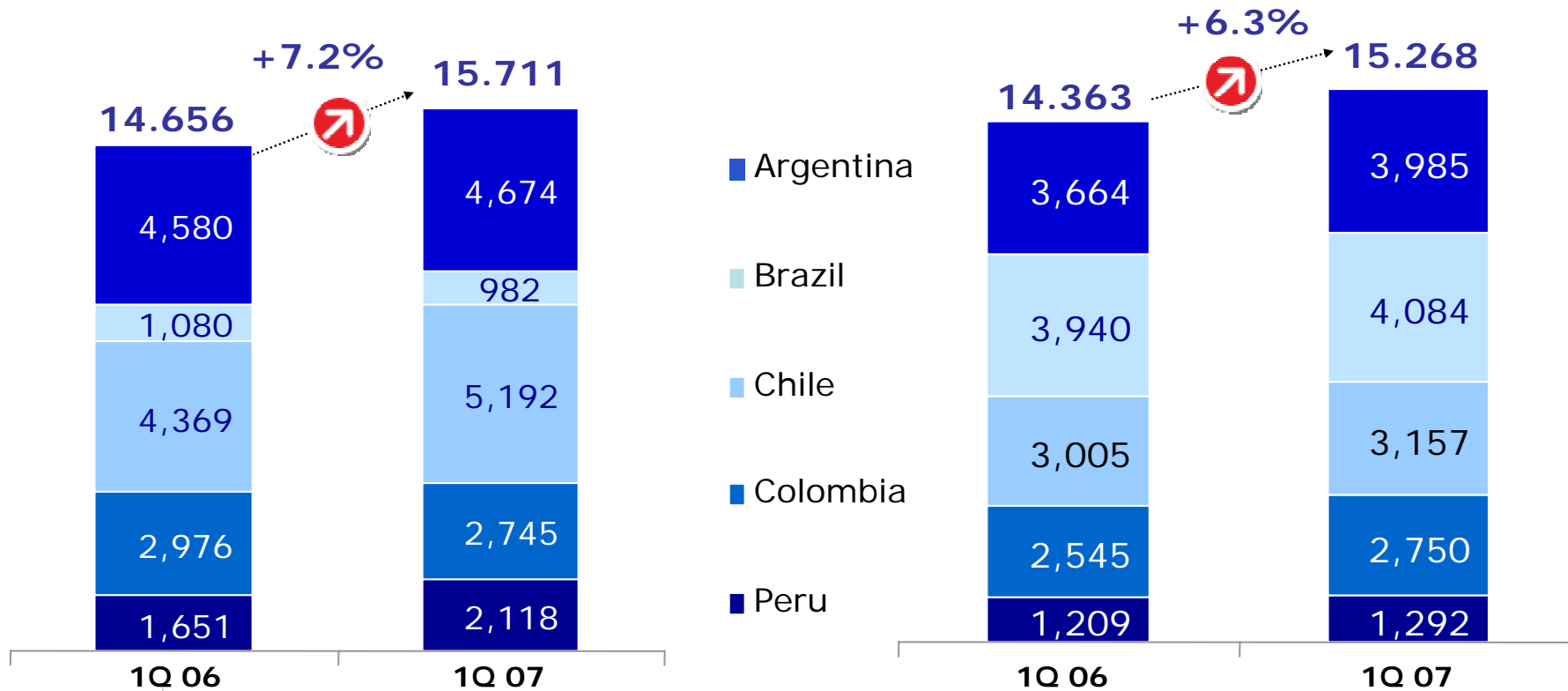
Highlights

- Sharp growth in demand in all countries
- Strong growth in output and sales
- Significant improvement in generation and distribution margins
- Cash returns in line with the Strategic Plan targets

Strong growth in output and sales

Output (GWh)

Sales (GWh)



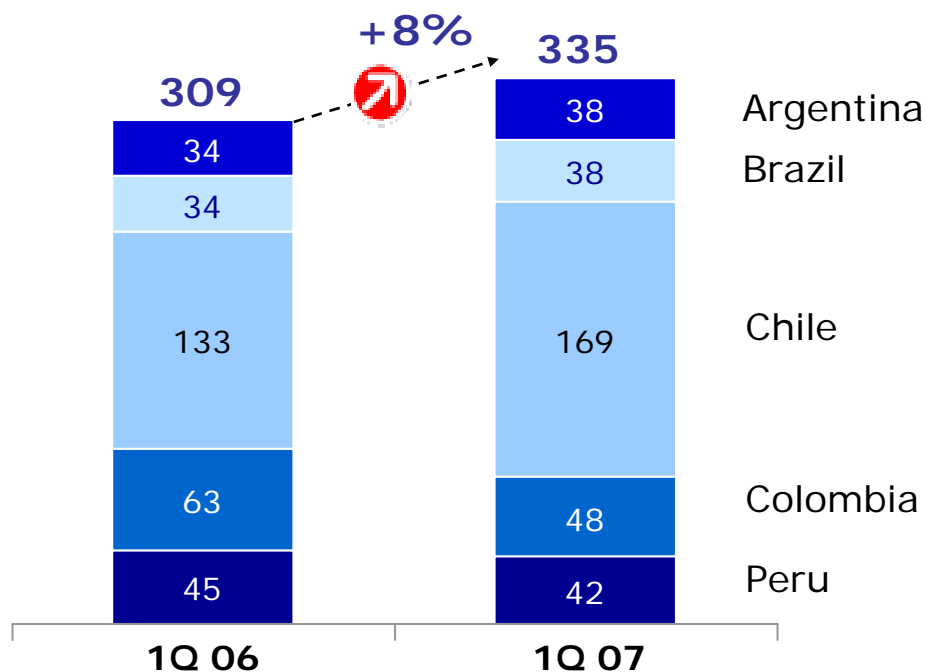
Strategic Plan 2004-2009

CAGR +3.5%

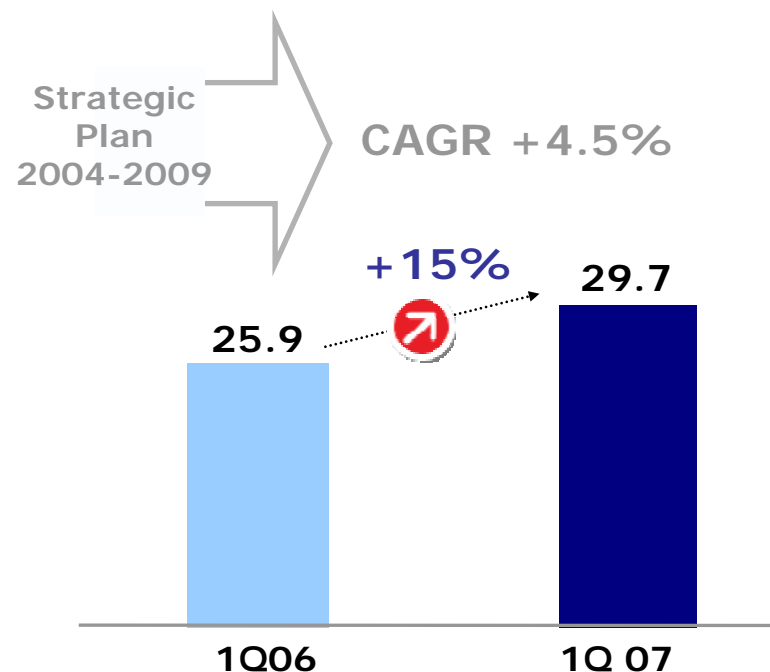
CAGR +5.0%

EBITDA growth in Generation, largely due to Chile

EBITDA Generation (€M)



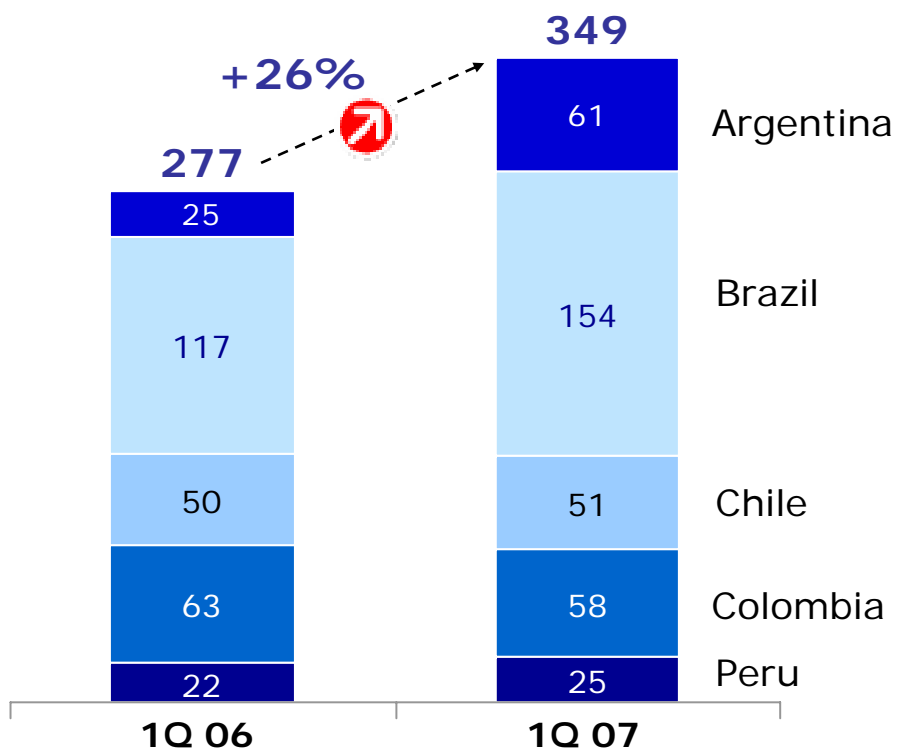
Generation margin (USD/MWh)



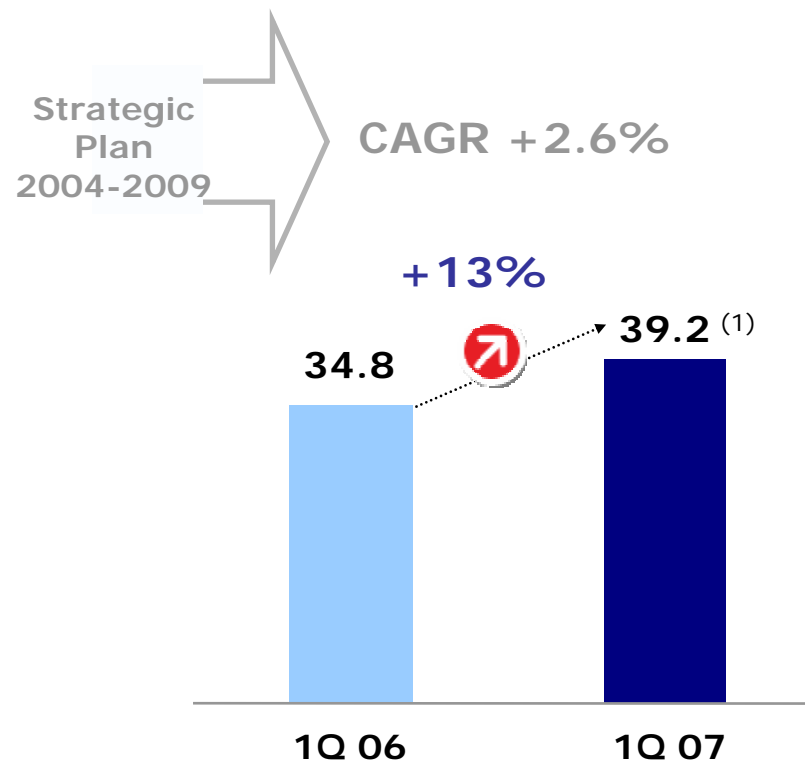
- Significant contribution from Chile: high rainfall with high wholesale prices
- Generation unit margin exceeded 2009 target (USD23.8/MWh)

Strong EBITDA growth in distribution, especially in Argentina and Brazil

EBITDA Distribution (€M)



Distribution margin (USD/MWh)



- Implementation of new tariffs in Argentina
- Better margins in Brazil due to lower sector surcharges and reduction in energy losses
- Distribution unit margin exceeded 2009 target (USD29.5/MWh)

(1) It does not include retroactive effect of increased tariffs at Edesur (Nov05 to Jan07).

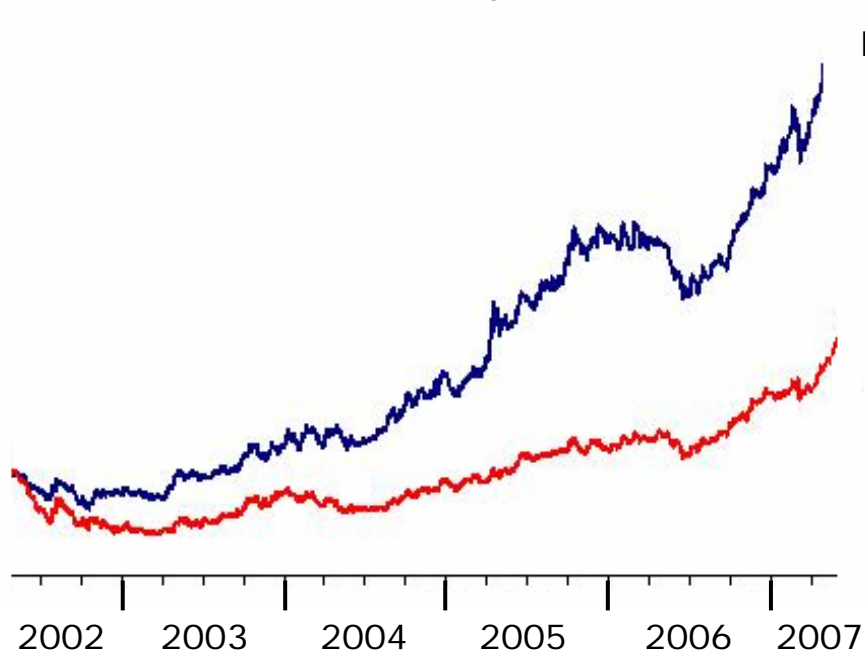
Cash returns in line with the Strategic Plan

USD million	2005-06	1Q07	Total
Dividends and interest	207	111	318
Capital reductions & others	327	7	334
Divestments	27		27
	561	118	679

- Achieving 42% of the Strategic Plan 2005-09: USD1,600M
- Also, approx. USD170M from Enersis dividend (May 2007)

Enersis and Endesa Chile, trading at highest levels

Stock market performance over last 5 years



Endesa Chile
(ADR)

Stock market increase

+417%

Market cap (US\$M)

13,140

Historical maximum level

Enersis
(ADR)

+110%

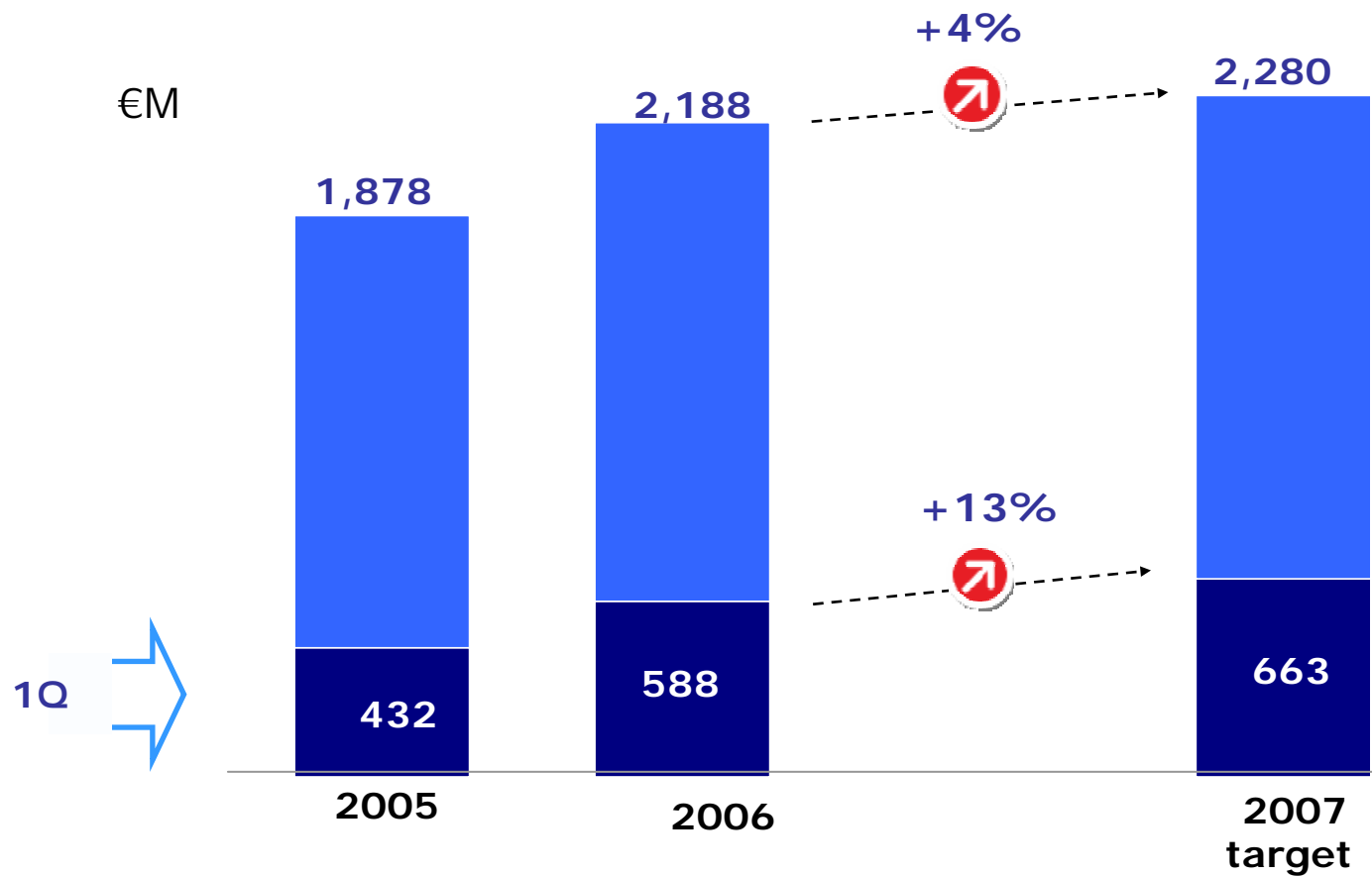
12,538

6-year maximum level

▪ **Stock market performance shows the strong track record and favourable outlook for the Latin American subsidiaries**

Results in line with 2007 targets

EBITDA



1Q07 Results

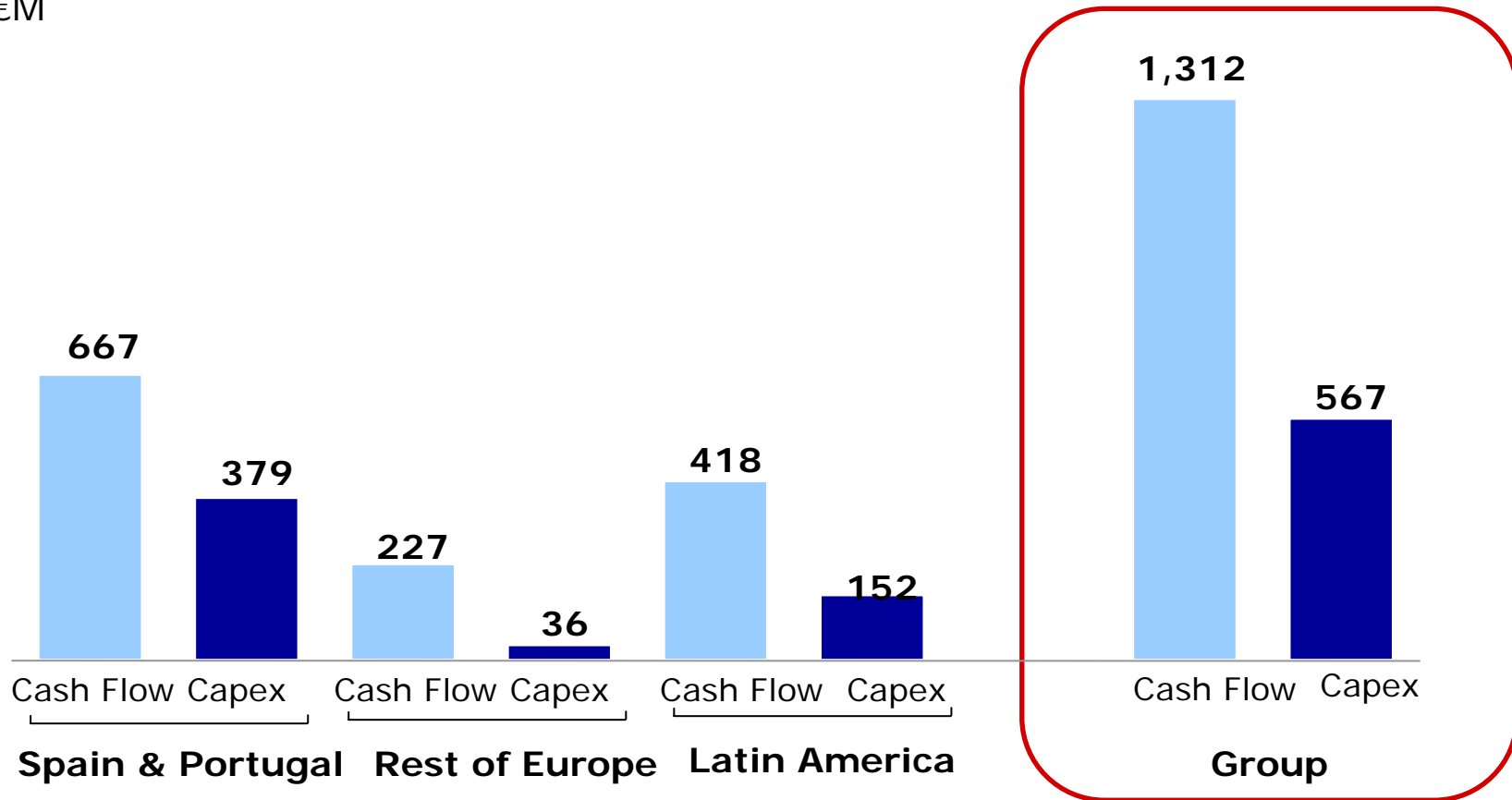


Financial analysis



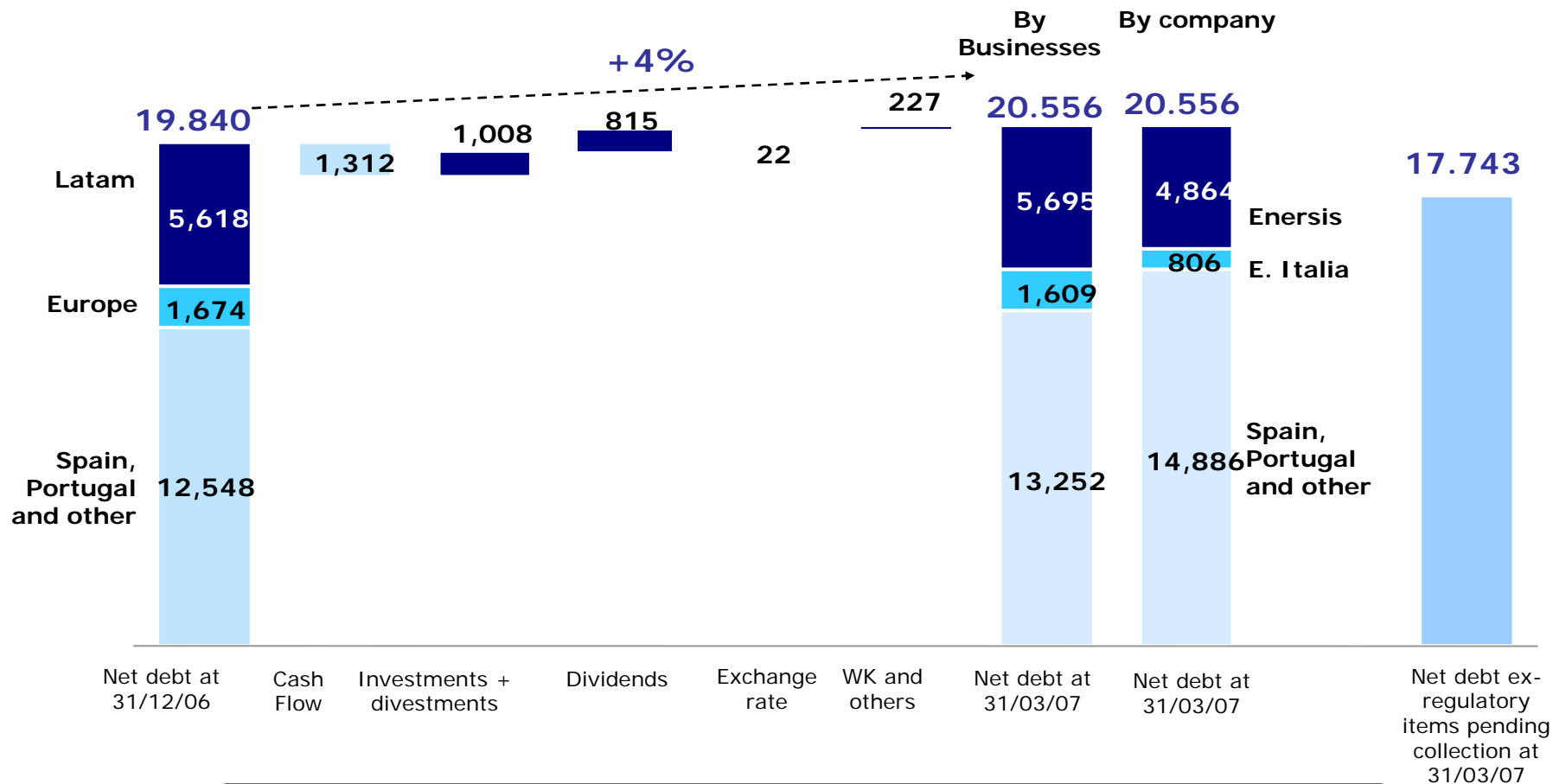
Positive cash flow

€M



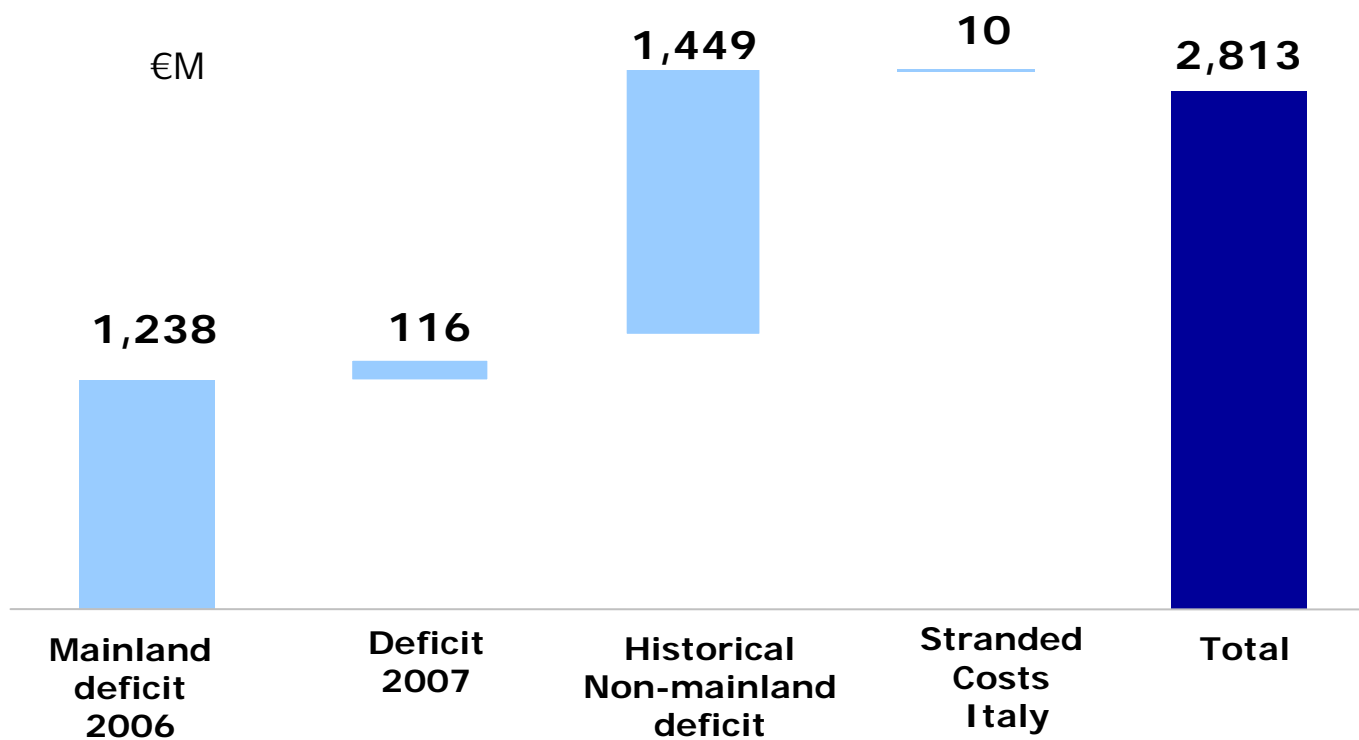
Debt performance

€M



Net debt excluding regulatory items: €17,743M

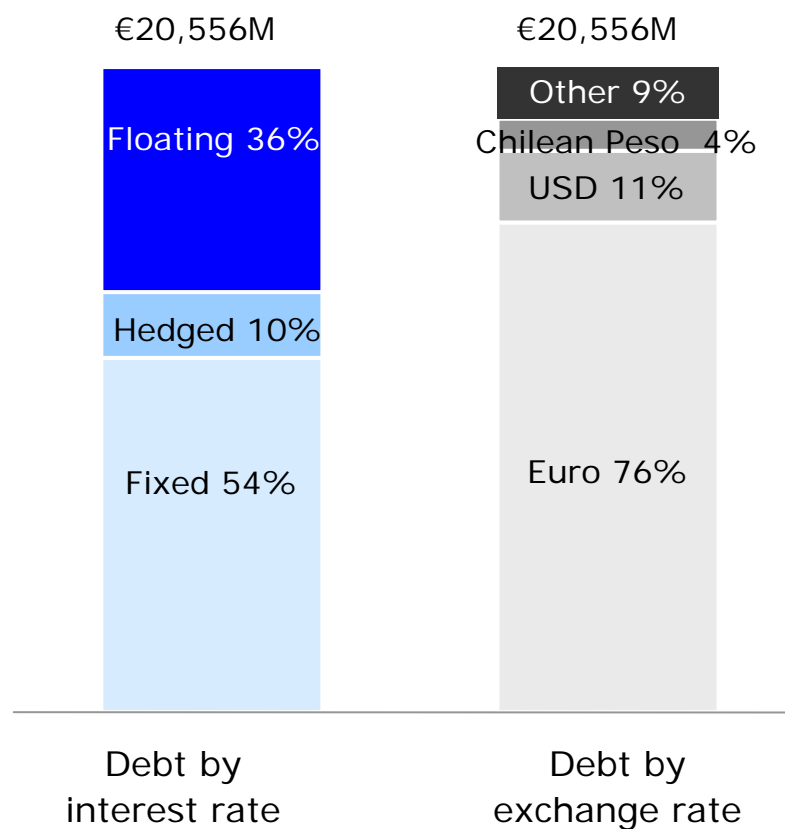
Recognised regulatory items pending collection



Favourable debt structure in a context of rising interest rates

- **Debt structure:**
 - Fixed-rate or hedged debt: 64%
 - Debt in currency in which cash flow is generated
- **Average cost of debt: 5.63%:**
 - Endesa excl. Enersis: 4.36%
 - Enersis: 9.25%
- **Average life of debt: 5.1 years**
- **Liquidity at Endesa:**
 - Endesa excl. Enersis: €6,245M
 - Enersis: €1,295M

Debt structure



Conclusions

- **Solid earnings in a demanding scenario**
- **Diversified business portfolio in highly attractive markets**
- **Expected results in line with announced targets**
- **Active management of the businesses: growth, efficiency and investments.**
- **An experienced and committed team**

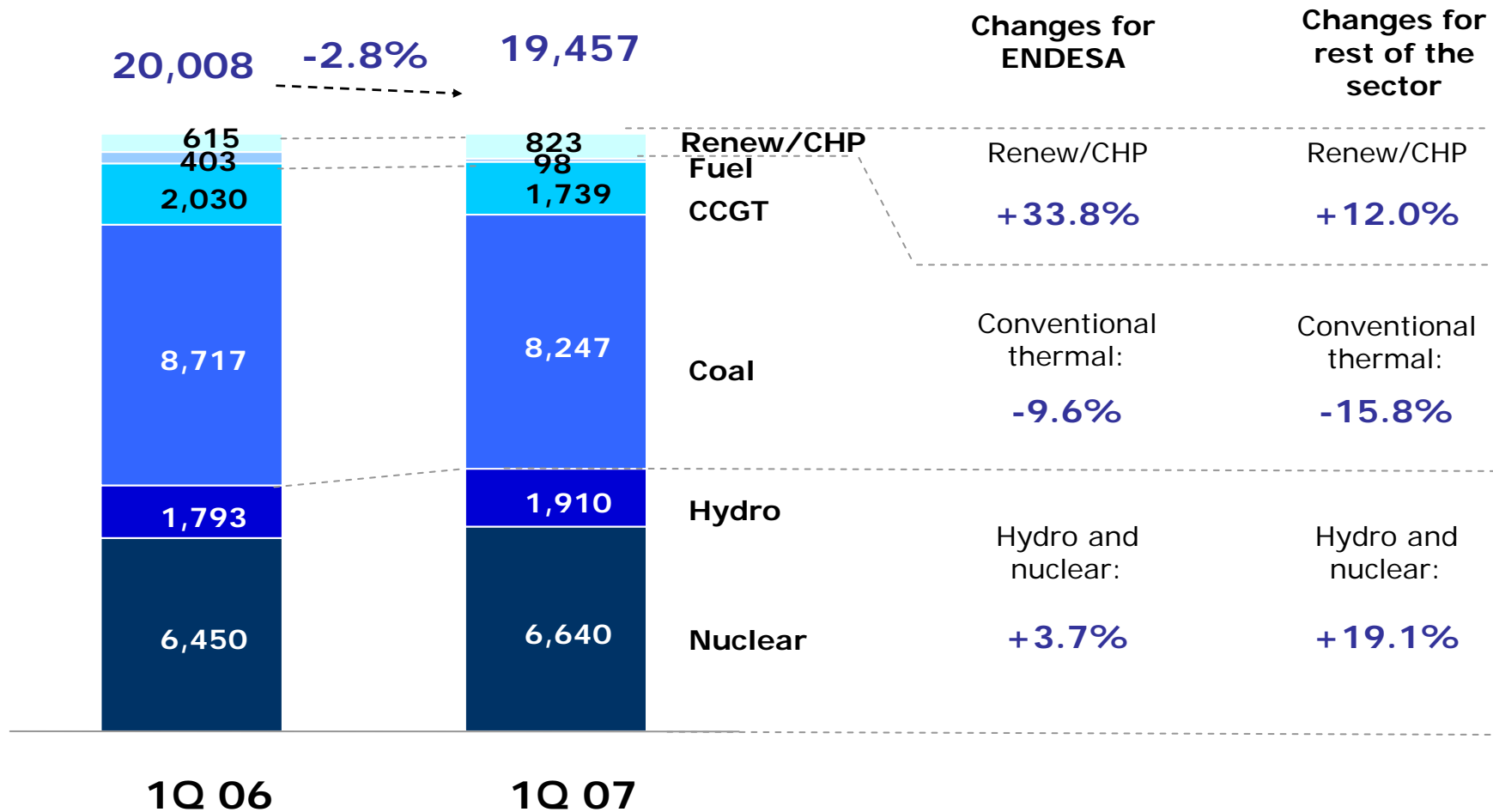


Back-up



Generation output in Spain and Portugal

Endesa's mainland generation output (GWh)

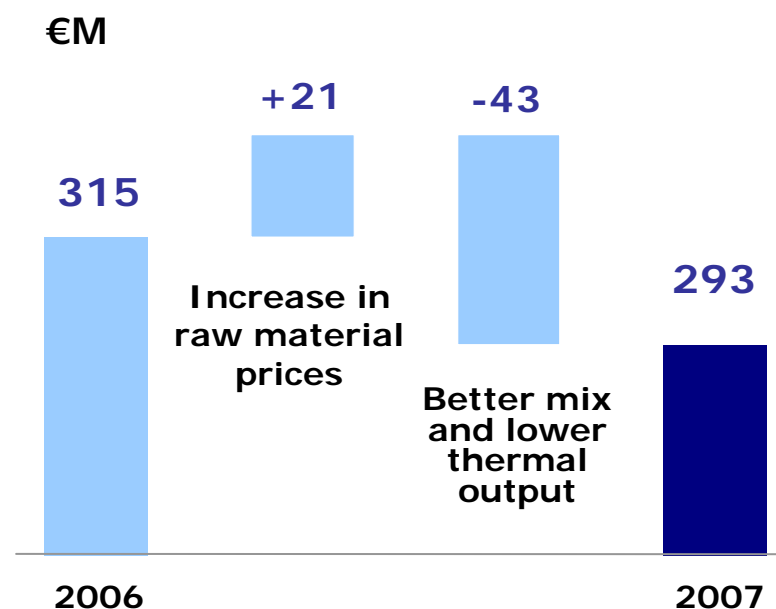


Competitive mainland fuel costs

Breakdown of mainland unit fuel costs

€/MWh	1Q06	1Q07	% chg
CCGT ⁽¹⁾	36.8	37.7	2.3%
Domestic coal ⁽²⁾	21.5	22.8	5.9%
Imported coal	19.1	18.9	-1.3%
Fuel	69.0	154.7	124%
Average conventional thermal output	26.3	26.7	1.5%
Total average	16.2	15.7	-3.1%

Breakdown of impact on fuel costs

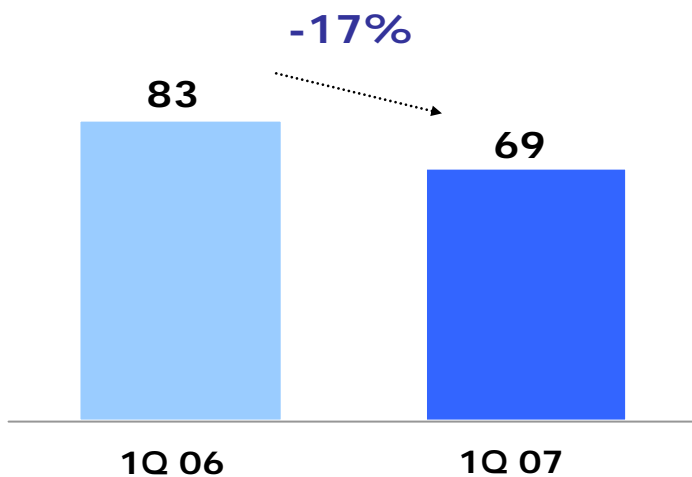
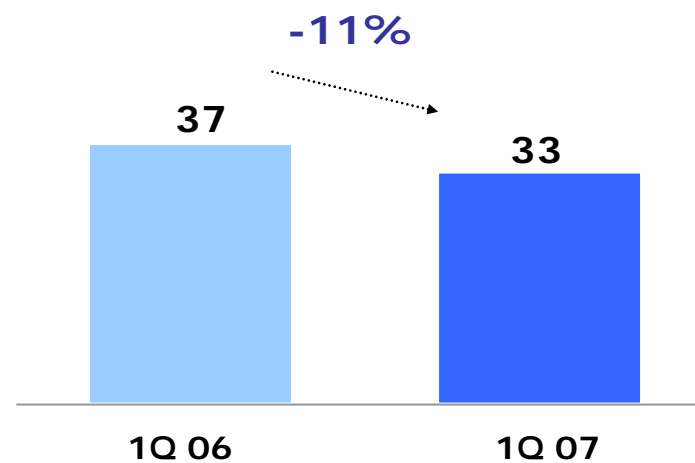




Moderation in fuel prices due to higher hydro and nuclear output

(1) €32./MWh in 2007 and €32.9 in 2006 ex-ATR.

(2) Net of coal premiums. Gross cost was €25.1/MWh in 2007 and €22.8/MWh in 2006. Includes imported coal consumed by domestic coal plants.

Renewables and CHP technologies have been strongly affected by the drop of pool prices

Sales (€M)

EBIT (€M)


Output⁽¹⁾	615 GWh	+34%	823 GWh
			
Sale price renewable /CHP	101.1 €/MWh	-19%	81.7 €/MWh
			

(1) Accounting output (corresponding to the booked sales)

Renewable and CHP: Operating magnitudes

	1Q 06			1Q 07		
	Net	Accounting	Gross	Net	Accounting	Gross
MW						
Total	1,385	1,047	2,171	1,589	1,286	2,381
CHP	246	34	533	211	39	452
Wind	919	826	1,280	1,136	1,038	1,549
Minihydro	174	165	218	196	187	240
Other	46	22	140	46	22	140

Installed capacity

	1Q 06			1Q 07		
	Net	Accounting	Gross	Net	Accounting	Gross
GWh						
Total	938	615	1,568	1,057	823	1,676
CHP	262	30	604	159	34	393
Wind	521	453	722	723	639	996
Minihydro	124	121	129	121	117	130
Other	31	11	113	54	33	157

Output

Favourable shift in the regulatory environment

Developments expected

Tariffs

- Quarterly tariff update
- Elimination of high voltage customers tariff by 2010

Wholesale market

- RDL 3/2006 applied to 2006
- Virtual capacity auctions (VPP): gradually up to 1,000 MW per bidder
- Energy auctions for distributors
- Interruptability schemes introduced to large customer access tariffs. Promoting departure to deregulated market.
- Review of the capacity payment methodology
- OMIP and OMIE integration

Regulated activities

- Distribution: remuneration set to evolve in coming years
- Renewables/CHP: new RD pending

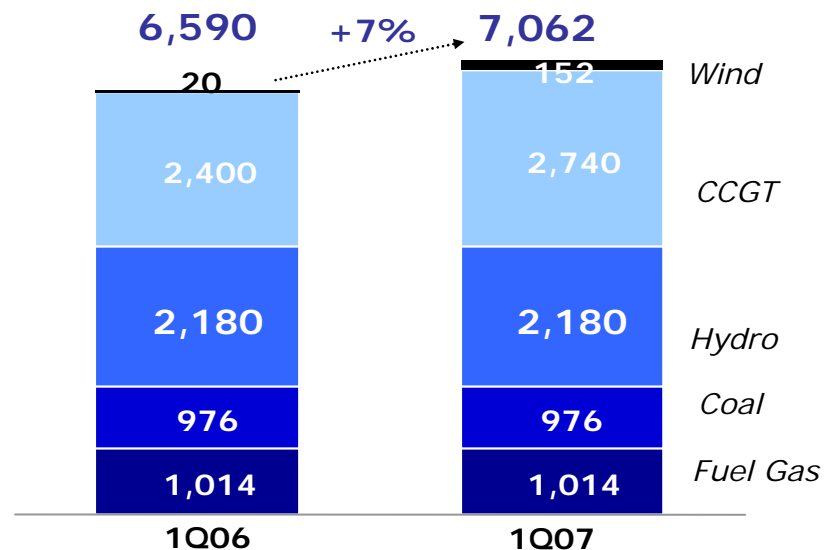
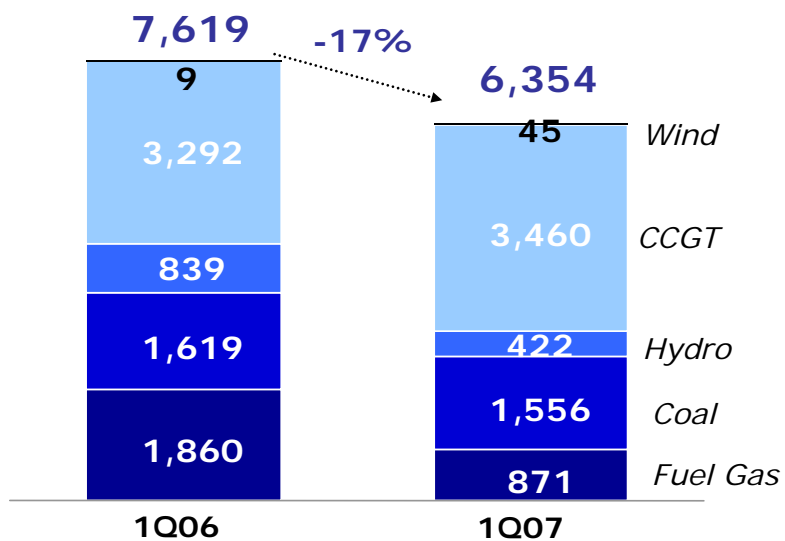
Moving towards full liberalization and recognition of market price

Output and installed capacity

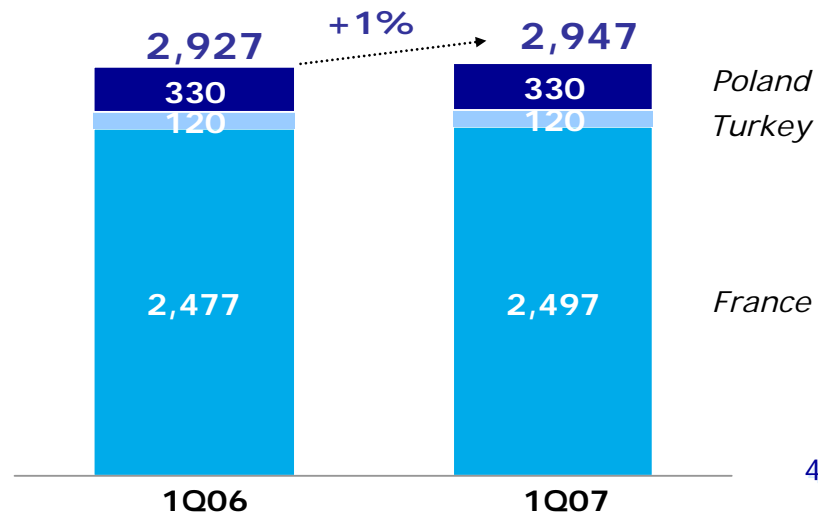
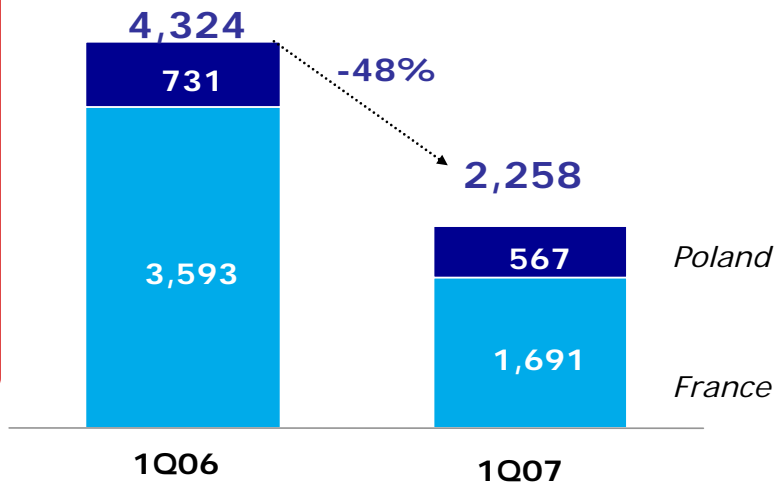
Output (GWh)

Installed capacity (MW)

Italy



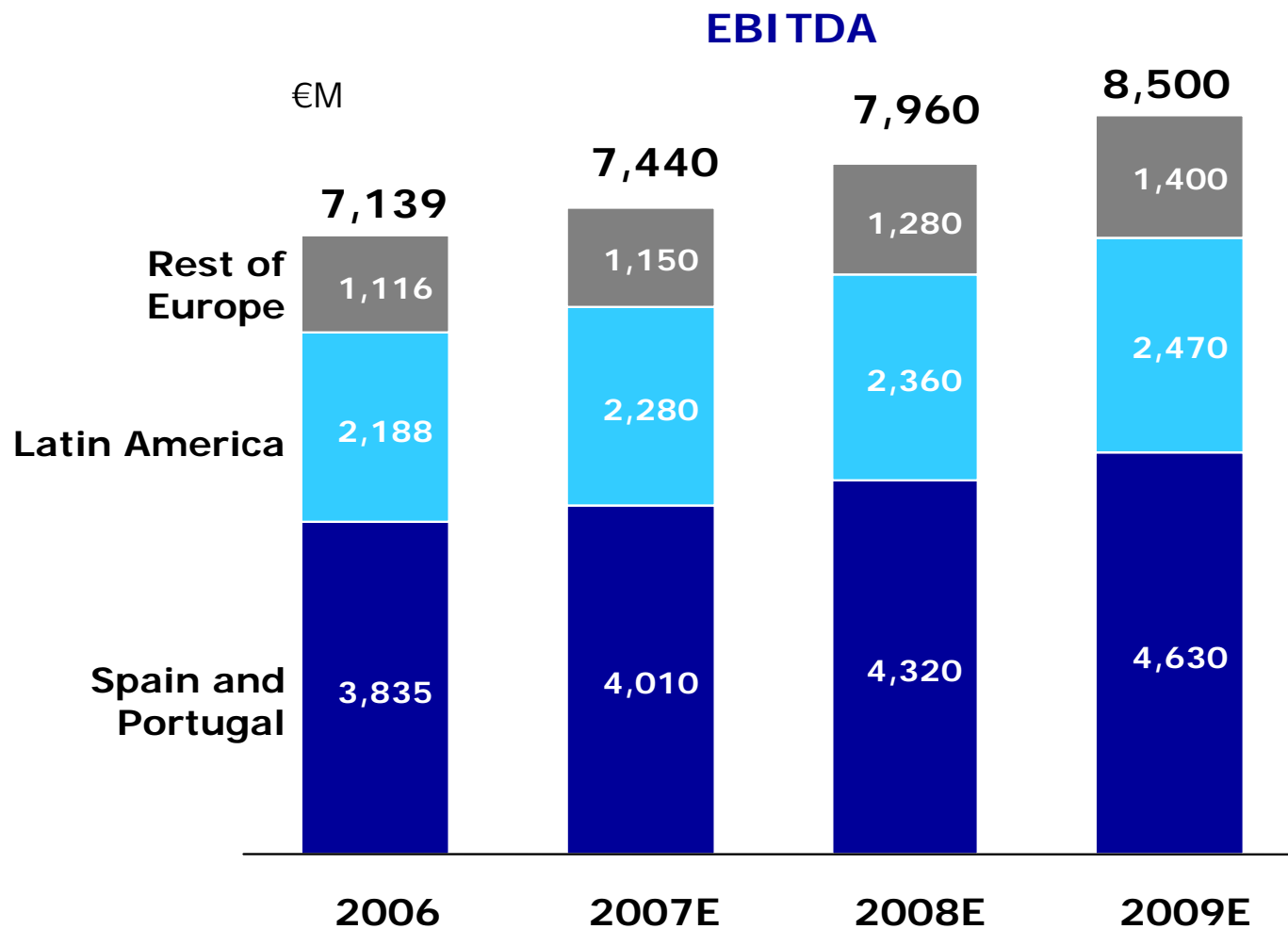
E. France



Progress in streamlining ownership structure

<p>Creation of Brazilian holding</p>		<ul style="list-style-type: none"> ▪ Carried out October 2005 ▪ IFC acquired stake (2.7%) in Endesa Brasil
<p>Chilectra - Elesur merger</p>		<ul style="list-style-type: none"> ▪ Carried out March 2006
<p>Etevensa - Edegel merger</p>		<ul style="list-style-type: none"> ▪ Carried out June 2006
<p>Emgesa - Betania merger</p>	<p>To close in 2007</p>	<ul style="list-style-type: none"> ▪ Approved by both companies' boards in 2006 <div style="border: 2px solid red; border-radius: 15px; padding: 10px; margin-top: 10px;"> <ul style="list-style-type: none"> ▪ More balanced generation mix: less exposure to volatile rainfall ▪ Better financial structure </div>

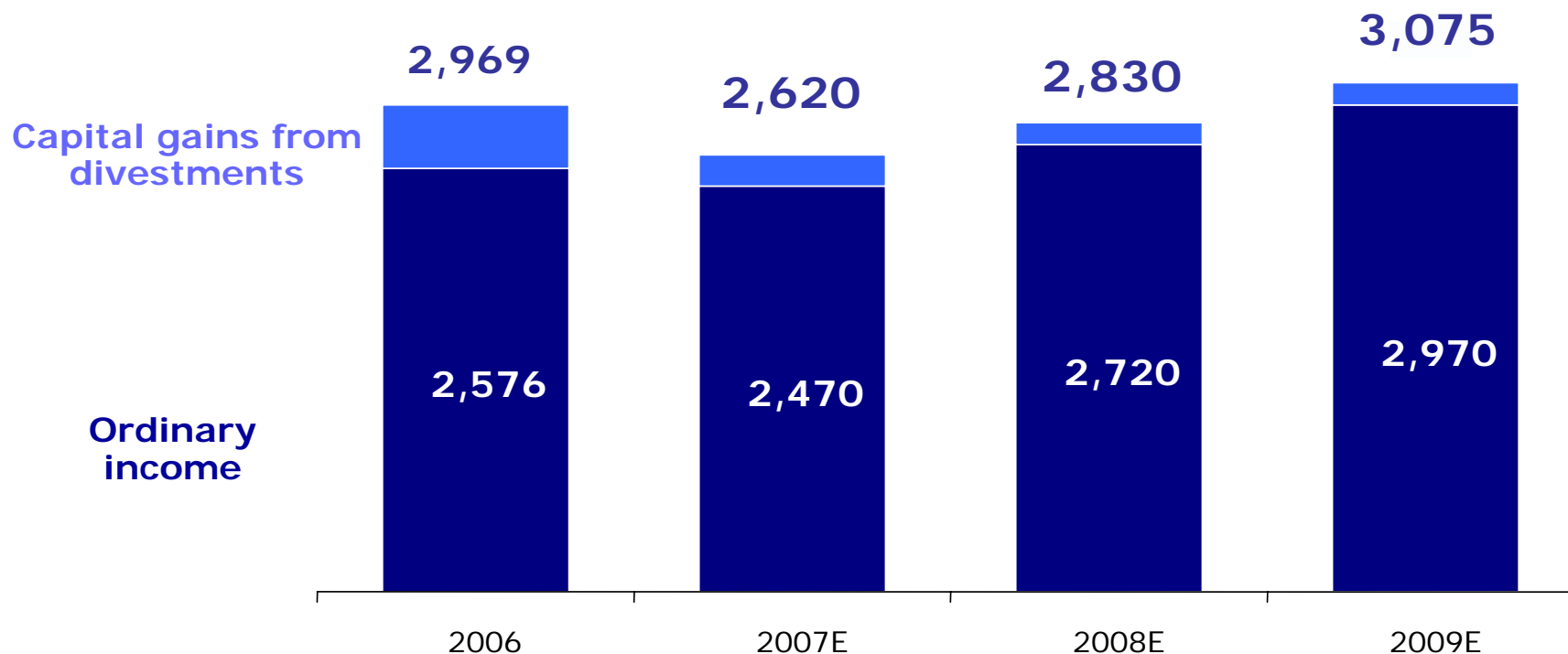
Breakdown of EBITDA growth by business line: 2006-09



Net income target growth

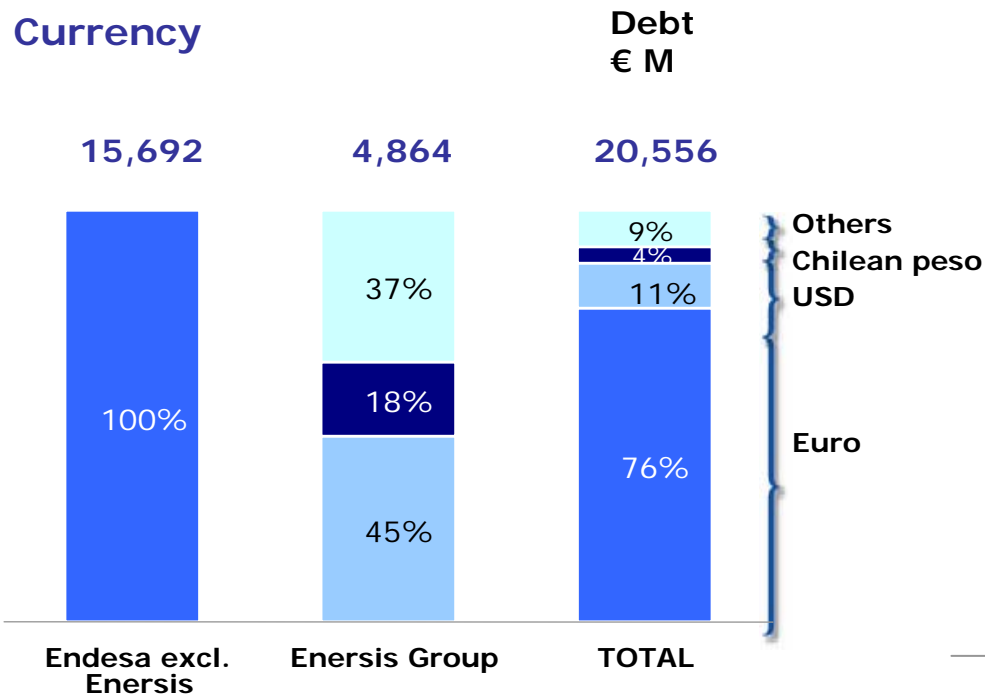
€M

Net income

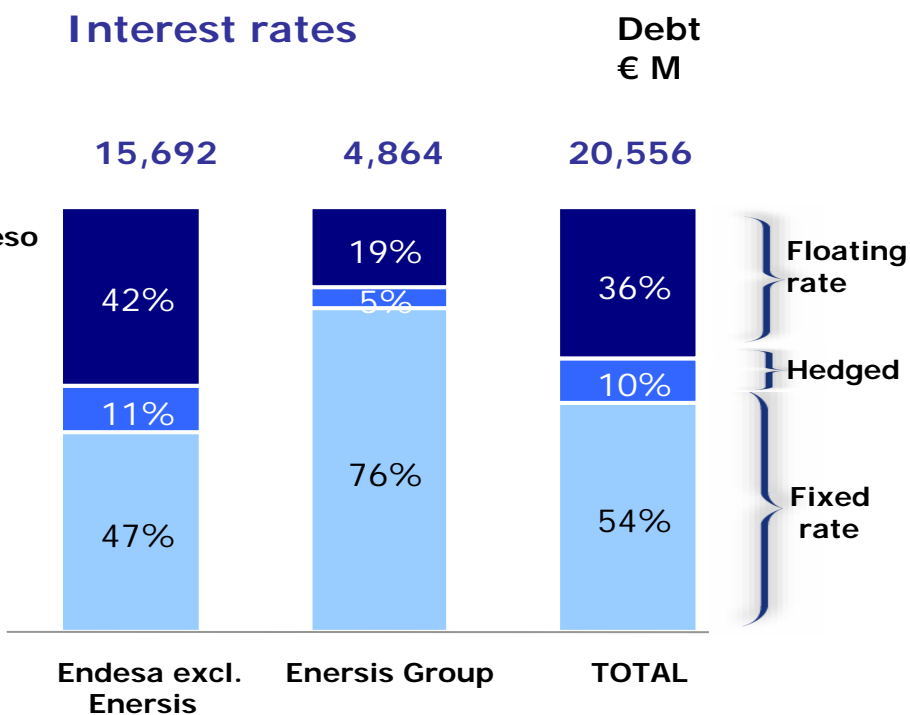


Debt structure aligned with needs and business risk

Currency hedging



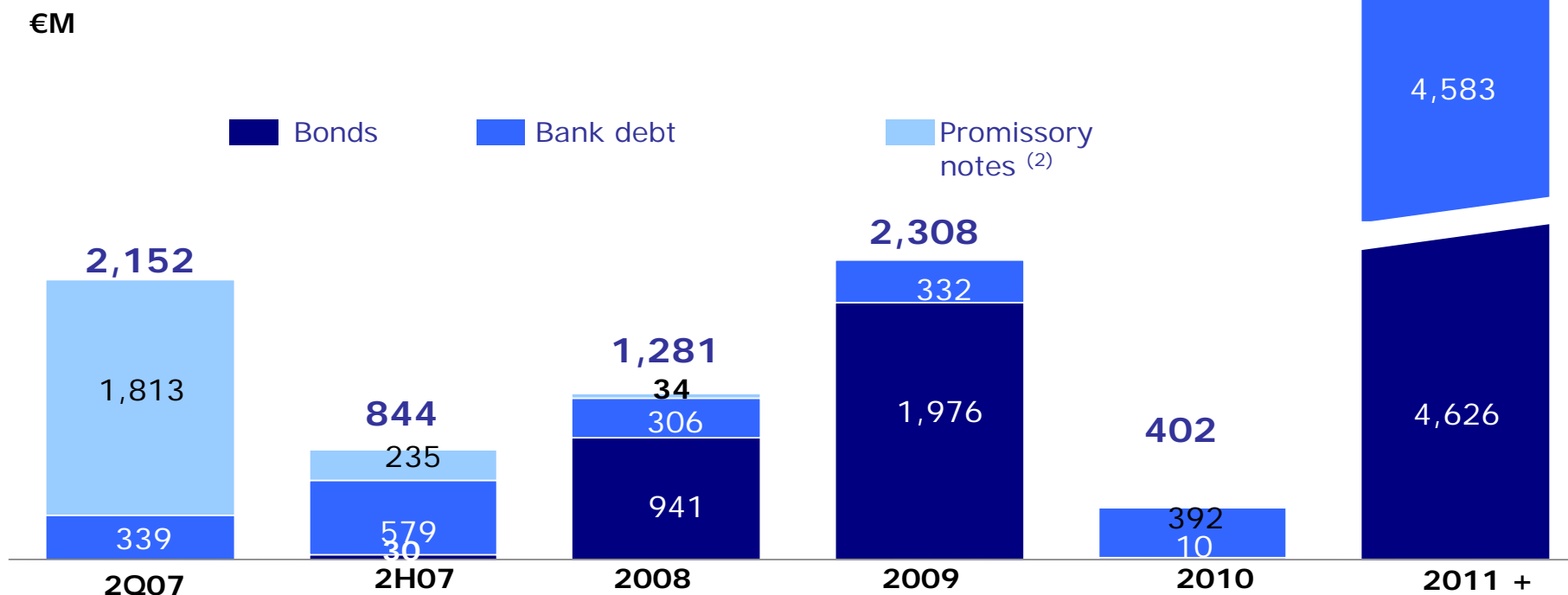
Interest rate hedging



- Currency risk is mitigated by denominating debt in the same currency in which cash flow is generated
- The high percentage of interest rate hedging reduces volatility in financial expenses

ENDESA debt maturities excluding Enerjis

Balance of debt maturities: €16,196M ⁽¹⁾



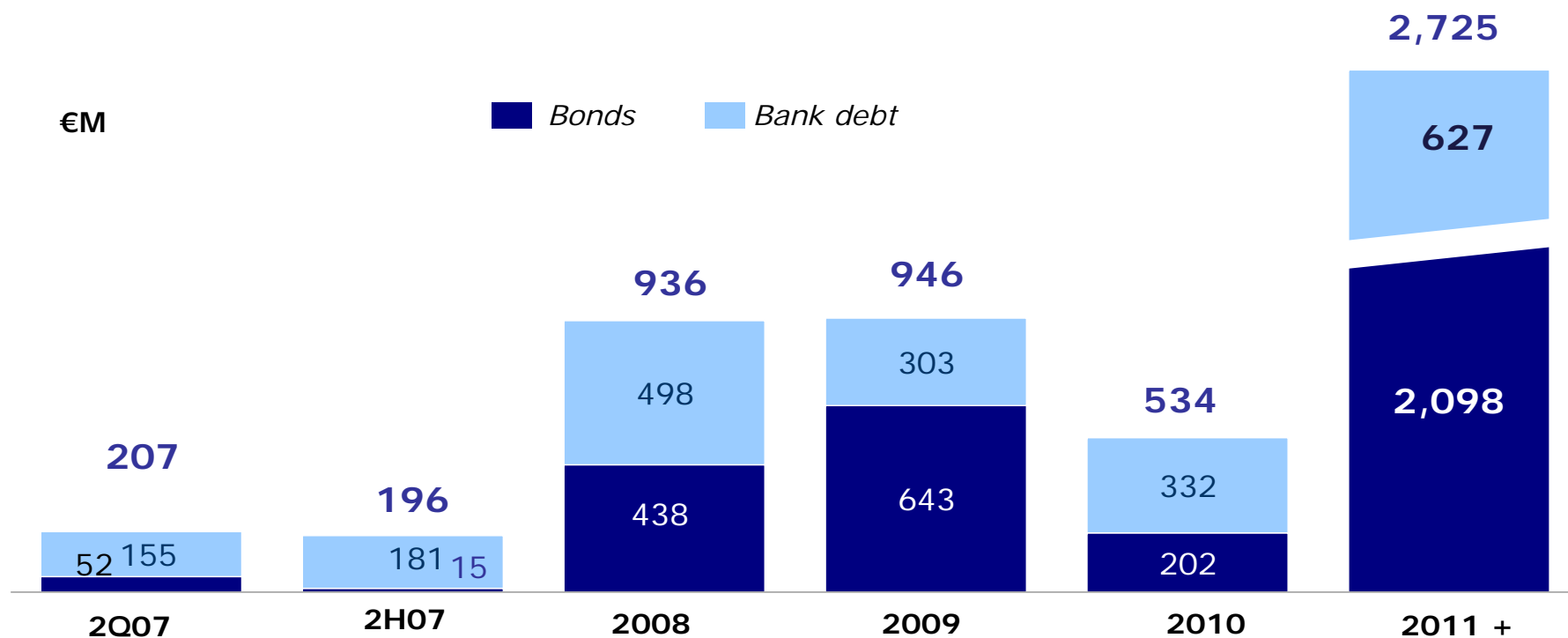
ENDESA's liquidity excluding Enerjis is €6,245M (€349M in cash and €5,896M in available credit lines), sufficient to cover debt maturities falling due during the next 17 months

(1) This gross balance differs from the total financial debt figure as it does not include transaction expenses pending accrual or the market value of derivatives which do not involve any outlay of cash.

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

Enersis debt maturities

Balance of debt maturities: €5,544M ⁽¹⁾



Enersis' liquidity is €1,295M (€760 in cash and €535M in available syndicated loans), sufficient to cover debt falling due during the next 19 months

(1) This gross balance differs from the total financial debt figure as it does not include transaction expenses pending accrual or the market value of derivatives which do not involve any outlay of cash.



Legal Information

This document was made available to shareholders of Endesa, S.A.. In relation with the announced joint offer by ENEL SpA and Acciona, S.A., Endesa shareholders are urged to read the report of Endesa's board of directors when it is filed by the Company with the Comisión Nacional del Mercado de Valores (the "CNMV"), as well as Endesa's Solicitation/Recommendation Statement on Schedule 14D-9 when it is filed by the Company with the U.S. Securities and Exchange Commission (the "SEC"), as it will contain important information. Such documents and other public filings made from time to time by Endesa with the CNMV or the SEC are available without charge from the Endesa's website at www.endesa.es, from the the CNMV's website at www.cnmv.es and from the SEC's website at www.sec.gov and at Endesa's principal executive offices in Madrid, Spain.

This presentation 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. For example, the EBITDA (gross operating profit as per ENDESA's consolidated income statement) target for 2007-2009 included in this presentation are forward-looking statements and are based on certain assumptions which may or may not prove correct. 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 presentation, 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 the presentation are given in the Risk Factors section of Form 20-F filed with the SEC and in the 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.



1Q 2007 Results



May 4, 2007