2008 results

Dow Jones Sustainability Indexes
Member 2008/09

26 February 2009

Explanatory note

- For the purposes of reviewing the Group's performance in 2008 and providing a year-on-year comparison, the analysis provided below is based on all operations classified as continued. The result of discontinued activities are only included in net income.
- Under IFRS 5, the Endesa Europe assets and the power plants in Spain sold to E.On AG are classified as discontinued operations.
- The accounting criteria used to consolidate jointly controlled investments has changed from the equity method to proportionate consolidation. Figures for 2007 have therefore been amended to carry out a like-for-like comparison

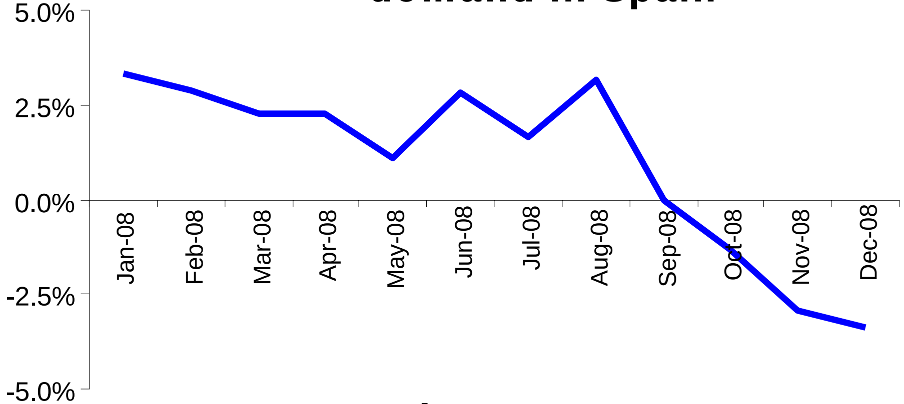
Positive performance during the year

€M	2007	2008	Change
Sales	17,481	21,728	+24%
Gross profit	9,558	10,320	+8%
EBITDA	6,368	6,895	+8%
EBIT	4,619	5,234	+13%
Net financial expense	-881	-1,016	+15%
Net attributable profit	2,675	7,169	+168%
Net profit from ongoing activities after minorities	2,241	2,371	+6%

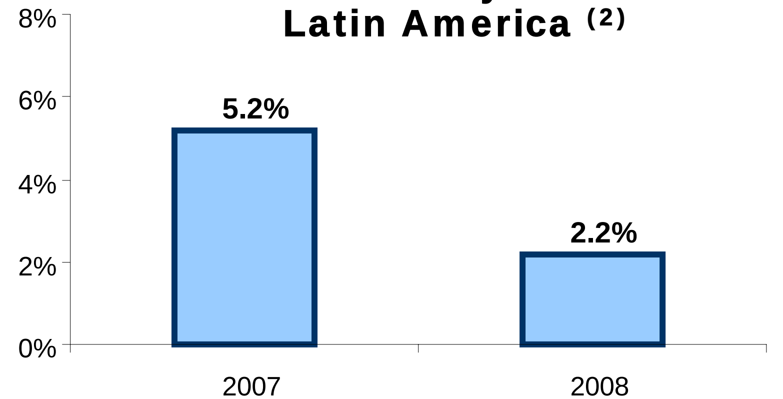
Interim Dividend against 2008 earnings: € 6,243M

Results achieved in a challenging enviroment

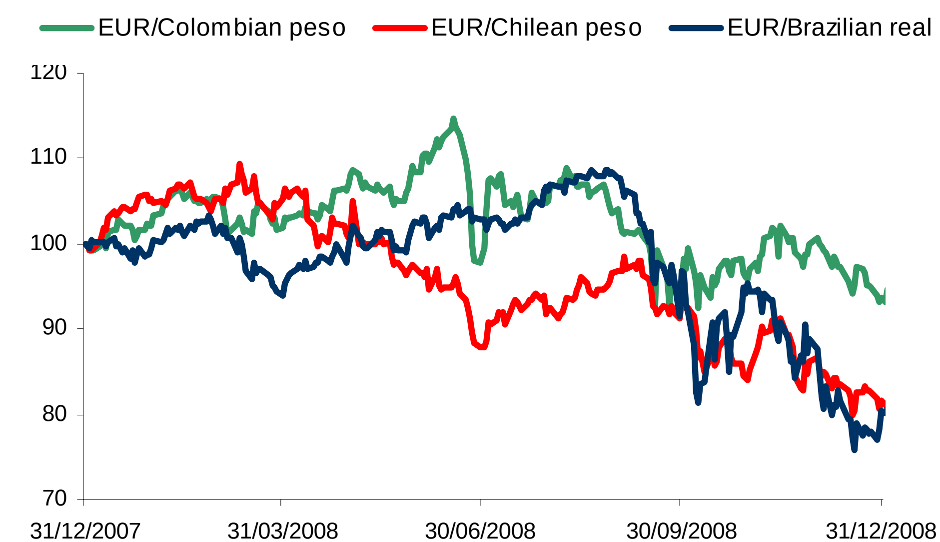
Monthly change to electricity demand in Spain (1)



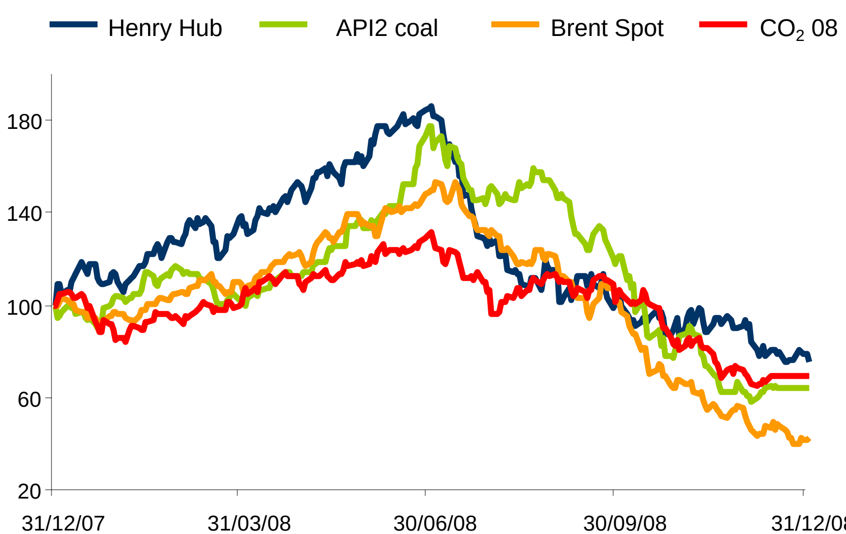
Annual electricity demand in Latin America (2)



Exchange rates



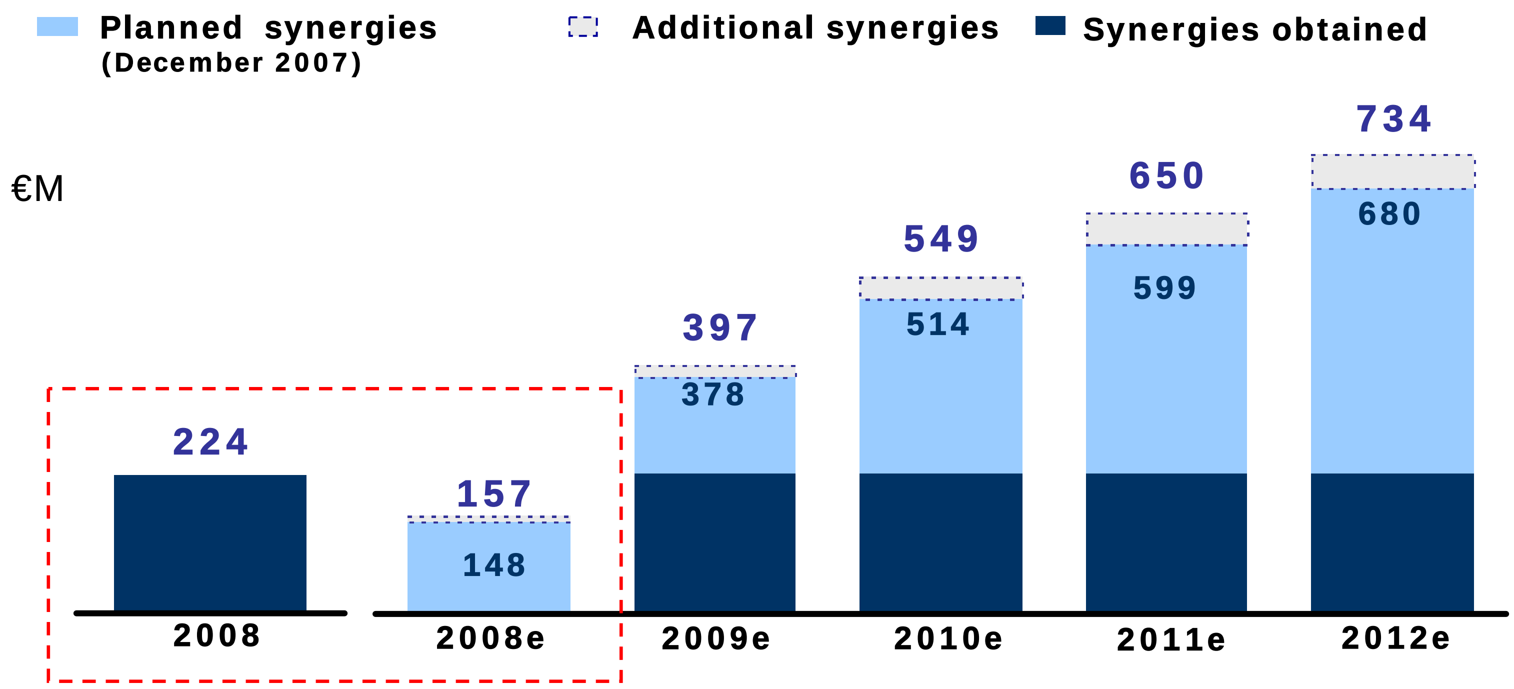
Commodities and CO_2



(1) Mainland system corrected for temperature and labour effects
(2) Countries in which Endesa is present. Weighting by EBITDA

Focus on improving efficiency

Annual synergies and efficiency plan[1] clearly beat targets

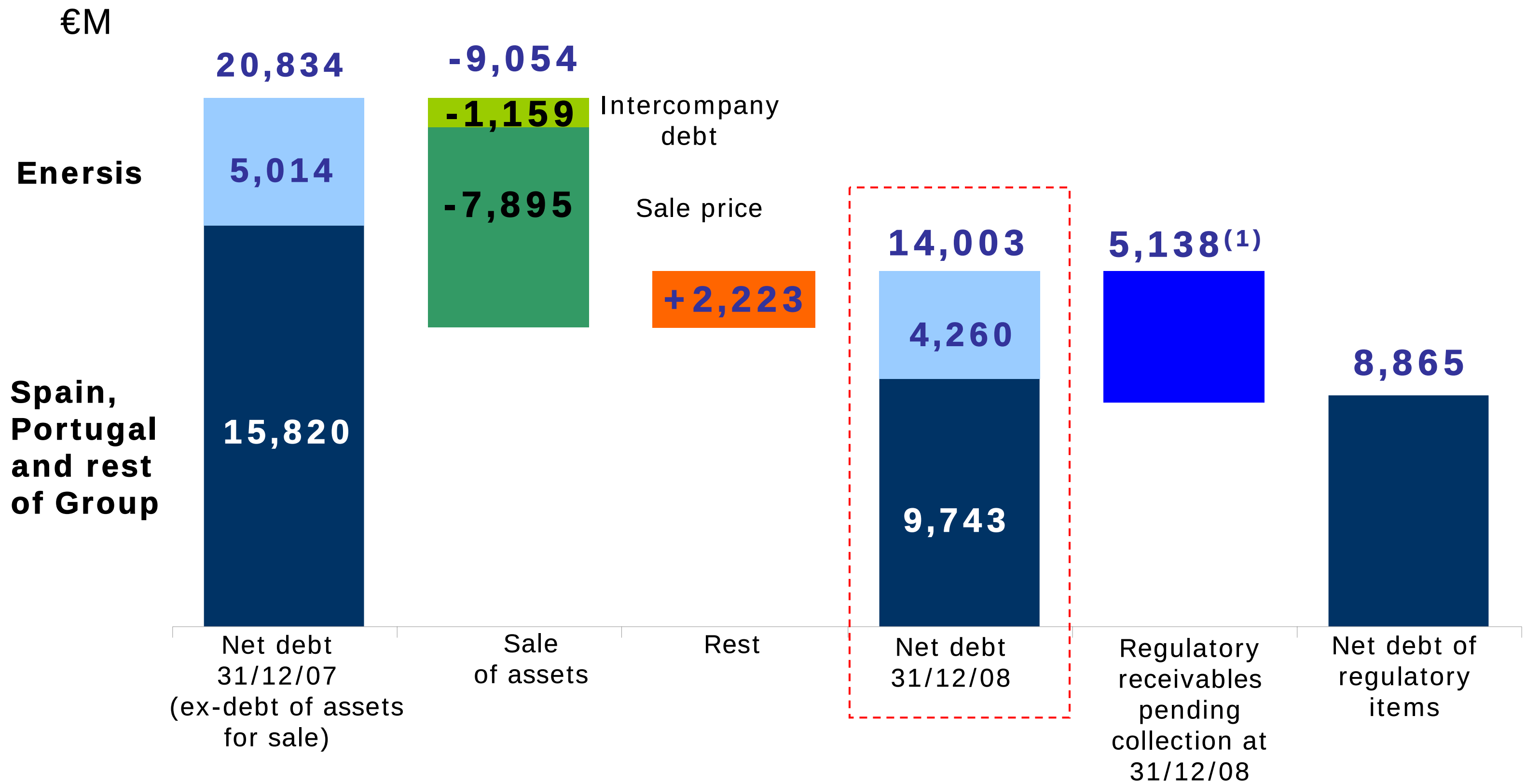


- **Some €224 M of recurring efficiencies obtained (43% higher than target)**
- **Possible additional synergies**

(1) Recurring based on 2007
Note: Synergies calculated on margin, opex and capex

Strong financial position

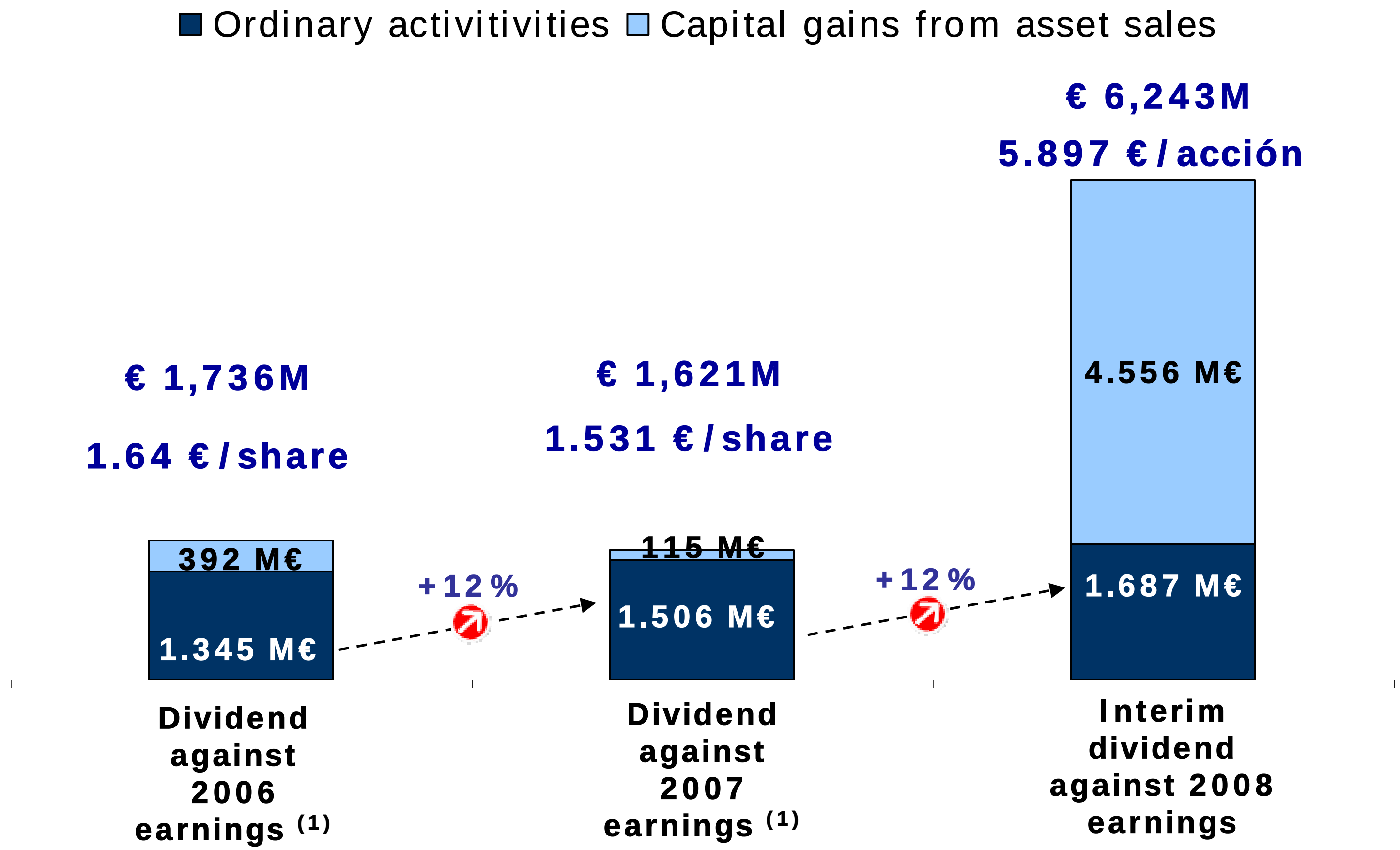
Net debt 2008



	Liquidity (cash)	Hedge maturities	Average life of debt
Endesa excl. Enersis	€10,781 M (€3,299 M)	39 months	4.3 years
Enersis	€2,098 M (€1,488 M)	17 months	5.1 years

(1) The breakdown of regulatory receivables is provided in the back up (page 30)

Significant shareholder remuneration via dividends



- March 16th 2009 dividend payment (ex-dividend date)

(1) Does not include attendance premiums paid to shareholders who signed up to attend the Extraordinay Shareholders Meeting

Asset sale agreement with Acciona

Sale price:

€ 2,890M

	MW
Wind	1,248
Minihydro	174
Hydro	682
Total	**2,104**

3.6% of 2008 consolidated EBITDA

5.3% of Endesa total installed capacity

- **“Fairness opinion” by investment banks**
- **Price to be adjusted with debt**
- **Agreement subjected to administrative authorizations**

Spain and Portugal

Highlights

- Lower rainfall, high fuel and CO_2 prices pushed up the average pool price (+53%, €71/MWh)
- Prudence in applying RDL 11/2007
- Competitive advantage in generation: better mix, lower fuel costs and higher thermal load factor
- Stable margins due to commercial policy
- Optimising CO_2 costs by applying CERs
- Quality of supply continues to improve (SAIDI -11% vs. 2007)

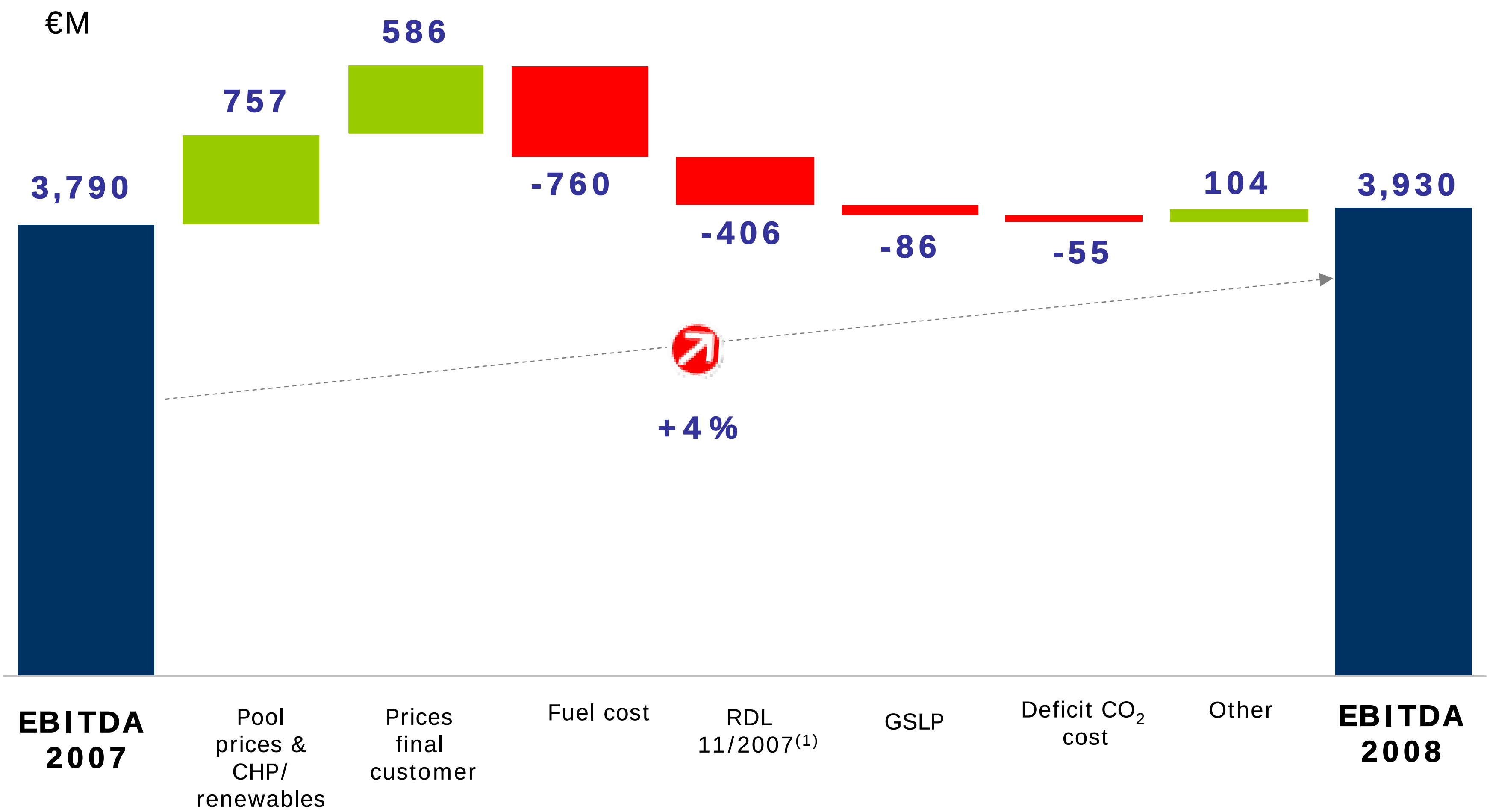
Positive earnings despite a challenging economic environment

€M	2007	2008	Change
Sales	9,871	12,632	**+28%**
Gross profit	6,044	6,301	**+4%**
EBITDA	3,790	3,930	**+4%**
EBIT(1)	2,663	2,834	**+6%**
Net financial expenses(2)	-417	-488	**+17%**
Net attributable profit	1,785	2,217	**+24%**
Net profit from ongoing activities after minorities	1,738	1,873	**+8%**

(1) Depreciation and amortisation charges fell €31 M yoy as during 2007 some €82 M were amoritsed due to the correction in the value of CO_2 emission rights vs. €58 M in 2008 and for the non-amortisation of renewable energy assets (in 2007 €32 M)

(2) The increase in net financial expenses is due to the positive effect of €76 M from the reduction in the current value of provisions (largely severances) in 2007 and the effect of €28 M for the same item in the 2008 accounts. Stripping out this effect, this item would have fallen 7%

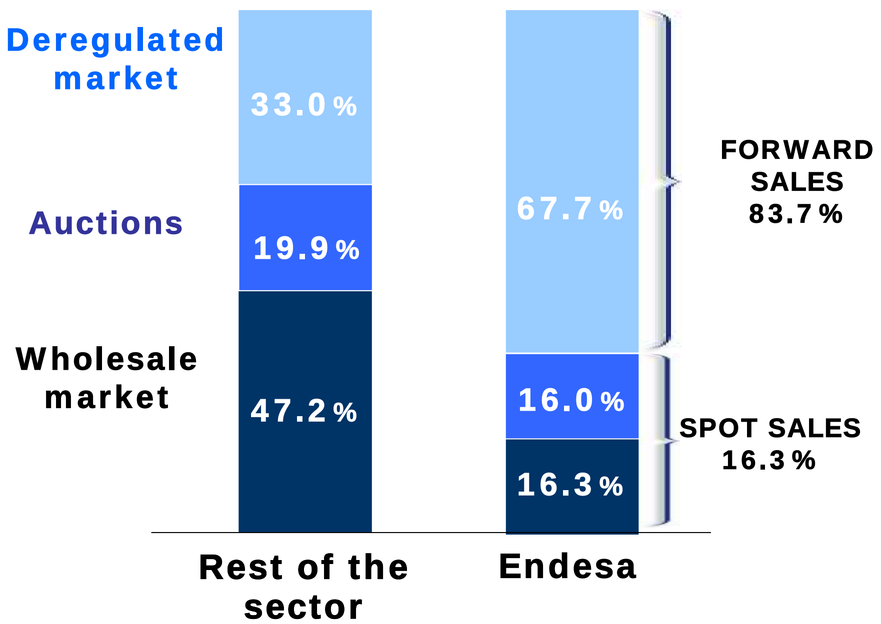
Positive performance at EBITDA level against a demanding backdrop



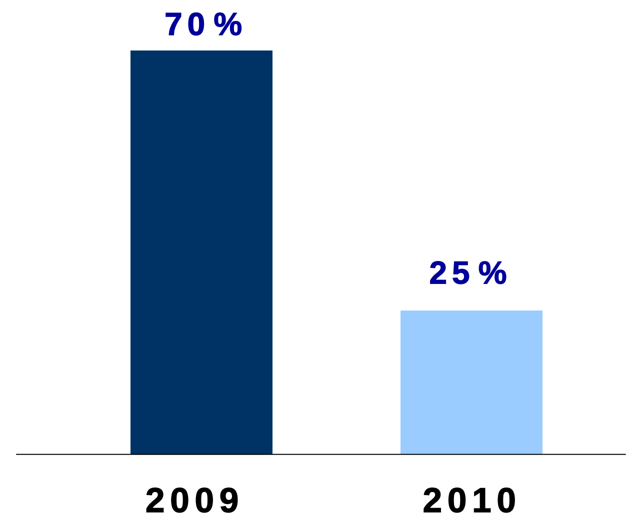
(1) Rights discount (€422.3 M in 2008 vs. €16.7 M in 2007)

Hedging strategy with customers

Generation sales mix 2008



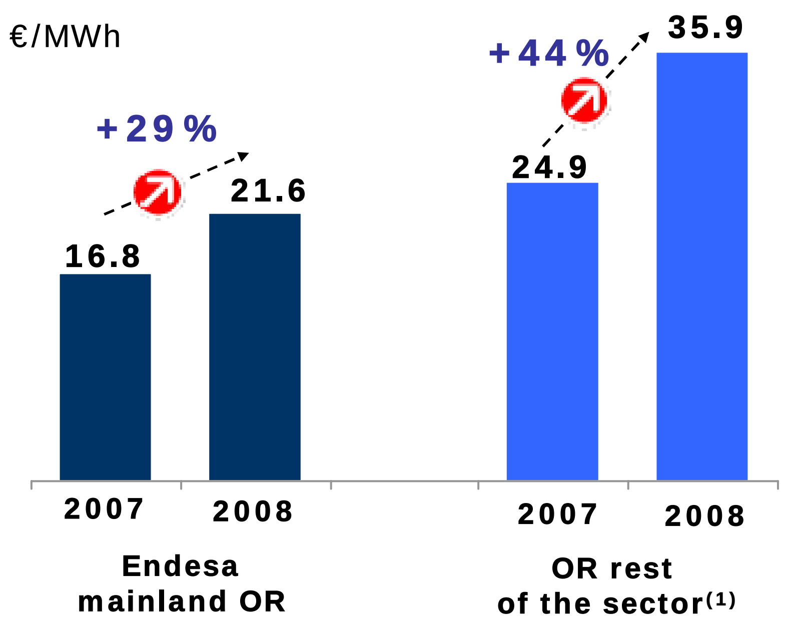
% estimated output sold as futures mainland OR



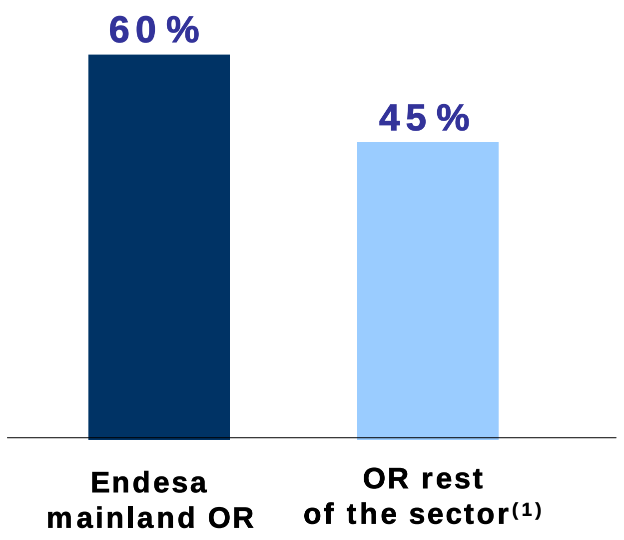
- Endesa's share in the deregulated market (43% vs. 56% in 2007) is close to its natural level given the higher activity of its peers
- Average 2009 supply portfolio prices higher than forwards

Competitive thermal assets given lower fuel costs

Unit fuel costs vs. the sector



Load factor thermal assets(2)



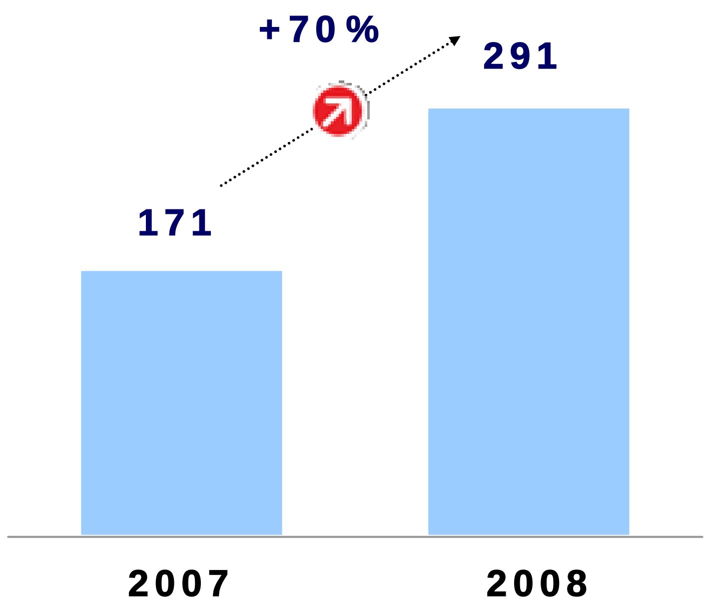
- Competitive supply coal and gas contracts

(1) Estimates
(2) Conventional thermal facilities excluding fuel-oil. Excluding non-mainland systems.

CHP / renewables: strong EBITDA growth thanks to higher volumes and prices

	2007		2008
Output(1)	2,877 GWh	+25%	3,587 GWh
Average CHP / renewables revenue	€88 / MWh	+21%	€106 / MWh

EBITDA (€M)



- 494 MW(2) of capacity incorporated in the past 12 months
- 87 MW(3) of new wind capacity under construction

(1) Accounting output
(2) Net capacity
(3) Stripping out the assets included in the agreement with Acciona

Regulatory issues

Tariff deficit

- Estimated tariff deficit for the sector in 2008: €6,000 M (€16,000 M accumulated)
- Seeking solutions for government and industry

2009 tariff

- Increase regulated tariffs: 3.4%
- Increase access tariff: 25%, first step towards solving tariff deficit
- G4 tariff eliminated. Temporary with monthly increase of 5%
- Next challenge: elimination of regulated tariff and start-up of Last Resort Service

Distribution

- New remuneration model adjusted to efficiency factor by company
- Endesa's remuneration increases by €159 M
- Development towards the definitive remuneration model is ongoing
- Quality incentives scheme developed

CO_2 discount methodology

- RDL 11/2007 pending application

Latin America

Highlights

- Growth in electricity demand slowing
- High generation prices due to lower rainfall, gas supply problems and higher fuel costs
- Improved distribution DAV Ampla, Coelce and Edesur
- Low reserve margin: in 2008 output rose 188 MW with projects due to come on stream in 2009 totalling 334 MW(1)
- Energy losses cut to 10.8% (-0.4pp)
- Cash returns: Euro 269 million

(1) Quintero GT 250MW, Canela Wind Farm 60MW and San Isidro II with LNG 24MW

Strong annual results

€M	2007	2008	Change
Sales	7,118	8,092	+14%
Gross profit	3,472	3,996	+15%
EBITDA	2,541	2,968	+17%
EBIT	1,919	2,408	+25%
Net financial expense	-465	-518	+11%
Net profit ex-minorities	1,128	1,343	+19%
Net attributable profit	471	506	+7%

73% of EBITDA from countries with Investment Grade rating (Chile, Brazil and Peru)

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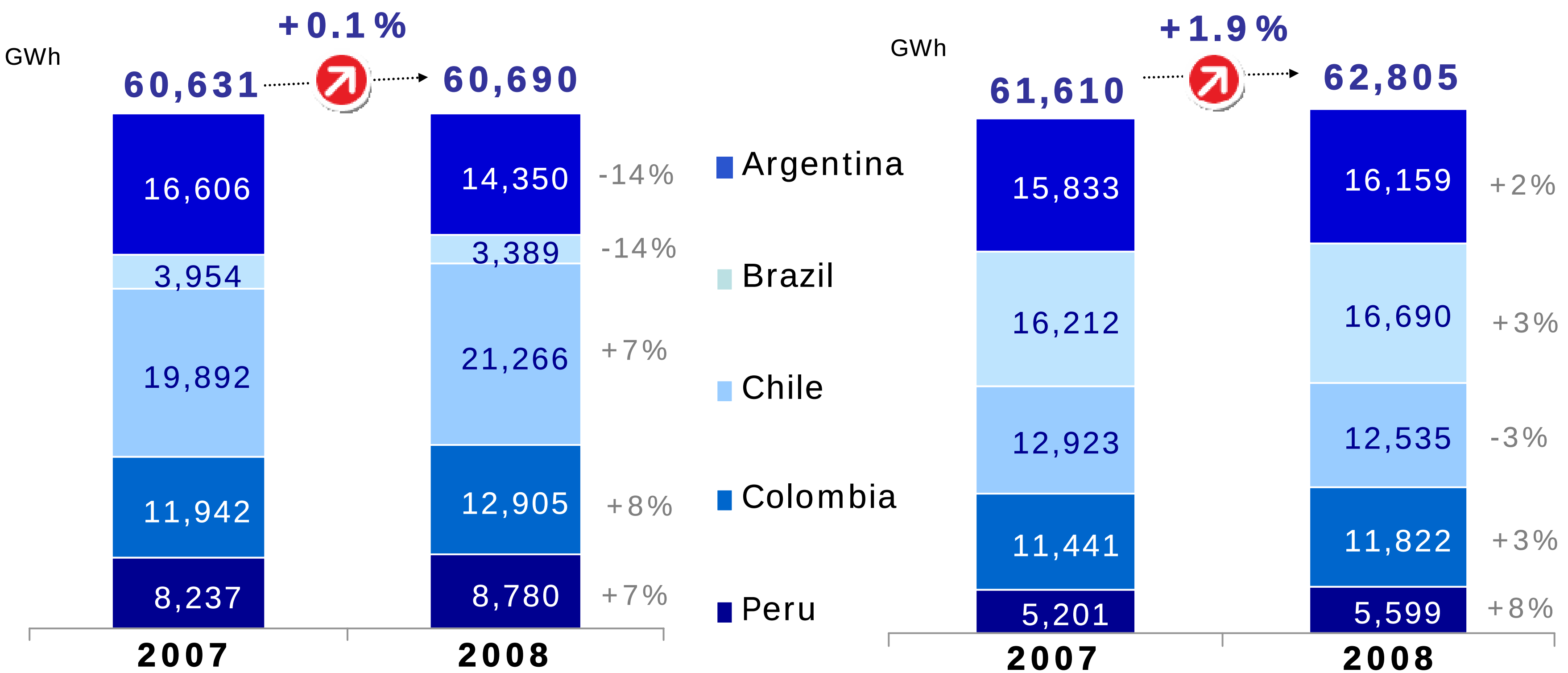
Electricity activity growing against a backdrop of economic slowdown

Generation Output / Distribution Sales



- Output growth in Colombia, Peru and Chile
- Lower output in Argentina and Brazil due to low rainfall
- Distribution sales increased in all countries except for Chile due to rationing decree

EBITDA €2,968 M, +17% (+21% in local currency)

Generation and transmission EBITDA

€M	2007	2008	Change
Chile	592	863	46%
Colombia	260	321	23%
Brazil	163	184	13%
Peru	145	134	(8%)
Argentina	120	118	(2)%
TOTAL GENERATION	**1,280**	**1,620**	**27%**
Unit margin Gx (US$/MWh)	**28.9**	**39.0**	**35%**
Brazil-Argentina interconnection	79	85	8%
TOTAL GENERACIÓN Y TRANSPORTE	**1,359**	**1,705**	**25%**

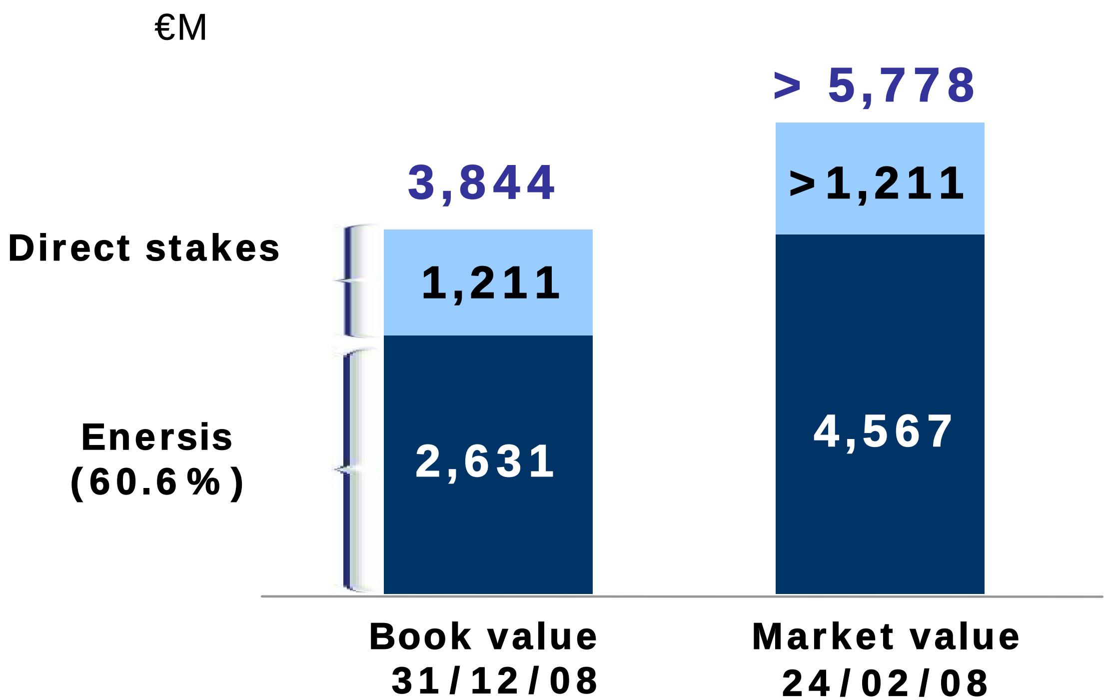
Distribution EBITDA

€M	2007	2008	Change
Chile	191	306	60%
Colombia	295	328	11%
Brazil	531	504	(5%)
Peru	88	95	8%
Argentina	131	81	(38%)
TOTAL DISTRIBUTION	**1,236**	**1,314**	**6%**
Unit margin Dx (US$/MWh)	**40.9**	**46.4**	**13%**

EBITDA for others (adjustments and corporate structure) is € -51M in 2008 and € -54M in 2007

Significant contribution from Latin America to the Group

Value of Endesa's assets in Latin America



Proportional EBITDA of stakes in Endesa Latin America in 2008: €482 M

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Conclusions

Strong results and well-placed for the future

Stable margins

- Regulated market: 55% of margin in 2008

Focused on efficiency

- Synergies obtained above target

Financially strong and flexible

- Leverage 1.0x(1)
- Net Debt / EBITDA 2.2x(1)

(1) Includes recognised regulatory items pending collection (€ 5,138M) and dividend payment (€ 6,243M)

Endesa: a relevant utility

Latin America

15 GW

12 million customers

Europe

24 GW

12 million customers

- **Significant player in 10 countries**
- **Diversified asset portfolio**
- **Will become part of a world leader utility**

Note: Proforma data including ESB acquisition and asset sale to Acciona

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Back Up

Dow Jones Sustainability Indexes
Member 2008/09

Installed capacity and output(1)

Installed capacity

MW at 31/12/08	Spain and Portugal (2)	Endesa Latin America	Endesa Desarrollo (3)	Total
Total	**24,228**	**15,284**	**144**	**39,656**
Hydro	5,417	8,650	-	14,067
Nuclear	3,641	-	-	3,641
Coal	5,804	538	-	6,343
Natural Gas	2,075	2,158	123	4,356
Fuel oil	5,256	3,920	-	9,176
CHP/renewables	2,034	18	21	2,073

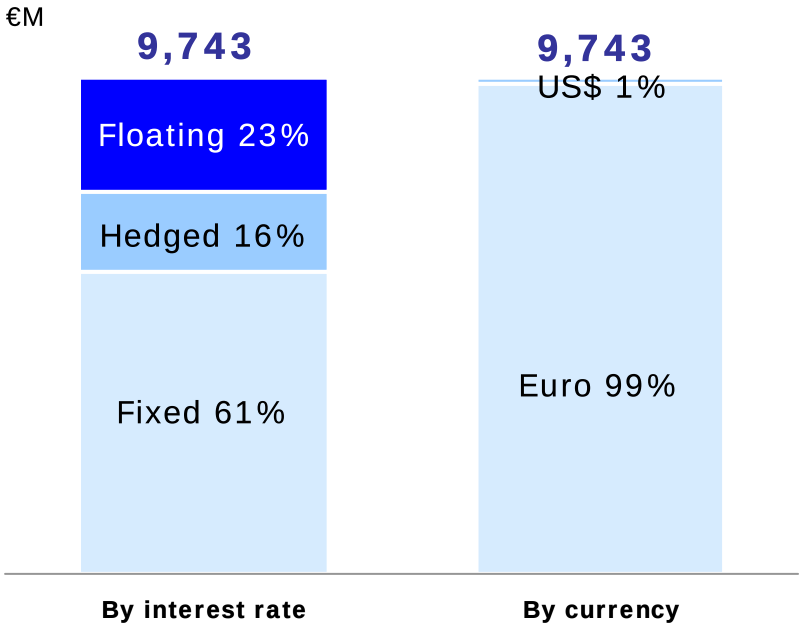
Output

2008 TWh % chg vs. 2007	Spain and Portugal (2)		Endesa Latin America		Endesa Desarrollo (3)		Total	
Total	**88.2**	**+0.2%**	**60.7**	**+0.1%**	**1.0**	**+8%**	**149.8**	**+0.2%**
Hydro	7.5	+6%	35.6	-3%	-	-	43.2	-1%
Nuclear	26.1	+6%	-	-	-	-	26.1	+6%
Coal	28.7	-18%	2.3	-3%	-	-	31.0	-17%
Natural Gas	9.9	+66%	15.3	-8%	0.9	+6%	26.1	+14%
Fuel oil	12.3	-0%	7.5	+12%	-	-	19.8	+11%
CHP/renewables	3.6	+25%	0.03	n.a.	0.03	n.a.	3.7	+26%

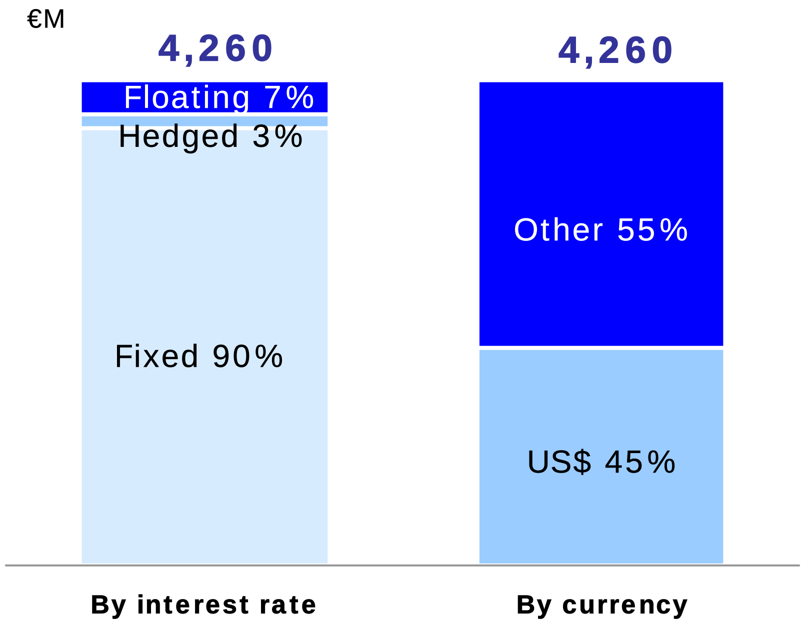
(1) Includes data for fully consolidated companies and jointly-controlled companies accounted for using proportionate consolidation
(2) Does not include plants sold nor the 941GWh tested at the Puentes CCGT
(3) Includes Endesa Hellas and companies accounted for under proportionate consolidation

Financial policy and debt structure

Debt structure Endesa excluding Enersis



Debt structure Enersis



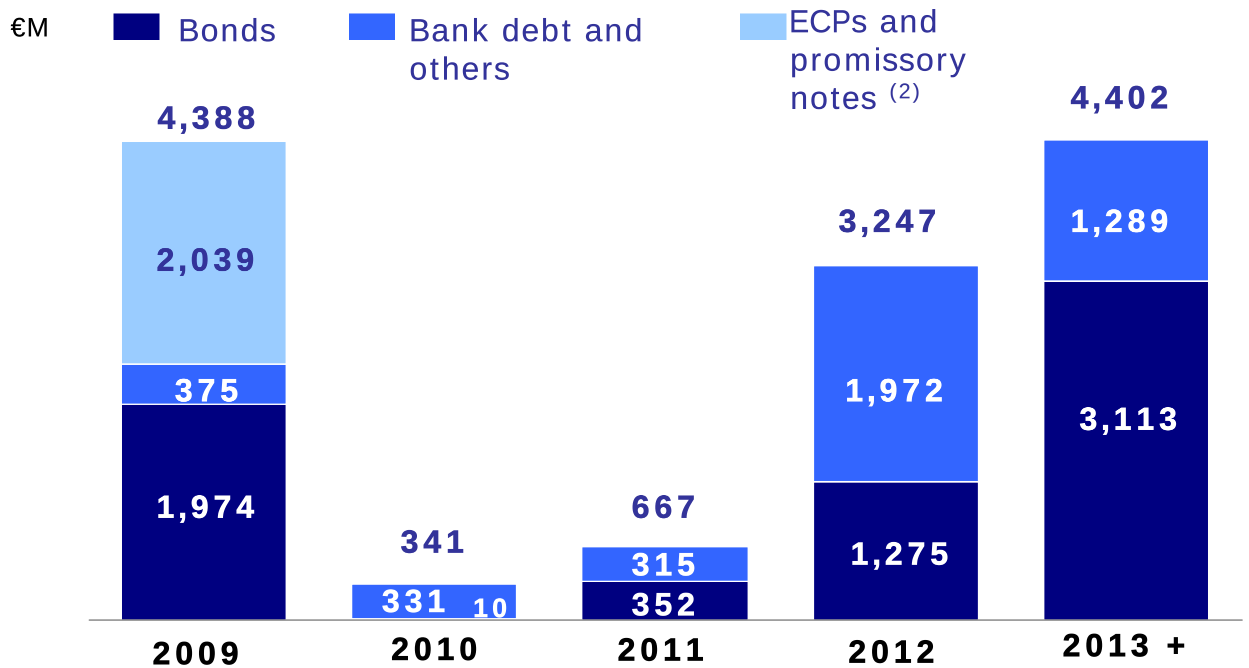
Cost of debt	**4.87%**	**10.07%**

- **Debt structure:** Debt in currency in which cash flow is generated
- **Policy of businesses being financially self-sufficient:** Enersis has non-recourse debt to parent company

Data at 31 December 2008

Endesa excl. Enersis: maturity calendar

Gross balance of maturities outstanding at 31 December 2008: €13,045 M[1]



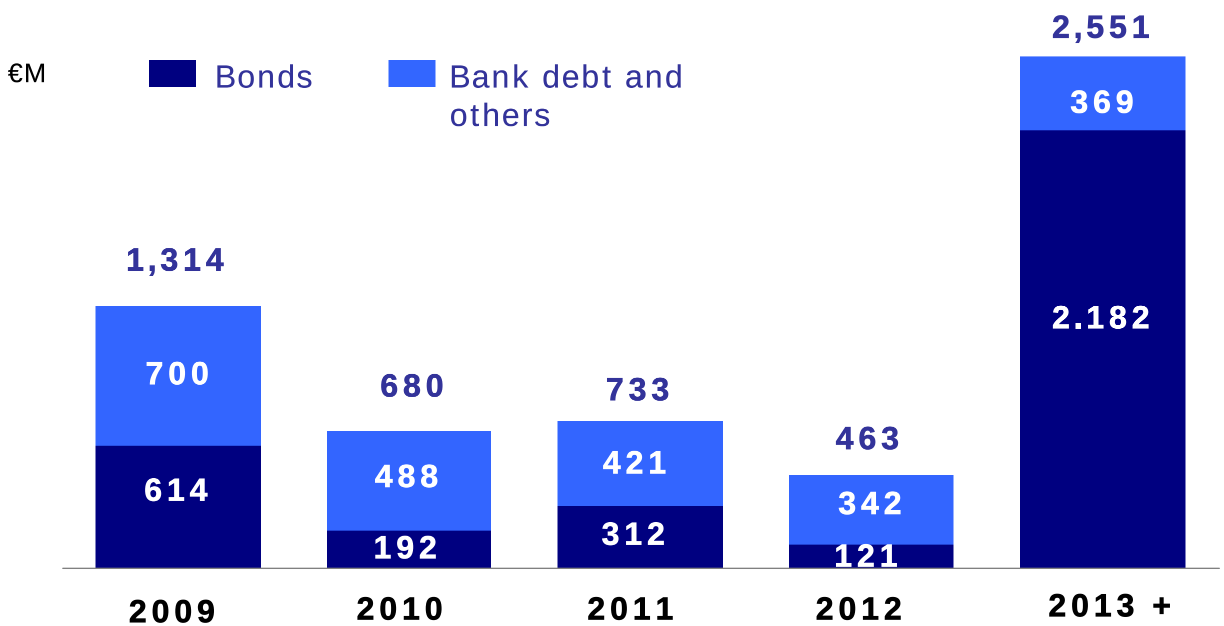
Endesa's liquidity excl. Enersis covers 39 months of maturities

- **Liquidity €10,781 M:**
  - **€3,299 M in cash**
  - **€7,482 M available in long term credit lines**
- **Average life of debt: 4.3 years**

(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs nor the market value of derivatives which do not involve any cash payment
(2) Promissory notes issued are backed by long-term credit lines and are renewed on a regular basis

Enersis: maturity calendar

Gross balance of maturities outstanding at 31 December 2008: €5,741 M[1]

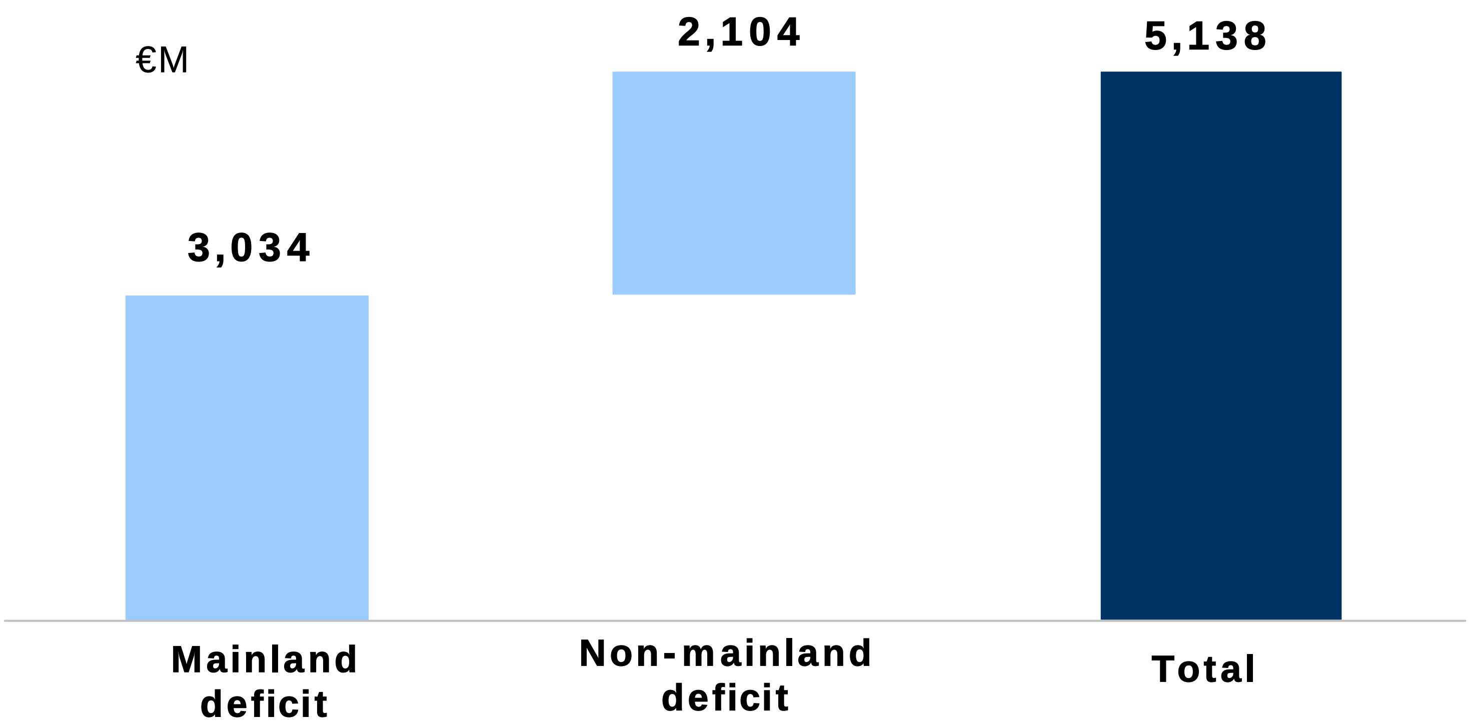


Liquidity at Enersis covers 17 months of maturities

- **Liquidity €2,098 M:**
  - **€1,488 M cash**
  - **€610 M of syndicated loans available**
- **Average life of debt: 5.1 years**

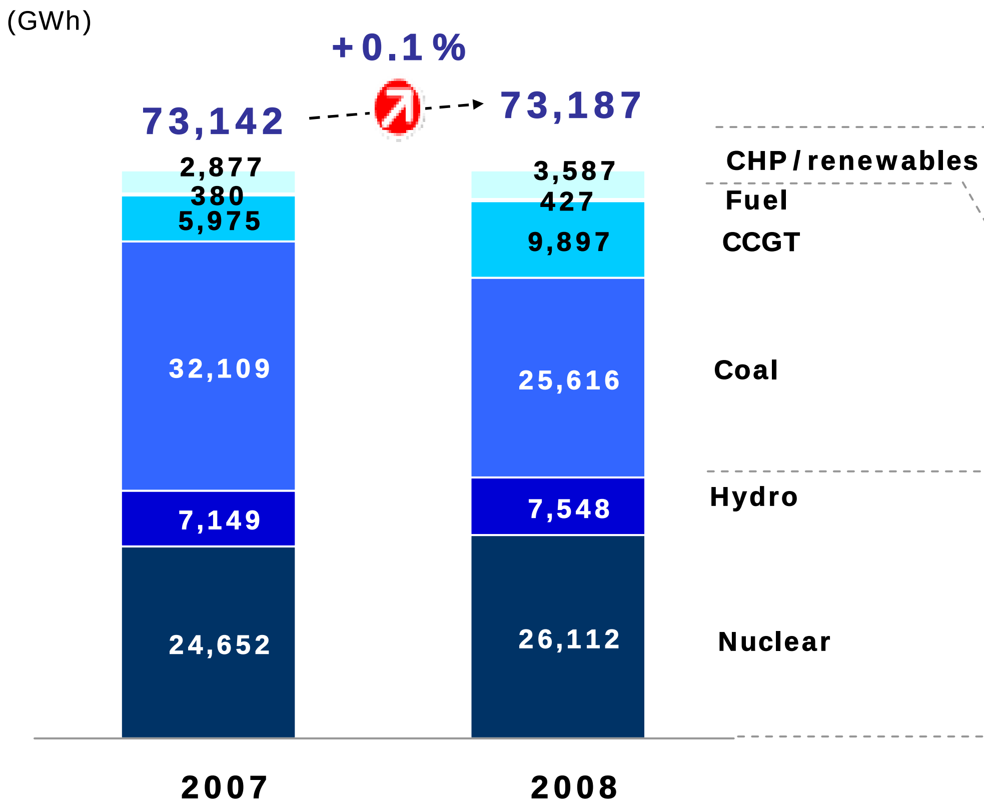
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment

Recognised regulatory items pending collection



Diversified, stable and sustainable generation platform

Endesa mainland generation (1)



	Change ENDESA	Change for rest of sector
CHP/renewables	+25%	+20%
Conventional thermal	-7%	+1%
Hydro and nuclear	+6%	-7%

- **Competitive advantage thanks to generation mix with greater weight of nuclear and hydro (46% Endesa vs. 21% rest of the sector)**
- **Lower volatility of hydro capacity (+6%) vs. rest of the sector (-29%)**
- **51% of output is free of CO_2 emissions**
- **Decline in coal-based output at desulpherisation plants**

(1) Does not include assets for sale (2,591 GWh in 2008 vs. 6,203 GWh in 2007) nor energy tested at the Puentes CCGT (941 GWh). Includes Tejo.

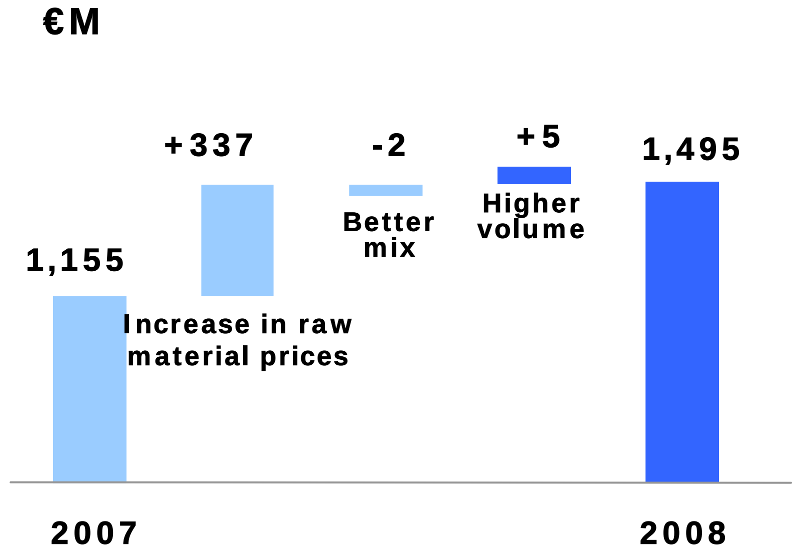
Mainland fuel costs by technology

Breakdown of mainland unit fuel costs [1]

€/MWh

	2007	2008	Change
CCGT [3]	36.0	43.5	20.7%
Domestic coal [4]	23.6	29.4	24.7%
Imported coal	19.8	30.6	54.9%
Fuel	171.2	207.5	21.2%
Avg. conventional thermal output	**27.2**	**37.0**	**36.0%**
Total average	**16.8**	**21.6**	**28.8%**

Breakdown of impact on fuel costs[2]



(1) Excluding emission rights costs and comparison with 2007 proforma. Data exTarragona and Los Barrios
(2) The Endesa cost includes Nucleanor and the second part of the nuclear fuel for 2007 and 2008
(3) €38.7/MWh in 2008 and €31.6 in 2007 ex-ATR
(4) Net of coal premiums. The gross cost was €31.6/MWh in FY08 and €25.1/MWh in FY07. Includes imported coal consumed by domestic coal plants.

CHP / renewables: operating data

Installed capacity

MW	2007 Net	2007 Account.	2007 Gross	2008 Net	2008 Account.	2008 Gross
Total	**1,886**	**1,630**	**2,857**	**2,379**	**2,034**	**3,333**
CHP	200	39	423	190	32	411
Wind	1,444	1,382	2,054	1,925	1,768	2,527
Mini-hydro	196	187	240	208	199	252
Other	46	22	140	57	36	143

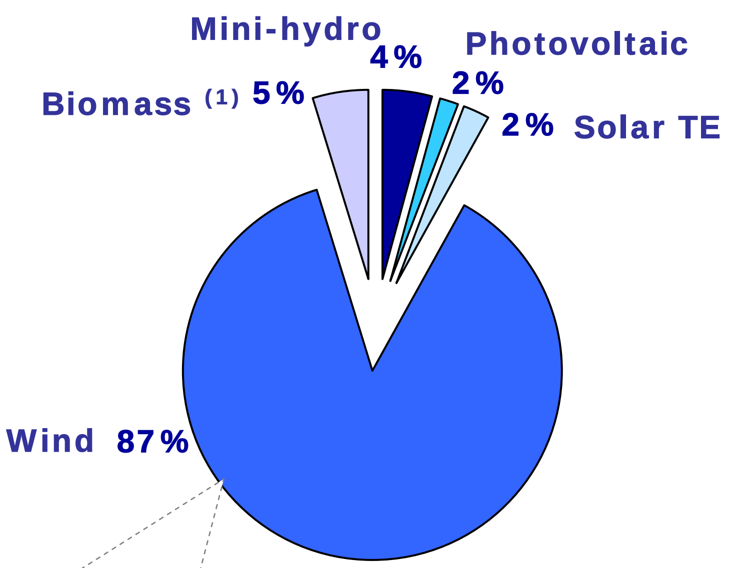
Output

GWh	2007 Net	2007 Account.	2007 Gross	2008 Net	2008 Account.	2008 Gross
Total	**3,778**	**2,877**	**6,131**	**4,294**	**3,587**	**6,775**
CHP	655	130	1,639	661	125	1,428
Wind	2,381	2,116	3,297	2,850	2,768	4,130
Mini-hydro	519	503	557	589	573	632
Other	223	128	638	194	120	585

Growth in significant asset portfolio to back development plan in Spain and Portugal

Limited risk	▪ ... developing mature technologies which have been tested commercially
Organic growth	▪ ... taking advantage of its mature and visible portfolio
Joint and co-ordinated vision	▪ ... with a framework of global action in the electricity sector
Responsiveness	▪ ... taking up positions and seizing opportunities in new technologies

Breakdown of portfolio for Spain and Portugal (gross output)



~7 GW technically and financially feasible with no environmental issues. The rest is under development and pending outcome of new tenders.

~15 GW

(1) Includes co-combustion

Highlights by country

EBITDA 2008 (vs 2007)

Chile

Gen: €863 M (+45.8%)

Dist: €306 M (+60.2%)

Total EBITDA:

€1,169 M (+49.3%)

- Rainfall levels improved in the second half of the year while the gas supply shortfall continued.
- In 2008 the average node price was $112.8/MWh, 41% higher than in 2007.
- Rationing decree repealed. Demand at Chilectra fell 2.9% vs. 2007 due to the effects of this decree and high energy prices.
- Subtransmission decree published with new tariffs to be applied as of 13 January 2009. The 2008 accounts include the reversal of the provision for the possible retroactivity of these tariffs, with a positive impact on EBITDA of €55 M.
- Environmental impact report on the Aysén project submitted.
- Some 114 MW brought on stream during the year.

Colombia

Gen: €321 M (+23.5%)

Dist: €328 M (+11.2%)

Total EBITDA:

€649 M (+16.9%)

- Recognition of lower wealth tax compared to previous year (positive effect of €14M on EBITDA).
- Auction of viability charge of US$13.998/MWh for the Quimbo hydro plant project (400MW), expected to come on stream at the end of 2013.
- 66 MW of additional capacity at Termocartagena due to upgrade of turbine.
- Tariff review at Codensa finalised, with a reduction equivalent to a WACC of 1.9%.

Brazil

Gen: €184 M (+12.9%)

Dist: €504 M (-5.1%)

Trans: €74 M (+5.7%)

Total EBITDA:

€762 M (-0.2%)

- Very high spot prices in Jan-Feb in all systems (low rainfall), they have fallen since then leading to high margins in Cachoeira thanks to high prices.
- Tariff revision at Ampla: DAV up 6.5% (TRI 10.95%) In addition, higher purchase prices recognised.
- Tariff revision at Coelce: DAV up 7.4% (TRI 8.43%).
- Cien, agreement on tolls in 2008 (€85 M in EBITDA).
- Standard & Poor´s raised Brazil's rating to BBB- (investment grade) in April.
- EBITDA from Dx in Brazil dropped Euro 54 million due to accounting changes in cost activation and the positive impact of the reversal of provisions made in 2007.

Highlights by country

EBITDA 2008 (vs 2007)

Argentina

Gen: €118 M (-1.7%)

Dist: €81 M (-38.2%)

Trans: €11 **M** (+22.2%)

Total EBITDA:

€210 M (-19.2%)

- Lower gas restrictions due to mild winter.
- Edesur's DAV up 18% in 2008.
- Tariffs charged to residential customers raised for first time since 2002 (28% on average for all customers, including industrials).
- Benchmark gas price rose 32% in 2008.
- 2007 year end close for Docksude amended (€+11 M in EBITDA).
- Higher fixed costs due to higher inflation.
- EBITDA 1Q07 includes €40 M applied retroactively to Edesur.
- The first 829MW of FONIMVEMEM brought into operation (1,600MW forecast).
- On 31 October S&P downgraded Argentina's rating for the second time that year, falling from B to B- for long-term debt in local and foreign currencies and from B to C for short-term debt.

Peru

Gen: €134 M (-7.6%)

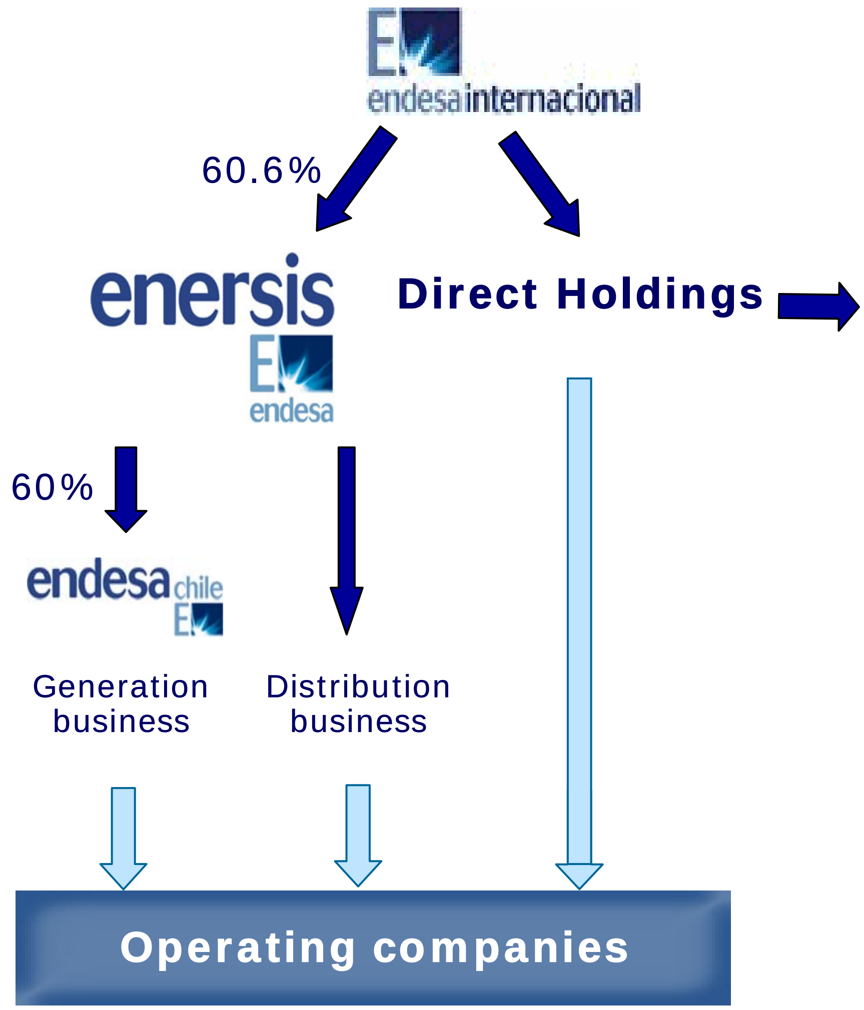
Dist: €95 M (+8.0%)

Total EBITDA:

€229 M (-1.7%)

- Regulatory changes for setting marginal price due to backlog at the Camisea pipeline.
- TOBs in Peru: Endesa acquires 23.8% of Edegel and 24% of Edelnor entailing a total outlay of €325 M. TOB for Piura pending solution
- In August Moody´s upgraded Peru's foreign currency debt rating from Ba2 to Ba1, just below investment grade. Standard & Poor's upgraded Peru's credit rating to investment grade on 14 July while Fitch Ratings also raised the country's rating from BBB- to investment grade on 2 April
- The average monomial busbar price in 2008 was $41.25/MWh, +8% on average for 2007 ($38.31/MWh).
- Tenders among energy distribution companies. Edelnor has 100% of its energy demand covered for 2008-2011.
- Decree law on use of Renewable Energy Resources.

Endesa International has major direct holdings in companies other than Enersis



€M	% direct stake	Total EBITDA 2008	Net Debt 31/12/08*
Codensa:	26.7%	328	407
Emgesa:	21.6%	321	347
EEB:	4.7%	N/A	N/A
Endesa Brasil:	28.5%	754	852
Edesur:	6.2%	81	31
DockSud:	40%	41	108
Edelnor:	42%	95	189
Edegel:	29.4%	114	337
Piura:	48%	20	-8
Pangue:	5%	104	58
Proportionate Total		**482**	**651**

* Includes intercompany debt

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.

2008 results

Dow Jones Sustainability Indexes
Member 2008/09

26 February 2009