



## **Analysts Meeting (Majorca 2006)**

**Rafael Miranda**  
**CEO**

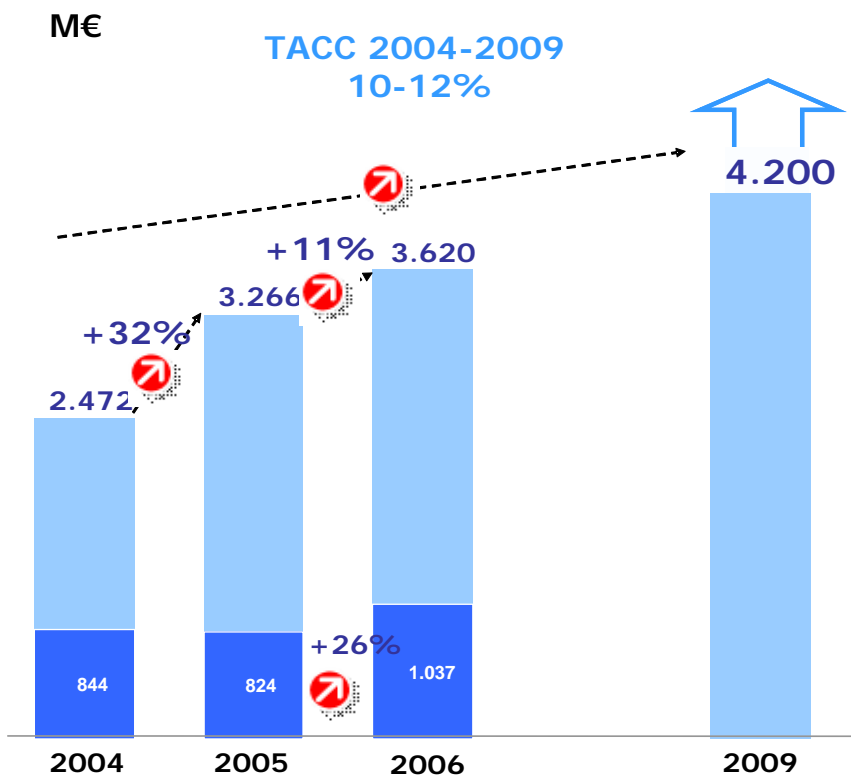


8 June 2006

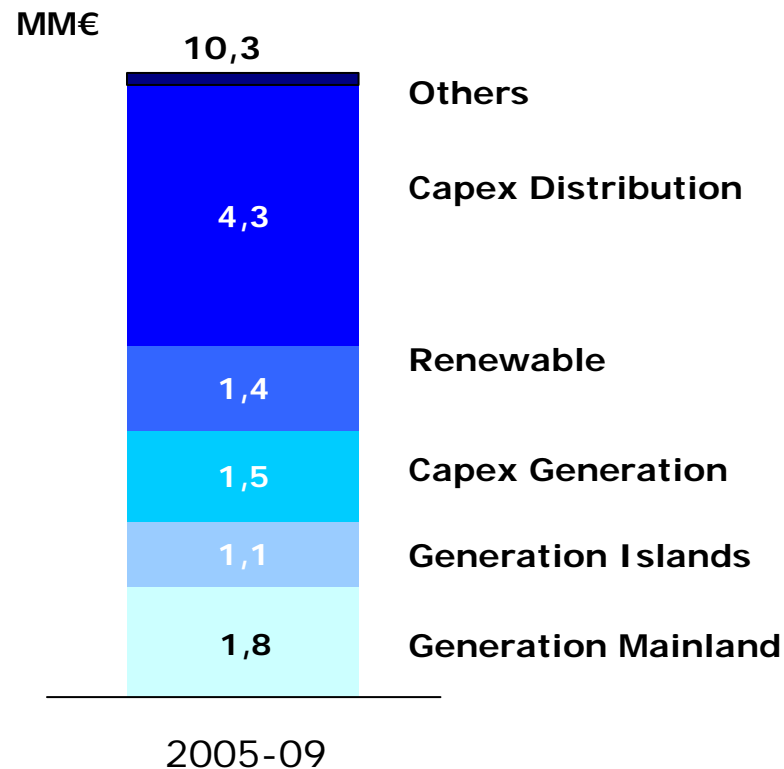
- Competitiveness
  - Asset portfolio
  - Risk management (balance)
  - Fuel supply
  - Operational efficiency
- Customers
  - Versus the regulatory risk
  - Consolidated improvement in quality of supply
  - Added-value products and services
- Regulation
  - Deregulated business subject to market forces
  - Regulated business with sufficient profitability for efficient management
- Environment
  - More environmentally efficient production and consumption
  - CO<sub>2</sub>

# In Spain and Portugal our growth commitment is based on an excellent portfolio of assets

## EBITDA growth

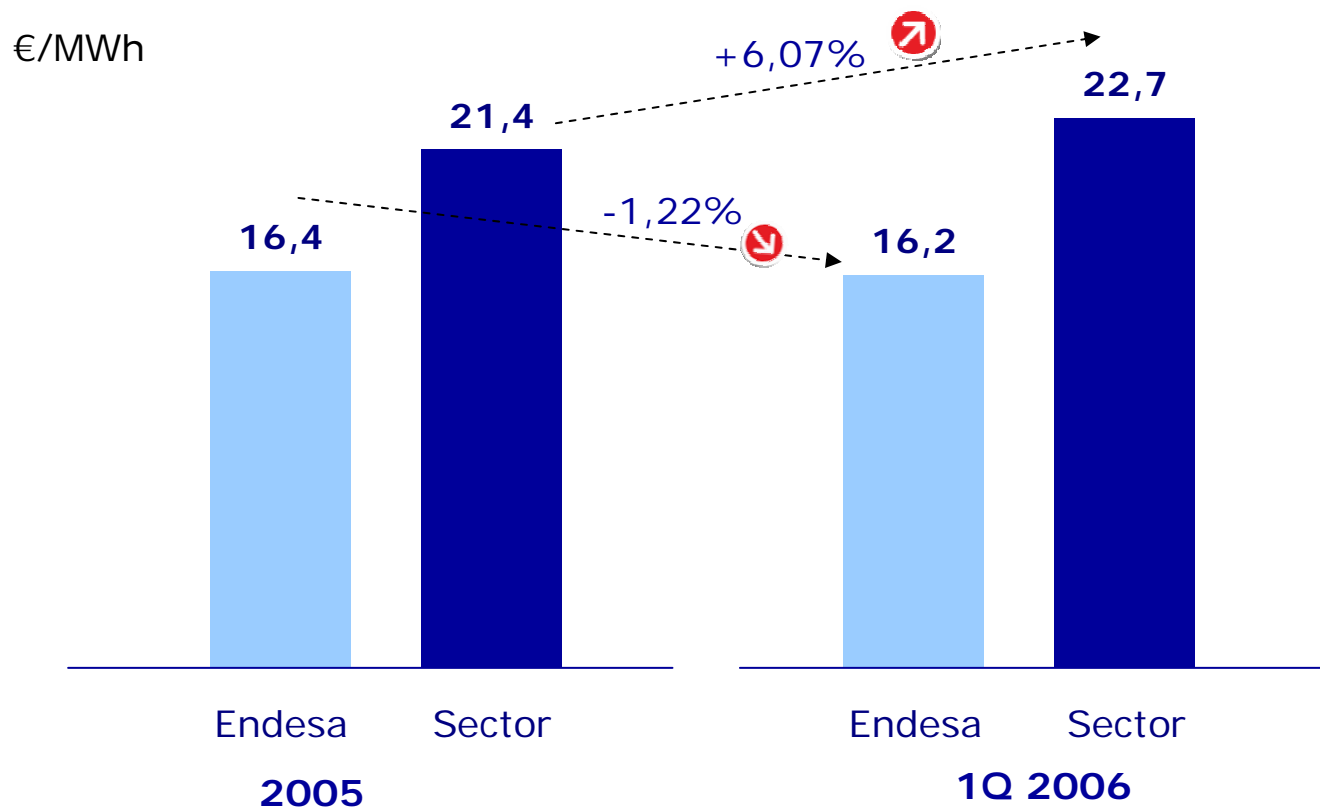


## Investment plan

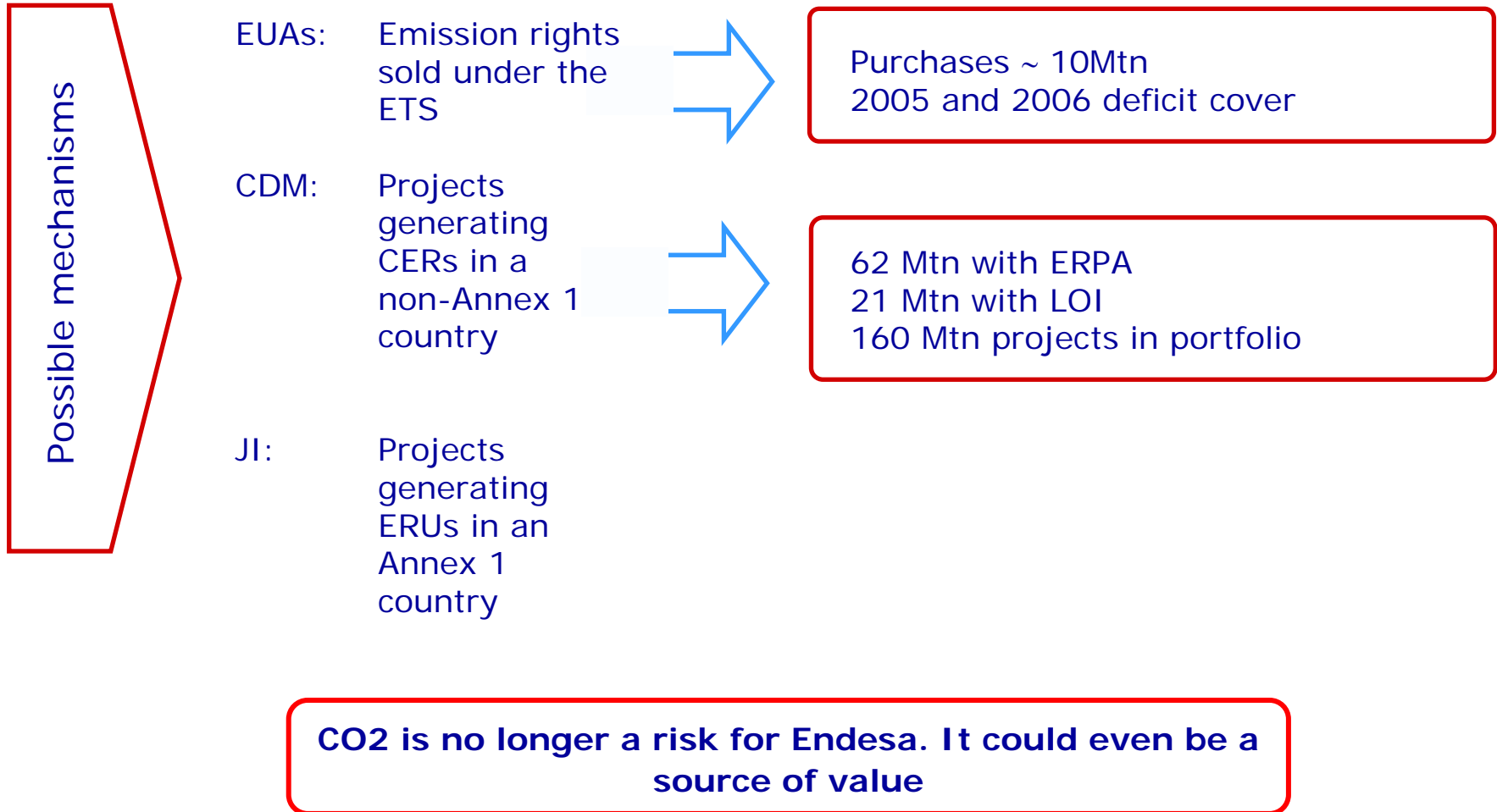


Growth is based on market hypothesis, conservative regulation, operational efficiency and the investment plan

## Fuel costs



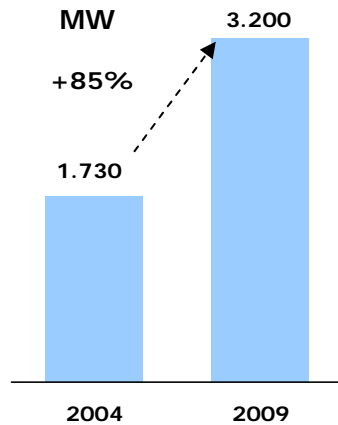
**Competitiveness in fuel supplies**



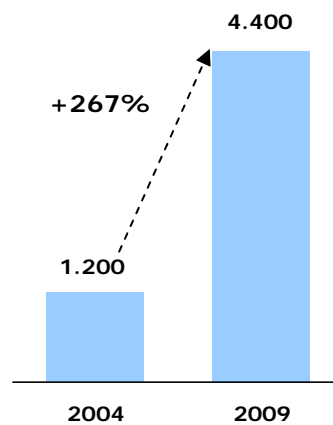
# Endesa's capacity plan will enable us to continue with an excellent generation portfolio

Increase in mainland capacity 2005-2009

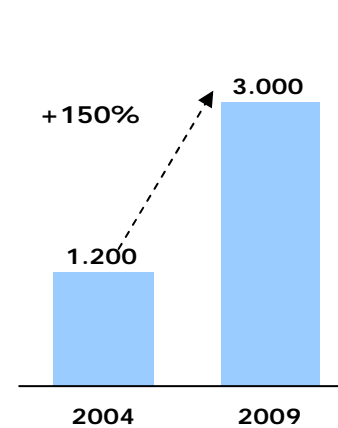
Coal imports



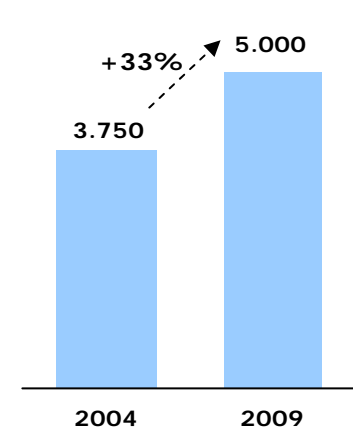
CCGT



Renewable



Islands



Endesa's strategy

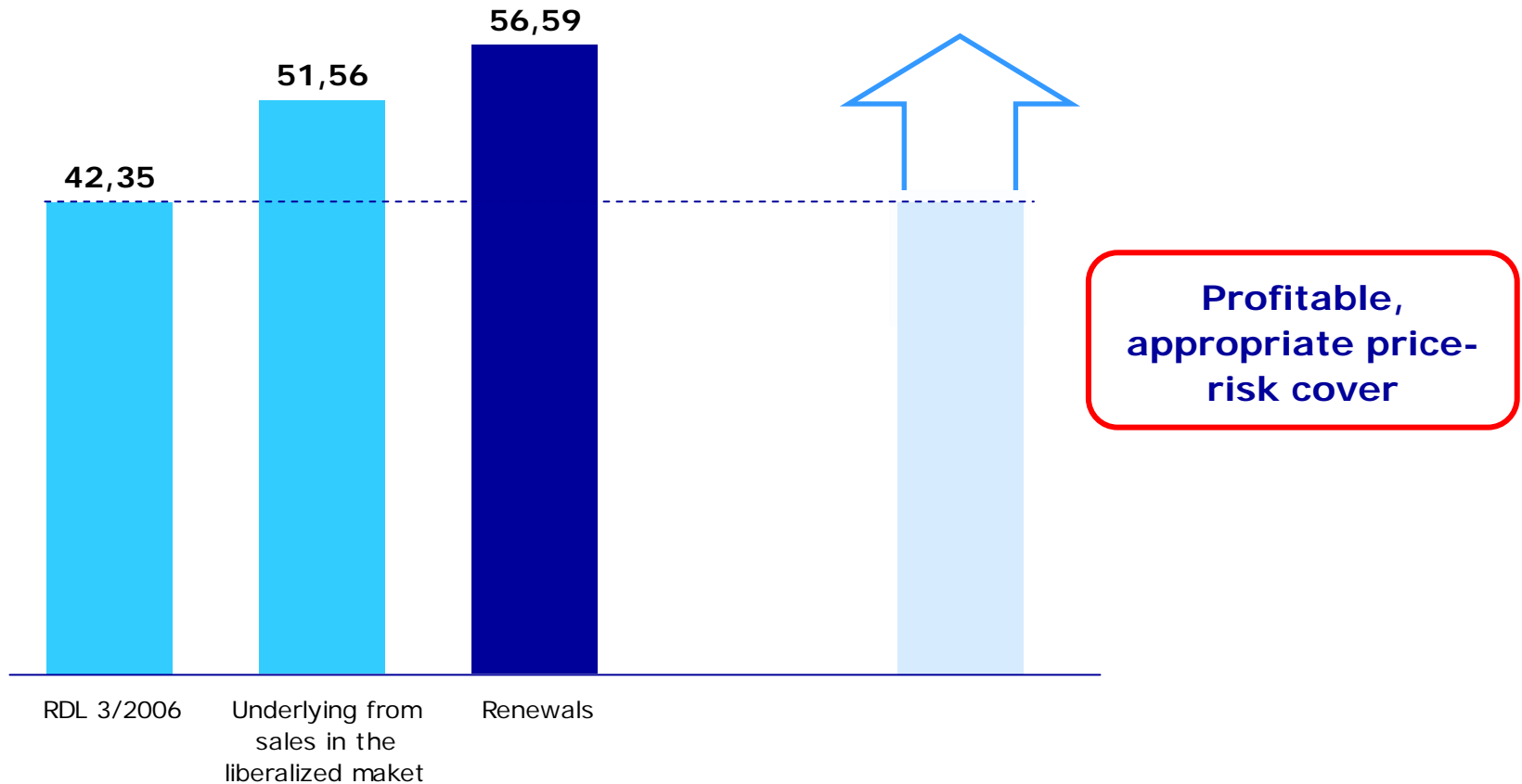
Balance of mix and limited volatility

Environmental efficiency and regulatory ambit

Investment in a stable regulatory framework

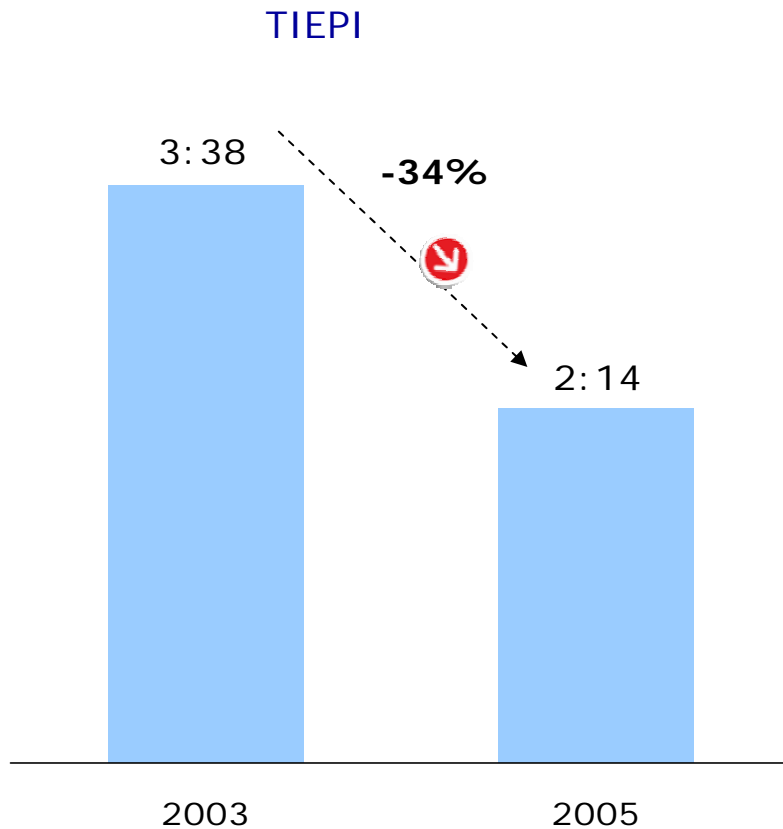
## Portfolio of customers with intrinsic value and as cover against wholesale-price volatility

€/MWh

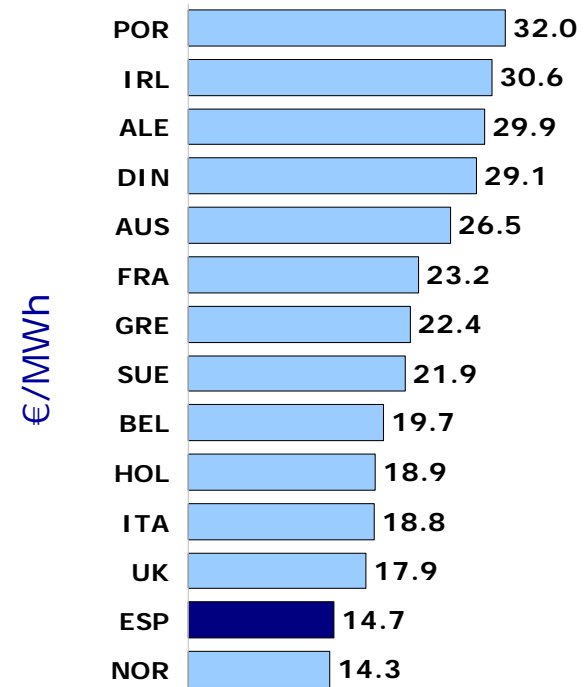


## In distribution:

Improved quality to allow investment to be contained



Payment in return for distribution activities needs adjustment



Payment for distribution in the "most comparable" European countries is 30-70% higher than in Spain

## Regulation issues pending

**Development of  
the wholesale  
market**

- RDL 3/2006 – Temporary nature (mechanism and price)
- Term market development
- Encouraging long-term bilateral contracts with major consumers

**Regulated business**

- Improvement for distribution
- Review of special regime retribution

**Environmental  
issues**

- NAP 2008-2012

**Need for an additive tariff**

- Regulatory outlook in Spain
- Energy and CO2 markets
- Endesa's Supply Strategy
- Bolonia Real Estate
  
- Explanatory rules on Balearic Islands system
- Non-mainland system: estimated impact of Ministerial Orders development

## Disclaimer

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 are subject to material risks, uncertainties, changes and other factors which may be beyond Endesa’s control or may be difficult to predict.

The principal assumptions underlying these forecasts and targets relate to economic, market and regulatory environment. In addition to other factors described under “Risk Factors” in our annual report on Form 20-F for the most recent fiscal year and in the Documento Registro de Acciones presently in force registered with the Comisión Nacional de Valores, the following important factors could cause actual financial and operating results and statistics to differ materially from those expressed in our forward-looking statements:

Materially adverse changes in economic or industry conditions generally or in our markets; the effect of existing regulations and regulatory changes; tariff reductions; the impact of any fluctuations in interest rates; the impact of fluctuations in exchange rates; the impact of more stringent regulations and the inherent environmental risks relating to our business operations; any delays in or failure to obtain necessary regulatory, antitrust and other approvals, or any conditions imposed in connection with such approvals; opposition or actions of partners, competitors and political or ethnic groups; adverse changes in the political and regulatory environment; adverse weather conditions; natural disasters, accidents or other unforeseen events. No assurance can be given that the forward-looking statements in this document will be realized.

Except as may be required by applicable law, neither Endesa nor any of its affiliates intends to update these forward-looking statements.

For all of these forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.



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