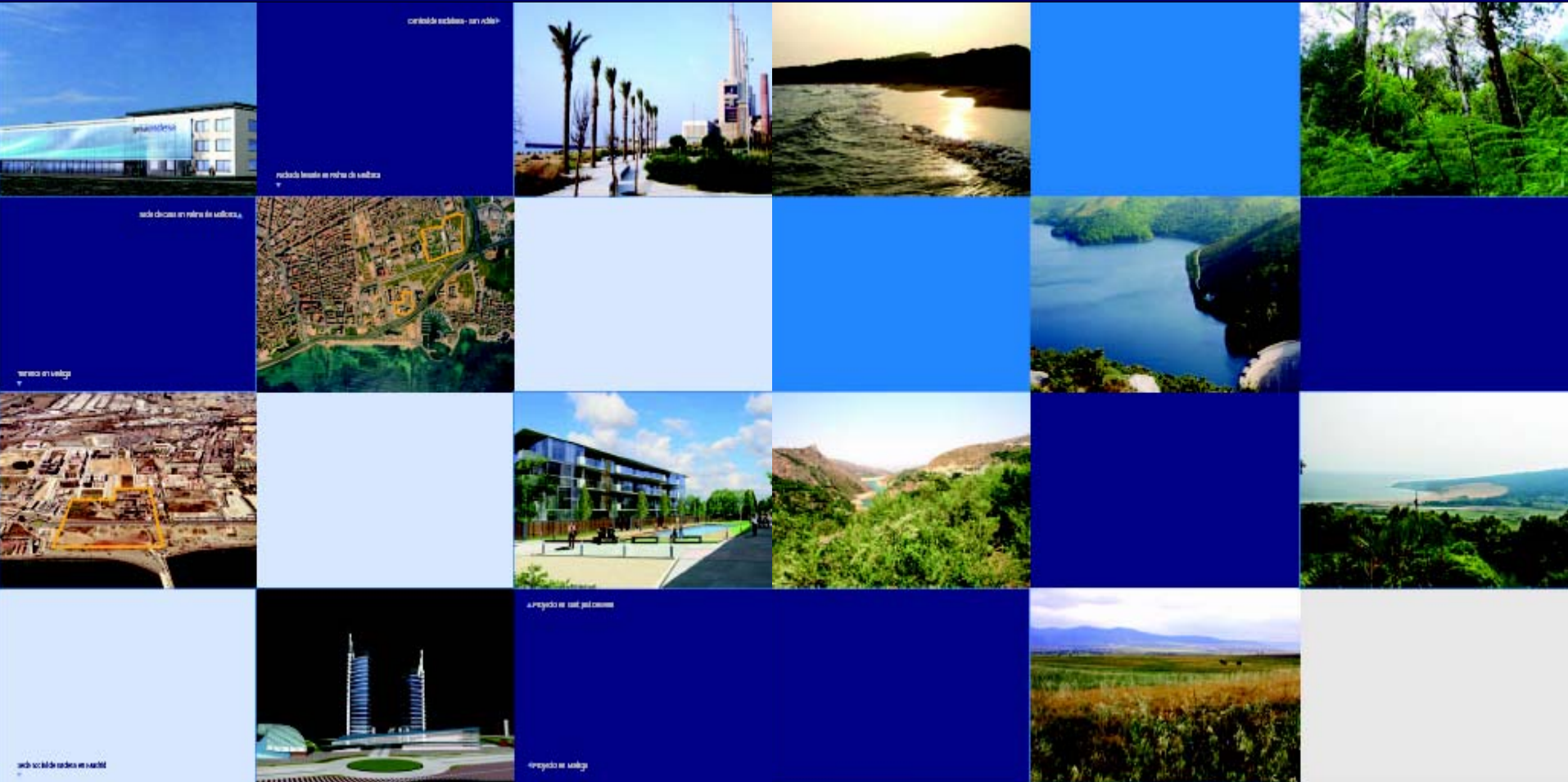


# BOLONIA REAL ESTATE



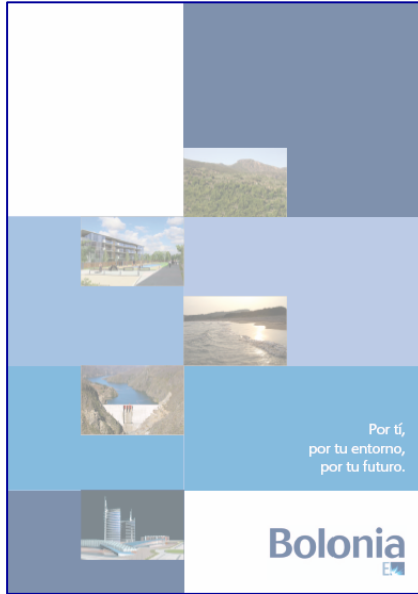
## Constructing value

Corporate Services and Technology

# From Disposals to Value Management

**Until 2004**

**Since 2005**



- Creation of BOLONIA Real Estate.
- Sales of €250 million in 2006
- Launch of Natural Environments

**Endesa toma tierra**  
La eléctrica espera conseguir 1.000 millones de euros en cinco años gracias a la venta de suelo

MIGUEL ÁNGEL GARCÍA VEGA  
Endesa pone sus cartas inmobiliarias sobre la mesa. En los próximos cinco años tiene previsto ingresar unos 1.000 millones de euros por la venta de activos, especialmente suelo. Esta estructura está armada a partir de su división Bolonia Real Estate, una firma creada el año pasado con el objetivo de reestructurar

Localidad	Zona	Superficie	Categorización	Características
Barcelona	Sant Just Desvern	82.000 m <sup>2</sup>	Urbano	Área con un gran potencial urbanístico
Taragona	Ahahulla	227.000 m <sup>2</sup>	No urbanizable	Terrenos enclavados en primera línea de playa
Barcelona	Sant Adrià y Barcelona	118.000 m <sup>2</sup>	Urbano industrial	Terrenos situados en primera línea de playa
Mallorca	Fachada	112.000 m <sup>2</sup>	Urbanizable, no residencial	La zona está en un proceso de reestructuración

**Distribución de la cartera inmobiliaria**

Categoría	Porcentaje
Residencial	11%
Turístico	8%
Oficinas	38%
Comercial	4%
Residencial	39%

Fuente: Endesa. EL PAÍS

**Focus**



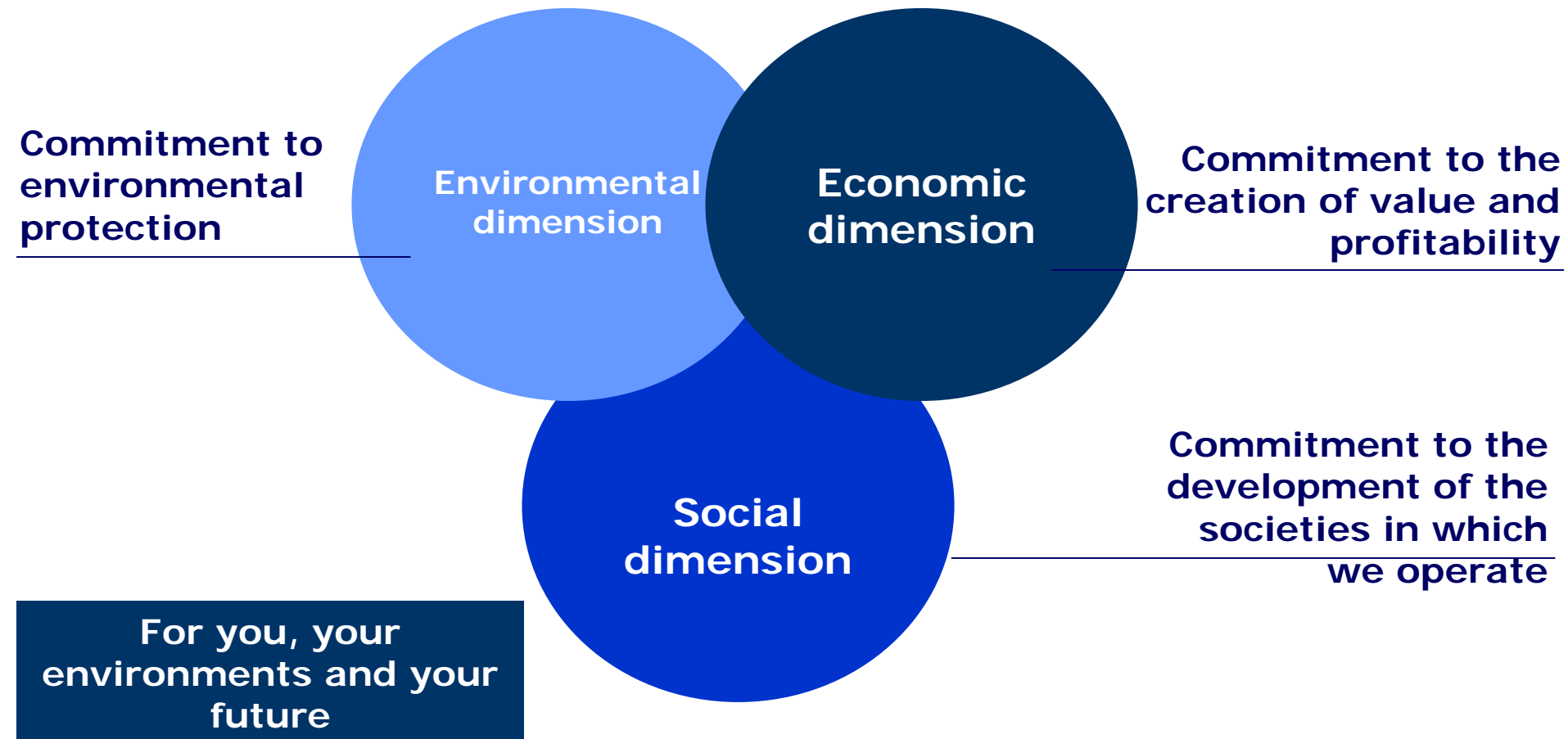
**DISPOSALS**

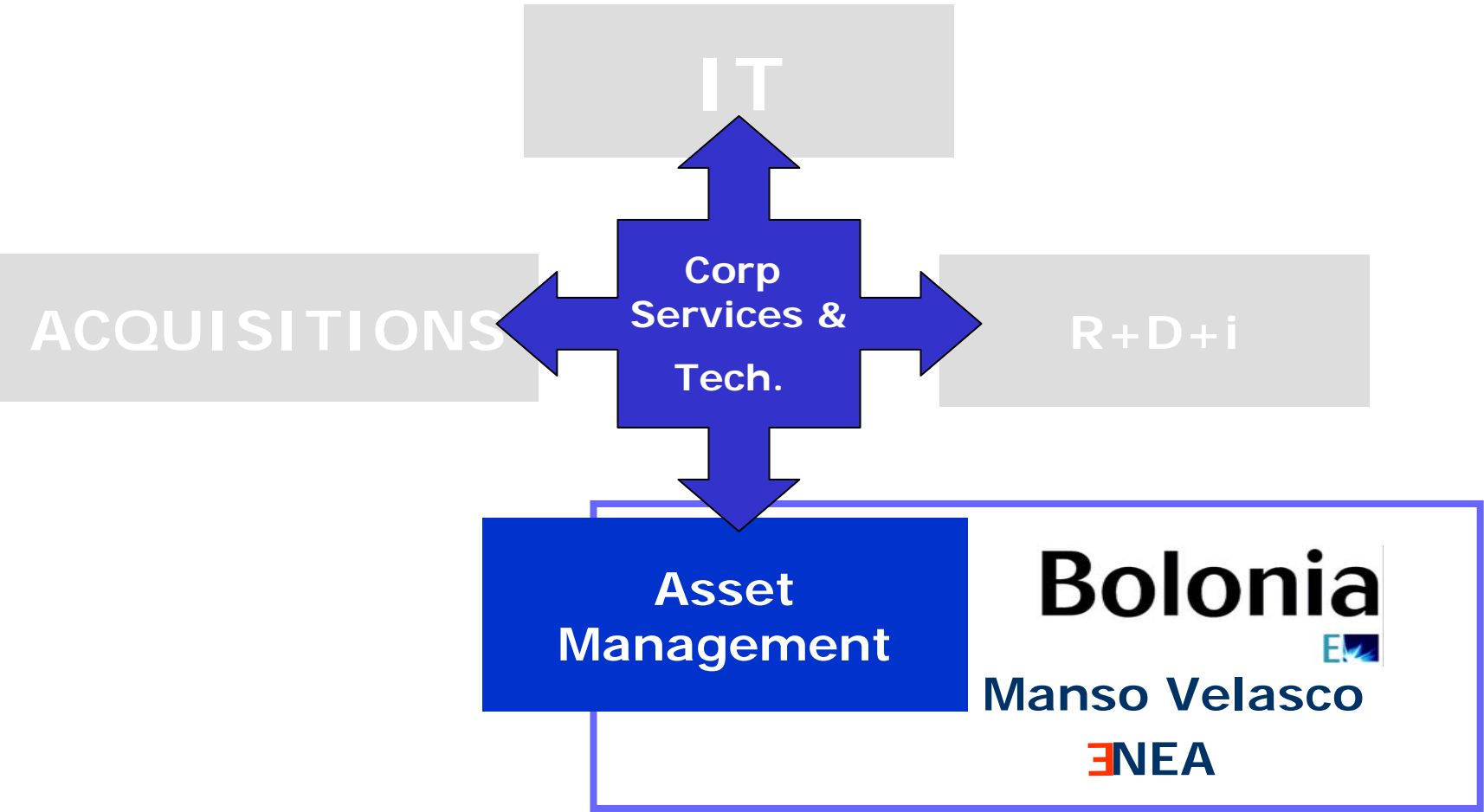
**Focus**



**VALUE MANAGEMENT**

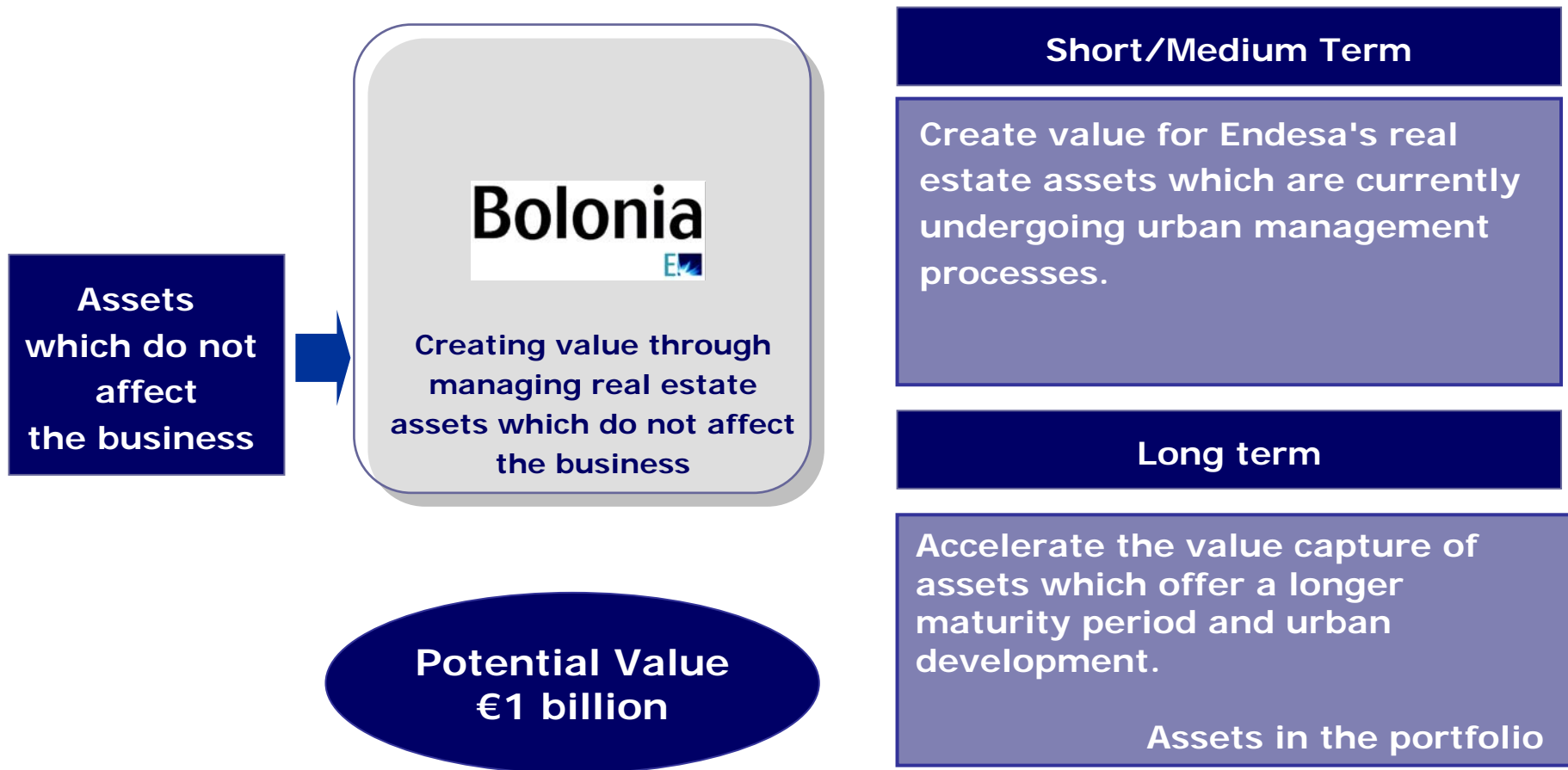
**BOLONIA FOLLOWS ENDESA'S COMMITMENT TO ITS SUSTAINABILITY POLICY**





# Bolonia's Targets

Bolonia is created to oversee Endesa's real estate assets

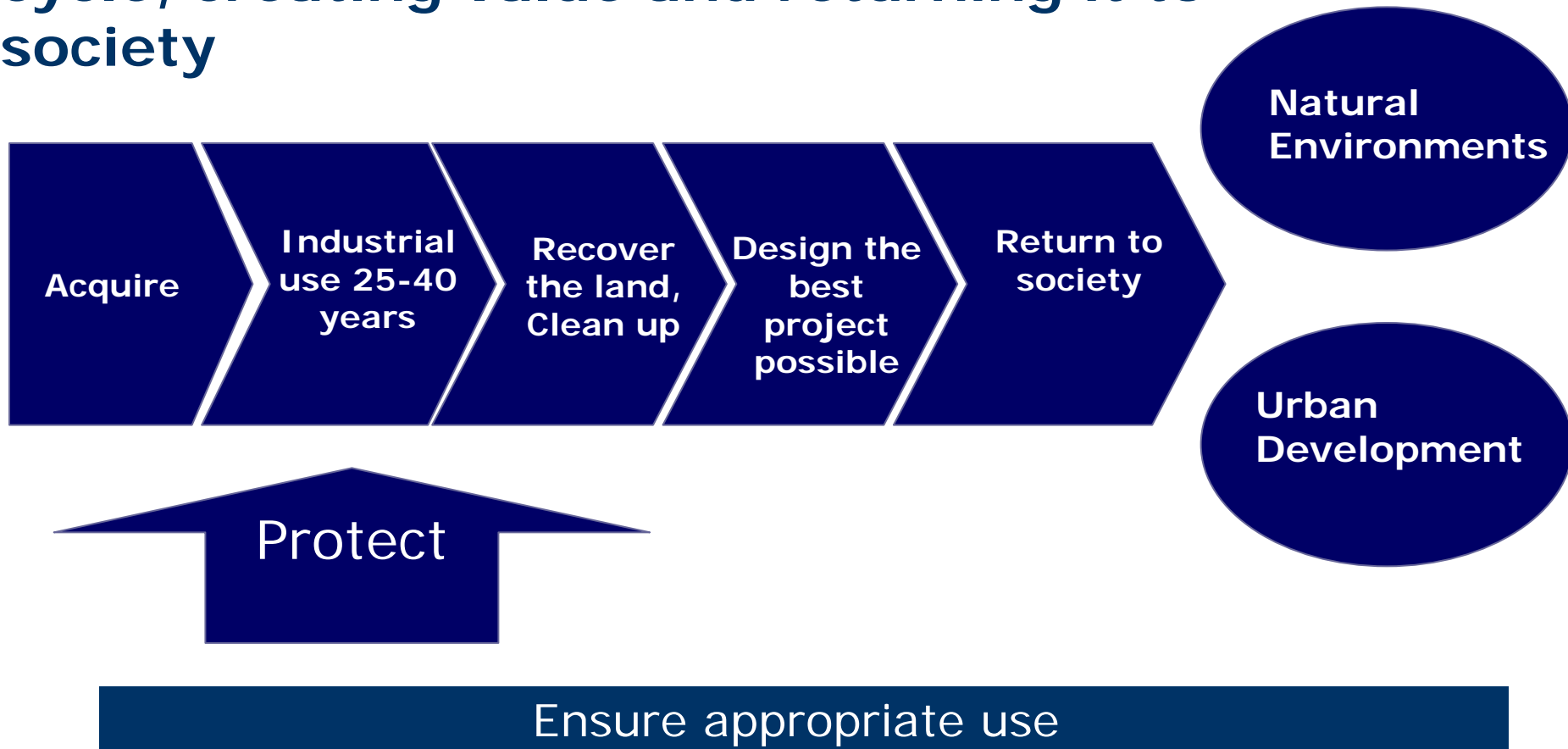


A company with an excellent track record in the sustainable management of the environment and land.

## Mission

- Creating maximum value for Endesa optimising risk and profitability.
- Provide Endesa with resources (land+cash-flow) which strengthen the company's core business.
- Design and carry out urban projects strengthening social responsibility strategy.
- Preserve and protect environments/land strengthening Endesa's environmental image.

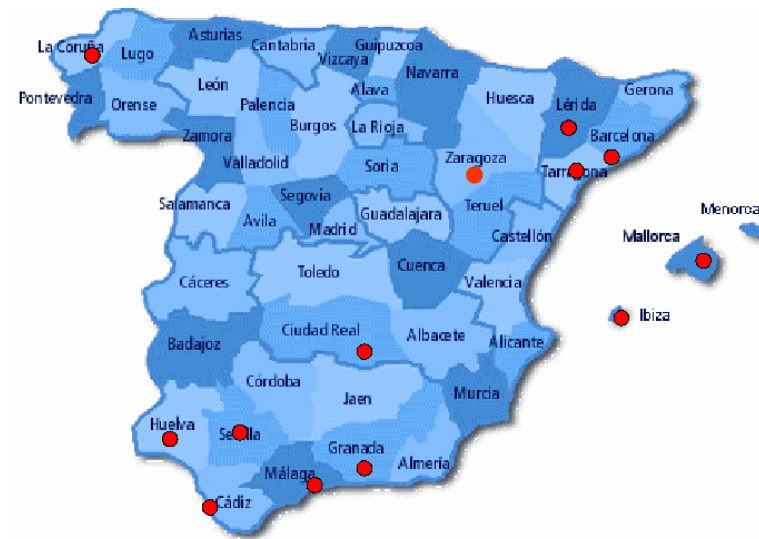
We propose a project to manage the land cycle, creating value and returning it to society



## Land Portfolio with High Potential

- ❑ Extremely large land reserve: over 40 million m<sup>2</sup> in Spain
- ❑ Estimated potential land which can be built on: 1 million m<sup>2</sup>
- ❑ Ability to generate value in the medium and long term of over 1,000 million euros\*.
- ❑ National dimension:

- Current portfolio under management: 22 sites
- Present in 6 autonomous communities
- Excellent sites: provincial capitals, on the coast, growth areas within cities ...
- Different types of sites
- Future portfolio: Possibility of extending portfolio with land from downsizing of substations



# Excellent portfolio

## Land Portfolio with High Potential

### □ Excellent diversified product in privileged locations:

- Residential (1st & 2nd home): 55%
- Tertiary: shops, hotels, tourism: 45%
- Sea front, cities with high land value, Mountain resorts, business parks

Mm2 Land:	145
• Spain	62
• LATAM	83
Mm2 Land which can be built on:	7
• Spain	1
• LATAM	6

### □ Unique opportunity to maximise value creation and strengthen sustainability image:

- Regeneration of industrial areas
- Conversion of energy installations
- Downsizing of substations

**Real estate projects in line with urban planning in outstanding locations**

### □ Balanced time horizon for creating value: short, medium and long term:

**2006: Euro 250Mn;  
Euro 1,000Mn in 5 years**

**We have the best proven ability in land mangement**



- **Civil Engineering**
- **Land moving**
- **Civil works, Large constructions**
- **Conservation; Land recovery**
- **Sale of assets**
- **Urban developments**



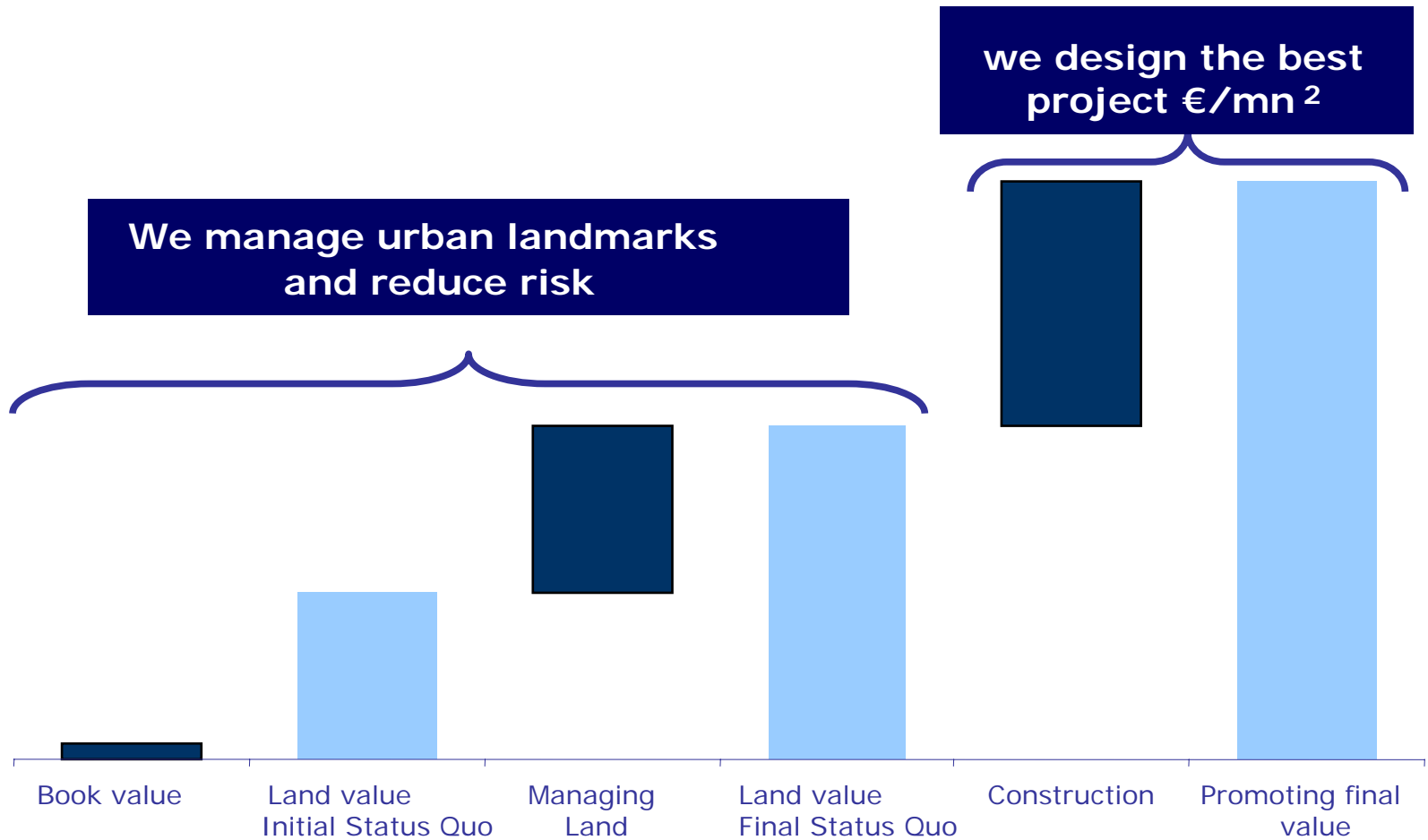
## Portfolio+skills: aimed at getting maximum value

1. Identifying/designing the best final real estate project for each asset.
2. Reducing final wacc/risk of real estate project.
3. Managing landmark sites through reclassification and urbanisation = Obtain maximum:
  - land to be built on
  - optimise Mix
  - Price m2
4. Generating attraction and organising competitive tenders/auctions.

**Bolonia**  
E

One of Spain's leading real estate companies  
in terms of size and potential value

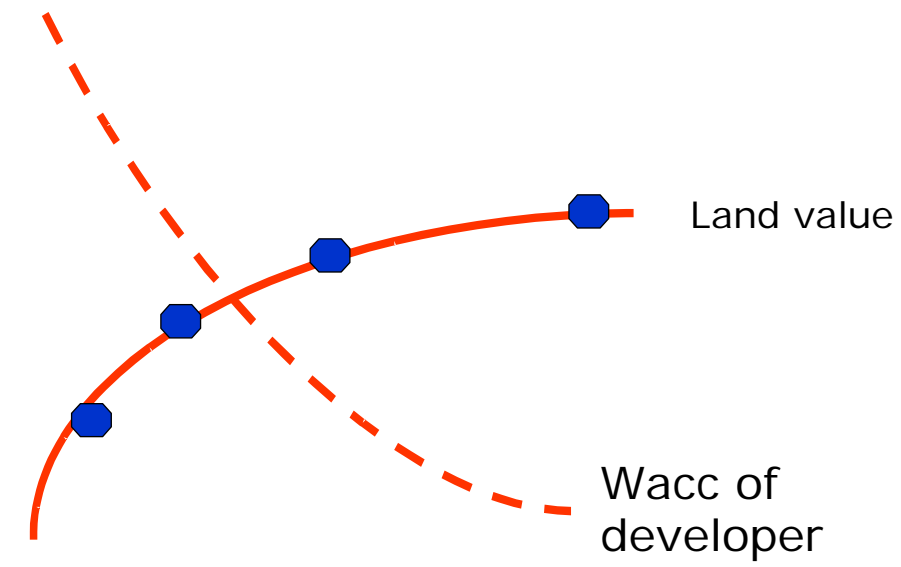
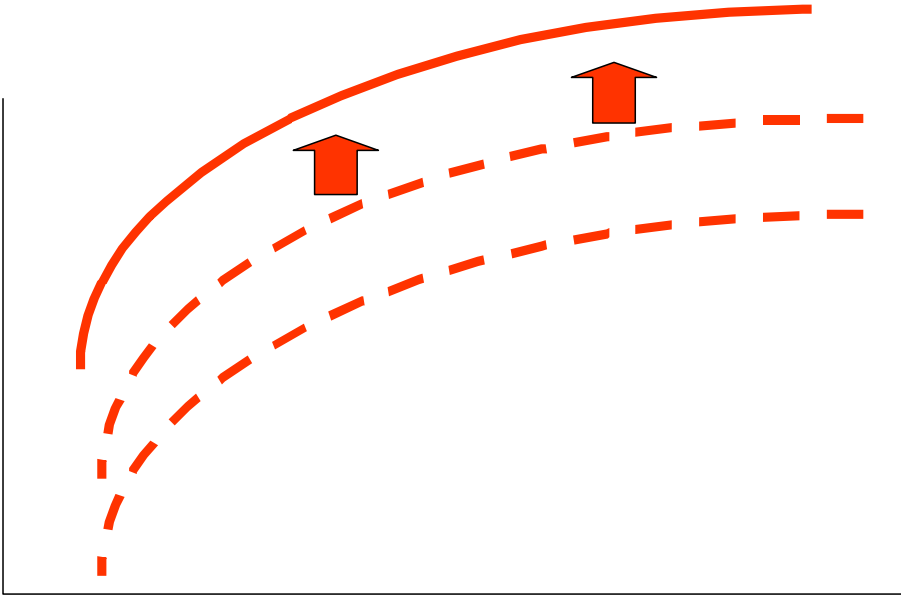
## Two drivers to maximise value





We design the best project to optimise the value of the land based on: area to be built on, usage mix, sales price

We manage urban landmarks to reduce the investment risk for the developer  
Reducing wacc

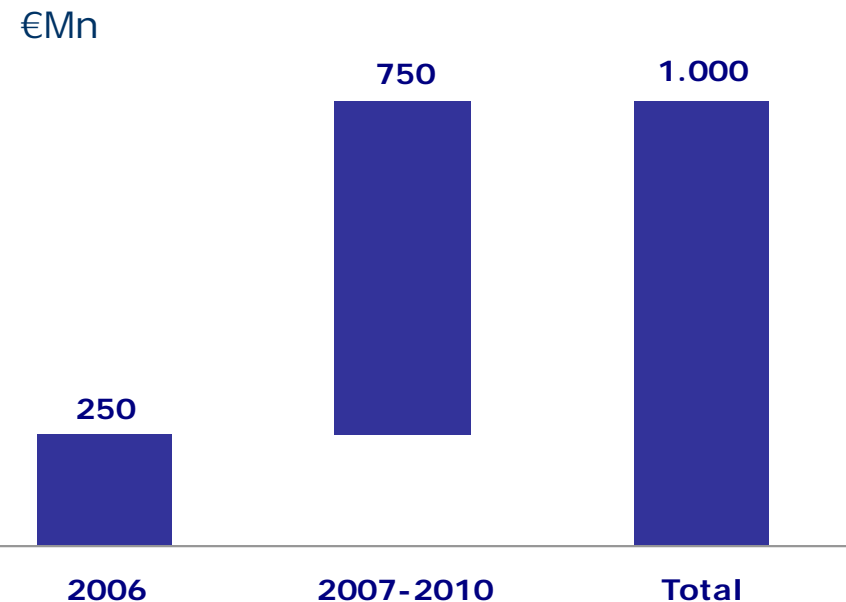


# Significant progress in projected real estate asset sales

## 1Q 2006 Developments

- Bolonia Real Estate consolidated organisation
- Extension of divestment target for real estate assets to €1bn in 2006-2010
- Estimated divestment of €250M in 2006 with sale of assets in Palma de Mallorca and Malaga (gross capital gain of approx. 90%) and segments B and C
- Carried out Euro 15 and 60 million of disposals in Segments B and C in shops
- Began sales process in Palma de Mallorca and confirming project with Malaga Town Council

## Planned divestment of real estate assets



# Palma Project

## The most important urban project in Palma de Mallorca



Memorando Informativo

**Venta de Activos Inmobiliarios en Palma de Mallorca**

Oportunidad de Inversión Inmobiliaria Marzo 2006

Privado y Confidencial

**BBVA**  
Corporación Financiera

- Residencia
- Comercial
- Oficinas
- Hotel

We are managing >55% of the Plan

# Palma de Mallorca Project (Levante seafront) Process and Calendar

1.- Invitation letters sent: 17 Feb 06  
Fact Sheet  
Confidentiality Agreements  
InfoMemo

2.- Indicative Offers (non-binding):  
Offers received: 4 Apr 06  
Selection and notification: 19 Apr 06

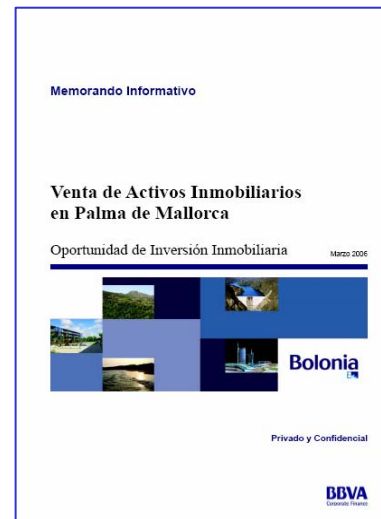


3.- Phase II in progress:  
Data Room  
Site visits  
Q&A  
Contractual agreements drawn up

4.- Binding Offers: received 26 May 06

5.- Negotiation and deal closed: before the summer

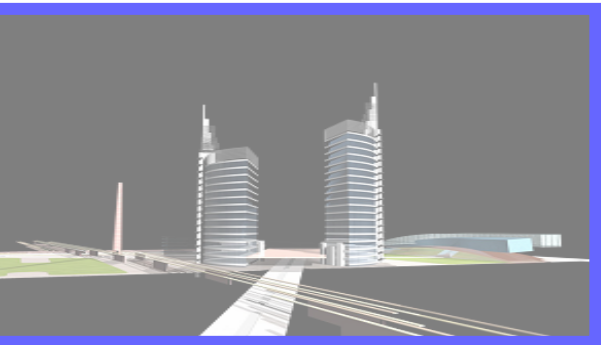
- More than 35 bids received:
  - 100% of assets
  - company stake
  - certain Execution Units
- High interest (competition) and very attractive offers
- Endesa/Bolonia seen as Project partner



# Malaga Project (Old Fossil Fuel Plant)



- 153,000M2 of land on the seafront
- Original 800MW CCGT project moved 6Kms inland
- Current plan includes 63,000m2 for Endesa to be able to build on



- High level project according to study carried out by Estudio Arquitectura CHP which will change the skyline and strenghten Malaga's seafront
- 150,000m2 for residential complex, leisure and tertiary 100,000m2 for Endesa.
- Keen investor interest



## An unique initiative aimed at giving Real Value:

- ENDESA's natural spaces.
- ENDESA's excellent conservationist track record.
- Endesa has a unique and unrivalled portfolio of natural surroundings/spaces.

## Ways of creating value:

- Protection aimed at partial and sustainable real estate development
- Reforestation and forest development
- Coal drains
- Unique sites for renewables (solar /wind)
- Rental/loan to investigation foundations





**Excellent  
management  
abilities**

**+**

**Unique asset  
Portfolio**

**Bolonia**

**Constructing value**

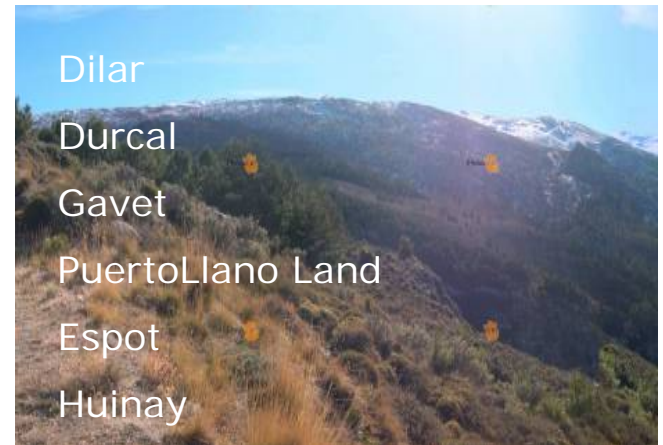
Per m2 land and per asset

One of Spain's leading real estate companies

### LAND FOR BUILDING



### NATURAL ENVIRONMENTS



### MIXED



# Altafulla (Tarragona)

## ALTAFULLA

Size (Sqm)

**227,452**

Land to be built on (Sqm)

**90,000**

### Terreno TARRAGONA (Tamarit), junto a ALTAFULLA



## BAHÍA DE BOLONIA

Size (Sqm)

1,920,835

Land to be built on (Sqm)

104,018

## BAHIA DE BOLONIA, TARIFA



## SEVILLA EMPALME

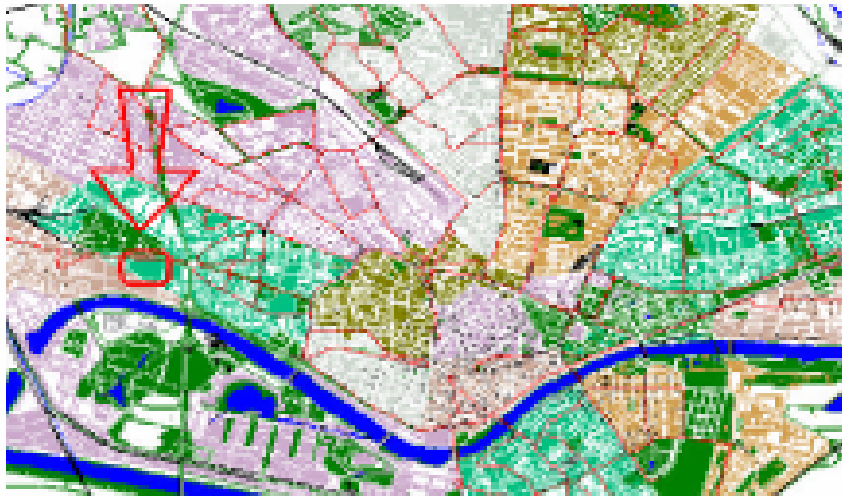
Size (Sqm)

**57,466**

Land to be built on (Sqm)

**60,706**

### SUBESTACION SEVILLA EMPALME, SEVILLA



# Sant Adria (Barcelona)

## SANT ADRIA

Size (Sqm)

40,000

Land to be built on (Sqm)

36,000

### CENTRAL DE SANT ADRIA - BADALONA







# Güejar Sierra (Granada)



# 70mn m<sup>2</sup> of Assets in LATAM

ENEA Project: 1,031ha next to Santiago airport: 14.4% of project sold.



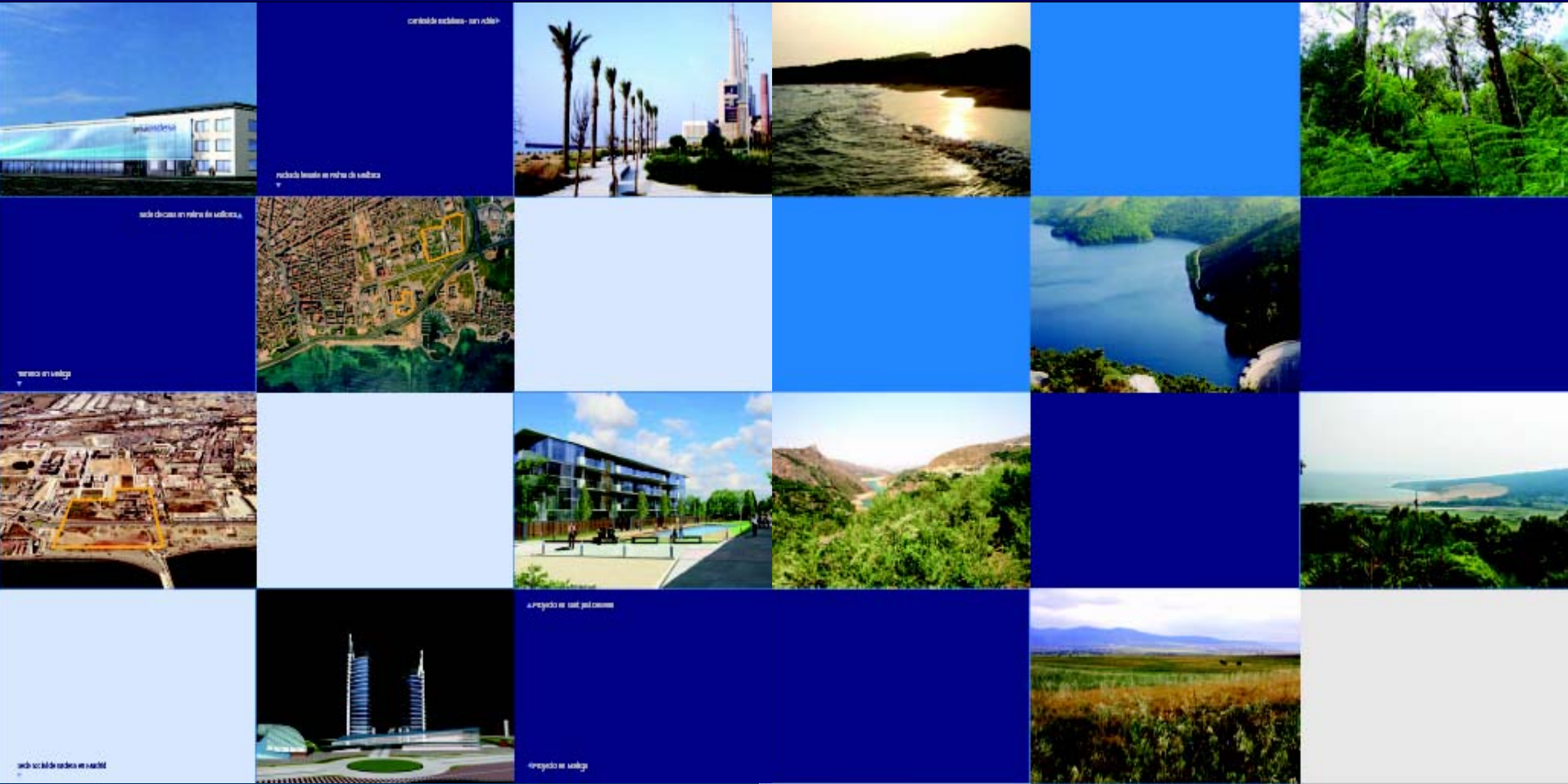
Tapihue Project: 7,302ha in the town of Til Til at least 50km from Santiago (900ha buildable).



# 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.

# BOLONIA REAL ESTATE



## Constructing value

Corporate Services and Technology