



2007 Results



February 21, 2008

Explanatory note

- For the purposes of reviewing the group's performance in 2007 and providing a year-on-year comparison, the analysis provided below is based on all operations ongoing during the year, regardless of whether or not at year end 2007, they were classified as interrupted
- Under IFRS 5, the Endesa Europa assets and the power plants in Spain that Endesa plans to sell to E.On AG in the near future in accordance with the agreement signed by the main shareholders, Enel and Acciona, on 26 March, 2007, are classified as interrupted activities
- Disclosure relating to the interrupted activities is included in the appendices to this document

2007 Results

- **Targets exceeded:**
 - EBITDA of €7,485M
 - Net Income of €2,675M

- **Challenging environment in all markets:**
 - Modest demand, falling prices and uncertain regulation in Spain
 - Demand and price decline in Italy and France
 - Low rainfall and gas shortage in Latin America

Positive earnings despite challenging environment

M€	2006	2007	Change	Like-for-like change ⁽¹⁾
Sales	19,637	21,222	+8%	+9%
Gross margin	10,434	10,993	+5%	+8%
EBITDA	7,139	7,485	+5%	+8%
EBIT	5,239	5,596	+7%	+12%
Net financial expense	-969	-947	-2%	-5%
Net income	2,969	2,675	-10%	+14%
	31.12.06	31.12.07	Change	
Leverage	1.245x	1.250x	+0.005x	

(1) Stripping out the following one-off items:

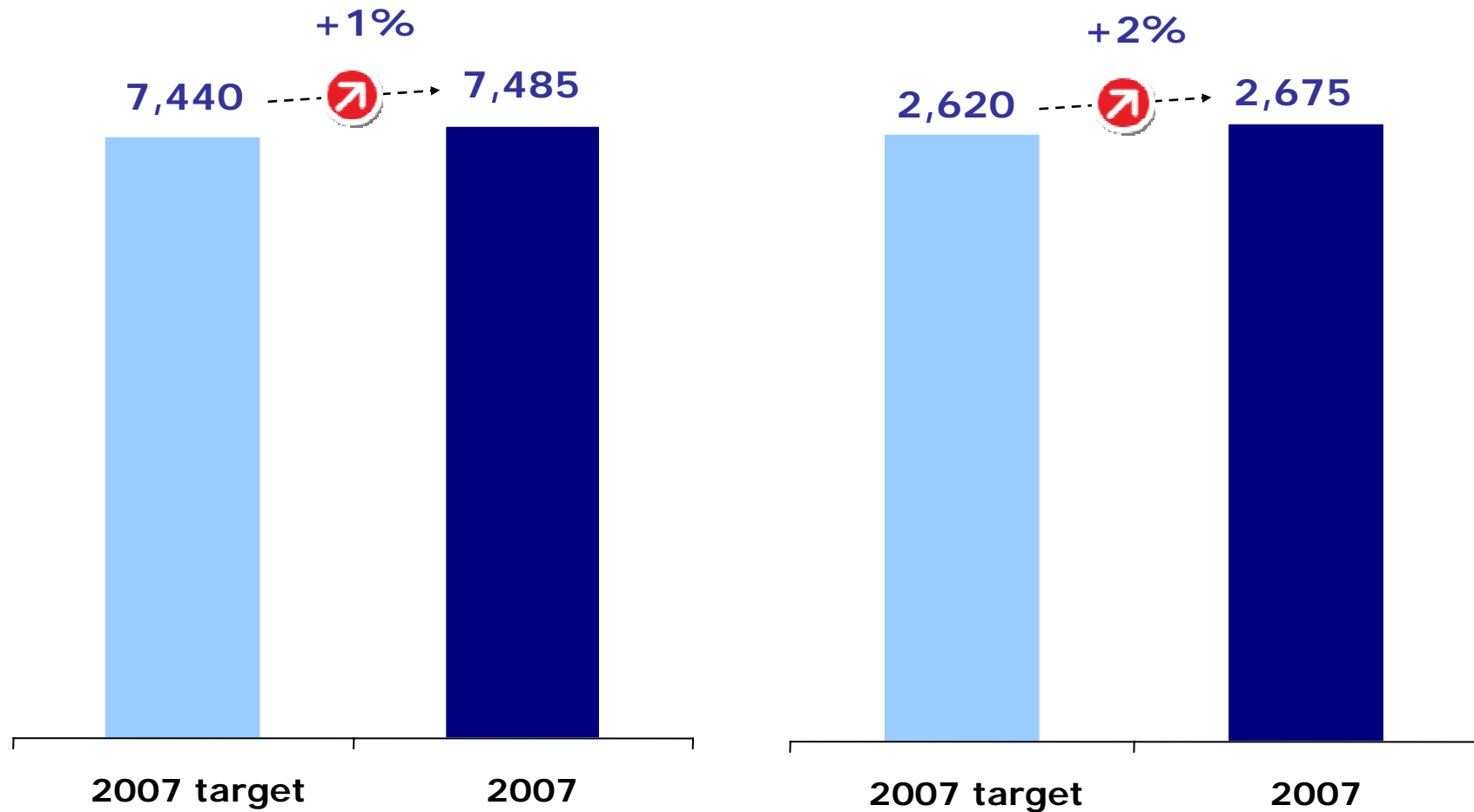
- Recognition in 2006 of revenues for non-mainland stranded costs for 2001-2005, with a €227M impact on EBITDA, €31m on net financial expense and €197M on net income.
- Tax effect for deferred taxes (-€137M) and reversal of €75M in tax provisions with a €62M negative impact on 2006 net income.
- €148M generated by the restatement of the tax base of Endesa Italia's fixed assets with a €118M impact on 2006 net income.
- The tax effect of the Elesur/Chilectra merger, with a €101M impact on 2006 net income.
- Asset disposals which had an impact on net income of €365M in 2006 and €106M in 2007.

Exceeded Targets

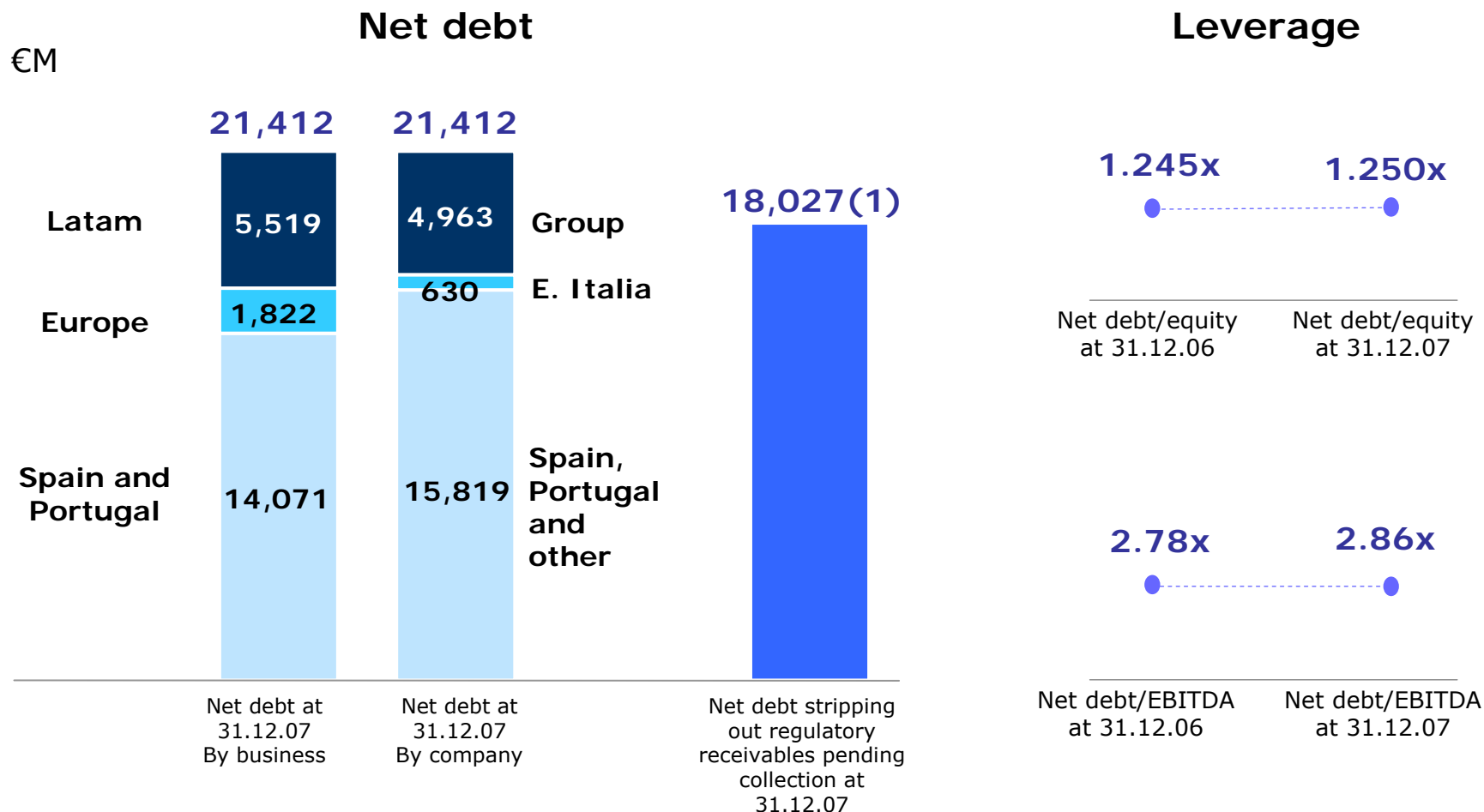
€M

EBITDA

Net income



Stable financial leverage



Net debt excluding regulatory items: €18,027M

(1) The breakdown of regulatory receivables is provided in the Appendix (page 28)

2007 Results

Strong growth across all businesses

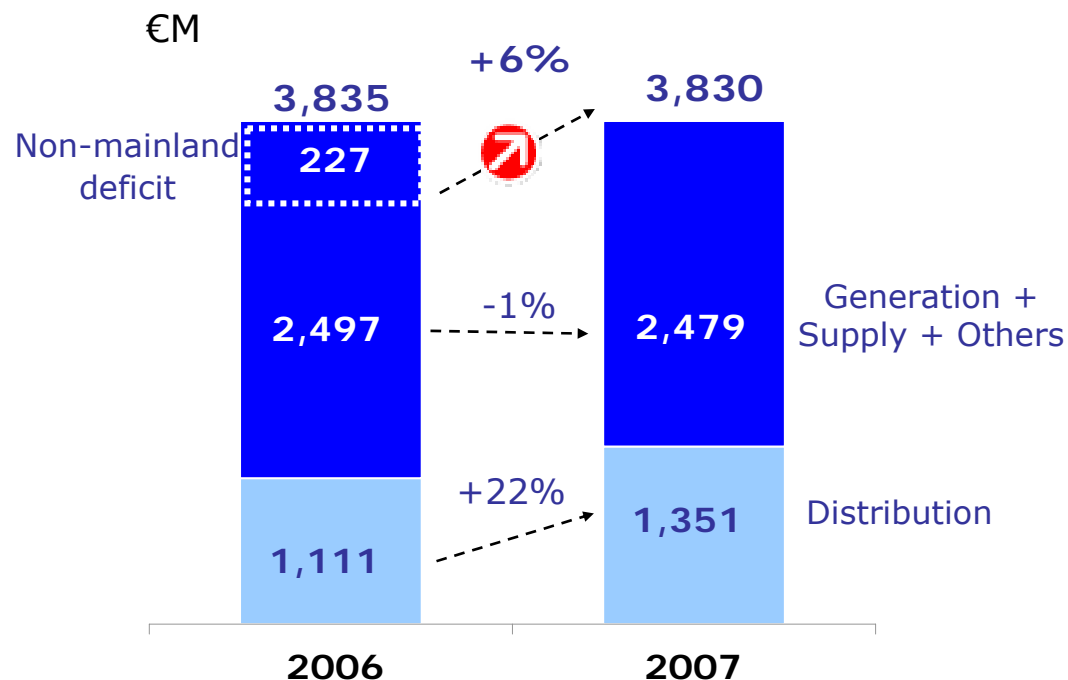


Spain and Portugal



Strong like-for-like growth in demanding scenario

EBITDA



Net income 2007:

€1,785 M (+14% Like-for-like⁽¹⁾)

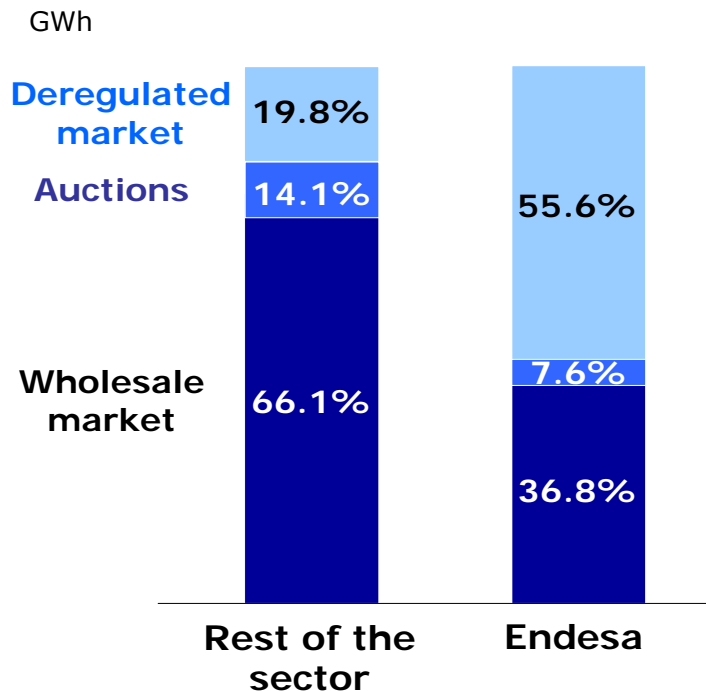
Highlights

- Modest growth in demand (2.8%) and lower pool prices
- Leadership and optimal margin in deregulated business
- Significant earnings jump in distribution and gas activities
- Regulatory uncertainty
- Negative impact RD 3/2006
- Adverse hydro conditions

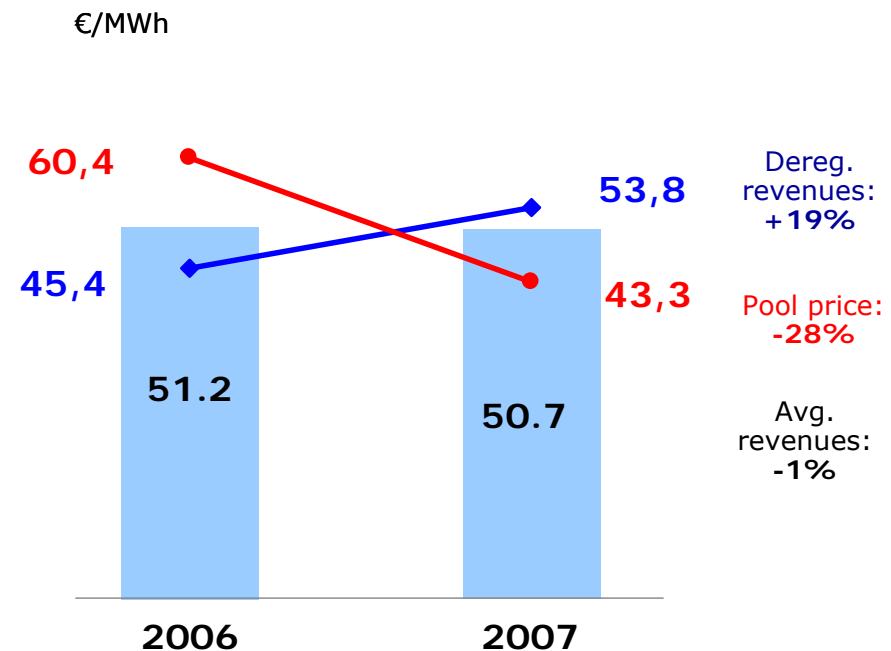
(1) Stripping out the non-recurring effect of: (a) the non-mainland deficit in 2006: €227M at the EBITDA level, €31M on net financial expense and €197M impact on net income. (b) Asset disposals which had an impact on net income of €200M in 2006 and €70M in 2007 and (c) tax effect for deferred taxes (-€137M) and reversal of €75M in tax provisions with a €62M negative impact on 2006 net income.

Leadership and optimal revenue in deregulated business

Generation revenues



Average revenue from mainland generation⁽¹⁾ and pool price

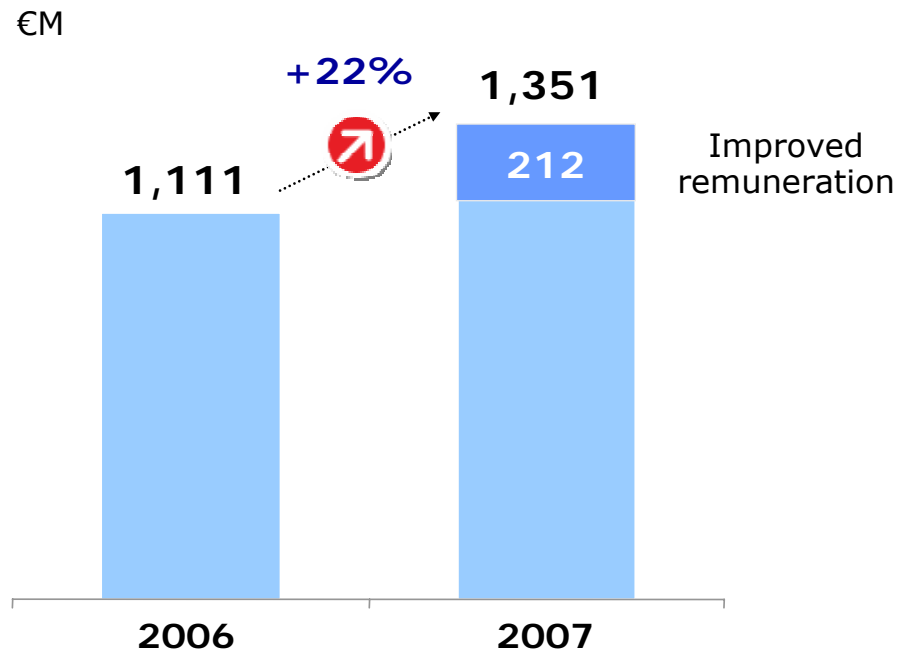


- **Renewal and signature of new contracts in 2007 at a price equivalent to €57/MWh (€14/MWh higher than wholesale market)**

*Includes the capacity payment as well as the application of article 2 of RDL 3/2006: -€121M in 2006 and -€17M in 2007
Does not include 2006 final settlement from RD 3/2006: additional -€151M accounted in 2007*

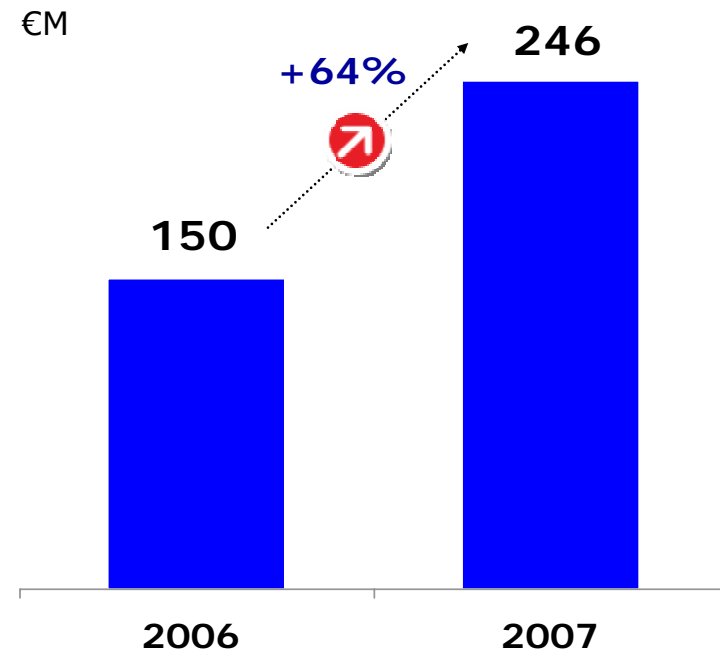
Strong growth in Distribution and Gas

EBITDA distribution business



- Quality continues to improve: SAIDI declined 8% in the last twelve months, an all time record for quality of supply

Gross margin Gas business



- Total gas sales: up +19%
- Share gas market: 13%

Regulation: RDL 11/2007 – netting freely allocated CO₂ expenses from revenues

Legal status and updates

- Strange legal situation: validated by Parliament but pending enactment during next legislative period
- No scope for appeal as it is a law. Enacting regulations can be appealed
- Preparations for taking legal action before the EU as it violates principles governing competition, the domestic market and environmental protection

Forthcoming Parliamentary review

- Should not be applicable to contracts signed before enactment
- Should not apply to bilateral contracts which do not contribute to the deficit or internalise the price of CO₂ emissions as they compete on price
- Should be compatible with Kyoto philosophy and not hinder with CO₂ economic message sent to consumers
- Should not be discriminatory with neighbouring countries: equal treatment to foreign generators selling in Spain

Regulation: distribution, tariff, meters

Tariffs

- Increase of 3.3%
- Progress towards an additive tariff model with a reduction in the access tariff component of retail prices: greater potential for the supply business
- Consolidation of the ex-ante deficit model: reduction of regulatory uncertainty
- Next deficit securitisation may take place before the summer: the last auction was abandoned

Distribution

- Until now, remuneration was updated at an efficiency factor of 30% of demand. New regulations introduce an individual value for each company; 61% for Endesa
- Endesa's remuneration increases by Euro 88 million
- Development towards the definitive remuneration model is ongoing
- The new regulations call for an ambitious plan for the introduction of so-called smart meters. Endesa is uniquely positioned to execute and leverage this plan

2007 Results

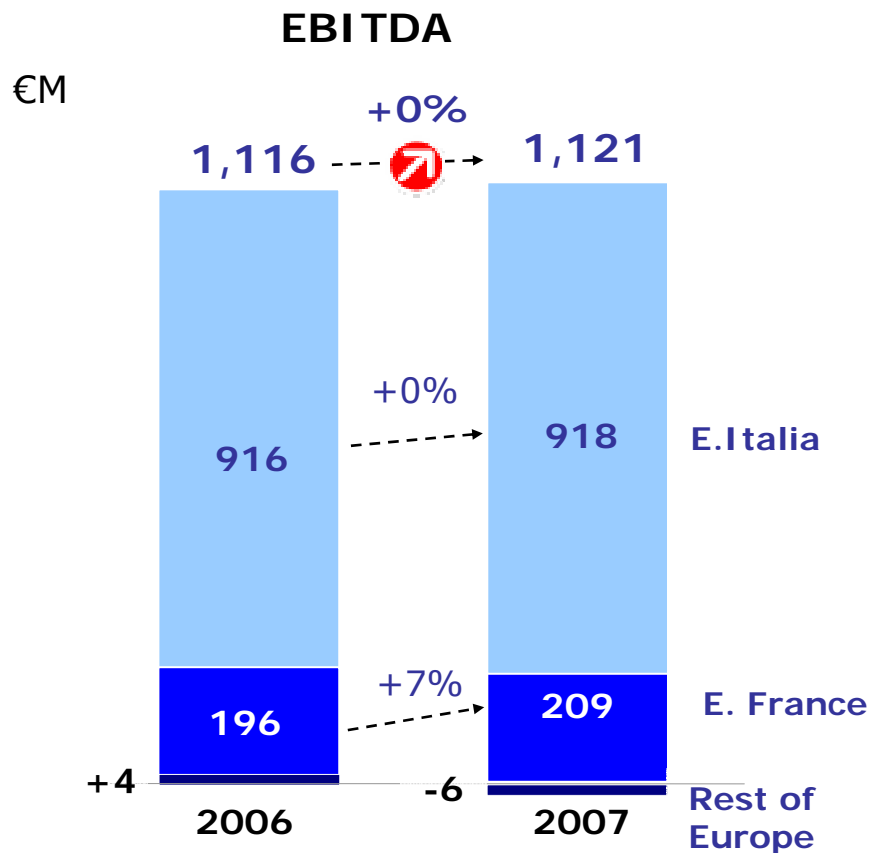
Strong growth across all business



Europe



Stable business in adverse environment



Highlights

- Stable margins despite falling prices and stagnant demand
- Progress on capacity plans
- Progress on Endesa Hellas Business Plan

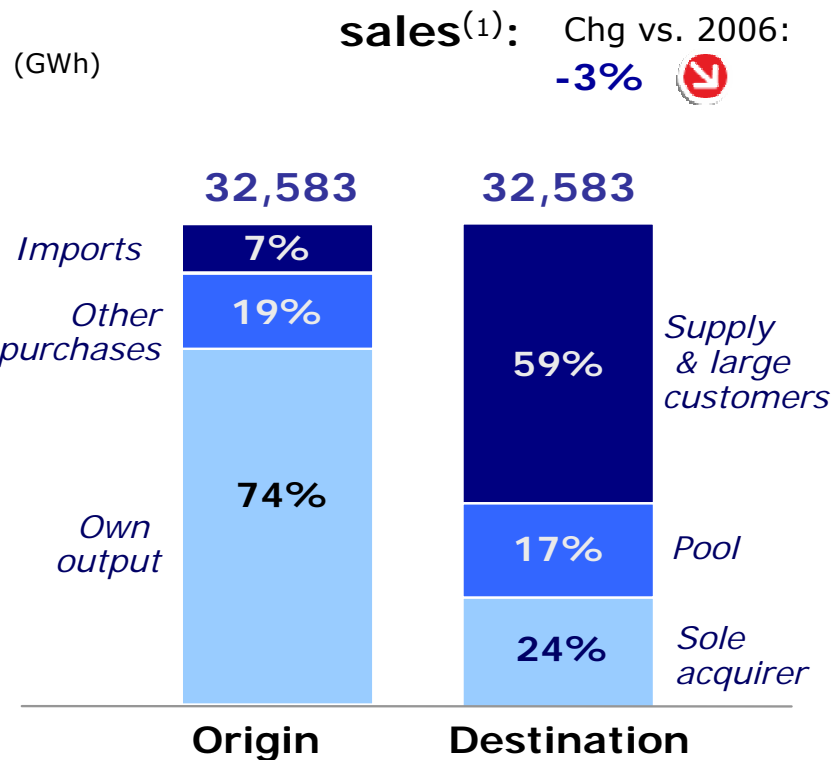
Net income 2007:

€419M (+13% Like-for-like⁽¹⁾)

(1) Stripping out the following one-off items: (a) €118M generated by the restatement of the tax base of Endesa Italia's fixed assets in accordance with Italian law in 2006. (b) Asset disposals which had an impact on net income of -€4M in 2007

Italy: higher margins

Origin and destination of 2007 sales⁽¹⁾: Chg vs. 2006:



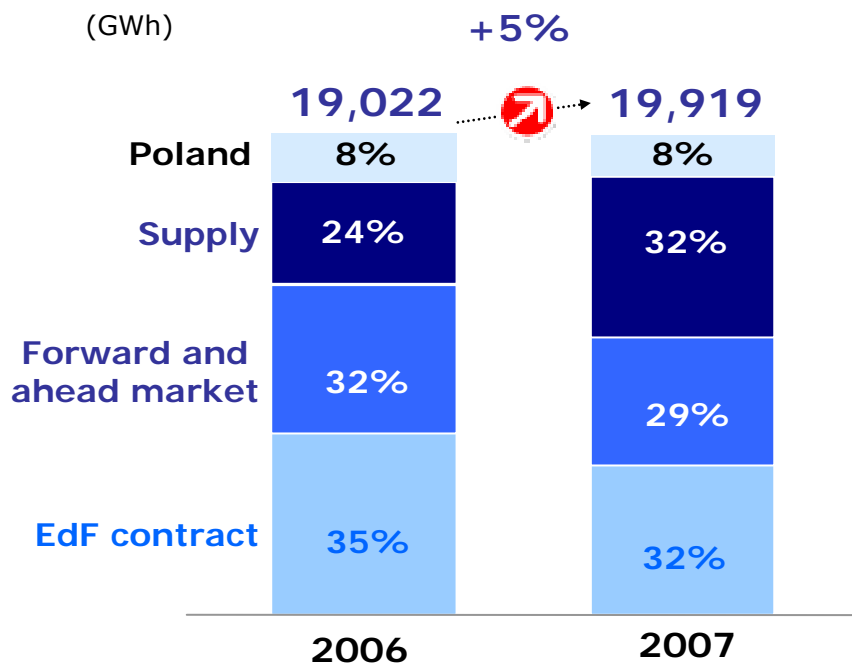
- **Low level of activity:** stagnant demand, higher imports and low rainfall
- **Increase in unit margin due to:**
 - Bilateral contracts and contracts with Sole Acquirer
 - Fall in CO2 prices
 - Greater self-sufficiency from Green Certificates (50% vs. 20%)
- **Progress on renewables plan**

Unit margin Italy	2006	Chg	2007
	30.1 €/MWh	+4%	31.3 €/MWh

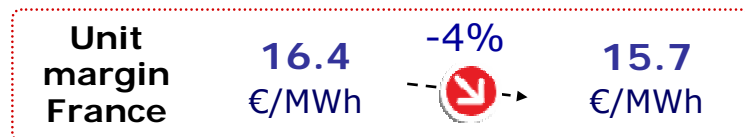
(1) Includes energy produced and purchased

Endesa France: EBITDA grew despite falling demand and lower prices

Sales



- Activity increased despite lower demand
- Increasing contribution from non-EDF sales
- Lower fixed costs: (-7%)
- Advances made in Business Plan (CCGTs and Renewables)



2007 Results

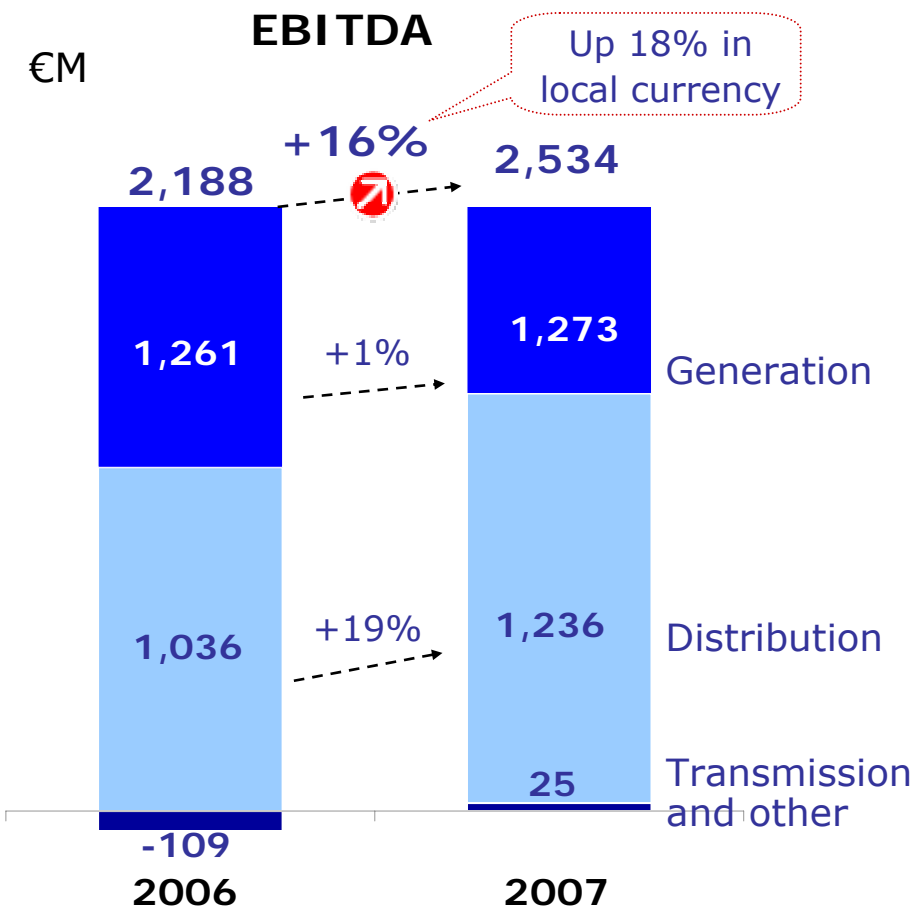
Strong growth across all businesses



Latin America



Strong distribution growth offsets challenging generation environment



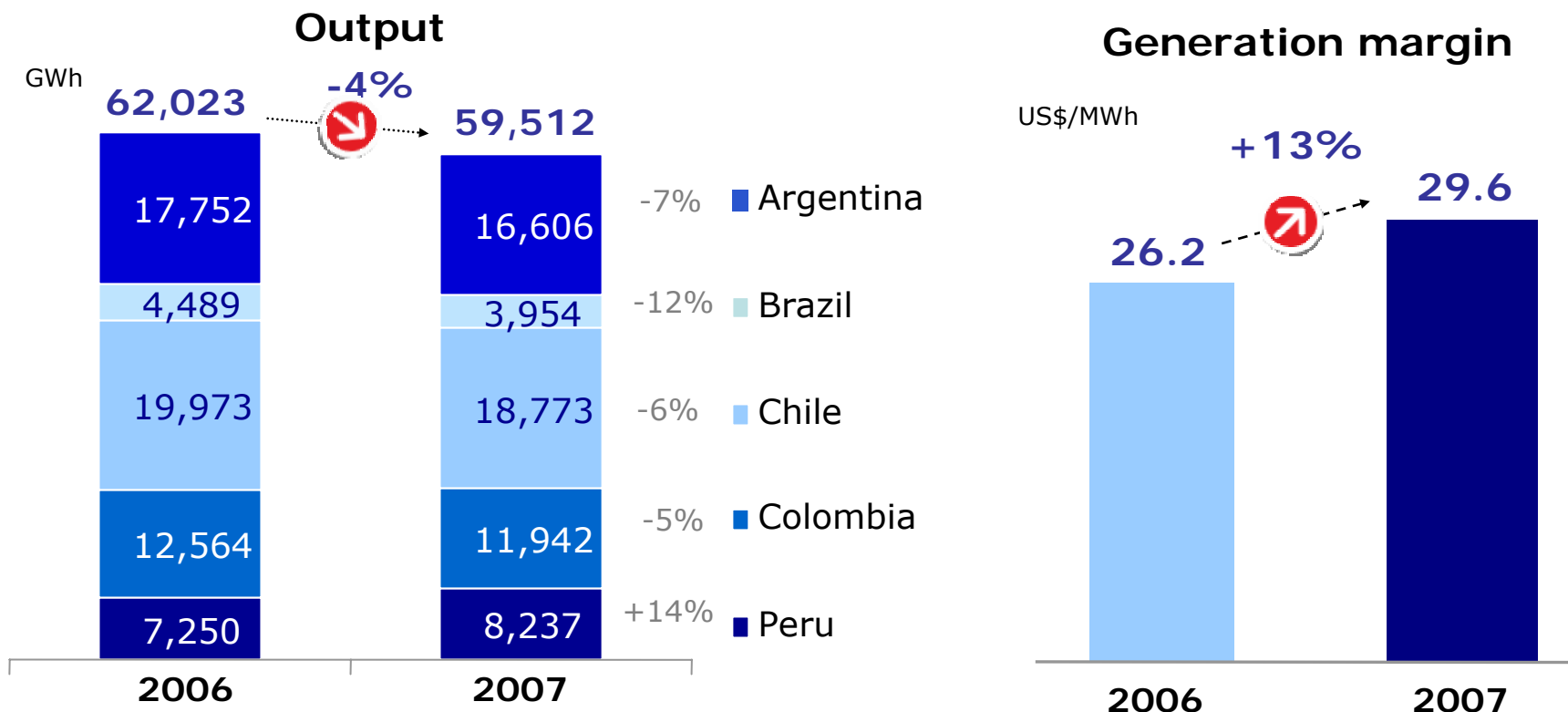
Highlights

- Better unit margins offset lower Generation output
- Sharp demand growth in all countries
- Sharp growth in distribution activity and margins

Net income 2007:
€471 M (+17% Like-for-like⁽¹⁾)

(1) Eliminating the following one-off items: (a) the impact of the Elesur/Chilectra merger on net income of €101M in 2006. (b) Asset disposals with an impact on net income of -€7M in 2006 and €39M in 2007

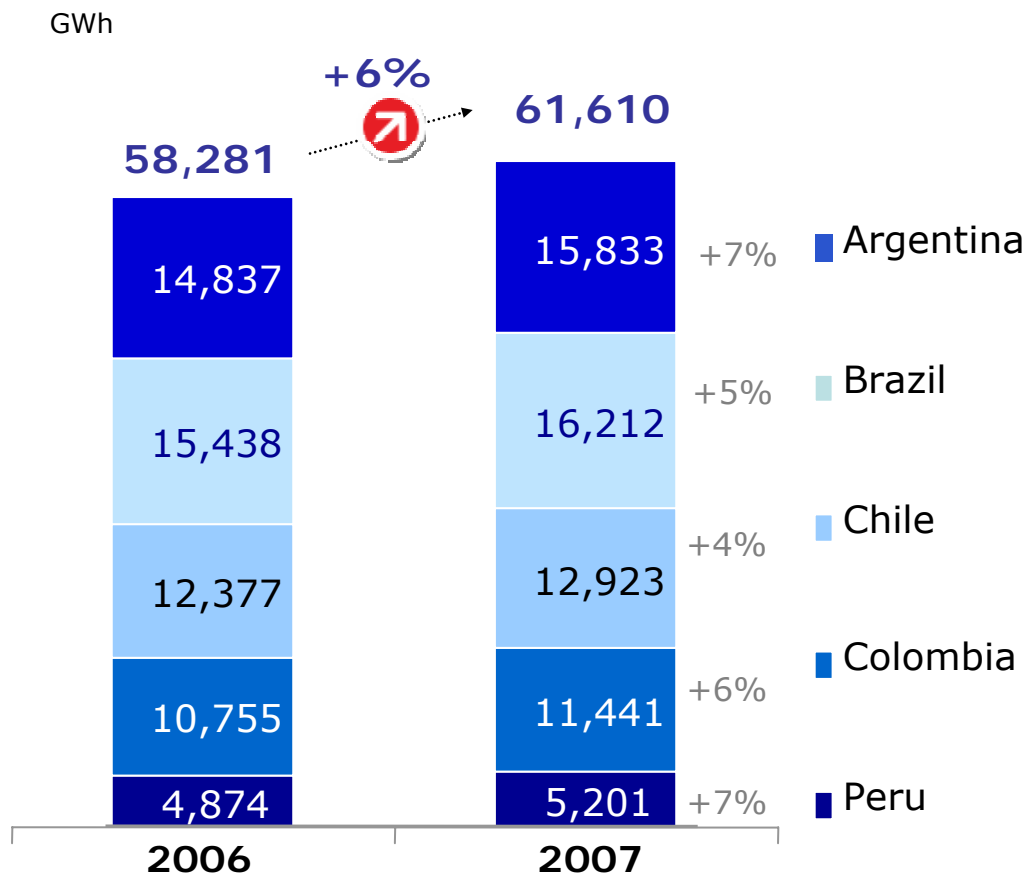
Lower rainfall with higher unit margins



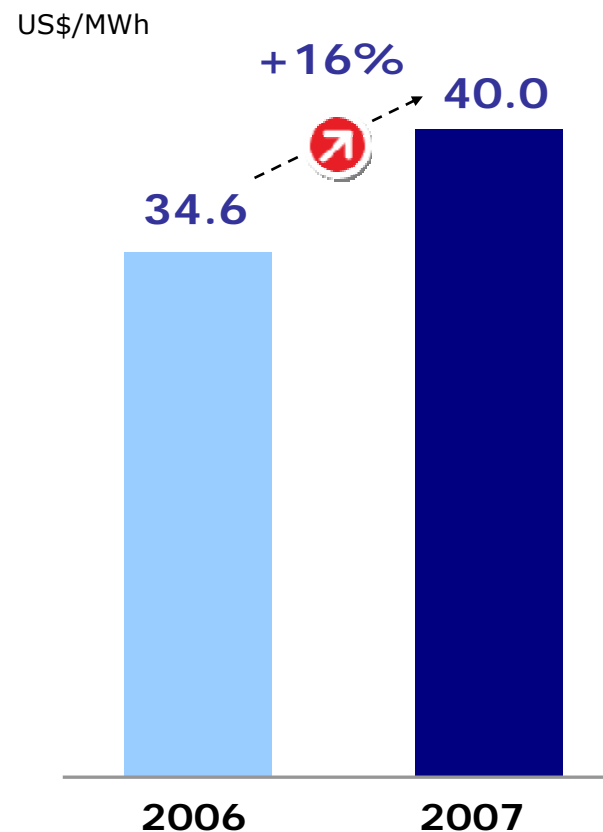
- Fall in hydro output (15%) and greater use of liquid fuels due to gas restrictions
- Node price grew 55% in Chile to US\$104/MWh (four increases in 2007)

Strong growth in Distribution in all markets

Sales (GWh)



Distribution margin



(1) Does not include the retroactive effect of increased tariffs at Edesur (Nov 05 to Jan 07).

- **2007: Results exceed targets in a challenging environment**
- **2008: Forthcoming key outcomes**
 - Strategic guidelines
 - Assets sale to E.ON
 - Creation of Acciona-Endesa renewables company

2007 Results

1H07 Results

Strong growth across all business



Back Up



Consolidated income statement with break down of interrupted operations

€M	2006	Interrupted activities 2006	2007	Interrupted activities 2007
Sales	15,476	4,161	17,153	4,069
Gross margin	8,852	1,582	9,437	1,556
EBITDA	5,945	1,194	6,314	1,171
EBIT	4,364	875	4,676	920
Net financial expense	-907	-62	-860	-87
Income ongoing activities	3,145		2,910	
Income interrupted activities	653	653	573	573
Net income	2,969		2,675	

Income Statement Spain and Portugal

€M	2006	2007	Change	Like-for-like change ⁽¹⁾
Sales	9,520	10,044	+6%	+8%
Gross margin	5,859	6,070	+4%	+8%
EBITDA	3,835	3,830	-0%	+6%
EBIT	2,705	2,718	+0%	+10%
Net financial expense	-398	-413	+4%	-4%
Net income	1,843	1,785	-3%	+14%

(1) Stripping out the non-recurring effect of: (a) the non-mainland deficit in 2006: €227M at the EBITDA level, €31M on net financial expense and €197M impact on net income. (b) Asset disposals which had an impact on net income of €200M in 2006 and €70M in 2007 and (c) tax effect for deferred taxes (-€137M) and reversal of €75M in tax provisions with a €62M negative impact on 2006 net income.

Consolidated income statement Spain and Portugal with break down of interrupted operations

€M	2006	Interrupted activities 2006	2007	Interrupted activities 2007
Sales	9,143	377	9,722	322
Gross margin	5,699	160	5,944	126
EBITDA	3,715	120	3,743	87
EBIT	2,634	71	2,648	70
Net financial expense	-394	-4	-407	-6
Income ongoing activities	1,808		1,750	
Income interrupted activities	47	47	47	47
Net income	1,843		1,785	

Income Statement Europe

€M	2006	2007	Change	Like-for-like change ⁽¹⁾
Sales	4,190	4,239	+1%	+1%
Gross margin	1,466	1,472	+0%	+0%
EBITDA	1,121	1,116	+0%	+0%
EBIT	887	846	+5%	+5%
Net financial expense	-58	-79	+36%	+36%
Net income	493	419	-15%	+13%

(1) Stripping out the following one-off items: (a) €118M generated by the restatement of the tax base of Endesa Italia's fixed assets in accordance with Italian law in 2006. (b) Asset disposals which had an impact on net income of -€4M in 2007

Consolidated income statement Europe with break down of interrupted operations

€M	2006	Interrupted activities 2006	2007	Interrupted activities 2007
Sales	406	3,784	492	3,747
Gross margin	44	1,422	42	1,430
EBITDA	42	1,074	37	1,084
EBIT	42	804	37	850
Net financial expense		-58	2	-81
Income ongoing activities	29		32	
Income interrupted activities	606	606	526	526
Net income	493		419	

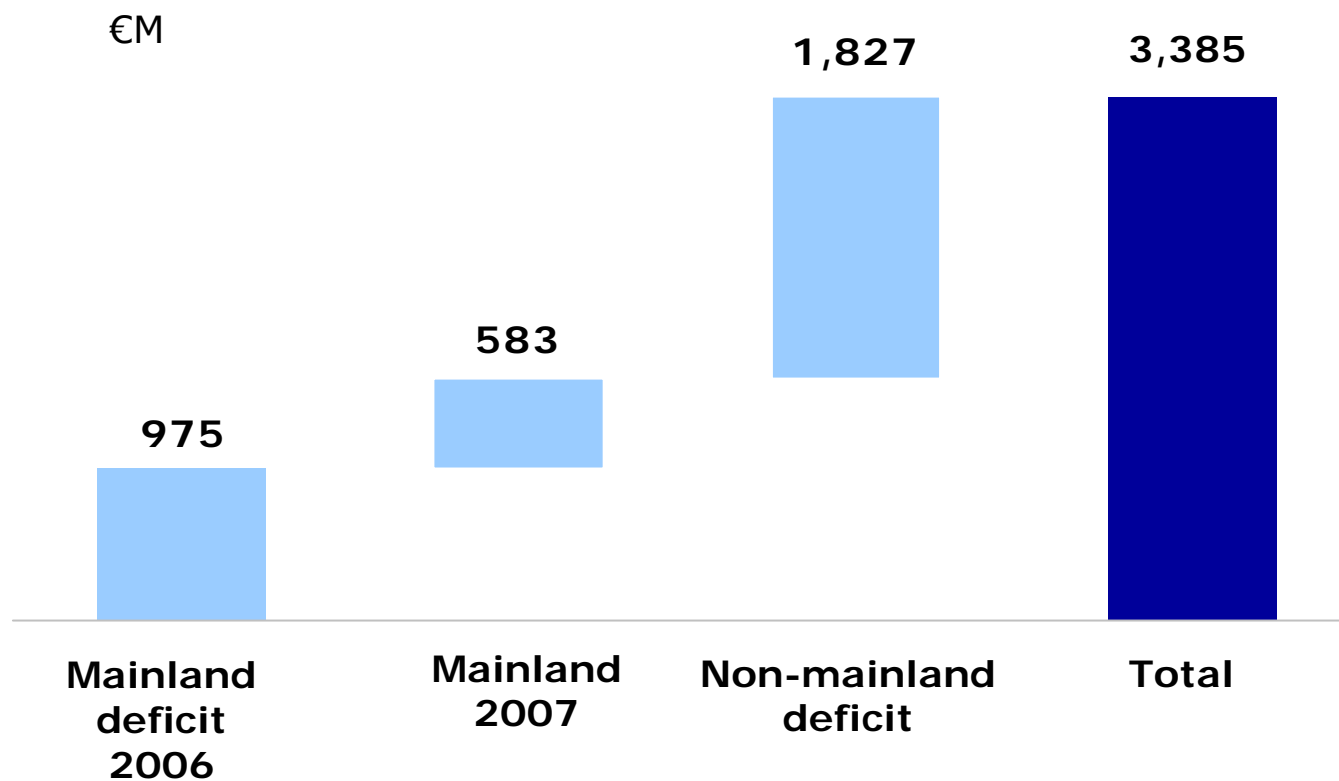
Income Statement Latin America

€M	2006	2007	Change	Like-for-like change ⁽¹⁾
Sales	5,927	6,939	+17%	+17%
Gross margin	3,109	3,451	+11%	+11%
EBITDA	2,188	2,534	+16%	+16%
EBIT	1,688	1,991	+18%	+18%
Net financial expense	-513	-455	-11%	-11%
Net income	462	471	+2%	+17%

(1) Stripping out the one-off effects: (a) the non-recurring impact of the Elesur/Chilectra merger on net income of €101M in 2006. (b) Asset disposals with an impact on net income of -€7M in 2006 and €39M in 2007

Note: EBITDA growth in local currency was 18%

Recognised regulatory items pending collection

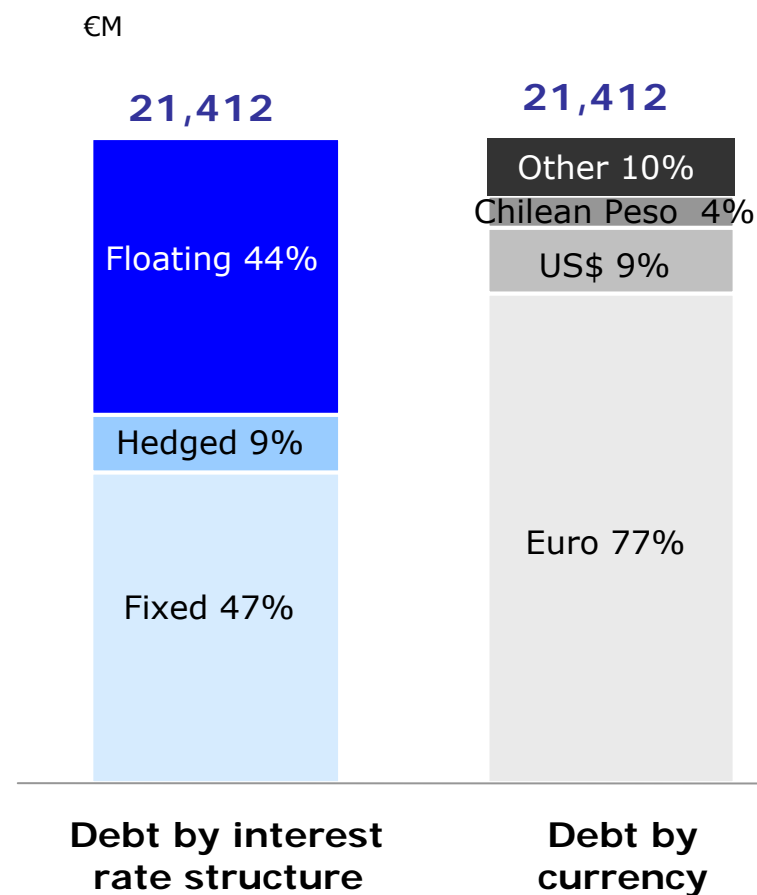


Favourable debt structure in a context of rising interest rates

Main debt characteristics

- **Debt structure:**
 - Fixed-rate or hedged debt: 56% ⁽¹⁾
 - Debt in currency in which cash flow is generated
- **Average cost of debt: 5.86%**
 - Endesa excl. Enersis: 4.50%
 - Enersis: 9.71%
- **Leverage⁽¹⁾:**
 - Net debt/equity: 1.25x
- **Average life of debt: 5.0 years**
- **Liquidity at Endesa:**
 - Endesa excl. Enersis: €5,552M
 - Enersis: €784M

Debt structure



(1) Stripping out regulatory receivables, fixed rate or hedged debt represents 66% of the total with leverage of 1.05x.

Installed capacity and output⁽¹⁾2007

MW at 31.12.07		Spain and Portugal		Europe		Latam		Total	
Installed capacity	Total	24,472		9,990		14,707		49,169	
	Hydro	5,362		1,014		8,633		15,009	
	Nuclear	3,398		-		-		3,398	
	Coal	6,128		3,783		562		10,473	
	Gas Natural	2,420		2,740		3,425		8,585	
	Fuel oil	5,534		2,180		2,069		9,783	
	Renewables and CHP	1,630		273		18		1,921	
	2007 TWh % chg vs. 2006		Spain and Portugal		Europe		Latam		Total
Output	Total	91.1	+3%	33.4	-6%	59.5	-4%	184.0	-1%
	Hydro	7.1	-6%	1.3	-39%	36.6	-14%	45.0	-14%
	Nuclear	22.9	-6%	-	-	-	-	22.9	-6%
	Coal	37.7	+6%	15.2	-6%	2.3	+35%	55.2	+3%
	Gas Natural	8.1	+26%	13.7	+8%	12.8	+12%	34.6	+3%
	Fuel oil	12.3	0%	3.0	-35%	7.8	+16%	23.1	+16%
	Renewables and CHP	2.9	+16%	0.2	+571%	0.003	n.a.	3.1	+23%

(1) Data for fully-consolidated companies only.

Progress on capacity plans

New generation capacity in 2007

Spain and Portugal

CCGTs: +816 MW
 Non-mainland: +143 MW
 Renewables: +358 MW

- Repowering of third coal group at As Pontes finished
- As Pontes CCGT (800 MW) came on stream in August

Europe

Renewables Italy: +188 MW
 Renewables France: +10 MW
 Renewables Greece: +17 MW

- 188 MW of renewable capacity came on stream in Italy
- Inauguration of first wind farm in France (10 MW)
- Emile Huchet CCGT (860 MW) under construction. Hornaing CCGT (430 MW) authorised and is in tender process. Authorisation of Lucy (430 MW) and Lacq (860 MW) CCGTs
- 91 MW of wind power authorised in France

Latin America

Hydro: +98 MW
 Thermal: +275 MW
 Renewables: +18 MW

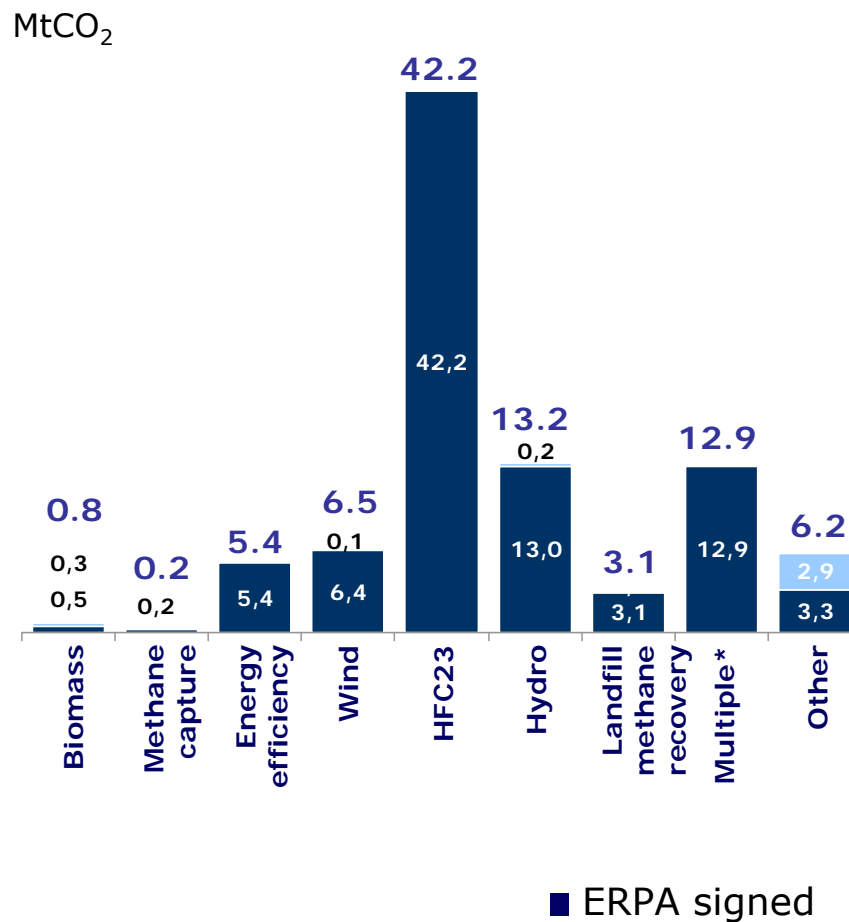
- San Isidro II TP (248MW), Palmucho HP (32MW) and Canela wind farm (18MW) began operations.
- Capacity increases at existing plants: Costanera TP (+5MW), Pehuenche HP (+4MW), Guavio HP (+50MW), Callahuanca HP (+5MW), Ventanilla TP (+36MW) and Sta.Rosa TP (1MW). Decline in capacity at Malacas TP (-15MW)
- Construction started on Quintero LNG and supply contract signed
- Bocamina II (345MW) and Quintero gas turbine (250MW) contracts awarded

Endesa CO2 emissions in the EU

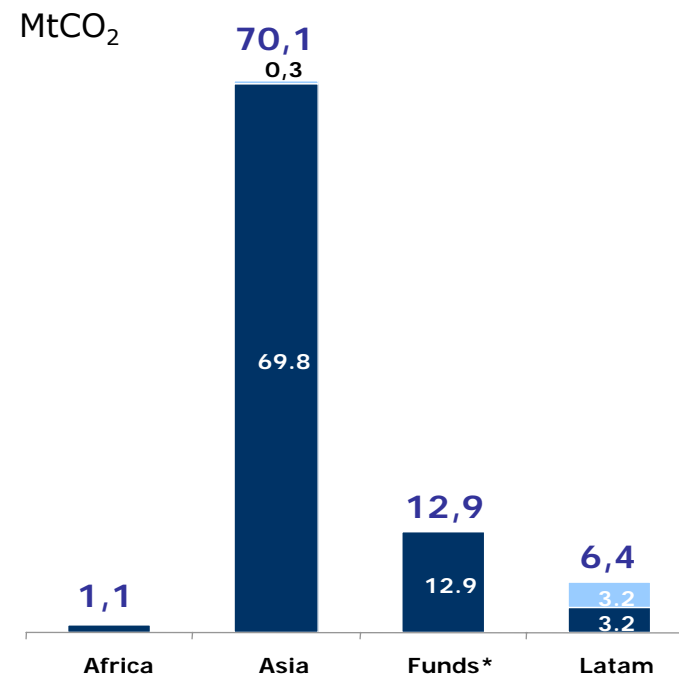
	Assigned 2007 (MTon CO2)	Emissions 2007 (MTon CO2)	Deficit 2007 (MTon CO2)
Total	52.3	65.6	13.3
Spain ⁽¹⁾	35.8	48.5	12.7
Italy	10.0	12.4	2.4
France	2.2	0.7	-1.5
Poland	1.0	0.7	-0.3

Endesa MDL projects: 90.5 Mt CO₂

Technological breakdown (42 projects)



Geographic breakdown (42 projects)



*Each fund is accounted for as a discrete project

Generation output in Spain

Endesa's mainland generation output

GWh

74,347 2% ↗ 76,194

2,476
964
6,431

32,516

7,571

24,389

2006

2,877
380
8,080

34,802

7,149

22,906

2007

Renew./CHP
Fuel
CCGT

Coal

Hydro

Nuclear

Change
ENDESA

Renewable
s/CHP:
+16%

Conventional
thermal:
+8%

Hydro and
nuclear:
-6%

Change
for rest of
sector

Renewable
s/CHP:
+11%

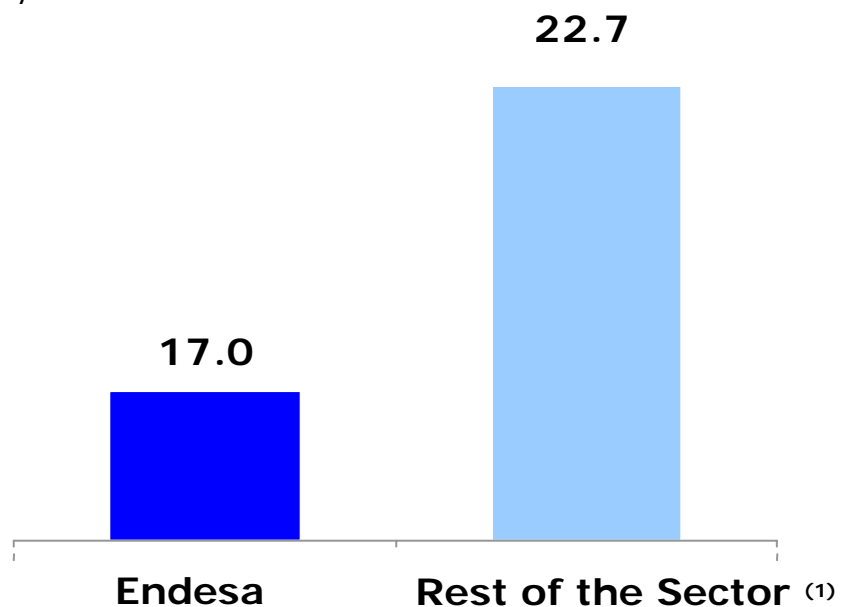
Conventional
thermal:
+4%

Hydro and
nuclear:
-4%

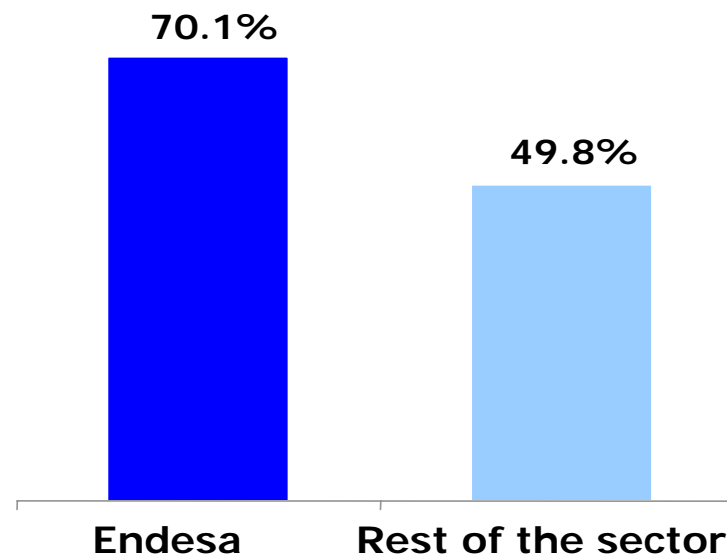
Competitive mainland fuel costs thanks to balanced generation portfolio

Cost of mainland fuel in Ordinary Regime

€/MWh



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



Endesa still maintains the most competitive and efficient generation business in the sector

(1) Estimates

(2) Conventional thermal facilities excluding fuel-oil

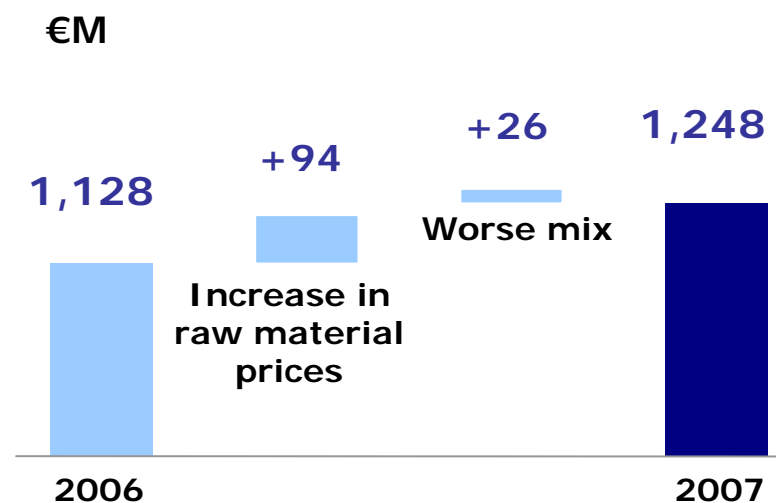
Competitive mainland fuel costs

Breakdown of mainland unit fuel costs

€/MWh

	2006	2007	% chg
CCGT ⁽¹⁾	34.5	35.9	4.6%
Domestic coal ⁽²⁾	22.6	23.6	4.4%
Imported coal	19.7	20.0	1.5%
Fuel	86.0	171.2	99.1%
Avg. conventional thermal output	26.1	27.0	3.4%
Total average	15.7	17.0	8.3%



Breakdown of impact on fuel costs

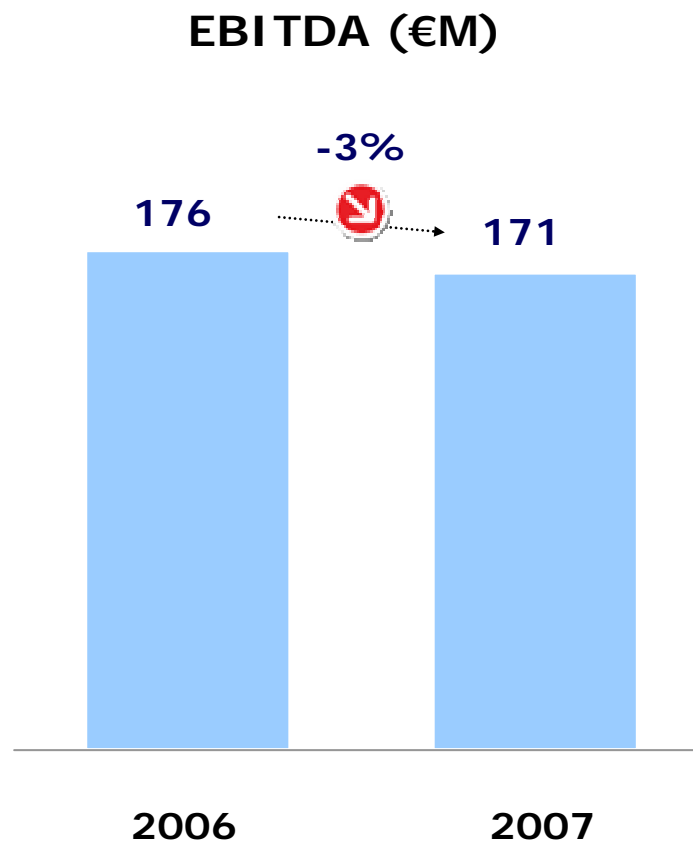


(1) €31.9/MWh in 2007 and €30.3 in 2006 ex-ATR.

(2) Net of coal premiums. Gross cost was €25.1/MWh in 2007 and €24.2/MWh in 2006. Includes imported coal consumed by national coal plants.

Renewables and CHP: fall in pool prices offset by higher output

Output⁽¹⁾	2,476 GWh	+16% 	2,877 GWh
Sale price renewable/ CHP	93.5 €/MWh	-7% 	87.1 €/MWh



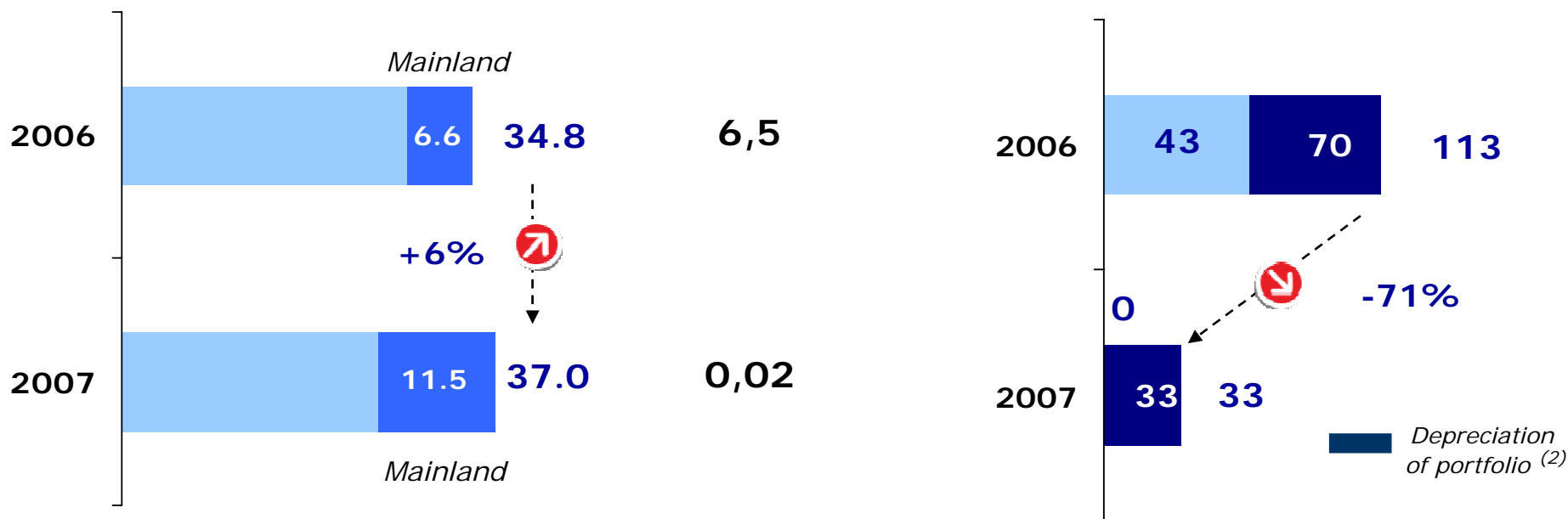
(1) Accounting output (corresponding to booked sales)

Renewables and CHP: operating indicators

		2006			2007		
MW		Net	Account.	Gross	Net	Account.	Gross
Installed capacity	Total	1,584	1,272	2,373	1,886	1,630	2,857
	CHP	213	39	459	200	39	423
	Wind	1,129	1,024	1,534	1,444	1,382	2,054
	Mini-hydro	196	187	240	196	187	240
	Other	46	22	140	46	22	140
		2006			2007		
GWh		Net	Account.	Gross	Net	Account.	Gross
Output	Total	3,740	2,476	6,218	3,777	2,877	6,132
	CHP	993	118	2,243	655	130	1,639
	Wind	2,053	1,789	2,863	2,381	2,116	3,297
	Mini-hydro	498	481	531	519	503	557
	Other	196	88	582	223	127	638

Lower CO₂ cost

Mainland emissions deficit x **Mton CO₂** = **Economic impact ⁽¹⁾**
Mton CO₂ €/tn CO₂ €M



(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 €40M and -€40M on depreciation and amortisation.

(2) Due to adjustment in market value of rights consumed in 2007, under IFRS, included under depreciation and amortisation. An additional €3M adjustment was made to the depreciation charge to reflect the decline in the market value of the CO₂ emission rights purchased and not used. In 2006 this amounted to €13M.

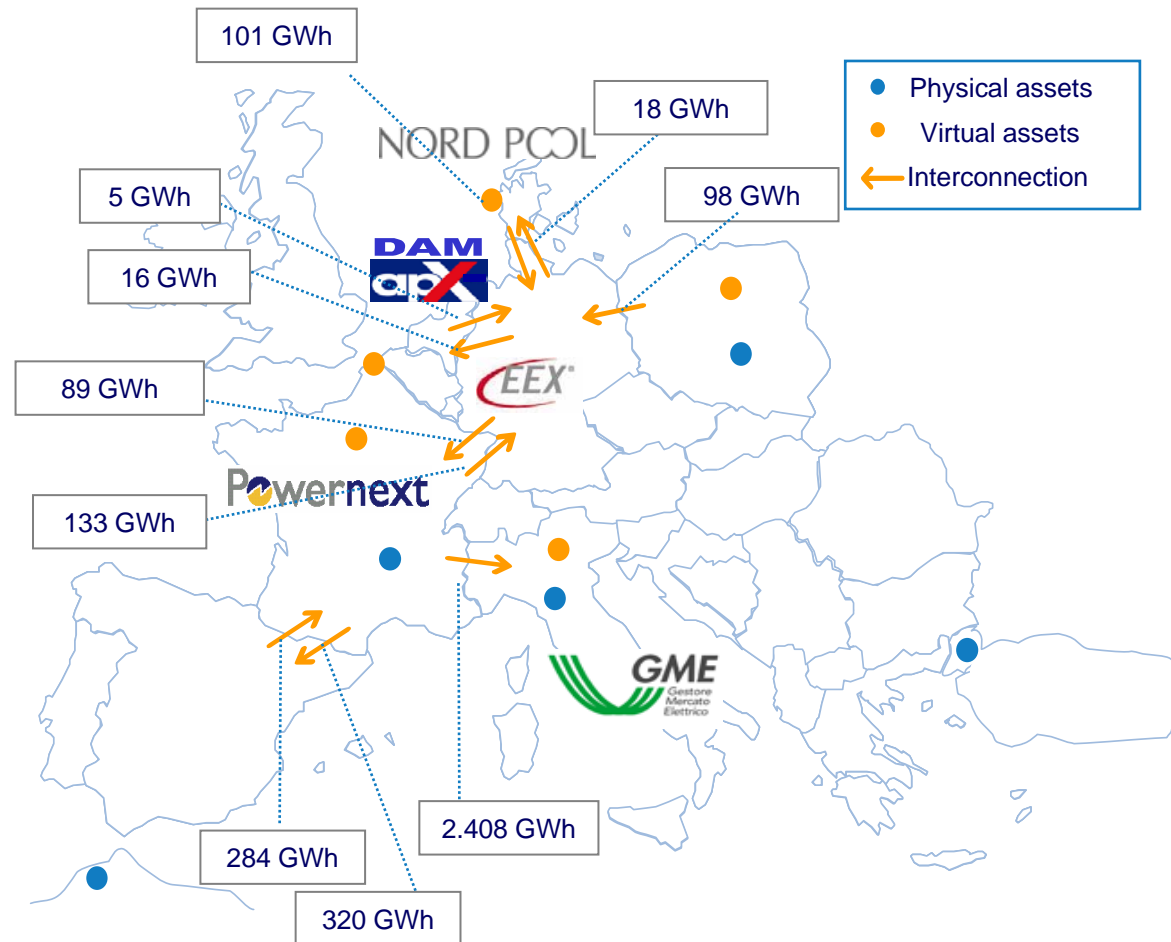
Integrated asset portfolio management

Trading EBITDA: €38 M

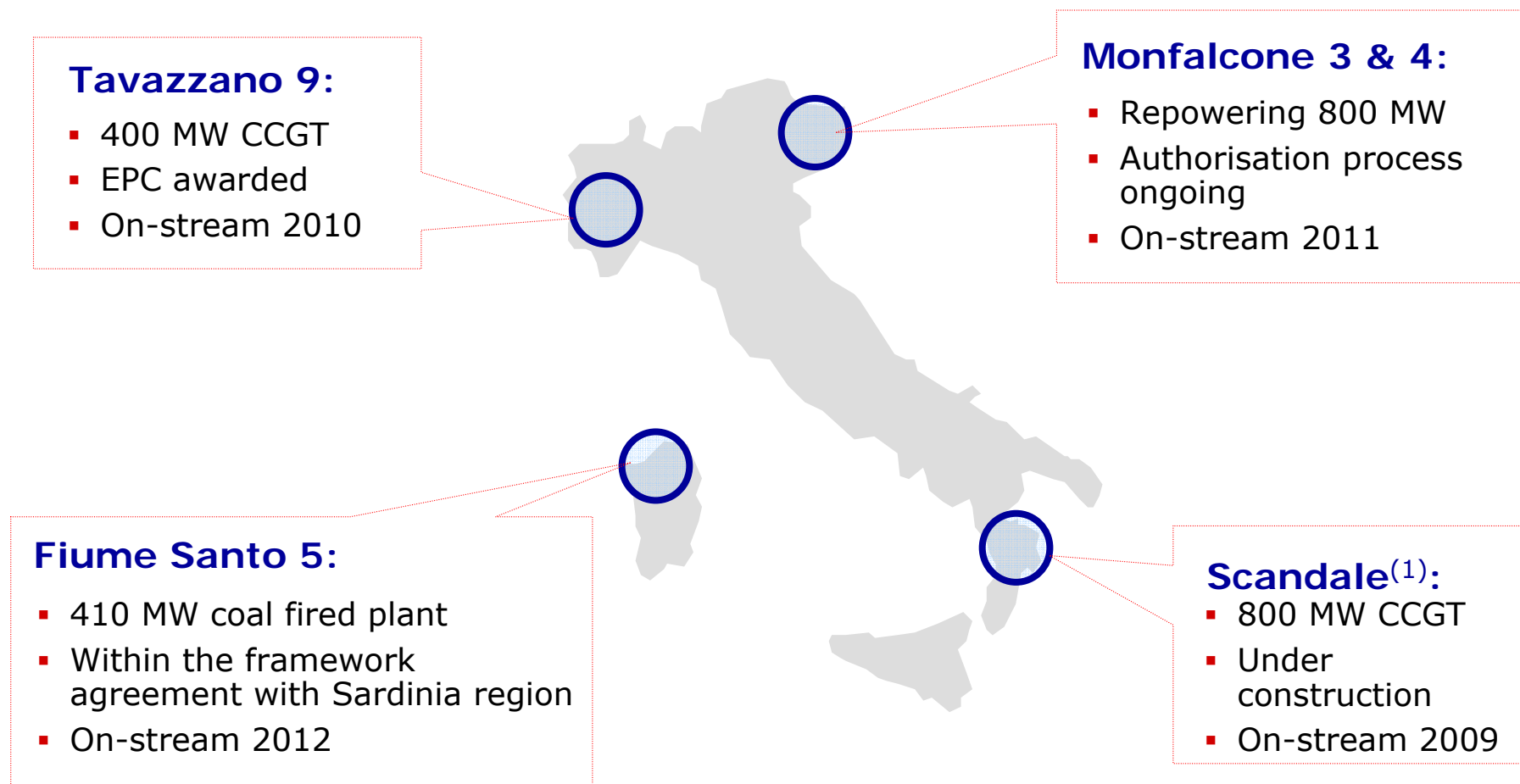
Additional contributions:

Endesa Italia: €25 M

Endesa France: €14 M



Conventional electricity capacity plan in Italy

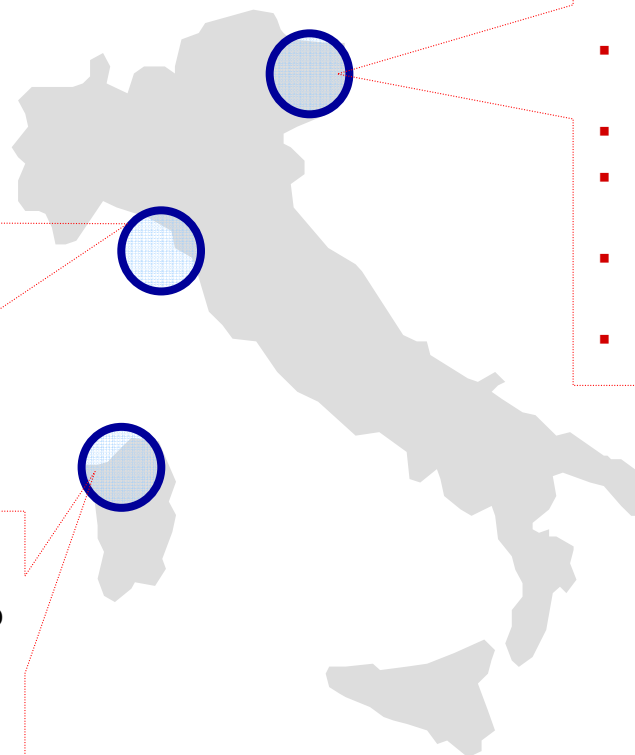


(1) 50% Endesa- 50% ASM Brescia

Regasification capacity plan in Italy

Livorno:

- Approx. 4 bcm capacity (50% assigned to Endesa)
- Floating off-shore terminal
- Approx investment €600 M
- Project fully authorised
- Work began in 1Q07, due to come on-stream in 2010



Monfalcone:

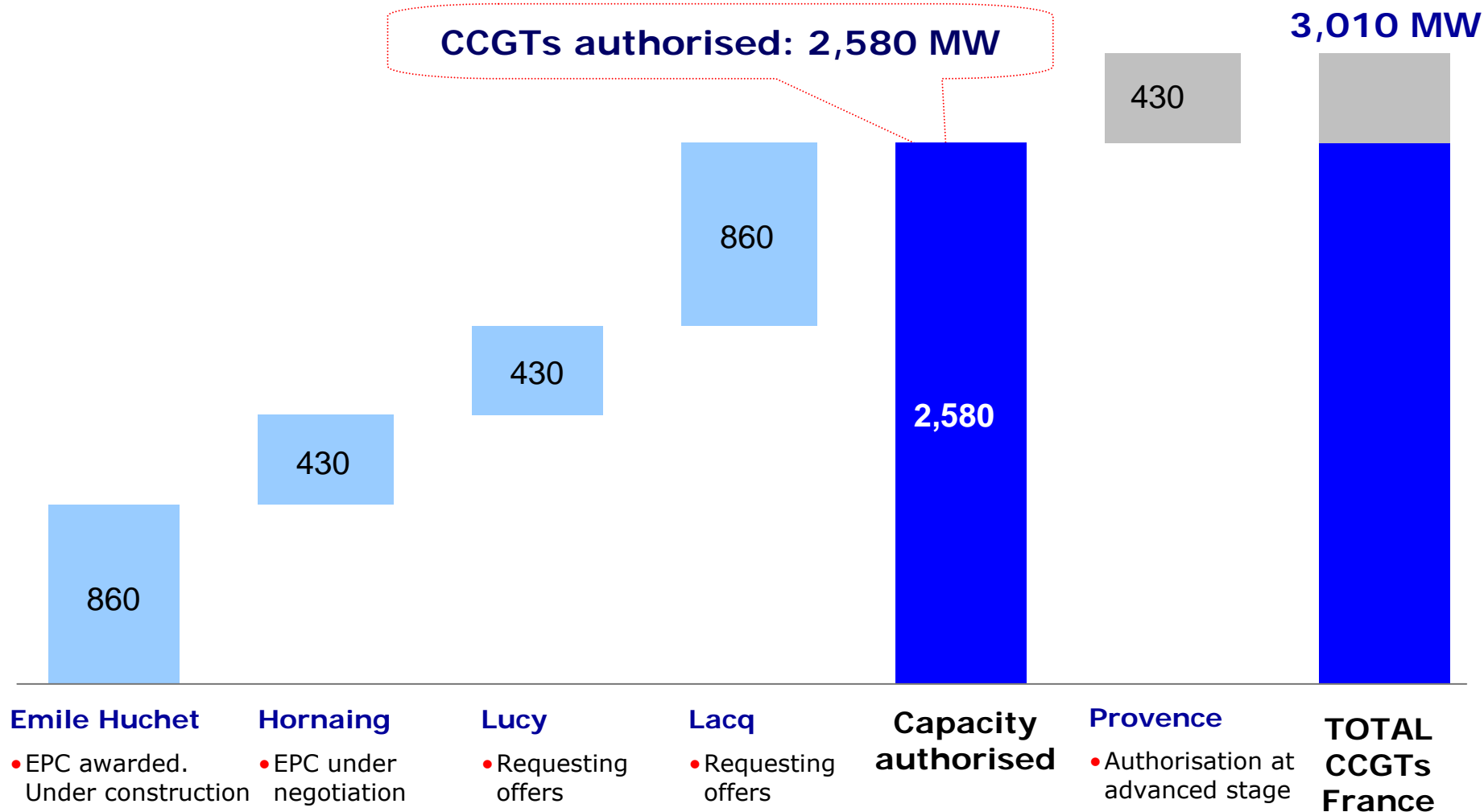
- Approx 8 bcm capacity (100% assigned to Endesa)
- Off-shore terminal
- Authorisation process well advanced
- Strategic projects as per Italian governmental committee
- Due to come on-stream 2012

Porto Torres:

- Agreement with Sardinia region to construct a terminal
- Develop CCGT capacity in the future at Fiumesanto, linked to terminal construction
- Access to some gas from the Galci project

Progress to be made in developing gas infrastructures in Italy to offer competitively priced gas generation

CCGT capacity plan in France



Operational wind capacity in Europe

MW	Start-up	Gross capacity
Total Italy		246
Florinas	1Q04	20
Iardino	3Q05	14
Vizzini	3Q06	24
Montecute	1Q07	44
Poggi Alti	1Q07	20
Trapani	2Q07	32
Severino	4Q07	44
Serra Pelata	4Q07	42
Piano di Corda	4Q07	6
Total France		10
Lehautcourt	1Q07	10
Total Greece		17
Sidirokastro		17

Highlights by country

EBITDA 2007

Highlights



Gen: €120 M (-19%)

Dist: €131 M (+167%)

Total EBITDA:

€251 M(+33.5%)

- Sharp sales growth (+7%).
- Application of new distribution tariffs in March (+38% in dist. cum. value/VAD) and retroactive recognition to Nov05. New resolution passed in December with 9.75% adjustment to tariffs with retroactive recognition to 1 May 2007.
- Gas and electricity supply restrictions.
- Fall in electricity output (lower rainfall and low gas availability in period).
- Endesa Chile, acquisition of 5.5% of Costanera and 17.2% (r+d) of Chocón.



Gen: €163 M (+3%)

Dist: €531 M (+26%)

Trans: €79 M (N/A)

Total EBITDA:

€773 M(+36%)

- Sharp fall in output (-12%) due to lower hydro (rain fall) and thermal output (lack of gas at Fortaleza TP).
- Better margins in distribution due to lower sector surcharges. Tariff revision at Coelce (provisional VAD -7%) and annual tariff revision at Ampla (VAD +10%).
- Revenue from tolls at Cien to export to Argentina totalled BrReal131 million for four months in 2007.
- Strong appreciation of the Brazilian real (+20.7% vs. US\$).



Gen: €145 M (-3%)

Dist: €88 M (+1%)

Total EBITDA:

€233 M(-2%)

- Sharp jump in demand (7%) at Edelnor.
- Higher output (14%) largely due to 457 MW from Ventanilla CC in FY07, +36MW since Oct07.
- Law 29179 ensuring electricity supply in 2008 as energy and output demand not covered by legally established tender mechanisms.
- Saturation at the interconnection between northern and central systems affecting generation contracts.

Highlights by country

EBITDA 2007

Highlights



Colombia

Gen: €260 M (+15%)

Dist: €295 M (+6%)

Total EBITDA:

€555 M(+10%)

- Sharp growth in demand (+6%).
- Emgesa - Betania merger. Sale of 3.7% to EEB.
- Fall in output (5%) due to El Niño weather phenomenon and more maintenance carried out at El Guavio.
- Increase in output at Guavio hydro plant (+50 MW) due to operating improvements (since Feb 07).
- Strong appreciation of the Colombian peso (+11% vs. US\$).
- Duff&Phelps ratified its AAA rating for Codensa's corporate debt as well as bond issues carried out by Codensa and Emgesa.



Chile

Gen: €585 M (+2%)

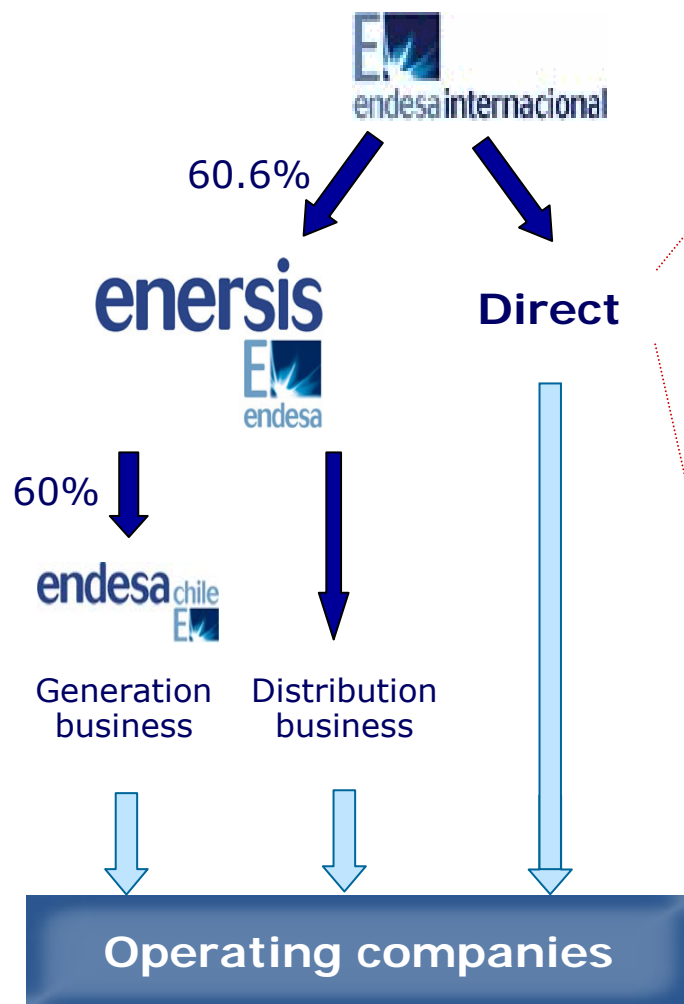
Dist: €191 M (-5%)







Total EBITDA:

€776 M(-0,2%)

- Lower rainfall and restrictions on gas from Argentina. High utilisation of liquid fuels.
- Successive increase in node price from US\$67.31/MWh to US\$104/MWh. Average grid spot price: US\$215/MWh.
- New output incorporated: Palmucho HP (32MW), Canela wind farm (18MW) and new gas turbine at San Isidro II (249 MW in Mar07, raised to 349MW in Jan08).
- Construction of Quintero GNL began and construction contracts for Bocamina II (345 MW) and Quintero GT (250MW) awarded.
- Critical cash situation at Gasatacama (50% Endesa Chile). Ruling against EMEL arbitration. In talks with mining companies.
- Lower subtransmission tariff at Chilectra (-€49M EBITDA) largely offset by higher demand.
- Tokman Law passed (covering bankruptcy of generation company or early termination of electricity supply contracts).

In addition to Enersis, Endesa Internacional owns significant direct stakes



€M		% direct stake	EBITDA 2007	Net debt ⁽¹⁾ Dec07
	Codensa:	27%	295	378
	Emgesa:	21,6%	260	486
	EEB:	4,7%	n/d	n/d
	Endesa Brasil:	28,5%	766	1000
	Edesur:	6,2%	131	32
	DockSud:	40%	33	118
	Edelnor:	18%	88	170
	Edegel:	5,6%	115	306
	Piura:	48%	30	-10
	Pangue	5%	68	108
Proportional Total			416	590

(1) Includes intragroup 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. For example, the EBITDA (gross operating profit as per ENDESA's consolidated income statement) target for 2007-2009 included in this document 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 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 the document are given in the Risk Factors section of 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.

1H07 Results

Strong growth across all business



2007 Results



February 21, 2008