



Endesa Europe



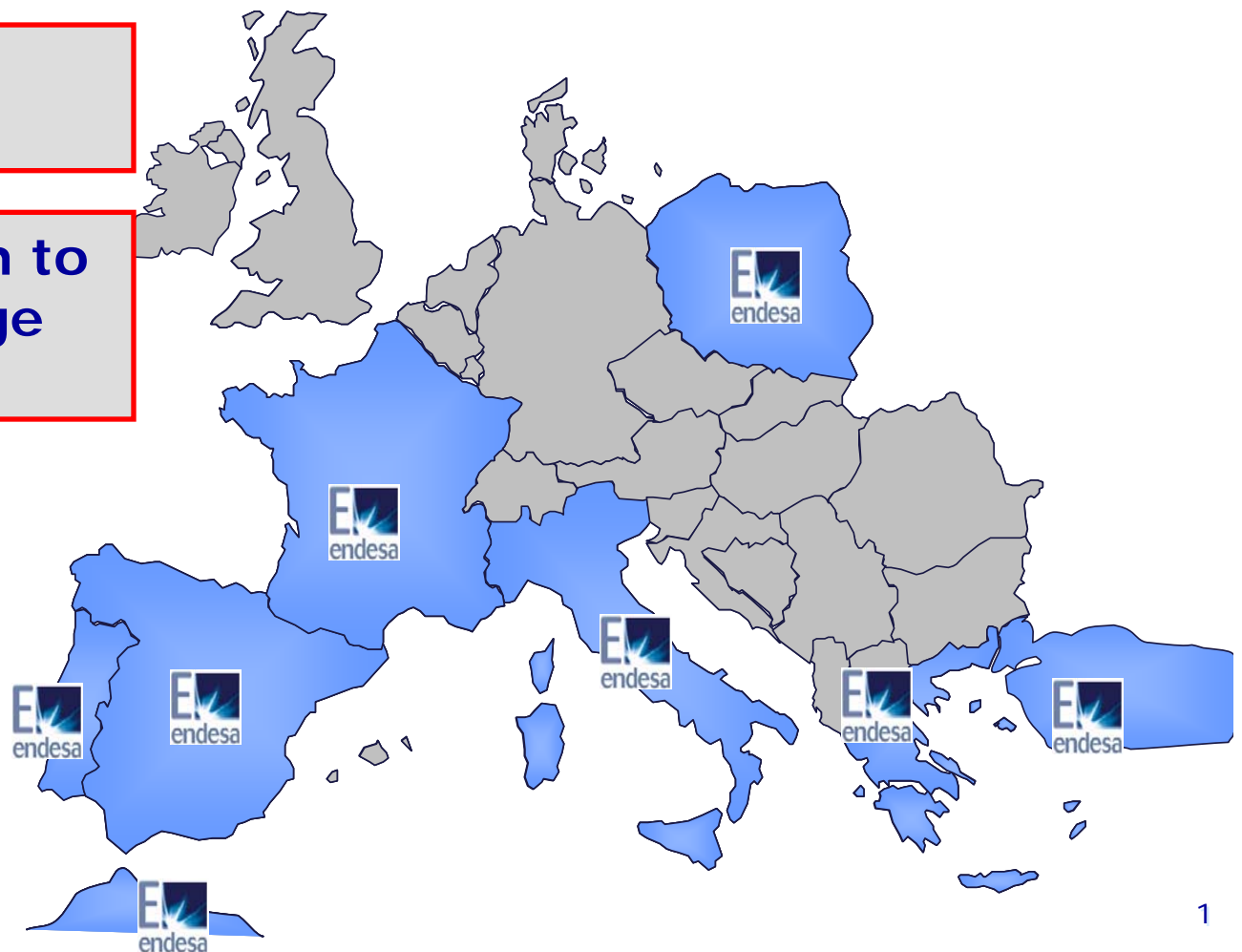
Jesús Olmos Clavijo
General Manager Europe
Valencia, 25 June 2007

ENDESA EUROPE: Focused on VALUE

1.- Sound and profitable asset base

2.- Track record in transformation

3.- Unique position to access a wide range of opportunities

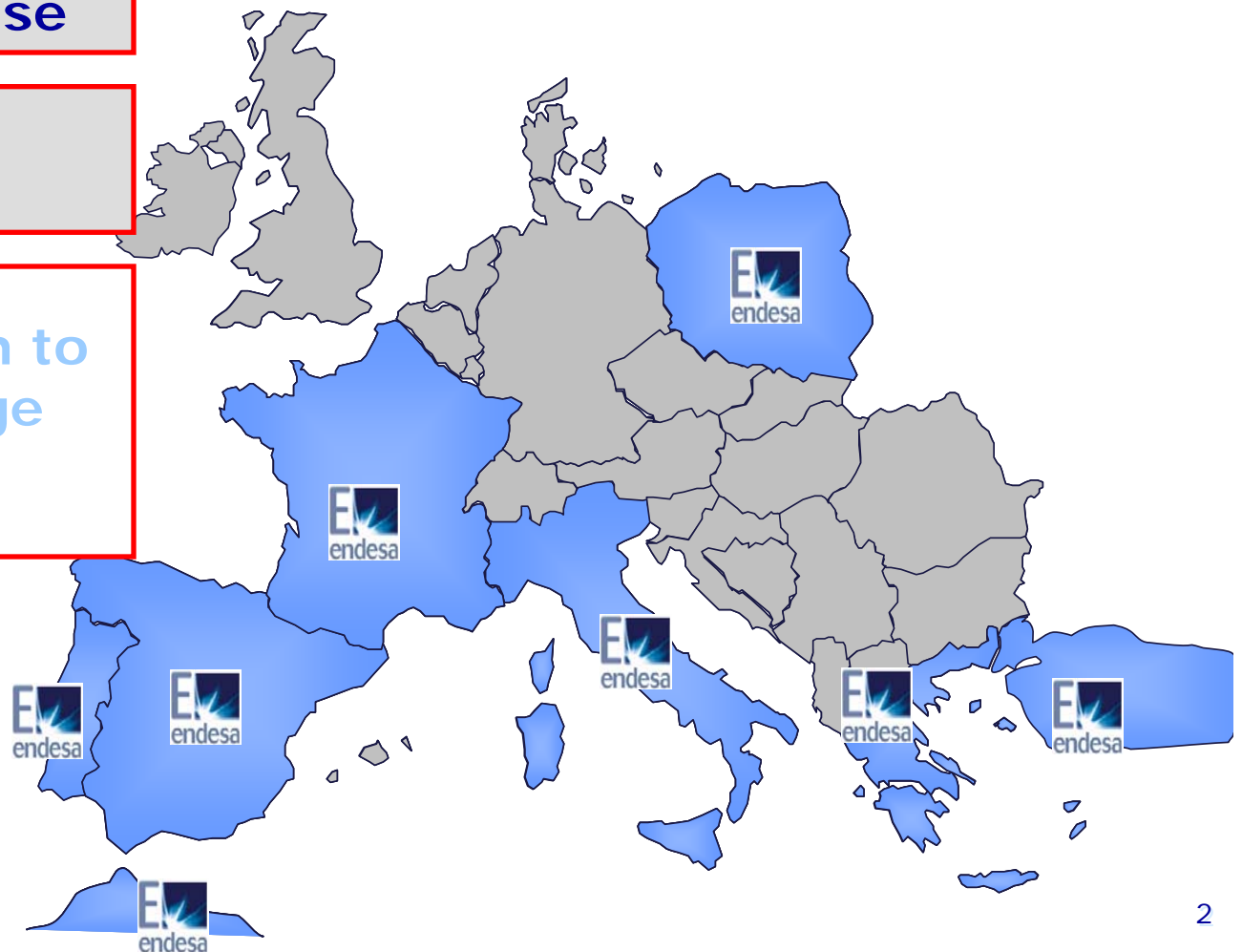


ENDESA EUROPE: Focused on VALUE

1.- Sound and profitable asset base

2.- Track record in transformation

3.- Unique position to access a wide range of opportunities



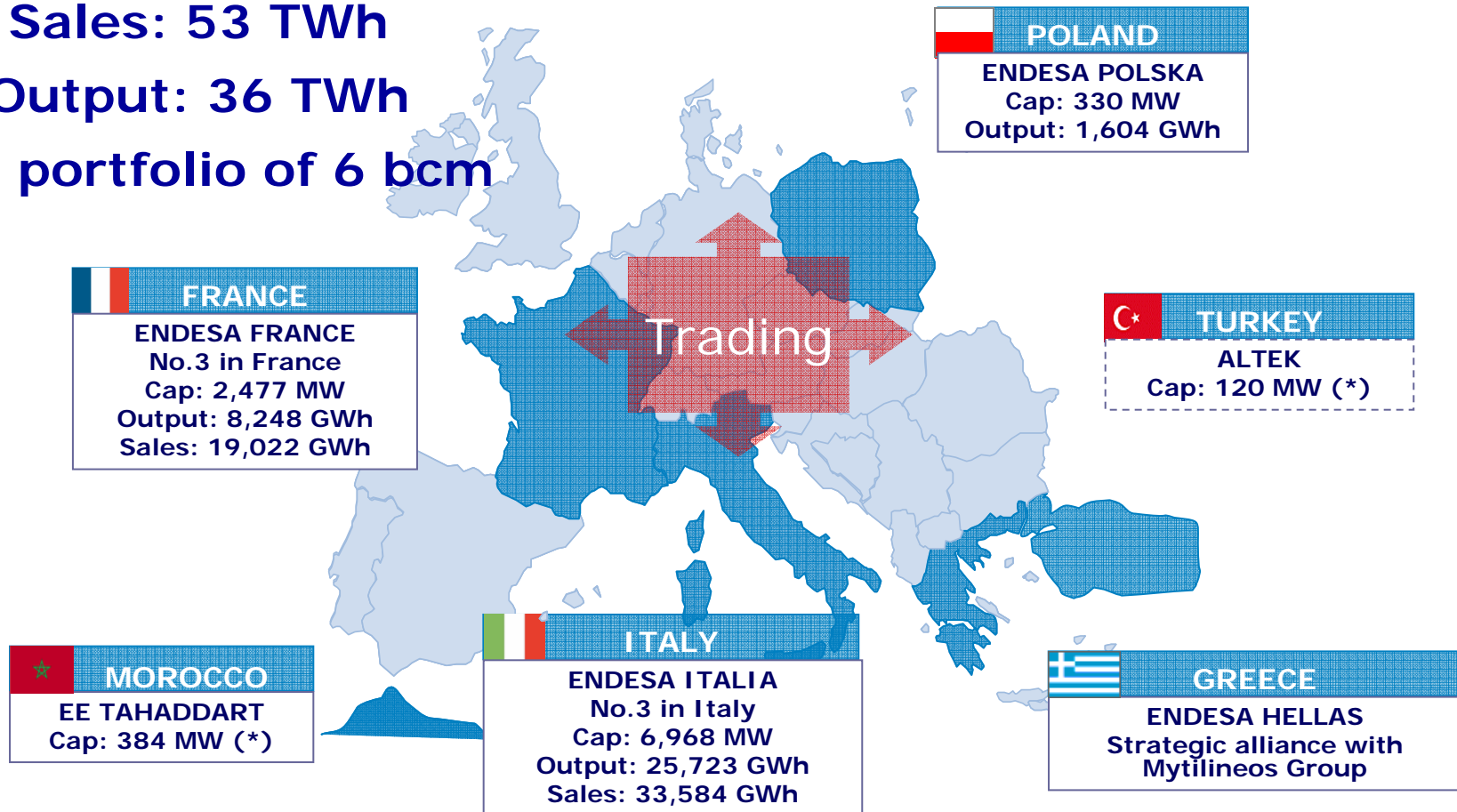
Europe: a sound asset base

9,775 MW

Sales: 53 TWh

Output: 36 TWh

Gas portfolio of 6 bcm



Data as of 31-12-06

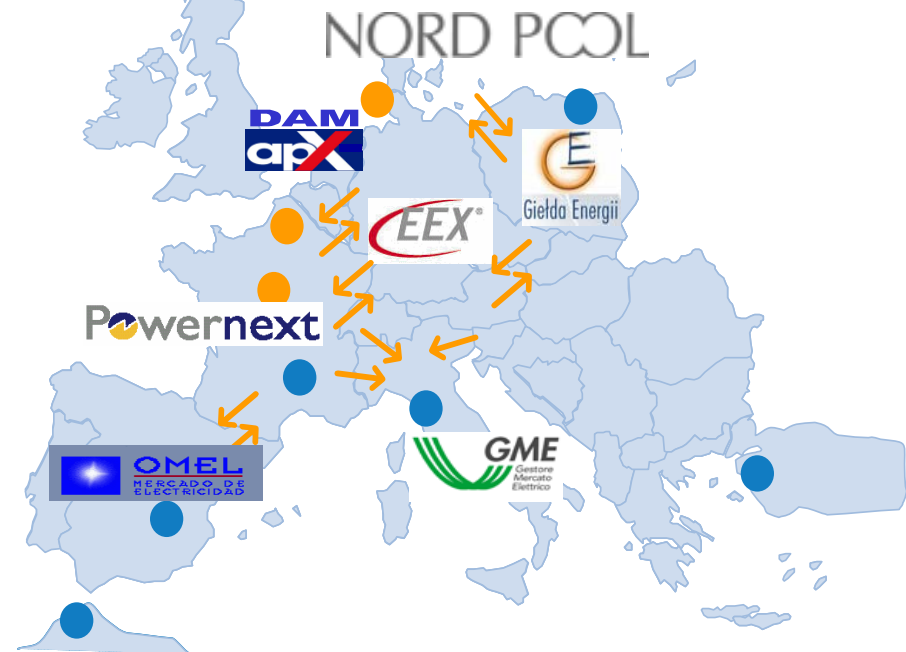
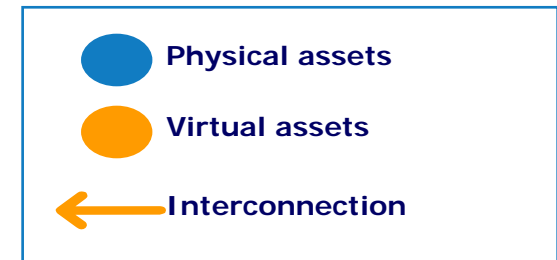
(*) Not consolidated

Which is complemented and optimised with its Trading

**business
2006 (TWh)**

	Purchases	Sales
Germany	6.3	6.5
France	10.1	10.0
Netherlands	0.1	0.1
Italy	5.9	5.9
Denmark	0.7	0.6
Total	23.1	23.1

Volume traded by GEE



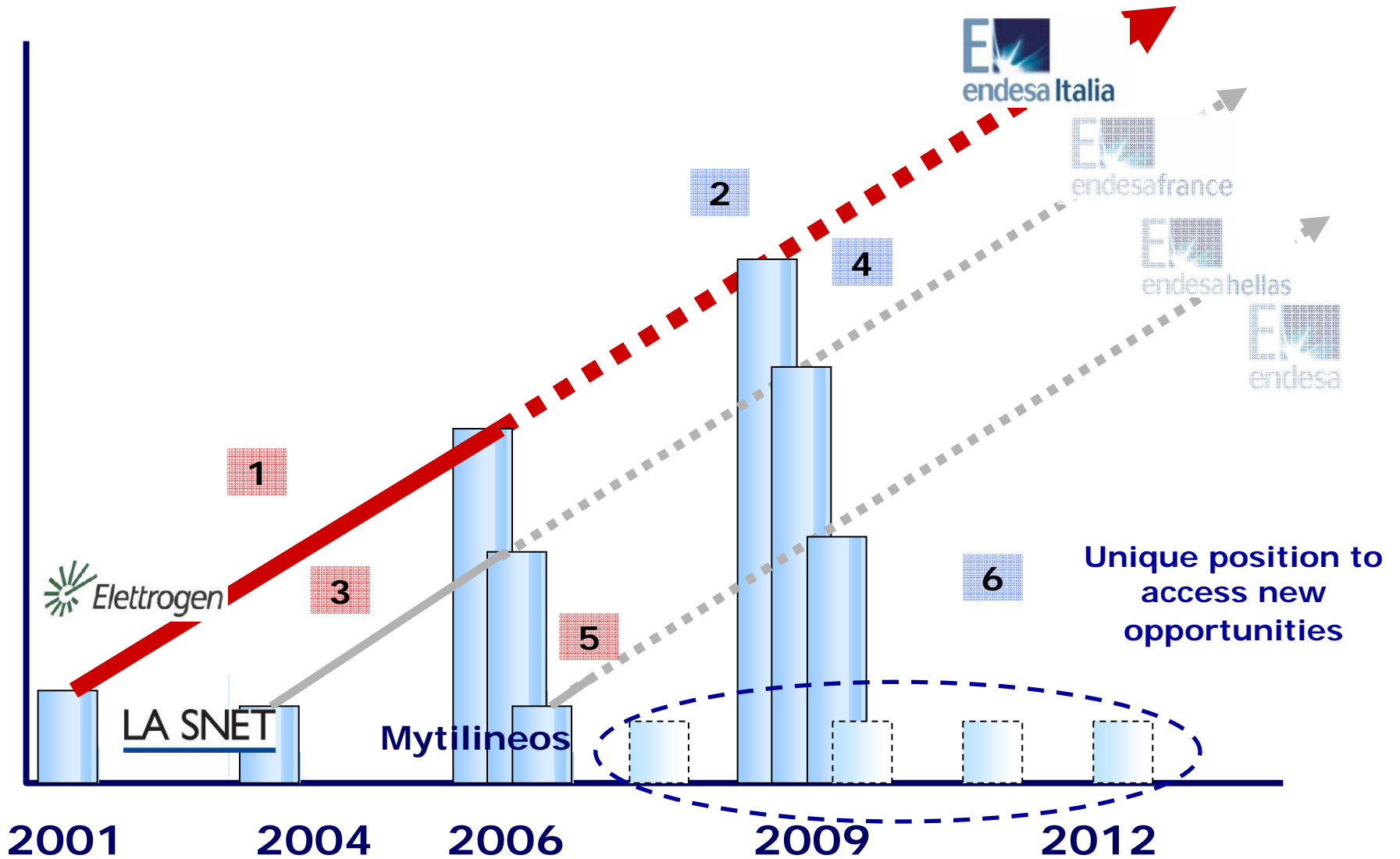
Instruments

- Interconnection capacity (>600MW)
- "Virtual" generation capacity (VPP) (>500 MW)
- Access to organised markets

Objectives

- Maximise asset value
- Minimise risk
- Access to Central European market with no need for assets
- Knowledge-Information

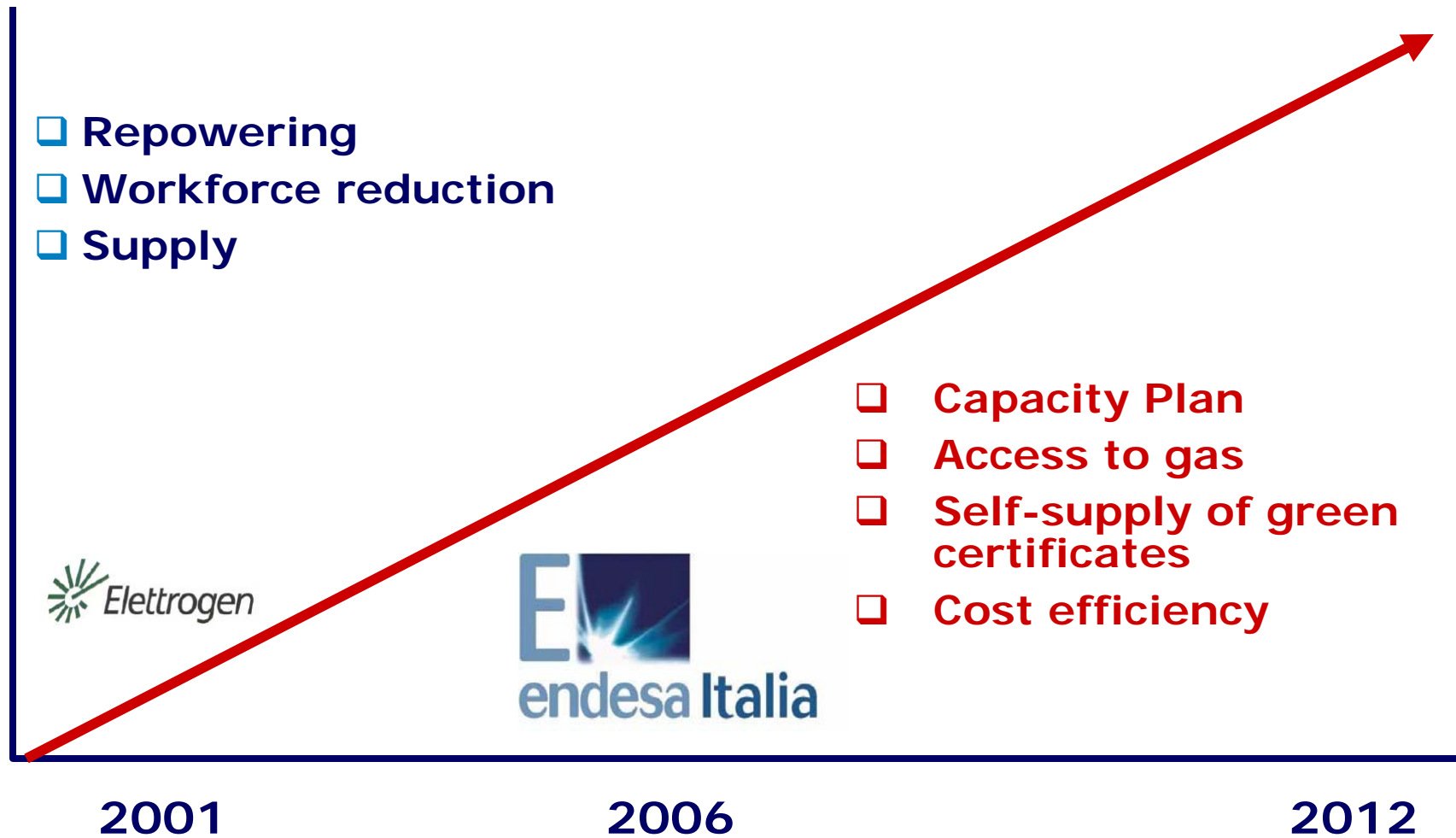
Endesa Europe's portfolio contains assets in different stages of value creation





ITALY

ENDESA has built up a profitable and efficient position in Italy with a strategy focused on growth





ITALY

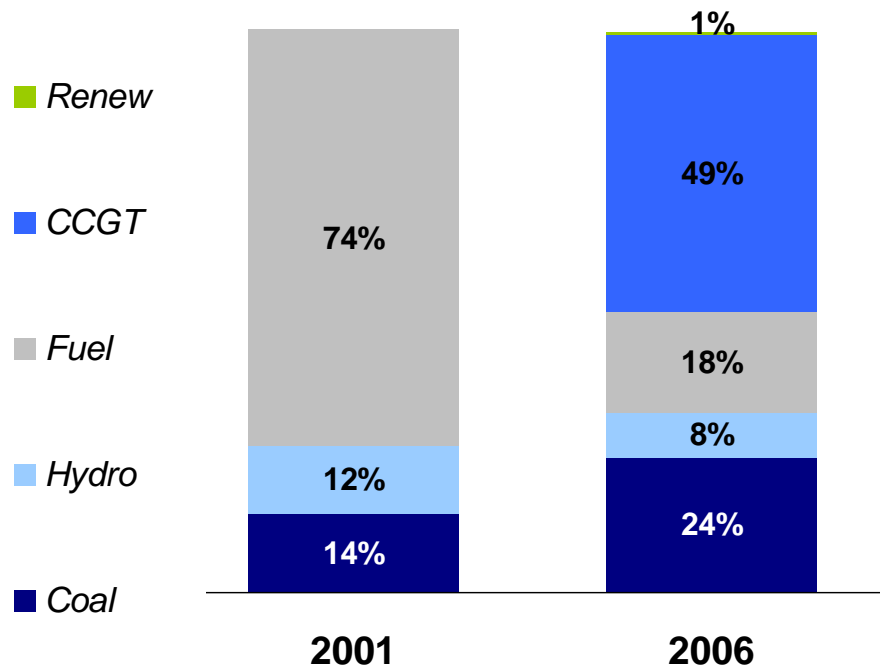
ENDESA has acted on all the assets acquired via Elettrogen

2001 5,720 MW

March 2007 7,062 MW



Production by technology (%)

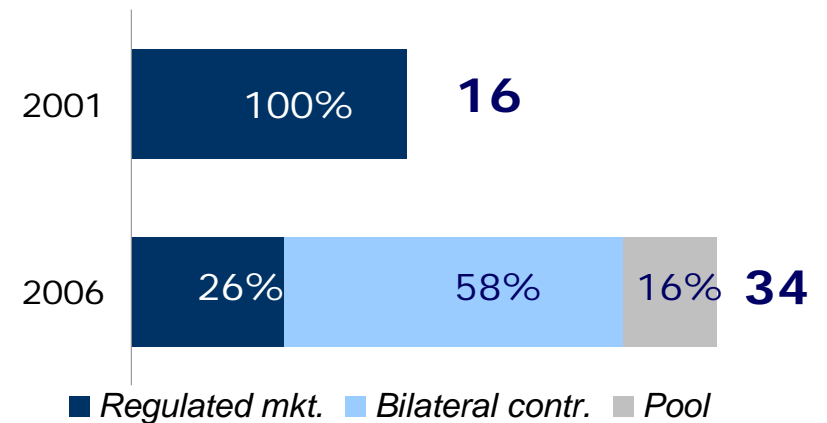


Avg. Cost Generation	Base 100	73
Specific emission	Base 100	85

Adquisition 2006

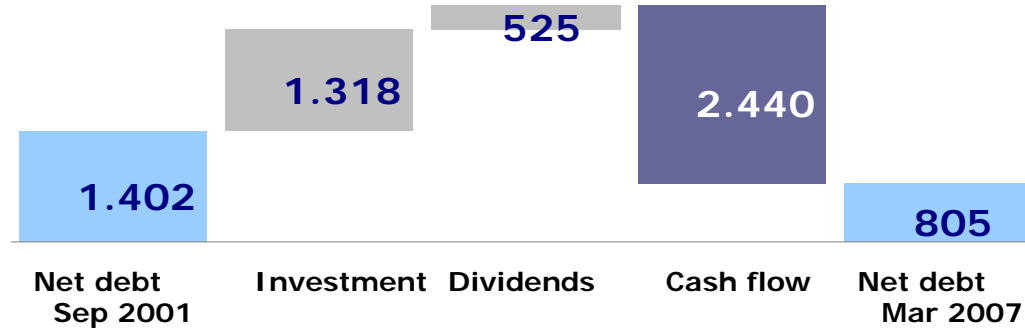
• Workforce	1.580	1.010
• CF€/MWh	10	5

Energy MIX TWh



And has delivered solid results

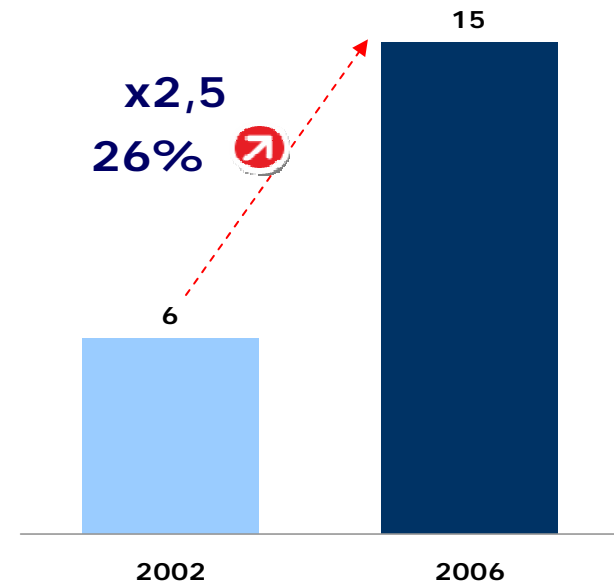
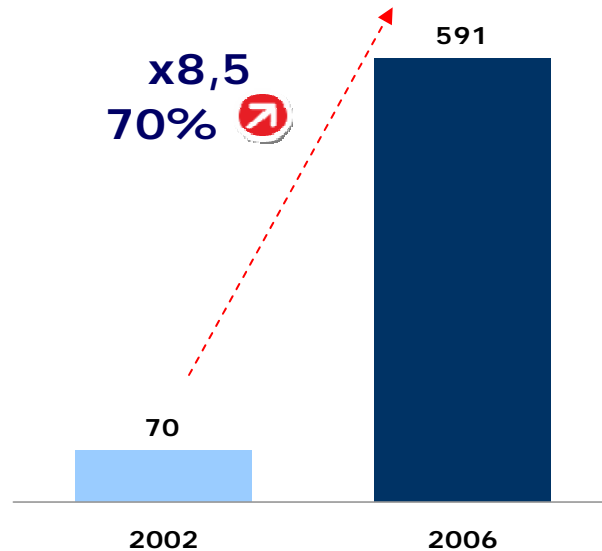
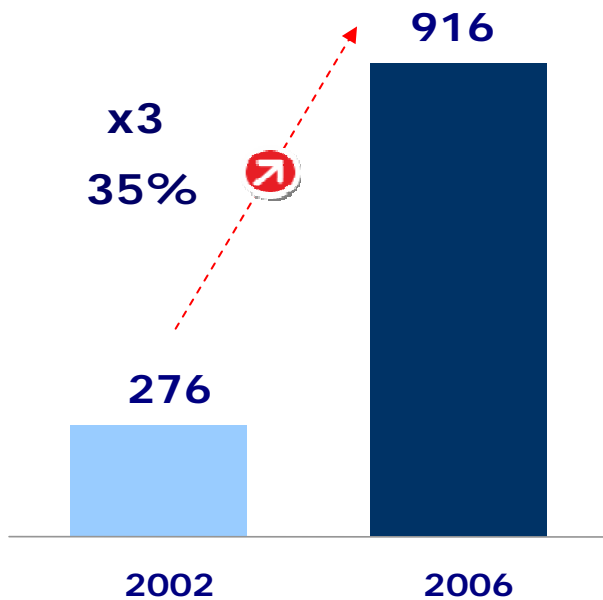
Self-financed and paying dividends



EBITDA (€M)

NET INCOME (€M)

ROIC (%)

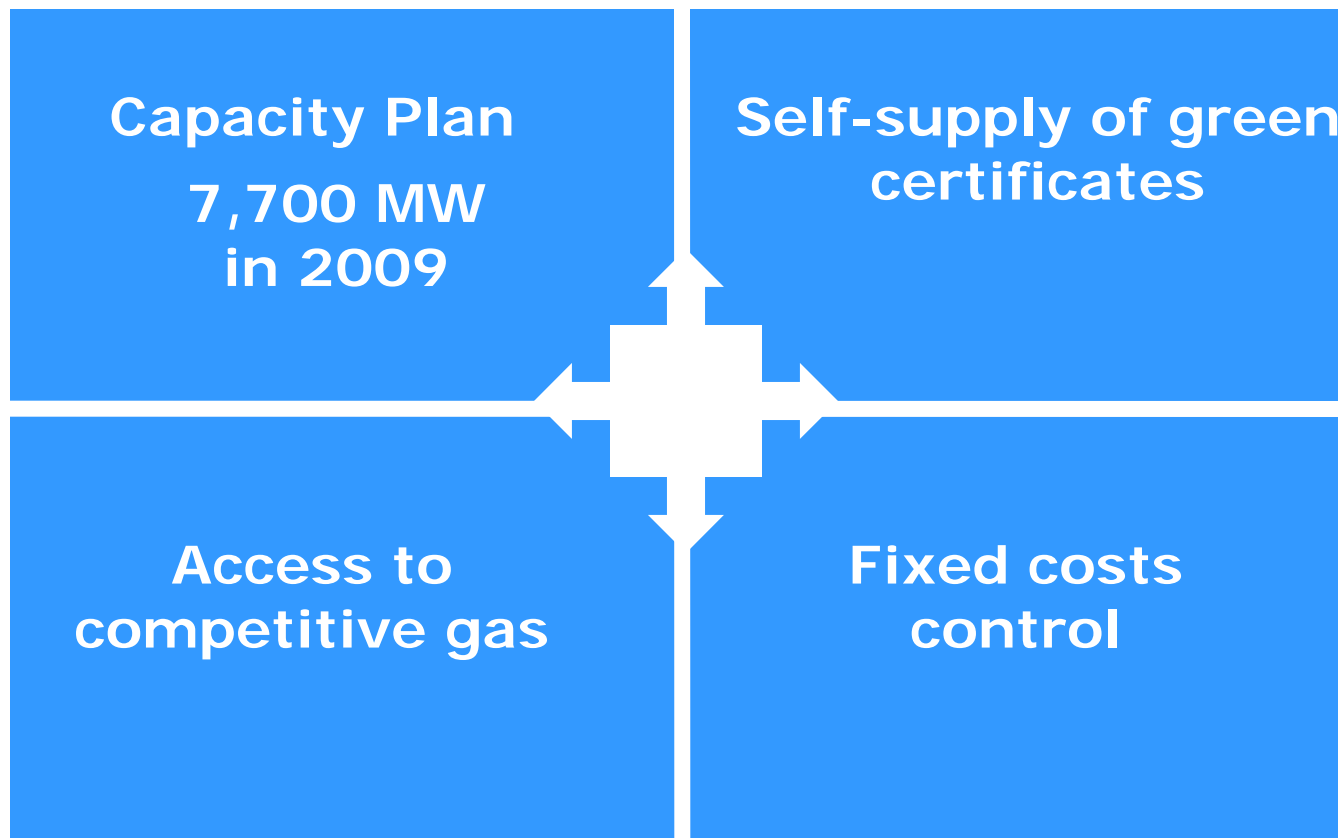


CAGR 02-06

- **Endesa Europe has invested €1,820 M in Italy for 80% of Endesa Italia**

- **Endesa Italia:**
 - **Has paid out €525M in dividends**
 - **Has reduced debt from €1,400M to €750M**
 - **Has tripled EBITDA to €916M**

And its future plan is aimed at maintaining high efficiency levels and growing the business base



Capacity Plan



1 Scandale

- CCGT 800 MW
- Under construction
- On-stream 2008

2 Tavazzano 9

- CCGT400 MW
- Work begins July 2007
- On-stream 2009



3 Monfalcone 3 & 4

- Repowering 800 MW
- On-stream 2011

4 Fiume Santo 5

- Coal plant 410 MW
- On-stream 2012

Self-supply of green certificates



GWh

- 50 M€

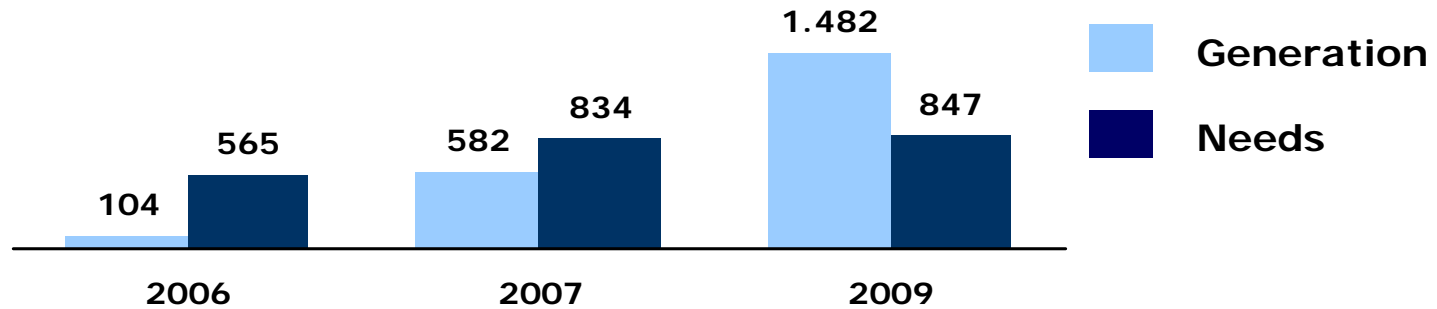
- 32 M€

+ 83 M€

18%

70%

175%



Biomass

- 305 GWh of Green Certificates from biomass output in 2009 (coal-fired combustion FO 3-4 and MF 1-2)

Mini-hydro

- 490 GWh of Green Certificates from hydro output in 2009 – Upgrade of 13 plants in the Terni Nucleus- 637 MW

Wind farms

- 688 GWh of Green Certificates from wind output in 2009
- From 56 MW in 2006 to 348 MW in 2006

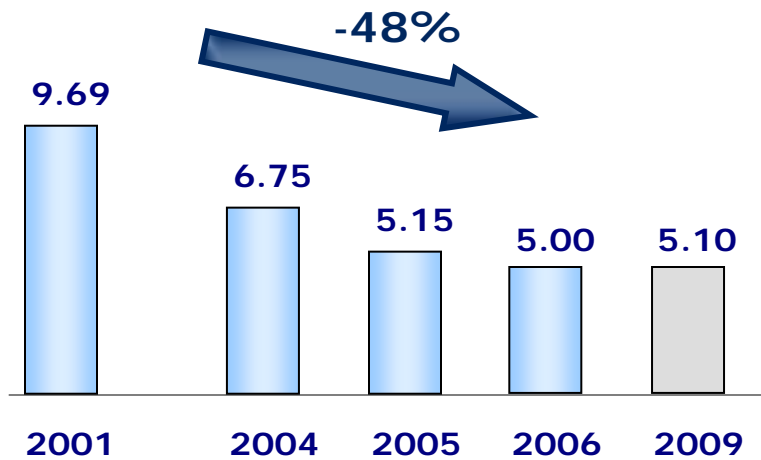
Access to competitive gas



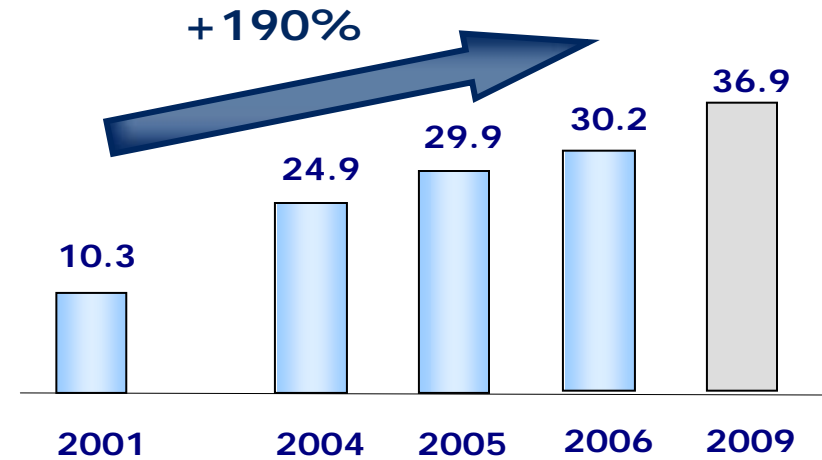
Maintaining efficiency levels



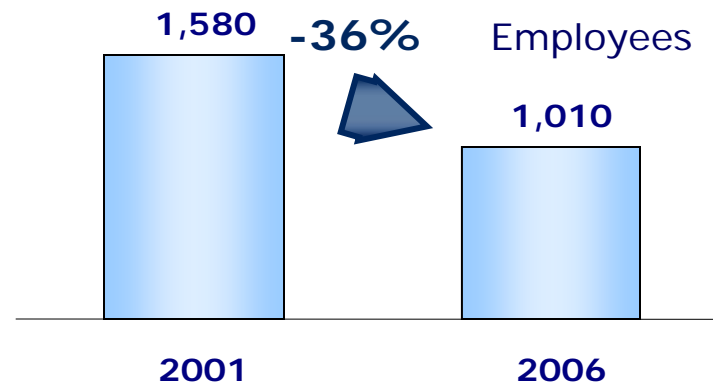
Fixed costs €/MWh Sold



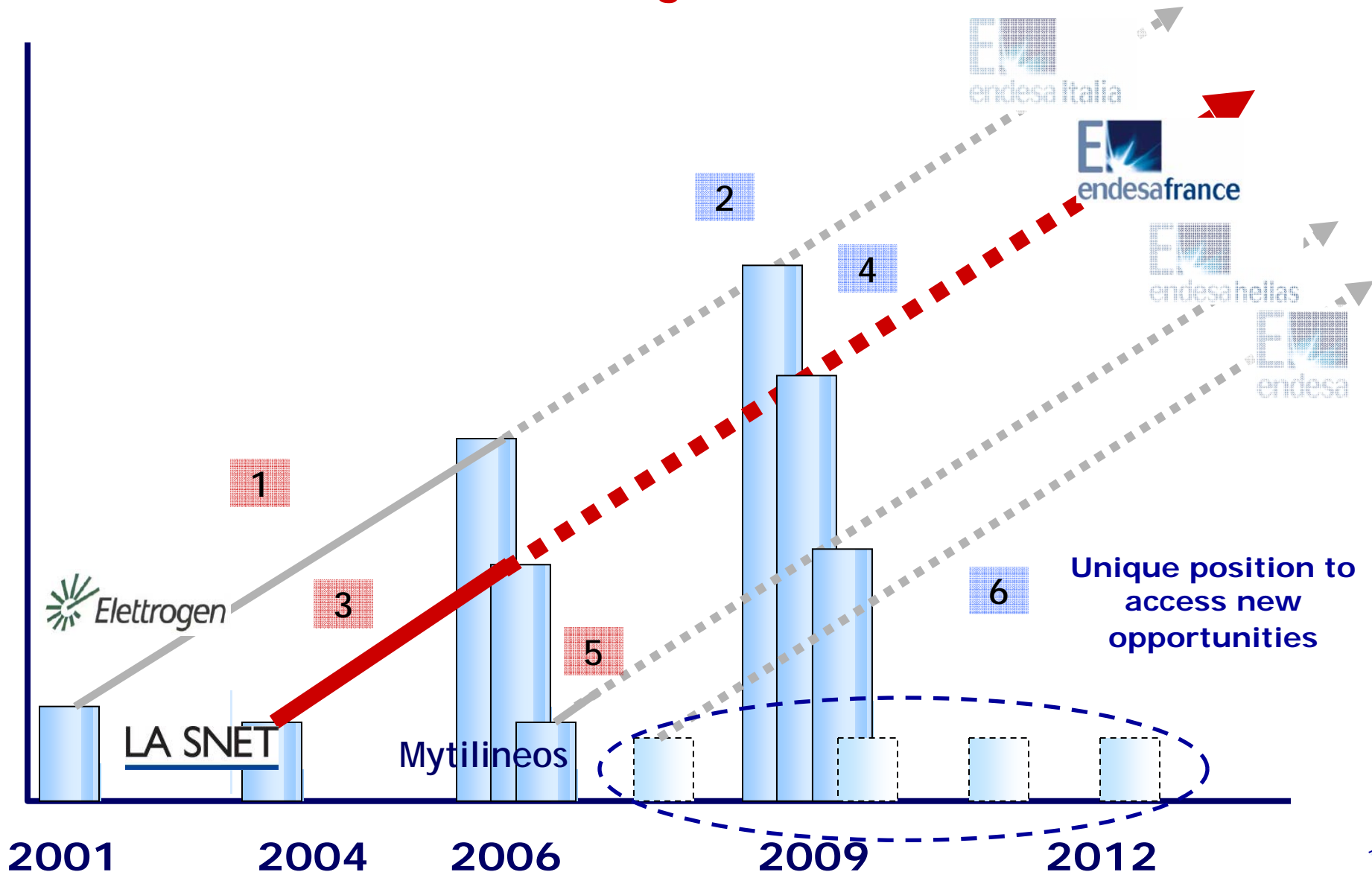
Sales per employee (GWh)



Workforce reduction



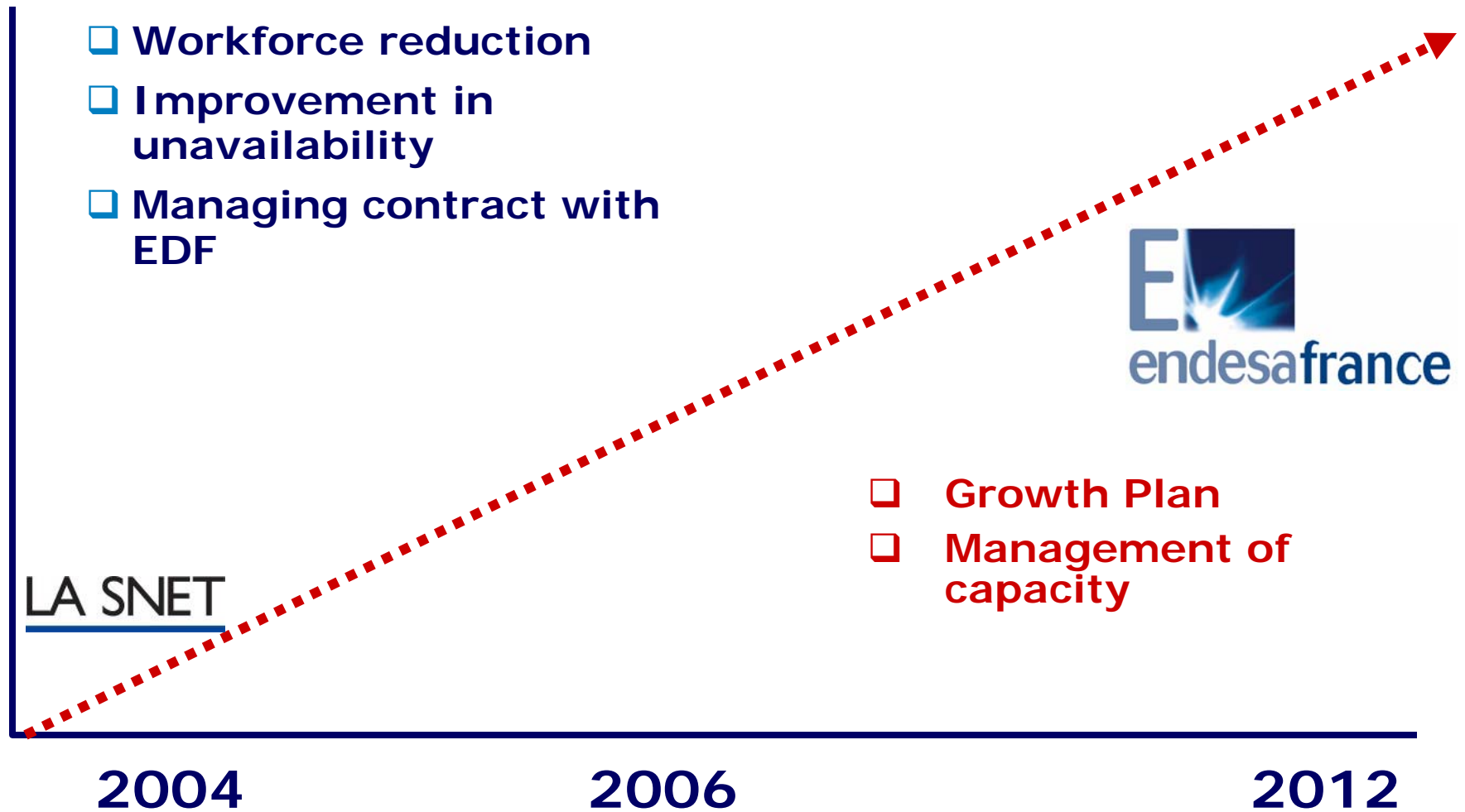
Endesa Europe's portfolio contains assets in different stages of value creation



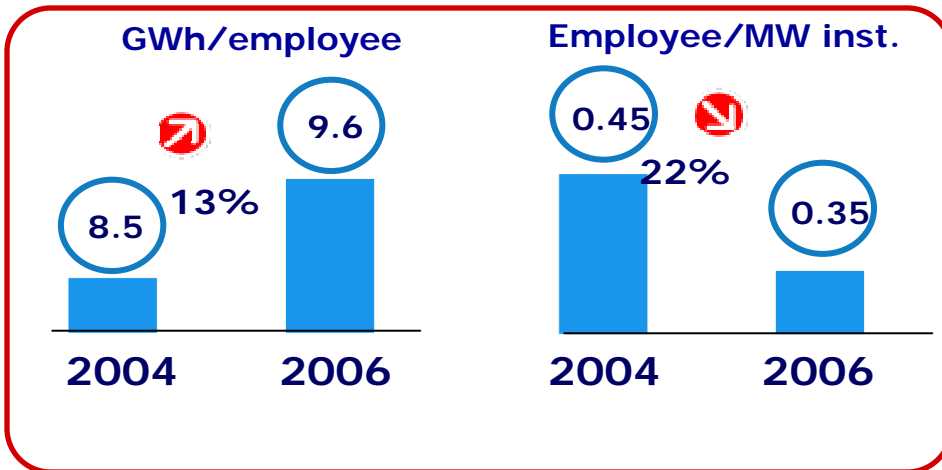
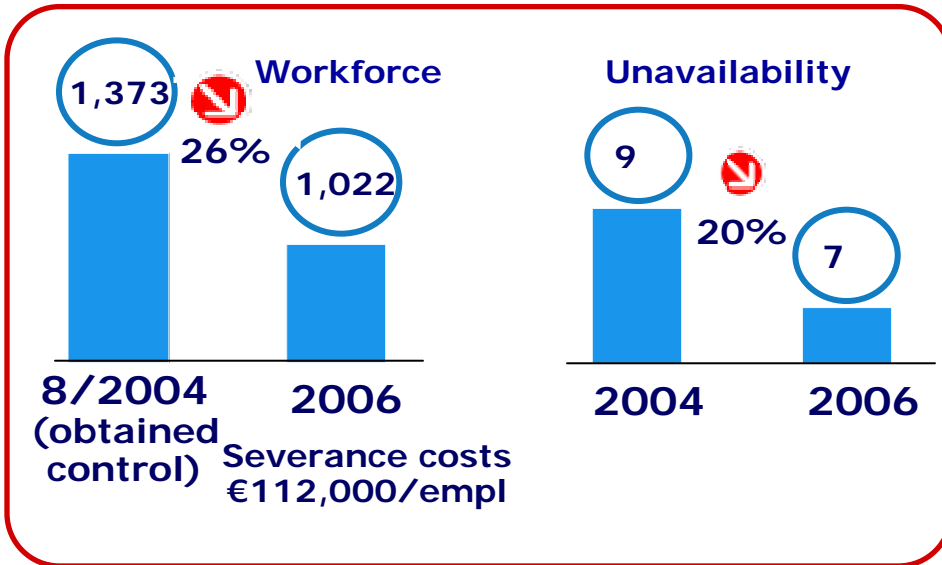


FRANCE

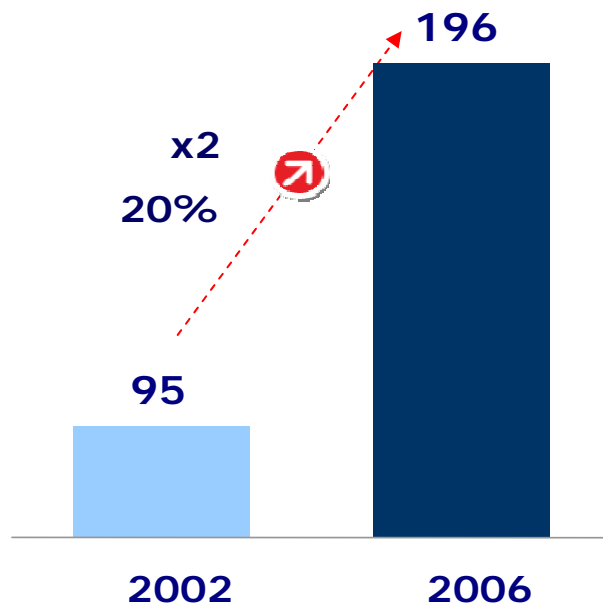
In France ENDESA has a unique position, giving it access to the Central European market



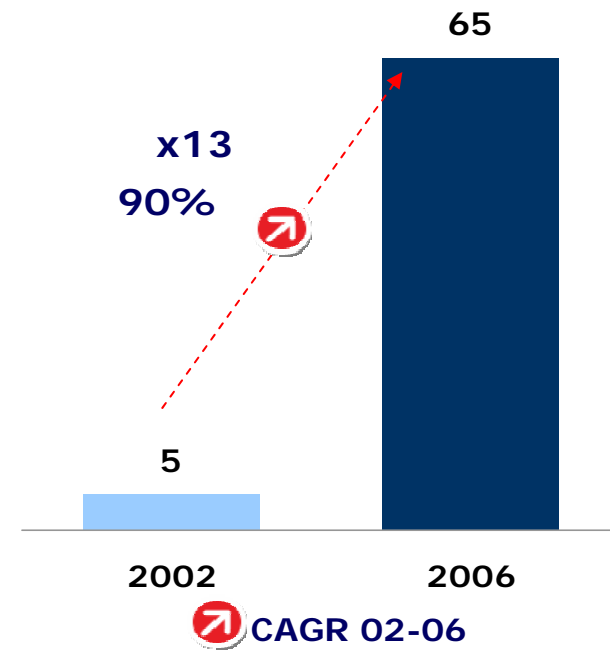
Has turned its plants into efficient assets



EBITDA (€M)



Net Income (€M)



- **Endesa Europe has invested €573M in France for the 65% of Endesa France**

- **Endesa France:**
 - **Has paid out €130M in dividends**
 - **Has a net cash position of € 350 M**
 - **Has doubled EBITDA since 2002 to €196M**



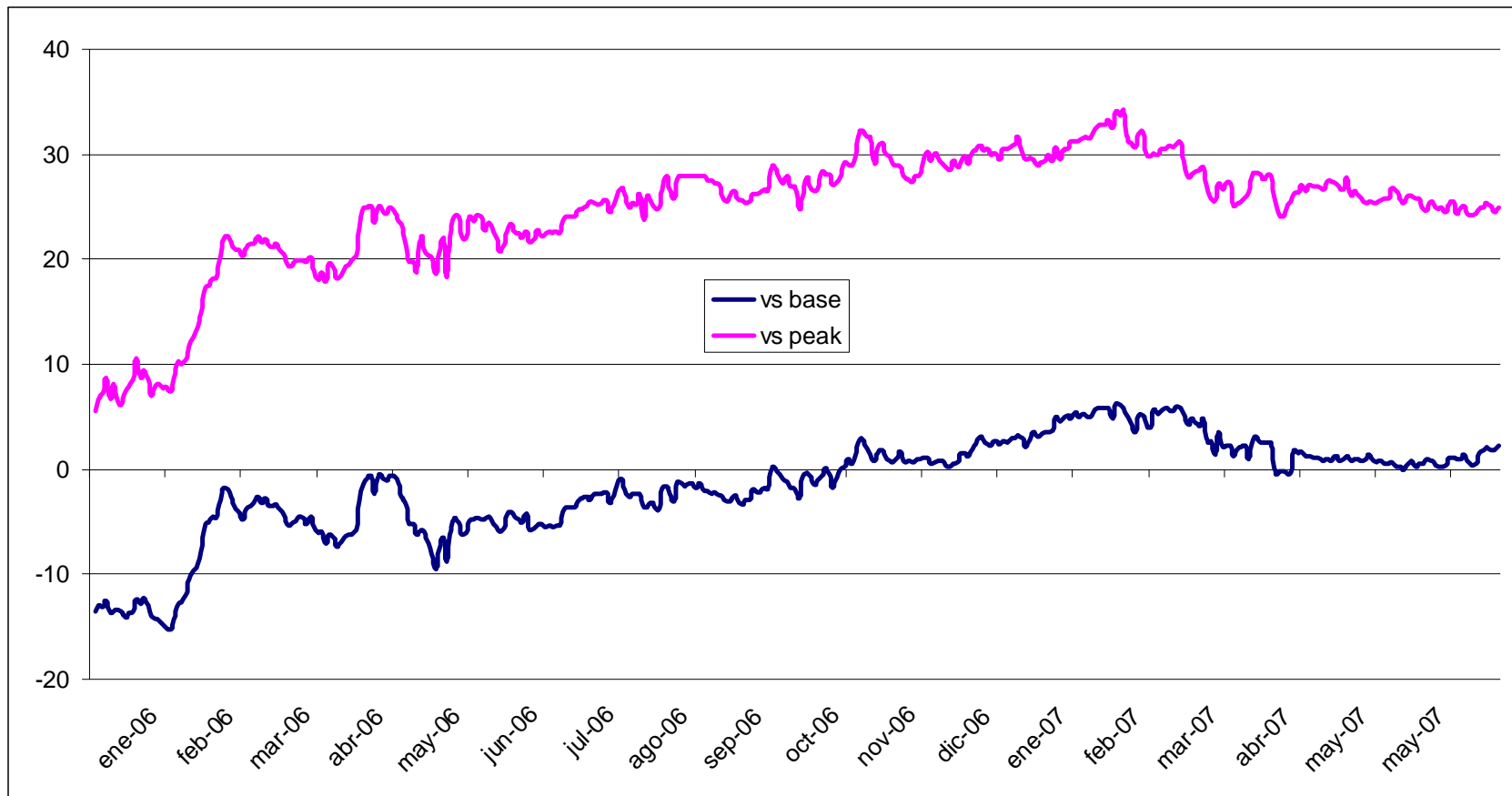
FRANCE

And its future plan is aimed at leveraging excellent growth possibilities

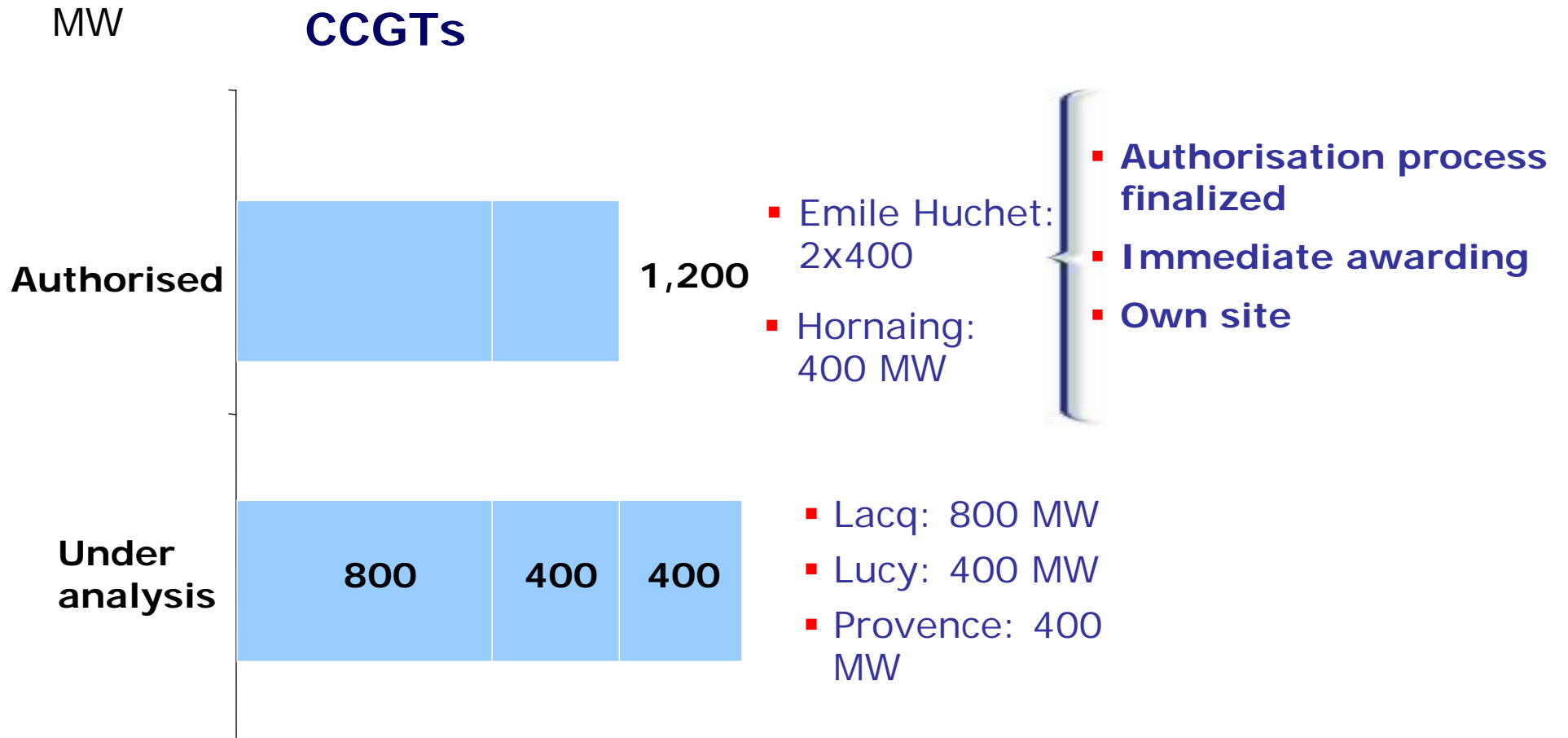


Against a backdrop of lack of capacity and correct price signals in France/Central Europe

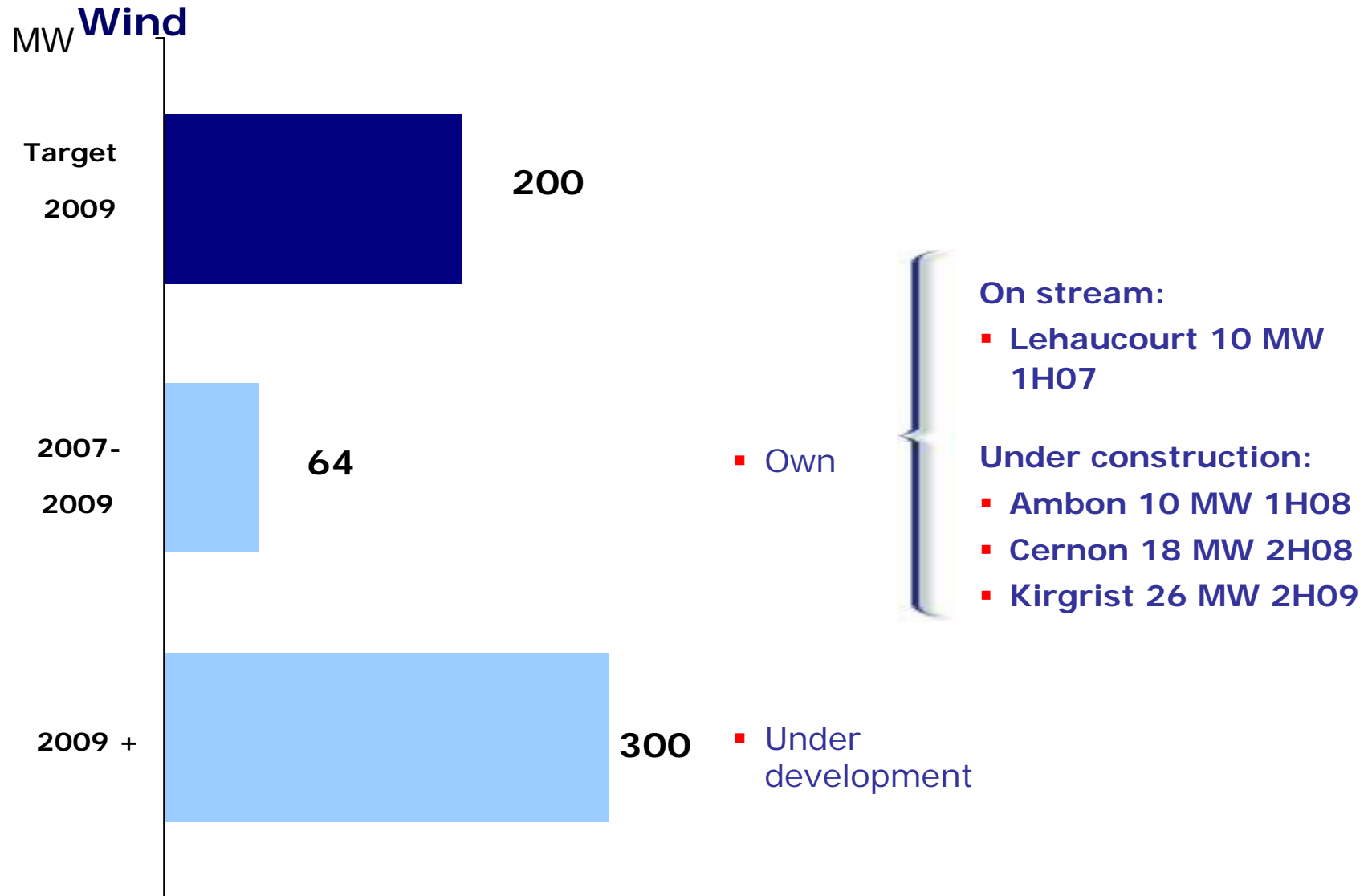
Spark Spread 2009 for CCGT



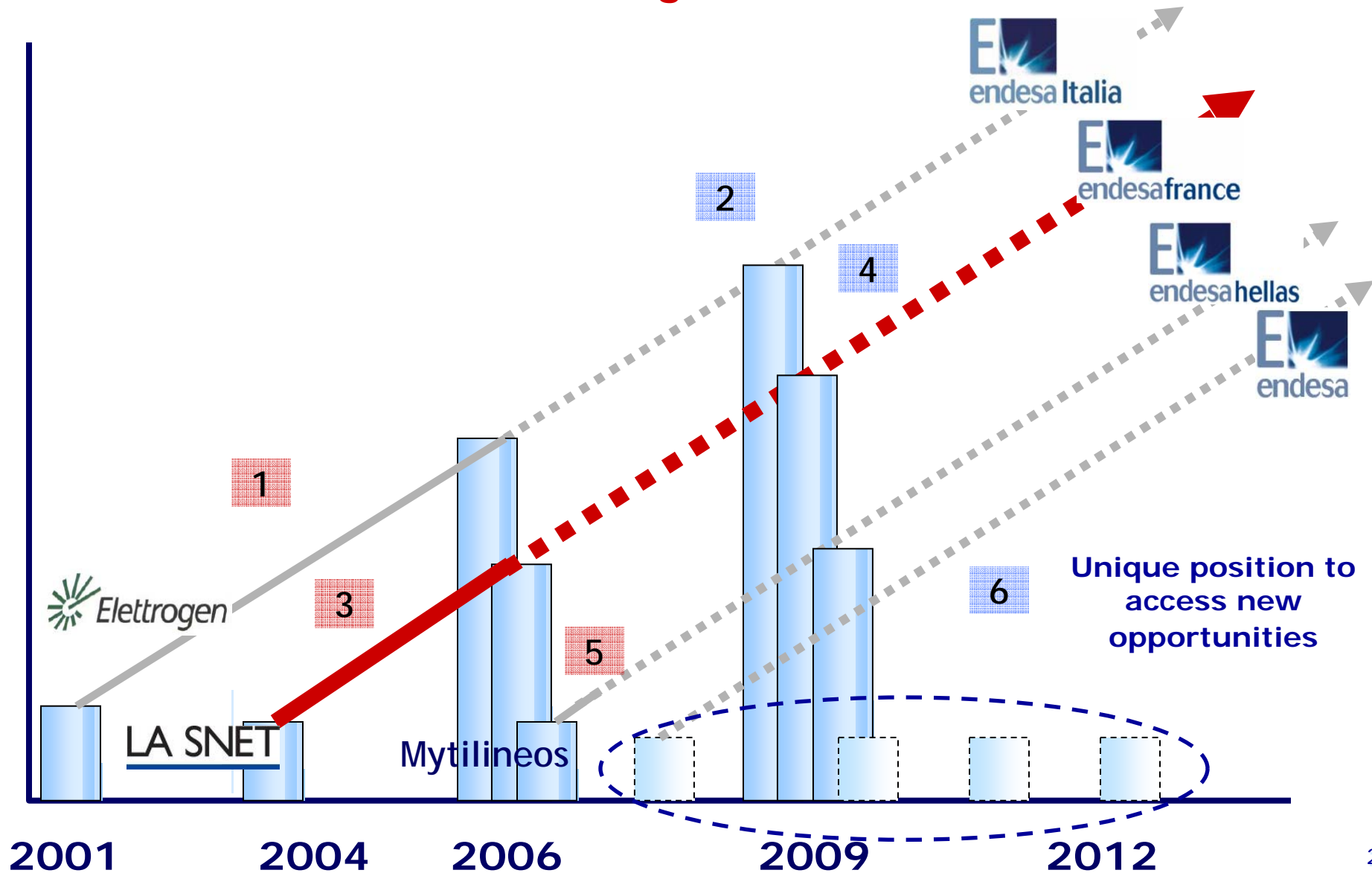
Combined cycle capacity plan in France



Renewables capacity plan in France



Endesa Europe's portfolio contains assets in different stages of value creation

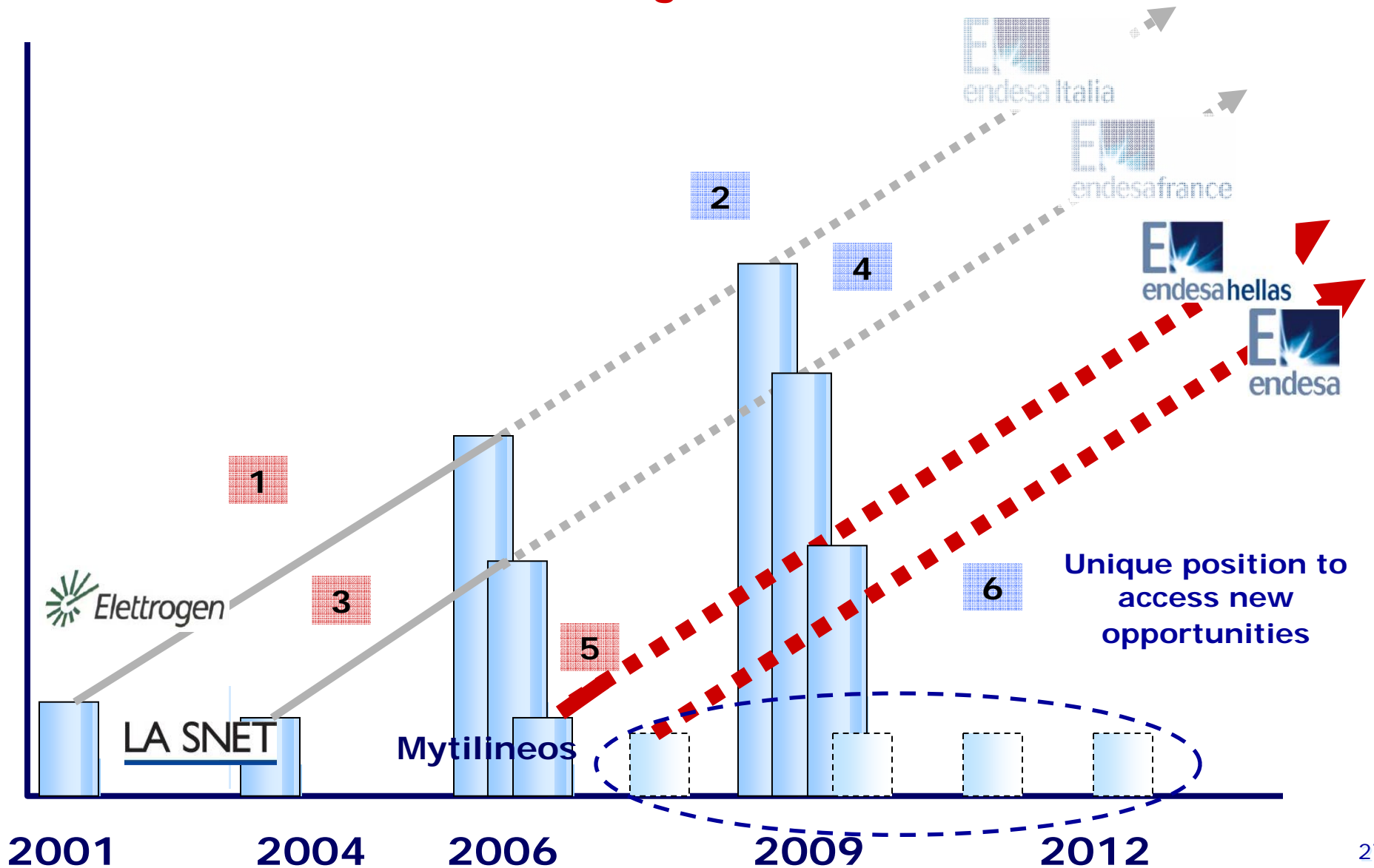


Endesa Europe has other assets with lower visibility

	<u>EBITDA (€M)</u>	<u>% Holding</u>
Endesa Trading	42	100
Soprolif (FR)	20	45
Empresa Eléctrica de Tahaddart (MAR)	40	32
Supply in Italy: Ergon/MPE (ITA)	8	50
Altek (Turquia)*	8	50

* Data to 2006 expect for Altek 2007e

Endesa Europe's portfolio contains assets in different stages of value creation

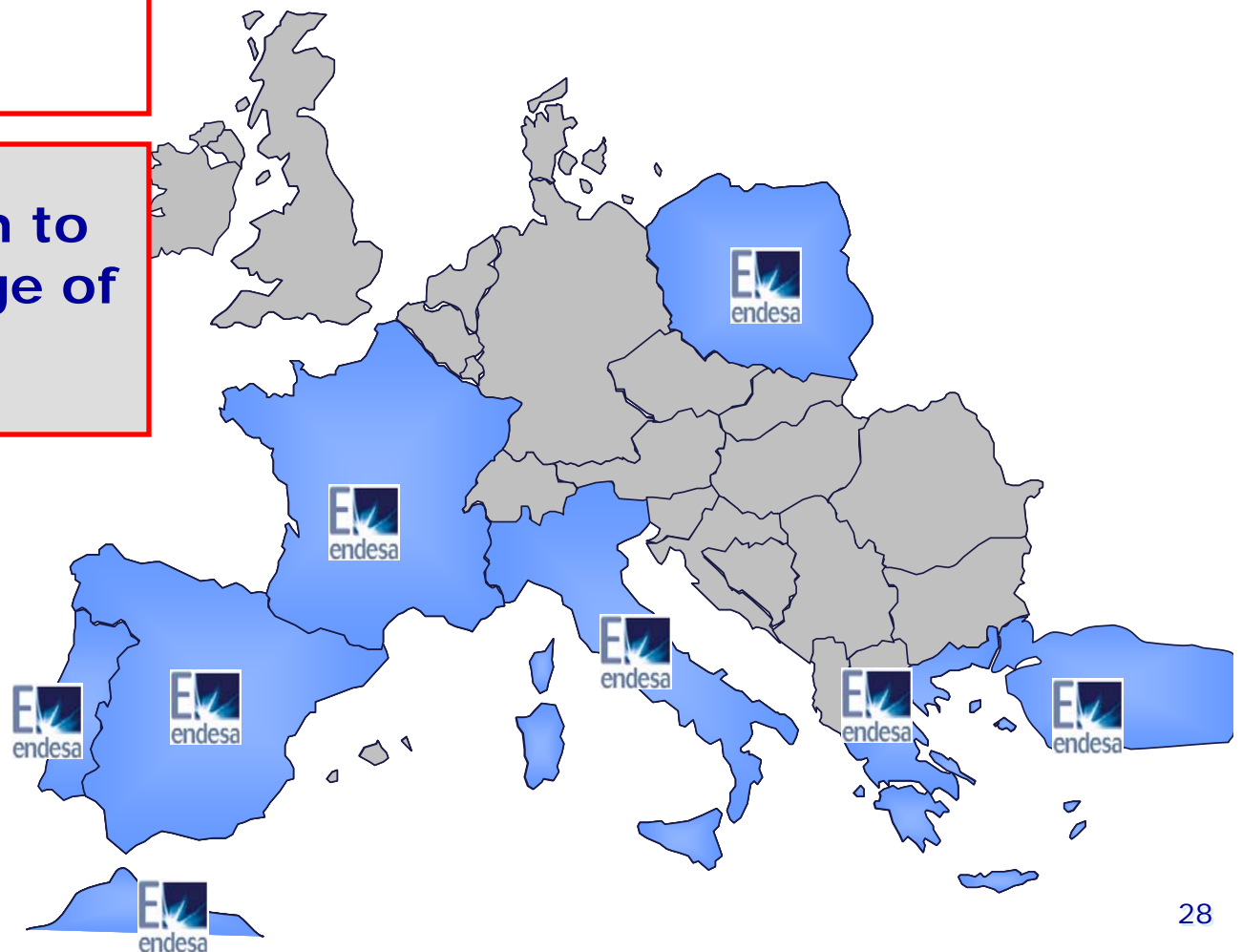


ENDESA EUROPE: Focused on VALUE

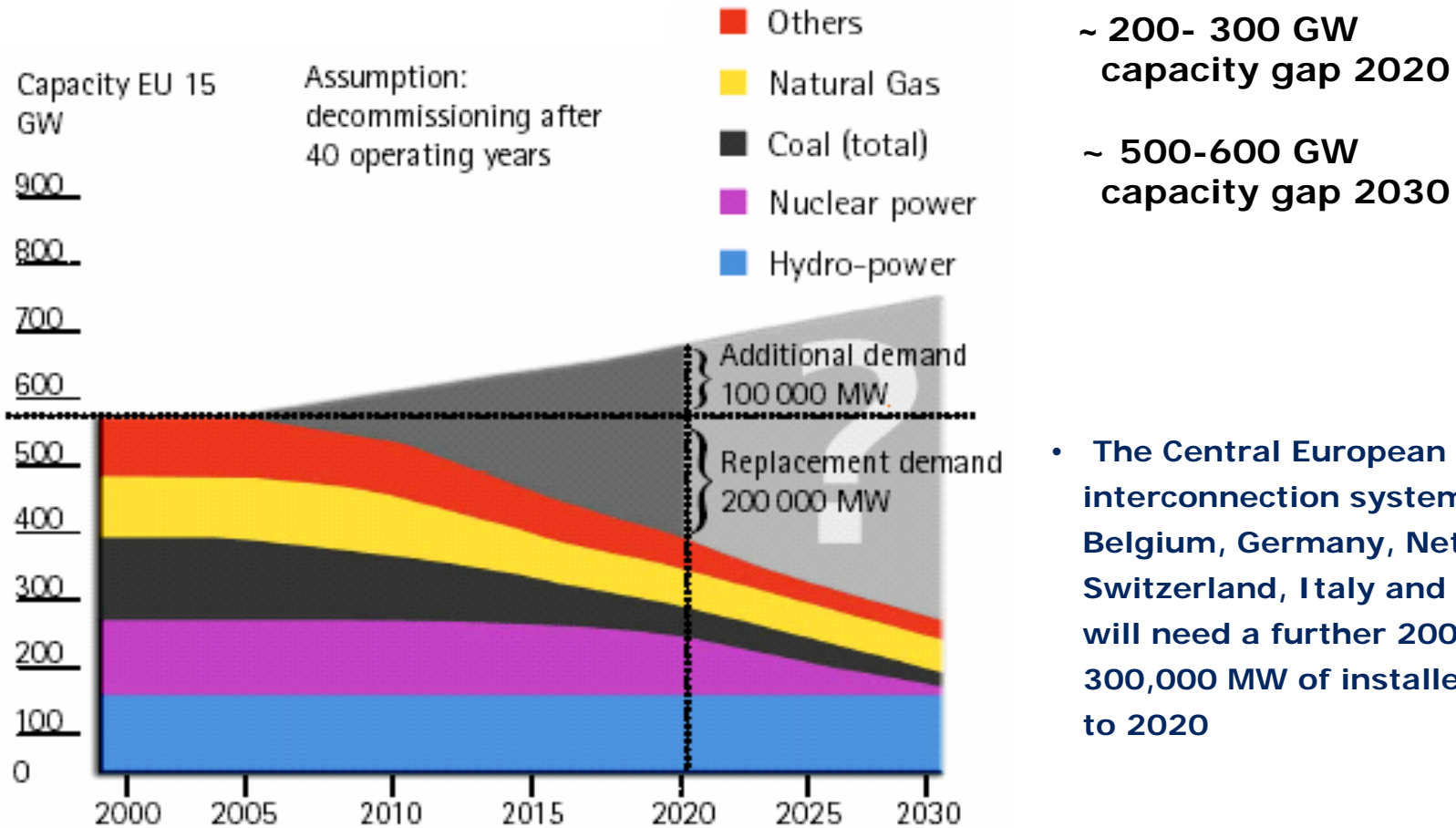
1.- Sound and profitable asset base

2.- Track record in transformation

3.- Unique position to access a wide range of opportunities



The European market will require hefty investment in the coming years

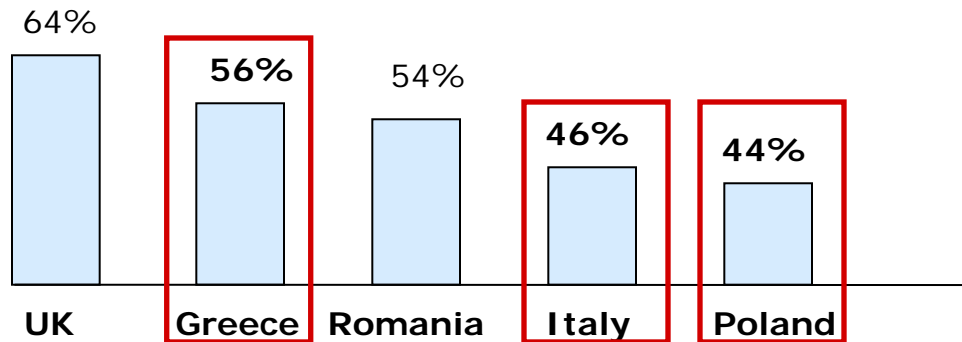


- The Central European interconnection system (France, Belgium, Germany, Netherlands, Switzerland, Italy and England) will need a further 200,000-300,000 MW of installed capacity to 2020

Source: Eurelectric

...opening up opportunities in countries with large capacity needs or "public" systems with difficulties financing this growth

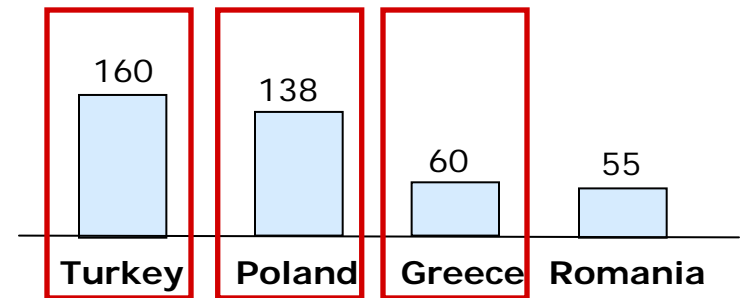
Additional capacity in 2020 vs. net capacity in 2005 (%)



Source: Eurprog 2020 and UCTE

 Countries where Endesa is currently present

Markets with privatisation pending/underway (TWh)



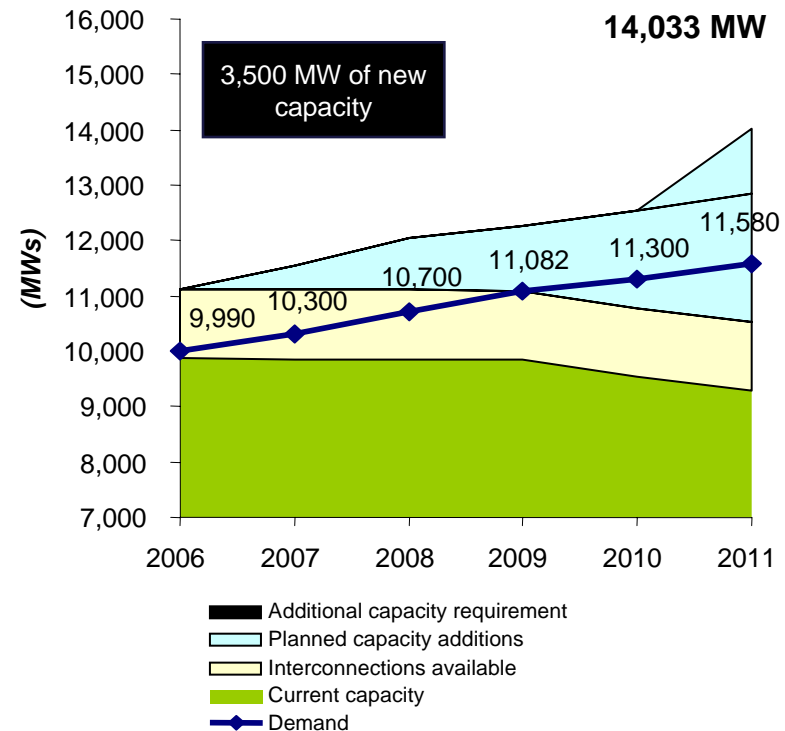
Source: Eurelectric

- Endesa is very well positioned to leverage the growth opportunities that arise in Europe in the coming years:
 - Track record in transforming assets
 - International best practice in efficiency
 - Toehold in markets with strong potential

Attraction of the Greek market: thin reserve margin

Capacity needed to sustain a 10% reserve margin (2006A – 2011E) (1)

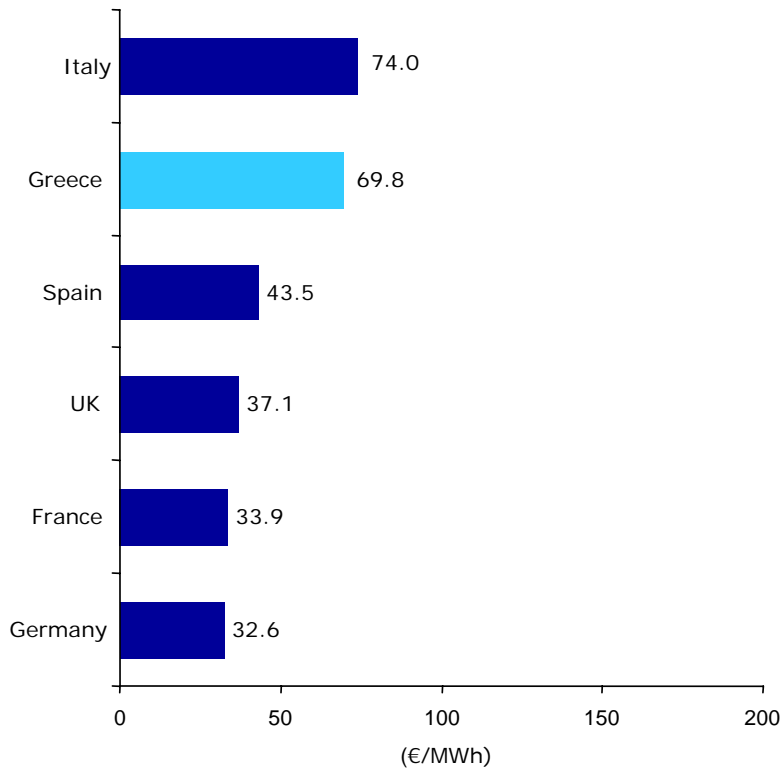
- Greece showed a negative reserve margin in 2006...
- ...which could worsen after the shutdown of two units at the Kozloduy nuclear plant.
- Meanwhile, the country is seeing strong growth in demand: 3.5% in 2006-2010
- Plans for further capacity dismantling: 105 MW of lignite and 525 MW of fuel oil/gas (2006 – 2011)



According to UCTE criteria, some 3,500 MW of new capacity must become available to achieve a minimal reserve margin by 2011

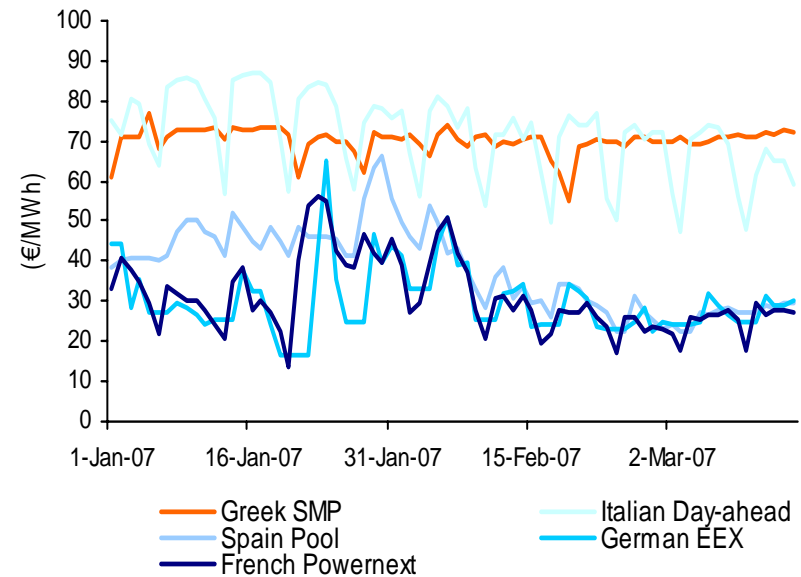
(1) According to UCTE safety criteria and including interconnections

SMP – 2007 YTD (April)



Source: HTSO, EEX, GME, Powernext, Omel, APX, Eurostat

Market prices - YTD 2007

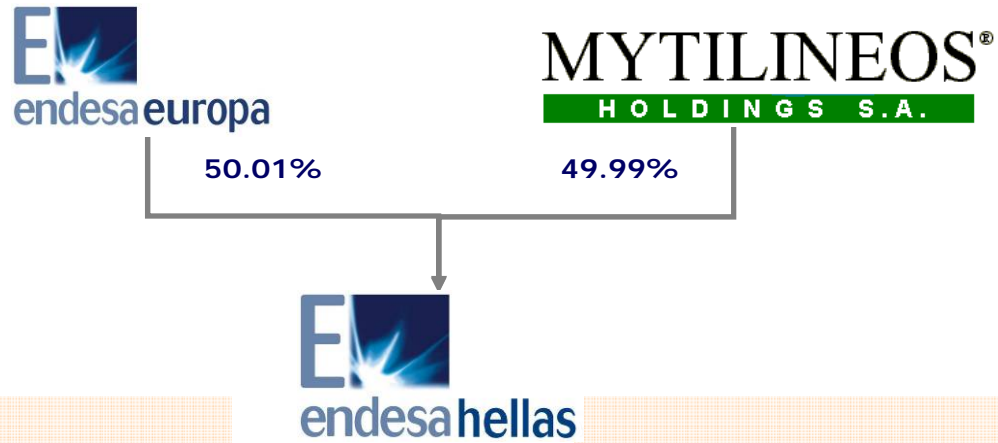


Greece boasts one of the highest SMPs in Europe, which underlines the needs to build additional capacity



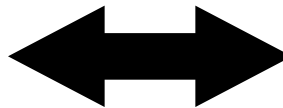
GREECE

Alliance with the Mytilineos Group



<u>Assets (MW)</u>		<u>Transaction date</u>
CHP	511	June 2007
CCGT	412	June 2009
Renewables	54	In operation
	150	2010
	400	2012

In addition, CCGT and coal option

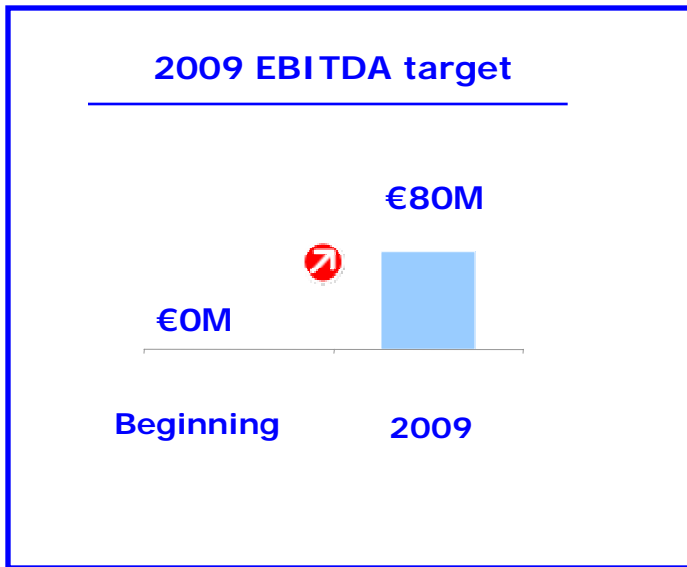


Contribution to Endesa:

€485M
 + Success premium
 + Price adjustment

Total €600M ~ IRR 10%

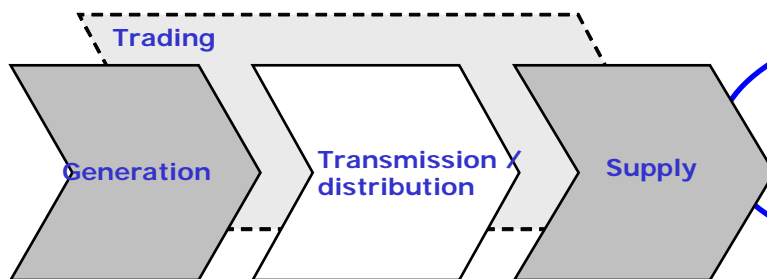
An alliance with huge growth potential



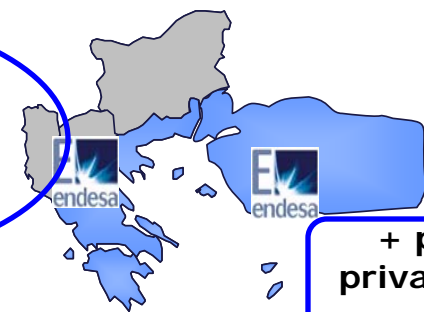
CHP	<ul style="list-style-type: none"> Start-up in July/August 2007
CCGT	<ul style="list-style-type: none"> Under construction (TBC in summer 2009)
Renewables	<ul style="list-style-type: none"> More than 1,000MW of wind, mini hydro and solar capacity at various stages of development
Future projects	<ul style="list-style-type: none"> International coal Additional CCGT Lignite plant (under study)

Potential for future diversification, with activities throughout the value chain

Springboard for expansion into south-eastern Europe (capacity needs)



€2.4bn of investment capacity without additional contributions



+ potential privatisation of PPC



GREECE

Well received by analysts

"We value the energy assets of Endesa Hellas at 1.370 MM €, outperforming in almost 15% the starting capitalization of 1.200 MME."

Alpha Finance, May 2007

"We are very positive on the development [of Endesa Hellas] as we think it can be a springboard for significant growth going forward."

P&K research, April 2007

"We expect the Endesa JV to generate significant value given that the IRR of most projects exceed 20%, we expect this operation to meet the investment criterion of providing a ROE of 10% pa average over the life of the project. That would imply the equity stake [49,99%] to be worth €857m for Mytilineos"

UBS, April 2007

"The company is well positioned to capture the second place regarding production of energy in Greece after PPC."

Beta Securities, May 2007

"The potential for operating synergies from this strategic co-operation is also significant, stemming from Endesa's expertise and MG's successful track record in Greece."

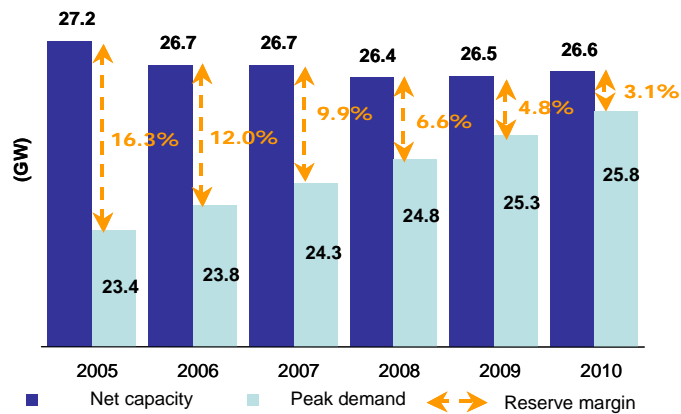
HSBC, May 2007

"The deal with Endesa helps Mytilineos crystallize its energy portfolio value, leading to considerable valuation upgrades."

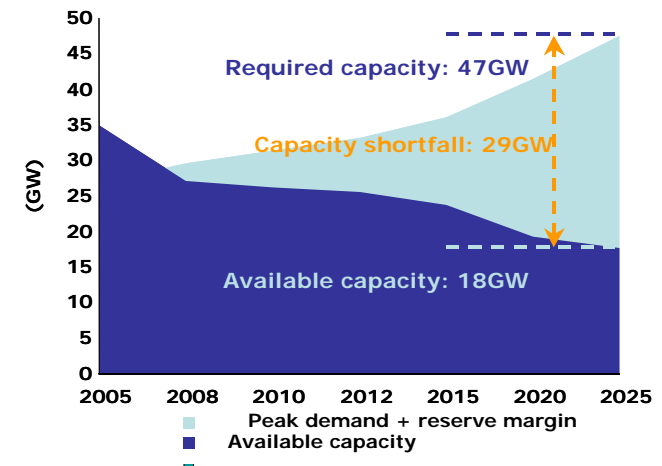
HSBC, May 2007

Poland: a market with strong potential...

Reserve margins



Required investment



Heavy investment required in a primarily public sector

...where Endesa already has operations

Byalistock

- Ongoing efficiency improvement policy
- Becoming profit-making and paying its first dividends
- Technical transformation underway to burn biomass in its boilers

Renewables

- Poland's renewable targets are ambitious and require huge investment in both wind power and biomass over the coming years

Repowering

- A number of the current facilities are old and their useful lives will end in the next few years
- Scope for private capital to fund the repowering of these units

Greenfields

- Poland boasts large coal reserves (hard coal and lignite)
- "Room" for new plants

Privatisations

- The Polish government has mentioned the privatisation scheme often (but not carried it out)
- The aim is to create four integrated utilities and possibly sell controlling interests in the two smallest ones

CONCLUSIONS

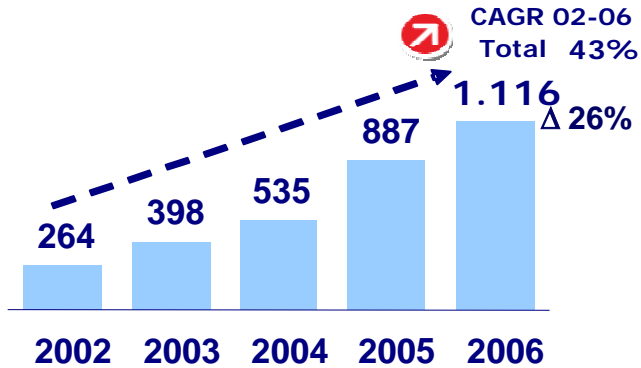
- 1. ENDESA has built up a highly profitable position in Europe**
- 2. It has met the targets announced to the markets**
- 3. It is on track to meet its 2007 targets despite an especially adverse backdrop**
- 4. It is poised to embark on a path of profitable growth and beat its 2009 guidance**



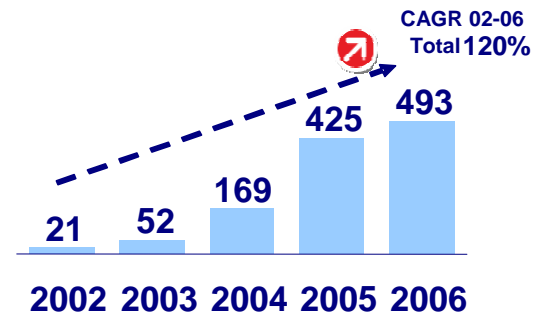
CONCLUSIONS

1.- ENDESA has built up a highly profitable position in Europe

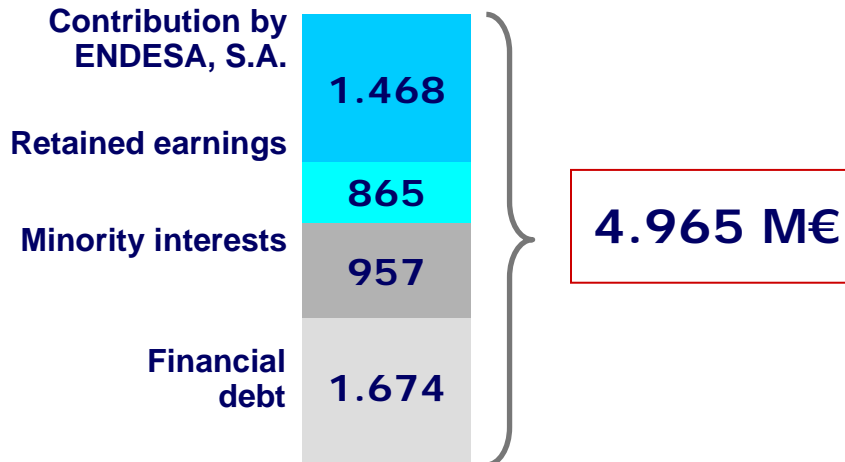
EBITDA (€M)



Net income (€M)



Investment capital/Assets 2006 (€M)





Dividends paid (€M)

	2004	2005	2006	2007
Endesa Italia	30	102	176	216
SNET		21	75	33
Endesa Trading			22	
EET			6	
Endesa Europe		124	158	110

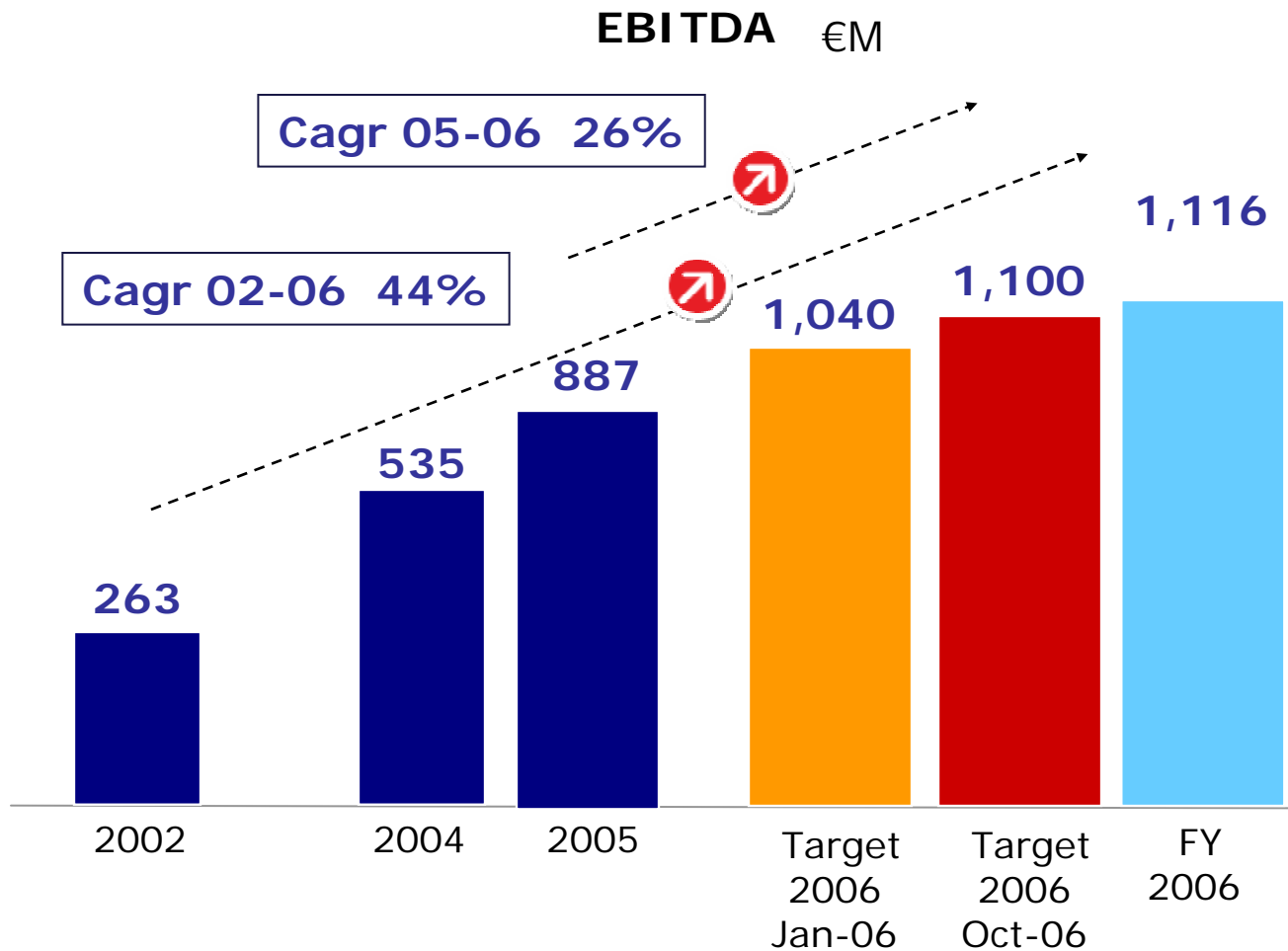


CONCLUSIONS

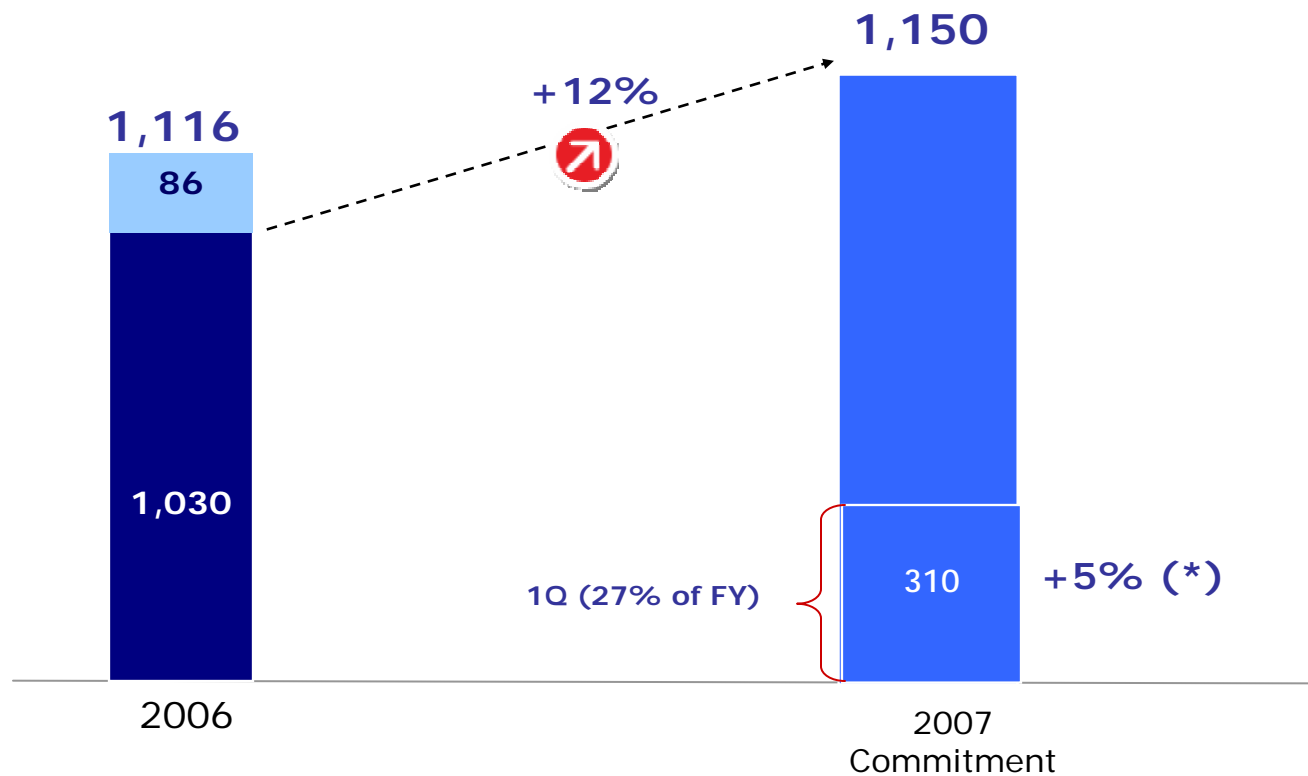
2.- It has met the targets announced to the markets in ITALY and FRANCE

 endesa italia			 endesa france		
	Guidance	Met through 2006		Guidance	Met through 2006
EBITDA 06 (€M) ▶	635	916	EBITDA 09 (€M)	200	196
Roic 06 ▶	10.6%	15%	Net inc. 09 (€M)	60	171
∇ IC in 05 ▶	290	547	∇ Fixed costs in 09	20%	20%
CTC (€M) ▶	135	169	Dividends (€M)	Since 2005	75
IC/MW in 07 ▶	0.22	0.15			
O&M/MWh in 07 ▶	4.3	1.4			

2.- Endesa has exceeded its commitments to results in 2006, achieving growth above 25%



3.- On track to meet its 2007 targets



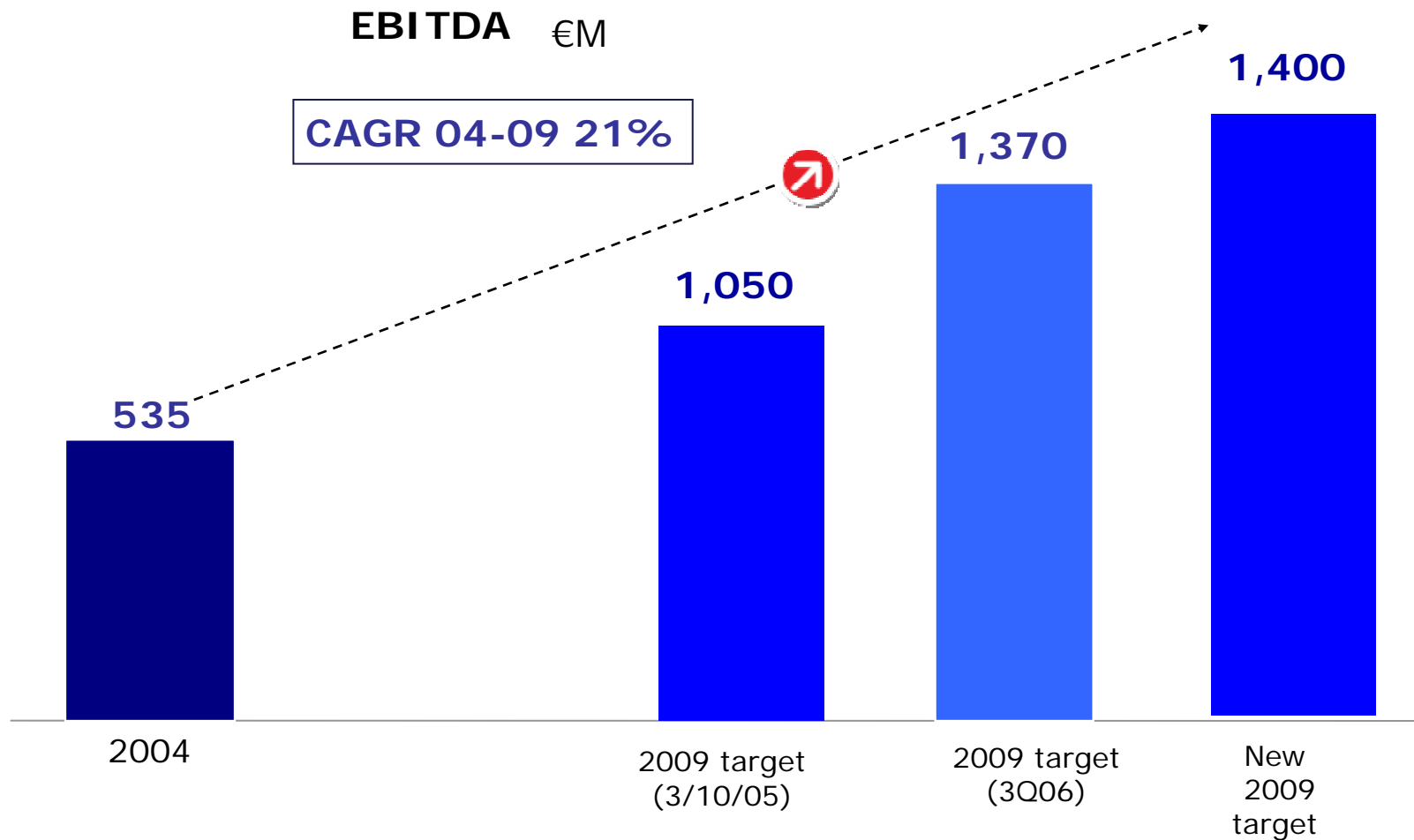
(* Stripping out the one-off impact of Delibera 254 in 2006

3.- Despite an adverse market backdrop and no new capacity additions

	1Q 2007	1Q 2006	% Chg
ITALY			
Pool price in the Italian market (€/MWh)	69.5	77.6	-10%
Average price Endesa Italia (€/MWh)	76.9	80.2	-4%
FRANCE			
Base pool price in France (€/MWh)	30.6	70.7	-57%
Peak pool price in France (€/MWh)	39.7	95.5	-58%
Market price Endesa France (€/MWh)	49.5	65.2	-24%

High temperatures, drop in demand and falling prices

4.- Endesa EUROPE is prepared to embark on a path of profitable growth in line with 2009 announced targets



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 investment plan 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.



Endesa Europe



Jesús Olmos Clavijo
General Manager Europe
Valencia, 25 June 2007