2005 Results

Endesa: stronger business, greater value

18 January 2006

Endesa: stronger business, greater value

- Excellent 2005 results
- Outstanding prospects for 2006
- Trend clearly exceeding 2009 targets
- Reaffirming Endesa’s greater value

Excellent 2005 results

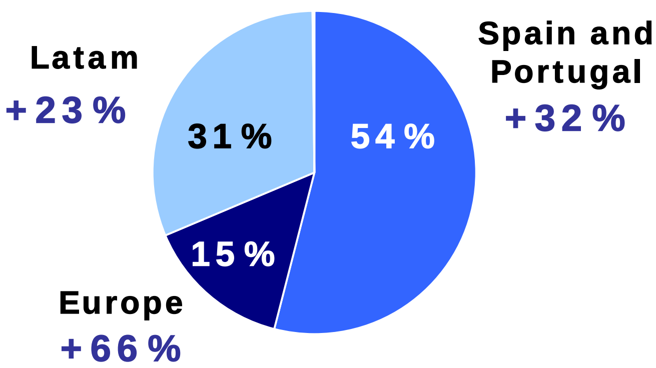
€M	2004	2005	Change
Sales	13,509	17,508	+30%
Gross Margin	7,373	9,126	+24%
EBITDA	4,521	6,020	+33%
EBIT	2,846	4,244	+49%
Net financial expenses	-1,087	-1,257	+16%
Net income (ex. asset disposals)	1,149	1,841	+60%
Net income	1,253	3,182	+154%

	01.01.05	31.12.05	Change
Financial leverage	1.5x	1.1x	- 0.4p

Strong growth in all businesses

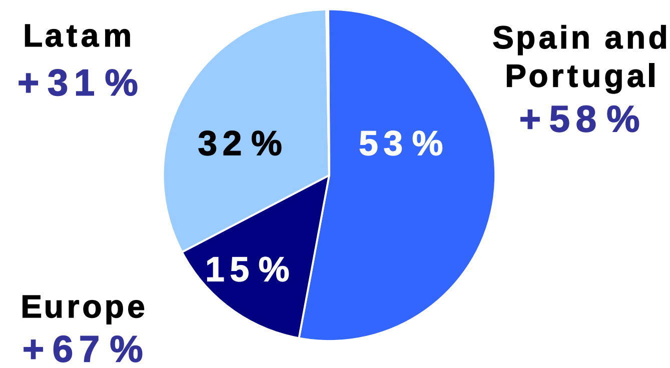
EBITDA: €6,020M

+33%



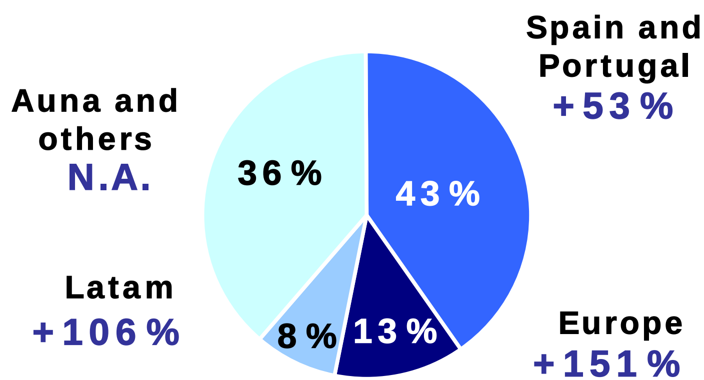
EBIT: €4,244M

+49%



Net Income: €3,182M

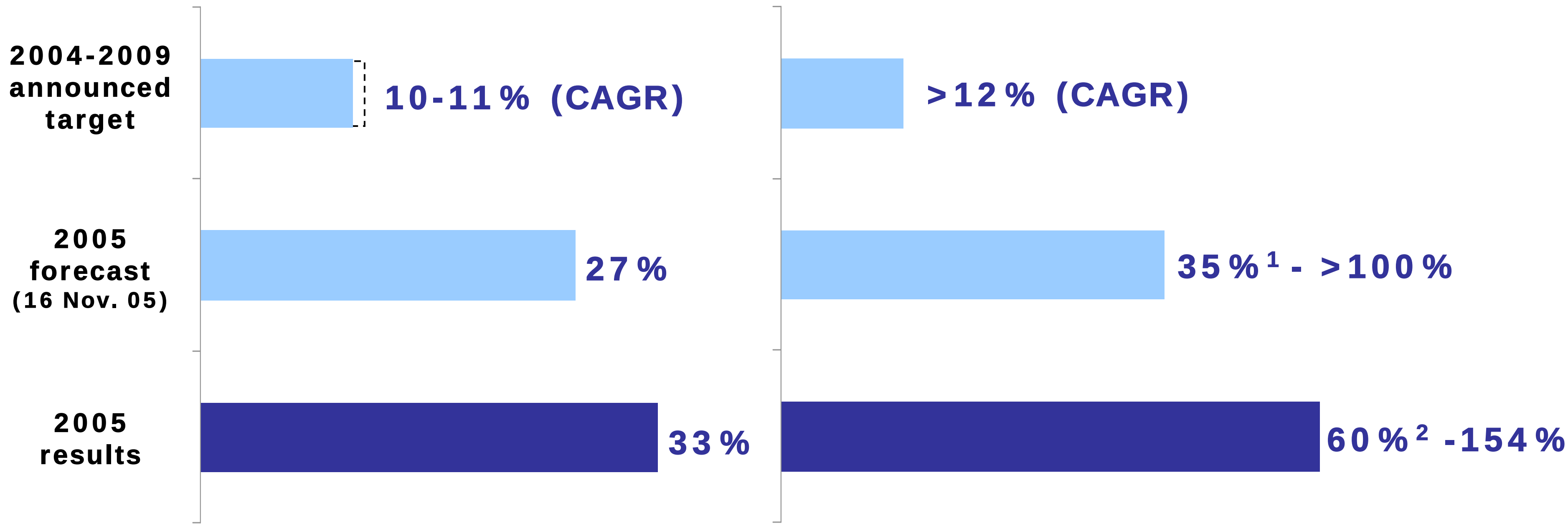
+154%



2005 results exceed targets

EBITDA
2005 vs. 2004 (%)

Net Income
2005 vs. 2004 (%)



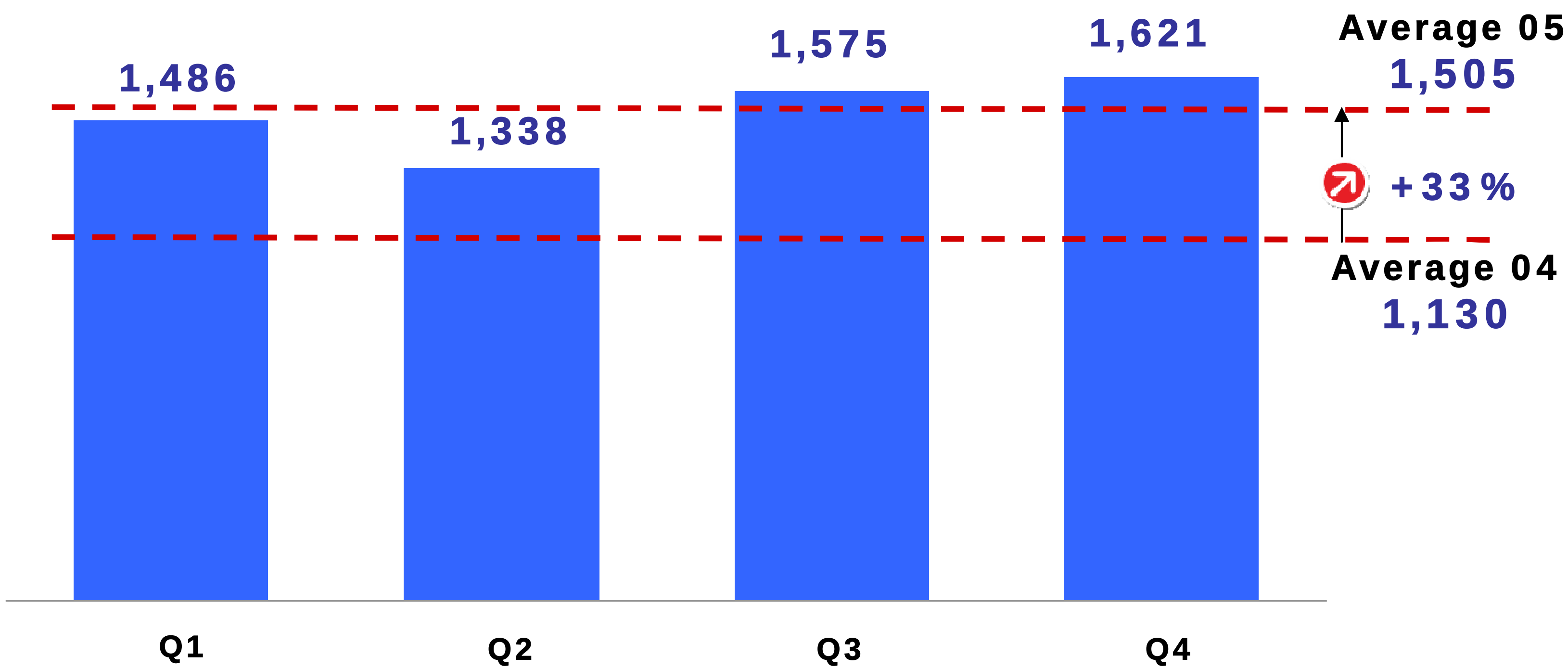
€ 6,020 M

€ 1,841 M [2] – € 3,182 M

1 Auna disposal included
2 Without including disposals

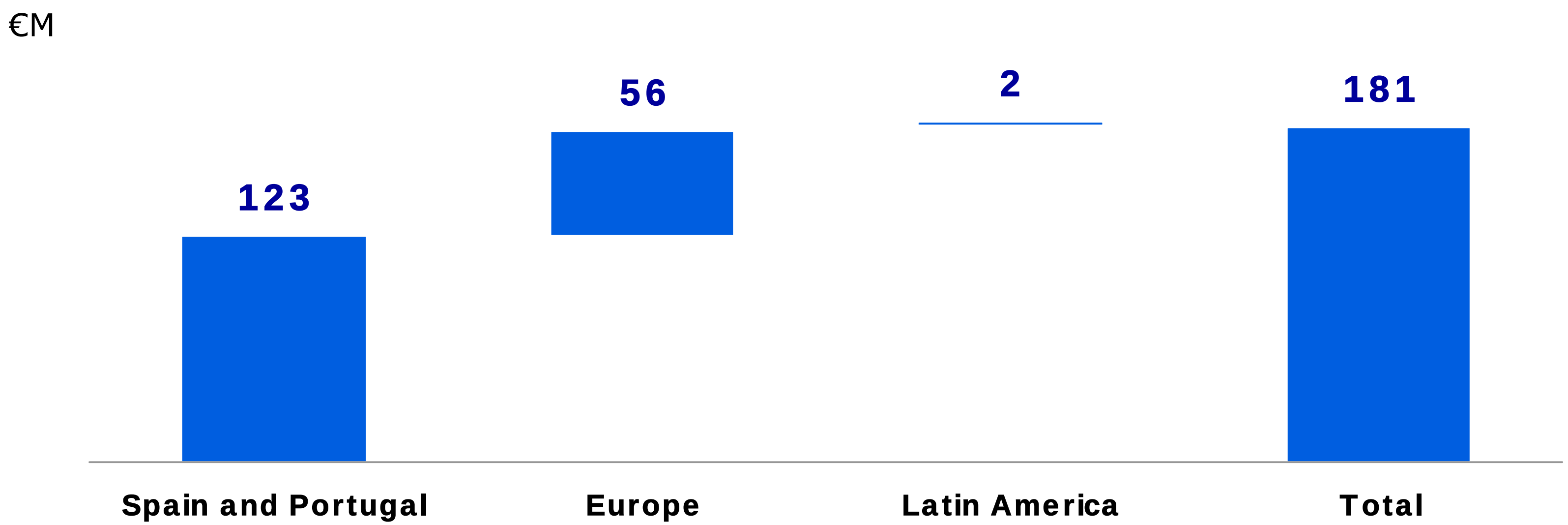
Sustainable growth in each quarter of 2005

Quarterly EBITDA in 2005 (€M)



Progress in Efficiency plan above committed target

2005 EBITDA improvement due to Efficiency plan



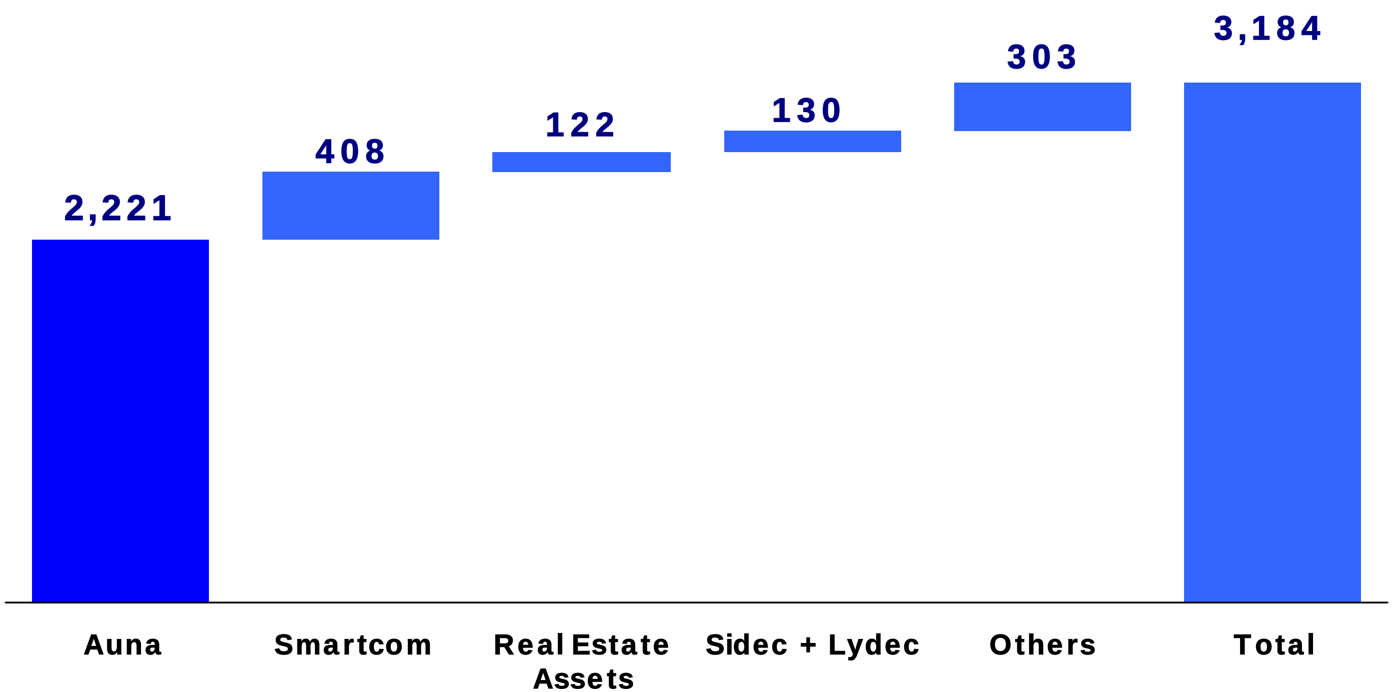
Efficiency plan Target 2004-2009 (€M)	320	140	65	525

% of target achieved	38%	40%	3%	34%

Non-strategic asset disposals in excess of €3,000M in 2005

Disposals

€M



Net capital gains of €1,341 M

Note: Does not include sale of 5.01% of AUNA (€378 M cashed in 2005) to be accounted for in Q1 2006

2005 Dividend: €2.4 / share

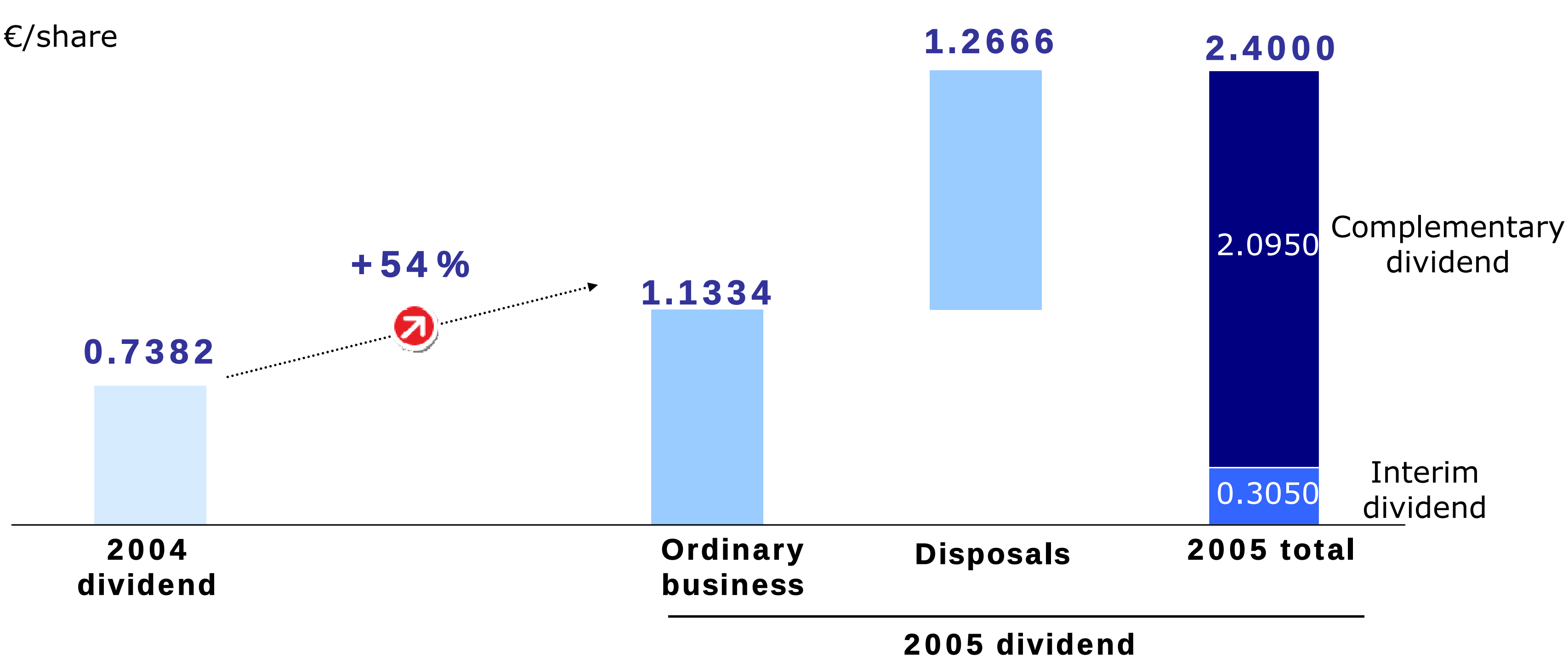
Ordinary activities >12%

+

100% Capital gains

=

Total dividend x 3.3



First year dividend of €2,541M out of more than €7 bn committment

Note: Dividend policy subject to AGM approval

Spain and Portugal

Strong growth in results

€M	2004	2005	Change
Sales	6,648	8,761	+32%
Gross margin	4,352	5,202	+20%
EBITDA	2,472	3,266	+32%
EBIT	1,432	2,264	+58%
Net financial expenses	-501	-602	+20%
Net Income	888	1,358	+53%

2005 Highlights

Industry trends

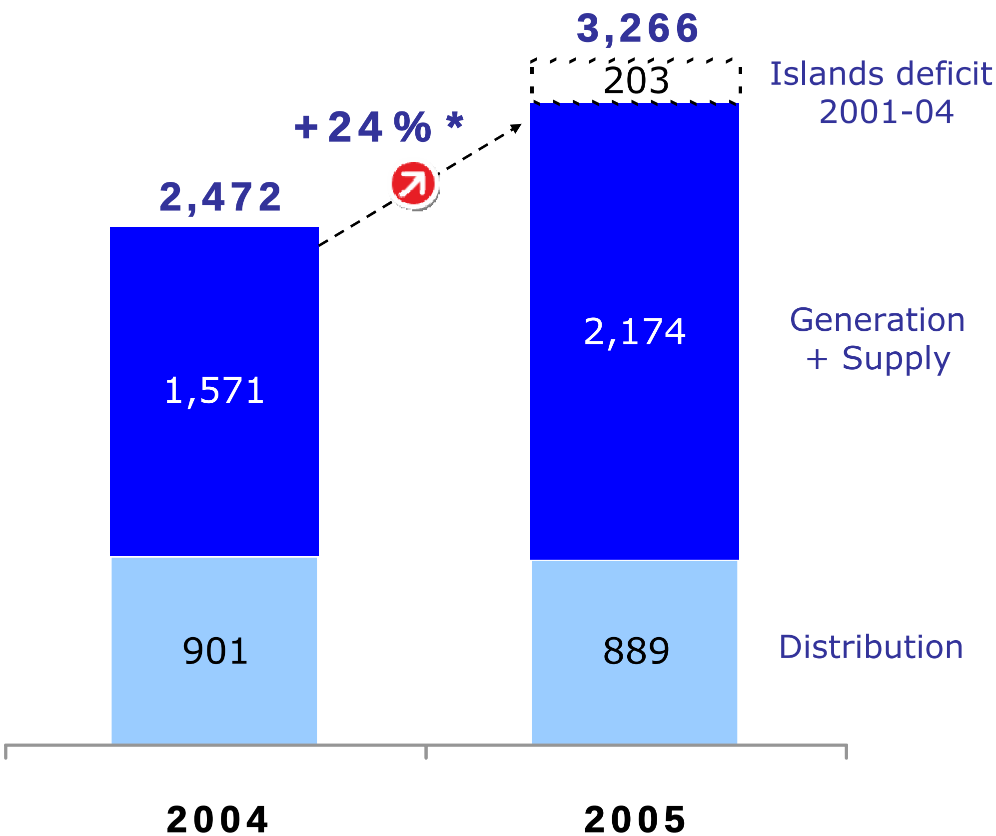
- Strong growth in demand (+4.6%)
- High pool prices (€61.7/MWh)

Endesa's strength

- Regulatory improvements:
  - Total recognition of 2005 tariff deficit
  - Increased islands remuneration
- Strong recurring growth:
  - Competitive mix management
  - Efficiency improvements
  - Growth in gas business
- Progress in Capacity plan:
  - Conversion of As Pontes Group 4 to imported coal
  - Progress in the construction of new CCGTs in Spain
  - Strong presence in Renewables/CHP supported by Finerge's acquisition

Strong recurring growth

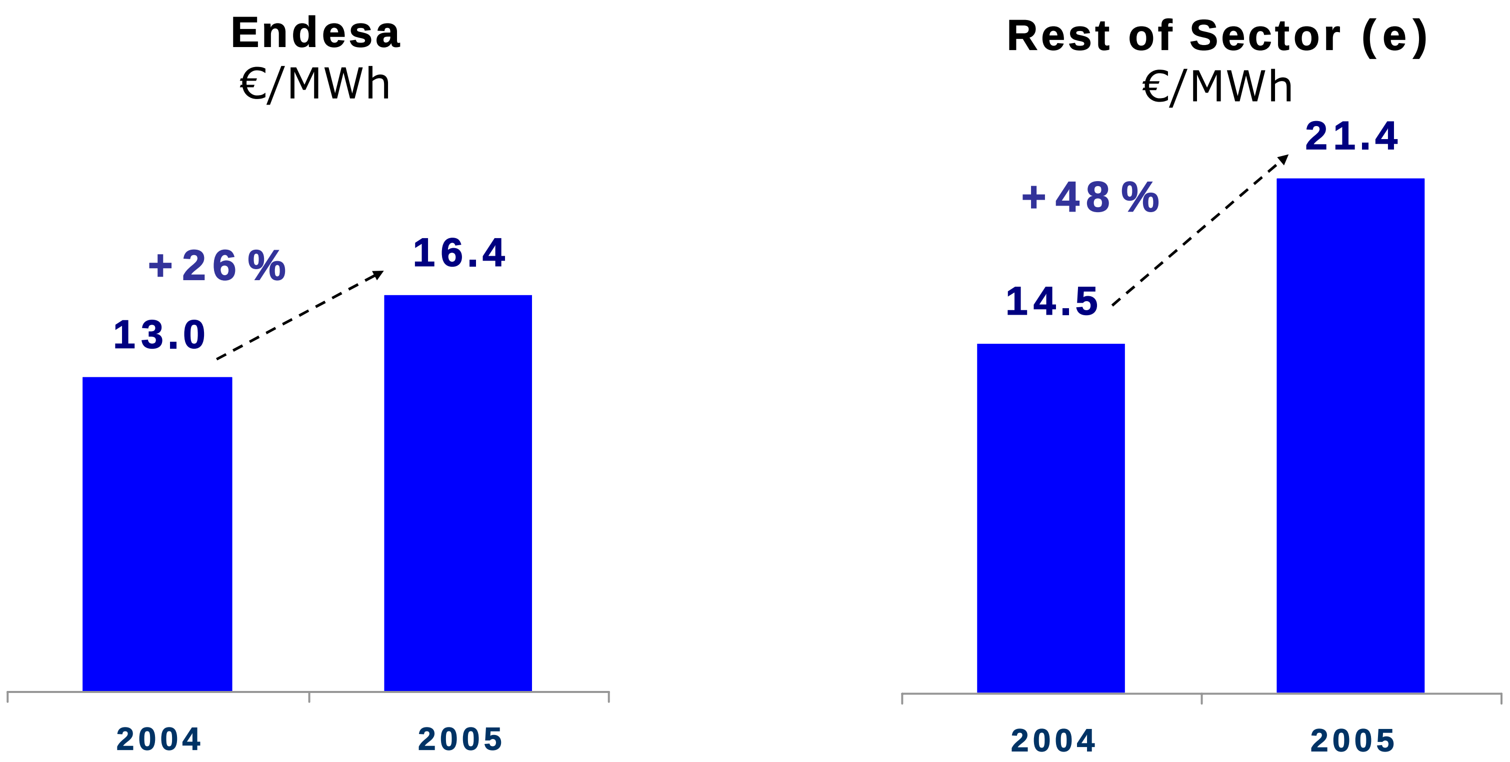
Recurring EBITDA Growth* (€M)



- Very competitive mainland fuel cost
- Margin stability despite hydro seasonality
- High growth in the gas business
- Efficiency plan

** Total EBITDA growth of +32%*

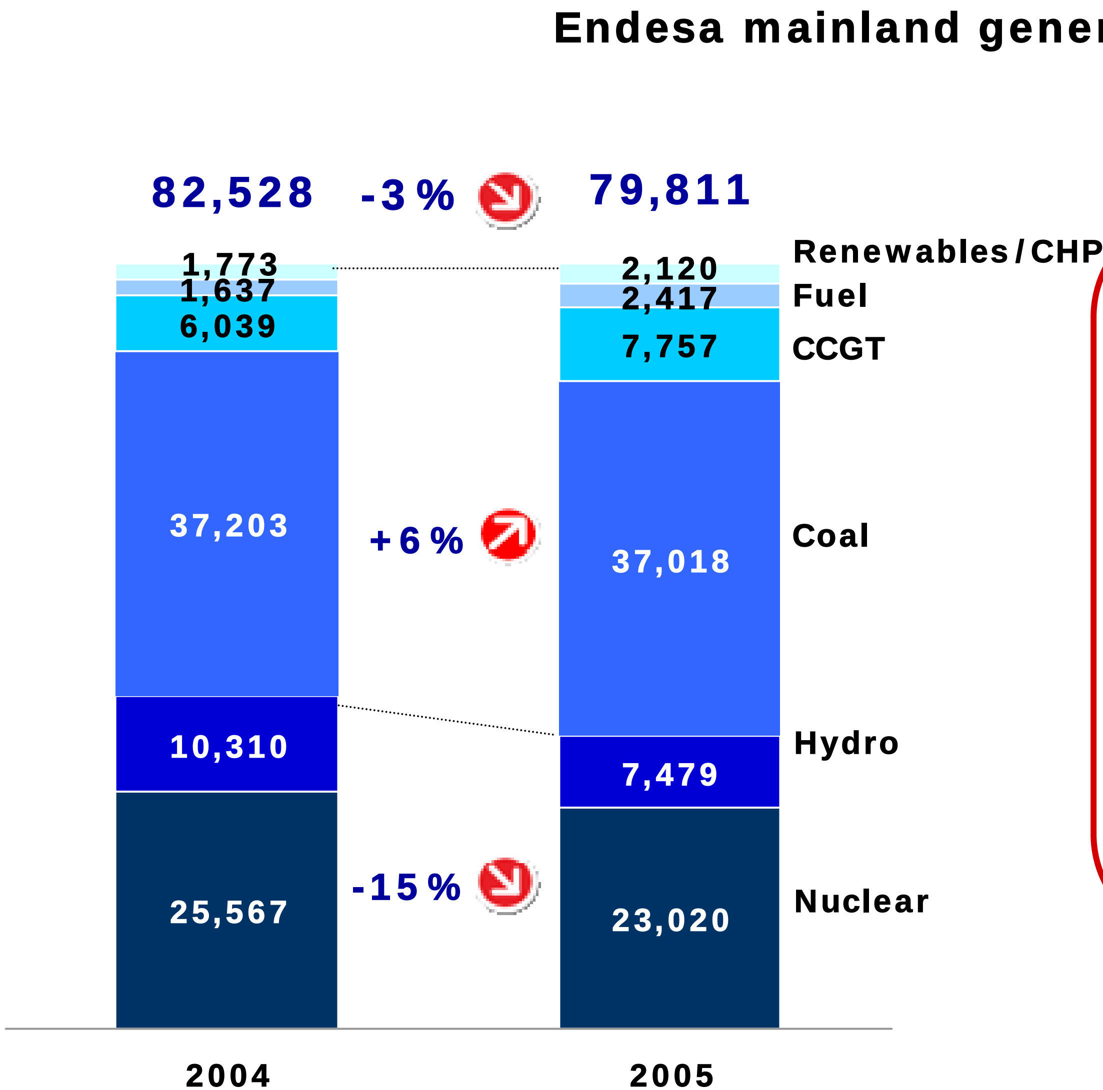
Very competitive mainland fuel cost



- More competitive generation portfolio than rest of sector in varying hydro conditions (2004 and 2005)
- Less affected by volatility in raw materials markets

Note: Mainland ordinary regime fuel cost

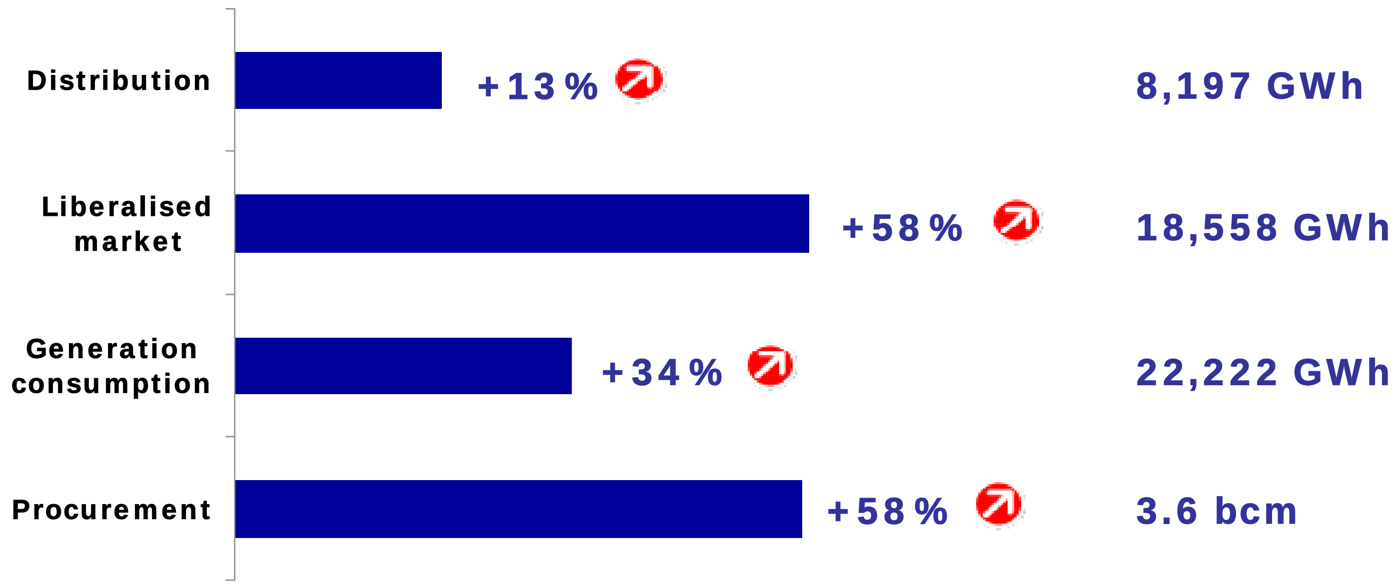
Stable output despite hydro seasonality



- Unusual circumstances:
  - Unavailability of Vandellós (2,600 GWh)
  - Conversion of As Pontes Group 4 (700 GWh)
- Importance of coal to ensure supply
- 20% growth in Renewables/CHP

Strong growth in the gas business

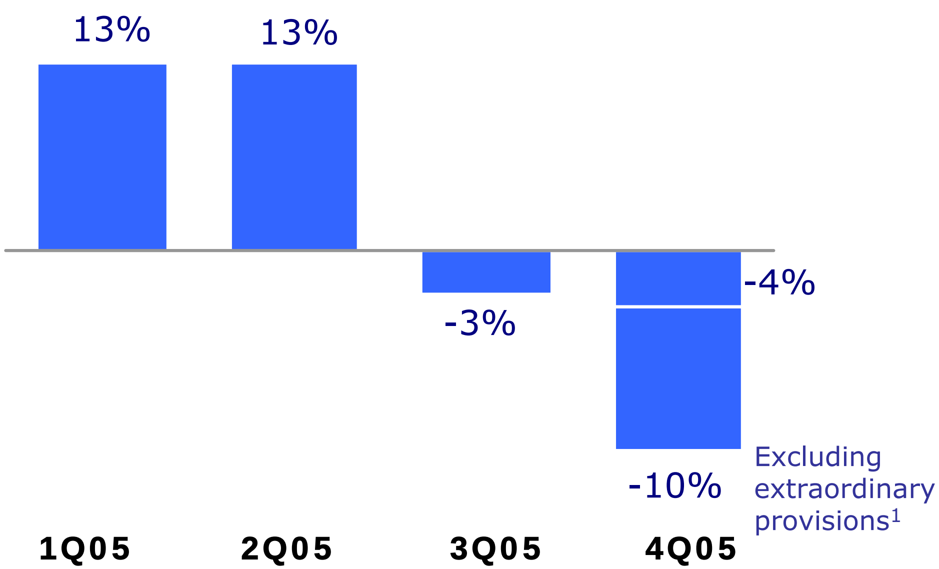
2004-2005 Growth (%)



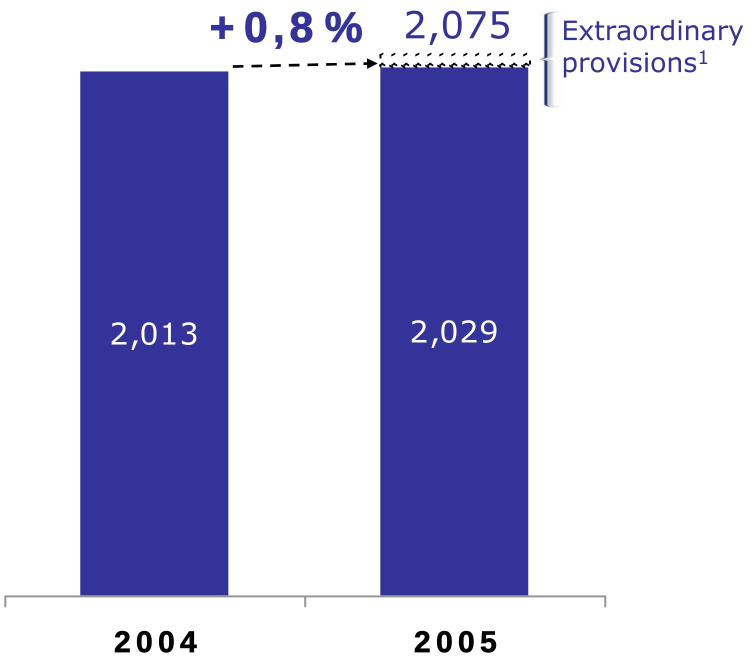
- Very strong growth in all businesses
- Endesa achieved a **12% market share in consumption**, meeting 2007 target by 2005

60x5 Efficiency plan exceeds 2005 targets

Fixed Costs (€M)
Quarterly evolution 2005 vs. 2004



Fixed Costs (€M)
Total year 2005 vs. 2004



- **60x5 Efficiency plan exceeds 2005 year-end target by 23%**
  - Fixed costs improvement €62M
  - Margin improvement €60M
- **Q4 costs reduced by 10% excluding provisions**

[1] *Mining plan €34M; Energy for employees €12M*

Progress in Capacity plan

As Pontes conversion to imported coal

- Group 4 came into operation in 2005
- Completion of the conversion expected by 2008

Progress in the construction of new CCGTs

- 2006: Commissioning of Colón CCGT plant (400 MW)
- 2007: Commissioning of As Pontes CCGT plant (800 MW)
- 2008: Besós CCGT (800 MW)
  - Included in the Catalan Energy plan
  - Agreed with the San Adriá town hall

Growth in Renewables/CHP

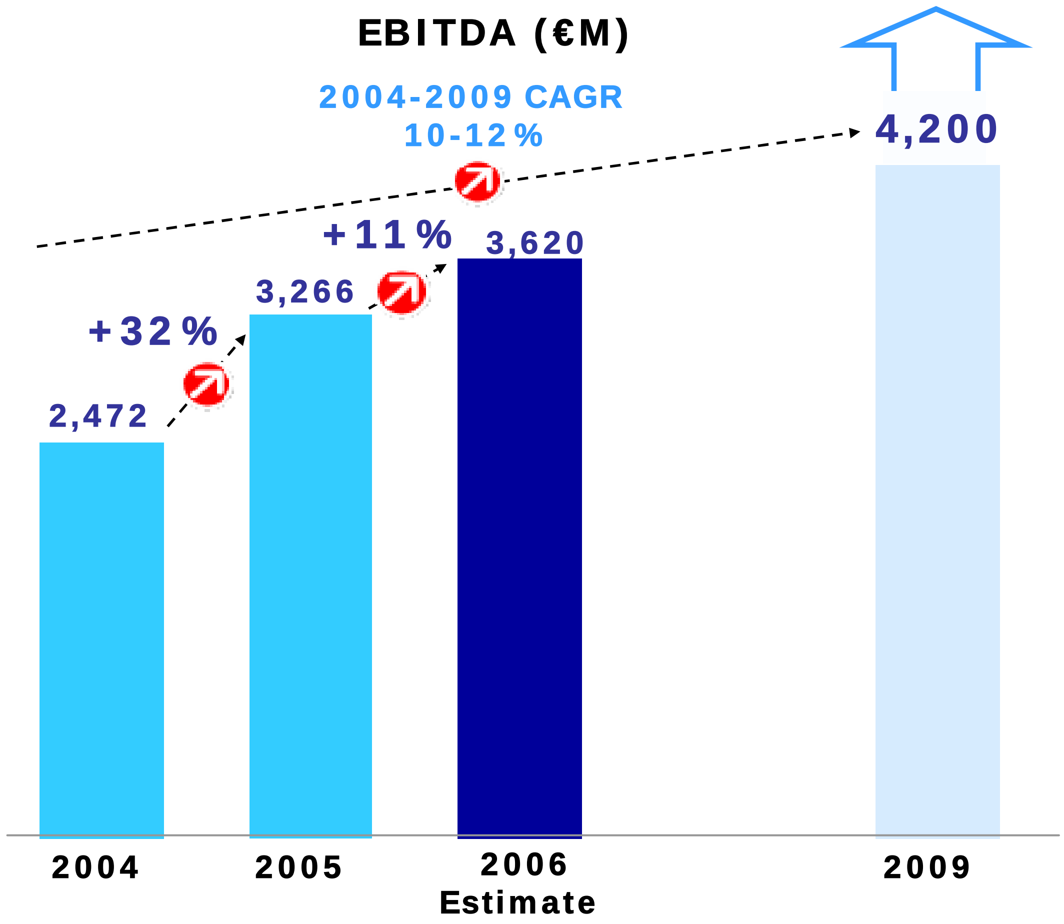
- 149 MW of additional installed capacity
- 462 MW under construction
- 1,365 MW with concluded administrative proceedings
- 2,688 MW under administrative proceedings

Favourable tariff revision for 2006

	January 2006	June 2006
2006 tariff	▪ 4.48% nominal increase ▪ Total effect of 6% (lower nuclear moratorium and others) ▪ Income increase higher than 10% (includes increase in demand)	▪ Additional increase of 1.5%-2% expected
Deficit / Generation	▪ Full tariff deficit recognition ▪ All technologies at market price ▪ Progress towards an additive tariff	▪ Development of deficit collection mechanism and securitisation ▪ Expected end of CTCs
Islands	▪ Recognition of generation costs: €94/MWh - Δ 05-06 of 56% - Δ 04-06 of 73%	▪ Decision on 2001-2004 deficit ▪ Annual retribution of approx. €110/MWh, in line with Endesa's expectations

New regulatory framework improves Endesa's Strategic plan assumptions

Outstanding prospects for 2006



- Efficiency improvements: €200M accumulated in 2006
- Capacity plan:
  - CCGT: 400 MW
  - Renewables: 395 MW
  - Islands: 580 MW
- Atypical production constraints disappear (Vandellós)
- Regulatory improvement

Trend clearly exceeding 2009 targets

Europe

Excellent results underscore strength of European business

€M	2004	2005	Change
Sales	2,557	3,598	+41%
Gross margin	830	1,223	+47%
EBITDA	535	887	+66%
EBIT	370	618	+67%
Net financial expenses	-63	-63	+0%
Net Income (ex. asset disposals) [1]	169	257	+52%
Net Income	169	425	+151%

1 Also excludes €107M reflecting the future fiscal benefit due to the 2005 balance sheet revaluation, which is included in Net Income (mandatory as per IFRS).

Note: Snet consolidation starting September 2004 (full consolidation would have increased EBITDA by €106M)

2005 Highlights

Italy

- Increase in installed capacity and generation
- Unit margin increase due to efficiency improvement and production mix

France

- Roll-out of Efficiency plan
- Increased unit margin due to market risk management
- Disposal of non-strategic assets (Sidec)

Morocco

- Commissioning of Tahaddart CCGT plant: 400 MW
- Agreements with ONE to develop new CCGTs and wind power plants

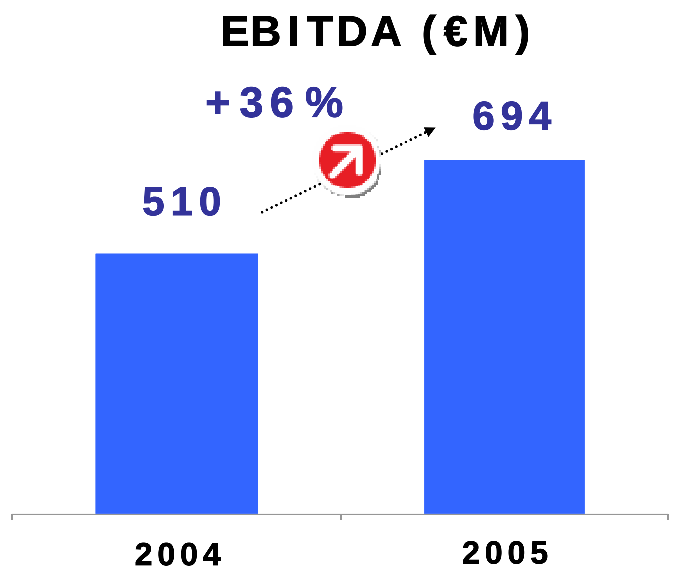
Poland

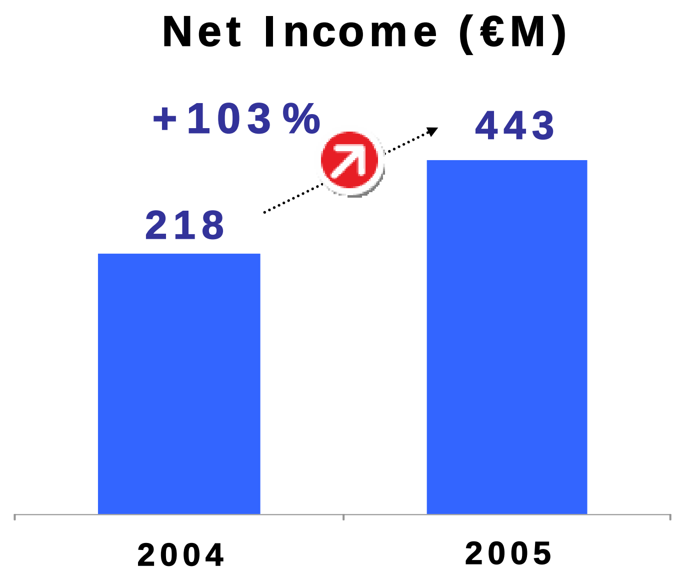
- Final proceedings for the acquisition of Dolna Odra
- Brussels authorisation obtained

Energy trading

- Maximizing value from the European platform

Endesa Italia: Strong increase in EBITDA and Net Income



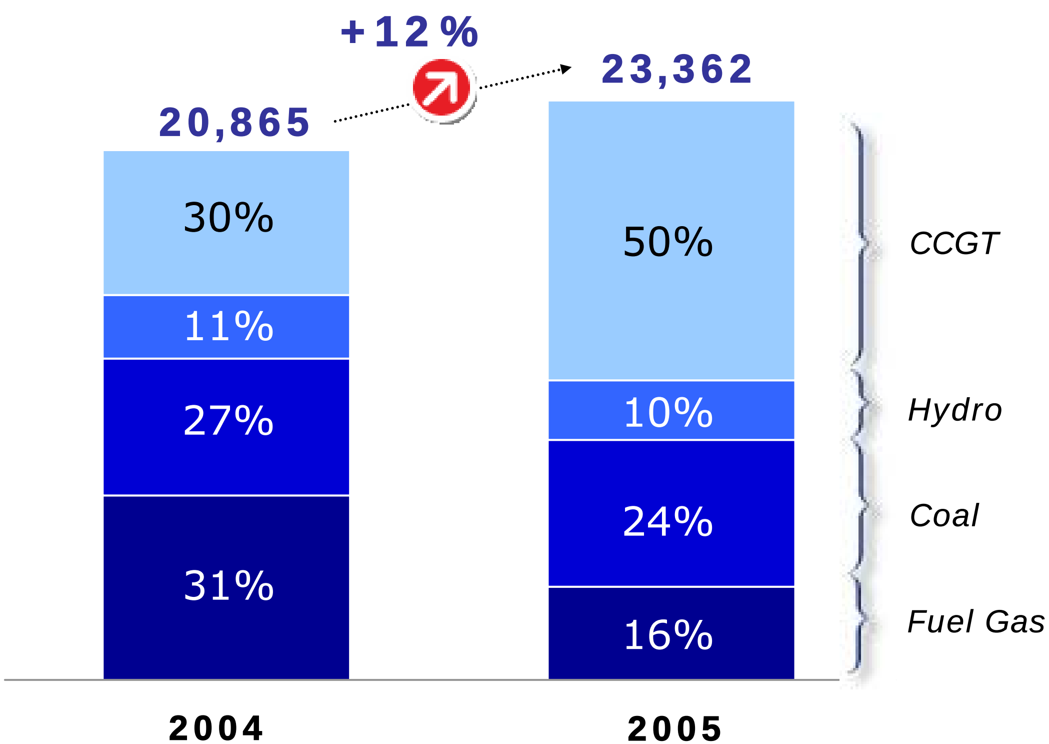


- Generation, sales and margin increase
- Recognition of €169M of stranded costs (€33M accounted in 2005)
- Recognition of €20M of stranded costs of Nigerian gas

- +43% increase excluding €134M positive fiscal effect from revaluation of assets

Italy: Increase in installed capacity and output

Output (GWh)



Capacity (MW)
+4%

Energy sales (GWh)
+18%

Sales margin (€/MWh)
+6%

- Completion of Ostiglia and Tavazzano repowering (2,400 MW CCGT on stream)
- Starting construction of Scandale (800 MW)
- Other options in authorization stage: 1,600 MW

Italy: sustaining margins despite declinig prices

Efficiency plan

- €16M of the efficiency plan already achieved in 2005

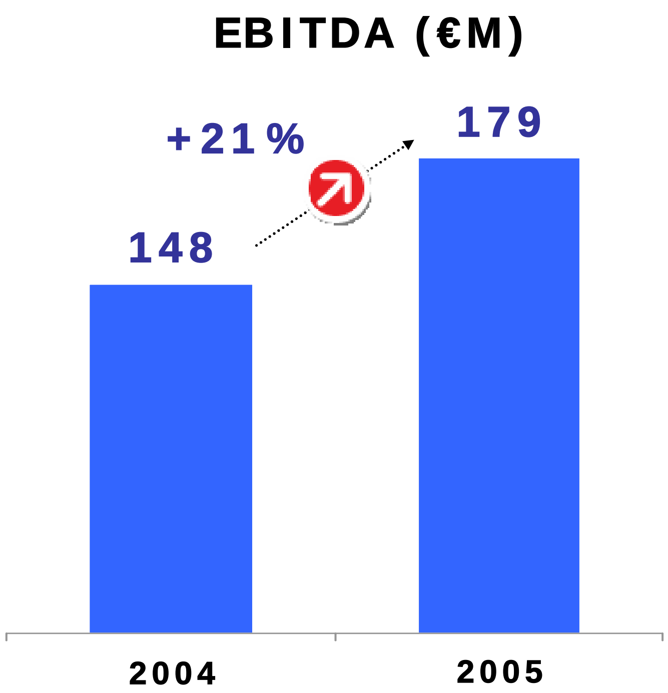
Growth in renewables

- Wind projects portfolio of 700 MW
  - 20 MW operating
  - 316 MW committed (136 MW will be operating by mid-2006)

LNG regasification terminals in Livorno and Monfalcone

- Access to more competitive gas
- Progress in the construction of Livorno:
  - Approval from the Ministry of Productive Activities
  - Authorisation from local authorities
  - Expected commissioning by 2008
- Progress in Monfalcone: Authorization presented

France: growth based on operating improvements



- Market risk management (EdF contracts) and unit margin improvement (+7%)
- Implementation of Efficiency plan
  - Reduction of O&M costs: -23%
  - Reduction of fixed costs: -€26M
  - Reduction of Employee/MW ratio: -16%
  - Reduction of headcount since acquisition: -22% (from 1,373 to 1,074 employees)

Net Income:

- +193% growth in net income supported by non-strategic asset disposals: Sidec (€104M)
- +44% Net Income growth on a homogeneous basis

Poland: final proceedings for Dolna Odra

Process:

- Agreement achieved with Polish Government
- Brussels authorisation obtained
- Pending agreement with labour unions

Targets:

- Return > 12 %
- Double EBITDA by 2009
- Accreative from outset

Energy management: €46M EBITDA and additional savings

Management of interconnections
- Assigned 35% of total auctioned capacity in the France-Italy interconnection in 2005 (RTE)
- Other interconnections: Italy-Slovenia

Supply to customers:
Portfolio of 10TWh in 2005

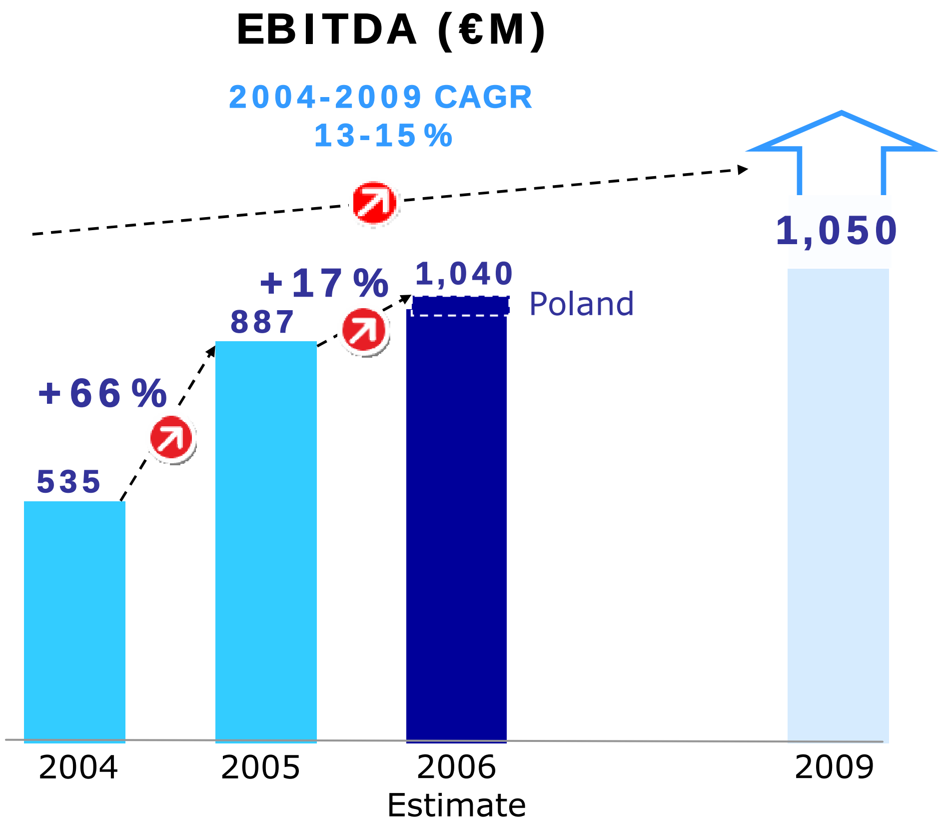
Trading operations in European markets hedging rest of GEE activities: EEX (Germany), Powernext (France) and APX (Netherlands)

Fuel and CO_2 costs hedging and risk management

EBITDA Endesa Trading: €46M

- Additionally:
- Savings in Endesa Italia: €28M
  - CO2 savings
  - Margin increase
- Savings in Snet: €6M
  - Improvement in deviations

Outstanding prospects for 2006



- Poland included: €80m
- Growth in renewables: 100 MW
- Efficiency plan: Achieving 2009 target by 2007

Trend clearly exceeding 2009 targets

Latin America

Strong growth in results

€M	2004	2005	Change
Sales	4,297	5,149	**+20%**
Gross margin	2,180	2,698	**+24%**
EBITDA	1,522	1,878	**+23%**
EBIT	1,054	1,376	**+31%**
Net financial expenses	-453	-540	**+19%**[1]
Net Income before minorities	431	710	**+65%**
Net Income	127	262	**+106%**

2005 Highlights

Favourable environment

- Widespread growth in production (+5.1%) and sales (+5.6%)
- General recovery in currency values

Earnings growth

- EBITDA increases across businesses and countries
- Unit margins improved:
  - Capturing regulatory improvements
  - Improving energy and client management
- Strong cash return to Spain in line with the Strategic plan

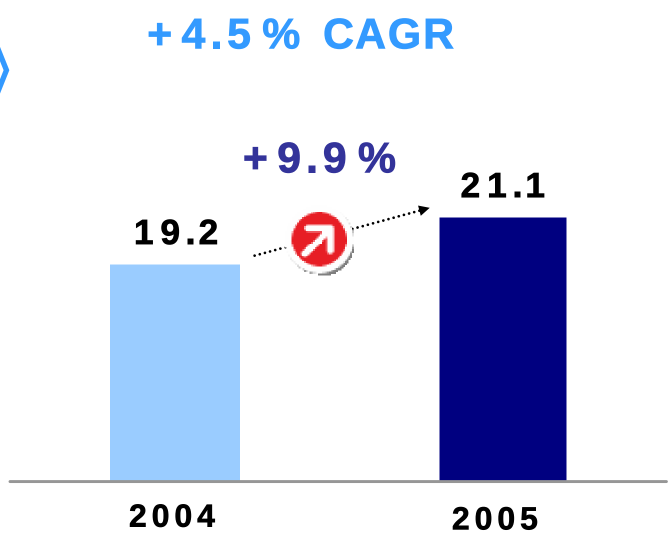
Progress in key subsidiary restructurings

- Endesa Brasil incorporated, operating subsidiaries contributed
- Chilectra-Elesur merger proceeding on schedule
- Etevensa-Edegel merger approved by their respective Boards

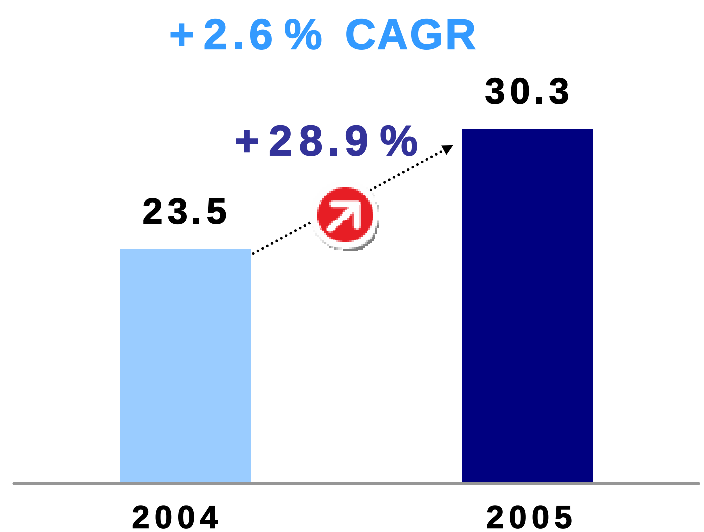
Improvement in unit margins

2004-2009 Strategic plan

Generation margin USD/MWh



VAD distribution USD/MWh

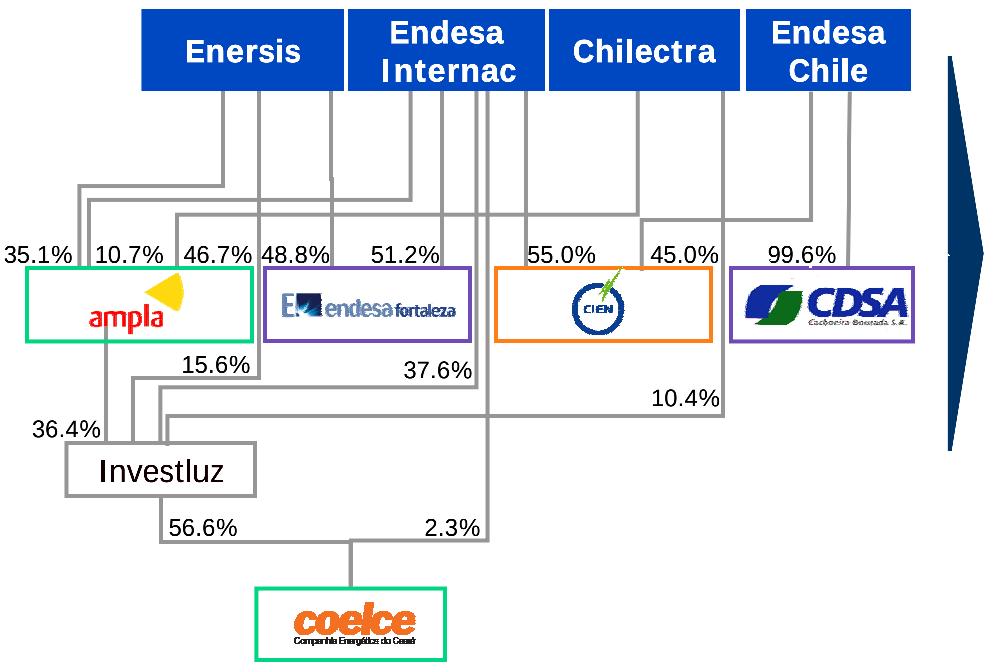


- **Capturing regulatory improvements:**
  - Increase in node prices in Chile; tariff review for Chilectra, Ampla, Coelce and Edelnor
  - Better prospects in Argentina: Edesur-Uniren agreement ratified by Senate; Foninvemem companies created; agreement signed between Argentina and Brasil to re-establish interconnection framework
- **Energy and client management:**
  - Energy losses management; long in generation in Chile; additional sales in Chile and Colombia

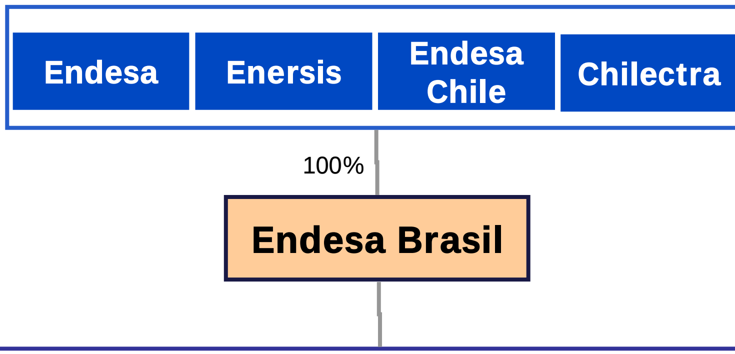
Progress in key subsidiary restructurings

Endesa Brasil

Before



Current



- 4.6 million customers
- 997 MW of installed capacity
- 2,000 MW Argentina-Brazil transmission line

- Chilectra-Elesur merger has successfully obtained all legal requirements. Expected by 1H2006
- Etevensa-Edegel merger approved by respective Boards and pending authorization

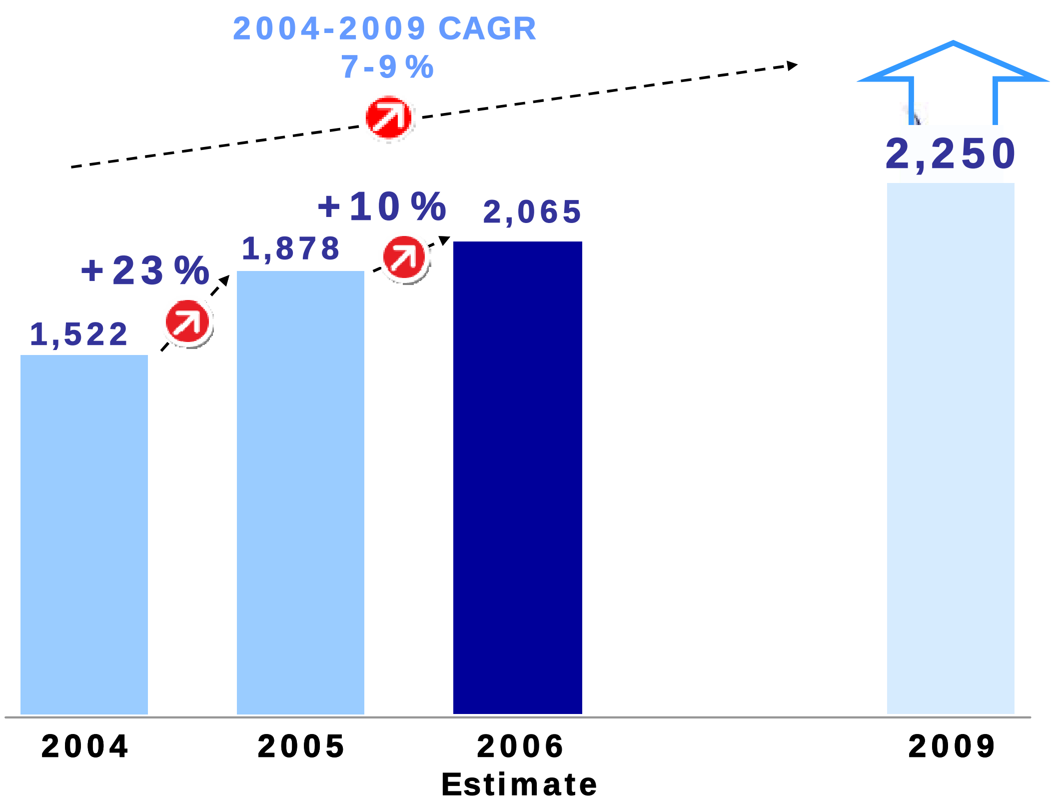
Cash returns to Spain in line with targets

	2004 US$ M	2005 US$ M	Strategic plan 2004-2009
Dividends and interests received	46	86	**750**
Capital reductions	221	195 (1)	**250**
Disposals	8	27 (2)	
Total	**275**	**308 (3)**	**1,000**

1 Includes income from Elesur of USD41M
2 Sale of CEPM for USD 24 M and EEB share buyback for USD3M
3 Does not include income from tax shield of USD 104 M in 2005

Outstanding prospects for 2006

EBITDA (€M)



- Demand growth
- Price evolution
- Generation-Distribution tariffs in Argentina
- New capacity in Peru (61 MW)

Trend clearly exceeding 2009 targets

endesa

Financial Analysis

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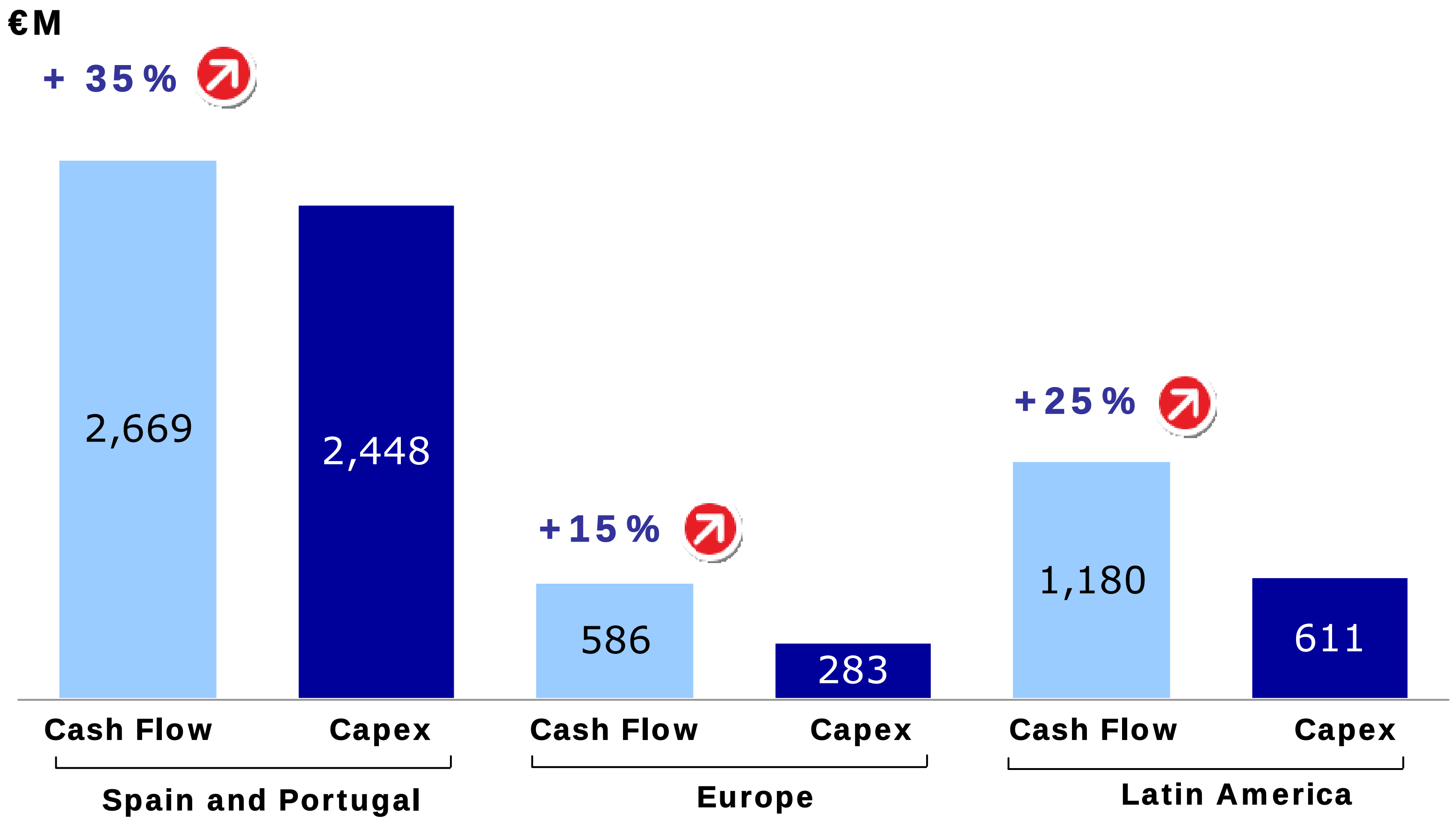
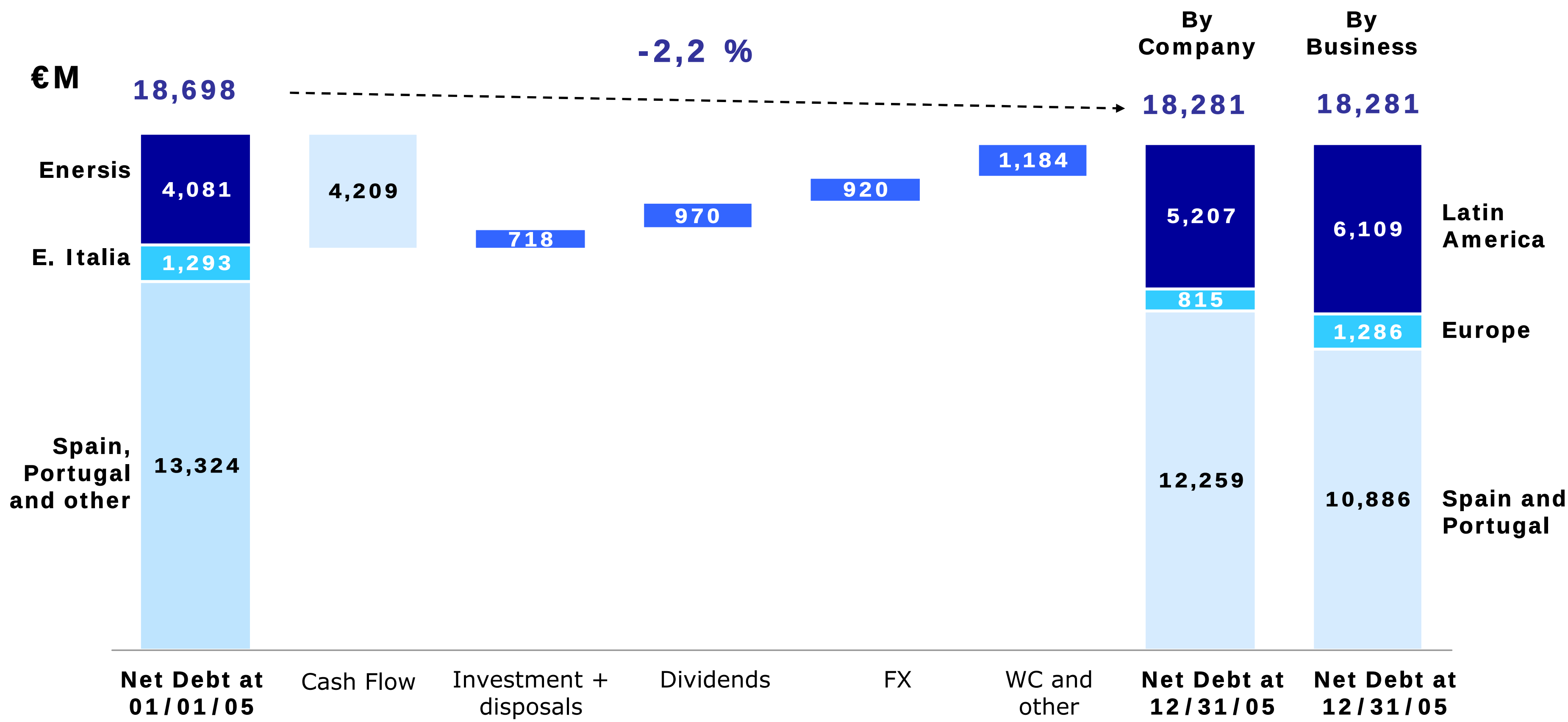
Indexes
06

Positive Cash Flow in all businesses



- Free Cash Flow before dividends: € 2.644M
- Total financial investments of €298M

Debt reduction despite financing of tariff deficit



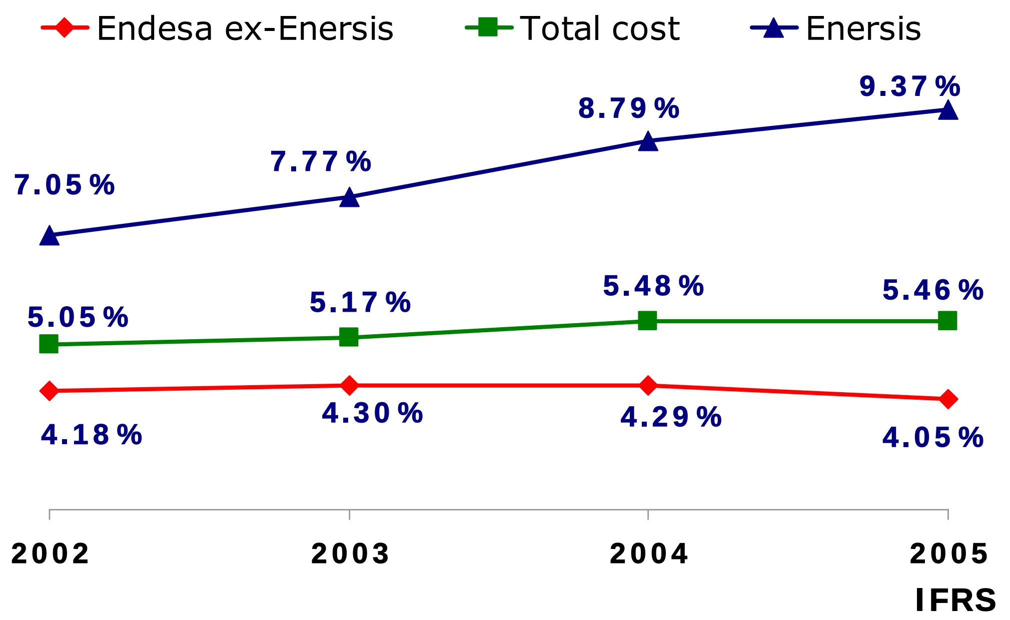
- Regulatory assets pending collection: €2,299M
- Resulting Net Debt < €16,000M

Stable cost of debt in a rising interest rate environment

Key aspects

- Stable average cost of debt
- Average life: 5.4 years
- Net debt/EBITDA: 3.1x
- Fixed-hedged/Total debt=89%
- Endesa's liquidity in:
  - Spain: €6,338M
  - Enersis: €863M

Cost of debt

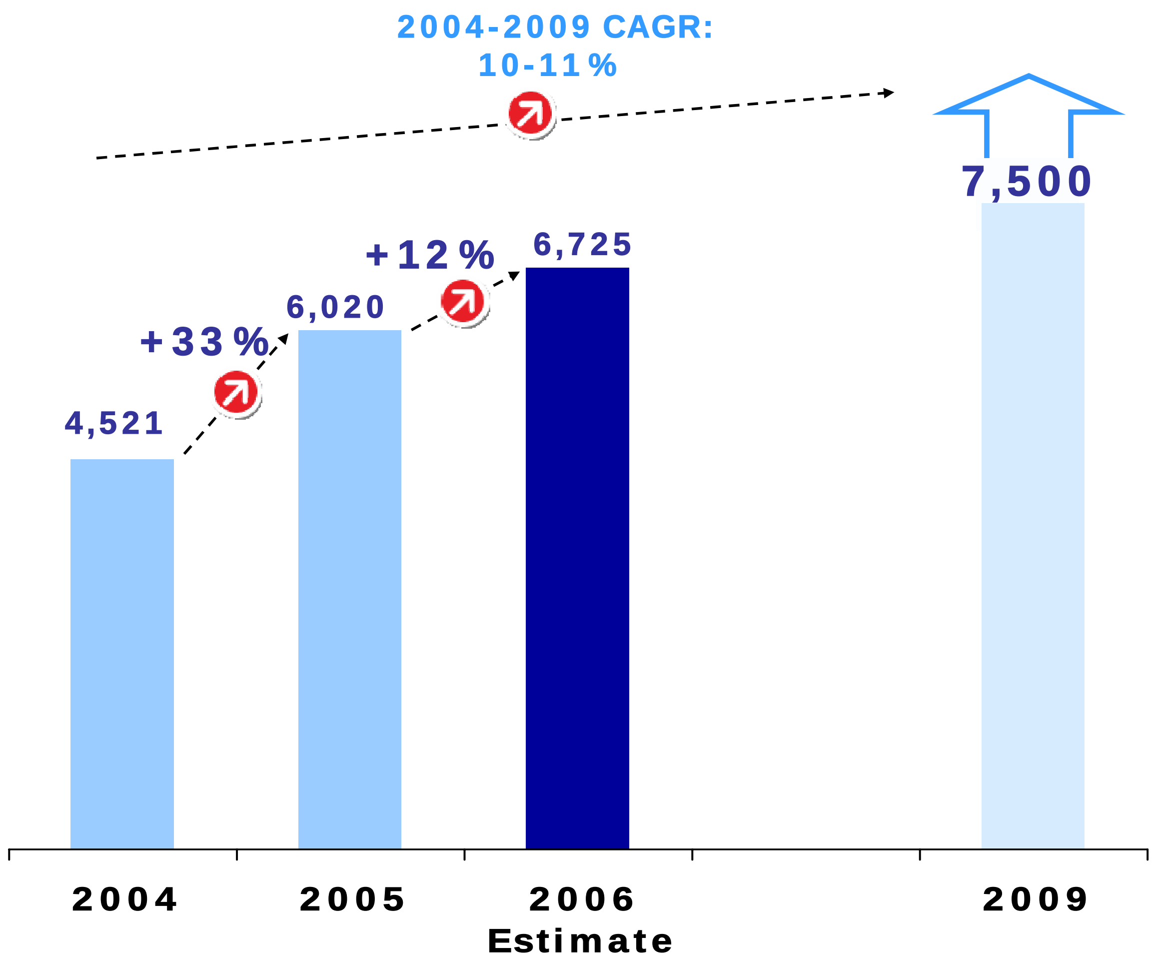


Conclusion: excellent 2005 results

	Annual Commitment to 2009	2005	Achieved
EBITDA growth:	+10-11%	**+33%**	✓
Net Income growth:	>12%	**60-154%**	✓
Growth in dividend from ordinary activities:	≥12%	**54%**	✓
Dividend from disposals:	100% capital gains	**1,341 M€**	✓
Financial Leverage:	<1,4x	**1.1x**	✓

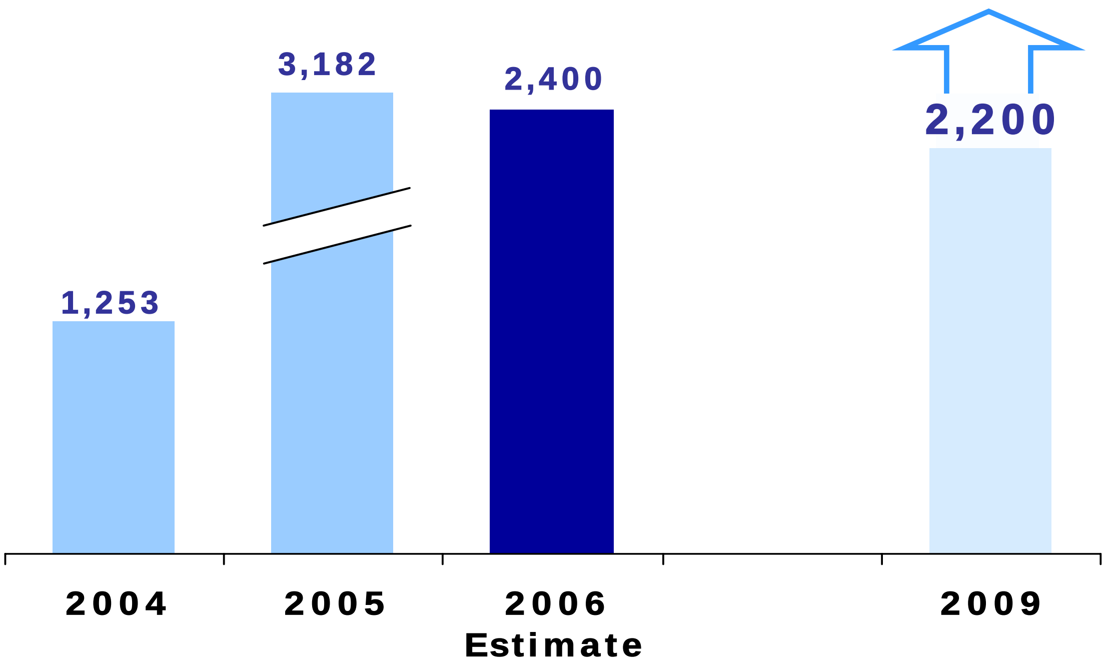
First year divident of €2,541M out of more than €7 bn committment

EBITDA: Outstanding prospects for 2006



Trend clearly exceeding 2009 targets

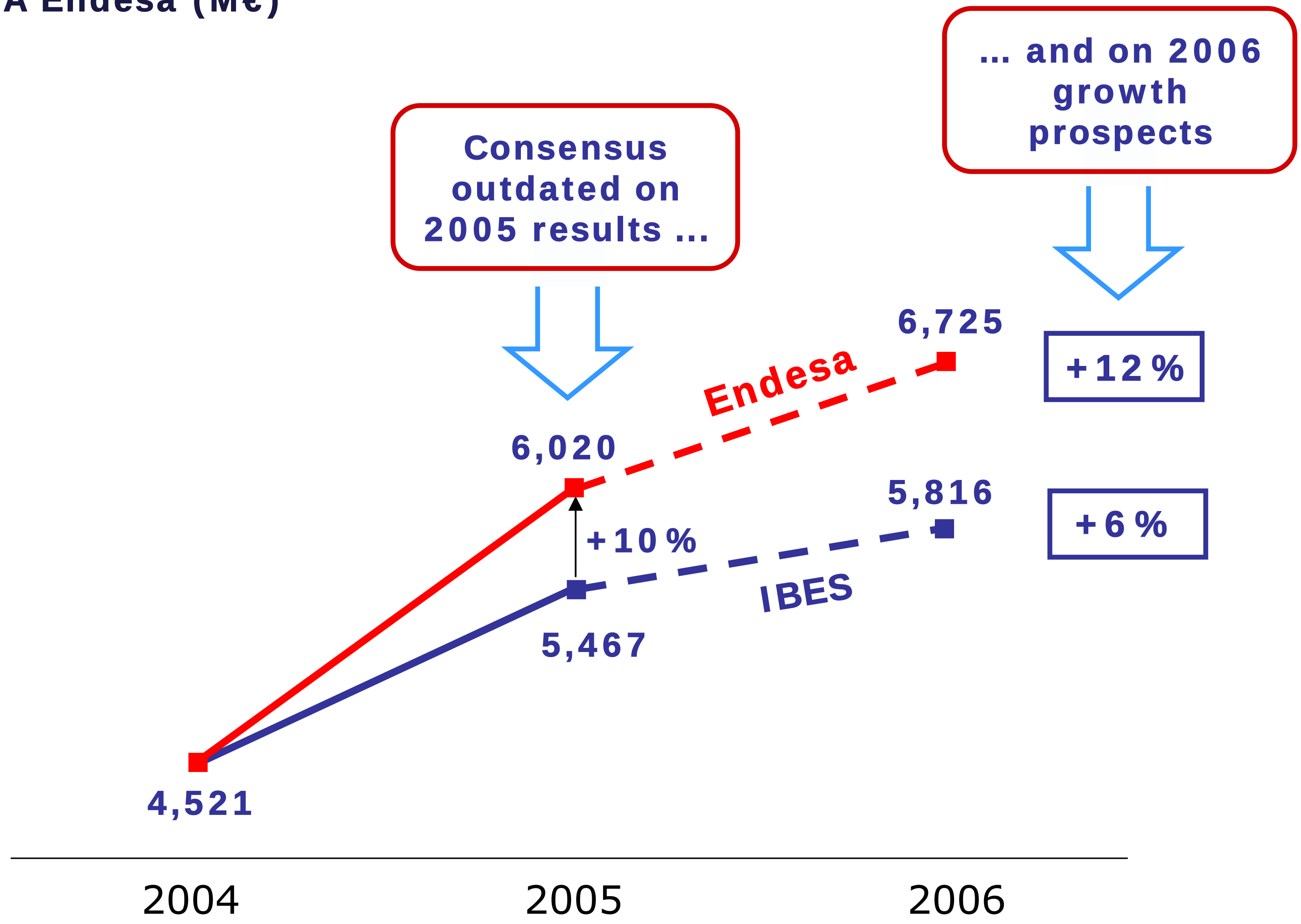
Net Income: Outstanding prospects for 2006



Trend clearly exceeding 2009 targets

Endesa: greater value

EBITDA Endesa (M€)



Endesa is already a global leader:

- #1 in Spain
- #3 in Italy and France
- #1 in Latin America

+

Excellent 2005 results and 2006 prospects

+

Trend clearly exceeding 2009 targets

+

Committed management team

+

Maximum priority on shareholder returns

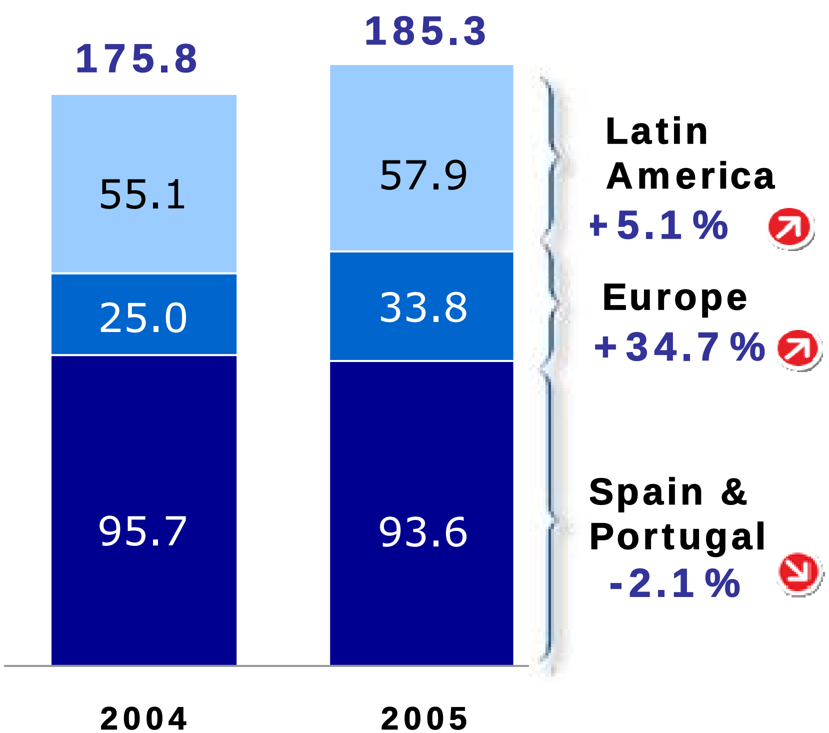
Endesa: stronger business, greater value

Back up

Diversified portfolio provides steady growth in operating indicators

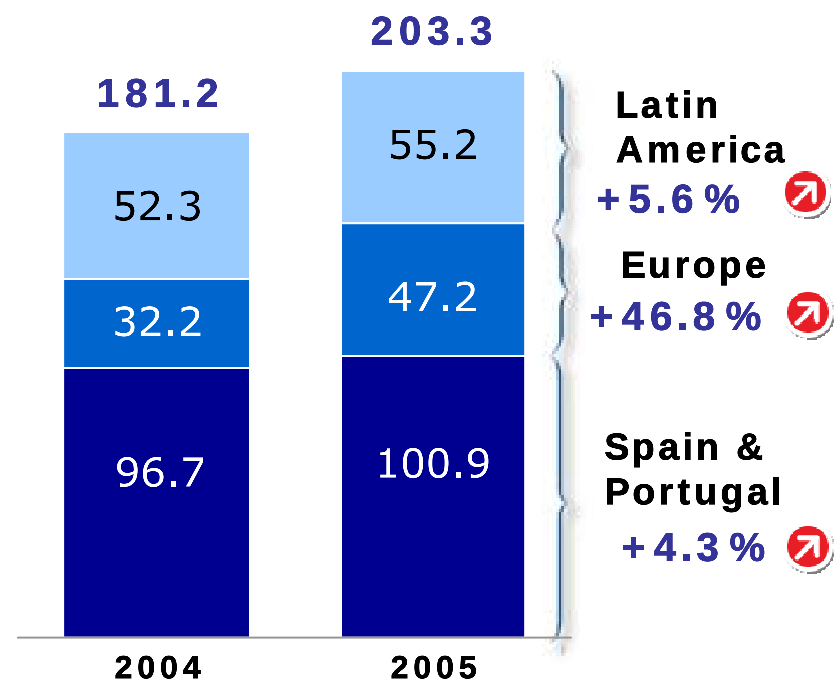
Generation (TWh)

+5%



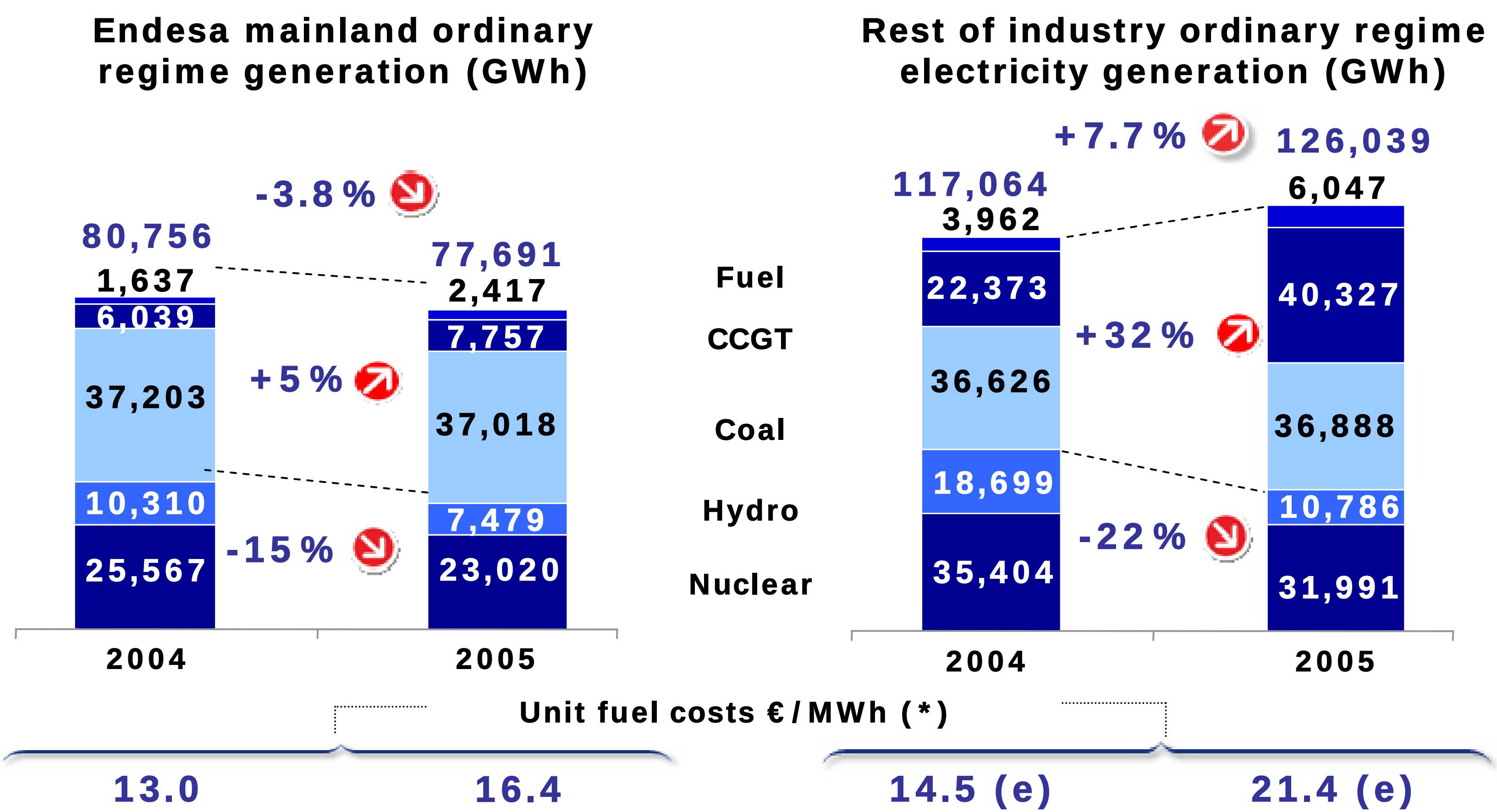
Sales (TWh)

+12%



(*) Includes sales outside Spain of : 4,235 GWh vs. 3,565 GWh the previous year

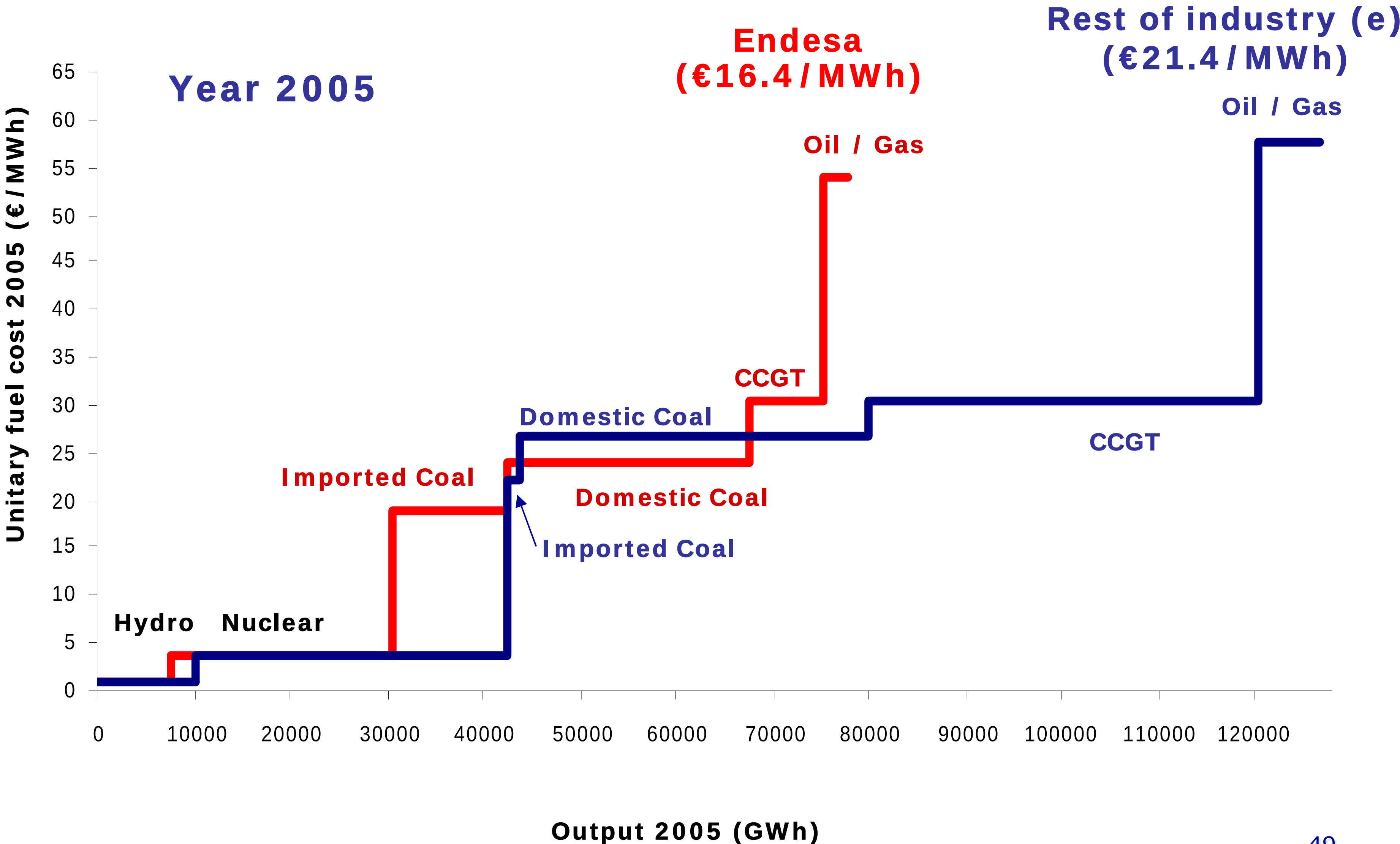
Thermal production diminishes impact of hydro output fall



- Unusual period due to low rainfall, conversion of As Pontes and downtime at Vandellós plant. Vandellós and Group 4 of As Pontes now already commissioned
- Importance of coal to meet demand

(*)Does not include pumping

Endesa vs. Rest of industry. Generation profile provides lower variable costs

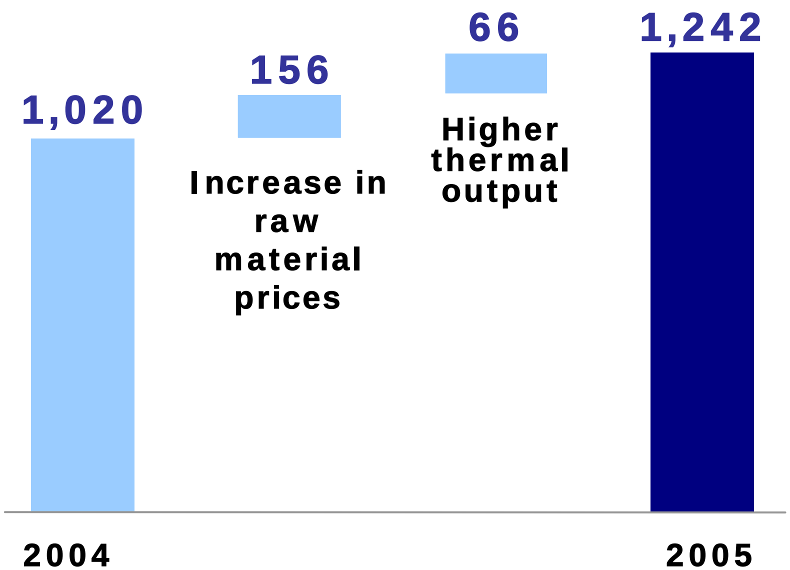


Highly competitive mainland fuel costs

Breakdown of mainland unit fuel costs

€/MWh	2004	2005	Change
Nuclear	3.5	3.5	1.7%
CCGT	26.3	30.4 (2)	15.7%
Domestic coal (1)	18.4	22.9	24.4%
Imported coal	15.2	19.0	25.0%
Fuel	47.5	53.8	13.2%
Thermal average	13.8	17.8	28.6%
Total average	13.0	16.4	26.0%

Breakdown of fuel cost increases (€M)

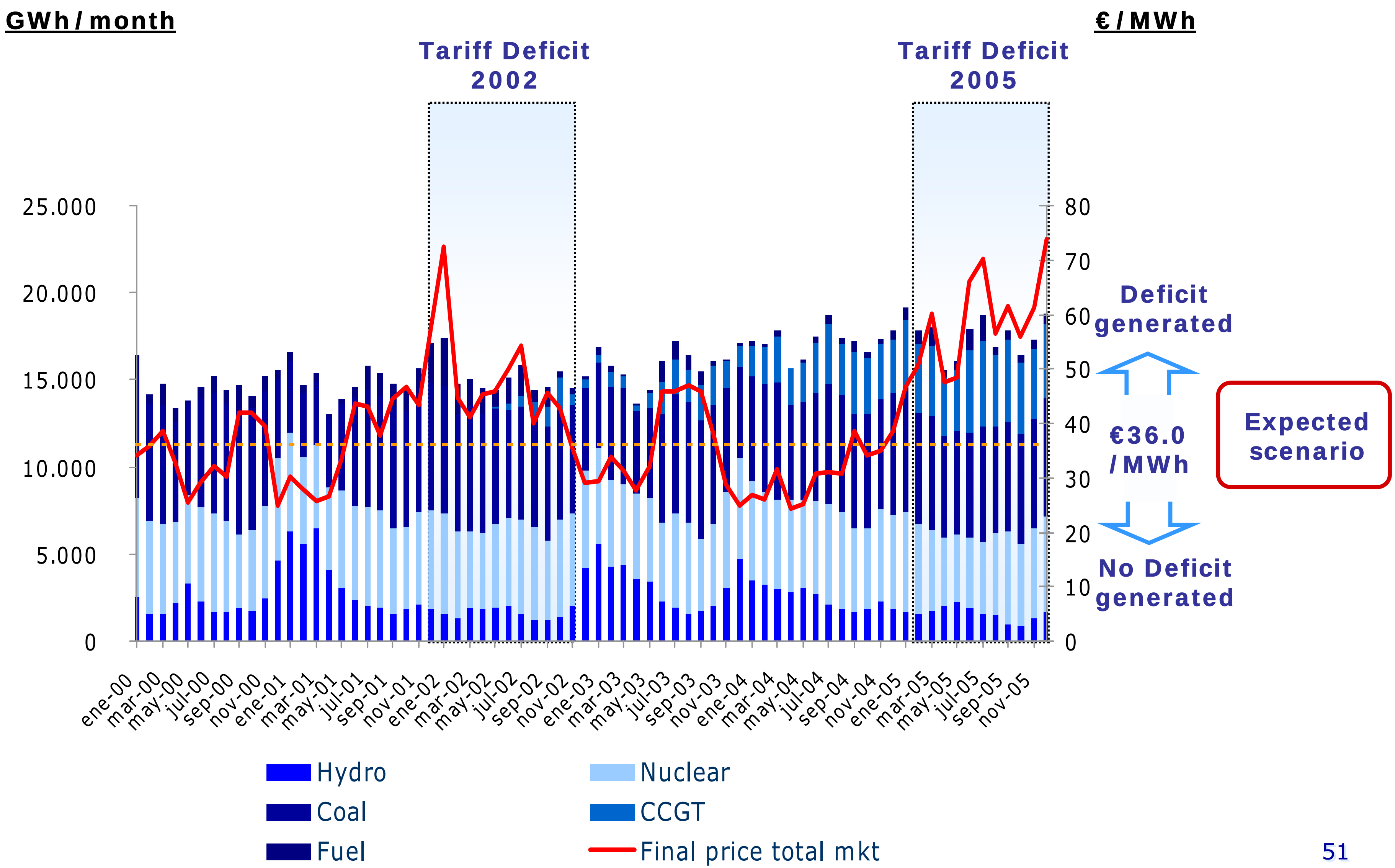


A third of the increase is due to higher thermal production deriving from low rainfall

(1) Net of coal subsidies. Gross increase from €21.3/MWh to €23.8/MWh. Includes imported coal consumed in domestic coal plants

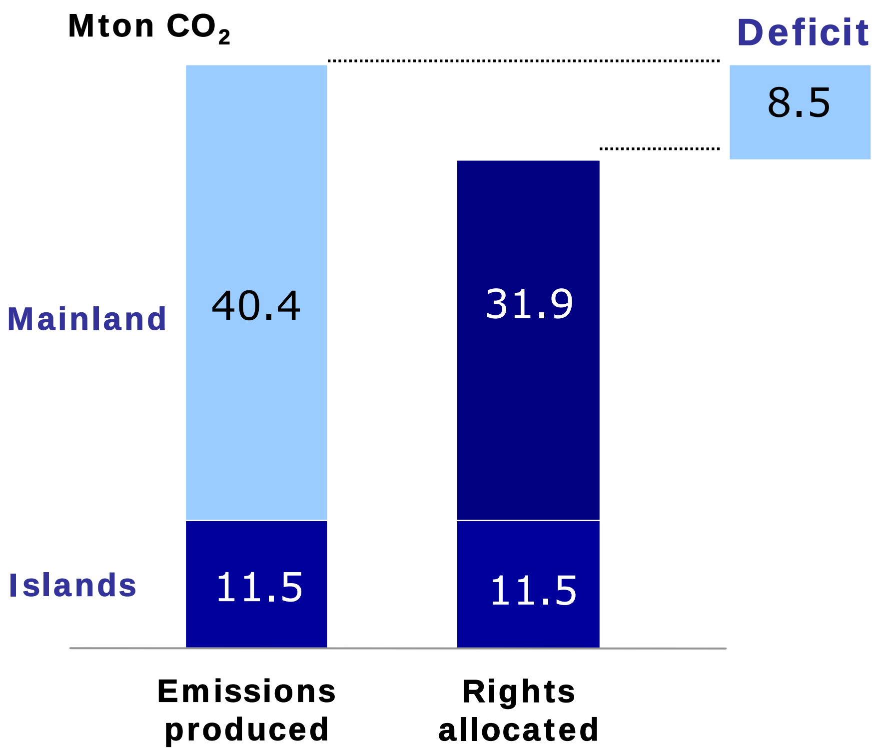
(2) €26.7/MWh excluding ATR

New pricing enviroment generates tariff deficits



Exceptionally high emission rights deficit due to low rainfall

Balance of emission rights in 2005



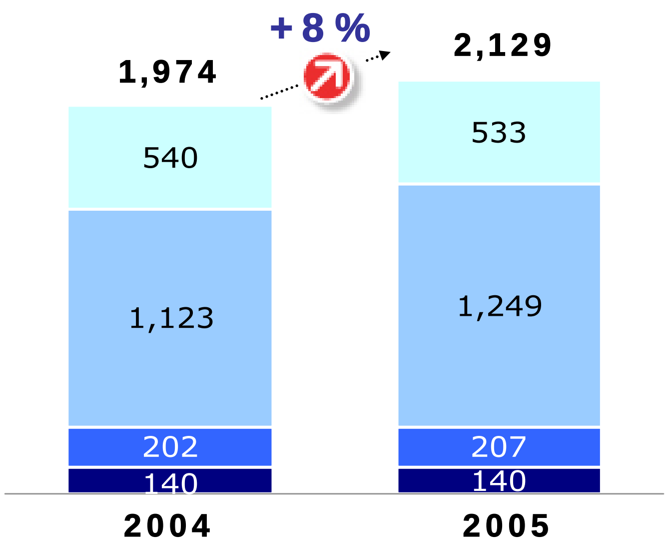
Economic impact

- Impact aggravated by adverse hydro conditions
- CCGTs have consumed 105% of their annual allocated emission rights and coal plants consumed 125%
- Rights deficit cost: 185M€[1] (average cost €21.75/t)[2]
- Limited impact on variable generation costs: €2.4/MWh

[1] Before taxes
[2] Closing price: €21.88/ton

Growth in Renewables/CHP

Capacity (MW)[1]



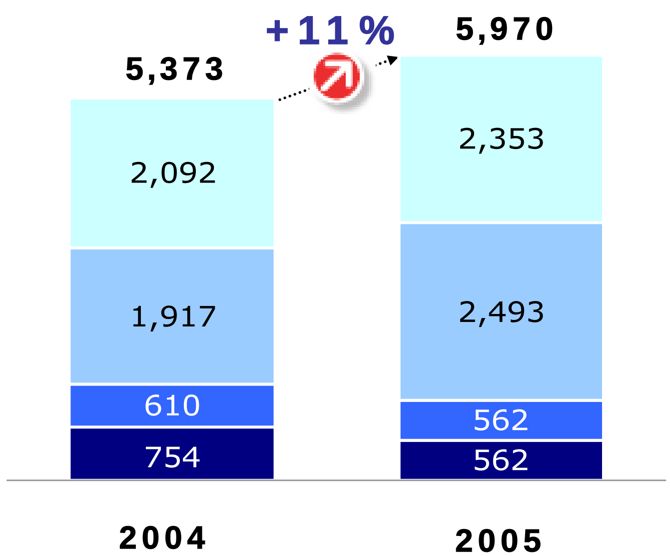
Cogen

Wind

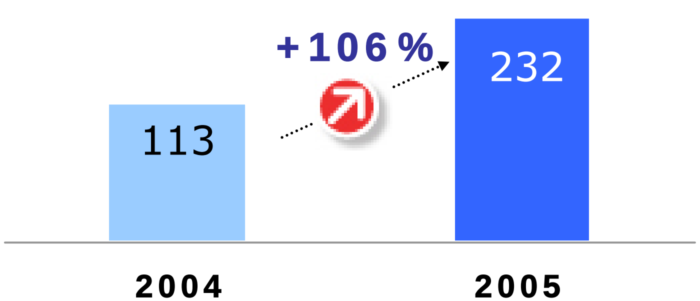
Mini Hydro

Other

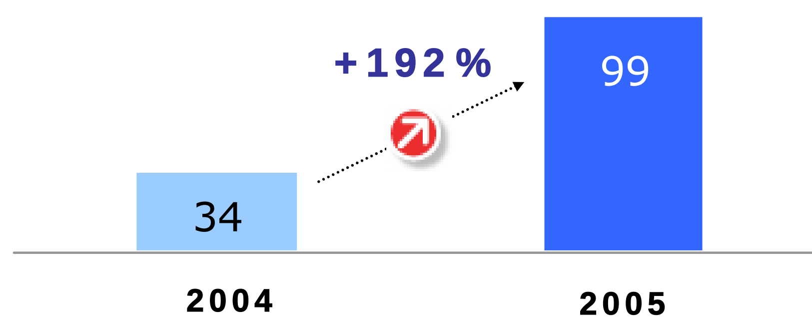
Production (GWh)[1]



Sales (€M)



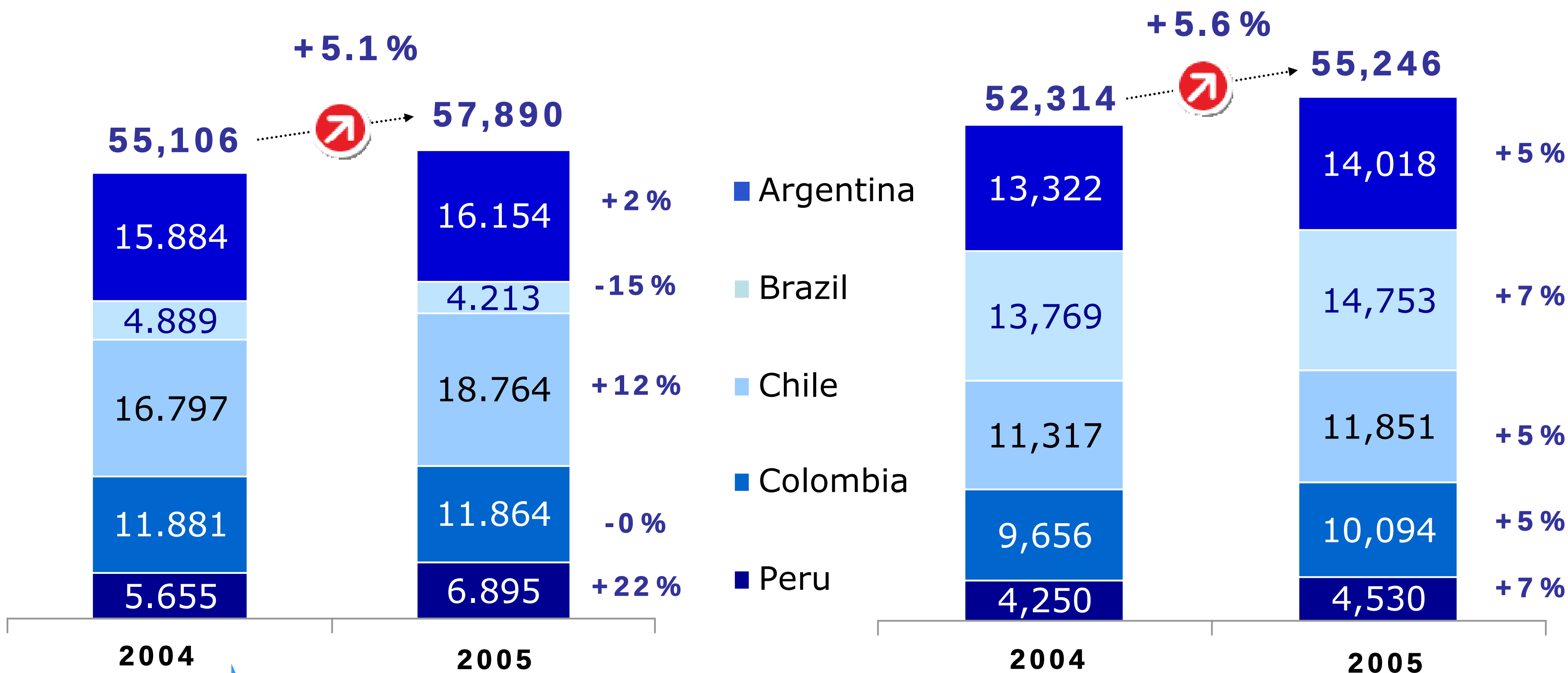
EBIT (€M)



[1] *100% of the projects in which Endesa participates*

High growth in production and sales

Generation (GWh) | **Distribution (GWh)**

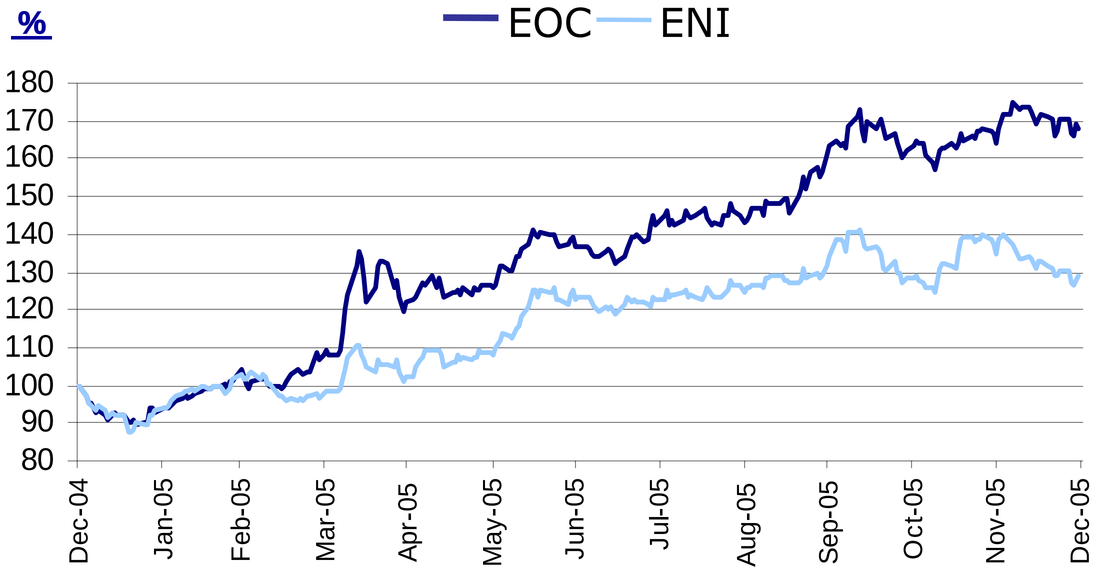


Strategic plan Growth

CAGR +3.5% | **CAGR +5.0%**

Higher trading levels of ENI and EOC and improved credit rating

Price performance ADRs (%)



ADRs	Performance ENI	Performance EOC
2004	15.6%	55.9%
Cum. June 05	22.7%	36.5%
Cum. Sept. 05	34.4%	63.4%
Cum. Dici. 05	29.1%	67.9%

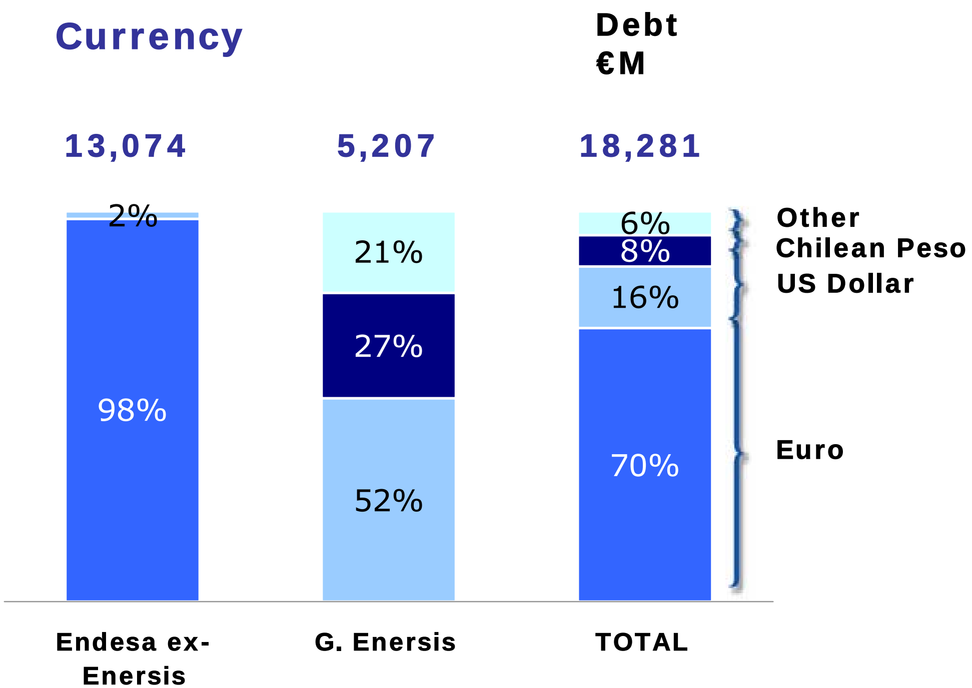
$US M	Market Cap ENI	Market Cap EOC
2003	4,737	3,224
2004	5,489	4,929
June 05	6,886	6,856
September 05	7,444	8,077
December 05	7,084	8,314

Credit Rating

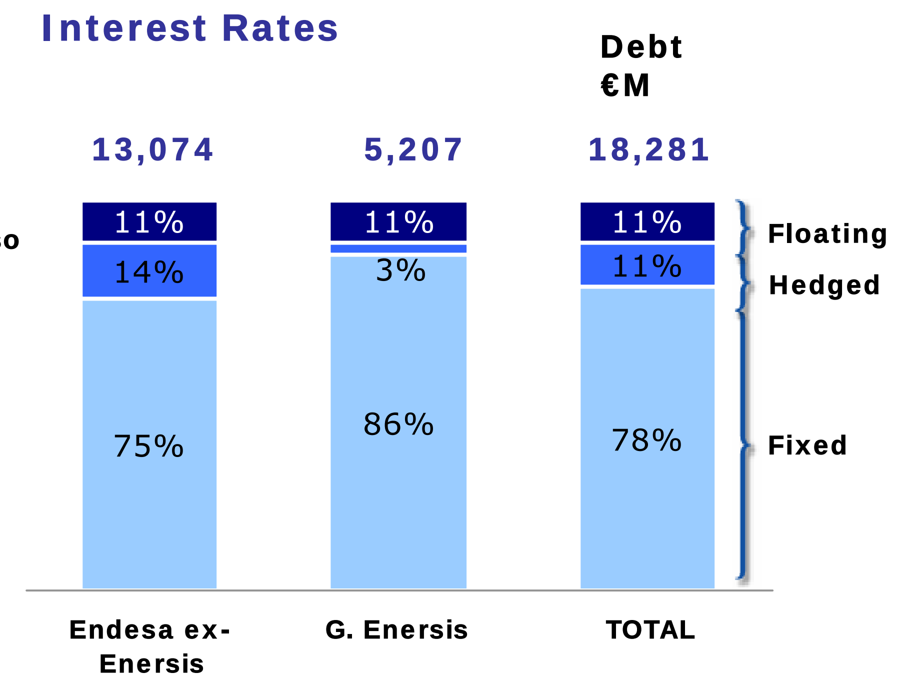
ENERSIS	Dec 04	Dec 05
Moody´s	Ba2, Stable Outlook	**Ba1, Positive Outlook**
S&P	BBB-, Stable Outlook	**BBB-, Positive Outlook**
ENDESA CHILE		
Moody´s	Ba2, Stable Outlook	**Ba1, Positive Outlook**
S&P	BBB-, Stable Outlook	**BBB-, Positive Outlook**

Debt structure aligned with business needs and risk

Currency hedging



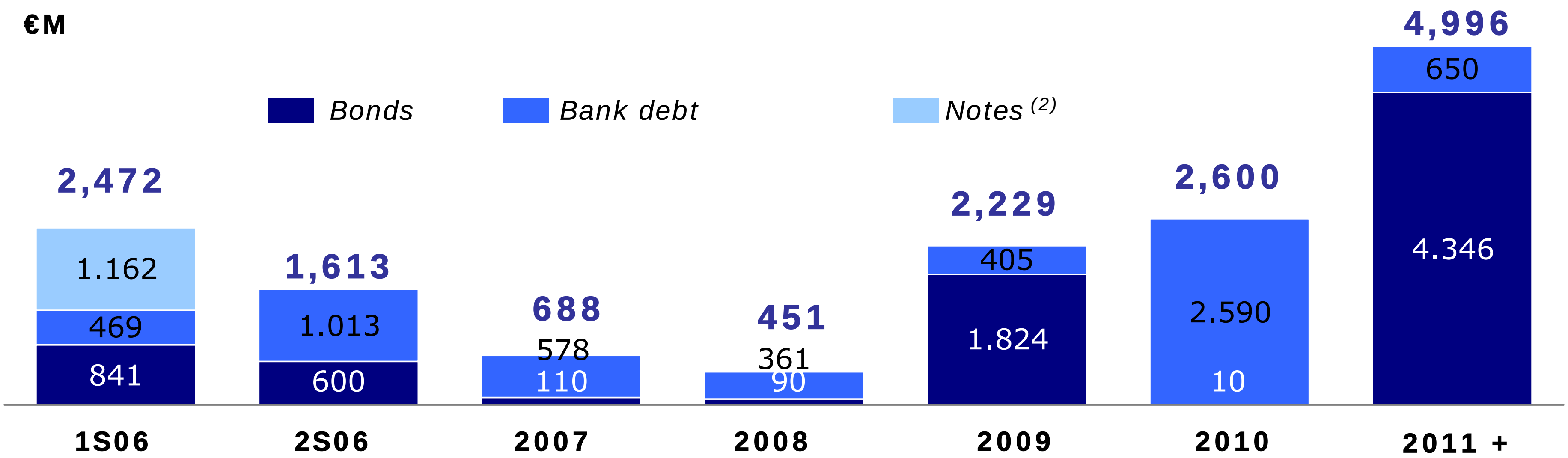
Interest rate hedging



- Currency risk is limited by denominating debt in the same currency in which cash flows are generated
- The high percentage of interest rate hedging reduces volatility in financial expenses

Endesa Spain debt maturities

Gross balance of maturities outstanding as of 31 December 2005: €15,049M[1]

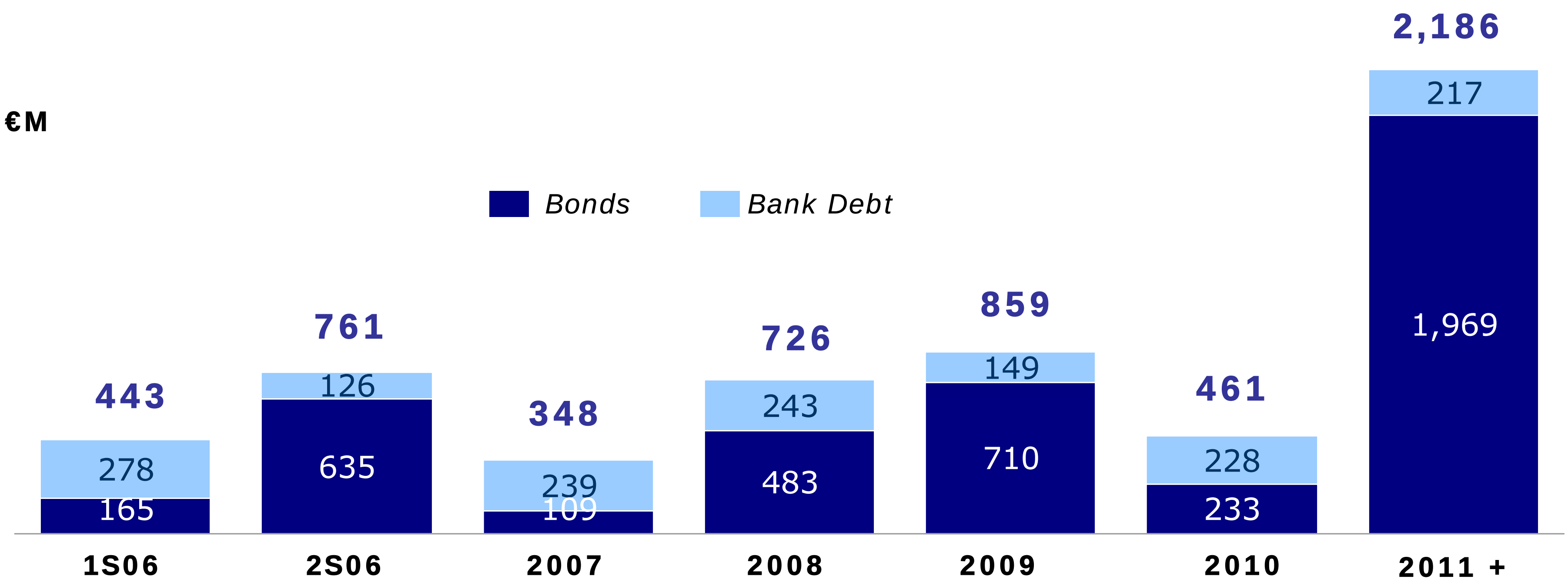


- ENDESA's liquidity in Spain stands at €6,338M (€2,072M in cash, €2,766M in available credit lines, €1,500M from the new syndicated loan) and covers debt maturities falling due in the next 39 months

(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 outflow
(2) The notes issued are backed by long-term credit lines, renewed on a regular basis.

Enersis debt maturity

Gross balance of maturities outstanding as of 31 December 2005: €5,784M[1]



Enersis has liquidity of €863M to cover debt maturities falling due in the next 10 months

(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 outflow

Important Legal Information

Investors are urged to read Endesa's Solicitation/Recommendation Statement on Schedule 14D-9 when it is filed with the U.S. Securities and Exchange Commission (the "SEC"), as it will contain important information. The Solicitation/Recommendation Statement and other public filings made from time to time by Endesa with the SEC are available without charge 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 are subject to material risks, uncertainties, changes and other factors which 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; expected asset disposals; estimated increases in capacity and output and changes in capacity mix; repowering of capacity and macroeconomic conditions. For example, the EBITDA and dividends targets for 2004 to 2009 included in this presentation are forward-looking statements and are based on certain assumptions which may or may not prove correct. The principal assumptions underlying these forecasts and targets relate to regulatory environment, exchange rates, divestments, increases in production and installed capacity in the various markets where Endesa operates, increases in demand in these markets, allocation of production among different technologies increased costs associated with higher activity levels not exceeding certain levels, the market price of electricity not falling below certain levels, the cost of CCGT and the availability and cost of gas, fuel, coal and emission rights necessary to operate our business at desired levels.

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: 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; natural disasters; the impact of more stringent environmental regulations and the inherent environmental risks relating to our business operations; the 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. Any delays in or failure to obtain necessary regulatory approvals, including environmental to construct new facilities, repowering or enhancement of existing facilities; shortages or changes in the price of equipment, materials or labor; opposition of political and ethnic groups; adverse changes in the political and regulatory environment in the countries where we and our related companies operate; adverse weather conditions, which may delay the completion of power plants or substations, or natural disasters, accidents or other unforeseen events; and the inability to obtain financing at rates that are satisfactory to us.

Political/Governmental Factors: political conditions in Latin America; changes in Spanish, European and foreign laws, regulations and taxes.

Operating Factors: technical difficulties; changes in operating conditions and costs; the ability to implement cost reduction plans; the ability to maintain a stable supply of coal, fuel and gas and the impact of fluctuations on fuel and gas prices; acquisitions or restructurings; the ability to implement an international and diversification strategy successfully.

Competitive Factors: the actions of competitors; changes in competition and pricing environments; the entry of new competitors in our markets.

Further information about the reasons why actual results and developments may differ materially from the expectations disclosed or implied by our forward-looking statements can be found under "Risk Factors" in our annual report on Form 20-F for the year ended December 31, 2004.

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.

2005 Results

Endesa: stronger business, greater value

Member of Dow Jones Sustainability Indexes 06

18 January 2006