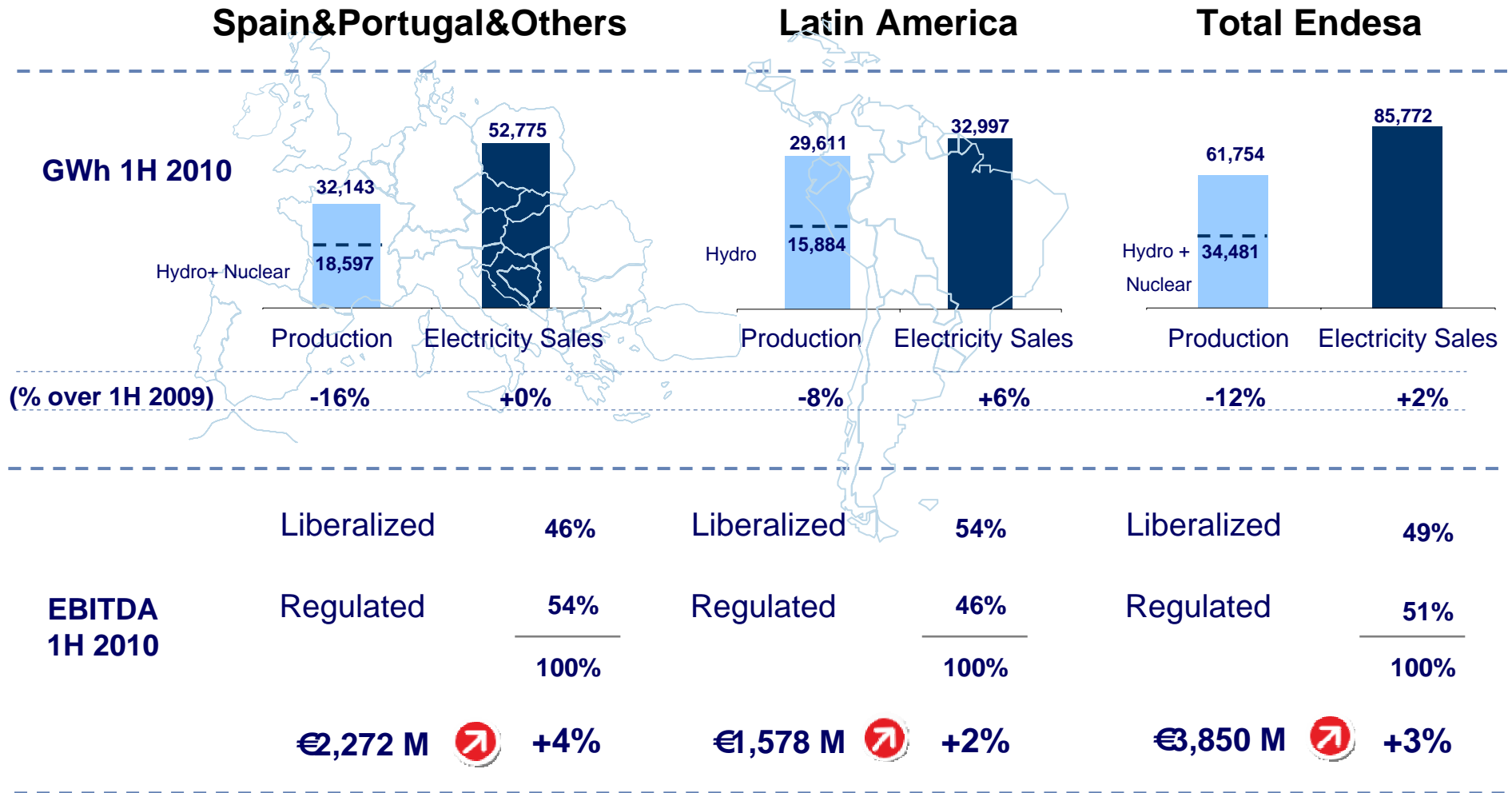


28 | 07 | 2010

endesa 1H 2010 results



Positive results leveraged on a balanced business portfolio



Growth at operating level

€M	1H 2010	1H 2009	Change
Revenues	15,113	11,251	+34%
Gross margin	5,590	5,423	+3%
EBITDA	3,850	3,736	+3%
Spain&Portugal&Others	2,272	2,183	+4%
Endesa Latin America	1,578	1,553	+2%
EBIT	2,811	2,708	+4%
Net finance expenses⁽¹⁾	573	539	+6%
Net attributable income	2,120	2,263	-6%
Homogeneous net attributable income excluding capital gains⁽²⁾	1,185	1,142	+4%

▪ **EBITDA +7% adjusted by perimeter (asset disposals)⁽³⁾**

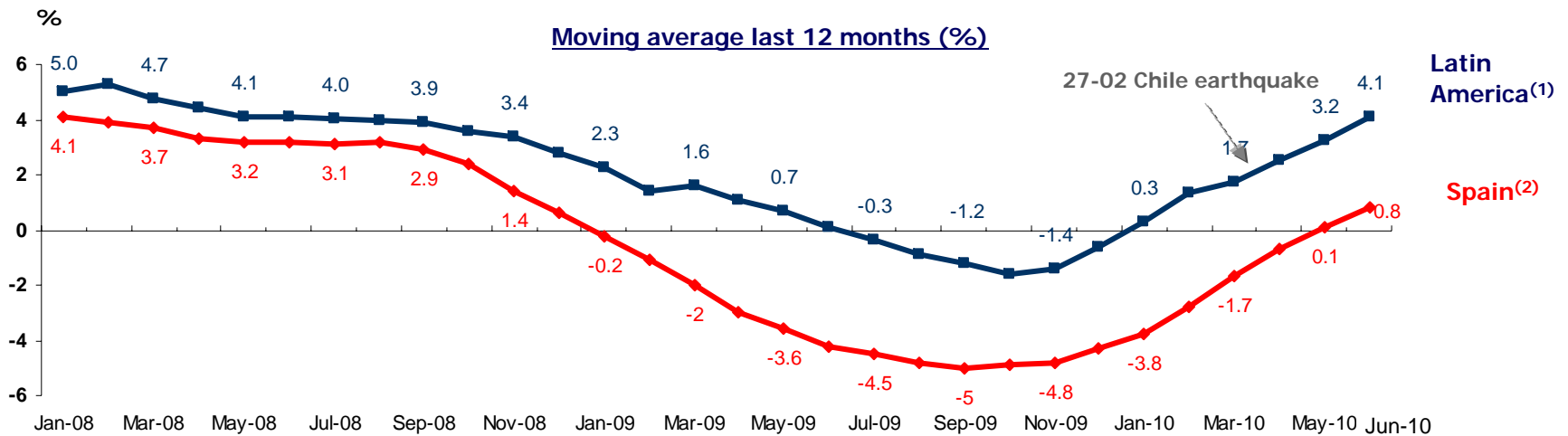
(1) €77 M increase due to one-off regularization of previous years accrual of financial revenues related to tariff deficit (Royal Decree 6/2010)

(2) Homogeneous consolidation perimeter and excluding net capital gains (€1,032 M in 1H 2009 and €916 M in 1H 2010)

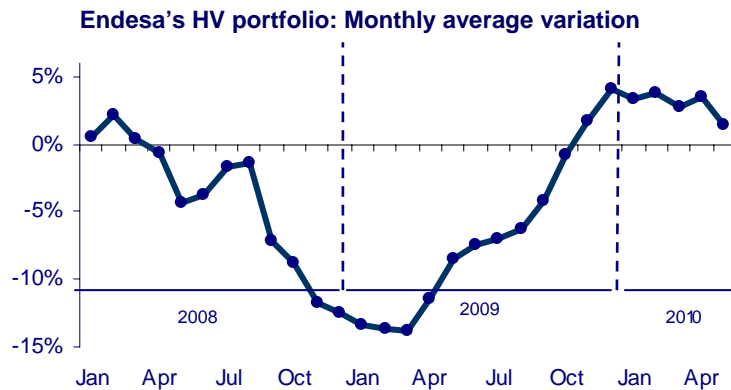
(3) EBITDA adjusted by perimeter: €181 M in 1H 2009 & €32 M in 1H 2010

Improvement in electricity demand

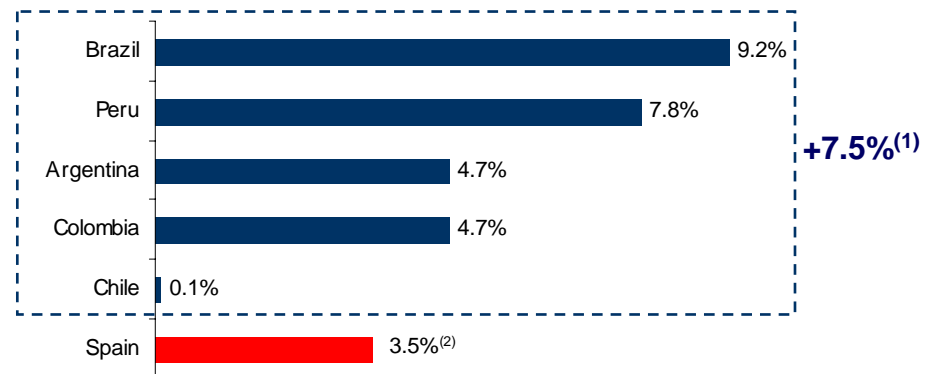
Solid demand growth in Spain and Latin America



Spain: industrial demand recovery



Demand growth 1H 2010

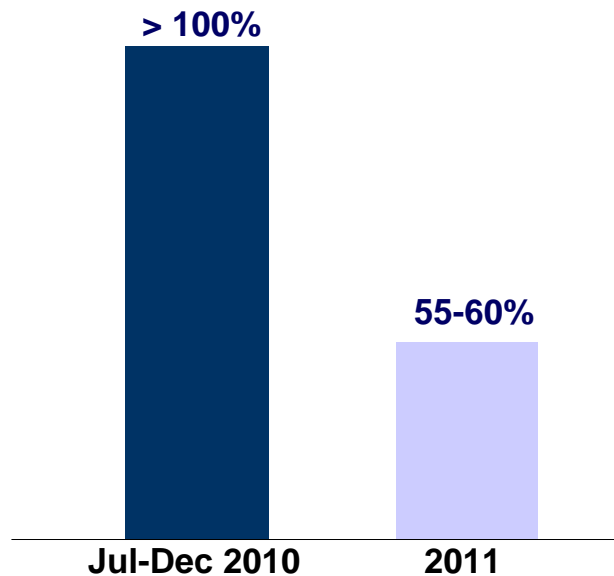


(1) Not adjusted for weather and working days. Countries where Endesa operates weighted by TWh (demand by country)

(2) Adjusted for weather and working days. (4.2% not adjusted). Source: REE

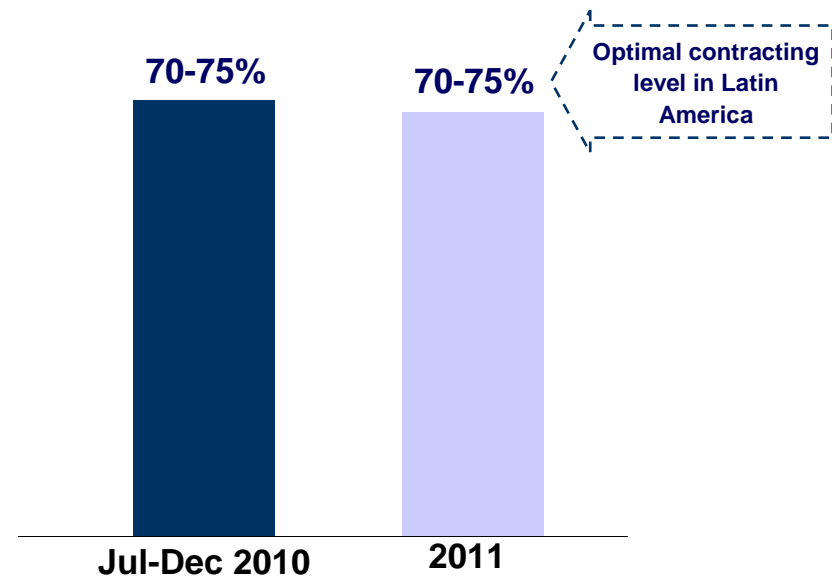
Effective hedge of liberalized margins through consistent forward sales strategy

Spain&Portugal (% estimated mainland output already committed)



- Stable margins despite volatile wholesale electricity prices

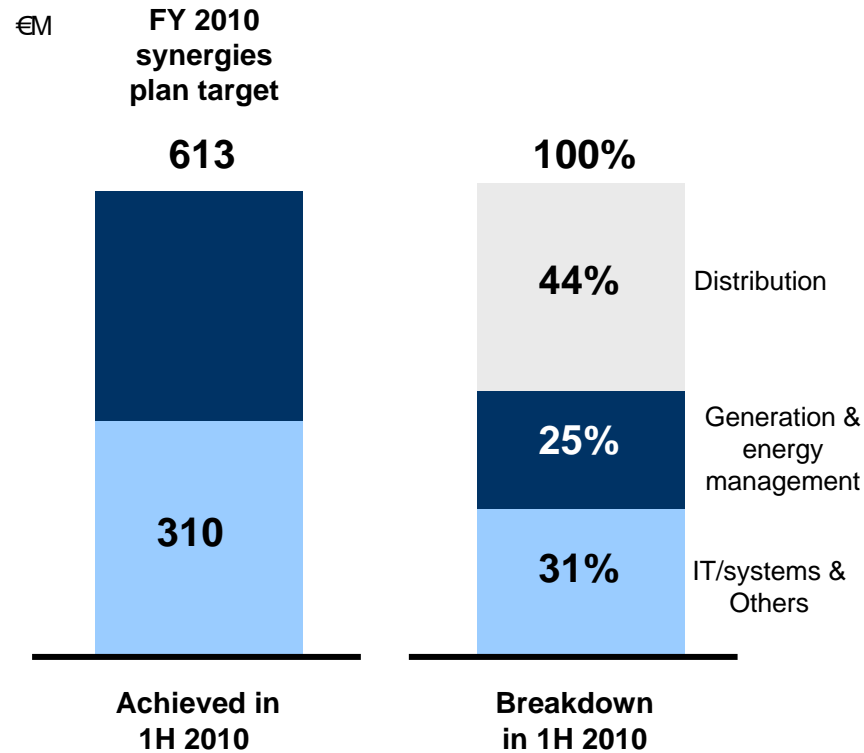
Latin America (% estimated output already committed)



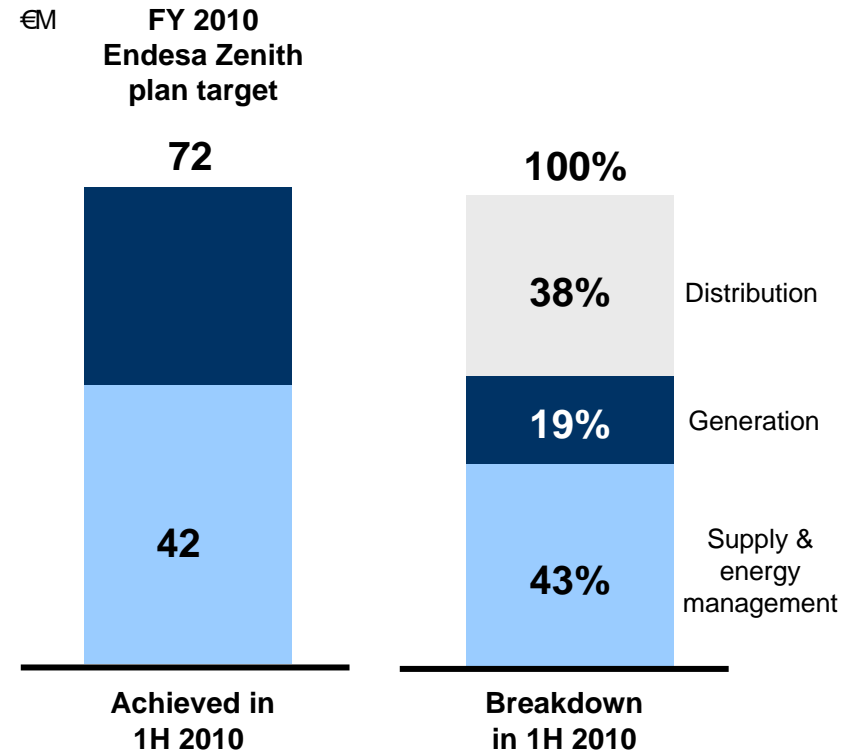
- 32% of the generation sold via contracts > 5 yrs and 23% via contracts > 10 yrs

Progress towards efficiency targets

Synergies Plan



Endesa Zenith Plan

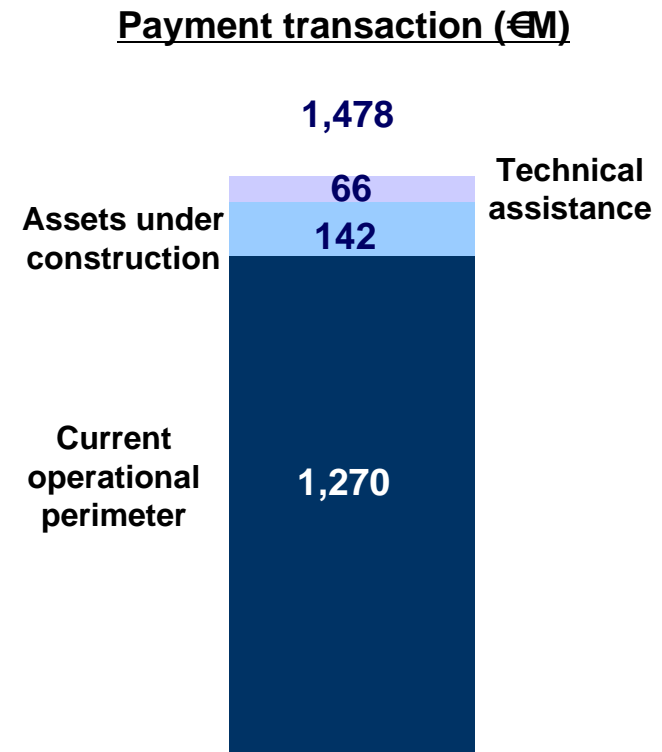


- **51% of Synergies Plan target for 2010 achieved**
- **58% of Endesa Zenith Plan target for 2010 achieved**

Recent corporate transactions

High Voltage agreement with REE

- 100% of HV perimeter
- Transaction payment 1,478 M€, Cash in > €1 bn in July 2010
- Limited price adjustment (€48 M) subject to definitive 2010 revenues
- Includes a technical assistance agreement for 4 years with an upfront payment of €66 M
- Capital gain after tax (~€750 M) to be recorded at closing
- Closing expected by 4Q 2010, after regulatory approval (consolidation in Endesa financial statements until closing)



Attractive multiples: ~9x EV revenues₍₂₀₁₀₎

Recent and ongoing corporate transactions

Endesa Hellas

- Sale closing on July 1st
- €140 M Equity for 50.01% for Endesa`s stake (€60 M cash in)

SAGGAS

- Sale of 20% SAGGAS: €43 M. Capital gain: €30 M
- Expected closing by September 2010. Pending regulatory approvals

REE

- Sale of remaining stake in REE (1% for €51 M) completed in February (€36 M capital gain in 2010 and €5 M in 2009)

Other ongoing transactions

- Sale of 80% of distribution and transmission gas assets in Spain. Short list and binding offers by September
- Disposal of non core assets in Latin America: CAM & Synapsis
- Agreement to sale 21 % stake in Reganosa

Main regulatory issues in Spain

- Energy political agreement:
 - Tariff review July 1st
 - Generation mix target for 2020
 - Regulated costs revision before next tariff review
 - Renewables remuneration

- Tariff deficit securitization

- Domestic coal

Endesa is collaborating with all institutions to achieve stable regulation and fair remuneration, with appropriate price signals to attract new investments

Main regulatory issues in Latin America

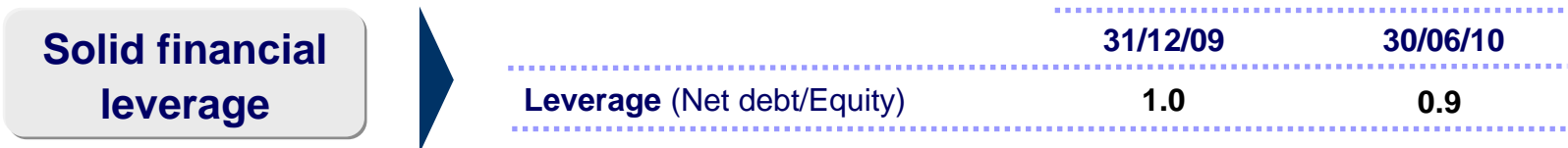
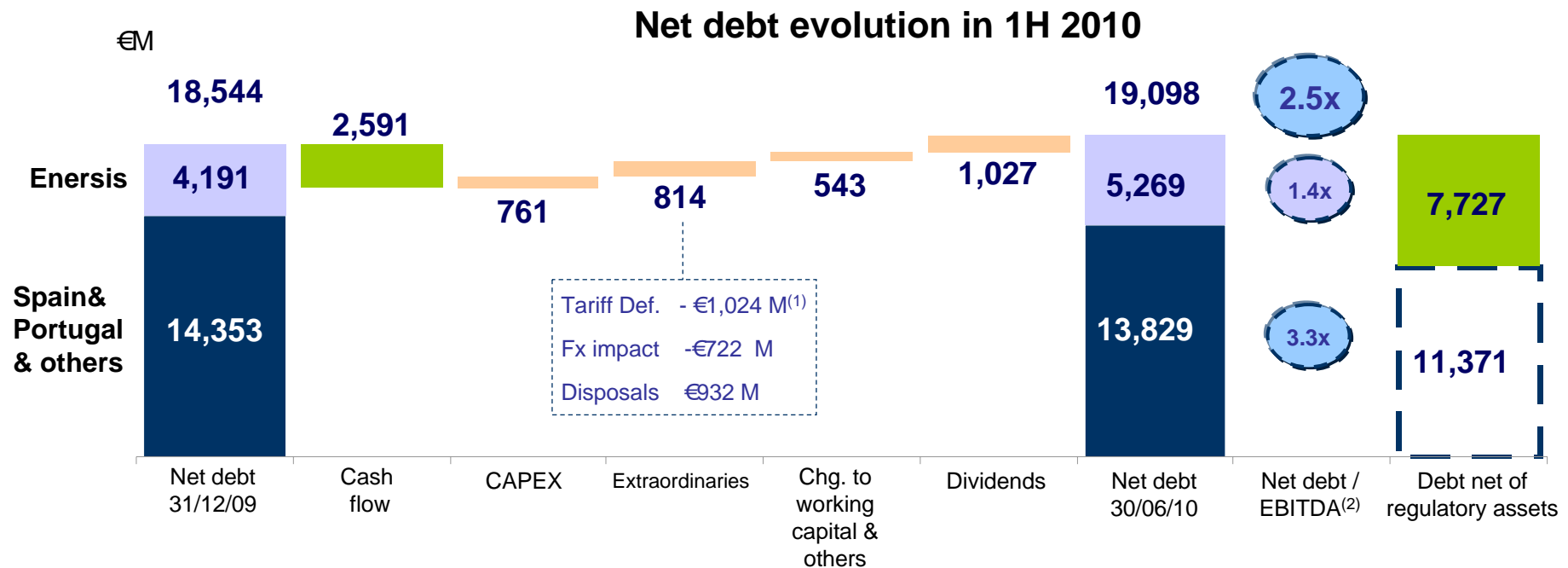
■ CIEN:

- Contract to export energy from Brazil to Argentina, € 60 M, from June to September 2010
- Discussions at final stage with Brazilian Government to define a stable remuneration scheme as part of the transmission system

■ Argentina:

- Generation: active discussions with the regulator to improve remuneration
- Distribution: full tariff review pending discussion to recognize inflation cost in tariff

A sound financial position adapted to market context



- Endesa liquidity excluding Enersis covers 18 months of debt maturities
- Enersis liquidity covers 17 months of debt maturities

(1) €746 M mainland & €282 M non-mainland systems
 (2) Last 12 months

spain&portugal&others 1H 2010



Highlights

- **Demand recovery: 3.5%⁽¹⁾ in 1H 2010. 6 months of positive growth after 16 months of decline**
- **Competitive energy sources mix within a low wholesale prices scenario**
 - **-16% electricity generation to 32 TWh**
 - **+289% energy purchases to 26 TWh**
- **Energy management optimization based on leadership in supply: 40% market share**
- **Good fixed costs performance as a consequence of efficiency initiatives**
- **Endesa share in tariff deficit 1H 2010: €1,024 M⁽²⁾**

(1) Adjusted for working days and temperature effects. Otherwise increase would be 4.2%. Source REE.

(2) Mainland €742 M and Non-mainland €282 M

Strong operating performance

€M	1H 2010	1H 2009	Change
Revenues	10,526	7,059	+49%
Gross margin	3,426	3,359	+2%
EBITDA	2,272	2,183	+4%
EBIT⁽¹⁾	1,603	1,441	+11%
Net finance expenses⁽²⁾	342	331	+3%
Net attributable income	1,808	1,983	-9%
Homogeneous net attributable income excluding capital gains⁽³⁾	876	862	+2%

- **Good performance in fixed costs**
- **EBITDA +12% adjusted by perimeter (asset disposals)⁽⁴⁾**

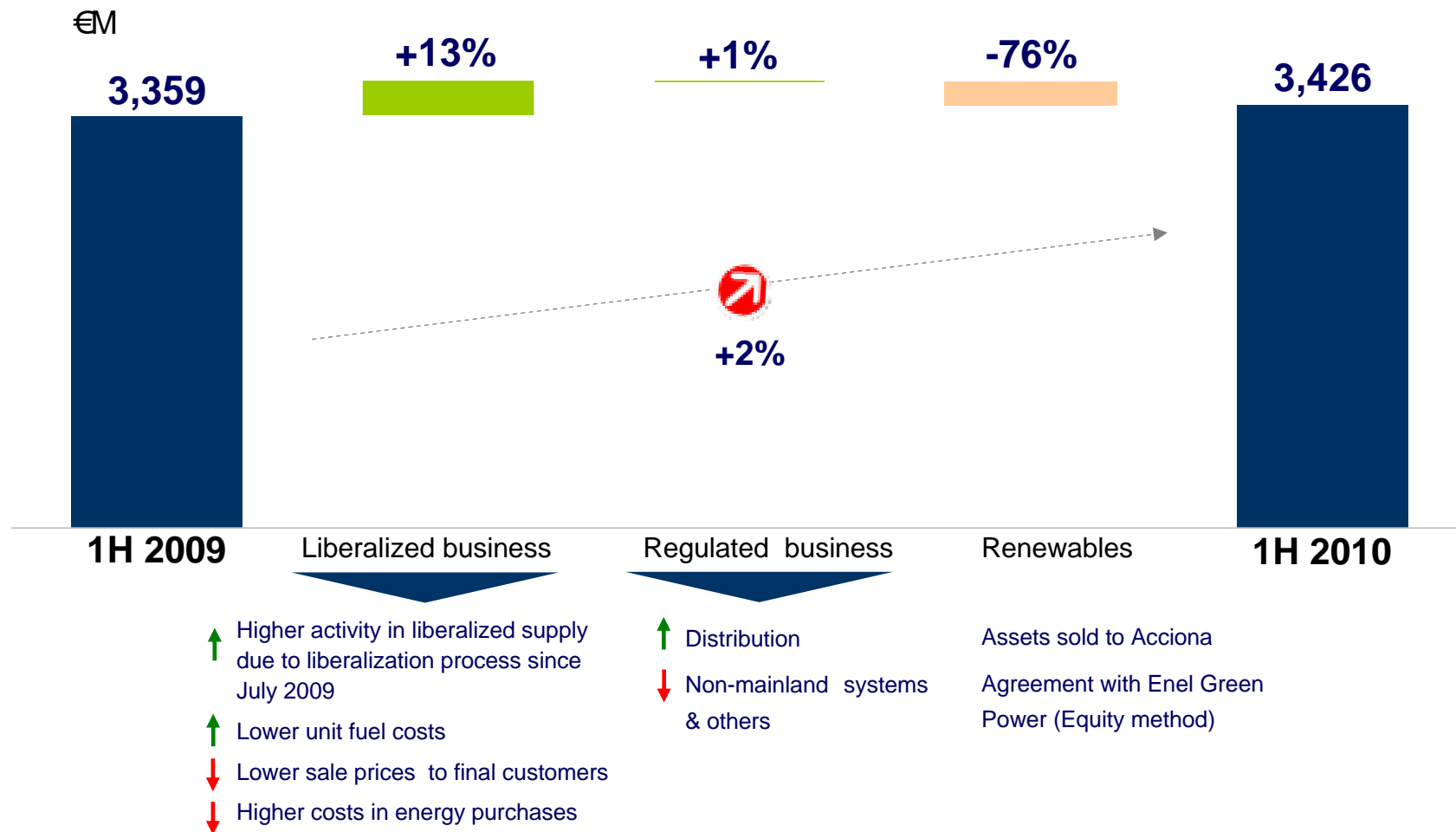
(1) Non recurrent extraordinary depreciation charges in 1H 2009

(2) €77 M increase due to one-off regularization of previous years accrual of financial revenues related to tariff deficit (Royal Decree 6/2010)

(3) Homogeneous consolidation perimeter and excluding net capital gains (€1,032 M in 1H 2009 and €916 M in 1H 2010)

(4) EBITDA adjusted by perimeter: €181 M in 1H 2009 & €32 M in 1H 2010

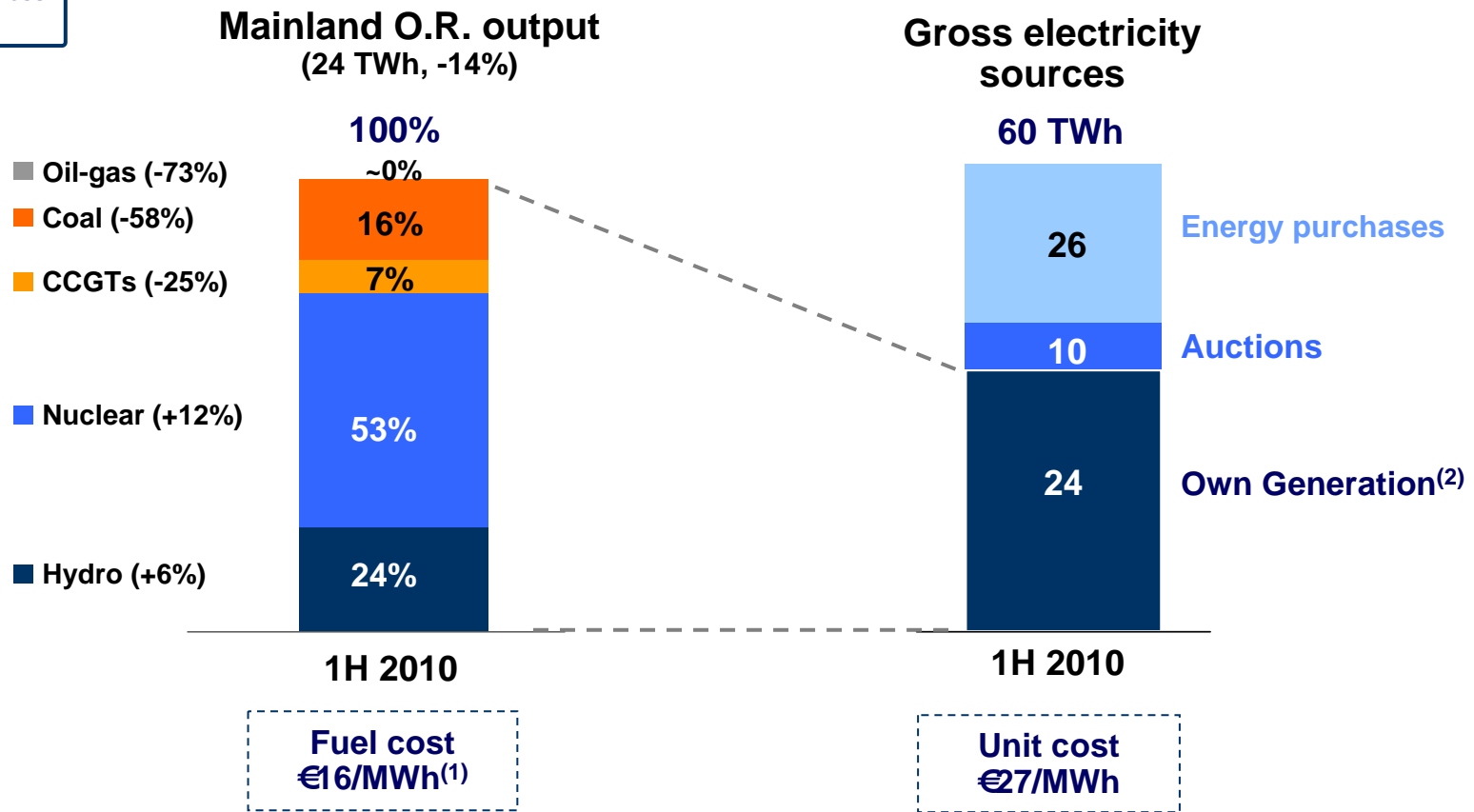
Gross margin growth supported by liberalized businesses compensate sale of assets



2% increase in gross margin (+8% adjusted by perimeter)

Competitive energy sources in current market scenario

Liberalized business Iberia



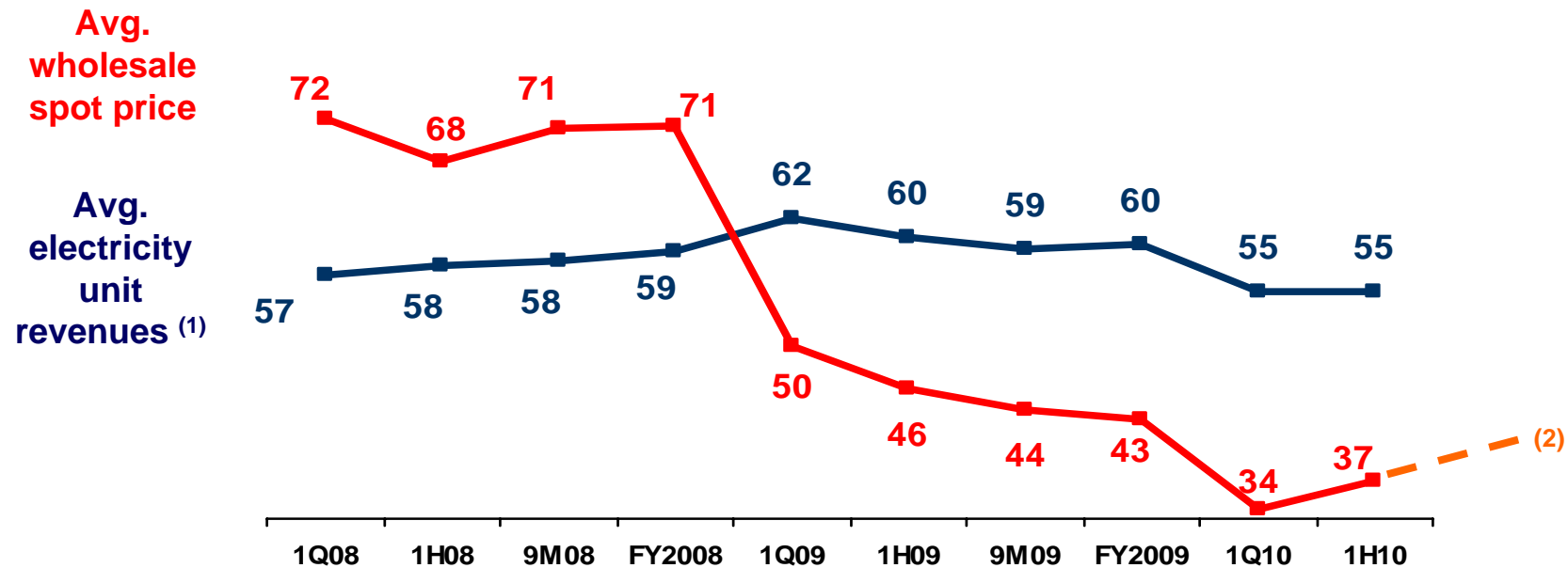
- Nuclear + hydro output 77% (vs. 53% rest of sector)
- Energy purchases 26 TWh vs. 7 TWh in 1H 09

(1) Includes fuel cost and CO₂

(2) Mainland ordinary regime generation

Energy management optimization leveraged in leadership in supply (40% market share)

Unit revenue & average wholesale spot price evolution (€/MWh)



- Gross electricity sales 60 TWh (liberalized 40 TWh, last resort tariff 16 TWh and pool 4 TWh)
- Higher wholesale prices should increase unit revenue in the medium-long term

(1) Includes ancillary services, capacity payments and CO2 claw-back effect

(2) Estimated average for 9M and FY 2010 according to current forward OMEL prices

latin america 1H 2010



Highlights

- **Solid growth in distribution (+5.9%) including Chile, with a remarkable performance in Brazil despite extraordinary events**
- **Lower generation volumes (-7.6%) mainly due to drought in Colombia and lower thermal output in Argentina**
- **Normalization of generation margins in Chile**
- **Solid economy performance in the region results in strength of local currencies**

Stable results despite price normalization and earthquake in Chile

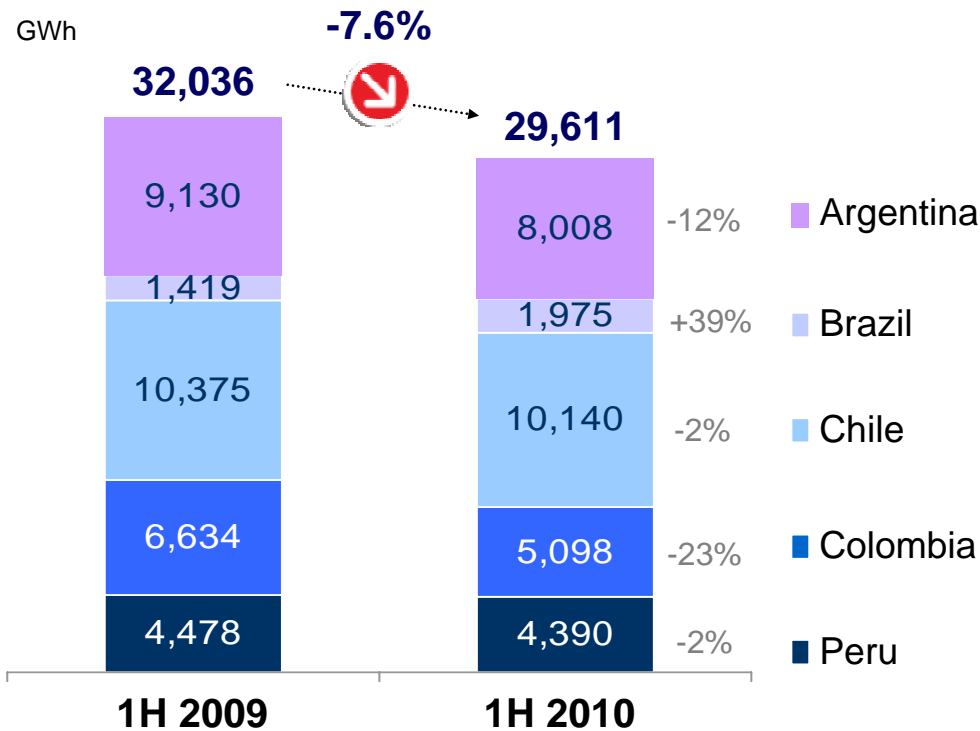
€M	1H 2010	1H 2009	Change
Revenues	4,587	4,192	+9%
Gross margin	2,164	2,064	+5%
EBITDA	1,578	1,553	+2%
EBIT	1,208	1,267	-5%
Net finance expenses⁽¹⁾	231	208	+11%
Net income	742	738	+1%
Net attributable income	312	280	+11%

▪ **€255 M of attributable EBITDA come from direct holdings**

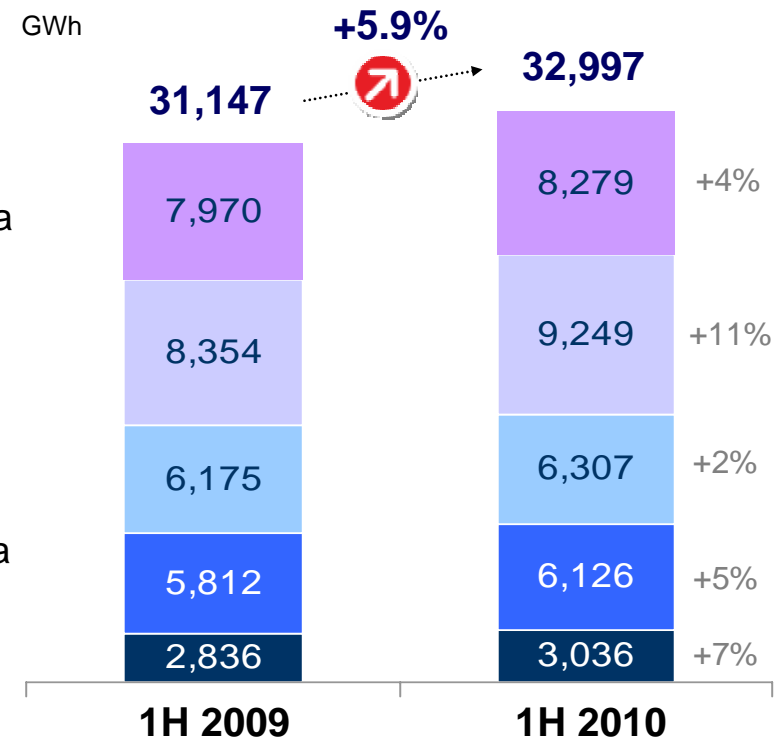
(1) Increase in net finance expense due to higher debt, higher average cost and higher value of "Unidades de Fomento" in Chile

Lower electricity output and increase in distribution sales

Generation Output

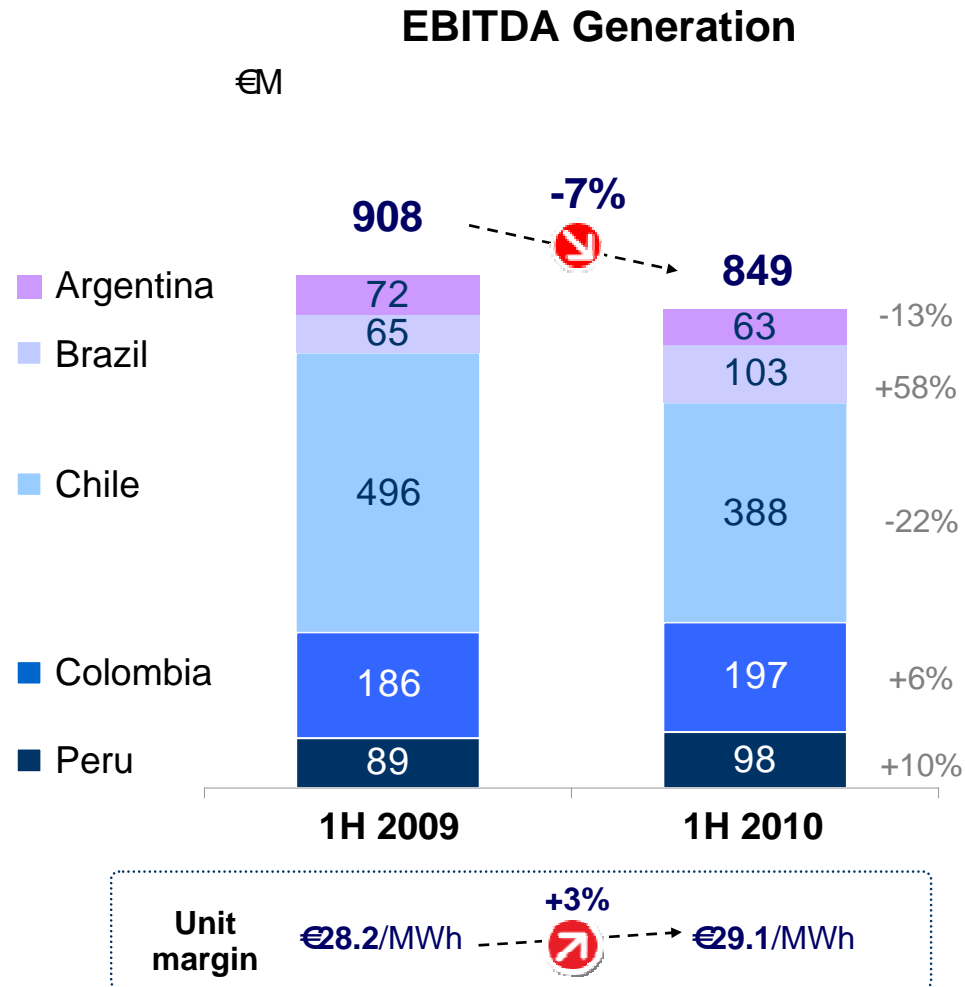


Distribution Sales



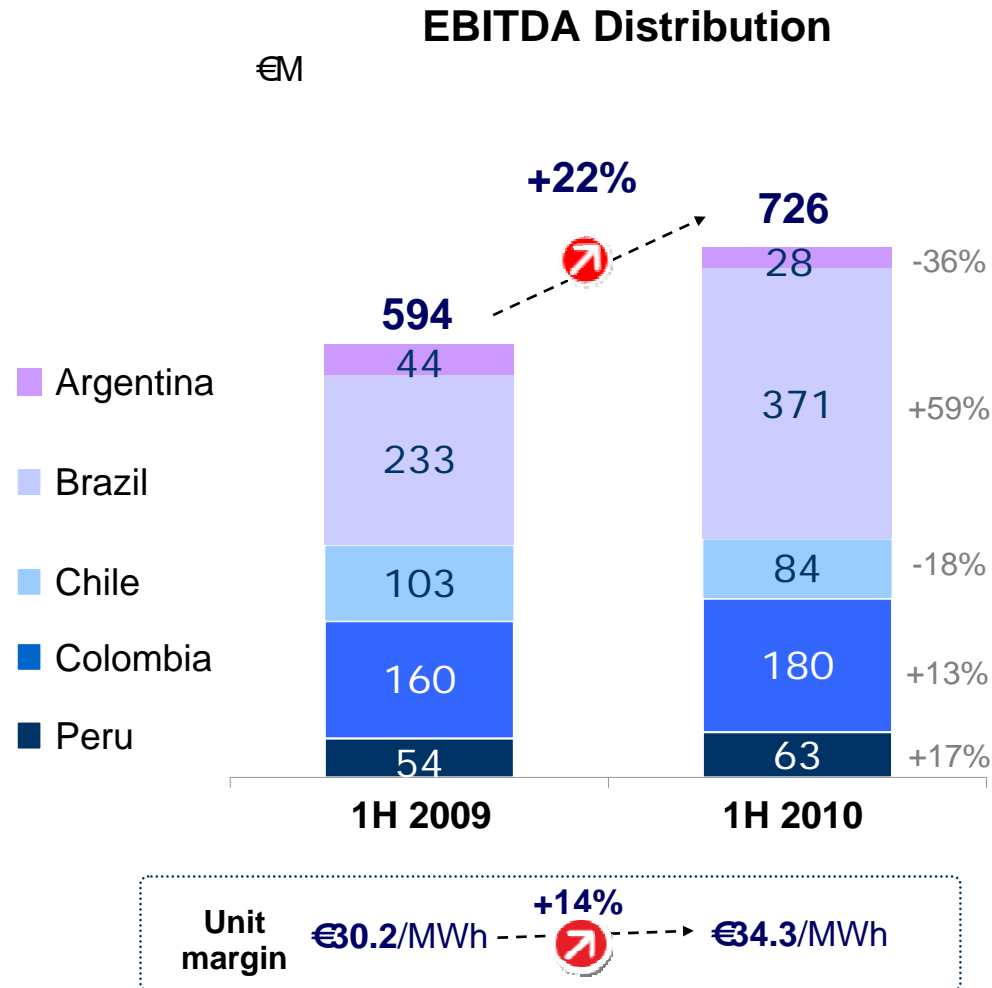
- Decrease in output in all countries except Brazil. Colombia affected by "El niño" drought in 1Q 2010. Lower generation in Chile due to earthquake
- Growth in distribution sales in all countries

Generation EBITDA decreases due to margin normalization in Chile



- **Chile: drop in unit margin (-17%) due to the normalization of exceptional prices in 2009 and higher energy purchases**
- **Colombia: improvement in unit revenues compensates volume effect (drought) resulting in 26% higher unit margin**
- **Brazil: higher activity due to better gas availability, and higher prices, boost unit margin by 53%**

Strong growth in distribution EBITDA



- **Brazil: strong increase in demand in Coelce (+16%) and Ampla (+7%)**
- **Chile: tariff adjustment and higher fixed costs (earthquake)**
- **Colombia and Peru: positive FX**
- **Argentina: high inflation along with pending tariff review**

- **Brazil: CIEN €45M lower transmission EBITDA due to Uruguay agreement in 1H 2009**

conclusions 1H 2010



Positive results in 1H 2010

- **Improving industry outlook**
- **Key regulatory milestones ahead**
- **Solid results thanks to:**
 - **Balanced business portfolio**
 - **Sales and energy management strategy**
 - **Efficiency plan on track**
 - **Active portfolio optimization**
 - **Latin America sound economic performance**
- **Strong financial position in current markets context**

appendices 1H 2010



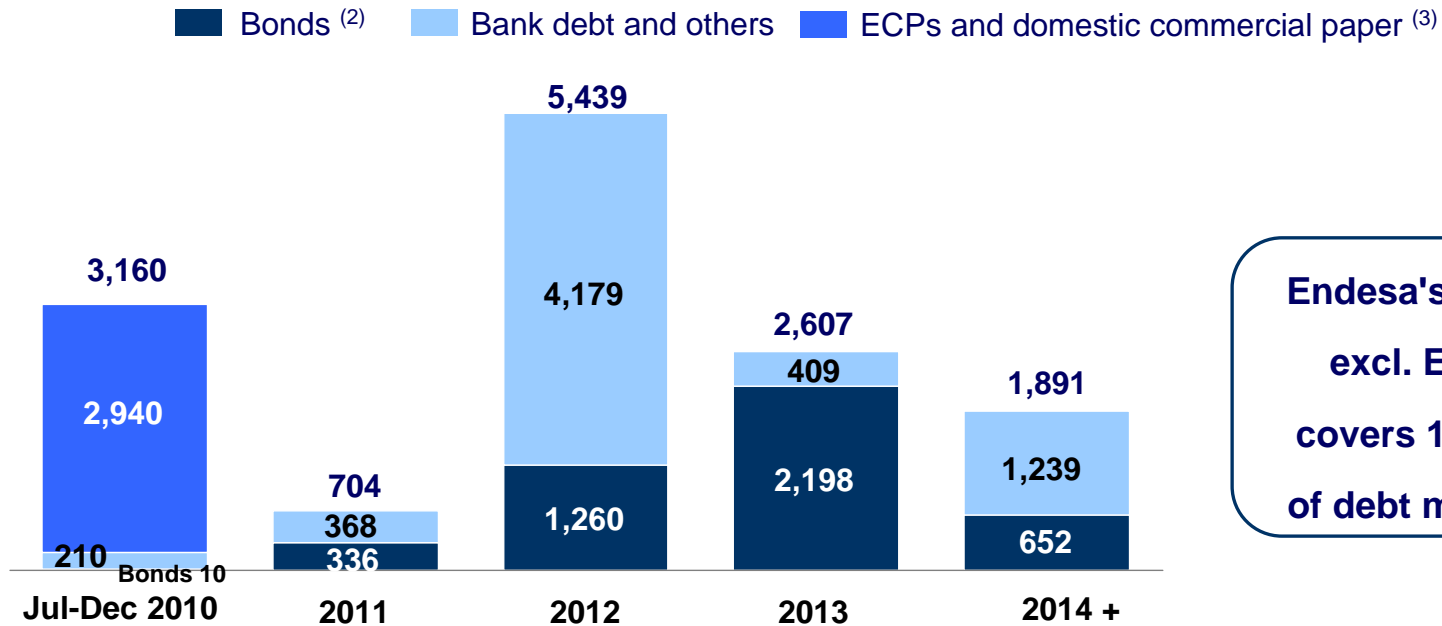
Installed capacity and output⁽¹⁾

MW at 30/06/10		Spain & Portugal & Others		Endesa Latin America		Total	
Installed capacity	Total	23,234		15,874		39,108	
	Hydro	4,729		8,666		13,395	
	Nuclear	3,666		-		3,666	
	Coal	5,804		538		6,342	
	Natural gas	2,197		3,966		6,163	
	Oil-gas	6,810		2,617		9,428	
	CHP/Renewables	27		87		114	
TWh 1H 2010 (chg. vs. 1H 2009)		Spain & Portugal & Others		Endesa Latin America		Total	
Output	Total	32.1	-16.2%	29.6	-7.6%	61.8	-12.3%
	Hydro	5.8	+6%	15.9	-10%	21.7	-6%
	Nuclear	12.8	+12%	-	-	12.8	+12%
	Coal	5.4	-50%	1.2	+3%	6.6	-45%
	Natural gas	2.1	-22%	9.6	+7%	11.7	-0%
	Oil-gas	5.5	-8%	2.9	-32%	8.4	-18%
	CHP/Renewables	0.6	-71%	0.09	+228%	0.7	-67%

(1) Includes data for fully consolidated companies and jointly-controlled companies accounted for using proportionate consolidation

Endesa (excl. Enersis): financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2010: €13,801 M⁽¹⁾



Endesa's liquidity
excl. Enersis
covers 18 months
of debt maturities

- Liquidity €4,868 M:
 - €140 M in cash
 - €4,728 M available in long-term credit lines
- Average life of debt: 3.0 years

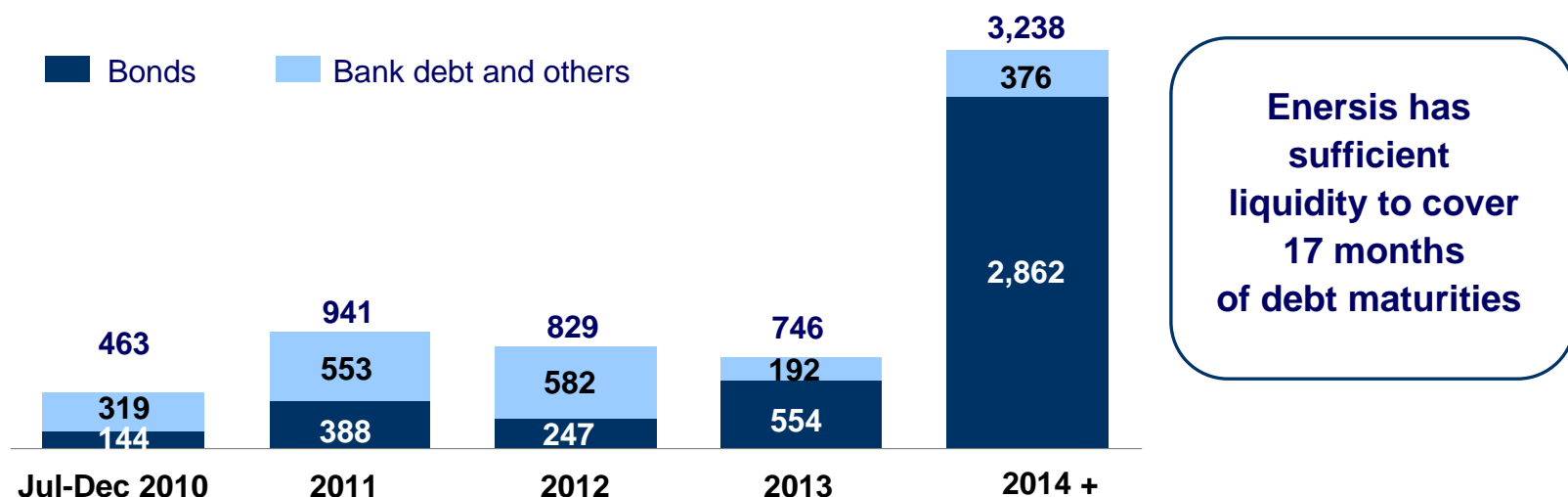
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

(2) Includes preference shares

(3) Notes issued are backed by long-term credit lines and are renewed on a regular basis.

Energis: financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2010: €6,217 M⁽¹⁾



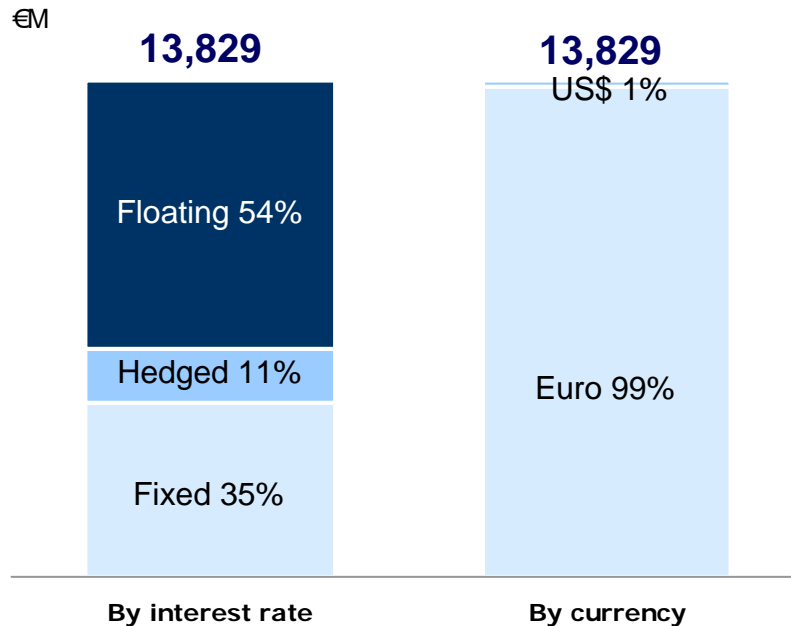
Energis has sufficient liquidity to cover 17 months of debt maturities

- Liquidity €1,776 M:
 - €1,010 M in cash
 - €766 M of syndicated loans available
- Average life of debt: 5.5 years

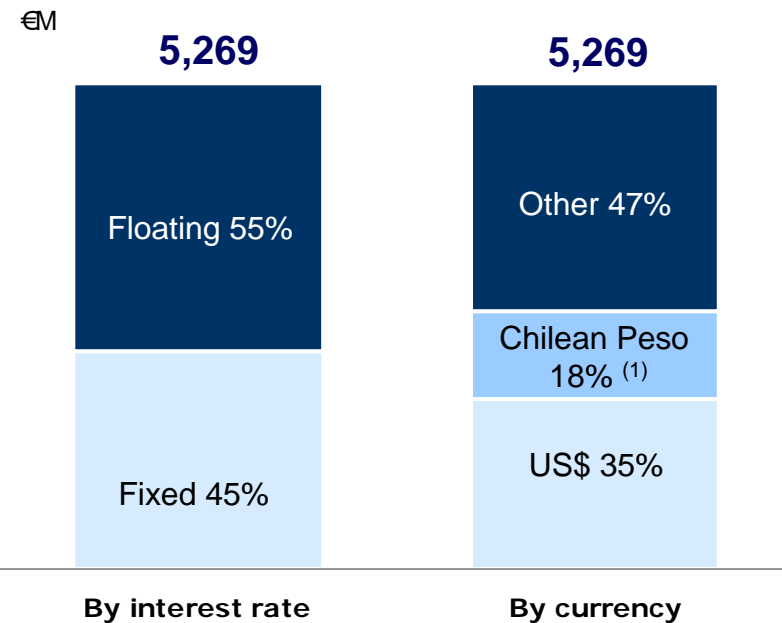
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

Financial policy and debt structure

Structure of Endesa's debt ex-Enersis



Enersis debt structure



Average cost of debt

2.7%

8.4%

- **Debt structure:** Debt in currency in which operating cash flow is generated
- **Policy of self-financing:** Latin America subsidiaries are financed on a stand-alone basis

Highlights by country

EBITDA 1H 2010 (vs. 1H 2009)



Chile

Gen: €388 M (-22%)

Dist: €84 M (-18%)

Total EBITDA:

€472 M (-21%)

- Lower average prices due to lower prices to distributors.
- Higher energy purchases cost due to higher spot prices and higher volumes.
- Bocamina I coal plant, affected by earthquake, will not be operative until August. Delays in Bocamina II plant, now expected to come on stream in June 2011.
- The "nudo" price for May-October 2010 was set at US\$94.9 US\$/MWh, 1.8% higher than November 2009 "nudo" price (93.2 US\$/MWh) and 9.3% higher than current price, associated to last indexation process that took place in March 2010 (86.8 US/MWh)



Brazil

Gen: €103 M (+59%)

Dist: €371 M (+59%)

Trans: €9 M (-83%)

Total EBITDA:

€483M (+37%)

- Strong demand recovery (6.6% increase in Ampla and 15.9% in Coelce) due to high temperatures and industrial demand.
- Higher average sales prices
- Tariff revision for Ampla for March 2010-March 2011 period: 1.3% increase in DAV (Parcela B) applicable from 15th March.
- Tariff revision for Coelce: 3% increase in DAV (Parcela B) applicable from 22nd April
- Brazilian real appreciation against euro: +12,4% during 1H10
- Cien; EBITDA decrease due to export agreement between Brazil and Uruguay during 1H09. In June 10 new agreement between Brazil and Argentina. Continuous efforts to formalize a regulated retribution for these transmission lines.

Highlights by country

EBITDA 1H 2010 (vs. 1H 2009)



Gen: €197 M (+6%)

Dist: €180 M (+13%)

Total EBITDA:

€377 M (+9%)

- Endesa 1H10 hydro production 31% lower than previous year
- Less efficient production mix due to higher thermal production
- Significant increase in physical sales Dx business (+5,4%)
- Codensa paid €197,5 M in dividends in March 24th
- Colombian peso appreciation against euro: +20,4% during 1H10



Peru

Gen: €98 M (+10%)

Dist: €63 M (+17%)

Total EBITDA:

€161 M (+13%)

- 7.1% increase in physical sales due higher demand
- The "barra" price (applicable from May 2010 to April 2011) has been set at US\$39.18 US\$/MWh (monomic price), 5.35% lower than current price
- Long term regulated market auction: celebrated in April (8, 10 and 12 years, within the 2014-2025 period):
 - Edelnor contracted 970MW
 - Edegel and Piura sold all energy offered (800 and 82 MW) at prices of 52.5 US\$/MWh and 53.4 US\$/MWh
- Peruvian Peso appreciated against euro by +16,3% during 1H2010



Argentina

Gen: €63 M (-13%)

Dist: €28 M (-36%)

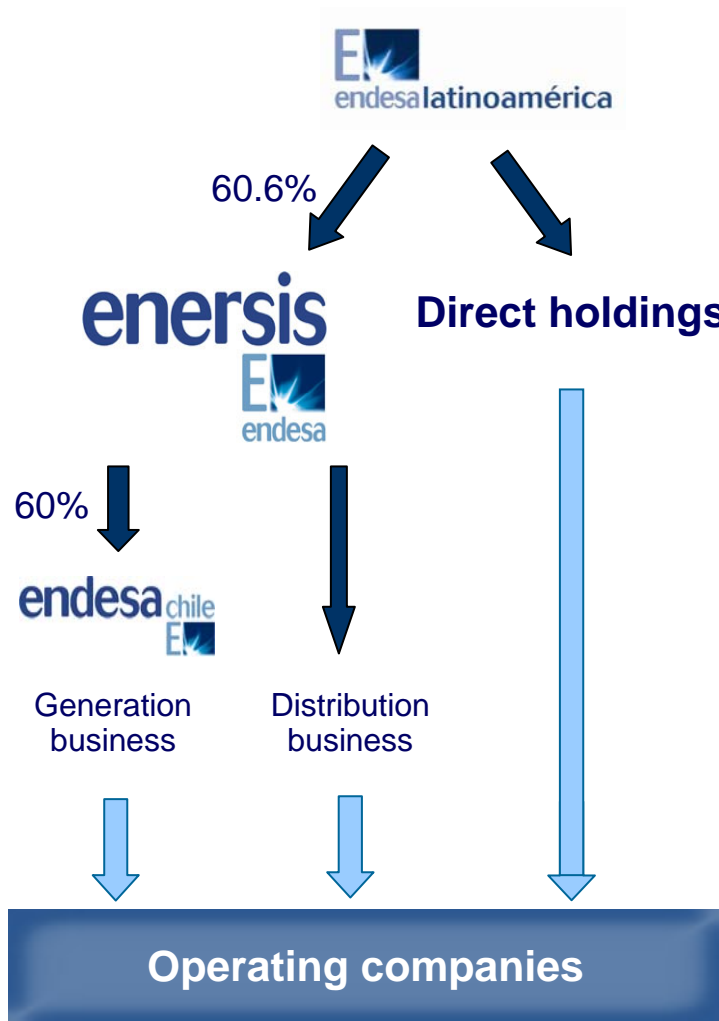
Trans: €2 M (0%)









Total EBITDA:

€93 M (-23%)

- Better generation mix. Lower thermal dispatch of Costanera due to lower thermal gap and planned outage.
- Edesur: general increase in fixed costs due to higher inflation

Endesa has major direct holdings in companies other than Enersis in Latin America



	€M	% direct stake	Proportionate 1H 2010 EBITDA
 Codensa:		26.7%	47
 Emgesa:		21.6%	43
 Endesa Brasil:		28.5%	137
 Edesur:		6.2%	2
 DockSud:		40%	6
 Edelnor:		18%	11
 Piura:		48%	7
 Pangué		5%	2
Proportionate total			255

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. 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 this document are given in the Risk Factors section of the current 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.

28 | 07 | 2010

endesa 1H 2010 results

