03 | 11 | 2010

endesa 9M 2010 results

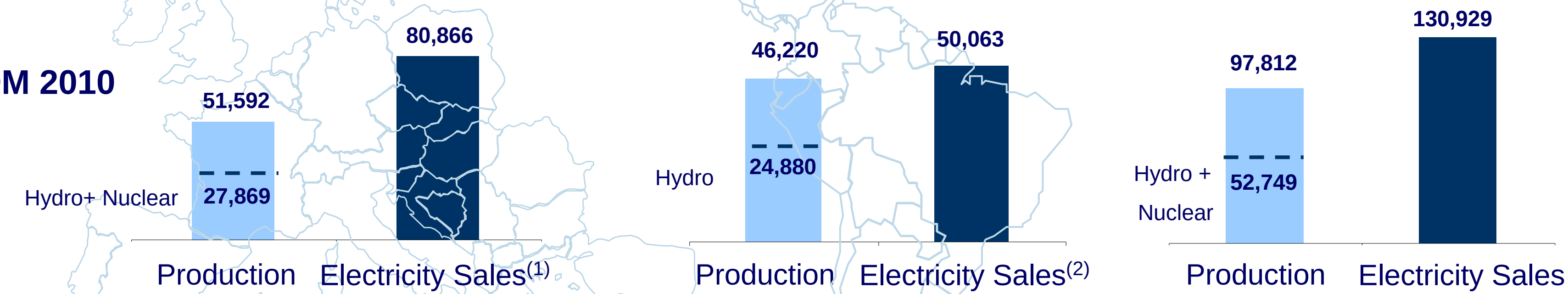
endesa

consolidated results 9M 2010

Stable results capitalising on a balanced business portfolio

	Spain&Portugal&Others	Latin America	Total Endesa

GWh 9M 2010



	Production	Electricity Sales	Production	Electricity Sales	Production	Electricity Sales
(% over 9M 2009)	**-11%**	**+1%**	**-2%**	**+6%**	**-7%**	**+3%**

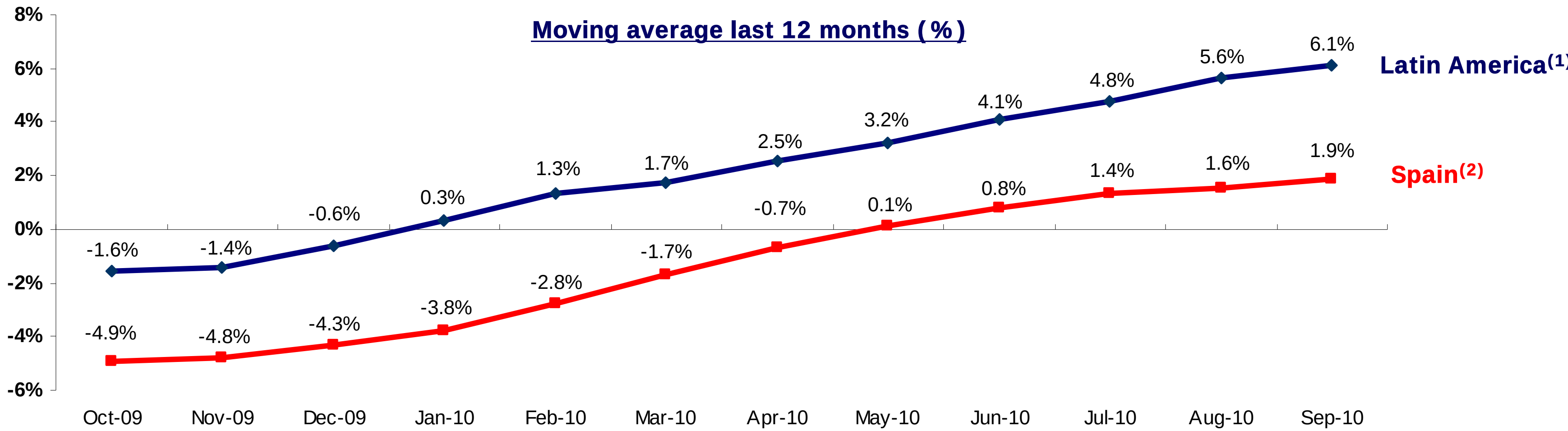
EBITDA 9M 2010

	Spain&Portugal&Others		Latin America		Total Endesa	
	Liberalized	**43%**	Liberalized	**56%**	Liberalized	**49%**
	Regulated	**57%**	Regulated	**44%**	Regulated	**51%**
		100%		**100%**		**100%**
	€3,337 M	**-3%**	**€2,473 M**	**+4%**	**€5,810 M**	**+0%**

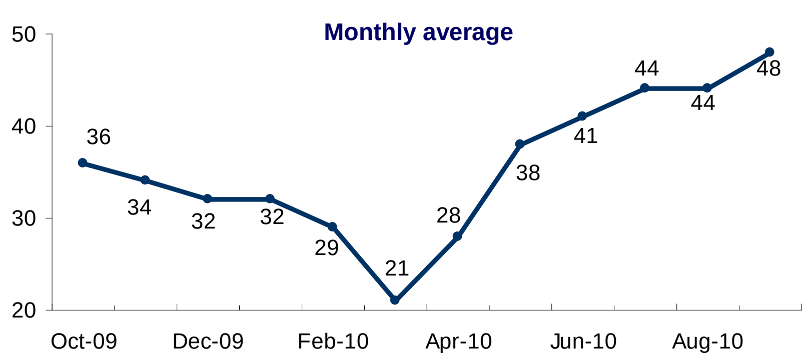
(1) Sales to final customers
(2) Distribution sales

Better outlook for electricity demand and wholesale prices in Spain

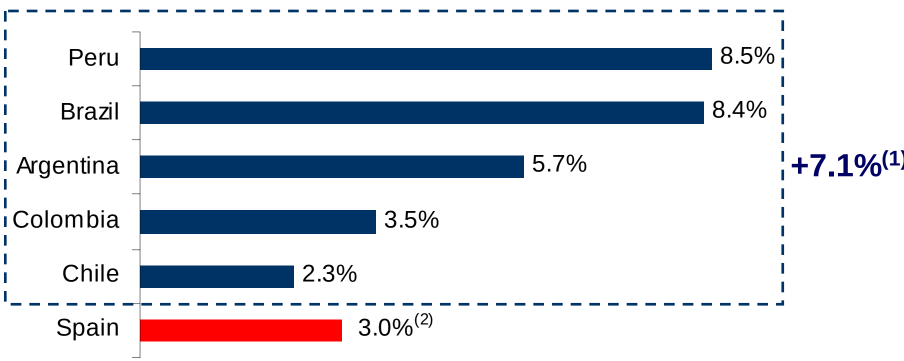
Solid demand growth in Spain and Latin America



Spain: pool prices evolution(3)



Demand growth 9M 2010



(1) Not adjusted for weather and working days. Countries where Endesa operates weighted by TWh (demand by country)
(2) Mainland. Adjusted for weather and working days. (3.4% not adjusted). Source: REE
(3) Monthly average (not includes ancilliary services and capacity payments)

Latin America results offset Spain & Portugal asset disposals

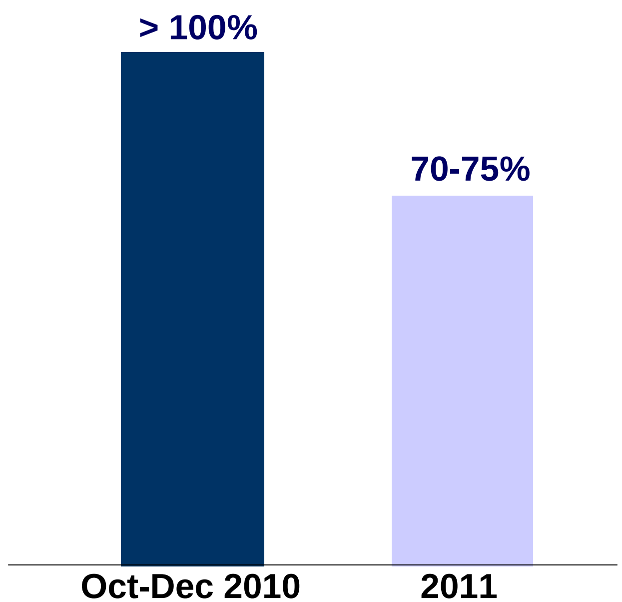
€M	9M 2010	9M 2009	Change
Revenues	22,972	18,640	**+23%**
Gross margin	8,400	8,332	**+1%**
EBITDA	5,810	5,804	**+0%**
Spain&Portugal&Others	3,337	3,425	**-3%**
Endesa Latin America	2,473	2,379	**+4%**
EBIT	4,196	4,301	**-2%**
Net finance expenses(1)	824	702	**+17%**
Net attributable income	2,722	3,048	**-11%**

- **EBITDA +3%(2) adjusted by perimeter (asset disposals)**

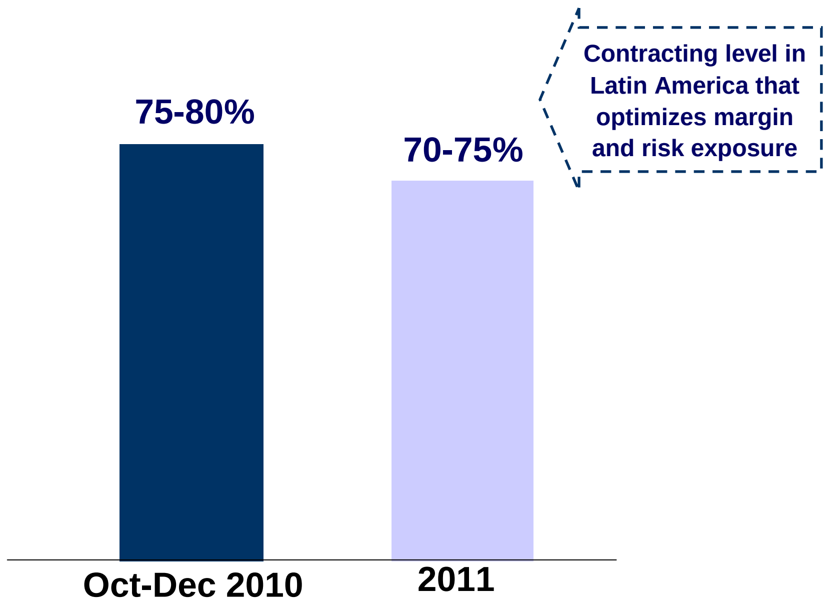
(1) €77 M increase due to one-off regularization of previous years accrual of financial revenues related to tariff deficit (Royal Decree 6/2010)
(2) Adjusted by perimeter: EBITDA (€196 M in 9M 2009 & €32 M in 9M 2010)

Effective hedge of liberalized margins through a consistent forward sales strategy

Spain & Portugal (% estimated mainland output already committed)



Latin America (% estimated output already committed)

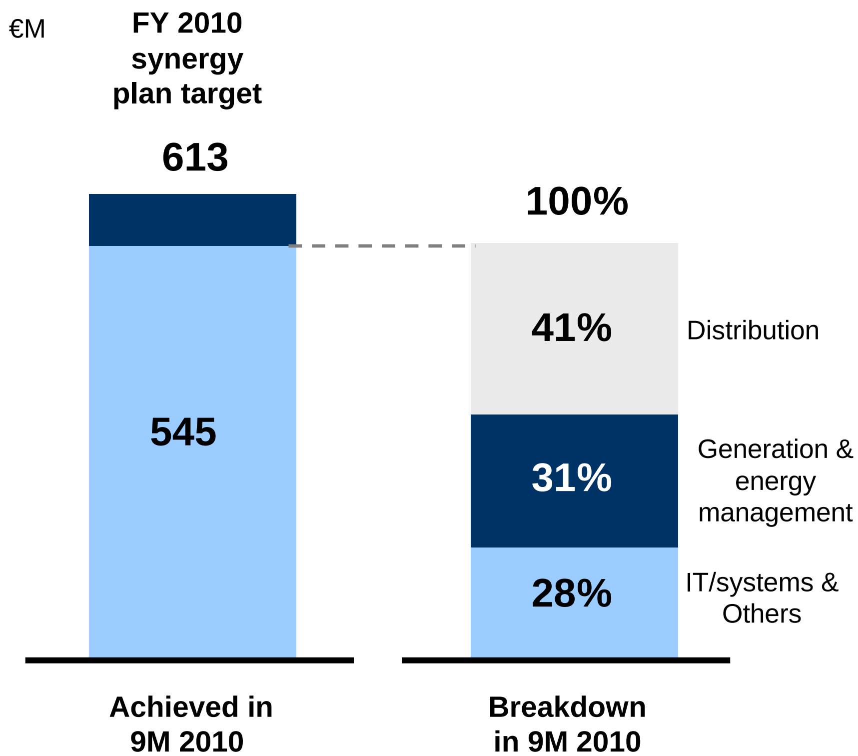


- Stable margins despite volatile wholesale electricity prices

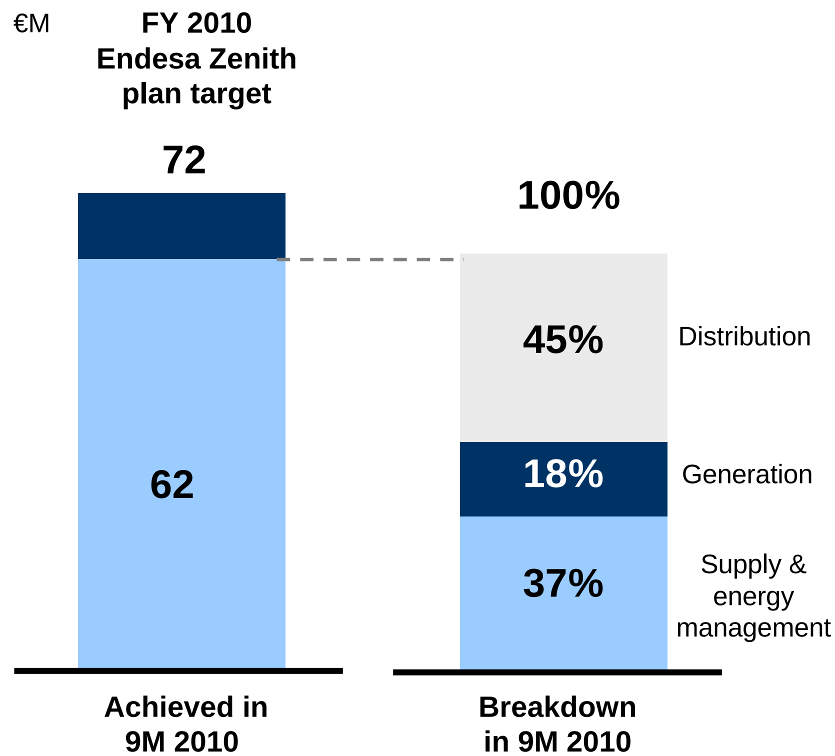
- 32% of the generation sold via contracts > 5 yrs and 22% via contracts > 10 yrs

Achieving efficiency targets

Synergy Plan



Endesa Zenith Plan



- **89% of Synergy Plan target for 2010 achieved**
- **86% of Endesa Zenith Plan target for 2010 achieved**

Successful execution of 2010 disposal program

	Debt reduction	Net capital gain	Annual pro-forma EBITDA
Agreement with EGP	€1,216 M	€881 M(1)	~€130 M
Sale of electricity transmission assets in Spain	€1,478 M(3)	~ €750 M	~€130 M
Sale of gas distribution and transmission assets in Spain	€800 M(3)	~ €450 M(2)	~€65 M
Sale of 1% REE, participations in Endesa Hellas & Sagunto & Reganosa LNG terminals	~ €250 M(3)	~ €75 M	-

(1) €254 M from sale of 30% stake to EGP and €627 M by applying reasonable value of our final 40% stake in the resulting company (IFRS 27)
(2) Gross capital gain, net capital gain will be define at closing
(3) Pending of full collection until closing

Main regulatory issues

Spain

- RD 1221/2010 (domestic coal)
- Tariff deficit securitization
- Tariff review
  - October 1st
  - RD 1202/2010 (quarterly reviews)
  - Expected tariff deficit 2010 > €5,000 M

- Need for stable regulation and fair remuneration with appropriate price signals to stimulate investments
- Renewables cost to be shared by all energy sectors

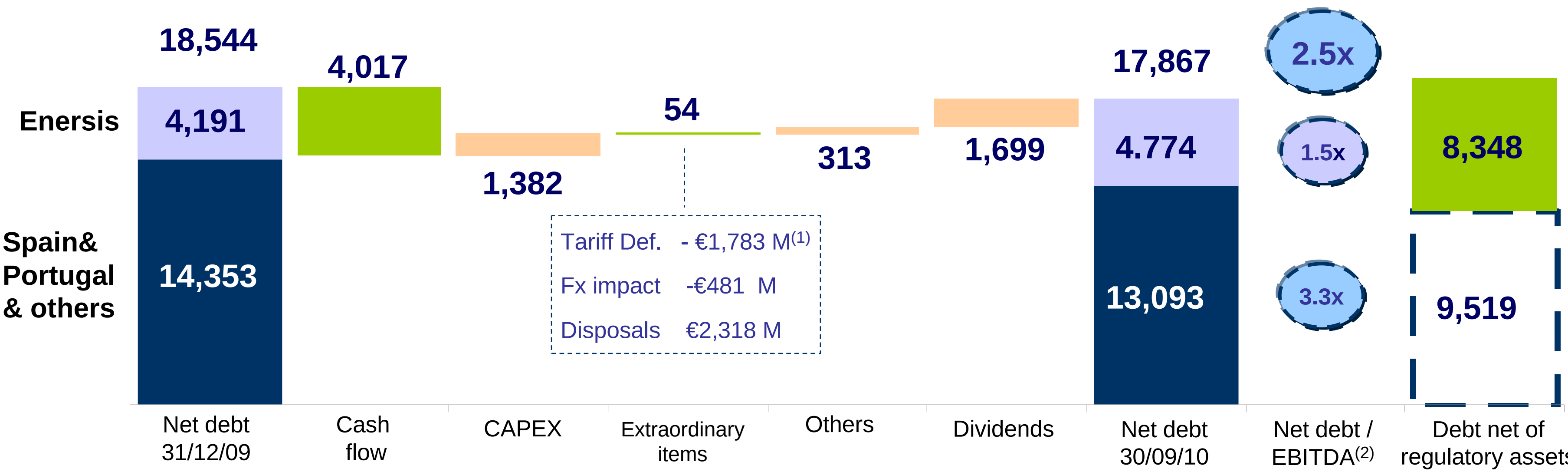
Latin America

- **Distribution Brazil:** Update of the 3rd Tariff Revision Cycle for distribution companies
- **CIEN:** final stage of our discussion with the regulator to define a stable remuneration similar to the transmission grid in Brazil

A sound financial position adapted to market context

Net debt evolution in 9M 2010

€M



Solid financial leverage

	31/12/09	30/09/10
Leverage (Net debt/Equity)	1.0	0.8

- **Endesa liquidity excluding Enersis covers 15 months of debt maturities**
- **Enersis liquidity covers 20 months of debt maturities**

(1) €1,280 M mainland & €503 M non-mainland systems
(2) Last 12 months

spain&portugal&others 9M 2010

Highlights

- **Demand recovery: 3%[1] in 9M 2010**
- **Low wholesale prices in 9M 2010 although upward trend from March**
- **Efficient and clean generation mix (71% of mainland output from nuclear & hydro)**
- **Leadership in supply (40% market share) and resilient price to final customers**
- **Insufficient tariffs continue (Endesa's share in tariff deficit 9M 2010: €1,783 M[2])**
- **Stable operating performance despite asset disposals**

(1) Adjusted for working days and temperature effects. Otherwise increase would be 3.4%. Source REE.
(2) Mainland €1,280 M and Non-mainland €503 M

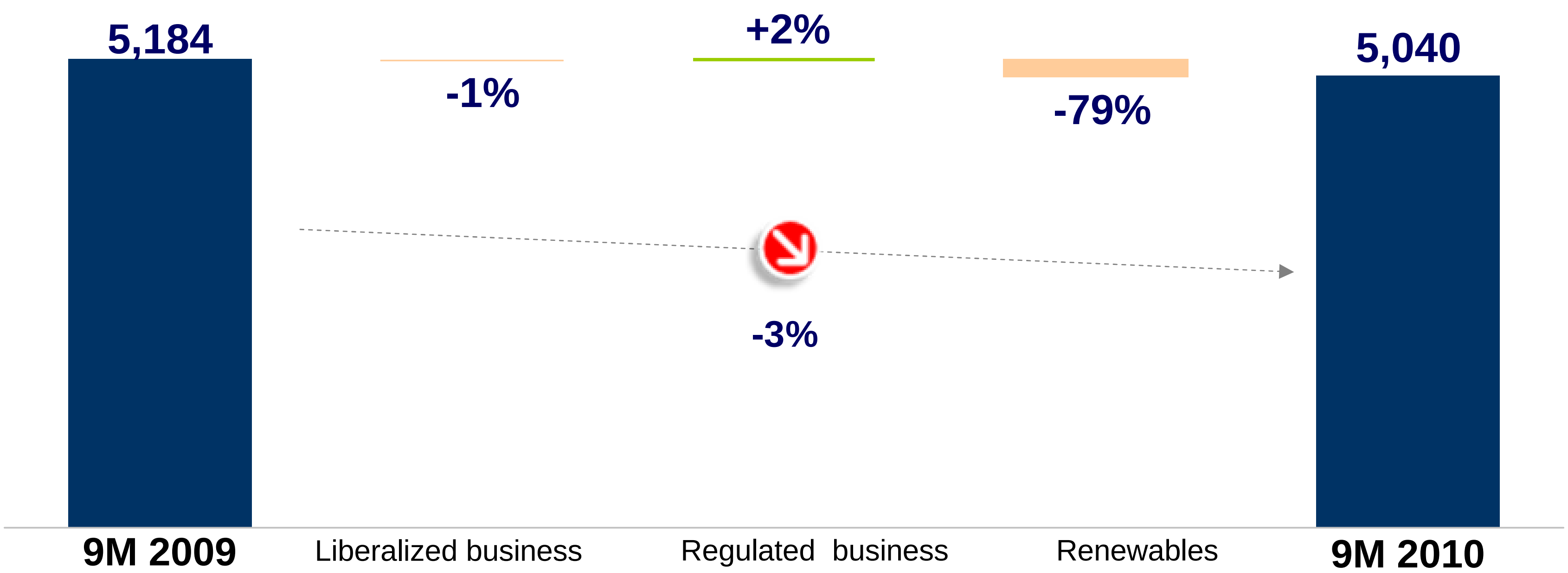
Operating growth adjusted by perimeter

€M	9M 2010	9M 2009	Change
Revenues	15,739	12,309	**+28%**
Gross margin	5,040	5,184	**-3%**
EBITDA	3,337	3,425	**-3%**
EBIT	2,294	2,349	**-2%**
Net finance expenses[(1)]	468	408	**+15%**
Net attributable income	2,252	2,610	**-14%**

- **EBITDA +2%[(2)] adjusted by perimeter (asset disposals)**

(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) Adjusted by perimeter: EBITDA (€196 M in 9M 2009 & €32 M in 9M 2010)

Gross margin decline due to asset disposals



- ↑ Higher sales to final customers
- ↑ Lower unit fuel costs
- ↓ Lower sale prices to final customers
- ↓ Higher costs in energy purchases

- ↓ Distribution
- ↑ Non-mainland systems & others

- Assets sold to Acciona
- Agreement with Enel Green Power (Equity method)

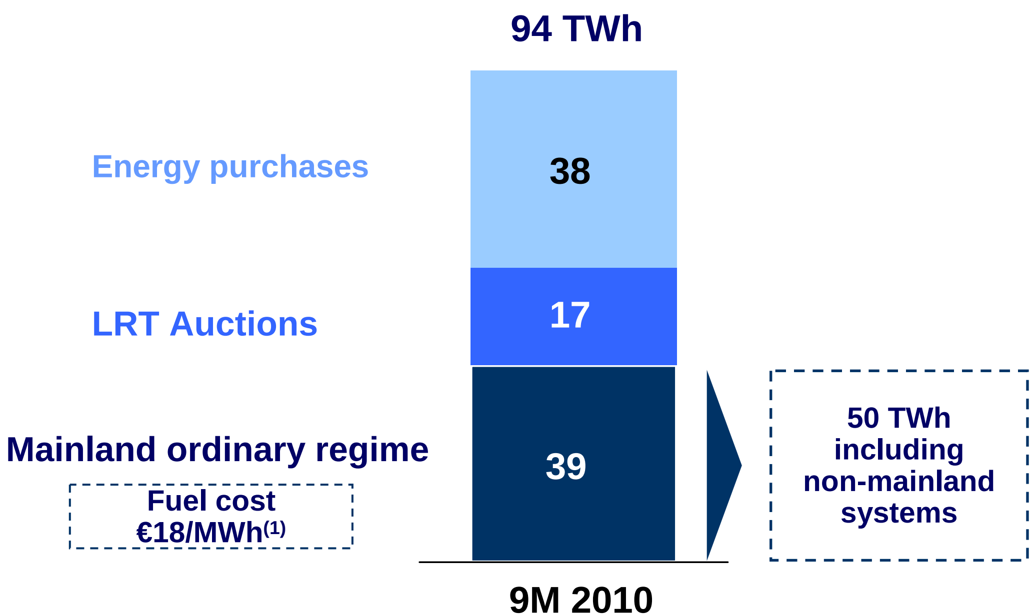
Gross margin 1% increase adjusted by perimeter(1)

(1) Gross margin adjusted by perimeter: €245 M in 9M 2009 & €44 M in 9M 2010 (renewables and hydro perimeter adjustment)

Competitive energy sources in current market scenario

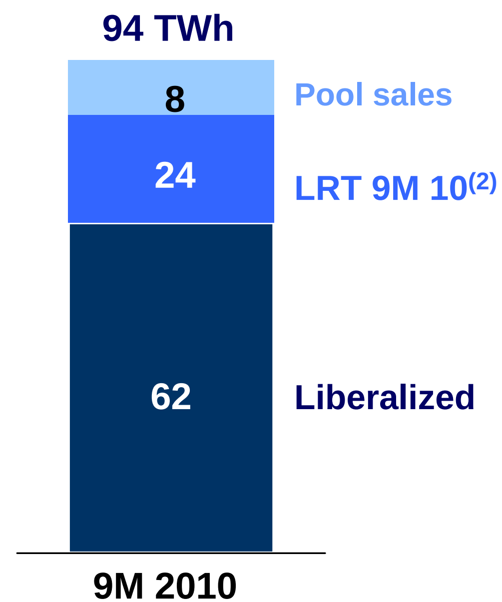
Liberalized business Iberia

Gross electricity sources



Unit cost
€29/MWh

Gross electricity sales



Unit revenue
€55/MWh

- **Nuclear + hydro output 71% (vs. 47% rest of sector)**
- **Energy purchases 38 TWh vs. 19 TWh in 9M 2009**

(1) Includes fuel cost and CO_2
(2) LRT: Last resort tariff not considered in calculations for unit cost and unit revenue

latin america 9M 2010

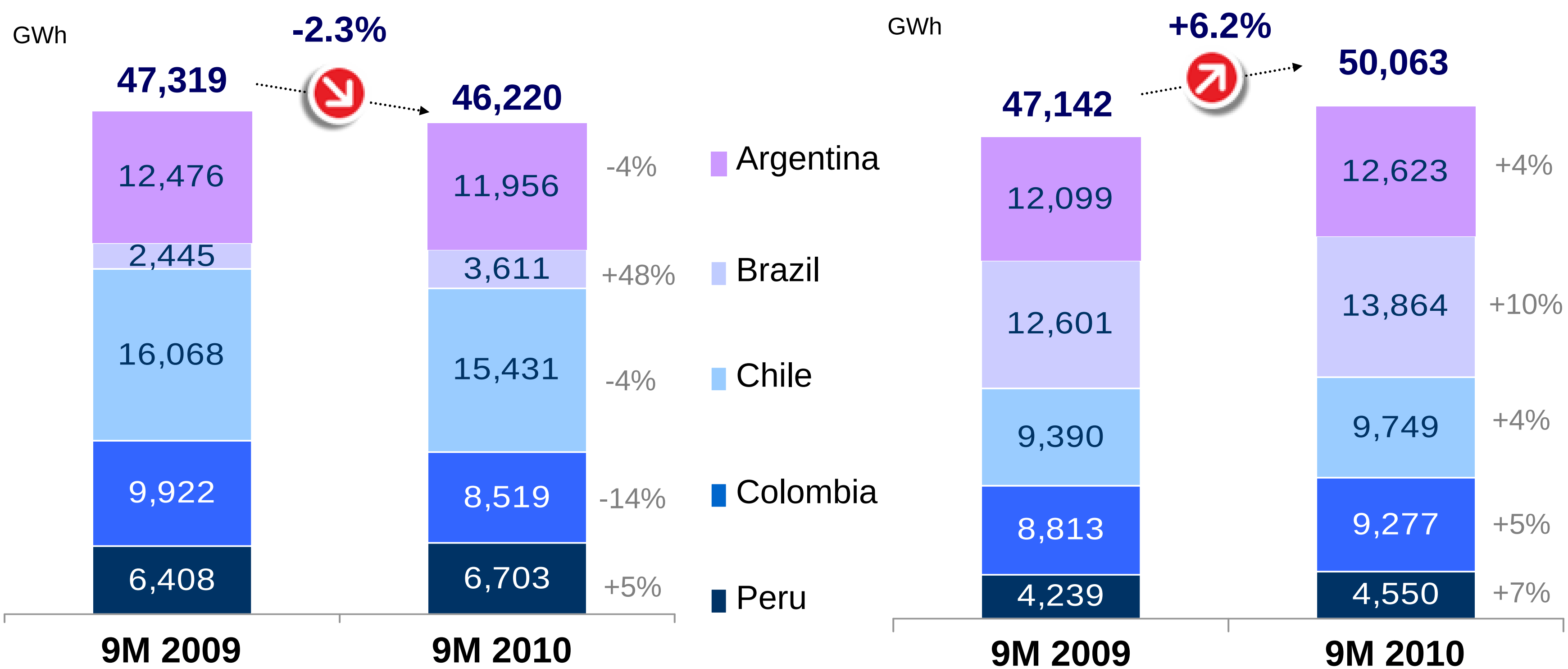
Highlights

- Solid growth in distribution sales (+6.2%) including Chile, with an exceptional performance in Brazil
- Strong recovery in generation volumes in 3Q (+8.7%) although 9M 2010 (-2.3%) still affected by drought in Colombia and Chile, and lower thermal output in Argentina
- Normalization of generation margins in Chile
- Strong FX reflects solid economy performance

Lower electricity output and increase in distribution sales

Generation Output

Distribution Sales



- Decrease in output in Colombia, Argentina and Chile. Colombia affected by "El niño“ drought in 1Q 2010. Lower generation in Chile due to earthquake and drought in 3Q
- Growth in distribution sales in all countries

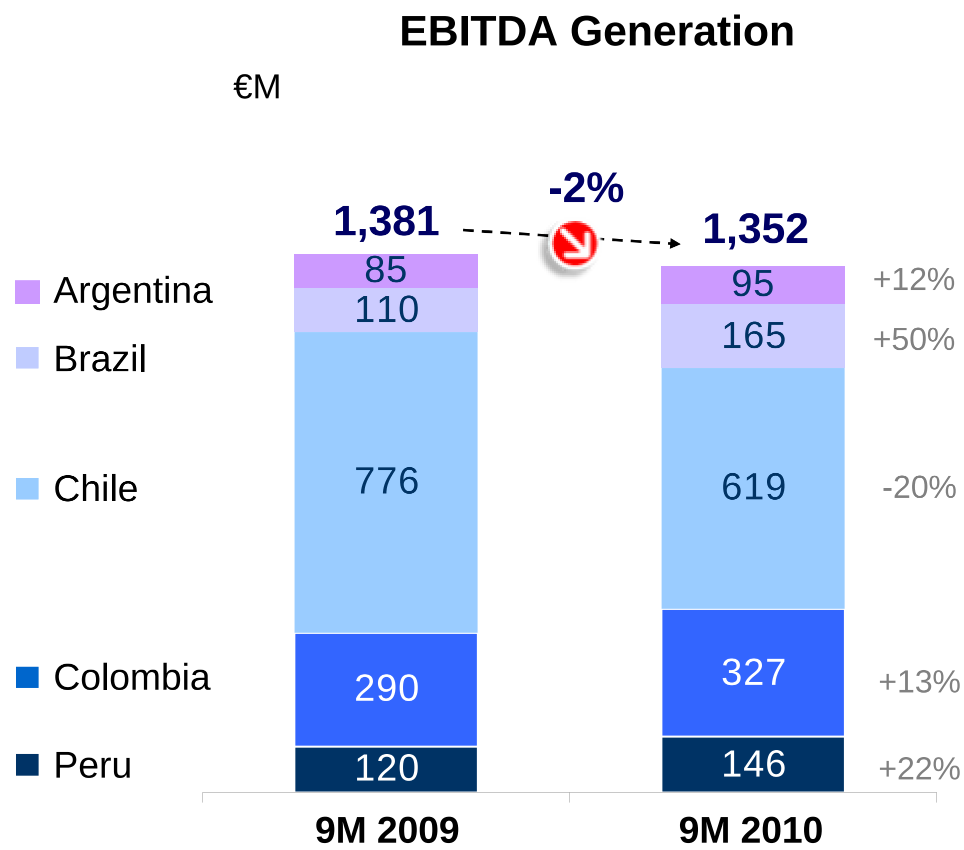
Solid results despite price normalization and earthquake in Chile

€M	9M 2010	9M 2009	Change
Revenues	7,233	6,331	**+14%**
Gross margin	3,360	3,148	**+7%**
EBITDA	2,473	2,379	**+4%**
EBIT	1,902	1,952	**-3%**
Net finance expenses(1)	356	294	**+21%**
Net income	1,168	1,160	**+1%**
Net attributable income	470	438	**+7%**

- **€397 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

Generation EBITDA decreases due to margin normalization in Chile

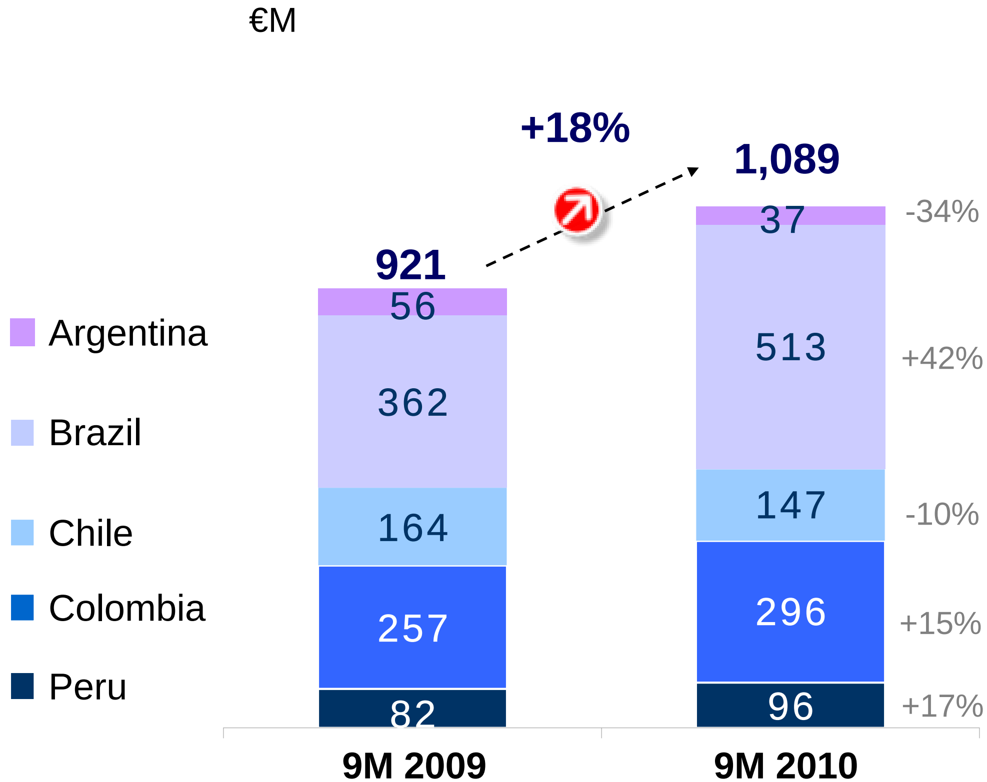


Unit margin **€29.0**/MWh → **€30.2**/MWh (**+4%**)

- **Chile: drop in unit margin (-15%) due to the normalization of exceptional prices in 2009 and higher energy purchases**
- **Colombia: positive FX and higher prices compensate volume effect (drought) resulting in 30% higher unit margin**
- **Brazil: higher activity due to better gas availability and hydro conditions, and higher prices, boost unit margin by 44%**

Strong growth in distribution EBITDA

EBITDA Distribution



Unit margin **€30.6**/MWh → **+12%** → **€34.0**/MWh

- **Brazil: strong increase in demand in Coelce (+15%) and Ampla (+6%) and positive FX**
- **Chile: tariff adjustment and higher fixed costs (earthquake)**
- **Colombia and Peru: positive FX**
- **Argentina: high inflation along with pending tariff review**

- **Brazil: CIEN € 43M lower transmission EBITDA due to Uruguay agreement in 2009**

conclusions 9M 2010

Positive results in 9M 2010

- **Improving industry outlook**
- **Key regulatory milestones ahead**
- **Solid Latin America economic performance**
- **Successful disposal program**
- **Solid results offset asset disposals:**
  - **- Balanced business portfolio**
  - **- Supply leadership**
  - **- Efficiency plan on track**

appendices 9M 2010

Installed capacity and output[1]

Installed capacity

MW at 30/09/10	Spain& Portugal&Others	Endesa Latin America	Total
Total	**23,037**	**15,874**	**38,911**
Hydro	4,730	8,666	13,397
Nuclear	3,666	-	3,666
Coal	5,804	538	6,342
Natural gas	2,197	3,966	6,164
Oil-gas	6,639	2,617	9,255
CHP/Renewables	0	87	87

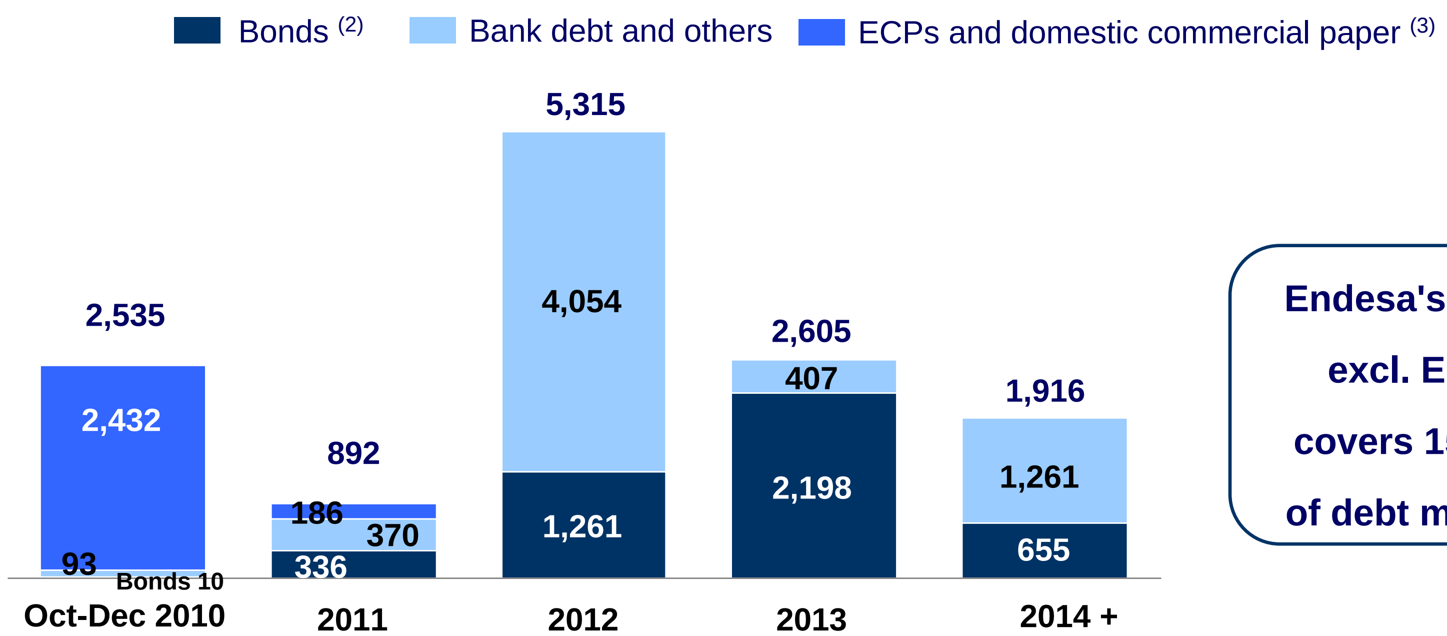
Output

TWh 9M 2010 (chg. vs. 9M 2009)	Spain& Portugal&Others		Endesa Latin America		Total	
Total	**51.6**	**-11.1%**	**46.2**	**-2.3%**	**97.8**	**-7.2%**
Hydro	7.6	+11%	24.9	-11%	32.5	-6%
Nuclear	20.3	+15%	-	-	20.3	+15%
Coal	11.1	-31%	1.6	-12%	12.6	-29%
Natural gas	3.5	-38%	15.0	+25%	18.5	+5%
Oil-gas	8.5	-9%	4.7	-17%	13.2	-12%
CHP/Renewables	0.6	-76%	0.13	+171%	0.7	-72%

(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 September 2010: €13,263 M(1)



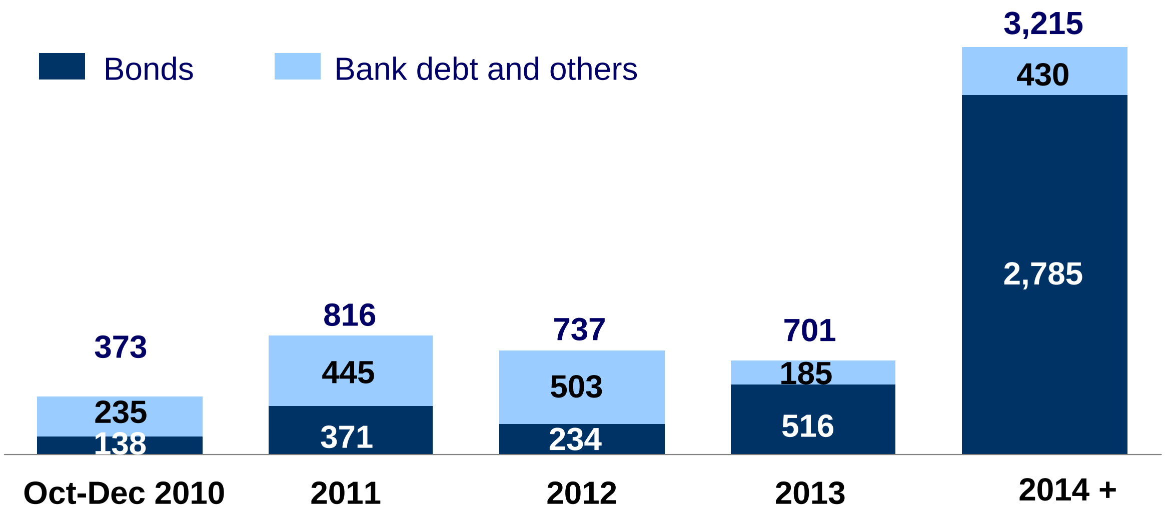
Endesa's liquidity excl. Enersis covers 15 months of debt maturities

- **Liquidity €5,181 M:**
  - **€324 M in cash**
  - **€4,857 M available in long-term credit lines**
- **Average life of debt: 2.9 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.

Enersis: financial debt maturity calendar

Gross balance of maturities outstanding at 30 September 2010: €5,842 M[(1)]



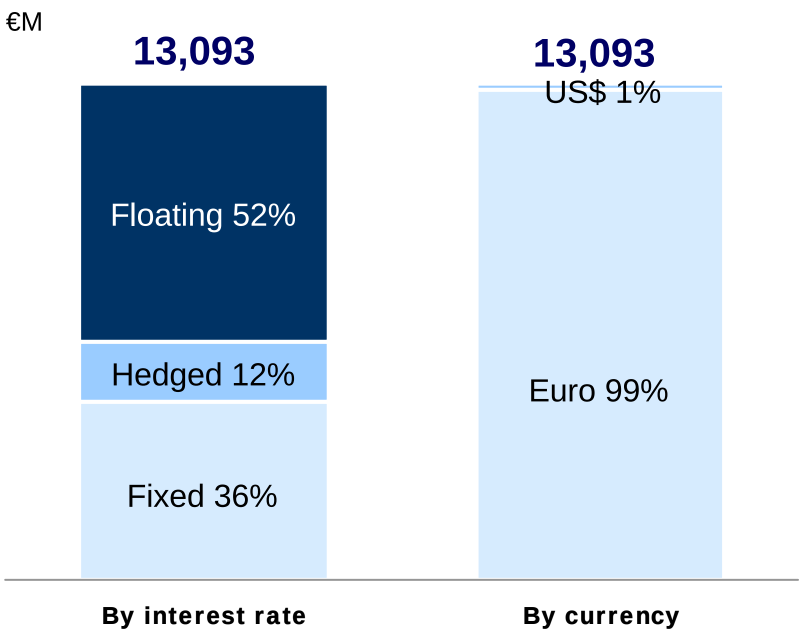
Enersis has sufficient liquidity to cover 20 months of debt maturities

- **Liquidity €1,934 M:**
  - **€1,138 M in cash**
  - **€796 M of syndicated loans available**
- **Average life of debt: 5.5 years**

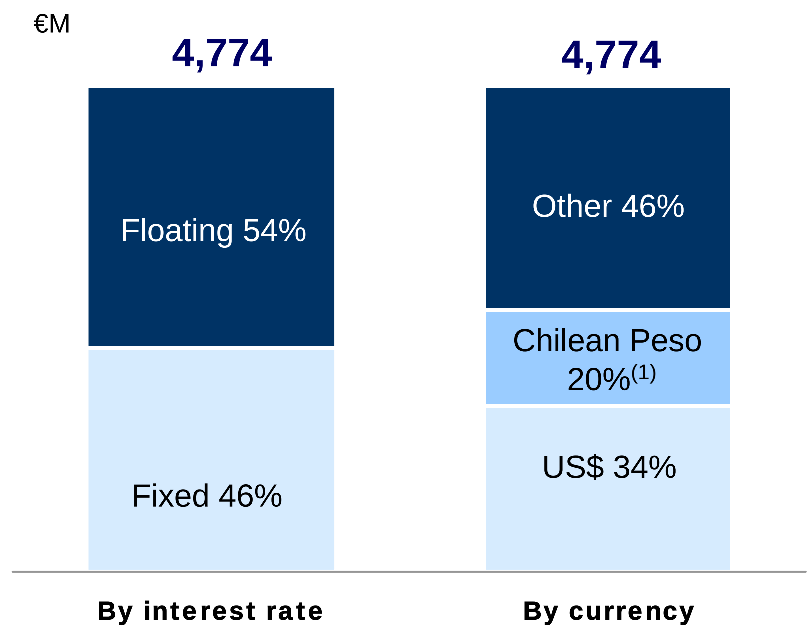
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

Financial policy and debt structure

Structure of Endesa's debt ex-Enersis



Enersis debt structure



Average cost of debt	2.7%	8.2%

- **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

Data at 30 September 2010
(1) Includes "Unidades de Fomento"

Highlights by country

EBITDA 9M 2010 (vs. 9M 2009)

Chile

Gen: €619 M (-20%)

Dist: €147 M (-10%)

Total EBITDA:

€766 M (-19%)

- 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 be operative during November. Delays in Bocamina II plant, now expected to come on stream in November 2011.
- The "nudo" price for Nov 2010-Mar 2011 was set at US$113.8 US$/MWh, 20% higher than actual price October 2010 (US$94.9 US$/MWh)
- Chilean peso appreciation against euro: +10.2% during 9M 10

Brazil

Gen: €165 M (+50%)

Dist: €513 M (+42%)

Trans: €49 M (-47%)

Total EBITDA:

€727 M (+29%)

- Strong demand recovery (6% increase in Ampla and 15% in Coelce) due to high temperatures and industrial demand
- Higher average generation sale 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
- 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
- Brazilian real appreciation against euro: +8.1% during 9M 10

Highlights by country

EBITDA 9M 2010 (vs. 9M 2009)

Colombia

Gen: €327 M (+13%)

Dist: €296 M (+15%)

Total EBITDA:

€623 M (+14%)

- Endesa 9M 10 hydro production 18% lower than previous year
- Less efficient production mix due to higher thermal production
- Significant increase in physical sales Dx business (+5.3%)
- Codensa paid €197.5 M in dividends in March 24th
- Colombian peso appreciation against euro: +17.5% during 9M 10

Peru

Gen: €146 M (+22%)

Dist: €96 M (+17%)

Total EBITDA:

€242 M (+20%)

- 7.3% increase in physical sales due to higher demand
- The "barra" price (applicable from May 2010 to April 2011) has been set at US$39.35 US$/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 +9.8% during 9M 2010

Argentina

Gen: €95 M (+12%)

Dist: €37 M (-34%)

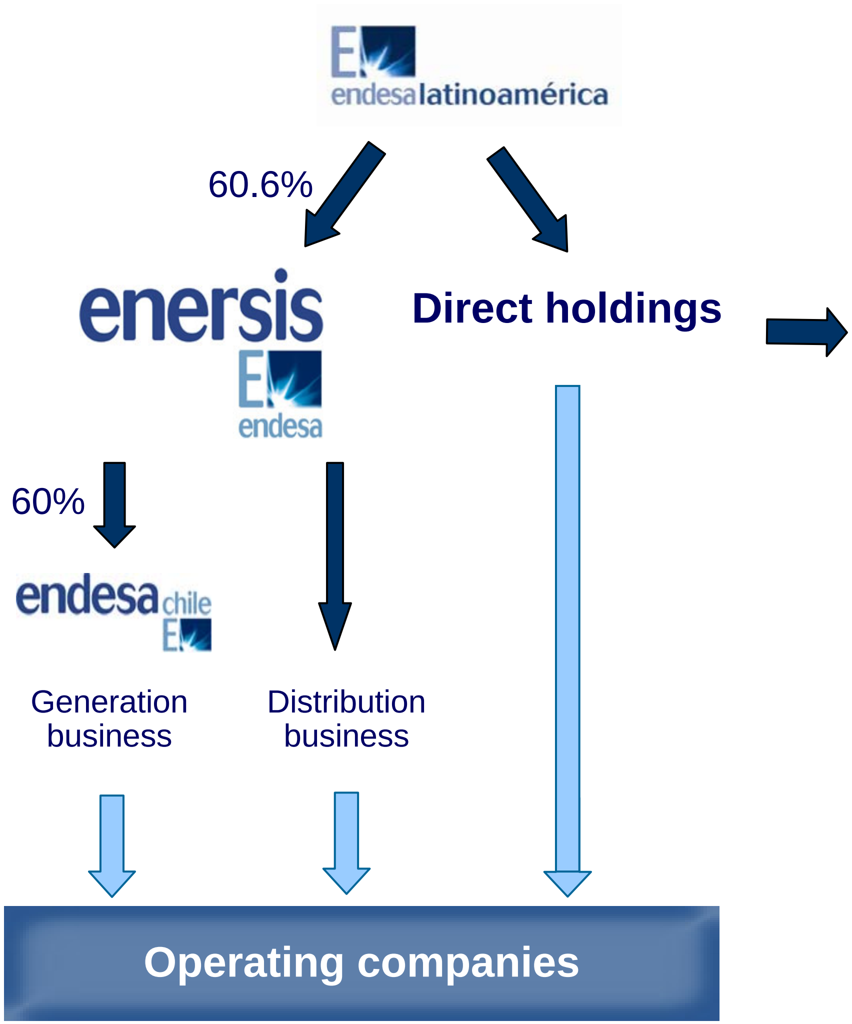
Trans: €2 M (-67%)

Total EBITDA:

€134 M (-9%)

- Lower thermal dispatch of Costanera due to lower thermal gap and planned outage
- Edesur: general increase in fixed costs due to higher inflation
- Argentinean peso appreciated against euro by +2.5% during 9M 2010

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



€M	% direct stake	Proportionate 9M 2010 EBITDA
Codensa:	26.7%	77
Emgesa:	21.6%	71
Endesa Brasil:	28.5%	206
Edesur:	6.2%	2
DockSud:	40%	10
Edelnor:	18%	17
Piura:	48%	11
Pangue	5%	3
Proportionate total		**397**

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.

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endesa 9M 2010results