



2016-2019 ENDESA S.A.'S DIVIDEND POLICY

The economic and financial strategy developed by the Board of Directors envisages the generation of a significant level of cash flow that both allows the Company to maintain its current debt levels and to remunerate shareholders to the fullest extent. It also complies with the objective of ensuring the sustainability of Endesa's business project.

Unless exceptional circumstances arise, that will be duly reported, as part of this economic and financial strategy, the Board of Directors intends to provide Endesa shareholders with the following remuneration:

- 2016: the ordinary dividend per share agreed to be distributed against the year will be the equivalent to 100% of net profit attributable to the parent set down in the consolidated annual financial statements provided that this amount is higher than the result of applying a minimum 5% increase to the ordinary dividend paid with a charge to the prior year.
- 2017 to 2019: the ordinary dividend per share to be distributed in these years will be the equivalent of 100% of ordinary net profit attributable to the parent set down in the consolidated annual financial statements of the Group headed by this company.

Specifically, for 2017, this ordinary dividend will be at least equal to 1.32 gross Euros per share.

The Board of Directors intends to pay this ordinary dividend exclusively in cash and in two payments (January and July) on the specific date to be confirmed in each month, which will be clearly announced.

However, it should be remembered that Endesa's capacity to pay dividends to its shareholders depends on numerous factors, including profits obtained and the availability of distributable reserves, and can not guarantee that dividends will be paid in future years, nor the amount that will be paid out.

In line with the principle of transparency set down in Endesa's market disclosure strategy, the Company will announce any amendment to this dividend policy sufficiently in advance, in addition to all relevant dates for shareholders entitled to receive remuneration.

22 November 2016