endesa analyst day

17th May 2011
1. 1Q 2011 Results

2. Strategic Plan 2011-2015
   2.1. Spain&Portugal&Others strategic plan 2011-15
       - Market context
       - Regulation
       - Operating excellence and synergy programs
       - Strategic priorities
   2.2. Business in Spain
       - Liberalized business
       - Regulated business
   2.3. Latin America strategic plan 2011-15
       - Market context
       - Operating excellence and synergy programs
       - Proven track record in the region
       - Strategic priorities
   2.4. Business in Latin America
       - Liberalized business
       - Regulated business
       - Analysis by country
   2.5. Final remarks: Overall targets
Market context in 1Q 2011

**Demand evolution**

Spain: higher industry demand compensated by lower domestic and services demand

<table>
<thead>
<tr>
<th>Country</th>
<th>1Q 2010</th>
<th>1Q 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>1.1%(^{(1)})</td>
<td>11.4%</td>
<td>+10.3%</td>
</tr>
<tr>
<td>Chile</td>
<td>2.5%</td>
<td>8.6%</td>
<td>+6.1%</td>
</tr>
<tr>
<td>Brazil</td>
<td>-0.4%</td>
<td>4.2%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Latin America: strong growth in Chile, Peru and Argentina, moderated in Brazil and Colombia due to weather conditions

(1) Mainland. Adjusted for weather and working days. (-0.5% not adjusted). Source: REE

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

**Electricity prices**

Spain: higher prices due to normalization of hydro output and higher fuel costs

<table>
<thead>
<tr>
<th>Average pool prices(^{(1)}) Spain</th>
<th>1Q 2010</th>
<th>1Q 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>27 €/MWh</td>
<td></td>
<td>47 €/MWh</td>
<td>+124%</td>
</tr>
</tbody>
</table>

Chile: higher prices due to severe drought and higher commodity prices

<table>
<thead>
<tr>
<th>Average spot prices Chile-SIC</th>
<th>1Q 2010</th>
<th>1Q 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>149 US$/MWh</td>
<td></td>
<td>244 US$/MWh</td>
<td>+68%</td>
</tr>
</tbody>
</table>

(1) Does not include ancillary services nor capacity payments
## Results affected by perimeter change and non-recurring items

<table>
<thead>
<tr>
<th></th>
<th>1Q 2011</th>
<th>1Q 2010</th>
<th>Change</th>
<th>Like-for-like</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>8,363</td>
<td>7,693</td>
<td>+9%</td>
<td></td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>2,735</td>
<td>2,752</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,775</td>
<td>1,879</td>
<td>-6%</td>
<td>+5%</td>
</tr>
<tr>
<td><strong>Spain&amp;Portugal&amp;Others</strong></td>
<td>1,094</td>
<td>1,174</td>
<td>-7%</td>
<td>-0%&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Endesa Latin America</strong></td>
<td>681</td>
<td>705</td>
<td>-3%</td>
<td>+12%&lt;sup&gt;(2)&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1,318</td>
<td>1,403</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td><strong>Net finance expenses</strong>&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>153</td>
<td>320</td>
<td>-52%</td>
<td></td>
</tr>
<tr>
<td><strong>Net attributable income</strong></td>
<td>669</td>
<td>1,535</td>
<td>-56%</td>
<td></td>
</tr>
<tr>
<td><strong>Net attributable income adjusted by disposals</strong>&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>658</td>
<td>627</td>
<td>+5%</td>
<td></td>
</tr>
</tbody>
</table>

**Consolidated EBITDA +5% when considering the change in perimeter & one-off tax in Colombia**

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<sup>(1)</sup> Adjusted by perimeter (renewables, Endesa gas, transmission which contributed with €78 M in 1Q 2010)

<sup>(2)</sup> Adjusted by net worth tax in Colombia (€109 M in 1Q 2011). Includes €34 M positive FX

<sup>(3)</sup> 1Q 2010 included €77 M negative one-off due to regularization of previous years accrual of financial revenues related to tariff deficit (Royal Decree 6/2010)

<sup>(4)</sup> Net capital gains (€11 M in 1Q 2011 & €908 M in 1Q 2010 mainly renewables divestment)
## Forward sales strategy

### Spain & Portugal

<table>
<thead>
<tr>
<th></th>
<th>Apr-Dec 2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated mainland output hedged (%)</td>
<td>100%</td>
<td>45-50%</td>
</tr>
</tbody>
</table>

### Latin America

<table>
<thead>
<tr>
<th></th>
<th>Apr-Dec 2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated output hedged (%)</td>
<td>75-80%</td>
<td>65-70%</td>
</tr>
</tbody>
</table>

- **Stable margins despite volatile wholesale electricity prices**
- **32% of the generation sold via contracts > 5 yrs and 22% via contracts > 10 yrs**
Regulation update

**Spain**
- Last resort tariff: 9.8% average increase from January 1st
- Access tariff: 7.6% average increase from April 1st
- Domestic coal Royal Decree in force since February 28th
- Distribution remuneration based on investments in force since December 28th

**Latin America**
- Ampla: +10% tariff adjustment from March 2011
- Coelce tariff review postponed until 4Q 2011 - 1Q 2012
- CIEN: recognition as a regulated asset by ANEEL (EBITDAe >110MUS$)
- Argentina: new thermal capacity regulation in force (45% increase in O&M remuneration, >100% increase in capacity payments)
Securitization process well advanced

Total amount (€M) to be transferred to securitization fund (FADE)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13,694</td>
</tr>
<tr>
<td></td>
<td>6,694</td>
</tr>
<tr>
<td></td>
<td>7,142</td>
</tr>
<tr>
<td></td>
<td>7,000</td>
</tr>
<tr>
<td></td>
<td>3,505</td>
</tr>
<tr>
<td></td>
<td>3,637</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Endesa</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13,694</td>
</tr>
<tr>
<td></td>
<td>6,694</td>
</tr>
<tr>
<td></td>
<td>7,142</td>
</tr>
<tr>
<td></td>
<td>7,000</td>
</tr>
<tr>
<td></td>
<td>3,505</td>
</tr>
<tr>
<td></td>
<td>3,637</td>
</tr>
</tbody>
</table>

Securitization transactions since January 2011

<table>
<thead>
<tr>
<th>Tranche</th>
<th>Total Amount (€M)</th>
<th>Oversubscription</th>
<th>Coupon (Mid Swap +%)</th>
<th>Maturity (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>€2 bn</td>
<td>€2.5 bn demand (+25%)</td>
<td>4.8%</td>
<td>3.1</td>
</tr>
<tr>
<td>2nd</td>
<td>€2 bn</td>
<td>€2.4 bn demand (+20%)</td>
<td>5%</td>
<td>4.3</td>
</tr>
<tr>
<td>3rd</td>
<td>€2 bn</td>
<td>€2.6 bn demand (+30%)</td>
<td>5.9%</td>
<td>10</td>
</tr>
<tr>
<td>4th</td>
<td>(€1 bn)</td>
<td>€1.2 bn demand (+20%)</td>
<td>5.6%</td>
<td>7.3</td>
</tr>
</tbody>
</table>

- Explicitly guaranteed by the Kingdom of Spain
- Excess deficit for 2010 and ex-ante deficit for 2011 to be transferred

(1) As of December 31st, 2010 (2) To be cashed in on May 20th
On track to achieve synergy programs FY 2011 targets

Endesa Synergy Plan

- FY 2011 target: €840
- Achieved in 1Q 2011: €212
- Breakdown by area (synergies in 1Q 2011):
  - Distribution: 31%
  - Generation & energy management: 36%
  - IT & Others: 33%

Endesa Zenith Plan

- FY 2011 target: €137
- Achieved in 1Q 2011: €48
- Breakdown by area (synergies in 1Q 2011):
  - Distribution: 43%
  - Generation & energy management: 57%

Well on track to achieve 2011 Synergy plan target (25% in 1Q 2011) and Zenith plan target (35% in 1Q 2011)
A sound financial position

Net debt evolution in 1Q 2011 (€M)

- Solid financial leverage
- Endesa liquidity excluding Enersis covers 15 months of debt maturities
- Enersis liquidity covers 28 months of debt maturities

Leverage (Net debt/Equity)

<table>
<thead>
<tr>
<th>31/12/10</th>
<th>31/12/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.7</td>
<td>0.5</td>
</tr>
</tbody>
</table>

(1) Net capex
10% generation output increase on a like-for-like basis (7% including renewables in 1Q 2010)

71% increase in wholesale prices resulted in higher energy purchases cost

Higher thermal gap (lower contribution from hydro and nuclear) and implementation of domestic coal (RD 1221/2010)

Better performance from regulated activities and normalization of margins in liberalized business
Decrease in results due to disposals

<table>
<thead>
<tr>
<th></th>
<th>1Q 2011</th>
<th>1Q 2010</th>
<th>Change</th>
<th>Like-for-like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>5,922</td>
<td>5,609</td>
<td>+6%</td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>1,642</td>
<td>1,760</td>
<td>-7%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,094</td>
<td>1,174</td>
<td>-7%</td>
<td>-0% (3)</td>
</tr>
<tr>
<td>EBIT</td>
<td>767</td>
<td>867</td>
<td>-12%</td>
<td></td>
</tr>
<tr>
<td>Net finance expenses(1)</td>
<td>53</td>
<td>213</td>
<td>-75%</td>
<td></td>
</tr>
<tr>
<td>Net attributable income</td>
<td>524</td>
<td>1,364</td>
<td>-62%</td>
<td></td>
</tr>
<tr>
<td>Net attributable income adjusted by disposals(2)</td>
<td>520</td>
<td>458</td>
<td>+14%</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA(3) flat when considering the change in perimeter (€78 M in 1Q 2010)

(1) 1Q 2010 included €77 M negative one-off due to regularization of previous years accrual of financial revenues related to tariff deficit (Royal Decree 6/2010)
(2) Net capital gains (€4 M in 1Q 2011 & €906 M in 1Q 2010 mainly by renewables divestment)
(3) Adjusted by perimeter (renewables, transmission, Endesa Gas and Endesa Hellas: €78 M in 1Q 2010)
Gross margin impacted by asset disposals

**1Q 2010**

- Liberalized business: €1,760
  - Higher sales to final customers
  - Higher unit fuel costs
  - Higher costs in energy purchases

- Regulated business: €1,642
  - +8%

**1Q 2011**

- Perimeter: €1,642
  - -7%

Gross margin 1% decrease adjusted by perimeter

(1) Gross margin adjusted by perimeter: €100 M in 1Q 2010 (renewables, transmission, Endesa Gas and Endesa Hellas)
Highlights in 1Q 2011

- Growth in distribution sales (+3.7%) with outstanding performance in Chile (+9.6%) and Peru (+7.7%)
- CIEN: recognition by ANEEL as a regulated asset
- Growth in generation volumes (+2.5%) despite drought in Chile compensated by higher hydro output in Colombia
- Better margins in generation and distribution
- Currencies strength: +€34 M EBITDA in 1Q 2011
- One-off net worth tax in Colombia (€109 M)
- Strong losses reduction of 0.5pp during 1Q 2011 to 10.5%
Positive results stripping out one-off in Colombia

<table>
<thead>
<tr>
<th>€M</th>
<th>1Q 2011</th>
<th>1Q 2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2,441</td>
<td>2,084</td>
<td>+17%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>1,093</td>
<td>992</td>
<td>+10%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>681</td>
<td>705</td>
<td>-3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>551</td>
<td>536</td>
<td>+3%</td>
</tr>
<tr>
<td>Net finance expenses</td>
<td>100</td>
<td>107</td>
<td>-7%</td>
</tr>
<tr>
<td>Net income</td>
<td>324</td>
<td>355</td>
<td>-9%</td>
</tr>
<tr>
<td>Net attributable income</td>
<td>145</td>
<td>171</td>
<td>-15%</td>
</tr>
</tbody>
</table>

- Stripping out net worth tax in Colombia EBITDA grew 12%
- €111 M of attributable EBITDA come from direct holdings
- Net income affected by normalization of tax rate (29% vs. 15% in 1Q 2010)
Distribution & Generation EBITDA in Latin America

Ebitda Generation

<table>
<thead>
<tr>
<th>Country</th>
<th>1Q 2010</th>
<th>1Q 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>36</td>
<td>39</td>
<td>+8%</td>
</tr>
<tr>
<td>Brazil</td>
<td>51</td>
<td>52</td>
<td>+2%</td>
</tr>
<tr>
<td>Chile</td>
<td>167</td>
<td>176</td>
<td>+5%</td>
</tr>
<tr>
<td>Colombia</td>
<td>75</td>
<td>55</td>
<td>-27%</td>
</tr>
<tr>
<td>Peru</td>
<td>47</td>
<td>58</td>
<td>+23%</td>
</tr>
</tbody>
</table>

Ebitda Distribution

<table>
<thead>
<tr>
<th>Country</th>
<th>1Q 2010</th>
<th>1Q 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>15</td>
<td>4</td>
<td>-73%</td>
</tr>
<tr>
<td>Brazil</td>
<td>175</td>
<td>61</td>
<td>-7%</td>
</tr>
<tr>
<td>Chile</td>
<td>41</td>
<td>76</td>
<td>+49%</td>
</tr>
<tr>
<td>Colombia</td>
<td>30</td>
<td>56</td>
<td>-26%</td>
</tr>
<tr>
<td>Peru</td>
<td>33</td>
<td>33</td>
<td>+10%</td>
</tr>
</tbody>
</table>

Unit margin

- Generation: €26.1/MWh → €29.5/MWh (+13%)
- Distribution: €31.8/MWh → €32.5/MWh (+2%)

Stripping out net worth tax EBITDA in Colombia would have grown 61% in generation and 31% in distribution.
spain & portugal & others
strategic plan 2011-2015
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   2.5. Final remarks: Overall targets
Main features of Spanish generation market vs. other European markets

<table>
<thead>
<tr>
<th>Feature</th>
<th>Germany</th>
<th>Italy</th>
<th>France</th>
<th>UK/Spain</th>
<th>Portugal</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interconnection rate (%)</td>
<td>44.0</td>
<td>23.1</td>
<td>14.2</td>
<td>11.1</td>
<td>7.1</td>
<td>3.3</td>
</tr>
<tr>
<td>Contribution from renewables (%)</td>
<td>33.2</td>
<td>13.7</td>
<td>7.3</td>
<td>7.2</td>
<td>3.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Reserve margin (%)</td>
<td>26.0</td>
<td>25.8</td>
<td>17.8</td>
<td>17.0</td>
<td>4.4</td>
<td>3.0</td>
</tr>
<tr>
<td>Thermal gap (%)</td>
<td>79.4</td>
<td>64.8</td>
<td>62.6</td>
<td>39.8</td>
<td>32.7</td>
<td>18.7</td>
</tr>
<tr>
<td>Load factor (%)</td>
<td>55.1</td>
<td>48.0</td>
<td>48.0</td>
<td>45.0</td>
<td>34.9</td>
<td>32.0</td>
</tr>
<tr>
<td>Wholesale prices (€/MWh)</td>
<td>66.2</td>
<td>56.4</td>
<td>55.9</td>
<td>53.0</td>
<td>51.9</td>
<td>45.3</td>
</tr>
<tr>
<td>Weight from fixed cost technologies (%)</td>
<td>77.8</td>
<td>59.5</td>
<td>49.6</td>
<td>44.1</td>
<td>28.3</td>
<td>22.0</td>
</tr>
</tbody>
</table>

Spanish market presents peculiarities that must be taken into consideration

(1) Updated to 1Q 2011 (2) Imports capacity over peak demand (3) Renewables output (hydro/pumping not considered) over total gross demand. Includes CHP (4) Last available data: 2008 (Italy, Belgium, Germany), 2009 (France and UK), 2010 (Spain) (5) % from CO2 polluting technologies over total gross demand (6) Average pool prices in 1Q 2011 (except for Belgium 4Q 2010) (7) Capacity with high fixed costs (nuke+hydro+renewables) over total installed capacity.

Source: ENTSO; REE; CNE; Tenne; GME; OMEL; APX; EPEX; RTE; BMWI; AGEB; EEX; DUKES
Expected evolution in the generation market

**Interconnection rate (%) (1)**

- 2010: 7.5%
- 2015: 8.8%

**Contribution from renewables (%) (2)**

- 2010: 30.1%
- 2015: 37.6%

**Thermal gap (%) (3)**

- 2010: 30.5%
- 2015: 30.6%

**Load factor (%)**

- 2010: 25.9%
- 2015: 29.7%

**Reserve margin (%)**

- 2010: 26%
- 2015: 16%

**Wholesale prices (€/MWh)**

- 2010: 34.8€/MWh
- 2015: 60.8€/MWh

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(1) Imports capacity over peak demand
(2) Renewables output (hydro/pumping not considered) over total gross demand. Includes CHP
(3) % from CO2 polluting technologies over total gross demand

Lower reserve margin and higher prices
Spain structurally “long” system with well developed forward market

**Total system generation/sales** (mainland 2011e, gross TWh)

- **Independent generators**
  - Gx output: 32% (7% Special regime)
  - Sales: 61%
- **Vertically integrated generators**
  - Gx output: 100%
  - Sales: 100%

**Liquidity in the forward market**

- **Total OTC market volume (TWh)**
  - 2007: 41.7
  - 2008: 83.0
  - 2009: 153.9
  - 2010: 278.3

**Fundamentals of the supply strategy**
- IPP and RW companies without significant presence in the supply business
- Not all suppliers have national presence
- Idle thermal capacity acting as a potential stop loss

**Fundamentals of the hedging strategy**
- Well developed hedging practices
- Forward market enough to satisfy hedging requirements
- Effective risk management

**Sustainability of our supply business leadership**
Generation market: expected developments

The increase in renewables will require:
- New pumping capacity
- New thermal capacity remuneration scheme

New pumping capacity:
- Output excess from renewables during off-peak hours
  - In 2010, the System Operator under some circumstances had to restrict wind generation
  - Increased spread between maximum and minimum daily prices
- New pumping capacity:
  - Uses the base load energy excess
  - Taking advantage of surplus energy

Impacts of renewable capacity further increase:
- Further pressure on thermal output
- Thermal capacity needed as a back up for renewables

Thermal capacity new remuneration scheme:
- Increase in capacity and availability remuneration of thermal power plants
- Development of a capacity market to operate along with the energy market
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Towards tariff sustainability: expected deficit evolution 2011-2013

Regulated systems costs 2009 (€bn)

<table>
<thead>
<tr>
<th>FV 2.6</th>
<th>Others 3.9</th>
<th>Total costs 16.5</th>
<th>Regulated revenues (revenues from TPA) 12</th>
<th>Deficit 2009(1) 4.5</th>
<th>Deficit 2010(2) 5.5</th>
</tr>
</thead>
</table>

1. Deficit, year installments (1.5bn €) 2. Transmission (1.3 bl €) 3. Distribution (4.5 bl €) 4. SEIE compensation (1.3 bl €) 5. Efficiency plan (0.4 bl €) 6. Others (0.8 bl €)

- April 2011 access tariff increase shows commitment to properly address the deficit issue
- Expected future deficits in line with new caps (RD 14/2010)

Deficit evolution without correcting measures (€ bn)

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5</td>
<td>8</td>
<td>13</td>
<td>19</td>
</tr>
</tbody>
</table>

Deficit target according to RDL 14/2010 (€ bn)

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5</td>
<td>3</td>
<td>1.5</td>
<td>0</td>
</tr>
</tbody>
</table>

~10% yearly access tariff increase for 2012 & 2013 are needed to fulfill deficit caps (RD 14/2010)

(1) Before claw back adjustments (2) CNE report (April 29, 2011): 14 liquidation (€5,554 M, 2010 system deficit)
The CO₂ challenge: Endesa positioning

- **2011-2012:** CO₂ cost alleviated by free allowances (NAP) and CERs
- **After 2012:** end of NAP (free allowances) Banked from Ph II: ~10 Mtn
- **HFC not usable for 2013 compliance after ban by EU**
- **Additional flexibility in case of EC moves from 20% to 30% target with CDM/JI**

### Endesa mainland CO₂ balance (2010-2015)

- **Endesa proactively manages the CO₂ challenge**
- **Flexible mechanism post 2012 will be key**
- **Optimal CO₂ management within Enel Group thanks to CO₂ unit**

### CERs Flexibility available in Ph II:
- ~30 Mtn

### Flexibility banked from Ph II:
- ~24 Mtn
  - (CERs 14 Mtn, free EUAs from NAP 10 Mtn)
  - + Additional CERs Flexibility Ph III: ~14 Mtn

### Average 2011-12:
- 7.4
- 8.3
- ~4(1)

### Average 2013-15:
- 3.3
- 8.4

---

(1) Includes banking and additional flexibility
European Industrial Emissions

- New emissions value for thermal power plants (> 50 MW) after 2016

<table>
<thead>
<tr>
<th></th>
<th>CURRENTLY (GIC Directive)</th>
<th>CURRENTLY (under operation)</th>
<th>FUTURE (after DEI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO₂</td>
<td>400</td>
<td>200</td>
<td>150</td>
</tr>
<tr>
<td>NOₓ</td>
<td>500/200 in 2016</td>
<td>200</td>
<td>150</td>
</tr>
<tr>
<td>NOₓ (CCGT)</td>
<td>75/50</td>
<td>50/90</td>
<td>50</td>
</tr>
<tr>
<td>Particles</td>
<td>50</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

- The new emissions directive represents a challenge for the European utilities
- Endesa is analyzing all possible alternatives to adapt to the new environment

Nuclear scenario post Fukushima

Agreement to carry out "stress tests" for all European nuclear power plants before end 2011

Stress test status

- EC will define the stress test content based on European Regulators criteria. The Nuclear Industry\(^1\) and the European Nuclear Safety regulators\(^2\) contribute also on the stress test definition

- Design revision to test capacity in case of natural disaster (earthquake, flooding), even beyond the original design base

- Compensatory measures to face extended loss of electricity supply and cooling system

- Crisis management considering core melting and subsequent effects, such as, hydrogen accumulation and deterioration of swimming pools.

Expected stress test guidelines

- Emergency generation back-up units
- Potential safety design modifications in case of extreme accident
- Development of emergency procedures in case of extreme accident
- Education and training for contingencies

Sector strengths

- Spanish NPP have been designed taking into account conservative criteria for seismic and flooding risks
- Safety of the Spanish NPP is continuously monitored and evaluated by CSN, with satisfactory results
- Endesa NPPs are of the same technology and average age as most of the current NPP operating in the US

Potential initiatives

- Emergency generation back-up units
- Potential safety design modifications in case of extreme accident
- Development of emergency procedures in case of extreme accident
- Education and training for contingencies

Pragmatic approach by Spanish authorities

---

\(^1\) Represented through European Nuclear Installations Safety Standards –ENISS– \(^2\) ENSEREG
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Operational excellence project in nuclear

Availability\(^{(1)}\): Endesa vs. USA, World and Spain (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Spain</th>
<th>USA</th>
<th>World</th>
<th>Endesa nukes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>73</td>
<td>83</td>
<td>88</td>
<td>93</td>
</tr>
<tr>
<td>1999</td>
<td>93</td>
<td>88</td>
<td>88</td>
<td>93</td>
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<td>2000</td>
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<td>2001</td>
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<td>2010</td>
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<tr>
<td>2011</td>
<td>88</td>
<td>88</td>
<td>88</td>
<td>93</td>
</tr>
<tr>
<td>2012</td>
<td>88</td>
<td>88</td>
<td>88</td>
<td>93</td>
</tr>
</tbody>
</table>

Endesa plan towards nuclear operational excellence

- Increased selected investments: ✔
- Additional specialized staff: ✔
- Additional training: ✔
- Improved operational processes: ✔
- Improved the diagnosis: ✔

Maximum security levels while reaching the best worldwide availability standards

(1) Weighted average by equity ownership
1. Restructuring and reorganization (Proyecto Uno)
   – Functional reorganization
2. Cash-cost optimization
   – Opex&Capex optimization: -17 €/customer by 2014
3. Digital metering
   – > 13 million digital meters by 2015
4. Quality level - SAIDI(1)
   – Sector average
   – Investments optimization
5. Local black-outs decrease

Project kick-off (€ 2009/Client)

<table>
<thead>
<tr>
<th>Year</th>
<th>Previous Target</th>
<th>New Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>90</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>88</td>
<td>72</td>
</tr>
</tbody>
</table>

Status

- Progress in line with plan
- Ahead of the plan
- ~ 160,000 meters already installed
- SAIDI Endesa: 69 min
- SAIDI sector: 100 min
- Good progress

Achieving best in class performance in line with Enel

(1) System Average Interruption Duration Index. Data as of 2009
Spain & Portugal: operating excellence in supply

Portfolio of Added Value Services

• Maximize customer portfolio value and increase client loyalty
• Reaffirm leadership through profitable portfolio of products and services such as energy savings, distributed generation and integrated energy services

Client Project

• Increase in quality perception and improved offers through:
  • Communication plan to emphasize the importance of customers as main pillar for the Organization
  • Quality plan based on customer service commercial cycle management
  • Continuous monitoring of customers perceived quality

Commercial plan for electricity & gas

• Maintain total market share ~40% (~36% in the liberalized market)
• Profitable customers loyalty
• Cost capture proportional to customer value
• Consolidate 2nd position in the Portuguese market
• Consolidate leadership in "dual sales" (electricity + gas)
• Consolidate 2nd position in the gas market

• Development of commercial structure as distinctive feature vs. competitors
• Customer as main priority for the Organization. Expand products and services offering
• Focus on customer portfolio profitability
Spain: 2012 synergies and Zenith targets

100% Concept

38% Distribution
- Cost reduction in metering activities due to the implementations of digital meters
- Reduction of physical losses
- Organizational optimization

13% ICT
- Centralized management for IT systems, suppliers and future projects for hardware, telephone operators and software

11% Conventional Gx
- Hydro performance improvement
- Maintenance improvement for coal and gas: optimization of O&M contracts, turbine performance improvement by substituting rotors in CPP,…

11% Fuel
- Joint fuel portfolio management: common use of port facilities, joint procurement strategy,… (ie: 2010. diversion of 9 bituminous and 4 sub bituminous coal shipments to Enel,…)

10% Procurement
- “Design to cost” project: optimization of materials and services specifications
- Unification of suppliers

8% Nuclear Gx
- Non-programmed availability improvement (3,4% in 2011 and 2,7% in 2012) by the application of international best practices (WANO, INPO,…), related to safety plans, plant operation,…

3% Corporate Structure
- Insurance policies: higher risk retention in line with Enel Group policies
- Travel agency optimization: tourist class tickets for short flights, substitution of car ownership for hire cars,…

3% I+D+I
- Cancellation of duplicated projects with Enel (mainly biomass)
- Joint development projects with Enel (tide energy)

3% Energy mgt
- CERS&EUAs portfolio optimization, Bid-offer operations,…

1% Supply
- Some call center operations moved to Latin America

2012 target €804 M

169

635

Synergies program

Zenith Plan

Spain&portugal&others: operating excellence and synergies programs
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### Strategic priorities for Spain&Portugal (2011-2015)

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<thead>
<tr>
<th>Regulation</th>
<th>Synergies</th>
<th>Operational excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Regulation management</td>
<td></td>
</tr>
<tr>
<td>Synergies</td>
<td>• Synergies Plan: efficiencies, Zenith, internal efficiencies and BPS</td>
<td></td>
</tr>
<tr>
<td>Operational excellence</td>
<td>• Improvement projects:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Security</td>
<td>3. Distribution</td>
</tr>
<tr>
<td></td>
<td>2. Nuclear</td>
<td>4. Supply</td>
</tr>
<tr>
<td></td>
<td>• Generation:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Maintaining mainland market share (~30%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Develop new pumped storage plants</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- New European Industrial Emissions Directive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Nuclear operating excellence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Supply:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Forward sales to stabilize margins</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Maintaining market share (~40%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Diversification of products and services portfolio</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Energy management:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Purchase and forward sales optimization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Risk management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Gas:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Sales: reinforce leadership among non incumbents</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Distribution: active management with partner</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Distribution: operating excellence and regulatory management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Non mainland systems:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Generation: new investments for additional capacity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Supply: managing commercial pressure</td>
<td></td>
</tr>
</tbody>
</table>

**Sustainable leadership in Spain&Portugal**
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Mainland demand & renewables output evolution

**Mainland demand (%)**

- ΔGDP: 0.3, 0.3, 1.2, 1.8, 2.2
- CAGR: 1.7%

**Mainland demand (TWh)**

- 2010: 282, 2015: 282
- CAGR: +1.6%
- ΔGDP: 0.3, 0.3, 1.2, 1.8, 2.2

**Mainland special regime (TWh)**

- Installed capacity (GW): 36.0, 48.8
- Total output (TWh): 91, 119
- CAGR: +30.9%
- ΔGDP: 0.3, 0.3, 1.2, 1.8, 2.2

**Increasing contribution from renewables will absorb demand growth**
Mainland capacity evolution

- Market share above 30% in the ordinary regime during the period
- Obtain additional remuneration for the thermal capacity
- Optimization of our generation mix via pumping facilities
## Pumped storage opportunities

### Rational for new pumping capacity

- Use excess energy from renewables during base load hours
- **Competitive advantage against other peak technologies** (CCGT)

### Pumping advantages

- Benefit from prices volatility of the hourly curve
- Participates in secondary markets
- Quick response to energy demand
- Meets emergency assignments

### Projects under development

- **Moralets**
  - Repowering current 221 MW: increase to 600 MW
  - On stream: 2014
  - Investment: € 175 M

- **Girabolhos**
  - New 364 MW plant in Portugal (mixed pumping)
  - On stream: 2018
  - Investment: € 360 M

- **Others**
  - Over 1 GW of additional pipeline to develop before 2020
Mainland generation mix (TWh)
(2011-15 average)

- In 2011-15 no new ordinary regime power plants are expected apart from pumped storage
- Higher exposure to hydro and nuclear vs. sector average
- Competitiveness
- Generation mix characterized by low volatility and flexibility
- Output potential over 80 TWh

ENDESA has better generation mix than the system average
Short position evolution

Sales (TWh) to liberalized market(1)

- Optimization of energy purchases & own production
- Continuous monitoring of value at risk
- Valuable position of own thermal power plants
- Additionally, SEIE sales (financial hedging) and LRT
- Domestic coal Royal Decree 2011-14

(1) Mainland, own production does not include domestic coal in 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy Purchases (41-31%)</th>
<th>Own Production (59-69%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>31-23</td>
<td>44-52</td>
</tr>
<tr>
<td>2015</td>
<td>26-16</td>
<td>55-65</td>
</tr>
</tbody>
</table>

Energy purchases 32-20%
Own production 68-80%
Revenues and costs of energy 2011-2015

- **2011**: domestic coal RD, NAP
- **2015**: resilient unit margin despite end of CO₂ allowances
Gas: current position and strategy

- Consolidate our 2\textsuperscript{nd} position player in Spain:
  - Maintain position in Large Consumers of around 15\% of market share
  - Moderate growth in retail clients in Spain
- Large consumers portfolio development in Portugal

Endesa gas balance position (bcm)

- Competitive & flexible sourcing
- Balance position throughout the plan (even including Medgaz)
- Further additional security thanks to diverts and flexibility
- Synergies through LNG swaps

**Balanced position with a flexible and competitive procurement**
**Consolidate 2\textsuperscript{nd} position in gas supply**

<table>
<thead>
<tr>
<th>Year</th>
<th>Divert/Flexibility</th>
<th>Supply</th>
<th>Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4.8</td>
<td>3.5</td>
<td>0.3</td>
</tr>
<tr>
<td>2015</td>
<td>6.2</td>
<td>4.8</td>
<td>1.4</td>
</tr>
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spain&portugal&others: regulated businesses

Current distribution remuneration methodology

New methodology
RD 222/2008

- Full application of the new methodology (effective from December 2009)
- Cost audited information, grid reference model as a contrast tool
- Planning investment process coordinated with CCAA, CNE, Central Government and Distribution companies

Key elements part of the new remuneration model

- Remuneration update year n-1: 0.2*(CPI-0.8) + 0.8*(IPI-0.4).
- Remuneration of the increased activity:
  - Recognized investments: result of grid reference model.
  - Investment remuneration: Use of real WACC b.t. (7.8% in 2011) to recognized investments net of facilities financed by third parties.
  - O&M associated to newly recognized investments

New stable and foreseeable model acting as a basis for future transformational investments (electric car, smart grids, etc)
Introduction of domestic coal Royal Decree (1221/2010)

- First month of operation: cost for the system €28.9 M (1.35€/MWh)
- Limited impact on market price
- Until end of April, 82% of the displaced production was imported coal
- Part of the displaced volumes are later recovered in the adjustments and restrictions markets
- 85% of the displaced production corresponds to Endesa

• Thermal plants: very low load factor because of displacement by domestic coal and large renewable output
• However, these plants are required to provide back-up and flexibility: need to update the capacity payments mechanism to ensure the sustainability of imported coal and CCGT

(1) Accumulated volumes from implementation of National Coal RD to May 2nd 2011
Non mainland systems: brief description and assumptions

**Growing demand (TWh)**

- Canary Islands: 2010 - 9.0, 2015 - 10.3, CAGR +2.3%
- Balearic Islands: 2010 - 6.0, 2015 - 6.9, CAGR +2.8%

**Reserve margin and new capacity**

- Canary Islands: Reserve margin 2010 - 1.6, 2015 - 1.4
- Balearic Islands: New accumulated capacity (MW) 2010 - 49, 2015 - 64

- Although this market and activity are liberalized, Endesa continues as the only market operator
- Mid to long term forecasts indicate demand will grow at a faster pace than mainland
- The regulatory minimum reserve margin is higher than mainland
- From 2011 to 2020 it will be necessary to add 950-1,200 MW of new capacity, with a 300 MW obsolete closure capacity forecast
- The base plan foresees the execution of all capacity additions
The Ministerial Orders for SEIE generation have created a stable regulatory framework

- **Coverage of:**
  - Depreciation (25 years for fossil fuel, 65 years for hydro)
  - Financial remuneration: 10Y govt. bonds + 3% applied on net values
- **Investment value:** real value + 50% of the difference between standard and real
- **Possibility of recognition of extraordinary or additional investments**

**Investment**

- Standard unit values for O&M costs, differentiated by technology and size, to be applied to
  - Availability: fixed O&M
  - Operation regime: variable O&M
- Updates at CPI-1

**Operating and maintenance costs**

- Fuel: price using commodity international market reference
- Logistics: updated at CPI-1
- CO2 emission rights: deficit from allocation of rights cover

**Fuel, logistics, emission rights**

Stable regulatory scheme well adapted to these isolated systems requirements
Best practice sharing with Enel

**Generation**
- Coal: Costs and efficiency improvements, predictable maintenance and coal maintenance
- CCGT: Large overhauls, predictable maintenance, inventories management and equipment maintenance
- Hydro: Maintenance, operating efficiency, water management, civil structures security, large overhauls, remote control and engineering process

**Distribution**
- Plan Uno reorganization: Digital metering (Cervantes), Design to cost
- Remote control MV/LV, grid planning, Capex optimization, organization & outsourcing, street lightning

**Nuclear**
- Agreement on action plans for industrial safety, corrective action plan and work management. Ageing management & material obsolescence management.

**Supply**
- Operations, demand, price & customers offers

Effective knowledge transfer within the Group
latin america
strategic plan 2011-2015

Mr. Andrea Brentan
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Market context in Latin America

Expected GDP growth

- Chile: 5.9%
- Brazil: 4.9%
- Colombia: 4.5%
- Peru: 7.5%
- Argentina: 6.0%
- Latam (2): 4.7%
- Advanced economies: 4.2%

Rating

- Chile: A+
- Brazil: BBB-
- Colombia: BBB-
- Peru: BBB-
- Argentina: B
- US$: –

Currencies

- Chile: -3%
- Brazil: -5%
- Colombia: -1%
- Peru: 0%
- Argentina: -8%
- US$: +1%

95% 2010 EBITDA of Latin America business (investment grade and resilient currencies)

- Sound economic growth outlook
- Financial stability
- Limited impact from currencies depreciation (~35% EBITDA 2010 from Latin America linked to US$)

(1) Source IMF (2) Includes Mexico and economies from the Caribbean, Central America, and South America (3) Standard & Poors (4) Yearly average (2011-2015) against €
### Market structure overview

#### Generation
- Markets with audited costs benefit from higher level of transparency
- Technical calculation of capacity payment avoids discrimination among technologies
- Pass through to final customer
- Long term tenders for regulated customers facilitate expansion

#### Distribution
- Indefinite or long term concessions
- Tariffs set in accordance with technical criteria or targets
- Technical arbitration bodies that limit discretionary decisions
- Long experience in tariff revisions

---

**Good market frameworks with strong expected growth**

The regulatory framework for generation fosters stable functioning of the market and creates incentives to ensure expansion.

Robust regulatory frameworks for distribution provide incentives to assure the adequate quality of service.

**Latin America: Market Context**

- Markets with audited costs benefit from higher level of transparency
- Technical calculation of capacity payment avoids discrimination among technologies
- Pass through to final customer
- Long term tenders for regulated customers facilitate expansion
- Indefinite or long term concessions
- Tariffs set in accordance with technical criteria or targets
- Technical arbitration bodies that limit discretionary decisions
- Long experience in tariff revisions
### Capacity Payment

- Set by the regulator
- It corresponds to an efficient investment cost of a gas turbine (O&M included)

**Peru Example**

<table>
<thead>
<tr>
<th>Turbine PG7241FA – 171 MW</th>
<th>US$ 49M</th>
<th>O&amp;M: US$ 0.7M</th>
<th>Useful Life: 15 years</th>
<th>Real pre-tax Rate: 12%</th>
</tr>
</thead>
</table>

- 17 “Soles”/kw-month
- 10 US$/MWh

### Reliability Payment

- Remunerates “Audited Firm Energy” that is requested in scarcity situations
- The price is determined by a 20 years tender (new plants)

Brazil does not have capacity payment because it is included in the tender

### Stable capacity payment policy for next years that incentivizes investments on availability and security of supply
Strong organic growth: Endesa generation project pipeline

Environmental permits approved

Chile
1,403 MW

Chile
1,868 MW

Chile
8,841 MW

Environmental permits processing

Chile
140 MW

Brazil
912 MW

Colombia
449 MW

Peru
1,030 MW

Pre submitting

Promotion
140 MW

Conceptual
4,583 MW

Pre-feasibility
1,468 MW

Feasibility
3,382 MW

Basic engineering
2,239 MW

Detailed engineering
300 MW

Strong generation project pipeline under development (more than 12 GW)
<table>
<thead>
<tr>
<th>Country</th>
<th>Real pre-tax in local currency</th>
<th>Nominal after tax in US$</th>
<th>US 10Y bond yield + EMBI country (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>10%</td>
<td>11%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Colombia</td>
<td>14%</td>
<td>13%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Peru</td>
<td>12%</td>
<td>12%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Brazil</td>
<td>15%</td>
<td>12%</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

- Long term concessions: indefinite or 30 years
- Transparent and stable regulatory scheme
- Incentives to promote efficiencies

(1) Source: Bloomberg (May 6th 2011)
## Latin America: Market Context

### Strong Organic Growth: Endesa Customers Portfolio

#### Energy Distributed by Country (TWh)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Chile</td>
<td>13.1</td>
<td>13.7</td>
<td>14.3</td>
<td>15.1</td>
<td>16.0</td>
<td>16.8</td>
</tr>
<tr>
<td>Brazil</td>
<td>18.8</td>
<td>19.6</td>
<td>20.7</td>
<td>21.7</td>
<td>22.6</td>
<td>23.7</td>
</tr>
<tr>
<td>Colombia</td>
<td>6.1</td>
<td>6.4</td>
<td>6.8</td>
<td>7.1</td>
<td>7.5</td>
<td>7.9</td>
</tr>
<tr>
<td>Peru</td>
<td>12.5</td>
<td>12.9</td>
<td>13.5</td>
<td>14.1</td>
<td>14.8</td>
<td>15.3</td>
</tr>
<tr>
<td>Argentina</td>
<td>16.8</td>
<td>17.3</td>
<td>17.9</td>
<td>18.7</td>
<td>19.4</td>
<td>20.1</td>
</tr>
</tbody>
</table>

#### CAGR 2010-2015 | TWh Increase 2010-2015 | Number of Customers (1) Increase 2010-2015
---|-------------------|---------------------|
Colombia | 4.6% | 3.3 | 99
Peru | 6.7% | 1.8 | 216
Chile | 5.2% | 2.8 | 466
Argentina | 6.0% | 4.9 | 903
Brazil | 6.4% | 3.7 | 213

### Key Points
- ~400,000 new customers per year
- Consolidation of operating excellence (losses reduction, quality improvement, cost reduction and investment optimization)
- Customer base leverage to offer new products and services

(1) Thousands
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## 1. 1Q 2011 Results

---

## 2. Strategic Plan 2011-2015

### 2.1. Spain&Portugal&Others strategic plan 2011-15
- Market context
- Regulation
- Operating excellence and synergy programs
- Strategic priorities

### 2.2. Business in Spain
- Liberalized business
- Regulated business

### 2.3. Latin America strategic plan 2011-15
- Market context
- Operating excellence and synergy programs
- Proven track record in the region
- Strategic priorities

### 2.4. Business in Latin America
- Liberalized business
- Regulated business
- Analysis by country

### 2.5. Final remarks: Overall targets
Operating excellence in distribution: losses reduction

Continues effort to further reduce losses in all countries

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2015 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>5.8%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Brazil</td>
<td>16.8%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Colombia</td>
<td>8.2%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Peru</td>
<td>8.3%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Argentina</td>
<td>10.5%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>
Latin America: best practice transfer for I+D+i projects

**Best practice**

- **Digital metering and Smartgrids**
  - Enel experience and technology
  - Leadership in Spain
  - Smartcity project in Málaga
  - Ampla: electronic metering leader

- **Electric car**
  - Outstanding position in Spain
  - Agreements with main manufacturers

- **Commercial services**
  - Colombia (Codensa) sales services model (loans) 600,000 clients
  - Outsourced risk through a commercial agreement

- **Nuclear energy**
  - Experience in Spain (power plants management, fuel cycle, regulation and international agreements)
  - Enel group experience

**Opportunities**

- Brazil and Chile as priority countries.
- Working group to focus on: business plan definition, pilot project, management development
- Brazil: working on alliance with local suppliers
- Chile: gradual adding of smart meters through Chillectra
- Commercial model replicated in Chile and Peru
- Opportunities in other countries
- Advise Chilean authorities in the nuclear development
- Brazil and Argentina already have nuclear energy. Future opportunities

“Cross fertilization” large opportunities
Latin America: 2012 synergies and Zenith targets

<table>
<thead>
<tr>
<th>100% Concept</th>
<th>Main initiatives</th>
</tr>
</thead>
</table>
| **Distribution** | • Losses reduction (10.4% on average in 2012)  
• Operational efficiency improvement: operational and maintenance cost reduction (i.e. substations, MT – LT) |
| **Procurement** | • “Design to cost” project: optimization of materials and services specifications  
• Unification of suppliers |
| **Conventional Gx** | • Hydro performance improvement  
• Maintenance improvement for coal and gas: optimization of O&M contracts, turbine performance improvement by substituting rotors in CPP,…. |
| **ICT** | • Centralized management for IT systems, suppliers and future projects for hardware, telephone operators and software |
| **Fuel** | • Joint fuel portfolio management: common use of port facilities, joint procurement strategy,… (i.e: 2010,10 coal shipments to Endesa Chile,…)
| **Corporate Structure** | • Insurance policies: higher risk retention in line with Enel Group policies  
• Travel agency optimization: tourist class tickets for short flights, substitution of car ownership for hire cars,… |

2012 target €262 M

Zenith Plan

Synergies program
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       - Regulated business
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Proven experience in managing utilities in Latin America

Key milestones in the region

Knowledge: presence in Latam electricity business since 1992
Commitment: ~€8 bn invested in the region
Managerial excellence: brilliant results also under difficult scenarios
Leadership: #1 in relevant markets, with options to grow
**Improvements already done and others underway**

- Reduction of companies (from 150 after Endesa’s take over to ~80 nowadays)
- Piura tender offer
- Sale of non-core activities (CAM & Synapsis)

**…but, current model has limitations**

- Consolidation of 100% debt but lower economic interest
- Dividends double taxation
- Low cash flow visibility

**…with constraints that must be taken into consideration**

- Tax
- Important role of local pension funds
- Minorities interest

**Study aiming at defining options to improve:**

- Economic interest
- Tax inefficiencies
- Visibility of cash flows

---

(1) 57% stake in Inversora Dock Sud, which owns 70% in Dock Sud. (2) 80% stake in Caboblanco, which control and hold 60% stake in Piura
endesa 1Q results & analyst day

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       ▪ Regulated business
       ▪ Analysis by country

   2.5. Final remarks: Overall targets ........................................................................ 93
### Latin America: Strategic Priorities

#### Strategic Guidelines

<table>
<thead>
<tr>
<th>Generation</th>
<th>Distribution</th>
<th>Operational Excellence</th>
<th>Corporate Strategy</th>
</tr>
</thead>
</table>
| • Growing demand and increasing competition:  
  - Organic growth to maintain leadership | • Stable regulatory framework and returns above WACC:  
  - Organic growth  
  - Focus on efficiency  
  - Analysis of potential synergy-driven acquisitions | • Synergies project  
• Zenith project  
• Security Plan  
• "Generation Pipeline" project  
• "Projects management" project  
• Internalize European experiences project:  
  - Energy Management  
  - Gas market analysis  
  - Digital metering  
  - Electric car  
  - Energy efficiency  
  - Client offerings diversification | • Study aiming at defining options to improve:  
  - Economic interest  
  - Tax inefficiencies  
  - Visibility of cash flows |
| • Large market with incipient concentration:  
  - Organic growth  
  - Analysis of potential growth opportunities | | |
| • Demand growth and Endesa’s good position  
• Need for market oriented rules  
• Limited book value and self-financing  
• Active role on:  
  - Defending our position  
  - Regulatory improvement | | |

#### Sustainable leadership through: solid growth, adding value and maintaining leadership
businesses analysis

latin america
1. 1Q 2011 Results

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   - Strategic priorities

2.4. Business in Latin America
   - Liberalized business
   - Regulated business
   - Analysis by country

2.5. Final remarks: Overall targets
Focus on projects under construction

**Bocamina II, coal, Chile**
- Location: next to the existing Bocamina I coal-fired plant
- Installed capacity: 370 MW
- Fuel type: imported coal
- Estimated start-up: December 2011
- Investment: €~670 million

**El Quimbo, hydro, Colombia**
- Location: Magdalena River
- Installed capacity: 400 MW
- Estimated start-up: December 2014
- Investment: €~900 million
- Reliability payment: up to 1,650 GWh/year for 20 years

**Talara, OCGT dual fuel, Peru**
- Location: close to Malacas power station 132MW (Piura)
- Installed capacity: 190 MW
- Estimated start-up: 3Q 2013
- Investment: € ~90 million
- Long term capacity payments (20 years)
- Possible conversion to a CCGT in year 6 if market conditions are adequate leaving cold reserve scheme
### Latin America: Liberalized Businesses

**Focus on High Success Probability Projects**

<table>
<thead>
<tr>
<th>Project Area</th>
<th>Installed Capacity</th>
<th>Estimated FID (1)</th>
<th>Investment (€)</th>
<th>Average Annual Output (GWh)</th>
<th>Load Factor</th>
<th>Connection</th>
<th>Environmental Impact</th>
<th>Permits and Approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Los Condores, Hydro, Chile</strong></td>
<td>150 MW</td>
<td>2Q2012</td>
<td>~500 million</td>
<td>600 GWh</td>
<td>46%</td>
<td>SIC connection through 90 Km transmission line</td>
<td>Limited environmental impact (no reservoir projected)</td>
<td>EIA approved, permitting in progress with established design conditions</td>
</tr>
<tr>
<td><strong>Neltume, Hydro, Chile</strong></td>
<td>490 MW</td>
<td>1Q 2013</td>
<td>~860 million</td>
<td>1,870 GWh</td>
<td>44%</td>
<td>SIC connection through 91 Km transmission line</td>
<td>Limited environmental impact (no reservoir projected)</td>
<td>EIA in progress</td>
</tr>
<tr>
<td><strong>Curibamba, Hydro, Peru</strong></td>
<td>188 MW</td>
<td>2Q2012</td>
<td>~330 million</td>
<td>1,010 GWh</td>
<td>61%</td>
<td>SIN connection through 112 Km transmission line</td>
<td>Limited environmental impact (no reservoir projected)</td>
<td>EIA in progress</td>
</tr>
</tbody>
</table>

---

(1) FID: Firm Investment Decision

### New Projects Development Well on Track
Focus on high success probability projects: Aysen

Aysén, hydro, Chile

**The project**

- Installed capacity: 2,750 MW (5 hydro plants)
- Output: 18,430 GWh/year (load factor 77%)
- Ownership: 51% & 49% Colbun
- 57% of output corresponds to Endesa in exchange of water rights transferred
- Estimated start-up: 2020 onwards

**Events**

- 9th of May the “Comisión de Evaluación Ambiental de la Región de Aysén” approved the Environmental impact study for Generation project
- Transmission environmental approval is in progress. 2,000 Km Power line

**Schedule milestones**

- Transmission project:
  - Environmental approval
  - Permitting
  - Basic engineering
- Generation Project:
  - Rest of permits
  - Basic engineering

Key to assure security of supply at a competitive cost
Projects in Chile

<table>
<thead>
<tr>
<th>Name</th>
<th>Technology</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bocamina II</td>
<td>Thermal (coal)</td>
<td>370</td>
</tr>
<tr>
<td>Los Condores</td>
<td>Hydro</td>
<td>150</td>
</tr>
<tr>
<td>Neiltume</td>
<td>Hydro</td>
<td>490</td>
</tr>
</tbody>
</table>

Pipline

<table>
<thead>
<tr>
<th>Hydro</th>
<th>3,719</th>
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</thead>
<tbody>
<tr>
<td>Thermal (coal)</td>
<td>990</td>
</tr>
<tr>
<td>Thermal (CCGT)</td>
<td>500</td>
</tr>
<tr>
<td>Windfarm</td>
<td>308</td>
</tr>
<tr>
<td>Minihydro</td>
<td>62</td>
</tr>
</tbody>
</table>

Total

<table>
<thead>
<tr>
<th>Name</th>
<th>Technology</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>6,589</td>
</tr>
<tr>
<td>Total pipeline</td>
<td></td>
<td>6,219</td>
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</table>

Projects in Peru

<table>
<thead>
<tr>
<th>Name</th>
<th>Technology</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curibamba</td>
<td>Hydro</td>
<td>188</td>
</tr>
<tr>
<td></td>
<td>Hydro</td>
<td>940</td>
</tr>
<tr>
<td></td>
<td>Thermal (CCGT)</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>Windfarm</td>
<td>98</td>
</tr>
<tr>
<td></td>
<td>Minihydro</td>
<td>107</td>
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</table>

Pipline

<table>
<thead>
<tr>
<th>Hydro</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,633</td>
</tr>
<tr>
<td>Total pipeline</td>
<td>1,633</td>
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</tbody>
</table>

Projects in Colombia

<table>
<thead>
<tr>
<th>Name</th>
<th>Technology</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Quimbo</td>
<td>Hydro</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>Minihydro</td>
<td>156</td>
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Total

<table>
<thead>
<tr>
<th>Name</th>
<th>Technology</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,857</td>
</tr>
<tr>
<td>Total pipeline</td>
<td></td>
<td>1,857</td>
</tr>
</tbody>
</table>

Projects in Brazil

<table>
<thead>
<tr>
<th>Name</th>
<th>Technology</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hydro</td>
<td>1,409</td>
</tr>
<tr>
<td></td>
<td>Thermal (coal)</td>
<td>850</td>
</tr>
<tr>
<td></td>
<td>Windfarm</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>Minihydro</td>
<td>244</td>
</tr>
</tbody>
</table>

Total

<table>
<thead>
<tr>
<th>Name</th>
<th>Technology</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2,803</td>
</tr>
<tr>
<td>Total pipeline</td>
<td></td>
<td>2,803</td>
</tr>
</tbody>
</table>

Strong generation pipeline > 12 GW
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**Clients growth (thousands)**

<table>
<thead>
<tr>
<th>2010</th>
<th>Br</th>
<th>Col</th>
<th>Chile</th>
<th>Peru</th>
<th>Arg</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,273</td>
<td>902</td>
<td>467</td>
<td>213</td>
<td>216</td>
<td>99</td>
<td>15,170</td>
</tr>
</tbody>
</table>

+14%

**Consumption per client (MWh/client/year)**

<table>
<thead>
<tr>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>5.5</td>
</tr>
</tbody>
</table>

+9%

**Organic growth**

- Growth as result of urban development in areas where we operate

**Increase in electricity demand program**

- Sale of products to stimulate increase of electricity demand
- Foster electricity demand vs. gas (ie. Full electric)

**New services development**

- Take advantage of our brand to launch new products
- Segmented offer to clients (street lighting, infrastructure renting, etc.)
- Electric car

**Every year we add ~400,000 new customers**
latin America: regulated businesses

Distribution: business profitability

RAB 2010 (US$ Bn)

- Ampla: 2.9
- Coelce: 1.8
- Codensa: 2.9
- Edelnor: 1.1
- Chilcetra: 2.0
- Edesur: 2.0
- EEC: 0.3

Regulated revenue(2) 2010 (US$/MWh)

- Ampla: 67
- Coelce: 66
- Codensa: 49
- Edelnor: 35
- Chilcetra: 27
- Edesur: 17

2010 RAB > US$13 bn with attractive DAV levels

(1) Estimated (2) Do not include energy costs
### Distribution: tariff reviews calendar

<table>
<thead>
<tr>
<th>Year</th>
<th>Distribution</th>
<th>Subtransmition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Chilectra</td>
<td>Edesur</td>
</tr>
<tr>
<td>2012</td>
<td>Codensa</td>
<td>Chilectra</td>
</tr>
<tr>
<td>2013</td>
<td>Coelce</td>
<td>Edesur</td>
</tr>
<tr>
<td>2014</td>
<td>Ampla</td>
<td>Edesur</td>
</tr>
<tr>
<td>2015</td>
<td>Cien</td>
<td>Edesur</td>
</tr>
</tbody>
</table>

**Tariff review process: clear roadmap ahead**
The ANEEL published on April 26th the 2nd proposal of the methodology which improves some aspects of the 1st proposal (i.e. X factor):

- **WACC**
  - 7.57% proposed vs. 9.95% in 2nd cycle due to lower country risk

- **X Factor**
  - Change of the Methodology. Productivity, quality and cost efficient path. Potential benefits from efficiency achievements.

- **Operating costs**
  - Change of the Methodology. 2nd cycle O&M update. Applying an efficient path through X factor.

- **Tax**
  - Tax benefits from the concessionary contract under legal discussion

- **Other incomes**
  - Benefits must be shared with customers

- **Discussion of the methodology between industry and regulator to support investments required by the country**

- **Coelce final tariff revision scheduled 4Q 2011 or 1Q 2012**

(1) After tax in real terms
In April 19 CIEN signed the operational contracts with ONS. Process concluded.

- Fixed by Aneel (vs. book value of €186 M at 31st Dec 2010)
- Includes terminal value
- Remuneration base revision, WACC and O&M
- Extension likelihood (10 years)

CIEN secures good and predictable value

Gross RAB (US$ bn) 1.06
- Fixed by Aneel (vs. book value of €186 M at 31 Dec 2010)

Period (years) 2020 & 2022 (Line I & Line II resp)
- Includes terminal value

Reviews Every 4 years
- Remuneration base revision, WACC and O&M
- Extension likelihood (10 years)

WACC(1) 7.24%
- WACC applied to existing transmission companies

Ebitda (US$ M)(2) ~110(3)
- Considers average RAP for 2011. Due to delays of the 2nd “Portaria”, CIEN has not received the first quarter of 2011. Fx =1,7R$/US$.

---

(1) After tax in real terms
(3) Considers average RAP for 2011. Due to delays of the 2nd “Portaria”, CIEN has not received the first quarter of 2011. Fx =1,7R$/US$.
Transmission agreement for 2011 between Government and generation companies (Dec 2010):

**Generation:**

- **Capacity payment (US$/MWhph):**
  - Higher capacity remuneration
  - Hydro: 3
  - CCGT: 3
  - Steam turbine: 3

- **O&M (US$/MWh):**
  - O&M increase for thermal plants
  - 2.5 → 3.6 (+45%)

- **Recognition of the debt with generators:**
  - 100% recognition of the credits accrued

- **New Projects:**
  - 800 MW CCGT
  - Approved by the Secretary of Energy
  - Project under development

**Distribution:**

Edesur is receiving PUREE(1) surplus since 2008 as part of the pending cost recognition

---

(1) Customers extra cost due to excess in consumption
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**Electricity demand recovery (SIC)**

- Demand: 5% CAGR over 2010-2015
- Addition of 2.200 MW over 2010-15, of which 1,500 MW are from coal power plants and 700 MW are hydro plants
- Lower reserve margins

**Market overview**

- 2011 annual hydrological year, starting in April, expected to be on average
- The new thermal generation emissions law resulted in a positive and well balanced regulation
- Development of interconnections: SIC-SING and Peru-SING
- Under discussion: regulatory model for the access of third parties to regasification plants

**Energy contracts**

- Endesa has hedged high level of estimated production through long term energy contracts
- Stability and price recovery from 2013

**Endesa’s partners**

- Main Chilean AFP’s are relevant stakeholders of Enersis and Endesa Chile, and have significant presence on their respective board of directors

**Endesa will reinforce its leadership in Chile**
Portfolio projects situation in Chile

- **6,219 MW**
  - Environmental permits approved
  - 1,403 MW
  - Environmental permits processing
  - 1,380 MW
  - Pre submitting Environmental permits
  - 3,436 MW

- **1,236 MW**
  - Basic engineering
  - Detailed engineering
  - 2,051 MW

- **Hydro**
  - 140 MW

- **Thermal**
  - 2,192 MW

- **Renewables**
  - 600 MW

- **3,436 MW**
  - Pre submitting Environmental permits
  - Futaleufú 1,367 MW
  - Puelo 738 MW
  - Lebu 200 MW
  - CC Quintero 148/360 MW

- **1,380 MW**
  - Environmental permits processing
  - HidroAysén Gx 1,403 MW
  - Los Cóndores 150 MW
  - Neltume 490 MW

- **6,219 MW**
  - VC Pta. Alcalde 1 y 2 740 MW
  - VC Celta 2 250 MW
  - Renaico 88 MW
  - Piruquina 8 MW

- **140 MW**
  - Cierre CC Tal-Tal 140 MW
  - El Bardón 14 MW
  - Vallecito 73 MW
  - Huechún 40 MW

- **2,192 MW**
  - Futaleufú 1,367 MW
  - Puelo 738 MW
  - Lebu 200 MW
  - CC Quintero 148/360 MW

- **600 MW**
  - Puelo 738 MW
  - Lebu 200 MW
  - CC Quintero 148/360 MW

- **1,236 MW**
  - Basic engineering
  - Detailed engineering

- **2,051 MW**
  - Detailed engineering
Brazil

- 4.5% CAGR over 2010-2015.
- Strong need of new capacity: 28,000 MW over 2011-2015
- Reserve margin very sensitive to hydro conditions

Electricity demand

- Significant organic growth opportunities in generation and distribution
- Incipient market consolidation allows other growth opportunities
- Brazil as a net gas producing country should boost gas as future complement technology to hydro and other renewables in the energy mix
- Gradual increase of non conventional renewable energies share on the energy mix

Market overview

- Energy auctions to guarantee prices in the medium and long term
- High sensitivity of the spot prices to hydro conditions

Energy contracts

- Endesa is exploring a wide range of alternatives to grow its presence in the country

Attractive market given its size, growth potential and regulatory framework
Portfolio projects situation in Brazil

latin america: analysis by country

2,803 MW

2,503 MW

300 MW

Environmental permits approved

Environmental permits processing

300 MW

Hydro

Thermal

Renewables

912 MW

1,591 MW

300 MW

912 MW

1,591 MW

2,803 MW

UTE Noreste 350 MW

UTE Sudeste 500 MW

Carreiro 62 MW

UTE Sudeste 500 MW

UTE Noreste 350 MW

Carreiro 62 MW

Paraiba do Sul 182 MW

Jamanxim 881 MW

Cachoeira dos Patos 528 MW

Eólicos 2 200 MW

Eólicos 1 100 MW

Thermal

Renewables

Hydro
Electricity demand:
- Demand: 3.9% CAGR over 2010-2015
- Expected addition of 3,450 MW over 2011-2015 (Mainly Hydro)
- Strong dependence of hydro conditions

Market overview:
- Porce IV 400 WM hydro project suspension will bring forward new Firm Energy auctions
- Next capacity auction in the interconnection project with Panamá
- Development of LNG imports as an alternative to increase security of supply

Energy contracts:
- Regulation does not encourage long term energy contracts with distribution companies
- Capacity payments already defined until 2013 (Quimbo for 20 years)
- Price stability

Endesa’s partners:
- In Colombia Endesa has a partnership with EEB, Colombian energy holding controlled by the Bogotá municipality and listed on the Bogotá stock exchange.

Endesa will keep its leadership position in Colombia
Portfolio projects situation in Colombia

- **Oporapas**: 271 MW
- **Campohermoso**: 178 MW
- **Sumapaz**: 156 MW
- **Chapasía**: 385 MW
- **Guaicaramo**: 467 MW

**1,457 MW**

- 541 MW in Pre-feasibility
- 449 MW in Conceptual
- 467 MW in Feasibility

**Environmental permits**

- Approved
- Processing
- Pre submitting

**Promotion**

- Hydro: 449 MW
- Thermal: 541 MW
- Renewables: 467 MW
Peru

- **Demand:** 7.1% CAGR over 2010-2015.
- **Expected addition of 3,250 MW over 2011-2015**

**Electricity demand**

- Current regulation on price settlement will be kept until 2013 once the problems of the Camisea pipeline will be solved
- Upward trend in gas prices could drive wholesale energy prices
- 800 MW thermal (cold reserve) and 932 MW hydro already auctioned
- 2nd renewable auction expected: 1,981 GWh (681 Minihydro / 1,300 rest) will be tendered

**Market overview**

- **Energy contracts**
  - Endesa has significant volumes of contracted forward sales
  - On 2011 “barra” price has disappeared, replaced by energy auctions with distribution companies
  - Forward sales prices above spot prices

- **Endesa’s partners**
  - Main national AFP’s are significant minorities of Edelnor and Edegel.
  - Banco de Crédito del Perú (BCP) owns 8.3% of Edelnor’s capital

**High demand of energy projects to cope with growth rates**
Portfolio projects situation in Peru

1,633 MW

1,445 MW

188 MW

Environmental permits approved

Environmental permits processing

Pre submitting

Environmental permits

Hydro

Thermal

Renewables

Promotion

Conceptual

Pre-feasibility

Feasibility

Basic engineering

Detailed engineering

1,030 MW

327 MW

88 MW

188 MW
**Argentina**

**Electricity demand**
- Demand: 3.5% CAGR over 2010-2015.
- Expected addition of 5,000 MW over 2011-2015 (Mainly State promoted)
- Energy imports from Brazil to face seasonal energy peaks in demand

**Market overview**
- The 25/11/2010 agreement between the Government and Gencos provides a better remuneration of the assets, keeping availability objectives.
- Limits on liberalized clients contracts
- Limited availability of gas does not impact prices
- Significant electricity system deficit bore by the Government
- Consolidation of the LNG import needs. A new LNG regasification terminal is under study.

**Energy contracts**
- Regulation does not encourage long term energy contracts
- Vueltas de Obligado Project: in December 2010 Endesa, Sadesa and Duke presented a 800MW CCGT project to be built in proximity to the San Martín en Rosario thermal power plant. This project will be financed with the withholdings of the “Inciso C”.

**Endesa’s partners**
- Endesa has institutional and strategic partners on all of its subsidiaries.
  - Provincia de Neuquén in Chocón Power Plant
  - ANSES and other institutional stakeholders in Costanera
  - YPF, PAE in Dock Sud
  - Petrobrás in Edesur

**Argentina adds value to the portfolio**
**Focus on regulatory market restructurining**
final remarks

Mr. Andrea Brentan
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Conservative and flexible investment profile adaptable to market conditions
Overall targets

EBITDA by geography (€bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Latam</th>
<th>Spain&amp;Portugal&amp;Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>4,0</td>
<td>3,7</td>
</tr>
<tr>
<td>2015</td>
<td>4,1</td>
<td>3,7</td>
</tr>
</tbody>
</table>

EBITDA by business profile (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Regulated</th>
<th>Liberalized</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>2015</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Diversification of cash flow sources
### Installed capacity and output\(^{(1)}\)

<table>
<thead>
<tr>
<th>MW at 31/03/11</th>
<th>Spain&amp; Portugal&amp;Others</th>
<th>Endesa Latin America</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>24,773</td>
<td>15,835</td>
<td>40,608</td>
</tr>
<tr>
<td>Hydro</td>
<td>4,716</td>
<td>8,666</td>
<td>13,382</td>
</tr>
<tr>
<td>Nuclear</td>
<td>3,682</td>
<td>-</td>
<td>3,682</td>
</tr>
<tr>
<td>Coal</td>
<td>5,804</td>
<td>522</td>
<td>6,326</td>
</tr>
<tr>
<td>Natural gas</td>
<td>4,851</td>
<td>3,966</td>
<td>8,817</td>
</tr>
<tr>
<td>Oil-gas</td>
<td>5,720</td>
<td>2,594</td>
<td>8,315</td>
</tr>
<tr>
<td>CHP/Renewables</td>
<td>na</td>
<td>87</td>
<td>87</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TWh 1Q 2011 (chg. vs. 1Q 2010)</th>
<th>Spain&amp; Portugal&amp;Others</th>
<th>Endesa Latin America</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>18.4 +6.3%</td>
<td>15.0 +3.0%</td>
<td>33.4  +4.6%</td>
</tr>
<tr>
<td>Hydro</td>
<td>2.2 -31%</td>
<td>7.6 -3%</td>
<td>9.9   -7%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>5.8 -10%</td>
<td>- -3%</td>
<td>5.8   -10%</td>
</tr>
<tr>
<td>Coal</td>
<td>5.5 +74%</td>
<td>0.6 -20%</td>
<td>6.1   -20%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>2.4 +129%</td>
<td>5.4 +11%</td>
<td>7.7   +8%</td>
</tr>
<tr>
<td>Oil-gas</td>
<td>2.4 -12%</td>
<td>1.4 +16%</td>
<td>3.9   -4%</td>
</tr>
<tr>
<td>CHP/Renewables</td>
<td>na</td>
<td>na</td>
<td>0.04  -11%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 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 31 March 2011: €10,042 M(1)

- Liquidity €6,909 M
- €1,511 M in cash
- €5,398 M available in long-term credit lines

Average life of debt: 3.6 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.
Liquidity €2,144 M:
- €1,458 M in cash
- €686 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.
Structure of Endesa's debt ex-Enersis

- **Floating**: 24%
- **Hedged**: 18%
- **Fixed**: 58%

By currency:
- **Euro**: 99%
- **US$**: 1%

Average cost of debt: 4.0%}

Enersis debt structure

- **Floating**: 42%
- **Fixed**: 58%
- **Other**: 50%
- **Chilean Peso**: 14%
- **US$**: 36%

Average cost of debt: 8.8%

- **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 31 December 2010

(1) Includes "Unidades de Fomento"
Endesa has major direct holdings in companies other than Enersis in Latin America.

<table>
<thead>
<tr>
<th>Company</th>
<th>% direct stake</th>
<th>1Q 2011 EBITDA (€M)</th>
<th>31.03.2011 Net debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Codensa</td>
<td>26.7%</td>
<td>19</td>
<td>91</td>
</tr>
<tr>
<td>Emgesa</td>
<td>21.6%</td>
<td>16</td>
<td>152</td>
</tr>
<tr>
<td>Endesa Brasil</td>
<td>28.5%</td>
<td>60</td>
<td>206</td>
</tr>
<tr>
<td>Edesur</td>
<td>6.2%</td>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td>DockSud</td>
<td>40%</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Edelnor</td>
<td>18%</td>
<td>5</td>
<td>38</td>
</tr>
<tr>
<td>Piura</td>
<td>84.5%</td>
<td>5</td>
<td>-2</td>
</tr>
<tr>
<td>Pangue</td>
<td>5%</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Proportionate total</strong></td>
<td><strong>111</strong></td>
<td></td>
<td><strong>504</strong></td>
</tr>
</tbody>
</table>
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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