

27 | 07 | 2012

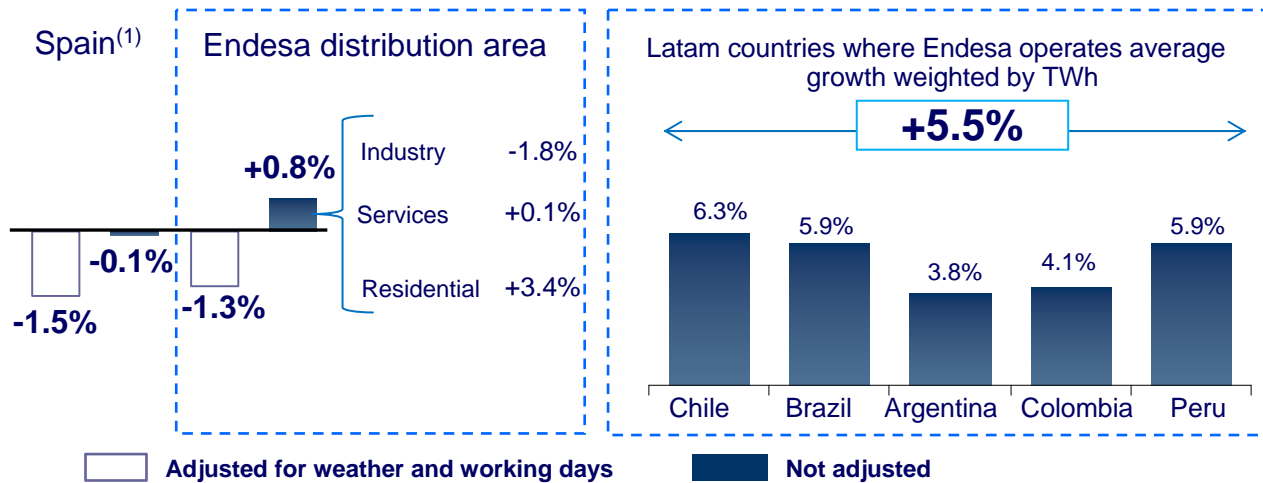
endesa 1H 2012 results



Market context 1H 2012

Demand

Spain:
adjusted demand decrease due to industry

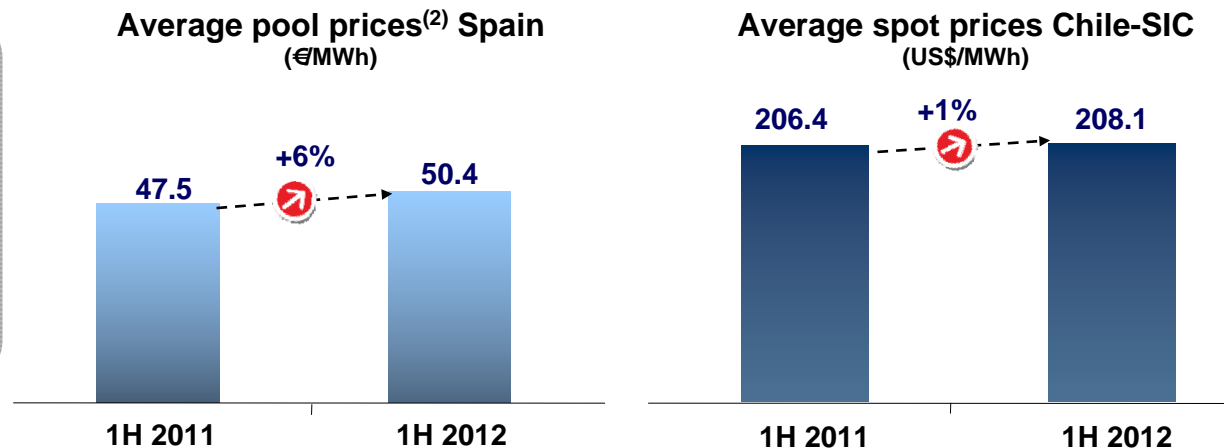


Latin America:
solid growth in all countries mainly in Chile, Brazil and Peru

(1) Mainland

Electricity wholesale prices

Spain: higher prices due to lower hydro output and higher fuel costs



Chile: stable prices due to higher hydro output partially offset by higher fuel costs

(2) Excluding ancillary services and capacity payments

Stable operating results despite market conditions

€M	1H 2012	1H 2011	Change
Revenues	16,696	16,194	+3%
Gross margin	5,336	5,314	+0%
EBITDA	3,547	3,493	+2%
Spain&Portugal&Others	2,040	2,064	-1%
Endesa Latin America⁽¹⁾	1,507	1,429	+5%
EBIT⁽²⁾	2,404	2,468	-3%
Net finance expenses⁽³⁾	378	333	+14%
Net attributable income	1,146	1,283	-11%

- Iberia: weak demand and €157 M impact from regulatory measures partially offset by better margins in liberalized business and lower fixed costs
- Latam: EBITDA supported by solid demand growth despite Chilean generation and Argentina
- Colombian net worth tax recorded in 1H 2011

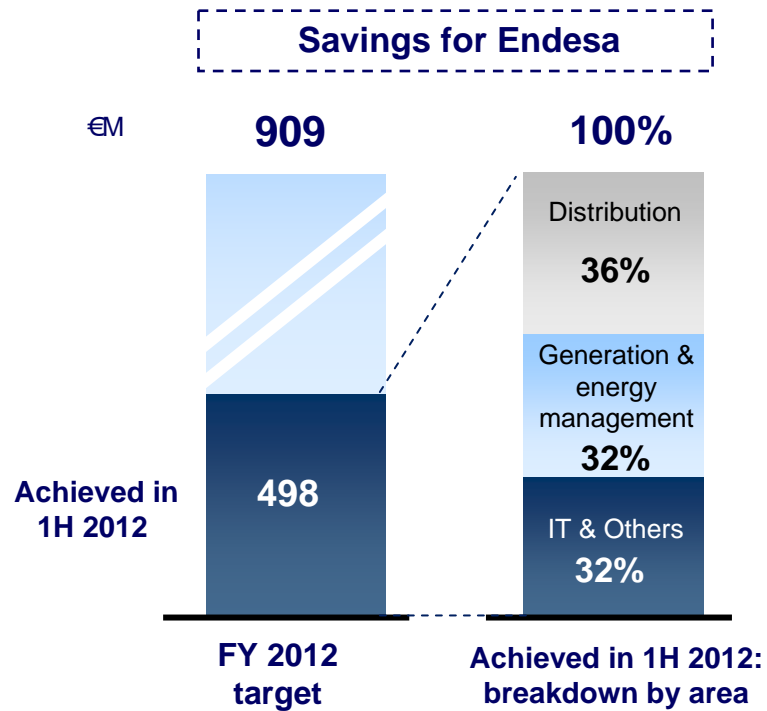
(1) 2011 EBITDA included €109 M negative one off from net worth tax in Colombia.

(2) 2011 D&A included + €31 M of provision reversion from CIEN.
2012 D&A includes Endesa Ireland value adjustment (- €67 M).

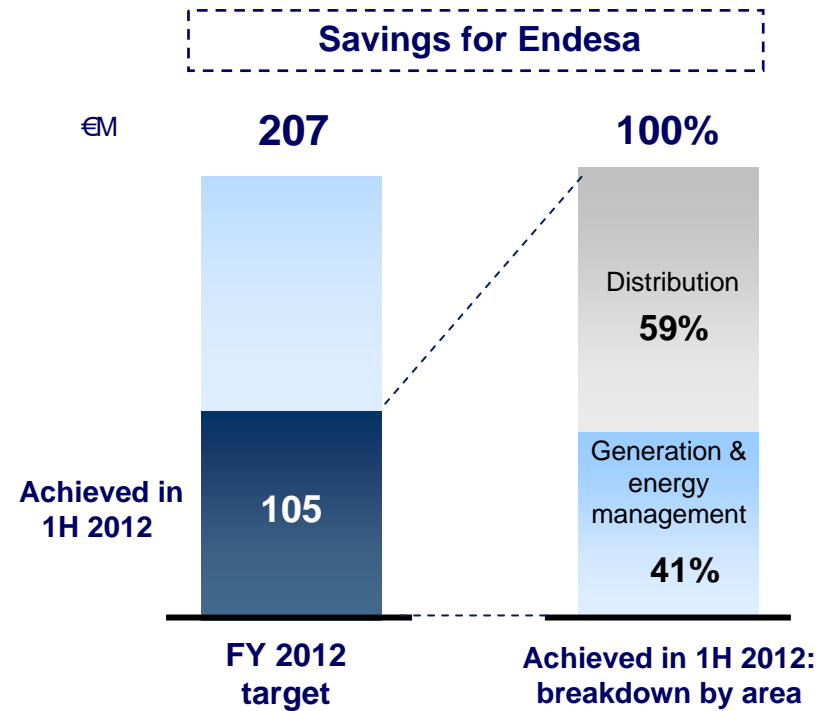
(3) Update provisions to cover obligations relating the workforce reduction programme in force: - €42 M in 1H 2012 and + €21 M in 1H 2011.
1H 2011 includes + €63 M from ruling on appeal regarding previous years income tax
1H 2012 includes + €23 M from RDL 20/2012 regarding 2006 tariff deficit

On track to achieve efficiency and synergy targets with Enel for FY 2012

Synergy plan with Enel



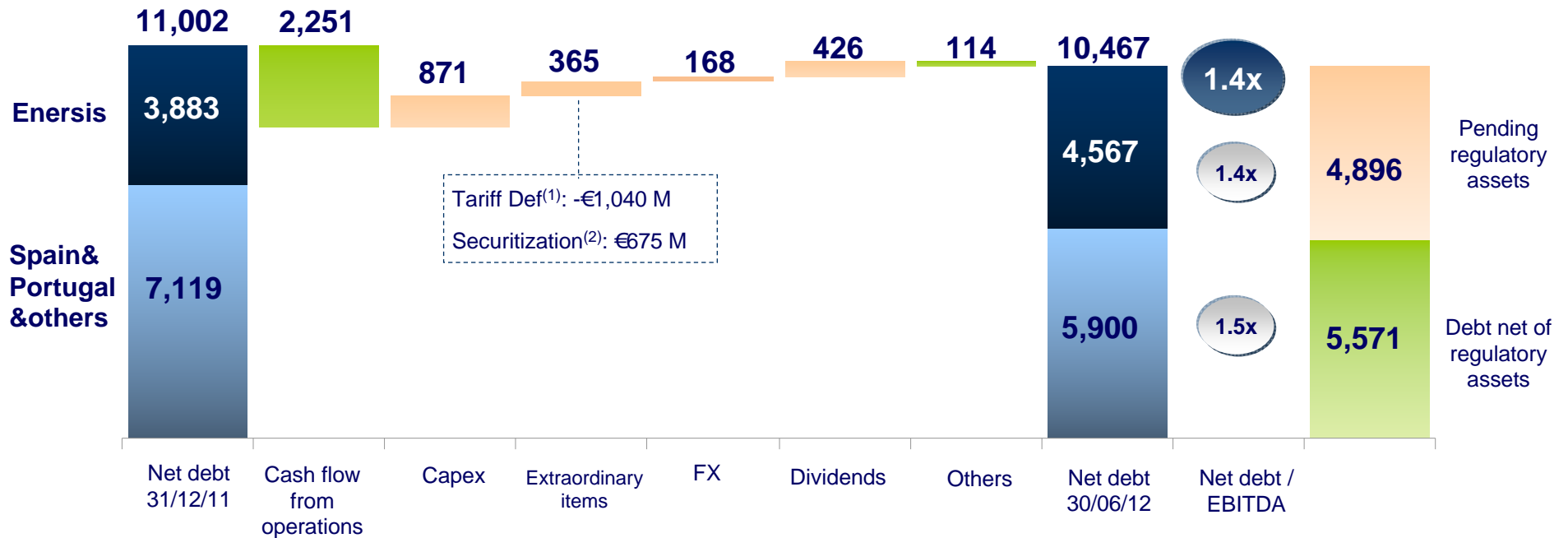
Zenith plan with Enel



- Well on track to achieve 2012 Synergy Plan target (55% in 1H 2012) and Zenith Plan target (51% in 1H 2012)
- Leverage arising from being part of a leading utility Group

Strengthening our financial position

Net debt evolution in 1H 2012 (€M)



Solid financial leverage and strong liquidity position

Leverage (net debt/equity)

31/12/11
0.4

30/06/12
0.4

Endesa liquidity excluding Enersis covers 45 months of debt maturities

Enersis liquidity covers 18 months of debt maturities

(1) Includes payments/collections from CNE settlements in 1H 2012.

(2) Mainland tariff deficit securitization. €1,030 M securitized during 1H 2012 correspond to non-mainland systems are included as cash flow from operations

Spain: regulation facts in 1H 2012

Full year impact

RDL 13/2012

- Decrease of distribution remuneration - €278 M
- 10% reduction on national coal volumes - €9 M
- 10% reduction on capacity payments - €9 M

RDL 20/2012

- Decrease of remuneration of non-mainland generation ≈ - €100 M
- Pass-through to end customer of local/regional taxes
- Possible progressivity on access tariffs
- Suspension of quarterly TPA revision

Supreme Court resolution on social bonus

- Direct impact + €112 M
- Potential claim of historical financing (non-recurring) ≈ + €80 M / €100 M

Endesa proposals for a balanced energy reform in Spain

- A number of measures are possible that properly combined would provide a sound solution to the deficit issue:
 - A carbon tax (or green cent) on other CO2 emitting sectors
 - Application of the “reasonable return” criteria for all electrical segments, starting with thermal solar technologies and making sure that activities with similar risk profile afford similar returns
 - Proceeds from CO2 rights auctions to finance renewables
 - Tariff progressivity measures
 - Moderate access tariff increases in addition to consolidation of tariff levels established by the ongoing “re-billing” process
 - Extending by one year the period when new tariff deficit is generated accompanied by financing of deficit by all electrical operators and by a State guarantee
 - Finance non mainland generation extra costs thru state budget (as foreseen by RD 6/2009) or alternatively shift to state budget the financing of the deficit annual repayment amounts

Latam: regulation facts in 1H 2012

Brazil

- Coelce: tariff review and readjustment update:
 - Positive legal ruling concerning tax benefits (SUDENE)
- CIEN Permitted Annual Revenue (RAP) update:
 - Approved 5% increase for 2012-2013 period

Chile

- Chilectra: ongoing tariff review process to conclude by Nov-2012
- Government working on “Electrical highway” concept

Argentina

- Concrete measures to allow financial sustainability of distribution and generation not yet decided

Corporate transactions

Endesa Ireland disposal

- Sales agreement signed with SSE subject to approval by regulatory & antitrust authorities
- Transaction to be completed in 3Q 2012
- Base price: €270 M subject to adjustments

Acquisition of gas clients in Madrid

- Closing for the acquisition process of 224,000 gas customers in Madrid (€34 M)

Ampla minority acquisition

- Ampla public offerings completed

Merger of Chilean generation subsidiaries

- Simplification process ongoing

spain&portugal&others 1H 2012



Highlights in 1H 2012

Regulated business: negatively impacted by latest regulatory measures (RDL 13/2012 and RDL 20/2012)

Better liberalized margin supported by higher generation output (+15%^[1]) and selling prices

Fixed costs cut by 4% (- €46 M) through efficiency programmes within Enel Group

Leadership in supply (39% market share) and ordinary regime generation (39%) and 2nd player in gas supply market (15%)

(1) Endesa. Mainland Ordinary Regime. Does not include Portugal

Stable operating results despite economic environment and latest regulatory measures

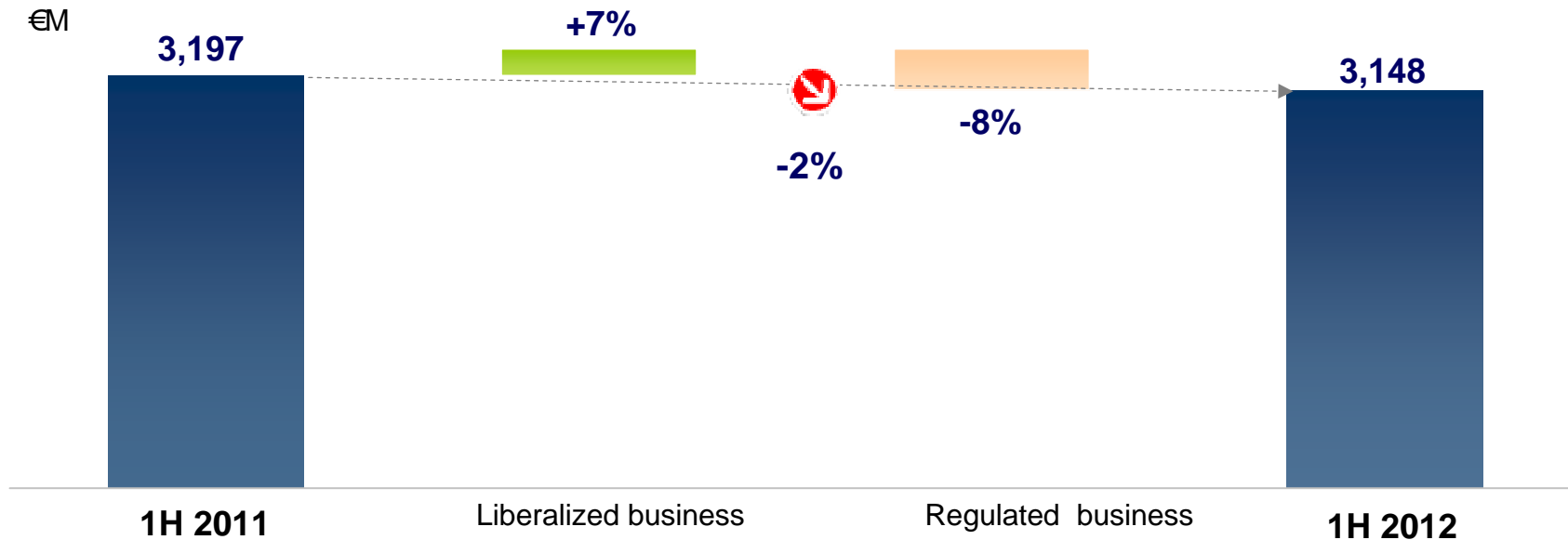
€M	1H 2012	1H 2011	Change
Revenues	11,445	11,230	+2%
Gross margin	3,148	3,197	-2%
EBITDA	2,040	2,064	-1%
EBIT⁽¹⁾	1,269	1,329	-5%
Net finance expenses⁽²⁾	127	164	-23%
Net attributable income	893	963	-7%

- **€157 M: lower regulated revenues as a result of RDL 13/2012 and RDL 20/2012**

(1) 2012 D&A includes Endesa Ireland value adjustment (- €67 M)

(2) Update provisions to cover obligations relating the workforce reduction programme in force: - €42 M in 1H 2012 and + €21 M in 1H 2011.
1H 2011 includes + €27 M from ruling on appeal regarding previous years income tax
1H 2012 includes + €23 M from RDL 20/2012 regarding 2006 tariff deficit

Resilient margins

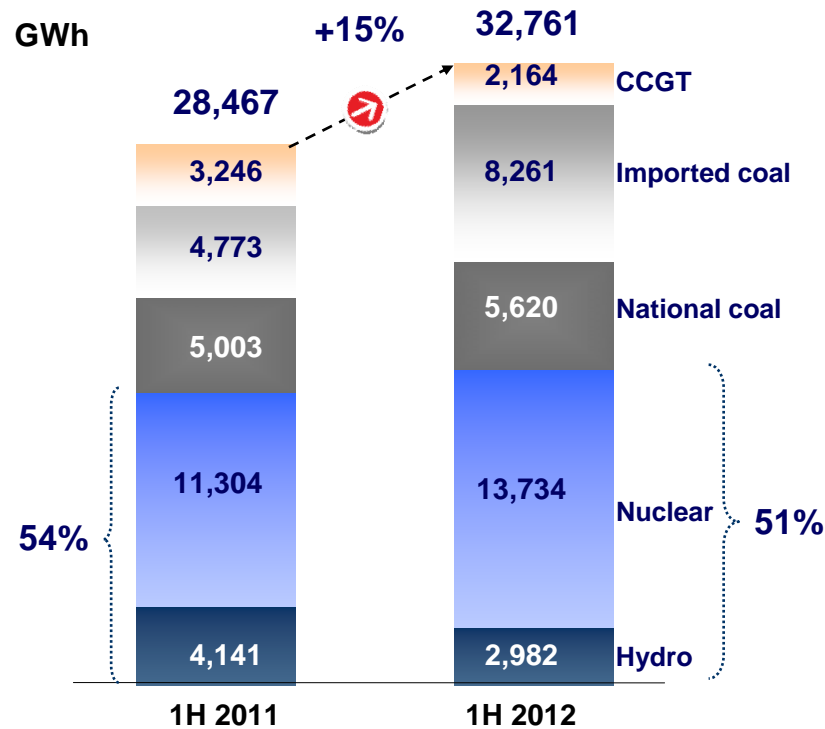


- ↑ Higher sale price to final customer
- ↑ Social bonus (Supreme Court ruling)
- ↑ Generation mix (production/energy purchases)
- ↓ Higher energy cost
- ↓ LRT margin
- ↓ Impact of RDL 13/2012 and RDL 20/2012

• Regulated business affected by latest regulatory measures in distribution and non-mainland systems

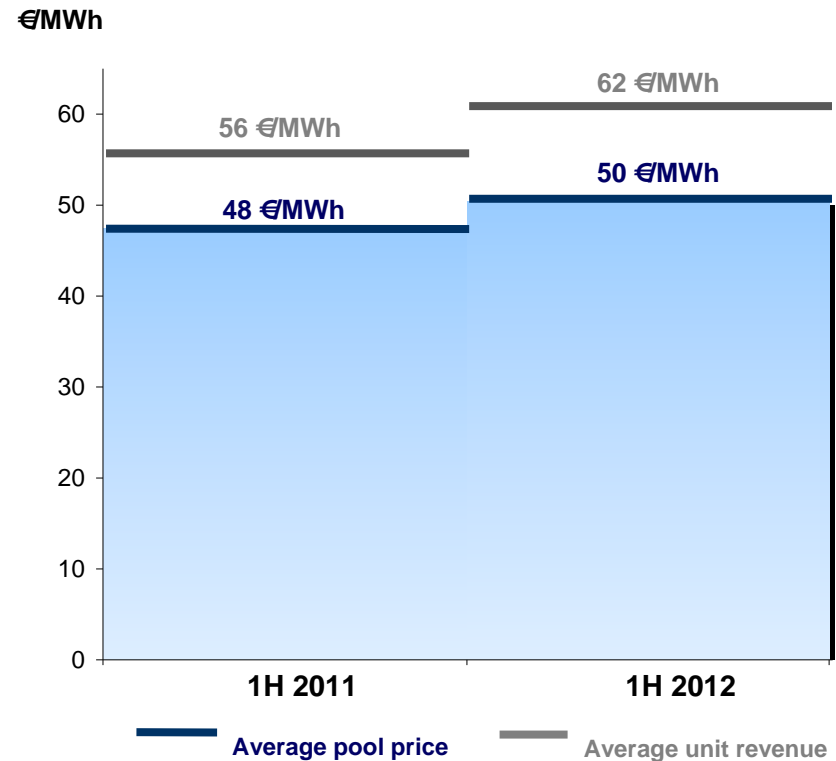
Liberalized business supported by higher generation output and selling prices

Strong increase in mainland output⁽¹⁾



- National Coal RD in force since end February 2011
- Low CO₂ prices make coal more competitive

Market margins evolution: wholesale price vs. price to end customers

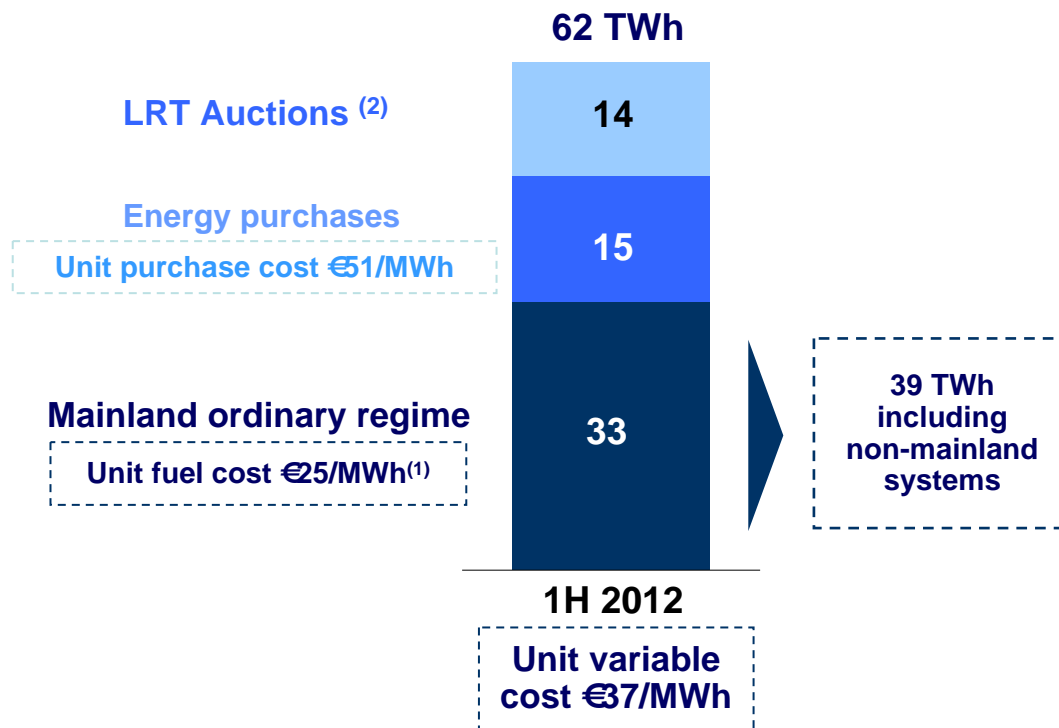


- Margin expansion due to higher selling prices and better energy mix (production/energy purchases)

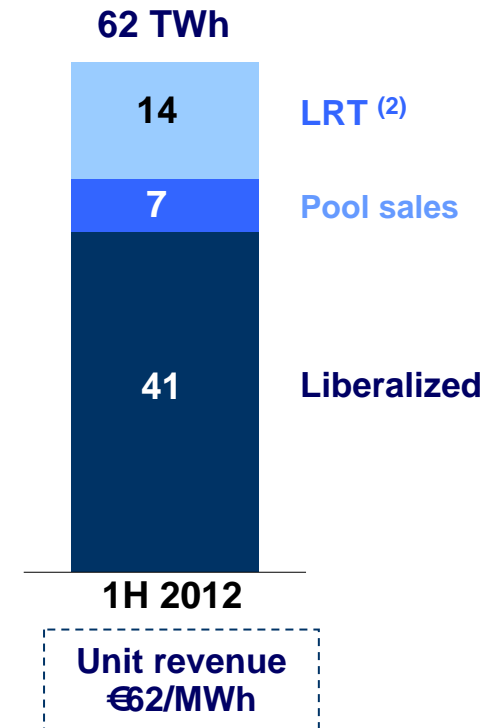
(1) Does not include Portugal

Energy management optimization

Gross electricity sources



Gross electricity sales



• Increase in electricity unitary margin (+15%) supported by higher generation output and higher underlying selling price

(1) Includes fuel cost and CO₂

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

latin america 1H 2012



Highlights in 1H 2012

Solid increase in distribution sales (+5%) with outstanding performance in Brazil (+7%)⁽¹⁾, Chile (+6%) & Peru (+5%)

Increase in generation output (+2%) with better hydro in Brazil, Colombia and Chile (still below average)

CIEN EBITDA: €42 M in 1H 2012 (+ €25 M) from new remuneration scheme since 2Q 2011

Argentina: worsening business conditions due to unsustainable regulation

(1) *Ampla +3% and Coelce +12%*

Solid operating results supported by balanced & diversified portfolio

€M	1H 2012	1H 2011	Change
Revenues	5,251	4,964	+6%
Gross margin	2,188	2,117	+3%
EBITDA	1,507	1,429	+5%
EBIT⁽¹⁾	1,135	1,139	0%
Net finance expenses⁽²⁾	251	169	+49%
Net income	572	695	-18%
Net attributable income	253	320	-21%

- **€310 M of attributable EBITDA from direct holdings**
- **2011 fixed costs: €109 M negative one off from Colombian net worth tax**
- **Positive Fx effect in EBITDA (+ €58 M)**

(1) 2011 D&A included €31 M of provision reversion from CIEN.

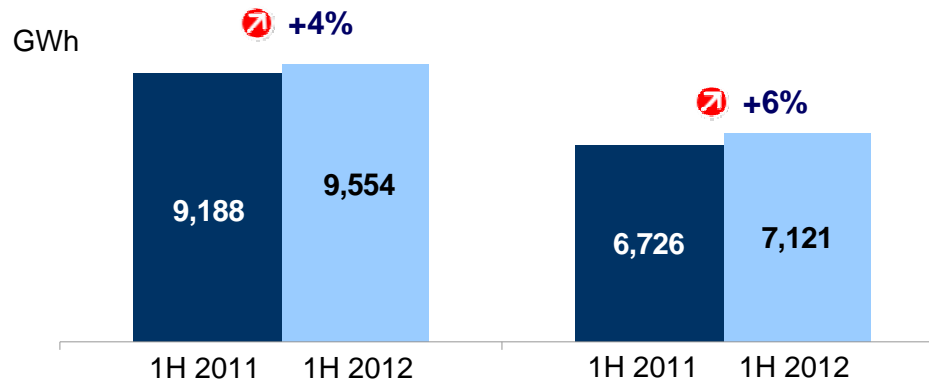
(2) 1H 2011 includes +€36 M from ruling on appeal regarding previous years income tax



Chile: higher generation and higher distribution volumes

Generation output

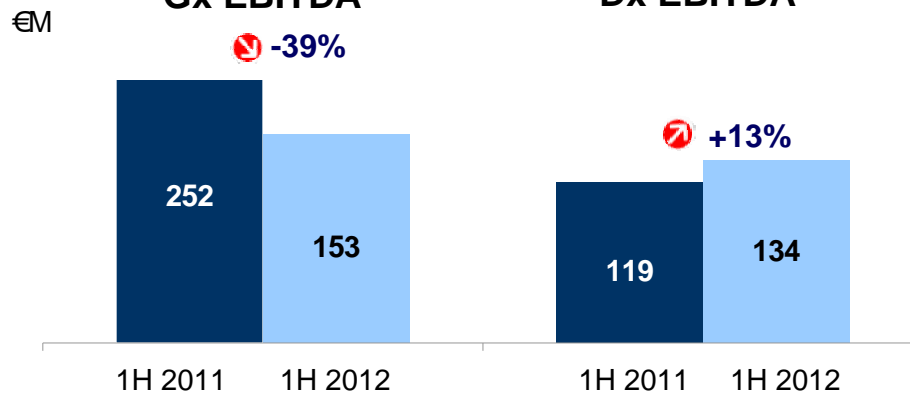
Distribution sales



- Generation output increased thanks to higher hydro output (+16%)
- Solid growth in distribution sales

Gx EBITDA

Dx EBITDA



- Gx:
 - Lower selling price as 1H 2011 included €45 M from risks transfer clauses in contracts
 - 1H 11 included €61 M from RM 88
 - 1H 12 includes - €17 M from Campanario
- Dx: higher volumes and fixed costs improvement

Unit margin €23.7/MWh -29% €27.8/MWh +2%

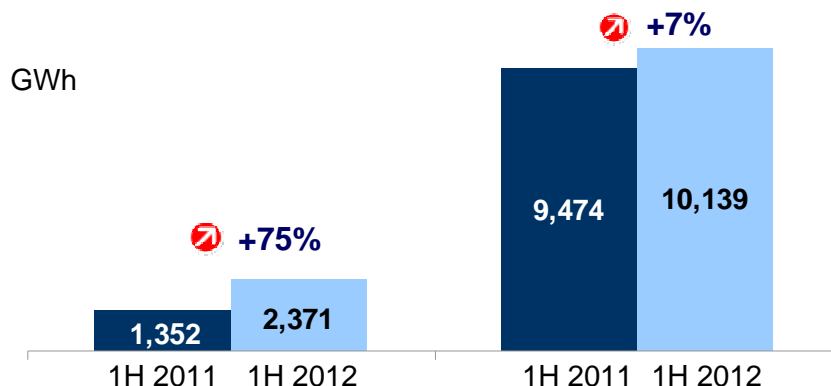
Total EBITDA €287 M (-23%) ⁽¹⁾

(1) Does not include holding and services.



Brazil: positive results supported by higher generation and distribution activity

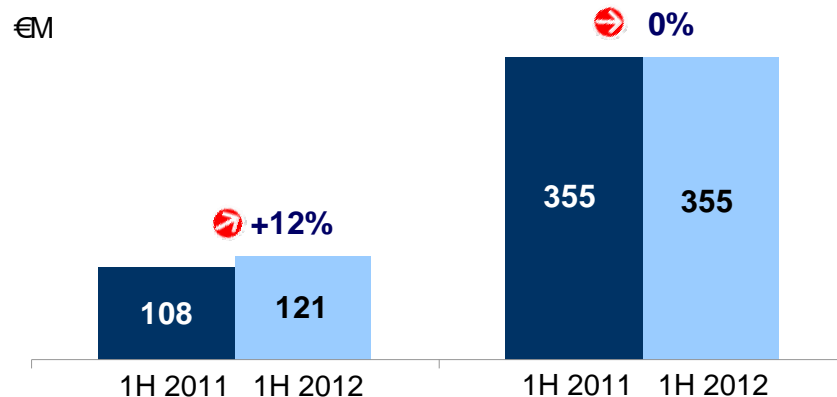
Generation output Distribution sales



- Higher generation (+75%) supported by better hydro output and higher thermal dispatch
- Weather conditions supported higher distribution sales

Gx EBITDA

Dx EBITDA



- Gx: higher volumes and prices
- Dx: increase in sales volumes and better clients mix offset by tariff decrease in Coelce

Unit margin €37.2/MWh -2% €52.4/MWh -5%

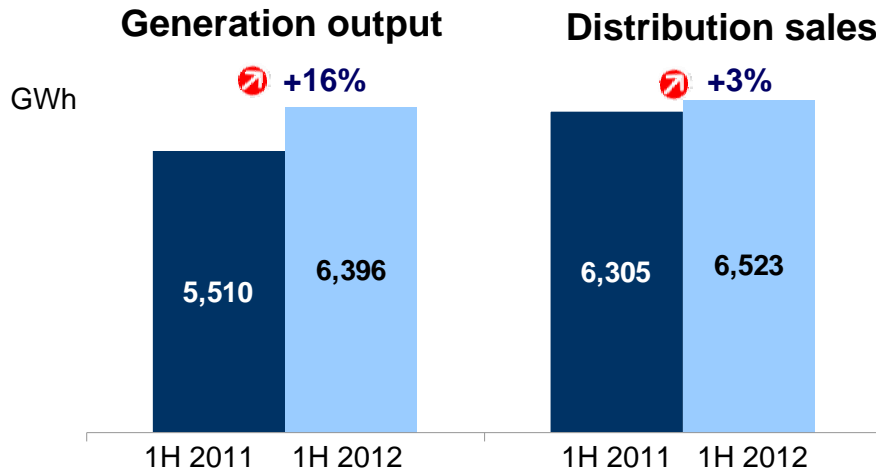
- CIEN. New remuneration scheme: €42 M EBITDA (+€25 M)

Total EBITDA €18 M (+8%)⁽¹⁾

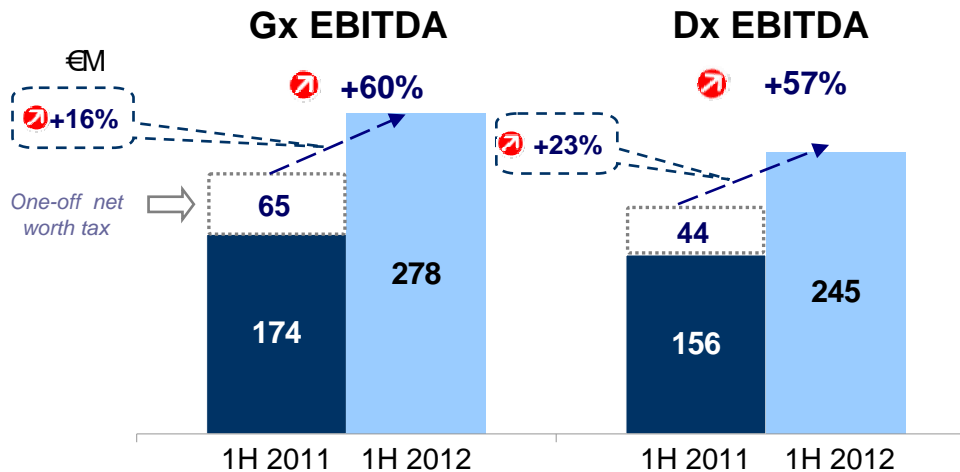
(1) Includes CIEN interconnection recognized as regulatory asset in April 2011.



Colombia: outstanding performance even stripping out net worth tax in 2011



- Strong increase in generation due to better hydro conditions
- Solid growth in distribution sales



- Gx:
 - Higher volumes and margins
 - 1H 11 net worth tax: -€65 M
- Dx: higher volumes and lower distribution losses
 - 1H 11 net worth tax -€44 M

Unit margin: Gx €39.1/MWh (+9%), Dx €48.6/MWh (+18%)

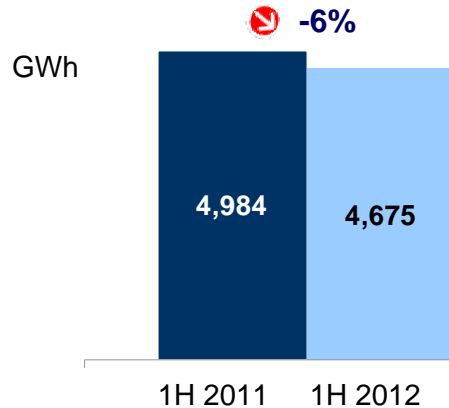
Total EBITDA €523 M (+58%)⁽¹⁾

(1) +19% stripping out net worth tax

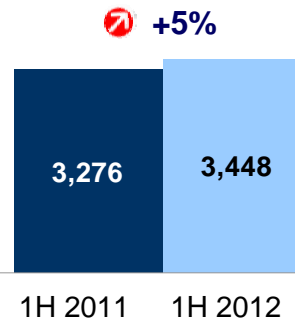


Peru: stable results

Generation output

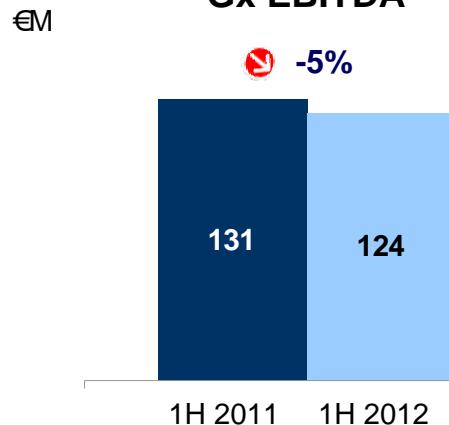


Distribution sales

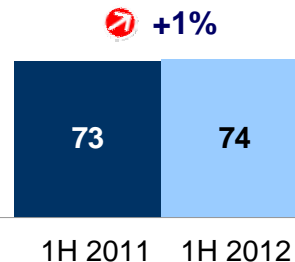


- Stable hydro output and lower thermal generation
- Strong economic growth led to 5% increase in demand

Gx EBITDA



Dx EBITDA



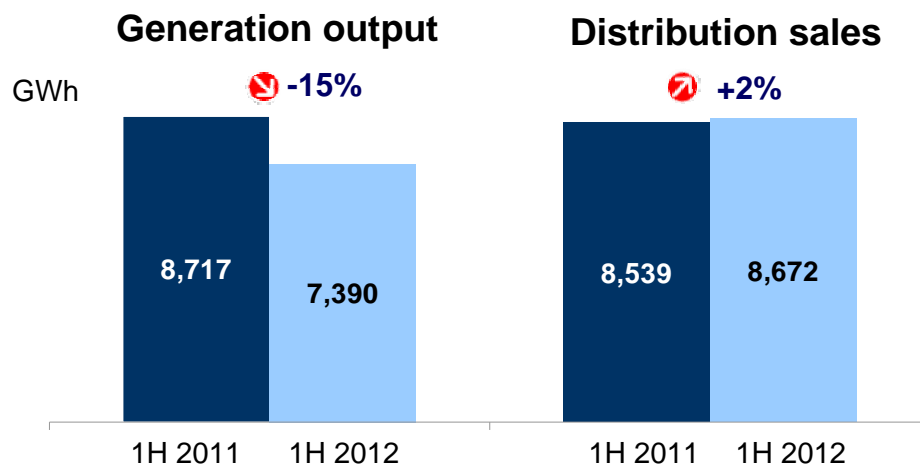
- Gx: higher selling prices and capacity payments
- Dx: higher unitary margin
- Positive one off in 1H 11

Unit margin €29.5/MWh +13% €30.2/MWh +13%

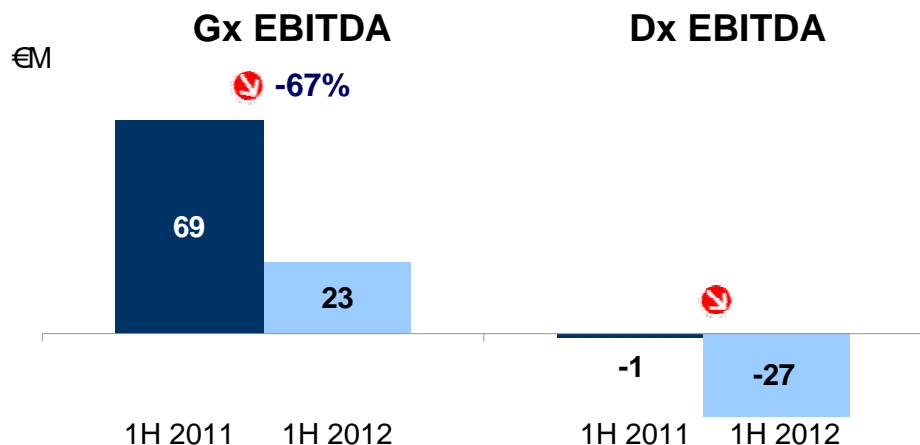
Total EBITDA €198 M (-3%)



Argentina: worsening situation due to unsustainable regulatory conditions



- Despite better hydro, thermal output decreases due to planned outages and lower dispatch
- Slowdown in distribution sales



- Gx: higher fixed costs due to inflation coupled with non-extension in 2012 of previous years generators agreements
- Dx: unitary margin impacted by increase in fixed costs coupled with no increase in tariffs

Unit margin €6.9/MWh -33% €13.5/MWh +10%

Total EBITDA ⁽¹⁾ €4 M (-106%)

(1) Does not include CIEN interconnection

Latam restructuring to consolidate an investment platform (I)

Enersis Capital Increase








- Transfer of Endesa's direct holdings in Latam to Enersis
- Valuation supported by an independent appraisal: US\$4,862 M
- Equivalent cash contribution by Enersis' minority shareholders: up to US\$3,158 M

Transaction rationale

- Increasing visibility and value enhancement of Latin American subsidiaries
- Larger financial resources to finance growth in the region through:
 - Purchase of minorities in already owned companies
 - New greenfield projects 5,200 MW
 - Potential M&A opportunities in the region
- Consolidation of industrial position in Latin America would allow to reach critical mass to undoubtedly consolidate as the main reference player in the region

Latam restructuring to consolidate an investment platform (II)

Significant direct Endesa holdings centralized in Enersis

Company name	Endesa Latam % direct stake	Company name	Endesa Latam % direct stake
Edesur	6.2%	 Codensa	26.7%
 DockSud	40%	 Emgesa	21.6%
 Cemsa	55%	 Endesa Brasil	28.5%
Yacilec	22.2%	 Ampla ⁽¹⁾	7.7%
Edelnor	18%	 S. Isidro	4.4%
 Piura	96.5%		

Total EBITDA 2011: €73 M
3 M clients / ca. 2,000 MW

Next steps

- Enersis BoD to call for the EGM to set the terms of capital increase (July 25th, 2012)
- Capital increase to be decided by Enersis's EGM (Sept 13th, 2012)

- Consolidation of Endesa's leadership in the region

(1) Includes Ampla & Ampla Inverimentos

final remarks 1H 2012



Final remarks

Solid results in Latin America compensate negative regulatory in Spain

Effective delivery from efficiency and synergies programmes with Enel

Consolidation possibility of the investment platform in Latam

Further structural, balanced, and non-discriminatory measures needed in Spain to eliminate tariff deficit

appendices 1H 2012



Installed capacity and output⁽¹⁾

Installed capacity

MW at 30/06/12	Spain & Portugal & Others		Endesa Latin America		Total	
Total	24,285		15,820		40,105	
Hydro	4,716		8,666		13,382	
Nuclear	3,681		-		3,681	
Coal	5,805		522		6,327	
Natural gas	4,857		3,968		8,825	
Oil-gas	5,226		2,577		7,803	
CHP/Renewables	na		87		87	

Output

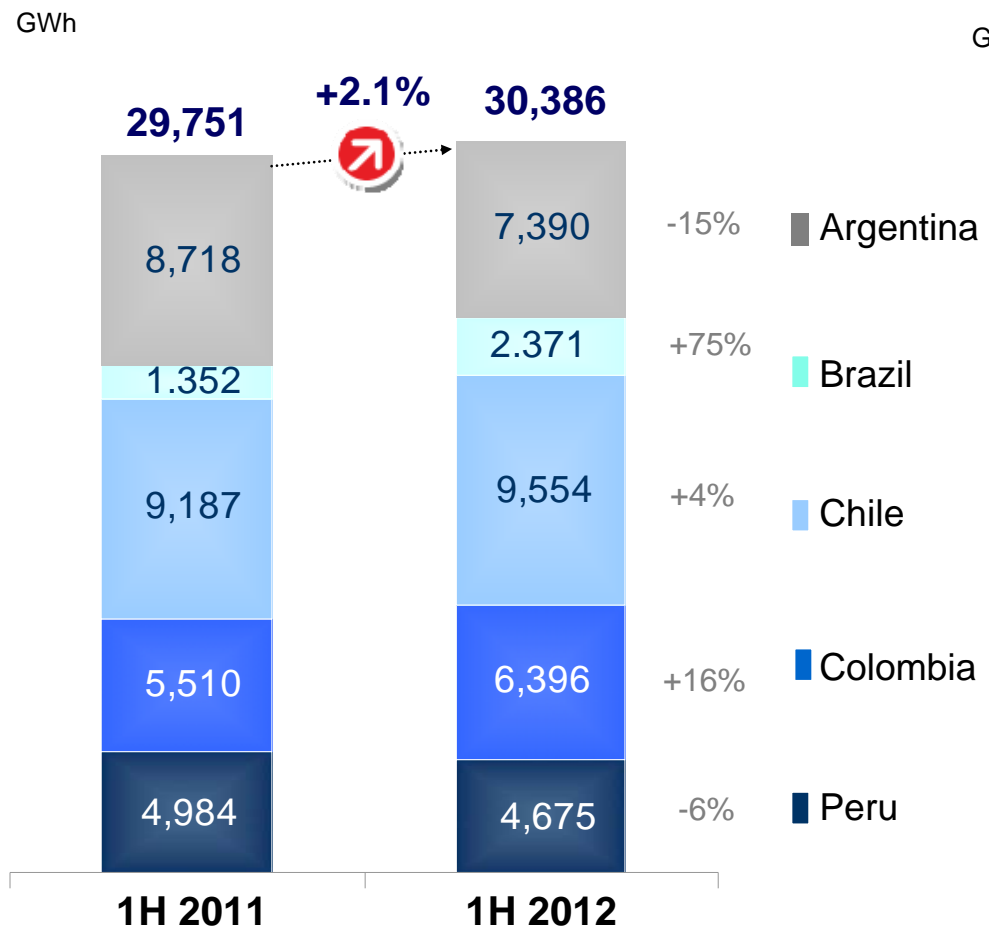
TWh 1H 2012 (chg. vs. 1H 2011)	Spain & Portugal & Others		Endesa Latin America		Total	
Total	40.5	+12.7%	30.4	+2.1%	70.9	+7.9%
Hydro	3.0	-28%	17.1	+17%	20.0	+7%
Nuclear	13.7	+21%	-	-	13.7	+21%
Coal	15.9	+41%	1.0	-6%	16.9	+37%
Natural gas	3.1	-29%	9.3	-20%	11.9	-23%
Oil-gas	4.8	-1%	2.9	+16%	8.2	+5%
CHP/Renewables	na	na	0.1	+19%	0.1	+19%

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

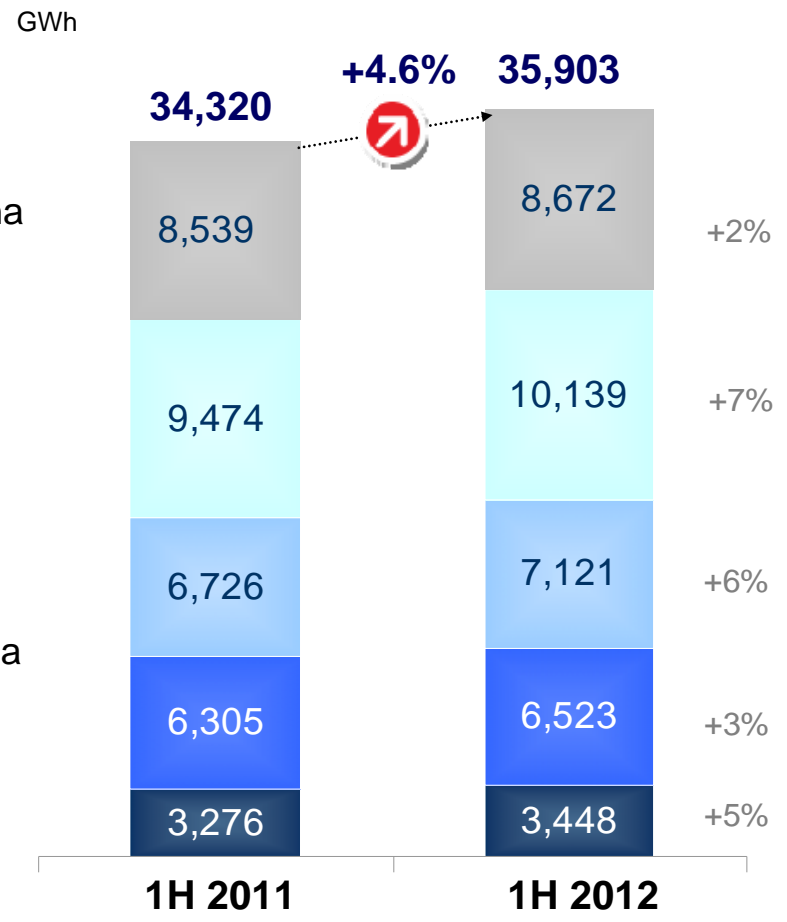


Latin America: generation and distribution figures

Generation Output



Distribution Sales

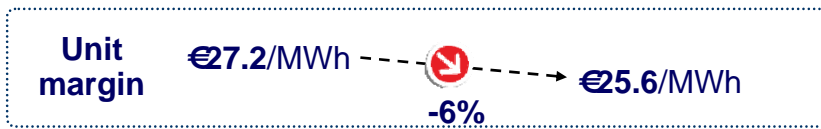
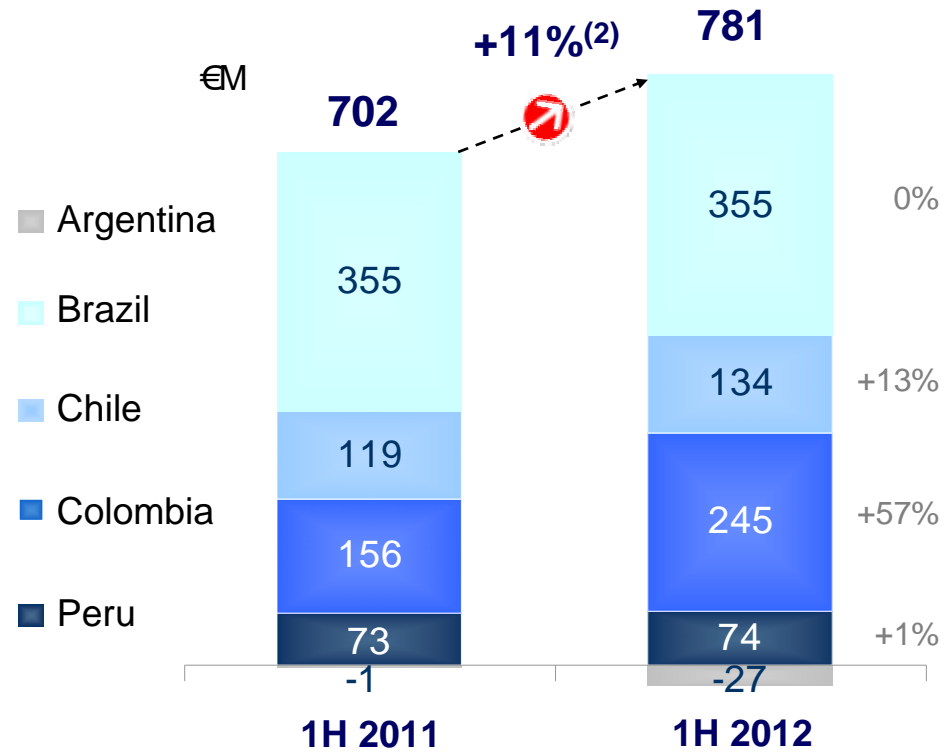


Latin America: Ebitda break down by country and business nature

Ebitda Generation



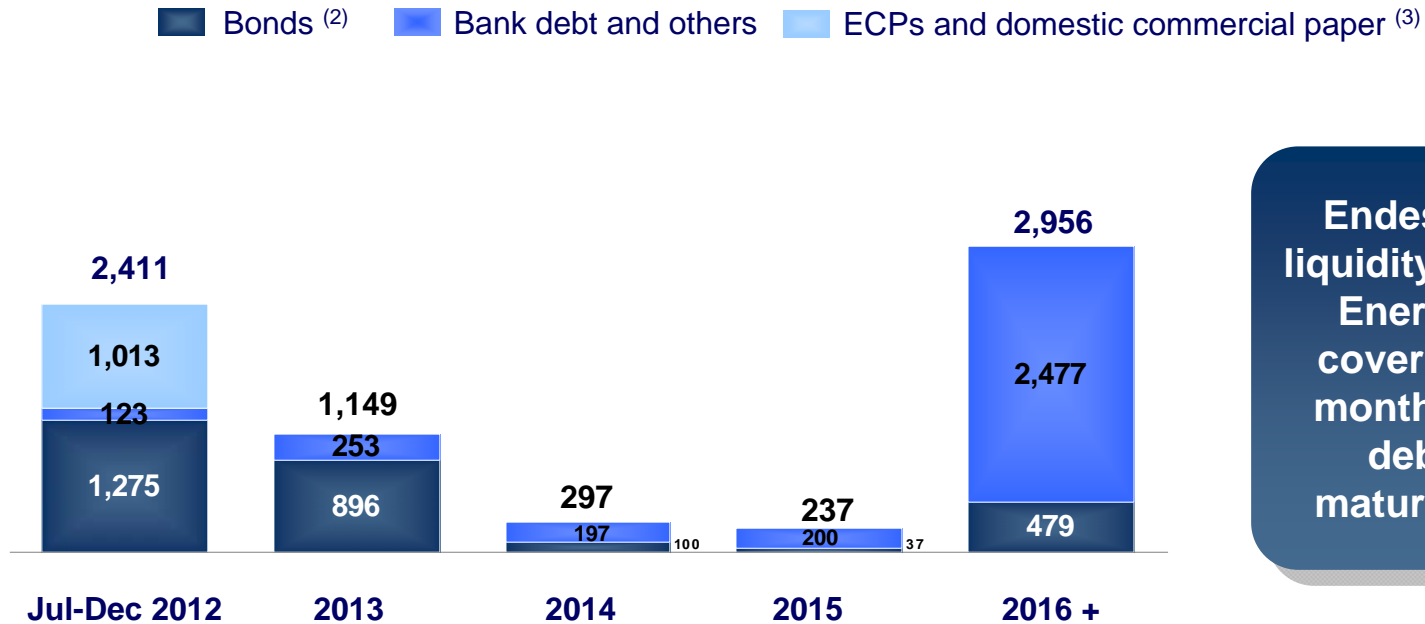
Ebitda Distribution



(1) -13% stripping out Colombian net worth tax
 (2) +5% stripping out Colombian net worth tax

Endesa (excl. Enersis): financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2012: €7,050 M⁽¹⁾



Endesa's liquidity excl. Enersis covers 45 months of debt maturities

- Liquidity €6,637 M
 - €1,223 M in cash
 - €5,414 M available in credit lines
- Average life of debt: 4.1 years

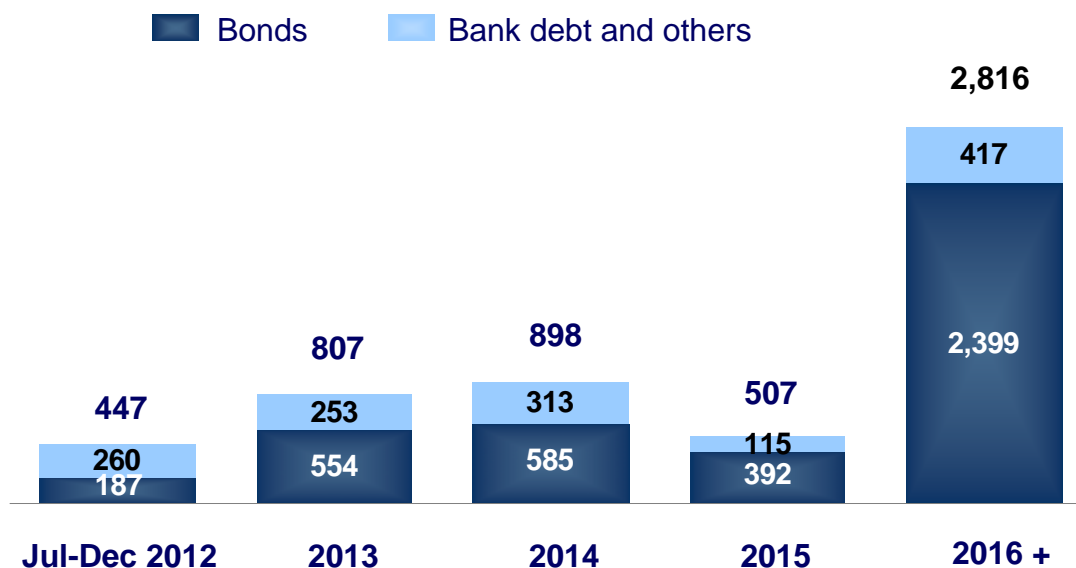
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

(2) Includes preference shares

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

Energis: financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2012: €5,475 M⁽¹⁾



Energis has sufficient liquidity to cover 18 months of debt maturities

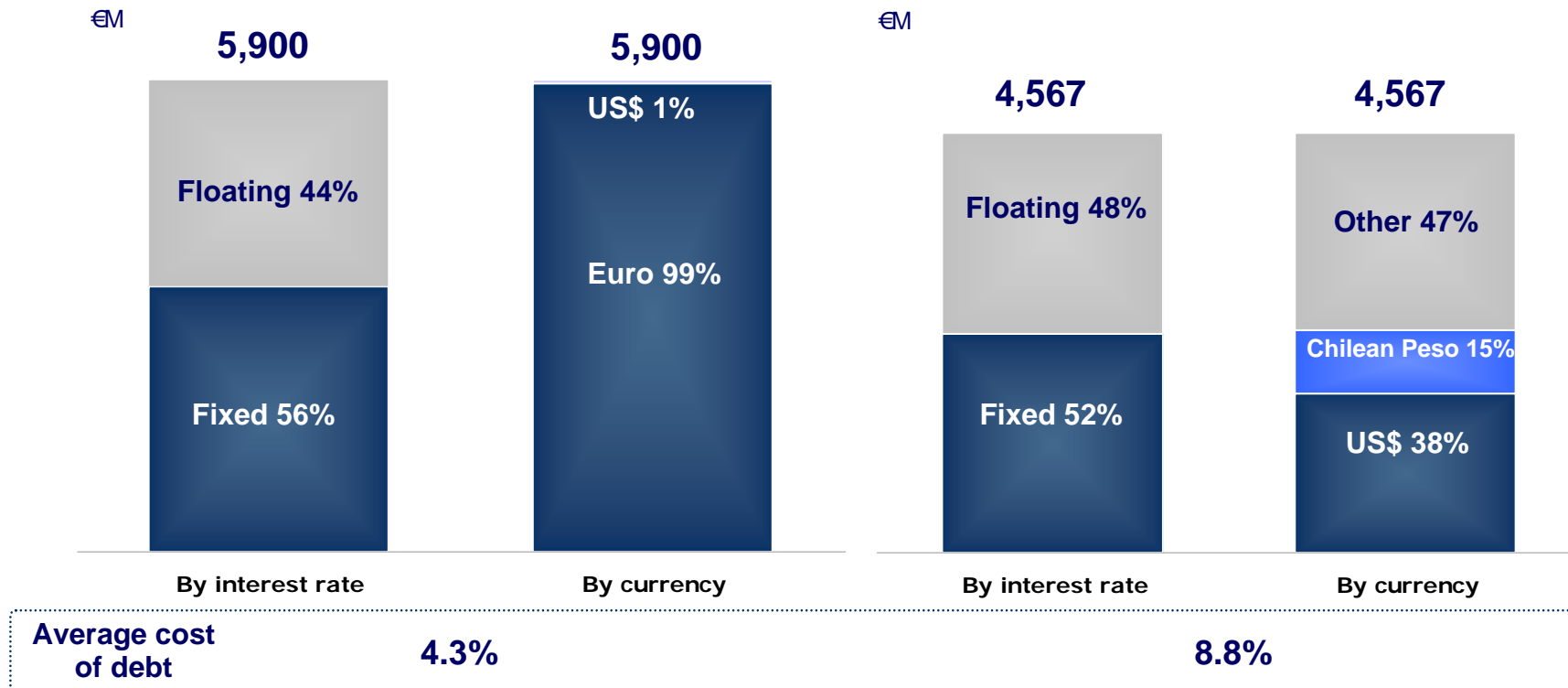
- Liquidity €1,854 M:
 - €1,149 M in cash
 - €705 M of syndicated loans available
- Average life of debt: 5.3 years

(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 net debt structure

Structure of Endesa's net debt ex-Enersis

Enersis net debt structure

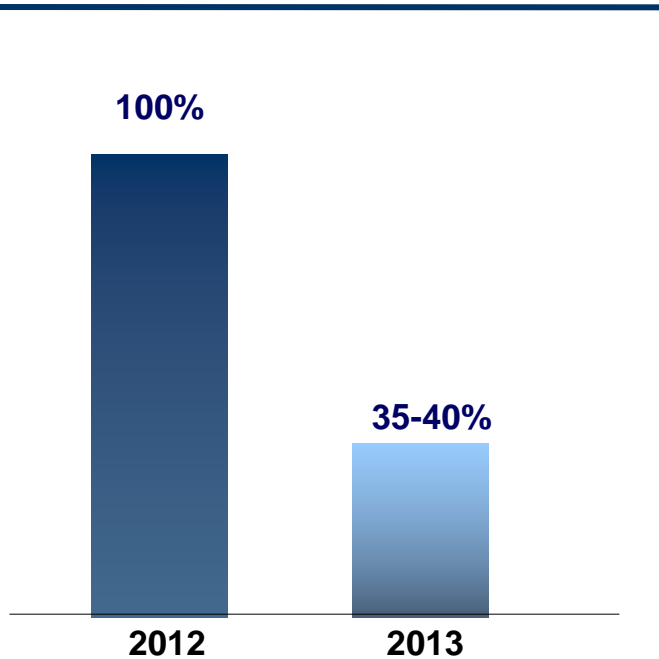


- Net debt structure: debt in currency in which operating cash flow is generated
- Policy of self-financing: Latin America subsidiaries are financed on a stand-alone basis

Well on track on forward sales strategy

Spain & Portugal

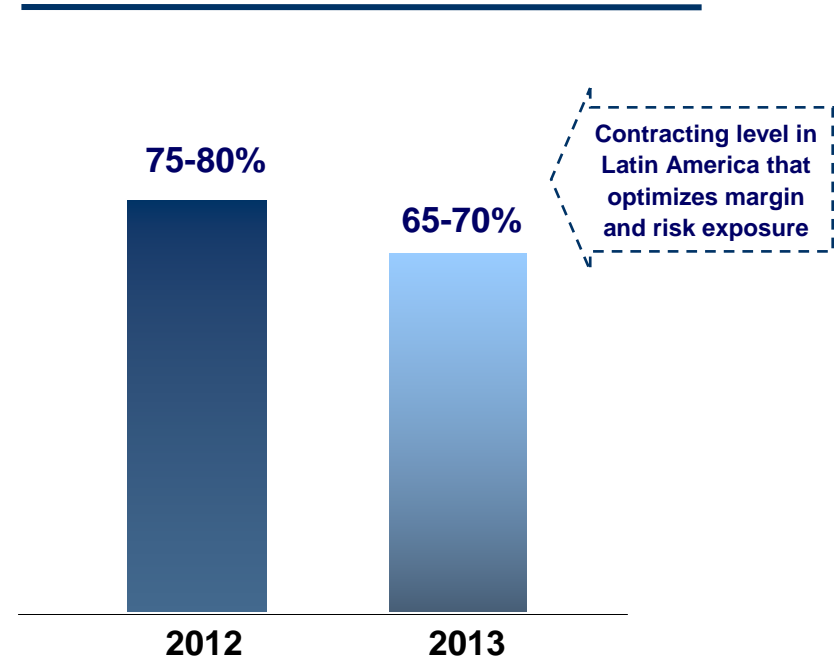
(% estimated mainland output hedged)



Consistent commercial policy

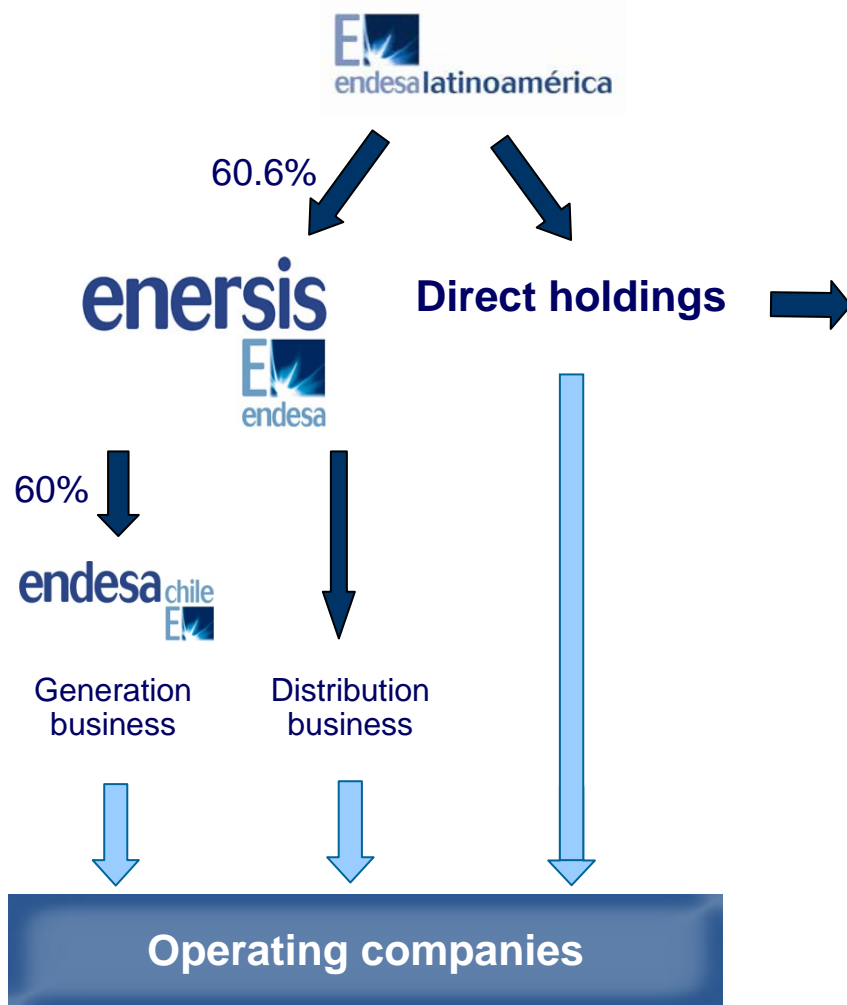
Latin America






(% estimated output hedged)



31% of the generation sold via contracts > 5 yrs and 21% via contracts > 10 yrs

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



€M	% direct stake	Proportionate 1H 2012 EBITDA	Proportionate 30.06.2012 Net debt	
	Codensa	26.7%	64	118
	Emgesa	21.6%	60	180
	Endesa Brasil	28.5%	146	-27
	Ampla ⁽¹⁾	7.7%	15	40
	Edesur	6.2%	-2	3
	DockSud	40%	1	19
	Cemsa	55%	0	-7
	Edelnor	18%	13	42
	Piura	96.5%	13	11
	S.Isidro	4.4%	0	0
Proportionate total			310	379

(1) Includes Ampla & Ampla Invertementos (both acquired in October 2011)

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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