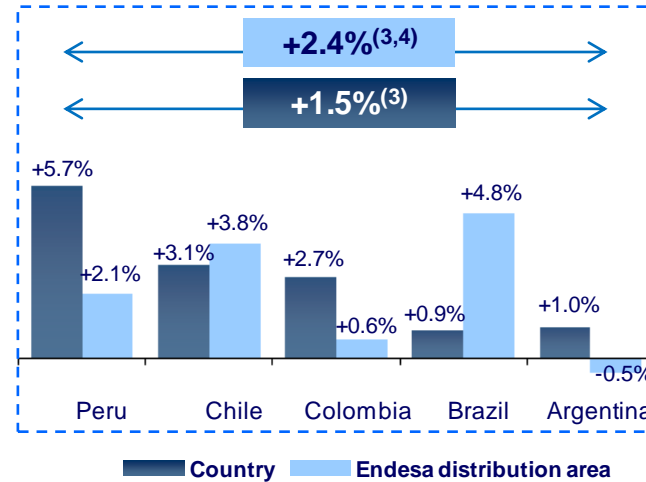
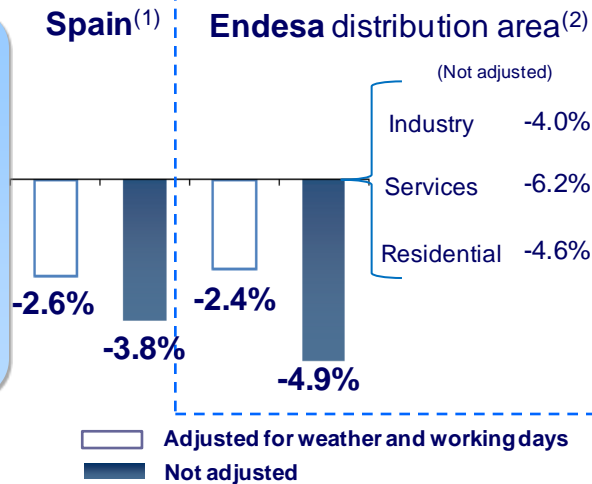


endesa 1H 2013 results

Business context in 1H 2013

Demand

Spain:
demand decrease in all categories of clients, particularly in the services segment



Latin America:
better performance of Endesa distribution companies vs. country demand, mainly in Brazil

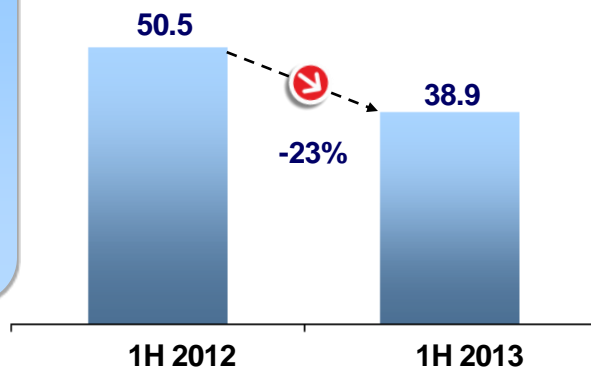
- (1) Mainland. Source: REE
(2) Mainland. Source: Endesa's own estimates

- (3) Average growth weighted by TWh (not adjusted)
(4) Tolls and unbilled consumption not included (net of losses)

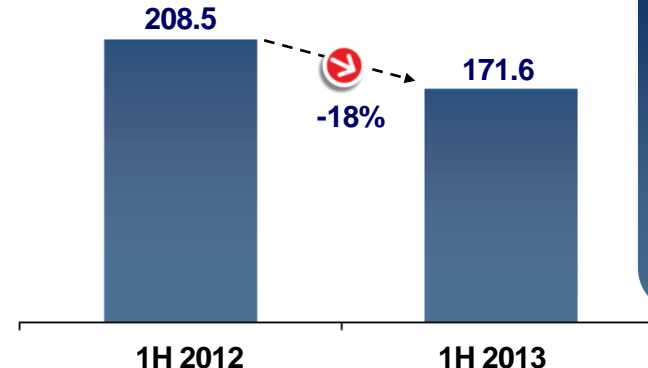
Electricity wholesale prices

Spain:
significant decrease in prices due to weak demand and exceptional weather conditions

Weighted average pool prices Spain⁽⁵⁾
(€/MWh)



Average spot prices Chile-SIC
(US\$/MWh)



Chile:
significant decrease due to new coal-fired plants in the system

(5) Excluding ancillary services and capacity payments. 37.3 €/MWh average baseload equivalent (1H 2013).

Operating results supported by one-off gain in Latam (Argentina Dx) that offset negative regulatory effects in Spain

€M

	1H2013	1H2012	Change
Revenues	15,892	16,696	-5%
Gross margin	5,375	5,336	+1%
EBITDA	3,583	3,547	+1%
Spain&Portugal	1,833	2,040	-10%
Latin America	1,750	1,507	+16%
EBIT⁽¹⁾	2,342	2,404	-3%
Net finance expenses⁽²⁾	167	378	-56%
Net attributable income	1,114	1,146	-3%
Spain&Portugal	723	893	-19%
Latin America	391	253	+55%

- **Iberia:** regulatory measures negatively impacting both liberalized and regulated businesses for a total of €489 M
- **LatAm:** MMC (inflation index) recognition 2007 to 13 for Dx in Argentina, good Gx performance in Colombia and, to a lower extent, in Chile

(1) 1H2013 D&A includes -€105 M from EUAs and CDMs write-off and -€15 M from the nuclear tax according to Law 15/2012

1H2012 D&A includes +€16M from EUAs and CDMs reversal amortization

(2) Update provisions to cover obligations relating the workforce reduction programme in force: -€42 M in 1H2012 and +€7 M in 1H 2013

1H2013 includes +€ 43 from MMC retroactive booking in Argentina

Spain: regulation update (I)

Key points of regulatory measures

- **Wide, complex and still not finalized regulatory changes** that make it difficult to precisely assess their economic impact

	Status
• RDL 9/2013	In force
• Draft of Electricity Sector New Project of Law	Draft
• 7 RD drafts (Tx, Dx, net balance, special regime, non-mainland generation costs, capacity payments & CCGTs mothballing, Supply and invoicing)	Draft
• 4 Ministerial Orders drafts (2H2013 Dx and Tx, TPA, Special regime and interruptibility)	Draft
- **Target:** elimination of remaining €4.5 bn structural tariff deficit, through:
 - €2.7 bn reduction in regulated costs (~ 50% utilities - ~ 50% renewables)⁽¹⁾
 - €0.9 bn contribution from Treasury (equivalent to 50% of non-mainland generation extra-cost)
 - €0.9 bn higher system revenues from 6.5% access tariff increase
- **Adjustment mechanisms** to ensure financial stability of the system:
 - Automatic TPA review to avoid new tariff deficits (beyond established caps)
 - New access costs not allowed unless an equivalent in access revenues is in place
 - Tariff will not bear costs associated to regional or local regulations
 - 50% of non mainland generation extra-cost to be borne by State Budget
- **TPA increase :**
 - 6.5% access tariff increase from Aug '13
- **Ex-post 2012 tariff deficit securitization**
 - State guarantee increased by €4 bn (up to €26 bn) to allow for 2012 ex-post deficit securitization

(1) Source: Ministry of Industry Press Release dated 12th July 2013

Spain: regulation update (II)

Distribution

Rest of 2013 & 2014

- Implicit RAB
- Remuneration:
 - 2013: State 10 yr bond +1%
 - 2014: State 10 yr bond +2% (ca. 6.5%)
- O&M: similar to current methodology
- New incentive against fraud

From 2015 on

- Explicit RAB: physical units (real with efficiency factor), standard investment and O&M costs
- Distributors to yearly present investment programs to Ministry and CNMC for approval in order to establish the ex-ante remuneration
- Cap on total yearly investments for the system
- Distribution commercial activity cost included in O&M costs

- Major critical aspects:
 - Conceptually, 10 Yr bond is not a valid reference to exclusively set cost of capital
 - 10 Yr bond reference does not cover cost of capital, as clearly stated by CNE ⁽¹⁾
 - Implicit RAB calculation contains methodological mistakes
 - Discriminatory treatment (compared to Transmission)
- Consequences:
 - Measures affecting investments made in previous years
 - Investing destroying value cannot be mandatory
 - No incentive to invest with impact on quality of service, growth and employment

Distribution activity would not reach a “reasonable remuneration”

Spain: regulation update (III)

Non-mainland generation

2012 & 2013

- Retroactive measures:
 - Decrease of fuel reference price
 - Cut in logistic costs
 - No capacity payment for plants aged > 25 years

From 2014 on

- Remuneration: State 10 Yr bond + 2% (ca. 6.5%) on net assets
- Update of generation efficiency standards
- An auction process with price cap for fuel procurement
- Cut in O&M cost

Major critical aspects:

- Retroactivity of measures
- 10 Yr bond is not a valid reference to exclusively set remuneration level. 6.5% pre-tax is below cost of capital
- Taxes established by Law 15/2012 must be factored in the calculation of return on assets
- Intrinsic activity risk to be taken into account in order to establish remuneration level

Sustainability of non-mainland generation is a must to protect and allow investments and security of supply

Spain: regulation update (IV)

Measures announced in July

- Current preliminary estimate according to present understanding and available information:

€M	Expected annual impact FY 2013	Expected annual impact FY 2014
• Distribution⁽¹⁾	~117	~189
• Capacity payments	~18	~38
• Non-mainland generation⁽²⁾	~118	~115
• Social bonus⁽³⁾	~22	~58
	<hr/> ~275	<hr/> ~400

1) FY2013: incorporates +€23 M from quality incentives. FY2014: Estimate. To be based on implicit value (RAB) and unitary values

2) FY2013: Impact from logistics, fuel standard and no capacity payments remuneration for generation units >25 years for 2012 and 2013.
FY2014: According to Ministry estimates from draft Royal Decree.

3) Estimate

Spain: regulation update (V)

Preliminary conclusions

- Announced measures bring, we believe, substantial improvements to the system:
 - Mandatory mechanisms to control future deficits
 - More fair percentages to finance future tariff deficits below caps starting 2014
 - Increased State guarantee in order to allow securitization of tariff deficit up to 31 Dec 2012
 - The “reasonable return” concept
 - The concept of similar regulated returns for activities with similar risk profile
 - Some principles of the distribution regulatory reform announced for 2015
 - Contribution of State budget to partially compensate for past regulatory decisions purely based on political grounds
- Nevertheless, we believe that substantial amendments ought to be introduced to the current formulation of certain measures in order to avoid inconsistencies and mistakes:
 - Remuneration levels of regulated activities must be above cost of capital in order to allow value creation for the investor
 - Taxes arising from Law 15/2012 are to be considered as costs when calculating the remuneration of non-mainland generation
 - Social bonus arises from a purely political decision and should therefore be financed by State budget
 - Tariff deficit of 2013 and following years, if any, ought to be securitized with the backing of a State guarantee

Latam: regulation update (I)

Argentina

- Dx: MMC recognition from May 2007 to February 2013:
 - €301 M positive impact on EBITDA
 - Resolution SE N° 250/13 (7th May 2013) authorized Edesur to recognize the accrued MMC (inflation index) as revenue and to compensate this credit with:
 - Debt arising from the application of PUREE (penalties collection on behalf of the State)
 - Debt with CAMMESA for unpaid energy purchases
 - Exceeding credits to fund the trust (fideicomiso) constituted by ENRE Resolution N° 347 from November 23, 2012
- Gx: regulated remuneration based on Cost Plus scheme into effect since Feb 2013 (Resolution SE N° 95/2013)

Brazil

- Public budget approval (CDE) to partially reimburse involuntary exposure of distributors to spot energy prices attributable to government. Balance to be set at next annual tariff revision
- Balance (total of €47 M for Ampla and Coelce) to be recognized in next tariff adjustment (April 2014)

Latam: regulation update (II)

Peru

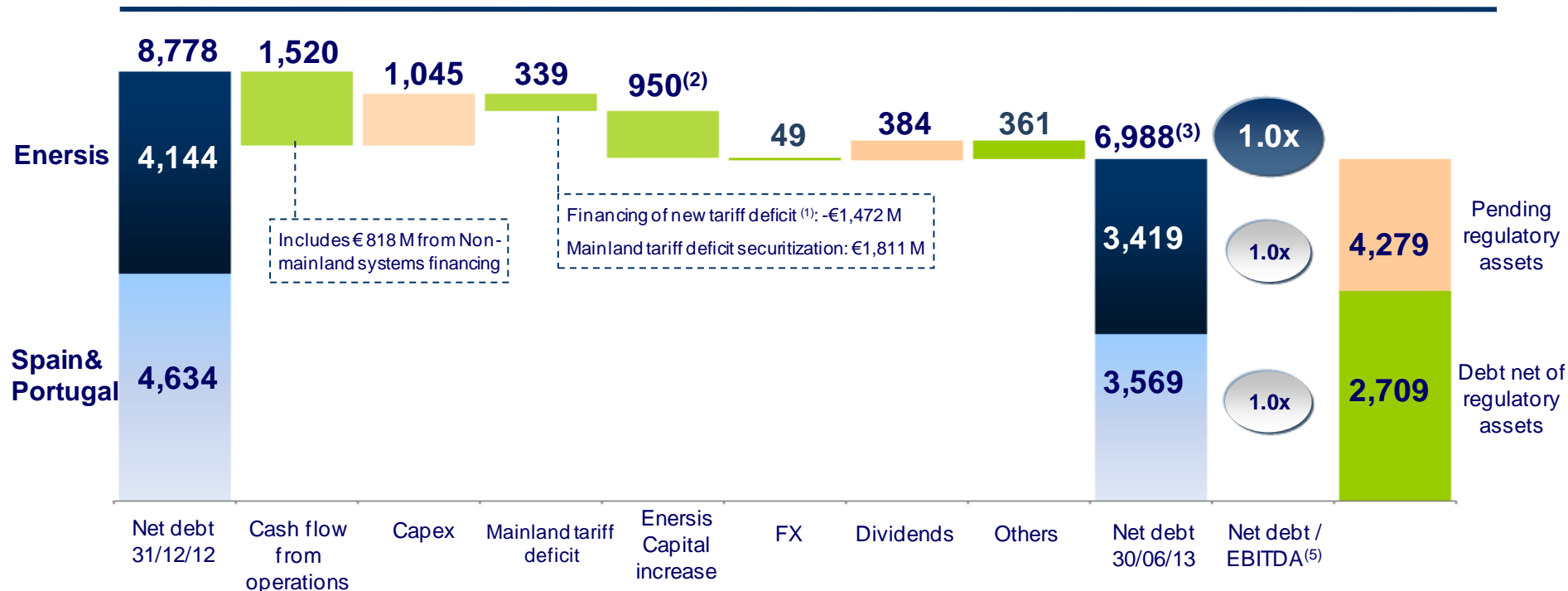
- Edelnor tariff review progress according to schedule. New tariffs to be published in Nov. 2013

Colombia

- Dx: Regulator (CREG) issued a resolution defining the criteria for the next tariff review (2014-2018):
 - WACC to be updated according to present methodology
 - RAB Review
 - Improvement of quality regulation

Sound financial position

Net debt evolution in 1H 2013 (€M)



Solid financial leverage and strong liquidity position

	31/12/12	30/06/13
Leverage (net debt/equity)⁽⁴⁾	0.3	0.2

Endesa liquidity excluding Enersis covers 40 months of debt maturities

Enersis liquidity covers 25 months of debt maturities

(1) Includes payments/collections from CNE settlements in 1H 2013

(2) Out of €1,750 M from Enersis capital increase, €800 M are invested in financial assets with maturity > 3 months and therefore are not considered "Cash or cash equivalent"

(3) This figure does not include financial assets with maturity > 3 months for an amount of €1,090 M (mainly €800 M from footnote 2)

(4) Net debt figure includes pending regulatory assets

(5) Annualized EBITDA as of the last four quarters

spain&portugal 1H 2013

Highlights in 1H 2013

Margin negatively affected by regulatory measures (RDL 13/2012, RDL 20/2012, Law 15/2012 and RDL 2/2013)

Output generation (-21%)⁽¹⁾: strong demand decline jointly with lower thermal gap. 73% of total output from nuclear & hydro (vs 51% in 1H 12)

Significant fixed costs reduction: -4%

Garoña: definitive cease of production since July 6th 2013

**Sale of 12% stake in Medgaz completed
(€64 M gross capital gain)**

Leadership in supply (37.4% market share) and ordinary regime generation (36%) and 2nd player in gas supply market (14%)

(1) Mainland. Does not include Portugal

Results affected by regulatory measures

€M	1H2013	1H2012	Change
Revenues	10,757	11,445	-6%
Gross margin	2,900	3,148	-8%
EBITDA	1,833	2,040	-10%
EBIT⁽¹⁾	955	1,269	-25%
Net finance expenses⁽²⁾	65	127	-49%
Net attributable income	723	893	-19%

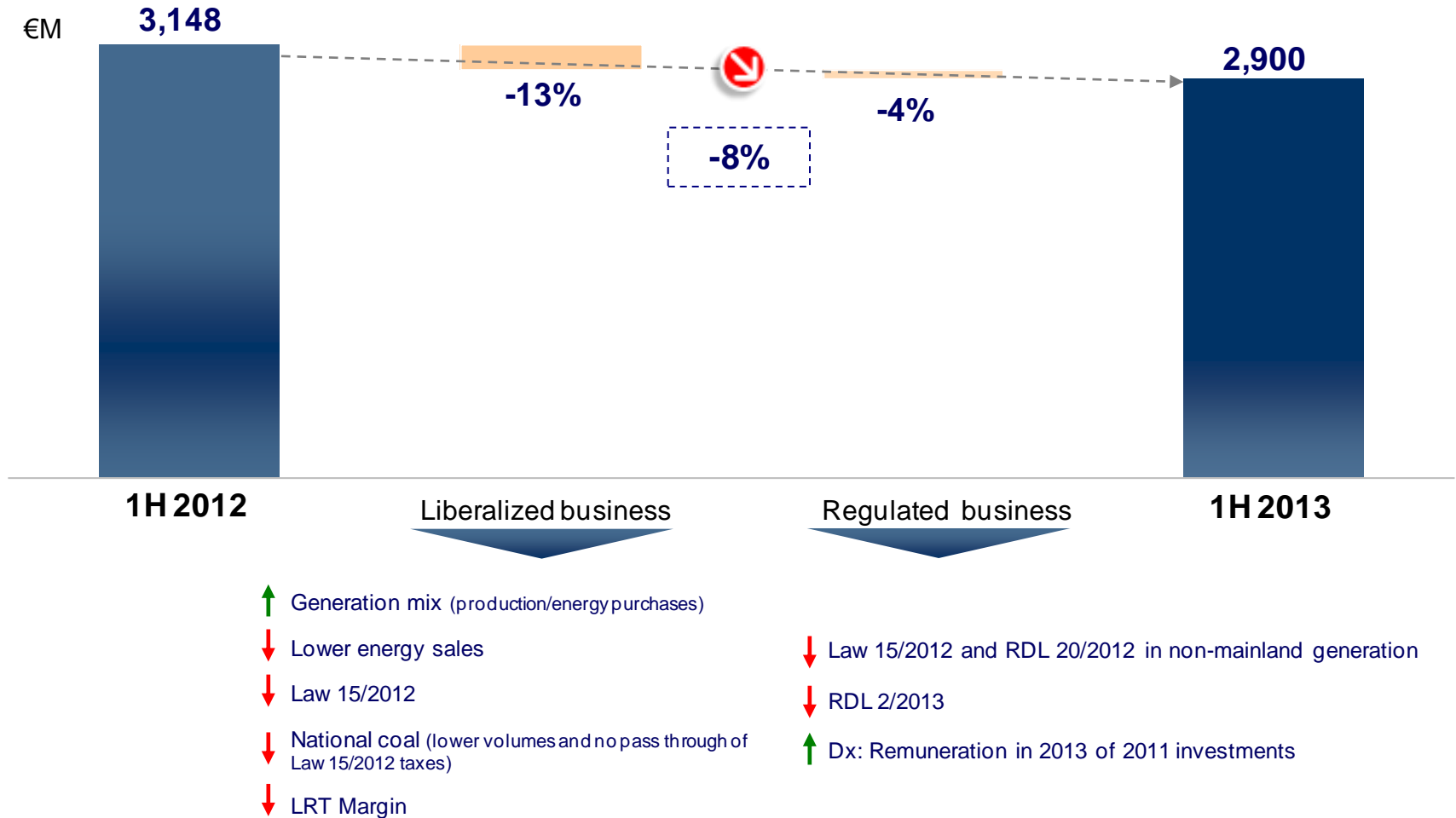
Iberia: regulatory measures impacting (-€489 M) both liberalized and regulated businesses

(1) 1H2013 D&A includes €105 M from EUAs and CDMs write-off and €15 M from the nuclear tax according to Law 15/2012

1H2012 D&A includes +€16M from EUAs and CDMs reversal amortization

(2) Update provisions to cover obligations relating the workforce reduction programme in force: -€42 M in 1H2012 and +€7 M in 1H 2013

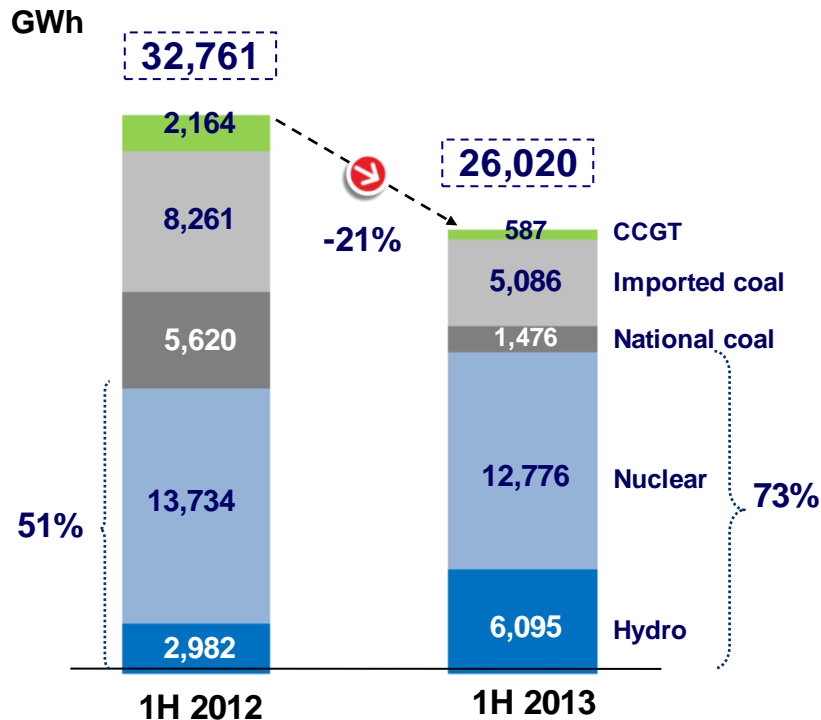
Regulatory measures impacting both liberalized and regulated business margins



Better generation mix in the liberalized business was not enough to offset regulatory measures

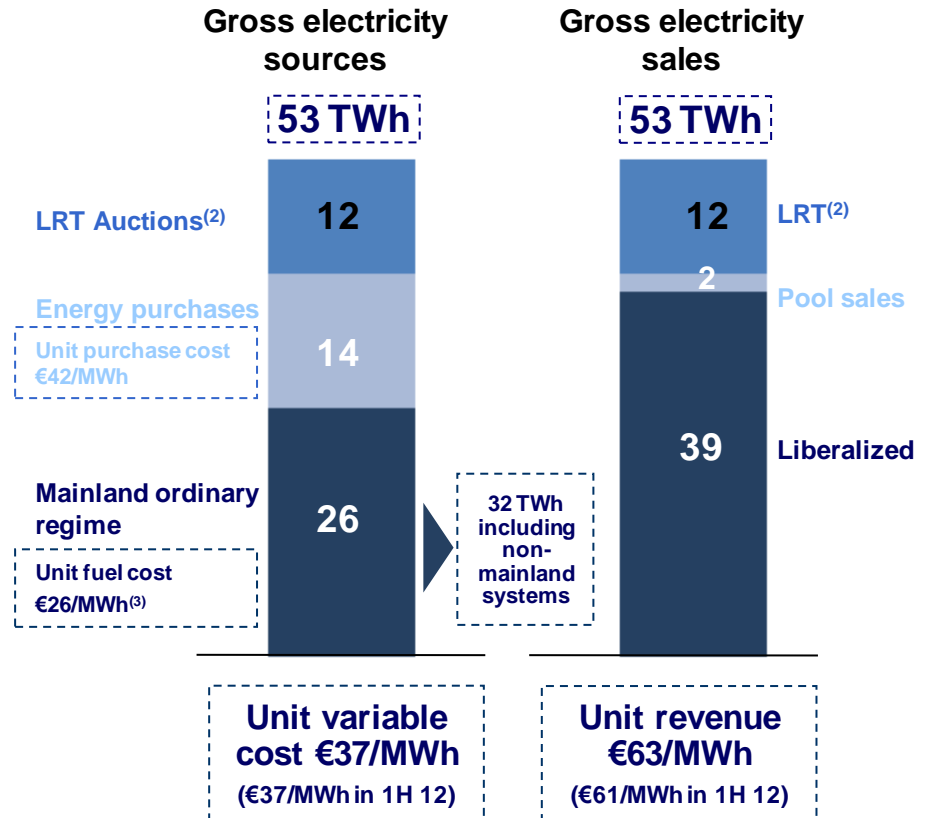
Mainland output and energy management optimization

Decrease in mainland output⁽¹⁾



- Lower demand and thermal gap
- 2013 National Coal RD in force since mid February
- Garoña closure and Almaraz and Ascó II planned outages

1H 2013 energy management



- Despite negative effects from Law 15/2012, electricity unitary margin increased (+6%⁽⁴⁾)

(1) Does not include Portugal

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

(3) Includes fuel cost, CO₂ and taxes from Law 15/2012

(4) Unitary margin ex LRT energy

latin america 1H 2013

Highlights in 1H 2013

2.4%¹ growth in LatAm Dx demand: Brazil and Chile outperform; flat trend in Argentina

4.9% drop in Gx output: lower hydro generation in all countries exceeds the increase in thermal output

Argentina: important (but incomplete) regulatory improvements in Dx more than offset higher fixed costs (personnel)

Brazil (Dx): Government funds (CDE) reimbursement as part of extra energy purchase cost

Positive performance of Colombian and Chilean generation business despite persistent drought

EBITDA positively affected by non-operative and operative drivers that more than offset FX and fixed costs negative performance

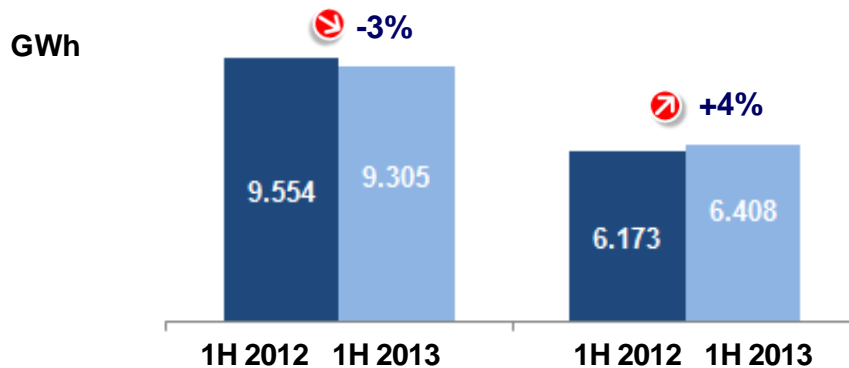
€M	1H2013	1H2012	Change
Revenues	5,135	5,251	-2%
Gross margin	2,475	2,188	+13%
EBITDA	1,750	1,507	+16%
EBIT	1,387	1,135	+22%
Net finance expenses ⁽¹⁾	102	251	-59%
Net income	941	572	+65%
Net attributable income	391	253	+55%

- EBITDA increased mainly due to MMC recognition (Argentina Dx) and positive performance of the Colombian and Chilean Gx businesses
- Negative FX effect at EBITDA level: -€60 M

(1) 1H2013 includes +€ 43 from MMC retroactive booking in Argentina

Chile: better results due to new installed capacity

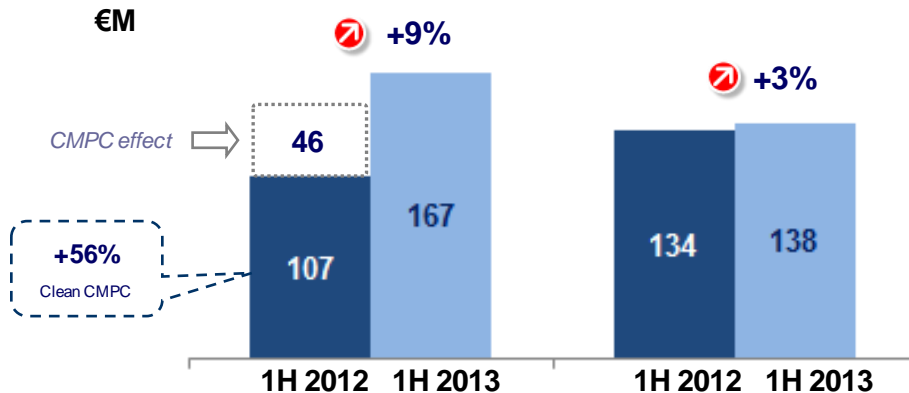
Generation output Distribution sales⁽¹⁾



- Poor hydro conditions partially compensated by higher thermal output (Bocamina II)
- Demand increase supported by construction activity and by residential & commercial segments

Gx EBITDA

Dx EBITDA



- **Gx:** better energy mix (despite lower hydro) partially offset by lower selling prices
Positive one-off in 1Q 2012 (CMPC)
- **Dx:** higher volumes more than offset lower VAD
- **Fx impact: +€4 M**

Unit margin

€25.8/MWh +9%

€27.6/MWh -1%

Total EBITDA €305 M (+6%)⁽²⁾

(1) Tolls and unbilled consumption not included

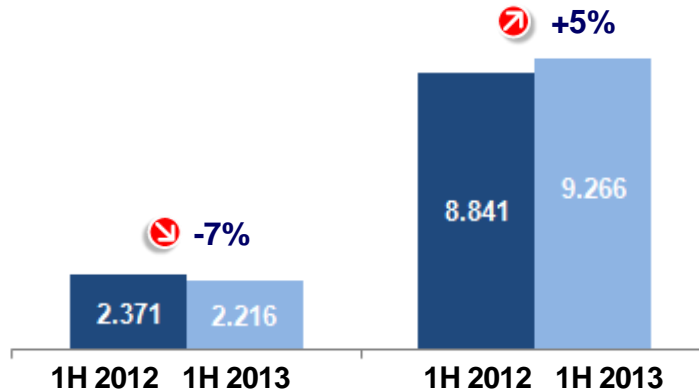
(2) Does not include holding and services



Brazil: EBITDA impacted by drought

Generation output Distribution sales⁽¹⁾

GWh

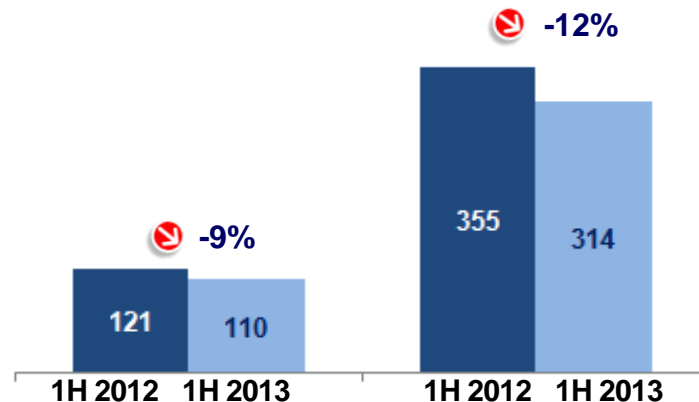


- Worse hydro conditions due to drought partially offset by higher thermal dispatch from Fortaleza
- Higher Dx volumes due to weather conditions

€M

Gx EBITDA

Dx EBITDA



- Gx:** lower EBITDA due to energy mix and lower output partially offset by higher prices
- Dx:** tariff review (Coelce) and higher energy purchases in spot market partially offset by higher volumes and lower fixed costs
- Fx impact: -€49 M**

Unit margin

€34.6/MWh	-7%	€45.1/MWh	-14%
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- CIEN: EBITDA €37 M**

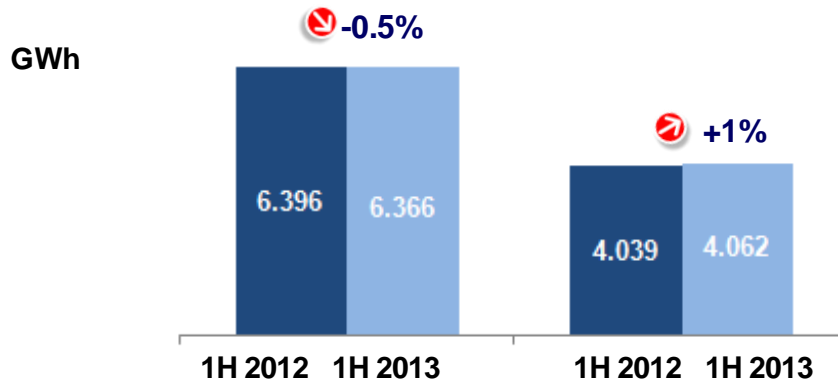
Total EBITDA €461M (-11%)⁽²⁾

(1) Tolls and unbilled consumption not included

(2) Includes CIEN interconnection: €37 M in 1H 2013 and does not include Holding and Services.

Colombia: well-balanced asset portfolio

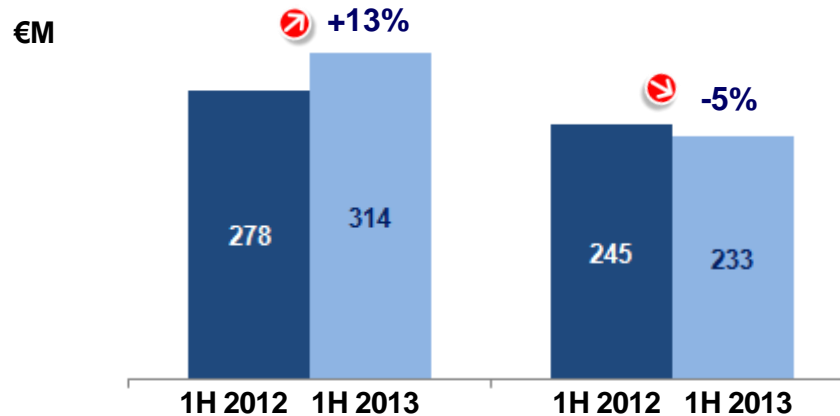
Generation output Distribution sales⁽¹⁾



- Output in line with 1H 2012. Decrease in hydro generation almost entirely compensated by thermal dispatch
- Slight demand increase, lower than in the country

Gx EBITDA

Dx EBITDA



- Gx:** higher price in spot market due to lower hydro partially offset by worse energy mix
- Dx:** lower index reference partially offset by loss reduction plan
- Fx impact:** -€16 M

Unit margin

€42.3/MWh +8%

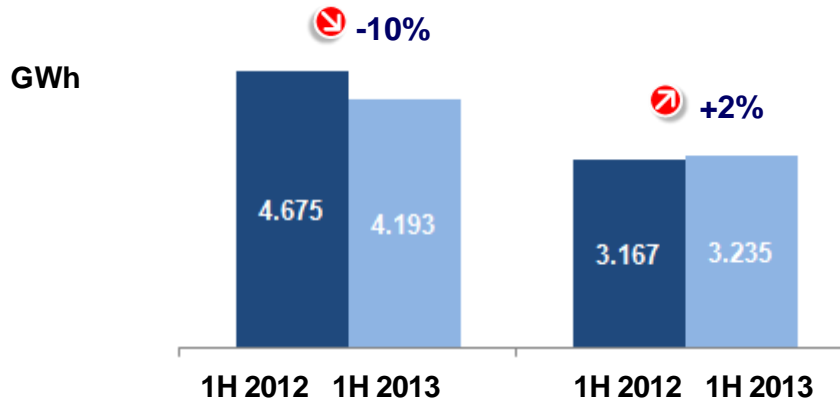
€45.3/MWh -7%

Total EBITDA €547 M (+5%)



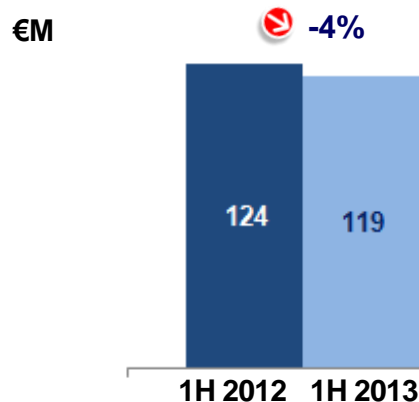
Peru: slight decrease in results

Generation output Distribution sales⁽¹⁾

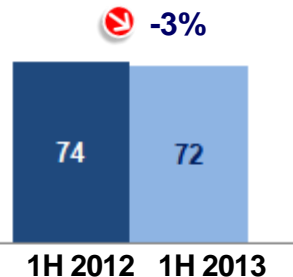


- Output decrease due to lower thermal dispatch and planned and not planned outages
- Demand affected by slowdown in manufacture activity in Lima area

Gx EBITDA



Dx EBITDA



- Gx:** lower energy sales partially offset by better energy mix
- Dx:** decrease in other operating revenues partially offset by higher volumes and lower fixed costs
- Fx impact: +€2 M**

Unit margin

€30.2/MWh +2%

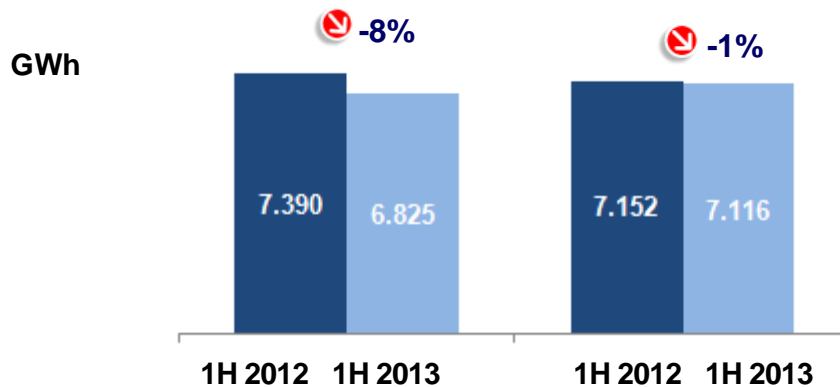
€28.9/MWh -5%

Total EBITDA €191 M (-4%)



Argentina: EBITDA impacted by MMC recognition in Dx

Generation output Distribution sales⁽¹⁾

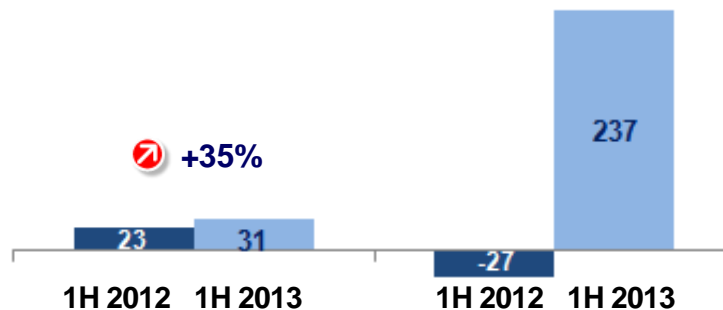


- Generation decrease due to outages in thermal plants and lower hydro dispatch due to poor hydrology
- Flat demand

Gx EBITDA

Dx EBITDA

€M



- **Gx:** new retroactive regulatory scheme and higher availability revenues partially offset by lower margin in spot and contract sales
- **Dx:** MMC recognition (€301 M) partially mitigated by higher personnel costs
- No Fx impact

Unit margin

€8.2/MWh +19%

€47.5/MWh +251%

Total EBITDA €268 M ⁽²⁾

(1) Tolls and unbilled consumption not included

(2) Does not include CIEN interconnection

final remarks 1H 2013

Final remarks

Spain

Difficult regulatory environment

Present formulation of recent regulatory measures negatively impacts both our regulated and liberalized business leading to a remuneration of regulated activities below a reasonable return level

Further investment and cost reduction actions ahead

Latin America

Challenging hydro conditions persist in Chile and Brazil

Substantial regulatory improvements in Argentina while further improvements are being pursued

appendices 1H 2013

Installed capacity and output⁽¹⁾

Installed capacity

MW at 30/06/13

	Spain& Portugal		Latin America	Total
Total	23,300		16,161	39,277
Hydro	4,755		8,670	13,425
Nuclear	3,686		-	3,686
Coal	5,804		872	6,676
Natural gas	5,798		3,958	9,757
Oil-gas	3,256		2,574	5,829
CHP/Renewables	na		87	87

Output

TWh 2013
(chg. vs. 2012)

	Spain&Portugal		Latin America		Total	
Total	32.8	-19%	28.9	-5%	61.7	-13%
Hydro	6.1	+104%	13.8	-19%	19.9	-1%
Nuclear	12.8	-7%	-	-	12.8	-7%
Coal	8.2	-49%	2.6	+159%	10.7	-37%
Natural gas	2.7	-12%	10.4	+18%	13.1	-6%
Oil-gas	3.1	-36%	2.0	-42%	5.0	+10%
CHP/Renewables	na	na	0.2	+89%	2.0	+89%

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

Latin America: generation and distribution figures

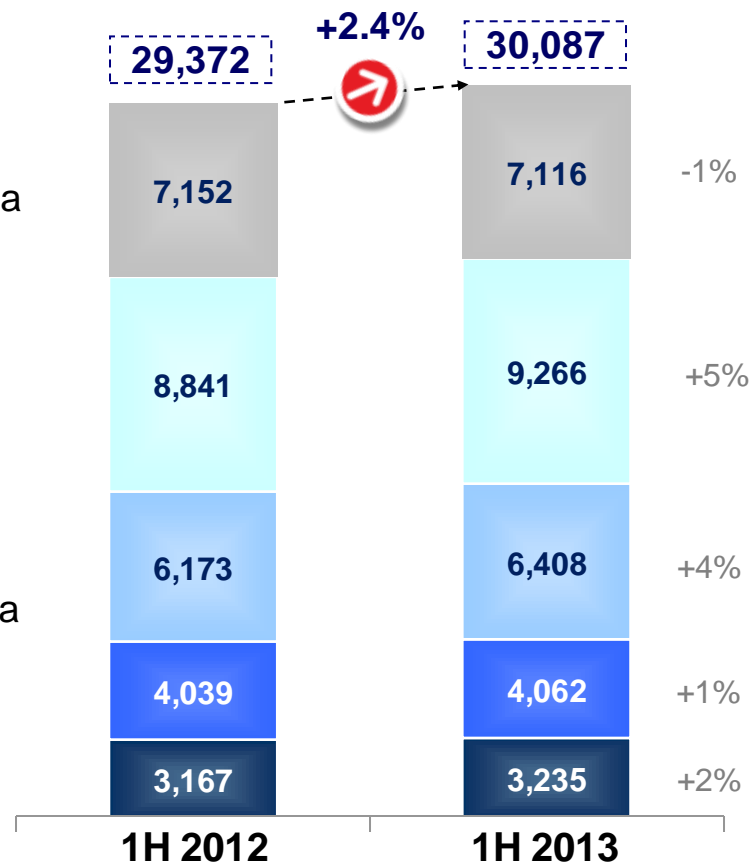
Generation Output

GWh



Distribution Sales⁽¹⁾

GWh

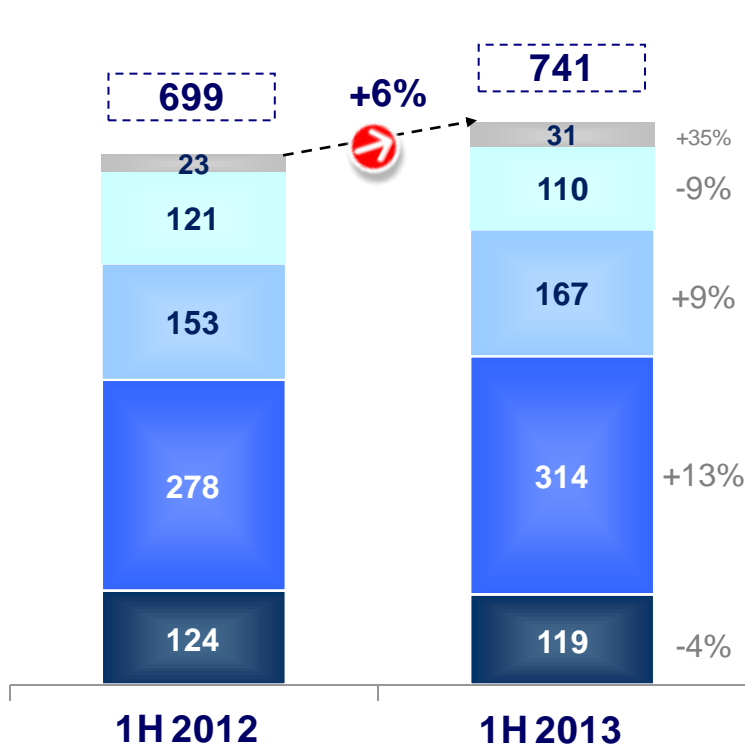


(1) Tolls and unbilled consumption not included

Latin America: Ebitda break down by country and business nature

Ebitda Generation⁽¹⁾

€M



■ Argentina

■ Brazil

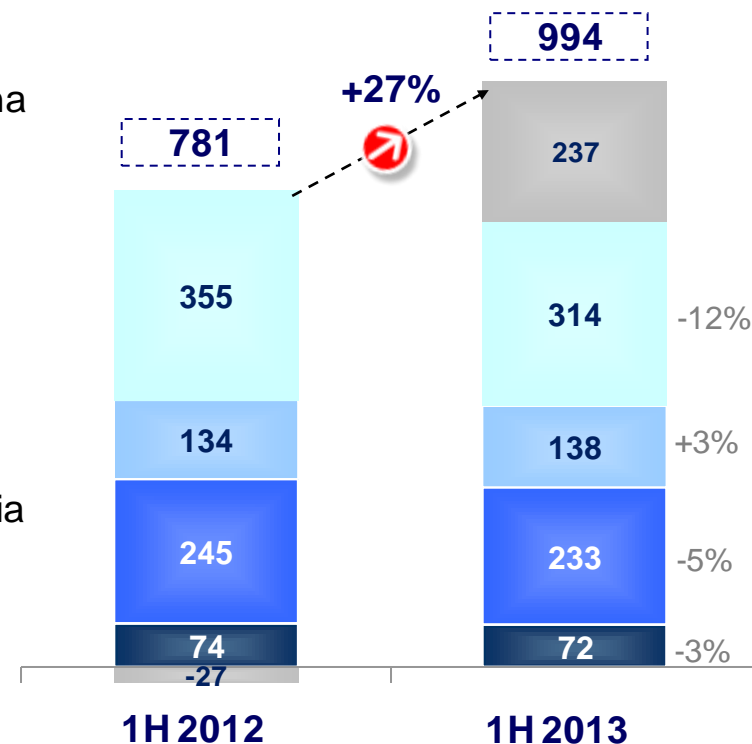
■ Chile

■ Colombia

■ Peru

Ebitda Distribution

€M



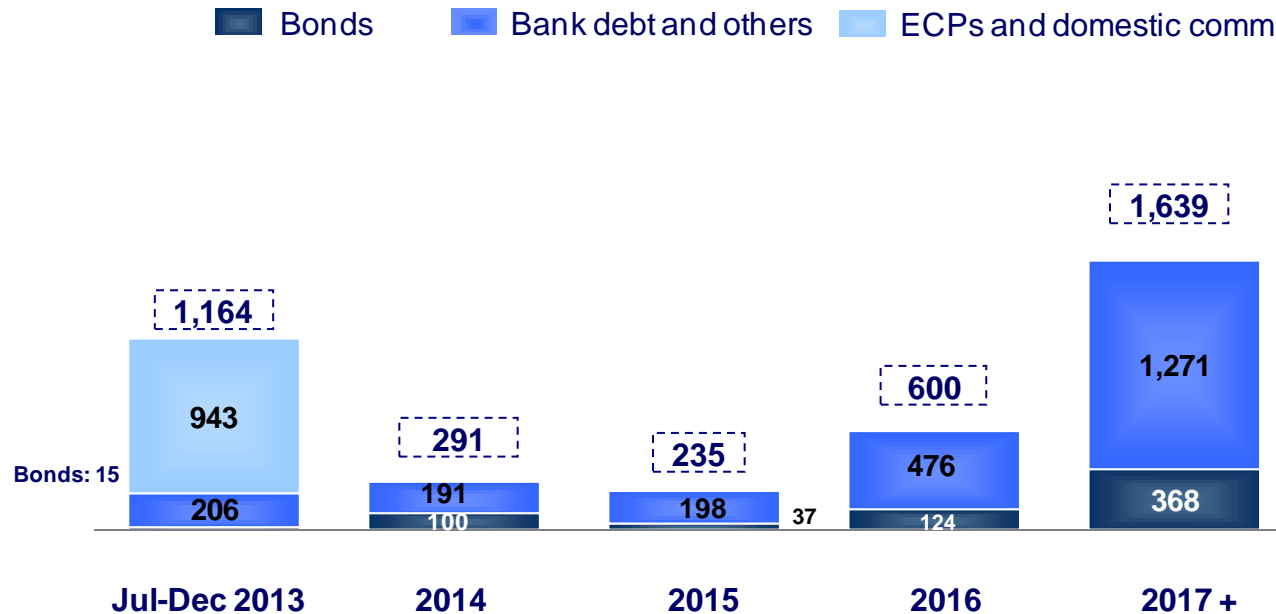
Unit margin €25.6/MWh → +6% → €27.1/MWh

Unit margin €35.3/MWh → +15% → €40.6/MWh

(1) Does not include CIEN interconnection: €37M

Endesa (excl. Enersis): financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2013: €3,929 M⁽¹⁾



Endesa's liquidity excl. Enersis covers 40 months of debt maturities

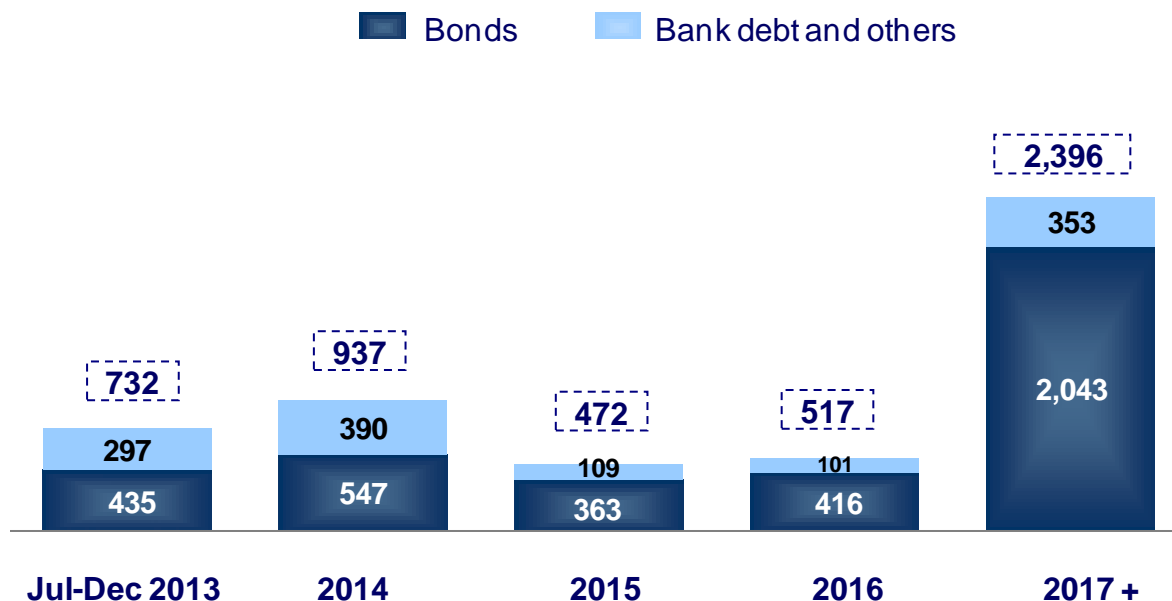
- Liquidity €7,031 M**
 - €409 M in cash
 - €6,622 M available in credit lines
- Average life of debt: 6.0 years**

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

⁽²⁾ Notes issued are backed by long-term credit lines and are renewed on a regular basis.

Enerdis: financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2013: €5,054 M⁽¹⁾



Enerdis has sufficient liquidity to cover 25 months of debt maturities

▪ **Liquidity €2,421 M:**

€1,833 M in cash

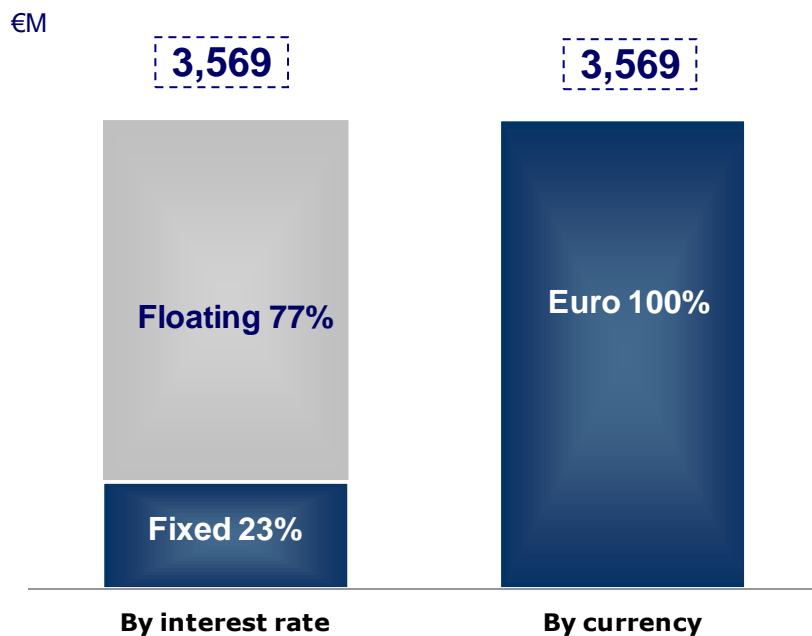
€588 M available in credit lines

▪ **Average life of debt: 5.1 years**

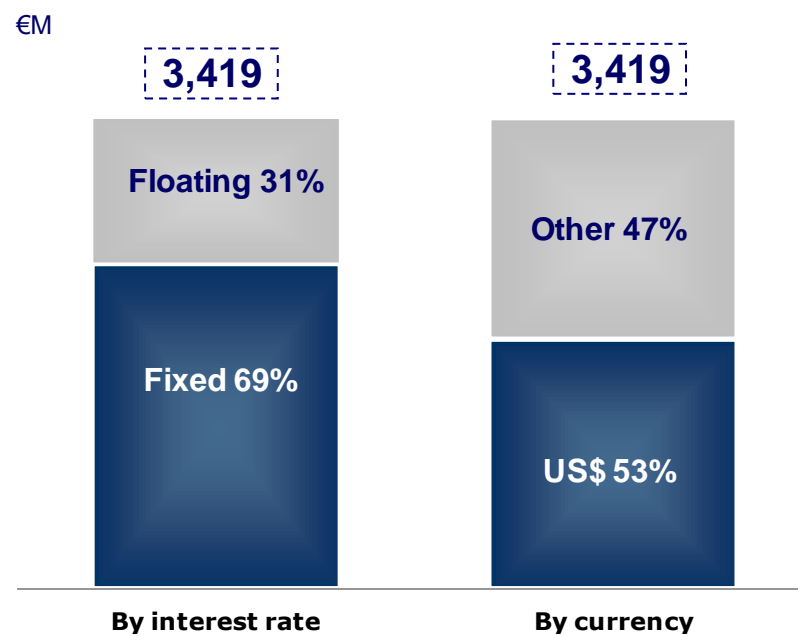
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

Financial policy and net debt structure

Structure of Endesa's net debt ex-Enersis



Enersis net debt structure



Average cost
of debt

3.3%

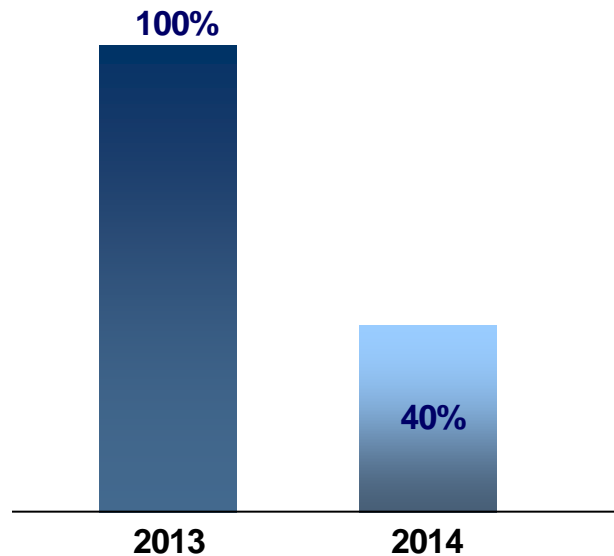
8.0%

- 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

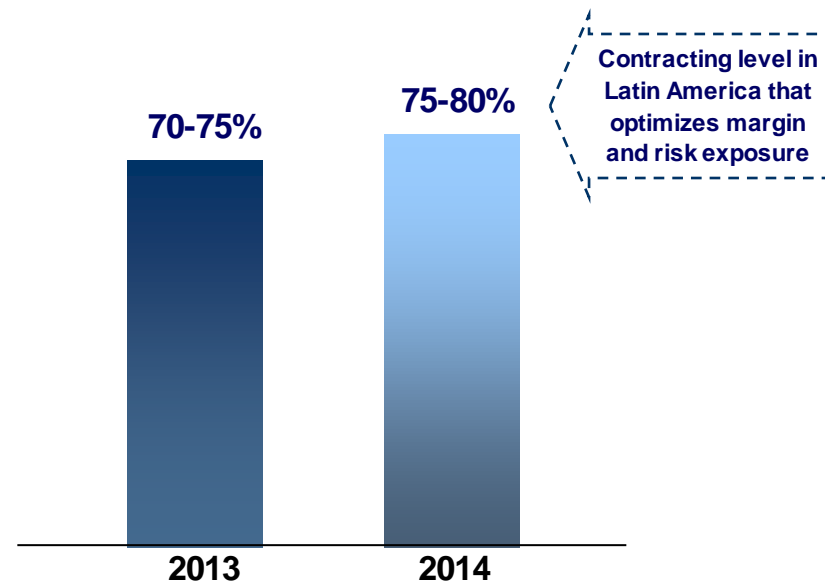
(% estimated mainland output hedged)



Consistent commercial policy

Latin America

(% estimated output hedged)



35% of the generation sold via contracts > 5 yrs and 19% via contracts > 10 yrs

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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