Business context in 1H 2014

Demand

Spain: shift in demand trend supported by industrial segment

Latin America: healthy growth in both Endesa distribution areas and countries

Spain: decline in power prices following higher hydro output and lower commodity prices in 1H 2014. Price recovery since June 2014

Electricity wholesale prices

Weighted average pool prices Spain

Average spot prices Chile-SIC

Chile: decrease in spot prices as a result of improved hydro conditions

(1) Excluding ancillary services and capacity payments. €33.1/MWh average baseload equivalent (1H 2014).
(2) Alto Jahuel node price
(3) Average growth weighted by TWh (not adjusted)
(4) Tolls and unbilled consumption not included (net of losses)
Results in Spain negatively impacted by new retroactive regulatory measures in non-mainland generation. Lower impact from MMC recognition in Argentina YoY & other adverse external circumstances in Latam

<table>
<thead>
<tr>
<th>€M</th>
<th>1H 2014</th>
<th>1H 2013(1)</th>
<th>Change</th>
<th>Like-for-like(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>14,711</td>
<td>15,770</td>
<td>-7%</td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>4,507</td>
<td>5,307</td>
<td>-15%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,911</td>
<td>3,539</td>
<td>-18%</td>
<td>-9%</td>
</tr>
<tr>
<td>Spain&amp;Portugal</td>
<td>1,694</td>
<td>1,810</td>
<td>-6%</td>
<td>+3%</td>
</tr>
<tr>
<td>Latin America</td>
<td>1,217</td>
<td>1,729</td>
<td>-30%</td>
<td>-21%</td>
</tr>
<tr>
<td>EBIT(3)</td>
<td>1,857</td>
<td>2,318</td>
<td>-20%</td>
<td></td>
</tr>
<tr>
<td>Net finance expenses(4)</td>
<td>277</td>
<td>168</td>
<td>-65%</td>
<td></td>
</tr>
<tr>
<td>Net attributable income</td>
<td>765</td>
<td>1,114</td>
<td>-31%</td>
<td></td>
</tr>
<tr>
<td>Spain&amp;Portugal</td>
<td>579</td>
<td>723</td>
<td>-20%</td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>186</td>
<td>391</td>
<td>-52%</td>
<td></td>
</tr>
</tbody>
</table>

Iberia(5):
- Regulatory impact in 1H 2014 (vs. 1H 2013): -€415M (RDL 9/2013) of which -€162 M correspond to new retroactive measures from 2nd draft RD on non-mainland generation

LatAm(5):
- Fx negative impact: -€153 M(6)
- Results affected by higher MMC recognition in Argentina last year (€63 M in 1H 2014 vs. €301 M in 1H 2013), drought impact in Brazilian Dx business (€106 M from involuntary exposure to high spot prices) and one-off negative effects from Bocamina II temporary shutdown

---

(1) 1H 2013 P&L restated following the application of IFRS 11
(2) Excluding new retroactive measures in non-mainland generation and FX
(3) D&A. EUAs write-off: +€23 M reversal provision in 1H 2014 vs. -€105M in 1H 2013
(4) €110 M from RAB adjustments in Ampla after the completion of the 3rd Cycle Tariff Review
(5) At EBITDA level
(6) Considering Fx hedging on dollarized business
Spain: regulation update (I)
Main new developments and pending chapters of the electricity sector reform

- Endesa is already reimbursing to SCVP customers the extra-amounts collected during 1Q and 2Q above the price based on pool price

- From end June, Endesa is billing SCVP customers according to TSO energy prices based on average demand profiles

- Should the deadline of January 1st 2015 be confirmed for billing based on hourly consumption measured by digital meters then a number of risks would exist of not having enough time to implement and properly test the systems modifications

- 1st regulatory period starting retroactively from July 2013
  - Investment return set at 10 Y Gvment. Bond(1) + 300 b.p.
  - Expected renewable subsidy reduction: €1,7 bn/year
  - RW subsidy adjustment will start in CNMC settlement 7/2014

- Mothballing and capacity payments RD
- Supply RD
- Non-mainland generation RD
- Distributed generation RD

---

(1) - First regulatory period (July 2013 – July 2019):
  - Average of 10Y Gvment. quotations of the last 10 years before May of the previous year of the beginning of the regulatory period for existing facilities
  - Average of 10Y Gvment. quotations from April to June 2013 for new facilities
  - Average of 10Y Gvment. quotations of the last 24 months before May of the previous year of the beginning of the regulatory period for facilities coming on stream on the 2nd regulatory period

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Spain: regulation update (II)
New Royal Decree draft on non-mainland generation

Assessment of non-mainland generation remuneration

- New RD draft brings additional retroactive measures
- Recurrent additional negative impact in 1H 2014 (-€ 98M)
- Fuel compensation lower than fuel cost
- Green cent and 7% generation tax are not recoverable costs
- Rate of return is lower than for the rest of regulated activities

Economic impact of measures retroactive since 1.1.12
(at gross margin and EBITDA level)

- 1st draft RD -€97 M booked in 2013
- 2nd draft RD -€259 M
- Additional impact in 1H’14 -€162 M booked in 2014

One-off retroactive effects

Taxes from Law 15/2012 are to be recognized as recoverable costs
Spain: regulation update (III)
Other relevant events during the period

**Garoña nuclear power plant**
- Nuclenor BoD decided to submit the application to renew Garoña’s operating license
- Request made to extend operating life until March 2nd, 2031 (60 years of useful life)

**National Energy Efficiency Fund**
- RDL 8/2014 issued within the transposition of EU Directive 2012/27
- The Fund will be managed by IDAE with an annual budget financed from European funds as well as by all energy suppliers
- Funding obligations start applying since mid 2014

**14th CNMC settlement on Year 2013**
- Provisional tariff deficit amounting to €3.2 bn
- Development of mechanism to securitize 2013 tariff deficit is in progress

**5th CNMC settlement on Year 2014**
- Provisional tariff deficit amounting to €3.3 bn
- Coverage ratio: 58.1%
- Endesa has financed 15.91% of tariff deficit (normalized Endesa financing level ca. 20% vs. 44.2% in previous scheme)
LatAm: regulation update

**Chile**
- The Government published guidelines for its Energy Agenda
- HydroAysen: Ministers Committee revoked previously approved Environmental Impact Study
- Bocamina II: final Supreme Court decision expected

**Brazil**
- **Dx:**
  - WACC initial proposal for 4th Cycle Tariff Review: 10.85% real pre-tax, from 11.36% in 3rd Cycle
    - Final WACC will be published in 4Q 2014
    - Coelce will be the first company assessed under the 4th Cycle Tariff methodology
  - Negative impact on Ampla and Coelce due to involuntary exposure to high energy spot prices:
    - 2014 amounts recovered in 1H: €246 M thru CDE and CCEE
    - Remaining 1H2014 extra-costs, amounting to €106 M, ought to be recovered thru a further CCEE compensation

**Argentina**
- **Gx:**
  - Resolution 529/2014 increases remuneration standards foreseen in Resolution 95/2013 and applies retroactively since February 2014

- **Dx:**
  - New recognition of MMC compensation with PUREE (Oct ‘13 to March ‘14): €63 M positive impact on EBITDA
  - Working to complete the so-called “Acuerdo Instrumental” laying the foundations of a stable and sustainable regulatory framework.
Sound financial position

Net debt evolution in 1H 2014 (€M)

<table>
<thead>
<tr>
<th></th>
<th>31/12/13</th>
<th>30/06/14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net debt</strong></td>
<td>4,337</td>
<td>4,550(2)</td>
</tr>
<tr>
<td><strong>Cash flow from</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>operations</strong></td>
<td>1,966</td>
<td></td>
</tr>
<tr>
<td><strong>Leverage (net debt/equity)</strong></td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Spain&amp; Portual</strong></td>
<td>1,631</td>
<td>1,200</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>1,009</td>
<td></td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td></td>
<td>534(1)</td>
</tr>
<tr>
<td><strong>Mainland tariff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mainland tariff deficit scheme up to Dec 2013</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>New financial investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net debt / EBITDA</strong></td>
<td>0.7x</td>
<td>1.0x</td>
</tr>
</tbody>
</table>

**Solid financial leverage and strong liquidity position**

- **Endesa liquidity excluding Enersis** covers 28 months of debt maturities
- **Enersis liquidity** covers 35 months of debt maturities

(1) Mainly financial investments with maturity over 3 months that were made in previous quarters and matured during 1H 2014
(2) This figure does not include financial assets with maturity > 3 months for an amount of €397 M
(3) Net debt figure includes pending regulatory assets
spain&portugal 1H 2014
A new draft RD for non-mainland systems has lead to reassess the retroactive regulatory impact up to -€259 M of which -€97 M were booked in 4Q 2013.

Margin negatively affected by RDL 9/2013 partially compensated by the liberalized business and energy management.

Generation output (+1%): thermal output increase more than compensates hydro output reduction. 69% of total output from nuclear & hydro (72% in 1H 13).

Significant 8% fixed costs reduction.

No tariff deficit expected in 2014 after the approval of RD and M.O. on renewables.
Results in Spain largely impacted by regulatory measures partially offset by management actions

<table>
<thead>
<tr>
<th>€M</th>
<th>1H 2014</th>
<th>1H 2013(1)</th>
<th>Change</th>
<th>Like-for-like(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>10,253</td>
<td>10,708</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>2,645</td>
<td>2,870</td>
<td>-8%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,694</td>
<td>1,810</td>
<td>-6%</td>
<td>+3%</td>
</tr>
<tr>
<td>EBIT(3)</td>
<td>965</td>
<td>945</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td>Net finance expenses</td>
<td>66</td>
<td>67</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>Net attributable income</td>
<td>579</td>
<td>723</td>
<td>-20%</td>
<td></td>
</tr>
</tbody>
</table>

Regulatory impacts:
- Regulatory impact in 1H 2014 (vs. 1H 2013): -€415M (RDL 9/2013) of which -€162M correspond to new retroactive measures from 2nd draft RD on non-mainland generation
- D&A: significant decrease 1H’14 vs 1H’13

Partially compensated by:
- Management actions: 8% fixed costs reduction
- Positive contribution from liberalized business

(1) 1H 2013 P&L restated following the application of IFRS 11
(2) Excluding new retroactive measures in non-mainland generation
(3) D&A. EUAs write-off: +€23 M reversal provision in 1H 2014 vs. -€105M in 1H 2013
Regulatory measures impacting both liberalized and regulated business margins

**1H 2013**
- Liberalized business
- Regulated business Ex non mainland new retroactive measures

**1H 2014**
- Ex new non-mainland new measures
- Non mainland new retroactive measures

### Liberalized business
- Gas business
- Energy purchase cost
- Lower underlying selling price
- RDL 9/2013 (social bonus, capacity payments)

### Regulated business
- +9%
- -11%
- -21%
- -8%
- -2%
- -6%

**Reported**
- 2,645 €M

**Summary:**
Liberalized business not able to offset regulatory measures.
Mainland output and energy management optimization

Increase in mainland output

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>1H 2013 GWh</th>
<th>1H 2014 GWh</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro</td>
<td>6,095</td>
<td>5,459</td>
<td>-11%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>12,743</td>
<td>12,578</td>
<td>-1%</td>
</tr>
<tr>
<td>National coal</td>
<td>1,476</td>
<td>2,431</td>
<td>+66%</td>
</tr>
<tr>
<td>Imported coal</td>
<td>5,086</td>
<td>5,123</td>
<td>+1%</td>
</tr>
<tr>
<td>CCGT</td>
<td>587</td>
<td>605</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,987</td>
<td>26,196</td>
<td>+1%</td>
</tr>
</tbody>
</table>

- Demand trend is improving along with thermal gap

1H 2014 energy management

<table>
<thead>
<tr>
<th>Gross electricity sources</th>
<th>52 TWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCVP purchases(1)</td>
<td>10</td>
</tr>
<tr>
<td>Energy purchases</td>
<td>17</td>
</tr>
<tr>
<td>Mainland ordinary regime</td>
<td>26</td>
</tr>
<tr>
<td>Unit variable cost €38/MWh(3)</td>
<td>32 TWh including non-mainland systems</td>
</tr>
<tr>
<td>Unit revenue €61/MWh(3)</td>
<td>40</td>
</tr>
</tbody>
</table>

- Electricity unitary margin decreased by 11%(4)
- 34% of 2015 estimated output already hedged

---

(1) SCVP not considered in calculations for unit cost and unit revenue
(2) Includes fuel cost, CO₂ and taxes from Law 15/2012
(3) Includes social bonus financing effect in 1H 2014 (no impact in 1H 2013)
(4) Unitary margin ex SCVP energy. Includes social bonus financing effect in 1H 2014
latin america 1H 2014
Highlights in 1H 2014

4.4% growth in LatAm Dx demand: Brazil and Peru outperformance

-1.0% drop in Gx output: planned and unplanned outages in thermal plants, mainly in Argentina and Chile, in spite of hydro recovery

Sound underlying evolution of Gx business due to higher selling prices, mainly in Colombia and Brazil

MMC recognition in Argentinean Dx business, €63 M in 1H’14 vs. €301 M in 1H’13: main driver of total Dx EBITDA evolution of -41%

Fx impact: -€153 M

One-off negative effect (-€110 M) in net finance expenses resulting from IFRS 12 review following RAB adjustment in Ampla

---

(1) Tolls and unbilled consumption not included (Endesa distribution area)
(2) Ex Foreign Exchange
(3) Considering Fx hedging on dollarized business
EBITDA negatively affected by higher MMC recognition in Argentina last year, Fx, Bocamina II temporary shutdown and one-offs in Dx

<table>
<thead>
<tr>
<th></th>
<th>1H 2014</th>
<th>1H 2013⁽¹⁾</th>
<th>Change</th>
<th>Like-for-like⁽²⁾</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>4,458</td>
<td>5,062</td>
<td>-12%</td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>1,862</td>
<td>2,437</td>
<td>-24%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,217</td>
<td>1,729</td>
<td>-30%</td>
<td>-21%</td>
</tr>
<tr>
<td>EBIT</td>
<td>892</td>
<td>1,373</td>
<td>-35%</td>
<td></td>
</tr>
<tr>
<td>Net finance expenses⁽³⁾</td>
<td>211</td>
<td>101</td>
<td>+109%</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>508</td>
<td>941</td>
<td>-46%</td>
<td></td>
</tr>
<tr>
<td>Net attributable income</td>
<td>186</td>
<td>391</td>
<td>-52%</td>
<td></td>
</tr>
</tbody>
</table>

- EBITDA impacted by different MMC recognition in Argentina YoY, heat wave effects in Dx Argentina and drought effects in Dx Brazil
- Negative FX effect at EBITDA level: -€153 M (mainly from Colombian, Brazilian, and Chilean operations)

⁽¹⁾ 1H 2013 P&L restated following the application of IFRS 11
⁽²⁾ Excluding FX impact
⁽³⁾ €110M from RAB adjustments in Ampla after the completion of the 3rd Cycle Tariff Review
Chile: results affected by Gx planned and unplanned outages and Fx

- Lower thermal output due to Bocamina II shutdown and CCGT’s planned and unplanned outages could not be compensated by better hydro conditions
- Better performance in Chilectra’s concession area vs. country demand affected by lower economic activity

### Generation output

<table>
<thead>
<tr>
<th>GWh</th>
<th>1H 2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.109</td>
<td>8.166</td>
<td></td>
</tr>
</tbody>
</table>

### Distribution sales\(^{(1)}\)

<table>
<thead>
<tr>
<th>€/MWh</th>
<th>1H 2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.408</td>
<td>6.595</td>
<td></td>
</tr>
</tbody>
</table>

### Gx EBITDA

<table>
<thead>
<tr>
<th>€M</th>
<th>1H 2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td>90</td>
<td></td>
</tr>
</tbody>
</table>

-26% in local currency\(^{(2)}\)

### Dx EBITDA

<table>
<thead>
<tr>
<th>€M</th>
<th>1H 2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>138</td>
<td>120</td>
<td></td>
</tr>
</tbody>
</table>

-13% +5% in local currency\(^{(2)}\)

### Unit margin

-16% in local currency

### Total EBITDA €210 M (\(-27\%)^{(2)}\)

(1) Tolls and unbilled consumption not included

(2) Does not include holding and services
Brazil: EBITDA affected by drought effects in Dx, worse energy mix in Gx and FX impact

**Generation output**

<table>
<thead>
<tr>
<th></th>
<th>GWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H 2013</td>
<td>2.216 GWh</td>
</tr>
<tr>
<td>1H 2014</td>
<td>2.473 GWh</td>
</tr>
</tbody>
</table>

**Distribution sales**

<table>
<thead>
<tr>
<th></th>
<th>Distribution sales(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H 2013</td>
<td>9.266 €M</td>
</tr>
<tr>
<td>1H 2014</td>
<td>9.905 €M</td>
</tr>
</tbody>
</table>

- **Higher hydro volumes from Cachoeira**
- **Higher Dx volumes due to weather conditions in Ampla concession area**

**Gx EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>€M</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H 2013</td>
<td>110 €M</td>
</tr>
<tr>
<td>1H 2014</td>
<td>103 €M</td>
</tr>
</tbody>
</table>

- +16% in local currency(2)

**Dx EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>€M</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H 2013</td>
<td>314 €M</td>
</tr>
<tr>
<td>1H 2014</td>
<td>181 €M</td>
</tr>
</tbody>
</table>

- -42% in local currency(3)
- -32% in local currency(3)

**Unit margin**

<table>
<thead>
<tr>
<th></th>
<th>Unit margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€31.1/MWh</td>
</tr>
<tr>
<td></td>
<td>-10%</td>
</tr>
<tr>
<td></td>
<td>€29.6/MWh</td>
</tr>
<tr>
<td></td>
<td>-34%</td>
</tr>
</tbody>
</table>

**Total EBITDA €318 M (-29%)**

(1) Tolls and unbilled consumption not included  
(2) Does not include Holding and Services but includes CIEN interconnection  
(3) Does not include Holding and Services  
(4) Includes CIEN interconnection: €34 M in 1H 2014 and does not include Holding and Services.
Colombia: good operating performance in local currency

**Generation output**

- **GWh**:
  - 1H 2013: 6.366
  - 1H 2014: 6.113
  - Decrease by 4%

**Distribution sales**

- **€M**
  - 1H 2013: 3.932
  - 1H 2014: 4.029
  - Increase by 2%

**Unit margin**

- **€45.2/MWh**
  - Increase by 7%

- **€39.8/MWh**
  - Decrease by 11%

**Total EBITDA €522 M (-4%)**

- **Output decrease due to worse hydro conditions**
- **Urban areas demand increase lower than in the country**

**Gx EBITDA**

- **€M**
  - 1H 2013: 314
  - 1H 2014: 314
  - No change (0%)
  - **+12% in local currency**

**Dx EBITDA**

- **€M**
  - 1H 2013: 229
  - 1H 2014: 208
  - Decrease by 9%
  - **+2% in local currency**

**Total Fx impact: -€62 M**

---

(1) Tolls and unbilled consumption not included
Peru: remarkable operating results

- Higher thermal dispatch more than compensate lower hydro output
- Demand increase in our concession area lower than in the country

### Generation output

<table>
<thead>
<tr>
<th></th>
<th>1H 2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>GWh</td>
<td>4.193</td>
<td>4.503</td>
</tr>
</tbody>
</table>

### Distribution sales

<table>
<thead>
<tr>
<th></th>
<th>1H 2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.235</td>
<td>3.363</td>
</tr>
</tbody>
</table>

### Gx EBITDA

<table>
<thead>
<tr>
<th></th>
<th>1H 2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>€M</td>
<td>119</td>
<td>132</td>
</tr>
</tbody>
</table>

+15% in local currency

+11%

### Dx EBITDA

<table>
<thead>
<tr>
<th></th>
<th>1H 2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>€M</td>
<td>72</td>
<td>74</td>
</tr>
</tbody>
</table>

+15% in local currency

+3%

- €14 M

### Unit margin

<table>
<thead>
<tr>
<th></th>
<th>€32.3/MWh</th>
<th>€28.3/MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+7%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Total EBITDA €206 M (+8%)

(1) Tolls and unbilled consumption not included
Argentina: EBITDA negatively impacted by higher MMC recognition in 2013 and heat wave effects in Dx. Gx benefiting from new framework

Generation output  Distribution sales(1)

<table>
<thead>
<tr>
<th>GWh</th>
<th>1H 2013</th>
<th>1H 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gx</td>
<td>6.825</td>
<td>7.155</td>
<td>+5%</td>
</tr>
<tr>
<td>Dx</td>
<td>7.116</td>
<td>7.391</td>
<td>+4%</td>
</tr>
</tbody>
</table>

- Hydro output increase due better reservoir levels
- Edesur outperforming country demand

**Gx EBITDA**

<table>
<thead>
<tr>
<th>€M</th>
<th>1H 2013</th>
<th>1H 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gx</td>
<td>31</td>
<td>41</td>
<td>+32%</td>
</tr>
</tbody>
</table>

**Dx EBITDA**

<table>
<thead>
<tr>
<th>€M</th>
<th>1H 2013</th>
<th>1H 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dx</td>
<td>237</td>
<td>-54</td>
<td></td>
</tr>
</tbody>
</table>

- **Gx:**
  - higher revenues from Resolution 95/2013 and 529/2014
- **Dx:**
  - lower MMC recognition vs. 1H’13, higher costs due to heat wave and inflation effect
- **Total Fx impact: +€23 M**(2)

**Unit margin**

<table>
<thead>
<tr>
<th>€/MWh</th>
<th>1H 2013</th>
<th>1H 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gx</td>
<td>9.1</td>
<td>10.9</td>
<td>+9%</td>
</tr>
<tr>
<td>Dx</td>
<td></td>
<td>-77%</td>
<td></td>
</tr>
</tbody>
</table>

**Total EBITDA €-13 M**(2)

---

(1) Tolls and unbilled consumption not included
(2) Does not include CIEN interconnection
final remarks 1H 2014
Final remarks

Spain & Portugal

- Results largely impacted by regulatory measures
- Effective cost reduction and energy management actions mitigated regulatory effects
- Improved outlook concerning demand and prices and regulatory stability

Latin America

- Operating margins heavily impacted by local currencies translation effects, the drought and other non recurrent events
- Healthy demand growth in all the countries and improved hydro outlook in Chile
- Work in progress concerning Bocamina II stoppage and towards sustainable regulation in Argentina
appendices 1H 2014
## Net installed capacity and output\(^{(1)}\)

### Installed net capacity

<table>
<thead>
<tr>
<th>MW at 30/06/14</th>
<th>Spain&amp;Portugal</th>
<th>Latin America</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>21,653</td>
<td>16,469</td>
<td>38,122</td>
</tr>
<tr>
<td>Hydro</td>
<td>4,679</td>
<td>8,762</td>
<td>13,441</td>
</tr>
<tr>
<td>Nuclear</td>
<td>3,318</td>
<td>-</td>
<td>3,318</td>
</tr>
<tr>
<td>Coal</td>
<td>5,306</td>
<td>836</td>
<td>6,142</td>
</tr>
<tr>
<td>Natural gas</td>
<td>5,445</td>
<td>4,254</td>
<td>9,699</td>
</tr>
<tr>
<td>Oil-gas</td>
<td>2,905</td>
<td>2,530</td>
<td>5,435</td>
</tr>
<tr>
<td>CHP/Renewables</td>
<td>na</td>
<td>87</td>
<td>87</td>
</tr>
</tbody>
</table>

### Net output

<table>
<thead>
<tr>
<th>TWh 1H 2014 (chg. vs. 1H 2013)</th>
<th>Spain&amp;Portugal</th>
<th>Latin America</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>32.0 0%</td>
<td>28.4 -1%</td>
<td>60.4 0%</td>
</tr>
<tr>
<td>Hydro</td>
<td>5.5 -10%</td>
<td>14.8 +8%</td>
<td>20.3 +2%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>12.6 -1%</td>
<td>-</td>
<td>12.6 -1%</td>
</tr>
<tr>
<td>Coal</td>
<td>8.6 +12%</td>
<td>1.3 -50%</td>
<td>9.9 -3%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>2.4 +3%</td>
<td>10.0 -1%</td>
<td>12.4 -1%</td>
</tr>
<tr>
<td>Oil-gas</td>
<td>2.9 -4%</td>
<td>2.2 +10%</td>
<td>5.1 +2%</td>
</tr>
<tr>
<td>CHP/Renewables</td>
<td>na</td>
<td>na</td>
<td>0.1 -50%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Includes data for fully consolidated companies and jointly-controlled companies accounted for using proportionate consolidation.
Latin America: generation and distribution figures

Generation Output
GWh

<table>
<thead>
<tr>
<th>Country</th>
<th>1H 2013</th>
<th>1H 2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>6,825</td>
<td>7,155</td>
<td>+5%</td>
</tr>
<tr>
<td>Brazil</td>
<td>9,109</td>
<td>8,166</td>
<td>-10%</td>
</tr>
<tr>
<td>Chile</td>
<td>6,366</td>
<td>6,113</td>
<td>-4%</td>
</tr>
<tr>
<td>Colombia</td>
<td>4,193</td>
<td>4,503</td>
<td>+7%</td>
</tr>
<tr>
<td>Peru</td>
<td>2,216</td>
<td>2,473</td>
<td>+12%</td>
</tr>
</tbody>
</table>

Distribution Sales(1)
GWh

<table>
<thead>
<tr>
<th>Country</th>
<th>1H 2013</th>
<th>1H 2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>7,116</td>
<td>9,266</td>
<td>+3%</td>
</tr>
<tr>
<td>Brazil</td>
<td>9,905</td>
<td>6,595</td>
<td>-3%</td>
</tr>
<tr>
<td>Chile</td>
<td>3,932</td>
<td>4,029</td>
<td>+2%</td>
</tr>
<tr>
<td>Colombia</td>
<td>3,235</td>
<td>6,408</td>
<td>+7%</td>
</tr>
<tr>
<td>Peru</td>
<td>4,503</td>
<td>2,473</td>
<td>-12%</td>
</tr>
</tbody>
</table>

(1) Tolls and unbilled consumption not included
Latin America: Ebitda break down by country and business nature

**Ebitda Generation**

<table>
<thead>
<tr>
<th>Country</th>
<th>1H 2013 €M</th>
<th>1H 2014 €M</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>724</td>
<td>680</td>
<td>-6%</td>
</tr>
<tr>
<td>Brazil</td>
<td>110</td>
<td>103</td>
<td>-6%</td>
</tr>
<tr>
<td>Chile</td>
<td>150</td>
<td>90</td>
<td>+32%</td>
</tr>
<tr>
<td>Colombia</td>
<td>314</td>
<td>314</td>
<td>0%</td>
</tr>
<tr>
<td>Peru</td>
<td>119</td>
<td>132</td>
<td>+11%</td>
</tr>
</tbody>
</table>

**Unit margin**

- **Argentina**: €26.6/MWh (5% decrease) to €25.2/MWh
- **Brazil**: €25.6/MWh (37% decrease) to €25.6/MWh
- **Chile**: €26.6/MWh (13% decrease) to €26.6/MWh
- **Colombia**: €26.6/MWh (6% decrease) to €26.6/MWh
- **Peru**: €26.6/MWh (13% decrease) to €26.6/MWh

**Ebitda Distribution**

<table>
<thead>
<tr>
<th>Country</th>
<th>1H 2013 €M</th>
<th>1H 2014 €M</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>990</td>
<td>237</td>
<td>-47%</td>
</tr>
<tr>
<td>Brazil</td>
<td>529</td>
<td>181</td>
<td>-42%</td>
</tr>
<tr>
<td>Chile</td>
<td>138</td>
<td>120</td>
<td>-13%</td>
</tr>
<tr>
<td>Colombia</td>
<td>229</td>
<td>208</td>
<td>-9%</td>
</tr>
<tr>
<td>Peru</td>
<td>72</td>
<td>74</td>
<td>+3%</td>
</tr>
</tbody>
</table>

**Unit margin**

- **Argentina**: €40.9/MWh (37% decrease) to €25.6/MWh
- **Brazil**: €26.6/MWh (5% decrease) to €25.6/MWh
- **Chile**: €26.6/MWh (13% decrease) to €26.6/MWh
- **Colombia**: €26.6/MWh (6% decrease) to €26.6/MWh
- **Peru**: €26.6/MWh (13% decrease) to €26.6/MWh

(1) Does not include CIEN interconnection: €34M
Endesa (excl. Enersis): financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2014: €2,374 M\(^{(1)}\)

- **Bonds**
- **Bank debt and others**
- **ECPs and domestic commercial paper** \(^{(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bonds</th>
<th>Bank debt and others</th>
<th>ECPs and domestic commercial paper</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>352</td>
<td>63</td>
<td>100</td>
</tr>
<tr>
<td>2015</td>
<td>295</td>
<td>80</td>
<td>178</td>
</tr>
<tr>
<td>2016</td>
<td>508</td>
<td>64</td>
<td>37</td>
</tr>
<tr>
<td>2017</td>
<td>444</td>
<td>36</td>
<td>230</td>
</tr>
<tr>
<td>2018</td>
<td>266</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>2019+</td>
<td>600</td>
<td>156</td>
<td>756</td>
</tr>
</tbody>
</table>

- **Liquidity €5,363 M**
  - €1,168 M in cash
  - €4,195 M available in credit lines
- **Average life of debt: 4.8 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.
Enersis: financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2014: €4,956 M⁽¹⁾

- **Liquidity €2,185 M:**
  - €1,623 M in cash
  - €562 M available in credit lines

- **Average life of debt: 6.4 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

- By interest rate:
  - Fixed: 46%
  - Floating: 54%

- By currency:
  - Euro: 100%

Enersis net debt structure

- By interest rate:
  - Fixed: 59%
  - Floating: 41%

- By currency:
  - Other: 64%
  - US$: 36%

Average cost of debt

- Endesa: 3.0%
- Enersis: 8.6%

- 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

Data as of 30 June 2014
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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