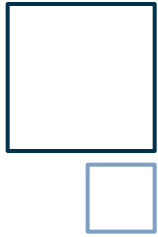


Endesa 9M 2015 Results

Madrid, 11 November 2015

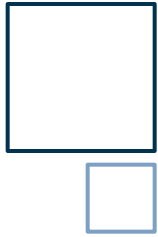




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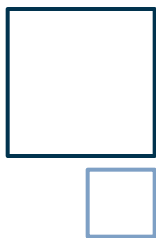
- 1. Highlights and key financial figures**
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Highlights



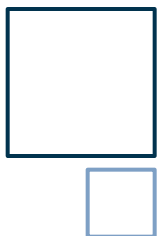
EBITDA (+11%) and Net income from continued operations (+63%) positive evolution

Regulated business positive evolution driven by non-mainland generation

Liberalized business margin (-2%) outperforming expectations

9% production increase due to higher thermal output (+23%)⁽¹⁾

Decrease in both reported (-3%) and recurrent fixed costs (-7%)



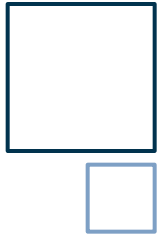
Key financial figures



€M	9M 2015	9M 2014	Change
EBITDA	2,752	2,469	+11%
Net income from continued operations	1,209	743	+63%
Net attributable income	1,206	1,208 ⁽¹⁾	0%

€M	9M 2015	FY 2014	Change
Net debt	5,095	5,420	-6%

Strong free cash flow generation



Agenda



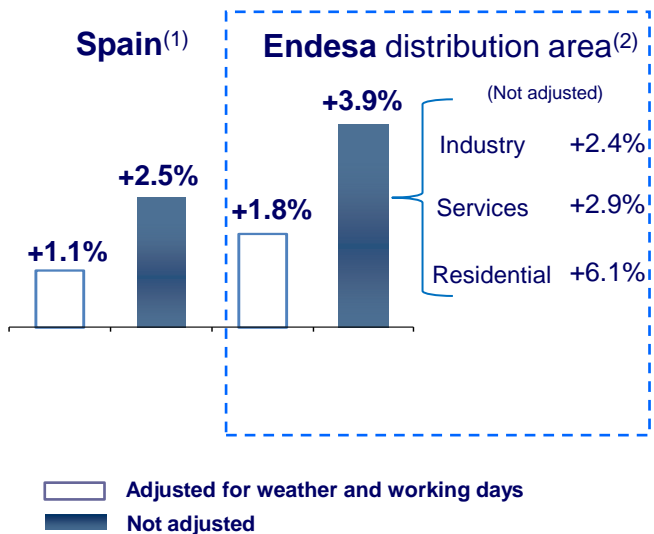
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Market context in 9M 2015



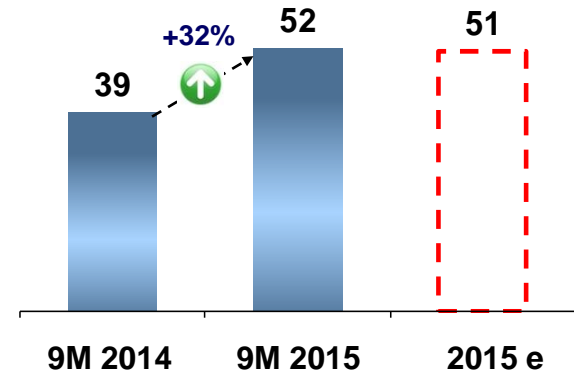
Demand

Electricity wholesale prices



- Positive demand trend driven by industrial recovery
- Strong residential demand performance mainly driven by weather conditions

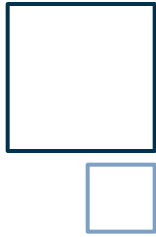
Weighted average pool prices Spain⁽³⁾ (€/MWh)



- Exceptional weather conditions characterized 1H 2014 prices
- 2015 e wholesale electricity price ≈ €51 / MWh

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

(3) Excluding ancillary services and capacity payments. €50.0/MWh average baseload equivalent (9M 2015).



Regulatory update

Latest regulatory news (I)



Distribution

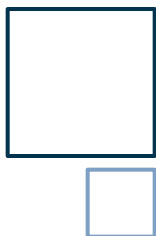
- CNMC non-binding report assessing Industry Ministry proposal on standard values for investment and O&M available
- Ministerial Order expected by year end
- Endesa estimates neutral impact

Generation

- Domestic coal:
 - ✓ CNMC released a report on the 3rd Draft Ministerial Order to support IED investments. Pending submission to European Commission
 - ✓ Endesa notified the Ministry of Industry its decision to keep its coal power plants within the Transitional National Plan
- Non-mainland Gx final RD approved on 31st of July with no relevant changes vs. 3rd draft RD. Came into force on 1st September 2015

RD 900/2015 on self consumption

- Approved on 9th of October. In line with latest draft RD
- It targets an orderly development of self-consumption while guaranteeing the electricity system' economic sustainability



Regulatory update

Latest regulatory news (II) and CNMC settlements



SCVP tariff hourly billing

- Started on 1st October 2015
- 50% of Endesa's customers already have their smart meters installed and connected. We are on track with the deadline of 2018

M.O. 2182/2015 setting 2015 social bonus financing

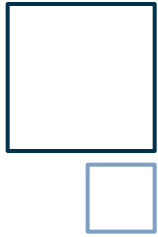
- Social bonus tariff represents 25% discount compared to SCVP tariff
- Endesa to finance 41.26% (vs previous 41.61%) equivalent to €75 M/year

8th CNMC settlement for Year 2015

- €1.3 bn of provisional imbalance of regulated cost/revenues (vs. €3.5 bn in settlement 8/14)
- Coverage ratio: 87.2% (vs. 70.3% in settlement 8/14)
- Endesa owns 20% of regulatory working capital receivables

15th CNMC settlement for Year 2014

- Final settlement expected by the end of November
- > €500 M of estimated surplus



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Financial results



€M

	9M 2015	9M 2014 ^(1,2)	Change
Revenues	15,412	15,542	-1%
Gross Margin	4,210	3,965	6%
EBITDA	2,752	2,469	11%
EBIT⁽³⁾	1,735	1,302	33%
Net Financial Expenses⁽⁴⁾	(135)	(111)	22%
Share of profit from associates⁽⁵⁾	1	(65)	N/A
Net income from continued operations	1,209	743	63%
Net income from discontinued operations	-	988	-100%
Net attributable income	1,206	1,208	0%
Net Capex	450	480	-6%

- **P&L positive evolution:**

- ✓ (+) Other Operating Results (CO₂ transaction), €162 M provision booked in 2Q '14 & recognition in 2015 of Law 15/2012 taxes in non-mainland Gx, fixed costs reduction and lower D&A
- ✓ (-) Normalization of weather conditions and exceptionally good results in the gas business in 9M '14

- **Strong increase of Net attributable Income from continued operations (+63%)**

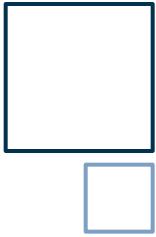
(1) 9M 2014 re-stated following the application of IFRIC 21

(2) 9M 2014 Latam business results are included in the Net Income from Discontinued Operations line following IFRS 5

(3) 9M 2015: lower D&A due to assets life extension (€129 M). 9M 2014: €59 M of higher D&A from Supreme Court favorable ruling to Josel S.L.

(4) Provision adjustment on workforce restructuring plans: €7 M in 9M 2015 vs. -€30 M in 9M 2014

(5) 9M 2015: Nuclenor negative results (-€40 M). 9M 2014: Nuclenor negative results (-€45 M) and Elcogas negative results (-€51 M)



Net debt analysis

Net debt evolution



Net debt⁽¹⁾ /
EBITDA ratio

1.8x

1.5x⁽²⁾

€M

Regulatory
working capital

5,420

1,173

1,693

584

805

21

5,095

676

Regulatory
working capital

Net debt
31/12/2014

Cash flow
from
operations

Capex (€611 M)
+ Others

Ordinary
dividends

Tariff deficit

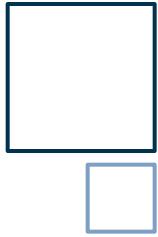
Net debt
30/09/15

• Year 2014: +€21 M cashed in from settlements 10-12/2014 (interests from 2013 tariff deficit)

- **Healthy financial leverage and strong liquidity position**
- **Endesa liquidity covers 32 months of debt maturities**

(1) Net debt figure includes regulatory working capital

(2) Last 12 months EBITDA

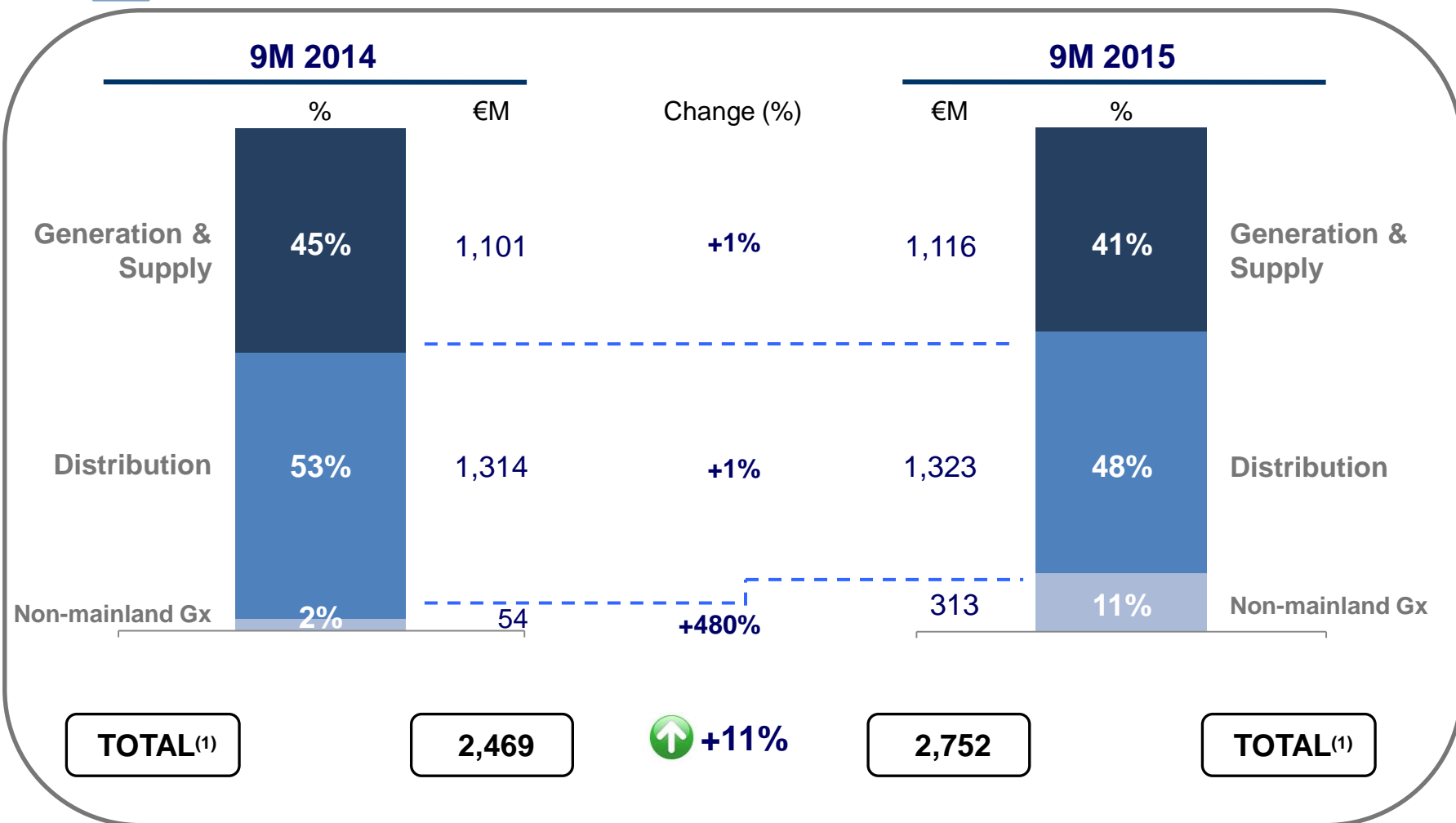


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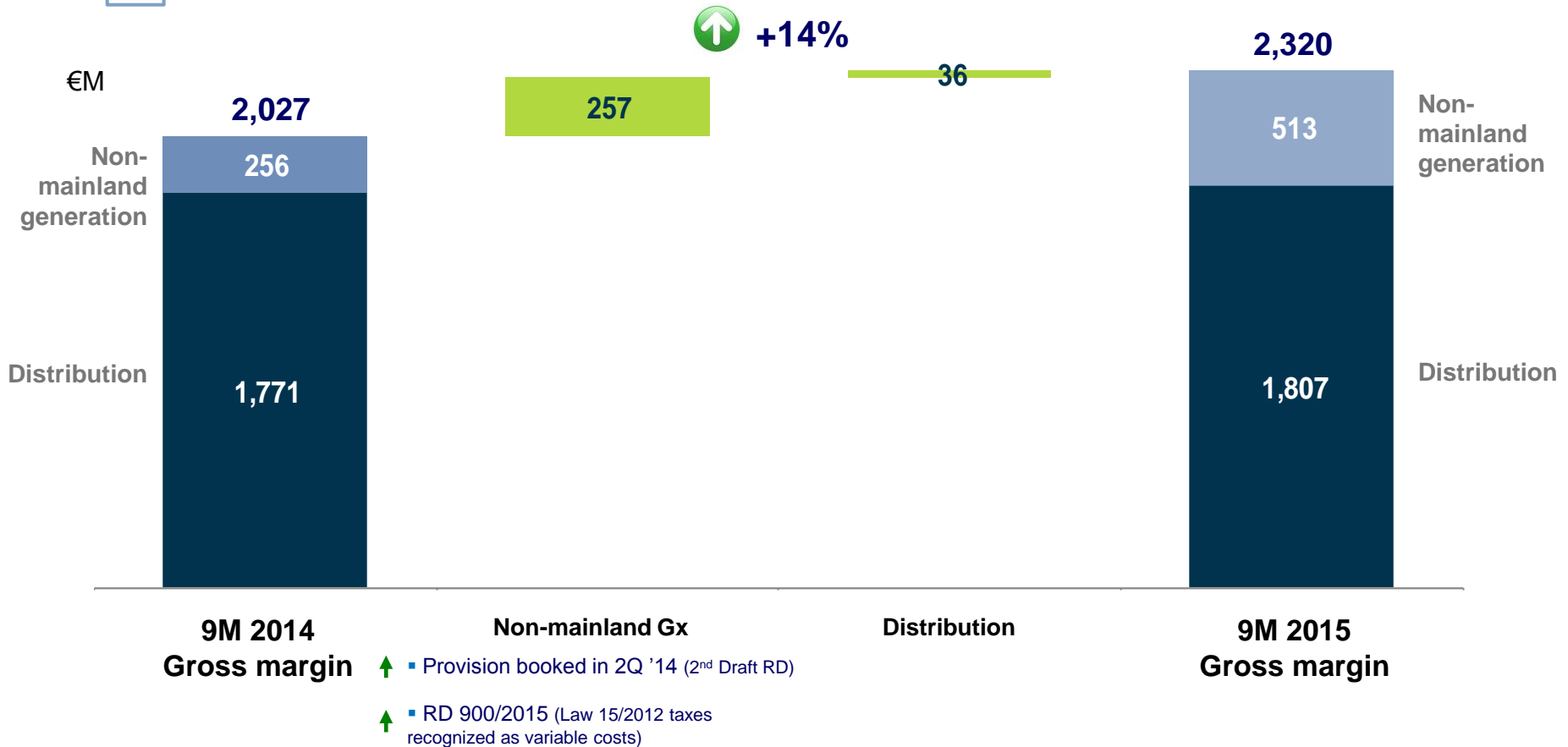
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9M 2015 EBITDA breakdown



Regulated business

Gross margin evolution of non-mainland Gx and Dx

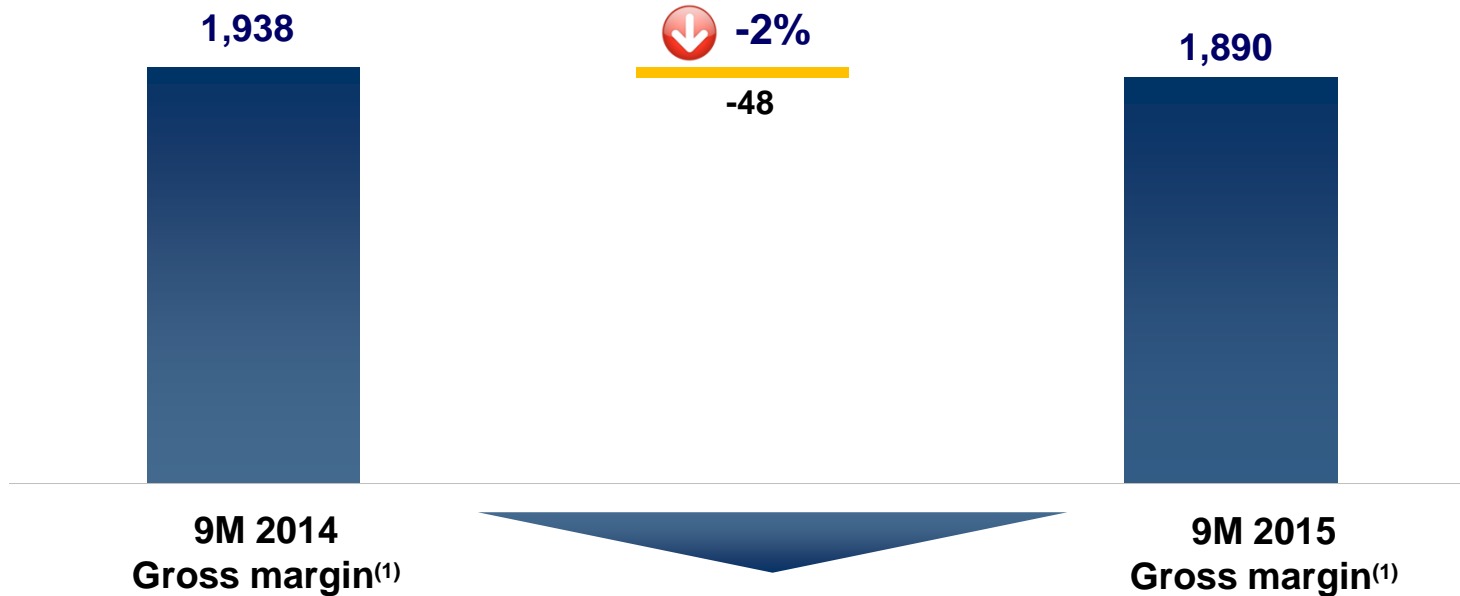


- **Non-mainland Gx:** €162 M provision booked in 2Q 2014 and Law 15/2012 taxes recognized as variable costs in 9M 2015

Liberalized business

Gross margin evolution

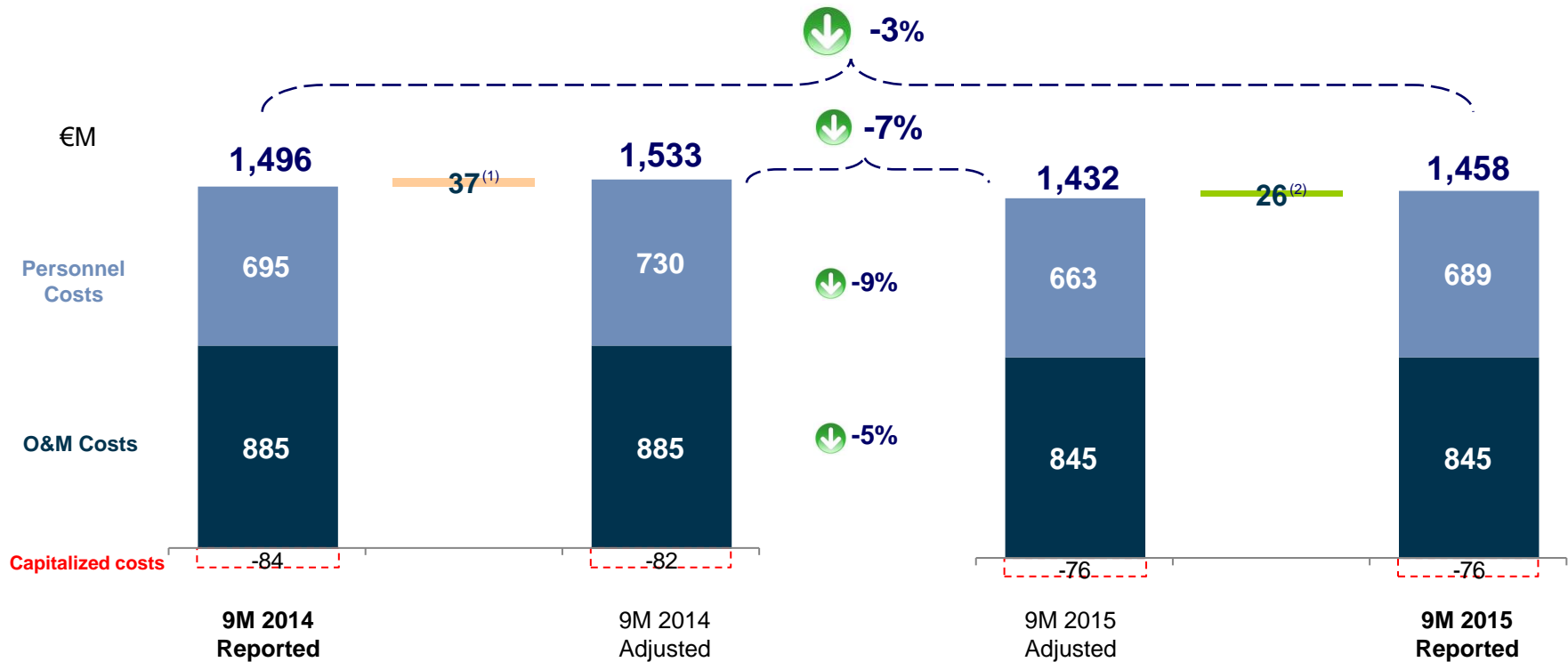
€M



- ↓ Higher fuel costs (higher thermal gap) and higher energy purchase cost
- ↓ Gas Business
- ↓ Higher Law 15/2012 taxes
- ↑ Higher underlying selling price and better net position in ancillary services
- ↑ CO₂ swap transaction

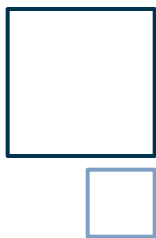
• Resilient gross margin supported by sound integrated position

Fixed costs evolution



- 3% decrease in reported fixed costs
- Adjusted by non-recurrent items, fixed costs decreased by 7%

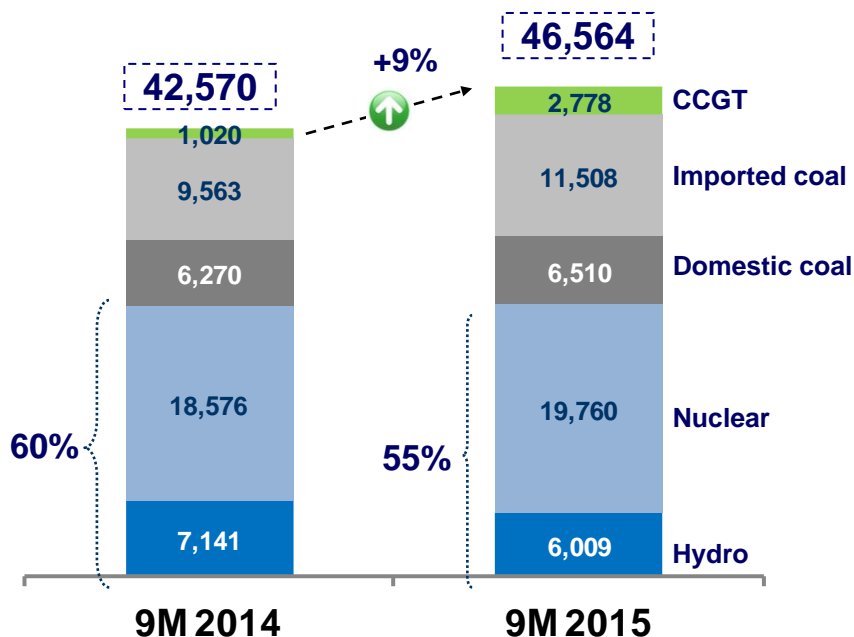
(1) Labor claims provision (€35 M) and capitalized costs (€2 M)
 (2) Labor claims provision (-€26 M)



Liberalized business Energy management

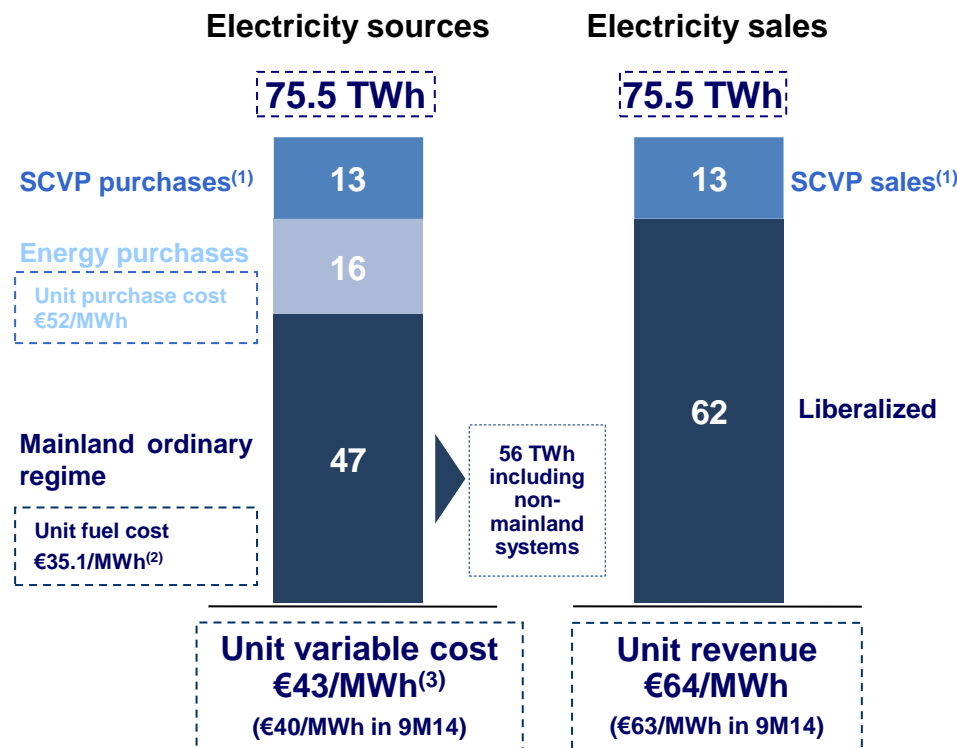


Mainland output (GWh)



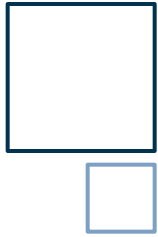
- Thermal output increase due to hydro normalization
- Hydro and nuclear represented 55% of total output (vs. 60% in 9M 2014)

9M 2015 energy management



- Electricity unitary margin decreased by 8% (21.1€/MWh)
- 31% of 2016 estimated output hedged as of 9M 2015

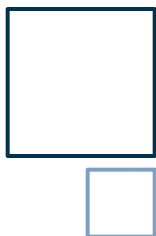
(1) SCVP not considered in calculations for unit variable cost, unit revenue and unitary margin
 (2) Includes fuel cost, CO₂ and taxes from Law 15/2012
 (3) Includes fuel costs as in footnote 2, energy purchase costs and ancillary services



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Final remarks



1

Regulated business positive performance driven by non mainland Gx

2

Resilient liberalized business

3

Strong fixed costs reduction

4

Net debt reduction on the back of **high cash flow generation ...**

5

...supporting our attractive dividend policy

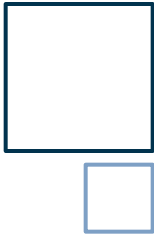
6

Strategic Plan update 23rd November 2015

Appendix

Endesa 9M 2015 Results





Installed capacity and output⁽¹⁾



GW at 30/09/15
(and chg. vs. 30/09/14)

Installed capacity⁽²⁾

Total	21.2	-2%
Hydro	4.7	+1%
Nuclear	3.3	0%
Coal	5.3	0%
Natural gas	5.4	0%
Oil-gas	2.4	-17%

GWh 9M 2015
(and chg. vs. 9M 2014)

Output⁽³⁾



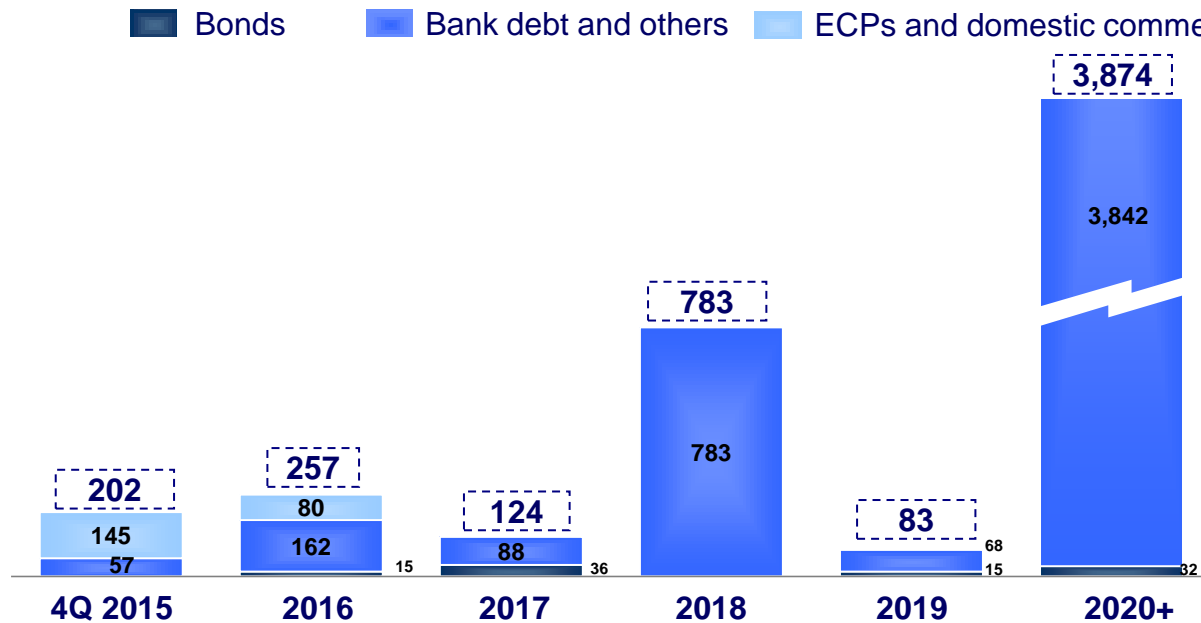
55,890	+8.1%
6,009	-16%
19,760	+6%
19,596	+11%
5,571	+50%
4,954	+6%

- (1) Includes data for fully consolidated companies and jointly-controlled companies accounted for using proportionate consolidation
(2) Net Capacity
(3) Output at power plant bus bars (Gross output minus self-consumption)

Endesa: financial debt maturity calendar



Gross balance of maturities outstanding at 30 September 2015: €5,323 M⁽¹⁾

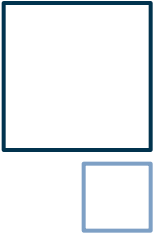


Endesa's liquidity covers 32 months of debt maturities

- Liquidity €3,690 M
 - €228 M in cash
 - €3,462 M available in credit lines
- Average life of debt: 7.5 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.

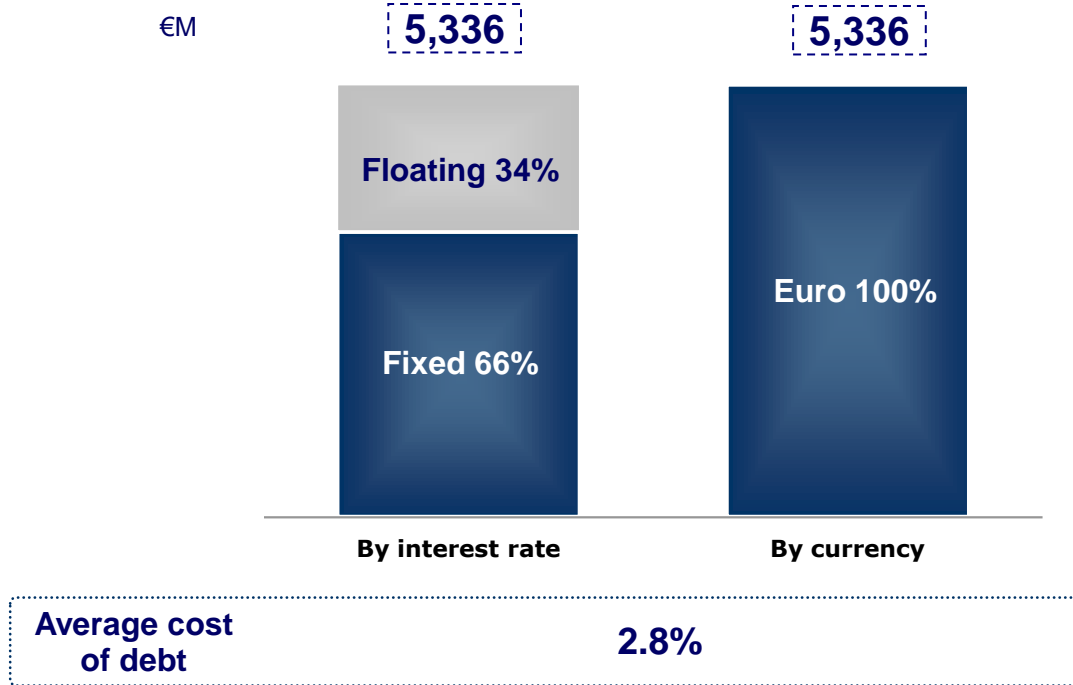
(2) Notes issued are backed by long-term credit lines and are renewed on a regular basis.



Gross debt structure as of September 30th 2015



Structure of Endesa's gross debt





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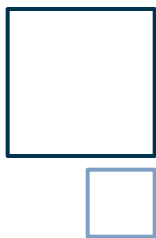
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This document contains certain "forward-looking" statements regarding anticipated financial and operating results and statistics and other future events. These statements are not guarantees of future performance and they are subject to material risks, 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 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 Spain and Europe generally; 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 regulated information filed with the Comisión Nacional del Mercado de Valores (the Spanish securities regulator or the "CNMV" for its initials in Spanish).

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