

ENDESA, S.A.
and Subsidiaries

**Consolidated Management Report for the six
months ended 30 June 2019**

(Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Madrid, 22 July 2019

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2019

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ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR SIX MONTHS ENDED 30 JUNE 2019

1. Business trends and results in the first half of 2019.

1.1. Consolidated results.

ENDESA reported net income of Euros 776 million (+3.2%) in the first half of 2019.

ENDESA reported net income of Euros 776 million in the first half of 2019, an increase of 3.2% compared to the net income of Euros 752 million obtained in the first half of 2018.

The table below shows the breakdown of net income and net ordinary income in the first half of 2019 between ENDESA's businesses and the percentage change from the same period of the previous year (see Section 1.4 Segment Information in this Consolidated Management Report):

Millions of Euros

	Net income ⁽²⁾				Net ordinary income ⁽³⁾			
	January - June 2019	January - June 2018	% Var.	% of total	January - June 2019	January - June 2018	% Var.	% of total
Generation and supply	287	219	31.1	37.0	287	219	31.1	37.0
Distribution	523	514	1.8	67.4	523	514	1.8	67.4
Structure and other ⁽¹⁾	(34)	19	(278.9)	(4.4)	(34)	19	(278.9)	(4.4)
TOTAL	776	752	3.2	100.0	776	752	3.2	100.0

(1) Structure, services and adjustments.

(2) Net income = Net income of the Parent

(3) Net ordinary income = Net income of the Parent - Net gain/(loss) on disposal of non-financial assets (of over Euros 10 million) - Net impairment losses on non-financial assets (of over Euros 10 million).

1.2. Changes to accounting principles.

The accounting principles used to prepare this Consolidated Management Report are the same as those applied in the consolidated financial statements for the year ended 31 December 2018, except for the following new standards, amendments and interpretations adopted by the European Union applicable to financial years from 1 January 2019 onwards:

Standards, amendments and interpretations	Mandatory application: annual periods beginning on
IFRS 16 Leases	1 January 2019
Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation.	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments.	1 January 2019
Amendments to IAS 28 Investments in Associates and Joint Ventures: Long Term Interests in Associates and Joint Ventures.	1 January 2019
Amendments to IAS 19 Employee Benefits: Amendment, Reduction or Settlement of the Plan.	1 January 2019
Annual Improvements to IFRS 2015-2017 Cycle. The improvements are designed to address areas of inconsistency in IFRSs or where clarification in wording is required, with amendments to the following standards: - IFRS 3 "Business Combinations" and IFRS 11 Joint Arrangements: Previously Held Interest in a Joint Operation. IAS 12 Income Taxes: Income Tax Consequences of Payments on Financial Instruments Classified as Equity. IAS 23 Borrowing Costs.	1 January 2019

The impact of applying the aforementioned accounting standards, amendments and interpretations was not significant, except for IFRS 16 Leases, as described below:

IFRS 16 Leases

IFRS 16 Leases establishes that a lessee must recognise an asset according to right of use, which is the right to use an underlying asset, and a lease liability, which reflects the obligation to make lease payments during its term. This standard introduces no significant changes in regard to the lessor, who shall continue to classify contracts as financial leases or operating leases.

ENDESA has opted for retroactive application of this standard, with the accumulated impact of the initial application, whereby comparative information is not restated but the cumulative effect of initially applying the standard is presented at 1 January 2019, recognising the asset at the same value as the liability.

In relation to the practical solutions that the Standard allows at the date of first application, ENDESA has chosen not to apply this Standard to those leases whose term ends within 12 months from the date of first application or where the underlying asset has an individual value that is lower than USD 5,000, and, in these cases, recognises the payments associated with the leases as an expense on a straight-line basis over the term of the lease in Other fixed operating expenses section of the Consolidated Income Statement.

Appendix III of the Consolidated Management Report includes the impact on the Consolidated Statement of Financial Position at 1 January 2019 of the changes in the accounting principles due to the application of IFRS 16 Leases (see Note 2.1 to the Interim Condensed Consolidated Financial Statements for the six month period ended 30 June 2019).

In the first six months of 2019, the impact of application of IFRS 16 Leases on the Consolidated Income Statement was as follows:

Millions of Euros

Consolidated Income Statement	Sections	January - June 2019			
		Generation and supply	Distribution	Structure and other ⁽¹⁾	Total
REVENUE		-	-	-	-
PROCUREMENTS AND SERVICES		-	-	-	-
CONTRIBUTION MARGIN		-	-	-	-
Other fixed operating expenses	1.3.2	4	2	8	14
EBITDA		4	2	8	14
Depreciation and amortisation, and impairment losses	1.3.2	(3)	(2)	(8)	(13)
PROFIT FROM OPERATIONS		1	-	-	1
NET FINANCIAL PROFIT/(LOSS)	1.3.3	(2)	-	-	(2)
PROFIT/(LOSS) BEFORE TAX		(1)	-	-	(1)
Income tax		-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD		(1)	-	-	(1)
Parent		(1)	-	-	(1)
Non-controlling interests		-	-	-	-

(1) Structure, services and adjustments.

At 30 June 2019, due to the application of IFRS 16 Leases, net financial debt was recognised for the payment obligation deriving from rights of use contracts for the amount of Euros 163 million (see Section 4.1. Financial Management of this Consolidated Management Report).

As a result of the entry into force of IFRS 16 Leases, from 1 January 2019, payments derived from operating lease contracts that were previously considered cash flows from operating activities are now recognised as cash flows from financing activities. In the first half of 2019 the amount recognised for this concept was Euros 16 million (see Section 4.2. Cash Flows of this Consolidated Management Report).

1.3. Analysis of results.

The table below presents the detail of the most relevant figures in ENDESA's Consolidated Income Statement in the first half of 2019 and its variation compared with the same period in the previous year:

Millions of Euros

	Most significant figures			
	January - June 2019	January - June 2018	Difference	% Var.
Revenue	9,791	9,934	(143)	(1.4)
Contribution margin ⁽¹⁾	2,890	2,823	67	2.4
EBITDA ⁽²⁾	1,894	1,804	90	5.0
EBIT ⁽³⁾	1,100	1,053	47	4.5
Net financial profit/(loss) ⁽⁴⁾	(96)	(70)	(26)	37.1
Profit/(loss) before tax	1,014	984	30	3.0
Net income ⁽⁵⁾	776	752	24	3.2
Net ordinary income ⁽⁶⁾	776	752	24	3.2

(1) Contribution Margin = Revenues - Procurements and Services.

(2) EBITDA = Revenue - Procurements and services + Self-constructed assets - Personnel expenses - Other fixed operating expenses.

(3) EBIT = EBITDA - Depreciation and amortisation, and impairment losses.

(4) Net financial profit/(loss) = Financial income - Financial expense + Net exchange differences.

(5) Net income = Net Income of the Parent.

(6) Net ordinary income = Net income of the Parent - Net gain/(loss) on disposal of non-financial assets (of over Euros 10 million) - Net impairment losses on non-financial assets (of over Euros 10 million).

1.3.1. Income.

Revenues in the first half of 2019 totalled Euros 9.791 million, 143 million (-1.4%) less than income posted in the first half of last year.

The table below presents the detail of income in the first half of 2019 and its variation compared with the same period in the previous year:

Millions of Euros

	Revenue			
	January - June 2019	January - June 2018	Difference	% Var.
Revenue	9,473	9,560	(87)	(0.9)
Other operating income	318	374	(56)	(15.0)
TOTAL	9,791	9,934	(143)	(1.4)

Market situation.

In the first half of 2019, electricity demand trends were as follows:

- Total mainland electricity demand dropped by 2.2% year on year (-2.3% adjusted for working days and temperature).
- The accumulated electricity demand in Non-mainland Territories ("TNP") closed out the first half of 2019 with a 0.4% reduction in the Balearic Islands and a 0.4% increase in the Canary Islands compared with the same period the previous year (+0.6% and -0.1% respectively, adjusted for the effect of working days and temperature).

First half 2019 saw higher prices, where the cumulative arithmetic price on the wholesale electricity market was Euros 51.8/MWh (+3.4%) mainly due to lower hydroelectric production (-46.6%), movements in commodities prices and the increase in the price of carbon dioxide (CO₂) emission rights.

The contribution of renewable energies to total mainland production in the first half of 2019 was 43.2% (42.1% in the first half of 2018).

In this context:

- ENDESA's mainland electricity production during the first half of 2019 was 24,658 GWh, i.e., 14.1% lower than the first half of the previous year, as detailed below:

GWh			
Mainland electricity generation ⁽¹⁾	January - June 2019	January - June 2018	% Var.
Coal	4,116	7,928	(48.1)
Hydroelectric	2,783	5,207	(46.6)
Renewables and cogeneration	2,091	2,051	2.0
Nuclear	13,212	11,769	12.3
Combined cycle (CCGT)	2,456	1,753	40.1
TOTAL	24,658	28,708	(14.1)

(1) At busbar cost.

- The company's output in Non-mainland Territories ("TNP") in the first half of 2019 was 5,717 GWh (-7.2%).
- Nuclear and renewable energies, including hydroelectric output, accounted for 59.7% of ENDESA's mainland generation mix in the first half of 2019, compared with 78.1% for the rest of the sector (54.8% and 83.6% respectively in first half 2019).

At 30 June 2019, ENDESA held the following electricity market shares:

- 20.0% in mainland electricity generation.
- 43.5% in electricity distribution.
- 32.5% in electricity supply.

In the first half of 2019, conventional gas demand was down by 0.2% year on year, and at 30 June 2019, ENDESA had secured a market share of 16.1% in gas sales to customers in the deregulated market.

Sales.

The table below presents the detail of ENDESA sales in the first half of 2019 and its variation compared with the same period in the previous year:

Millions of Euros				
	Sales			
	January-June 2019	January-June 2018	Difference	% Var.
Electricity sales	6,792	6,813	(21)	(0.3)
Sales to the deregulated market	4,571	4,532	39	0.9
Sales to the Spanish deregulated market	4,062	4,054	8	0.2
Sales to the deregulated markets outside Spain	509	478	31	6.5
Sales at regulated prices	1,058	1,133	(75)	(6.6)
Wholesale market sales	478	489	(11)	(2.2)
Compensation for Non-mainland Territories ("TNP")	626	607	19	3.1
Remuneration for investment in renewable energies	49	43	6	14.0
Other electricity sales	10	9	1	11.1
Gas sales	1,243	1,291	(48)	(3.7)
Sales to the deregulated market	1,194	1,243	(49)	(3.9)
Sales at regulated prices	49	48	1	2.1
Regulated revenue from electricity distribution	1,104	1,109	(5)	(0.5)
Other sales and services rendered	334	347	(13)	(3.7)
TOTAL	9,473	9,560	(87)	(0.9)

Electricity sales on the deregulated market.

At 30 June 2019, ENDESA had 5,811,096 electricity customers in the deregulated market, a 1.5% increase on numbers at 31 December 2018, as per the following breakdown:

- 4,643,708 (+0.4%) in the Spanish mainland market.
- 848,471 (+2.8%) in the Non-mainland Territories (“TNP”).
- 318,917 (+16.8%) in deregulated markets outside Spain.

ENDESA sold a net total of 37,476 GWh to these customers in the first half of 2019, a 2.1% decrease on the same half of 2018.

In economic terms, sales on the deregulated market in the first half of 2019 totalled Euros 4,571 million (+0.9%), with the following breakdown:

- Sales in the Spanish deregulated market totalled Euros 4,062 million (+0.2%), in line with the same period in the previous year due mainly to the higher sales price offsetting the lower number of physical units sold.
- Revenue from sales to deregulated European markets other than Spain totalled Euros 509 million, up by Euros 31 million (+6.5%) year on year, mainly due to the higher number of customers and the higher physical units sold in Portugal.

Electricity sales at a regulated price.

In the first six months of 2019, ENDESA sold 5,658 GWh to customers under regulated prices through its supplier of reference, which is 9.4% lower than the same period in 2018.

These sales entailed an income of Euros 1,058 million, which is 6.6% lower than the figure in the first half of 2018 as a result of the decrease in physical units sold.

Gas sales.

At 30 June 2019, ENDESA had 1,633,836 gas customers in the deregulated market, a 1.9% increase on numbers at 31 December 2018, as shown in the following breakdown:

- 230,839 (-0.9%) in the regulated market.
- 1,402,997 (+2.3%) in the deregulated market.

ENDESA sold 39,258 GWh to customers in the natural gas market in the first half of 2019, which represents a 9.4% decrease on the first half 2018 figure.

In economic terms, revenue from gas sales totalled Euros 1,243 million in the first half of 2019, down Euros 48 million (-3.7%) on the figure for the first half of 2018, as follows:

- Gas sales in the deregulated market totalled Euros 1,194 million, which is Euros 49 million (-3.9%) less than the figure for the first half of 2018, due mainly to the decrease in the number of physical units sold.
- Revenue from gas sales at the regulated price totalled Euros 49 million, in line with the figure seen in the first half of 2018.

Compensation in Non-mainland Territories ("TNP").

During the first half of 2019, compensation for the extra-costs in Non-mainland Territories was Euros 626 million, representing an increase of Euros 19 million (+3.1%) compared to the same period of the previous year, mainly due to higher fuel costs caused by the performance of commodity prices and CO₂ emission rights.

Electricity distribution.

During the first half of 2019, ENDESA distributed 56,726 GWh in the Spanish market, which is 1.1% less compared with the first half of 2018.

In the first half of 2019 regulated distribution revenue totalled Euros 1,104 million, Euros 5 million down (-0.5%) on first half 2018.

Other operating income.

The table below presents the detail of other operating income in the first half of 2019 and its variation compared with the same period in the previous year:

Millions of Euros

	Other operating income			
	January - June 2019	January - June 2018	Difference	% Var.
Changes in energy stock derivatives	152	216	(64)	(29.6)
Recognition of liabilities from contracts with customers in profit or loss	78	76	2	2.6
Trading rights	28	19	9	47.4
Grants released to income	10	9	1	11.1
Third party compensation	7	8	(1)	(12.5)
Rendering of services at plants	1	2	(1)	(50.0)
Other	42	44	(2)	(4.5)
TOTAL	318	374	(56)	(15.0)

In January - June 2019, other operating income totalled Euros 318 million, down Euros 56 million (-15%), compared to the first half of 2018; this can be attributed mainly to the Euros 64 million decrease (-29.6%) in revenue from the valuation and settlement of energy derivatives due to changes in the valuation and settlement of gas and electricity derivatives.

1.3.2. Operating expenses.

Operating expenses totalled Euros 8.691 million in the January - June 2019 period, 2.1% less than in the same period the previous year.

The table below presents the detail of operating expenses in the first half of 2019 and its variation compared with the same period in the previous year:

Millions of Euros

	Operating expenses			
	January - June 2019	January - June 2018	Difference	% Var.
Procurements and services	6,901	7,111	(210)	(3.0)
Power purchases	2,418	2,363	55	2.3
Fuel consumption	876	941	(65)	(6.9)
Transmission costs	2,666	2,769	(103)	(3.7)
Other variable procurements and services	941	1,038	(97)	(9.3)
Self-constructed assets	(99)	(80)	(19)	23.8
Personnel expenses	505	473	32	6.8
Other fixed operating expenses	590	626	(36)	(5.8)
Depreciation and amortisation, and impairment losses	794	751	43	5.7
TOTAL	8,691	8,881	(190)	(2.1)

Procurements and services (variable costs).

Procurements and services (variable costs) totalled Euros 6,901 million in the first half of 2019, 3.0% less than in the same period the previous year.

The performance of these costs for the first half of 2019 was:

- Energy purchases increased by Euros 55 million (+2.3%) to Euros 2,418 million, primarily because of the rise in the arithmetic mean price in the wholesale electricity market (Euros 51.8/MWh, +3.4%).
- Fuel consumption was Euros 876 million, down 6.9% (Euros 65 million), due to the drop in thermal output (-22.4%) in the period despite the increase in fuel prices.
- Other variable procurements and services on the Consolidated Income Statement totalled Euros 941 million, down Euros 97 million (-9.3%) year on year. This change can be attributed in large part to:

Millions of Euros					
	Other variable procurements and services				
	January - June 2019	January - June 2018	Difference	% Var.	
Changes in energy stock derivatives	206	183	23	12.6	
Carbon dioxide emission rights (CO ₂)	185	110	75	68.2	
Tax on electricity production	73	180	(107)	(59.4)	
Hydraulic rate	31	48	(17)	(35.4)	
Catalonia nuclear tax	(27)	1	(28)	N/A	
Social bonus	20	44	(24)	(54.5)	
Other	453	472	(19)	(4.0)	
TOTAL	941	1,038	(97)	(9.3)	

This amount includes a decrease of Euros 28 million in the Catalan nuclear tax after the Constitutional Court ruled that it was unconstitutional on 12 April 2019. This led to a reversal of the amount accrued in 2017 and 2018 for the amount of Euros 27 million.

Fixed operating expenses.

The table below presents the detail of fixed operating expenses in the first half of 2019 and its variation compared with the same period in the previous year:

Millions of Euros				
	Fixed operating expenses			
	January - June 2019	January - June 2018	Difference	% Var.
Self-constructed assets	(99)	(80)	(19)	23.8
Personnel expenses	505	473	32	6.8
Other fixed operating expenses	590	626	(36)	(5.8)
TOTAL	996	1,019	(23)	(2.3)

In the first half of 2019 fixed costs were Euros 996 million, a decrease of Euros 23 million (-2.3%) compared to the first half of 2018.

This amount reflects the decrease of Euros 14 million under other fixed operating expenses on the Consolidated Income Statement arising from the activation, from 1 January 2019, of the right of use of the assets under lease following the application of IFRS 16 Leases (see Section 1.2. Changes in accounting principles of this Consolidated Management Report).

Personnel expenses include changes in the update of provisions for the current workforce restructuring plans (Euros 4 million, negative, in the first half of 2019 and Euros 6 million, positive, in the first half of 2018), and provisions for redundancy plans, compensation and other fiscal and labour risks (Euros 12 million in the first half of 2019 and Euros 24 million in the first half of 2018).

Without considering the effects described in the paragraphs above, fixed costs in the first half of 2019 would have decreased by Euros 7 million (-0.7%) compared to the same period in the previous year.

Depreciation and amortisation, and impairment losses,

The table below presents the detail of depreciation and amortisation, and impairment losses in the first half of 2019 and its variation compared with the same period in the previous year:

Millions of Euros

	Depreciation and amortisation, and impairment losses			
	January - June 2019	January - June 2018	Difference	% Var.
DEPRECIATION AND AMORTISATION	755	709	46	6.5
Provision for the depreciation of property, plant and equipment	644	608	36	5.9
Provision for amortisation of rights of use assets (IFRS 16 Leases) ⁽¹⁾	13	-	13	N/A
Other provisions for the depreciation of property, plant and equipment	631	608	23	3.8
Provision for amortisation of intangible assets	111	101	10	9.9
IMPAIRMENT LOSSES	39	42	(3)	(7.1)
Non-financial assets	(1)	(1)	-	-
Provision for impairment losses on property, plant and equipment and investment property	(1)	-	(1)	N/A
Other property, plant and equipment and investment property	(1)	-	(1)	N/A
Provision for impairment losses on intangible assets	-	(1)	1	(100.0)
Other intangible assets	-	(1)	1	(100.0)
Financial assets	40	43	(3)	(7.0)
Provision for impairment losses on receivables from contracts with customers	36	42	(6)	(14.3)
Provision for impairment losses on other financial assets	4	1	3	300.0
TOTAL	794	751	43	5.7

(1) See section 1.2. Changes in accounting principles of this Consolidated Management Report.

Depreciation and amortisation, and impairment losses in the first half of 2019 totalled Euros 794 million, up Euros 43 million (+5.7%) on the same period of the previous year.

As a result of the application of IFRS 16 Leases, in the first half of 2019, an increase of Euros 13 million was recognised under depreciation and amortisation, and impairment losses on the Consolidated Income Statement for amortisation expenses for this concept (see section 1.2. Changes in accounting principles of this Consolidated Management Report).

Without considering the effects described in the paragraph above, depreciation and amortisation, and impairment losses in the first half of 2019 would have increased by Euros 30 million (+4%) compared to the same period in the previous year, due mainly to the investment efforts made (see section 4.3. Investments of this Consolidated Management Report).

1.3.3. Net financial profit/(loss).

Net financial profit/(loss) in the first half of 2019 and 2018 was negative for the amount of Euros 96 million and Euros 70 million, respectively.

The table below presents the detail of net financial profit/(loss) in the first half of 2019 and its variation compared with the same period in the previous year:

Millions of Euros

	Net financial profit/(loss) ⁽¹⁾			
	January - June 2019	January - June 2018	Difference	% Var.
Net financial loss	(96)	(69)	(27)	39.1
Financial income	16	18	(2)	(11.1)
Financial expense	(112)	(87)	(25)	28.7
Net exchange differences	-	(1)	1	(100.0)
TOTAL	(96)	(70)	(26)	37.1

(1) Net financial profit/(loss) = Financial income - Financial expense + Net exchange differences.

In the first half of 2019, the net financial loss totalled Euros 96 million, up Euros 27 million (+39.1%) year on year.

The following effects should be considered when assessing the net financial loss during the first half of 2019:

Millions of Euros				
	Net financial loss ⁽¹⁾			
	January - June 2019	January - June 2018 ⁽¹⁾	Difference	% Var.
Expenses for financial liabilities at amortised cost	(64)	(66)	2	(3.0)
Income from financial assets at amortised cost	1	2	(1)	(50.0)
Update of provisions for workforce restructuring plan, plant dismantling and impairment of financial assets in accordance with IFRS 9 Financial Instruments	(32)	(4)	(28)	700.0
Expenses for rights of use contracts (IFRS 16 Leases) ⁽²⁾	(2)	-	(2)	N/A
Other	1	(1)	2	(200.0)
TOTAL	(96)	(69)	(27)	N/A

(1) Net financial loss - Financial income - Financial expense.

(2) See Section 1.2 Changes to accounting principles in this Consolidated Management Report.

Excluding the impact shown in the table above for updating provisions, the impairment of financial assets in accordance with IFRS 9 Financial Instruments and the application of IFRS 16 Leases, the net financial loss in the first half of 2019 would have decreased by Euros 3 million (-4.6%) due to a combination of the following factors (see section 4.1. Financial Management of this Consolidated Management Report):

- The lower average cost of gross financial debt, which fell from 2.0% in the first half of 2018 to 1.8% in the first half of 2019.
- The increase in average gross financial debt in both periods, which went from Euros 6,335 million in January - June 2018 to Euros 7,476 million in January - June 2019.

1.3.4. Net income of companies accounted for using the equity method.

In the first half of 2019 and 2018, companies accounted for using the equity method contributed net income of Euros 17 million and Euros 20 million respectively, broken down as follows:

Millions of Euros		
	Net income of companies accounted for using the equity method	
	January - June 2019	January - June 2018
Associates	6	5
Tecnatom, S.A.	2	-
Gorona del Viento El Hierro, S.A.	1	-
Other	3	5
Joint ventures	11	15
Tejo Energia - Produção e Distribuição de Energia Eléctrica, S.A.	5	4
Énergie Électrique de Tahhadart, S.A.	1	1
Suministradora Eléctrica de Cádiz, S.A.	-	2
Other	5	8
TOTAL	17	20

1.3.5. Gains/(losses) on disposal of assets.

In the first half of 2019, gains/(losses) on disposal of assets amounted to Euros 7 million compared to Euros 19 million, both negative, in the first half of 2018, the detail being as follows:

Millions of Euros

	Reference ⁽¹⁾	Gains/(losses) on disposal of assets	
		January - June 2019	January - June 2018
Non-financial assets		10	(3)
Proceeds from disposals of investments in Group companies and other	2.3 and 2.4	1 ⁽²⁾	-
Proceeds from disposals of property, plant and equipment		9	(3)
Financial assets		(17)	(16)
Factoring transaction fees	9.1	(17)	(16)
NET TOTAL		(7)	(19)

(1) Refer to the Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

(2) See Section 2. Consolidation Scope in this Consolidated Management Report.

1.3.6. Income tax.

In the first half of 2019, income tax expense amounted to Euros 232 million, which is Euros 4 million (+1.8%) higher than the amount posted for the first half of 2018.

The effective rate in January - June 2019 was 22.9% (23.2% in January - June 2018).

1.3.7. Net income.

Net income attributed to the Parent in the first half of 2019 stood at Euros 776 million, an increase of Euros 24 million year on year (+3.2%).

Net ordinary income attributable to the Parent was Euros 776 million in January - June 2019 (+3.2%).

1.4. Segment information.

Segment information is included in Note 19.2 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

The table below presents the detail of the most relevant figures of ENDESA's business areas in the first half of 2019 and its variation compared with the same period in the previous year:

Millions of Euros

	January - June 2019				January - June 2018			
	Generation and supply	Distribution	Structure and other ⁽⁷⁾	TOTAL	Generation and supply	Distribution	Structure and other ⁽⁷⁾	TOTAL
Revenue	8,520	1,377	(106)	9,791	8,649	1,387	(102)	9,934
Contribution margin ⁽¹⁾	1,627	1,294	(31)	2,890	1,591	1,286	(54)	2,823
EBITDA ⁽²⁾	869	1,025	-	1,894	795	1,012	(3)	1,804
EBIT ⁽³⁾	404	725	(29)	1,100	371	707	(25)	1,053
Net financial profit/(loss) ⁽⁴⁾	(54)	(36)	(6)	(96)	(83)	(36)	49	(70)
Profit/(loss) before tax	361	688	(35)	1,014	283	676	25	984
Net income ⁽⁵⁾	287	523	(34)	776	219	514	19	752
Net ordinary income ⁽⁶⁾	287	523	(34)	776	219	514	19	752

(1) Contribution Margin = Revenues - Procurements and services.

(2) EBITDA = Revenue - Procurements and services + Self-constructed assets - Personnel expenses - Other fixed operating expenses.

(3) EBIT = EBITDA - Depreciation and amortisation, and impairment losses.

(4) Net financial profit/(loss) = Financial income - Financial expense + Net exchange differences.

(5) Net income = Income of the Parent.

(6) Net ordinary income = Net income of the Parent - Net income on disposal of non-financial assets (of over Euros 10 million) - Net impairment losses on non-financial assets (of over Euros 10 million).

(7) Structure, services and adjustments.

The table below presents the distribution of the key Consolidated Income Statement figures among ENDESA's businesses in the first half of 2019 and 2018:

Millions of Euros

	January - June 2019						
	Generation and supply				Distribution	Structure and other (1)	Total
	Non-mainland Territories generation ("TNP")	Other Generation and supply	Adjustments	Total			
REVENUE	965	8,019	(464)	8,520	1,377	(106)	9,791
Sales	963	7,808	(465)	8,306	1,243	(76)	9,473
Other operating income	2	211	1	214	134	(30)	318
PROCUREMENTS AND SERVICES	(700)	(6,654)	461	(6,893)	(83)	75	(6,901)
CONTRIBUTION MARGIN (2)	265	1,365	(3)	1,627	1,294	(31)	2,890
Self-constructed assets	2	25	-	27	65	7	99
Personnel expenses	(46)	(214)	-	(260)	(141)	(104)	(505)
Other fixed operating expenses	(97)	(431)	3	(525)	(193)	128	(590)
EBITDA (3)	124	745	-	869	1,025	-	1,894
Depreciation and amortisation, and impairment losses	(69)	(396)	-	(465)	(300)	(29)	(794)
EBIT (4)	55	349	-	404	725	(29)	1,100

(1) Structure, services and adjustments.

(2) Contribution Margin = Revenues - Procurements and services.

(3) EBITDA = Revenue - Procurements and services + Self-constructed assets - Personnel expenses - Other fixed operating expenses.

(4) EBIT = EBITDA - Depreciation and amortisation, and impairment losses.

Millions of Euros

	January - June 20198						
	Generation and supply				Distribution	Structure and other (1)	Total
	Non-mainland Territories generation ("TNP")	Other Generation and supply	Adjustments	Total			
REVENUE	987	8,130	(468)	8,649	1,387	(102)	9,934
Sales	984	7,858	(468)	8,374	1,265	(79)	9,560
Other operating income	3	272	-	275	122	(23)	374
PROCUREMENTS AND SERVICES	(677)	(6,847)	466	(7,058)	(101)	48	(7,111)
CONTRIBUTION MARGIN	310	1,283	(2)	1,591	1,286	(54)	2,823
Self-constructed assets	-	17	-	17	57	6	80
Personnel expenses	(41)	(228)	-	(269)	(125)	(79)	(473)
Other fixed operating expenses	(93)	(453)	2	(544)	(206)	124	(626)
EBITDA	176	619	-	795	1,012	(3)	1,804
Depreciation and amortisation, and impairment losses	(84)	(340)	-	(424)	(305)	(22)	(751)
EBIT	92	279	-	371	707	(25)	1,053

(1) Structure, services and adjustments.

(2) Contribution Margin = Revenues - Procurements and services.

(3) EBITDA = Revenue - Procurements and services + Self-constructed assets - Personnel expenses - Other fixed operating expenses.

(4) EBIT = EBITDA - Depreciation and amortisation, and impairment losses.

1.4.1. Contribution margin.

Generation and supply.

The contribution margin in the first half of 2019 totalled Euros 1,627 million, up Euros 36 million year on year (+2.3%), due mainly to the following factors:

- The decrease in fuel consumption (-6.9%) due mainly to lower thermal output in the period (-22.4%).
- The reduction in other variable procurements and services (-4.1%), including the reversal of Euros 27 million of the amount accrued in 2017 and 2018 for the Catalan nuclear tax after the Constitutional Court ruled that it was unconstitutional on 12 April 2019.

Distribution.

The contribution margin in the first half of 2019 totalled Euros 1,294 million, up Euros 8 million (+0.6%) year on year, due mainly to the inclusion of Empresa de Alumbrado Eléctrico de Ceuta, S.A. in the consolidation scope (Euros 7 million).

Structure and other.

In the first half of 2019, the contribution margin improved by Euros 23 million, due mainly to the performance of the social bonus in the first half of 2019 and 2018, in accordance with Royal Decree 897/2017, of 6 October (see Section 3. Regulatory Framework of this Consolidated Management Report).

1.4.2. EBITDA.

Generation and supply.

EBITDA amounted to Euros 869 million, (+9.3%) in the first half of 2019. In order to analyse this performance the following factors should be taken into account:

- The 2.3% increase in the contribution margin.
- The Euros 38 million (-4.8%) decrease in fixed operating expenses, due mainly to the Euros 19 million (-3.5%) reduction in other fixed operating costs as a result of lower repair and maintenance costs.

Distribution.

In the first half of 2019, EBITDA was Euros 1,025 million (+1.3%), including:

- The performance of the contribution margin (+0.6%).
- The performance of fixed operating expenses, which were down by Euros 5 million (-1.8%). This performance includes both the Euros 16 million (12.8%) rise in personnel expenses, due, among other aspects, to the increased average workforce during the period (30 employees) and the updating of provisions for current workforce restructuring plans (Euros 2 million, negative, in the first half of 2019 and Euros 4 million, positive, in the first half of 2018), and the Euros 13 million (-6.3%) decrease in other fixed operating expenses due to lower breakdown expenses.

Structure and other.

EBITDA in the first half of 2019 totalled Euros 3 million, up by Euros 3 million against the same period of the previous year.

The Euros 23 million improvement in the contribution margin was offset by the 31.6% increase in personnel expenses, due mainly to updating of provisions for current workforce restructuring plans (Euros 3 million in the first half of 2019 and Euros 4 million in the first half of 2018), and the provisioning for compensation and other fiscal and labour risks (Euros 13 million, negative, in the first half of 2019 and Euros 3 million, positive, in the first half of 2018).

1.4.3. Profit from operations (EBIT).

Generation and supply.

In the first half of 2019, EBIT was Euros 404 million (+8.9%), including:

- A 9.3% increase in EBITDA.
- A 9.7% increase in depreciation and amortisation, and impairment losses on the Consolidated Income Statement due mainly to the investment effort made and the application of IFRS 16 Leases (see section 1.2 Changes to accounting principles and section 4.3. Investments of this Consolidated Management Report).

Distribution.

EBIT in the first half of 2019 grew by Euros 18 million year-on-year (+2.5%), mainly as a result of the 1.3% rise in EBITDA.

Structure and other.

EBIT dropped by Euros 4 million in the first half of 2019 due to the Euros 7 million (+31.8%) increase in depreciation and amortisation, mainly on the back of the application of IFRS 16 Leases (see section 1.2 Changes to accounting principles of this Consolidated Management Report).

2. Consolidation scope.

In the first half of 2019, the following transactions were carried out:

Transaction	Date	Activity	Stake at 30 June 2019 (%)		Stake at 31 December 2018 (%)		
			Control	Economic	Control	Economic	
Eólica del Noroeste, S.L. ⁽¹⁾	Sale	5 February 2019	Wind	-	-	51.00	51.00
Energía Neta Sa Caseta Lluçmajor, S.L.U. ⁽²⁾	Acquisition	5 March 2019	Photovoltaic	100.00	100.00	-	-
ENDESA Energía Renovable, S.L.U. ⁽³⁾	Formed	11 March 2019	Supply	100.00	100.00	-	-
ENEL Green Power Granadilla, S.L.U. ⁽⁴⁾	Acquisition	25 March 2019	Wind	100.00	100.00	65.00	65.00
Erecosalz, S.L. (in liquidation)	Winding	14 March 2019	Cogeneration	-	-	33.00	33.00
Ufeyys, S.L. (In liquidation) ⁽⁵⁾	Sale	15 April 2019	Renewable energies.	-	-	40.00	40.00
Baleares Energy, S.L.U. ⁽²⁾	Acquisition	28 May 2019	Photovoltaic	100.00	100.00	-	-
Baikal Enterprise, S.L.U. ⁽²⁾	Acquisition	28 May 2019	Photovoltaic	100.00	100.00	-	-

- (1) The gross gain on the disposal was less than Euros 1 million (see section 1.3.5. Gains/(losses) on Disposal of Assets in this Consolidated Management Report).
 (2) Companies acquired by ENEL Green Power España, S.L.U. (EGPE) totalling Euros 2 million, of which less than Euros 1 million are pending payment at 30 June 2019 (see section 4.2. Cash Flows of this Consolidated Management Report).
 (3) Company formed by ENDESA Energía, S.A.U.
 (4) Stake acquired by ENEL Green Power España, S.L.U. (EGPE) for less than Euros 1 million (see Section 4.2. Cash Flows of this Consolidated Management Report).
 (5) The gross gain on the disposal was less than Euros 1 million (see section 1.3.5. Gains/(losses) on Disposal of Assets in this Consolidated Management Report).

ENDESA has recognised the acquisition of Energía Neta Sa Caseta Lluçmajor, S.L.U., Baleares Energy, S.L.U. and Baikal Enterprise, S.L.U. as a business combination. Using the acquisition method, it has recognised definitively the assets acquired and liabilities assumed (net assets acquired) from this company at their acquisition-date fair value in the following headings of the consolidated financial statements:

Millions of Euros		
	Reference ⁽¹⁾	Fair value
Non-current assets		3
Property, plant and equipment	5	3
TOTAL ASSETS		3
Non-current liabilities		1
Deferred tax liabilities	16.2	1
TOTAL LIABILITIES		1
Fair value of net assets acquired		2

(1) Refer to the Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

These companies are currently applying for permits and licences to carry out their projects. Therefore, construction work has not yet started on the renewable power facilities, and therefore, no ordinary income has been generated since their respective acquisition dates.

3. Regulatory framework.

From a regulatory perspective, the main highlights during the period were as follows:

2019 electricity tariff.

Ministerial Order TEC/1366/2018, of 20 December 2018, establishing access tariffs for 2019, was published in the Official State Gazette on 22 December 2018. Electricity access tariffs remained unchanged in the Order. This Order repealed the incentive for availability of Order ITC/3127/2011, of 17 November 2011, until the capacity mechanisms are reviewed for adaptation to European regulations and the energy transition process.

Natural gas tariff for 2019.

On 22 December 2018, Order TEC/1367/2018, of 20 December 2018, establishing access tariffs for gas for 2019, which remained unchanged, and on 28 December 2018, the Resolution of 26 December, publishing the Last Resort Tariffs (LRT) for natural gas applicable from 1 January 2019, implying an average reduction of approximately 4% due to lower raw material costs, were published in the Official State Gazette (BOE).

On 30 March 2019, the Official State Gazette published the Resolution of the Directorate General of Energy Policy and Mines of 22 March 2019, establishing the last resort tariff (LRT) for natural gas applicable from 1 April 2019. Depending on whether this is Last Resort Tariff 1 (LRT1) or Last Resort Tariff 2 (LRT2), this will decrease by an average of 5.2% and 6.6% respectively compared to the previous quarter due to lower raw material costs.

Energy efficiency.

Law 18/2014 of 15 October 2014, approving urgent measures to boost growth, competitiveness and efficiency, with regard to energy efficiency, created the Energy Efficiency National Fund with the aim of achieving energy savings.

Order TEC/332/2019 of 20 March 2019, entailed a contribution by ENDESA to the Energy Efficiency National Fund of Euros 29 million, corresponding to its 2019 obligations.

Royal Decree regulating self-consumption.

On 6 April 2019, the Official State Gazette published Royal Decree 244/2019, of 5 April 2019, regulating the administrative, technical and economic conditions of the self-consumption of electricity, in compliance with Royal Decree Law 15/2018, of 5 October 2018, on urgent measures for energy transition and consumer protection.

Royal Decree 244/2019, of 5 April 2019, addresses the following points, among others:

- In addition to the individual self-consumption connected to an internal grid, it includes the concept of collective self-consumption, whereby a group of consumers can be associated with the same generation facility (for example, homeowners' associations or companies/industries located in the same area).
- It also defines the concept of “installing production facilities close to consumption facilities and associated with them”, thereby enabling self-consumption using generation facilities located in the same building (the current situation) and other facilities nearby.
- It introduces a simplified mechanism to compensate surpluses (energy generated by self-consumption facilities that is not immediately used by the customer) for installations with capacity of less than 100 kW and provided that electricity is produced using renewable sources. In this case, to obtain compensation it will not be necessary to set up as an energy producer, as the supply company will compensate the user for any surplus energy through its monthly invoice. This compensation could be as much as 100% of the power consumed during the month.

- For collective and communal self-consumption, the energy will be shared among associated consumers in proportion to their contracted power and the Royal Decree permits the development of dynamic sharing ratios so that the consumer can take advantage of the surplus produced by another associated consumer if it is not consuming its allocated share.
- Administrative procedures for all consumers will be simplified, particularly for small self-consumers (installation of up to 15kW or 100kW, for self-consumption without surpluses). Measurement configurations have been simplified such that in most cases a single meter at the distribution network border will be sufficient.
- Lastly, a monitoring system has been established for these installations to supervise their impact on System operations and allow them to be integrated gradually and securely.

Renewable auctions in Non-mainland Territories (“TNP”) electricity systems.

Order TEC/1380/2018, of 20 December 2018, was published in the Official State Gazette (“BOE”) on 25 December 2018. This Order establishes the regulatory terms for concession of support for investment in wind and solar power generation facilities located in Non-mainland Territories (“TNP”), co-financed with funds from the European Regional Development Fund (ERDF).

On 27 December 2018, the Institute for Energy Diversification and Savings (“IDAE”) passed a Resolution, convening auctions of subsidies for investment in wind facilities in the Canary Islands, with an allocation of Euros 80 million and maximum power of 217 MW. On 27 June 2019, the final resolution was published, and ENDESA was awarded wind power of 16.1 MW.

Further, on 27 March 2019, the Institute for Energy Diversification and Savings (“IDAE”) passed a Resolution, convening auctions of subsidies for investment in photovoltaic facilities in the Balearic Islands, with an allocation of Euros 40 million. The bidding period has now finished and auction will be resolved.

Strategic energy and climate framework.

The European Union has made a clear commitment to fight against global warming, setting a target to reduce greenhouse gas emissions by 80% from 1990 to 2050, and defining ambitious goals and objectives for all member states. It also signed the Paris Agreement, the aim of which is to prevent the planet from warming by more than 2°C compared to pre-industrial levels, in addition to other efforts to ensure the global rise in temperature does not exceed 1.5°C.

These targets are currently being transposed into Spanish law and on 22 February 2019, the Ministry of Ecological Transition opened a public consultation on the Strategic Energy and Climate Framework, containing mainly the following documents:

- Draft Law on climate change and energy transition: This sets out the regulatory and institutional framework to introduce the Union European's commitment to decarbonising the economy through to 2050, and the global commitment of the Paris Agreement. Specifically, it would set two time frames: for 2030, a target to reduce greenhouse gas (GHG) emissions by at least 20% compared to 1990, a target to generate 70% of electricity using renewable sources and a target to improve energy efficiency by at least 35% compared to the baseline scenario; and for 2050, a target to reduce greenhouse gas emissions by at least 90% compared to 1990 and an Electricity System that is 100% based on renewable sources. The draft law also sets out specific measures to help achieve these targets. These include: measures to promote renewable energies; limits on the use of hydrocarbons, cutbacks on subsidies for fossil fuels and revising their tax treatment; promotion of electric mobility; definition of impact indicators and indicators to measure adaptation to climate change; or the introduction of a framework for the mobilisation of economic resources for the transition.

- Draft National Integrated Energy and Climate Plan (“PNIEC”) 2021-2030: The framework for the national strategic plan to integrate the energy and climate policy, reflecting Spain's contribution to achieving the targets set by the European Union. The draft National Integrated Energy and Climate Plan (“PNIEC”) also establishes the milestones and steps in the transition towards modernising the whole economy and includes: a 31% reduction in greenhouse gas (GHG) emissions vs 1990, roll-out of renewable energies to account for 42% of total energy produced in the country (74% for electricity generation) and a 39.6% improvement in energy efficiency. It also establishes the effort required from all sectors (energy, industrial, transport, agriculture, residential, waste, and natural supplies) through to 2030. The Ministry of Ecological Transition has submitted the Draft National Integrated Energy and Climate Plan (“PNIEC”) 2021-2030 to the European Commission, as have the other EU member states, starting a structured dialogue which will conclude with the Plan being approved at the end of 2019.
- A fair transition strategy: The objective is to increase job opportunities in areas that will be affected by the transition to a low-carbon economy.

Spanish National Strategy to Combat Energy Poverty.

On 5 April 2019, the Council of Ministers approved the National Strategy to Combat Energy Poverty 2019-2024, in response to the mandate set out in Royal Decree Law 15/2018, of 5 October 2018, on urgent measures for energy transition and consumer protection.

The instrument defines the concepts of energy poverty and vulnerable consumers, providing a diagnosis of the current status of energy poverty, including the impact on health, personal and social development and equality, and establishes lines of action and reduction targets.

The National Strategy to Combat Energy Poverty is the result of the need to maintain and improve benefit systems (electric and thermal Social Bonus) as transition tools that will give increased importance to structural measures to find long-term solutions for the root cause.

To properly analyse and monitor the different types of energy poverty, the indicators established by the European Energy Poverty Observatory are used as the official primary indicators (high share of energy expenditure in income, hidden energy poverty, inability to keep home adequately warm and arrears on utility bills). In order to improve the lowest value in the series of these indicators in 2008-2017, and raise the European Union average, the Strategy establishes a minimum reduction objective of 25% in 2025 (vs 2017), with a target of 50%.

The National Strategy to Combat Energy Poverty will have a duration of five years (2019-2024), and a series of operating plans are expected to be developed for its implementation. It will be managed and monitored by the Institute for Energy Diversification and Savings (“IDAE”).

The National Strategy to Combat Energy Poverty establishes four lines of action, comprising 19 concrete measures:

- to raise awareness of energy poverty through a detailed study of the energy expenditure of consumers according to the climate zone they live in, considering among other factors, the presence of minors in the household. The indicators will be updated by the government on an annual basis.
- Improve the response to the current energy poverty situation. Among other aspects, a new Social Bonus is considered to be necessary; the main lines of which are as follows: it will be an energy Social Bonus (for all types of energy supply), that should be directly granted by the authorities (automation) and management mechanisms should be implemented in concert with the Public Administrations involved. Extraordinary responses are also defined, such as not allowing supply to be cut off, in extreme weather conditions.
- Facilitate structural change through short, medium and long-term measures for the energy rehabilitation of housing and replacement of old appliances and machinery with efficient apparatus.
- Protection measures for consumers and social awareness. Among other actions, a protocol will be established to detect vulnerability through family doctors and the management of information on public benefits will be standardised to ensure this information is included in the existing universal social card. To raise public awareness, communication actions will be rolled out on the use of smart meters,

consumption habits, energy savings and efficiency improvements, and a permanent communication channel set up for individuals and groups.

Social Bonus (or Social Tariff)

The Ministry of Ecological Transition has started processing a proposed Order establishing distribution percentage of the financing of the 2019 social bonus. ENDESA, S.A. would be allocated a percentage of 36.26%, compared to 37.15% currently.

Public consultation on the draft Royal Decree establishing the methodology for calculating Electricity and Gas System charges.

Royal Decree Law 1/2019, of 11 January 2019, establishes, among other points, that the government must approve the calculation methodology for Electricity and Gas System charges before 1 January 2020. Therefore, in May 2019 the Ministry of Ecological Transition opened a public consultation prior to drawing up the Royal Decree establishing the calculation methodology for Electricity and Gas System charges and its structure, in order to obtain the opinions of all agents and parties involved.

This methodology must establish the variables used to distribute the costs that have to be covered by the charges, in a way that is not discriminatory and that is aligned with the government's energy policies, i.e. that fosters efficiency, the electrification of the economy and a fair energy transition.

Spanish Markets and Competition Commission ("CNMC") circulars.

Pursuant to Royal Decree Law 1/2019, of 11 January 2019, the Spanish Markets and Competition Commission ("CNMC") has an area of responsibility that includes approving and setting certain regulatory aspects via circulars.

In June 2019, the Spanish Markets and Competition Commission ("CNMC") opened the following circulars for public consultation:

- Circular on the methodology and access conditions, in addition to the connection to the transmission and distribution grids of electricity production facilities, with the goal of regulating the procedures, periods and criteria for assessing access capacity and grant permits, improve the transparency of the process, and other aspects relating to controlling the progress of the projects to ensure they are properly completed.
- Circular on the methodologies regulating the operation of the wholesale electricity generation market and the management of the system, in order to establish energy market regulations for different time horizons (forward, day-ahead, intraday markets, balancing and Resolutions of congestion in the Electricity System) and set the methodologies for technical aspects of system operations to ensure the progressive harmonisation and convergence of the European electricity markets.
- Circular on the financial rate of remuneration for the second regulatory period (2020-2025), for which the Spanish Markets and Competition Commission ("CNMC") proposes a figure of 5.58% (6.003% for 2020).
- Circular on the remuneration methodology for the electricity distribution activity to establish the parameters, criteria and remuneration method for this activity in the next regulatory period. The draft circular contains a new remuneration formula that regroups certain items included in Royal Decree 1048/2013 and creates new ones. The calculation formula for incentives (losses and quality) are also amended, eliminating the fraud incentive.
- There are also other draft circulars addressing the remuneration methodology for the other Electricity and Gas Sector regulated activities.

4. Liquidity and capital resources.

4.1. Financial management.

Borrowings.

As of 30 June 2019, ENDESA had net financial debt of Euros 6,795 million, an increase of Euros 1,025 million (+17.8%) compared to the debt at 31 December 2018.

The reconciliation of ENDESA's gross and net financial debt at 30 June 2019 and 31 December 2018, with a breakdown of the impact of IFRS 16 Leases, is as follows:

Millions of Euros

	Reference ⁽¹⁾	Reconciliation of financial debt			
		30 June 2019	31 December 2018	Difference	% Var.
Non-current borrowings	13.1	5,571	4,975	596	12.0
Non-current borrowings due to application of IFRS 16 Leases ⁽²⁾		138	-	138	N/A
Other non-current borrowings		5,433	4,975	458	9.2
Current borrowings	13.1	1,686	1,046	640	61.2
Current borrowings due to application of IFRS 16 Leases ⁽²⁾		25	-	25	N/A
Other current borrowings		1,661	1,046	615	58.8
Gross financial debt ⁽³⁾		7,257	6,021	1,236	20.5
Gross financial debt due to application of IFRS 16 Leases ⁽²⁾		163	-	163	N/A
Other gross financial debt		7,094	6,021	1,073	17.8
Cash and cash equivalents	10	(454)	(244)	(210)	86.1
Financial derivatives recognised as financial assets	14.3.1	(8)	(7)	(1)	14.3
Net financial debt		6,795	5,770	1,025	17.8
Net financial debt due to application of IFRS 16 Leases ⁽²⁾		163	-	163	N/A
Other net financial debt		6,632	5,770	862	14.9

(1) Refer to the Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

(2) See section 1.2. Changes in accounting principles of this Consolidated Management Report.

(3) At 30 June 2019, this includes Euros 24 million corresponding to financial derivatives recognised under financial liabilities (Euros 6 million at 31 December 2018).

When analysing net financial debt, the following factors should be taken into account:

- On 2 January 2019, ENDESA paid shareholders an interim dividend against 2018 results of Euros 0.7 per share (gross), for a pay-out of Euros 741 million (see sections 2.3. Dividends and 4.2. Cash Flows of this Consolidated Management Report).
- At 30 June 2019, due to the entry into force of IFRS 16 Leases, net financial debt of Euros 163 million was recognised for this concept (see section 1.2. Changes in accounting principles of this Consolidated Management Report).

The structure of ENDESA's gross financial debt at 30 June 2019 and 31 December 2018 was as follows:

Millions of Euros

	Structure of gross financial debt					
	30 June 2019			31 December 2018	Difference	% Var.
	Gross financial debt excl. the impact of application of IFRS 16 Leases	Gross financial debt incl. the impact of application of IFRS 16 Leases	Total gross financial debt			
Euro	7,094	163	7,257	6,021	1,236	20.5
TOTAL	7,094	163	7,257	6,021	1,236	20.5
Fixed rate	4,381	163	4,544	3,550	994	28.0
Floating rate	2,713	-	2,713	2,471	242	9.8
TOTAL	7,094	163	7,257	6,021	1,236	20.5
Average life (years) ⁽¹⁾	5.3	5.9	5.3	5.3	-	-
Average cost ⁽²⁾	1.8	2.3	1.8	1.9	-	-

(1) Average life of gross financial debt (years) = (Principal * Number of valid days) / (Valid principal at the close of the period * Number of days in the period).

(2) Average cost of gross financial debt (%) = (Cost of gross financial debt) / Average gross financial debt.

At 30 June 2019, 63% of the gross financial debt was at fixed interest rates, while 37% was at floating rates. At this date, 100% of the Company's gross financial debt is denominated in euros.

Main financial transactions.

In the first half of 2019, ENDESA extended the credit facilities arranged with various financial institutions maturing in March 2022, and increased the limit of several of these, for a total amount of Euros 2,125 million.

In the first half of 2019, the Euro Commercial Paper (ECP) issuance programme through International ENDESA B.V. was completed and new Euro Commercial Paper (ECP) issuance programme through ENDESA, S.A. was registered. The outstanding balance of both programmes at 30 June 2019 was Euros 1,552 million and their renewal is backed by irrevocable lines of credit.

As part of the financial transaction arranged through a green loan taken out with the European Investment Bank (EIB) in 2018, on 19 March 2019, Euros 335 million was drawn down. This draw down bears a floating interest rate, with a 15-year maturity depreciable as of March 2023 (see Section 4.2. Cash Flows of this Consolidated Management Report).

ENDESA, S.A. took out a green loan with "Instituto de Crédito Oficial" ("ICO") for the amount of Euros 300 million, which was drawn down on 20 May 2019. This draw down bears a variable rate of interest and matures in 12 years, depreciable as of May 2022 (see section 4.2 Cash Flows of this Consolidated Management Report).

On 30 June 2019, ENDESA, S.A. signed the extension of the intercompany credit facility with ENEL Finance International, N.V., for Euros 1,000 million, extending its maturity to 30 June 2022.

With the entry into force, as from 1 January 2019, of IFRS 16 Leases, the net financial debt includes a liability for the recognition of the payment obligation for the right of use contracts in which ENDESA acts as lessee, the main contracts being the following (see Section 1.2. Changes in accounting principles in this Consolidated Management Report):

- Lease contracts corresponding to the right of use of lands on which some of the generation facilities of ENEL Green Power España, S.L.U. (EGPE) are located. These are long-term contracts, with automatic renewal clauses and expiry dates between 2019 and 2065. The prices in these contracts are calculated in accordance with the capacity installed (MW) and the production (GWh).
- Certain buildings where different offices are located.
- Contracts for technical equipment to cover one-off services according to operating requirements.

At 30 June 2019, the amount of this liability was Euros 163 million (Euros 186 million at 1 January 2019) (see Section 1.2. Changes in accounting principles of this Consolidated Management Report).

Liquidity.

At 30 June 2019, ENDESA had liquidity of Euros 3,582 million (Euros 3,040 million at 31 December 2018) as detailed below:

Millions of Euros

	Reference (1)	Liquidity			
		30 June 2019	31 December 2018	Difference	% Var.
Cash and cash equivalents	10	454	244	210	86.1
Unconditional availability in credit facilities (2)		3,128	2,796	332	11.9
TOTAL		3,582	3,040	542	17.8
Coverage of debt maturities (number of months) (3)		32	26	-	-

(1) Refer to the Notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

(2) At 30 June 2019 and 31 December 2018, Euros 1,000 million correspond to the credit facility available with ENEL Finance International, N.V.

(3) Coverage of debt maturities (number of months) = Maturity period (number of months) for vegetative debt that could be covered with the liquidity available.

Treasury investments considered as cash and cash equivalents are high liquidity and entail no risk of changes in value, mature within 3 months from their contract date and accrue interest at the market rates for such instruments.

Restrictions that could affect the drawdown of funds by ENDESA are described in Notes 10 and 13.2.3 to the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019.

Leverage.

Details of the consolidated leverage ratio at 30 June 2019 and 31 December 2018 are as follows:

Millions of Euros

		Leverage ⁽²⁾			
		30 June 2019			
	Reference ⁽¹⁾	Excluding the impact of application of IFRS 16 Leases	Impact of application of IFRS 16 Leases	Total	31 December 2018
Net financial debt:		6,632	163	6,795	5,770
Non-current borrowings	13.1	5,433	138	5,571	4,975
Current borrowings	13.1	1,661	25	1,686	1,046
Cash and cash equivalents	10	(454)	-	(454)	(244)
Financial derivatives recognised as financial assets	14.3.1	(8)	-	(8)	(7)
Equity:	11	9,100	(1)	9,099	9,181
of the Parent		8,950	(1)	8,949	9,037
of non-controlling interests		150	-	150	144
Leverage (%)		72.88	N/A	74.68	62.85

(1) Refer to the notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

(2) Leverage (%) = Net financial debt / Equity.

Credit rating.

ENDESA's credit ratings are as follows:

	Credit rating					
	30 June 2019 ⁽¹⁾			31 December 2018 ⁽¹⁾		
	Long term	Short term	Outlook	Long term	Short term	Outlook
Standard & Poor's	BBB+	A-2	Stable	BBB+	A-2	Stable
Moody's	Baa2	P-2	Positive	Baa2	P-2	Stable
Fitch Ratings	A-	F2	Stable	A-	F2	Stable

(1) At the respective dates of approval of the Consolidated Management Report.

ENDESA's credit rating is conditioned to the rating of its parent company ENEL according to the methods employed by rating agencies on the date of approval of this consolidated management report, has been classified as "investment grade" by all the rating agencies.

ENDESA works to maintain its investment grade credit rating to be able to efficiently access money markets and bank financing, and to obtain preferential terms from its main suppliers.

4.2. Cash flows.

At 30 June 2019, cash and cash equivalents were as follows:

Millions of Euros

	Reference ⁽¹⁾	Cash and cash equivalents			
		30 June 2019	31 December 2018	Difference	% Var.
Cash in hand and at banks		454	244	210	86.1
Other cash equivalents		-	-	-	-
TOTAL	10	454	244	210	86.1

(1) Refer to the notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

In the first half of 2019 and 2018, ENDESA's net cash flows, classified by activities (operating, investment and financing) were as follows:

Millions of Euros

	Statement of cash flows			
	January - June 2019	January - June 2018	Difference	% Var.
Net cash flows from operating activities	907	639	268	41.9
Net cash flows from investing activities	(993)	(749)	(244)	32.6
Net cash flows from financing activities	296	591	(295)	(49.9)

In the first half of 2019, net cash flows generated by operating activities (Euros 907 million) and net cash flows from financing activities (Euros 296 million) helped cover the net investment required to cover net cash flows used in investing activities (Euros 993 million).

Net cash flows from operating activities.

In the first half of 2019, net cash flows from operating activities amounted to Euros 907 million, up 41.9% compared to the same period in the previous year (Euros 639 million in the first half of 2018), and are as follows:

Millions of Euros

	January - June 2019	January - June 2018	Difference	% Var.
Profit before tax and non-controlling interests	1,014	984	30	3.0
Adjustments for:	974	805	169	21.0
Depreciation and amortisation, and impairment losses	794	751	43	5.7
Other adjustments (net)	180	54	126	233.3
Changes in working capital:	(809)	(1,047)	238	(22.7)
Trade and other receivables	70	182	(112)	(61.5)
Inventories	(132)	(159)	27	(17.0)
Current financial assets	(299)	(209)	(90)	43.1
Trade payables and other current liabilities	(448)	(861)	413	(48.0)
Other cash flows from/(used in) operating activities:	(272)	(103)	(169)	164.1
Interest received	15	16	(1)	(6.3)
Dividends received	10	6	4	66.7
Interest paid ⁽¹⁾	(62)	(73)	11	(15.1)
Income tax paid	(72)	72	(144)	(200.0)
Other receipts from and payments for operating activities ⁽²⁾	(163)	(124)	(39)	31.5
NET CASH FLOWS FROM OPERATING ACTIVITIES	907	639	268	41.9

(1) Includes interest paid on borrowing for rights of use (IFRS 16 Leases) for Euros 1 million.

(2) Includes provision payments.

The variations in the different items determining the net cash flows from operating activities include:

- The higher profit before tax and non-controlling interests net of depreciation and amortisation and other adjustments for the period (Euros 199 million).
- Changes in working capital between the two periods amounting to Euros 238 million, mainly as a result of the decrease in payments to trade creditors for Euros 413 million, the Euros 27 million reduction in payments for inventories, the reduction in charges from trade and other receivables for the amount of Euros 112 million, and the lower charges for offsetting the extra-costs for Non-mainland Territories generation ("TNP") for Euros 18 million.
- The variation in corporation tax in both periods amounting to Euros 144 million.

In the first half of 2019, the Company has also continued with its active management policy for current assets and liabilities, focusing on, among other aspects, the improvement of processes, the factoring of receivables and agreements extending payment periods with suppliers.

At 30 June 2019, 31 December 2018 and 30 June 2018, working capital comprised the following items:

Millions of Euros

	Reference ⁽¹⁾	Working capital		
		30 June 2019	31 December 2018	30 June 2018
Current assets ⁽²⁾		5,551	5,410	5,237
Inventories	8	1,115	1,473	1,222
Trade and other receivables	9	3,089	2,955	3,122
Current financial assets	14	1,347	982	893
Compensation for the extra-costs of Non-mainland Territories generation ("TNP")		886	609	546
Collection rights for financing of the shortfall of regulated activities		260	236	196
Remuneration of the distribution activity		120	83	94
Other		81	54	57
Current liabilities ⁽³⁾		6,285	6,648	5,752
Current provisions	12.1	378	571	305
Trade payables and other current liabilities	17	5,907	6,077	5,447
Dividend of the Parent		770	741	722
Other		5,137	5,336	4,725

(1) Refer to the notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

(2) Excluding cash and cash equivalents and financial derivative assets corresponding to borrowings.

(3) Excluding current borrowings and financial derivative liabilities corresponding to borrowings.

Net cash flows from investing activities.

In the first half of 2019, net cash flows used in investment activities amounted to Euros 993 million (Euros 749 million in the first half of 2018) and include, among other aspects:

- Net cash flows used in the acquisition of property, plant and equipment and intangible assets:

Millions of Euros

	Sections	January - June 2019	January - June 2018
Acquisitions of property, plant and equipment and intangible assets		(903)	(664)
Acquisitions of property, plant and equipment	4.3	(843)	(458)
Acquisitions of intangible assets	4.3	(78)	(71)
Facilities transferred from customers		21	29
Suppliers of property, plant and equipment		(3)	(164)
Proceeds from disposals of property, plant and equipment and intangible assets		13	3
Grants and other deferred income		27	40
TOTAL		(863)	(621)

- Net cash payments for investments and/or receipts from disposals of holdings in Group companies:

Millions of Euros

	Sections	January - June 2019	January - June 2018
Investments in Group companies		(2)	(46)
Companies acquired by ENEL Green Power España, S.L.U. (EGPE)	2.1	(2)	(1)
Parques Eólicos Gestinver, S.L.U.		-	(45)
Proceeds from disposals of investments in Group companies		-	20
Nueva Marina Real Estate, S.L. ⁽¹⁾		-	20
TOTAL		(2)	(26)

(1) Sale completed in 2017.

Net cash flows from financing activities.

In the first half of 2019 the cash flows from financing activities came to Euros 296 million (Euros 591 million in the first half of 2018), mainly including the following aspects:

– Cash flows from equity instruments:

Millions of Euros

	January - June 2019	January - June 2018
Capital contribution at Bosa del Ebro, S.L.	6	-
Capital reduction at Eólica Valle del Ebro, S.A.	-	(1)
TOTAL	6	(1)

– Proceeds from non-current borrowings:

Millions of Euros

	Sections	January - June 2019	January - June 2018
Draw downs of the green loan arranged with the European Investment Bank (EIB)	4.1	335	500
Draw downs of the green loan arranged with "Instituto de Crédito Oficial" ("ICO")	4.1	300	-
Draw downs from credit facilities		6	10
Other		2	12
TOTAL		643	522

– Repayments of the following non-current borrowings:

Millions of Euros

	January - June 2019	January - June 2018
Repayment of credit facilities	(199)	-
Repayment of bank loan for Productor Regional de Energía Renovable, S.A.U.	-	(44)
Other	(6)	(5)
TOTAL	(205)	(49)

– Repayments and proceeds from the following current borrowings:

Millions of Euros

	Sections	January - June 2019	January - June 2018
Repayments			
Repayments of ECP bonds issued by International ENDESA B.V.		(4,920)	(3,562)
Repayments of ECP bonds issued by ENDESA S.A.		(480)	-
Repayment of credit facilities with ENEL Finance International, N.V.		-	(2,500)
Payments of rights of use contracts on application of IFRS 16 Leases	1.2	(16)	-
Repayment of Parque Eólico Gestinver, S.L.U. bank loan		-	(116)
Other		(72)	(66)
Proceeds			
ECP bonds issued by International ENDESA B.V.		4,431	3,873
ECP bonds issued by ENDESA S.A.		1,616	-
Draw downs on credit facilities with ENEL Finance International, N.V.		-	3,200
Other		41	38
TOTAL		600	867

– Dividends paid:

Millions of Euros

	Sections	January - June 2019	January - June 2018
Parent dividends paid	4.4	(741)	(741)
Dividends Paid to Non-controlling Interests ⁽¹⁾		(7)	(7)
TOTAL		(748)	(748)

(1) Corresponding to companies of ENEL Green Power España, S.L.U. (EGPE).

4.3. Investments.

In the first half of 2019, ENDESA made gross investments of Euros 956 million. Of this amount, Euros 921 million were related to investments in property, plant and equipment and intangible assets, and the remaining Euros 35 million to financial investments, as follows:

Millions of Euros

	Reference ⁽¹⁾	Investments ⁽²⁾		
		January - June 2019	January - June 2018	% Var.
Generation and supply		619	184	236.4
Distribution		220	273	(19.4)
Structure and other ⁽³⁾		4	1	300.0
TOTAL PP&E	5.2	843	458	84.1
Generation and supply		54	48	12.5
Distribution		15	14	7.1
Structure and other ⁽³⁾		9	9	-
TOTAL INTANGIBLE ASSETS	6.1	78	71	9.9
FINANCIAL INVESTMENTS		35	25	40.0
TOTAL GROSS INVESTMENTS		956	554	72.6
TOTAL NET INVESTMENTS ⁽⁴⁾		913	485	88.2

(1) Refer to the notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

(2) Does not include business combinations made during the period (see section 2. Consolidation Scope of this Consolidated Management Report and Note 4 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019).

(3) Structure, Services and Adjustments.

(4) Net investments = Gross investments - Capital grants and transferred facilities.

Property, plant and equipment.

Gross investments in generation in the first half of 2019 correspond mainly to investments in the construction of wind and photovoltaic capacity awarded in the auctions held in 2017 for the amount of Euros 441 million (see Note 5.2 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019). Gross investments in supply mainly relate to the development of the activities related to new products and services.

Gross distribution investments related to grid extensions and expenditure aimed at optimising the grid to improve the efficiency and quality of service.

Investment in intangible assets.

Gross investments in intangible assets in the first half of 2019 mainly correspond to computer software and ongoing investments in ICT activities for the sum of Euros 41 million, including those associated with the strategic digitalisation target, and the capitalisation of incremental costs incurred corresponding to the acquisition of customer contracts for the sum of Euros 35 million.

Financial investments.

Gross investments in the first half of 2019 mainly include guarantees and deposits of Euros 17 million, and Euros 13 million in funds contributed to Nuclenor, S.A.

4.4. Dividends.

At the meeting held on 20 November 2018, the Board of Directors of ENDESA, S.A. approved the following shareholder remuneration policy for 2018-2021:

- 2018 to 2020: the ordinary dividend per share to be distributed in these years will be the equivalent to 100% of ordinary net income attributable to the Parent set down in the consolidated financial statements of the Group headed by this company.
- 2021: the ordinary dividend per share to be distributed in this year will be the equivalent to 80% of ordinary net income attributable to the Parent set down in the consolidated financial statements of the Group headed by this company.
- The intention of the Board of Directors of ENDESA, S.A. is that the ordinary dividend will be paid solely in cash in two instalments (January and July) on a given date to be determined in each case, which will be duly disclosed.

However, ENDESA, S.A.'s capacity to pay out dividends to its shareholders depends on numerous factors, including the generation of profit and the availability of unrestricted reserves, and, therefore, the Company cannot ensure that dividends will be paid out in future years or the amount of such dividends if paid.

Approval was given at ENDESA, S.A.'s General Shareholders' Meeting of 12 April 2019 to pay shareholders a total dividend charged against 2018 profit for a gross amount of Euros 1.427 per share (Euros 1,511 million in total). The breakdown of these dividends is as follows:

Millions of Euros					
	Sections	Approval date	Euros per share, gross	Amount	Payment date
Interim dividend	4.2	20 November 2018	0.70	741	2 January 2019
Final dividend		12 April 2019	0.727	770	2 July 2019
Total dividend paid against 2018 profit			1.427	1,511	

5. Major risks and uncertainties in the second half of 2019.

During the first half of 2019, ENDESA followed the same general risk management policy described in its consolidated financial statements for the year ended 31 December 2018.

In this context, the financial instruments and types of hedges are the same as those described in these consolidated financial statements.

The information regarding the main risks and uncertainties associated with ENDESA's activity is described in section 7 of the Consolidated Management Report for the year ended 31 December 2018.

The main risks and uncertainties ENDESA faces in the second half of 2019 arise mostly from the following:

- ENDESA's activities are subject to extensive regulation, and regulatory changes could have an adverse impact on its business activities, results, financial position and cash flows (see Section 3. Regulatory Framework of this Consolidated Management Report and Note 4 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019).
- ENDESA's sales in the second half of 2019 will largely be affected by gas and electricity demand in Spain during the period, which in turn will be shaped by the Spanish economy and, mostly, GDP growth.
- Rainfall and wind potential levels will also affect electricity production costs and market price, in turn affecting margins in the second half of 2019.
- Electricity prices and fuel prices on the wholesale market, specifically, coal, gas and CO₂ emission rights, will impact business costs and sales prices. Although ENDESA has fuel price hedges in place and has finalised contracts for power sold to customers for the next few months, fluctuations in both the market price for fuel and for electricity will affect the Group's costs and revenue, and therefore, margins.
- Interest rates will have an impact on ENDESA's results in the second half of 2019 because of the portion of the Group's net financial debt held at floating interest rates. To mitigate this impact, ENDESA hedges interest rate risk by entering into derivatives.
- The entry into operation, before 1 January 2020, of the wind and photovoltaic power that was awarded in the capacity auctions held in 2017 (see sections 2. Consolidation Scope and 4.3. Investments of this Consolidated Management Report).

- The profit and loss, and fair value of investees over which ENDESA does not exercise control, and which are accounted for in the consolidated financial statements using the equity method may also affect earnings in the second half of 2019 (see section 1.3.4. Net income of companies accounted for using the equity method of this Consolidated Management Report and Note 7 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019).
- ENDESA is also subject to certain legal proceedings which, when resolved, may impact the consolidated financial statements. Information relating to litigation and arbitration is included in Note 17.3 to the consolidated financial statements for the year ended 31 December 2018 and Note 12.2 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

6. Information on related-party transactions.

Information concerning related-party transactions is included in Note 20 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

7. Other information.

There were no one-off events involving significant amounts during the first half of 2019 other than those discussed herein.

Therefore, during the first half of 2019 no new significant contingent liabilities arose other than those described in the consolidated financial statements for the year ended 31 December 2018.

Information on lawsuits, arbitration proceedings and contingent assets is included in Note 12.2 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

8. Events after the reporting period.

Information concerning events after the reporting period is included in Note 23 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

APPENDIX I

Statistical Appendix

Industrial data.

GWh

Electricity generation ⁽¹⁾	January - June 2019	January - June 2018	% Var.
Mainland	24,658	28,708	(14.1)
Nuclear	13,212	11,769	12.3
Coal	4,116	7,928	(48.1)
Hydroelectric	2,783	5,207	(46.6)
Combined cycle (CCGT)	2,456	1,753	40.1
Renewables and cogeneration	2,091	2,051	2.0
Non-mainland Territories ("TNP")	5,717	6,160	(7.2)
Coal	871	1,152	(24.4)
Fuel-gas	2,890	3,231	(10.6)
Combined cycle (CCGT)	1,907	1,713	11.3
Renewables and cogeneration	49	64	(23.4)
TOTAL	30,375	34,868	(12.9)

(1) At busbar cost.

MW

Gross installed capacity	30 June 2019	31 December 2018	% Var.
Hydroelectric	4,753	4,753	-
Conventional thermal	7,956	8,077	(1.5)
Nuclear	3,443	3,443	-
Combined cycle	5,681	5,678	0.1
Renewables and cogeneration	1,818	1,815	0.2
TOTAL	23,651	23,766	(0.5)

MW

Net installed capacity	30 June 2019	31 December 2018	% Var.
Hydroelectric	4,710	4,712	(0.0)
Conventional thermal	7,429	7,428	0.0
Nuclear	3,318	3,318	-
Combined cycle	5,480	5,445	0.6
Renewables and cogeneration	1,818	1,815	0.2
TOTAL	22,755	22,718	0.2

GWh

Gross electricity sales ⁽¹⁾	January - June 2019	January - June 2018	% Var.
Regulated price	6,673	7,256	(8.0)
Deregulated market	41,057	41,912	(2.0)
Spain	35,845	36,908	(2.9)
Outside Spain	5,212	5,004	4.2
TOTAL	47,730	49,168	(2.9)

(1) At busbar cost.

GWh

Net electricity sales ⁽¹⁾	January - June 2019	January - June 2018	% Var.
Regulated price	5,658	6,247	(9.4)
Deregulated market	37,476	38,268	(2.1)
Spain	32,532	33,514	(2.9)
Outside Spain	4,944	4,754	4.0
TOTAL	43,134	44,515	(3.1)

(1) Sales to end customers.

Thousands

Number of customers (Electricity) ^{(1) (2)}	30 June 2019	31 December 2018	% Var.
Regulated market	4,895	5,029	(2.7)
Mainland Spain	4,142	4,246	(2.4)
Non-mainland Territories ("TNP")	753	783	(3.8)
Deregulated market	5,811	5,725	1.5
Mainland Spain	4,644	4,627	0.4
Non-mainland Territories ("TNP")	848	825	2.8
Outside Spain	319	273	16.8
TOTAL	10,706	10,754	(0.4)

(1) Supply points.

(2) Customers of the supply companies.

Percentage (%)

Trends in electricity demand ⁽¹⁾	January - June 2019	January - June 2018
Mainland ⁽²⁾	(2.2)	1.2
Non-mainland Territories ("TNP") ⁽³⁾	(1.4)	0.4

(1) Source: Red Eléctrica de España, S.A. (REE).

(2) Adjusted for working days and temperature: -2.3% in the first half of 2019 and +1.1% in the first half of 2018.

(3) Adjusted for working days and temperature: +0.1% in the first half of 2019 and +0.8% in the first half of 2018.

GWh

Energy distributed ⁽¹⁾	January - June 2019	January - June 2018	% Var.
Spain and Portugal	56,726	57,351	(1.1)

(1) At busbar cost.

km

Distribution and transmission networks	30 June 2019	31 December 2018	% Var.
Spain and Portugal	319,743	319,613	0.0

Percentage (%)

Energy losses ⁽¹⁾	January - June 2019	January - June 2018
Spain	10.8	11.0

(1) Source: Endesa data.

Minutes

Installed Capacity Equivalent Interruption Time (ICEIT)	January - June 2019	January - June 2018
Spain (average) ⁽¹⁾	23	32

(1) According to the calculation procedure set down by Royal Decree 1995/2000, of 1 December 2000.

Percentage (%)

Market share (electricity) ⁽¹⁾	30 June 2019	31 December 2018
Mainland generation	20.0	22.5
Distribution	43.5	43.6
Supply	32.5	33.4

(1) Source: Endesa data.

GWh

Gas sales	January - June 2019	January - June 2018	% Var.
Deregulated market	24,279	24,475	(0.8)
Regulated market	782	909	(14.0)
International market	10,867	13,352	(18.6)
Wholesale business	3,330	4,608	(27.7)
TOTAL ⁽¹⁾	39,258	43,344	(9.4)

(1) Excluding own generation consumption.

Thousands

Number of customers (Gas) ⁽¹⁾	30 June 2019	31 December 2018	% Var.
Regulated market	231	233	(0.9)
Mainland Spain	207	208	(0.5)
Non-mainland Territories ("TNP")	24	25	(4.0)
Deregulated market	1,403	1,371	2.3
Mainland Spain	1,249	1,230	1.5
Non-mainland Territories ("TNP")	71	68	4.4
Outside Spain	83	73	13.7
TOTAL	1,634	1,604	1.9

(1) Supply points.

Percentage (%)

Trends in gas demand ⁽¹⁾	January - June 2019	January - June 2018
Domestic Market	9.3	5.8
Domestic conventional	(0.2)	7.7
Electricity sector	65.6	(4.2)

(1) Source: Enagás, S.A.

Percentage (%)

Market share (gas) ⁽¹⁾	30 June 2019	31 December 2018
Deregulated market	16.1	16.3

(1) Source: Endesa data.

Workforce.

Number of employees

	Final Headcount							% Var.
	30 June 2019			31 December 2018				
	Male	Female	Total	Male	Female	Total		
Generation and supply	4,144	1,115	5,259	4,082	1,073	5,155	2.0	
Distribution	2,527	444	2,971	2,535	443	2,978	(0.2)	
Structure and other ⁽¹⁾	882	786	1,668	867	763	1,630	2.3	
TOTAL	7,553	2,345	9,898	7,484	2,279	9,763	1.4	

(1) Structure and services

Number of employees

Number of employees	Average headcount						
	January - June 2019			January - June 2018			% Var.
	Male	Female	Total ⁽²⁾	Male	Female	Total	
Generation and supply	4,070	1,060	5,130	4,070	1,040	5,110	0.4
Distribution	2,500	434	2,934	2,477	427	2,904	1.0
Structure and other ⁽¹⁾	865	763	1,628	863	769	1,632	(0.2)
TOTAL	7,435	2,257	9,692	7,410	2,236	9,646	0.5

(1) Structure and services

(2) Includes the average headcount at Empresa de Alumbrado Eléctrico de Ceuta, S.A. (64 employees).

Financial data.

Millions of Euros

	Consolidated Income Statement		
	January - June 2019	January - June 2018	% Var.
Sales	9,473	9,560	(0.9)
Contribution Margin ⁽¹⁾	2,890	2,823	2.4
EBITDA ⁽²⁾	1,894	1,804	5.0
EBIT ⁽³⁾	1,100	1,053	4.5
Net income ⁽⁴⁾	776	752	3.2
Net ordinary income ⁽⁵⁾	776	752	3.2

(1) Contribution Margin = Revenues - Procurements and services.

(2) EBITDA = Revenue - Procurements and services + Self-constructed assets - Personnel expenses - Other fixed operating expenses.

(3) EBIT = EBITDA - Depreciation and amortisation, and impairment losses.

(4) Net income = Net Income of the Parent.

(5) Net ordinary income = Net income of the Parent - Net gain/(loss) on disposal of non-financial assets (of over Euros 10 million) - Net impairment losses on non-financial assets (of over Euros 10 million).

Euros

Valuation key figures	January - June 2019	January - June 2018	% Var.
Net earnings per share ⁽¹⁾	0.733	0.710	3.2
Ordinary net earnings per share ⁽²⁾	0.733	0.710	3.2
Cash flow per share ⁽³⁾	0.857	0.604	41.9
Book value per share ⁽⁴⁾	8.452 ⁽⁵⁾	8.536 ⁽⁶⁾	(1.0)

(1) Net earnings per share = Net income of the Parent/ No. of shares at the end of the period.

(2) Net ordinary income per share = Net ordinary profit/(loss) of the Parent/ No. of shares at the end of the period.

(3) Cash flow per share = Net cash flows from operating activities / No. of shares at the end of the period.

(4) Book value per share = Equity of the Parent / No. of shares at the end of the period.

(5) At 30 June 2019.

(6) At 31 December 2018

Millions of Euros

	Consolidated Statement of Financial Position		
	30 June 2019	31 December 2018	% Var.
Total assets	32,492	31,656	2.6
Equity	9,099	9,181	(0.9)
Net financial debt ⁽¹⁾	6,795	5,770	17.8

(1) Net financial debt = Non-current borrowings + Current borrowings – Cash and cash equivalents – Financial derivatives recognised as financial assets.

Millions of Euros

	Reference ⁽¹⁾	Leverage ⁽²⁾			31 December 2018	% Var.
		30 June 2019				
		Excluding the impact of application of IFRS 16 Leases	Impact of application of IFRS 16 Leases	Total		
Net financial debt:		6,632	163	6,795	5,770	17.8
Non-current borrowings	13.1	5,433	138	5,571	4,975	12.0
Current borrowings	13.1	1,661	25	1,686	1,046	61.2
Cash and cash equivalents	10	(454)	-	(454)	(244)	86.1
Financial derivatives recognised as financial assets	14.3,1	(8)	-	(8)	(7)	14.3
Equity:	11	9,100	(1)	9,099	9,181	(0.9)
of the Parent		8,950	(1)	8,949	9,037	(1.0)
of non-controlling interests		150	-	150	144	4.2
Leverage (%)		72.88	N/A	74.68	62.85	

(1) Refer to the notes to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2019.

(2) Leverage (%) = Net financial debt / equity.

Profitability indicators (%)	30 June 2019	31 December 2018
Return on equity ⁽¹⁾	17.26	15.63
Return on assets ⁽²⁾	4.84	4.52
Economic profitability ⁽³⁾	9.98	8.81
Return on capital employed (ROCE) ⁽⁴⁾	5.29	4.80

(1) Return on equity = Profit/(loss) of the Parent / Average equity of the Parent.

(2) Return on assets = Profit/(loss) of the Parent / Average total assets.

(3) Economic profitability = Profit from operations (EBIT) / Average property, plant and equipment.

(4) Return on capital employed = Operating profit after tax / (Average non-current assets + Average current assets).

Financial indicators	30 June 2019	31 December 2018
Liquidity ratio ⁽¹⁾	0.75	0.73
Solvency ratio ⁽²⁾	0.93	0.92
Debt ratio ⁽³⁾	42.75	38.59
Debt coverage ratio ⁽⁴⁾	1.79	1.59

(1) Liquidity = Current assets / Current liabilities.

(2) Solvency = (Equity + Non-current liabilities) / Non-current assets.

(3) Debt ratio = Net financial debt / (Equity + Net financial debt) (%).

(4) Debt coverage = Net financial debt / EBITDA.

Rating.

	Credit rating					
	30 June 2019 ⁽¹⁾			31 December 2018 ⁽¹⁾		
	Long term	Short term	Outlook	Long term	Short term	Outlook
Standard & Poor's	BBB+	A-2	Stable	BBB+	A-2	Stable
Moody's	Baa2	P-2	Positive	Baa2	P-2	Stable
Fitch Ratings	A-	F2	Stable	A-	F2	Stable

(1) At the respective dates of approval of the Consolidated Management Report.

Stock market information.

Percentage (%)

Share price performance ⁽¹⁾	January - June 2019	January - June 2018
ENDESA, S.A.	12.3	5.8
Ibex-35	7.7	(4.2)
Eurostoxx 50	15.7	(3.1)
Eurostoxx Utilities	13.5	(0.9)

(1) Source: Madrid Stock Exchange.

Euros

ENDESA share price ⁽¹⁾	January - June 2019	2018	% Var.
High	23.890	21.270	12.3
Low	20.070	16.600	20.9
Period average	22.245	18.938	17.5
Period close	22.610	20.130	12.3

(1) Source: Madrid Stock Exchange.

Stock Market Data		30 June 2019	31 December 2018	% Var.
Market capitalisation ⁽¹⁾	Millions of Euros	23,938	21,313	12.3
No. of shares outstanding		1,058,752,117	1,058,752,117	-
Nominal share value	Euros	1.2	1.2	-
Cash ⁽²⁾	Millions of Euros	4,709	10,355	(54.5)
Continuous market	Shares			
Trading volume ⁽³⁾		210,303,201	547,343,953	(61.6)
Average daily trading volume ⁽⁴⁾		1,505,659	2,146,447	(29.9)
Price to earnings ratio (PER) ⁽⁵⁾		15.42	15.03	-
Price / Book value ⁽⁶⁾		2.67	2.36	-

(1) Market Cap = No. of shares at the end of the period * Share price at the end of the period.

(2) Cash = Sum of all the operations made over the value in the reference period (Source: Madrid Stock Exchange).

(3) Trading Volume = Total volume of shares in ENDESA, S.A. traded in the period (Source: Madrid Stock Exchange).

(4) Average daily trading volume = Arithmetic mean of shares in ENDESA, S.A. traded per session during the period (Source: Madrid Stock Exchange).

(5) Price to earnings ratio (PER) = Share price at the end of the reporting period / Net earnings per share.

(6) Price / Book value = Market cap. / Equity of the Parent.

Dividends.

		2018	2017	% Var.
Share capital	Millions of Euros	1,271	1,271	-
Number of shares		1,058,752,117	1,058,752,117	-
Consolidated net income	Millions of Euros	1,417	1,463	(3.1)
Consolidated net ordinary income	Millions of Euros	1,511	1,452	4.1
Individual net income	Millions of Euros	1,511	1,491	1.3
Net earnings per share ⁽¹⁾	Euros	1.338	1.382	(3.2)
Ordinary net earnings per share ⁽²⁾	Euros	1.427	1.371	4.1
Gross dividend per share	Euros	1.427 ⁽³⁾	1.382 ⁽⁴⁾	3.3
Consolidated pay-out ⁽⁵⁾	%	106.6	100.0	-
Consolidated ordinary pay-out ⁽⁶⁾	%	100.0	100.8	-
Individual pay-out ⁽⁷⁾	%	100.0	98.1	-

(1) Net earnings per share (euros) = Profit/(loss) for the year of the Parent/ No. of shares at the end of the period.

(2) Net ordinary income per share (euros) = Net ordinary income of the Parent/ No. of shares at the end of the period.

(3) Gross interim dividend of Euros 0.7 per share, paid out on 2 January 2019 plus the final dividend of Euros 0.727 per share (gross) paid out on 2 July 2019.

(4) Gross interim dividend of Euros 0.7 per share, paid out on 2 January 2018 plus the final dividend of Euros 0.682 per share (gross) paid out on 2 July 2018.

(5) Consolidated pay-out (%) = (Gross dividend per share * No. of shares at the end of the period) / Profit/(loss) for the period of the Parent.

(6) Consolidated ordinary pay-out (%) = (Gross dividend per share * No. of shares at the end of the period) / Net ordinary income of the Parent.

(7) Individual pay-out (%) = (Gross dividend per share * No. of shares at the end of the period) / Profit/(loss) for the year of ENDESA, S.A.

APPENDIX II

Alternative Performance Measures (APMs)

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of alternative performance measures (APMs)		Relevance of use
			30 June 2019	30 June 2018	
EBITDA ⁽¹⁾	Millions of Euros	Revenue - Procurements and services + Self-constructed assets - Personnel expenses - Other fixed operating expenses	1,894 MME = 9,791 MME - 6,901 MME + 99 MME - 505 MME - 590 MME	1,804 MME = 9,934 MME - 7,111 MME + 80 MME - 473 MME - 626 MME	Measure of operating return excluding interest, taxes, provisions and amortisation
EBIT ⁽¹⁾	Millions of Euros	EBITDA - Depreciation and amortisation, and impairment losses	1,100 MME = 1,894 MME - 794 MME	1,053 MME = 1,804 MME - 751 MME	Measure of operating return excluding interest and taxes
Net ordinary income	Millions of Euros	Profit/(loss) for the year of the Parent - Net gains/(losses) on disposal of non-financial assets (of over Euros 10 million) - Net impairment losses on non-financial assets (of over Euros 10 million).	776 MME = 776 MME - 0 MME + 0 MME	752 MME = 752 MME - 0 MME - 0 MME	Measure of profit for the period stripping out extraordinary items in excess of Euros 10 million.
Contribution margin ⁽¹⁾	Millions of Euros	Revenue - Procurements and services	2,890 MME = 9,791 MME - 6,901 MME	2,823 MME = 9,934 MME - 7,111 MME	Measure of operating return including direct variable production costs
Procurements and services ⁽¹⁾	Millions of Euros	Power purchases + Fuel consumption + Transmission costs + Other variable procurements and services	6,901 MME = 2,418 MME + 876 MME + 2,666 MME + 941 MME	7,111 MME = 2,363 MME + 941 MME + 2,769 MME + 1,038 MME	Goods and services for production
Net financial profit/(loss) ⁽¹⁾	Millions of Euros	Financial income - Financial expense +- Net exchange differences	(96) MME = 16 MME - 112 MME + 0 MME	(70) MME = 18 MME - 87 MME - 1 MME	Measure of financial cost
Net financial loss ⁽¹⁾	Millions of Euros	Financial income - Financial expense	(96) MME = 16 MME - 112 MME	(69) MME = 18 MME - 87 MME	Measure of financial cost
Net investment	Millions of Euros	Gross investments - Capital grants and transferred facilities	913 MME = 956 MME - 43 MME	485 MME = 554 MME - 69 MME	Measure of investment activity
Net financial debt ⁽²⁾	Millions of Euros	Non-current borrowings + Current borrowings - Cash and cash equivalents - Derivatives recognised under financial assets	6,795 MME = 5,571 MME + 1,686 MME - 454 MME - 8 MME	5,770 MME = 4,975 MME + 1,046 MME - 244 MME - 7 MME ⁽⁴⁾	Current and non-current borrowings, less cash and financial investment cash equivalents
Leverage ⁽²⁾	%	Net financial debt / Equity	74.68% = 6,795 MME / 9,099 MME	62.85% = 5,770 MME / 9,181 MME ⁽⁴⁾	Measure of the weighting of external funds in the financing of business activities
Debt ⁽²⁾	%	Net financial debt / (Equity + Net financial debt)	42.75% = 6,795 MME / (9,099 MME + 6,795 MME)	38.59% = 5,770 MME / (9,181 MME + 5,770 MME) ⁽⁴⁾	Measure of the weighting of external funds in the financing of business activities
Average life of gross financial debt	Number of years	(Principal * Number of valid days) / (Valid principal at the close of the period * Number of days in the period)	5.3 years = 38,604 / 7,227	5.3 years = 32,163 / 6,015 ⁽⁴⁾	Measure of the duration of borrowings to maturity
Average cost of gross financial debt	%	(Cost of gross financial debt) / Gross average financial debt	1.8% = (67 MME * (12 months / 6 months) + 1 MME) / 7,476 MME	1.9% = 126 MME / 6,777 MME ⁽⁴⁾	Measure of the effective rate of borrowings
Debt coverage ratio	Number of months	Maturity period (months) for vegetative debt that could be covered with the liquidity available	32 months	26 months ⁽⁴⁾	Measure of the capacity to meet debt maturities
Return on equity	%	Profit/(loss) of the Parent / Equity of the Parent (n) + Equity of the Parent (n-1) / 2	17.26% = (776 MME * 12 months / 6 months) / ((8,949 + 9,037) / 2) MME	16.45% = (752 MME * 12 months / 6 months) / ((9,195 + 9,096) / 2) MME	Measure of the capacity to generate profits on shareholder investments
Return on assets	%	Profit/(loss) of the Parent / Total assets (n) + Total assets (n-1) / 2	4.84% = (776 MME * 12 months / 6 months) / ((32,492 + 31,656) / 2) MME	4.78% = (752 MME * 12 months / 6 months) / ((31,862 + 31,037) / 2) MME	Measure of business profitability
Economic profitability	%	EBIT / (PP&E (n) + PP&E (n-1) / 2	9.98% = (1,100 MME * 12 months / 6 months) / ((22,259 + 21,840) / 2) MME	9.68% = (1,053 MME * 12 months / 6 months) / ((21,777 + 21,727) / 2) MME	Measure of the capacity to generate income from invested assets and capital
Return on capital employed (ROCE)	%	Profit from operations, after tax / ((Non-current assets (n) + Non-current assets (n-1) / 2) + (Current assets (n) + Current assets (n-1) / 2))	5.29% = (848.3 MME * 12 months / 6 months) / ((26,487 + 26,001) / 2 + (6,005 + 5,655) / 2) MME	5.14% = (809 MME * 12 months / 6 months) / ((25,745 + 25,507) / 2 + (6,117 + 5,530) / 2) MME	Measure of the return on invested capital
Liquidity ⁽²⁾	N/A	Current assets / Current liabilities	0.75 = 6,005 MME / 7,971 MME	0.73 = 5,655 MME / 7,694 MME ⁽⁴⁾	Measure of the capacity to meet short term commitments
Solvency ⁽²⁾	N/A	(Equity + Non-current liabilities) / Non-current assets	0.93 = (9,099 MME + 15,422 MME) / 26,487 MME	0.92 = (9,181 MME + 14,781 MME) / 26,001 MME ⁽⁴⁾	Measure of the capacity to meet obligations
Debt coverage ^{(1) (2)}	N/A	Net financial debt / EBITDA	1.79 = 6,795 MME / (1,894 * 12 months / 6 months) MME	1.59 = 5,770 MME / 3,627 MME ⁽⁴⁾	Measure of the amount of available cash flows to meet payments of principal on borrowings
Net earnings per share ⁽¹⁾	Euros	Profit/(loss) of the Parent / No. of shares at the end of the period	0.733 € = 776 MME / 1,058,752,117 shares	0.710 € = 752 MME / 1,058,752,117 shares	Measure of the portion of net income corresponding to each share outstanding
Ordinary net earnings per share	Euros	Net ordinary income of the Parent / No. of shares at the end of the period	0.733 € = 776 MME / 1,058,752,117 shares	0.710 € = 752 MME / 1,058,752,117 shares	Measure of the portion of net ordinary income corresponding to each share outstanding
Cash flow per share ⁽³⁾	Euros	Net cash flows from operating activities / No. of shares at the end of the period	0.857 € = 907 MME / 1,058,752,117 shares	0.604 € = 639 MME / 1,058,752,117 shares	Measure of the portion of funds corresponding to each share outstanding
BVPS ⁽²⁾	Euros	Equity of the Parent / No. of shares at the end of the period	8.452 € = 8,949 MME / 1,058,752,117 shares	8.536 € = 9,037 MME / 1,058,752,117 shares ⁽⁴⁾	Measure of the portion of own funds corresponding to each share outstanding
Market capitalisation	Millions of Euros	No. of shares at the end of the period * Share price at the end of the period	23,938 MME = 1,058,752,117 shares * 22.610 €	21,313 MME = 1,058,752,117 shares * 20.130 € ⁽⁴⁾	Measure of the total enterprise value according to the share price
Price to earnings ratio (PER)	N/A	Share price at the end of the reporting period / Net earnings per share	15.42 = 22,610 € / (0.733 * 12 months / 6 months) €	15.03 = 20,130 € / 1.339 € ⁽⁴⁾	Measure indicating the number of times earnings per share can be divided into the market price of the shares
Price / Book value	N/A	Market capitalisation / Equity of the Parent	2.67 = 23,938 MME / 8,949 MME	2.36 = 21,313 MME / 9,037 MME ⁽⁴⁾	Measure comparing the total enterprise value according to the share price with the carrying amount
Consolidated pay-out	%	(Gross dividend per share * No. of shares at the end of the period) / Profit/(loss) for the year of the Parent	106.6% = (1.427 € * 1,058,752,117 shares) / 1,417 MME ⁽⁵⁾	100.0% = (1.382 € * 1,058,752,117 shares) / 1,463 MME ⁽⁵⁾	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (consolidated Group)
Consolidated ordinary pay-out	%	(Gross dividend per share * No. of shares at the end of the period) / Net ordinary income of the Parent	100.0% = (1.427 € * 1,058,752,117 shares) / 1,511 MME ⁽⁵⁾	100.8% = (1.382 € * 1,058,752,117 shares) / 1,452 MME ⁽⁵⁾	Measure of the part of ordinary income obtained used to remunerate shareholders through the payment of dividends (consolidated Group)
Individual pay-out	%	(Gross dividend per share * No. shares at the end of the period) / Profit for the year of the ENDESA, S.A.	100.0% = (1.427 € * 1,058,752,117 shares) / 1,511 MME ⁽⁵⁾	98.1% = (1.382 € * 1,058,752,117 shares) / 1,491 MME ⁽⁶⁾	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (individual company)

MME = millions of euros; € = euros.

n = 30 June of the year being calculated.

n-1 = 31 December of the year before the year being calculated.

(1) See the Consolidated Income Statements for January - June 2019 and 2018.

(2) See the statements of financial position at 30 June 2019 and 31 December 2018.

(3) See the consolidated statements of cash flows for the six-month period ended 31 June 2019 and 2018.

(4) At 31 December 2018.

(5) Corresponding to the year ended 31 December 2018.

(6) Corresponding to the year ended 31 December 2017.

APPENDIX III

Effect of changes to accounting principles on the Consolidated Statement of Financial Position at 1 January 2019

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 1 JANUARY 2019

Millions of Euros

	1 January 2019				IFRS 16 Leases				1 January 2019 (Adjusted) ⁽¹⁾			
	Generation and supply	Distribution	Structure and other ⁽²⁾	Total	Generation and supply	Distribution	Structure and other ⁽²⁾	Total	Generation and supply	Distribution	Structure and other ⁽²⁾	Total
ASSETS												
NON-CURRENT ASSETS	13,235	13,349	(583)	26,001	106	19	61	186	13,341	13,368	(522)	26,187
Property, plant and equipment	9,856	11,916	68	21,840	106	19	61	186	9,962	11,935	129	22,026
Investment Property	-	56	6	62	-	-	-	-	-	56	6	62
Intangible assets	991	223	141	1,355	-	-	-	-	991	223	141	1,355
Goodwill	378	97	4	479	-	-	-	-	378	97	4	479
Investments Accounted for using the Equity Method	229	18	2	249	-	-	-	-	229	18	2	249
Non-current Financial Assets	1,093	718	(953)	858	-	-	-	-	1,093	718	(953)	858
Deferred Tax Assets	688	321	149	1,158	-	-	-	-	688	321	149	1,158
CURRENT ASSETS	5,083	1,106	(534)	5,655	-	-	-	-	5,083	1,106	(534)	5,655
Inventories	1,348	125	-	1,473	-	-	-	-	1,348	125	-	1,473
Trade and other receivables	2,622	671	(338)	2,955	-	-	-	-	2,622	671	(338)	2,955
Current Financial Assets	889	304	(210)	983	-	-	-	-	889	304	(210)	983
Cash and Cash Equivalents	224	6	14	244	-	-	-	-	224	6	14	244
Non-current Assets Held for Sale and Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	18,318	14,455	(1,117)	31,656	106	19	61	186	18,424	14,474	(1,056)	31,842
EQUITY AND LIABILITIES												
EQUITY	7,194	3,472	(1,485)	9,181	-	-	-	-	7,194	3,472	(1,485)	9,181
Of the Parent	7,057	3,465	(1,485)	9,037	-	-	-	-	7,057	3,465	(1,485)	9,037
Of non-controlling interests	137	7	-	144	-	-	-	-	137	7	-	144
NON-CURRENT LIABILITIES	6,079	8,522	180	14,781	97	16	46	159	6,176	8,538	226	14,940
Deferred Income	44	4,562	(19)	4,587	-	-	-	-	44	4,562	(19)	4,587
Non-current provisions	1,995	954	376	3,325	-	-	-	-	1,995	954	376	3,325
Non-current borrowings	3,022	2,197	(244)	4,975	97	16	46	159	3,119	2,213	(198)	5,134
Other Non-current Liabilities	281	474	2	757	-	-	-	-	281	474	2	757
Deferred Tax Liabilities	737	335	65	1,137	-	-	-	-	737	335	65	1,137
CURRENT LIABILITIES	5,045	2,461	188	7,694	9	3	15	27	5,054	2,464	203	7,721
Current borrowings	59	4	983	1,046	9	3	15	27	68	7	998	1,073
Current provisions	444	65	62	571	-	-	-	-	444	65	62	571
Trade Payables and Other Current Liabilities	4,542	2,392	(857)	6,077	-	-	-	-	4,542	2,392	(857)	6,077
Liabilities Associated with Non-current Assets Classified as held for Sale and Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	18,318	14,455	(1,117)	31,656	106	19	61	186	18,424	14,474	(1,056)	31,842

(1) Adjusted 1 January 2019 as explained in Section 1.2. Changes in accounting principles of this Consolidated Management Report.

(2) Structure, Services and Adjustments.