



Endesa FY 2019 Consolidated Results

February 25, 2020



Key highlights



2019 results exceeding guidance

Sound performance of liberalized and steady evolution of regulated businesses

Flat adjusted fixed costs despite an outstanding investment effort

Net Ordinary Income⁽¹⁾ increases by +3%

Accelerating the Energy Transition

(1) Reported Net Income – Net Result on Disposals of Non-Financial Assets (over 10 €mn) - Net Results on Impairment of Non-Financial Assets (over 10 €mn) = 171 €mn - 18 €mn (optic fiber use capital gain) + 1,409 €mn (impairments) = 1,562 €mn



FY 2019 consolidated results

Delivery on the strategy

Financial targets delivery



	2019	2019 target ⁽¹⁾	2018	Δ YoY
EBITDA (€bn)	3.8	3.7	3.6	+6%
Net Ordinary Income (€bn) ^{(2) (3)}	1.6	1.5	1.5	+3%
Gross DPS (€/sh.)	1.475 ⁽⁴⁾	~1.4	1.427	+3%
Net Capex (€bn) ⁽⁵⁾	1.9	1.8	1.3	+48%

Exceeding guidance

(1) Strategic Plan 2019-2021.

(2) 2019: Reported Net Income – Net Result on Disposals of Non-Financial Assets (over 10 €mn) - Net Results on Impairment of Non-Financial Assets (over 10 €mn) = 171 €mn - 18 €mn (optic fiber use capital gain) + 1,409 €mn (impairments) = 1,562 €mn

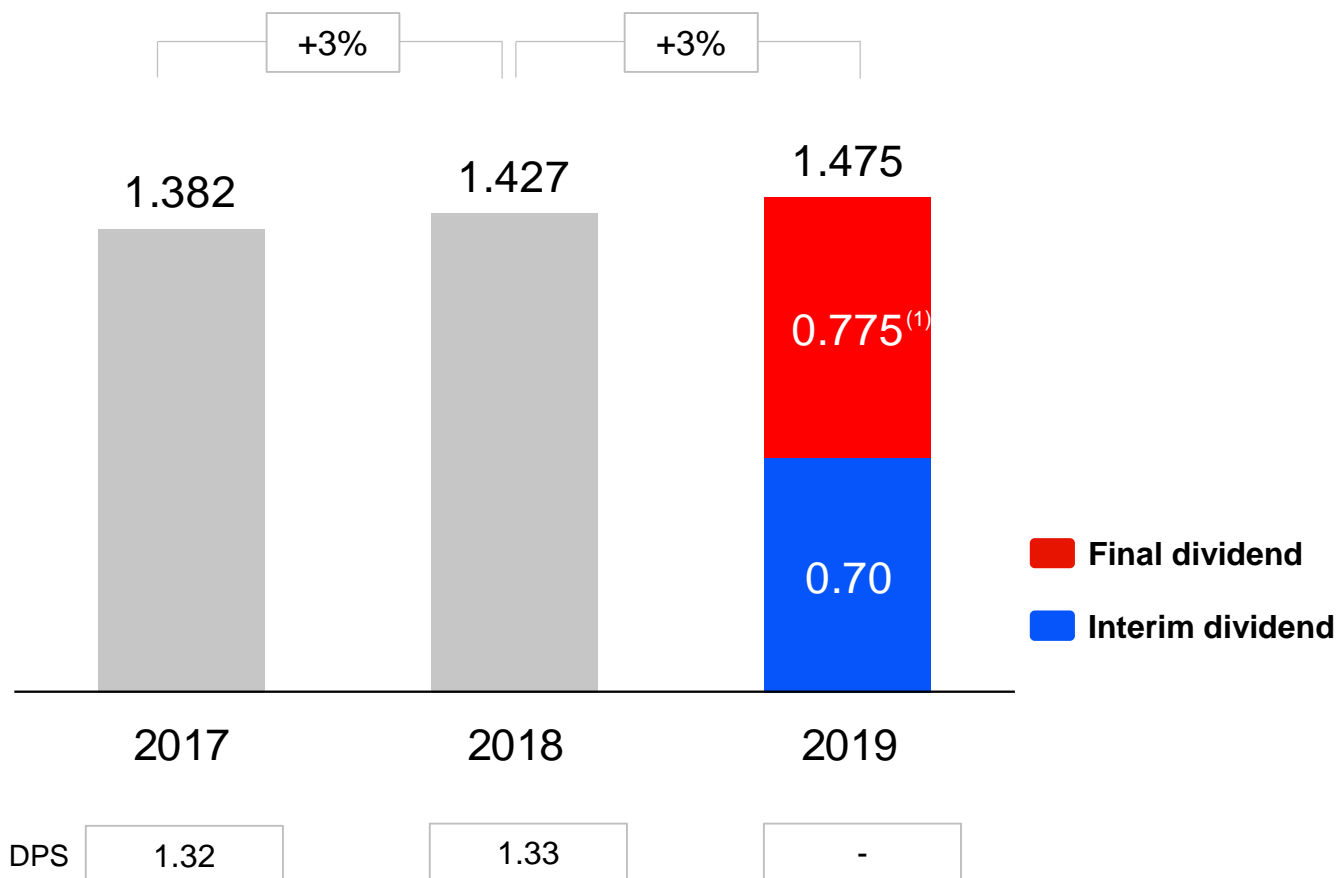
(3) 2018: Reported Net Income – Net Result on Disposals of Non-Financial Assets (over 10 €mn) - Net Results on Impairment of Non-Financial Assets (over 10 €mn) = 1,417 €mn - 25 €mn + 119 €mn = 1,511 €mn

(4) Proposed gross DPS pending to be approved by the AGM

(5) Financial investments not included (43 €mn in 2019 and 36 €mn in 2018) nor IFRS 16 effect (138 €mn in 2019). Does not include business combinations made during the year

Shareholder remuneration

Gross DPS evolution (€/share)



2019 Total shareholder return: 25.3%⁽²⁾

2019 proposal: 100% pay-out of Net Ordinary Income

+3% ahead of 2018 DPS

DPS 5% above guidance and highest annual TSR since 2014 secondary offering

(1) Subject to AGM approval to be held in 2020

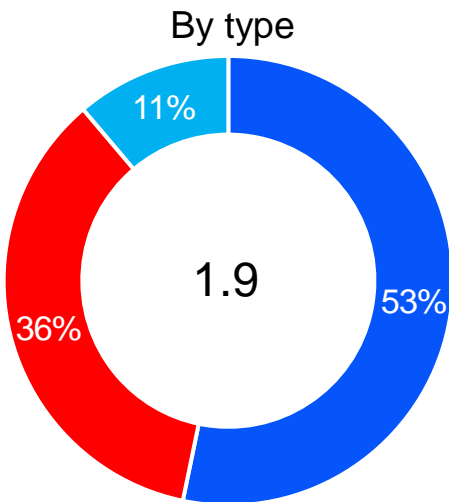
(2) $(\text{Share price end of period} - \text{share price beginning of period} + \text{gross dividend paid in the period}) / \text{Share price beginning of period} = (23.79\text{€} - 20.13\text{€} + 1.427\text{€}) / 20.13\text{€} = 25.3\%$

Capex

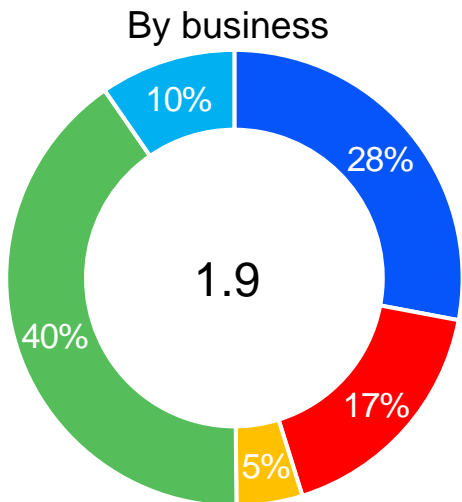
Accelerating renewable development



Net capex⁽¹⁾, €bn



- Asset Management
- Customers
- Asset Development



- Mainland Gx + others
- Sx + Endesa X
- Dx
- Non Mainland
- EGPE⁽²⁾

Digitalisation Net Capex

0.4

Net capex by SDGs⁽³⁾, €bn

Decarbonisation	0.9
Electrification	0.1
Enabling Infrastructure	0.6
Ecosystems & Platforms	0.1



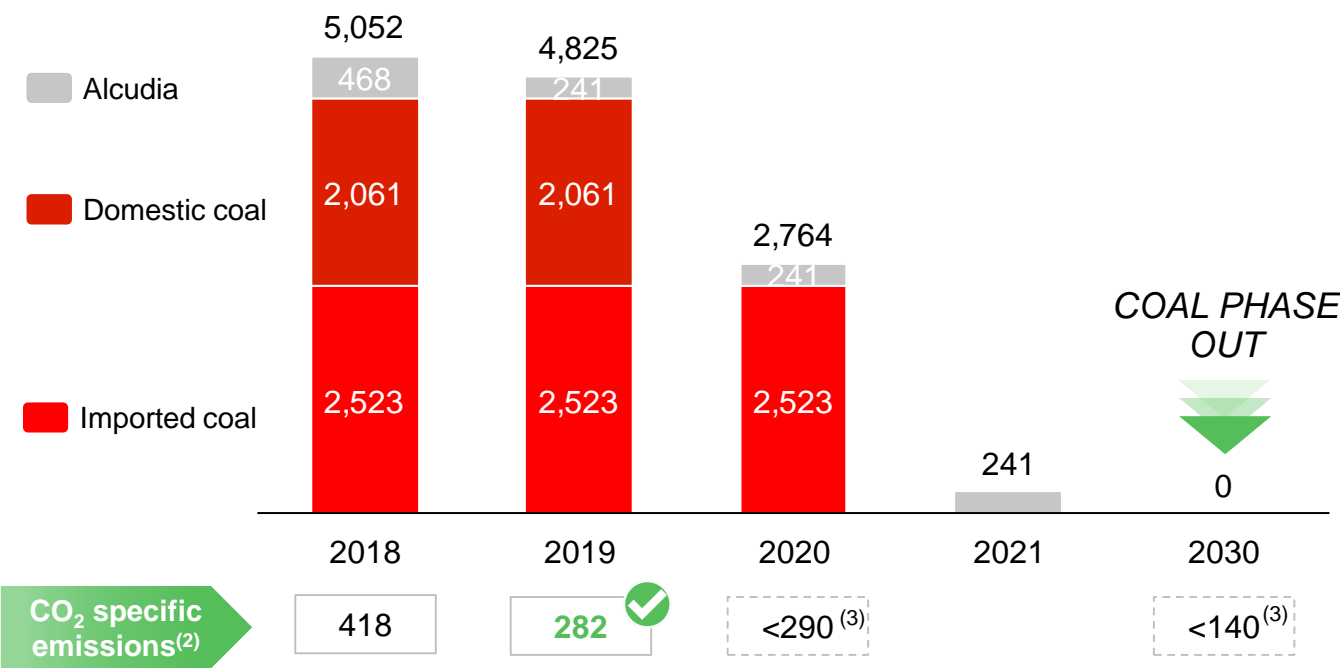
~70% of the development capex devoted to renewables and ~85% of total capex to SDGs

(1) Does not include: Financial investments (43 €mn in 2019 and 36 €mn in 2018), IFRS 16 effect (138 €mn) nor business combinations made during the year. Total Gross Capex: 2.0 €bn
 (2) Figure does not include large hydro capex.
 (3) 0.2 €bn not allocable to SDGs

Decarbonisation

Coal phase out by 2030

Coal capacity evolution, MW⁽¹⁾



CO₂ specific emissions reduced below 2020 target



Highlights

Closure request of domestic coal plants (Compostilla and Teruel) in December 2018 and imported coal plants (Litoral and As Pontes) in December 2019

Total mainland coal phase out by 2021

Just transition: Plans to mitigate social impacts in all the affected regions

Revenues from coal 12% from total

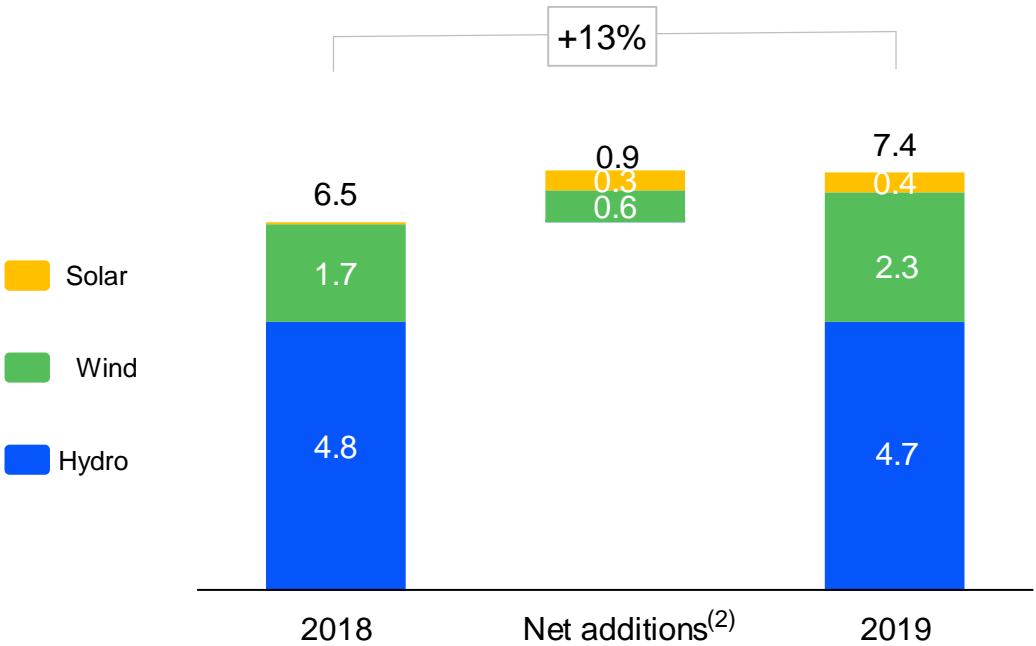
(1) Net coal capacity
(2) g CO₂/kWh
(3) Targets

Decarbonisation

Growth in renewable generation

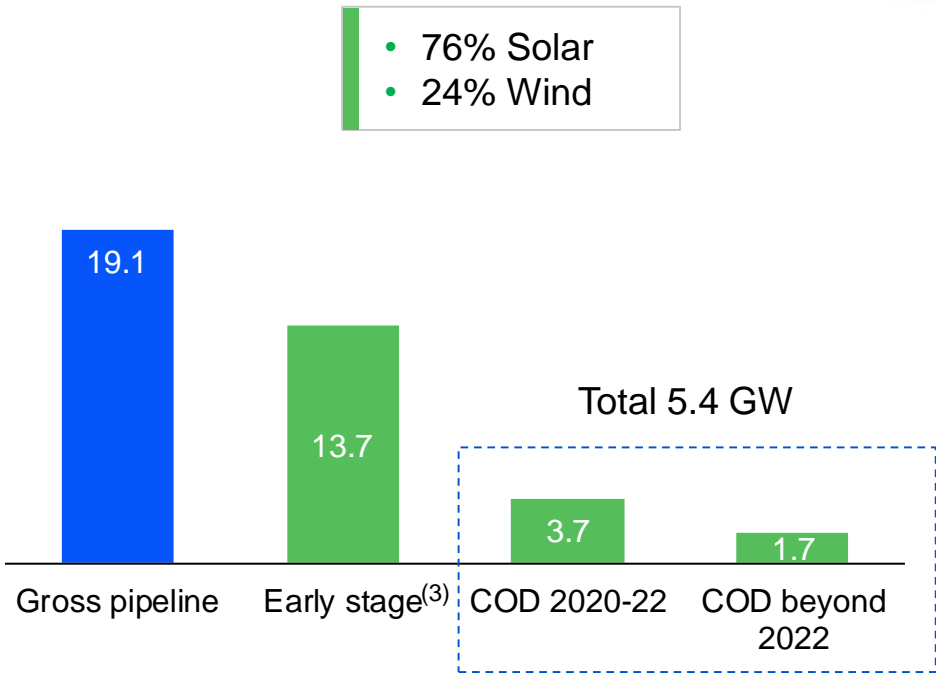


Renewable net installed capacity⁽¹⁾, MW



879 MW net additions coming from 2017 auctions

Gross pipeline of renewable projects, GW



5.8 GW⁽⁴⁾ with awarded connection points (including 1 GW Prodiel)

Delivering renewable additions commitments

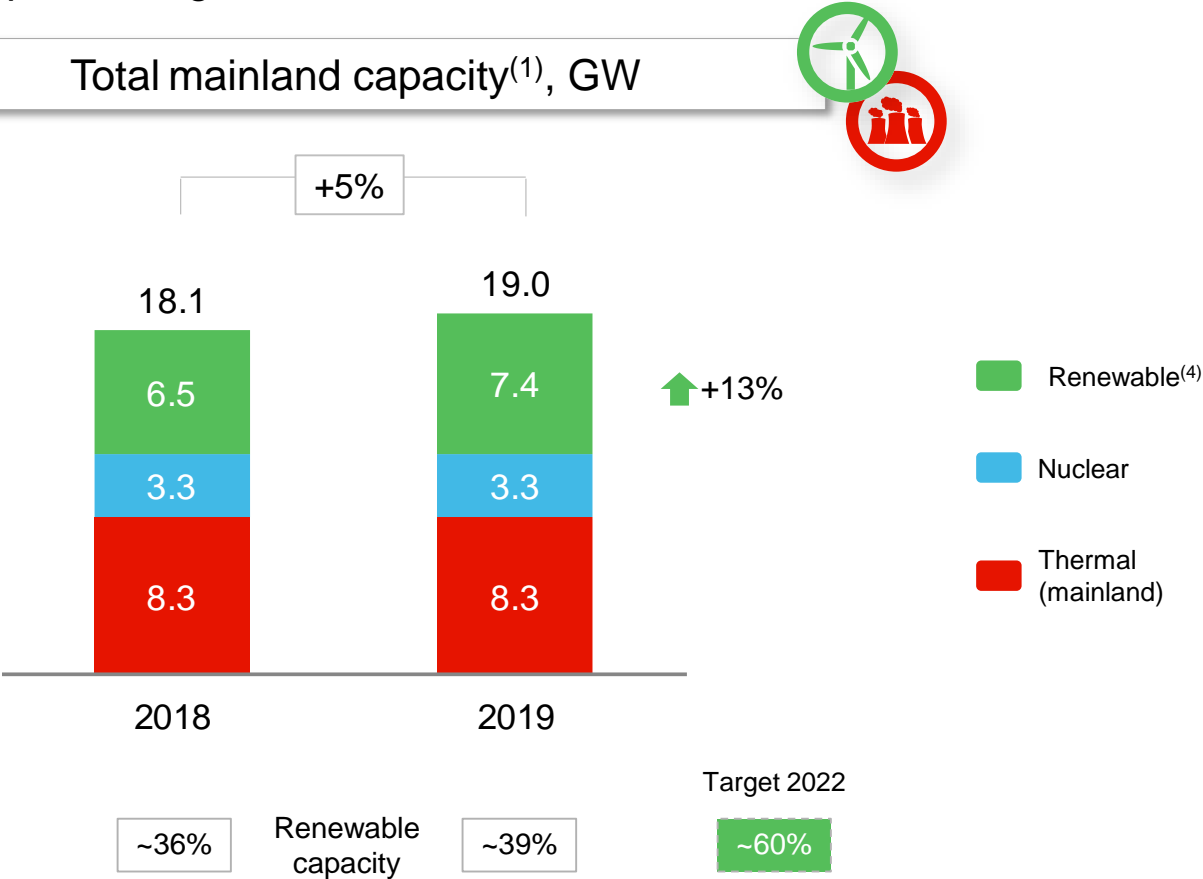
(1) Includes 40 MW in non-mainland in 2019 and 2018. Rounded figures
 (2) Includes 926 MW of new additions (558 MW wind, 339 PV and 29 minihydro), and a 44 MW reduction (large hydro)
 (3) Approved by a Screening Committee, which authorized preliminary works. Initial phase of development
 (4) Includes 0.4 GW in early stage

Decarbonisation

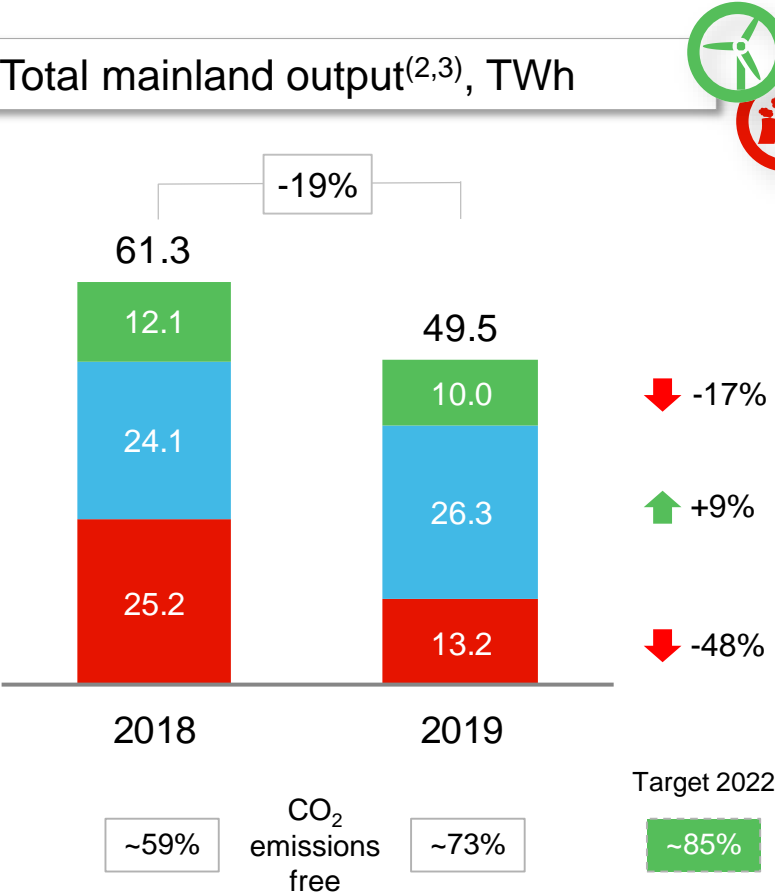
Reshape of our generation mix



Total mainland capacity⁽¹⁾, GW



Total mainland output^(2,3), TWh



Step ahead towards our decarbonisation target

(1) Net capacity. Not included 40 MW in 2018 and 2019 corresponding to non mainland
(2) Energy at power plant busbars
(3) Not included 118 GWh in 2018 and 123 GWh in 2019 corresponding to non mainland renewable output
(4) Including large hydro

Electrification

Maintaining leadership in the power business



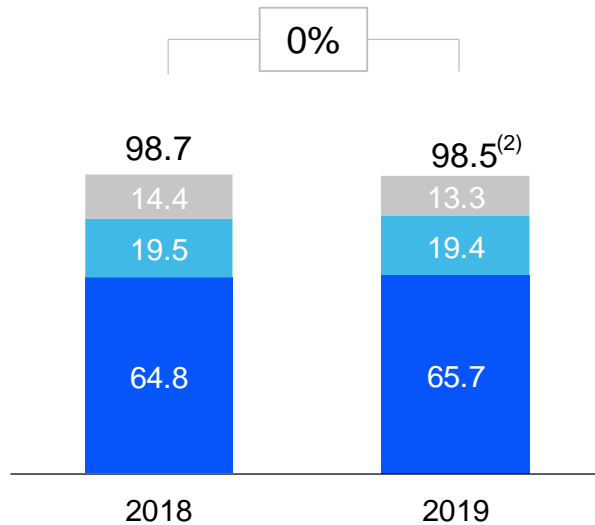
Total energy sold, TWh



KPIs

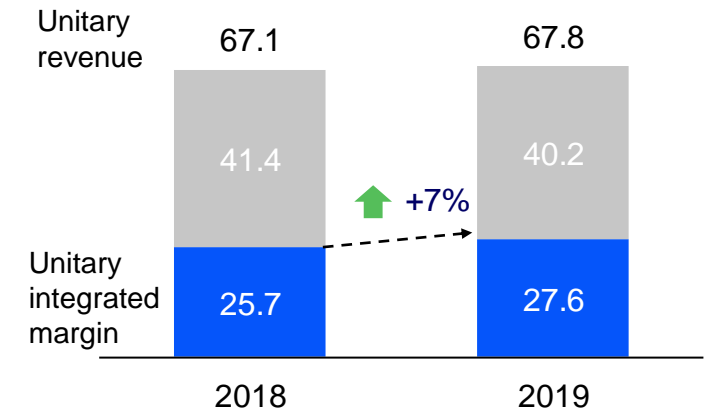


Power integrated margin⁽¹⁾, €/MWh



Free B2B Free B2C Regulated

	2018	2019	Var. 2018-19
Free customers mn	5.7	5.8	+2%
Regulated customers mn	5.0	4.8	-4%
Churn rate ⁽³⁾ %	11.0%	9.7%	-1.3 PP



Outstanding integrated margin growth

(1) Includes Generation and Supply margin

(2) Rounded figures

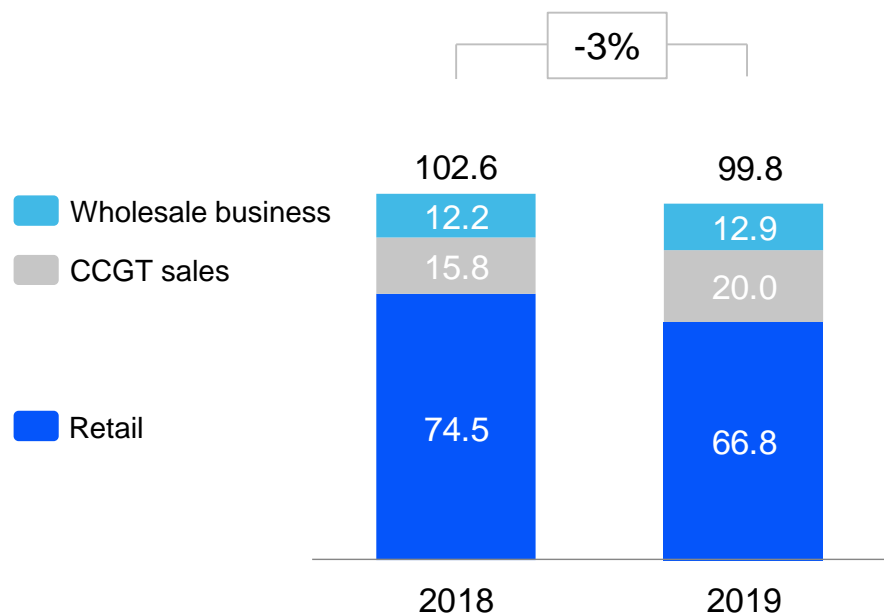
(3) Churn rate B2C + B2B free

Electrification

Gas business performance



Volumes sold⁽¹⁾, TWh



Key figures



	2018	2019	Var. 2018-19
Free customers mn	1.37	1.42	+4%
Regulated customers mn	0.23	0.23	+0%
Total customers⁽¹⁾ mn	1.60	1.65	+3%
Churn rate (%)	12.8%	9.1%	-3.7 PP
Unitary margin⁽²⁾ €/MWh	1.6	3.4	2.1x

Margin increase due to sound management of market opportunities

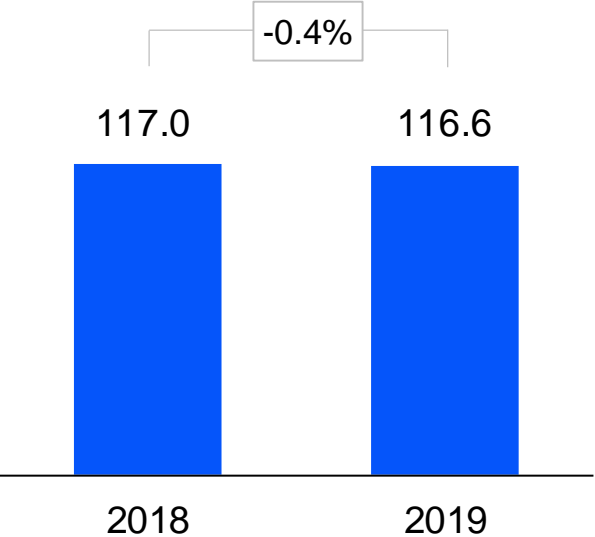
(1) Rounded figures

(2) Gas unitary margin does not include 20 TWh sold to CCGT

Enablers and ecosystems



Distributed energy⁽¹⁾, TWh



Losses⁽³⁾ (%)

2018	10.7
2019	10.7

Minutes of interruption⁽⁴⁾

2018	65
2019	61

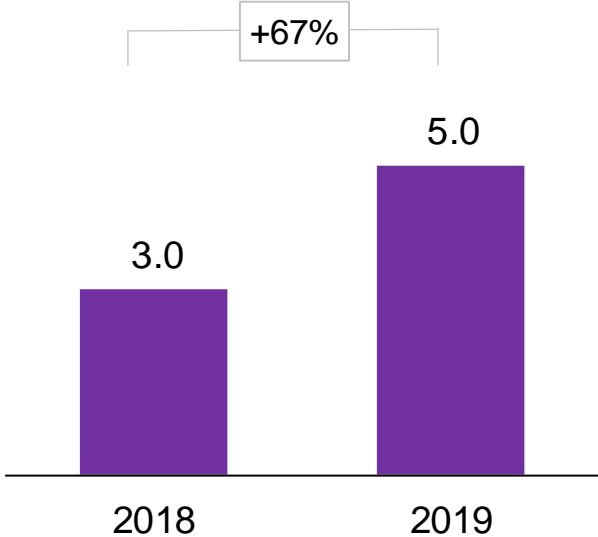
RAB (€bn)

2018	11.8
2019	11.7

Electric mobility



Charging points⁽²⁾, k#



Infrastructures enabling new renewables and electric vehicle integration

(1) Energy at power plant busbars. Includes mainland and non mainland
 (2) Public (1k) and private (4k) charging points

(3) System Operator (S.O) criteria
 (4) Own + Programmed + Transport



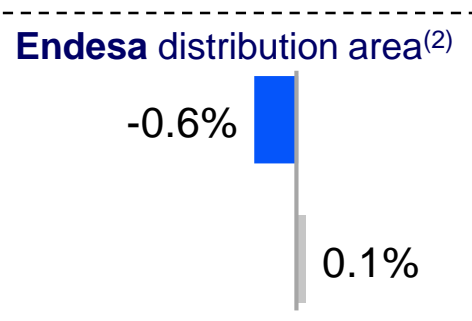
FY 2019 consolidated results

Financial results

Market context in FY 2019

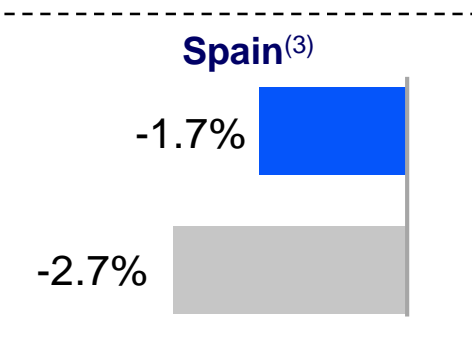


Demand⁽¹⁾



(Not adjusted)

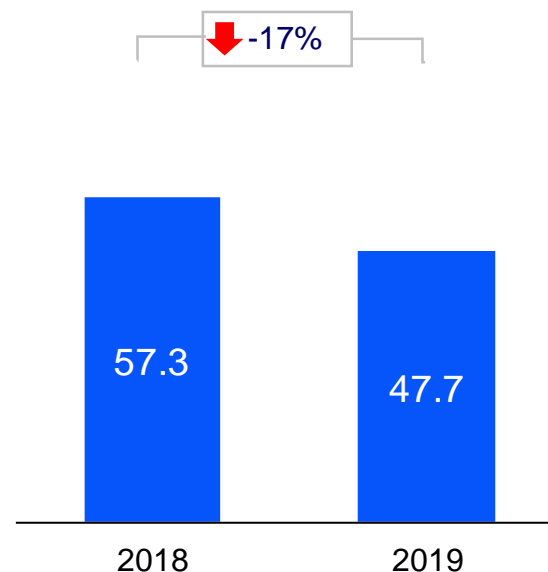
Industry	-0.5%
Services	+1.6%
Residential	-2.8%



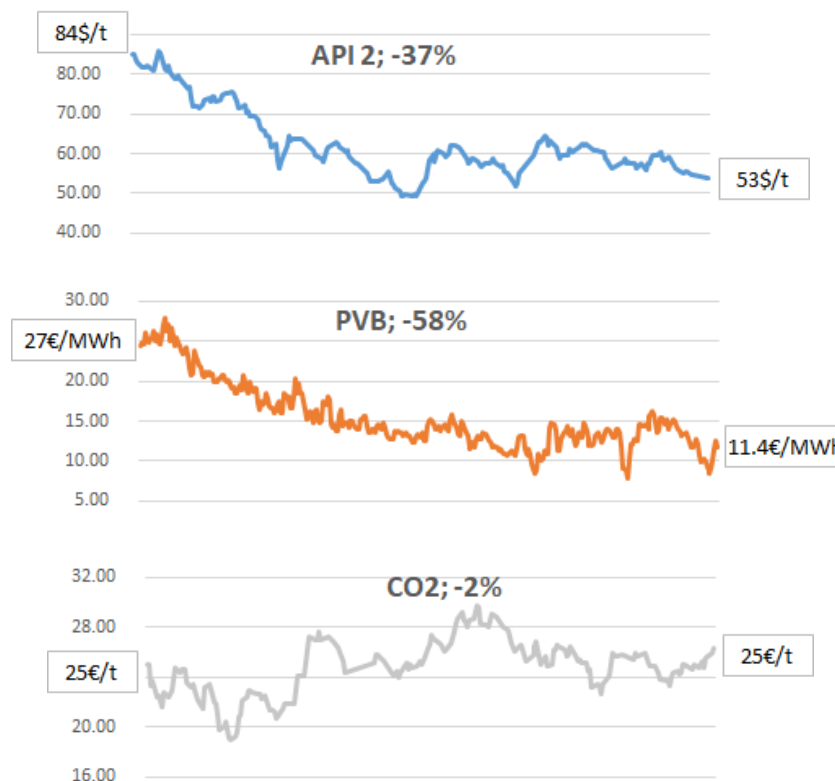
■ Not adjusted
 ■ Adjusted for weather and working days

Electricity wholesale prices

Average pool prices Spain (€/MWh)



Commodities spot prices

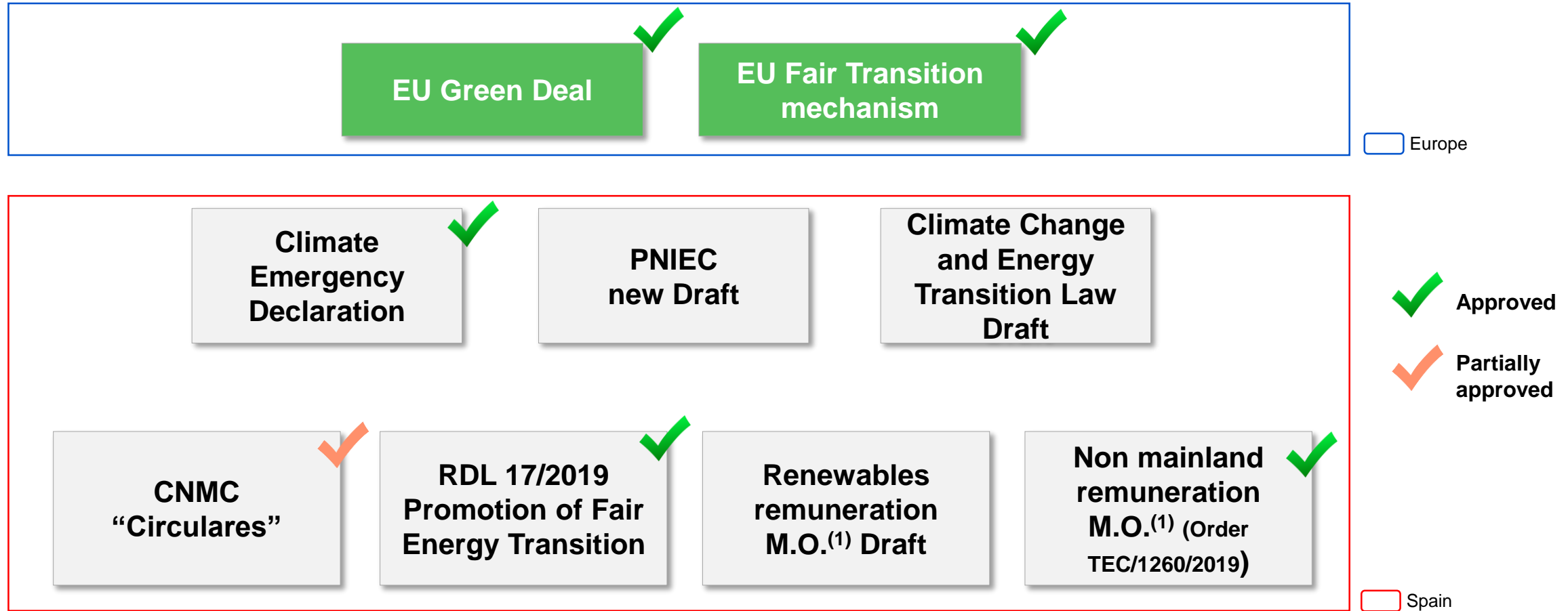


Demand decrease, declining commodities and lower pool prices

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

Regulatory context

Update



Endesa's business plan fully aligned with Energy Transition regulatory developments

2019 consolidated results

Financial highlights (€mn)



	2019	2018	Δyoy
EBITDA	3,841 ⁽¹⁾	3,627	+6%
Net ordinary income	1,562 ⁽²⁾	1,511	+3%
FCF	1,267	909	+39%
Net debt ⁽³⁾	6,377	5,770	+11%
Net capex ⁽⁴⁾	1,887	1,274	+48%
<i>Reported net income</i>	171	1,417	-88%

(1) EBITDA includes +27 €mn of the Catalan Nuclear Tax reversal and -82 €mn of inventories deterioration (gross margin), -21 €mn impairment of materials and -21 €mn of provision related to the discontinuity of coal plants (fixed costs)

(2) Reported Net Income – Net Result on Disposals of Non-Financial Assets (over 10 €mn) - Net Results on Impairment of Non-Financial Assets (over 10 €mn)

(3) Includes 274 €mn of IFRS16

(4) Does not include: Financial investments (43 €mn in 2019 and 36 €mn in 2018), nor IFRS 16 effect (138 €mn in 2019), nor business combinations made during the year

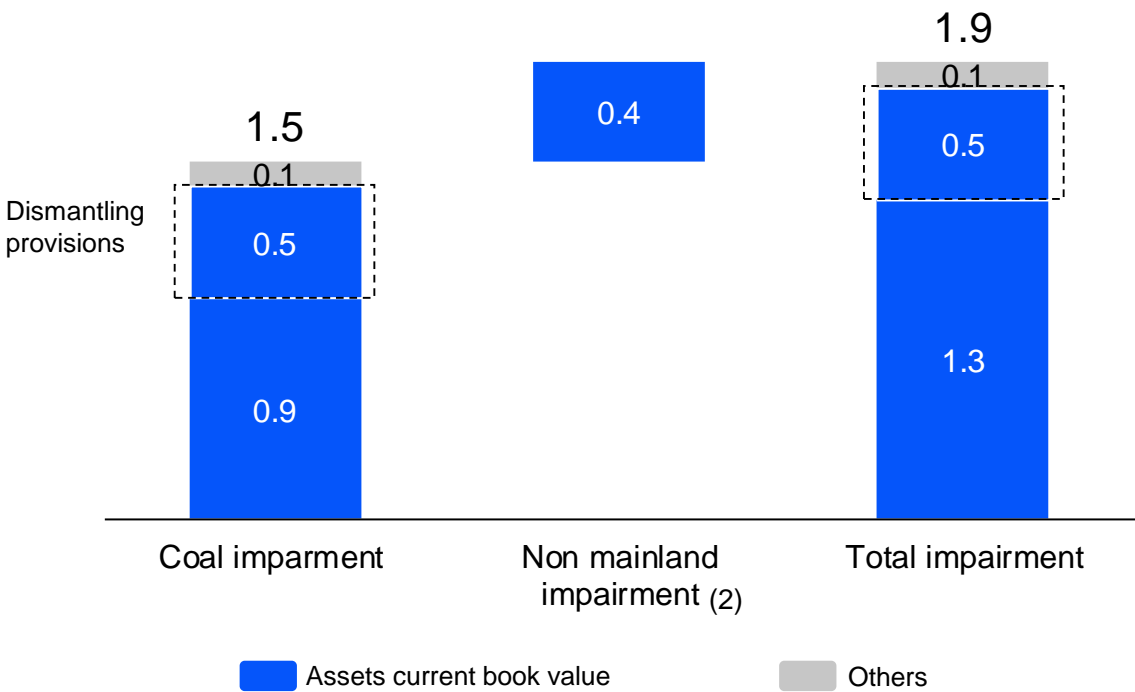
Impairments

€bn



Coal fleet and non mainland assets impairments⁽¹⁾

Rationale



Coal fleet:

- Adverse market conditions
- Acceleration of the decarbonisation process

Non mainland assets:

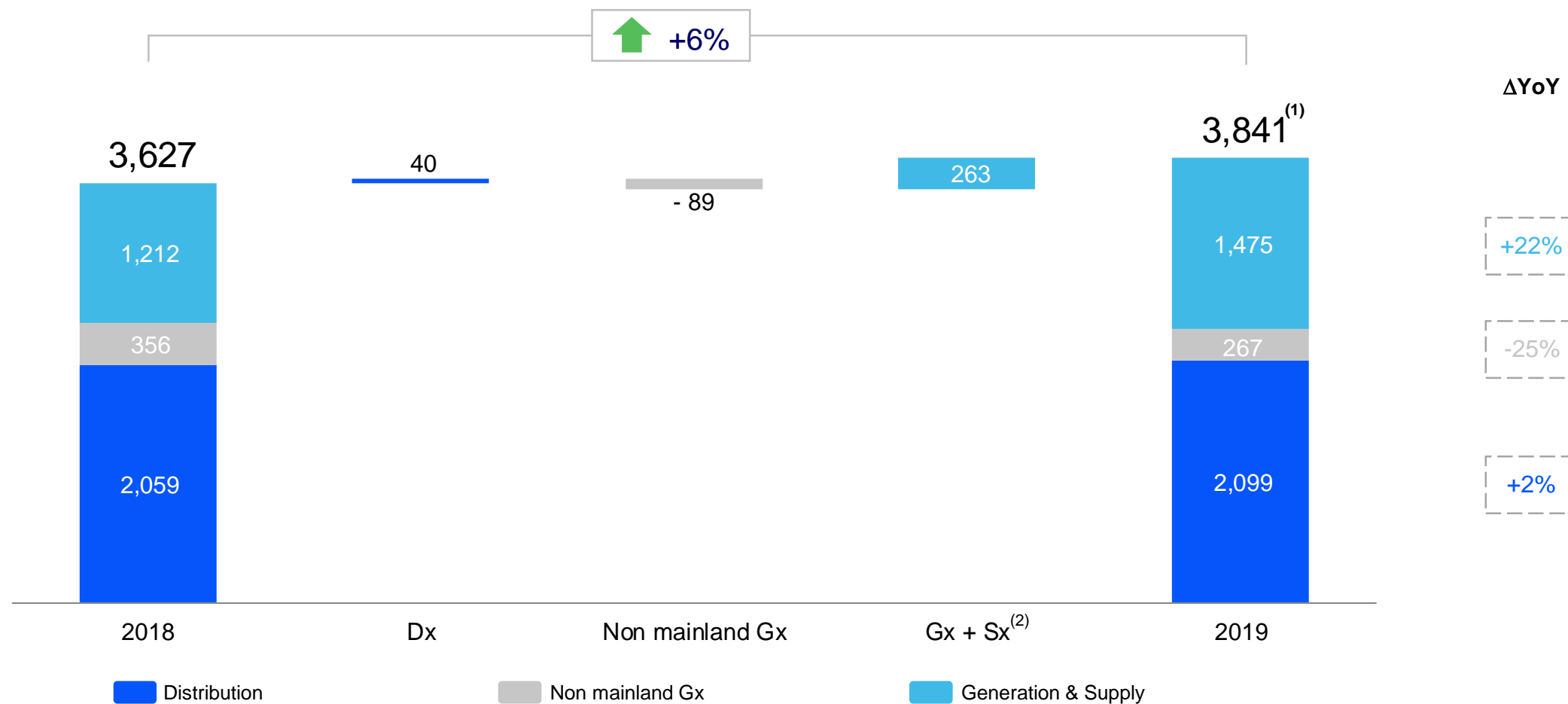
- Review of technical and economic parameters in Order TEC/1260/2019

1.9⁽³⁾ €bn of asset impairments with no impact on 2019 dividend

(1) Consisting on 1,366 €mn impact in D&A + 82 €mn of inventories impairment (gross margin) + 21 €mn impairment of materials (fixed costs) in coal plants = 1,469 €mn
 (2) Consisting on 404 €mn impact in D&A
 (3) 1,409 €mn impact at Net Income level

EBITDA evolution

€mn



EBITDA improvement mainly supported by liberalized business performance

(1) EBITDA includes +27 €mn of the Catalan Nuclear Tax reversal and -82 €mn of inventories deterioration (gross margin), -21 €mn impairment of materials and -21 €mn of provision related to the discontinuity of coal plants (fixed costs)

(2) Gx & Sx figures include Generation and Supply business, Corporate Structure, Services and Adjustments and does not include Non-mainland generation

Regulated business

€mn



Gross margin

~0%

3,194

611

2,583

2018

3,184

538

2,646

2019

Regulated margin: 3,184 €mn (-10 €mn)

- Dx margin : +63 €mn
 - +57 €mn regulated distribution income
 - +7 €mn Eléctrica Ceuta

- Non mainland margin: -73 €mn
 - -52 €mn mainly due to lower fuel compensations
 - -13 €mn RAB deterioration

Fixed costs:
818 €mn (+5%)

Distribution

Non mainland

EBITDA

↓ -2%

2,415

356

2,059

2018

2,366

267

2,099

2019

Slight EBITDA decrease driven by the reduction of non mainland margin

Liberalized business⁽¹⁾

€mn



Gross margin

↑ +12%

2,434

287

2,147

2018

2,722

292

2,430

2019

Liberalized margin: 2,722 €mn (+288 €mn)

- Electricity&Others margin: 2,335 €mn (+157 €mn)

- Gas margin: 269 €mn (+131 €mn)

- Endesa X margin: 118 €mn (+1 €mn)

Fixed costs: 1,247 €mn (+2%)

Liberalized business
(exEGPE)

EGPE

EBITDA

↑ +22%

1,212

212

1,000

2018

1,475

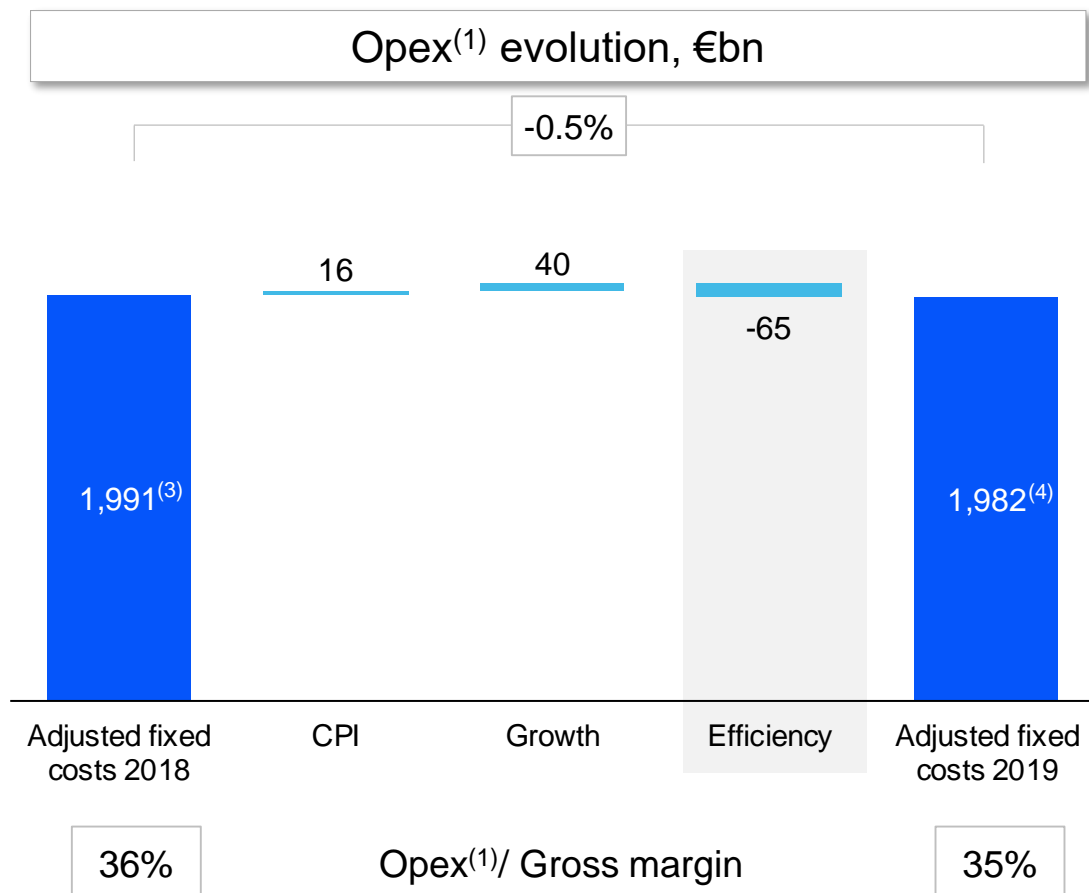
223

1,252

2019

Remarkable performance in the power and gas businesses

Efficiency through digitalisation



	2018	2019	Target 2022	Var. 2018-19
Unitary cost ⁽²⁾ k€/MW	46	44	45	-4%
Unitary cost €/end user	43	43	39	-
Cost to Serve €/customer	11.3	10.6	9.1	-6%
e-billing mn	2.8	3.8	4.5	36%
Digital Sales % digital	5.7%	10.0%	14%	4 pp
Digital contracts, mn	4.4	4.8	5.0	9%

Efficiency more than compensate the increase of inflation and growth

(1) Opex: Total fixed costs in nominal terms (net of capitalizations)

(2) Thermal and renewable costs combined. Includes Corporate fees

(3) FY 2018 Fixed costs adjusted by: Updating of provisions for workforce restructuring plans in place (-4 €mn) and disciplinary proceedings (-6 €mn)

(4) FY 2019 Fixed costs adjusted by: Net additions to provisions for workforce succession plans, voluntary departure agreements, indemnities and other tax- and labour-related risks (-44 €mn), updating of provisions for workforce restructuring plans in place (1 €mn), IFRS 16 effect on leases (38 €mn), impairment of materials relating to mainland coal plants (-21 €mn) and disciplinary proceedings (-57 €mn)

From EBITDA to Net Ordinary Income

€mn



	2019	2018	Δyoy
EBITDA ⁽¹⁾	3,841	3,627	+6%
D&A ⁽²⁾	(3,453)	(1,708)	+102%
EBIT	388	1,919	-80%
Financial expenses	(184)	(139)	+32%
Results from equity investments & Others	26	38	-32%
EBT	230	1,818	-87%
Income taxes	(50)	(392)	-87%
Minorities	(9)	(9)	+0%
<i>Reported Net Income</i>	171	1,417	-88%
Net Ordinary Income	1,562	1,511	+3%

EBITDA increase +6%

Higher D&A affected by impairments, IFRS16 impact and digitalization capex

Higher financial expenses due to the update of financial provisions and IFRS 9 and 16 impacts

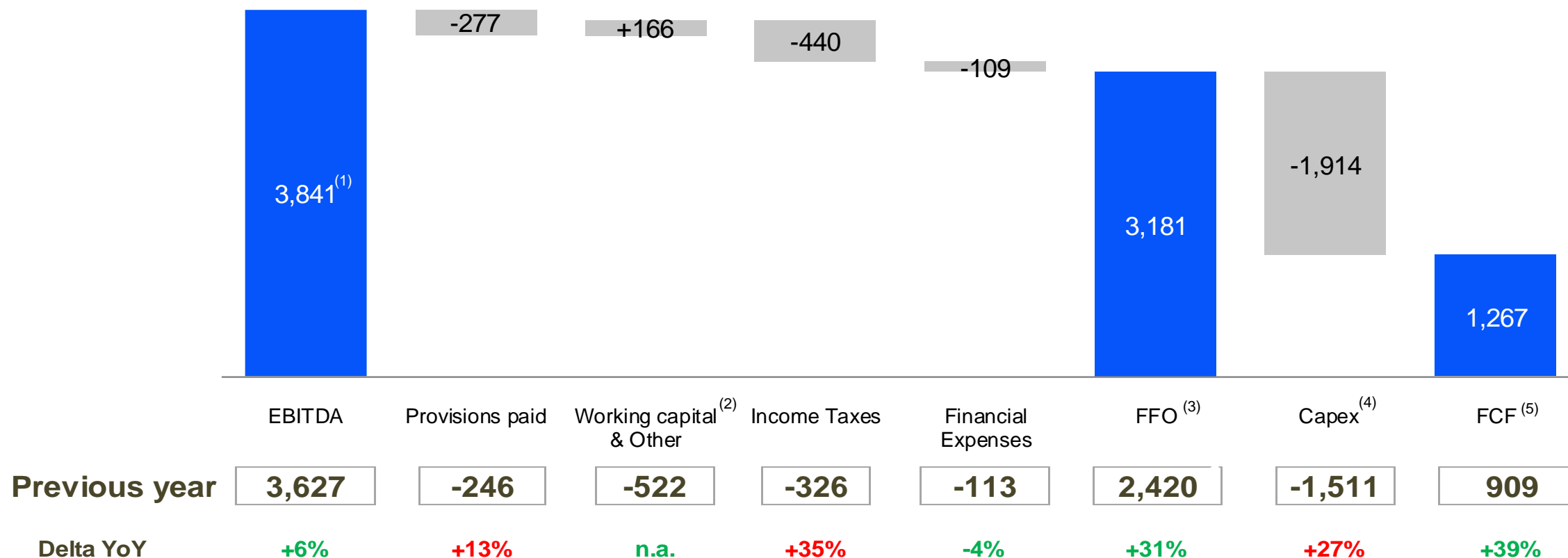
Net ordinary income +3%

(1) EBITDA includes +27 €mn of the Catalan Nuclear Tax reversal and -82 €mn of inventories deterioration (gross margin), -21 €mn impairment of materials and -21€mn of provision related to the discontinuity of coal plants (fixed costs)

(2) FY 2019: Includes 1,366 €mn of the net book value impairment of mainland coal plants and 404 €mn of the write off in non mainland generation in 2019.
FY 2018: Includes 158M€ of the net book value impairment of Alcudia coal plant.

Cash Flow

€mn



Historical record cash generation

- (1) EBITDA includes +27 €mn of the Catalan Nuclear Tax reversal and -82 €mn of inventories deterioration (gross margin), -21 €mn impairment of materials and -21 €mn of provision related to the discontinuity of coal plants (fixed costs)
- (2) Net working capital + Regulatory NWC + non cash items
- (3) FFO: Funds from operating activities
- (4) Cash based Capex
- (5) Funds from operations (3,181 €mn) - Net change of tangible and intangible assets (1,727 €mn) + Subsidies and other deferred incomes (137 €mn) - Net change of other investments (324 €mn)

Net financial debt analysis

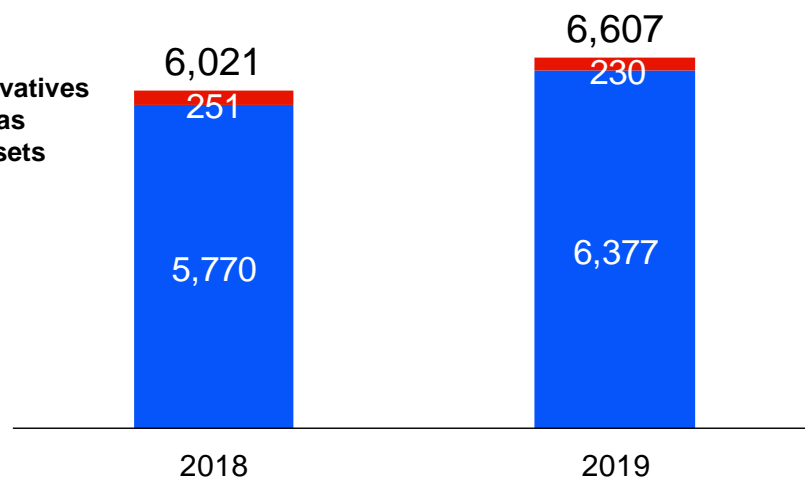
€mn



Gross debt

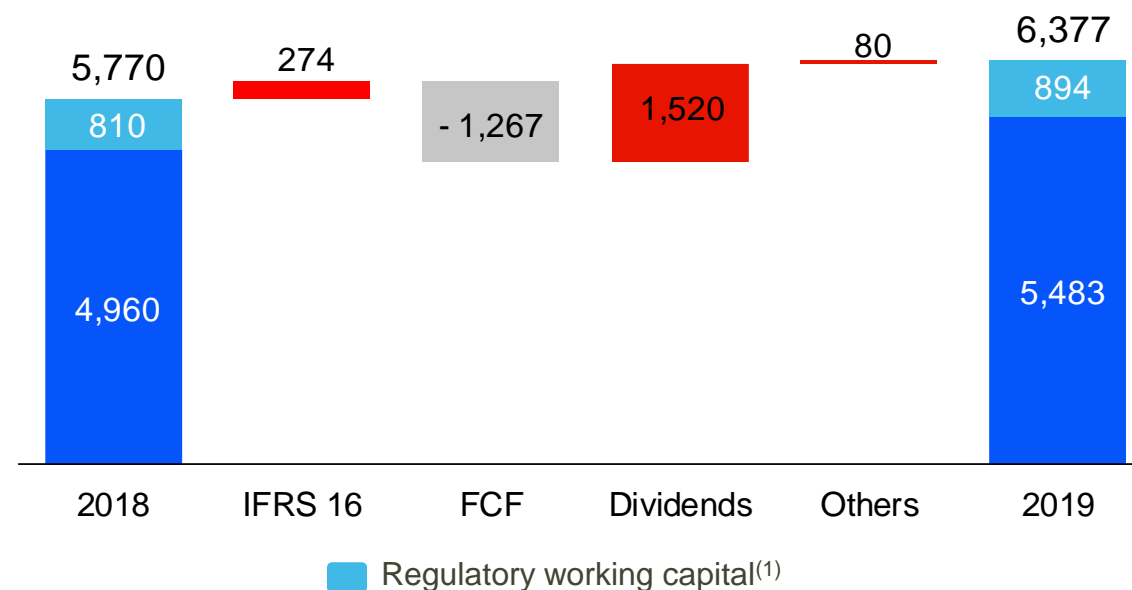
Cash & Derivatives
recognized as
financial assets

Net debt



- Cost of Debt 1.8% (vs. 1.9% in FY 2018)
 - Fixed rate 70% of Gross Debt
 - 98% in Euros

Net debt evolution



- Leverage⁽²⁾ 1.7x (vs. 1.6x in FY 2018)

Healthy financial leverage and cost of debt at record low


(1) Net balance with CNMC settlements

(2) Calculated as Net Debt / EBITDA (12 last months)

Delivering and exceeding 2019 targets



	2019		2020	2021	2022	CAGR 2019-2022
EBITDA (€bn)	3.8	✓	3.9	4.1	4.3	+4%
Net ordinary income (€bn)	1.6	✓	1.7	1.8	1.9	+7%
Implicit Gross DPS (€/sh.)	1.475 ⁽¹⁾	✓	~1.6	~1.4	~1.3	
Net Capex (€bn)	1.9	✓	1.6	2.0	2.2	
Pay out (%)			100%	80%	70%	

Exceeding guidance 

2019 good ground for Business Plan delivery

(1) Proposed gross DPS pending to be approved by the AGM

Final Remarks



Delivery on financial targets above guidance

Progressing on renewables deployment and decarbonization process

Outstanding TSR ⁽¹⁾ of 25.3% in 2019

2020 financial targets reiterated



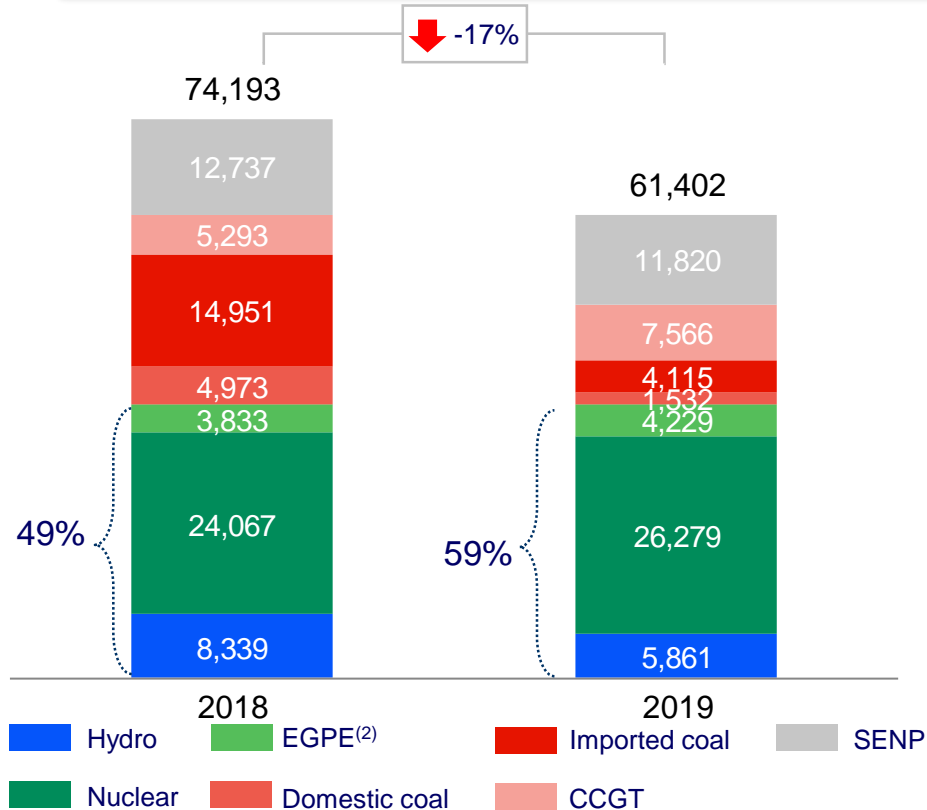
FY 2019 consolidated results

Annexes

Installed capacity and output



Total output⁽¹⁾, GWh



■ 48% thermal output decrease in mainland

■ Hydro, nuclear and renewables represented 59% of total output (vs. 49% in 2018)

Total output, GWh

GWh 2019

(and chg. vs. 2018)

	Total Output ⁽¹⁾	
Total	61,402	-17%
Hydro	5,861	-30%
Nuclear	26,279	9%
Coal	7,643	-66%
CCGT	11,687	30%
Oil-gas	5,703	-15%
Renewables	4,229	10%

Total installed capacity, GW

GW at 2019

(and chg. vs. 31 Dec. 2018)

	Total Installed net capacity	
Total	23.4	3%
Hydro	4.7	-1%
Nuclear	3.3	0%
Coal	4.8	-4%
CCGT	5.5	1%
Oil-gas	2.3	-2%
Renewables	2.7	51%

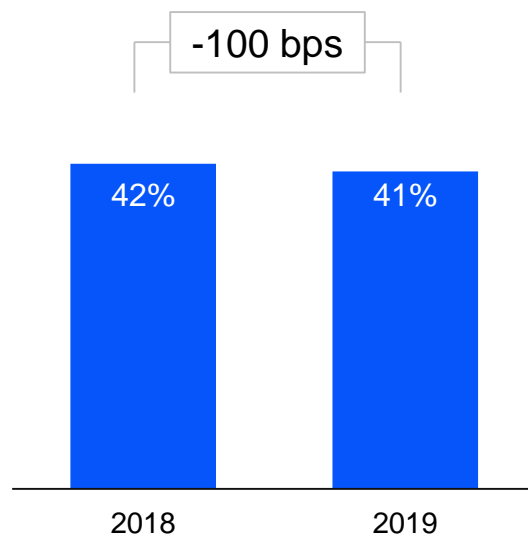
(1) Output at power plant bus bars (Gross output minus self-consumption)

(2) Includes 123 GWh in non-mainland in 2019 (40 MW) vs 118 GWh in 2018 (40 MW)

Profitability and credit metrics

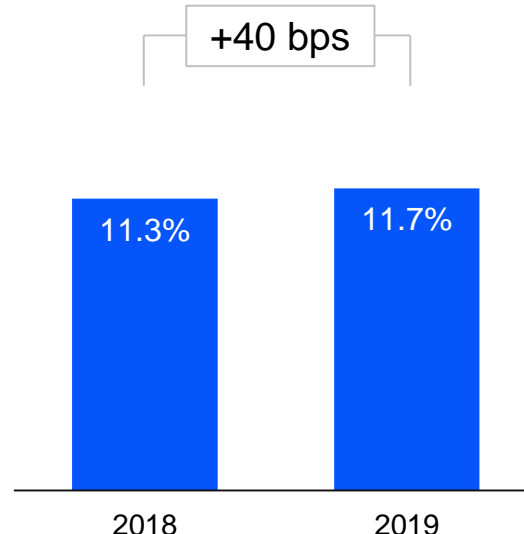


Profitability⁽¹⁾



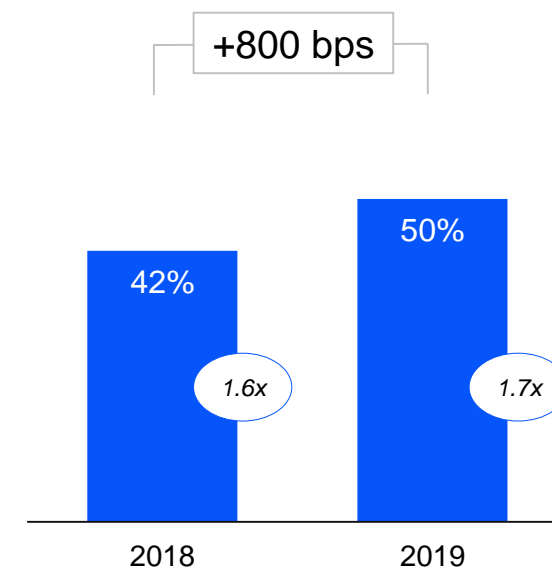
■ Net Income/EBITDA

Return on invested capital



■ ROIC

Credit metrics



■ FFO/Net Debt ○ Net debt/EBITDA

Focus on profitability and value creation

Financial debt maturity calendar

€mn

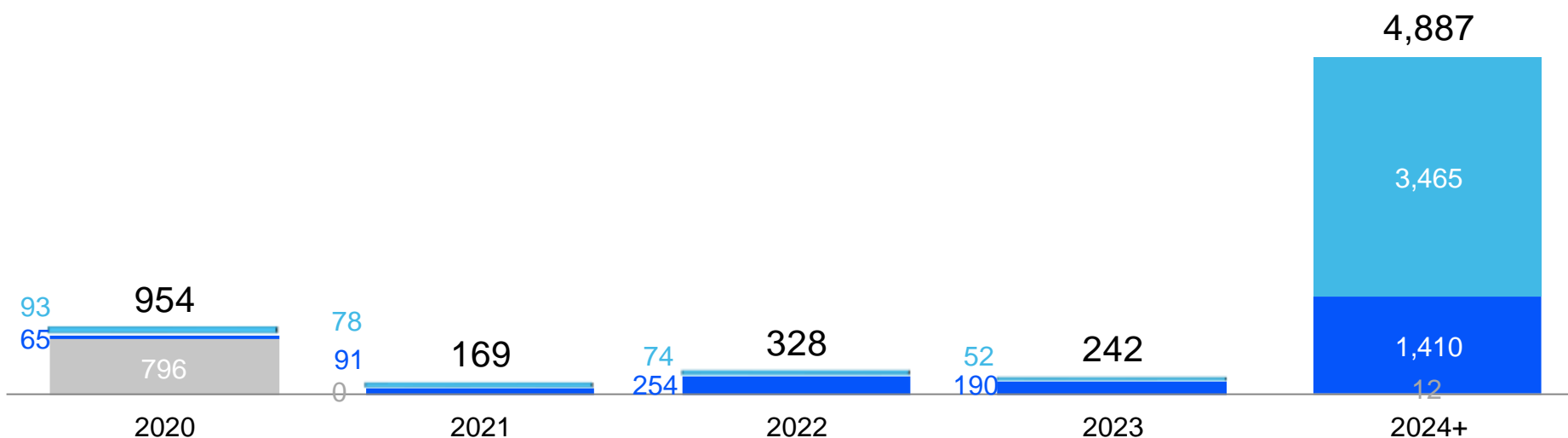


Gross balance of maturities outstanding at 31 December 2019: 6,580 €mn⁽¹⁾

■ ECP's and other marketable securities ⁽²⁾

■ Bank Debt

■ Other debts



Endesa's liquidity covers 26 months of debt maturities

■ Liquidity 3,300 €mn

223 €mn in cash

3,077 €mn available in credit lines

■ Average life of debt: 5.2 years

Long term credit rating

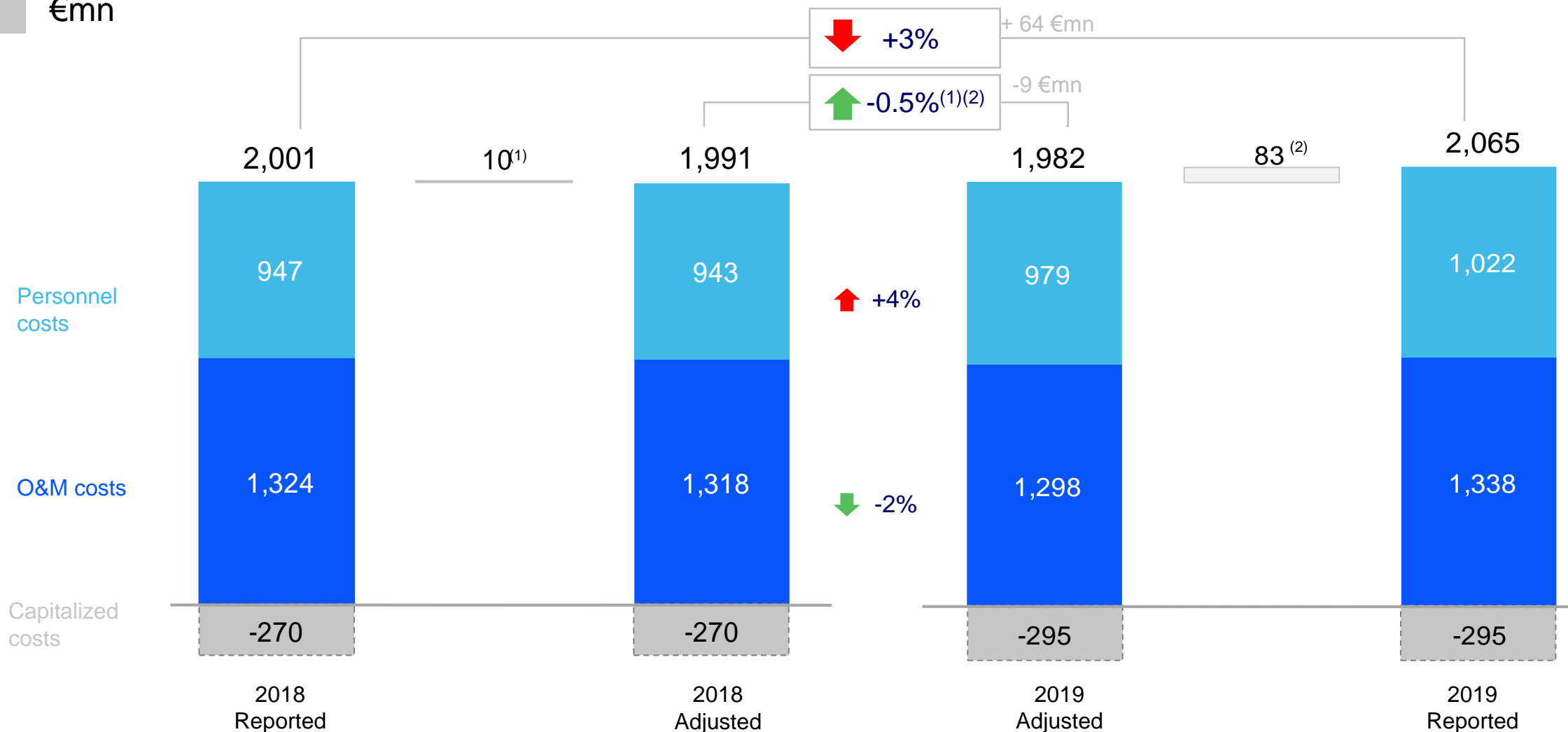
	Rating	Outlook
Standard & Poor's	BBB+	Stable
Moody's	Baa2	Positive
Fitch Ratings	A-	Stable

(1) Does not include 21 €mn relating to financial derivatives.

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

Fixed costs evolution

€mn



(1) FY 2018 Fixed costs adjusted by: Updating of provisions for workforce restructuring plans in place (-4 €mn) and disciplinary proceedings (-6 €mn)

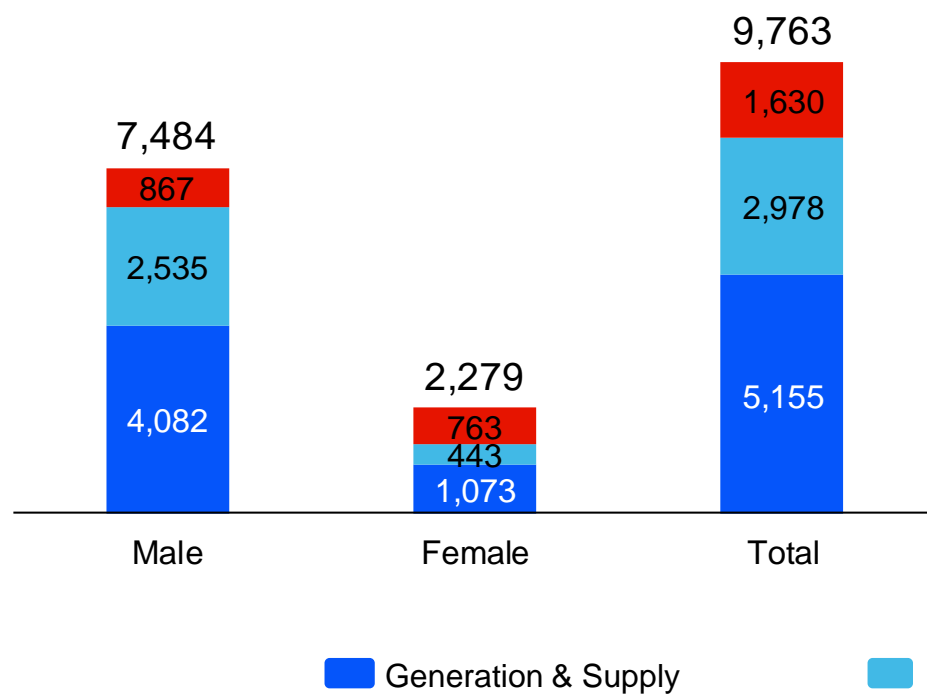
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Headcount

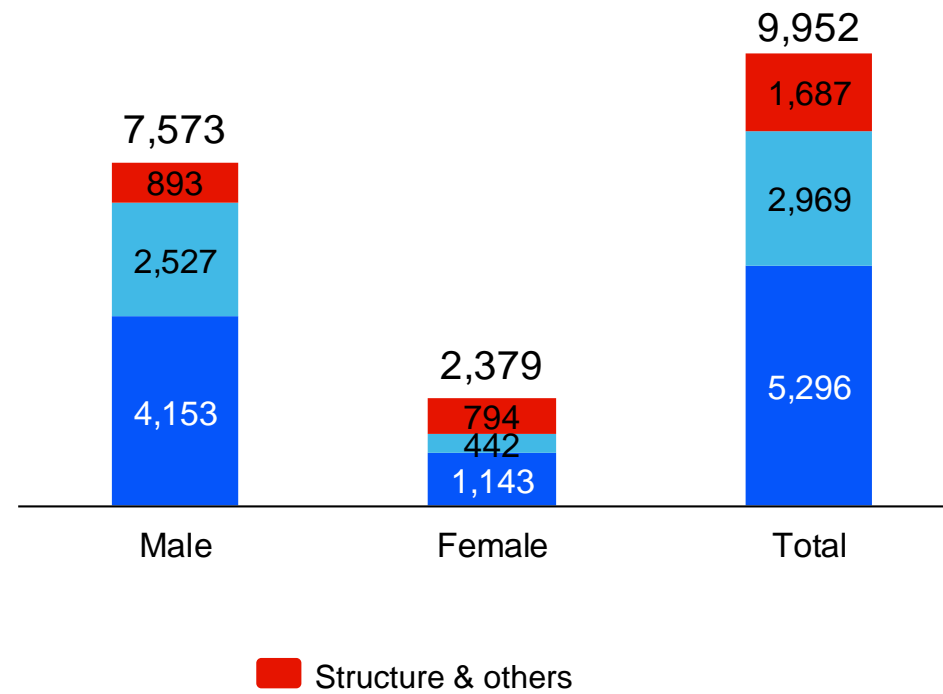
Year end employees



2018



2019

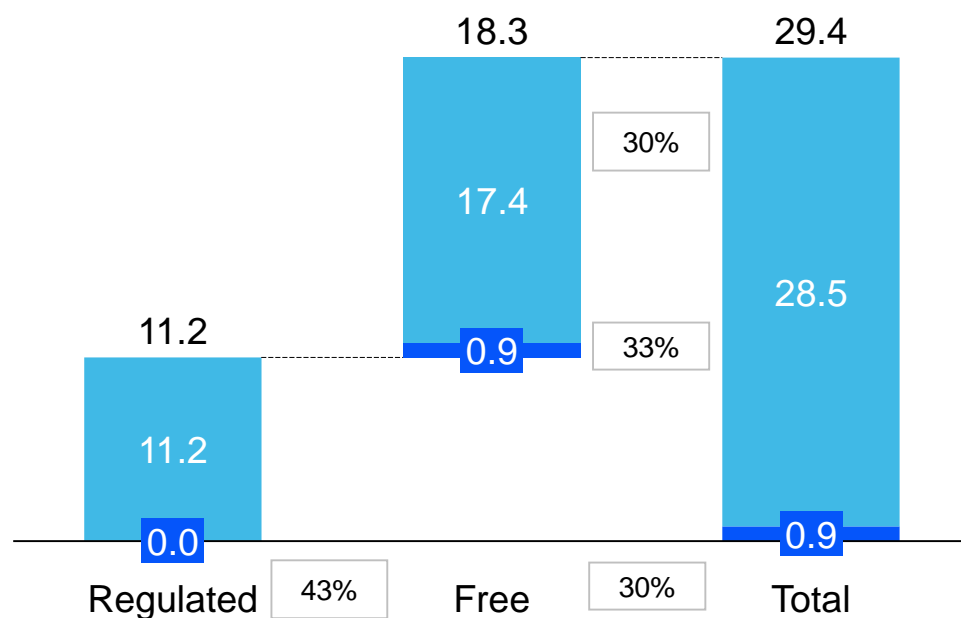


Spanish power market

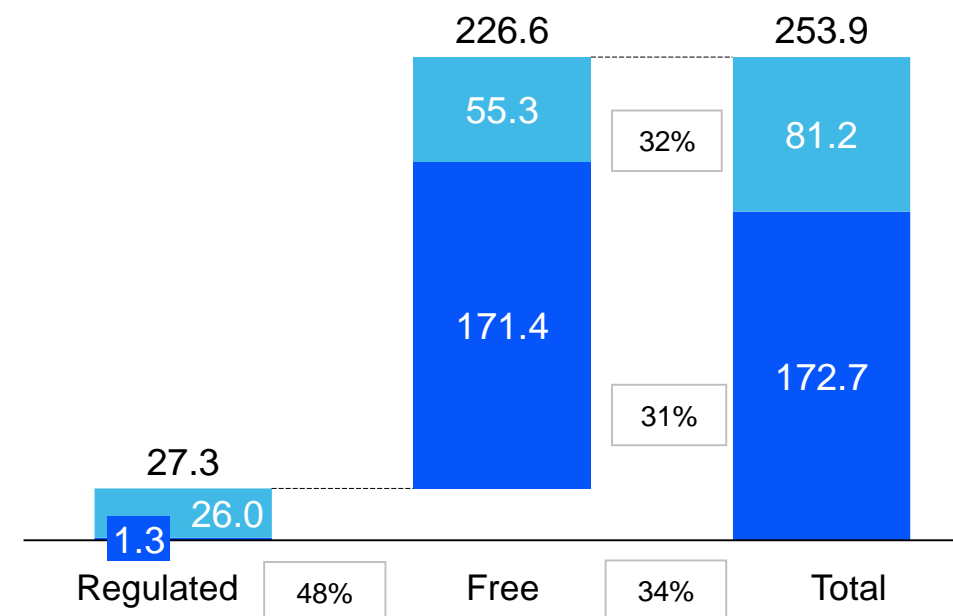
FY 2019



Customers⁽¹⁾, mn



Energy sold⁽²⁾, TWh



Residential

Business

XX%

Endesa market share

(1) Customers: CNMC "Informe de supervision de los cambios de comercializador"

(2) Energy sold: Internal estimation based on "sectorial energy daily forecast system"

Engaging people we work with



Plan actions

2019

2020-22 targets

Open Feedback Evaluation

- 8,443 people involved
- 84% of eligible people

100% of people involved



Climate survey⁽¹⁾

- 100% of people involved
- 83% of people participating

- 100% of people involved
- 87% of people participating⁽²⁾



Gender - % of women in selection processes⁽³⁾

29% women involved in recruiting processes

45% women involved in recruiting processes



Promotion of digital skills dissemination among all employees

37% of people involved in digital skills training ⁽⁴⁾

100% of people involved in digital skills training⁽⁴⁾

(1) Eligible and reachable people having worked in the Group for at least 3 months

(2) Target adjusted after the closing year to 85%

(3) It excludes the selection processes involving the blue collars

(4) % accumulated with the training given since 2018

Engaging local communities



Plan actions

High-quality, inclusive and fair education

2019⁽¹⁾

0.19 mn beneficiaries

2015-2030 targets⁽¹⁾

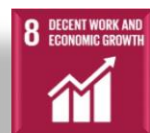
0.7 mn beneficiaries in 2030



Access to affordable and clean energy

1.6 mn beneficiaries

4.8 mn beneficiaries in 2030



Employment and sustainable and inclusive economic growth

0.5 mn beneficiaries

1.7 mn beneficiaries in 2030

(1) Cumulated figures since 2015

Focus on Innovation & Cybersecurity



Innovation

	2019	2020-22 Targets
People involved in promotional innovation actions (workshops, trainings, intrapreneurship)	399	1,000

	2019	2020-22 Targets
Innovation events per year	5	5



Cybersecurity

	2019	2020-22 Targets
Coverage of web applications exposed to internet with advanced cyber security application solutions (% of internet web applications)	100%	100%

	2019	2020-22 Targets
Disseminating the information security culture and changing people's behavior in order to reduce risks (Events per year)	16	15



Endesa: FY 2019 P&L

€mn



	Gx+Sx	Dx	Structure	Adjustments	TOTAL
Income	17,537	2,828	638	-845	20,158
Procurements and services	-14,204	-182	-44	178	-14,252
Gross margin	3,333	2,646	594	(667)	5,906
Self-constructed assets	96	175	24	0	295
Personel expenses	-542	-280	-215	15	-1,022
Other fixed operating expenses	-1,117	-442	-427	648	-1,338
EBITDA	1,770	2,099	(24)	(4)	3,841
D&A	-2,759	-626	-68	0	-3,453
EBIT	(989)	1,473	(92)	(4)	388
Net financial results	-115	-63	-6	0	-184
Net results from equity method	11	4	0	0	15
Results from other investments	0	0	1,731	-1,731	0
Results on disposal of assets	-19	30	0	0	11
PROFIT BEFORE TAX	(1,112)	1,444	1,633	(1,735)	230
Income Tax Expense	297	-366	18	1	-50
Minorities	-8	-1	0	0	-9
NET ATTRIBUTABLE INCOME	(823)	1,077	1,651	(1,734)	171

Endesa: FY 2018 P&L

€mn



	Gx+Sx	Dx	Structure	Adjustments	TOTAL
Income	17,621	2,784	614	-824	20,195
Procurements and services	-14,464	-201	-81	179	-14,567
Gross margin	3,157	2,583	533	(645)	5,628
Self-constructed assets	83	167	20	0	270
Personel expenses	-520	-263	-180	16	-947
Other fixed operating expenses	-1,103	-428	-419	626	-1,324
EBITDA	1,617	2,059	(46)	(3)	3,627
D&A	-1,029	-630	-49	0	-1,708
EBIT	588	1,429	(95)	(3)	1,919
Net financial results	-150	-75	86	0	-139
Net results from equity method	29	4	2	0	35
Results from other investments	0	0	1,666	-1,666	0
Results on disposal of assets	1	5	-3	0	3
PROFIT BEFORE TAX	468	1,363	1,656	(1,669)	1,818
Income Tax Expense	-64	-316	-13	1	-392
Minorities	-8	-1	0	0	-9
NET ATTRIBUTABLE INCOME	396	1,046	1,643	(1,668)	1,417

Glossary of terms (I/II)



Item	Calculation	Reference note (#) of Consolidated Management Report
Average cost of debt (%)	Cost of gross financial debt / gross average financial debt: (135 €mn) / 7,448 €mn = 1.8%	4.1
Average life of debt (number of years)	(Principal x number of days of term) / (Principal in force at the end of the period x number of days of the period): 34,031 / 6,581 = 5.2 years	4.1
Cash flow from operations (€mn)	Net cash provided by operating activities (3,181 €mn)	4.4
Free cash flow (€mn)	Cash flow from operations (3,181 €mn) - Net change of tangible and intangible assets (1,727 €mn) + Subsidies and other deferred incomes (137 €mn) - Net change of other investments (324 €mn) = 1,267 €mn	n/a
Debt maturities coverage (months)	Maturity period (months) for vegetative debt that could be covered with the liquidity available: 26 months	4.1
EBITDA (€mn)	Revenues (20,158 €mn) – Purchases and Services (14,252 €mn) + Work performed by the entity and capitalized (295 €mn) – Personnel expenses (1,022 €mn) – Other fixed operating expenses (1,338 €mn) = 3,841 €mn	2.3
EBIT (€mn)	EBITDA (3,841 €mn) - Depreciation and amortization (3,453 €mn) = 388 €mn	2.3
Fixed costs (Opex) (€mn)	Personnel expenses (1,022 €mn) + Other fixed operating expenses (1,338 €mn) - Work performed by the entity and capitalized (295 €mn) = 2,065 €mn	2.3
Gross margin (€mn)	Revenues (20,158 €mn) – Purchases and Services (14,252 €mn) = 5,906 €mn	2.3
Leverage (times)	Net financial debt (6,377 €mn) / EBITDA (3,841 €mn from 2019) = 1.7x	2.6

Glossary of terms (II/II)



Item	Calculation	Reference note (#) of Consolidated Management Report
Net Capex (€mn)	Gross tangible (1,925 €mn) and intangible (234 €mn) Capex - assets from clients' contributions and subsidies (133 €mn) - first-time right-of-use recognition (138 €mn) = 1,887 €mn	4.5
Net financial debt (€mn)	Long and short term financial debt (5,652 €mn + 955 €mn) - Cash and cash equivalents (223 €mn) - Derivatives recognized as financial assets (7 €mn) = 6,377 €mn	4.1
Net financial results (€mn)	Financial Revenues (27 €mn) - Financial Expenses (212 €mn) + Foreign Exchanges (1 €mn) = -184 €mn	2.3
Revenues (€mn)	Sales (19,258 €mn) + Other operating revenues (900 €mn) = 20,158 €mn	2.3
Net ordinary income (€mn)	Reported Net Income (171 €mn) - Gains/(losses) on disposals of non-financial assets of over 10 €mn (-18 €mn) - Net Impairment losses on non-financial assets of over 10 €mn (-1,409 €mn) = 1,562 €mn	2.3
Electric Integrated Margin (€mn)	Contribution margin Gx+Sx (3,333 €mn) - Margin SENP (538 €mn) - Margin SCVP (74 €mn) - Margin gas (269 €mn) - Margin Endesa X (118 €mn) - Others (63 €mn) = 2,271 €mn	n/a
Unitary electric integrated margin (€/MWh)	Electric Integrated Margin / Electric sales in the liberalized market in Spain and Portugal: 2,271 €mn / 82.3 TWh = €27.6/MWh	n/a
Gas unitary margin (€/MWh)	Total Gas Margin / Gas sales excluding CCGT sales: 269.1 €mn / 79.8 TWh = €3.4/MWh	n/a
Endesa X Gross Margin (€mn)	Gross margin generated by the added value products and services commercialized by the Endesa X unit = 118 €mn	n/a
Total Shareholder Return (%)	Return for shareholders including both share price variation and dividend yield effects: 25.3%	13.1

Disclaimer



This document contains certain "forward-looking" statements regarding anticipated financial and operating results and statistics and other future events. These statements are not guarantees of future performance and they are subject to material risks, uncertainties, changes and other factors that may be beyond ENDESA's control or may be difficult to predict.

Forward-looking statements include, but are not limited to, information regarding: estimated future earnings; anticipated changes in generation and market share; expected changes in demand for gas and gas sourcing; management strategy and goals; estimated cost reductions; tariffs and pricing structure; estimated capital expenditures; estimated asset disposals; estimated changes in capacity and capacity mix; repowering of capacity and macroeconomic conditions. The main assumptions on which these expectations and targets are related to the regulatory framework, exchange rates, commodities, counterparties, divestments, increases in production and installed capacity in markets where ENDESA operates, increases in demand in these markets, allocation of production amongst different technologies, increases in costs associated with higher activity that do not exceed certain limits, electricity prices not below certain levels, the cost of CCGT plants, and the availability and cost of the gas, coal, fuel oil and emission rights necessary to run our business at the desired levels.

In these statements, ENDESA avails itself of the protection provided by the Private Securities Litigation Reform Act of 1995 of the United States of America with respect to forward-looking statements.

The following important factors, in addition to those discussed elsewhere in this document, could cause financial and operating results and statistics to differ materially from those expressed in our forward-looking statements:

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Further details on the factors that may cause actual results and other developments to differ significantly from the expectations implied or explicitly contained in this document are given in the Risk Factors section of the current ENDESA regulated information filed with the Comisión Nacional del Mercado de Valores (the Spanish securities regulator or the "CNMV" for its initials in Spanish).

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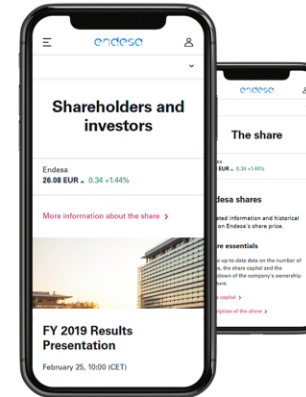


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