

## ENDESA S.A. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

(Unaudited)

Euro Million

ASSETS	<u>30.06.11</u>	<u>31.12.10</u>	<u>Variation</u>	
Total fixed assets	42.915	43.555	(640)	-1,5%
Utility plant	32.200	32.896	(696)	-2,1%
Investment property	62	69	(7)	-10,1%
Intangible asset	3.266	3.167	99	3,1%
Goodwill	2.620	2.797	(177)	-6,3%
Long term financial investments	1.734	1.641	93	5,7%
Investments in associates	914	899	15	1,7%
Deferred tax assets	2.119	2.086	33	1,6%
Total current assets	15.333	19.033	(3.700)	-19,4%
Inventories	1.267	1.129	138	12,2%
Trade and other receivables	5.621	6.109	(488)	-8,0%
Short term financial investments	6.305	9.434	(3.129)	-33,2%
Cash and cash equivalents	1.548	1.828	(280)	-15,3%
Non current assets held for sale and from interrupted activities	592	533	59	11,1%
<b>TOTAL ASSETS</b>	<b>58.248</b>	<b>62.588</b>	<b>(4.340)</b>	<b>-6,9%</b>

EQUITY AND LIABILITIES	<u>30.06.11</u>	<u>31.12.10</u>	<u>Variation</u>	
Total equity	23.415	23.164	251	1,1%
Atributable to equity holders of the parent company	18.204	17.776	428	2,4%
Minority interest	5.211	5.388	(177)	-3,3%
Non-current liabilities	23.186	27.383	(4.197)	-15,3%
Deferred revenues	4.217	3.936	281	7,1%
Long term provisions	4.353	4.714	(361)	-7,7%
Long term financial debt	12.117	16.256	(4.139)	-25,5%
Other non-current liabilities	706	602	104	17,3%
Deferred tax liabilities	1.793	1.875	(82)	-4,4%
Current liabilities	11.647	12.041	(394)	-3,3%
Short term financial debt	1.651	985	666	67,6%
Short term provisions	892	1.020	(128)	-12,5%
Trade and other payables	8.965	9.824	(859)	-8,7%
Liabilities related to non current assets held for sale and from interrupted activities	139	212	(73)	-34,4%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>58.248</b>	<b>62.588</b>	<b>(4.340)</b>	<b>-6,9%</b>



# **ENDESA S.A. AND SUBSIDIARIES** **CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

Euro Million

	<u>30.06.11</u>	<u>30.06.10</u>	<u>Variation</u>	
REVENUES	16.194	15.113	1.081	7,2%
Sales	15.156	14.262	894	6,3%
Other operating revenues	1.038	851	187	22,0%
PURCHASES AND SERVICES	10.880	9.523	1.357	14,2%
Energy purchases	4.413	3.660	753	20,6%
Fuel procurement costs	1.871	1.427	444	31,1%
Transmission expenses	3.133	3.054	79	2,6%
Other variable purchases and services	1.463	1.382	81	5,9%
GROSS MARGIN	5.314	5.590	(276)	-4,9%
Work performed by the entity and capitalized	107	109	(2)	-1,8%
Personnel expenses	802	830	(28)	-3,4%
Other fixed operating expenses	1.126	1.019	107	10,5%
GROSS OPERATING INCOME (EBITDA)	3.493	3.850	(357)	-9,3%
Depreciation and amortization	1.025	1.039	(14)	-1,3%
OPERATING INCOME (EBIT)	2.468	2.811	(343)	-12,2%
FINANCIAL INCOME	(300)	(592)	292	-49,3%
Financial revenues	397	164	233	142,1%
Financial expenses	(730)	(737)	7	-0,9%
Foreign exchanges	33	(19)	52	-273,7%
Share of profit of associates	29	(3)	32	n/a
Income from other investments	5	6	(1)	-16,7%
Income from asset sales	1	1.083	(1.082)	-99,9%
INCOME BEFORE TAXES	2.203	3.305	(1.102)	-33,3%
Income tax	545	750	(205)	-27,3%
ONGOING ACTIVITIES PROFIT	1.658	2.555	(897)	-35,1%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	1.658	2.555	(897)	-35,1%
Attributable to the holders of the parent company	1.283	2.120	(837)	-39,5%
Minority interest	375	435	(60)	-13,8%



## ENDESA S.A. AND SUBSIDIARIES

### QUARTERLY CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Euro Million

	<u>2Q 11</u>	<u>2Q 10</u>	<u>Variation</u>	
REVENUES	7.831	7.420	411	5,5%
Sales	7.420	7.039	381	5,4%
Other operating revenues	411	381	30	7,9%
PURCHASES AND SERVICES	5.252	4.582	670	14,6%
Energy purchases	2.145	1.765	380	21,5%
Fuel procurement costs	997	779	218	28,0%
Transmission expenses	1.501	1.378	123	8,9%
Other variable purchases and services	609	660	(51)	-7,7%
GROSS MARGIN	2.579	2.838	(259)	-9,1%
Work performed by the entity and capitalized	63	64	(1)	-1,6%
Personnel expenses	393	438	(45)	-10,3%
Other fixed operating expenses	531	493	38	7,7%
GROSS OPERATING INCOME (EBITDA)	1.718	1.971	(253)	-12,8%
Depreciation and amortization	568	563	5	0,9%
OPERATING INCOME (EBIT)	1.150	1.408	(258)	-18,3%
FINANCIAL INCOME	(160)	(250)	90	-36,0%
Financial revenues	169	93	76	81,7%
Financial expenses	(349)	(346)	(3)	0,9%
Foreign exchanges	20	3	17	n/a
Share of profit of associates	18	(5)	23	n/a
Income from other investments	5	5	0	0,0%
Income from asset sales	(16)	1	(17)	n/a
INCOME BEFORE TAXES	997	1.159	(162)	-14,0%
Income tax	188	328	(140)	-42,7%
ONGOING ACTIVITIES PROFIT	809	831	(22)	-2,6%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	809	831	(22)	-2,6%
Attributable to the holders of the parent company	614	585	29	5,0%
Minority interest	195	246	(51)	-20,7%

## ENDESA S.A. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

Euro Million

	<u>30.06.11</u>	<u>30.06.10</u>
Consolidated income before income taxes and minorities	2.203	3.305
Result adjustments:	1.202	715
Fixed assets amortization and impairment loss	1.025	1.007
Other result adjustments (net)	177	(292)
Changes in current assets	(136)	(844)
Other cash flows from operating activities:	(884)	(1.179)
Cash-in interests	329	168
Cash-in dividends	1	6
Interest payments	(522)	(574)
Tax income payment	(421)	(471)
Other cash-in/payments from operating activities	(271)	(308)
<b>Net cash provided by operating activities</b>	<b>2.385</b>	<b>1.997</b>
Acquisitions of fixed and intangible assets	(1.381)	(1.341)
Disposal of fixed and intangible assets	28	62
Investments in stakes of subsidiaries	(5)	
Disposal in stakes of subsidiaries	54	504
Acquisitions of other investments	(1.031)	(1.029)
Disposal of other investments	3.900	226
Cash flow from changes in perimeter	(29)	(80)
Subsidies and other deferred income	98	142
<b>Net cash used for investing activities</b>	<b>1.634</b>	<b>(1.516)</b>
New long-term debt	614	3.365
Repayment of long-term debt	(2.597)	(1.335)
Net cash from financial debt with short term maturity	(1.214)	(2.410)
Dividends paid by the controlling company	(529)	(529)
Payments to minority shareholders	(516)	(498)
<b>Net cash used for financing activities</b>	<b>(4.242)</b>	<b>(1.407)</b>
<b>Total net cash</b>	<b>(223)</b>	<b>(926)</b>
Effects of exchange rate changes on cash and cash equivalents	(71)	229
<b>Net increase in cash and cash equivalents</b>	<b>(294)</b>	<b>(697)</b>
Cash and cash equivalents at beginning of period	1.843	1.860
Cash and cash equivalents at end of period	1.549	1.163



## ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

30.06.11

Euro Million

30.06.10

	Of the Parent Company	Of Minority Interests	Total
PROFIT FOR THE PERIOD	1.283	375	1.658
INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	(344)	(217)	(561)
Arising from utility plant and intangible assets revaluation			
Arising from financial instruments valuation			
Arising from cash flow hedge	(177)	(3)	(180)
Translation differences	(201)	(215)	(416)
Arising from actuarial gains and losses and other adjustments			
Companies accounted using the equity method			
Tax effect	34	1	35
Remaining incomes and expenses recognised directly in equity			
TRANSFERS TO PROFIT AND LOSS ACCOUNT	43	(7)	36
Arising from financial instruments valuation			
Arising from cash flow hedge	73	(3)	70
Companies accounted using the equity method			
Tax effect	(22)	1	(21)
Remaining revenues and costs recognised directly in equity			
Translation differences	(8)	(5)	(13)
TOTAL INCOME AND EXPENSES RECOGNISED	982	151	1.133

Of the Parent Company	Of Minority Interests	Total
2.120	435	2.555
464	688	1.152
(60)	(62)	(122)
623	741	1.364
(207)	5	(202)
(5)	(7)	(12)
113	11	124
(15)	(7)	(22)
(45)		(45)
46	(8)	38
(16)	1	(15)
2.569	1.116	3.685

## CONSOLIDATED BALANCE SHEETS SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

ASSETS	<u>30.06.11</u>	<u>31.12.10</u>	<u>Variation</u>	
Total fixed assets	25.840	25.960	(120)	-0,5%
Utility plant	21.727	22.001	(274)	-1,2%
Investment property	13	13		
Intangible asset	927	845	82	9,7%
Goodwill	18	18		
Long term financial investments	831	835	(4)	-0,5%
Investments in associates	893	881	12	1,4%
Deferred tax assets	1.431	1.367	64	4,7%
<b>Total current assets</b>	<b>11.936</b>	<b>14.819</b>	<b>(2.883)</b>	<b>-19,5%</b>
Inventories	1.155	1.028	127	12,4%
Trade and other receivables	3.598	3.765	(167)	-4,4%
Short term financial investments	6.228	9.377	(3.149)	-33,6%
Cash and cash equivalents	363	240	123	51,3%
Non current assets held for sale and from interrupted activities	592	409	183	44,7%
<b>TOTAL ASSETS</b>	<b>37.776</b>	<b>40.779</b>	<b>(3.003)</b>	<b>-7,4%</b>

EQUITY AND LIABILITIES	<u>30.06.11</u>	<u>31.12.10</u>	<u>Variation</u>	
Total equity	13.223	12.798	425	3,3%
Atributable to equity holders of the parent company	13.205	12.800	405	3,2%
Minority interest	18	(2)	20	n/a
<b>Non-current liabilities</b>	<b>16.344</b>	<b>20.123</b>	<b>(3.779)</b>	<b>-18,8%</b>
Deferred revenues	4.212	3.930	282	7,2%
Long term provisions	3.648	3.967	(319)	-8,0%
Long term financial debt	7.174	10.952	(3.778)	-34,5%
Other non-current liabilities	533	490	43	8,8%
Deferred tax liabilities	777	784	(7)	-0,9%
<b>Current liabilities</b>	<b>8.209</b>	<b>7.858</b>	<b>351</b>	<b>4,5%</b>
Short term financial debt	713	5	708	n/a
Short term provisions	742	838	(96)	-11,5%
Trade and other payables	6.615	6.922	(307)	-4,4%
Liabilities related to non current assets held for sale and from interrupted activities	139	93	46	49,5%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37.776</b>	<b>40.779</b>	<b>(3.003)</b>	<b>-7,4%</b>

## CONSOLIDATED STATEMENTS OF INCOME SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

	<u>30.06.11</u>	<u>30.06.10</u>	<u>Variation</u>	
REVENUES	11.230	10.526	704	6,7%
Sales	10.433	9.909	524	5,3%
Other operating revenues	797	617	180	29,2%
PURCHASES AND SERVICES	8.033	7.100	933	13,1%
Energy purchases	3.087	2.561	526	20,5%
Fuel procurement costs	1.188	849	339	39,9%
Transmission expenses	2.851	2.792	59	2,1%
Other variable purchases and services	907	898	9	1,0%
GROSS MARGIN	3.197	3.426	(229)	-6,7%
Work performed by the entity and capitalized	73	88	(15)	-17,0%
Personnel expenses	533	568	(35)	-6,2%
Other fixed operating expenses	673	674	(1)	-0,1%
GROSS OPERATING INCOME (EBITDA)	2.064	2.272	(208)	-9,2%
Depreciation and amortization	735	669	66	9,9%
OPERATING INCOME (EBIT)	1.329	1.603	(274)	-17,1%
FINANCIAL INCOME	(123)	(371)	248	-66,8%
Financial revenues	204	57	147	257,9%
Financial expenses	(368)	(399)	31	-7,8%
Foreign exchanges	41	(29)	70	-241,4%
Share of profit of associates	22	(3)	25	n/a
Income from other investments	4	7	(3)	-42,9%
Income from asset sales	(15)	1.079	(1.094)	-101,4%
INCOME BEFORE TAXES	1.217	2.315	(1.098)	-47,4%
Income tax	254	502	(248)	-49,4%
ONGOING ACTIVITIES PROFIT	963	1.813	(850)	-46,9%
INTERRUPTED ACTIVITIES PROFIT				n/a
NET INCOME	963	1.813	(850)	-46,9%
Attributable to the holders of the parent company	963	1.808	(845)	-46,7%
Minority interest		5	(5)	-100,0%

# QUARTERLY CONSOLIDATED STATEMENTS OF INCOME SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

	<u>2Q 11</u>	<u>2Q 10</u>	<u>Variation</u>	
REVENUES	5.308	4.917	391	8,0%
Sales	5.017	4.673	344	7,4%
Other operating revenues	291	244	47	19,3%
PURCHASES AND SERVICES	3.753	3.251	502	15,4%
Energy purchases	1.472	1.209	263	21,8%
Fuel procurement costs	587	410	177	43,2%
Transmission expenses	1.352	1.225	127	10,4%
Other variable purchases and services	342	407	(65)	-16,0%
GROSS MARGIN	1.555	1.666	(111)	-6,7%
Work performed by the entity and capitalized	42	52	(10)	-19,2%
Personnel expenses	268	297	(29)	-9,8%
Other fixed operating expenses	359	323	36	11,1%
GROSS OPERATING INCOME (EBITDA)	970	1.098	(128)	-11,7%
Depreciation and amortization	408	362	46	12,7%
OPERATING INCOME (EBIT)	562	736	(174)	-23,6%
FINANCIAL INCOME	(93)	(149)	56	-37,6%
Financial revenues	64	24	40	166,7%
Financial expenses	(175)	(153)	(22)	14,4%
Foreign exchanges	18	(20)	38	-190,0%
Share of profit of associates	15	(5)	20	n/a
Income from other investments	4	6	(2)	-33,3%
Income from asset sales	(19)		(19)	n/a
INCOME BEFORE TAXES	469	588	(119)	-20,2%
Income tax	31	144	(113)	-78,5%
ONGOING ACTIVITIES PROFIT	438	444	(6)	-1,4%
INTERRUPTED ACTIVITIES PROFIT				n/a
NET INCOME	438	444	(6)	-1,4%
Attributable to the holders of the parent company	439	444	(5)	-1,1%
Minority interest	(1)		(1)	n/a



## CONSOLIDATED STATEMENTS OF CASH FLOWS SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

	<u>30.06.11</u>	<u>30.06.10</u>
Consolidated income before income taxes and minorities	1.217	2.315
Result adjustments:	742	149
Fixed assets amortization and impairment loss	735	637
Other result adjustments (net)	7	(488)
Changes in current assets	41	(377)
Othe cash flows from operating activities:	(437)	(784)
Cash-in interests	151	61
Cash-in dividends		6
Interest payments	(239)	(453)
Tax income payment	(145)	(141)
Other cash-in/payments from operating activities	(204)	(257)
<b>Net cash provided by operating activities</b>	<b>1.563</b>	<b>1.303</b>
Acquisitions of fixed and intangible assets	(941)	(1.039)
Disposal of fixed and intangible assets	11	52
Investments in stakes of subsidiaries	3	
Disposal in stakes of subsidiaries	2	504
Acquisitions of other investments	(912)	(960)
Disposal of other investments	3.831	145
Cash flow from changes in perimeter		(80)
Subsidies and other deferred income	98	143
<b>Net cash used for investing activities</b>	<b>2.092</b>	<b>(1.235)</b>
New long-term debt	247	3.224
Repayment of long-term debt	(2.396)	(960)
Net cash from financial debt with short term maturity	(853)	(1.978)
Dividends paid by the controlling company	(529)	(529)
Payments to minority shareholders		
<b>Net cash used for financing activities</b>	<b>(3.531)</b>	<b>(243)</b>
<b>Total net cash</b>	<b>124</b>	<b>(175)</b>
<b>Net increase in cash and cash equivalents</b>	<b>124</b>	<b>(175)</b>
Cash and cash equivalents at beginning of period	240	268
Cash and cash equivalents at end of period	364	93

## **CONSOLIDATED BALANCE SHEETS** **LATIN AMERICAN BUSINESS**

(Unaudited)

Euro Million

<b>ASSETS</b>	<b><u>30.06.11</u></b>	<b><u>31.12.10</u></b>	<b><u>Variation</u></b>	
Total fixed assets	17.075	17.595	(520)	-3,0%
Utility plant	10.473	10.895	(422)	-3,9%
Investment property	49	56	(7)	-12,5%
Intangible asset	2.339	2.322	17	0,7%
Goodwill	2.602	2.779	(177)	-6,4%
Long term financial investments	903	806	97	12,0%
Investments in associates	21	18	3	16,7%
Deferred tax assets	688	719	(31)	-4,3%
<b>Total current assets</b>	<b>3.397</b>	<b>4.214</b>	<b>(817)</b>	<b>-19,4%</b>
Inventories	112	101	11	10,9%
Trade and other receivables	2.023	2.344	(321)	-13,7%
Short term financial investments	77	57	20	35,1%
Cash and cash equivalents	1.185	1.588	(403)	-25,4%
Non current assets held for sale and from interrupted activities		124	(124)	-100,0%
<b>TOTAL ASSETS</b>	<b>20.472</b>	<b>21.809</b>	<b>(1.337)</b>	<b>-6,1%</b>

<b>EQUITY AND LIABILITIES</b>	<b><u>30.06.11</u></b>	<b><u>31.12.10</u></b>	<b><u>Variation</u></b>	
Total equity	10.192	10.366	(174)	-1,7%
Atributable to equity holders of the parent company	4.999	4.976	23	0,5%
Minority interest	5.193	5.390	(197)	-3,7%
<b>Non-current liabilities</b>	<b>6.842</b>	<b>7.260</b>	<b>(418)</b>	<b>-5,8%</b>
Deferred revenues	5	6	(1)	-16,7%
Long term provisions	705	747	(42)	-5,6%
Long term financial debt	4.943	5.304	(361)	-6,8%
Other non-current liabilities	173	112	61	54,5%
Deferred tax liabilities	1.016	1.091	(75)	-6,9%
<b>Current liabilities</b>	<b>3.438</b>	<b>4.183</b>	<b>(745)</b>	<b>-17,8%</b>
Short term financial debt	938	980	(42)	-4,3%
Short term provisions	150	182	(32)	-17,6%
Trade and other payables	2.350	2.902	(552)	-19,0%
activities		119	(119)	-100,0%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20.472</b>	<b>21.809</b>	<b>(1.337)</b>	<b>-6,1%</b>



## **CONSOLIDATED STATEMENTS OF INCOME** **LATIN AMERICA BUSINESS**

(Unaudited)

Euro Million

	<u>30.06.11</u>	<u>30.06.10</u>	<u>Variation</u>	
REVENUES	4.964	4.587	377	8,2%
Sales	4.723	4.353	370	8,5%
Other operating revenues	241	234	7	3,0%
PURCHASES AND SERVICES	2.847	2.423	424	17,5%
Energy purchases	1.326	1.099	227	20,7%
Fuel procurement costs	683	578	105	18,2%
Transmission expenses	282	262	20	7,6%
Other variable purchases and services	556	484	72	14,9%
GROSS MARGIN	2.117	2.164	(47)	-2,2%
Work performed by the entity and capitalized	34	21	13	61,9%
Personnel expenses	269	262	7	2,7%
Other fixed operating expenses	453	345	108	31,3%
GROSS OPERATING INCOME (EBITDA)	1.429	1.578	(149)	-9,4%
Depreciation and amortization	290	370	(80)	-21,6%
OPERATING INCOME (EBIT)	1.139	1.208	(69)	-5,7%
FINANCIAL INCOME	(177)	(221)	44	-19,9%
Financial revenues	193	107	86	80,4%
Financial expenses	(362)	(338)	(24)	7,1%
Foreign exchange	(8)	10	(18)	n/a
Share of profit of associates	7		7	n/a
Income from other investments	1	(1)	2	n/a
Income from asset sales	16	4	12	n/a
INCOME BEFORE TAXES	986	990	(4)	-0,4%
Income tax	291	248	43	17,3%
ONGOING ACTIVITIES PROFIT	695	742	(47)	-6,3%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	695	742	(47)	-6,3%
Attributable to the holders of the parent company	320	312	8	2,6%
Minority interest	375	430	(55)	-12,8%



## QUARTERLY CONSOLIDATED STATEMENTS OF INCOME

### LATIN AMERICA BUSINESS

(Unaudited)

Euro Million

	<u>2Q 11</u>	<u>2Q 10</u>	<u>Variation</u>	
REVENUES	2.523	2.503	20	0,8%
Sales	2.403	2.366	37	1,6%
Other operating revenues	120	137	(17)	-12,4%
PURCHASES AND SERVICES	1.499	1.331	168	12,6%
Energy purchases	673	556	117	21,0%
Fuel procurement costs	410	369	41	11,1%
Transmission expenses	149	153	(4)	-2,6%
Other variable purchases and services	267	253	14	5,5%
GROSS MARGIN	1.024	1.172	(148)	-12,6%
Work performed by the entity and capitalized	21	12	9	75,0%
Personnel expenses	125	141	(16)	-11,3%
Other fixed operating expenses	172	170	2	1,2%
GROSS OPERATING INCOME (EBITDA)	748	873	(125)	-14,3%
Depreciation and amortization	160	201	(41)	-20,4%
OPERATING INCOME (EBIT)	588	672	(84)	-12,5%
FINANCIAL INCOME	(67)	(101)	34	-33,7%
Financial revenues	105	69	36	52,2%
Financial expenses	(174)	(193)	19	-9,8%
Foreign exchange	2	23	(21)	-91,3%
Share of profit of associates	3	0	3	n/a
Income from other investments	1	(1)	2	n/a
Income from asset sales	3	1	2	n/a
INCOME BEFORE TAXES	528	571	(43)	-7,5%
Income tax	157	184	(27)	-14,7%
ONGOING ACTIVITIES PROFIT	371	387	(16)	-4,1%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	371	387	(16)	-4,1%
Attributable to the holders of the parent company	175	141	34	24,1%
Minority interest	196	246	(50)	-20,3%



## **CONSOLIDATED STATEMENTS OF CASH FLOWS** **LATIN AMERICA BUSINESS**

(Unaudited)

Euro Million

	<u>30.06.11</u>	<u>30.06.10</u>
Consolidated income before income taxes and minorities	986	990
Result adjustments:	460	566
Fixed assets amortization and impairment loss	290	370
Other result adjustments (net)	170	196
Changes in current assets	(177)	(467)
Other cash flows from operating activities:	(447)	(395)
Cash-in interests	178	107
Cash-in dividends	1	
Interest payments	(283)	(121)
Tax income payment	(276)	(330)
Other cash-in/payments from operating activities	(67)	(51)
<b>Net cash provided by operating activities</b>	<b>822</b>	<b>694</b>
Acquisitions of fixed and intangible assets	(440)	(302)
Disposal of fixed and intangible assets	17	10
Investment in stakes of subsidiaries	(8)	
Disposal in stakes of subsidiaries	52	
Acquisitions of other investments	(119)	(69)
Disposal of other investments	69	81
Cash flow from changes in perimeter	(29)	
Subsidies and other deferred income		(1)
<b>Net cash used for investing activities</b>	<b>(458)</b>	<b>(281)</b>
New long-term debt	367	141
Repayment of long-term debt	(201)	(375)
Net cash from financial debt with short term maturity	(361)	(432)
Dividends paid by the controlling company		
Payments to minority shareholders	(516)	(498)
<b>Net cash used for financing activities</b>	<b>(711)</b>	<b>(1.164)</b>
<b>Total net cash</b>	<b>(347)</b>	<b>(751)</b>
Effects of exchange rate changes on cash and cash equivalents	(71)	229
<b>Net increase in cash and cash equivalents</b>	<b>(418)</b>	<b>(522)</b>
Cash and cash equivalents at beginning of period	1.603	1.592
Cash and cash equivalents at end of period	1.185	1.070

**Breakdown Consolidated Balance Sheet Spain, Portugal and other businesses as of June 30, 2011**  
**SPAIN, PORTUGAL AND OTHER BUSINESSES**

(Unaudited)

Euro Million

	Generation & Supply	Distribution	Corporate Structure, Services & Adjustments	Total
<b>ASSETS</b>				
Total fixed assets	13.496	13.189	(845)	25.840
Utility plant	10.046	11.312	369	21.727
Investment property		4	9	13
Intangible asset	677	184	66	927
Goodwill	19		(1)	18
Long term financial investments	1.291	1.083	(1.543)	831
Investments in associates	801	63	29	893
Deferred tax assets	662	543	226	1.431
<b>Total current assets</b>	<b>8.586</b>	<b>801</b>	<b>2.549</b>	<b>11.936</b>
Inventories	1.061	84	10	1.155
Trade and other receivables	3.903	686	(991)	3.598
Short term financial investments	2.781	11	3.436	6.228
Cash and cash equivalents	266	1	96	363
Non current assets held for sale and from interrupted activities	575	19	(2)	592
<b>TOTAL ASSETS</b>	<b>22.082</b>	<b>13.990</b>	<b>1.704</b>	<b>37.776</b>

**EQUITY AND LIABILITIES**

<b>Total equity</b>	<b>6.483</b>	<b>5.075</b>	<b>1.665</b>	<b>13.223</b>
Attributable to equity holders of the parent company	6.478	5.075	1.652	13.205
Minority interest	5		13	18
<b>Non-current liabilities</b>	<b>10.424</b>	<b>6.451</b>	<b>(531)</b>	<b>16.344</b>
Deferred revenues	281	3.993	(62)	4.212
Long term provisions	1.847	1.431	370	3.648
Long term financial debt	7.761	388	(975)	7.174
Other non-current liabilities	125	423	(15)	533
Deferred tax liabilities	410	216	151	777
<b>Current liabilities</b>	<b>5.175</b>	<b>2.464</b>	<b>570</b>	<b>8.209</b>
Short term financial debt	54	11	648	713
Short term provisions	491	188	63	742
Trade and other payables	4.517	2.264	(166)	6.615
activities	113	1	25	139
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22.082</b>	<b>13.990</b>	<b>1.704</b>	<b>37.776</b>

**Breakdown Consolidated Balance Sheet Spain, Portugal and other businesses as of December 31, 2010**  
**SPAIN, PORTUGAL AND OTHER BUSINESSES**

Euro Million

	Generation & Supply	Distribution	Corporate Structure, Services & Adjustments	Total
<b>ASSETS</b>				
<b>Total fixed assets</b>	<b>12.951</b>	<b>13.129</b>	<b>(120)</b>	<b>25.960</b>
Utility plant	10.221	11.309	471	22.001
Investment property		3	10	13
Intangible asset	582	187	76	845
Goodwill	20	1	(3)	18
Long term financial investments	660	1.006	(831)	835
Investments in associates	825	69	(13)	881
Deferred tax assets	643	554	170	1.367
<b>Total current assets</b>	<b>8.991</b>	<b>609</b>	<b>5.219</b>	<b>14.819</b>
Inventories	951	80	(3)	1.028
Trade and other receivables	4.379	479	(1.093)	3.765
Short term financial investments	2.990	29	6.358	9.377
Cash and cash equivalents	209	2	29	240
Non current assets held for sale and from interrupted activities	462	19	(72)	409
<b>TOTAL ASSETS</b>	<b>21.942</b>	<b>13.738</b>	<b>5.099</b>	<b>40.779</b>

**EQUITY AND LIABILITIES**

<b>Total equity</b>	<b>5.849</b>	<b>4.683</b>	<b>2.266</b>	<b>12.798</b>
Attributable to equity holders of the parent company	5.849	4.683	2.268	12.800
Minority interest			(2)	(2)
<b>Non-current liabilities</b>	<b>9.830</b>	<b>6.983</b>	<b>3.310</b>	<b>20.123</b>
Deferred revenues	141	3.924	(135)	3.930
Long term provisions	1.932	1.488	547	3.967
Long term financial debt	7.260	942	2.750	10.952
Other non-current liabilities	76	426	(12)	490
Deferred tax liabilities	421	203	160	784
<b>Current liabilities</b>	<b>6.263</b>	<b>2.072</b>	<b>(477)</b>	<b>7.858</b>
Short term financial debt	45	27	(67)	5
Short term provisions	915	255	(332)	838
Trade and other payables	5.210	1.789	(77)	6.922
Liabilities related to non current assets held for sale and from interrupted activities	93	1	(1)	93
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21.942</b>	<b>13.738</b>	<b>5.099</b>	<b>40.779</b>

**Breakdown Consolidated Statement of Income Spain, Portugal and other businesses as of June 30, 2011**  
**SPAIN, PORTUGAL AND OTHER BUSINESSES**

(Unaudited)

Euro Million

	Generation & Supply	Distribution	Corporate Structure, Services & Adjustments	Total
<b>REVENUES</b>	9.981	1.358	(109)	11.230
Sales	9.299	1.204	(70)	10.433
Other operating revenues	682	154	(39)	797
<b>PURCHASES AND SERVICES</b>	8.062	60	(89)	8.033
Energy purchases	3.086		1	3.087
Fuel procurement costs	1.188			1.188
Transmission expenses	2.846		5	2.851
Other variable purchases and services	942	60	(95)	907
<b>GROSS MARGIN</b>	1.919	1.298	(20)	3.197
Work performed by the entity and capitalized	4	43	26	73
Personnel expenses	277	168	88	533
Other fixed operating expenses	543	288	(158)	673
<b>GROSS OPERATING INCOME (EBITDA)</b>	1.103	885	76	2.064
Depreciation and amortization	423	294	18	735
<b>OPERATING INCOME (EBIT)</b>	680	591	58	1.329
<b>FINANCIAL INCOME</b>	(32)	(10)	(81)	(123)
Financial revenues	66	39	99	204
Financial expenses	(138)	(49)	(181)	(368)
Foreign exchanges	40		1	41
Share of profit of associates	23	(1)		22
Income from other investments	6	1	(3)	4
Income from asset sales	(19)	3	1	(15)
<b>INCOME BEFORE TAXES</b>	658	584	(25)	1.217
Income tax	157	109	(12)	254
<b>ONGOING ACTIVITIES PROFIT</b>	501	475	(13)	963
<b>INTERRUPTED ACTIVITIES PROFIT</b>				
<b>PROFIT FOR THE PERIOD</b>	501	475	(13)	963
Attributable to the holders of the parent company	501	475	(13)	963
Minority interest				



# Breakdown Consolidated Statement of Income Spain, Portugal and other businesses as of June 30, 2010

## SPAIN, PORTUGAL AND OTHER BUSINESSES

Euro Million

	Generation & Supply	Distribution	Corporate Structure, Services & Adjustments	Total
REVENUES	10.737	1.370	(1.581)	10.526
Sales	10.112	1.268	(1.471)	9.909
Other operating revenues	625	102	(110)	617
PURCHASES AND SERVICES	8.608	71	(1.579)	7.100
Energy purchases	4.206		(1.645)	2.561
Fuel procurement costs	862		(13)	849
Transmission expenses	2.823		(31)	2.792
Other variable purchases and services	717	71	110	898
GROSS MARGIN	2.129	1.299	(2)	3.426
Work performed by the entity and capitalized	3	60	25	88
Personnel expenses	257	206	105	568
Other fixed operating expenses	511	262	(99)	674
GROSS OPERATING INCOME (EBITDA)	1.364	891	17	2.272
Depreciation and amortization	350	296	23	669
OPERATING INCOME (EBIT)	1.014	595	(6)	1.603
FINANCIAL INCOME	(219)	(84)	(68)	(371)
Financial revenues	16	20	21	57
Financial expenses	(193)	(104)	(102)	(399)
Foreign exchanges	(42)		13	(29)
Share of profit of associates	(7)	4		(3)
Income from other investments	1	1	5	7
Income from asset sales	1.032	9	38	1.079
INCOME BEFORE TAXES	1.821	525	(31)	2.315
Income tax	369	137	(4)	502
ONGOING ACTIVITIES PROFIT	1.452	388	(27)	1.813
INTERRUPTED ACTIVITIES PROFIT				
PROFIT FOR THE PERIOD	1.452	388	(27)	1.813
Attributable to the holders of the parent company	1.450	385	(27)	1.808
Minority interest	2	3		5