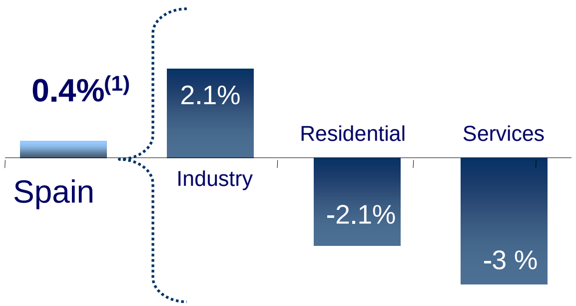
29 | 07 | 2011

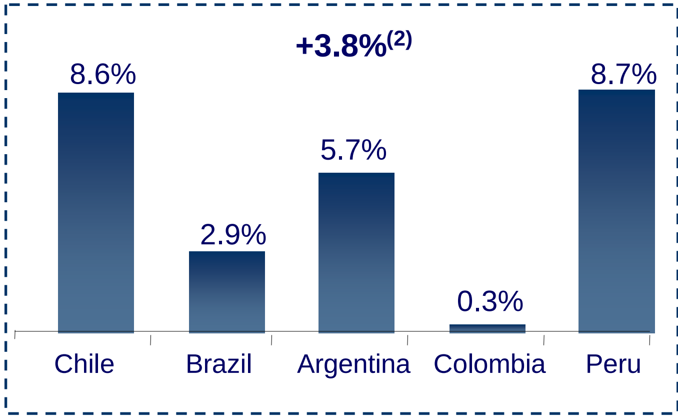
endesa 1H 2011 results

Market context in 1H 2011

Demand evolution

Spain: demand slowing down affected by residential and small & medium enterprises





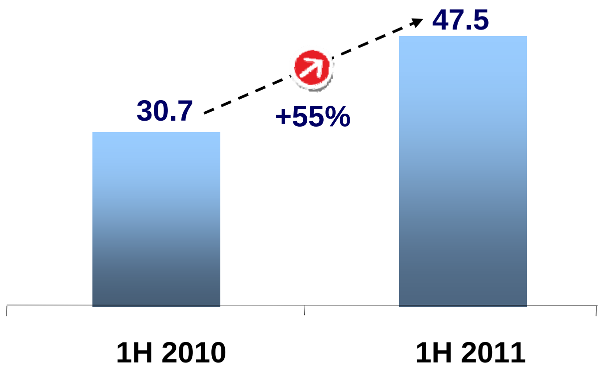
Latin America: solid growth in the region with outstanding performance in Chile and Peru

(1) Mainland. Adjusted for weather and working days. (-0.6% not adjusted). Source: REE
(2) Gross. Countries where Endesa operates weighted by TWh (demand by country)

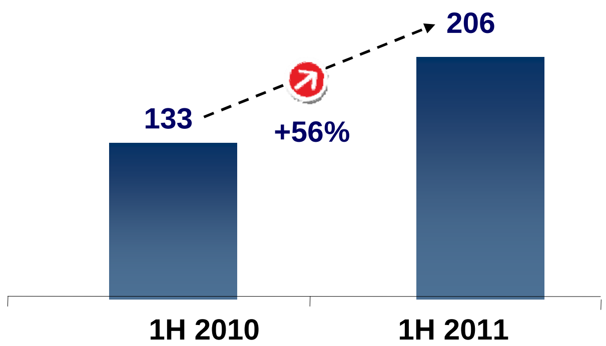
Electricity prices

Spain: higher prices due to normalization of hydro output and higher fuel costs

Average pool prices[1] Spain
(€/MWh)



Average spot prices Chile-SIC
(US$/MWh)



Chile: higher prices due to severe drought and higher commodity prices

(1) Does not include ancillary services nor capacity payments

Operating results affected by non-recurrent effects

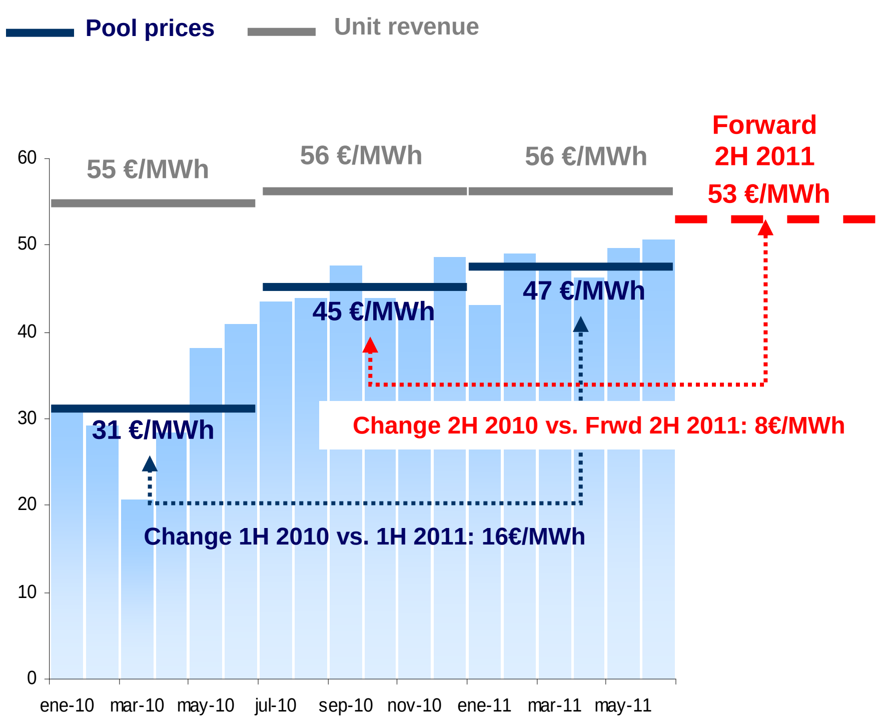
€M	1H 2011	1H 2010	Change	Like-for-like
Revenues	16,194	15,113	**+7%**	
Gross margin	5,314	5,590	**-5%**	
EBITDA	3,493	3,850	**-9%**	**-3%**
Spain&Portugal&Others	2,064	2,272	**-9%**	**-4%**(1)
Endesa Latin America	1,429	1,578	**-9%**	**-2%**(2)
EBIT	2,468	2,811	**-12%**	
Net finance expenses(3)	333	573	**-42%**	
Net attributable income	1,283	2,120	**-40%**	
Net attributable income adjusted by disposals(4)	1,282	1,212	**+6%**	

Consolidated EBITDA -3% when considering the change in perimeter & one-off tax in Colombia

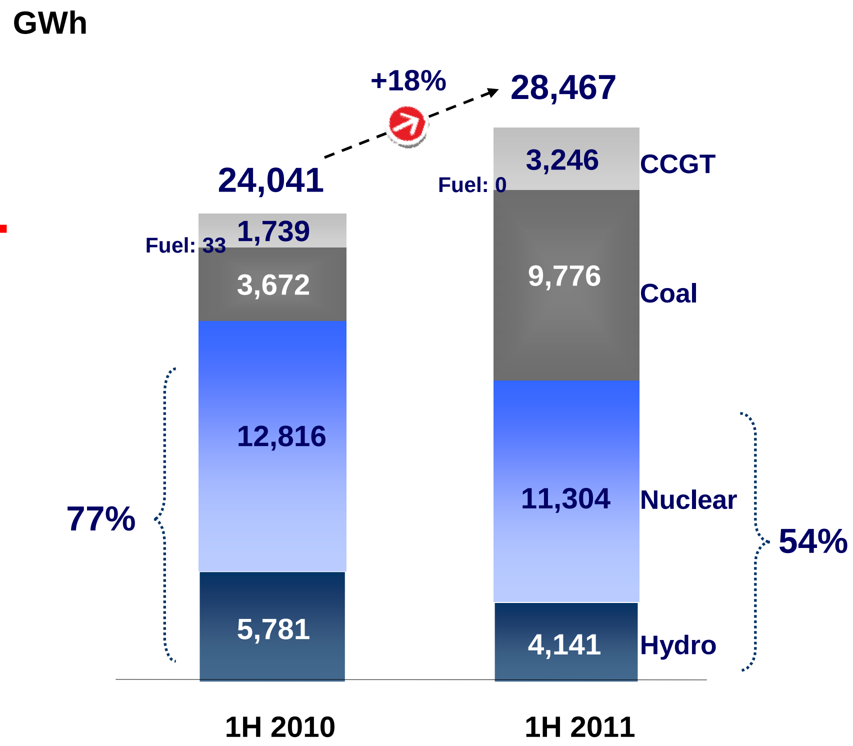
(1) Adjusted by perimeter (renewables, Endesa gas, transmission which contributed €130 M in 1H 2010)
(2) Adjusted by net worth tax in Colombia (€109 M in 1H 2011) and perimeter (CAM&Synapsis €6 M in 1H2010). Includes €10 M negative FX
(3) Negative one-off in 1H2010 (-€77 M), ruling on appeal regarding previous years income tax (+€63 M), provisions for early retirement program due to interest rates evolution (+€21 M in 1H 2011 vs. -€ 67 M in 1H 2010)
(4) Net capital gains (€1 M in 1H 2011 & €908 M in 1H 2010 mainly renewables divestment)

Iberia: results affected by increase in energy cost and change in perimeter

Liberalized margin normalization



Endesa mainland output



- Margins normalize as pool prices increase
- Lower delta in pool prices expected in 2H 2011 vs. 2H 2010
- Increase in fuel cost due to lower hydro and nuclear (fuel recharges)
- €130 M decrease in EBITDA due to perimeter change

Latin America: results affected by non-recurrent effects

Drought impact in Chile: €136 M

Gx output and energy purchases

(1H2011 vs. 1H 2010)

One of the most severe droughts coupled with delay in Bocamina II due to earthquake, boosted energy purchases at high prices

Weakness in US$ vs. €...

... impacts dollarized businesses

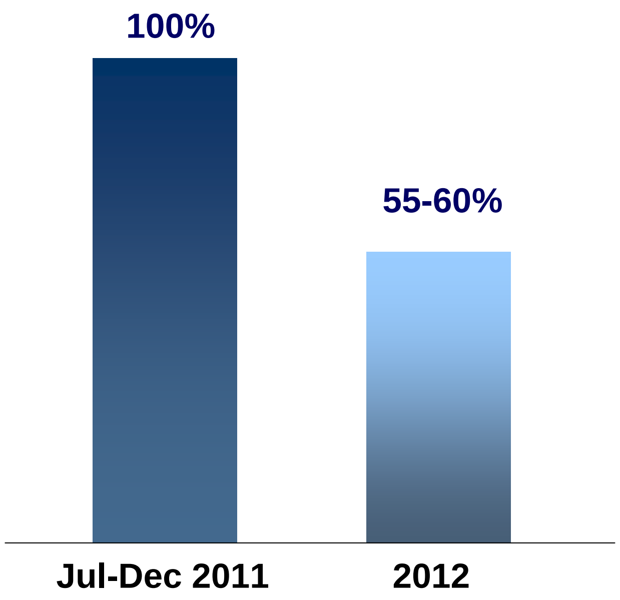
(Gx in Chile, Colombia & Peru)

FX Latin America impact in EBITDA

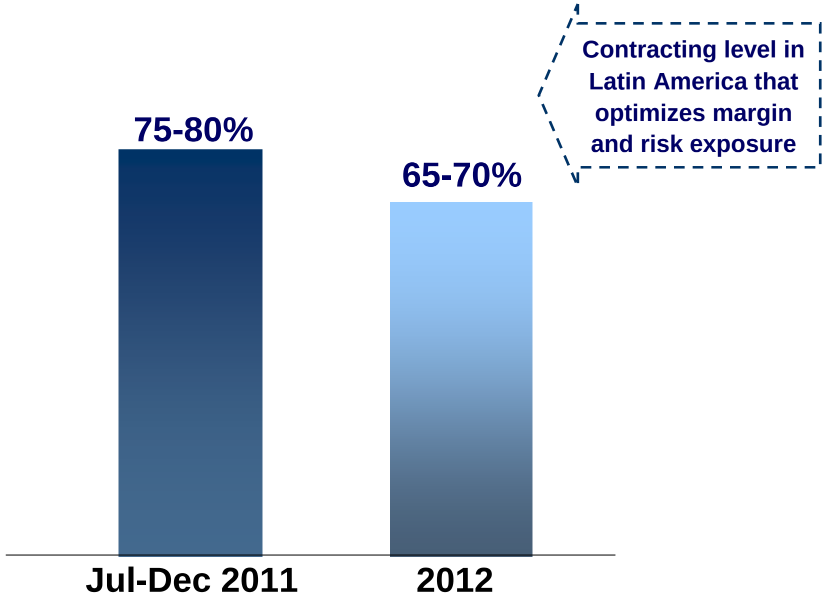
- **Colombia: significant one-off net- worth tax impact (€109 M)**

Forward sales strategy

Spain & Portugal
(% estimated mainland output hedged)



Latin America
(% estimated output hedged)



Consistent commercial policy

34% of the generation sold via contracts > 5 yrs and 23% via contracts > 10 yrs

Regulation update

Spain

- LRT: 9.8% average increase from January 1st & 1.5% from July 1st
- Access tariff: 7.6% average increase from April 1st
- Positive outlook for capacity and availability payments
- Tariff deficit securitization in progress
- Nuclear power plants stress test

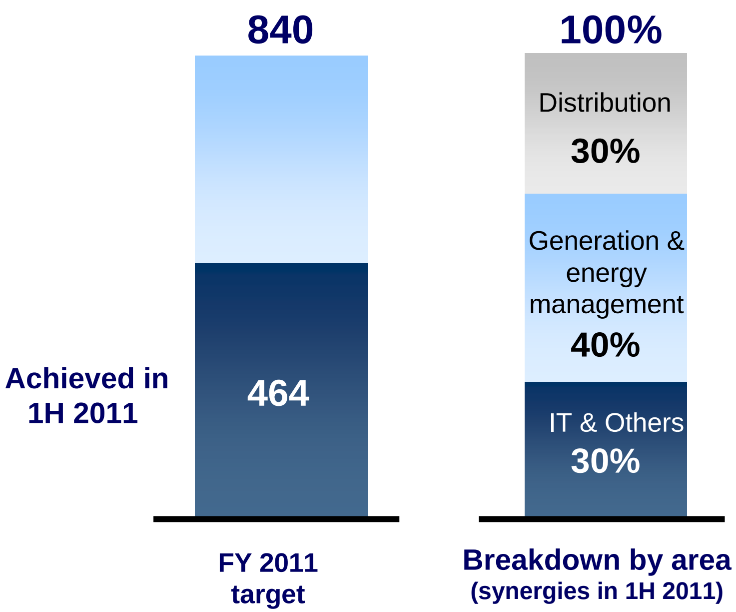
Latin America

- Brazil: Coelce tariff review postponed until 4Q 2011 - 1Q 2012
- Chile: new regulation on emissions. Expert committee analyzing the future energy policy
- Argentina: potential adjustment in revenues of Edesur

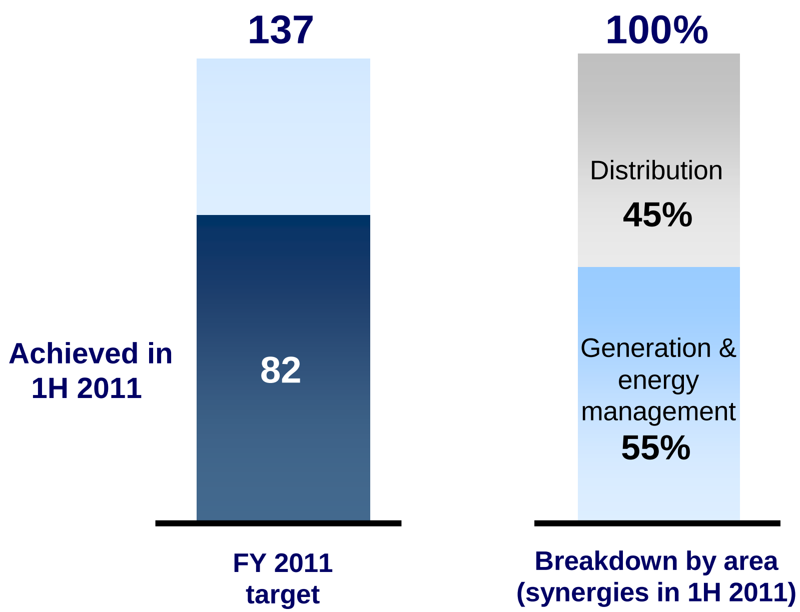
On track to achieve efficiency and synergy programs targets for FY 2011

€M

Endesa Synergy Plan



Endesa Zenith Plan



Well on track to achieve 2011 Synergy plan target (55% in 1H 2011) and Zenith plan target (60% in 1H 2011)

Developments in capacity additions & investment projects

Spain

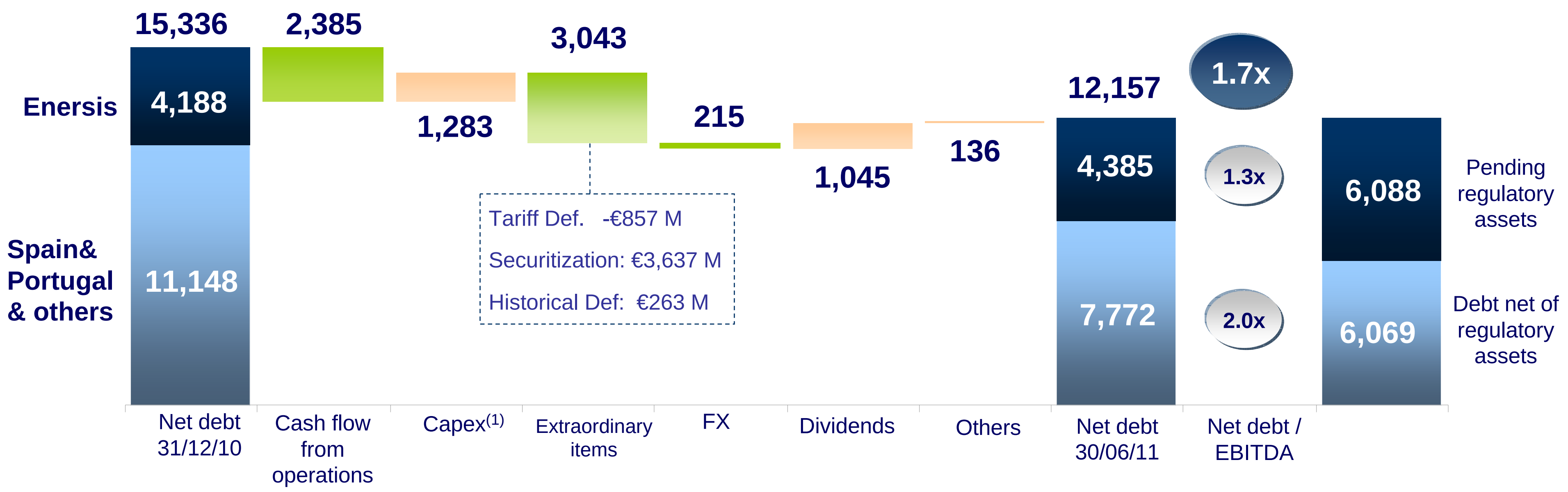
- New CCGT capacity in operation:
  - Tejo II (851 MW): 50%Endesa
  - Besos 5 (873 MW)
- Almaraz nuclear repowering: 19 MW capacity increase
- Repowering in Balearic Islands and Canary Island
- Agreement to acquire 245,000 liberalized gas customers in Madrid
- Pumped storage projects:
  - Awarded 200 MW Canary Islands project to be in operation in 2017
  - Presented in Portugal 364 MW project to be in operation in 2017

Latin America

- Status on projects under development:
  - Bocamina II: expected to come on stream 1Q 2012
  - El Quimbo: construction in progress
  - Talara: environmental permit approved (notice to proceed). Expected to be in operation in 2H 2013

A sound financial position

Net debt evolution in 1H 2011 (€M)



Solid financial leverage

	31/12/10	30/06/11
Leverage (Net debt/Equity)	0.7	0.5

- **Optimizing financial cost through €1.3 bn preference shares buy back**

(1) Cash outflow

spain&portugal&others 1H 2011

Highlights in 1H 2011

Demand increase slowing down (+0.4% [1])

18% increase in output(2): higher thermal generation results in higher fuel costs

Margin normalization in liberalized business

Net financial results improving sharply

Change in perimeter: EBITDA - €130 M

(1) Mainland. Adjusted for weather and working days. (-0.6% not adjusted). Source: REE
(2) Endesa. Mainland Ordinary Regime

Solid results affected by disposals & margin normalization

€M	1H 2011	1H 2010	Change	Like-for-like (3)
Revenues	11,230	10,526	**+7%**	
Gross margin	3,197	3,426	**-7%**	**-2%**
EBITDA	2,064	2,272	**-9%**	**-4%**
EBIT	1,329	1,603	**-17%**	
Net finance expenses(1)	164	342	**-52%**	
Net attributable income	963	1,808	**-47%**	
Net attributable income adjusted by disposals(2)	969	902	**+7%**	

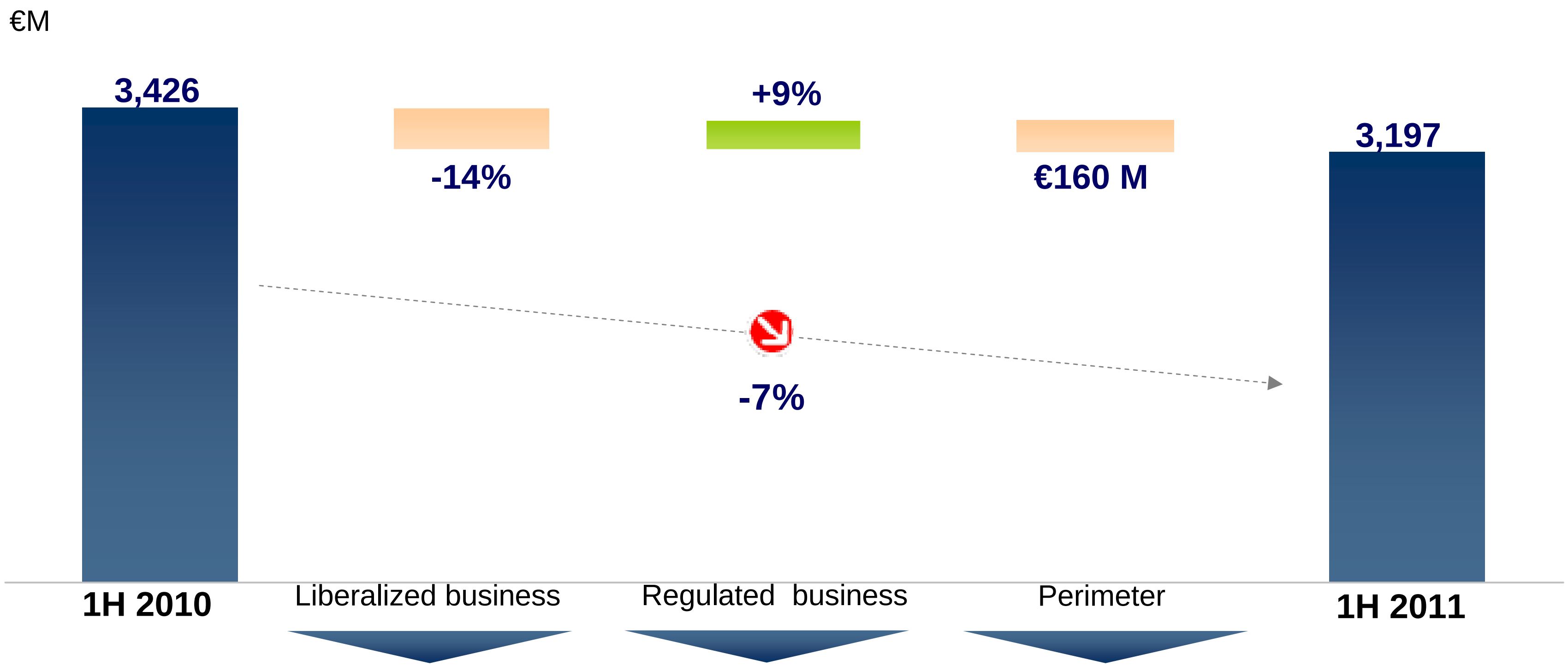
Improvement in financial expenses results in +7% Net attributable income adjusted by disposals

(1) Negative one-off in 1H2010 (-€77 M), ruling over Endesa's appeal regarding previous years income tax (+€27 M), provisions for early retirement program due to interest rates evolution (+€21 M in 1H 2011 vs. -€ 67 M in 1H 2010)

(2) Net capital gains (-€6 M in 1H 2011 & €906 M in 1H 2010 mainly by renewables divestment)

(3) Adjusted by perimeter (renewables, transmission and Endesa Gas : €160 M gross margin and €130 M EBITDA in 1H 2010)

Gross margin impacted by energy costs & perimeter



Liberalized business

- ↑ Higher production & sales to final customers
- ↓ Higher unit fuel costs
- ↓ Higher costs in energy purchases

Regulated business

- ↑ Distribution
- ↑ Non-mainland systems
- ↓ Mining & others

Perimeter

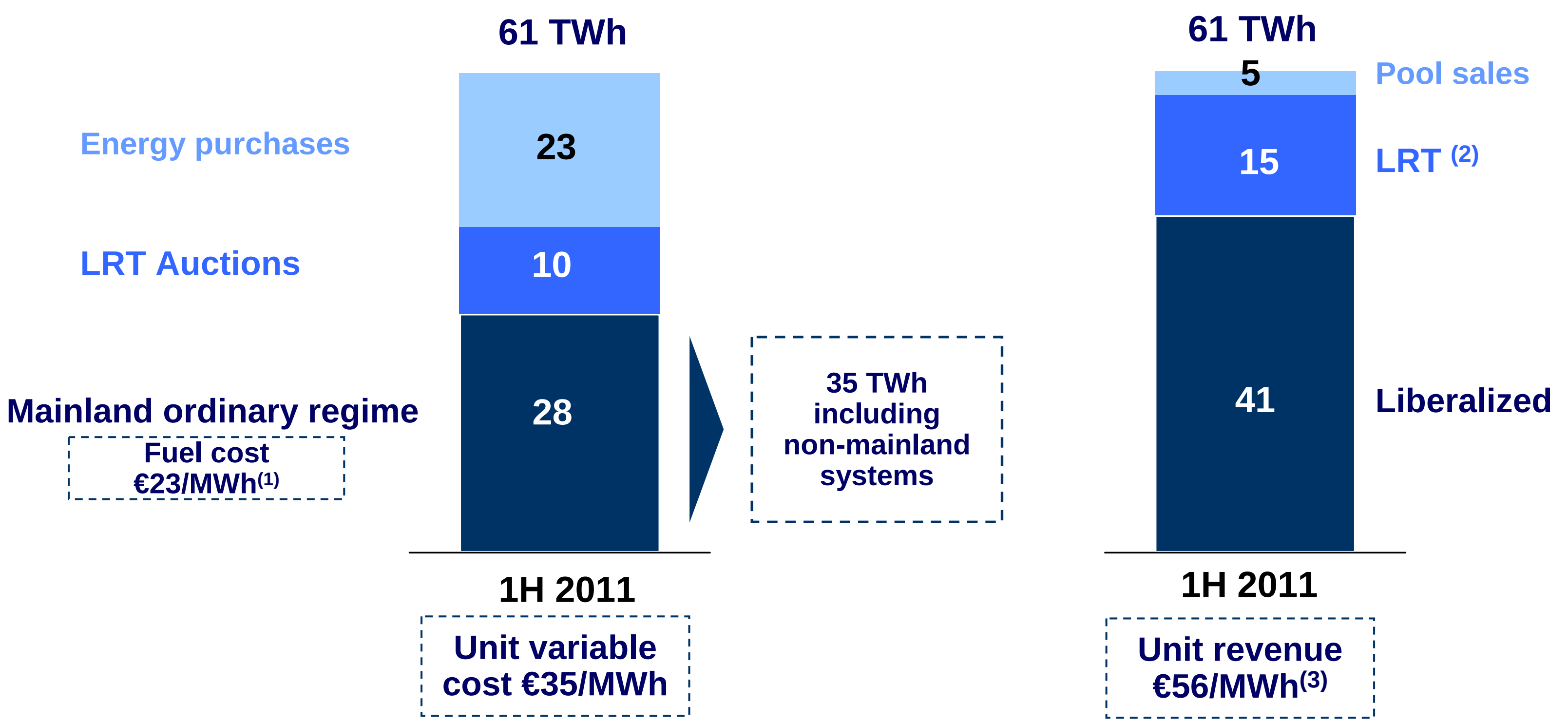
- ↓ Perimeter (renewables, gas, transmission)

Gross margin 2% decrease adjusted by perimeter

Competitive energy sources in current market scenario

Liberalized business Iberia

Gross electricity sources | Gross electricity sales



Stable unit revenues and higher unit variable cost impacted by fuel mix and energy purchases cost

(1) Includes fuel cost and CO_2
(2) LRT: Last resort tariff not considered in calculations for unit cost and unit revenue
(3) Including LRT, unit revenue would be approx. € 60/MWh

latin america 1H 2011

Highlights in 1H 2011

Stable generation volumes: drought in Chile compensated by wet hydro conditions in Colombia

Distribution sales: +4.0% with outstanding performance in Peru (+7.9%) and Chile (+6.6%)

Chile: €136 M impact from drought

Argentina: higher costs due to inflation with no increase in tariffs

Colombia: one-off net worth tax (€109 M)

Operating results affected by non recurrent items

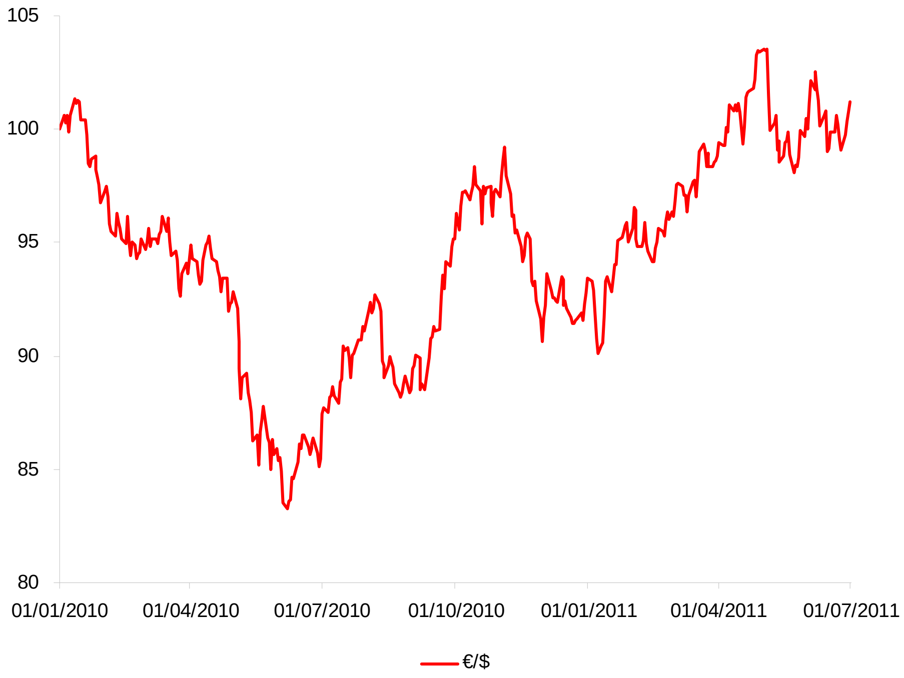
€M	1H 2011	1H 2010	Change
Revenues	4,964	4,587	**+8%**
Gross margin	2,117	2,164	**-2%**
EBITDA	1,429	1,578	**-9%**
EBIT	1,139	1,208	**-6%**
Net finance expenses(1)	169	231	**-27%**
Net income	695	742	**-6%**
Net attributable income	320	312	**+3%**

- **Stripping out net worth tax EBITDA fell 2.5%**
- **€260 M of attributable EBITDA came from direct holdings**

(1) €36 M Positive impact of the National Court decision on Endesa's fiscal group income tax .

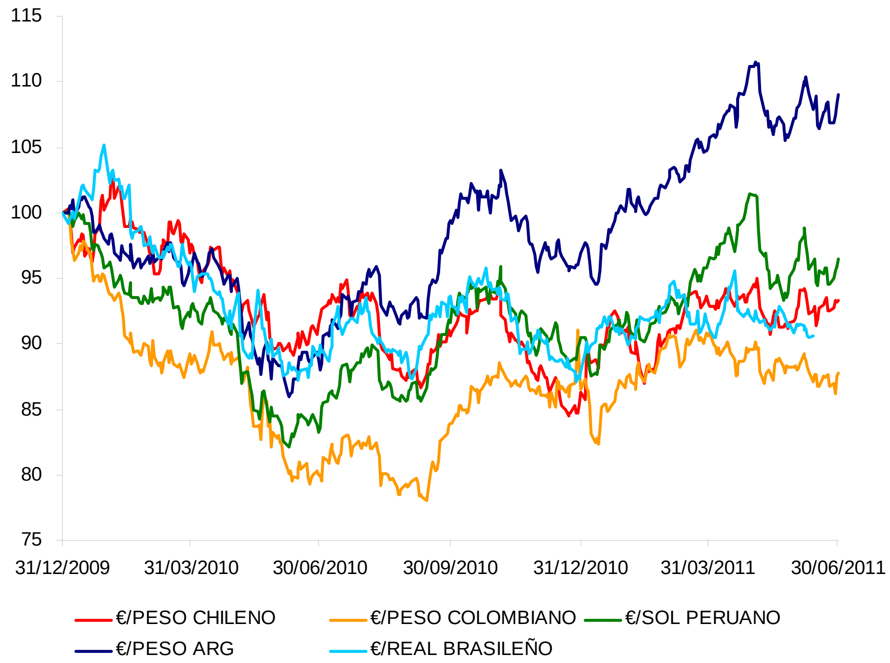
Latin America: FX impact in EBITDA

Generation business: -€ 28M



- Impact of dollar weakness as a result of business dollarization in Chile, Colombia and Peru

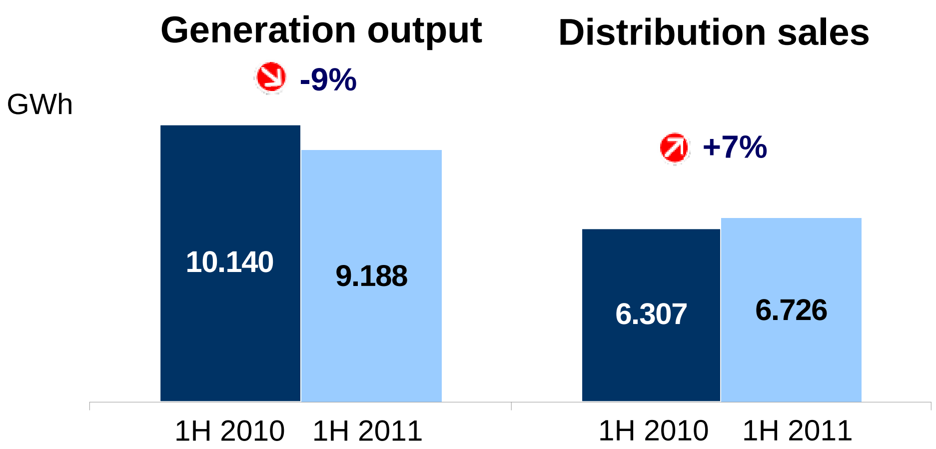
Distribution business: +€17 M



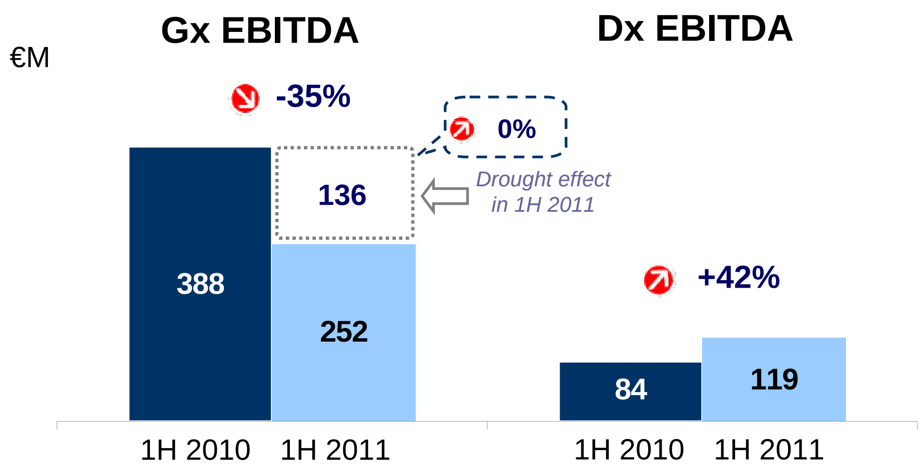
- Local currencies strength against euro (ex-Argentina)

- **US$ depreciation offsets positive impact from Latam currencies strength**

Chile: generation margins affected by severe drought



- **Lower generation due to severe drought (-26% hydro), partially compensated by higher thermal generation**
- **Growth in distribution sales after 2010 earthquake**

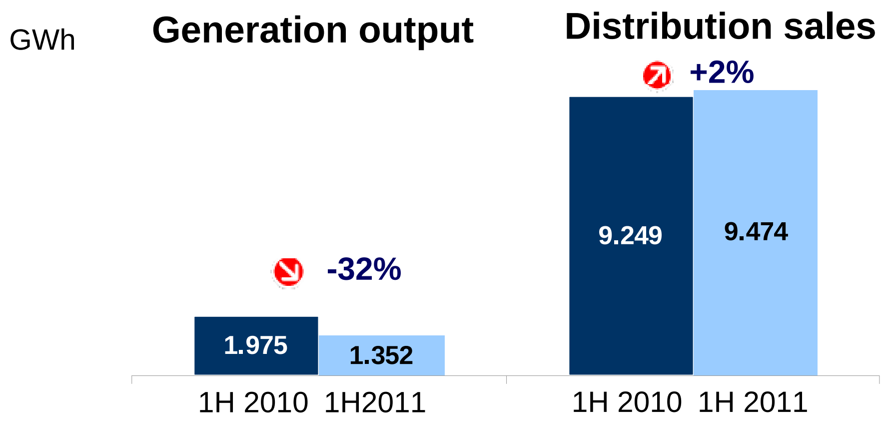


Unit margin	€31.4/MWh -27%	€27.2/MWh +12%

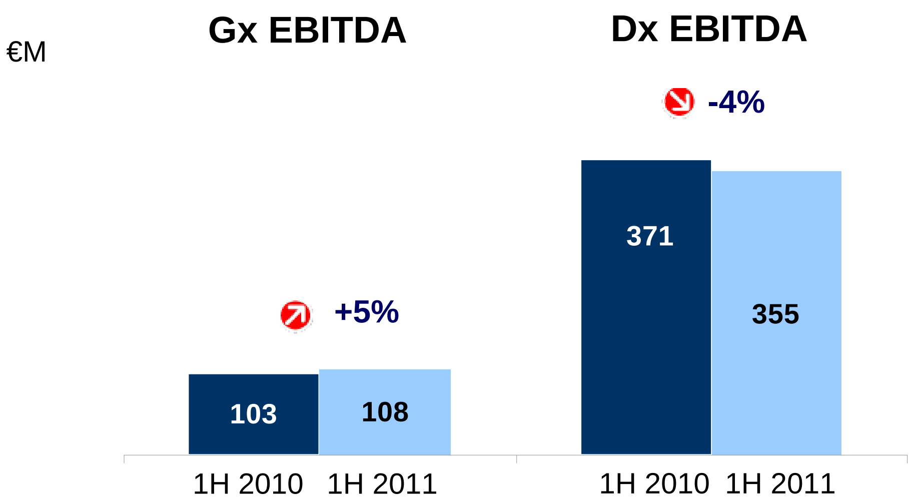
- **Gx: severe drought and delay in Bocamina II (earthquake) results in higher energy costs**
- **Dx: higher volumes and prices due to improvement of indexation factors**

Total EBITDA €371M (-21%)

Brazil: resilient results despite unfavourable conditions



- Lower generation (-32%) due to dispatch decisions in Cachoeira and lower thermal
- Good performance in Ampla (+5%) compensates decrease in Coelce (-1%) due to extraordinary high temperatures in 1H 2010



Unit margin	€38.1/MWh +12%	€55.4/MWh -4%

- Gx: higher sale prices offset lower volumes
- Dx: RTE[1] (€26 M) fully accrued in 1H 2010 and worse sales mix. Lower network losses in Ampla
- Tx: interconnection Brazil-Argentina EBITDA €17 M (+54%)

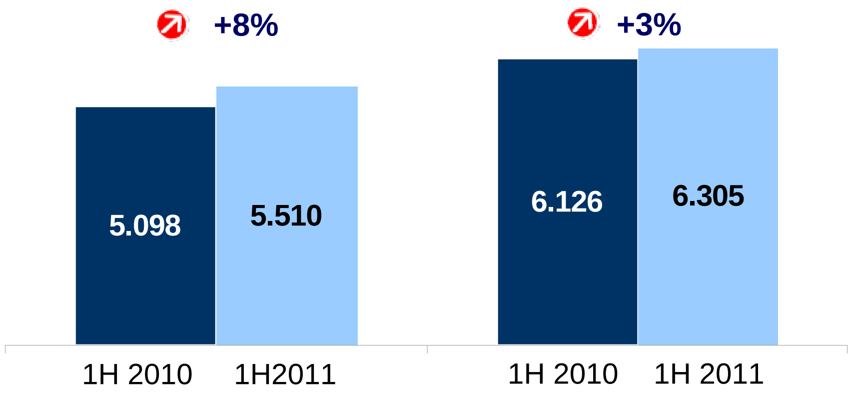
Total EBITDA €480 M (-1%) [2]

(1) "Recomposición tarifaria extraordinaria": Pending revenues that distributors had been receiving until 2010 due to 2001 energy rationing
(2) Includes Brazil-Argentina interconnection

Colombia: net worth tax offsets higher margins

GWh

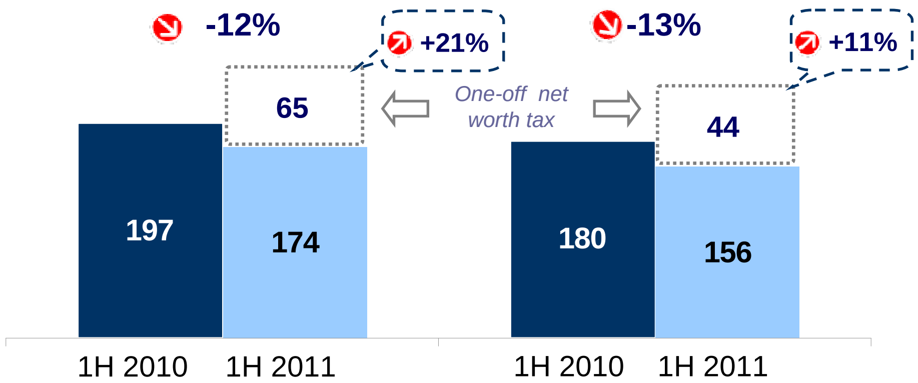
Generation output | **Distribution sales**



- **Increase in generation due to favourable hydro conditions**
- **Increase in distribution sales**

€M

Gx EBITDA | **Dx EBITDA**

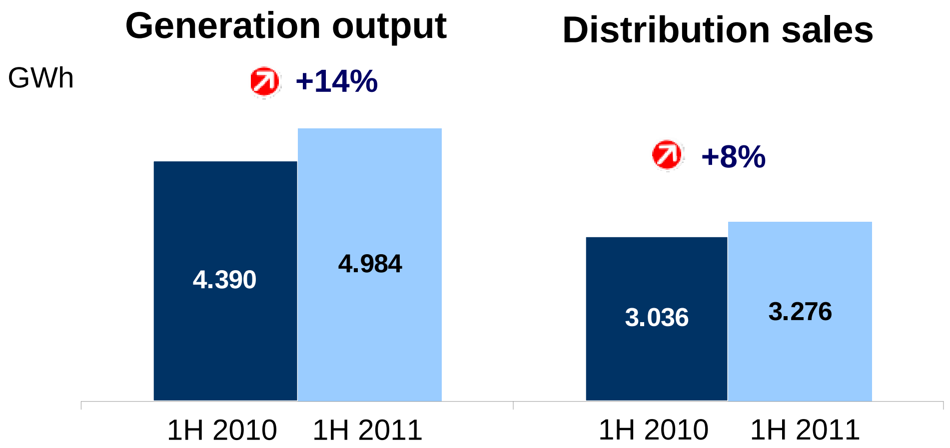


- **Gx: better output mix and lower energy purchases. Net worth tax one off impact (€65M)**
- **Dx: decrease due to net worth tax (€43 M)**

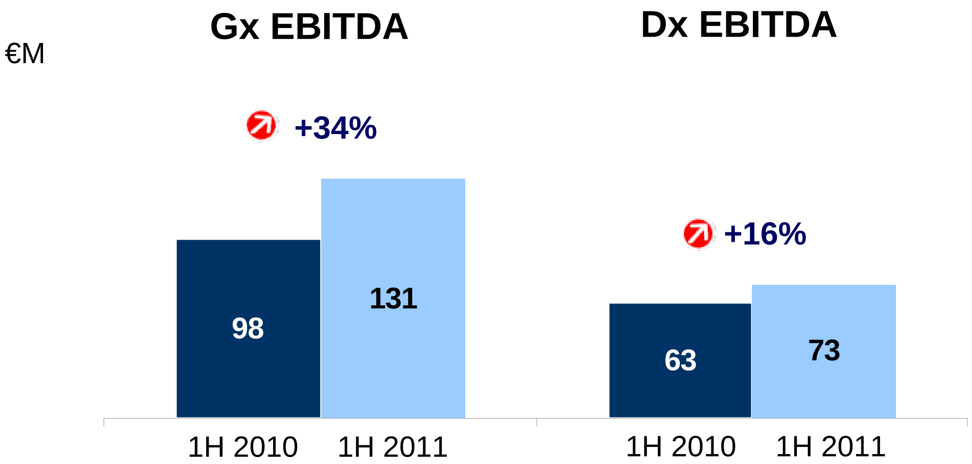
Unit margin | €35.8/MWh +16% | €41.1/MWh +2%

Total EBITDA €330 M (-12%)

Peru: higher activity and lower fixed costs



- Higher generation due to better hydro conditions, grid restrictions in the north and higher availability
- Strong economic growth lead to 8% increase in demand



- Higher sale prices and volumes, and lower fixed costs boosted EBITDA in generation and distribution

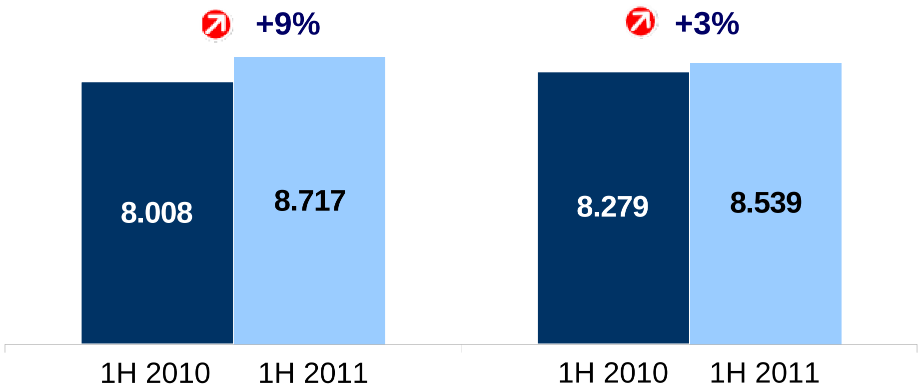
Unit margin	€26.1/MWh -0%	€26.7/MWh -6%

Total EBITDA €204 M (+27%)

Argentina: demand growth

GWh

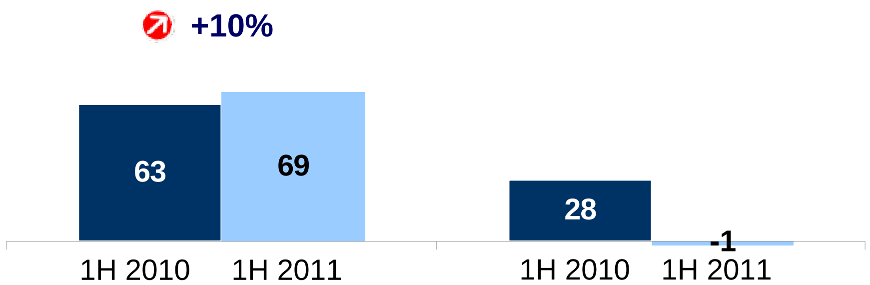
Generation output | **Distribution sales**



- **Strong output increase (decrease in hydro offset by thermal production)**
- **Slight increase in demand due to mild temperatures**

€M

Gx EBITDA | **Dx EBITDA**



Unit margin	**€10.1**/MWh **+2%**	**€12.2**/MWh **-10%**

- **Gx: regulatory agreement to increase capacity payments and O&M remuneration**
- **Dx: personnel cost increased (+49%) along with higher O&M costs (+9%) due to inflation coupled with no increase in tariffs**

Total EBITDA €68 M (-25%)

conclusions 1H 2011

Final remarks

Solid results considering the challenging environment and non-recurrent items both in Iberia and Latin America

Tariff increase in Spain goes in the right direction but additional effort will be required

Exceptional negative financial market slowed down deficit securitization process but Government shows strong commitment

Latin America continues showing solid organic growth

Advances on project development

Effective delivery from efficiency and synergies programs

appendices 1H 2011

Installed capacity and output[1]

Installed capacity

MW at 30/06/11	Spain& Portugal&Others	Endesa Latin America	Total
Total	**24,184**	**15,832**	**40,016**
Hydro	4,716	8,666	13,382
Nuclear	3,681	-	3,681
Coal	5,804	522	6,326
Natural gas	4,632	3,966	8,598
Oil-gas	5,351	2,592	7,943
CHP/Renewables	na	87	87

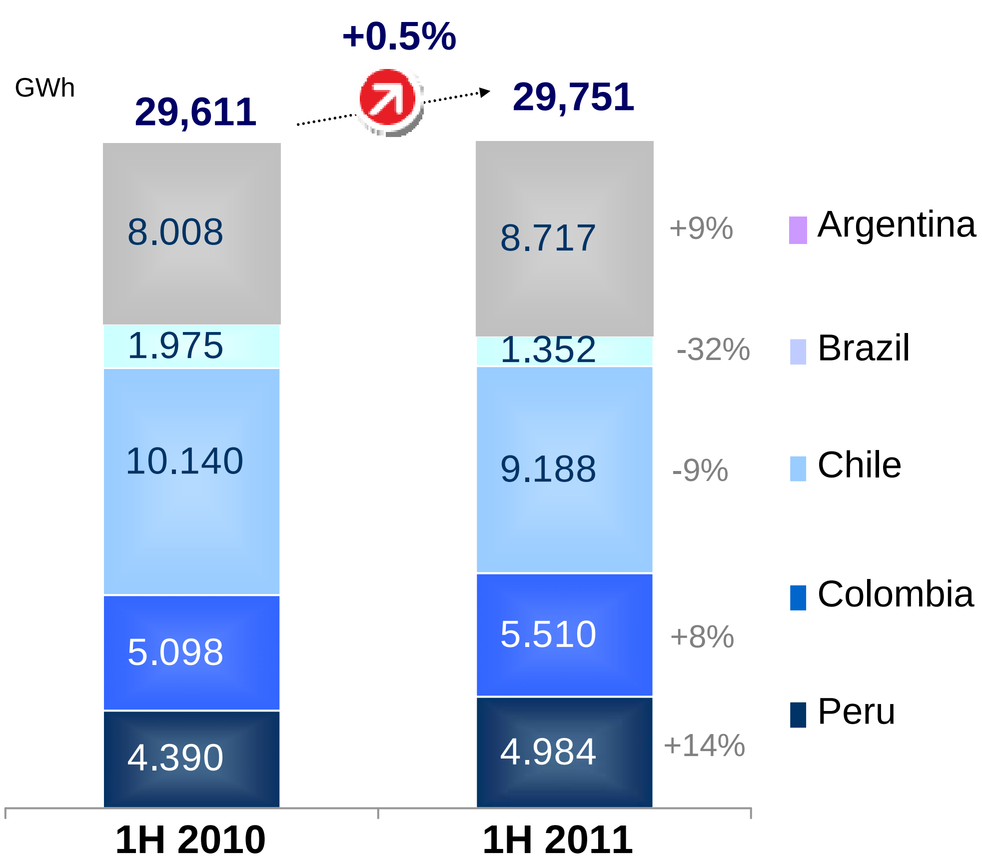
Output

TWh 1H 2011 (chg. vs. 1H 2010)	Spain& Portugal&Others		Endesa Latin America		Total	
Total	**35.9**	**+11.8%**	**29.8**	**+0.5%**	**65.7**	**+6.4%**
Hydro	4.1	-28%	14.6	-8%	18.7	-14%
Nuclear	11.3	-12%	-	-	11.3	-12%
Coal	11.3	+111%	1.1	-10%	12.4	+89%
Natural gas	3.7	+72%	11.1	+10%	14.8	+21%
Oil-gas	5.5	+1%	2.9	+25%	8.4	+8%
CHP/Renewables	na	na	0.1	-7%	0.1	-7%

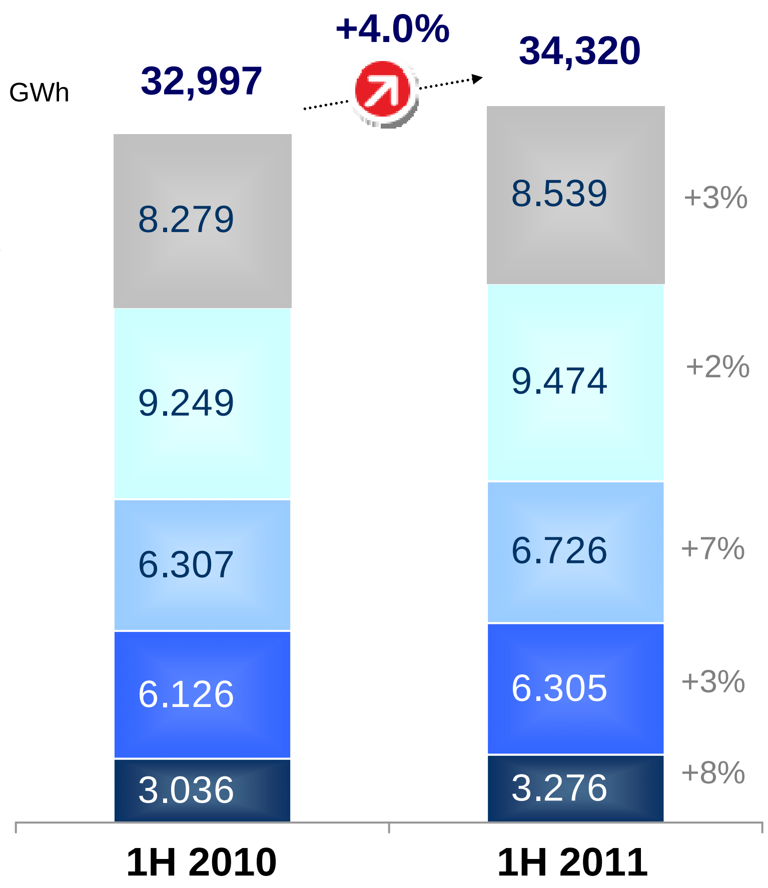
(1) Includes data for fully consolidated companies and jointly-controlled companies accounted for using proportionate consolidation

Operational growth in generation and distribution

Generation Output

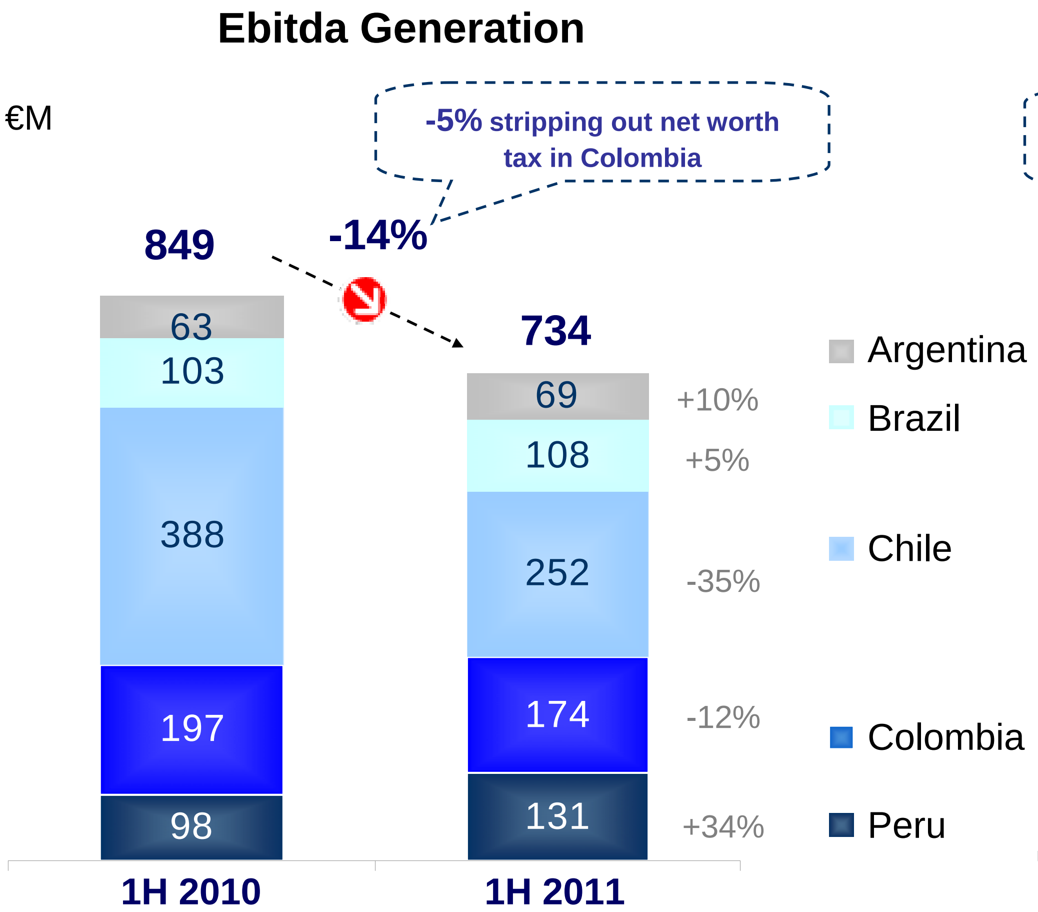


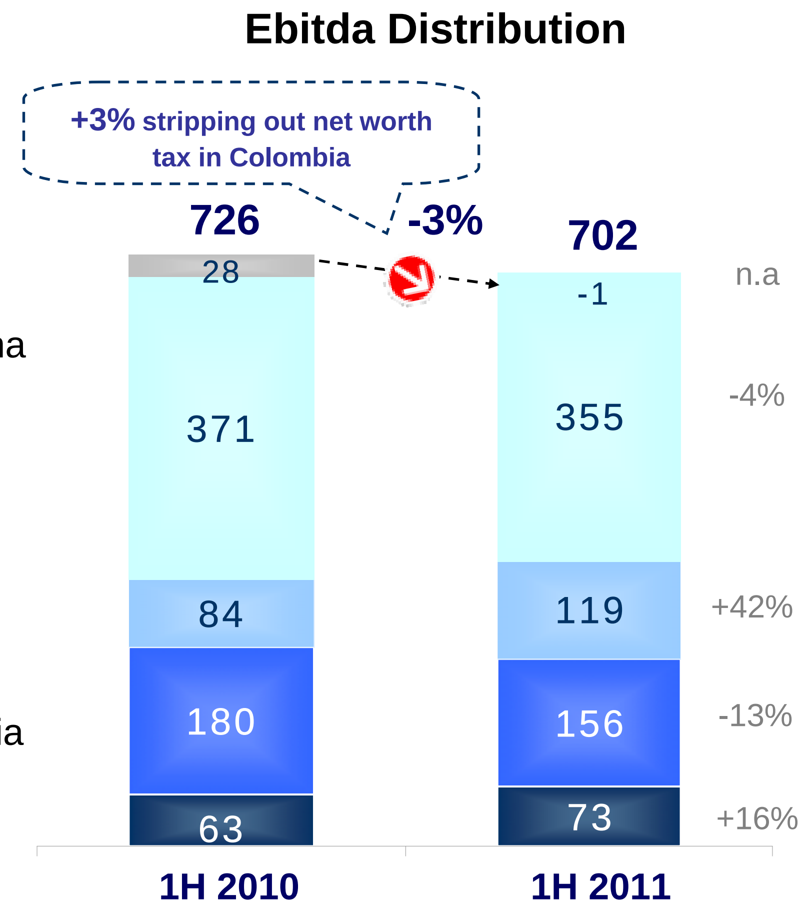
Distribution Sales



Stable electricity output despite drought in Chile and increase in distribution sales

Gx & Dx EBITDA affected by Chilean drought, Colombian worth tax and Fx





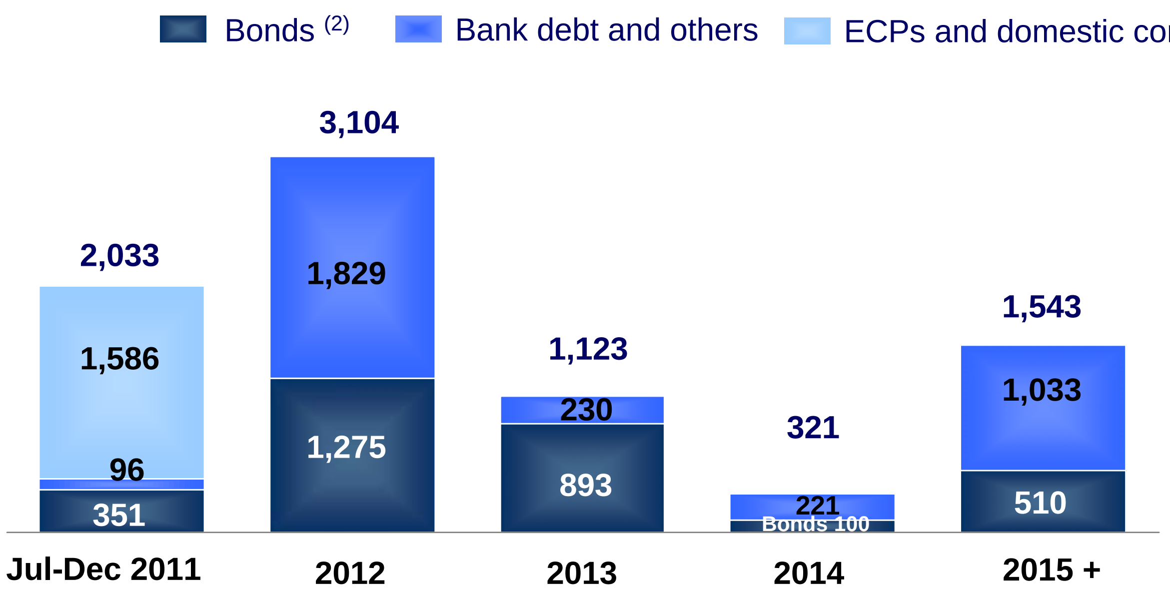
Unit margin €29.1/MWh → -9% → €26.6/MWh

Unit margin €34.3/MWh → -2% → €33.8/MWh

Stripping out net worth tax, EBITDA in Colombia would have grown 21% in generation and 11% in distribution

Endesa (excl. Enersis): financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2011: €8,124 M[(1)]



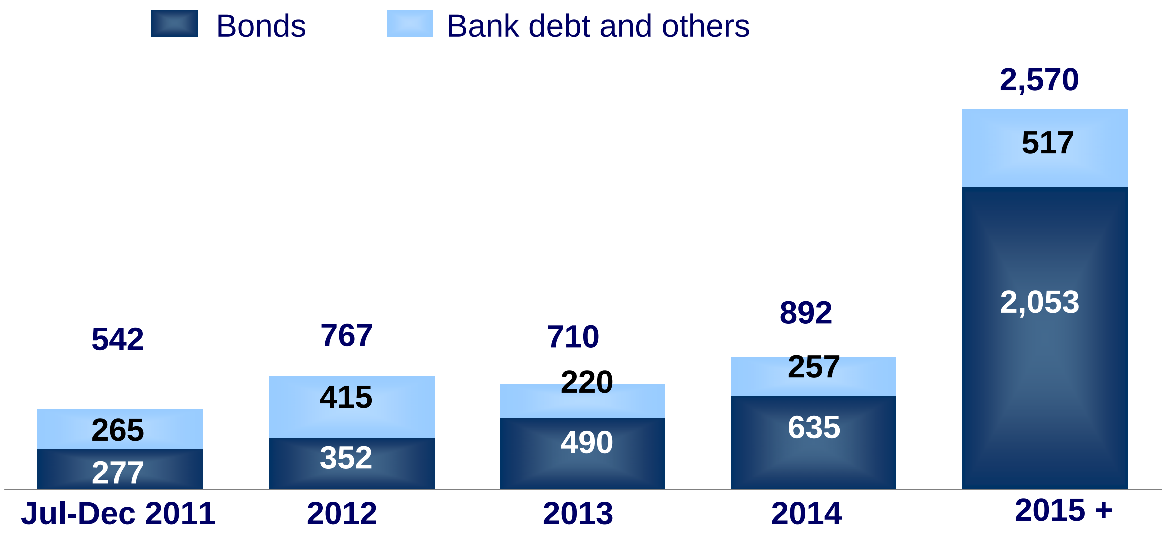
Endesa's liquidity excl. Enersis covers 9 months of debt maturities

- **Liquidity €5,806 M**
  - **€417 M in cash**
  - **€5,389 M available in long-term credit lines**
- **Average life of debt: 3.8 years**

(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.
(2) Includes preference shares
(3) Notes issued are backed by long-term credit lines and are renewed on a regular basis.

Enersis: financial debt maturity calendar

Gross balance of maturities outstanding at 30 June 2011: €5,481 M[(1)]



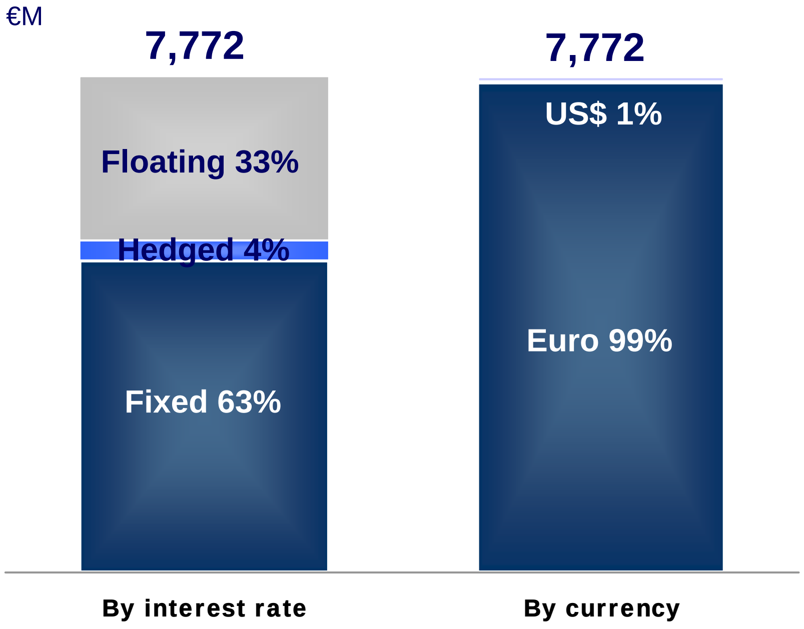
Enersis has sufficient liquidity to cover 22 months of debt maturities

- **Liquidity €1,825 M:**
  - **€1,131 M in cash**
  - **€694 M of syndicated loans available**
- **Average life of debt: 5.3 years**

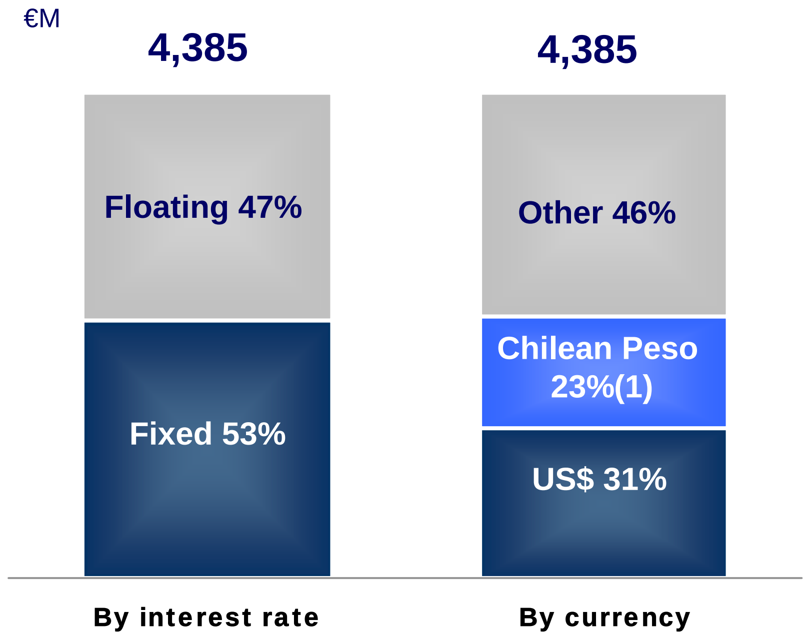
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

Financial policy and debt structure

Structure of Endesa's debt ex-Enersis



Enersis debt structure

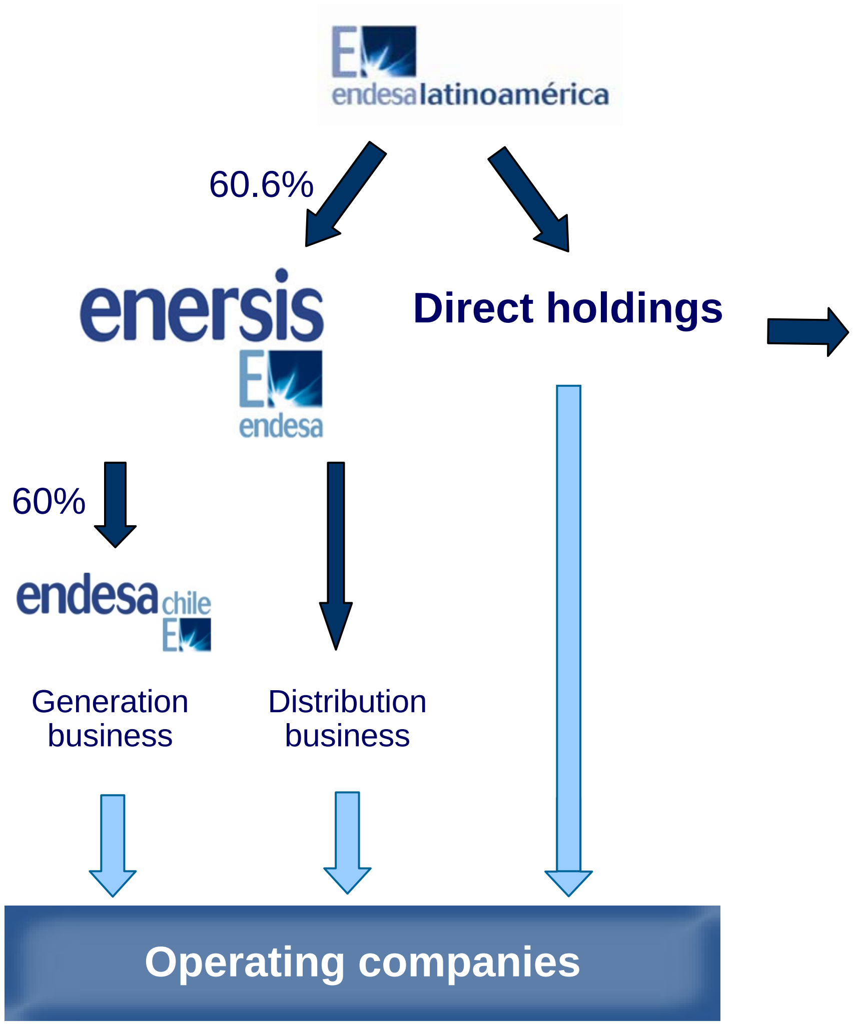


Average cost of debt	4.6%	9.5%

- **Debt structure: Debt in currency in which operating cash flow is generated**
- **Policy of self-financing: Latin America subsidiaries are financed on a stand-alone basis**

Data at 31 June 2011
(1) Includes "Unidades de Fomento"

Endesa has major direct holdings in companies other than Enersis in Latin America



€M	% direct stake	Proportionate 1H 2011 EBITDA	Proportionate 31.06.2011 Net debt
Codensa	26.7%	47	102
Emgesa	21.6%	43	161
Endesa Brasil	28.5%	135	175
Edesur	6.2%	2	-0.4
DockSud	40%	6	16
Edelnor	18%	11	40
Piura	96.5%	14	-9
Pangue	5%	2	0
Proportionate total		**260**	**485**

Disclaimer

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

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

In these statements we avail ourselves of the protection provided by the Private Securities Litigation Reform Act of 1995 of the United States of America with respect to forward-looking statements.

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

Economic and industry conditions: significant adverse changes in the conditions of the industry, the general economy or our markets; the effect of the prevailing regulations or changes in them; tariff reductions; the impact of interest rate fluctuations; the impact of exchange rate fluctuations; natural disasters; the impact of more restrictive environmental regulations and the environmental risks inherent to our activity; potential liabilities relating to our nuclear facilities.

Transaction or commercial factors: any delays in or failure to obtain necessary regulatory, antitrust and other approvals for our proposed acquisitions or asset disposals, or any conditions imposed in connection with such approvals; our ability to integrate acquired businesses successfully; the challenges inherent in diverting management's focus and resources from other strategic opportunities and from operational matters during the process of integrating acquired businesses; the outcome of any negotiations with partners and governments. Delays in or impossibility of obtaining the pertinent permits and rezoning orders in relation to real estate assets. Delays in or impossibility of obtaining regulatory authorisation, including that related to the environment, for the construction of new facilities, repowering or improvement of existing facilities; shortage of or changes in the price of equipment, material or labour; opposition of political or ethnic groups; adverse changes of a political or regulatory nature in the countries where we or our companies operate; adverse weather conditions, natural disasters, accidents or other unforeseen events, and the impossibility of obtaining financing at what we consider satisfactory interest rates.

Political/governmental factors: political conditions in Latin America; changes in Spanish, European and foreign laws, regulations and taxes.

Operating factors: technical problems; changes in operating conditions and costs; capacity to execute cost-reduction plans; capacity to maintain a stable supply of coal, fuel and gas and the impact of the price fluctuations of coal, fuel and gas; acquisitions or restructuring; capacity to successfully execute a strategy of internationalisation and diversification.

Competitive factors: the actions of competitors; changes in competition and pricing environments; the entry of new competitors in our markets.

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

No assurance can be given that the forward-looking statements in this document will be realised. Except as may be required by applicable law, neither Endesa nor any of its affiliates intends to update these forward-looking statements.

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