endesa analyst day

17th May 2011

endesa

Index

17 | 05 | 2011

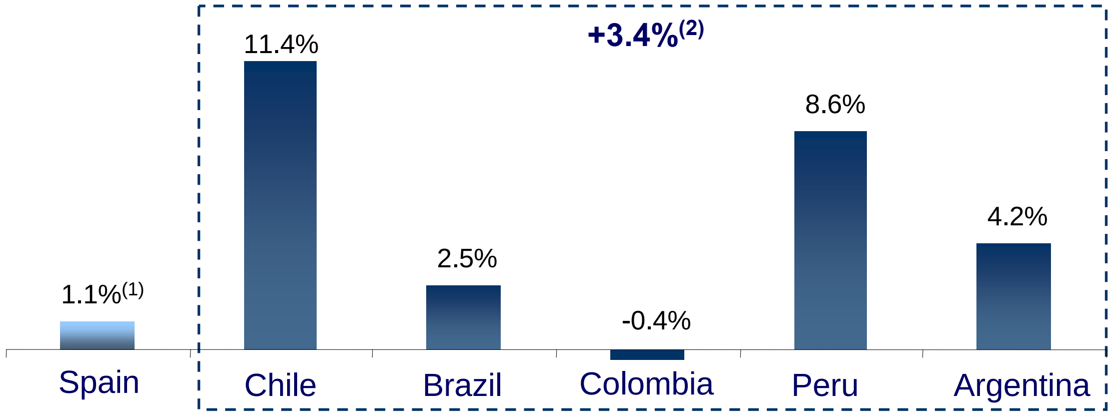
endesa 1Q 2011 results

Mr. Andrea Brentan

Market context in 1Q 2011

Demand evolution

Spain: higher industry demand compensated by lower domestic and services demand



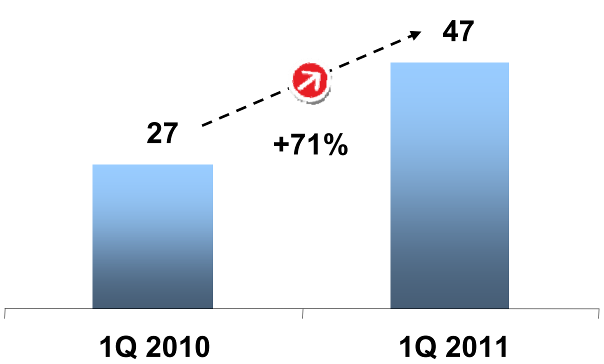
Latin America: strong growth in Chile, Peru and Argentina, moderated in Brazil and Colombia due to weather conditions

(1) Mainland. Adjusted for weather and working days. (-0.5% not adjusted). Source: REE
(2) Not adjusted for weather and working days. Countries where Endesa operates weighted by TWh (demand by country)

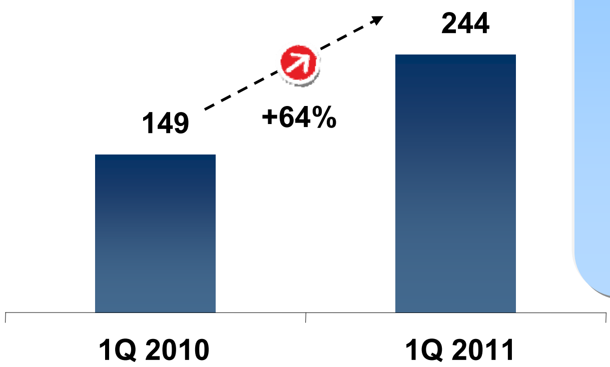
Electricity prices

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

Results affected by perimeter change and non-recurring items

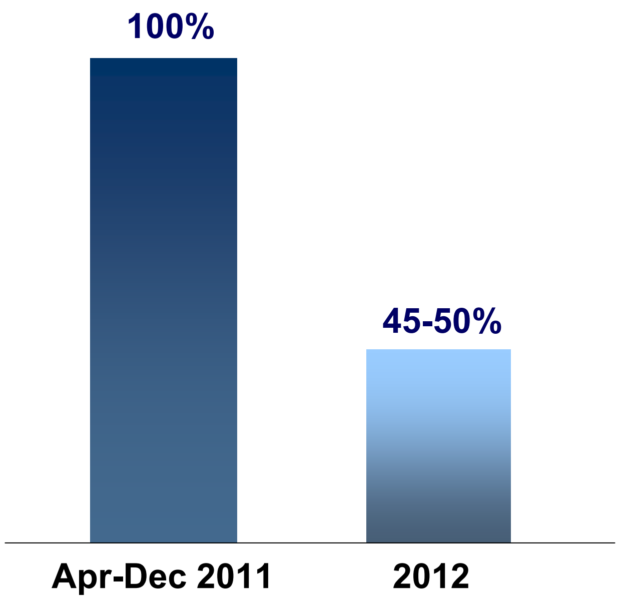
€M	1Q 2011	1Q 2010	Change	Like-for-like
Revenues	8,363	7,693	**+9%**	
Gross margin	2,735	2,752	**-1%**	
EBITDA	1,775	1,879	**-6%**	**+5%**
Spain&Portugal&Others	1,094	1,174	**-7%**	**-0%**(1)
Endesa Latin America	681	705	**-3%**	**+12%**(2)
EBIT	1,318	1,403	**-6%**	
Net finance expenses(3)	153	320	**-52%**	
Net attributable income	669	1,535	**-56%**	
Net attributable income adjusted by disposals(4)	658	627	**+5%**	

Consolidated EBITDA +5% when considering the change in perimeter & one-off tax in Colombia

(1) Adjusted by perimeter (renewables, Endesa gas, transmission which contributed with €78 M in 1Q 2010)
(2) Adjusted by net worth tax in Colombia (€109 M in 1Q 2011). Includes €34 M positive FX
(3) 1Q 2010 included €77 M negative one-off due to regularization of previous years accrual of financial revenues related to tariff deficit (Royal Decree 6/2010)
(4) Net capital gains (€11 M in 1Q 2011 & €908 M in 1Q 2010 mainly renewables divestment)

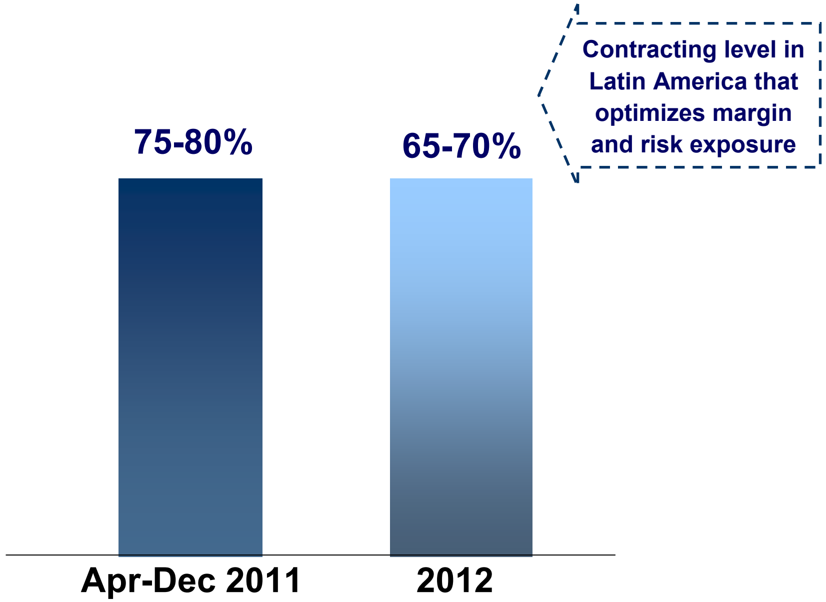
Forward sales strategy

Spain & Portugal
(% estimated mainland output hedged)



Stable margins despite volatile wholesale electricity prices

Latin America
(% estimated output hedged)



32% of the generation sold via contracts > 5 yrs and 22% via contracts > 10 yrs

Regulation update

Spain

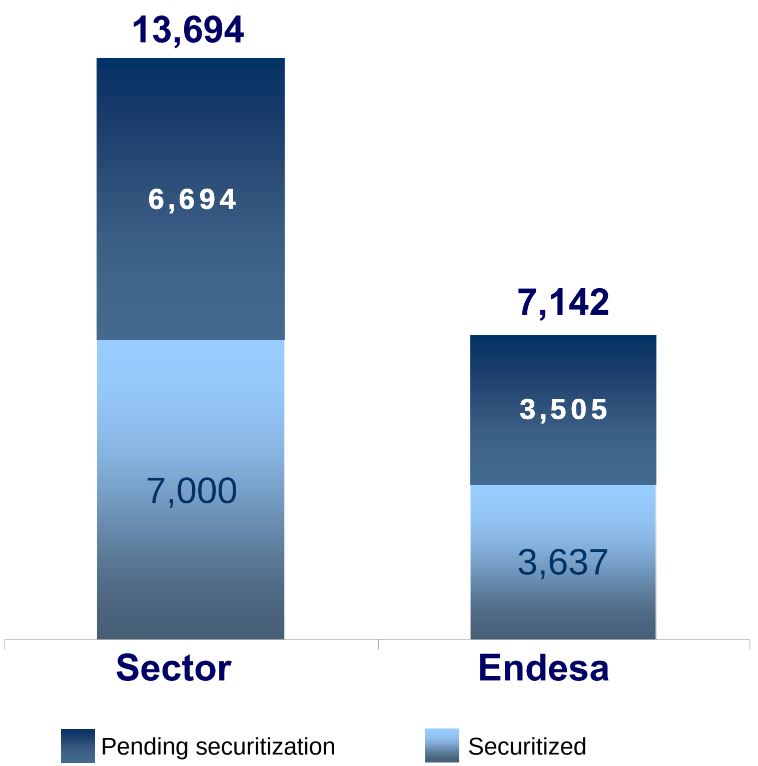
- Last resort tariff: 9.8% average increase from January 1st
- Access tariff: 7.6% average increase from April 1st
- Domestic coal Royal Decree in force since February 28th
- Distribution remuneration based on investments in force since December 28th

Latin America

- Ampla: +10% tariff adjustment from March 2011
- Coelce tariff review postponed until 4Q 2011 - 1Q 2012
- CIEN: recognition as a regulated asset by ANEEL (EBITDAe >110MUS$)
- Argentina: new thermal capacity regulation in force (45% increase in O&M remuneration, >100% increase in capacity payments)

Securitization process well advanced

Total amount (€M(1)) to be transferred to securitization fund (FADE)



Securitization transactions since January 2011

1st tranche (€2 bn)
- Oversubscription: €2.5 bn demand (+25%)
- Coupon: 4.8% (Mid Swap +2.9%)
- Maturity: 3.1 years

2nd tranche (€2 bn)
- Oversubscription: €2.4 bn demand (+20%)
- Coupon: 5% (Mid Swap +2.3%)
- Maturity: 4.3 years

3rd tranche (€2 bn)
- Oversubscription: €2.6 bn demand (+30%)
- Coupon: 5.9% (Mid Swap +2.4%)
- Maturity: 10 years

4th tranche (2) (€1 bn)
- Oversubscription: €1.2 bn demand (+20%)
- Coupon: 5.6% (Mid Swap +2.4%)
- Maturity: 7.3 years

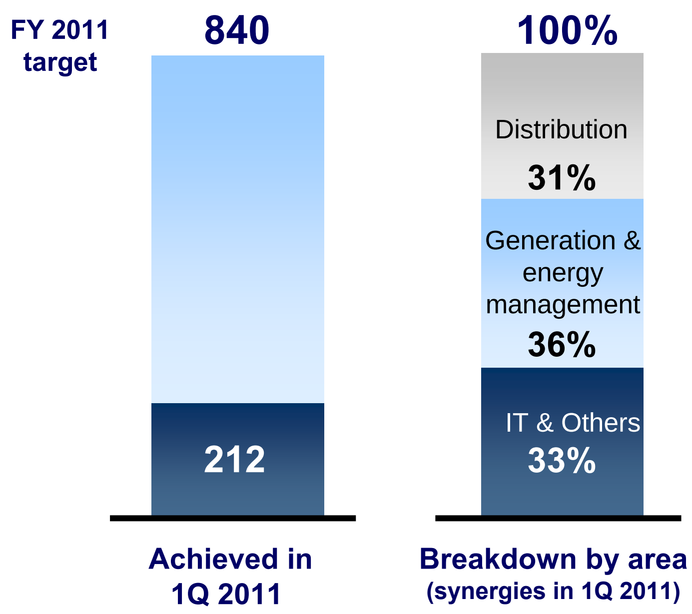
- **Explicitly guaranteed by the Kingdom of Spain**
- **Excess deficit for 2010 and ex-ante deficit for 2011 to be transferred**

(1) As of December 31st, 2010 (2) To be cashed in on May 20th

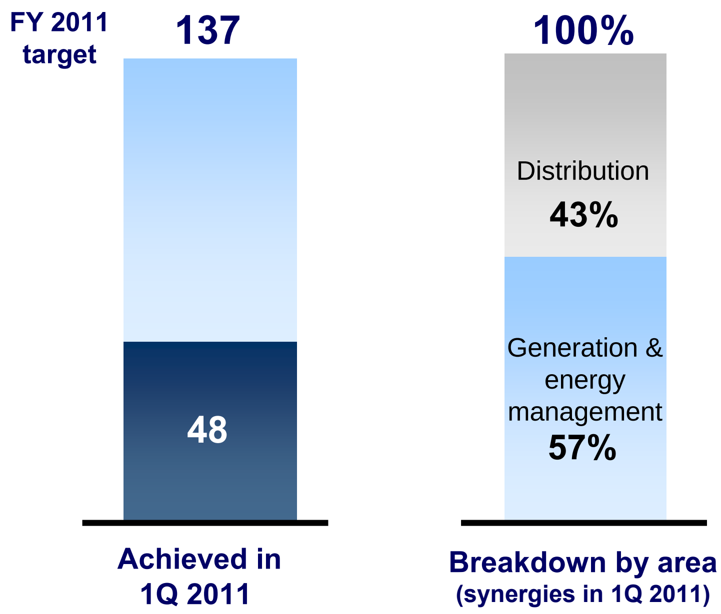
On track to achieve synergy programs FY 2011 targets

€M

Endesa Synergy Plan



Endesa Zenith Plan



Well on track to achieve 2011 Synergy plan target (25% in 1Q 2011) and Zenith plan target (35% in 1Q 2011)

A sound financial position

Net debt evolution in 1Q 2011 (€M)

Solid financial leverage

	31/12/10	31/12/03
Leverage (Net debt/Equity)	0.7	0.5

- **Endesa liquidity excluding Enersis covers 15 months of debt maturities**
- **Enersis liquidity covers 28 months of debt maturities**

(1) Net capex

spain&portugal&others 1Q 2011

Mr. Paolo Bondi

endesa

Highlights in 1Q 2011

10% generation output increase on a like-for-like basis
(7% including renewables in 1Q 2010)

71% increase in wholesale prices resulted in higher energy purchases cost

Higher thermal gap (lower contribution from hydro and nuclear) **and implementation of domestic coal** (RD 1221/2010)

Better performance from regulated activities and normalization of margins in liberalized business

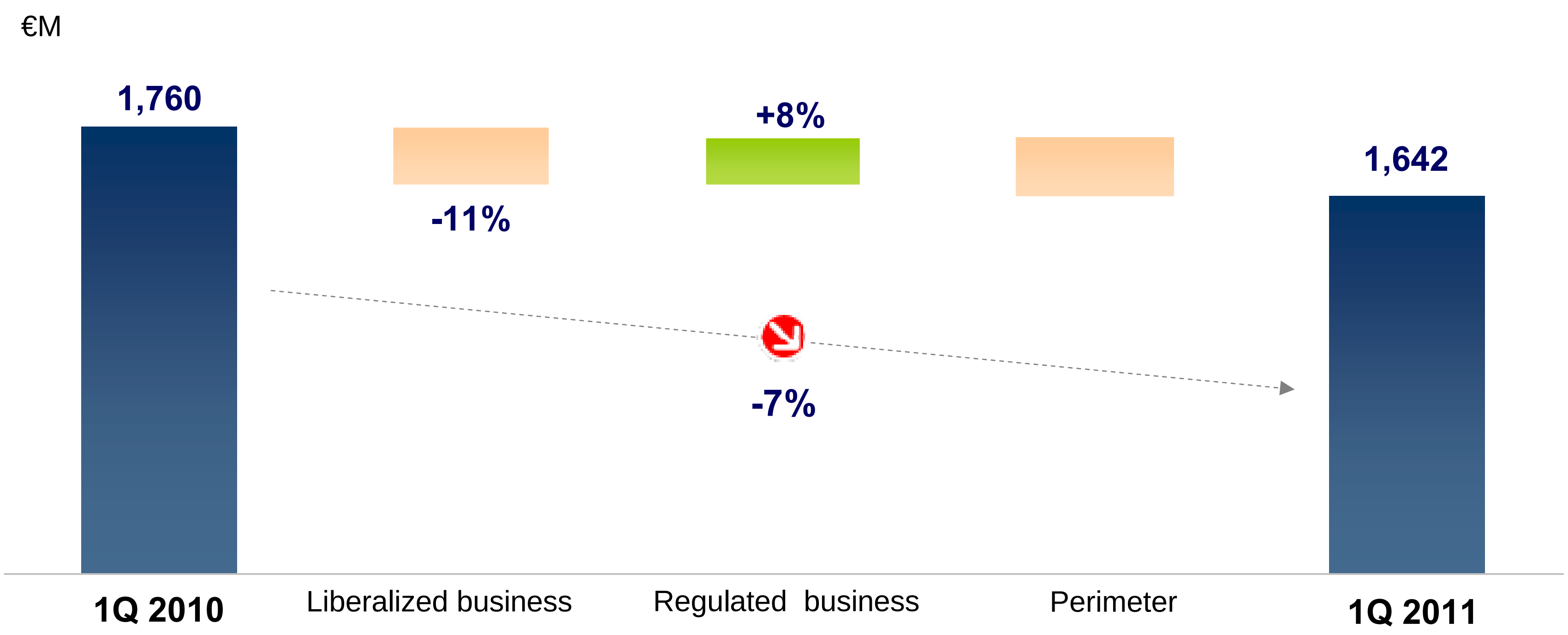
Decrease in results due to disposals

€M	1Q 2011	1Q 2010	Change	Like-for-like
Revenues	5,922	5,609	**+6%**	
Gross margin	1,642	1,760	**-7%**	
EBITDA	1,094	1,174	**-7%**	**-0%**[(3)]
EBIT	767	867	**-12%**	
Net finance expenses[(1)]	53	213	**-75%**	
Net attributable income	524	1,364	**-62%**	
Net attributable income adjusted by disposals[(2)]	520	458	**+14%**	

EBITDA[(3)] flat when considering the change in perimeter (€78 M in 1Q 2010)

(1)1Q 2010 included €77 M negative one-off due to regularization of previous years accrual of financial revenues related to tariff deficit (Royal Decree 6/2010)
(2) Net capital gains (€4 M in 1Q 2011 & €906 M in 1Q 2010 mainly by renewables divestment)
(3) Adjusted by perimeter (renewables, transmission, Endesa Gas and Endesa Hellas: €78 M in 1Q 2010)

Gross margin impacted by asset disposals



Liberalized business
- ↑ Higher 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 and Endesa Hellas)

Gross margin 1% decrease adjusted by perimeter(1)

(1) Gross margin adjusted by perimeter: €100 M in 1Q 2010 (renewables, transmission, Endesa Gas and Endesa Hellas)

latin america 1Q 2011

Highlights in 1Q 2011

Growth in distribution sales (+3.7%) with outstanding performance in Chile (+9.6%) and Peru (+7.7%)

CIEN: recognition by ANEEL as a regulated asset

Growth in generation volumes (+2.5%) despite drought in Chile compensated by higher hydro output in Colombia

Better margins in generation and distribution

Currencies strength: +€34 M EBITDA in 1Q 2011

One-off net worth tax in Colombia (€109 M)

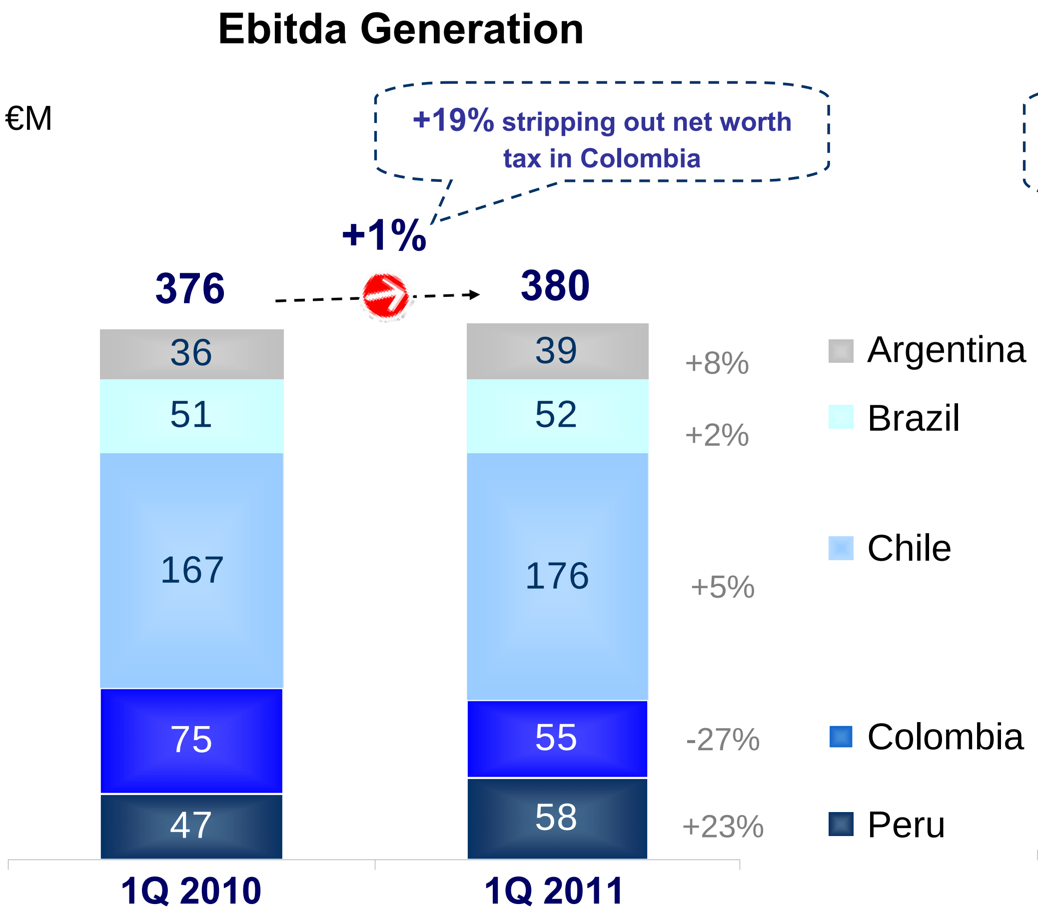
Strong losses reduction of 0.5pp during 1Q 2011 to 10.5%

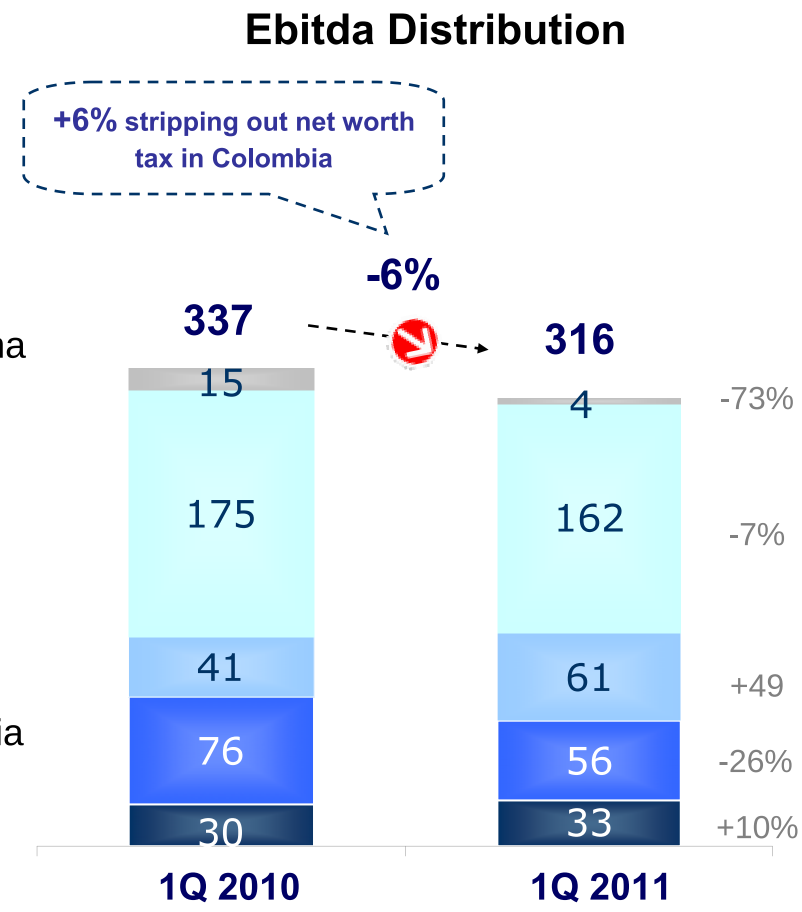
Positive results stripping out one-off in Colombia

€M	1Q 2011	1Q 2010	Change
Revenues	2,441	2,084	+17%
Gross margin	1,093	992	+10%
EBITDA	681	705	-3%
EBIT	551	536	+3%
Net finance expenses	100	107	-7%
Net income	324	355	-9%
Net attributable income	145	171	-15%

- Stripping out net worth tax in Colombia EBITDA grew 12%
- €111 M of attributable EBITDA come from direct holdings
- Net income affected by normalization of tax rate (29% vs. 15% in 1Q 2010)

Distribution & Generation EBITDA in Latin America





Unit margin €26.1/MWh → +13% → €29.5/MWh

Unit margin €31.8/MWh → +2% → €32.5/MWh

Stripping out net worth tax EBITDA in Colombia would have grown 61% in generation and 31% in distribution

17 | 05 | 2011

endesa strategic plan 2011-2015

Mr. Andrea Brentan

17 | 05 | 2011

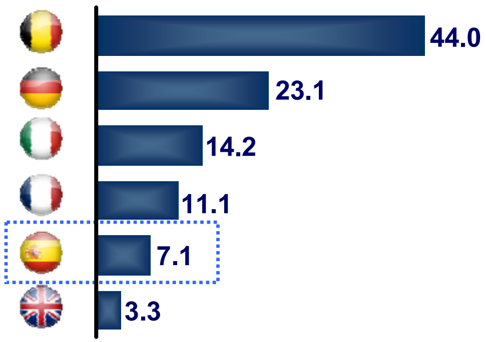
spain&portugal&others
strategic plan 2011-2015

endesa

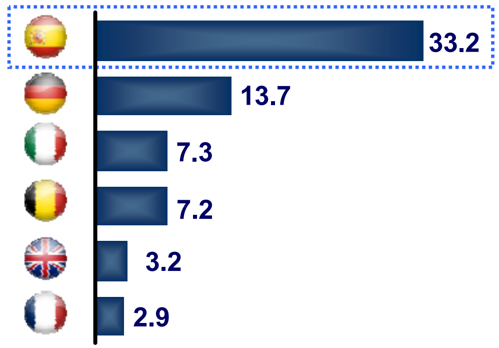
Index

Main features of Spanish generation market vs. other European markets(1)

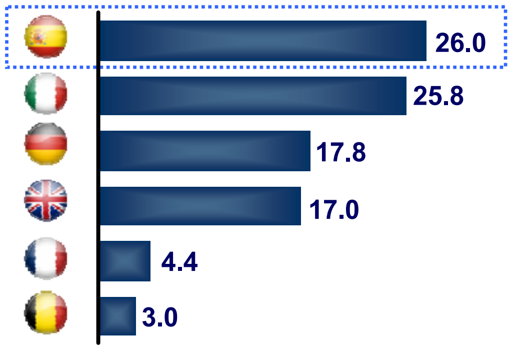
Interconnection rate (%) (2)



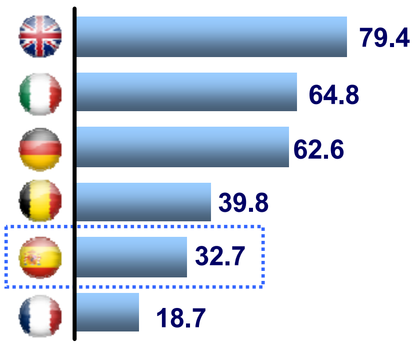
Contribution from renewables (%) (3)



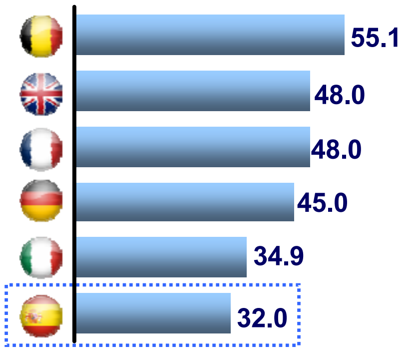
Reserve margin (%) (4)



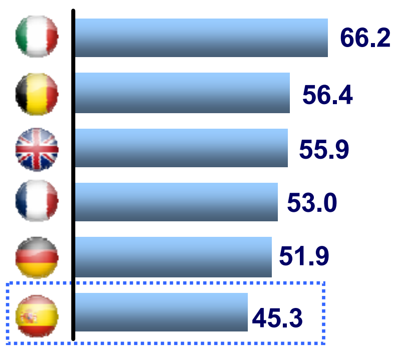
Thermal gap (%) (5)



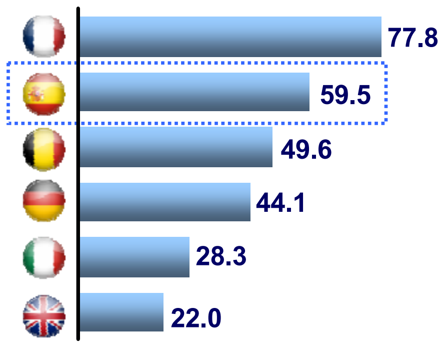
Load factor (%)



Wholesale prices (€/MWh) (6)



Weight from fixed cost technologies (%) (7)

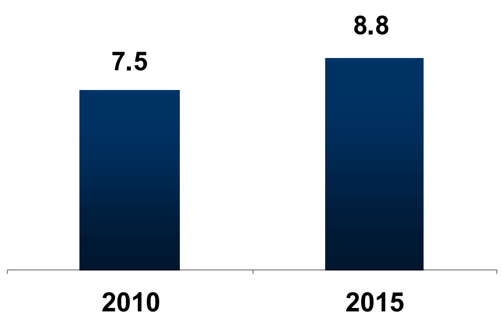


Spanish market presents peculiarities that must be taken into consideration

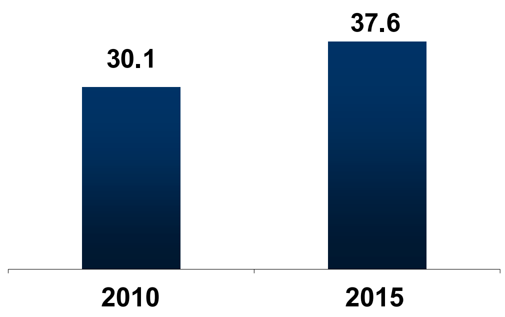
(1) Updated to 1Q 2011 (2) Imports capacity over peak demand (3) Renewables output (hydro/pumping not considered) over total gross demand. Includes CHP (4) Last available data: 2008 (Italy, Belgium, Germany), 2009 (France and UK), 2010 (Spain) (5) % from CO2 polluting technologies over total gross demand (6) Average pool prices in 1Q 2011 (except for Belgium 4Q 2010) (7) Capacity with high fixed costs (nuke+hydro+renewables) over total installed capacity.
Source: ENTSO; REE; CNE; Terna; GME; OMEL; APX; EPEX; RTE; BMWI; AGEB; EEX; DUKES

Expected evolution in the generation market

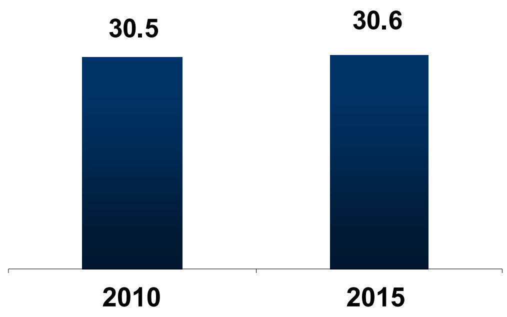
Interconnection rate (%) (1)



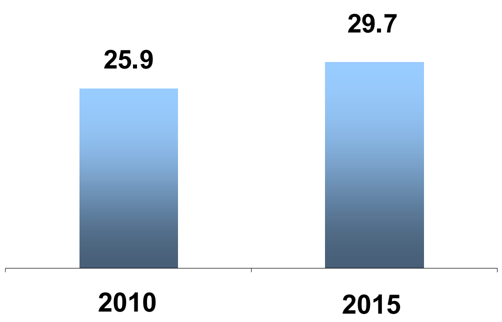
Contribution from renewables (%) (2)



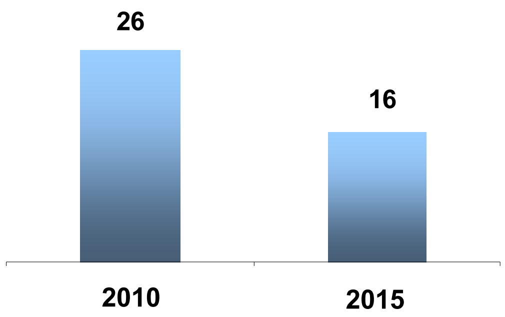
Thermal gap (%) (3)



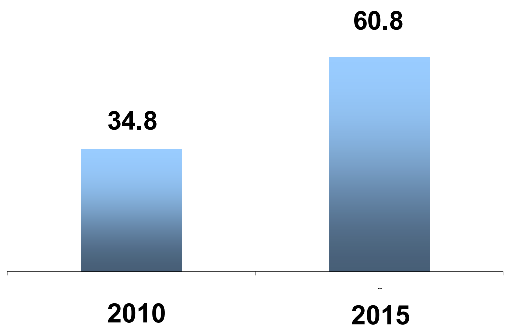
Load factor (%)



Reserve margin (%)



Wholesale prices (€/MWh)

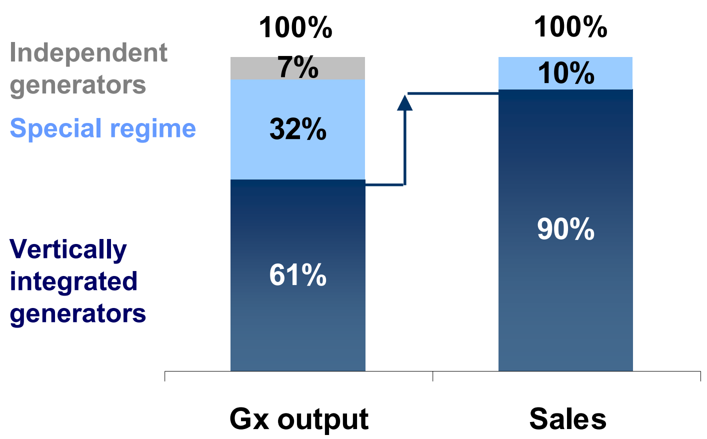


Lower reserve margin and higher prices

(1) Imports capacity over peak demand
(2) Renewables output (hydro/pumping not considered) over total gross demand. Includes CHP
(3) % from CO2 polluting technologies over total gross demand

Spain structurally "long" system with well developed forward market

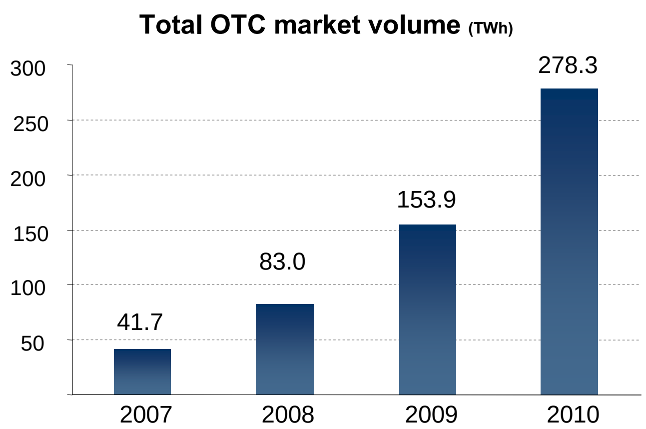
Total system generation/sales (mainland 2011e, gross TWh)



Fundamentals of the supply strategy

- IPP and RW companies without significant presence in the supply business
- Not all suppliers have national presence
- Idle thermal capacity acting as a potential stop loss

Liquidity in the forward market



Fundamentals of the hedging strategy

- Well developed hedging practices
- Forward market enough to satisfy hedging requirements
- Effective risk management

Sustainability of our supply business leadership

Generation market: expected developments

New pumping capacity

- **Output excess from renewables during off-peak hours**
- In 2010, the System Operator under some circumstances had to restrict wind generation
- **Increased spread between maximum and minimum daily prices**

- **New pumping capacity:**
  - **Uses the base load energy excess**
  - Taking advantage **of surplus energy**

Thermal capacity new remuneration scheme

Impacts of renewable capacity further increase:

- **Further pressure on thermal output**
- **Thermal capacity needed as a back up for renewables**

- **Increase in capacity and availability remuneration of thermal power plants**
- **Development of a capacity market to operate along with the energy market**

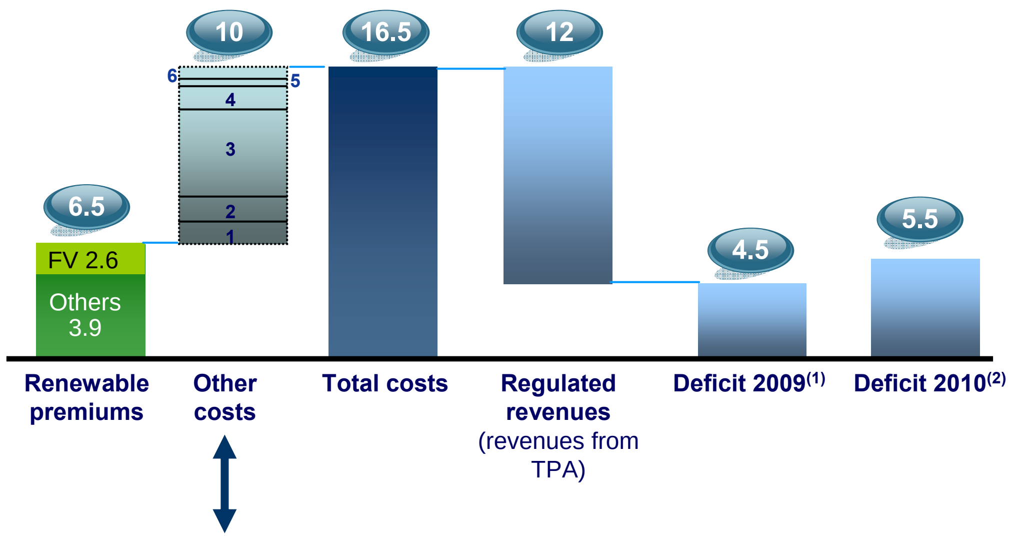
The increase in renewables will require:

- **New pumping capacity**
- **New thermal capacity remuneration scheme**

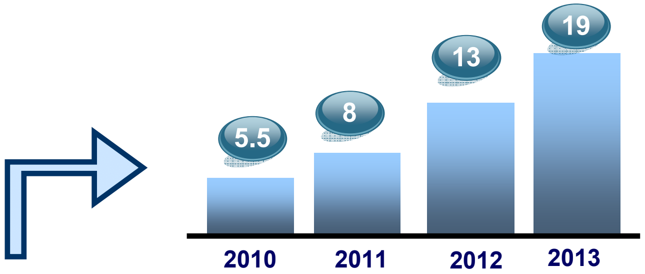
Index

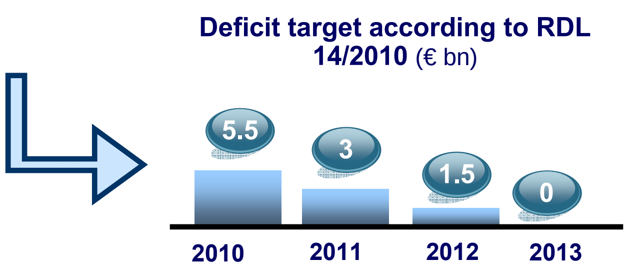
Towards tariff sustainability: expected deficit evolution 2011-2013

Regulated systems costs 2009 (€bn)



1. Deficit, year installments (1,5bl €) 2. Transmission (1,3 bl €)
3. Distribution (4,5 bl €) 4. SEIE compensation (1,3 bl €)
5. Efficiency plan (0,4 bl €) 6. Others (0,8 bl €)





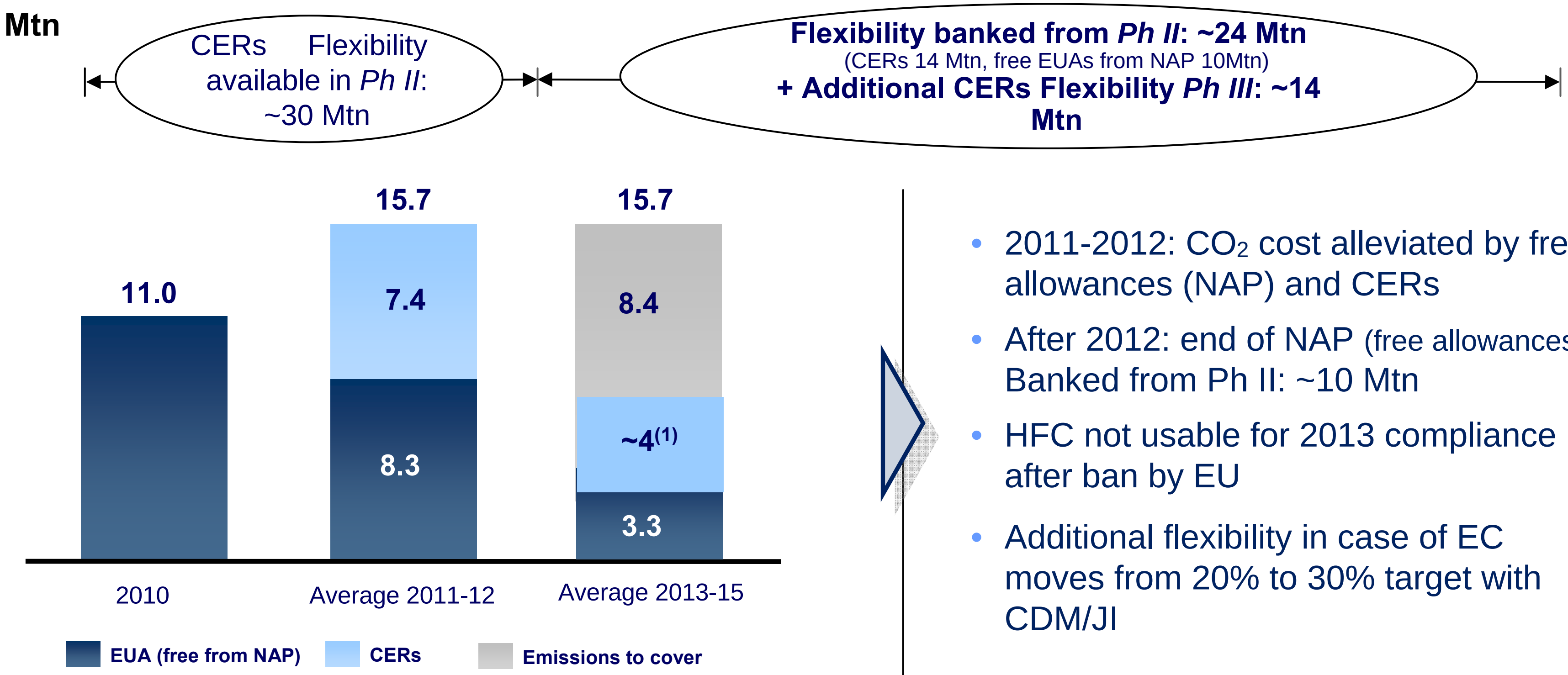
- April 2011 access tariff increase shows commitment to properly address the deficit issue
- Expected future deficits in line with new caps (RD 14/2010)

~10% yearly access tariff increase for 2012 & 2013 are needed to fulfill deficit caps (RD 14/2010)

(1) Before claw back adjustments (2) CNE report (April 29, 2011): 14 liquidation (€5,554 M, 2010 system deficit)

The CO_2 challenge: Endesa positioning

Endesa mainland CO_2 balance (2010-2015)



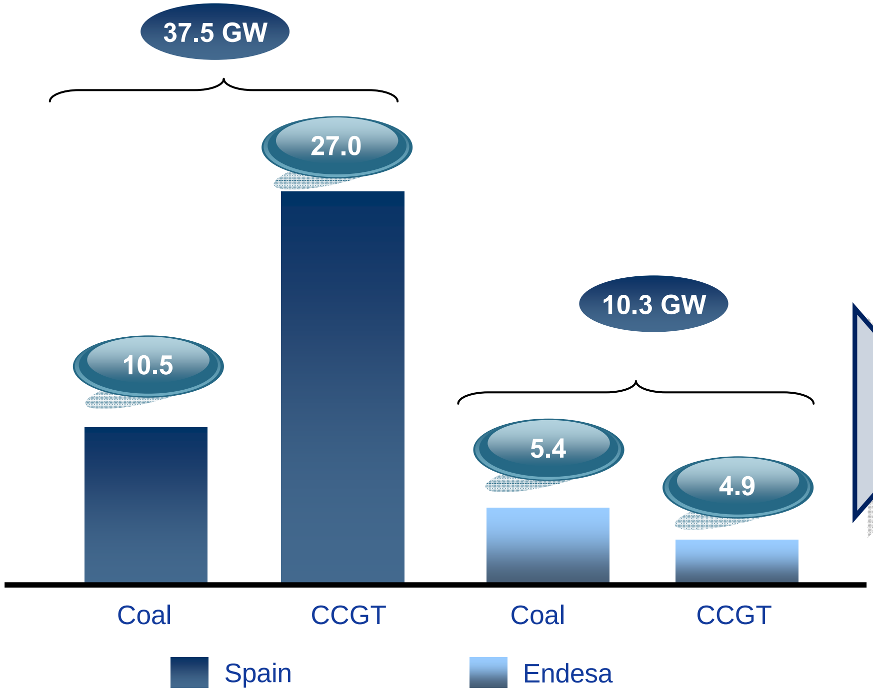
- 2011-2012: CO_2 cost alleviated by free allowances (NAP) and CERs
- After 2012: end of NAP (free allowances) Banked from Ph II: ~10 Mtn
- HFC not usable for 2013 compliance after ban by EU
- Additional flexibility in case of EC moves from 20% to 30% target with CDM/JI

- **Endesa proactively manages the CO_2 challenge**
- **Flexible mechanism post 2012 will be key**
- **Optimal CO_2 management within Enel Group thanks to CO_2 unit**

(1) Includes banking and additional flexibility

European Industrial Emissions

Capacity subject to EIED(1) (GW)



- New emissions value for thermal power plants (> 50 MW) after 2016

Emissions thresholds for Europe (mg/Nm³)

	TODAY	FUTURE	
	Currently (GIC Directive)	Current plants under operation	New power plants after DEI
SO_2	400	200	150
NO_X	500/200 in 2016	200	150
NO_X (CCGT)	75/50	50/90	50
Particles	50	20	20

CAPEX committed to adapt generation units to EIED

€M	2011-2015		
	Mainland	Non mainland	Total
EIED (1)	53	33	86
AAI (2)	78	49	127
GIC (3)	18	2	20
	149	84	233

- The new emissions directive represents a challenge for the European utilities
- Endesa is analyzing all possible alternatives to adapt to the new environment

(1) European Industrial Emissions Directive (2) Environmental Integrated Authorization (3) Large Combustion Directive

Nuclear scenario post Fukushima

Agreement to carry out "stress tests" for all European nuclear power plants before end 2011

Stress test status

- EC will define the stress test content based on European Regulators criteria. The Nuclear Industry[1] and the European Nuclear Safety regulators[2] contribute also on the stress test definition

Expected stress test guidelines

- Design revision to test capacity in case of natural disaster (earthquake, flooding), even beyond the original design base
- Compensatory measures to face extended loss of electricity supply and cooling system
- Crisis management considering core melting and subsequent effects, such as, hydrogen accumulation and deterioration of swimming pools.

Potential implications for the sector

Sector strengths

- Spanish NPP have been designed taking into account conservative criteria for seismic and flooding risks
- Safety of the Spanish NPP is continuously monitored and evaluated by CSN, with satisfactory results
- Endesa NPPs are of the same technology and average age as most of the current NPP operating in the US

Potential initiatives

- Emergency generation back-up units
- Potential safety design modifications in case of extreme accident
- Development of emergency procedures in case of extreme accident
- Education and training for contingencies

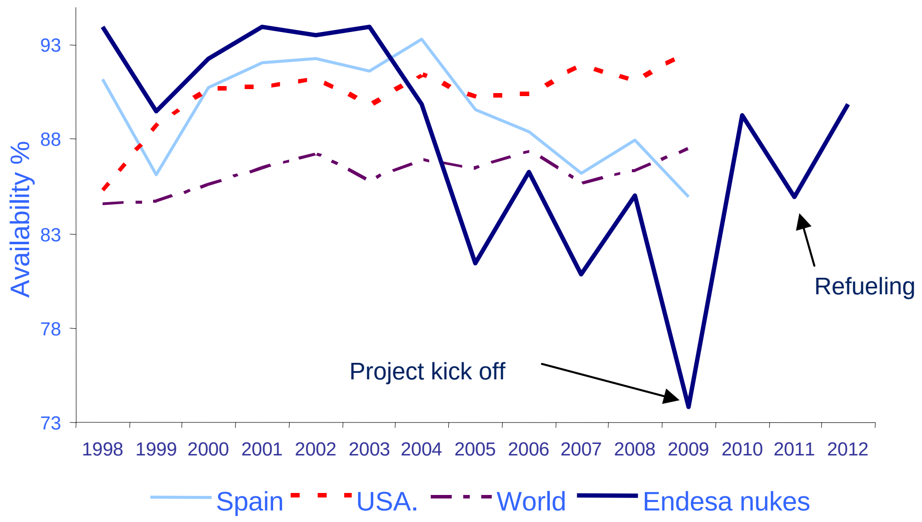
Pragmatic approach by Spanish authorities

(1) Represented through European Nuclear Installations Safety Standards –ENISS- (2) ENSEREG

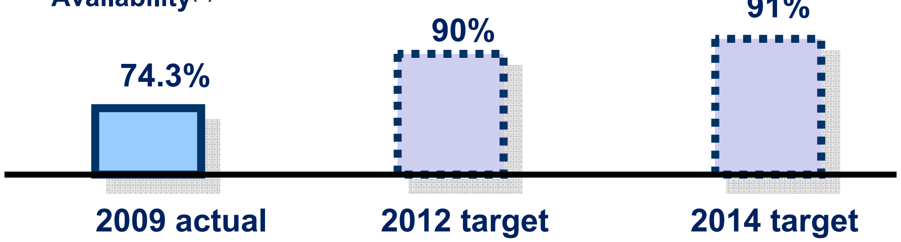
Index

Operational excellence project in nuclear

Availability[(1)]: Endesa vs. USA, World and Spain (%)



Availability[(1)]



Endesa plan towards nuclear operational excellence

	Status
• Increased selected investments	✓
• Additional specialized staff	✓
• Additional training	✓
• Improved operational processes	✓
• Improved the diagnosis	✓

Maximum security levels while reaching the best worldwide availability standards

(1) Weighted average by equity ownership

Operating excellence project in distribution

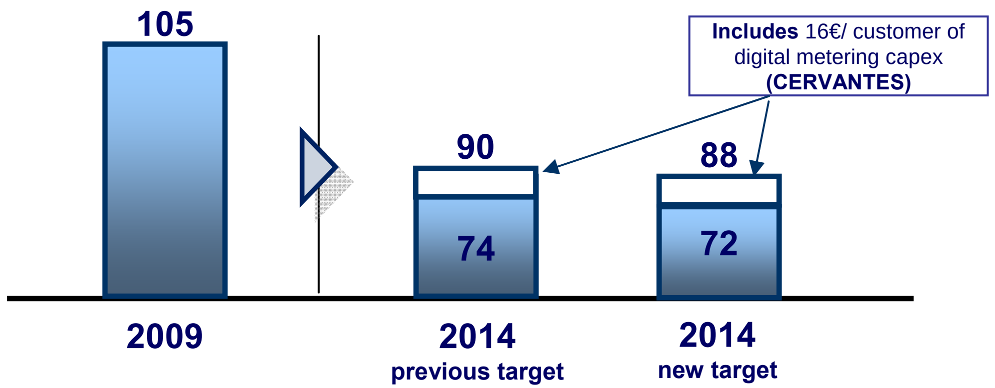
5 Project pillars

1. **Restructuring and reorganization (Proyecto Uno)**
   – Functional reorganization
2. **Cash-cost optimization**
   – Opex&Capex optimization: -17 €/customer by 2014
3. **Digital metering**
   – > 13 million digital meters by 2015
4. **Quality level - SAIDI[1]**
   – Sector average
   – Investments optimization
5. **Local black-outs decrease**

Status

- Progress in line with plan
- Ahead of the plan
- ~ 160,000 meters already installed
- SAIDI Endesa: 69 min
- SAIDI sector: 100 min
- Good progress

Project kick-off (€ 2009/Client)



Achieving best in class performance in line with Enel

(1) System Average Interruption Duration Index. Data as of 2009

Spain&Portugal: operating excellence in supply

Commercial plan for electricity & gas

- Maintain total market share ~40% (~36% in the liberalized market)
- Profitable customers loyalty
- Cost capture proportional to customer value
- Consolidate 2nd position in the Portuguese market
- Consolidate leadership in "dual sales" (electricity + gas)
- Consolidate 2nd position in the gas market

Client Project

- Increase in quality perception and improved offers through:
  - Communication plan to emphasize the importance of customers as main pillar for the Organization
  - Quality plan based on customer service commercial cycle management
  - Continuous monitoring of customers perceived quality

Portfolio of Added Value Services

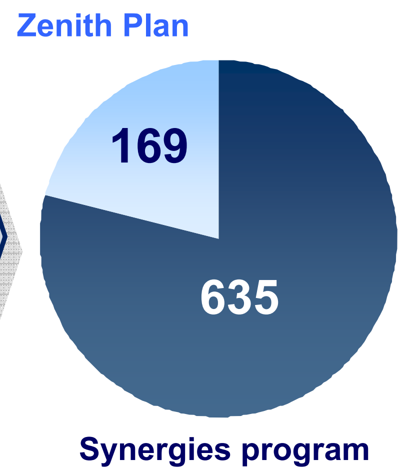
- Maximize customer portfolio value and increase client loyalty
- Reaffirm leadership through profitable portfolio of products and services such as energy savings, distributed generation and integrated energy services

- **Development of commercial structure as distinctive feature vs. competitors**
- **Customer as main priority for the Organization. Expand products and services offering**
- **Focus on customer portfolio profitability**

Spain: 2012 synergies and Zenith targets

100%	Concept	Main initiatives
38%	**Distribution**	• Cost reduction in metering activities due to the implementations of digital meters • Reduction of physical losses • Organizational optimization
13%	**ICT**	• Centralized management for IT systems, suppliers and future projects for hardware, telephone operators and software
11%	**Conventional Gx**	• Hydro performance improvement • Maintenance improvement for coal and gas: optimization of O&M contracts, turbine performance improvement by substituting rotors in CPP,…
11%	**Fuel**	• Joint fuel portfolio management: common use of port facilities, joint procurement strategy,… (Ie: 2010. diversion of 9 bituminous and 4 sub bituminous coal shipments to Enel;,…)
10%	**Procurement**	• “Design to cost” project: optimization of materials and services specifications • Unification of suppliers
8%	**Nuclear Gx**	• Non-programmed availability improvement (3,4% in 2011 and 2,7% in 2012) by the application of international best practices (WANO, INPO ,...) related to safety plans, plant operation, ...
3%	**Corporate Structure**	• Insurance policies: higher risk retention in line with Enel Group policies • Travel agency optimization: tourist class tickets for short flights, substitution of car ownership for hire cars,…
3%	**I+D+I**	• Cancellation of duplicated projects with Enel (mainly biomass) • Joint development projects with Enel (tide energy)
3%	**Energy mgt**	• CERS&EUAs portfolio optimization, Bid-offer operations,….
1%	**Supply**	• Some call center operations moved to Latin America

2012 target €804 M



Index

Strategic priorities for Spain&Portugal (2011-2015)

Regulation	• **Regulation management**
Synergies	• **Synergies Plan:** efficiencies, Zenith, internal efficiencies and BPS
Operational excellence	• **Improvement projects:** 1. Security 3. Distribution 2. Nuclear 4. Supply
Liberalized business	• **Generation:** – Maintaining mainland market share (~30%) – Develop new pumped storage plants – New European Industrial Emissions Directive – Nuclear operating excellence • **Supply:** – Forward sales to stabilize margins – Maintaining market share (~40%) – Diversification of products and services portfolio • **Energy management:** – Purchase and forward sales optimization – Risk management • **Gas:** – Sales: reinforce leadership among non incumbents – Distribution: active management with partner
Regulated business	• **Distribution:** operating excellence and regulatory management • **Non mainland systems:** - **Generation:** new investments for additional capacity - **Supply:** managing commercial pressure

Sustainable leadership in Spain&Portugal

17 | 05 | 2011

business analysis
spain&portugal&others

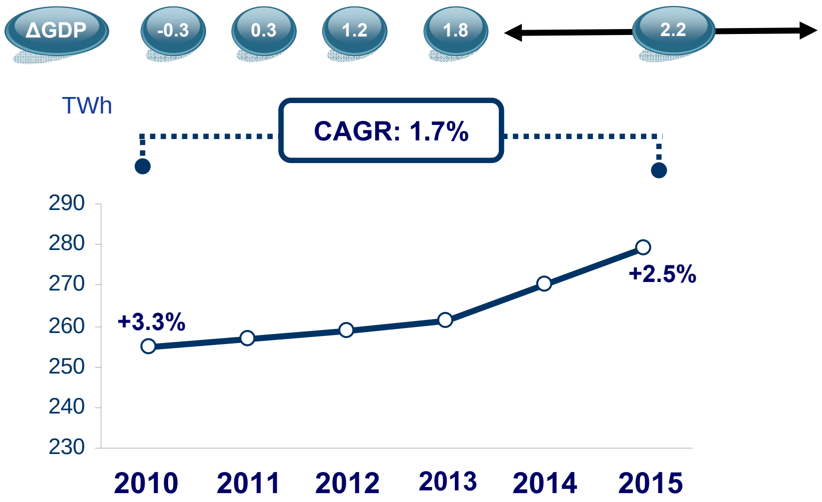
Mr. José D. Bogas

endesa

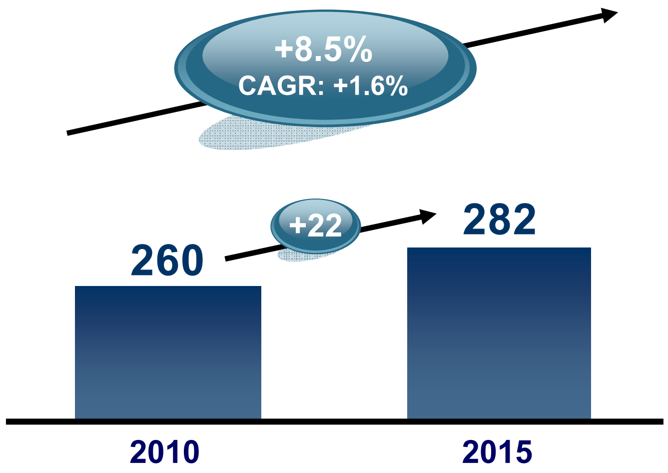
Index

Mainland demand & renewables output evolution

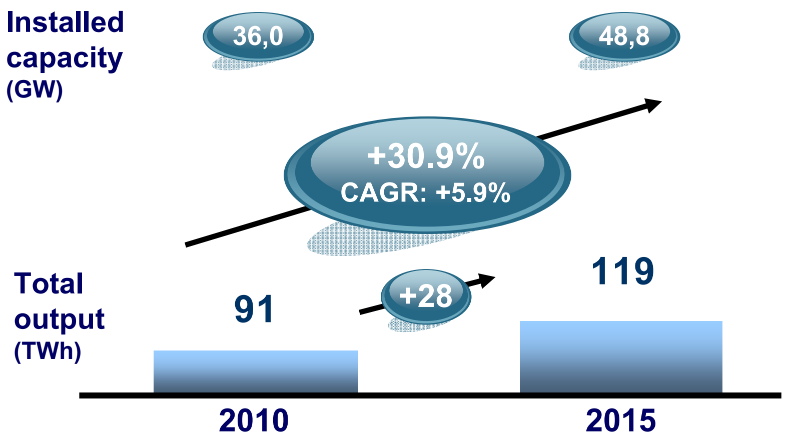
Mainland demand (%)



Mainland demand (TWh)

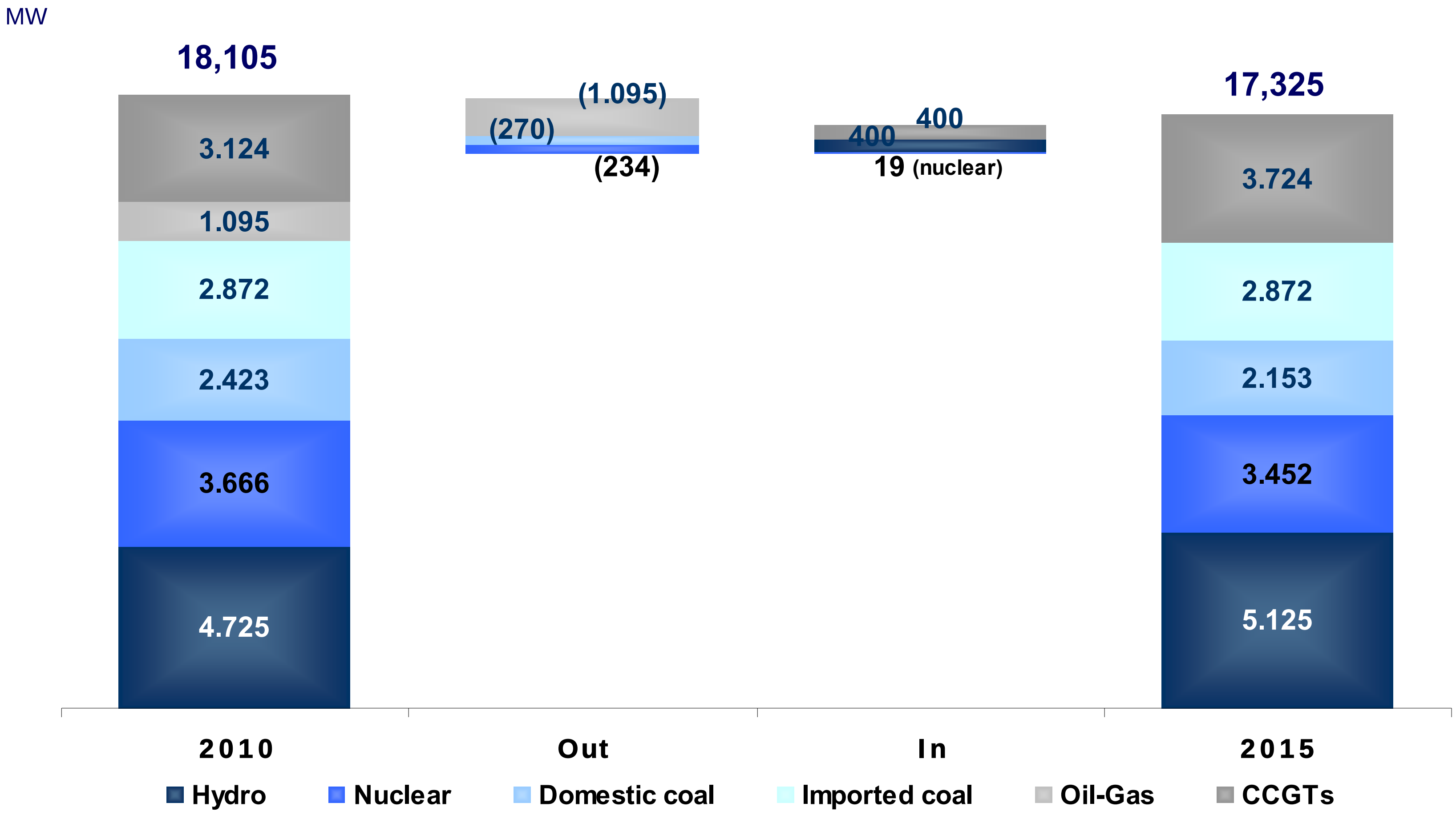


Mainland special regime (TWh)



Increasing contribution from renewables will absorb demand growth

Mainland capacity evolution



- Market share above 30% in the ordinary regime during the period
- Obtain additional remuneration for the thermal capacity
- Optimization of our generation mix via pumping facilities

Pumped storage opportunities

Rational for new pumping capacity

- **Use excess energy from renewables during base load hours**
- **Competitive** advantage **against other peak technologies** (CCGT)

Pumping advantages

- **Benefit from prices volatility of the hourly curve**
- **Participates in secondary markets**
- **Quick response to energy demand**
- **Meets emergency assignments**

Projects under development

Moralets

- **Repowering current 221 MW: increase to 600 MW**
- **On stream: 2014**
- **Investment: € 175 M**

Girabolhos

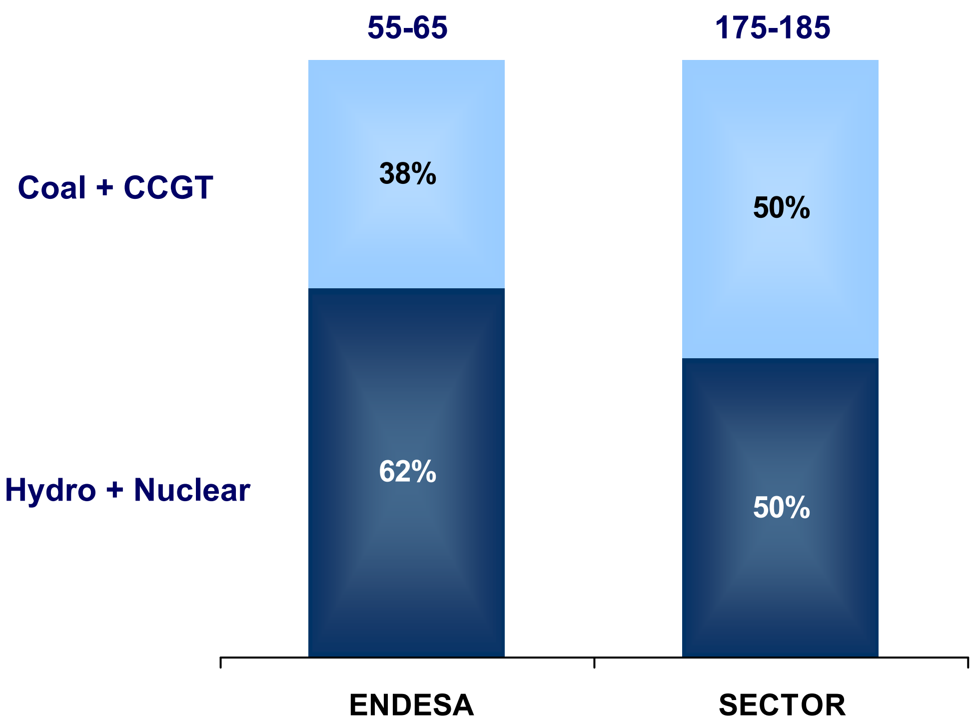
- **New 364 MW plant in Portugal (mixed pumping)**
- **On stream: 2018**
- **Investment: € 360 M**

Others

- **Over 1 GW of additional pipeline to develop before 2020**

Spain mainland generation mix evolution 2011-2015

Mainland generation mix (TWh)
(2011-15 average)

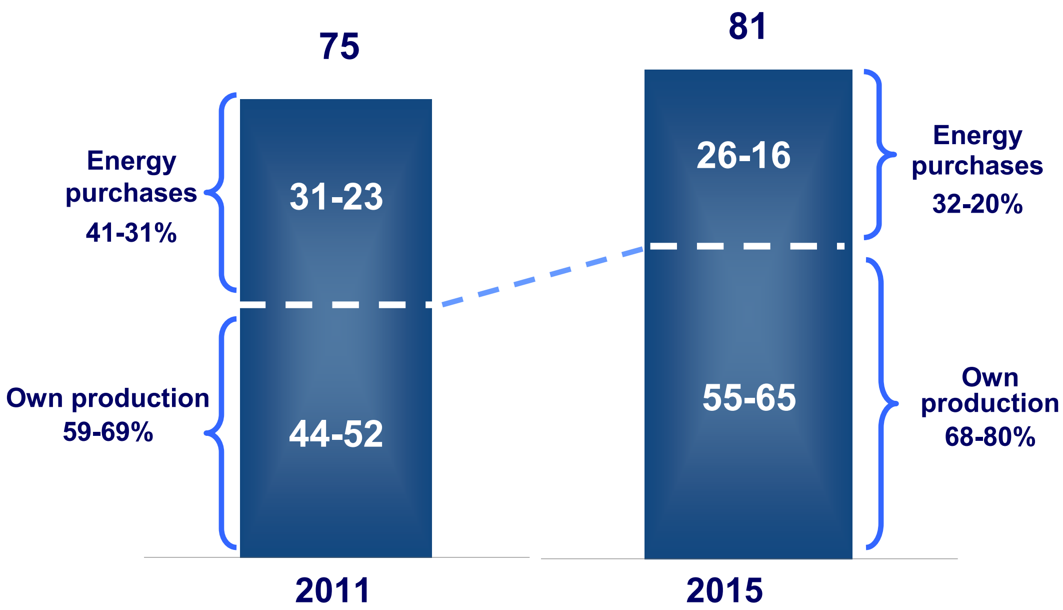


- In 2011-15 no new ordinary regime power plants are expected apart from pumped storage
- Higher exposure to hydro and nuclear vs. sector average
- Competitiveness
- Generation mix characterized by low volatility and flexibility
- Output potential over 80 TWh

ENDESA has better generation mix than the system average

Short position evolution

Sales (TWh) to liberalized market[1]

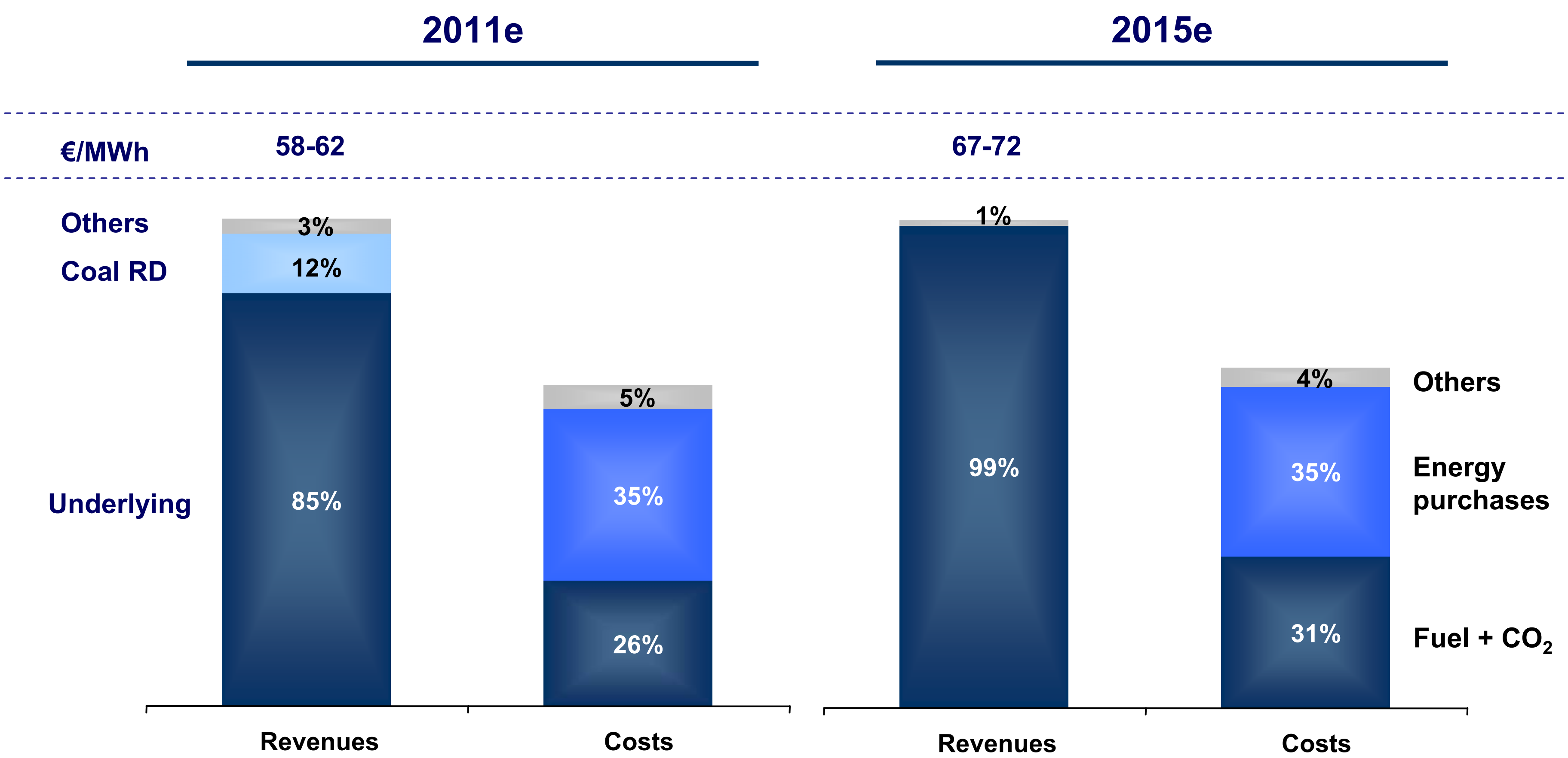


- Optimization of energy purchases & own production
- Continuous monitoring of value at risk
- Valuable position of own thermal power plants
- Additionally, SEIE sales (financial hedging) and LRT
- Domestic coal Royal Decree 2011-14

- Margin optimization & stabilization
- Leveraged on the strength of our commercial branch

(1) Mainland, own production does not include domestic coal in 2011

Revenues and costs of energy 2011-2015



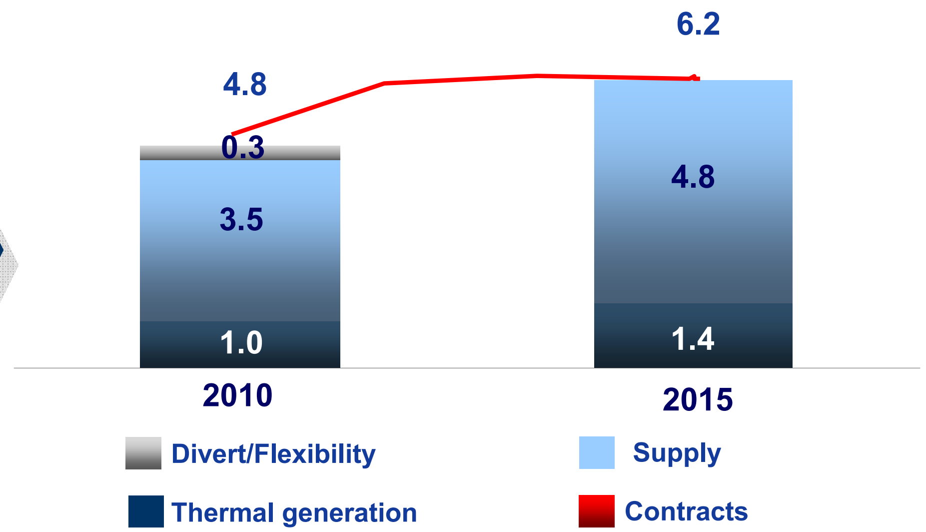
- 2011: domestic coal RD, NAP
- 2015: resilient unit margin despite end of CO_2 allowances

Gas: current position and strategy

Gas supply plan

- **Consolidate our 2nd position player in Spain:**
  - Maintain position in Large Consumers of around 15% of market share
  - Moderate growth in retail clients in Spain
- **Large consumers portfolio development in Portugal**

Endesa gas balance position (bcm)



- **Competitive & flexible sourcing**
- **Balance position throughout the plan (even including Medgaz)**
- **Further additional security thanks to diverts and flexibility**
- **Synergies through LNG swaps**

- **Balanced position with a flexible and competitive procurement**
- **Consolidate 2nd position in gas supply**

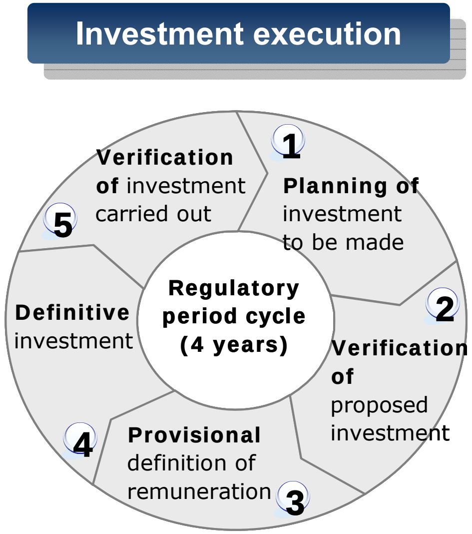
Index

Current distribution remuneration methodology

New methodology

RD 222/2008

- Full application of the new methodology (effective from December 2009)
- Cost audited information, grid reference model as a contrast tool
- Planning investment process coordinated with CCAA, CNE, Central Government and Distribution companies



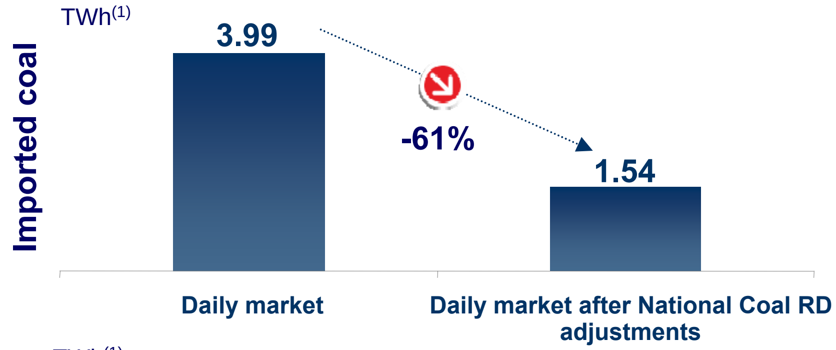
Key elements part of the new remuneration model

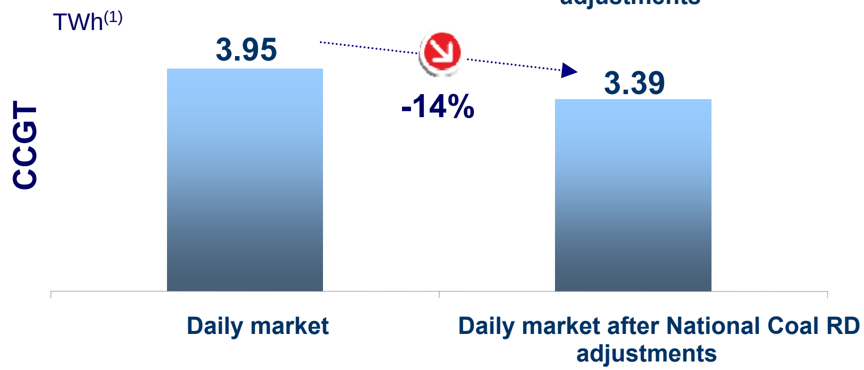
- Remuneration update year n-1: 0.2*(CPI-0.8) + 0.8*(IPI-0.4).
- Remuneration of the increased activity:
  - Recognized investments: result of grid reference model.
  - Investment remuneration: Use of real WACC b.t. (7.8% in 2011) to recognized investments net of facilities financed by third parties.
  - O&M associated to newly recognized investments

New stable and foreseeable model acting as a basis for future transformational investments (electric car, smart grids, etc)

Introduction of domestic coal Royal Decree (1221/2010)

- First month of operation: cost for the system €28.9 M (1.35€/MWh)
- Limited impact on market price
- Until end of April, 82% of the displaced production was imported coal
- Part of the displaced volumes are later recovered in the adjustments and restrictions markets
- 85% of the displaced production corresponds to Endesa



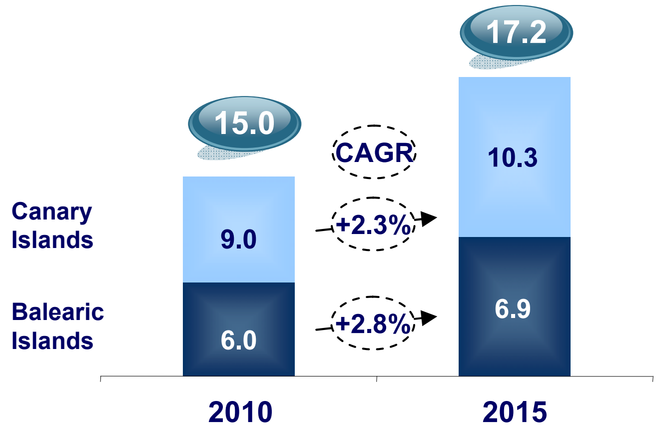


- **Thermal plants: very low load factor because of displacement by domestic coal and large renewable output**
- **However, these plants are required to provide back-up and flexibility: need to update the capacity payments mechanism to ensure the sustainability of imported coal and CCGT**

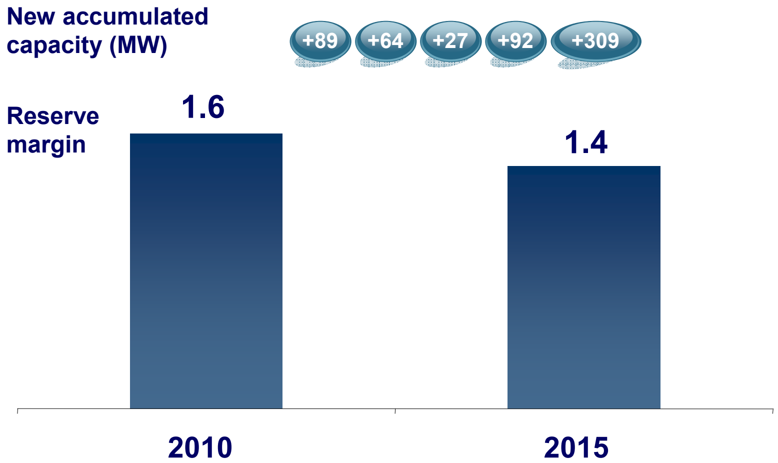
(1) Accumulated volumes from implementation of National Coal RD to May 2nd 2011

Non mainland systems: brief description and assumptions

Growing demand (TWh)



Reserve margin and new capacity



- Although this market and activity are liberalized, Endesa continues as the only market operator
- Mid to long term forecasts indicate demand will grow at a faster pace than mainland
- The regulatory minimum reserve margin is higher than mainland
- From 2011 to 2020 it will be necessary to add 950-1,200 MW of new capacity, with a 300 MW obsolete closure capacity forecast
- The base plan foresees the execution of all capacity additions

The Ministerial Orders for SEIE generation have created a stable regulatory framework

Investment

- Coverage of:
  - Depreciation (25 years for fossil fuel, 65 years for hydro)
  - Financial remuneration: 10Y govt. bonds + 3% applied on net values
- Investment value: real value + 50% of the difference between standard and real
- Possibility of recognition of extraordinary or additional investments

Operating and maintenance costs

- Standard unit values for O&M costs, differentiated by technology and size, to be applied to
  - Availability: fixed O&M
  - Operation regime: variable O&M
- Updates at CPI-1

Fuel, logistics, emission rights

- Fuel: price using commodity international market reference
- Logistics: updated at CPI-1
- CO2 emission rights: deficit from allocation of rights cover

Stable regulatory scheme well adapted to these isolated systems requirements

Best practice sharing with Enel

Generation

- Coal → Costs and efficiency improvements, predictable maintenance and coal maintenance
- CCGT → Large overhauls, predictable maintenance, inventories management and equipment maintenance
- Hydro → Maintenance, operating efficiency, water management, civil structures security, large overhauls, remote control and engineering process

Distribution

- Plan Uno reorganization: Digital metering (Cervantes), Design to cost
- Remote control MV/LV, grid planning, Capex optimization, organization & outsourcing, street lightning

Nuclear

- Agreement on action plans for industrial safety, corrective action plan and work management. Ageing management & material obsolescence management.

Supply

- Operations, demand, price & customers offers

Effective knowledge transfer within the Group

17 | 05 | 2011

latin america
strategic plan 2011-2015

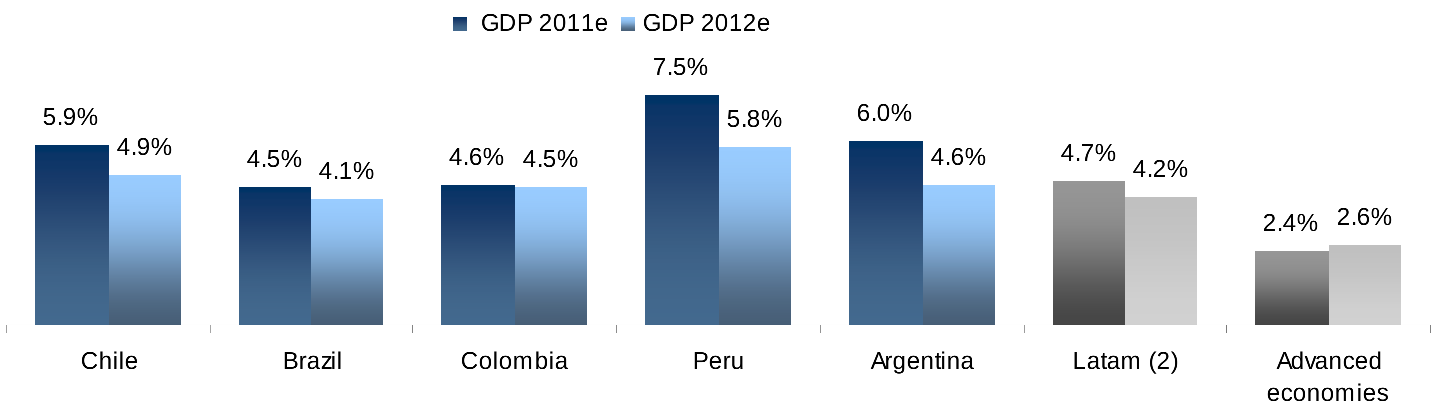
Mr. Andrea Brentan

endesa

Index

Market context in Latin America

Expected GDP growth(1)



	Chile	Brazil	Colombia	Peru	Argentina	US$
Rating(3)	A+	BBB-	BBB-	BBB-	B	–
Currencies(4)	-3%	-5%	-1%	0%	-8%	+1%

95% 2010 EBITDA of Latin America business (investment grade and resilient currencies)

- **Sound economic growth outlook**
- **Financial stability**
- **Limited impact from currencies depreciation**

(~35% EBITDA 2010 from Latin America linked to US$)

(1) Source IMF (2) Includes Mexico and economies from the Caribbean, Central America, and South America (3) Standard & Poors (4) Yearly average (2011-2015) against €

Market structure overview

Generation

- Markets with audited costs benefit from higher level of transparency
- Technical calculation of capacity payment avoids discrimination among technologies
- Pass through to final customer
- Long term tenders for regulated customers facilitate expansion

The regulatory framework for generation fosters stable functioning of the market and creates incentives to ensure expansion

Distribution

- Indefinite or long term concessions
- Tariffs set in accordance with technical criteria or targets
- Technical arbitration bodies that limit discretionary decisions
- Long experience in tariff revisions

Robust regulatory frameworks for distribution provide incentives to assure the adequate quality of service

Good market frameworks with strong expected growth

Generation: capacity payments

Capacity Payment

- Set by the regulator
- It corresponds to an efficient investment cost of a gas turbine (O&M included)

Peru Example

Turbine PG7241FA – 171 MW	US$ 49M
O&M:	US$ 0.7M
Useful Life	15 years
Real pre-tax Rate	12%

17 "Soles"/kw-month

10 US$/MWh

	US$/MWh	US$/MW/y
Argentina	4(1)	35,000
Chile	16	112,000
Peru	10	71,000

(1) Combine cycle power plant

Reliability Payment

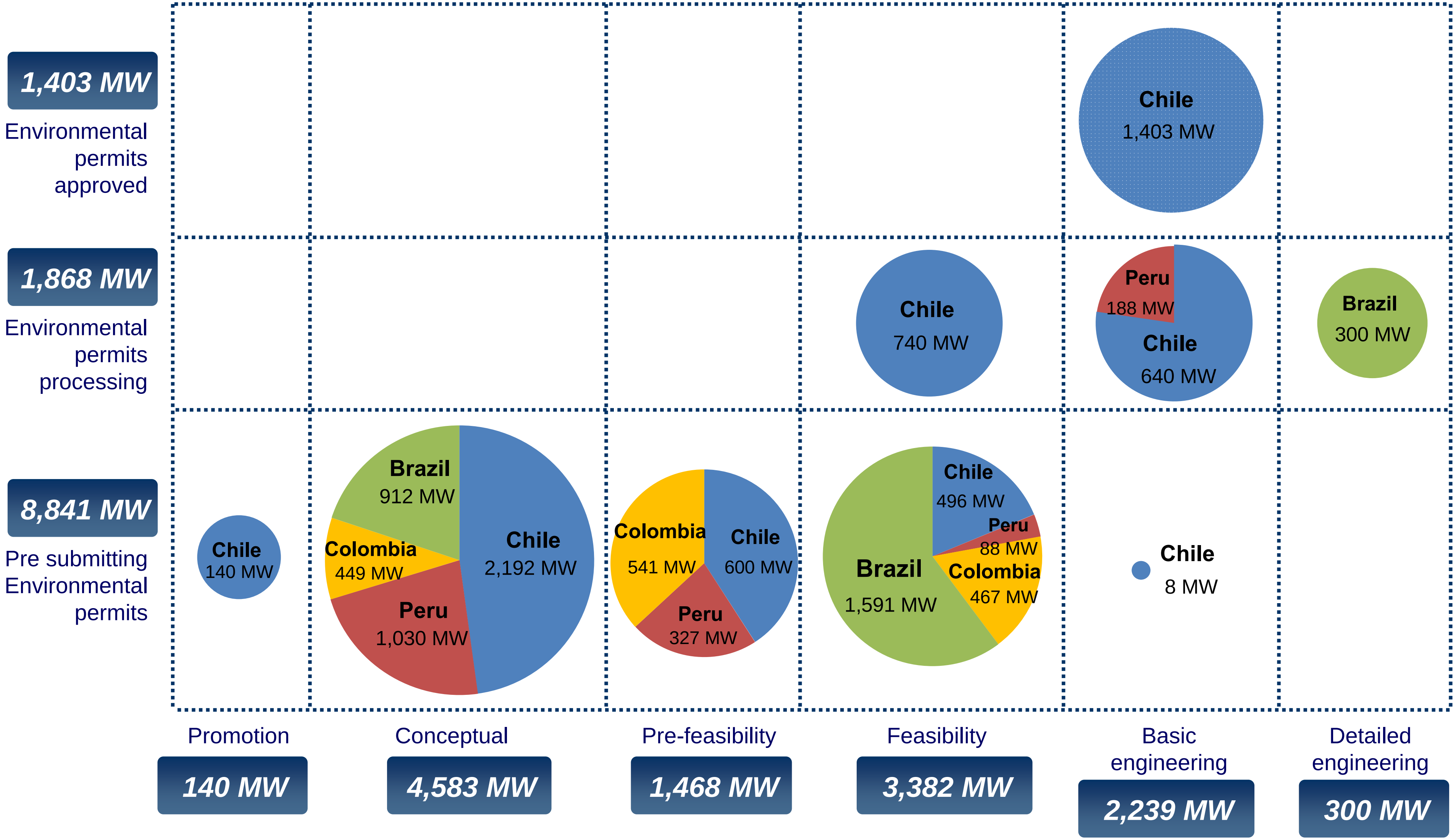
- Remunerates "Audited Firm Energy" that is requested in scarcity situations
- The price is determined by a 20 years tender (new plants)

	US$/MWh	US$/MW/y
Colombia	14	90,000

Brazil does not have capacity payment because it is included in the tender

Stable capacity payment policy for next years that incentives investments on availability and security of supply

Strong organic growth: Endesa generation project pipeline



Strong generation project pipeline under development (more than 12 GW)

Distribution: attractive profitability

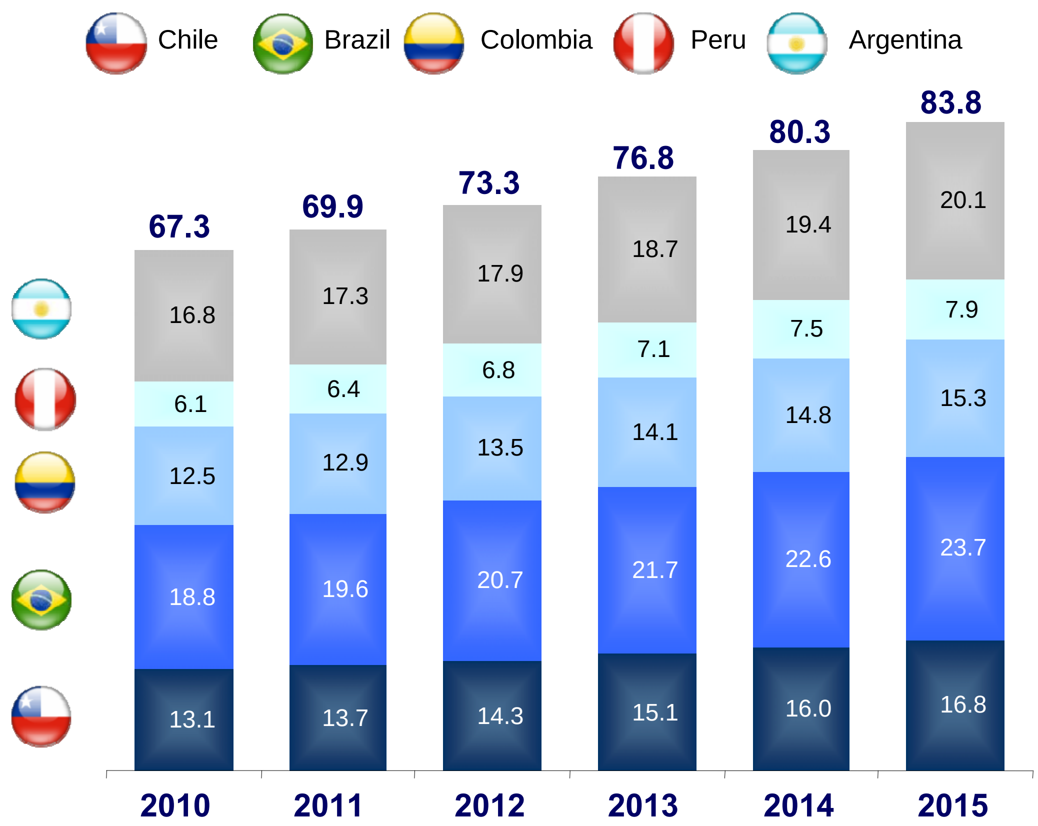
	Real pre-tax in local currency	Nominal after tax in US$	US 10Y bond yield + EMBI country (1)
Chile	10%	11%	4.4%
Colombia	14%	13%	5.1%
Peru	12%	12%	4.6%
Brazil	15%	12%	4.9%

- Long term concessions: indefinite or 30 years
- Transparent and stable regulatory scheme
- Incentives to promote efficiencies

(1) Source: Bloomberg (May 6th 2011)

Strong organic growth: Endesa customers portfolio

Energy distributed by country (TWh)



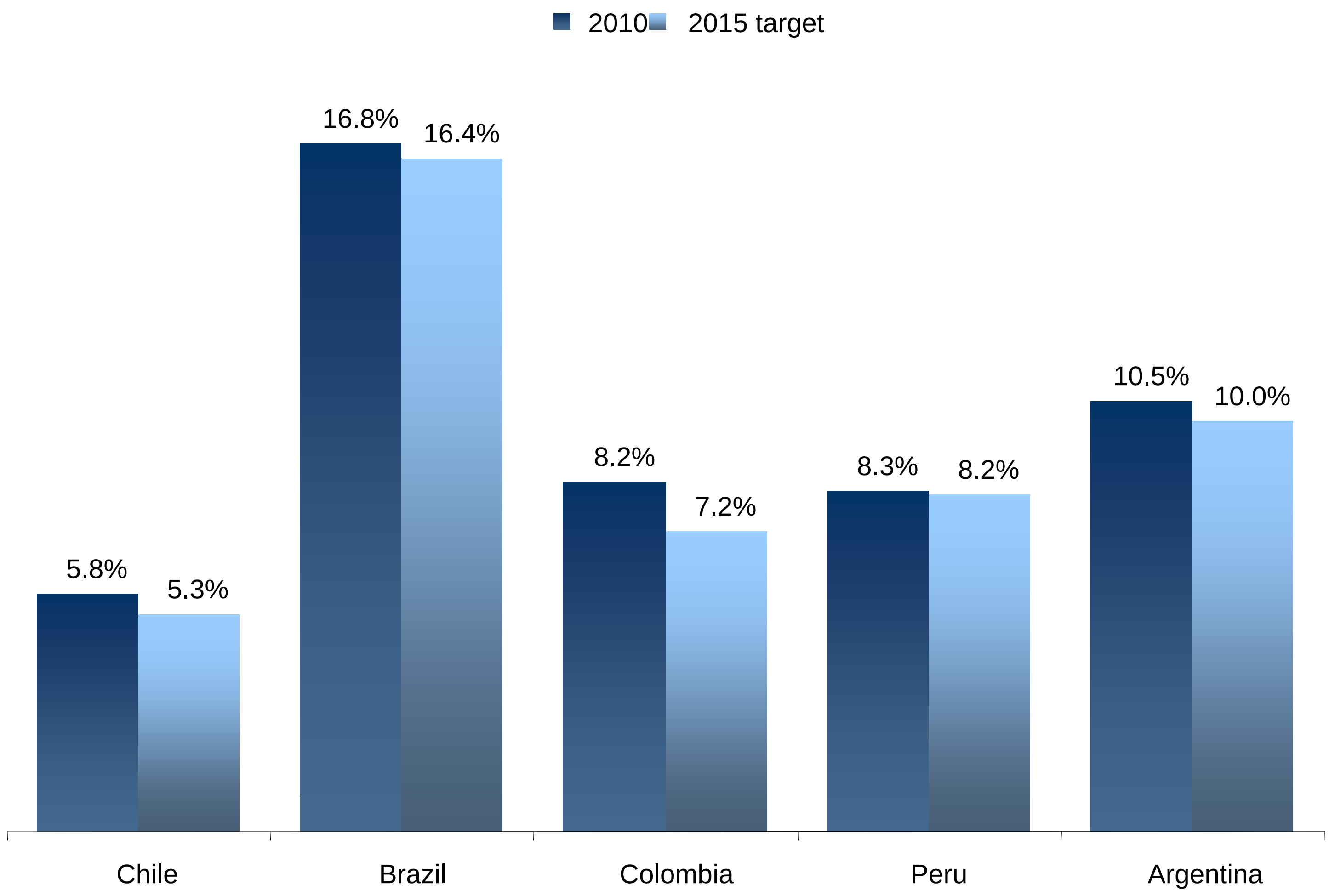
	CAGR 2010-2015	TWh increase 2010-2015	Number of customers(1) increase 2010-2015
	4.6%	3.3	99
	6.7%	1,8	216
	5.2%	2.8	466
	6.0%	4.9	903
	6.4%	3,7	213
	5.6%	**16.5**	**1,897**

- **~ 400,000 new customers per year**
- **Consolidation of operating excellence**
(losses reduction, quality improvement, cost reduction and investment optimization)
- **Customer base leverage to offer new products and services**

(1) Thousands

Index

Operating excellence in distribution: losses reduction



Continues effort to further reduce losses in all countries

Latin America: best practice transfer for I+D+i projects

	Best practice	Opportunities
Digital metering and Smartgrids	• Enel experience and technology • Leadership in Spain • Smartcity project in Málaga • Ampla: electronic metering leader	• Brazil and Chile as priority countries. • Working group to focus on: business plan definition, pilot project, management development • Brazil: working on alliance with local suppliers • Chile: gradual adding of smart meters through Chilectra
Electric car	• Outstanding position in Spain • Agreements with main manufacturers	• Brazil and Colombia as priority countries • Main action lines: recharging point development and regulation management
Commercial services	• Colombia (Codensa) sales services model (loans) 600,000 clients • Outsourced risk through a commercial agreement	• Commercial model replicated in Chile and Peru • Opportunities in other countries
Nuclear energy	• Experience in Spain (power plants management, fuel cycle, regulation and international agreements) • Enel group experience	• Advise Chilean authorities in the nuclear development • Brazil and Argentina already have nuclear energy. Future opportunities

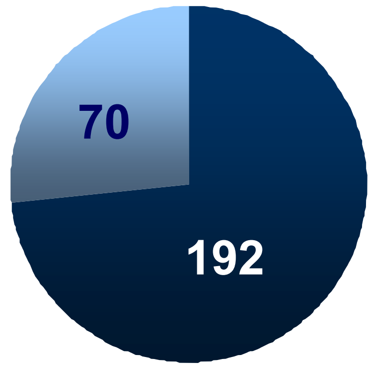
“Cross fertilization” large opportunities

Latin America: 2012 synergies and Zenith targets

100%	Concept	Main initiatives
55%	Distribution	• Losses reduction (10.4 % on average in 2012) • Operational efficiency improvement: operational and maintenance cost reduction (i.e. substations, MT – LT)
18%	Procurement	• "Design to cost" project: optimization of materials and services specifications • Unification of suppliers
10%	Conventional Gx	• Hydro performance improvement • Maintenance improvement for coal and gas: optimization of O&M contracts, turbine performance improvement by substituting rotors in CPP,…
6%	ICT	• Centralized management for IT systems, suppliers and future projects for hardware, telephone operators and software
6%	Fuel	• Joint fuel portfolio management: common use of port facilities, joint procurement strategy,… (Ie: 2010,10 coal shipments to Endesa Chile,…)
5%	Corporate Structure	• Insurance policies: higher risk retention in line with Enel Group policies • Travel agency optimization: tourist class tickets for short flights, substitution of car ownership for hire cars,…

2012 target
€262 M

Zenith Plan

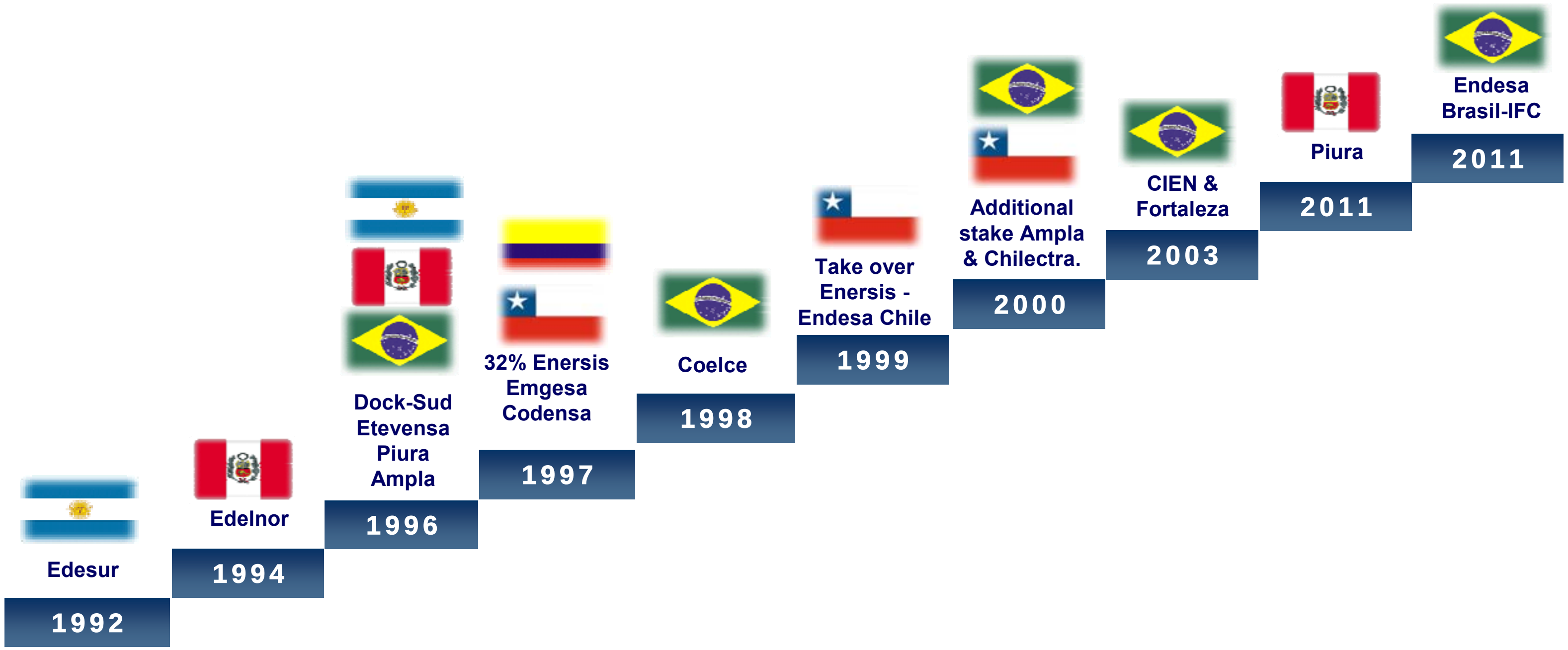


Synergies program

Index

Proven experience in managing utilities in Latin America

Key milestones in the region



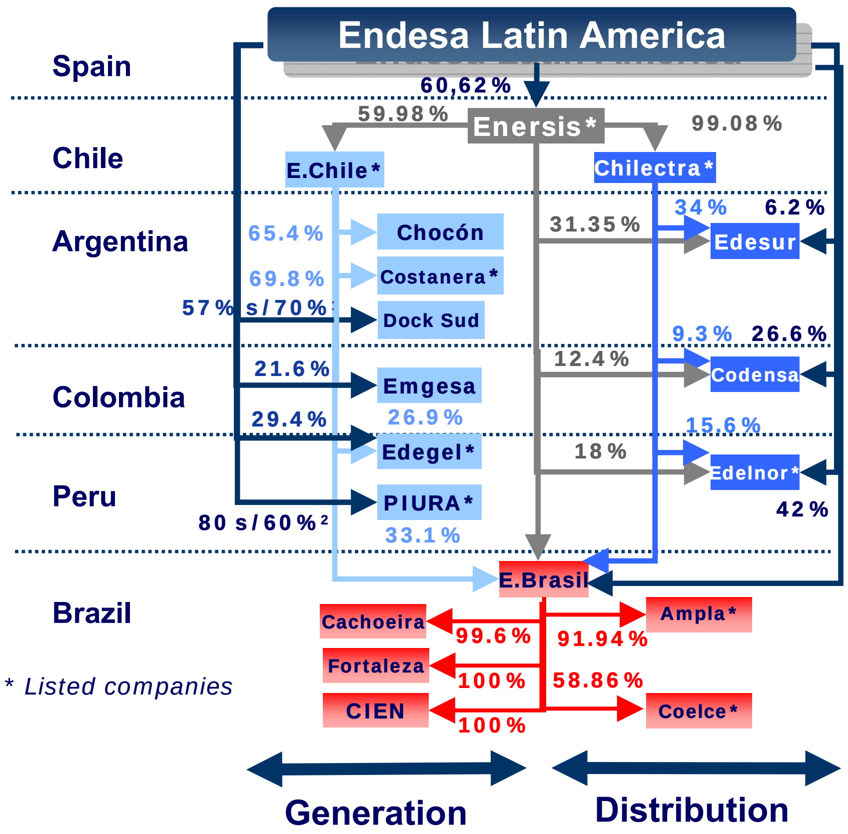
Knowledge: presence in Latam electricity business since 1992

Managerial excellence: brilliant results also under difficult scenarios

Commitment: ~ €8 bn invested in the region

Leadership: #1 in relevant markets, with options to grow

Shareholding structure



Improvements already done and others underway

- Reduction of companies (from 150 after Endesa's take over to ~80 nowadays)
- Piura tender offer
- Sale of non-core activities (CAM & Synapsis)

…but, current model has limitations

- Consolidation of 100% debt but lower economic interest
- Dividends double taxation
- Low cash flow visibility

…with constraints that must be taken into consideration

- Tax
- Important role of local pension funds
- Minorities interest

Study aiming at defining options to improve:

- **Economic interest**
- **Tax inefficiencies**
- **Visibility of cash flows**

(1) 57% stake in Inversora Dock Sud, which owns 70% in Dock Sud. (2) 80% stake in Caboblanco, which control and hold 60% stake in Piura

Index

Strategic guidelines

Generation

- Growing demand and increasing competition:
  - **Organic growth to maintain leadership**

Distribution

- Stable regulatory framework and returns above WACC:
  - **Organic growth**
  - **Focus on efficiency**
  - **Analysis of potential synergy-driven acquisitions**

- Large market with incipient concentration:
  - **Organic growth**
  - **Analysis of potential growth opportunities**

- Demand growth and Endesa's good position
- Need for market oriented rules
- Limited book value and self-financing
- Active role on:
  - **Defending our position**
  - **Regulatory improvement**

Operational excellence

- **Synergies** project
- Zenith project
- Security Plan
- "Generation ***Pipeline***" project
- "Projects management" project
- Internalize European experiences project:
  - Energy Management
  - Gas market analysis
  - Digital metering
  - Electric car
  - Energy efficiency
  - Client offerings diversification

Corporate strategy

- **Study** aiming at defining options to improve:
- Economic interest
- Tax inefficiencies
- Visibility of cash flows

Sustainable leadership through: solid growth, adding value and maintaining leadership

17 | 05 | 2011

businesses analysis
latin america

Ignacio Antoñanzas

endesa

Index

Focus on projects under construction

Bocamina II, coal, Chile

- Location: next to the existing Bocamina I coal-fired plant
- Installed capacity: 370 MW
- Fuel type: imported coal
- Estimated start-up: December 2011
- Investment: €~670 million

El Quimbo, hydro, Colombia

- Location: Magdalena River
- Installed capacity: 400 MW
- Estimated start-up: December 2014
- Investment: €~900 million
- Reliability payment: up to 1,650 GWh/year for 20 years

Talara, OCGT dual fuel, Peru

- Location: close to Malacas power station 132MW (Piura)
- Installed capacity: 190 MW
- Estimated start-up: 3Q 2013
- Investment: € ~90 million
- Long term capacity payments (20 years)
- Possible conversion to a CCGT in year 6 if market conditions are adequate leaving cold reserve scheme

Reassuring leading position through new capacity additions

Focus on high success probability projects

Los Condores, hydro, Chile

- Installed capacity: 150 MW
- Estimated FID[1]: 2Q2012
- Investment: € ~500 million
- Average annual output: 600 GWh, load factor: 46%
- SIC connection through 90 Km transmission line
- Limited environmental impact (no reservoir projected)
- EIA approved. Permitting in progress with established design conditions

Neltume, hydro, Chile

- Installed capacity: 490 MW
- Estimated FID[1]: 1Q 2013
- Investment: € ~860 million
- Annual average output: 1,870 GWh, load factor: 44%
- SIC connection through 91 Km transmission line
- Limited environmental impact (no reservoir projected)
- EIA in progress

Curibamba, hydro, Peru

- Installed capacity: 188 MW
- Estimated FID[1]: 2Q2012
- Investment: € ~330 million
- Average annual output:1.010 GWh, load factor: 61%
- SIN connection through 112 Km transmission line
- EIA in progress

New projects development well on track

(1) FID: Firm Investment Decision

Focus on high success probability projects: Aysen

Aysén, hydro, Chile

The project

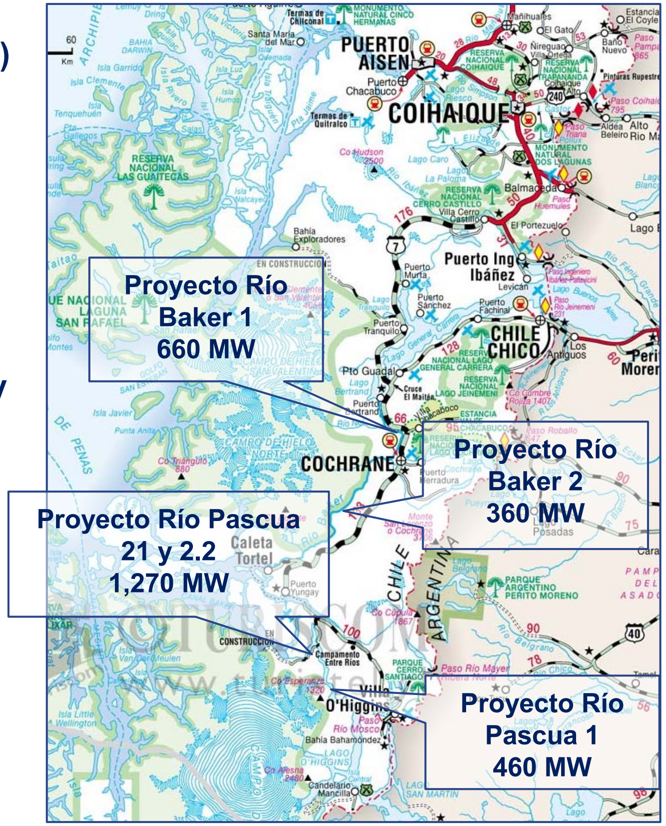
- Installed capacity: 2,750 MW (5 hydro plants)
- Output: 18,430 GWh/year (load factor 77%)
- Ownership: 51% & 49% Colbun
- 57% of output corresponds to Endesa in exchange of water rights transferred
- Estimated start-up: 2020 onwards

Events

- 9th of May the “*Comisión de Evaluación Ambiental de la Región de Aysén*” approved the Environmental impact study for Generation project
- Transmission environmental approval is in progress. 2.000 Km Power line

Schedule milestones

- Transmission project:
  - Environmental approval
  - Permitting
  - Basic engineering
- Generation Project:
  - Rest of permits
  - Basic engineering

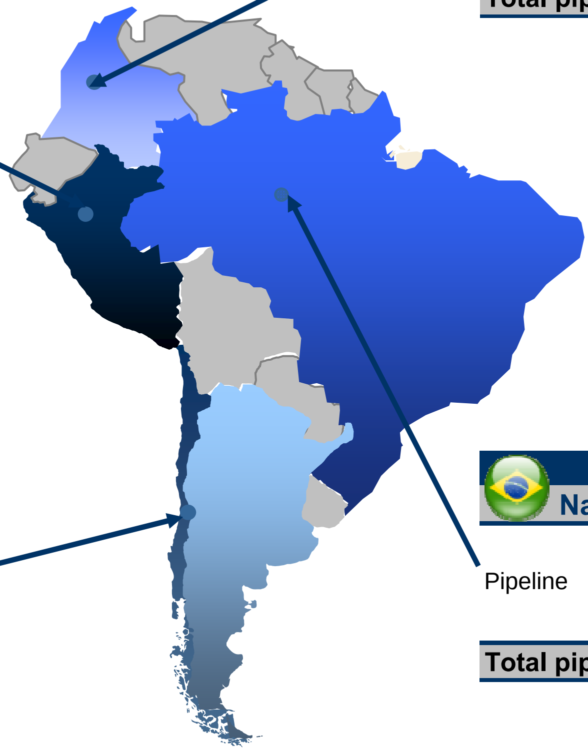


Key to assure security of supply at a competitive cost

Projects map in Latin America

Projects in Peru		
Name	**Technology**	**MW**
Curibamba	Hydro	188
Pipeline	Hydro	940
	Thermal (CCGT)	300
	Windfarm	98
	Minihydro	107
Total pipeline		**1,633**

Projects in Colombia		
Name	**Technology**	**MW**
El Quimbo	**Hydro**	**400**
Pipeline	Hydro	1,301
	Minihydro	156
Total		**1,857**
Total pipeline		**1,457**



Projects in Chile		
Name	**Technology**	**MW**
Bocamina II	**Thermal (coal)**	**370**
Los Condores	Hydro	150
Neltume	Hydro	490
Pipeline	Hydro	3,719
	Thermal (coal)	990
	Thermal (CCGT)	500
	Windfarm	308
	Minihydro	62
Total		**6,589**
Total pipeline		**6,219**

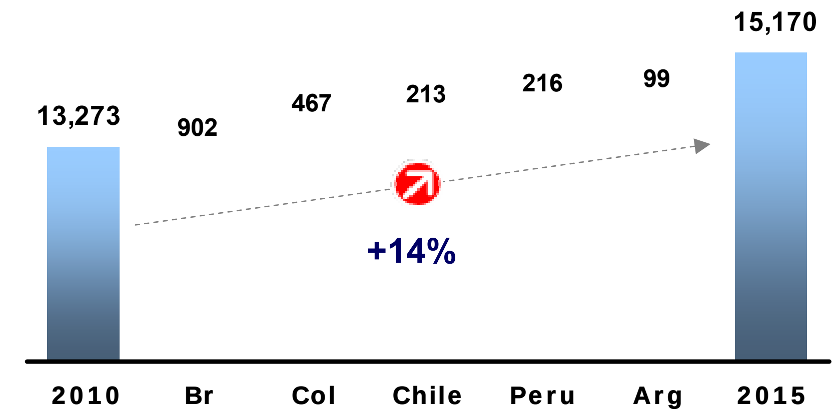
Projects in Brazil		
Name	**Technology**	**MW**
Pipeline	Hydro	1,409
	Thermal (coal)	850
	Windfarm	300
	Minihydro	244
Total pipeline		**2,803**

Strong generation pipeline > 12 GW

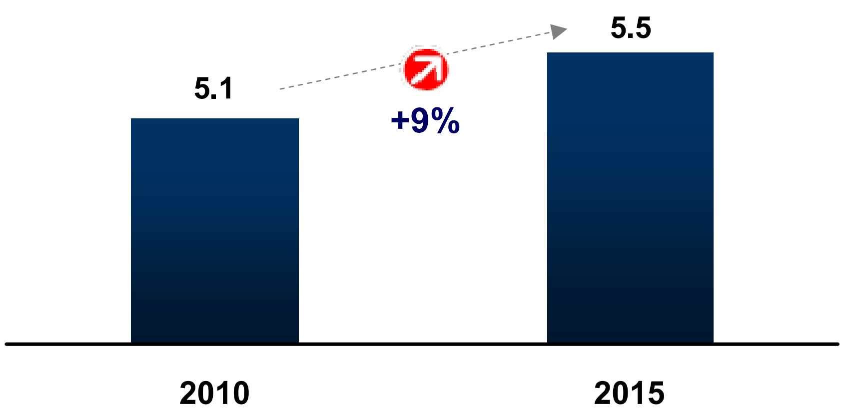
Index

Distribution: Strong organic growth

Clients growth (thousands)



Consumption per client (MWh/client/year)



Organic growth

- Growth as result of urban development in areas where we operate

Increase in electricity demand program

- Sale of products to stimulate increase of electricity demand
- Foster electricity demand vs. gas (ie. Full electric)

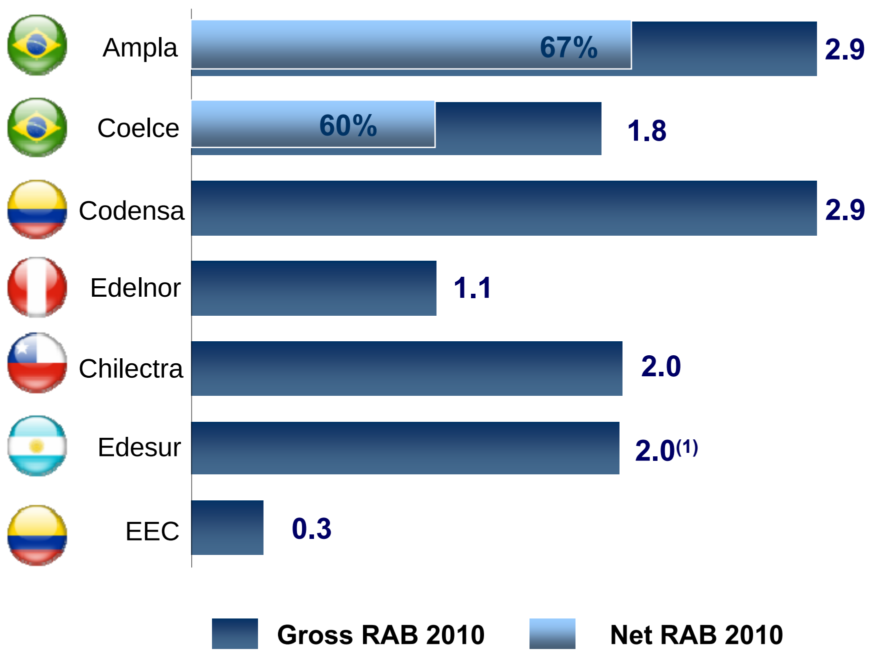
New services development

- Take advantage of our brand to launch new products
- Segmented offer to clients (street lighting, infrastructure renting, etc.)
- Electric car

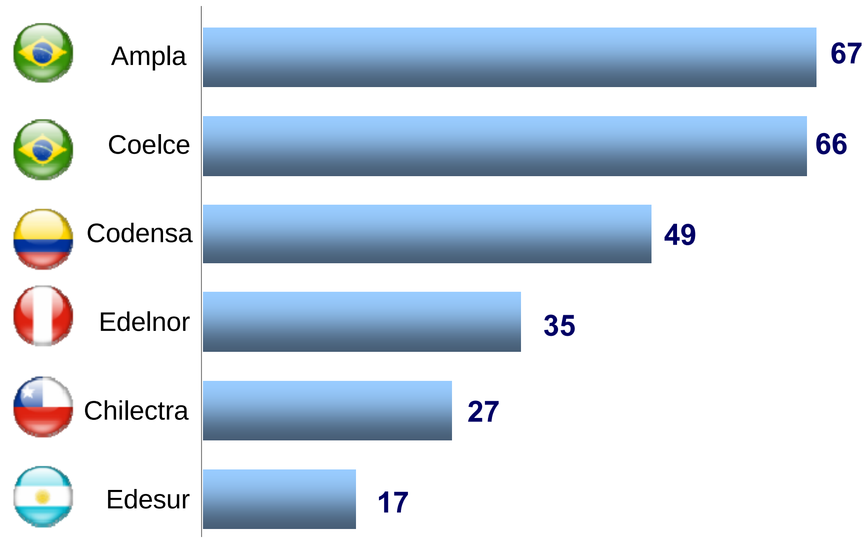
Every year we add ~400,000 new customers

Distribution: business profitability

RAB 2010 (US$ Bn)



Regulated revenue[2] 2010 (US$/MWh)



2010 RAB > US$13 bn with attractive DAV levels

(1) Estimated (2) Do not include energy costs

Distribution: tariff reviews calendar

	2011	2012	2013	2014	2015
Chilectra – *Distribution*		✓			
Chilectra – *Subtransmition*	✓			✓	
Edelnor			✓		
Codensa					✓
Coelce	✓				✓
Ampla				✓	
Cien					✓
Edesur		✓ *Estimated*			

Tariff review process: clear roadmap ahead

Brazil: state of the art and expected impact of 3rd cycle distribution tariff review

Coelce: revision applying from April 2011 - Ampla: tariff review scheduled in 2014

The ANEEL published on April 26th the 2nd proposal of the methodology which improves some aspects of the 1st proposal (i.e. X factor):

WACC[1]	• **7.57%** proposed vs. 9.95% in 2nd cycle due to lower country risk
X Factor	• **Change of the Methodology.** Productivity, quality and cost efficient path. Potential benefits from efficiency achievements.
Operating costs	• **Change of the Methodology.** 2nd cycle O&M update. Applying an efficient path through X factor.
Tax	• **Tax benefits from the concessionary contract under legal discussion**
Other incomes	• **Benefits must be shared with customers**

- **Discussion of the methodology between industry and regulator to support investments required by the country**
- **Coelce final tariff revision scheduled 4Q 2011 or 1Q 2012**

(1) After tax in real terms

CIEN: recognition as a regulated asset

In April 19 CIEN signed the operational contracts with ONS. Process concluded.

Gross RAB *(US$ bn)*	**1.06**	• Fixed by Aneel (vs. book value of €186 M at 31st Dec 2010)
Period *(years)*	**2020 & 2022** *(Line I & Line II resp)*	• Includes terminal value
Reviews	**Every 4 years**	• Remuneration base revision, WACC and O&M • Extension likelihood (10 years)
WACC(1)	**7.24%**	• WACC applied to existing transmission companies
Ebitda (US$ M)(2)	**~110**(3)	

CIEN secures good and predictable value

(1) After tax in real terms
(2) Ebitda 2011 = Rap – Encargos – Fixed costs, Fx =1,7R$/US$.
(3) Considers average RAP for 2011. Due to delays of the 2nd "Portaria", CIEN has not received the first quarter of 2011. Fx =1,7R$/US$.

Argentina: regulation update

Generation:

Transitional agreement for 2011 between Government and generation companies (Dec 2010):

Capacity payment (US$/MWhph)	Higher capacity remuneration	• Hydro: • CCGT: • Steam turbine:	3 → 3 3 → 6.9 3 → 8.0
O&M (US$/MWh)	O&M increase for thermal plants		2.5 → 3.6 (+45%)
Recognition of the debt with generators	100% recognition of the credits accrued		
New Projects	800 MW CCGT	• Approved by the Secretary of Energy • Project under development	

The agreement is being fulfilled

Distribution:

Edesur is receiving PUREE(1) surplus since 2008 as part of the pending cost recognition

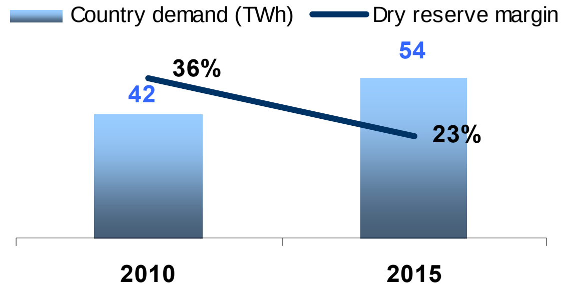
Argentina: on the way of market restructuring

(1) Customers extra cost due to excess in consumption

Index

Chile

Electricity demand recovery (SIC)

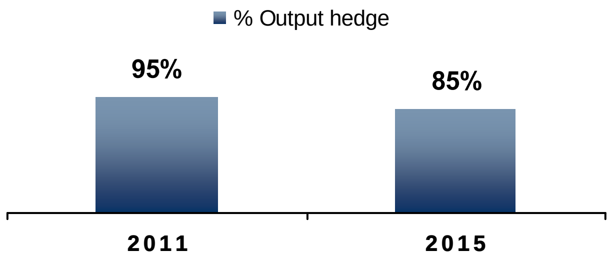


- Demand: 5% CAGR over 2010-2015
- Addition of 2.200 MW over 2010-15, of which 1,500 MW are from coal power plants and 700 MW are hydro plants
- Lower reserve margins

Market overview

- 2011 annual hydrological year, starting in April, expected to be on average
- The new thermal generation emissions law resulted in a positive and well balanced regulation
- Development of interconnections: SIC-SING and Peru-SING
- Under discussion: regulatory model for the access of third parties to regasification plants

Energy contracts



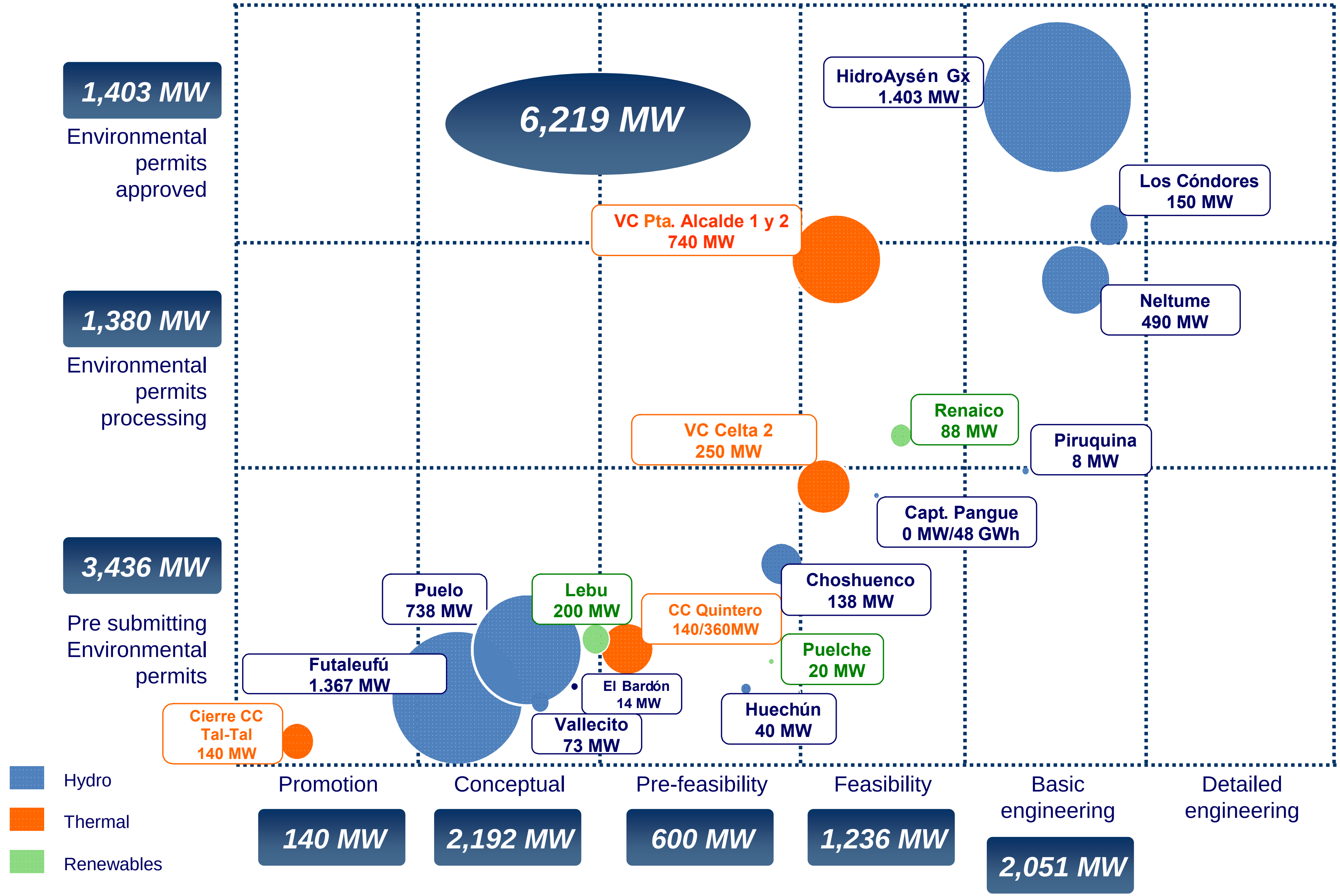
- Endesa has hedged high level of estimated production through long term energy contracts
- Stability and price recovery from 2013

Endesa's partners

- Main Chilean AFP's are relevant stakeholders of Enersis and Endesa Chile, and have significant presence on their respective board of directors

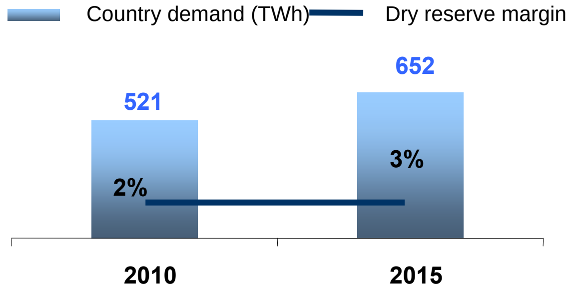
Endesa will reinforce its leadership in Chile

Portfolio projects situation in Chile



Brazil

Electricity demand

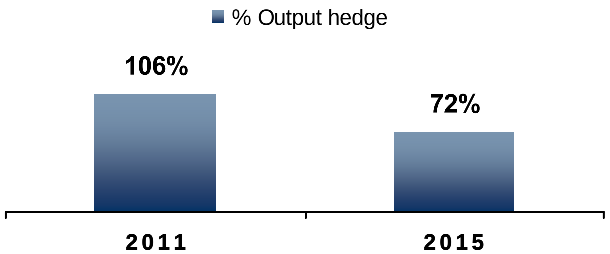


- 4.5% CAGR over 2010-2015.
- Strong need of new capacity: 28.000 MW over 2011-2015
- Reserve margin very sensitive to hydro conditions

Market overview

- Significant organic growth opportunities in generation and distribution
- Incipient market consolidation allows other growth opportunities
- Brazil as a net gas producing country should boost gas as future complement technology to hydro and other renewables in the energy mix
- Gradual increase of non conventional renewable energies share on the energy mix

Energy contracts



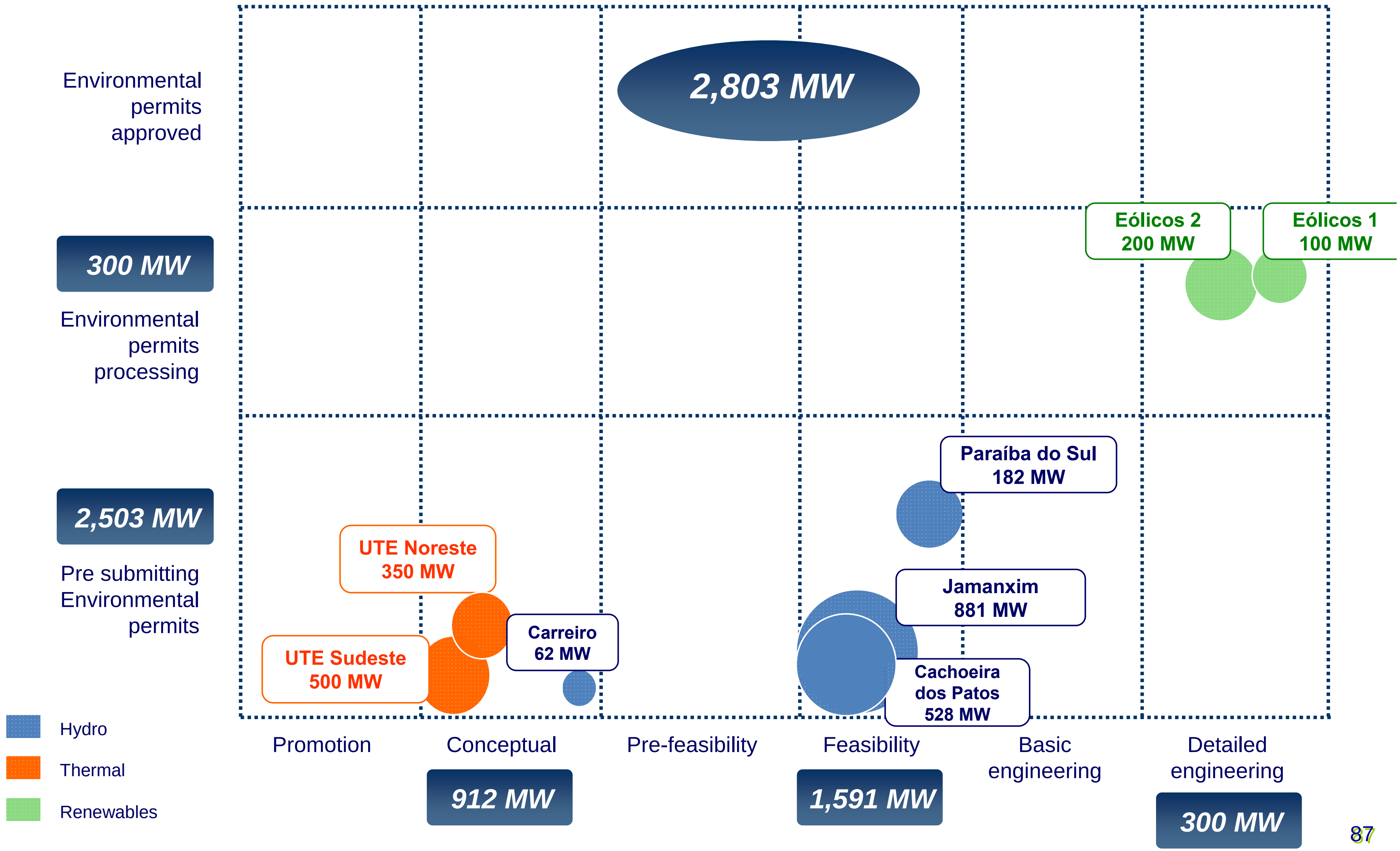
- Energy auctions to guarantee prices in the medium and long term
- High sensitivity of the spot prices to hydro conditions

Endesa's partners

- Endesa is exploring a wide range of alternatives to grow its presence in the country

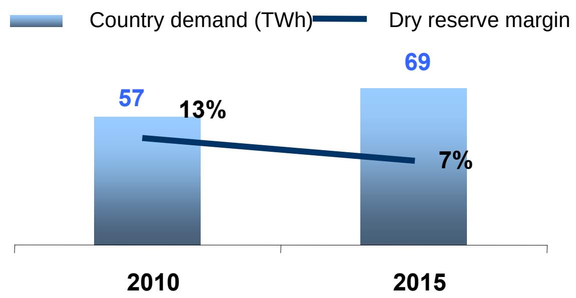
Attractive market given its size, growth potential and regulatory framework

Portfolio projects situation in Brazil



Colombia

Electricity demand)

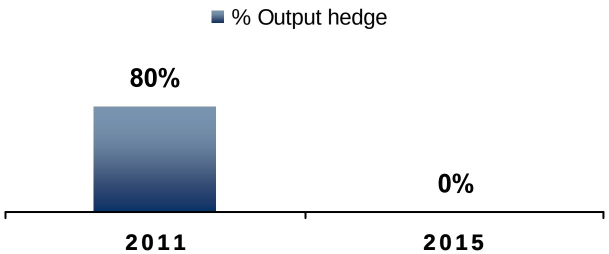


- Demand: 3.9% CAGR over 2010-2015
- Expected addition of 3,450 MW over 2011-2015 (Mainly Hydro)
- Strong dependence of hydro conditions

Market overview

- Porce IV 400 WM hydro project suspension will bring forward new Firm Energy auctions
- Next capacity auction in the interconnection project with Panamá
- Development of LNG imports as an alternative to increase security of supply

Energy contracts



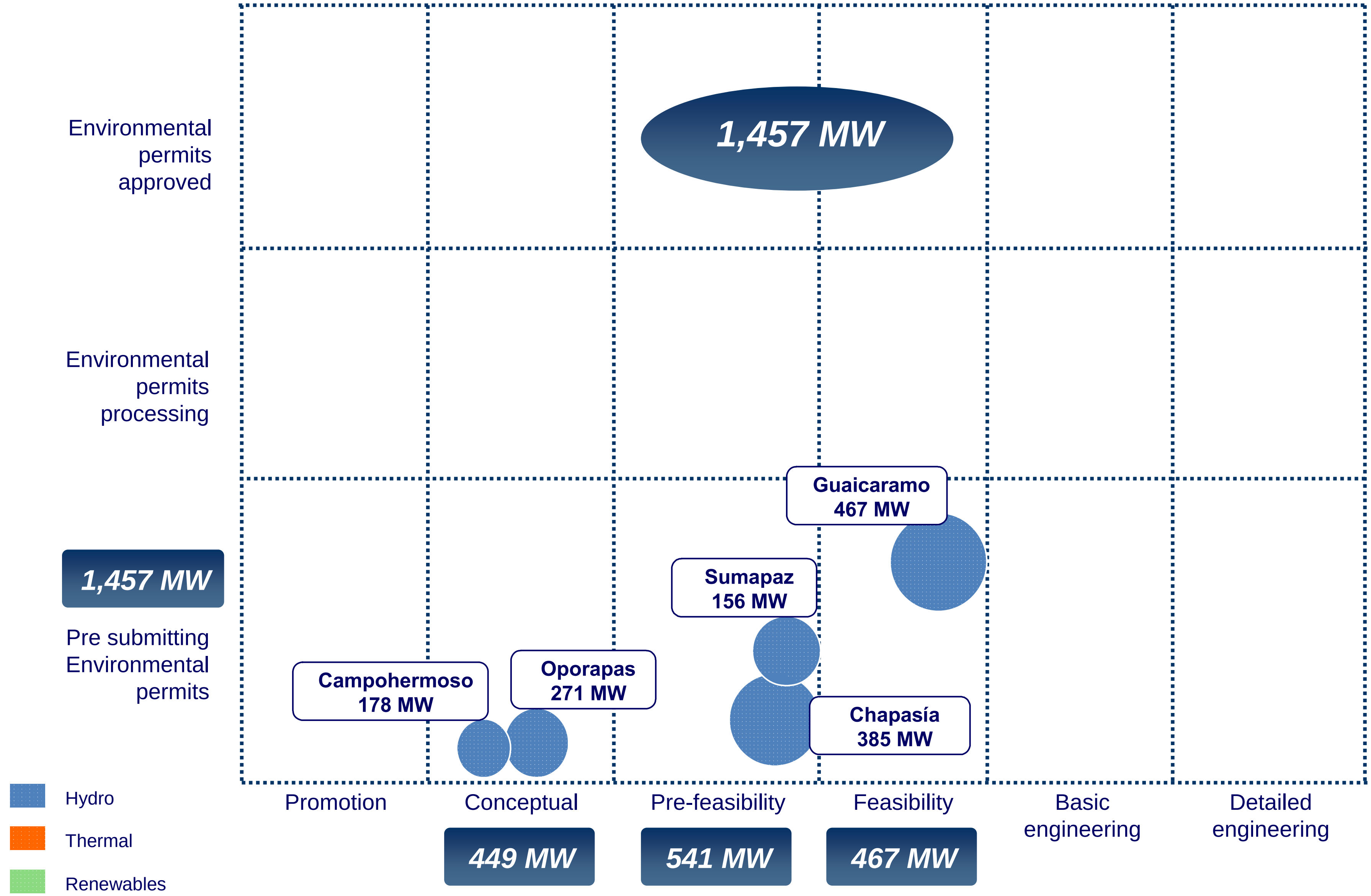
- Regulation does not encourage long term energy contracts with distribution companies
- Capacity payments already defined until 2013 (Quimbo for 20 years)
- Price stability

Endesa's partners

- In Colombia Endesa has a partnership with EEB, Colombian energy holding controlled by the Bogotá municipality and listed on the Bogotá stock exchange.

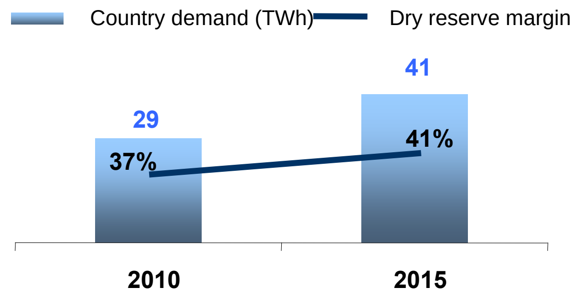
Endesa will keep its leadership position in Colombia

Portfolio projects situation in Colombia



Peru

Electricity demand

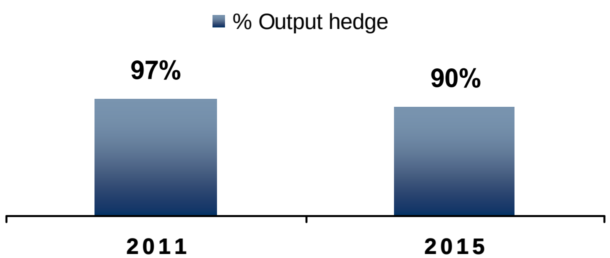


- Demand: 7.1% CAGR over 2010-2015.
- Expected addition of 3,250 MW over 2011-2015

Market overview

- Current regulation on price settlement will be kept until 2013 once the problems of the Camisea pipeline will be solved
- Upward trend in gas prices could drive wholesale energy prices
- 800 MW thermal (cold reserve) and 932 MW hydro already auctioned
- 2nd renewable auction expected:1,981 GWh (681 Minihydro / 1,300 rest) will be tendered

Energy contracts



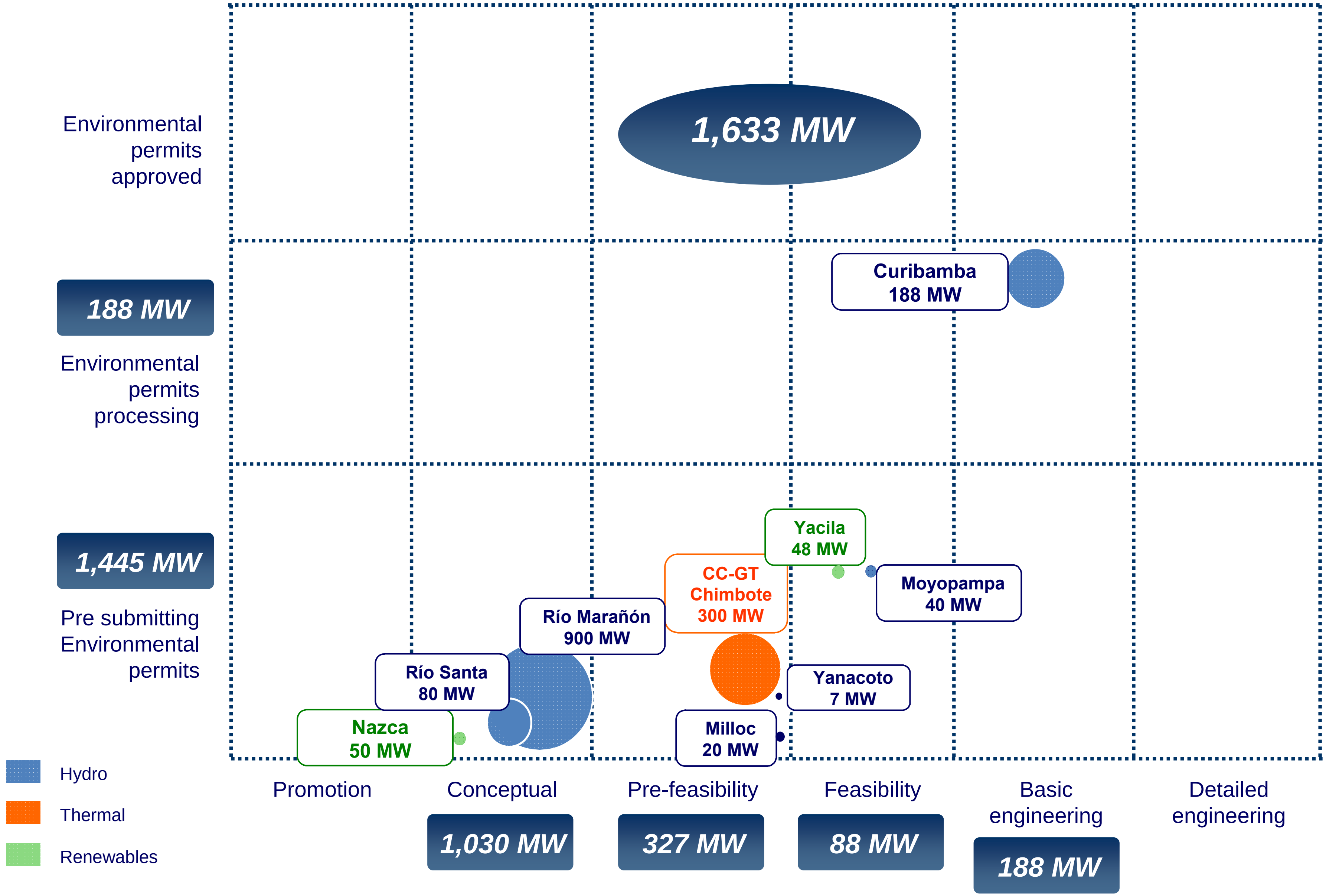
- Endesa has significant volumes of contracted forward sales
- On 2011 “barra” price has disappeared, replaced by energy auctions with distribution companies
- Forward sales prices above spot prices

Endesa’s partners

- Main national AFP’s are significant minorities of Edelnor and Edegel.
- Banco de Crédito del Perú (BCP) owns 8,3% of Edelnor’s capital

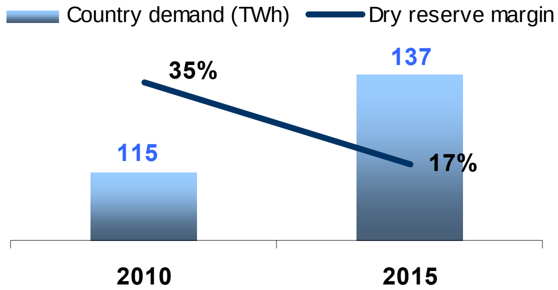
High demand of energy projects to cope with growth rates

Portfolio projects situation in Peru



Argentina

Electricity demand



- Demand: 3.5% CAGR over 2010-2015.
- Expected addition of 5,000 MW over 2011-2015 (Mainly State promoted)
- Energy imports from Brazil to face seasonal energy peaks in demand

Market overview

- The 25/11/2010 agreement between the Government and Gencos provides a better remuneration of the assets, keeping availability objectives.
- Limits on liberalized clients contracts
- Limited availability of gas does not impact prices
- Significant electricity system deficit beared by the Government
- Consolidation of the LNG import needs. A new LNG regasification terminal is under study.

Energy contracts

- Regulation does not encourage long term energy contracts
- Vuelta de Obligado Project : in December 2010 Endesa, Sadesa and Duke presented a 800MW CCGT project to be built in proximity to the San Martín en Rosario thermal power plant. This project will be financed with the withholdings of the "Inciso C".

Endesa's partners

- Endesa has institutional and strategic partners on all of its subsidiaries.
  - Provincia de Neuquén in Chocón Power Plant
  - ANSES and other institutional stakeholders in Costanera
  - YPF, PAE in Dock Sud
  - Petrobrás in Edesur

- **Argentina adds value to the portfolio**
- **Focus on regulatory market reestructuring**

17 | 05 | 2011

final remarks

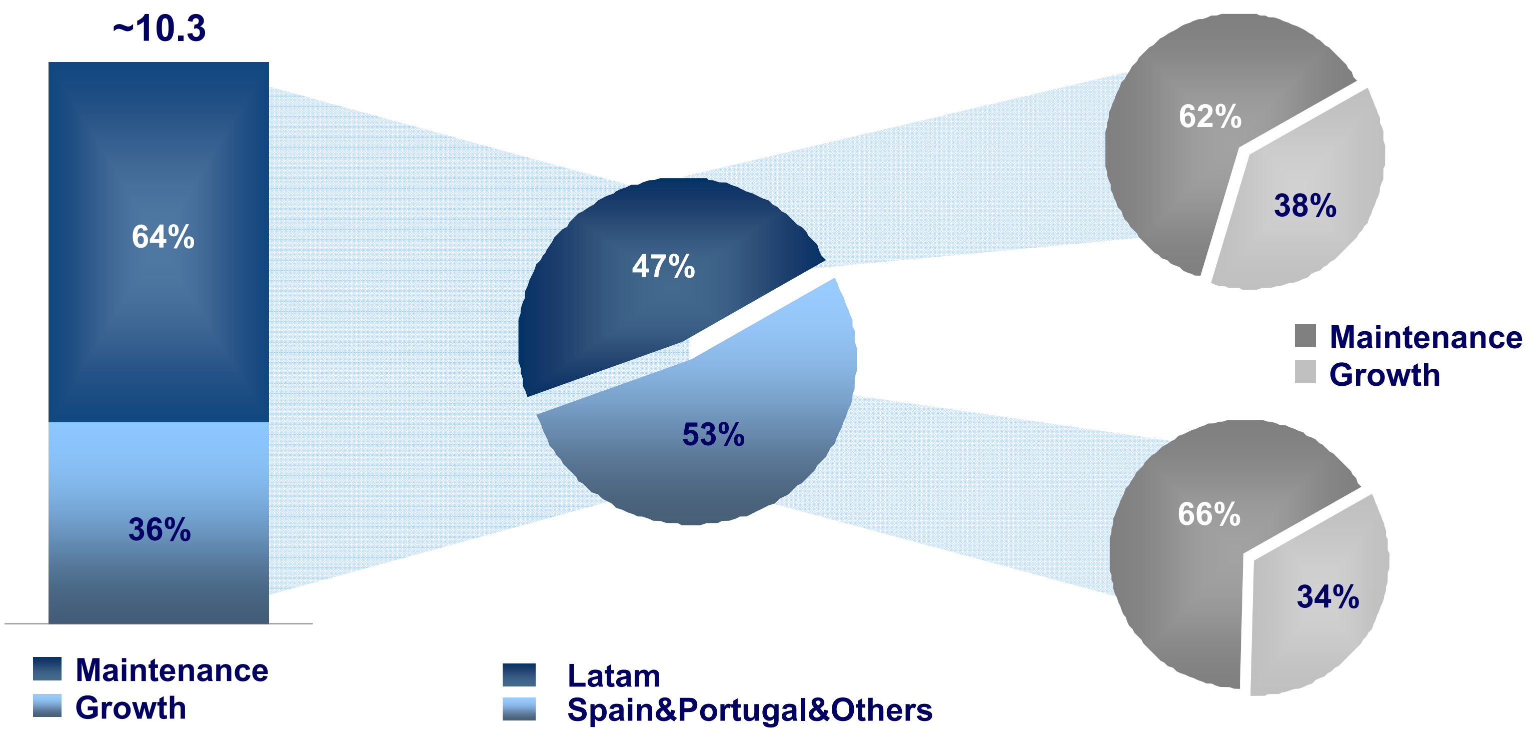
Mr. Andrea Brentan

endesa

Index

Overall targets

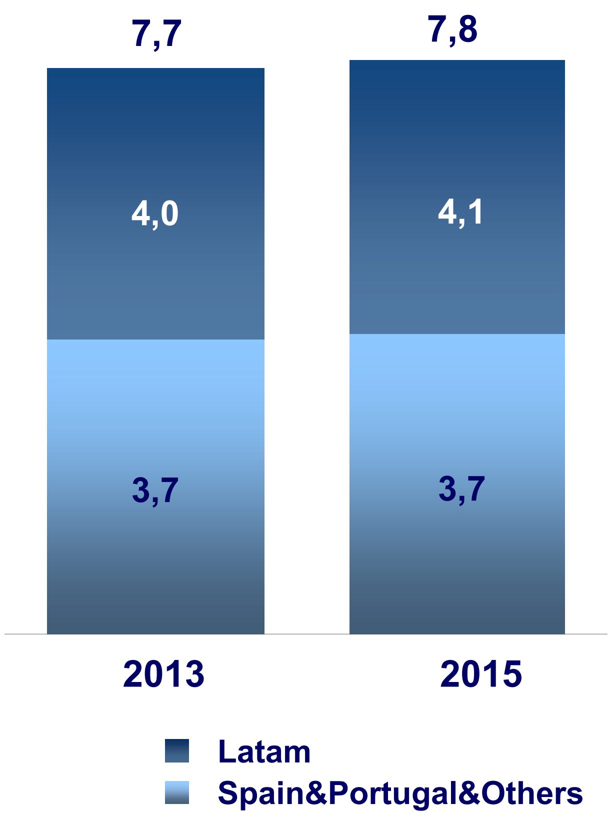
Capex programme (€ bn)



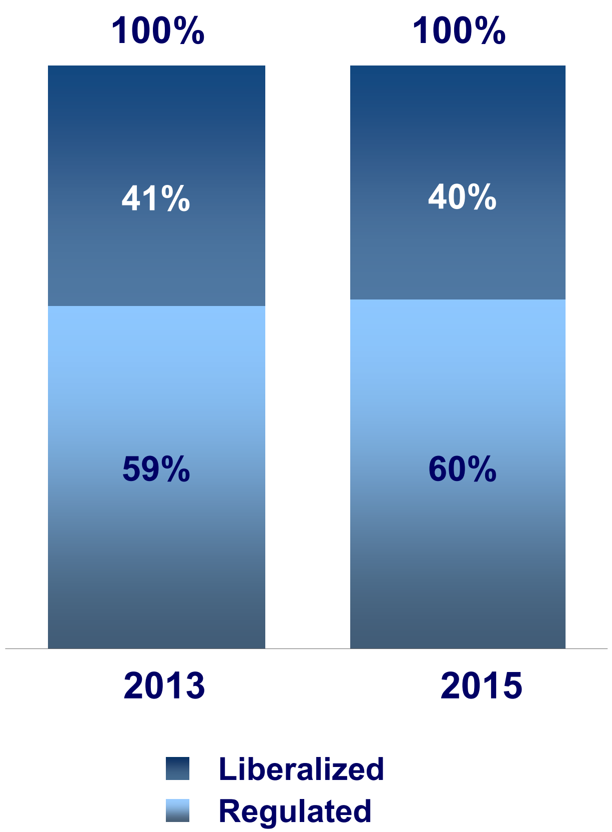
Conservative and flexible investment profile adaptable to market conditions

Overall targets

EBITDA by geography (€bn)



EBITDA by business profile (%)



Diversification of cash flow sources

appendices

Installed capacity and output[(1)]

Installed capacity

MW at 31/03/11	Spain& Portugal&Others	Endesa Latin America	Total
Total	**24,773**	**15,835**	**40,608**
Hydro	4,716	8,666	13,382
Nuclear	3,682	-	3,682
Coal	5,804	522	6,326
Natural gas	4,851	3,966	8,817
Oil-gas	5,720	2,594	8,315
CHP/Renewables	na	87	87

Output

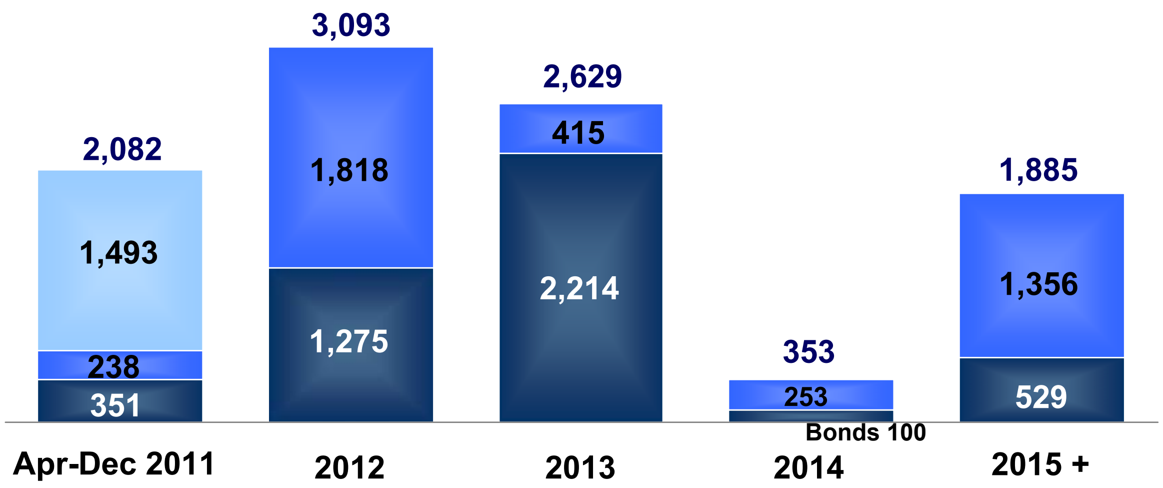
TWh 1Q 2011 (chg. vs. 1Q 2010)	Spain& Portugal&Others		Endesa Latin America		Total	
Total	**18.4**	**+6.3%**	**15.0**	**+3.0%**	**33.4**	**+4.6%**
Hydro	2.2	-31%	7.6	-3%	9.9	-7%
Nuclear	5.8	-10%	-	-	5.8	-10%
Coal	5.5	+74%	0.6	-20%	6.1	-20%
Natural gas	2.4	+129%	5.4	+11%	7.7	+8%
Oil-gas	2.4	-12%	1.4	+16%	3.9	-4%
CHP/Renewables	na	na	0.04	-11%	0.04	-11%

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

Endesa (excl. Enersis): financial debt maturity calendar

Gross balance of maturities outstanding at 31 March 2011: €10,042 M(1)

Bonds (2) | Bank debt and others | ECPs and domestic commercial paper (3)



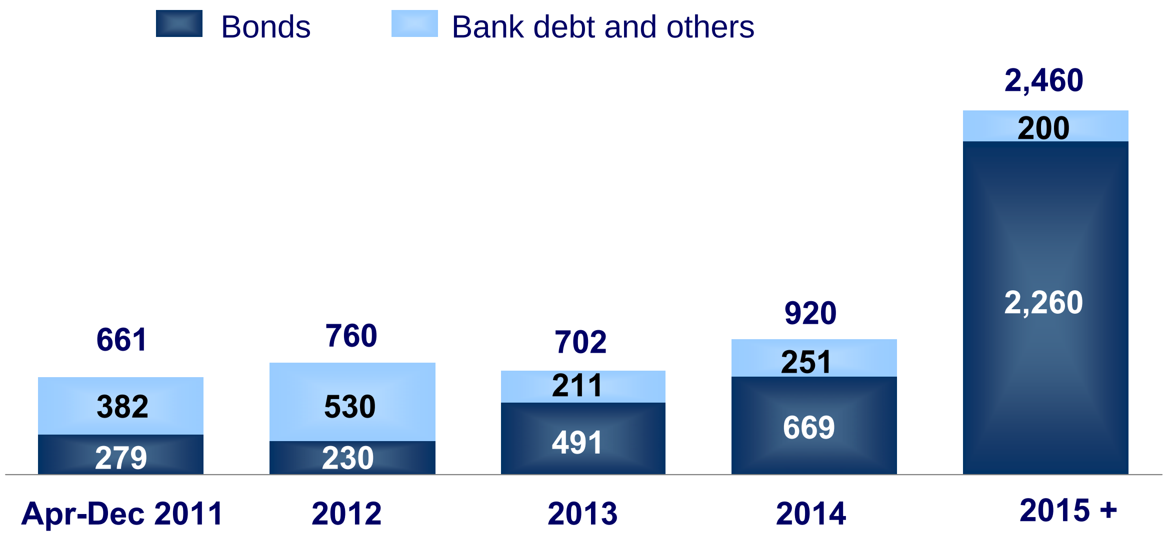
Endesa's liquidity excl. Enersis covers 15 months of debt maturities

- **Liquidity €6,909 M**
  - **€1,511 M in cash**
  - **€5,398 M available in long-term credit lines**
- **Average life of debt: 3.6 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 31 March 2011: €5,503 M[(1)]



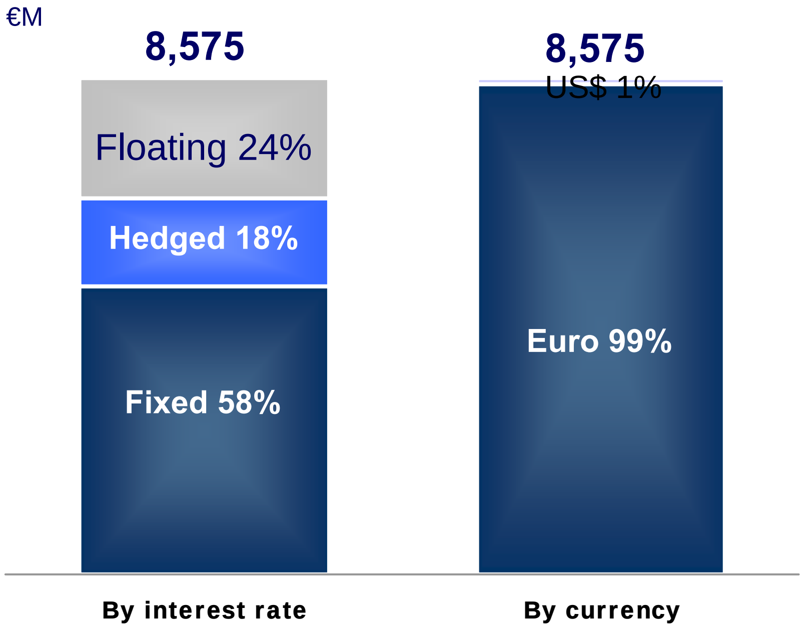
Enersis has sufficient liquidity to cover 28 months of debt maturities

- **Liquidity €2,144 M:**
  - **€1,458 M in cash**
  - **€686 M of syndicated loans available**
- **Average life of debt: 5.5 years**

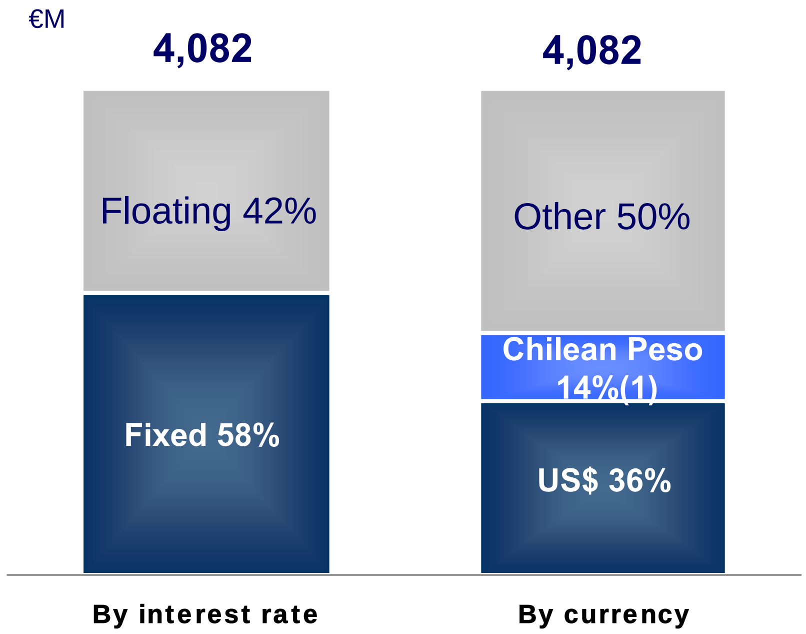
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

Financial policy and debt structure

Structure of Endesa's debt ex-Enersis



Enersis debt structure

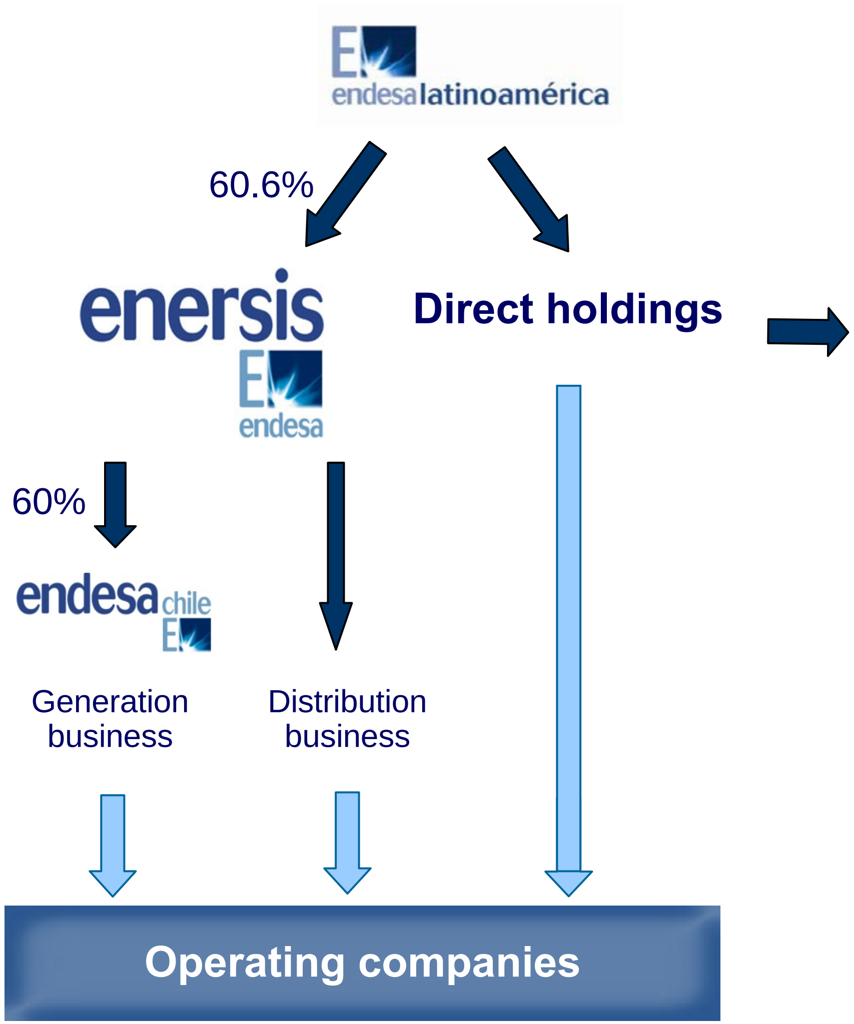


Average cost of debt	**4.0%**	**8.8%**

- **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 December 2010
(1) Includes "Unidades de Fomento"

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



€M		% direct stake	Proportionate 1Q 2011 EBITDA	Proportionate 31.03.2011 Net debt
	Codensa	26.7%	19	91
	Emgesa	21.6%	16	152
	Endesa Brasil	28.5%	60	206
	Edesur	6.2%	1	-1
	DockSud	40%	3	19
	Edelnor	18%	5	38
	Piura	84.5%	5	-2
	Pangue	5%	1	0
Proportionate total			**111**	**504**

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.

light · gas · people