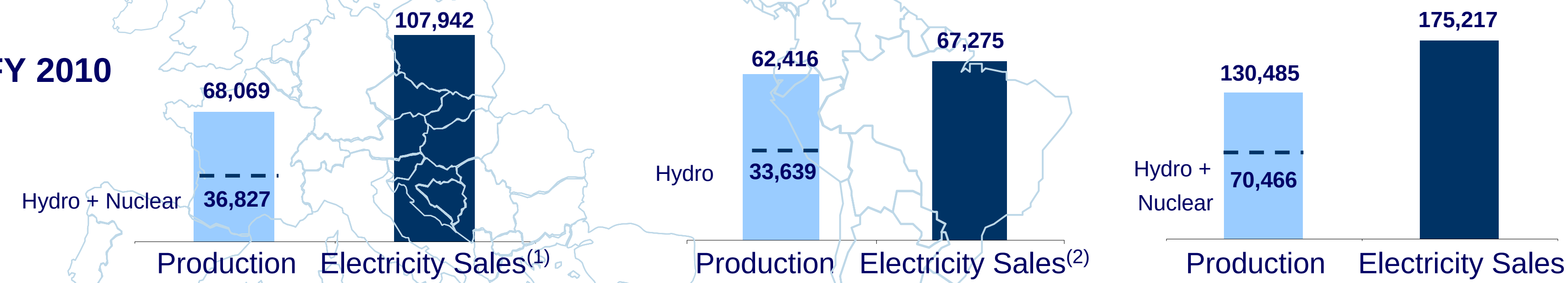
25 | 02 | 2011

endesa FY 2010 results

endesa

Result improvement despite asset disposals

	Spain&Portugal&Others		Latin America		Total Endesa	
GWh FY 2010	Production	Electricity Sales(1)	Production	Electricity Sales(2)	Production	Electricity Sales



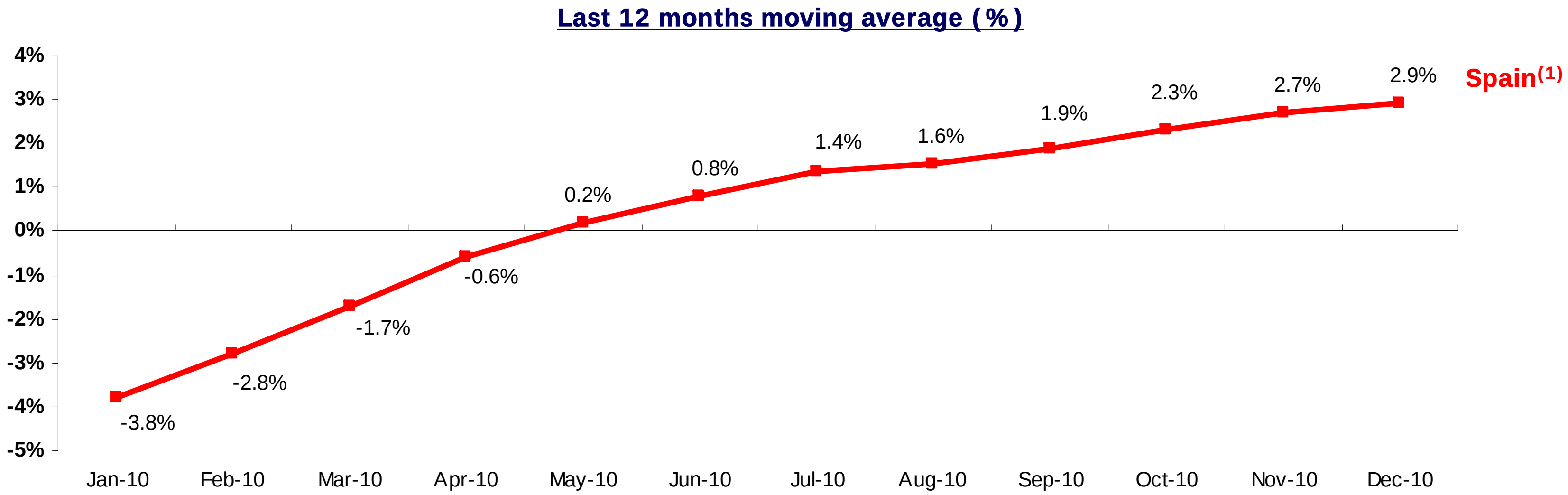
(% over FY 2009)	**-8%**	**+2%**	**-1%**	**+6%**	**-5%**	**+3%**

EBITDA FY 2010	Spain&Portugal&Others		Latin America		Total Endesa	
	Liberalized	**35%**	Liberalized	**57%**	Liberalized	**45%**
	Regulated	**65%**	Regulated	**43%**	Regulated	**55%**
		100%		**100%**		**100%**
	€4,079 M	**+0%**	**€3,395 M**	**+7%**	**€7,474 M**	**+3%**

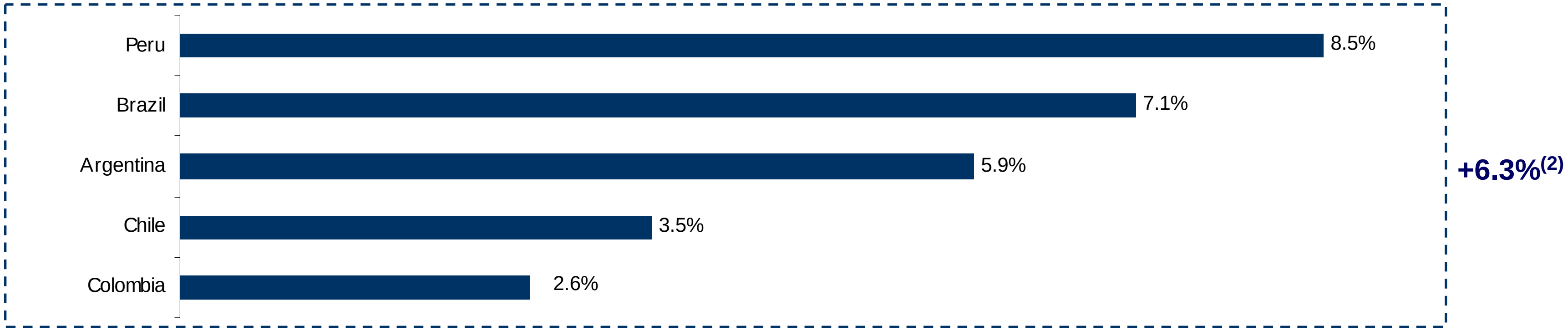
(1) Sales to final customers
(2) Distribution sales

Improvement of electricity demand

Spain: mainland demand growth turn around



Latin America: remarkable demand growth in 2010



(1) Mainland. Adjusted for weather and working days. (3.3% not adjusted). Source: REE

(2) Not adjusted for weather and working days. Countries where Endesa operates weighted by TWh (demand by country)

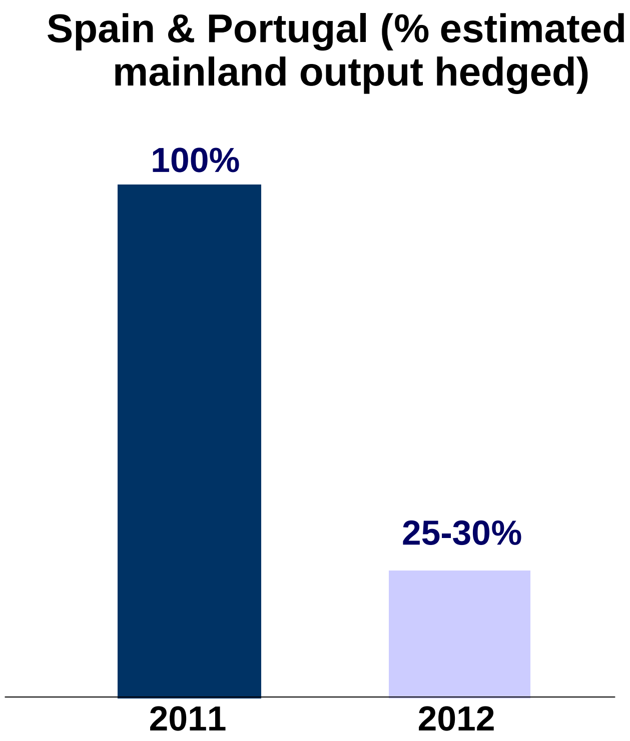
Result growth in all business lines

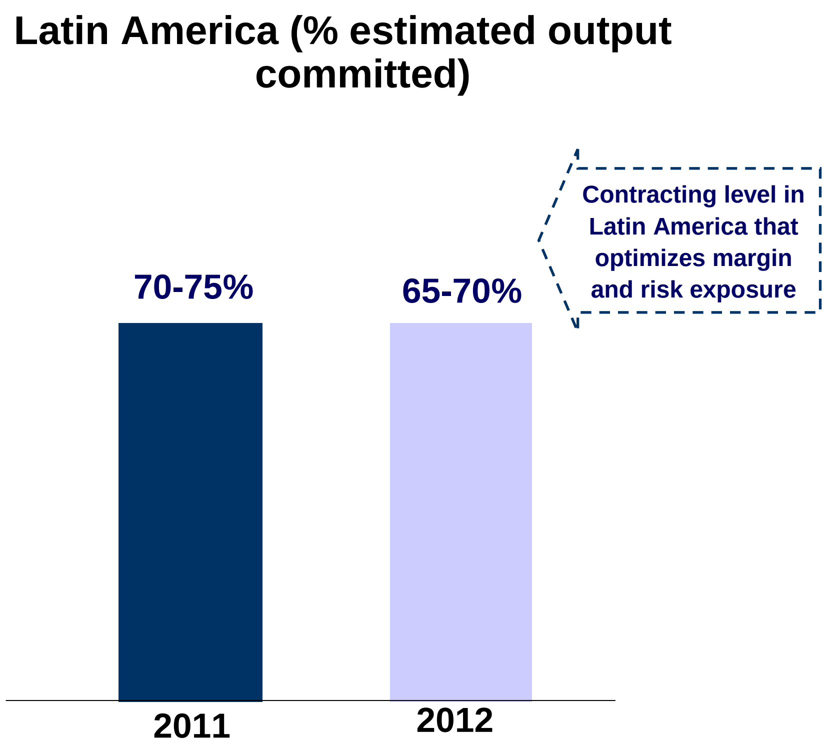
€M	FY 2010	FY 2009	Change
Revenues	31,177	25,925	**+20%**
Gross margin	11,409	11,215	**+2%**
EBITDA(1)	7,474	7,228	**+3%**
Spain&Portugal&Others	4,079	4,060	**+0%**
Endesa Latin America	3,395	3,168	**+7%**
EBIT(2)	5,031	5,052	**-0%**
Net finance expenses	895	984	**-9%**
Net attributable income	4,129	3,430	**+20%**
Net attributable income adjusted by disposals(3)	2,154	2,176	**-1%**

EBITDA +6%(4) adjusted by disposals

(1) Includes one-off provisions €298 M in 2009 & €365 M in 2010 (€132 M workforce voluntary exits and €233 M energy efficiency programs)
(2) Includes €115 M charge due to impairment test of Endesa Ireland
(3) Net capital gains (€1,254 M in 2009 & €1,975 M in 2010)
(4) Adjusted by perimeter (renewables and hydro: €230 M in 2009 & €32 M in 2010)

Liberalised margin optimization through forward sales strategy

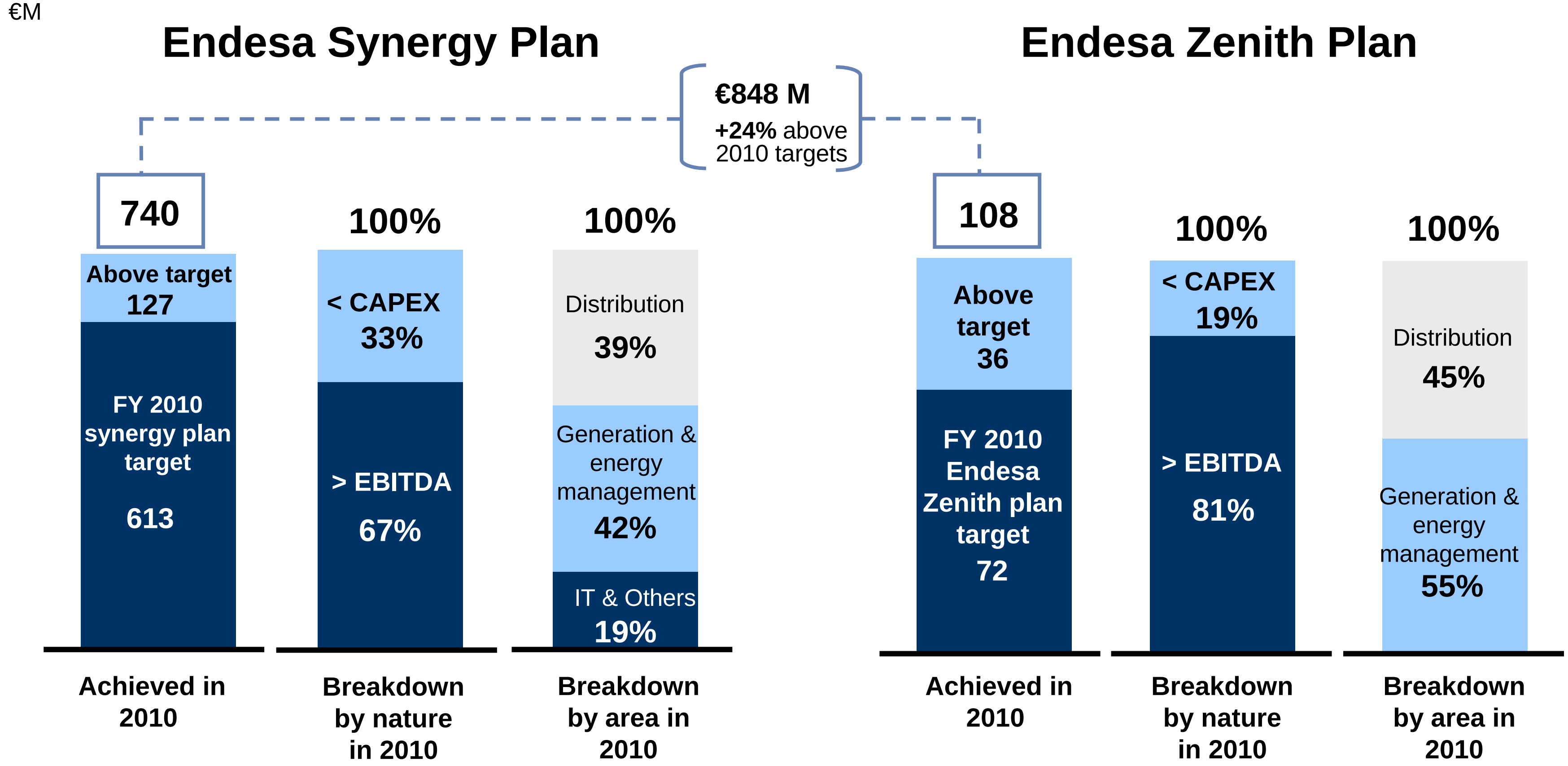




- Stable margins despite volatile wholesale electricity prices

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

Achieving and exceeding efficiency targets



Well on track to achieve 2012 targets (€813 M Synergy Plan and €239 M Zenith Plan)

Disposal program: successfully completed

Transactions completed in 2010

- Joint Venture with EGP for renewables in Spain
- Sale of electricity transmission assets in Spain
- Sale of gas distribution and transmission assets in Spain
- Sale of Endesa Hellas
- Sale of Sagunto & Reganosa LNG terminals
- Sale of 1% REE

- Net capital gains: €1,975 M
- Debt reduction: €3,177 M
- Corresponding EBITDA contribution in 2010: €225 M

Signed transactions to be closed in 1Q 2011

- CAM
- Synapsis

EBITDA 2010: €11 M

Other assets for sale

Endesa Ireland

Asset held for sale
EBITDA 2010: €51 M

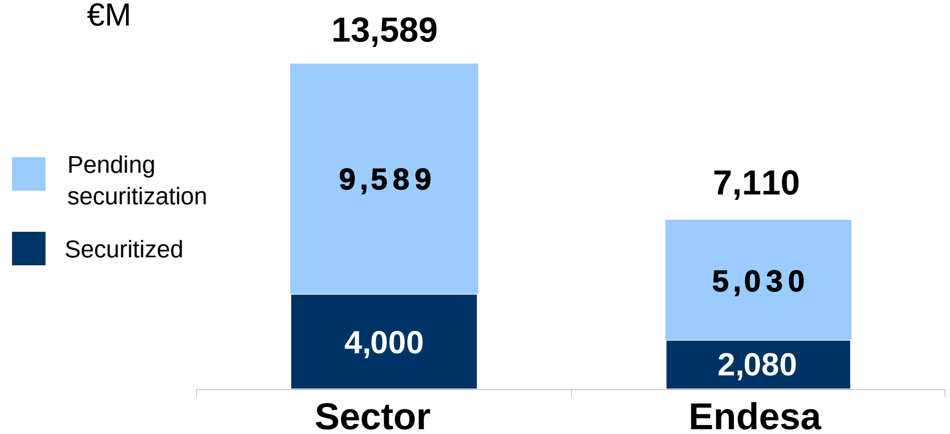
Progress towards a sustainable regulation in Spain

- **RD 14/2010: “Urgent measures to correct tariff deficit"**
  - Review of some system costs
  - New tariff deficit caps 2010-2012
  - €22 bn State guarantee for tariff deficit

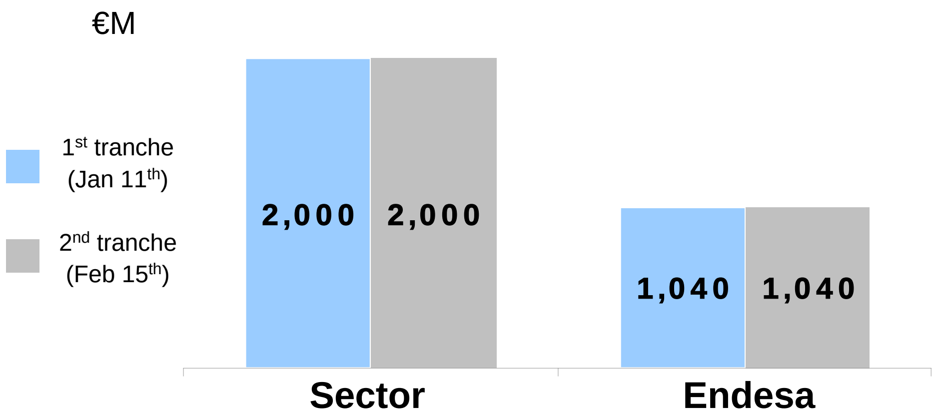
- **Tariff 1Q 2011**
  - Last Resort Tariff: 9.8% average increase
  - 72% increase in capacity payments
  - New remuneration scheme on distribution based on investments

Securitization process on stream

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



Securitization tranches Jan 11th (2) & Feb 15th (3)



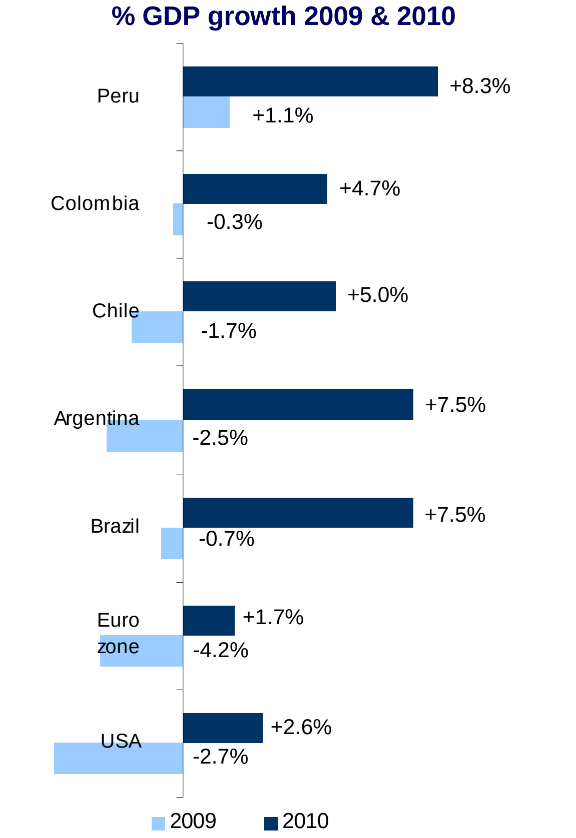
- **Explicitly guaranteed by the Kingdom of Spain**
- **Excess deficit for 2010 and ex-ante deficit for 2011 to be transferred**

- **Oversubscription:**
  - **1st tranche: €2.5 bn demand (+25%)**
  - **2nd tranche: €2.4 bn demand (+20%)**
- **Coupon:**
  - **1st tranche: 4.8% (Mid Swap +2.9%)**
  - **2nd tranche: 5% (Mid Swap +2.3%)**
- **Maturity:**
  - **1st tranche: 3.1 years**
  - **2nd tranche: 4.3 years**

(1) As of November 23rd, 2010
(2) Settlement date January 25th, 2011
(3) Settlement date February 24th, 2011

Latin America: a solid growth platform

Robust economic performance



Source: Bloomberg

Expansion Capex in Generation

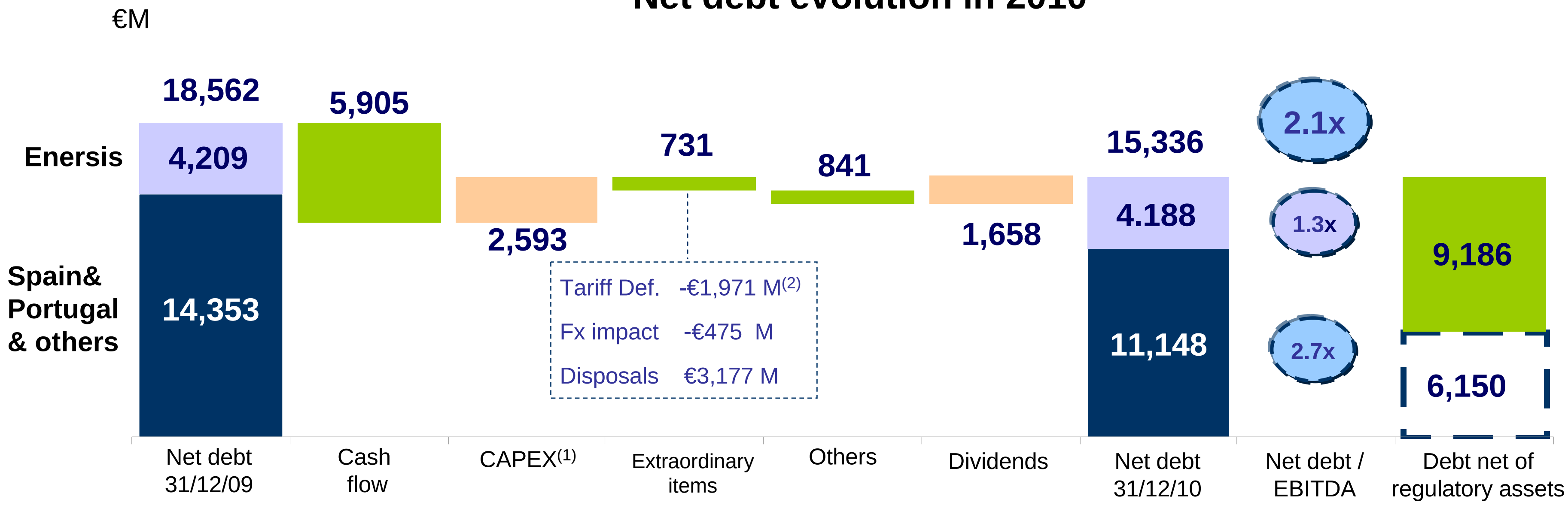
- Under construction:
  - Quintero: LNG terminal Chile (on stream 2011)
  - Bocamina II: coal 370 MW Chile (end of 2011)
  - Talara: gas 200 MW Peru (mid 2013)
  - El Quimbo: hydro 400 MW Colombia (end of 2014)
- Other projects under development (<3 years to investment decision):
  - Hydro Aysen: hydro 2,750MW Chile
  - Los Condores: hydro 150 MW Chile
  - Curibamba: hydro 188 MW Peru
  - Neltume: hydro 490 MW Chile

Steady organic growth in Distribution

- 382,000 new customers in current distribution areas in 2010

A sound financial position

Net debt evolution in 2010



Solid financial leverage

	31/12/09	31/12/10
Leverage (Net debt/Equity)	**1.0**	**0.7**

- **Endesa liquidity excluding Enersis covers 15 months of debt maturities**
- **Enersis liquidity covers 23 months of debt maturities**

(1) Net Capex
(2) €1,971 M mainland

spain&portugal&others FY 2010

Highlights in 2010

- Demand increase: +2.9%[(1)]
- Low wholesale prices but upward trend since March
- Efficient and clean generation mix (Mainland: 71% nuclear & hydro)
- Market leader in supply (40% market share), resilient pricing to final customers
- New Distribution remuneration model implemented

(1) Adjusted for working days and temperature effects. Otherwise increase would be 3.3%. Source REE.

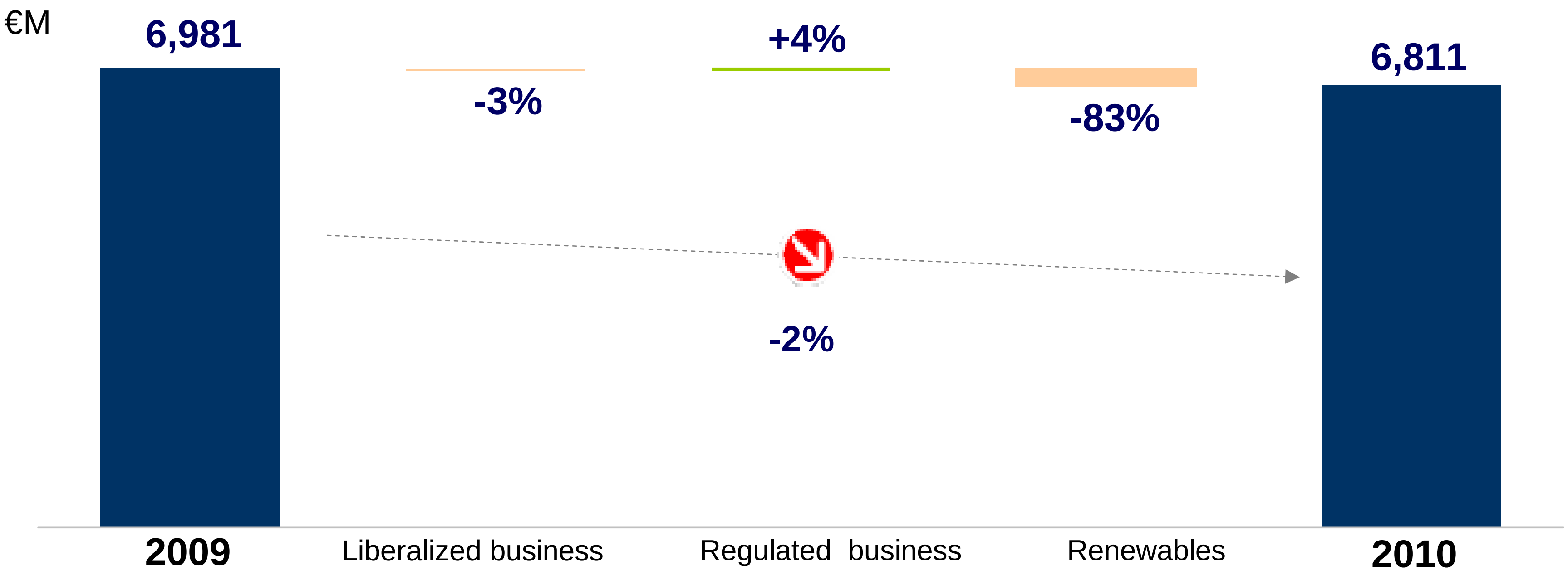
Positive performance despite disposals and provisions

€M	FY 2010	FY 2009	Change
Revenues	21,191	17,473	**+21%**
Gross margin	6,811	6,981	**-2%**
EBITDA(1)	4,079	4,060	**+0%**
EBIT(2)	2,483	2,555	**-3%**
Net finance expenses	465	535	**-13%**
Net attributable income	3,498	2,759	**+27%**
Net attributable income adjusted by disposals(3)	1,530	1,681	**-9%**

EBITDA +6%(4) adjusted by asset disposals

(1) Includes one-off provisions €298 M in 2009 & €365 M in 2010 (€132 M workforce voluntary exits and €233 M energy efficiency programs)
(2) Includes €115 M charge due to impairment test of Endesa Ireland
(3) Net capital gains (€1,078 M in 2009 & €1,968 M in 2010)
(4) Adjusted by perimeter (renewables and hydro: €230 M in 2009 & €32 M in 2010)

Gross margin impacted by asset disposals



- ↑ Higher sales to final customers
- ↑ Lower unit fuel costs
- ↓ Lower sale prices to final customers
- ↓ Higher costs in energy purchases

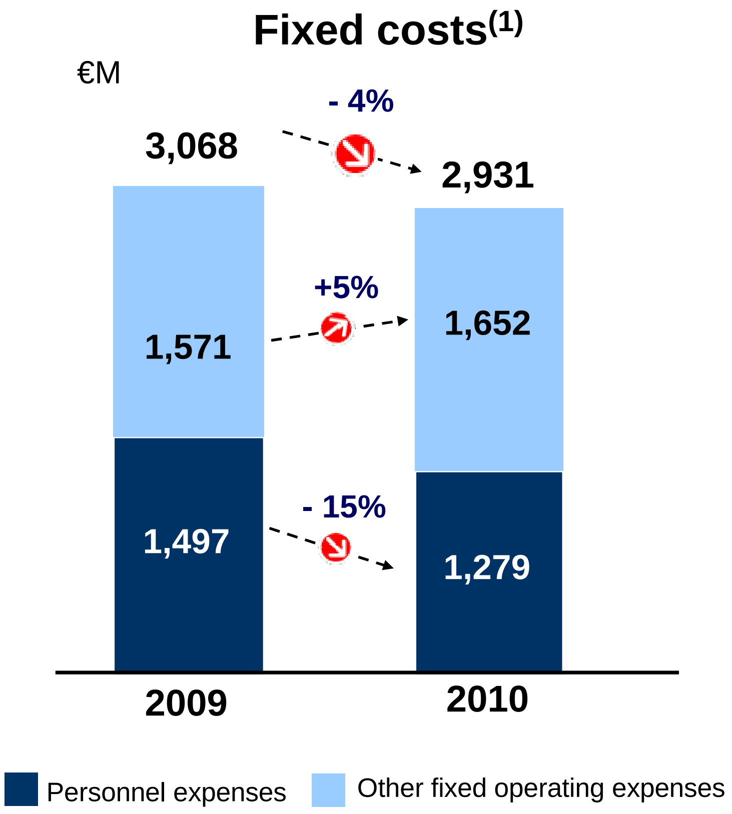
- ↑ Distribution
- ↓ Non-mainland systems & others

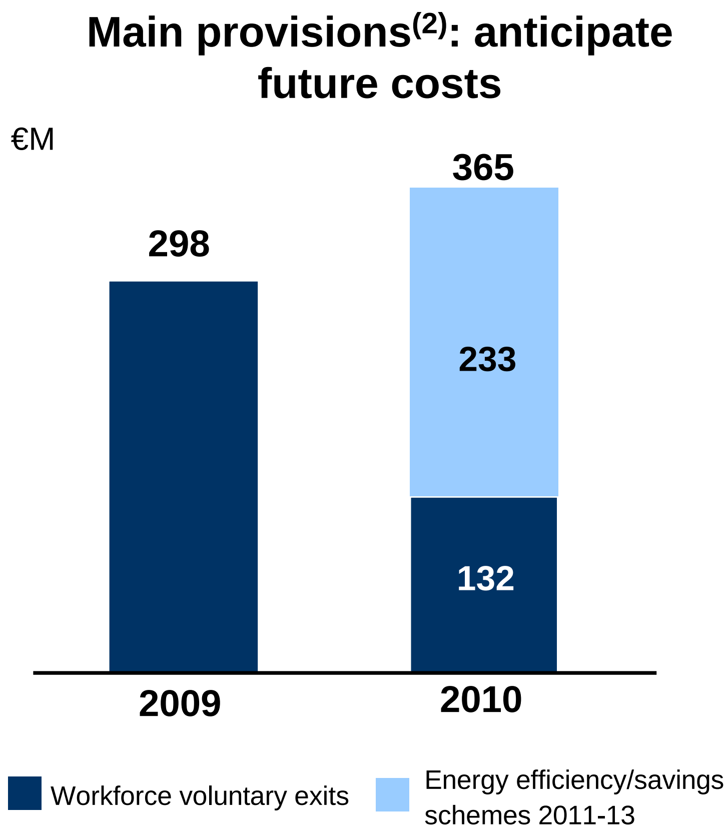
- Assets sold to Acciona
- Agreement with Enel Green Power (Equity method)

- **Gross margin 1% increase adjusted by perimeter(1)**
- **Distribution margin reflects retroactively new remuneration scheme**

(1) Gross margin adjusted by perimeter: €299 M in 2009 & €44 M in 2010 (renewables and hydro perimeter adjustment)

Positive performance in fixed costs



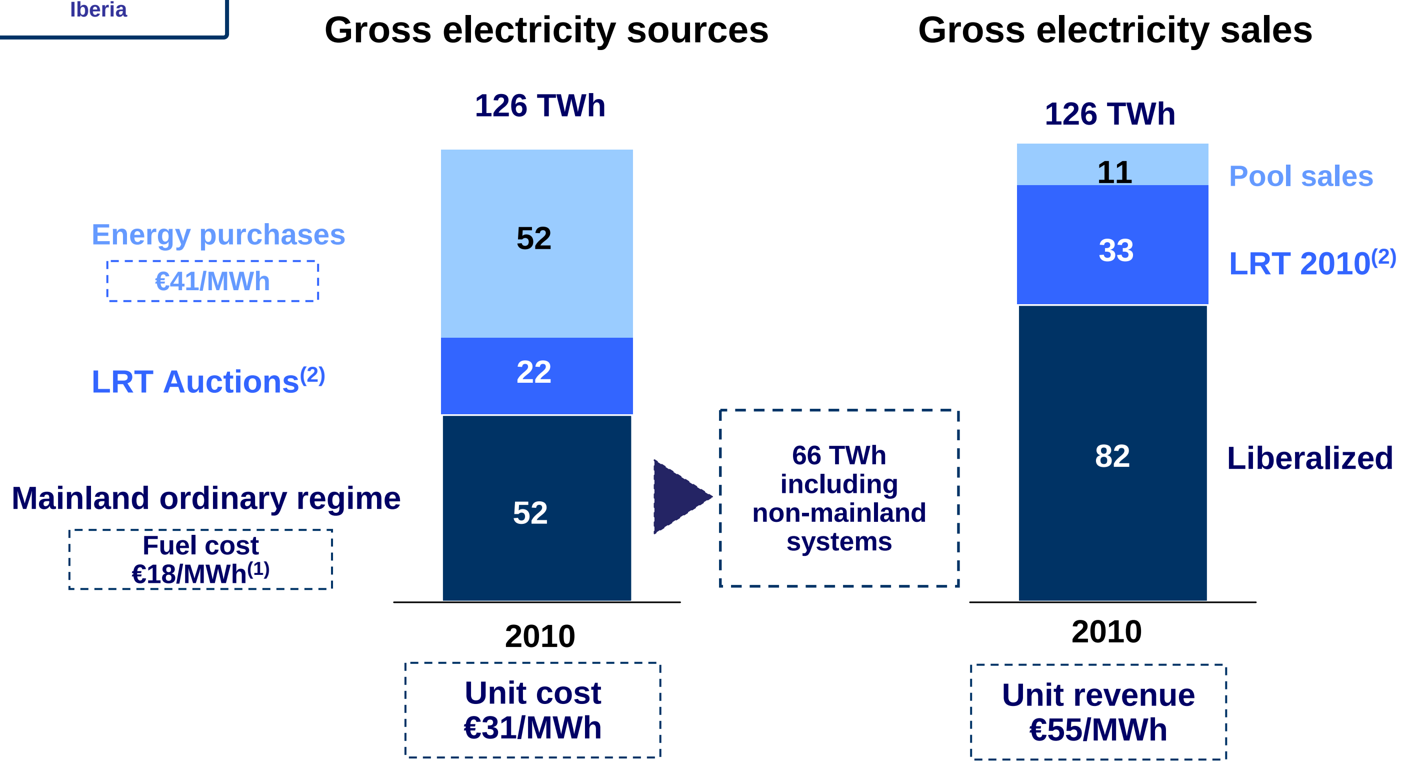


- **Excluding workforce voluntary exits provisions, personnel expenses would have dropped by 4%**
- **Excluding energy efficiency and savings provisions, other fixed operating expenses would have dropped by 10%**

(1) Does not include "Work performed by the entity and capitalized"
(2) At EBITDA level

Efficient energy management and supply strategy

Liberalized business Iberia



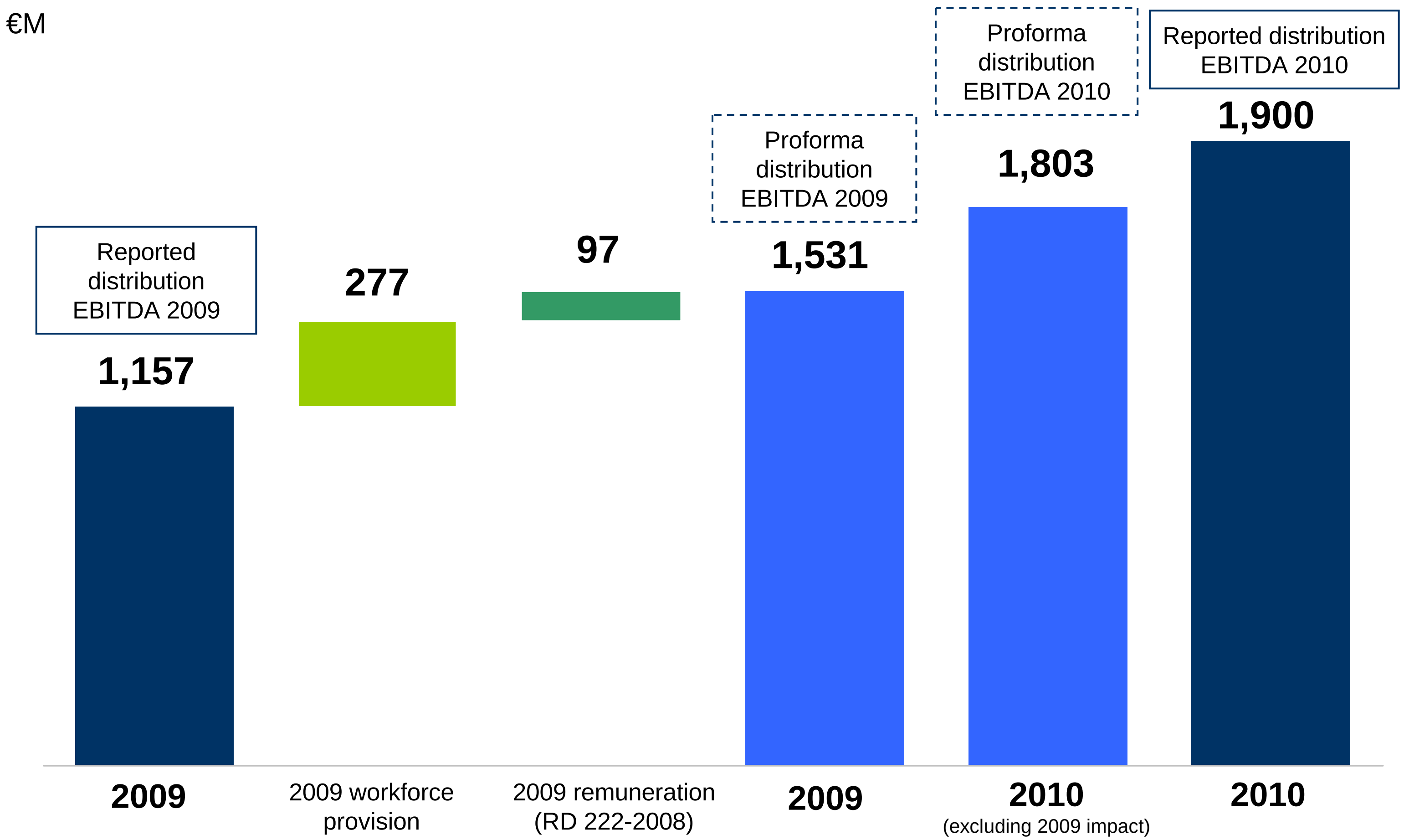
Solid position in supply to final customers

- 26% higher sales to wholesale market
- Leader in supply (40% market share, 2nd player 25%)
- Average life of contracts: 16.6 months

- Net energy purchases(3) 41 TWh vs. 22 TWh in 2009
- Nuclear + hydro (71% vs. 46% rest of the sector)
- Positive margins in supply although slowing down

(1) Includes fuel cost and CO_2
(2) LRT: Last resort tariff not considered in calculations for unit cost and unit revenue
(3) Energy purchases - pool sales

Growth in Distribution EBITDA supported by new remuneration



Remuneration scheme based on investments

latin america FY 2010

Highlights in 2010

- Solid growth in distribution sales (+5.5%) with outstanding performance in Brazil (+8.8%)
- 382,000 new customers
- Stable generation volumes despite the earthquake and drought in Chile and lower hydro in Colombia
- Normalization of generation margins in Chile
- Strong currencies reflects the solid economic performance

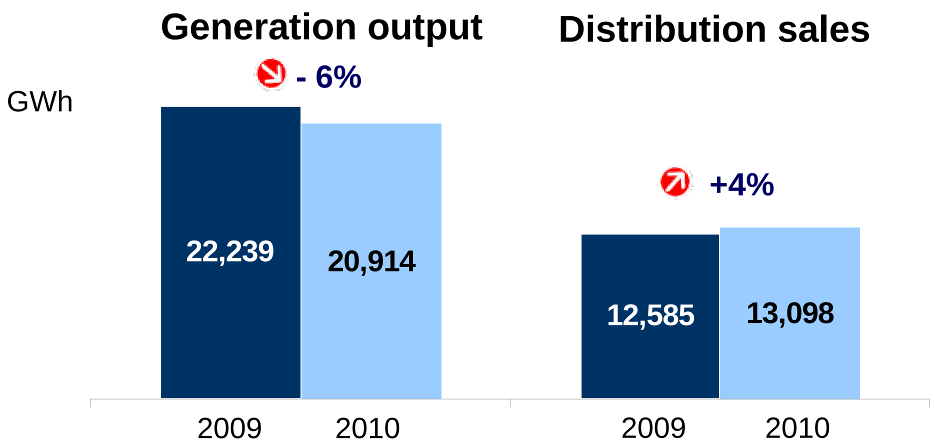
Positive results confirm growth potential

€M	FY 2010	FY 2009	Change
Revenues	9,986	8,452	**+18%**
Gross margin	4,598	4,234	**+9%**
EBITDA	3,395	3,168	**+7%**
EBIT	2,548	2,497	**+2%**
Net finance expenses	430	449	**-4%**
Net income	1,613	1,592	**+1%**
Net attributable income	631	671	**-6%**
Net ordinary attributable income(1)	624	495	**+26%**

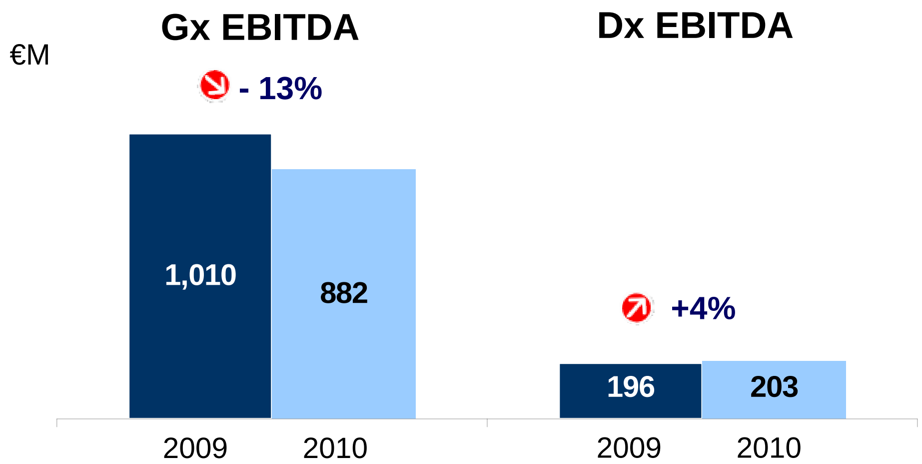
€549 M of attributable EBITDA come from direct holdings

(1) Does not include net capital gains from disposals of €176 in 2009 & €7 M in 2010

Chile: normalization of generation margins



- Lower generation due to earthquake and severe drought in 2H 2010
- Growth in distribution sales despite challenging environment



Unit margin	€46.3/MWh	-7%	€25.9/MWh	+4%

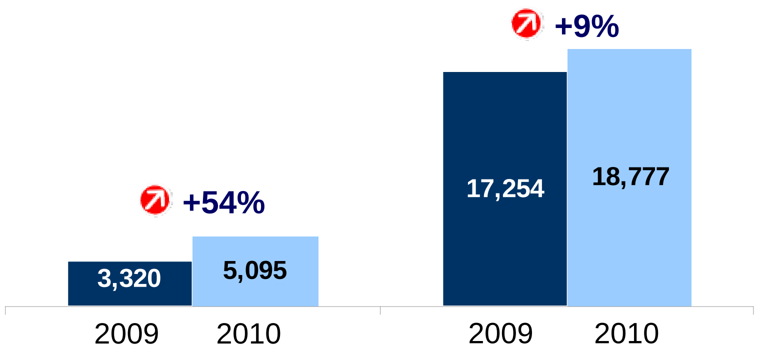
- Gx: normalization after exceptional prices in 2009, lower hydro output and higher energy purchases
- Dx: growth in distribution sales despite tariff adjustment and higher fixed costs (earthquake)

Total EBITDA €1,085 M (-10%)

Brazil: strong results

GWh

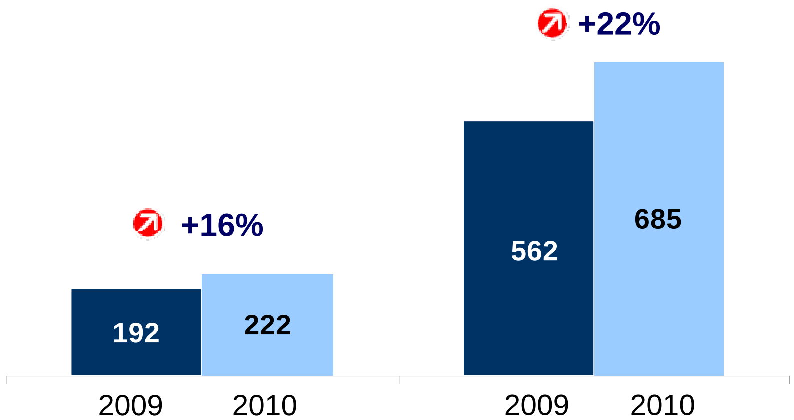
Generation output | **Distribution sales**



- Higher generation due to gas availability and better hydro conditions
- Outstanding sales in Coelce (+13%) and Ampla (+6%)

€M

Gx EBITDA | **Dx EBITDA**



Unit margin	€35.7/MWh +15%	€53.5/MWh +9%

- Gx: higher volumes and prices, and lower fixed costs
- Dx: strong growth in distribution sales, lower fixed costs and positive FX
- Tx: interconnection Brazil-Argentina EBITDA €114 M

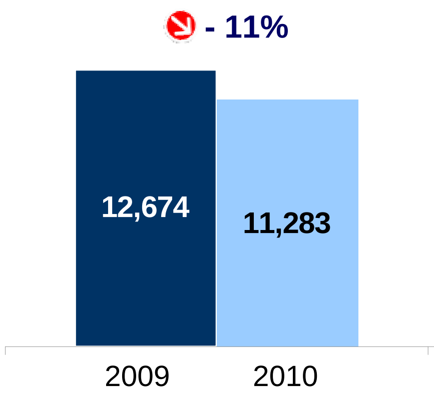
Total EBITDA €1,021 M (+22%)

(1) Brazil-Argentina interconnection

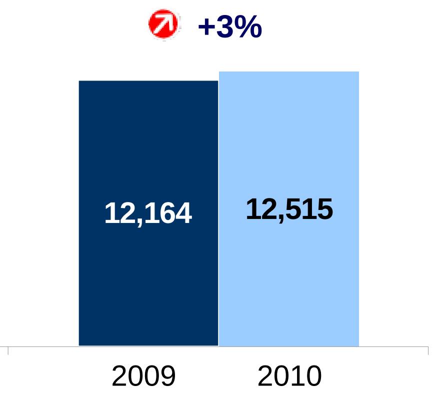
Colombia: higher margins

GWh

Generation output



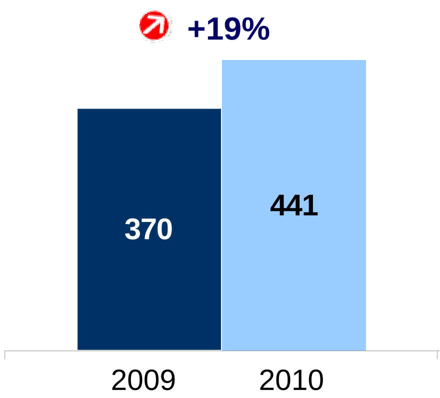
Distribution sales



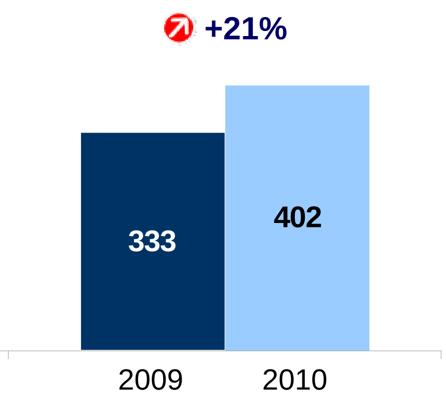
- Lower generation due to drought in 1Q 2010 ("El niño")
- Increase in distribution sales

€M

Gx EBITDA



Dx EBITDA



- Gx: positive FX and higher prices compensates lower volumes
- Dx: growth in volumes and positive FX

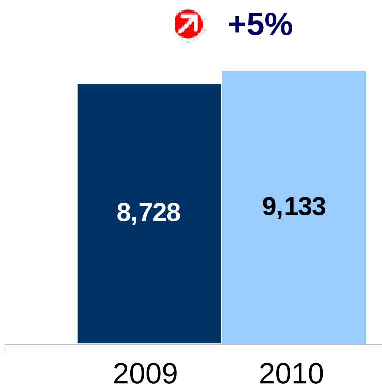
Unit margin	€33.0/MWh +36%	€42.5/MWh +16%

Total EBITDA €843 M (+20%)

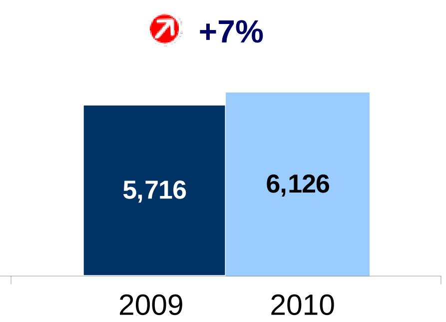
Peru: higher activity and lower fixed costs

GWh

Generation output



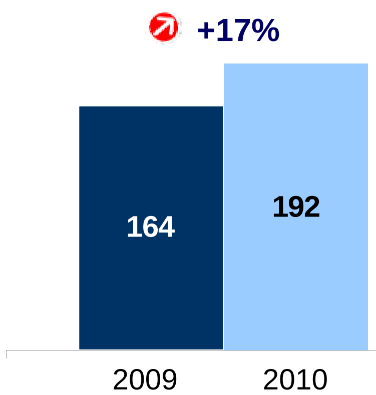
Distribution sales



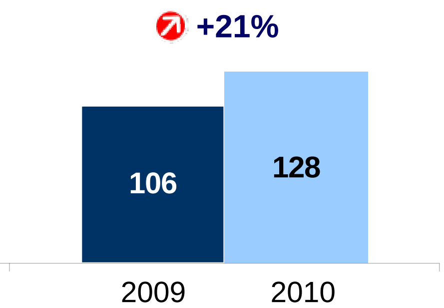
- **Higher generation due to grid restrictions in the north and exports to Ecuador**
- **Strong increase in demand**

€M

Gx EBITDA



Dx EBITDA



- **Gx: lower fixed costs and higher sale prices**
- **Dx: lower fixed costs**

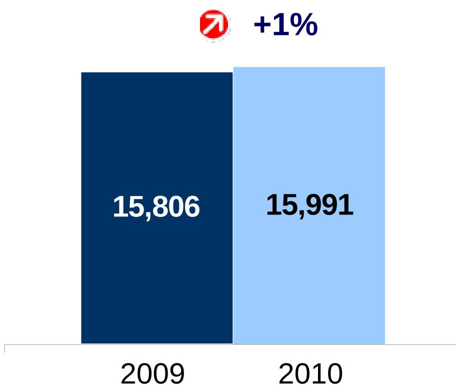
Unit margin	**€24.9**/MWh **+11%**	**€27.4**/MWh **+6%**

Total EBITDA €320 M (+19%)

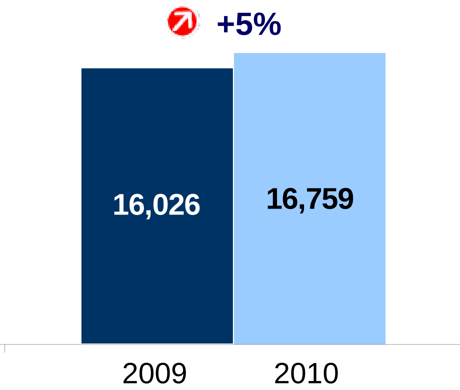
Argentina: demand growth

GWh

Generation output



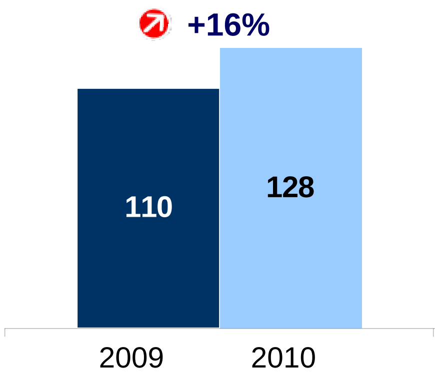
Distribution sales



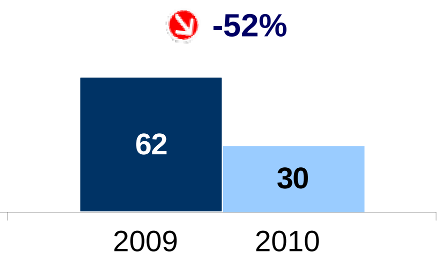
- **Stable output (decrease in Costanera and Chocon offset by Dock Sud)**
- **Strong increase in demand due to recovery in economy**

€M

Gx EBITDA



Dx EBITDA



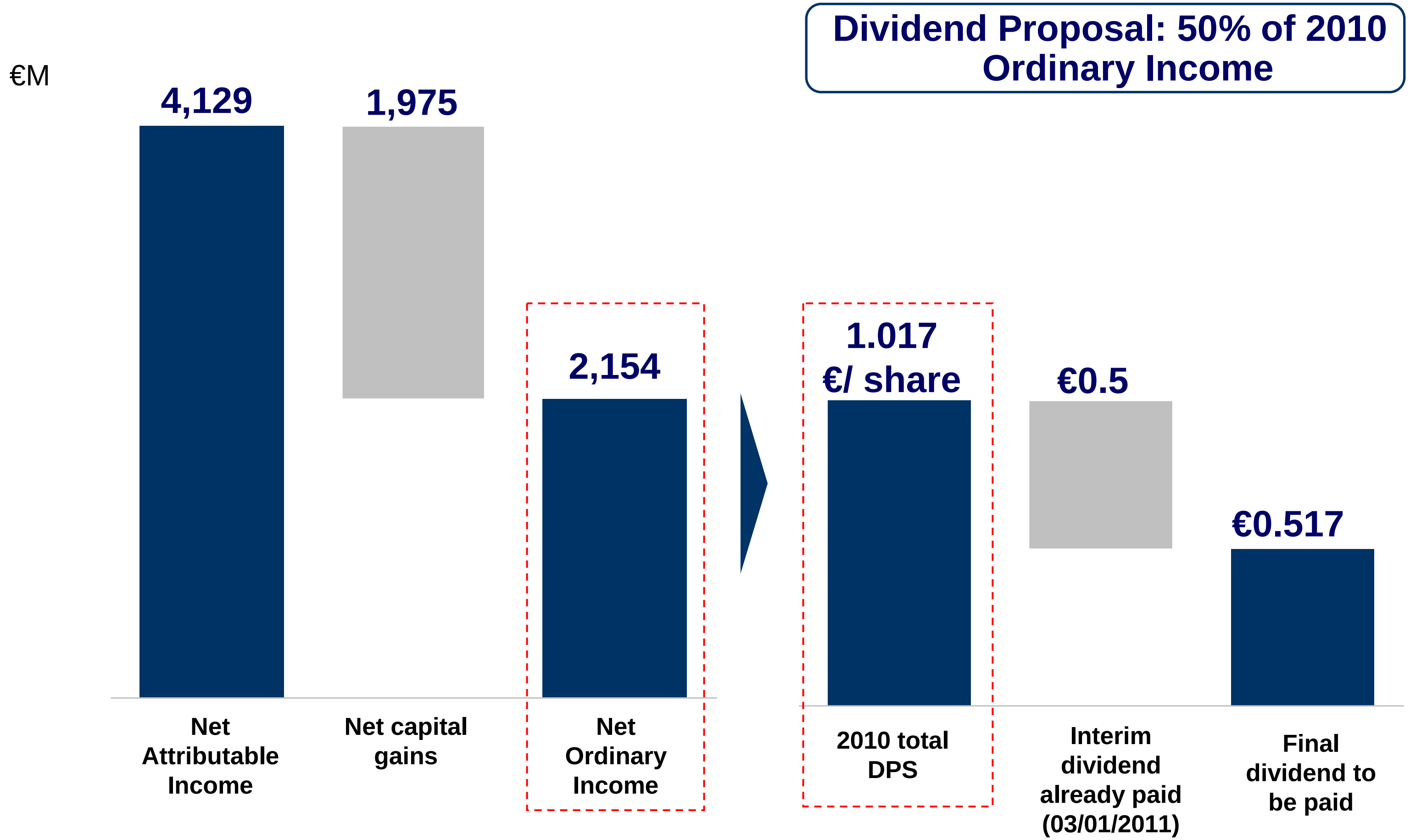
Unit margin	€10.2/MWh +16%	€13.5/MWh -1%

- **Gx: Higher sale prices, increase in capacity payments, O&M remuneration and higher fixed costs due to inflation**
- **Dx: Higher O&M costs, high inflation and provisions for Buenos Aires blackout**

Total EBITDA €158 M (-8%)

conclusions FY 2010

Shareholder remuneration



Positive results in 2010

- Strong demand indicators
- Improving results after asset disposals and provisions
- Towards regulatory stabilization in Spain
- Full progress in securitization and clear path to end tariff deficit
- Robust growth platform in Latin America
- Successful completion of divestiture program

appendices FY 2010

Installed capacity and output(1)

Installed capacity

MW at 31/12/10	Spain& Portugal&Others	Endesa Latin America	Total
Total	**24,307**	**15,835**	**40,142**
Hydro	4,731	8,666	13,397
Nuclear	3,665	-	3,665
Coal	5,804	522	6,326
Natural gas	3,456	3,966	7,422
Oil-gas	6,651	2,594	9,245
CHP/Renewables	0	87	87

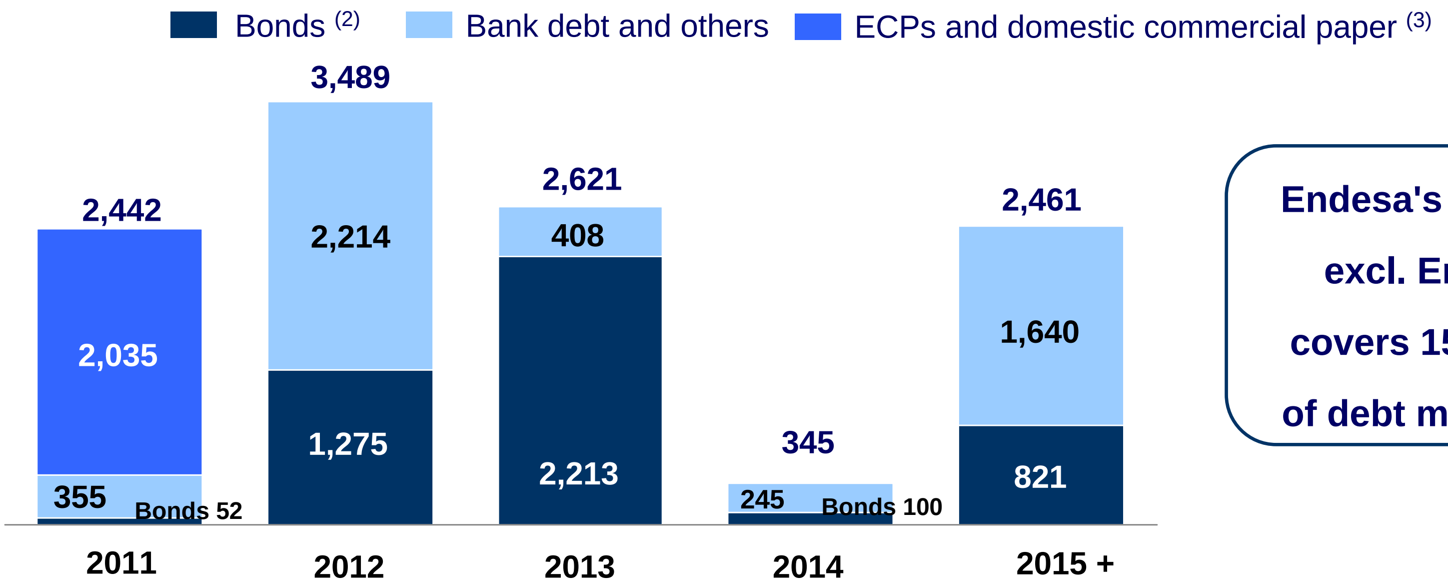
Output

TWh 2010 (chg. vs. 2009)	Spain& Portugal&Others		Endesa Latin America		Total	
Total	**68.1**	**-8.4%**	**62.4**	**-0.6%**	**130.5**	**-4.8%**
Hydro	9.2	+8%	33.6	-11%	42.8	-7%
Nuclear	27.6	+22%	-	-	27.6	+22%
Coal	14.5	-30%	2.0	-23%	16.5	-29%
Natural gas	4.6	-36%	20.3	+27%	24.9	+8%
Oil-gas	11.5	-5%	6.3	-2%	17.8	-4%
CHP/Renewables	0.6	-81%	0.19	+105%	0.8	-75%

(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 December 2010: €11,358 M(1)



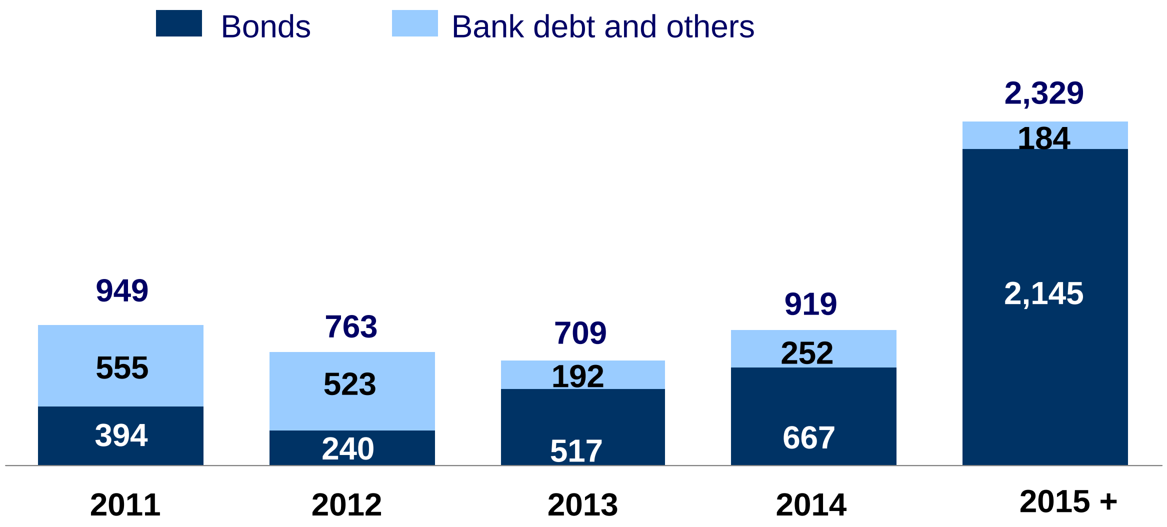
Endesa's liquidity excl. Enersis covers 15 months of debt maturities

- **Liquidity €6,467 M**
  - **€291 M in cash**
  - **€6,176 M available in long-term credit lines**
- **Average life of debt: 3.5 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.
(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 December 2010: €5,669 M(1)



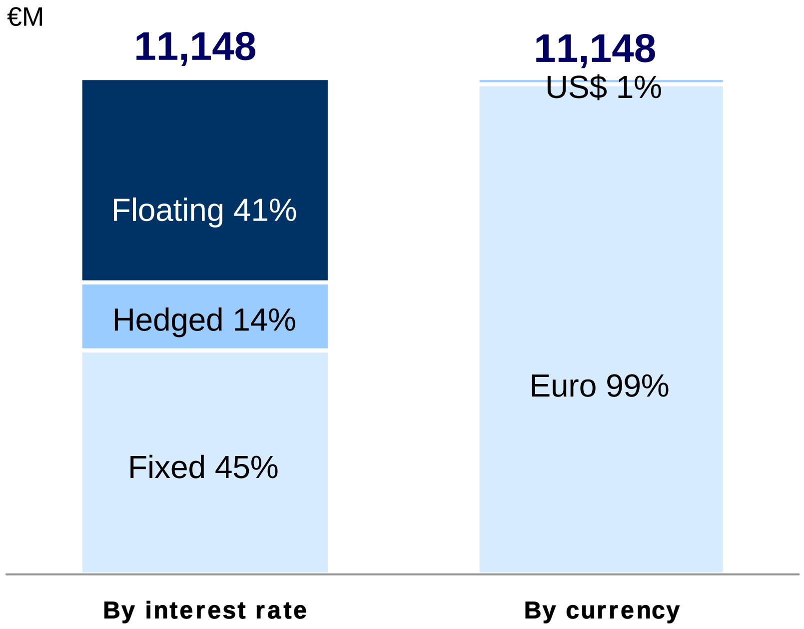
Enersis has sufficient liquidity to cover 23 months of debt maturities

- **Liquidity €2,115 M:**
  - **€1,537 M in cash**
  - **€578 M of syndicated loans available**
- **Average life of debt: 5.5 years**

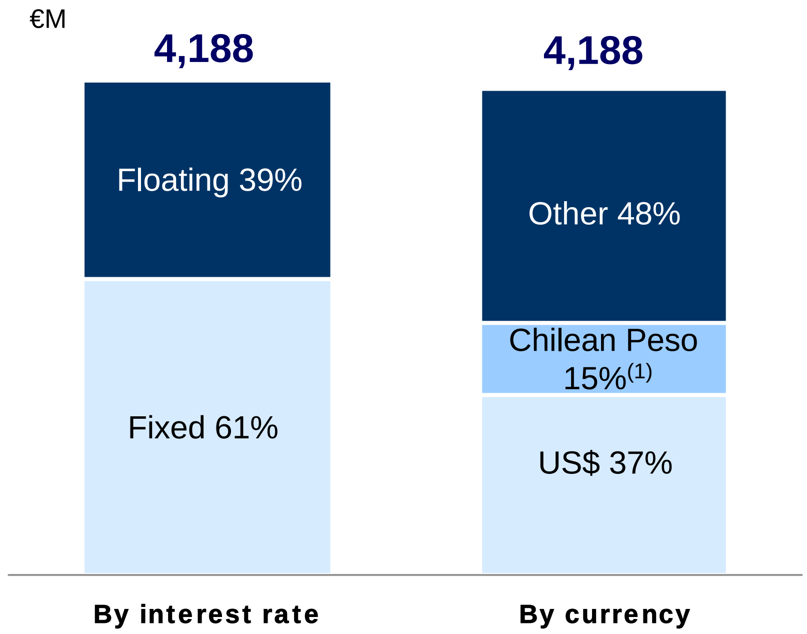
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

Financial policy and debt structure

Structure of Endesa's debt ex-Enersis



Enersis debt structure

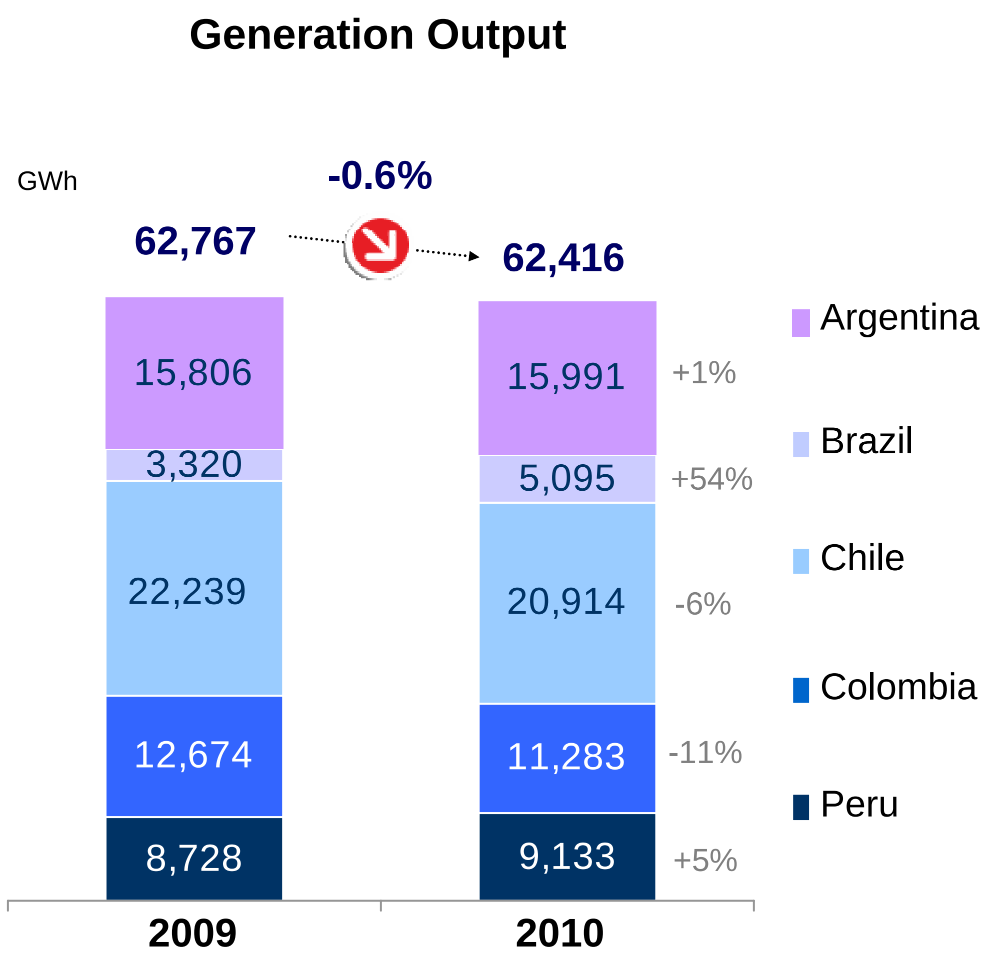


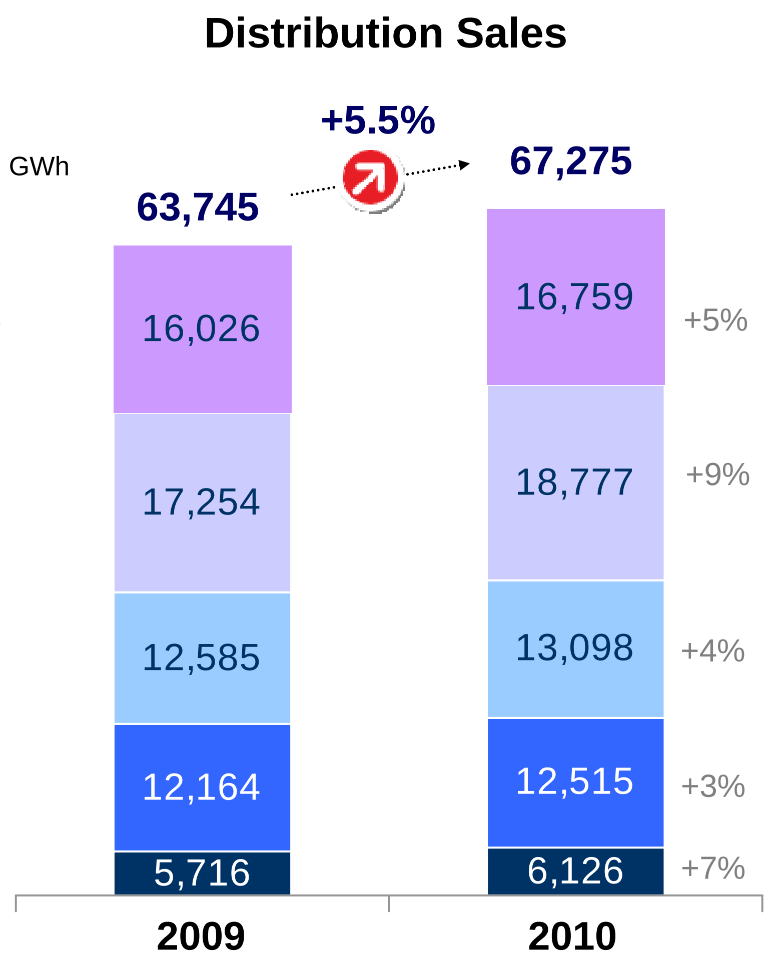
Average cost of debt	**2.9%**	**8.3%**

- **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**

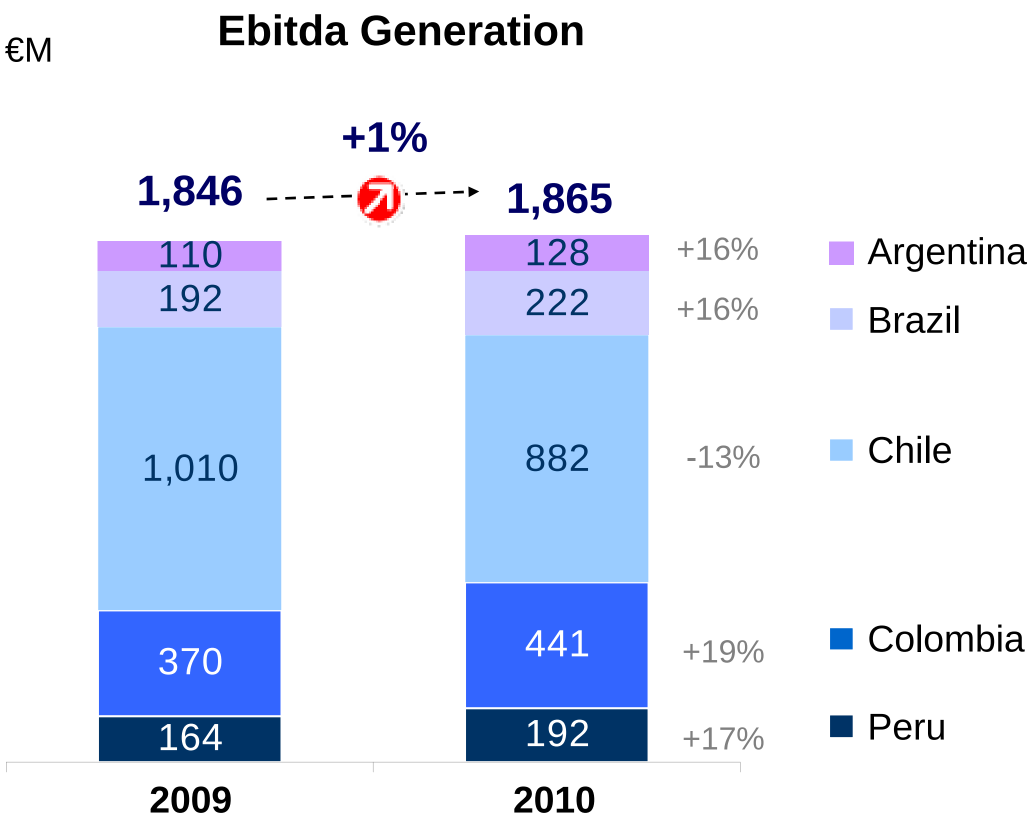
Data at 31 December 2010
(1) Includes "Unidades de Fomento"

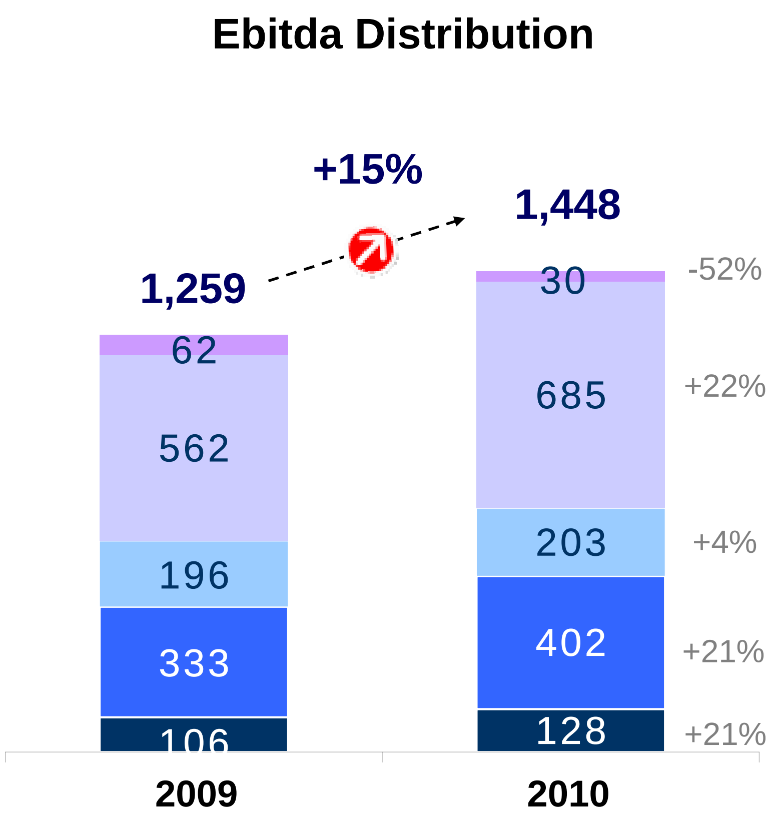
Lower electricity output and increase in distribution sales





Distribution & Generation EBITDA in Latin America

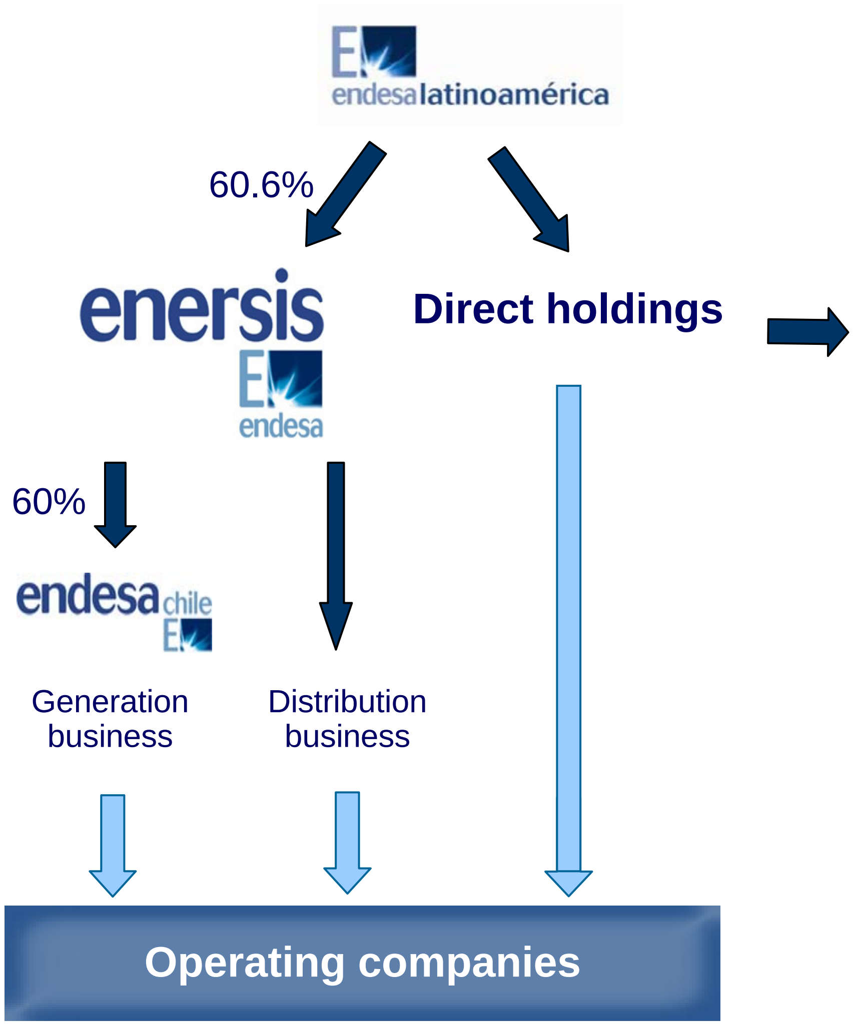




Unit margin €29.2/MWh → +6% → €30.9/MWh

Unit margin €30.9/MWh → +9% → €33.7/MWh

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



€M		% direct stake	Proportionate 2010 EBITDA
Colombia	Codensa:	26.7%	104
	Emgesa:	21.6%	95
Brazil	Endesa Brasil:	28.5%	289
Argentina	Edesur:	6.2%	2
	DockSud:	40%	14
Peru	Edelnor:	18%	23
	Piura(1):	48%	15
Chile	Pangue	5%	6
Proportionate total			**549**

(1) 84.5% since December 14th 2010

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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