



ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(Unaudited)

Euro Million

ASSETS	<u>30.06.12</u>	<u>31.12.11</u>	Variation
Total fixed assets	43.804	43.169	635
Utility plant	33.446	32.904	542
Investment property	83	74	9
Intangible asset	2.690	3.013	(323)
Goodwill	2.703	2.617	86
Investments in associates	931	897	34
Long term financial investments	2.027	1.821	206
Deferred tax assets	1.924	1.843	81
Total current assets	14.835	15.552	(717)
Inventories	1.273	1.253	20
Trade and other receivables	5.665	5.470	195
Short term financial investments	5.144	5.652	(508)
Cash and cash equivalents	2.372	2.788	(416)
Non current assets held for sale and from interrupted activities	381	389	(8)
TOTAL ASSETS	58.639	58.721	(82)
			-0,1%

EQUITY AND LIABILITIES	<u>30.06.12</u>	<u>31.12.11</u>	Variation
Total equity	25.464	24.679	785
Atributable to equity holders of the parent company	19.942	19.291	651
Minority interest	5.522	5.388	134
Non-current liabilities	23.168	23.735	(567)
Deferred revenues	4.369	4.129	240
Long term provisions	3.978	4.168	(190)
Long term financial debt	12.104	12.791	(687)
Other non-current liabilities	633	654	(21)
Deferred tax liabilities	2.084	1.993	91
Current liabilities	10.007	10.307	(300)
Short term financial debt	833	1.070	(237)
Short term provisions	747	935	(188)
Trade and other payables	8.321	8.219	102
Liabilities related to non current assets held for sale and from interrupted activities	106	83	23
TOTAL EQUITY AND LIABILITIES	58.639	58.721	(82)
			-0,1%



ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Euro Million

	<u>30.06.12</u>	<u>30.06.11</u>		<u>Variation</u>
REVENUES	16.696	16.194	502	3,1%
Sales	15.877	15.156	721	4,8%
Other operating revenues	819	1.038	(219)	-21,1%
PURCHASES AND SERVICES	11.360	10.880	480	4,4%
Energy purchases	4.300	4.413	(113)	-2,6%
Fuel procurement costs	2.276	1.871	405	21,6%
Transmission expenses	3.445	3.133	312	10,0%
Other variable purchases and services	1.339	1.463	(124)	-8,5%
GROSS MARGIN	5.336	5.314	22	0,4%
Work performed by the entity and capitalized	89	107	(18)	-16,8%
Personnel expenses	822	802	20	2,5%
Other fixed operating expenses	1.056	1.126	(70)	-6,2%
GROSS OPERATING INCOME (EBITDA)	3.547	3.493	54	1,5%
Depreciation and amortization	1.143	1.025	118	11,5%
OPERATING INCOME (EBIT)	2.404	2.468	(64)	-2,6%
FINANCIAL INCOME	(406)	(300)	(106)	35,3%
Financial revenues	320	397	(77)	-19,4%
Financial expenses	(698)	(730)	32	-4,4%
Foreign exchanges	(28)	33	(61)	-184,8%
Share of profit of associates	61	29	32	110,3%
Income from other investments	6	5	1	20,0%
Income from asset sales	(13)	1	(14)	n/a
INCOME BEFORE TAXES	2.052	2.203	(151)	-6,9%
Income tax	587	545	42	7,7%
ONGOING ACTIVITIES PROFIT	1.465	1.658	(193)	-11,6%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	1.465	1.658	(193)	-11,6%
Attributable to the holders of the parent company	1.146	1.283	(137)	-10,7%
Minority interest	319	375	(56)	-14,9%



ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Euro Million

	<u>2Q 12</u>	<u>2Q 11</u>		<u>Variation</u>
REVENUES	8.049	7.831	218	2,8%
Sales	7.672	7.420	252	3,4%
Other operating revenues	377	411	(34)	-8,3%
PURCHASES AND SERVICES	5.421	5.252	169	3,2%
Energy purchases	2.120	2.145	(25)	-1,2%
Fuel procurement costs	1.078	997	81	8,1%
Transmission expenses	1.632	1.501	131	8,7%
Other variable purchases and services	591	609	(18)	-3,0%
GROSS MARGIN	2.628	2.579	49	1,9%
Work performed by the entity and capitalized	51	63	(12)	-19,0%
Personnel expenses	418	393	25	6,4%
Other fixed operating expenses	541	531	10	1,9%
GROSS OPERATING INCOME (EBITDA)	1.720	1.718	2	0,1%
Depreciation and amortization	572	568	4	0,7%
OPERATING INCOME (EBIT)	1.148	1.150	(2)	-0,2%
FINANCIAL INCOME	(209)	(160)	(49)	30,6%
Financial revenues	134	169	(35)	-20,7%
Financial expenses	(325)	(349)	24	-6,9%
Foreign exchanges	(18)	20	(38)	-190,0%
Share of profit of associates	20	18	2	11,1%
Income from other investments	2	5	(3)	-60,0%
Income from asset sales	(5)	(16)	11	-68,8%
INCOME BEFORE TAXES	956	997	(41)	-4,1%
Income tax	294	188	106	56,4%
ONGOING ACTIVITIES PROFIT	662	809	(147)	-18,2%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	662	809	(147)	-18,2%
Attributable to the holders of the parent company	525	614	(89)	-14,5%
Minority interest	137	195	(58)	-29,7%



ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Euro Million

	<u>30.06.12</u>	<u>30.06.11</u>
Consolidated income before income taxes	2.052	2.203
Result adjustments:	1.358	1.202
Fixed assets amortization and impairment loss	1.143	1.025
Other result adjustments (net)	215	177
Changes in current assets	(102)	(136)
Other cash flows from operating activities:	(1.057)	(884)
Cash-in interests	283	329
Cash-in dividends	7	1
Interest payments	(488)	(522)
Tax income payment	(500)	(421)
Other cash-in/payments from operating activities	(359)	(271)
Net cash provided by operating activities	2.251	2.385
Acquisitions of fixed and intangible assets	(980)	(1.381)
Disposal of fixed and intangible assets	9	28
Investments in stakes of subsidiaries		(5)
Disposal in stakes of subsidiaries		54
Acquisitions of other investments	(1.248)	(1.031)
Disposal of other investments	954	3.900
Cash flow from changes in perimeter		(29)
Subsidies and other deferred income	109	98
Net cash used for investing activities	(1.156)	1.634
New long-term debt	2.300	614
Repayment of long-term debt	(593)	(2.597)
Net cash from financial debt with short term maturity	(2.832)	(1.214)
Dividends paid by the controlling company		(529)
Dividends paid to minority shareholders	(426)	(516)
Net cash used for financing activities	(1.551)	(4.242)
Total net cash	(456)	(223)
Effects of exchange rate changes on cash and cash equivalents	45	(71)
Net increase in cash and cash equivalents	(411)	(294)
Cash and cash equivalents at beginning of period	2.788	1.843
Cash and cash equivalents at end of period	2.377	1.549



ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE SEMESTER PERIOD ENDED IN 30 JUNE 2012

Euro Million
(Unaudited)

	30.06.12			30.06.11		
	<i>Of the Parent Company</i>	<i>Of Minority Interests</i>	<i>Total</i>	<i>Of the Parent Company</i>	<i>Of Minority Interests</i>	<i>Total</i>
PROFIT FOR THE PERIOD	1.146	319	1.465	1.283	375	1.658
OTHER COMPREHENSIVE INCOME:						
INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	99	200	299	(344)	(217)	(561)
Arising from utility plant and intangible assets revaluation						
Arising from financial instruments valuation						
Arising from cash flow hedge	(44)	25	(19)	(177)	(3)	(180)
Translation differences	132	179	311	(201)	(215)	(416)
Arising from actuarial gains and losses and other adjustments						
Companies accounted using the equity method	(5)		(5)			
Remaining incomes and expenses recognised directly in equity						
Tax effect	16	(4)	12	34	1	35
TRANSFERS TO PROFIT AND LOSS ACCOUNT	45	(2)	43	43	(7)	36
Arising from financial instruments valuation						
Arising from cash flow hedge	67	(2)	65	73	(3)	70
Translation differences				(8)	(5)	(13)
Companies accounted using the equity method	(3)		(3)			
Remaining revenues and costs recognised directly in equity						
Tax effect	(19)		(19)	(22)	1	(21)
TOTAL COMPREHENSIVE INCOME	1.290	517	1.807	982	151	1.133



ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SEMESTER PERIOD ENDED IN 30 JUNE 2012

*Euro Million
(Unaudited)*

	<i>Capital</i>	<i>Share premium, Reserves and interim dividend</i>	<i>Treasury shares and own equity instruments</i>	<i>Profit (loss) for the year</i>	<i>Other equity instruments</i>	<i>Valuation adjustments</i>	<i>Minority interests</i>	<i>Total equity</i>
BALANCE AT 1 JANUARY 2012	1.271	15.248		2.212		560	5.388	24.679
Adjustments due to changes in accounting policies								
Correction of errors								
ADJUSTED BALANCE AT 1 JANUARY 2012	1.271	15.248		2.212		560	5.388	24.679
TOTAL COMPREHENSIVE INCOME				1.146		144	517	1.807
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(639)					(383)	(1.022)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(642)					(381)	(1.023)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners		3					(2)	1
OTHER CHANGES IN EQUITY		2.212		(2.212)				
Share-based payments								
Transfers between equity items		2.212		(2.212)				
Other changes								
BALANCE AT 30 JUNE 2012	1.271	16.821		1.146		704	5.522	25.464



ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SEMESTER PERIOD ENDED IN 30 JUNE 2011

Euro Million

(Unaudited)

	<i>Capital</i>	<i>Share premium, Reserves and interim dividend</i>	<i>Treasury shares and own equity instruments</i>	<i>Profit (loss) for the year</i>	<i>Other equity instruments</i>	<i>Valuation adjustments</i>	<i>Minority interests</i>	<i>Total equity</i>
BALANCE AT 1 JANUARY 2011	1.271	11.475		4.129		901	5.388	23.164
Adjustments due to changes in accounting policies								
Correction of errors								
ADJUSTED BALANCE AT 1 JANUARY 2011	1.271	11.475		4.129		901	5.388	23.164
TOTAL COMPREHENSIVE INCOME				1.283		-301	151	1.133
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(554)					(328)	(882)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(547)					(325)	(872)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners		(7)					(3)	(10)
OTHER CHANGES IN EQUITY		4.129		(4.129)				
Share-based payments								
Transfers between equity items		4.129		(4.129)				
Other changes								
BALANCE AT 30 JUNE 2011	1.271	15.050		1.283		600	5.211	23.415



**CONSOLIDATED BALANCE SHEETS
SPAIN, PORTUGAL AND OTHER BUSINESSES**

(Unaudited)

Euro Million

ASSETS

	<u>30.06.12</u>	<u>31.12.11</u>		Variation
Total fixed assets	25.803	25.848	(45)	-0,2%
Utility plant	21.839	21.978	(139)	-0,6%
Investment property	23	17	6	35,3%
Intangible asset	839	829	10	1,2%
Goodwill	14	14		
Investments in associates	915	881	34	3,9%
Long term financial investments	909	884	25	2,8%
Deferred tax assets	1.264	1.245	19	1,5%
Total current assets	11.417	11.629	(212)	-1,8%
Inventories	1.123	1.136	(13)	-1,1%
Trade and other receivables	3.739	3.678	61	1,7%
Short term financial investments	5.007	5.519	(512)	-9,3%
Cash and cash equivalents	1.167	907	260	28,7%
Non current assets held for sale and from interrupted activities	381	389	(8)	-2,1%
TOTAL ASSETS	37.220	37.477	(257)	-0,7%

EQUITY AND LIABILITIES

	<u>30.06.12</u>	<u>31.12.11</u>		Variation
Total equity	14.681	14.431	250	1,7%
Atributable to equity holders of the parent company	14.668	14.416	252	1,7%
Minority interest	13	15	(2)	-13,3%
Non-current liabilities	15.684	16.699	(1.015)	-6,1%
Deferred revenues	4.362	4.121	241	5,8%
Long term provisions	3.207	3.424	(217)	-6,3%
Long term financial debt	6.586	7.629	(1.043)	-13,7%
Other non-current liabilities	477	481	(4)	-0,8%
Deferred tax liabilities	1.052	1.044	8	0,8%
Current liabilities	6.855	6.347	508	8,0%
Short term financial debt	149	172	(23)	-13,4%
Short term provisions	631	783	(152)	-19,4%
Trade and other payables	5.969	5.309	660	12,4%
Liabilities related to non current assets held for sale and from interrupted activities	106	83	23	27,7%
TOTAL EQUITY AND LIABILITIES	37.220	37.477	(257)	-0,7%



CONSOLIDATED STATEMENTS OF INCOME SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

	<u>30.06.12</u>	<u>30.06.11</u>		<u>Variation</u>
REVENUES	11.445	11.230	215	1,9%
Sales	10.821	10.433	388	3,7%
Other operating revenues	624	797	(173)	-21,7%
PURCHASES AND SERVICES	8.297	8.033	264	3,3%
Energy purchases	2.769	3.087	(318)	-10,3%
Fuel procurement costs	1.610	1.188	422	35,5%
Transmission expenses	3.086	2.851	235	8,2%
Other variable purchases and services	832	907	(75)	-8,3%
GROSS MARGIN	3.148	3.197	(49)	-1,5%
Work performed by the entity and capitalized	52	73	(21)	-28,8%
Personnel expenses	490	533	(43)	-8,1%
Other fixed operating expenses	670	673	(3)	-0,4%
GROSS OPERATING INCOME (EBITDA)	2.040	2.064	(24)	-1,2%
Depreciation and amortization	771	735	36	4,9%
OPERATING INCOME (EBIT)	1.269	1.329	(60)	-4,5%
FINANCIAL INCOME	(134)	(123)	(11)	8,9%
Financial revenues	165	204	(39)	-19,1%
Financial expenses	(292)	(368)	76	-20,7%
Foreign exchanges	(7)	41	(48)	-117,1%
Share of profit of associates	52	22	30	136,4%
Income from other investments	6	4	2	50,0%
Income from asset sales	(15)	(15)		0,0%
INCOME BEFORE TAXES	1.178	1.217	(39)	-3,2%
Income tax	285	254	31	12,2%
ONGOING ACTIVITIES PROFIT	893	963	(70)	-7,3%
INTERRUPTED ACTIVITIES PROFIT				n/a
NET INCOME	893	963	(70)	-7,3%
Attributable to the holders of the parent company	893	963	(70)	-7,3%
Minority interest				n/a



CONSOLIDATED STATEMENTS OF INCOME SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

	<u>2Q 12</u>	<u>2Q 11</u>	<u>Variation</u>	
REVENUES	5.414	5.308	106	2,0%
Sales	5.144	5.017	127	2,5%
Other operating revenues	270	291	(21)	-7,2%
PURCHASES AND SERVICES	3.850	3.753	97	2,6%
Energy purchases	1.343	1.472	(129)	-8,8%
Fuel procurement costs	700	587	113	19,3%
Transmission expenses	1.460	1.352	108	8,0%
Other variable purchases and services	347	342	5	1,5%
GROSS MARGIN	1.564	1.555	9	0,6%
Work performed by the entity and capitalized	29	42	(13)	-31,0%
Personnel expenses	250	268	(18)	-6,7%
Other fixed operating expenses	343	359	(16)	-4,5%
GROSS OPERATING INCOME (EBITDA)	1.000	970	30	3,1%
Depreciation and amortization	389	408	(19)	-4,7%
OPERATING INCOME (EBIT)	611	562	49	8,7%
FINANCIAL INCOME	(69)	(93)	24	-25,8%
Financial revenues	66	64	2	3,1%
Financial expenses	(132)	(175)	43	-24,6%
Foreign exchanges	(3)	18	(21)	-116,7%
Share of profit of associates	16	15	1	6,7%
Income from other investments	2	4	(2)	-50,0%
Income from asset sales	(6)	(19)	13	-68,4%
INCOME BEFORE TAXES	554	469	85	18,1%
Income tax	136	31	105	338,7%
ONGOING ACTIVITIES PROFIT	418	438	(20)	-4,6%
INTERRUPTED ACTIVITIES PROFIT				n/a
NET INCOME	418	438	(20)	-4,6%
Attributable to the holders of the parent company	418	439	(21)	-4,8%
Minority interest		(1)	1	-100,0%

STATEMENTS OF CASH FLOWS
SPAIN, PORTUGAL AND OTHER BUSINESSES
(Uaudited)

Euro Million

	<u>30.06.12</u>	<u>30.06.11</u>
Consolidated income before income taxes	1.178	1.217
Result adjustments:	748	742
Fixed assets amortization and impairment loss	771	735
Other result adjustments (net)	(23)	7
Changes in current assets	115	41
Other cash flows from operating activities:	(312)	(437)
Cash-in interests	137	151
Cash-in dividends	7	
Interest payments	(169)	(239)
Tax income payment	11	(145)
Other cash-in/payments from operating activities	(298)	(204)
Net cash provided by operating activities	1.729	1.563
Acquisitions of fixed and intangible assets	(525)	(941)
Disposal of fixed and intangible assets	5	11
Investments in stakes of subsidiaries		3
Disposal in stakes of subsidiaries		2
Acquisitions of other investments	(1.153)	(912)
Disposal of other investments	839	3.831
Cash flow from changes in perimeter		
Subsidies and other deferred income	109	98
Net cash used for investing activities	(725)	2.092
New long-term debt	1.831	247
Repayment of long-term debt	(447)	(2.396)
Net cash from financial debt with short term maturity	(2.441)	(853)
Dividends paid by the controlling company	318	(529)
Dividends paid to minority shareholders		
Net cash used for financing activities	(739)	(3.531)
Total net cash	265	124
Net increase in cash and cash equivalents	265	124
Cash and cash equivalents at beginning of period	907	240
Cash and cash equivalents at end of period	1.172	364



**CONSOLIDATED BALANCE SHEETS
LATIN AMERICAN BUSINESS**

(Unaudited)

Euro Million

ASSETS

	<u>30.06.12</u>	<u>31.12.11</u>	<u>Variation</u>
Total fixed assets	18.001	17.321	680
Utility plant	11.607	10.926	681
Investment property	60	57	3
Intangible asset	1.851	2.184	(333)
Goodwill	2.689	2.603	86
Investments in associates	16	16	n/a
Long term financial investments	1.118	937	181
Deferred tax assets	660	598	62
Total current assets	3.418	3.923	(505)
Inventories	150	117	33
Trade and other receivables	1.926	1.792	134
Short term financial investments	137	133	4
Cash and cash equivalents	1.205	1.881	(676)
Non current assets held for sale and from interrupted activities			n/a
TOTAL ASSETS	21.419	21.244	175
			0,8%

EQUITY AND LIABILITIES

	<u>30.06.12</u>	<u>31.12.11</u>	<u>Variation</u>
Total equity	10.783	10.248	535
Atributable to equity holders of the parent company	5.274	4.875	399
Minority interest	5.509	5.373	136
Non-current liabilities	7.484	7.036	448
Deferred revenues	7	8	(1)
Long term provisions	771	744	27
Long term financial debt	5.518	5.162	356
Other non-current liabilities	156	173	(17)
Deferred tax liabilities	1.032	949	83
Current liabilities	3.152	3.960	(808)
Short term financial debt	684	898	(214)
Short term provisions	116	152	(36)
Trade and other payables	2.352	2.910	(558)
activities			n/a
TOTAL EQUITY AND LIABILITIES	21.419	21.244	175
			0,8%



CONSOLIDATED STATEMENTS OF INCOME LATIN AMERICA BUSINESS

(Unaudited)

Euro Million

	<u>30.06.12</u>	<u>30.06.11</u>	<u>Variation</u>	
REVENUES	5.251	4.964	287	5,8%
Sales	5.056	4.723	333	7,1%
Other operating revenues	195	241	(46)	-19,1%
PURCHASES AND SERVICES	3.063	2.847	216	7,6%
Energy purchases	1.531	1.326	205	15,5%
Fuel procurement costs	666	683	(17)	-2,5%
Transmission expenses	359	282	77	27,3%
Other variable purchases and services	507	556	(49)	-8,8%
GROSS MARGIN	2.188	2.117	71	3,4%
Work performed by the entity and capitalized	37	34	3	8,8%
Personnel expenses	332	269	63	23,4%
Other fixed operating expenses	386	453	(67)	-14,8%
GROSS OPERATING INCOME (EBITDA)	1.507	1.429	78	5,5%
Depreciation and amortization	372	290	82	28,3%
OPERATING INCOME (EBIT)	1.135	1.139	(4)	-0,4%
FINANCIAL INCOME	(272)	(177)	(95)	53,7%
Financial revenues	155	193	(38)	-19,7%
Financial expenses	(406)	(362)	(44)	12,2%
Foreign exchange	(21)	(8)	(13)	162,5%
Share of profit of associates	9	7	2	28,6%
Income from other investments		1	(1)	-100,0%
Income from asset sales	2	16	(14)	-87,5%
INCOME BEFORE TAXES	874	986	(112)	-11,4%
Income tax	302	291	11	3,8%
ONGOING ACTIVITIES PROFIT	572	695	(123)	-17,7%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	572	695	(123)	-17,7%
Attributable to the holders of the parent company	253	320	(67)	-20,9%
Minority interest	319	375	(56)	-14,9%



CONSOLIDATED STATEMENTS OF INCOME LATIN AMERICA BUSINESS

(Unaudited)

Euro Million

	<u>2Q 12</u>	<u>2Q 11</u>	<u>Variation</u>	
REVENUES	2.635	2.523	112	4,4%
Sales	2.528	2.403	125	5,2%
Other operating revenues	107	120	(13)	-10,8%
PURCHASES AND SERVICES	1.571	1.499	72	4,8%
Energy purchases	777	673	104	15,5%
Fuel procurement costs	378	410	(32)	-7,8%
Transmission expenses	172	149	23	15,4%
Other variable purchases and services	244	267	(23)	-8,6%
GROSS MARGIN	1.064	1.024	40	3,9%
Work performed by the entity and capitalized	22	21	1	4,8%
Personnel expenses	168	125	43	34,4%
Other fixed operating expenses	198	172	26	15,1%
GROSS OPERATING INCOME (EBITDA)	720	748	(28)	-3,7%
Depreciation and amortization	183	160	23	14,4%
OPERATING INCOME (EBIT)	537	588	(51)	-8,7%
FINANCIAL INCOME	(140)	(67)	(73)	109,0%
Financial revenues	68	105	(37)	-35,2%
Financial expenses	(193)	(174)	(19)	10,9%
Foreign exchange	(15)	2	(17)	-850,0%
Share of profit of associates	4	3	1	33,3%
Income from other investments		1	(1)	-100,0%
Income from asset sales	1	3	(2)	-66,7%
INCOME BEFORE TAXES	402	528	(126)	-23,9%
Income tax	158	157	1	0,6%
ONGOING ACTIVITIES PROFIT	244	371	(127)	-34,2%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	244	371	(127)	-34,2%
Attributable to the holders of the parent company	107	175	(68)	-38,9%
Minority interest	137	196	(59)	-30,1%



STATEMENTS OF CASH FLOWS
LATIN AMERICA BUSINESS
(Unaudited)

Euro Million

	<u>30.06.12</u>	<u>30.06.11</u>
Consolidated income before income taxes	874	986
Result adjustments:	610	460
Fixed assets amortization and impairment loss	372	290
Other result adjustments (net)	238	170
Changes in current assets	(217)	(177)
Othe cash flows from operating activities:	(745)	(447)
Cash-in interests	146	178
Cash-in dividends	1	
Interest payments	(319)	(283)
Tax income payment	(511)	(276)
Other cash-in/payments from operating activities	(61)	(67)
Net cash provided by operating activities	522	822
Acquisitions of fixed and intangible assets	(455)	(440)
Disposal of fixed and intangible assets	4	17
Investment in stakes of subsidiaries		(8)
Disposal in stakes of subsidiaries		52
Acquisitions of other investments	(95)	(119)
Disposal of other investments	115	69
Cash flow from changes in perimeter		(29)
Subsidies and other deferred income		
Net cash used for investing activities	(431)	(458)
New long-term debt	469	367
Repayment of long-term debt	(146)	(201)
Net cash from financial debt with short term maturity	(391)	(361)
Dividends paid by the controlling company	(318)	
Payments to minority shareholders	(426)	(516)
Net cash used for financing activities	(812)	(711)
Total net cash	(721)	(347)
Effects of exchange rate changes on cash and cash equivalents	45	(71)
Net increase in cash and cash equivalents	(676)	(418)
Cash and cash equivalents at beginning of period	1.881	1.603
Cash and cash equivalents at end of period	1.205	1.185

Breakdown Consolidated Balance Sheet Spain, Portugal and other businesses for the period ended June 30, 2012

(Unaudited)

	Euro Million				Euro Million				Euro Million				Euro Million			
	Generation and Supply				Distribution				Corporate Structure, Services and Adjustments				Total			
ASSETS	30.06.12	31.12.11	Variation		30.06.12	31.12.11	Variation		30.06.12	31.12.11	Variation		30.06.12	31.12.11	Variation	
Total fixed assets	12.597	12.699	(102)	-0,8%	13.539	13.377	162	1,2%	(333)	(228)	(105)	46,1%	25.803	25.848	(45)	-0,2%
Utility plant	9.843	10.001	(158)	-1,6%	11.592	11.587	5	0,0%	404	390	14	3,6%	21.839	21.978	(139)	-0,6%
Investment property				n/a	4	4			19	13	6	46,2%	23	17	6	35,3%
Intangible asset	539	529	10	1,9%	209	197	12	6,1%	91	103	(12)	-11,7%	839	829	10	1,2%
Goodwill				n/a					14	14			14	14		
Long term financial investments	834	784	50	6,4%	68	64	4	6,3%	13	33	(20)	-60,6%	915	881	34	3,9%
Investments in associates	712	737	(25)	-3,4%	1.249	1.109	140	12,6%	(1.052)	(962)	(90)	9,4%	909	884	25	2,8%
Deferred tax assets	669	648	21	3,2%	417	416	1	0,2%	178	181	(3)	-1,7%	1.264	1.245	19	1,5%
Total current assets	6.262	7.257	(995)	-13,7%	699	570	129	22,6%	4.456	3.802	654	17,2%	11.417	11.629	(212)	-1,8%
Inventories	1.055	1.085	(30)	-2,8%	68	42	26	61,9%		9	(9)	-100,0%	1.123	1.136	(13)	-1,1%
Trade and other receivables	3.276	3.327	(51)	-1,5%	620	515	105	20,4%	(157)	(164)	7	-4,3%	3.739	3.678	61	1,7%
Short term financial investments	1.286	2.190	(904)	-41,3%	10	11	(1)	-9,1%	3.711	3.318	393	11,8%	5.007	5.519	(512)	-9,3%
Cash and cash equivalents	264	264			1	2	(1)	-50,0%	902	641	261	40,7%	1.167	907	260	28,7%
Non current assets held for sale and from interrupted activities	381	391	(10)	-2,6%						(2)	2	-100,0%	381	389	(8)	-2,1%
TOTAL ASSETS	18.859	19.956	(1.097)	-5,5%	14.238	13.947	291	2,1%	4.123	3.574	549	15,4%	37.220	37.477	(257)	-0,7%
EQUITY AND LIABILITIES	30.06.12	31.12.11	Variation		30.06.12	31.12.11	Variation		30.06.12	31.12.11	Variation		30.06.12	31.12.11	Variation	
Total equity	7.140	6.737	403	6,0%	5.991	5.573	418	7,5%	1.550	2.121	(571)	-26,9%	14.681	14.431	250	1,7%
Atributable to equity holders of the parent company	7.135	6.732	403	6,0%	5.991	5.573	418	7,5%	1.542	2.111	(569)	-27,0%	14.668	14.416	252	1,7%
Minority interest	5	5						n/a	8	10	(2)	-20,0%	13	15	(2)	-13,3%
Non-current liabilities	7.720	8.555	(835)	-9,8%	6.291	6.576	(285)	-4,3%	1.673	1.568	105	6,7%	15.684	16.699	(1.015)	-6,1%
Deferred revenues	143	68	75	110,3%	4.311	4.147	164	4,0%	(92)	(94)	2	-2,1%	4.362	4.121	241	5,8%
Long term provisions	1.689	1.773	(84)	-4,7%	1.108	1.266	(158)	-12,5%	410	385	25	6,5%	3.207	3.424	(217)	-6,3%
Long term financial debt	5.369	6.195	(826)	-13,3%	86	379	(293)	-77,3%	1.131	1.055	76	7,2%	6.586	7.629	(1.043)	-13,7%
Other non-current liabilities	42	37	5	13,5%	416	422	(6)	-1,4%	19	22	(3)	-13,6%	477	481	(4)	-0,8%
Deferred tax liabilities	477	482	(5)	-1,0%	370	362	8	2,2%	205	200	5	2,5%	1.052	1.044	8	0,8%
Current liabilities	3.999	4.664	(665)	-14,3%	1.956	1.798	158	8,8%	900	(115)	1.015	-882,6%	6.855	6.347	508	8,0%
Short term financial debt	57	56	1	1,8%	4	5	(1)	-20,0%	88	111	(23)	-20,7%	149	172	(23)	-13,4%
Short term provisions	399	522	(123)	-23,6%	162	183	(21)	-11,5%	70	78	(8)	-10,3%	631	783	(152)	-19,4%
Trade and other payables	3.406	3.988	(582)	-14,6%	1.790	1.610	180	11,2%	773	(289)	1.062	-367,5%	5.969	5.309	660	12,4%
activities	137	98	39	39,8%					(31)	(15)	(16)	106,7%	106	83	23	27,7%
TOTAL EQUITY AND LIABILITIES	18.859	19.956	(1.097)	-5,5%	14.238	13.947	291	2,1%	4.123	3.574	549	15,4%	37.220	37.477	(257)	-0,7%

Breakdown Consolidated Statement of Income Spain, Portugal and other businesses for the period ended June 30, 2012
 (Unaudited)

	Euro Million			Corporate Structure, Services and Adjustments			Total					
	Generation and Supply		Distribution									
	30.06.12	30.06.11	Variación	30.06.12	30.06.11	Variación	30.06.12	30.06.11	Variación	30.06.12	30.06.11	Variación
REVENUES	10.297	9.981	316 3,2%	1.250	1.358	(108) -8,0%	(102)	(109)	7 -6,4%	11.445	11.230	215 1,9%
Sales	9.780	9.299	481 5,2%	1.126	1.204	(78) -6,5%	(85)	(70)	(15) 21,4%	10.821	10.433	388 3,7%
Other operating revenues	517	682	(165) -24,2%	124	154	(30) -19,5%	(17)	(39)	22 -56,4%	624	797	(173) -21,7%
PURCHASES AND SERVICES	8.333	8.062	271 3,4%	79	60	19 31,7%	(115)	(89)	(26) 29,2%	8.297	8.033	264 3,3%
Energy purchases	2.802	3.086	(284) -9,2%			n/a	(33)	1	(34) n/a	2.769	3.087	(318) -10,3%
Fuel procurement costs	1.611	1.188	423 35,6%			n/a	(1)		(1) n/a	1.610	1.188	422 35,5%
Transmission expenses	3.085	2.846	239 8,4%			n/a	1	5	(4) -80,0%	3.086	2.851	235 8,2%
Other variable purchases and services	835	942	(107) -11,4%	79	60	19 31,7%	(82)	(95)	13 -13,7%	832	907	(75) -8,3%
GROSS MARGIN	1.964	1.919	45 2,3%	1.171	1.298	(127) -9,8%	13	(20)	33 -165,0%	3.148	3.197	(49) -1,5%
Work performed by the entity and capitalized	1	4	(3) -75,0%	50	43	7 16,3%	1	26	(25) -96,2%	52	73	(21) -28,8%
Personnel expenses	251	277	(26) -9,4%	153	168	(15) -8,9%	86	88	(2) -2,3%	490	533	(43) -8,1%
Other fixed operating expenses	548	543	5 0,9%	242	288	(46) -16,0%	(120)	(158)	38 -24,1%	670	673	(3) -0,4%
GROSS OPERATING INCOME (EBITDA)	1.166	1.103	63 5,7%	826	885	(59) -6,7%	48	76	(28) -36,8%	2.040	2.064	(24) -1,2%
Depreciation and amortization	498	423	75 17,7%	268	294	(26) -8,8%	5	18	(13) -72,2%	771	735	36 4,9%
OPERATING INCOME (EBIT)	668	680	(12) -1,8%	558	591	(33) -5,6%	43	58	(15) -25,9%	1.269	1.329	(60) -4,5%
FINANCIAL INCOME	(160)	(32)	(128) 400,0%	18	(10)	28 -280,0%	8	(81)	89 -109,9%	(134)	(123)	(11) 8,9%
Financial revenues	36	66	(30) -45,5%	56	39	17 43,6%	73	99	(26) -26,3%	165	204	(39) -19,1%
Financial expenses	(190)	(138)	(52) 37,7%	(38)	(49)	11 -22,4%	(64)	(181)	117 -64,6%	(292)	(368)	76 -20,7%
Foreign exchanges	(6)	40	(46) -115,0%			n/a	(1)	1	(2) -200,0%	(7)	41	(48) -117,1%
Share of profit of associates	40	23	17 73,9%	12	(1)	13 n/a			n/a	52	22	30 136,4%
Income from other investments	5	6	(1) -16,7%	1	1	0,0%			(3) 3 -100,0%	6	4	2 50,0%
Income from asset sales	(16)	(19)	3 -15,8%		3	(3) -100,0%	1	1	0,0%	(15)	(15)	0,0%
INCOME BEFORE TAXES	537	658	(121) -18,4%	589	584	5 0,9%	52	(25)	77 -308,0%	1.178	1.217	(39) -3,2%
Income tax	106	157	(51) -32,5%	167	109	58 53,2%	12	(12)	24 -200,0%	285	254	31 12,2%
ONGOING ACTIVITIES PROFIT	431	501	(70) -14,0%	422	475	(53) -11,2%	40	(13)	53 -407,7%	893	963	(70) -7,3%
INTERRUPTED ACTIVITIES PROFIT			n/a			n/a			n/a			n/a
PROFIT FOR THE PERIOD	431	501	(70) -14,0%	422	475	(53) -11,2%	40	(13)	53 -407,7%	893	963	(70) -7,3%
Attributable to the holders of the parent company	431	501	(70) -14,0%	422	475	(53) -11,2%	40	(13)	53 -407,7%	893	963	(70) -7,3%
Minority interest			n/a			n/a			n/a			n/a

Breakdown Consolidated Statement of Income Spain, Portugal and other businesses for the quarterly period ended June 30, 2012 and June 30, 2011
 (Unaudited) Euro Million

	Generation and Supply		Distribution		Corporate Structure, Services and Adjustments		Total					
	2Q 12	2Q11	Variación	2Q 12	2Q11	Variación	2Q 12	2Q11	Variación	2Q 12	2Q11	Variación
REVENUES	4.821	4.703	118 2,5%	627	678	(51) -7,5%	(34)	(73)	39 -53,4%	5.414	5.308	106 2,0%
Sales	4.621	4.454	167 3,7%	564	590	(26) -4,4%	(41)	(27)	(14) 51,9%	5.144	5.017	127 2,5%
Other operating revenues	200	249	(49) -19,7%	63	88	(25) -28,4%	7	(46)	53 -115,2%	270	291	(21) -7,2%
PURCHASES AND SERVICES	3.872	3.824	48 1,3%	37	31	6 19,4%	(59)	(102)	43 -42,2%	3.850	3.753	97 2,6%
Energy purchases	1.361	1.473	(112) -7,6%			n/a	(18)	(1)	(17) n/a	1.343	1.472	(129) -8,8%
Fuel procurement costs	700	587	113 19,3%			n/a			n/a	700	587	113 19,3%
Transmission expenses	1.461	1.350	111 8,2%			n/a	(1)	2	(3) -150,0%	1.460	1.352	108 8,0%
Other variable purchases and services	350	414	(64) -15,5%	37	31	6 19,4%	(40)	(103)	63 -61,2%	347	342	5 1,5%
GROSS MARGIN	949	879	70 8,0%	590	647	(57) -8,8%	25	29	(4) -13,8%	1.564	1.555	9 0,6%
Work performed by the entity and capitalized	1	4	(3) -75,0%	27	22	5 22,7%	1	16	(15) -93,8%	29	42	(13) -31,0%
Personnel expenses	123	141	(18) -12,8%	81	81	0,0%	46	46	0,0%	250	268	(18) -6,7%
Other fixed operating expenses	279	259	20 7,7%	115	165	(50) -30,3%	(51)	(65)	14 -21,5%	343	359	(16) -4,5%
GROSS OPERATING INCOME (EBITDA)	548	483	65 13,5%	421	423	(2) -0,5%	31	64	(33) -51,6%	1.000	970	30 3,1%
Depreciation and amortization	266	241	25 10,4%	124	158	(34) -21,5%	(1)	9	(10) -111,1%	389	408	(19) -4,7%
OPERATING INCOME (EBIT)	282	242	40 16,5%	297	265	32 12,1%	32	55	(23) -41,8%	611	562	49 8,7%
FINANCIAL INCOME	(87)	(38)	(49) 128,9%	(5)	(14)	9 -64,3%	23	(41)	64 -156,1%	(69)	(93)	24 -25,8%
Financial revenues	19	6	13 216,7%	12	16	(4) -25,0%	35	42	(7) -16,7%	66	64	2 3,1%
Financial expenses	(98)	(55)	(43) 78,2%	(17)	(30)	13 -43,3%	(17)	(90)	73 -81,1%	(132)	(175)	43 -24,6%
Foreign exchanges	(8)	11	(19) -172,7%			n/a	5	7	(2) -28,6%	(3)	18	(21) -116,7%
Share of profit of associates	14	16	(2) -12,5%	2	(1)	3 -300,0%			n/a	16	15	1 6,7%
Income from other investments	1	6	(5) -83,3%	1	1	0,0%		(3)	3 -100,0%	2	4	(2) -50,0%
Income from asset sales	(7)	(10)	3 -30,0%		(10)	10 -100,0%	1	1	0,0%	(6)	(19)	13 -68,4%
INCOME BEFORE TAXES	203	216	(13) -6,0%	295	241	54 22,4%	56	12	44 366,7%	554	469	85 18,1%
Income tax	36	33	3 9,1%	82		82 n/a	18	(2)	20 -1000,0%	136	31	105 338,7%
ONGOING ACTIVITIES PROFIT	167	183	(16) -8,7%	213	241	(28) -11,6%	38	14	24 171,4%	418	438	(20) -4,6%
INTERRUPTED ACTIVITIES PROFIT			n/a			n/a			n/a			n/a
PROFIT FOR THE PERIOD	167	183	(16) -8,7%	213	241	(28) -11,6%	38	14	24 171,4%	418	438	(20) -4,6%
Attributable to the holders of the parent company	167	183	(16) -8,7%	213	241	(28) -11,6%	38	15	23 153,3%	418	439	(21) -4,8%
Minority interest			n/a			n/a		(1)	1 -100,0%		(1)	1 -100,0%