



ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(Unaudited)

Euro Million

ASSETS	30.09.12	31.12.11	Variation
Total fixed assets	43.986	43.169	817
Utility plant	33.526	32.904	622
Investment property	85	74	11
Intangible asset	2.683	3.013	(330)
Goodwill	2.764	2.617	147
Investments in associates	927	897	30
Long term financial investments	1.988	1.821	167
Deferred tax assets	2.013	1.843	170
Total current assets	15.415	15.552	(137)
Inventories	1.329	1.253	76
Trade and other receivables	5.799	5.470	329
Short term financial investments	6.075	5.652	423
Cash and cash equivalents	1.806	2.788	(982)
Non current assets held for sale and from interrupted activities	406	389	17
TOTAL ASSETS	59.401	58.721	680
			1,2%

EQUITY AND LIABILITIES	30.09.12	31.12.11	Variation
Total equity	26.222	24.679	1.543
Atributable to equity holders of the parent company	20.513	19.291	1.222
Minority interest	5.709	5.388	321
Non-current liabilities	23.184	23.735	(551)
Deferred revenues	4.367	4.129	238
Long term provisions	3.985	4.168	(183)
Long term financial debt	12.042	12.791	(749)
Other non-current liabilities	606	654	(48)
Deferred tax liabilities	2.184	1.993	191
Current liabilities	9.995	10.307	(312)
Short term financial debt	979	1.070	(91)
Short term provisions	770	935	(165)
Trade and other payables	8.161	8.219	(58)
Liabilities related to non current assets held for sale and from interrupted activities	85	83	2
TOTAL EQUITY AND LIABILITIES	59.401	58.721	680
			1,2%



ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Euro Million

	<u>30.09.12</u>	<u>30.09.11</u>		<u>Variation</u>
REVENUES	25.463	24.604	859	3,5%
Sales	24.214	23.050	1.164	5,0%
Other operating revenues	1.249	1.554	(305)	-19,6%
PURCHASES AND SERVICES	17.281	16.447	834	5,1%
Energy purchases	6.448	6.436	12	0,2%
Fuel procurement costs	3.516	3.125	391	12,5%
Transmission expenses	5.335	4.765	570	12,0%
Other variable purchases and services	1.982	2.121	(139)	-6,6%
GROSS MARGIN	8.182	8.157	25	0,3%
Work performed by the entity and capitalized	145	142	3	2,1%
Personnel expenses	1.269	1.203	66	5,5%
Other fixed operating expenses	1.601	1.647	(46)	-2,8%
GROSS OPERATING INCOME (EBITDA)	5.457	5.449	8	0,1%
Depreciation and amortization	1.809	1.606	203	12,6%
OPERATING INCOME (EBIT)	3.648	3.843	(195)	-5,1%
FINANCIAL INCOME	(634)	(568)	(66)	11,6%
Financial revenues	414	447	(33)	-7,4%
Financial expenses	(1.010)	(1.023)	13	-1,3%
Foreign exchanges	(38)	8	(46)	-575,0%
Share of profit of associates	63	41	22	53,7%
Income from other investments	10	11	(1)	-9,1%
Income from asset sales	(20)	165	(185)	-112,1%
INCOME BEFORE TAXES	3.067	3.492	(425)	-12,2%
Income tax	880	874	6	0,7%
ONGOING ACTIVITIES PROFIT	2.187	2.618	(431)	-16,5%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	2.187	2.618	(431)	-16,5%
Attributable to the holders of the parent company	1.662	1.978	(316)	-16,0%
Minority interest	525	640	(115)	-18,0%



ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Euro Million

	<u>3Q 12</u>	<u>3Q 11</u>		<u>Variation</u>
REVENUES	8.767	8.410	357	4,2%
Sales	8.337	7.894	443	5,6%
Other operating revenues	430	516	(86)	-16,7%
PURCHASES AND SERVICES	5.921	5.567	354	6,4%
Energy purchases	2.148	2.023	125	6,2%
Fuel procurement costs	1.240	1.254	(14)	-1,1%
Transmission expenses	1.890	1.632	258	15,8%
Other variable purchases and services	643	658	(15)	-2,3%
GROSS MARGIN	2.846	2.843	3	0,1%
Work performed by the entity and capitalized	56	35	21	60,0%
Personnel expenses	447	401	46	11,5%
Other fixed operating expenses	545	521	24	4,6%
GROSS OPERATING INCOME (EBITDA)	1.910	1.956	(46)	-2,4%
Depreciation and amortization	666	581	85	14,6%
OPERATING INCOME (EBIT)	1.244	1.375	(131)	-9,5%
FINANCIAL INCOME	(228)	(268)	40	-14,9%
Financial revenues	94	50	44	88,0%
Financial expenses	(312)	(293)	(19)	6,5%
Foreign exchanges	(10)	(25)	15	-60,0%
Share of profit of associates	2	12	(10)	-83,3%
Income from other investments	4	6	(2)	-33,3%
Income from asset sales	(7)	164	(171)	-104,3%
INCOME BEFORE TAXES	1.015	1.289	(274)	-21,3%
Income tax	293	329	(36)	-10,9%
ONGOING ACTIVITIES PROFIT	722	960	(238)	-24,8%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	722	960	(238)	-24,8%
Attributable to the holders of the parent company	516	695	(179)	-25,8%
Minority interest	206	265	(59)	-22,3%



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

Euro Million

	<u>30.09.12</u>	<u>30.09.11</u>
Consolidated income before income taxes	3.067	3.492
Result adjustments:	2.226	1.666
Fixed assets amortization and impairment loss	1.809	1.606
Other result adjustments (net)	417	60
Changes in current assets	(645)	(703)
Other cash flows from operating activities:	(1.547)	(1.450)
Cash-in interests	379	427
Cash-in dividends	11	3
Interest payments	(705)	(754)
Tax income payment	(767)	(680)
Other cash-in/payments from operating activities	(465)	(446)
Net cash provided by operating activities	3.101	3.005
Acquisitions of fixed and intangible assets	(1.615)	(2.001)
Disposal of fixed and intangible assets	17	315
Investments in stakes of subsidiaries	(3)	(9)
Disposal in stakes of subsidiaries		55
Acquisitions of other investments	(1.768)	(1.880)
Disposal of other investments	1.052	4.035
Cash flow from changes in perimeter		(29)
Subsidies and other deferred income	139	165
Net cash used for investing activities	(2.178)	651
New long-term debt	4.370	1.245
Repayment of long-term debt	(806)	(2.896)
Net cash from financial debt with short term maturity	(4.428)	(415)
Dividends paid by the controlling company	(642)	(1.077)
Dividends paid to minority shareholders	(450)	(548)
Net cash used for financing activities	(1.956)	(3.691)
Total net cash	(1.033)	(35)
Effects of exchange rate changes on cash and cash equivalents	51	(122)
Net increase in cash and cash equivalents	(982)	(157)
Cash and cash equivalents at beginning of period	2.788	1.843
Cash and cash equivalents at end of period	1.806	1.686



ENDESA S.A. AND SUBSIDIARIES

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

Euro Million
(Unaudited)

	30.09.12			30.09.11		
	<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	1.662	525	2.187	1.978	640	2.618
OTHER COMPREHENSIVE INCOME:						
INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	121	244	365	(531)	(432)	(963)
Arising from utility plant and intangible assets revaluation						
Arising from financial instruments valuation						
Arising from cash flow hedge	(94)	73	(21)	(217)	(83)	(300)
Translation differences	191	191	382	(423)	(355)	(778)
Arising from actuarial gains and losses and other adjustments				110	(1)	109
Companies accounted using the equity method	(6)	1	(5)	(9)	(7)	(16)
Remaining incomes and expenses recognised directly in equity						
Tax effect	30	(21)	9	8	14	22
TRANSFERS TO PROFIT AND LOSS ACCOUNT	79	(6)	73	46	(9)	37
Arising from financial instruments valuation						
Arising from cash flow hedge	119	(4)	115	74	(5)	69
Translation differences				(8)	(5)	(13)
Companies accounted using the equity method	(4)		(4)			
Remaining revenues and costs recognised directly in equity						
Tax effect	(36)	(2)	(38)	(20)	1	(19)
TOTAL COMPREHENSIVE INCOME	1.862	763	2.625	1.493	199	1.692



ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SEMESTER PERIOD ENDED IN 30 SEPTEMBER 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				1.662		200	763	2.625
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(640)					(442)	(1.082)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(642)					(441)	(1.083)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners		2					(1)	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 SEPTEMBER 2012	1.271	16.820		1.662		760	5.709	26.222



ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SEMESTER PERIOD ENDED IN 30 SEPTEMBER 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		77		1.978			-562	199	1.692
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(554)					(390)	(944)	
Capital increases (reductions)									
Conversion of liabilities into equity									
Dividends paid		(547)					(386)	(933)	
Transactions with treasury shares or own equity instruments (net)									
Increases/(reductions) due to business combinations									
Other transactions with shareholders and owners		(7)					(4)	(11)	
OTHER CHANGES IN EQUITY		4.129		(4.129)					
Share-based payments									
Transfers between equity items		4.129		(4.129)					
Other changes									
BALANCE AT 30 SEPTEMBER 2011	1.271	15.127		1.978			339	5.197	23.912

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

(Unaudited)

Euro Million

ASSETS	30.09.12	31.12.11	Variation
Total fixed assets	25.641	25.848	(207) -0,8%
Utility plant	21.754	21.978	(224) -1,0%
Investment property	22	17	5 29,4%
Intangible asset	805	829	(24) -2,9%
Goodwill		14	(14) -100,0%
Investments in associates	910	881	29 3,3%
Long term financial investments	890	884	6 0,7%
Deferred tax assets	1.260	1.245	15 1,2%
Total current assets	11.958	11.629	329 2,8%
Inventories	1.164	1.136	28 2,5%
Trade and other receivables	3.976	3.678	298 8,1%
Short term financial investments	5.936	5.519	417 7,6%
Cash and cash equivalents	476	907	(431) -47,5%
Non current assets held for sale and from interrupted activities	406	389	17 4,4%
TOTAL ASSETS	37.599	37.477	122 0,3%

EQUITY AND LIABILITIES	30.09.12	31.12.11	Variation
Total equity	15.037	14.431	606 4,2%
Atributable to equity holders of the parent company	15.027	14.416	611 4,2%
Minority interest	10	15	(5) -33,3%
Non-current liabilities	16.063	16.699	(636) -3,8%
Deferred revenues	4.359	4.121	238 5,8%
Long term provisions	3.231	3.424	(193) -5,6%
Long term financial debt	6.966	7.629	(663) -8,7%
Other non-current liabilities	470	481	(11) -2,3%
Deferred tax liabilities	1.037	1.044	(7) -0,7%
Current liabilities	6.499	6.347	152 2,4%
Short term financial debt	12	172	(160) -93,0%
Short term provisions	661	783	(122) -15,6%
Trade and other payables	5.741	5.309	432 8,1%
Liabilities related to non current assets held for sale and from interrupted activities	85	83	2 2,4%
TOTAL EQUITY AND LIABILITIES	37.599	37.477	122 0,3%



CONSOLIDATED STATEMENTS OF INCOME SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

	<u>30.09.12</u>	<u>30.09.11</u>		<u>Variation</u>
REVENUES	17.442	17.074	368	2,2%
Sales	16.500	15.866	634	4,0%
Other operating revenues	942	1.208	(266)	-22,0%
PURCHASES AND SERVICES	12.659	12.247	412	3,4%
Energy purchases	4.261	4.487	(226)	-5,0%
Fuel procurement costs	2.401	2.018	383	19,0%
Transmission expenses	4.756	4.339	417	9,6%
Other variable purchases and services	1.241	1.403	(162)	-11,5%
GROSS MARGIN	4.783	4.827	(44)	-0,9%
Work performed by the entity and capitalized	87	89	(2)	-2,2%
Personnel expenses	773	787	(14)	-1,8%
Other fixed operating expenses	1.024	1.005	19	1,9%
GROSS OPERATING INCOME (EBITDA)	3.073	3.124	(51)	-1,6%
Depreciation and amortization	1.237	1.131	106	9,4%
OPERATING INCOME (EBIT)	1.836	1.993	(157)	-7,9%
FINANCIAL INCOME	(229)	(303)	74	-24,4%
Financial revenues	203	179	24	13,4%
Financial expenses	(427)	(497)	70	-14,1%
Foreign exchanges	(5)	15	(20)	-133,3%
Share of profit of associates	50	32	18	56,3%
Income from other investments	9	10	(1)	-10,0%
Income from asset sales	(26)	150	(176)	-117,3%
INCOME BEFORE TAXES	1.640	1.882	(242)	-12,9%
Income tax	371	417	(46)	-11,0%
ONGOING ACTIVITIES PROFIT	1.269	1.465	(196)	-13,4%
INTERRUPTED ACTIVITIES PROFIT				n/a
NET INCOME	1.269	1.465	(196)	-13,4%
Attributable to the holders of the parent company	1.269	1.465	(196)	-13,4%
Minority interest				n/a



CONSOLIDATED STATEMENTS OF INCOME SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

	<u>3Q 12</u>	<u>3Q 11</u>	<u>Variation</u>	
REVENUES	5.997	5.844	153	2,6%
Sales	5.679	5.433	246	4,5%
Other operating revenues	318	411	(93)	-22,6%
PURCHASES AND SERVICES	4.362	4.214	148	3,5%
Energy purchases	1.492	1.400	92	6,6%
Fuel procurement costs	791	830	(39)	-4,7%
Transmission expenses	1.670	1.488	182	12,2%
Other variable purchases and services	409	496	(87)	-17,5%
GROSS MARGIN	1.635	1.630	5	0,3%
Work performed by the entity and capitalized	35	16	19	118,8%
Personnel expenses	283	254	29	11,4%
Other fixed operating expenses	354	332	22	6,6%
GROSS OPERATING INCOME (EBITDA)	1.033	1.060	(27)	-2,5%
Depreciation and amortization	466	396	70	17,7%
OPERATING INCOME (EBIT)	567	664	(97)	-14,6%
FINANCIAL INCOME	(95)	(180)	85	-47,2%
Financial revenues	38	(25)	63	-252,0%
Financial expenses	(135)	(129)	(6)	4,7%
Foreign exchanges	2	(26)	28	-107,7%
Share of profit of associates	(2)	10	(12)	-120,0%
Income from other investments	3	6	(3)	-50,0%
Income from asset sales	(11)	165	(176)	-106,7%
INCOME BEFORE TAXES	462	665	(203)	-30,5%
Income tax	86	163	(77)	-47,2%
ONGOING ACTIVITIES PROFIT	376	502	(126)	-25,1%
INTERRUPTED ACTIVITIES PROFIT				n/a
NET INCOME	376	502	(126)	-25,1%
Attributable to the holders of the parent company	376	502	(126)	-25,1%
Minority interest				n/a

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

	30.09.12	30.09.11	Euro Million
Consolidated income before income taxes	1.640	1.882	
Result adjustments:	1.297	1.022	
Fixed assets amortization and impairment loss	1.237	1.131	
Other result adjustments (net)	60	(109)	
Changes in current assets	(401)	(607)	
Other cash flows from operating activities:	(608)	(774)	
Cash-in interests	176	179	
Cash-in dividends	11	2	
Interest payments	(251)	(357)	
Tax income payment	(165)	(303)	
Other cash-in/payments from operating activities	(379)	(295)	
Net cash provided by operating activities	1.928	1.523	
Acquisitions of fixed and intangible assets	(799)	(1.275)	
Disposal of fixed and intangible assets	5	295	
Investments in stakes of subsidiaries	(3)	(1)	
Disposal in stakes of subsidiaries			3
Acquisitions of other investments	(1.629)	(1.693)	
Disposal of other investments	899	3.923	
Cash flow from changes in perimeter			
Subsidies and other deferred income	138	165	
Net cash used for investing activities	(1.389)	1.417	
New long-term debt	3.867	630	
Repayment of long-term debt	(648)	(2.523)	
Net cash from financial debt with short term maturity	(3.864)	85	
Dividends paid by the controlling company	(324)	(1.077)	
Dividends paid to minority shareholders			
Net cash used for financing activities	(969)	(2.885)	
Total net cash	(430)	55	
Effects of exchange rate changes on cash and cash equivalents	(1)		
Net increase in cash and cash equivalents	(431)	55	
Cash and cash equivalents at beginning of period	907	240	
Cash and cash equivalents at end of period	476	295	



**CONSOLIDATED BALANCE SHEETS
LATIN AMERICAN BUSINESS**

(Unaudited)

Euro Million

ASSETS

	<u>30.09.12</u>	<u>31.12.11</u>	<u>Variation</u>
Total fixed assets	18.345	17.321	1.024
Utility plant	11.772	10.926	846
Investment property	63	57	6
Intangible asset	1.878	2.184	(306)
Goodwill	2.764	2.603	161
Investments in associates	17	16	1
Long term financial investments	1.098	937	161
Deferred tax assets	753	598	155
Total current assets	3.457	3.923	(466)
Inventories	165	117	48
Trade and other receivables	1.823	1.792	31
Short term financial investments	139	133	6
Cash and cash equivalents	1.330	1.881	(551)
Non current assets held for sale and from interrupted activities			n/a
TOTAL ASSETS	21.802	21.244	558
			2,6%

EQUITY AND LIABILITIES

	<u>30.09.12</u>	<u>31.12.11</u>	<u>Variation</u>
Total equity	11.185	10.248	937
Atributable to equity holders of the parent company	5.486	4.875	611
Minority interest	5.699	5.373	326
Non-current liabilities	7.121	7.036	85
Deferred revenues	8	8	
Long term provisions	754	744	10
Long term financial debt	5.076	5.162	(86)
Other non-current liabilities	136	173	(37)
Deferred tax liabilities	1.147	949	198
Current liabilities	3.496	3.960	(464)
Short term financial debt	967	898	69
Short term provisions	109	152	(43)
Trade and other payables	2.420	2.910	(490)
activities			n/a
TOTAL EQUITY AND LIABILITIES	21.802	21.244	558
			2,6%



CONSOLIDATED STATEMENTS OF INCOME LATIN AMERICA BUSINESS

(Unaudited)

Euro Million

	<u>30.09.12</u>	<u>30.09.11</u>	<u>Variation</u>	
REVENUES	8.021	7.530	491	6,5%
Sales	7.714	7.184	530	7,4%
Other operating revenues	307	346	(39)	-11,3%
PURCHASES AND SERVICES	4.622	4.200	422	10,0%
Energy purchases	2.187	1.949	238	12,2%
Fuel procurement costs	1.115	1.107	8	0,7%
Transmission expenses	579	426	153	35,9%
Other variable purchases and services	741	718	23	3,2%
GROSS MARGIN	3.399	3.330	69	2,1%
Work performed by the entity and capitalized	58	53	5	9,4%
Personnel expenses	496	416	80	19,2%
Other fixed operating expenses	577	642	(65)	-10,1%
GROSS OPERATING INCOME (EBITDA)	2.384	2.325	59	2,5%
Depreciation and amortization	572	475	97	20,4%
OPERATING INCOME (EBIT)	1.812	1.850	(38)	-2,1%
FINANCIAL INCOME	(405)	(265)	(140)	52,8%
Financial revenues	211	268	(57)	-21,3%
Financial expenses	(583)	(526)	(57)	10,8%
Foreign exchange	(33)	(7)	(26)	371,4%
Share of profit of associates	13	9	4	44,4%
Income from other investments	1	1		0,0%
Income from asset sales	6	15	(9)	-60,0%
INCOME BEFORE TAXES	1.427	1.610	(183)	-11,4%
Income tax	509	457	52	11,4%
ONGOING ACTIVITIES PROFIT	918	1.153	(235)	-20,4%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	918	1.153	(235)	-20,4%
Attributable to the holders of the parent company	393	513	(120)	-23,4%
Minority interest	525	640	(115)	-18,0%



CONSOLIDATED STATEMENTS OF INCOME LATIN AMERICA BUSINESS

(Unaudited)

Euro Million

	<u>3Q 12</u>	<u>3Q 11</u>	<u>Variation</u>	
REVENUES	2.770	2.566	204	8,0%
Sales	2.658	2.461	197	8,0%
Other operating revenues	112	105	7	6,7%
PURCHASES AND SERVICES	1.559	1.353	206	15,2%
Energy purchases	656	623	33	5,3%
Fuel procurement costs	449	424	25	5,9%
Transmission expenses	220	144	76	52,8%
Other variable purchases and services	234	162	72	44,4%
GROSS MARGIN	1.211	1.213	(2)	-0,2%
Work performed by the entity and capitalized	21	19	2	10,5%
Personnel expenses	164	147	17	11,6%
Other fixed operating expenses	191	189	2	1,1%
GROSS OPERATING INCOME (EBITDA)	877	896	(19)	-2,1%
Depreciation and amortization	200	185	15	8,1%
OPERATING INCOME (EBIT)	677	711	(34)	-4,8%
FINANCIAL INCOME	(133)	(88)	(45)	51,1%
Financial revenues	56	75	(19)	-25,3%
Financial expenses	(177)	(164)	(13)	7,9%
Foreign exchange	(12)	1	(13)	n/a
Share of profit of associates	4	2	2	100,0%
Income from other investments	1		1	n/a
Income from asset sales	4	(1)	5	-500,0%
INCOME BEFORE TAXES	553	624	(71)	-11,4%
Income tax	207	166	41	24,7%
ONGOING ACTIVITIES PROFIT	346	458	(112)	-24,5%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	346	458	(112)	-24,5%
Attributable to the holders of the parent company	140	193	(53)	-27,5%
Minority interest	206	265	(59)	-22,3%



STATEMENTS OF CASH FLOWS
LATIN AMERICA BUSINESS
(Unaudited)

Euro Million

	<u>30.09.12</u>	<u>30.09.11</u>
Consolidated income before income taxes	1.427	1.610
Result adjustments:	929	644
Fixed assets amortization and impairment loss	572	475
Other result adjustments (net)	357	169
Changes in current assets	(244)	(96)
Other cash flows from operating activities:	(939)	(676)
Cash-in interests	203	248
Cash-in dividends	1	
Interest payments	(454)	(397)
Tax income payment	(602)	(377)
Other cash-in/payments from operating activities	(86)	(151)
Net cash provided by operating activities	1.173	1.482
Acquisitions of fixed and intangible assets	(816)	(726)
Disposal of fixed and intangible assets	12	20
Investment in stakes of subsidiaries		(8)
Disposal in stakes of subsidiaries		52
Acquisitions of other investments	(139)	(187)
Disposal of other investments	153	112
Cash flow from changes in perimeter		(29)
Subsidies and other deferred income	1	
Net cash used for investing activities	(789)	(766)
New long-term debt	503	615
Repayment of long-term debt	(158)	(373)
Net cash from financial debt with short term maturity	(564)	(500)
Dividends paid by the controlling company	(318)	
Payments to minority shareholders	(450)	(548)
Net cash used for financing activities	(987)	(806)
Total net cash	(603)	(90)
Effects of exchange rate changes on cash and cash equivalents	52	(122)
Net increase in cash and cash equivalents	(551)	(212)
Cash and cash equivalents at beginning of period	1.881	1.603
Cash and cash equivalents at end of period	1.330	1.391

Breakdown Consolidated Balance Sheet Spain, Portugal and other businesses for the period ended September 30, 2012 and December 31, 2011

(Unaudited)

	Euro Million				Euro Million				Euro Million				Euro Million			
	Generation and Supply				Distribution				Corporate Structure, Services and Adjustments				Total			
ASSETS	30.09.12	31.12.11	Variation		30.09.12	31.12.11	Variation		30.09.12	31.12.11	Variation		30.09.12	31.12.11	Variation	
Total fixed assets	12.385	12.699	(314)	-2,5%	13.955	13.377	578	4,3%	(699)	(228)	(471)	-206,6%	25.641	25.848	(207)	-0,8%
Utility plant	9.728	10.001	(273)	-2,7%	11.623	11.587	36	0,3%	403	390	13	3,3%	21.754	21.978	(224)	-1,0%
Investment property				n/a	3	4	(1)	-25,0%	19	13	6	46,2%	22	17	5	29,4%
Intangible asset	510	529	(19)	-3,6%	205	197	8	4,1%	90	103	(13)	-12,6%	805	829	(24)	-2,9%
Goodwill				n/a				n/a		14	(14)	-100,0%		14	(14)	-100,0%
Long term financial investments	827	784	43	5,5%	69	64	5	7,8%	14	33	(19)	-57,6%	910	881	29	3,3%
Investments in associates	644	737	(93)	-12,6%	1.628	1.109	519	46,8%	(1.382)	(962)	(420)	43,7%	890	884	6	0,7%
Deferred tax assets	676	648	28	4,3%	427	416	11	2,6%	157	181	(24)	-13,3%	1.260	1.245	15	1,2%
Total current assets	7.019	7.257	(238)	-3,3%	787	570	217	38,1%	4.152	3.802	350	9,2%	11.958	11.629	329	2,8%
Inventories	1.079	1.085	(6)	-0,6%	85	42	43	102,4%		9	(9)	-100,0%	1.164	1.136	28	2,5%
Trade and other receivables	3.465	3.327	138	4,1%	691	515	176	34,2%	(180)	(164)	(16)	9,8%	3.976	3.678	298	8,1%
Short term financial investments	1.742	2.190	(448)	-20,5%	10	11	(1)	-9,1%	4.184	3.318	866	26,1%	5.936	5.519	417	7,6%
Cash and cash equivalents	327	264	63	23,9%	1	2	(1)	-50,0%	148	641	(493)	-76,9%	476	907	(431)	-47,5%
Non current assets held for sale and from interrupted activities	406	391	15	3,8%				n/a		(2)	2	-100,0%	406	389	17	4,4%
TOTAL ASSETS	19.404	19.956	(552)	-2,8%	14.742	13.947	795	5,7%	3.453	3.574	(121)	-3,4%	37.599	37.477	122	0,3%
 EQUITY AND LIABILITIES	 30.09.12	 31.12.11	 Variation		 30.09.12	 31.12.11	 Variation		 30.09.12	 31.12.11	 Variation		 30.09.12	 31.12.11	 Variation	
Total equity	7.328	6.737	591	8,8%	6.164	5.573	591	10,6%	1.545	2.121	(576)	-27,2%	15.037	14.431	606	4,2%
Atributable to equity holders of the parent company	7.323	6.732	591	8,8%	6.164	5.573	591	10,6%	1.540	2.111	(571)	-27,0%	15.027	14.416	611	4,2%
Minority interest	5	5						n/a	5	10	(5)	-50,0%	10	15	(5)	-33,3%
Non-current liabilities	8.005	8.555	(550)	-6,4%	6.323	6.576	(253)	-3,8%	1.735	1.568	167	10,7%	16.063	16.699	(636)	-3,8%
Deferred revenues	101	68	33	48,5%	4.349	4.147	202	4,9%	(91)	(94)	3	-3,2%	4.359	4.121	238	5,8%
Long term provisions	1.701	1.773	(72)	-4,1%	1.119	1.266	(147)	-11,6%	411	385	26	6,8%	3.231	3.424	(193)	-5,6%
Long term financial debt	5.677	6.195	(518)	-8,4%	92	379	(287)	-75,7%	1.197	1.055	142	13,5%	6.966	7.629	(663)	-8,7%
Other non-current liabilities	35	37	(2)	-5,4%	417	422	(5)	-1,2%	18	22	(4)	-18,2%	470	481	(11)	-2,3%
Deferred tax liabilities	491	482	9	1,9%	346	362	(16)	-4,4%	200	200			1.037	1.044	(7)	-0,7%
Current liabilities	4.071	4.664	(593)	-12,7%	2.255	1.798	457	25,4%	173	(115)	288	-250,4%	6.499	6.347	152	2,4%
Short term financial debt	57	56	1	1,8%	4	5	(1)	-20,0%	(49)	111	(160)	-144,1%	12	172	(160)	-93,0%
Short term provisions	438	522	(84)	-16,1%	152	183	(31)	-16,9%	71	78	(7)	-9,0%	661	783	(122)	-15,6%
Trade and other payables	3.419	3.988	(569)	-14,3%	2.099	1.610	489	30,4%	223	(289)	512	-177,2%	5.741	5.309	432	8,1%
activities	157	98	59	60,2%				n/a	(72)	(15)	(57)	380,0%	85	83	2	2,4%
TOTAL EQUITY AND LIABILITIES	19.404	19.956	(552)	-2,8%	14.742	13.947	795	5,7%	3.453	3.574	(121)	-3,4%	37.599	37.477	122	0,3%

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

	Generation and Supply			Distribution			Corporate Structure, Services and Adjustments			Total		
	30.09.12	30.09.11	Variación	30.09.12	30.09.11	Variación	30.09.12	30.09.11	Variación	30.09.12	30.09.11	Variación
REVENUES	15.758	15.188	570 3,8%	1.871	2.004	(133) -6,6%	(187)	(118)	(69) 58,5%	17.442	17.074	368 2,2%
Sales	14.998	14.185	813 5,7%	1.679	1.785	(106) -5,9%	(177)	(104)	(73) 70,2%	16.500	15.866	634 4,0%
Other operating revenues	760	1.003	(243) -24,2%	192	219	(27) -12,3%	(10)	(14)	4 -28,6%	942	1.208	(266) -22,0%
PURCHASES AND SERVICES	12.713	12.275	438 3,6%	120	86	34 39,5%	(174)	(114)	(60) 52,6%	12.659	12.247	412 3,4%
Energy purchases	4.312	4.487	(175) -3,9%			n/a	(51)		(51) n/a	4.261	4.487	(226) -5,0%
Fuel procurement costs	2.402	2.018	384 19,0%			n/a	(1)		(1) n/a	2.401	2.018	383 19,0%
Transmission expenses	4.754	4.333	421 9,7%			n/a	2	6	(4) -66,7%	4.756	4.339	417 9,6%
Other variable purchases and services	1.245	1.437	(192) -13,4%	120	86	34 39,5%	(124)	(120)	(4) 3,3%	1.241	1.403	(162) -11,5%
GROSS MARGIN	3.045	2.913	132 4,5%	1.751	1.918	(167) -8,7%	(13)	(4)	(9) 225,0%	4.783	4.827	(44) -0,9%
Work performed by the entity and capitalized	3	1	2 200,0%	84	61	23 37,7%		27	(27) -100,0%	87	89	(2) -2,2%
Personnel expenses	394	390	4 1,0%	241	222	19 8,6%	138	175	(37) -21,1%	773	787	(14) -1,8%
Other fixed operating expenses	872	802	70 8,7%	366	410	(44) -10,7%	(214)	(207)	(7) 3,4%	1.024	1.005	19 1,9%
GROSS OPERATING INCOME (EBITDA)	1.782	1.722	60 3,5%	1.228	1.347	(119) -8,8%	63	55	8 14,5%	3.073	3.124	(51) -1,6%
Depreciation and amortization	799	677	122 18,0%	413	429	(16) -3,7%	25	25	0,0%	1.237	1.131	106 9,4%
OPERATING INCOME (EBIT)	983	1.045	(62) -5,9%	815	918	(103) -11,2%	38	30	8 26,7%	1.836	1.993	(157) -7,9%
FINANCIAL INCOME	(241)	(192)	(49) 25,5%	(3)	(41)	38 -92,7%	15	(70)	85 -121,4%	(229)	(303)	74 -24,4%
Financial revenues	50	74	(24) -32,4%	78	45	33 73,3%	75	60	15 25,0%	203	179	24 13,4%
Financial expenses	(286)	(279)	(7) 2,5%	(81)	(86)	5 -5,8%	(60)	(132)	72 -54,5%	(427)	(497)	70 -14,1%
Foreign exchanges	(5)	13	(18) -138,5%			n/a	2	(2)	-100,0%	(5)	15	(20) -133,3%
Share of profit of associates	36	32	4 12,5%	14	(1)	15 n/a		1	(1) -100,0%	50	32	18 56,3%
Income from other investments	5	6	(1) -16,7%	2	2	0,0%	2	2	0,0%	9	10	(1) -10,0%
Income from asset sales	(26)	(27)	1 -3,7%		3	(3) -100,0%	174	(174)	-100,0%	(26)	150	(176) -117,3%
INCOME BEFORE TAXES	757	864	(107) -12,4%	828	881	(53) -6,0%	55	137	(82) -59,9%	1.640	1.882	(242) -12,9%
Income tax	126	192	(66) -34,4%	233	190	43 22,6%	12	35	(23) -65,7%	371	417	(46) -11,0%
ONGOING ACTIVITIES PROFIT	631	672	(41) -6,1%	595	691	(96) -13,9%	43	102	(59) -57,8%	1.269	1.465	(196) -13,4%
INTERRUPTED ACTIVITIES PROFIT			n/a			n/a			n/a			n/a
PROFIT FOR THE PERIOD	631	672	(41) -6,1%	595	691	(96) -13,9%	43	102	(59) -57,8%	1.269	1.465	(196) -13,4%
Attributable to the holders of the parent company	631	672	(41) -6,1%	595	691	(96) -13,9%	43	102	(59) -57,8%	1.269	1.465	(196) -13,4%
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 September 30, 2012 and September 30, 2011
 (Unaudited) Euro Million

	Generation and Supply		Distribution		Corporate Structure, Services and Adjustments		Total					
	3Q 12	3Q11	Variación	3Q 12	3Q11	Variación	3Q 12	3Q11	Variación	3Q 12	3Q11	Variación
REVENUES	5.461	5.207	254 4,9%	621	646	(25) -3,9%	(85)	(9)	(76) 844,4%	5.997	5.844	153 2,6%
Sales	5.218	4.886	332 6,8%	553	581	(28) -4,8%	(92)	(34)	(58) 170,6%	5.679	5.433	246 4,5%
Other operating revenues	243	321	(78) -24,3%	68	65	3 4,6%	7	25	(18) -72,0%	318	411	(93) -22,6%
PURCHASES AND SERVICES	4.380	4.213	167 4,0%	41	26	15 57,7%	(59)	(25)	(34) 136,0%	4.362	4.214	148 3,5%
Energy purchases	1.510	1.401	109 7,8%			n/a	(18)	(1)	(17) n/a	1.492	1.400	92 6,6%
Fuel procurement costs	791	830	(39) -4,7%			n/a			n/a	791	830	(39) -4,7%
Transmission expenses	1.669	1.487	182 12,2%			n/a	1	1	0,0%	1.670	1.488	182 12,2%
Other variable purchases and services	410	495	(85) -17,2%	41	26	15 57,7%	(42)	(25)	(17) 68,0%	409	496	(87) -17,5%
GROSS MARGIN	1.081	994	87 8,8%	580	620	(40) -6,5%	(26)	16	(42) -262,5%	1.635	1.630	5 0,3%
Work performed by the entity and capitalized	2	(3)	5 -166,7%	34	18	16 88,9%	(1)	1	(2) -200,0%	35	16	19 118,8%
Personnel expenses	143	113	30 26,5%	88	54	34 63,0%	52	87	(35) -40,2%	283	254	29 11,4%
Other fixed operating expenses	324	259	65 25,1%	124	122	2 1,6%	(94)	(49)	(45) 91,8%	354	332	22 6,6%
GROSS OPERATING INCOME (EBITDA)	616	619	(3) -0,5%	402	462	(60) -13,0%	15	(21)	36 -171,4%	1.033	1.060	(27) -2,5%
Depreciation and amortization	301	254	47 18,5%	145	135	10 7,4%	20	7	13 185,7%	466	396	70 17,7%
OPERATING INCOME (EBIT)	315	365	(50) -13,7%	257	327	(70) -21,4%	(5)	(28)	23 -82,1%	567	664	(97) -14,6%
FINANCIAL INCOME	(81)	(160)	79 -49,4%	(21)	(31)	10 -32,3%	7	11	(4) -36,4%	(95)	(180)	85 -47,2%
Financial revenues	14	8	6 75,0%	22	6	16 266,7%	2	(39)	41 -105,1%	38	(25)	63 -252,0%
Financial expenses	(96)	(141)	45 -31,9%	(43)	(37)	(6) 16,2%	4	49	(45) -91,8%	(135)	(129)	(6) 4,7%
Foreign exchanges	1	(27)	28 -103,7%			n/a	1	1	0,0%	2	(26)	28 -107,7%
Share of profit of associates	(4)	9	(13) -144,4%	2		2 n/a		1	(1) -100,0%	(2)	10	(12) -120,0%
Income from other investments			n/a	1	1	0,0%	2	5	(3) -60,0%	3	6	(3) -50,0%
Income from asset sales	(10)	(8)	(2) 25,0%			n/a	(1)	173	(174) -100,6%	(11)	165	(176) -106,7%
INCOME BEFORE TAXES	220	206	14 6,8%	239	297	(58) -19,5%	3	162	(159) -98,1%	462	665	(203) -30,5%
Income tax	20	35	(15) -42,9%	66	81	(15) -18,5%		47	(47) -100,0%	86	163	(77) -47,2%
ONGOING ACTIVITIES PROFIT	200	171	29 17,0%	173	216	(43) -19,9%	3	115	(112) -97,4%	376	502	(126) -25,1%
INTERRUPTED ACTIVITIES PROFIT			n/a			n/a			n/a			n/a
PROFIT FOR THE PERIOD	200	171	29 17,0%	173	216	(43) -19,9%	3	115	(112) -97,4%	376	502	(126) -25,1%
Attributable to the holders of the parent company	200	171	29 17,0%	173	216	(43) -19,9%	3	115	(112) -97,4%	376	502	(126) -25,1%
Minority interest			n/a			n/a			n/a			n/a