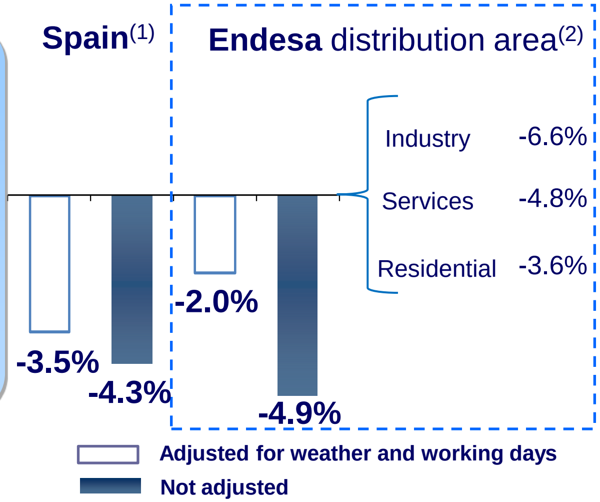
07 | 05 | 2013

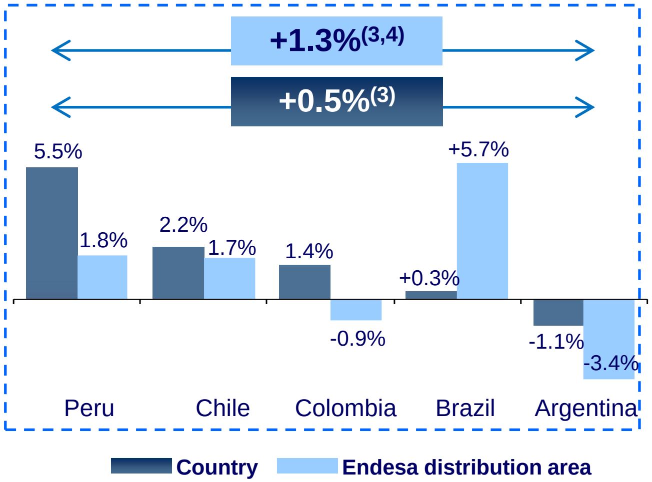
endesa 1Q 2013 results

Business context in 1Q 2013

Demand

Spain: demand decrease in all categories of clients, especially the industrial segment





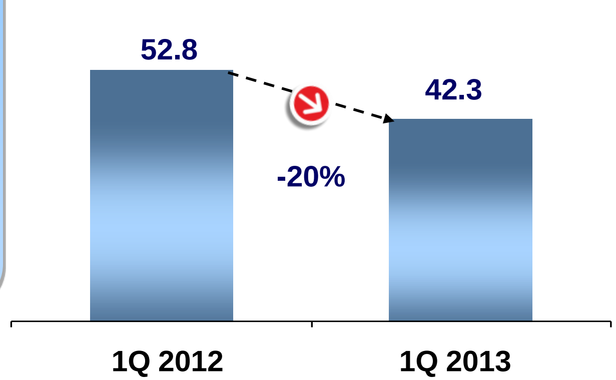
Latin America: better performance of Endesa distribution companies vs. country demand, mainly Brazil

(1) Mainland. Source: REE
(2) Mainland. Source: Endesa's own estimates
(3) Average growth weighted by TWh (not adjusted)
(4) Tolls and unbilled consumption not included (net of losses)

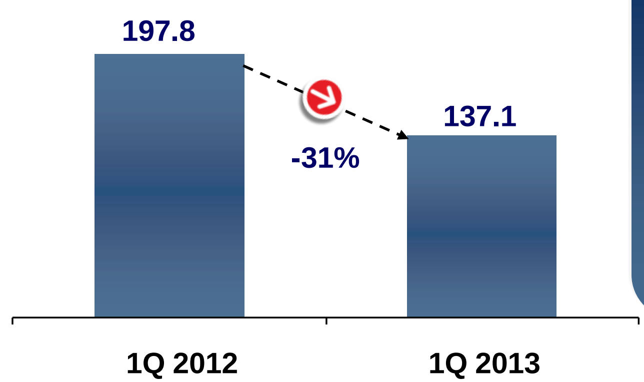
Electricity wholesale prices

Spain: significant decrease in prices due to weak demand and exceptional weather conditions

Weighted average pool prices Spain(5)
(€/MWh)



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



Chile: significant decrease due to new coal-fired plants in the system

(5) Excluding ancillary services and capacity payments. 40.3 €/MWh average baseload equivalent (1Q 2013).

Operating results negatively affected by regulation in Spain & weather conditions in LatAm

€M

	1Q 2013	1Q 2012	Change
Revenues	8,166	8,647	**-6%**
Gross margin	2,552	2,708	**-6%**
EBITDA	1,682	1,827	**-8%**
Spain&Portugal	971	1,040	**-7%**
Latin America	711	787	**-10%**
EBIT(1)	1,034	1,256	**-18%**
Net finance expenses	145	187	**-22%**
Net attributable income	476	621	**-23%**

- **Iberia: €232M negative impact from regulatory measures (RDL 13/2012, RDL 20/2012, Law 15/2012, RDL 2/2013) partially mitigated by exceptional market conditions**
- **LatAm: drought affecting Brazil and Chile**

(1) 1Q 2013 D&A includes €92 M from EUAs and CDMs write-off and €7 M from the nuclear tax according to Law 15/2012
1Q 2012 D&A includes €20 M from EUAs and CDMs write-off

Spain: regulation update

2Q 2013 access tariff

- Access tariffs frozen
- Last Resort Tariff: -6.6% after Cesur auction on 20th March 2013

2013 national coal resolution

- No pass-through of additional costs arising from Law 15/2012

Bill on non-mainland generation

A. Higher decision powers of the Central Government
B. Increased competitiveness in the fuel procurement process
C. No extra compensation for entities with more than 40% generation share
D. Pumped-storage and regasification plants to be owned by REE and Enagas respectively

Update on tariff deficit securitization process

Tranche	Covering	Overall amount (€ bn)	Endesa amount (€ bn, %)	Status
1st	Mainland deficit 2006 Mainland deficit 2008 Ex-ante mainland deficit 2009 Ex-ante mainland deficit 2010 Non mainland (2001-2008)	13.1	6.8 (52%)	Fully securitized
2nd	Ex-post 2010 Ex-ante 2011 Ex-ante 2012	7.0	3.1 (44%)	Fully securitized
3rd	Ex post deficit 2012	4.1	1.8 (44%)	In the process of being transferred to FADE

Tariff securitization has been proceeding at a fairly good pace

Latam: regulation update

Argentina

- New regulatory remuneration in Gx based on a Cost Plus scheme (26th March 2013):
  -Remuneration of (i) fixed costs according to availability; (ii) variable cost payments depending on size and technologies and (iii) additional remuneration where a part is to be devoted to investments. Fuel to be supplied and managed by CAMMESA.
  - No impact during 1Q. Pending of implementation. Approx +US$80 M.

Brazil

- Distribution companies were involuntarily exposed to the wholesale electricity market while prices were increasing as a consequence of the drought
  - Presidential Decree 7,945/2013 aiming at partially compensate distribution companies for the above extracosts.
  - The rest of the extracost will be recovered thru additional Government payments and/or specific tariff revisions.
- IRT(1) Ampla and Coelce, VAD increase 7.8% and 5.5% respectively.

Chile

- Chilectra tariff revision completed with a VAD -4.5% reduction equivalent to a tariff (decrease of 2.6%) and applying retroactively since Nov 4th 2012.

Peru

- Edelnor tariff review in progress. New tariffs to be published in November, 2013.

(1) Annual tariff adjustment ("Indice de Reajuste Tarifario")

Successful closing of Enersis Capital Increase

Capital increase results

- 100% subscription (1)
  - Total capital increase: ~US$ 6,022 M (€4,562 M).
    - Asset contribution: ~US$ 3.646 (€2,766 M)
    - Cash contribution: ~US$ 2.376 (€1,796 M)
  - Leading private electric utility in the region.

Endesa's main commitments

- Endesa acquired commitments with minority shareholders
  - Maintain Enersis as the sole investment vehicle in LatAm, except for Enel Green Power (renewables)
  - Maintain dividend policy. No extraordinary dividends in 2 years.

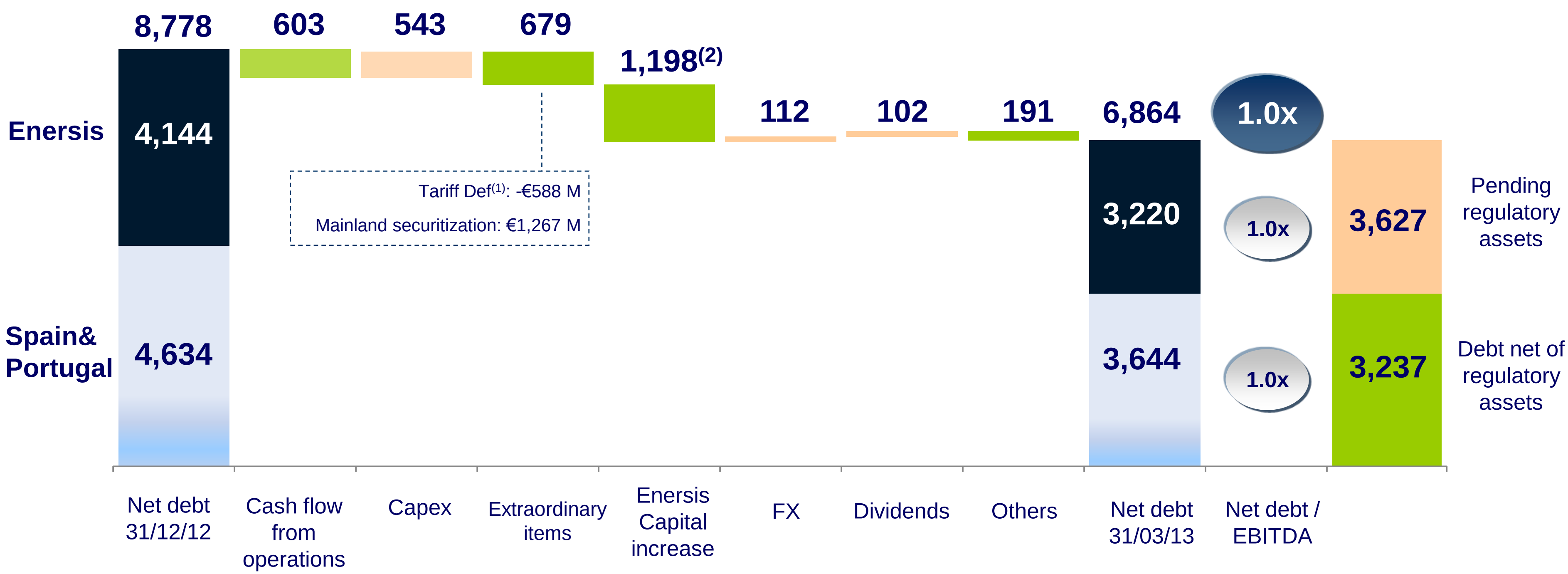
Use of proceeds

- Proceeds to be used in purchase of minority stakes and M&A
- Greenfield projects
  - Enersis' new balance structure will increase the company's indebtedness capacity for the development of new greenfield projects.

(1) (99.04% at 173 CLP/share and remaining rump-up auction at 182.3 CLP/share)

Sound financial position

Net debt evolution in 1Q 2013 (€M)



Solid financial leverage and strong liquidity position

	31/12/12	31/03/13
Leverage (net debt/equity)(3)	0.3	0.2

Endesa liquidity excluding Enersis covers 43 months of debt maturities

Enersis liquidity covers 38 months of debt maturities

(1) Includes payments/collections from CNE settlements in 1Q 2013

(2) Out of €1,749 M of total proceeds from Enersis capital increase, €551 M have been allocated to financial assets with maturity > 3 months and therefore are not considered "Cash or cash equivalent"

(3) Net debt figure includes pending regulatory assets

spain&portugal 1Q 2013

Highlights in 1Q 2013

Regulated business margin negatively affected by regulatory measures (RDL 13/2012, RDL 20/2012, Law 15/2012 and RDL 2/2013)

Output generation (-24%)[(1)]: strong demand decline jointly with lower thermal gap. 71% of total output from nuclear & hydro (vs 47% in 1Q 12)

Liberalized margins impacted by Law 15/2012 partially mitigated by market conditions

Fixed costs (O&M) and net finance expenses improvement

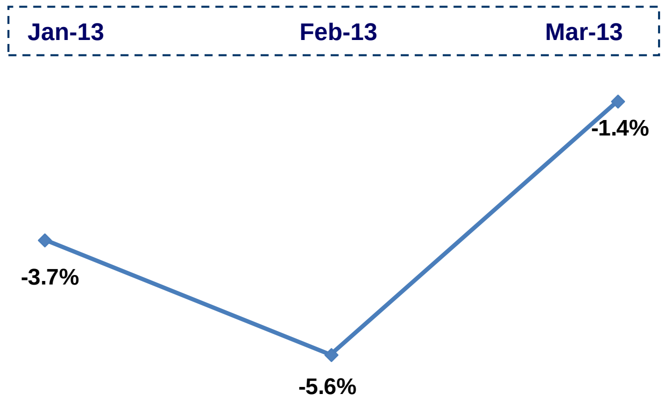
Leadership in supply (37.5% market share) and ordinary regime generation (36%) and 2nd player in gas supply market (15%)

(1) Mainland. Does not include Portugal

1Q 2013 extraordinary market conditions in Spain: lower demand and exceptional hydro

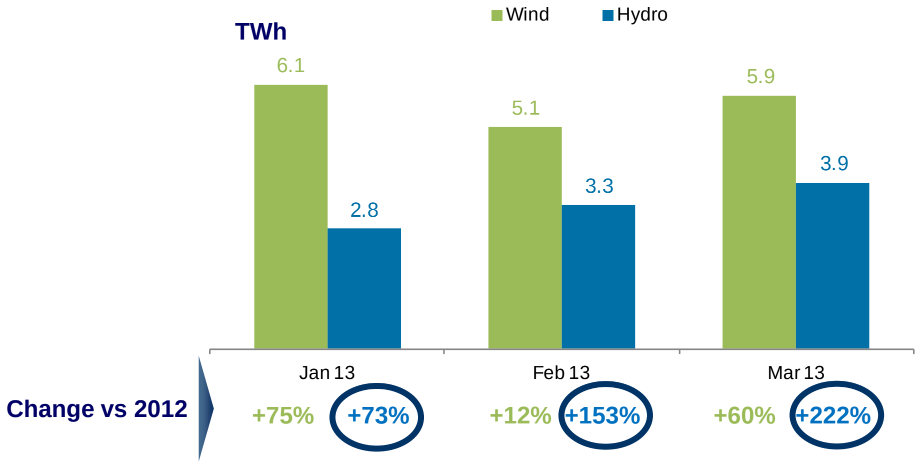
Monthly demand evolution

Demand adjusted for weather and working days (Mainland). Source: REE

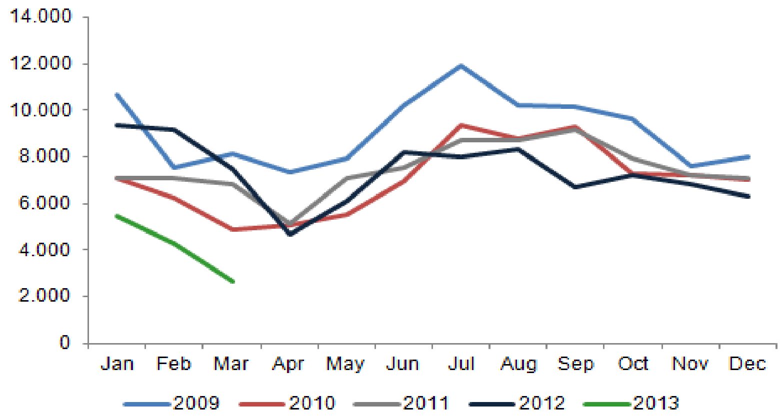


Exceptional hydro and wind contribution

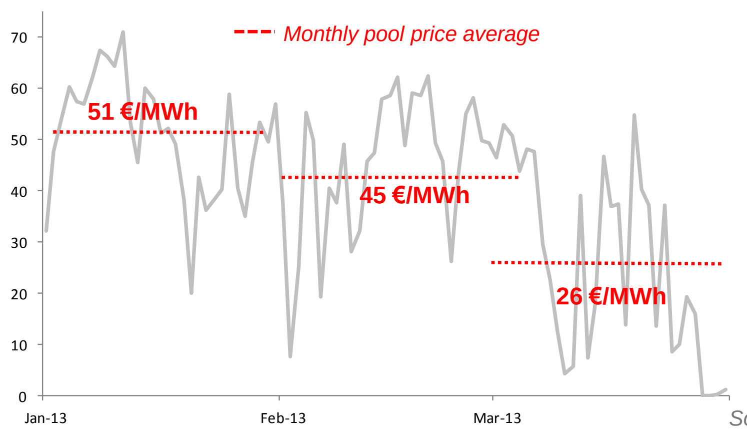
Mainland. Source: REE



Thermal gap evolution (TWh)



Daily pool price evolution (€/MWh)



Source: OMIE

Exceptional market context in 1Q can not be extrapolated for FY2013

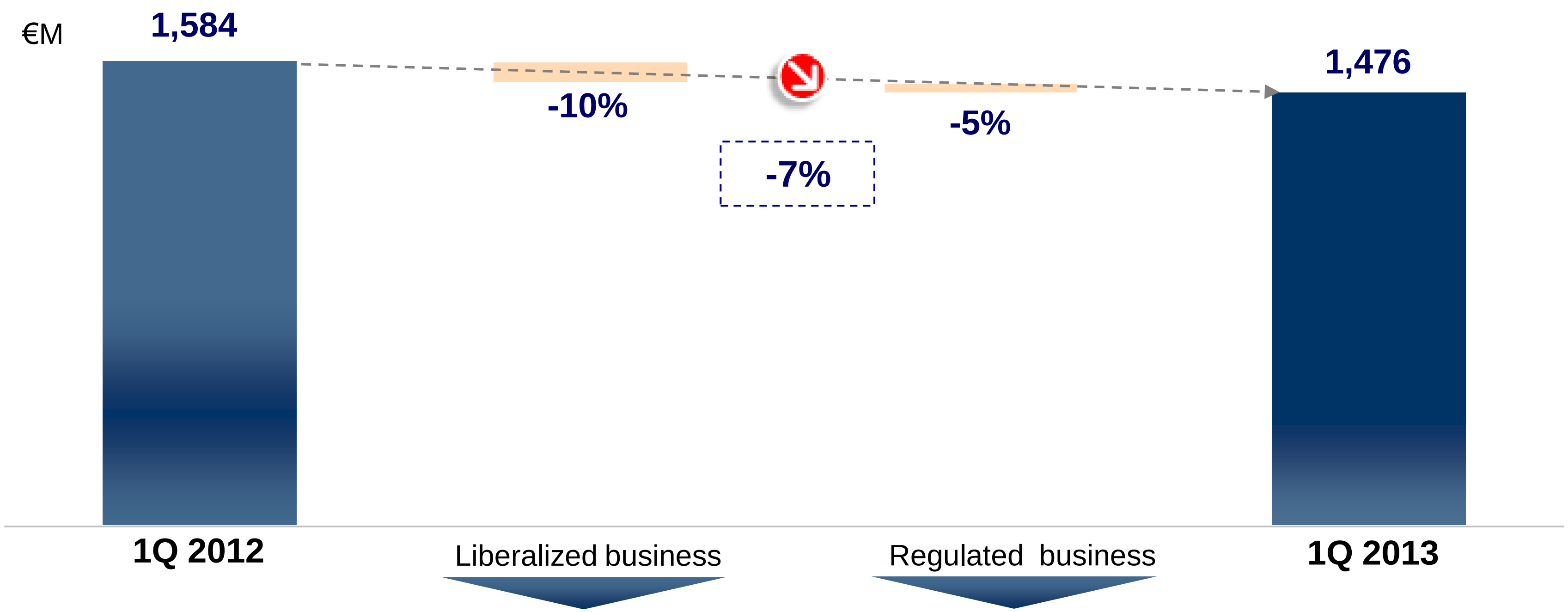
Results affected by regulatory measures

€M	1Q 2013	1Q 2012	Change
Revenues	5,758	6,031	**-5%**
Gross margin	1,476	1,584	**-7%**
EBITDA	971	1,040	**-7%**
EBIT(1)	505	658	**-23%**
Net finance expenses	48	61	**-21%**
Net attributable income	338	475	**-29%**

Impact of Law 15/2012 partially mitigated by exceptional market conditions in 1Q

(1) 1Q 2013 D&A includes €92 M from EUAs and CDMs write-off and €7 M from the nuclear tax according to Law 15/2012
1Q 2012 D&A includes €20 M from EUAs and CDMs write-off

Regulatory measures impacting both liberalized and regulated business margins



Liberalized business

- ↑ Generation mix (production/energy purchases)
- ↓ Lower energy sales
- ↓ Law 15/2012
- ↓ National coal (no pass through of Law 15/2012 taxes)
- ↓ LRT Margin

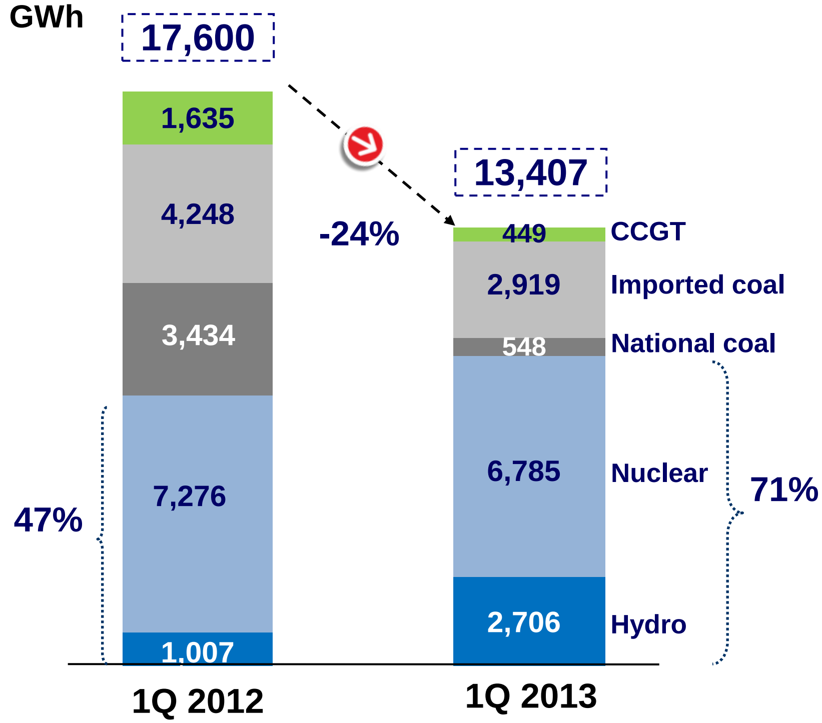
Regulated business

- ↓ Law 15/2012 and RDL 20/2012 in non-mainland generation
- ↓ RDL 2/2013
- ↓ Mining activity

Better generation mix in the liberalized business could not offset regulatory measures

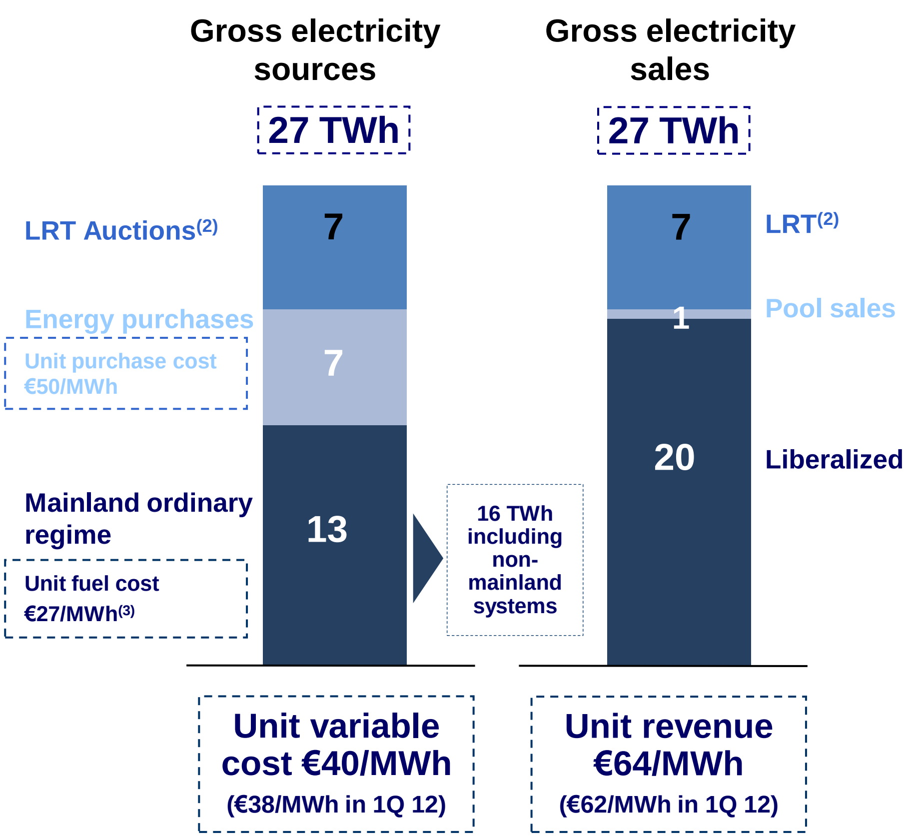
Mainland output and energy management optimization

Decrease in mainland output[1]



- Lower demand and thermal gap
- 2013 National Coal RD in force since mid February
- Garoña closure and Almaraz planned outage

1Q 2013 energy management



- Decrease in electricity unitary margin (-2%[4]) due to higher variable costs (Law 15/2012)

(1) Does not include Portugal

(2) LRT: Last resort tariff not considered in calculations for unit cost and unit revenue

(3) Includes fuel cost, CO_2 and taxes from Law 15/2012

(4) Unitary margin ex LRT energy

latin america 1Q 2013

Highlights in 1Q 2013

Slowdown in LatAm demand in Dx (1.3%)[1]: Brazil overperforming; negative performance in Argentina and Colombia

24% drop in Brazilian EBITDA: temporary effect in Dx due to more expensive energy purchases

Argentina: despite regulatory improvements negative EBITDA in Dx

Recovery in Chilean generation business: +7% EBITDA supported by new capacity (Bocamina II)

Enersis capital increase: 100% success

(1) Tolls and unbilled consumption not included

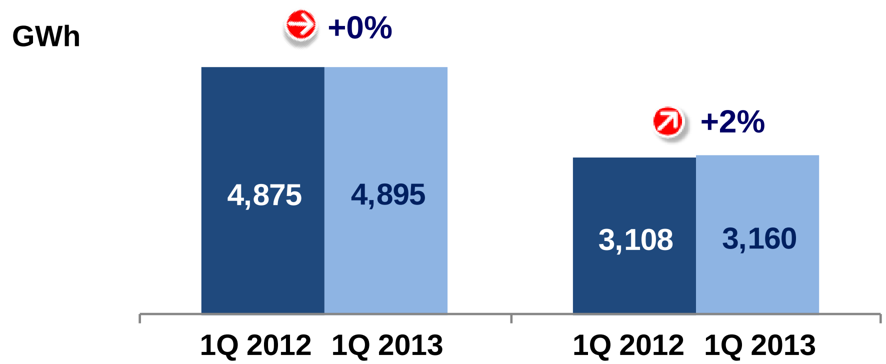
EBITDA affected by lower demand in the region and distribution business in Brazil and Argentina

€M	1Q 2013	1Q 2012	Change
Revenues	2,408	2,616	-8%
Gross margin	1,076	1,124	-4%
EBITDA	711	787	-10%
EBIT	529	598	-12%
Net finance expenses	97	126	-23%
Net income	299	328	-9%
Net attributable income	138	146	-5%

- Lower EBITDA in Brazil Dx due to expensive energy purchases and thermal costs and Argentina Dx due to higher fixed costs, partially offset by recovery in Chilean Gx operations due to entrance of Bocamina II
- Negative Fx effect at EBITDA level: -€20 M

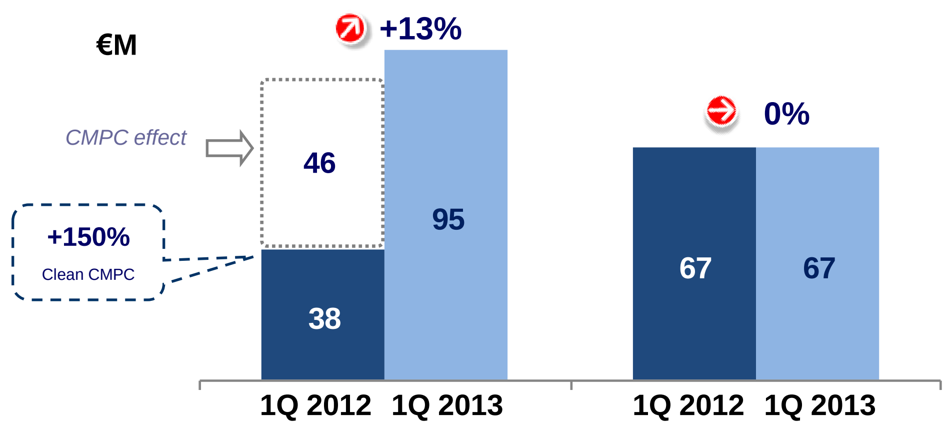
Chile: better results due to new installed capacity

Generation output Distribution sales[1]



- **Worse hydro conditions offset by thermal (Bocamina II)**
- **Stable demand supported by residential & commercial customers**

Gx EBITDA Dx EBITDA



- **Gx:** lower fuel costs and better production energy mix. Positive one-off in 1Q 2012 (CMPC)
- **Dx:** lower VAD and indexation compensated by higher volumes
- **Fx impact: +€4 M**

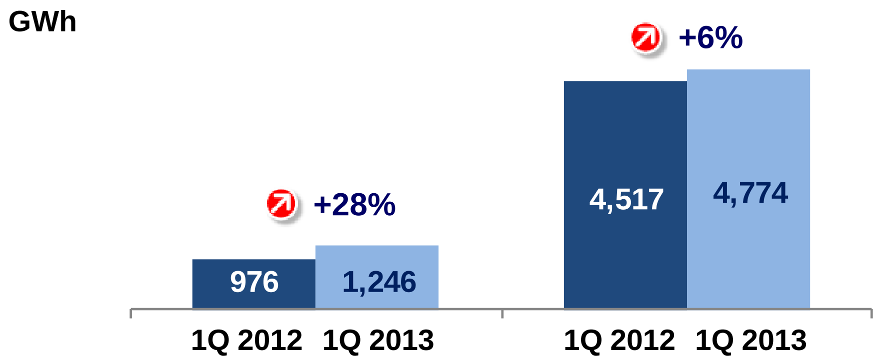
Unit margin	€27.7/MWh +11%	€27.5/MWh +2%

Total EBITDA €162 M (+7%)[2]

(1) Tolls and unbilled consumption not included (2) Does not include holding and services

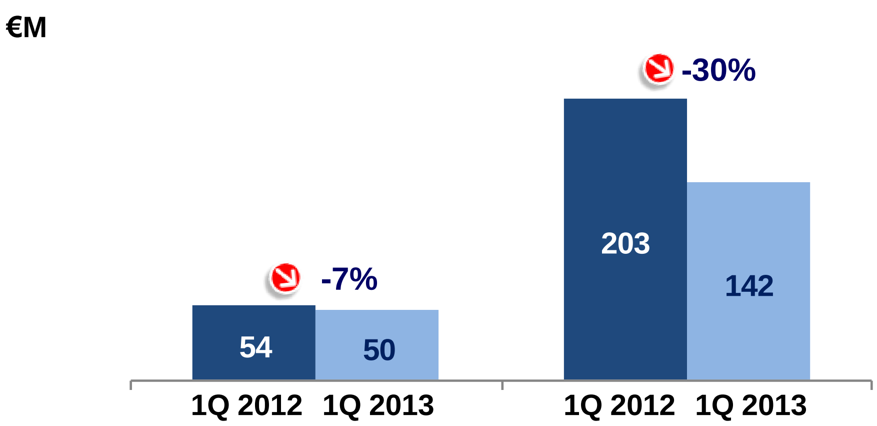
Brazil: EBITDA impacted by temporary effects

Generation output **Distribution sales(1)**



- **Output increase supported by thermal dispatch, offsetting lower hydro generation due to drought**
- **Higher Dx volumes due to weather conditions**

Gx EBITDA **Dx EBITDA**



Unit margin €32.2/MWh -4% €42.5/MWh -26%

- **Gx:** lower EBITDA due to generation mix, affected by lower hydro dispatch
- **Dx:** energy purchases in spot market and higher cost due to thermal dispatch
- **Fx impact: -€29 M**

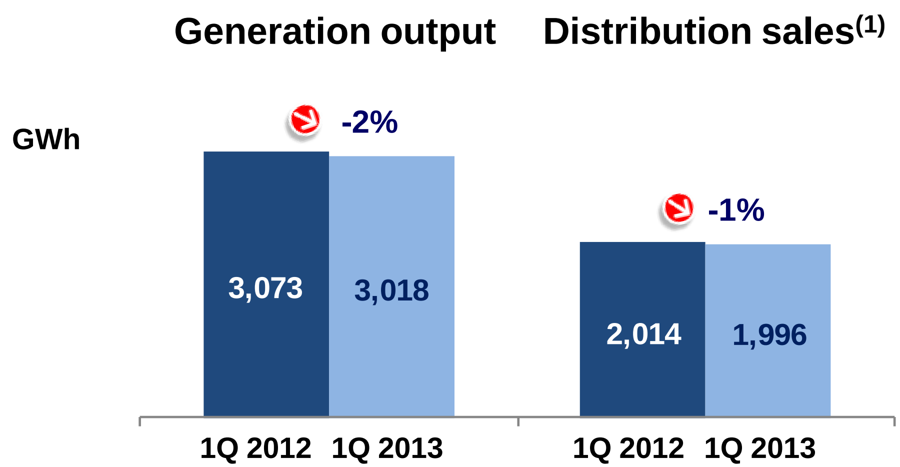
- **CIEN:** EBITDA €20M, in line with 1Q 2012

Total EBITDA €212M (-24%)(2)

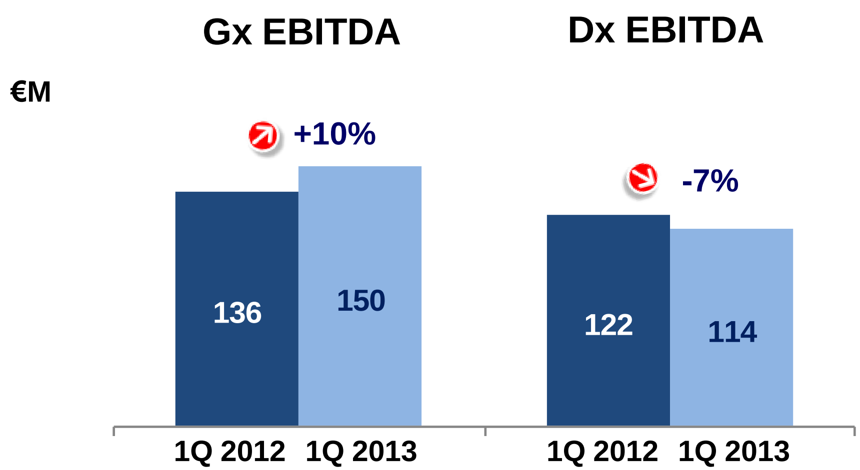
(1) Tolls and unbilled consumption not included

(2) Includes CIEN interconnection: € 20 M in 1Q 2013 and does not include Holding and Services.

Colombia: well-balanced asset portfolio



- **Output in line with 1Q 2012. Decrease in hydro generation partially offset by thermal dispatch**
- **Lower demand due to slowdown in construction activity and seasonality**



- **Gx:** higher price in spot market due to lower hydrology, partially offset by higher fuel consumption and energy purchases
- **Dx:** lower demand coupled with restrictions
- **No Fx impact**

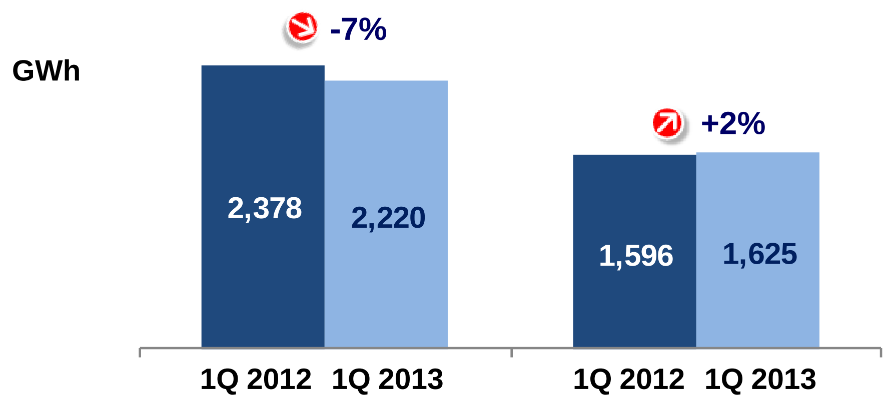
Unit margin €42.0/MWh +7% €44.6/MWh -8%

Total EBITDA €264 M (+2%)

(1) Tolls and unbilled consumption not included

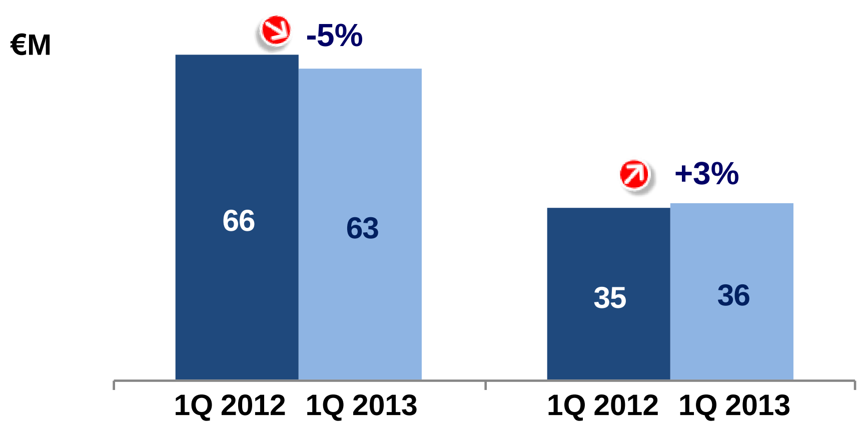
Peru: stable results

Generation output | Distribution sales[(1)]



- **Lower thermal and hydro dispatch**
- **Performance due to lower consumption of deregulated customers**

Gx EBITDA | Dx EBITDA



- **Gx:** higher thermal production in fuel-gas facilities
- **Dx:** in line with 1Q 2012
- **Fx impact: +€3 M**

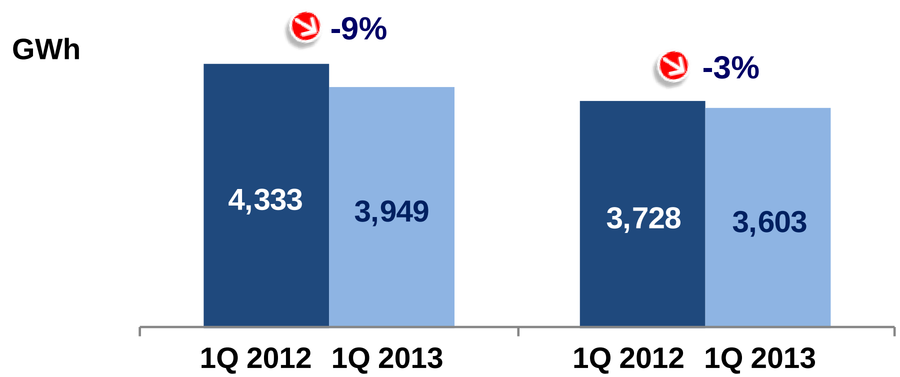
Unit margin	€31.1/MWh	+1%	€29.4/MWh	+2%

Total EBITDA €99 M (-2%)

(1) Tolls and unbilled consumption not included

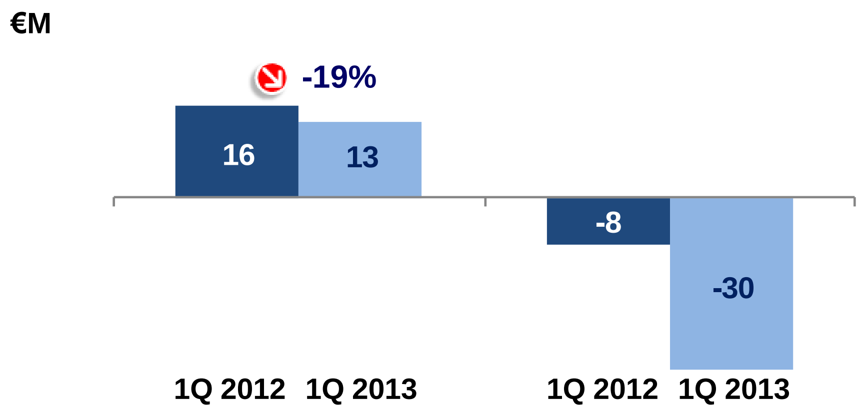
Argentina: slowdown in market dynamics

Generation output **Distribution sales**(1)



- **Generation decrease due to outages in thermal plants and lower hydro dispatch due to poor hydrology**
- **Lower demand in distribution**

Gx EBITDA **Dx EBITDA**



Unit margin	€6.9/MWh	-1%	€12.6/MWh	-3%

- **Gx:** lower margins and increased costs not compensated yet by new regulatory scheme
- **Dx:** lower demand coupled with higher fixed costs linked to inflation
- **Fx impact: +€3 M**

Total EBITDA - €17 M (2)

(1) Tolls and unbilled consumption not included

(2) Does not include CIEN interconnection

final remarks 1Q 2013

Final remarks

Complex operational and regulatory context

Spain

- Negative impact from regulation
- Exceptional market context in 1Q, cannot be extrapolated for FY2013

Latin America

- Challenging hydro conditions
- Successful closing of Enersis capital increase

appendices 1Q 2013

Installed capacity and output[1]

Installed capacity

MW at 31/03/13	Spain& Portugal	Latin America	Total
Total	**23,252**	**16,157**	**39,409**
Hydro	4,755	8,666	13,421
Nuclear	3,686	-	3,686
Coal	5,804	872	6,676
Natural gas	4,878	3,958	8,836
Oil-gas	4,129	2,574	6,702
CHP/Renewables	na	87	87

Output

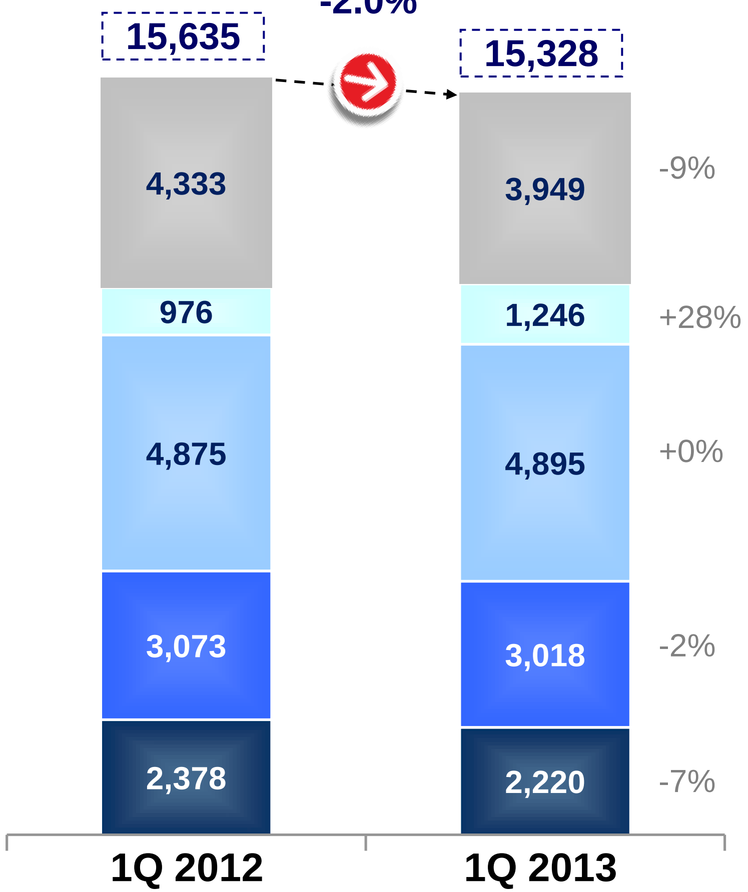
TWh 2013 (chg. vs. 2012)	Spain&Portugal		Latin America		Total	
Total	**16.8**	**-22%**	**15.3**	**-2%**	**32.2**	**-14%**
Hydro	2.7	+169%	7.2	-15%	9.9	+5%
Nuclear	6.8	-7%	-	-	6.8	-7%
Coal	4.2	-52%	1.4	+157%	5.6	-39%
Natural gas	1.5	-27%	5.8	+2%	7.3	-6%
Oil-gas	1.6	-35%	1.0	-1%	2.5	-26%
CHP/Renewables	na	na	0.1	+16%	0.1	+16%

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

Latin America: generation and distribution figures

Generation Output

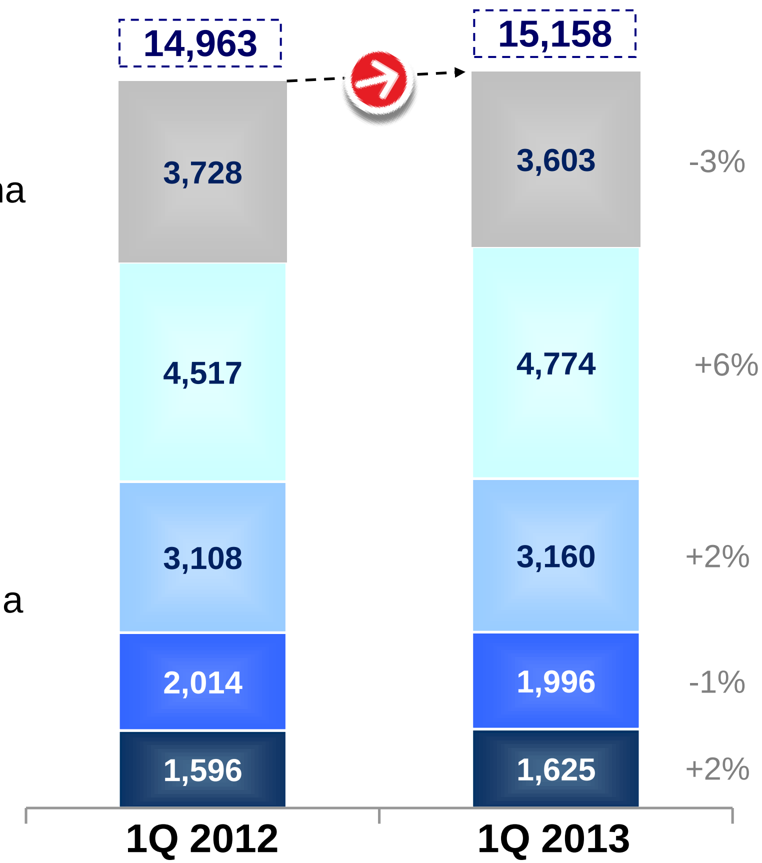
GWh



Argentina
Brazil
Chile
Colombia
Peru

Distribution Sales(1)

GWh

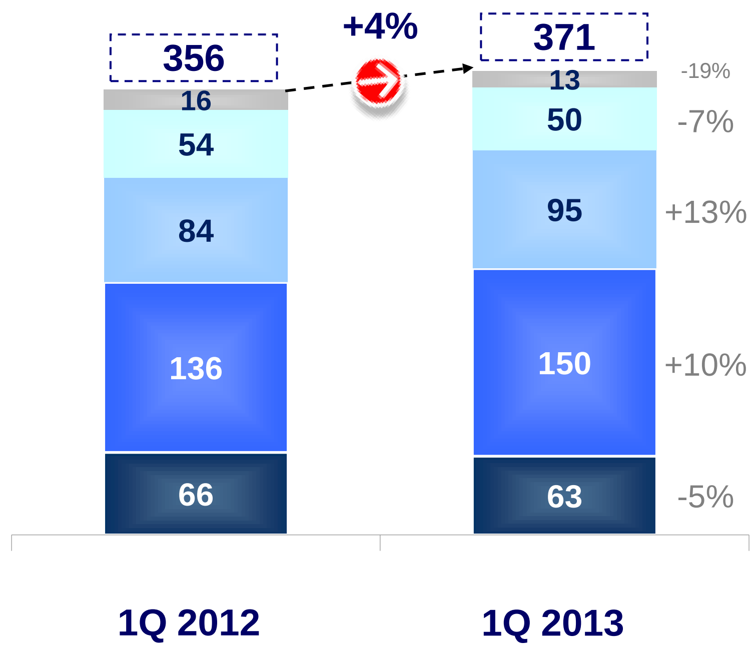


(1) Tolls and unbilled consumption not included

Latin America: Ebitda break down by country and business nature

Ebitda Generation[1]

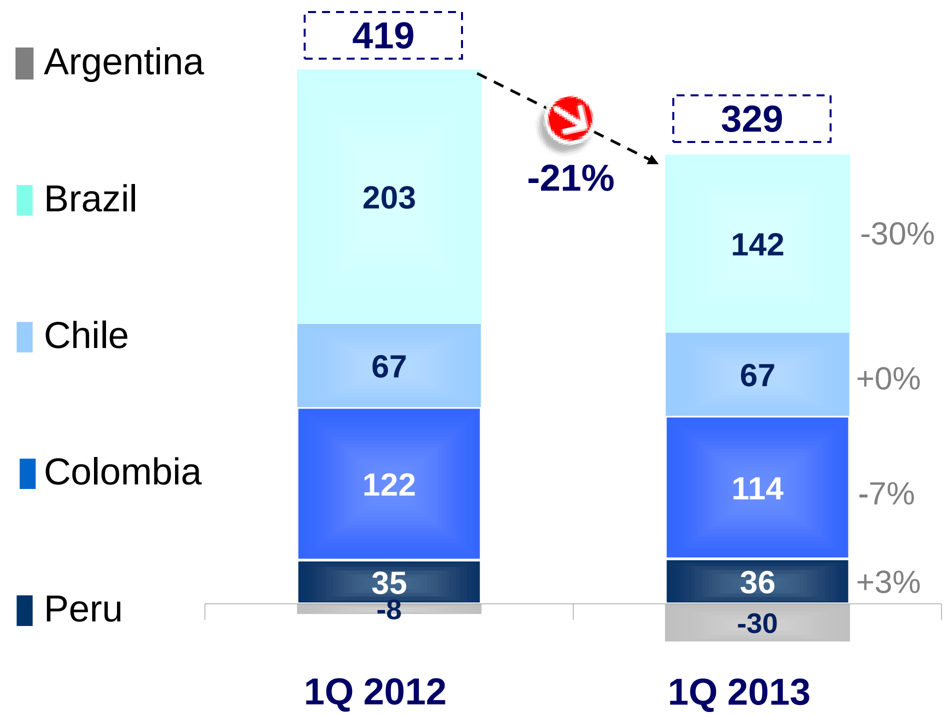
€M



Unit margin: €25.1/MWh → +6% → €26.7/MWh

Ebitda Distribution

€M

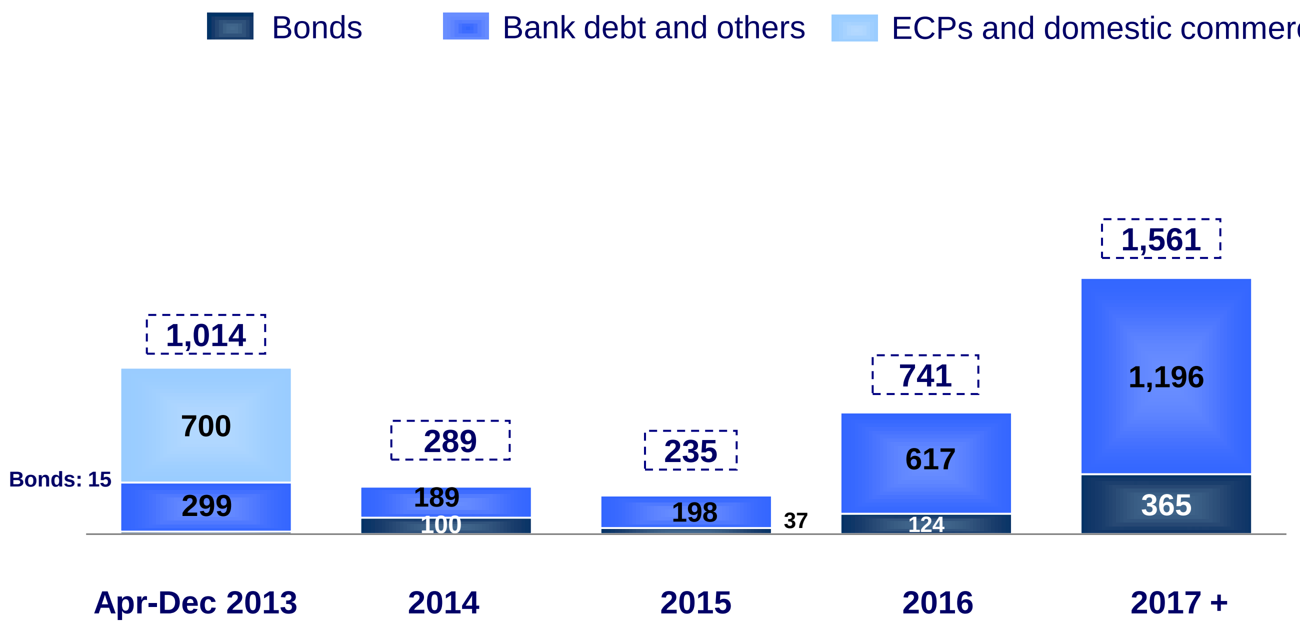


Unit margin: €36.1MWh → -12% → €31.6/MWh

(1) *Does not include CIEN interconnection: €20 M*

Endesa (excl. Enersis): financial debt maturity calendar

Gross balance of maturities outstanding at 31 March 2013: €3,840 M(1)



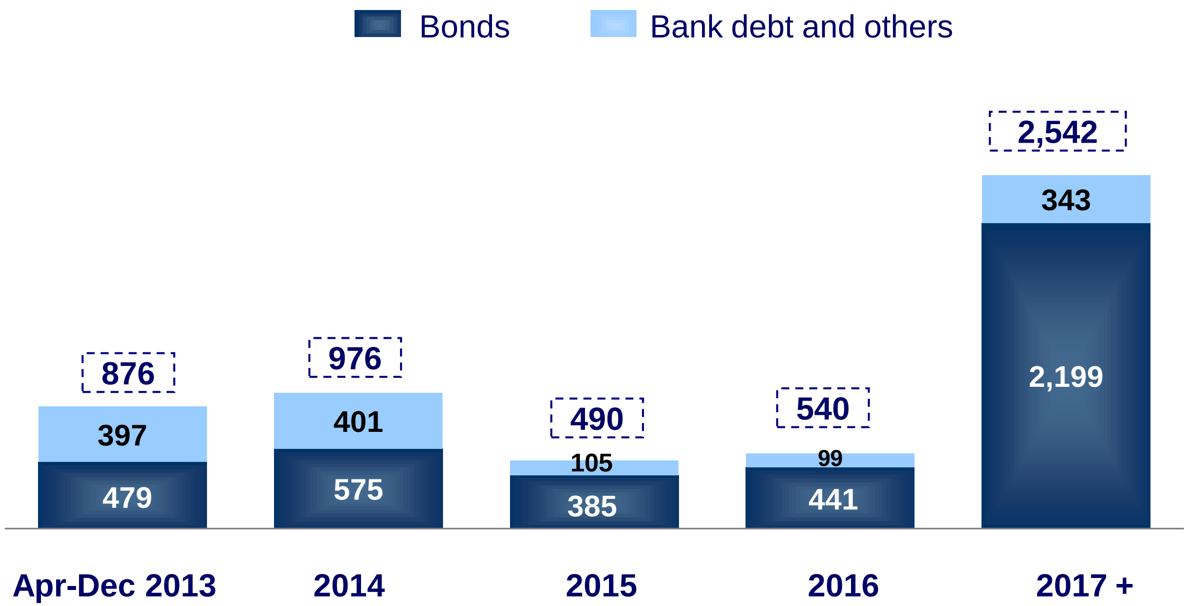
Endesa's liquidity excl. Enersis covers 43 months of debt maturities

- Liquidity €6,729 M
  - €248 M in cash
  - €6,481 M available in credit lines
- Average life of debt: 6.0 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) 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 2013: €5,424 M[(1)]



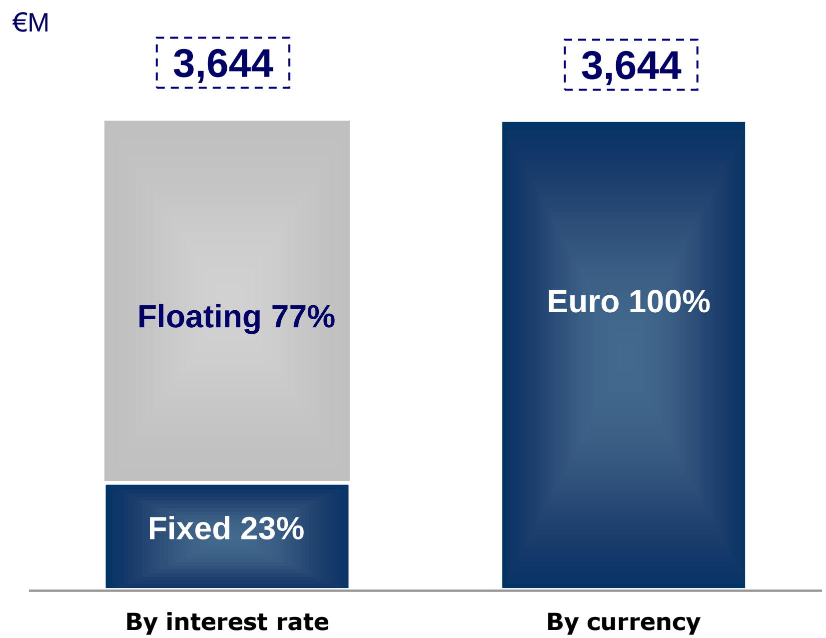
Enersis has sufficient liquidity to cover 38 months of debt maturities

- **Liquidity €3,007 M:**
  - **€2,463 M in cash**
  - **€544 M of syndicated loans available**
- **Average life of debt: 5.3 years**

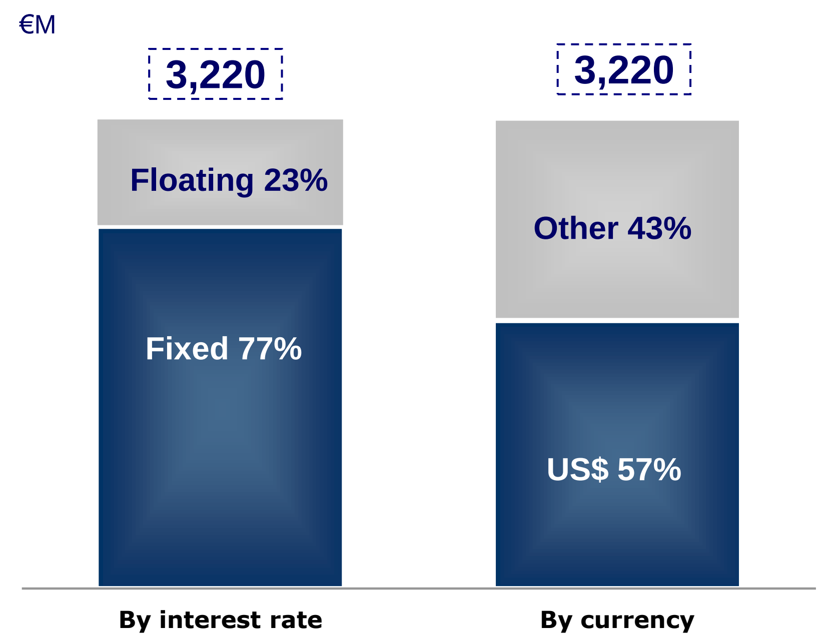
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

Financial policy and net debt structure

Structure of Endesa's net debt ex-Enersis



Enersis net debt structure



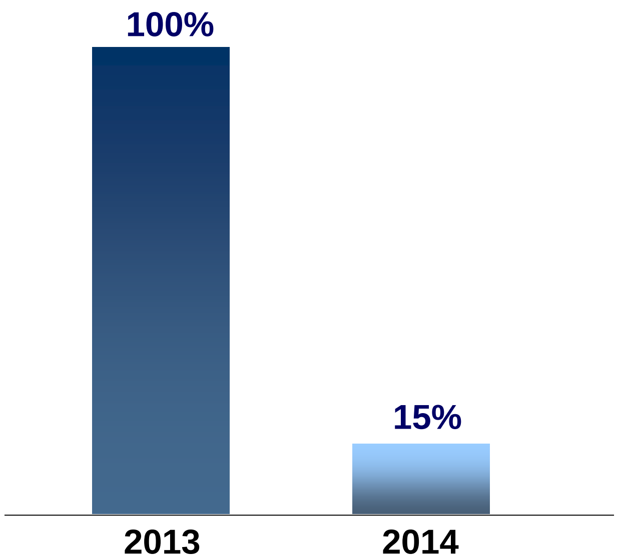
Average cost of debt	3.3%	8.2%

- **Net 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 as of 31 March 2013

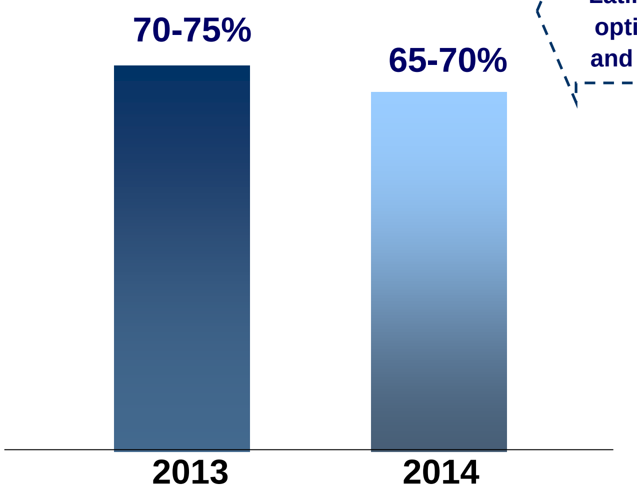
Well on track on forward sales strategy

Spain & Portugal
(% estimated mainland output hedged)



Consistent commercial policy

Latin America
(% estimated output hedged)



Contracting level in Latin America that optimizes margin and risk exposure

35% of the generation sold via contracts > 5 yrs and 19% via contracts > 10 yrs

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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