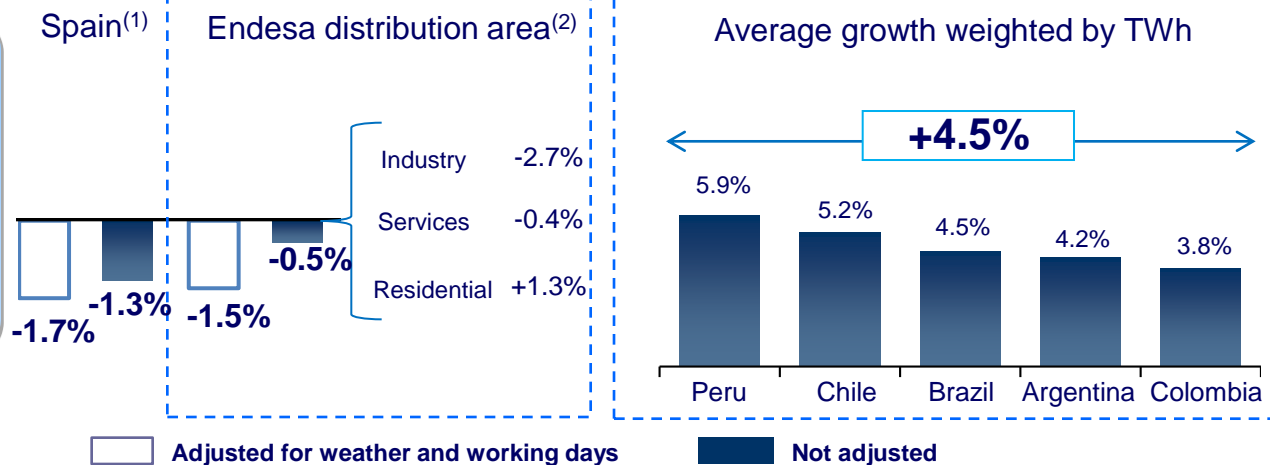


# endesa FY 2012 results

## Business context in 2012

### Demand

**Spain:**  
demand  
decrease due  
to lower  
industrial  
activity

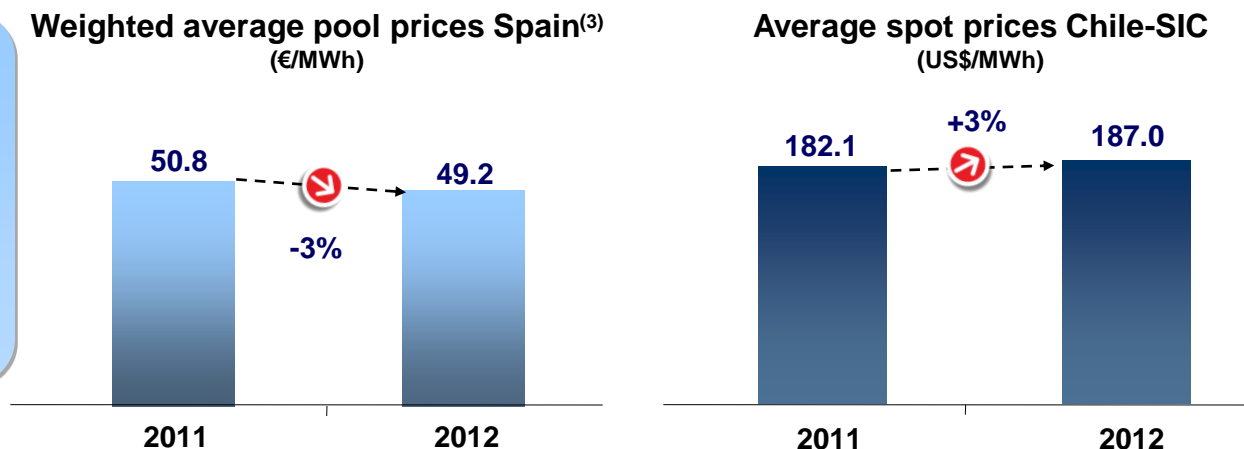


**Latin  
America:** solid  
growth in all  
countries  
mainly in Peru  
and Chile

- (1) Mainland. Source: REE  
(2) Mainland. Source: Endesa's own estimates

### Electricity wholesale prices

**Spain:** slight  
decrease in  
prices due to  
weak demand  
and despite  
lower hydro



**Chile:** slight  
increase in  
prices due to  
higher thermal  
contribution

(3) Excluding ancillary services and capacity payments. 47.2 €/MWh average baseload equivalent.

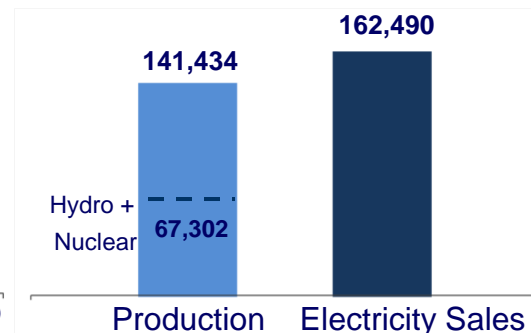
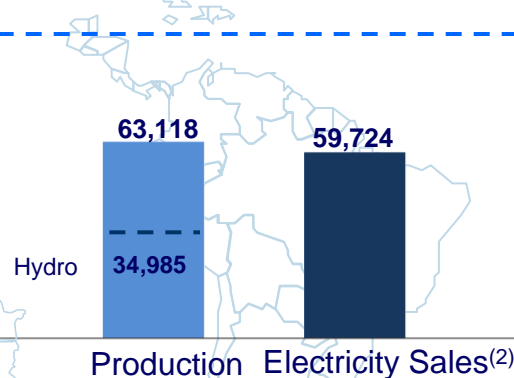
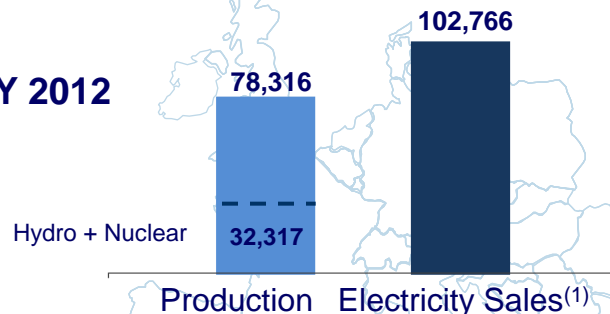
## Results supported by a well diversified assets portfolio

### Spain&Portugal&Others

### Latin America

### Total Endesa

GWh FY 2012



(% over FY 2011)

+3%

-2%

+1%

+5%

+2%

+0%

EBITDA FY 2012

Liberalized	35%
Regulated	65%
	<u>100%</u>

Liberalized	49%
Regulated	51%
	<u>100%</u>

Liberalized	42%
Regulated	58%
	<u>100%</u>

**Efficient mix and balanced business profile**

(1) Sales to final customers

(2) Tolls and unbilled consumption not included

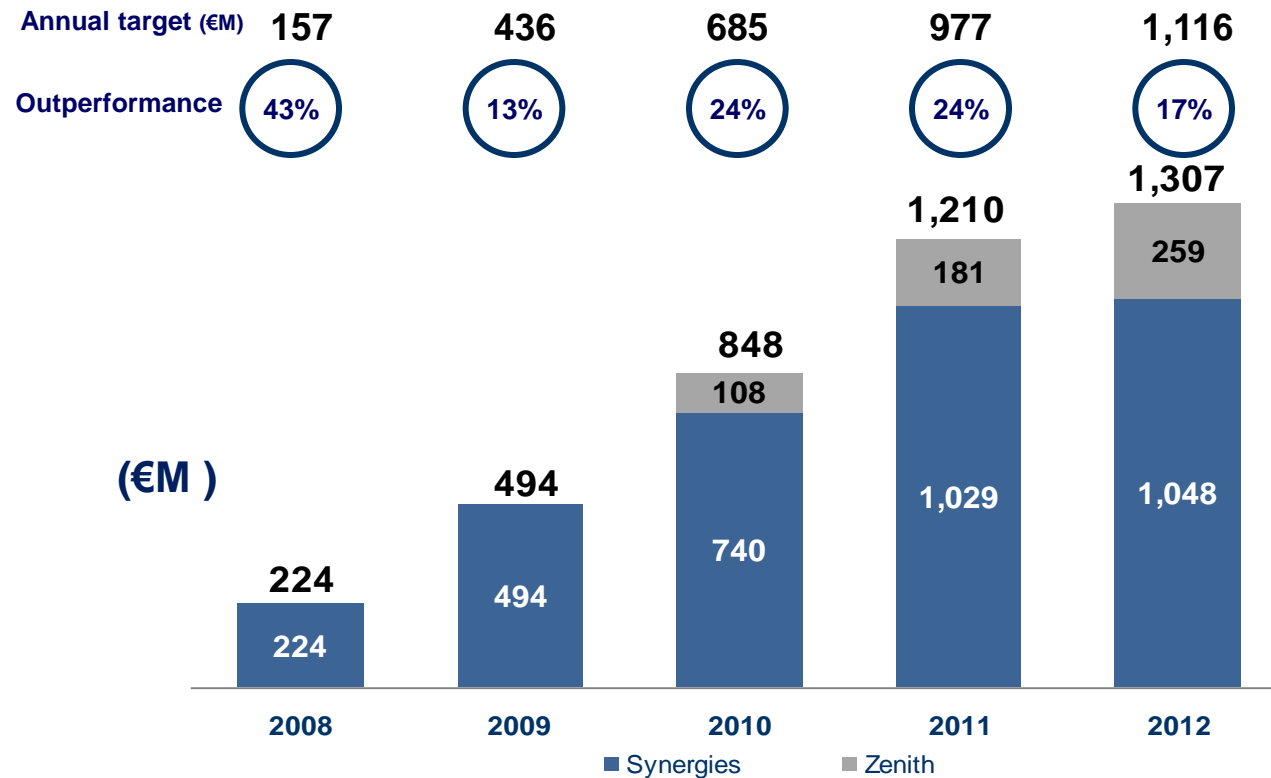
# Operating results negatively affected by regulatory, economic and weather conditions

€M	2012	2011	Change
<b>Revenues</b>	33,933	32,686	<b>+4%</b>
<b>Gross margin</b>	10,828	11,004	<b>-2%</b>
<b>EBITDA</b>	7,005	7,265	<b>-4%</b>
<b>Spain&amp;Portugal&amp;Others</b>	3,796	4,024	<b>-6%</b>
<b>Latin America</b>	3,209	3,241	<b>-1%</b>
<b>EBIT</b>	4,418	4,653	<b>-5%</b>
<b>Net finance expenses</b>	599	640	<b>-6%</b>
<b>Net attributable income<sup>(1)</sup></b>	2,034	2,212	<b>-8%</b>

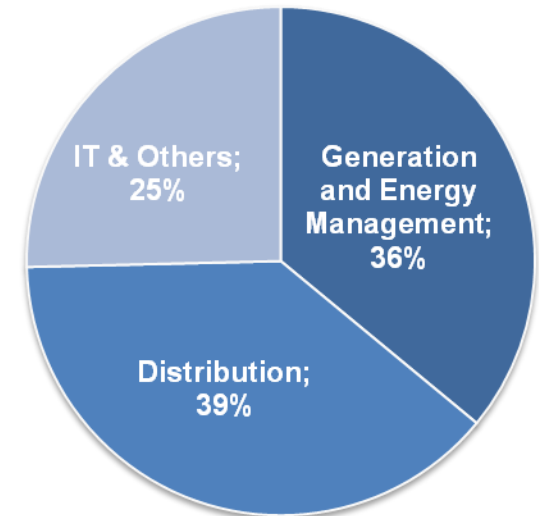
- **Iberia:** €313 M negative impact from regulatory measures (RDL 13/2012 & 20/2012) partially offset by better results in the liberalized business
- **LatAm:** In a generally positive economic environment, results were affected by Chilean drought and operations in Argentina

(1) 2011: €123 M of capital gain from the sale of Endesa Servicios

## 2012 efficiency and synergy targets with Enel exceeded



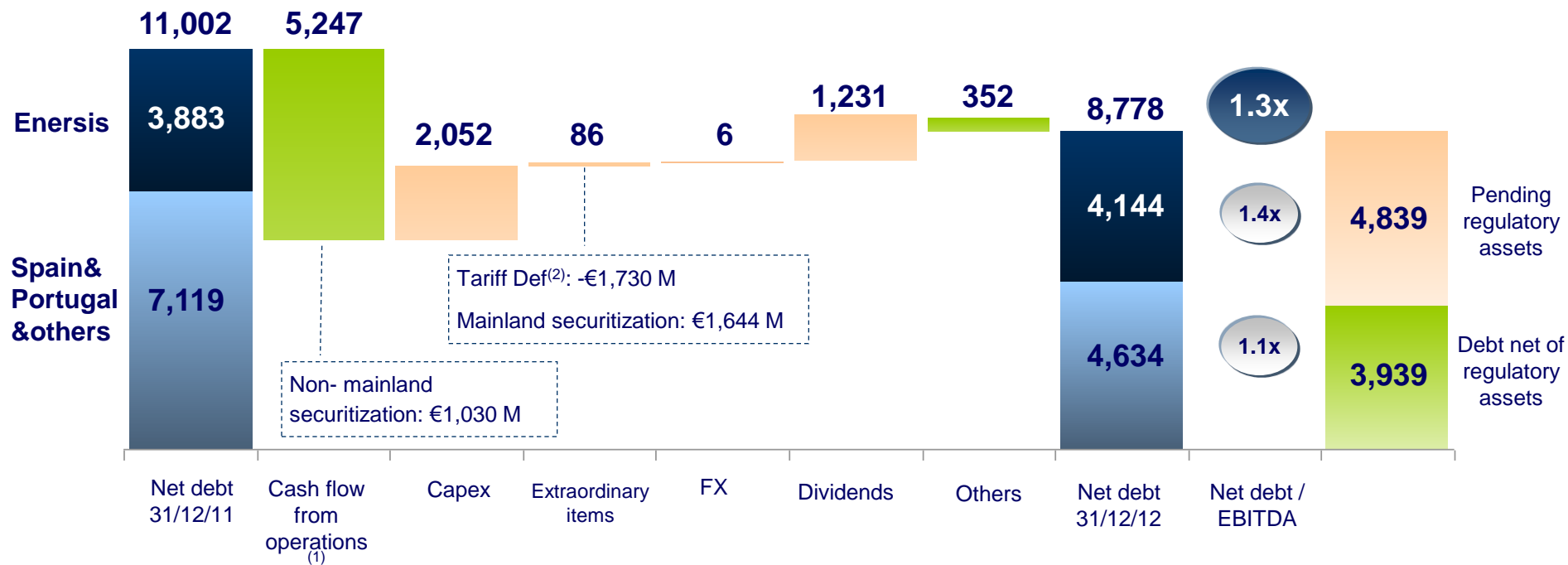
### Synergies achieved in 2012



- Original efficiency programs with Enel successfully completed
- Outperformance every single year
- Further managerial initiatives under study to counterbalance the challenging outlook

## Sound financial position

### Net debt evolution in 2012 (€M)



**Solid financial leverage and strong liquidity position**

	31/12/11	31/12/12
<b>Leverage</b> (net debt/equity) <sup>(3)</sup>	<b>0.4</b>	<b>0.3</b>

**Endesa liquidity excluding Enersis covers 46 months of debt maturities**

**Enersis liquidity covers 18 months of debt maturities**

(1) Includes non-mainland securitization

(2) Includes payments/collections from CNE settlements in 2012

(3) Net debt figure includes pending regulatory assets

## Spain: regulation update (I)

### Legislation enacted in 2012

### Impact on Endesa

#### Main regulation initiatives

- RDL 1/2012: suspends the renewable projects that were not approved for inclusion in the pre-registry
- RDL 13/2012:
  - Decrease in distribution and transmission remuneration
  - Other measures: capacity payments, national coal, etc.

**≈ - €0.3 bn**
- RDL 20/2012: decrease in non-mainland generation and transmission remuneration
 

**≈ - €0.1 bn**
- Law 15/2012:
  - Sets 4 kinds of taxes affecting generation
  - Revenues from above taxes and CO<sub>2</sub> auctions proceeds to be transferred to the electricity sector

**≈ - €0.9 bn<sup>(1)</sup>**
- RDL 29/2012:
  - €1.5 bn of 2012 tariff deficit cap removed
  - 2013 access tariffs sufficiency target removed

(1) From January 1<sup>st</sup>, 2013

## Spain: regulation update (II)

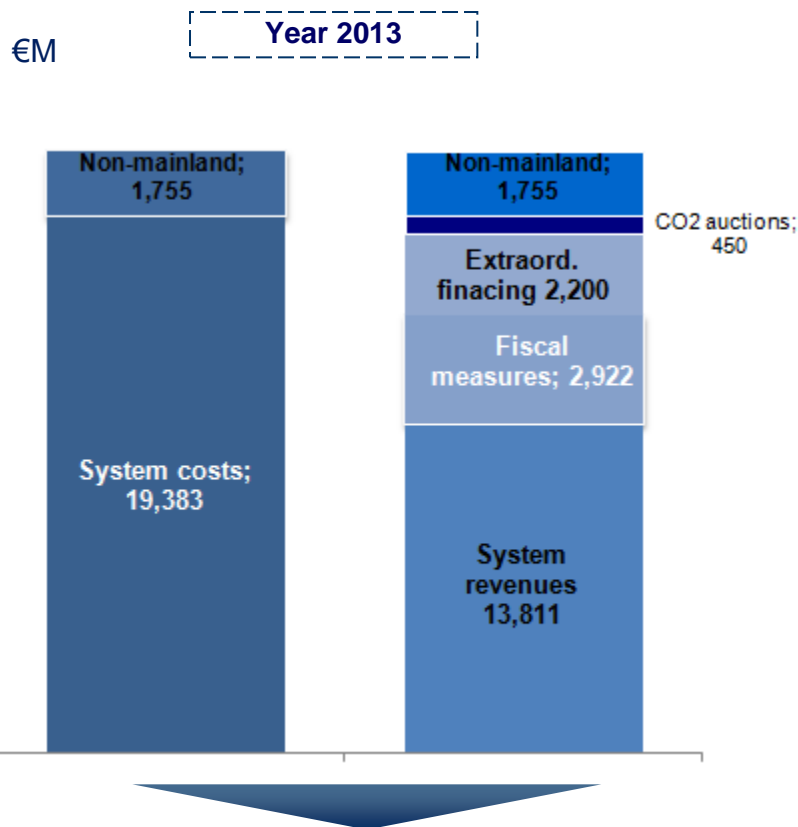
### Legislation enacted in 2013

#### Main regulation initiatives

- RDL 2/2013: €0.6 – 0.8 bn of lower revenues in regulated and renewable activities
  - Change in the inflation index used to update revenues of regulated activities
  - Elimination for renewables to switch remuneration scheme
- 2013 electricity tariff order:
  - Access tariffs unchanged
  - No consolidation of rebilling (April 2012) in access tariffs
  - Last Resort Tariff: +3.1% after 21<sup>st</sup> December 2012 CESUR auction
  - Recognition of €74.2 M from 2010 distribution quality incentives
  - 2012 ex-post tariff deficit recognized in 14<sup>th</sup> CNE settlement can be transferred to FADE
- Resolution 1736 on national coal:
  - 20 TWh of expected production for 2013
  - No taxes pass-through from Law 15/2012



## Spain: No expected tariff deficit in 2013



**Tariff  
sufficiency  
for 2013**

- State contribution through €2.2 bn extraordinary financing
- State Budget to bear 100% of non-mainland compensations

- State Budget to fund €2.2 bn by means of an extraordinary financing and €1.8 bn non-mainland generation compensations thru PGE 2014
- Utilities should not fund any structural tariff deficit in 2013

## Additional comments to regulatory measures

- Large and discriminatory financial impact on traditional utilities.
- Conventional generation has received an additional burden instead of a relief to its already critical situation.
- National coal power plants, while performing a public service obligation, will be forced to produce electricity at a loss.
- Combined cycles will receive a lower capacity payment when they perform an essential back-up service to renewables.
- Remuneration of generation investments on the islands has been retroactively decreased to well below a reasonable return level.
- Also distribution remuneration has been retroactively decreased to well below a reasonable return level.
- Remuneration schemes of distribution and island generation are presently discriminated with respect to other regulated activities, particularly electricity transmission, solar generation and gas storage.

## Update on tariff deficit securitization process

### Receivables transferred to FADE in July 2010

- 1<sup>st</sup> tranche fully securitized (€13.6 bn as of November 2010) <sup>(1)</sup>:
  - €9.8 bn securitized in 2011 (€5.1 bn for Endesa; 52% share)
  - €3.3 bn securitized in 2012 (€1.7 bn for Endesa; 52% share)

### Receivables communicated to FADE in October <sup>(2)</sup> 2012

- 2<sup>nd</sup> tranche transferred (€7 bn as of October 2012):
  - €2.5 bn of ex-post 2010 deficit,
  - €3 bn of ex-ante 2011 deficit
  - €1.5 bn of ex-ante 2012 deficit



€ 3.1 bn for Endesa
- Securitization status:
  - €2.2 bn securitized in 2012 (€1.0 bn for Endesa; 44% share)
  - €1.3 bn securitized in 2013 (€0.6 bn for Endesa; 44% share)

### Progress in securitization process

(1) FADE Prospectus dated 23<sup>rd</sup> November 2010

(2) FADE Prospectus dated 4<sup>th</sup> October 2012

## Spain: regulation conclusions

**Tariff sufficiency for 2013 achievable**

**State contributions are needed to guarantee the system balance**

**Latest regulatory measures (RDL 2/2013) go in the right direction**

**Securitization progress is key for the system sustainability**

## Latam: regulation update

### Chile

- Electrical Highway: Under debate in the Congress, Government priority
- Renewables: Current target 10/2024 under review
- Chilectra tariff review
  - Revision process ended (final decree pending). New tariffs to apply from 4<sup>th</sup> November 2012. Expected reduction of VAD: 4.5%

### Brazil

- Regulatory changes in concessions and industry tax charges to reduce tariffs by 20% on average (Law 12,783). Positive impact €180 M
- Concessions:
  - No negative impact expected for ENDESA 's subsidiaries: renewals after 2020.
  - Reduction in tax charges applies to electricity (pass-through for Dx companies)

### Argentina

- Distribution: Resolution increases VAD by 40% and tariffs by 20%
  - Edesur to collect charges for investments and maintenance. Managed by a trust. Expected new income: ~90 Mill USD/year. Applies from Nov. 2012
- Endesa Costanera (ENCOS) – Contracts for OPEX and CAPEX
  - Dec. 19: ENCOS signed contract with Cammesa USD140 M (USD35 M/y for 4 years) for upgrading CCGTs. To pay also for LTSA
  - Jan. 18: ENCOS signed contract with Cammesa for ~USD164 M to improve availability of Costanera's Steam turbines.

### Peru

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

## Energis capital increase update: EGM firmly supports the transaction

**Successful  
EGM  
(December  
20<sup>th</sup> 2012)**

- ✓ 82% of total shares approved the capital increase
- ✓ Total capital increase equivalent to USD 5,995<sup>(1)</sup> million:
  - Conosur valued at USD 3,634 million
  - The balance (up to USD 2,361 million) in cash contribution
- ✓ Share subscription price: CLP 173 / share

(1) Exchange Rate as of Dec. 20<sup>th</sup>, 2012: 474.42 CLP/ 1 USD.

### Calendar

19-Feb	Record Date Local Shares (Chile)
25-Feb	Record Date ADS (U.S.A.)
25 Feb – 26 Mar	Rights Period Begins / Ends (Chile)
26 Feb – 21 Mar	ADS Rights Period Begins / Ends <sup>(1)</sup> (U.S.A.)
27– 28 Mar	Rump offering period (Chile/U.S.A.)

#### February 2013

M	TU	W	T	F	S	SU
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

#### March 2013

M	TU	W	T	F	S	SU
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

The offering of new shares by means of share rights to holders of shares will expire at 11:59 p.m. (Santiago, Chile time) on March 26, 2013. The offering of new ADSs by means of ADS rights to holders of ADSs will expire at 2:15 p.m. (New York City time) on March 21, 2013.

**spain&portugal&others FY 2012**

## Highlights in 2012

**Regulated business: negatively impacted by latest regulatory measures**

**Output generation (+4%)<sup>(1)</sup> with outstanding performance of imported coal (+35%) and nuclear (+7%)**

**Better liberalized margins supported by higher selling prices and better production / purchases mix**

**Positive performance of fixed costs and financial expenses**

**Leadership in supply (39% market share) and ordinary regime generation (37%) and 2<sup>nd</sup> player in gas supply market (16%)**

(1) Mainland. Does not include Portugal



# Results affected by challenging business context and regulatory measures

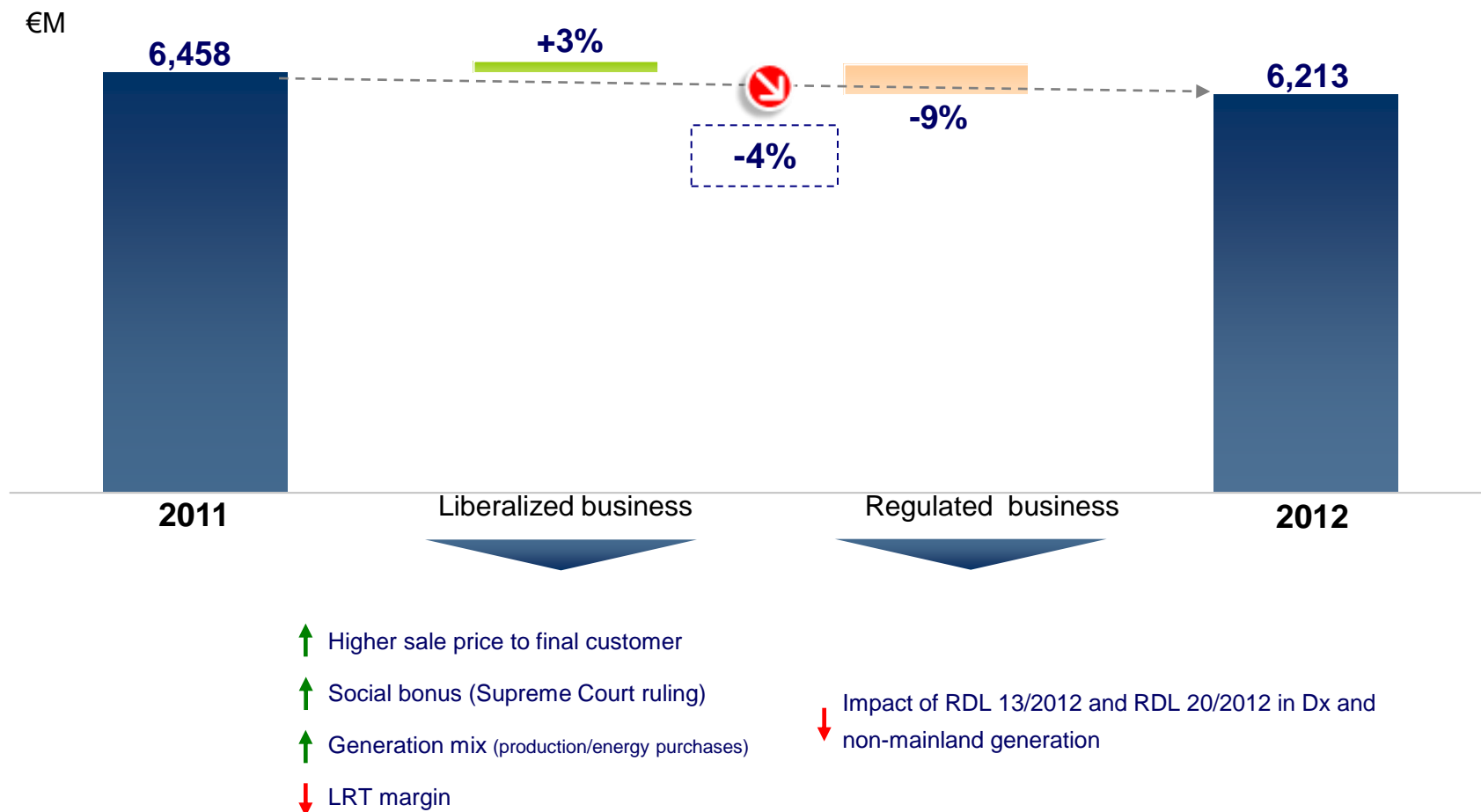
€M	2012	2011	Change
<b>Revenues</b>	23,146	22,650	<b>+2%</b>
<b>Gross margin</b>	6,213	6,458	<b>-4%</b>
<b>EBITDA</b>	3,796	4,024	<b>-6%</b>
<b>EBIT<sup>(1)</sup></b>	1,998	2,244	<b>-11%</b>
<b>Net finance expenses</b>	256	287	<b>-11%</b>
<b>Net attributable income<sup>(2)</sup></b>	1,410	1,593	<b>-11%</b>

## Impact of 2012 regulatory measures and lower debt

(1) 2012 D&A includes Endesa Ireland value adjustment (- €67 M), CDM write-off (- €28M), Encasur (- €66 M), Garoña (- €60 M) and CO<sub>2</sub> (- €67 M)  
2011 D&A includes Endesa Ireland value adjustment (- €96 M) and CO<sub>2</sub> (- €227 M)

(2) 2011: €123 M of capital gain from the sale of Endesa Servicios

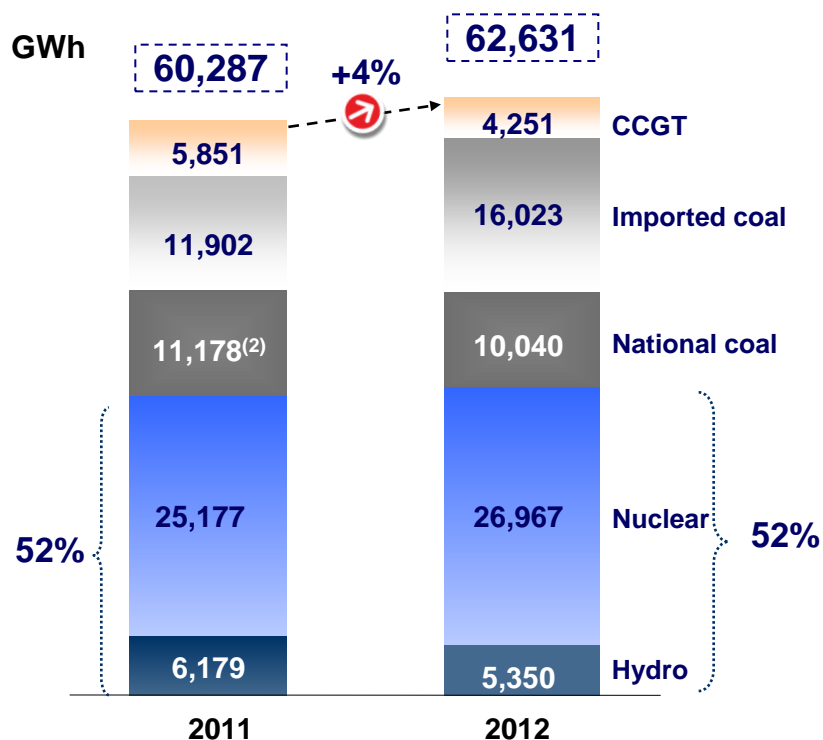
## Positive performance of liberalised margins



**€313 M impact of 2012 regulatory measures**

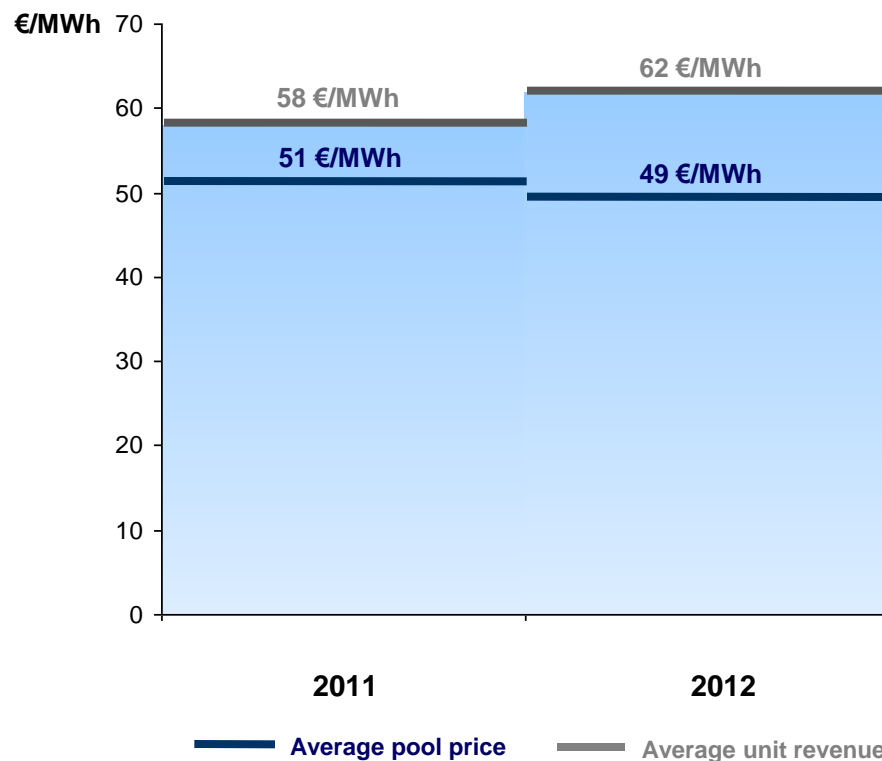
# Liberalized business supported by higher generation and selling prices

## Increase in mainland output<sup>(1)</sup>



- National Coal RD in force since end February 2011
- Coal more competitive in a low CO<sub>2</sub> price context

## Market margins evolution: wholesale price vs. price to end customers



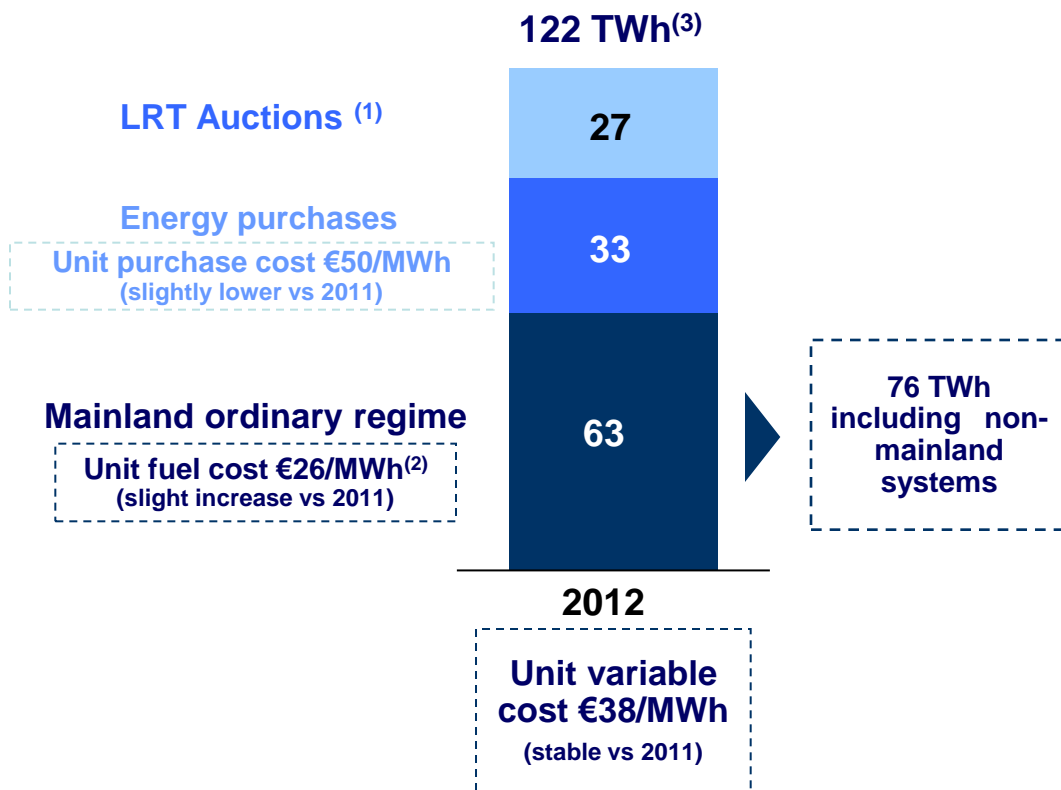
- Margin expansion due to higher selling prices and better energy mix (production/energy purchases)

(1) Does not include Portugal

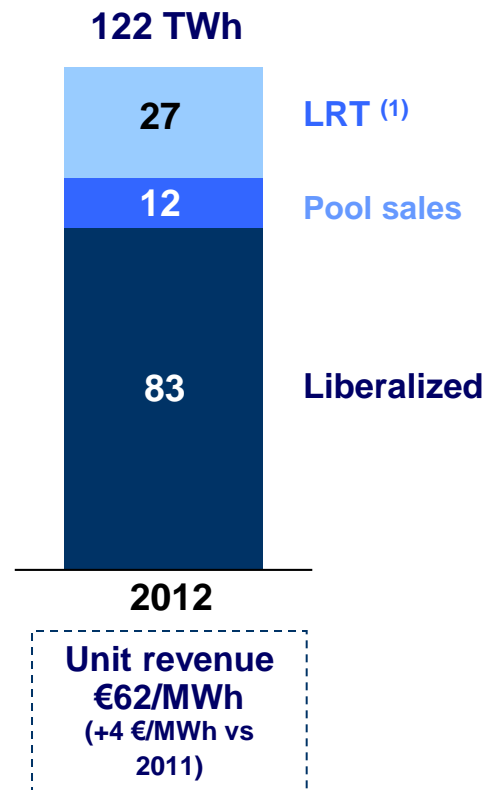
(2) 7,382 GWh under RD promoting national coal generation

# Energy management optimization

## Gross electricity sources



## Gross electricity sales



- Increase in electricity unitary margin (+19%) supported by higher generation output and higher underlying selling price

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

(2) Includes fuel cost and CO<sub>2</sub>

(3) Differences between single and aggregate data is due to rounding number

# latin america FY 2012



## Highlights in FY 2012

**Strong economic performance: distribution sales (+4.6%)(<sup>1</sup>)**

**37% drop in EBITDA in generation Chile due to worse mix as severe drought intensified coupled with expiration of risk transfer clauses**

**Strong contribution from Colombian operations**

**Enactment of Law 12,783/13 in Brazil resulted in €180 M of positive impact as a consequence of higher terminal values for our distribution concessions**

**Argentina: negative results... but positive signals coming from recent regulatory improvements in Dx and Gx**

## Stable results despite difficult business environment

€M	FY 2012	FY 2011	Change
<b>Revenues</b>	10,787	10,036	<b>+7%</b>
<b>Gross margin</b>	4,615	4,546	<b>+2%</b>
<b>EBITDA</b>	3,209	3,241	<b>-1%</b>
<b>EBIT<sup>(1)</sup></b>	2,420	2,409	<b>0%</b>
<b>Net finance expenses<sup>(2)</sup></b>	343	353	<b>-3%</b>
<b>Net income</b>	1,376	1,428	<b>-4%</b>
<b>Net attributable income</b>	624	619	<b>+1%</b>

- + €180 M higher financial revenues after enactment of Law 12,783/13 in Brazil
- Positive Fx effect in EBITDA (+ €132 M)

(1) 2011 D&A includes €38 M of provision reversion from CIEN

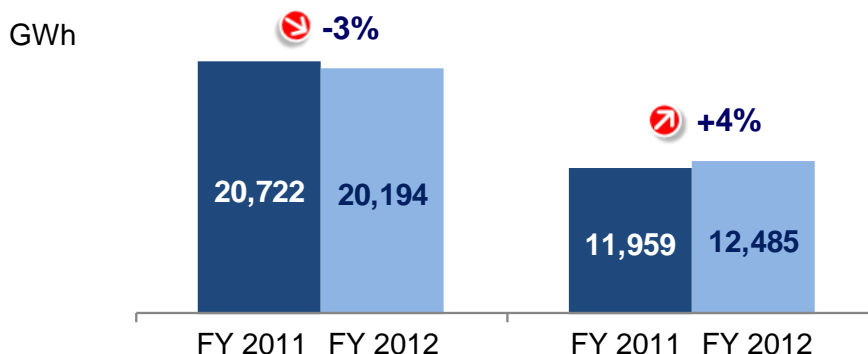
(2) 2011 includes: (i) +€36 M from ruling on appeal regarding income tax accrued in previous years and +€51 M of higher financial income related to the agreement reached with CELG (Brazil) on accounts receivables.

2012 includes +€180 M linked to the update of the valuation of assets associated to distribution concessions in Brazil after enactment of Law 12,783/13



## Chile: drought impacting generation results

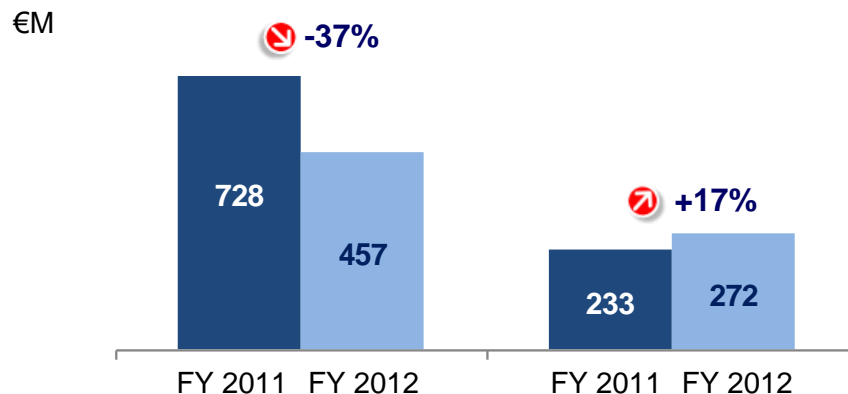
### Generation output Distribution sales<sup>(1)</sup>



- Worse hydro conditions
- Start of operations of Bocamina II in 4Q
- Solid growth in Dx sales

### Gx EBITDA

### Dx EBITDA



- Gx:**
  - Worsening mix as drought intensified
  - Lower selling prices (risk transfer clauses)
  - FY 11 included €109 M from RM 88
  - Partially compensated by one-off effects (insurance indemnities and CMPC)
- Dx: higher volumes**
- Fx impact: + €52 M**

### Unit margin

€30.3/MWh -26%

€28.4/MWh +8%

**Total EBITDA €729 M (-24%)<sup>(2)</sup>**

(1) Tolls and unbilled consumption not included

(2) Does not include holding and services

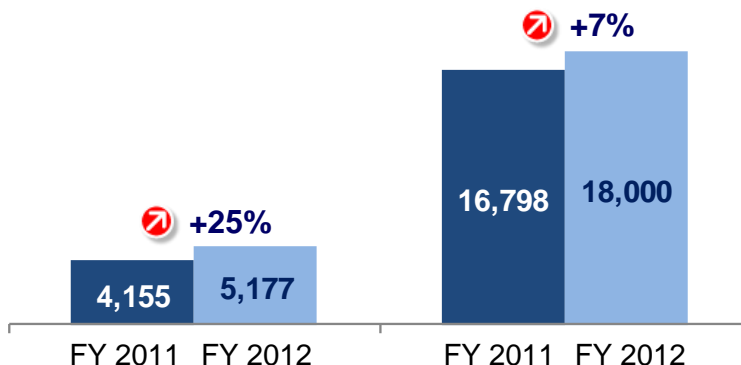




## Brazil: stable results despite one-off effects

### Generation output    Distribution sales<sup>(1)</sup>

GWh

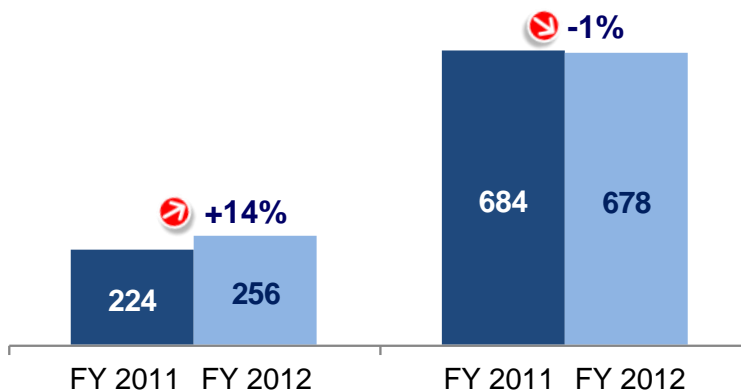


- Higher Gx supported by higher hydro output and thermal dispatch
- Higher Dx volumes due to weather conditions and increased client base

### Gx EBITDA

### Dx EBITDA

€M



- Gx: higher volumes and prices
- Dx: Despite impact of tariff revision in Coelce, higher volumes and better client mix supported results
- Fx impact: - €79M

### Unit margin

€38.1/MWh	+7%	€49.3/MWh	-7%
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- CIEN: lower EBITDA due to reversal of provisions in FY 2011 (- €38 M)

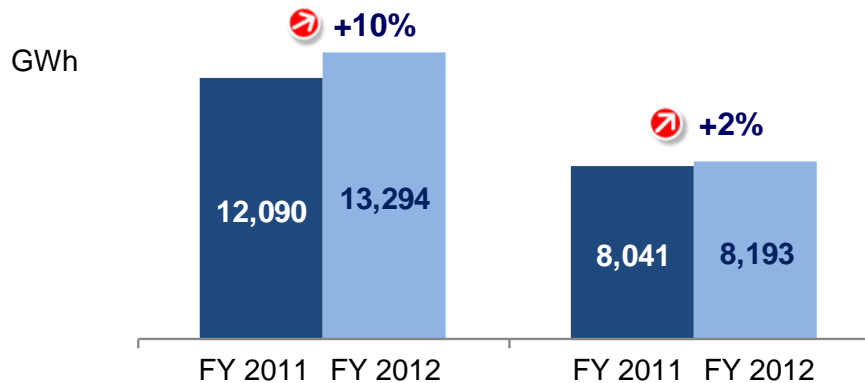
**Total EBITDA €1,016M (-2%)<sup>(2)</sup>**

(1) Tolls and unbilled consumption not included

(2) Includes CIEN interconnection: € 82 M in 2012 and does not include Holding and Services.

# Colombia: outstanding performance even stripping out net worth tax in 2011

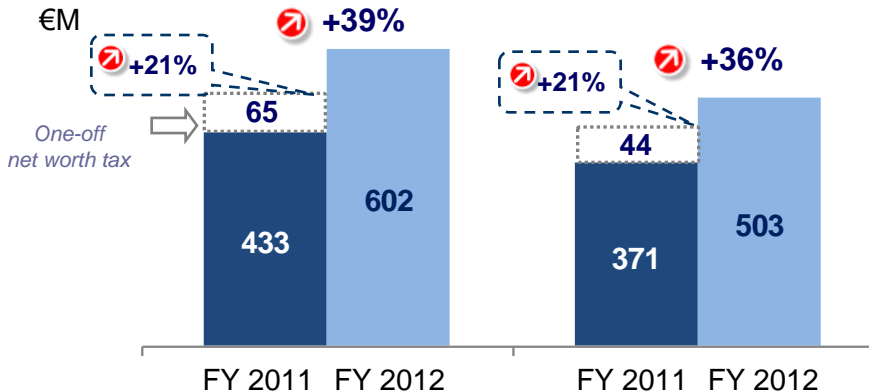
## Generation output    Distribution sales<sup>(1)</sup>



- Strong increase in generation due to better hydro conditions and thermal dispatch
- Higher sales due to increase in demand and client base

## Gx EBITDA

## Dx EBITDA



- Gx:**
  - Higher output and average prices, partially offset by energy purchases
  - FY 11 net worth tax: - €65 M
- Dx:**
  - Higher volumes and tariff positive variations
  - FY 11 net worth tax: - €44M
- Fx impact: + €112 M**

**Unit margin**    €39.9/MWh    +12%    €48.9/MWh    +16%

**Total EBITDA €1,105 M (+37%)<sup>(2)</sup>**

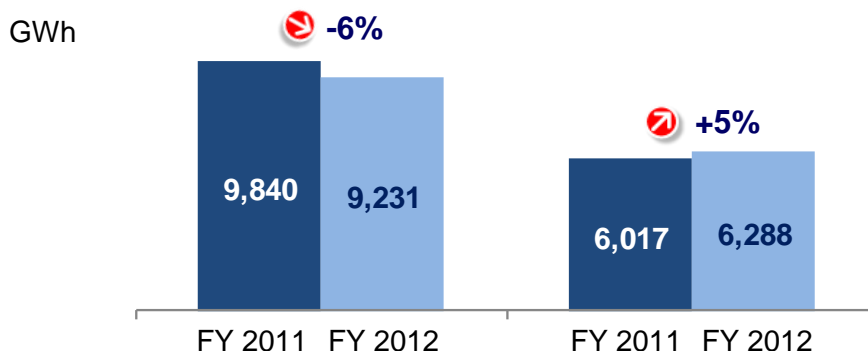
(1) Tolls and unbilled consumption not included

(2) +21% stripping out net worth tax



## Peru: solid results

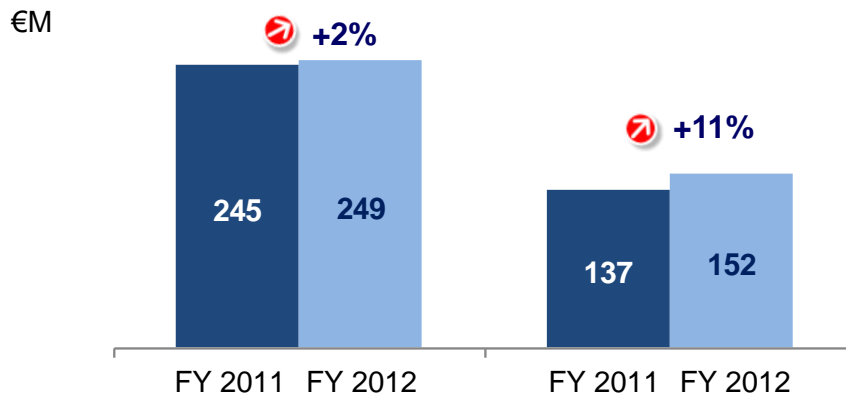
### Generation output    Distribution sales<sup>(1)</sup>



- Lower Gx due to planned outages in thermal facilities (maintenance)
- Higher sales supported by economic growth

### Gx EBITDA

### Dx EBITDA



- Gx: higher sales prices partially offset by lower gas revenues
- Dx: higher volumes
- Fx impact: + €47 M
- Positive one-off in FY 11

### Unit margin

€29.9/MWh ↗ +12%

€30.8/MWh ↗ +14%

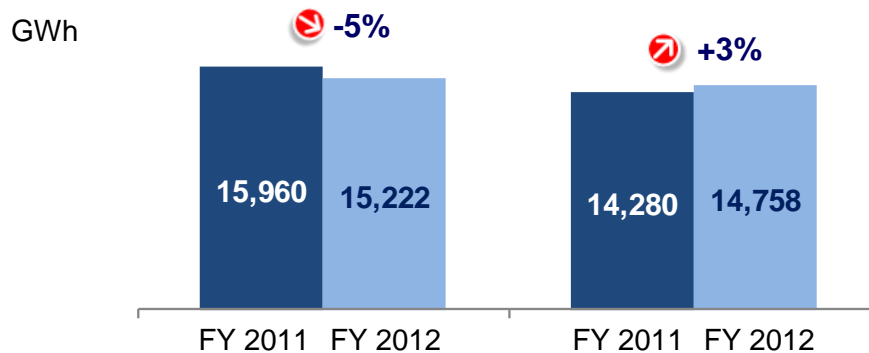
**Total EBITDA €401 M (+5%)**

(1) Tolls and unbilled consumption not included



## Argentina: poor results... ...but good signals coming from authorities

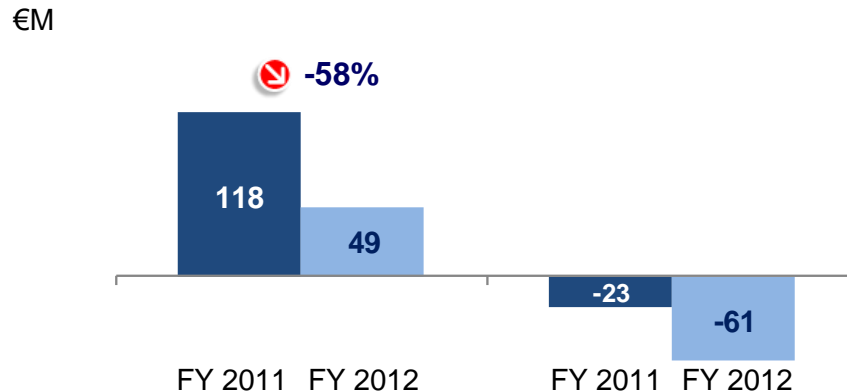
### Generation output    Distribution sales<sup>(1)</sup>



- Thermal output decreases due to planned outages. Partially compensated by hydro dispatch
- Solid distribution volumes

### Gx EBITDA

### Dx EBITDA



- Gx: lower output and higher fixed costs due to inflation coupled with non-extension in 2012 of regulatory agreements
- Dx: higher personnel and maintenance costs. However “Acuerdo Marco” positive effect since November 2012
- No Fx impact

### Unit margin

€7.6/MWh -26%

€13.1/MWh +10%

**Total EBITDA - €12 M (-113%)<sup>(2)</sup>**

(1) Tolls and unbilled consumption not included

(2) Does not include CIEN interconnection

# final remarks FY 2012

## Final remarks

### Spain

**Dividend policy: adapting to adverse environment**

**Stable operating results in Spain & Portugal despite negative impact from regulatory measures and weak market conditions**

**Challenging outlook for 2013**

### Latin America

**Stable operating results in Latin America despite hydro conditions in Chile**

**Progress in the Enersis capital increase**

# appendices FY 2012

# **Installed capacity and output<sup>(1)</sup>**

## **Installed capacity**

MW at 31/12/12	<b>Spain&amp; Portugal&amp;Others</b>		<b>Latin America</b>		<b>Total</b>	
<b>Total</b>	<b>23,245</b>		<b>16,158</b>		<b>39,403</b>	
Hydro	4,716		8,666		13,382	
Nuclear	3,686		-		3,686	
Coal	5,804		872		6,676	
Natural gas	4,878		3,958		8,836	
Oil-gas	4,161		2,575		6,736	
CHP/Renewables	na		87		87	

## **Output**

TWh 2012 (chg. vs. 2011)	<b>Spain&amp; Portugal&amp;Others</b>		<b>Latin America</b>		<b>Total</b>	
<b>Total</b>	<b>78.3</b>	<b>+3%</b>	<b>63.1</b>	<b>+1%</b>	<b>141.4</b>	<b>+2%</b>
Hydro	5.4	-13%	35.0	+4%	40.3	+1%
Nuclear	27.0	+7%	-	-	27.0	+7%
Coal	30.1	+13%	2.7	+31%	32.8	+14%
Natural gas	6.1	-24%	19.9	-7%	25.9	-11%
Oil-gas	9.8	-1%	5.3	-5%	15.2	-3%
CHP/Renewables	na	na	0.2	+18%	0.2	+18%

(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

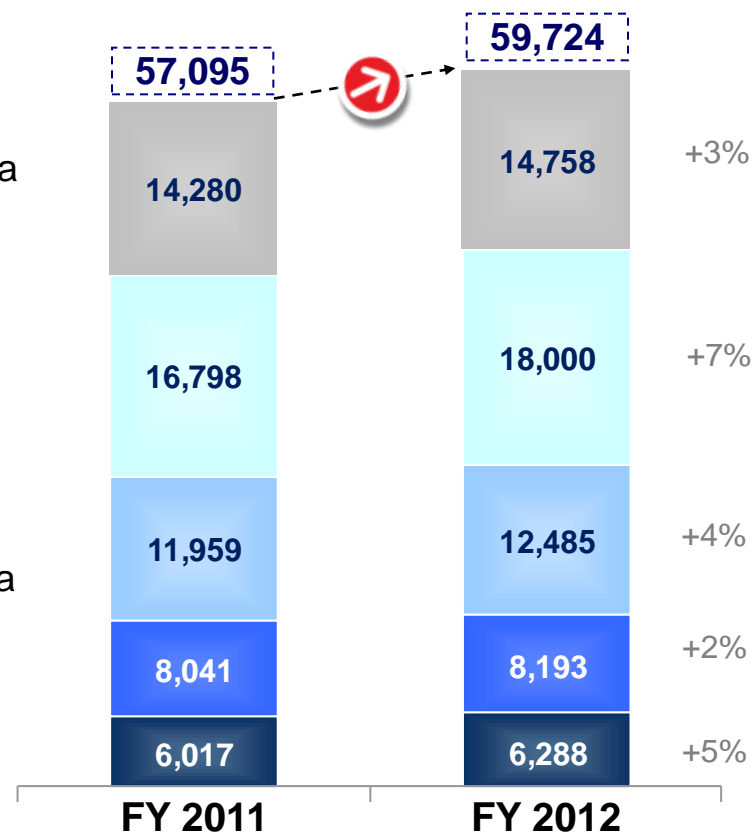
+0.6%



### Distribution Sales<sup>(1)</sup>

GWh

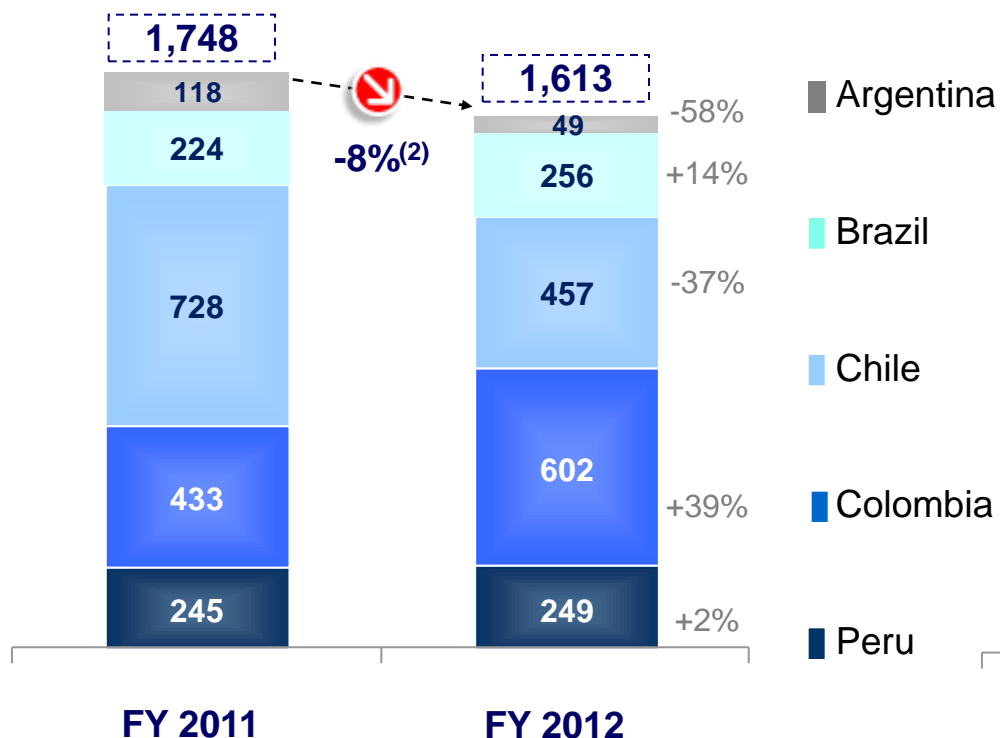
+4.6%



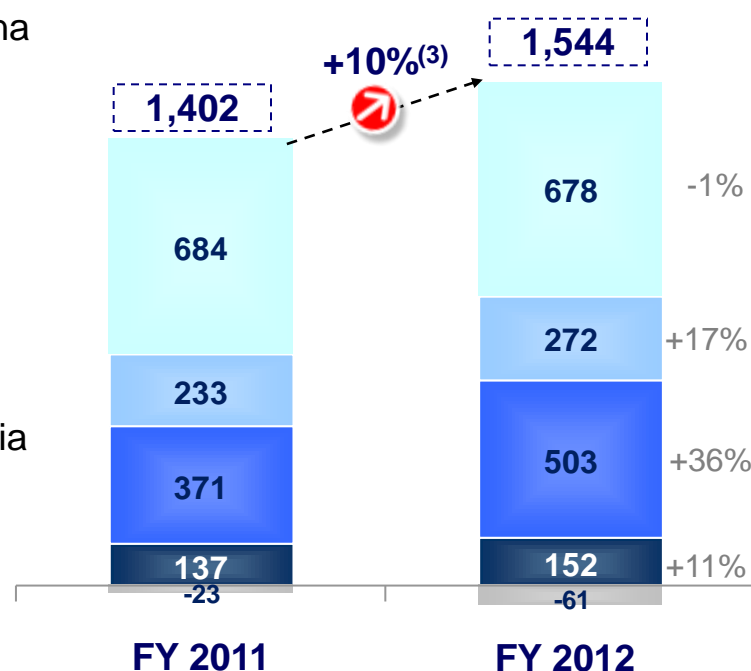
(1) Tolls and unbilled consumption not included


## Latin America: Ebitda break down by country and business nature


**Ebitda Generation<sup>(1)</sup>**  
€M



**Ebitda Distribution**  
€M



**Unit margin** €30.0/MWh  €28.1/MWh  
-6%

**Unit margin** €33.1/MWh  €34.6/MWh  
+5%

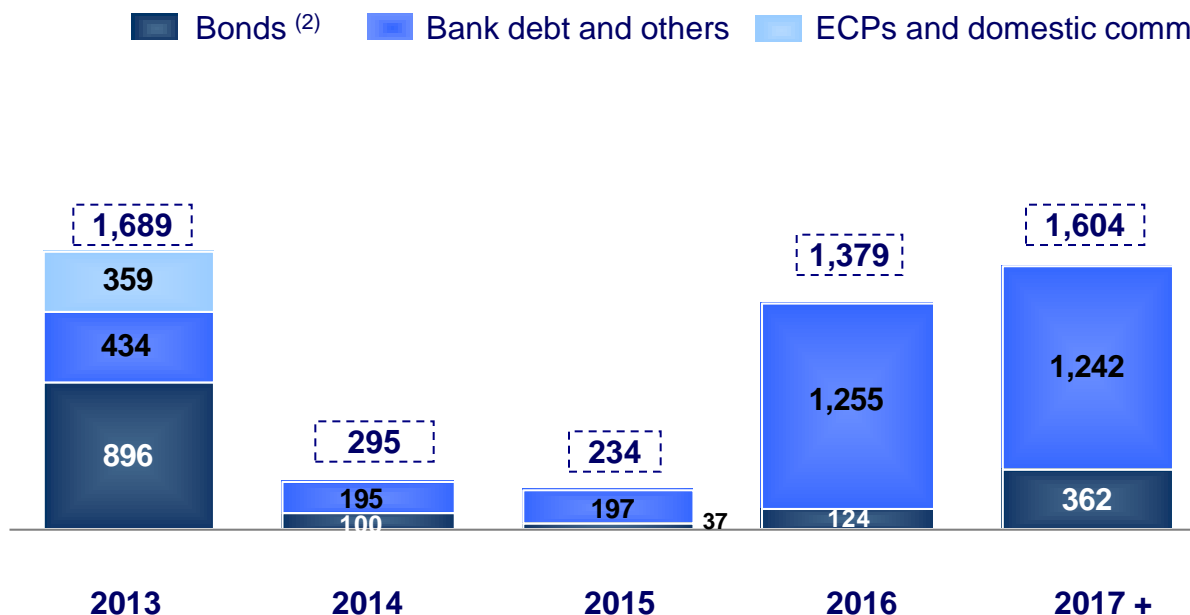
(1) Does not include CIEN interconnection: €82 M

(2) -11% stripping out Colombian net worth tax

(3) +7% stripping out Colombian net worth tax

## Endesa (excl. Enersis): financial debt maturity calendar

**Gross balance of maturities outstanding at 31 December 2012: €5,201 M<sup>(1)</sup>**



**Endesa's  
liquidity  
excl. Enersis  
covers 46  
months of  
debt  
maturities**

- Liquidity €6,418 M
  - €628 M in cash
  - €5,790 M available in credit lines
- Average life of debt: 4.7 years

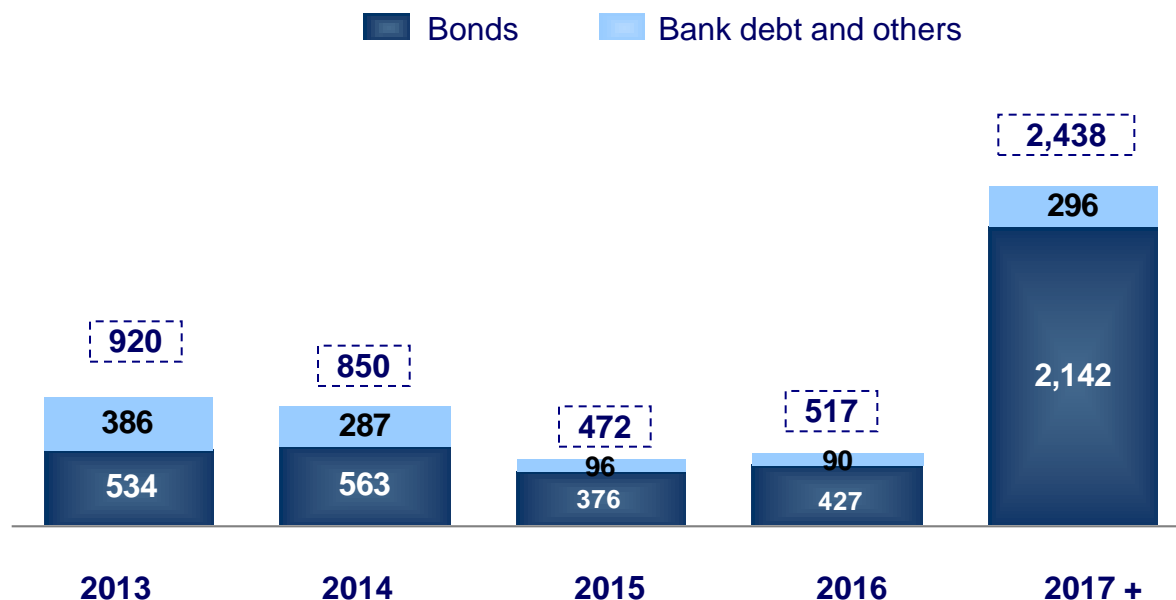
*(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.*

*(2) Includes preference shares*

*(3) Notes issued are backed by long-term credit lines and are renewed on a regular basis.*

## Energis: financial debt maturity calendar

**Gross balance of maturities outstanding at 31 December 2012: €5,197 M<sup>(1)</sup>**



**Energis has sufficient liquidity to cover 18 months of debt maturities**

▪ **Liquidity €1,793 M:**

€1,358 M in cash

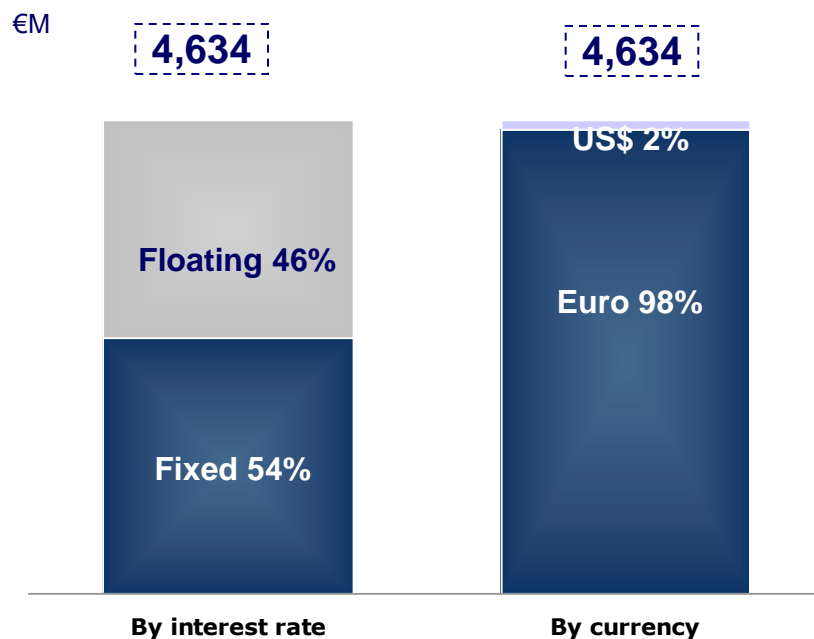
€435 M of syndicated loans available

▪ **Average life of debt: 5.5 years**

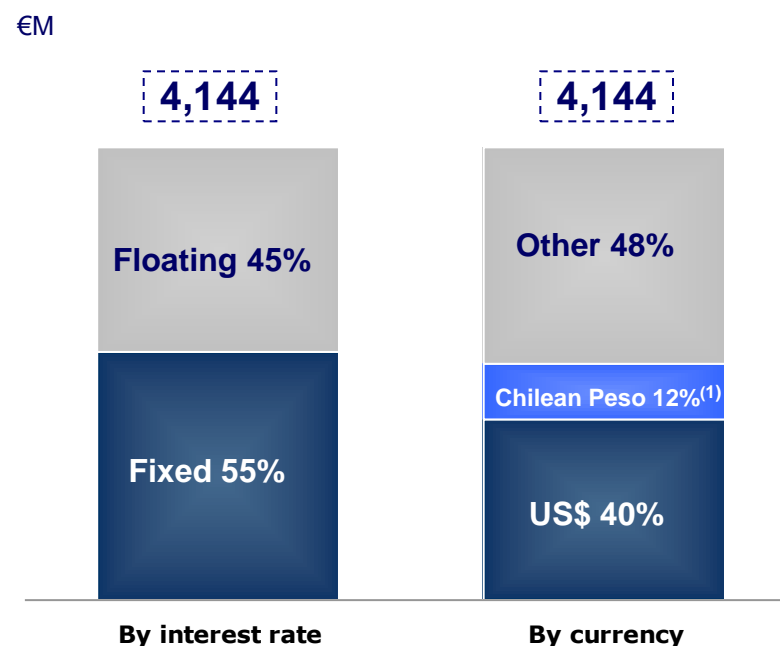
(1) This gross balance differs from the total financial debt figure as it does not include outstanding execution costs or the market value of derivatives which do not involve any cash payment.

## Financial policy and net debt structure

### Structure of Endesa's net debt ex-Enersis



### Enersis net debt structure



Average cost  
of debt

3.5%

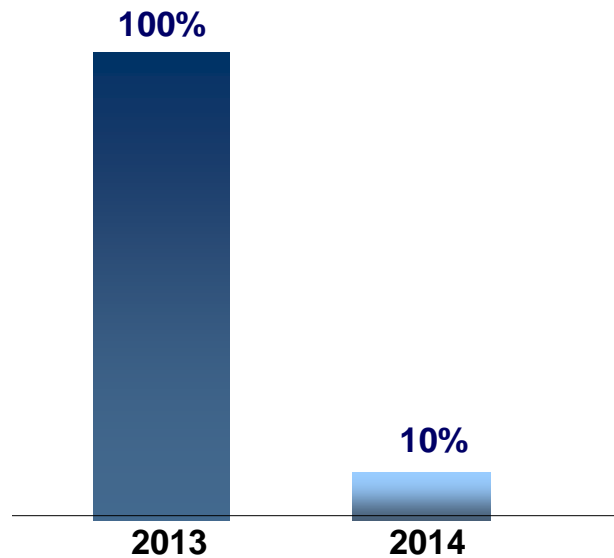
8.6%

- 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

## Well on track on forward sales strategy

### Spain & Portugal

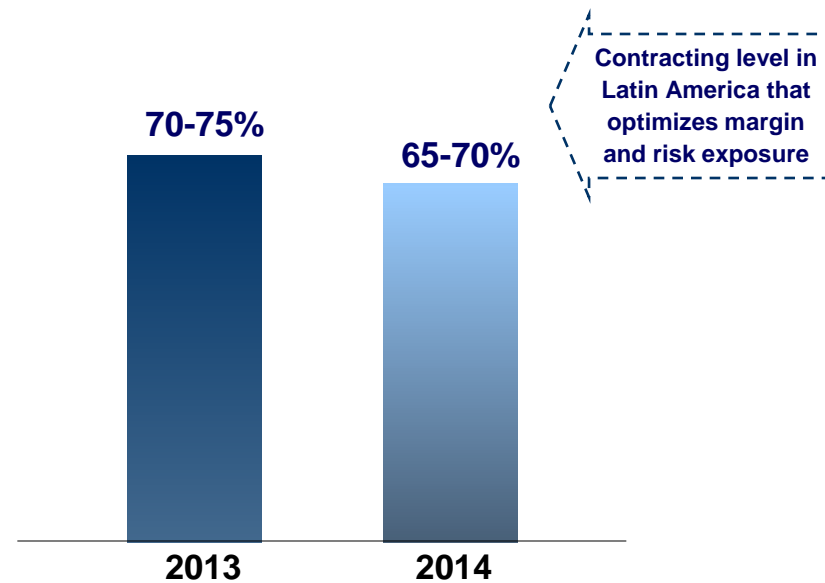
(% estimated mainland output hedged)



**Consistent commercial policy**

### Latin America

(% estimated output hedged)



**33% of the generation sold via contracts > 5 yrs and 22% 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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