
**CONSOLIDATED
FINANCIAL STATEMENTS**
As of DECEMBER, 31st 2012
ENDESA, S.A.
and
SUBSIDIARIES



ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(Unaudited)

Euro Million

ASSETS	31.12.12	31.12.11	Variation
Total fixed assets	44.487	43.169	3,1%
Utility plant	34.106	32.904	3,7%
Investment property	88	74	18,9%
Intangible asset	2.772	3.013	-8,0%
Goodwill	2.676	2.617	2,3%
Investments in associates	896	897	-0,1%
Long term financial investments	1.965	1.821	7,9%
Deferred tax assets	1.984	1.843	7,7%
Total current assets	14.291	15.552	-8,1%
Inventories	1.306	1.253	4,2%
Trade and other receivables	5.474	5.470	0,1%
Short term financial investments	5.437	5.652	-3,8%
Cash and cash equivalents	1.986	2.788	-28,8%
Non current assets held for sale and from interrupted activities	88	389	-77,4%
TOTAL ASSETS	58.778	58.721	0,1%

EQUITY AND LIABILITIES	31.12.12	31.12.11	Variation
Total equity	26.369	24.679	6,8%
Atributable to equity holders of the parent company	20.653	19.291	7,1%
Minority interest	5.716	5.388	6,1%
Non-current liabilities	21.644	23.735	-8,8%
Deferred revenues	4.446	4.129	7,7%
Long term provisions	4.381	4.168	5,1%
Long term financial debt	9.886	12.791	-22,7%
Other non-current liabilities	577	654	-11,8%
Deferred tax liabilities	2.354	1.993	18,1%
Current liabilities	10.765	10.307	4,4%
Short term financial debt	974	1.070	-9,0%
Short term provisions	902	935	-3,5%
Trade and other payables	8.889	8.219	8,2%
Liabilities related to non current assets held for sale and from interrupted activities		83	(83) -100,0%
TOTAL EQUITY AND LIABILITIES	58.778	58.721	0,1%



ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Euro Million

	<u>31.12.12</u>	<u>31.12.11</u>		<u>Variation</u>
REVENUES	33.933	32.686	1.247	3,8%
Sales	32.284	30.827	1.457	4,7%
Other operating revenues	1.649	1.859	(210)	-11,3%
PURCHASES AND SERVICES	23.105	21.682	1.423	6,6%
Energy purchases	8.812	8.926	(114)	-1,3%
Fuel procurement costs	4.481	3.961	520	13,1%
Transmission expenses	7.289	6.251	1.038	16,6%
Other variable purchases and services	2.523	2.544	(21)	-0,8%
GROSS MARGIN	10.828	11.004	(176)	-1,6%
Work performed by the entity and capitalized	190	204	(14)	-6,9%
Personnel expenses	1.763	1.625	138	8,5%
Other fixed operating expenses	2.250	2.318	(68)	-2,9%
GROSS OPERATING INCOME (EBITDA)	7.005	7.265	(260)	-3,6%
Depreciation and amortization	2.587	2.612	(25)	-1,0%
OPERATING INCOME (EBIT)	4.418	4.653	(235)	-5,1%
FINANCIAL INCOME	(641)	(622)	(19)	3,1%
Financial revenues	697	717	(20)	-2,8%
Financial expenses	(1.296)	(1.357)	61	-4,5%
Foreign exchanges	(42)	18	(60)	-333,3%
Share of profit of associates	59	30	29	96,7%
Income from other investments	3	6	(3)	-50,0%
Income from asset sales	(15)	113	(128)	-113,3%
INCOME BEFORE TAXES	3.824	4.180	(356)	-8,5%
Income tax	1.053	1.159	(106)	-9,1%
ONGOING ACTIVITIES PROFIT	2.771	3.021	(250)	-8,3%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	2.771	3.021	(250)	-8,3%
Attributable to the holders of the parent company	2.034	2.212	(178)	-8,0%
Minority interest	737	809	(72)	-8,9%



ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Euro Million

	<u>4Q 12</u>	<u>4Q 11</u>		<u>Variation</u>
REVENUES	8.470	8.082	388	4,8%
Sales	8.070	7.777	293	3,8%
Other operating revenues	400	305	95	31,1%
PURCHASES AND SERVICES	5.824	5.235	589	11,3%
Energy purchases	2.364	2.490	(126)	-5,1%
Fuel procurement costs	965	836	129	15,4%
Transmission expenses	1.954	1.486	468	31,5%
Other variable purchases and services	541	423	118	27,9%
GROSS MARGIN	2.646	2.847	(201)	-7,1%
Work performed by the entity and capitalized	45	62	(17)	-27,4%
Personnel expenses	494	422	72	17,1%
Other fixed operating expenses	649	671	(22)	-3,3%
GROSS OPERATING INCOME (EBITDA)	1.548	1.816	(268)	-14,8%
Depreciation and amortization	778	1.006	(228)	-22,7%
OPERATING INCOME (EBIT)	770	810	(40)	-4,9%
FINANCIAL INCOME	(7)	(54)	47	-87,0%
Financial revenues	283	270	13	4,8%
Financial expenses	(286)	(334)	48	-14,4%
Foreign exchanges	(4)	10	(14)	-140,0%
Share of profit of associates	(4)	(11)	7	-63,6%
Income from other investments	(7)	(5)	(2)	40,0%
Income from asset sales	5	(52)	57	-109,6%
INCOME BEFORE TAXES	757	688	69	10,0%
Income tax	173	285	(112)	-39,3%
ONGOING ACTIVITIES PROFIT	584	403	181	44,9%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	584	403	181	44,9%
Attributable to the holders of the parent company	372	234	138	59,0%
Minority interest	212	169	43	25,4%



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

Euro Million

	<u>31.12.12</u>	<u>31.12.11</u>
Consolidated income before income taxes	3.824	4.180
Result adjustments:	3.116	2.627
Fixed assets amortization and impairment loss	2.587	2.612
Other result adjustments (net)	529	15
Changes in current assets	232	704
Other cash flows from operating activities:	(1.925)	(1.673)
Cash-in interests	494	644
Cash-in dividends	13	4
Interest payments	(917)	(960)
Tax income payment	(930)	(805)
Other cash-in/payments from operating activities	(585)	(556)
Net cash provided by operating activities	5.247	5.838
Acquisitions of fixed and intangible assets	(2.247)	(2.814)
Disposal of fixed and intangible assets	45	281
Investments in stakes of subsidiaries	(2)	(102)
Disposal in stakes of subsidiaries	276	72
Acquisitions of other investments	(2.462)	(2.225)
Disposal of other investments	2.234	4.879
Cash flow from changes in perimeter	(1)	(7)
Subsidies and other deferred income	195	212
Net cash used for investing activities	(1.962)	296
New long-term debt	2.797	1.254
Repayment of long-term debt	(835)	(2.658)
Net cash from financial debt with short term maturity	(4.861)	(2.024)
Dividends paid by the controlling company	(642)	(1.076)
Dividends paid to minority shareholders	(589)	(617)
Net cash used for financing activities	(4.130)	(5.121)
Total net cash	(845)	1.013
Effects of exchange rate changes on cash and cash equivalents	43	(68)
Net increase in cash and cash equivalents	(802)	945
Cash and cash equivalents at beginning of period	2.788	1.843
Cash and cash equivalents at end of period	1.986	2.788



ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD ENDED IN 31 DECEMBER 2012

Euro Million
(Unaudited)

	31.12.12			31.12.11		
	<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	2.034	737	2.771	2.212	809	3.021
OTHER COMPREHENSIVE INCOME:						
INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	(136)	106	(30)	(185)	(225)	(410)
Arising from utility plant and intangible assets revaluation						
Arising from financial instruments valuation	67		67			
Arising from cash flow hedge	(157)	66	(91)	(199)	(74)	(273)
Translation differences	29	72	101	(242)	(130)	(372)
Arising from actuarial gains and losses and other adjustments	(135)	(19)	(154)	278	(38)	240
Companies accounted using the equity method	(9)	1	(8)	(5)	(7)	(12)
Remaining incomes and expenses recognised directly in equity						
Tax effect	69	(14)	55	(17)	24	7
TRANSFERS TO PROFIT AND LOSS ACCOUNT	103	(7)	96	63	(8)	55
Arising from financial instruments valuation						
Arising from cash flow hedge	156	(5)	151	105	(4)	101
Translation differences	1		1	(8)	(5)	(13)
Companies accounted using the equity method	(4)		(4)	(2)		(2)
Remaining revenues and costs recognised directly in equity						
Tax effect	(50)	(2)	(52)	(32)	1	(31)
TOTAL COMPREHENSIVE INCOME	2.001	836	2.837	2.090	576	2.666



ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED IN 31 DECEMBER 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		(102)		2.034		69	836	2.837
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(639)					(508)	(1.147)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(642)					(499)	(1.141)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners		3					(9)	(6)
OTHER CHANGES IN EQUITY		2.212		(2.212)				
Share-based payments								
Transfers between equity items		2.212		(2.212)				
Other changes								
BALANCE AT 31 DECEMBER 2012	1.271	16.719		2.034		629	5.716	26.369



ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED IN 31 DECEMBER 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		219		2.212		(341)	576	2.666
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		501		(1.076)			(576)	(1.151)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		529		(1.076)			(508)	(1.055)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners		(28)					(68)	(96)
OTHER CHANGES IN EQUITY		3.053		(3.053)				
Share-based payments								
Transfers between equity items		3.053		(3.053)				
Other changes								
BALANCE AT 31 DECEMBER 2011	1.271	15.248		2.212		560	5.388	24.679



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

(Unaudited)

Euro Million

ASSETS

	<u>31.12.12</u>	<u>31.12.11</u>		<u>Variation</u>
Total fixed assets	25.647	25.848	(201)	-0,8%
Utility plant	22.457	21.978	479	2,2%
Investment property	14	17	(3)	-17,6%
Intangible asset	863	829	34	4,1%
Goodwill		14	(14)	-100,0%
Investments in associates	880	881	(1)	-0,1%
Long term financial investments	269	884	(615)	-69,6%
Deferred tax assets	1.164	1.245	(81)	-6,5%
Total current assets	10.416	11.629	(1.213)	-10,4%
Inventories	1.171	1.136	35	3,1%
Trade and other receivables	3.652	3.678	(26)	-0,7%
Short term financial investments	4.931	5.519	(588)	-10,7%
Cash and cash equivalents	574	907	(333)	-36,7%
Non current assets held for sale and from interrupted activities	88	389	(301)	-77,4%
TOTAL ASSETS	36.063	37.477	(1.414)	-3,8%

EQUITY AND LIABILITIES

	<u>31.12.12</u>	<u>31.12.11</u>		<u>Variation</u>
Total equity	15.635	14.431	1.204	8,3%
Atributable to equity holders of the parent company	15.642	14.416	1.226	8,5%
Minority interest	(7)	15	(22)	-146,7%
Non-current liabilities	14.784	16.699	(1.915)	-11,5%
Deferred revenues	4.440	4.121	319	7,7%
Long term provisions	3.659	3.424	235	6,9%
Long term financial debt	5.194	7.629	(2.435)	-31,9%
Other non-current liabilities	442	481	(39)	-8,1%
Deferred tax liabilities	1.049	1.044	5	0,5%
Current liabilities	5.644	6.347	(703)	-11,1%
Short term financial debt	3	172	(169)	-98,3%
Short term provisions	787	783	4	0,5%
Trade and other payables	4.854	5.309	(455)	-8,6%
Liabilities related to non current assets held for sale and from interrupted activities		83	(83)	-100,0%
TOTAL EQUITY AND LIABILITIES	36.063	37.477	(1.414)	-3,8%



CONSOLIDATED STATEMENTS OF INCOME SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

	<u>31.12.12</u>	<u>31.12.11</u>		<u>Variation</u>
REVENUES	23.146	22.650	496	2,2%
Sales	22.028	21.234	794	3,7%
Other operating revenues	1.118	1.416	(298)	-21,0%
PURCHASES AND SERVICES	16.933	16.192	741	4,6%
Energy purchases	5.848	6.321	(473)	-7,5%
Fuel procurement costs	3.052	2.647	405	15,3%
Transmission expenses	6.530	5.659	871	15,4%
Other variable purchases and services	1.503	1.565	(62)	-4,0%
GROSS MARGIN	6.213	6.458	(245)	-3,8%
Work performed by the entity and capitalized	111	129	(18)	-14,0%
Personnel expenses	1.078	1.050	28	2,7%
Other fixed operating expenses	1.450	1.513	(63)	-4,2%
GROSS OPERATING INCOME (EBITDA)	3.796	4.024	(228)	-5,7%
Depreciation and amortization	1.798	1.780	18	1,0%
OPERATING INCOME (EBIT)	1.998	2.244	(246)	-11,0%
FINANCIAL INCOME	(261)	(295)	34	-11,5%
Financial revenues	250	297	(47)	-15,8%
Financial expenses	(506)	(584)	78	-13,4%
Foreign exchanges	(5)	(8)	3	-37,5%
Share of profit of associates	43	17	26	152,9%
Income from other investments	1	4	(3)	-75,0%
Income from asset sales	(38)	93	(131)	-140,9%
INCOME BEFORE TAXES	1.743	2.063	(320)	-15,5%
Income tax	348	470	(122)	-26,0%
ONGOING ACTIVITIES PROFIT	1.395	1.593	(198)	-12,4%
INTERRUPTED ACTIVITIES PROFIT				n/a
NET INCOME	1.395	1.593	(198)	-12,4%
Attributable to the holders of the parent company	1.410	1.593	(183)	-11,5%
Minority interest	(15)		(15)	n/a

**CONSOLIDATED STATEMENTS OF INCOME
SPAIN, PORTUGAL AND OTHER BUSINESSES**

(Unaudited)

Euro Million

	<u>4Q 12</u>	<u>4Q 11</u>	<u>Variation</u>
REVENUES	5.704	5.576	128
Sales	5.528	5.368	160
Other operating revenues	176	208	(32)
PURCHASES AND SERVICES	4.274	3.945	329
Energy purchases	1.587	1.834	(247)
Fuel procurement costs	651	629	22
Transmission expenses	1.774	1.320	454
Other variable purchases and services	262	162	100
GROSS MARGIN	1.430	1.631	(201)
Work performed by the entity and capitalized	24	40	(16)
Personnel expenses	305	263	42
Other fixed operating expenses	426	508	(82)
GROSS OPERATING INCOME (EBITDA)	723	900	(177)
Depreciation and amortization	561	649	(88)
OPERATING INCOME (EBIT)	162	251	(89)
FINANCIAL INCOME	(32)	8	(40)
Financial revenues	47	118	(71)
Financial expenses	(79)	(87)	8
Foreign exchanges		(23)	23
Share of profit of associates	(7)	(15)	8
Income from other investments	(8)	(6)	(2)
Income from asset sales	(12)	(57)	45
INCOME BEFORE TAXES	103	181	(78)
Income tax	(23)	53	(76)
ONGOING ACTIVITIES PROFIT	126	128	(2)
INTERRUPTED ACTIVITIES PROFIT			n/a
NET INCOME	126	128	(2)
Attributable to the holders of the parent company	141	128	13
Minority interest	(15)		(15)

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

	Euro Million	<u>31.12.12</u>	<u>31.12.11</u>
Consolidated income before income taxes	1.743	2.063	
Result adjustments:	2.037	1.534	
Fixed assets amortization and impairment loss	1.798	1.780	
Other result adjustments (net)	239	(246)	
Changes in current assets	135	696	
Other cash flows from operating activities:	(801)	(886)	
Cash-in interests	229	255	
Cash-in dividends	12	3	
Interest payments	(318)	(401)	
Tax income payment	(247)	(318)	
Other cash-in/payments from operating activities	(477)	(425)	
Net cash provided by operating activities	3.114	3.407	
Acquisitions of fixed and intangible assets	(1.017)	(1.691)	
Disposal of fixed and intangible assets	11	254	
Investments in stakes of subsidiaries	(2)	(8)	
Disposal in stakes of subsidiaries	276	9	
Acquisitions of other investments	(1.866)	(2.012)	
Disposal of other investments	2.008	4.711	
Cash flow from changes in perimeter	(1)	22	
Subsidies and other deferred income	194	209	
Net cash used for investing activities	(397)	1.494	
New long-term debt	2.176	430	
Repayment of long-term debt	(457)	(2.439)	
Net cash from financial debt with short term maturity	(4.445)	(1.149)	
Dividends paid by the controlling company	(324)	(1.076)	
Dividends paid to minority shareholders			
Net cash used for financing activities	(3.050)	(4.234)	
Total net cash	(333)	667	
Effects of exchange rate changes on cash and cash equivalents			
Net increase in cash and cash equivalents	(333)	667	
Cash and cash equivalents at beginning of period	907	240	
Cash and cash equivalents at end of period	574	907	



**CONSOLIDATED BALANCE SHEETS
LATIN AMERICAN BUSINESS**

(Unaudited)

Euro Million

ASSETS

	<u>31.12.12</u>	<u>31.12.11</u>	<u>Variation</u>
Total fixed assets	18.840	17.321	1.519
Utility plant	11.649	10.926	723
Investment property	74	57	17
Intangible asset	1.909	2.184	(275)
Goodwill	2.676	2.603	73
Investments in associates	16	16	n/a
Long term financial investments	1.696	937	759
Deferred tax assets	820	598	222
Total current assets	3.875	3.923	(48)
Inventories	135	117	18
Trade and other receivables	1.822	1.792	30
Short term financial investments	506	133	373
Cash and cash equivalents	1.412	1.881	(469)
Non current assets held for sale and from interrupted activities			n/a
TOTAL ASSETS	22.715	21.244	1.471
			6,9%

EQUITY AND LIABILITIES

	<u>31.12.12</u>	<u>31.12.11</u>	<u>Variation</u>
Total equity	10.734	10.248	486
Atributable to equity holders of the parent company	5.011	4.875	136
Minority interest	5.723	5.373	350
Non-current liabilities	6.860	7.036	(176)
Deferred revenues	6	8	(2)
Long term provisions	722	744	(22)
Long term financial debt	4.692	5.162	(470)
Other non-current liabilities	135	173	(38)
Deferred tax liabilities	1.305	949	356
Current liabilities	5.121	3.960	1.161
Short term financial debt	971	898	73
Short term provisions	115	152	(37)
Trade and other payables	4.035	2.910	1.125
activities			n/a
TOTAL EQUITY AND LIABILITIES	22.715	21.244	1.471
			6,9%



CONSOLIDATED STATEMENTS OF INCOME LATIN AMERICA BUSINESS

(Unaudited)

Euro Million

	<u>31.12.12</u>	<u>31.12.11</u>	<u>Variation</u>	
REVENUES	10.787	10.036	751	7,5%
Sales	10.256	9.593	663	6,9%
Other operating revenues	531	443	88	19,9%
PURCHASES AND SERVICES	6.172	5.490	682	12,4%
Energy purchases	2.964	2.605	359	13,8%
Fuel procurement costs	1.429	1.314	115	8,8%
Transmission expenses	759	592	167	28,2%
Other variable purchases and services	1.020	979	41	4,2%
GROSS MARGIN	4.615	4.546	69	1,5%
Work performed by the entity and capitalized	79	75	4	5,3%
Personnel expenses	685	575	110	19,1%
Other fixed operating expenses	800	805	(5)	-0,6%
GROSS OPERATING INCOME (EBITDA)	3.209	3.241	(32)	-1,0%
Depreciation and amortization	789	832	(43)	-5,2%
OPERATING INCOME (EBIT)	2.420	2.409	11	0,5%
FINANCIAL INCOME	(380)	(327)	(53)	16,2%
Financial revenues	447	420	27	6,4%
Financial expenses	(790)	(773)	(17)	2,2%
Foreign exchange	(37)	26	(63)	-242,3%
Share of profit of associates	16	13	3	23,1%
Income from other investments	2	2		
Income from asset sales	23	20	3	15,0%
INCOME BEFORE TAXES	2.081	2.117	(36)	-1,7%
Income tax	705	689	16	2,3%
ONGOING ACTIVITIES PROFIT	1.376	1.428	(52)	-3,6%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	1.376	1.428	(52)	-3,6%
Attributable to the holders of the parent company	624	619	5	0,8%
Minority interest	752	809	(57)	-7,0%



CONSOLIDATED STATEMENTS OF INCOME LATIN AMERICA BUSINESS

(Unaudited)

Euro Million

	<u>4Q 12</u>	<u>4Q 11</u>	<u>Variation</u>	
REVENUES	2.766	2.506	260	10,4%
Sales	2.542	2.409	133	5,5%
Other operating revenues	224	97	127	130,9%
PURCHASES AND SERVICES	1.550	1.290	260	20,2%
Energy purchases	777	656	121	18,4%
Fuel procurement costs	314	207	107	51,7%
Transmission expenses	180	166	14	8,4%
Other variable purchases and services	279	261	18	6,9%
GROSS MARGIN	1.216	1.216		
Work performed by the entity and capitalized	21	22	(1)	-4,5%
Personnel expenses	189	159	30	18,9%
Other fixed operating expenses	223	163	60	36,8%
GROSS OPERATING INCOME (EBITDA)	825	916	(91)	-9,9%
Depreciation and amortization	217	357	(140)	-39,2%
OPERATING INCOME (EBIT)	608	559	49	8,8%
FINANCIAL INCOME	25	(62)	87	-140,3%
Financial revenues	236	152	84	55,3%
Financial expenses	(207)	(247)	40	-16,2%
Foreign exchange	(4)	33	(37)	-112,1%
Share of profit of associates	3	4	(1)	-25,0%
Income from other investments	1	1		
Income from asset sales	17	5	12	240,0%
INCOME BEFORE TAXES	654	507	147	29,0%
Income tax	196	232	(36)	-15,5%
ONGOING ACTIVITIES PROFIT	458	275	183	66,5%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	458	275	183	66,5%
Attributable to the holders of the parent company	231	106	125	117,9%
Minority interest	227	169	58	34,3%



STATEMENTS OF CASH FLOWS
LATIN AMERICA BUSINESS
(Unaudited)

Euro Million

	<u>31.12.12</u>	<u>31.12.11</u>
Consolidated income before income taxes	2.081	2.117
Result adjustments:	1.079	1.093
Fixed assets amortization and impairment loss	789	832
Other result adjustments (net)	290	261
Changes in current assets	97	8
Other cash flows from operating activities:	(1.124)	(787)
Cash-in interests	265	389
Cash-in dividends	1	1
Interest payments	(599)	(559)
Tax income payment	(683)	(487)
Other cash-in/payments from operating activities	(108)	(131)
Net cash provided by operating activities	2.133	2.431
Acquisitions of fixed and intangible assets	(1.230)	(1.123)
Disposal of fixed and intangible assets	34	27
Investment in stakes of subsidiaries		(94)
Disposal in stakes of subsidiaries		63
Acquisitions of other investments	(596)	(213)
Disposal of other investments	226	168
Cash flow from changes in perimeter		(29)
Subsidies and other deferred income	1	3
Net cash used for investing activities	(1.565)	(1.198)
New long-term debt	621	824
Repayment of long-term debt	(378)	(219)
Net cash from financial debt with short term maturity	(416)	(875)
Dividends paid by the controlling company	(318)	
Payments to minority shareholders	(589)	(617)
Net cash used for financing activities	(1.080)	(887)
Total net cash	(512)	346
Effects of exchange rate changes on cash and cash equivalents	43	(68)
Net increase in cash and cash equivalents	(469)	278
Cash and cash equivalents at beginning of period	1.881	1.603
Cash and cash equivalents at end of period	1.412	1.881

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

(Unaudited)

	Generation and Supply			Distribution			Corporate Structure, Services and Adjustments			Total		
	31.12.12	31.12.11	Variation	31.12.12	31.12.11	Variation	31.12.12	31.12.11	Variation	31.12.12	31.12.11	Variation
ASSETS												
Total fixed assets	12.589	12.699	(110) -0,9%	14.571	13.377	1.194 8,9%	(1.513)	(228)	(1.285) 563,6%	25.647	25.848	(201) -0,8%
Utility plant	10.168	10.001	167 1,7%	11.885	11.587	298 2,6%	404	390	14 3,6%	22.457	21.978	479 2,2%
Investment property			n/a	4	4		10	13	(3) -23,1%	14	17	(3) -17,6%
Intangible asset	597	529	68 12,9%	168	197	(29) -14,7%	98	103	(5) -4,9%	863	829	34 4,1%
Goodwill			n/a			n/a		14	(14) -100,0%		14	(14) -100,0%
Long term financial investments	818	784	34 4,3%	50	64	(14) -21,9%	12	33	(21) -63,6%	880	881	(1) -0,1%
Investments in associates	368	737	(369) -50,1%	2.059	1.109	950 85,7%	(2.158)	(962)	(1.196) 124,3%	269	884	(615) -69,6%
Deferred tax assets	638	648	(10) -1,5%	405	416	(11) -2,6%	121	181	(60) -33,1%	1.164	1.245	(81) -6,5%
Total current assets	6.421	7.257	(836) -11,5%	642	570	72 12,6%	3.353	3.802	(449) -11,8%	10.416	11.629	(1.213) -10,4%
Inventories	1.136	1.085	51 4,7%	35	42	(7) -16,7%	9	(9)	-100,0%	1.171	1.136	35 3,1%
Trade and other receivables	2.954	3.327	(373) -11,2%	598	515	83 16,1%	100	(164)	264 -161,0%	3.652	3.678	(26) -0,7%
Short term financial investments	1.989	2.190	(201) -9,2%	8	11	(3) -27,3%	2.934	3.318	(384) -11,6%	4.931	5.519	(588) -10,7%
Cash and cash equivalents	254	264	(10) -3,8%	1	2	(1) -50,0%	319	641	(322) -50,2%	574	907	(333) -36,7%
Non current assets held for sale and from interrupted activities	88	391	(303) -77,5%			n/a		(2)	2 -100,0%	88	389	(301) -77,4%
TOTAL ASSETS	19.010	19.956	(946) -4,7%	15.213	13.947	1.266 9,1%	1.840	3.574	(1.734) -48,5%	36.063	37.477	(1.414) -3,8%
EQUITY AND LIABILITIES												
Total equity	7.266	6.737	529 7,9%	5.994	5.573	421 7,6%	2.375	2.121	254 12,0%	15.635	14.431	1.204 8,3%
Atributable to equity holders of the parent company	7.261	6.732	529 7,9%	5.994	5.573	421 7,6%	2.387	2.111	276 13,1%	15.642	14.416	1.226 8,5%
Minority interest	5	5				n/a	(12)	10	(22) -220,0%	(7)	15	(22) -146,7%
Non-current liabilities	6.982	8.555	(1.573) -18,4%	6.428	6.576	(148) -2,3%	1.374	1.568	(194) -12,4%	14.784	16.699	(1.915) -11,5%
Deferred revenues	68	68		4.463	4.147	316 7,6%	(91)	(94)	3 -3,2%	4.440	4.121	319 7,7%
Long term provisions	2.141	1.773	368 20,8%	1.105	1.266	(161) -12,7%	413	385	28 7,3%	3.659	3.424	235 6,9%
Long term financial debt	4.269	6.195	(1.926) -31,1%	52	379	(327) -86,3%	873	1.055	(182) -17,3%	5.194	7.629	(2.435) -31,9%
Other non-current liabilities	15	37	(22) -59,5%	411	422	(11) -2,6%	16	22	(6) -27,3%	442	481	(39) -8,1%
Deferred tax liabilities	489	482	7 1,5%	397	362	35 9,7%	163	200	(37) -18,5%	1.049	1.044	5 0,5%
Current liabilities	4.762	4.664	98 2,1%	2.791	1.798	993 55,2%	(1.909)	(115)	(1.794) n/a	5.644	6.347	(703) -11,1%
Short term financial debt	225	56	169 301,8%	5	5		(227)	111	(338) -304,5%	3	172	(169) -98,3%
Short term provisions	552	522	30 5,7%	159	183	(24) -13,1%	76	78	(2) -2,6%	787	783	4 0,5%
Trade and other payables	3.985	3.988	(3) -0,1%	2.627	1.610	1.017 63,2%	(1.758)	(289)	(1.469) 508,3%	4.854	5.309	(455) -8,6%
activities						n/a		(15)	15 -102,7%		83	(83) -100,0%
TOTAL EQUITY AND LIABILITIES	19.010	19.956	(946) -4,7%	15.213	13.947	1.266 9,1%	1.840	3.574	(1.734) -48,5%	36.063	37.477	(1.414) -3,8%

Breakdown Consolidated Statement of Income Spain, Portugal and other businesses for the period ended December 31, 2012 and December 31, 2011
 (Unaudited) Euro Million

	Generation and Supply		Distribution		Corporate Structure, Services and Adjustments		Total					
	31.12.12	31.12.11	Variación		31.12.12	31.12.11	Variación		31.12.12	31.12.11	Variación	
REVENUES	20.898	20.057	841	4,2%	2.513	2.759	(246)	-8,9%	(265)	(166)	(99)	59,6%
Sales	20.013	18.906	1.107	5,9%	2.253	2.461	(208)	-8,5%	(238)	(133)	(105)	78,9%
Other operating revenues	885	1.151	(266)	-23,1%	260	298	(38)	-12,8%	(27)	(33)	6	-18,2%
PURCHASES AND SERVICES	17.009	16.203	806	5,0%	165	135	30	22,2%	(241)	(146)	(95)	65,1%
Energy purchases	5.922	6.323	(401)	-6,3%			n/a		(74)	(2)	(72)	n/a
Fuel procurement costs	3.053	2.647	406	15,3%			n/a		(1)		(1)	n/a
Transmission expenses	6.526	5.654	872	15,4%			n/a		4	5	(1)	-20,0%
Other variable purchases and services	1.508	1.579	(71)	-4,5%	165	135	30	22,2%	(170)	(149)	(21)	14,1%
GROSS MARGIN	3.889	3.854	35	0,9%	2.348	2.624	(276)	-10,5%	(24)	(20)	(4)	20,0%
Work performed by the entity and capitalized	5	(2)	7	-350,0%	105	97	8	8,2%	1	34	(33)	-97,1%
Personnel expenses	548	536	12	2,2%	326	313	13	4,2%	204	201	3	1,5%
Other fixed operating expenses	1.203	1.185	18	1,5%	443	592	(149)	-25,2%	(196)	(264)	68	-25,8%
GROSS OPERATING INCOME (EBITDA)	2.143	2.131	12	0,6%	1.684	1.816	(132)	-7,3%	(31)	77	(108)	-140,3%
Depreciation and amortization	1.210	1.154	56	4,9%	558	599	(41)	-6,8%	30	27	3	11,1%
OPERATING INCOME (EBIT)	933	977	(44)	-4,5%	1.126	1.217	(91)	-7,5%	(61)	50	(111)	-222,0%
FINANCIAL INCOME	(294)	(233)	(61)	26,2%		(24)	24	-100,0%	33	(38)	71	-186,8%
Financial revenues	71	116	(45)	-38,8%	98	60	38	63,3%	81	121	(40)	-33,1%
Financial expenses	(361)	(337)	(24)	7,1%	(98)	(84)	(14)	16,7%	(47)	(163)	116	-71,2%
Foreign exchanges	(4)	(12)	8	-66,7%			n/a		(1)	4	(5)	-125,0%
Share of profit of associates	27	17	10	58,8%	15	(1)	16	n/a	1	1		
Income from other investments	7		7	n/a	6	2	4	200,0%	(12)	2	(14)	-700,0%
Income from asset sales	(34)	(32)	(2)	6,3%	8	(51)	59	-115,7%	(12)	176	(188)	-106,8%
INCOME BEFORE TAXES	639	729	(90)	-12,3%	1.155	1.143	12	1,0%	(51)	191	(242)	-126,7%
Income tax	71	153	(82)	-53,6%	303	275	28	10,2%	(26)	42	(68)	-161,9%
ONGOING ACTIVITIES PROFIT	568	576	(8)	-1,4%	852	868	(16)	-1,8%	(25)	149	(174)	-116,8%
INTERRUPTED ACTIVITIES PROFIT				n/a							n/a	
PROFIT FOR THE PERIOD	568	576	(8)	-1,4%	852	868	(16)	-1,8%	(25)	149	(174)	-116,8%
Attributable to the holders of the parent company	568	576	(8)	-1,4%	852	868	(16)	-1,8%	(10)	149	(159)	-106,7%
Minority interest				n/a					(15)	(15)	n/a	



Breakdown Consolidated Statement of Income Spain, Portugal and other businesses for the quarterly period ended December 31, 2012 and December 31,2011
(Unaudited)

	Euro Million											
	Generation and Supply			Distribution		Corporate Structure, Services and Adjustments						
	4Q 12	4Q11	Variación	4Q 12	4Q11	Variación	4Q 12	4Q11	Variación	4Q 12	4Q11	Variación
REVENUES	5.140	4.869	271 5,6%	642	755	(113) -15,0%	(78)	(48)	(30) 62,5%	5.704	5.576	128 2,3%
Sales	5.015	4.721	294 6,2%	574	676	(102) -15,1%	(61)	(29)	(32) 110,3%	5.528	5.368	160 3,0%
Other operating revenues	125	148	(23) -15,5%	68	79	(11) -13,9%	(17)	(19)	2 -10,5%	176	208	(32) -15,4%
PURCHASES AND SERVICES	4.296	3.928	368 9,4%	45	49	(4) -8,2%	(67)	(32)	(35) 109,4%	4.274	3.945	329 8,3%
Energy purchases	1.610	1.836	(226) -12,3%			n/a	(23)	(2)	(21) n/a	1.587	1.834	(247) -13,5%
Fuel procurement costs	651	629	22 3,5%			n/a			n/a	651	629	22 3,5%
Transmission expenses	1.772	1.321	451 34,1%			n/a	2	(1)	3 -300,0%	1.774	1.320	454 34,4%
Other variable purchases and services	263	142	121 85,2%	45	49	(4) -8,2%	(46)	(29)	(17) 58,6%	262	162	100 61,7%
GROSS MARGIN	844	941	(97) -10,3%	597	706	(109) -15,4%	(11)	(16)	5 -31,3%	1.430	1.631	(201) -12,3%
Work performed by the entity and capitalized	2	(3)	5 -166,7%	21	36	(15) -41,7%	1	7	(6) -85,7%	24	40	(16) -40,0%
Personnel expenses	154	146	8 5,5%	85	91	(6) -6,6%	66	26	40 153,8%	305	263	42 16,0%
Other fixed operating expenses	331	383	(52) -13,6%	77	182	(105) -57,7%	18	(57)	75 -131,6%	426	508	(82) -16,1%
GROSS OPERATING INCOME (EBITDA)	361	409	(48) -11,7%	456	469	(13) -2,8%	(94)	22	(116) -527,3%	723	900	(177) -19,7%
Depreciation and amortization	411	477	(66) -13,8%	145	170	(25) -14,7%	5	2	3 150,0%	561	649	(88) -13,6%
OPERATING INCOME (EBIT)	(50)	(68)	18 -26,5%	311	299	12 4,0%	(99)	20	(119) -595,0%	162	251	(89) -35,5%
FINANCIAL INCOME	(53)	(41)	(12) 29,3%	3	17	(14) -82,4%	18	32	(14) -43,8%	(32)	8	(40) -500,0%
Financial revenues	21	42	(21) -50,0%	20	15	5 33,3%	6	61	(55) -90,2%	47	118	(71) -60,2%
Financial expenses	(75)	(58)	(17) 29,3%	(17)	2	(19) -950,0%	13	(31)	44 -141,9%	(79)	(87)	8 -9,2%
Foreign exchanges	1	(25)	26 -104,0%			n/a	(1)	2	(3) -150,0%	(23)	23	-100,0%
Share of profit of associates	(9)	(15)	6 -40,0%	1		1 n/a	1		1 n/a	(7)	(15)	8 -53,3%
Income from other investments	2	(6)	8 -133,3%	4		4 n/a	(14)		(14) n/a	(8)	(6)	(2) 33,3%
Income from asset sales	(8)	(5)	(3) 60,0%	8	(54)	62 -114,8%	(12)	2	(14) -700,0%	(12)	(57)	45 -78,9%
INCOME BEFORE TAXES	(118)	(135)	17 -12,6%	327	262	65 24,8%	(106)	54	(160) -296,3%	103	181	(78) -43,1%
Income tax	(55)	(39)	(16) 41,0%	70	85	(15) -17,6%	(38)	7	(45) -642,9%	(23)	53	(76) -143,4%
ONGOING ACTIVITIES PROFIT	(63)	(96)	33 -34,4%	257	177	80 45,2%	(68)	47	(115) -244,7%	126	128	(2) -1,6%
INTERRUPTED ACTIVITIES PROFIT			n/a			n/a			n/a			n/a
PROFIT FOR THE PERIOD	(63)	(96)	33 -34,4%	257	177	80 45,2%	(68)	47	(115) -244,7%	126	128	(2) -1,6%
Attributable to the holders of the parent company	(63)	(96)	33 -34,4%	257	177	80 45,2%	(53)	47	(100) -212,8%	141	128	13 10,2%
Minority interest			n/a			n/a	(15)		(15) n/a	(15)		(15) n/a