

**CONSOLIDATED  
FINANCIAL STATEMENTS  
As of MARCH, 31st 2014  
ENDESA, S.A.**

## ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(Unaudited)

Euro Million

<b>ASSETS</b>	<u>31.03.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
<b>Total fixed assets</b>	<b>42.290</b>	<b>42.695</b>	<b>(405)</b>	<b>-0,9%</b>
Utility plant	31.110	31.591	(481)	-1,5%
Investment property	72	77	(5)	-6,5%
Intangible asset	2.254	2.225	29	1,3%
Goodwill	2.230	2.302	(72)	-3,1%
Investments in associates	1.439	1.408	31	2,2%
Long term financial investments	3.267	3.224	43	1,3%
Deferred tax assets	1.918	1.868	50	2,7%
<b>Total current assets</b>	<b>11.017</b>	<b>13.262</b>	<b>(2.245)</b>	<b>-16,9%</b>
Inventories	1.207	1.103	104	9,4%
Trade and other receivables	5.514	4.932	582	11,8%
Short term financial investments	1.541	3.078	(1.537)	-49,9%
Cash and cash equivalents	2.751	4.145	(1.394)	-33,6%
interrupted activities	4	4		
<b>TOTAL ASSETS</b>	<b>53.307</b>	<b>55.957</b>	<b>(2.650)</b>	<b>-4,7%</b>

<b>EQUITY AND LIABILITIES</b>	<u>31.03.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
<b>Total equity</b>	<b>26.556</b>	<b>26.762</b>	<b>(206)</b>	<b>-0,8%</b>
Atributable to equity holders of the parent company	20.733	20.521	212	1,0%
Minority interest	5.823	6.241	(418)	-6,7%
<b>Non-current liabilities</b>	<b>17.193</b>	<b>18.188</b>	<b>(995)</b>	<b>-5,5%</b>
Deferred revenues	4.582	4.573	9	0,2%
Long term provisions	3.461	3.496	(35)	-1,0%
Long term financial debt	6.556	7.472	(916)	-12,3%
Other non-current liabilities	618	597	21	3,5%
Deferred tax liabilities	1.976	2.050	(74)	-3,6%
<b>Current liabilities</b>	<b>9.558</b>	<b>11.007</b>	<b>(1.449)</b>	<b>-13,2%</b>
Short term financial debt	656	1.092	(436)	-39,9%
Short term provisions	642	689	(47)	-6,8%
Trade and other payables	8.260	9.226	(966)	-10,5%
Liabilities related to non current assets held for sale and from interrupted activities				n/a
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53.307</b>	<b>55.957</b>	<b>(2.650)</b>	<b>-4,7%</b>



# **ENDESA S.A. AND SUBSIDIARIES** **CONSOLIDATED STATEMENTS OF INCOME** (Unaudited)

Euro Million

	<u>31.03.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
REVENUES	7.523	8.109	(586)	-7,2%
Sales	7.009	7.706	(697)	-9,0%
Other operating revenues	514	403	111	27,5%
PURCHASES AND SERVICES	5.257	5.591	(334)	-6,0%
Energy purchases	2.004	2.199	(195)	-8,9%
Fuel procurement costs	733	923	(190)	-20,6%
Transmission expenses	1.744	1.783	(39)	-2,2%
Other variable purchases and services	776	686	90	13,1%
GROSS MARGIN	2.266	2.518	(252)	-10,0%
Work performed by the entity and capitalized	53	50	3	6,0%
Personnel expenses	379	428	(49)	-11,4%
Other fixed operating expenses	441	482	(41)	-8,5%
GROSS OPERATING INCOME (EBITDA)	1.499	1.658	(159)	-9,6%
Depreciation and amortization	551	638	(87)	-13,6%
OPERATING INCOME (EBIT)	948	1.020	(72)	-7,1%
FINANCIAL INCOME	(102)	(148)	46	-31,1%
Financial revenues	133	137	(4)	-2,9%
Financial expenses	(207)	(283)	76	-26,9%
Foreign exchanges	(28)	(2)	(26)	n/a
Share of profit of associates	(24)	29	(53)	-182,8%
Income from other investments		3	(3)	-100,0%
Income from asset sales	(4)	(6)	2	-33,3%
INCOME BEFORE TAXES	818	898	(80)	-8,9%
Income tax	250	261	(11)	-4,2%
ONGOING ACTIVITIES PROFIT	568	637	(69)	-10,8%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	568	637	(69)	-10,8%
Attributable to the holders of the parent company	448	476	(28)	-5,9%
Minority interest	120	161	(41)	-25,5%



## ENDESA S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

Euro Million

	<u>31.03.14</u>	<u>Restated</u> <u>31.03.13</u>
Consolidated income before income taxes	818	898
Result adjustments:	618	682
Fixed assets amortization and impairment loss	551	638
Other result adjustments (net)	67	44
Changes in working capital	332	(482)
Other cash flows from operating activities:	(322)	(513)
Cash-in interests	100	74
Cash-in dividends		2
Interest payments	(160)	(261)
Tax income payment	(82)	(107)
Other cash-in/payments from operating activities	(180)	(221)
<b>Net cash provided by operating activities</b>	<b>1.446</b>	<b>585</b>
Acquisitions of fixed and intangible assets	(529)	(569)
Disposal of fixed and intangible assets	7	12
Investments in stakes of subsidiaries		
Disposal in stakes of subsidiaries		
Acquisitions of other investments	(214)	(1.215)
Disposal of other investments	1.104	1.473
Cash flow from changes in perimeter		
Subsidies and other deferred income	21	30
<b>Net cash used for investing activities</b>	<b>389</b>	<b>(269)</b>
Cash Flows from Equity Instruments	(184)	1.749
New long-term debt	124	150
Repayment of long-term debt	(646)	(771)
Net cash from financial debt with short term maturity	(751)	(686)
Dividends paid by the controlling company	(1.588)	
Dividends paid to minority shareholders	(116)	(102)
<b>Net cash used for financing activities</b>	<b>(3.161)</b>	<b>340</b>
<b>Total net cash</b>	<b>(1.326)</b>	<b>656</b>
Effects of exchange rate changes on cash and cash equivalents	(68)	67
<b>Net increase in cash and cash equivalents</b>	<b>(1.394)</b>	<b>723</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4.145</b>	<b>1.819</b>
<b>Cash and cash equivalents at end of period</b>	<b>2.751</b>	<b>2.542</b>

# **ENDESA S.A. AND SUBSIDIARIES**

## **CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD 31 MARCH 2013- 31 MARCH 2014**

(Unaudited)

Euro Million

	31.03.14			<u>Restated</u> 31.03.13		
	Of the Parent Company	Of Minority Interests	Total	Of the Parent Company	Of Minority Interests	Total
<b>PROFIT FOR THE PERIOD</b>	<b>448</b>	<b>120</b>	<b>568</b>	<b>476</b>	<b>161</b>	<b>637</b>
<b>OTHER COMPREHENSIVE INCOME:</b>						
<b>INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY</b>	<b>(172)</b>	<b>(83)</b>	<b>(255)</b>	<b>238</b>	<b>181</b>	<b>419</b>
<b>Items that may be Subject to State Income Reclassification</b>	<b>(172)</b>	<b>(83)</b>	<b>(255)</b>	<b>238</b>	<b>181</b>	<b>419</b>
Arising from utility plant and intangible assets revaluation						
Arising from financial instruments valuation						
Financial Assets Available for Sale						
Other revenues/(Expenses)						
Arising from cash flow hedge	(25)	(26)	(51)	(90)	9	(81)
Translation differences	(146)	(62)	(208)	298	172	470
Companies accounted using the equity method	(8)		(8)	2	2	4
Remaining incomes and expenses recognised directly in equity						
Tax effect	7	5	12	28	(2)	26
<b>Items that will not be Subject to State Income Reclassification</b>						
Arising from actuarial gains and losses and other adjustments						
Tax effect						
<b>TRANSFERS TO PROFIT AND LOSS ACCOUNT</b>	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>76</b>	<b>(1)</b>	<b>75</b>
Arising from financial instruments valuation						
Financial Assets Available for Sale						
Other revenues/(Expenses)						
Arising from cash flow hedge	(3)	(2)	(5)	102	(1)	101
Translation differences						
Companies accounted using the equity method	1		1	5		5
Remaining revenues and costs recognised directly in equity						
Tax effect	1		1	(31)		(31)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>275</b>	<b>35</b>	<b>310</b>	<b>790</b>	<b>341</b>	<b>1.131</b>

**ENDESA S.A. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED IN 31 MARCH 2014**
*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>
<b>BALANCE AT 1 JANUARY 2014 (Restated)</b>	<b>1.271</b>	<b>17.665</b>		<b>1.879</b>		<b>(294)</b>	<b>6.241</b>	<b>26.762</b>
Adjustments due to changes in accounting policies								
Correction of errors								
<b>ADJUSTED BALANCE AT 1 JANUARY 2014</b>	<b>1.271</b>	<b>17.665</b>		<b>1.879</b>		<b>(294)</b>	<b>6.241</b>	<b>26.762</b>
<b>TOTAL COMPREHENSIVE INCOME</b>				<b>448</b>		<b>(173)</b>	<b>35</b>	<b>310</b>
<b>TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS</b>		<b>(63)</b>					<b>(453)</b>	<b>(516)</b>
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid							<b>(335)</b>	<b>(335)</b>
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners		<b>(63)</b>					<b>(118)</b>	<b>(181)</b>
<b>OTHER CHANGES IN EQUITY</b>		<b>1.879</b>		<b>(1.879)</b>				
Share-based payments								
Transfers between equity items		<b>1.879</b>		<b>(1.879)</b>				
Other changes								
<b>BALANCE AT 31 MARCH 2014</b>	<b>1.271</b>	<b>19.481</b>		<b>448</b>		<b>(467)</b>	<b>5.823</b>	<b>26.556</b>

## ENDESA S.A. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED IN 31 MARCH 2013

*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>
<b>BALANCE AT 1 JANUARY 2013 (Restated)</b>	1.271	16.719		2.034		629	5.707	26.360
Adjustments due to changes in accounting policies								
Correction of errors								
<b>ADJUSTED BALANCE AT 1 JANUARY 2013</b>	1.271	16.719		2.034		629	5.707	26.360
<b>TOTAL COMPREHENSIVE INCOME</b>				476		314	341	1.131
<b>TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS</b>		549					850	1.399
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid							(339)	(339)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners		549					1.189	1.738
<b>OTHER CHANGES IN EQUITY</b>		2.034		(2.034)				
Share-based payments								
Transfers between equity items		2.034		(2.034)				
Other changes								
<b>BALANCE AT 31 MARCH 2014 (Restated)</b>	1.271	19.302		476		943	6.898	28.890

## CONSOLIDATED BALANCE SHEETS SPAIN, PORTUGAL AND OTHER BUSINESSES

(Unaudited)

Euro Million

<b>ASSETS</b>	<u>31.03.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
<b>Total fixed assets</b>	<b>26.065</b>	<b>26.243</b>	<b>(178)</b>	<b>-0,7%</b>
Utility plant	21.148	21.339	(191)	-0,9%
Investment property	15	15		
Intangible asset	584	605	(21)	-3,5%
Goodwill				n/a
Investments in associates	1.095	1.065	30	2,8%
Long term financial investments	2.105	2.116	(11)	-0,5%
Deferred tax assets	1.118	1.103	15	1,4%
<b>Total current assets</b>	<b>6.456</b>	<b>7.851</b>	<b>(1.395)</b>	<b>-17,8%</b>
Inventories	1.099	996	103	10,3%
Trade and other receivables	3.507	3.111	396	12,7%
Short term financial investments	1.031	1.812	(781)	-43,1%
Cash and cash equivalents	815	1.928	(1.113)	-57,7%
Non current assets held for sale and from interrupted activities	4	4		
<b>TOTAL ASSETS</b>	<b>32.521</b>	<b>34.094</b>	<b>(1.573)</b>	<b>-4,6%</b>

<b>EQUITY AND LIABILITIES</b>	<u>31.03.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
<b>Total equity</b>	<b>16.006</b>	<b>15.669</b>	<b>337</b>	<b>2,2%</b>
Atributable to equity holders of the parent company	16.006	15.669	337	2,2%
Minority interest				n/a
<b>Non-current liabilities</b>	<b>11.475</b>	<b>12.341</b>	<b>(866)</b>	<b>-7,0%</b>
Deferred revenues	4.557	4.548	9	0,2%
Long term provisions	2.842	2.891	(49)	-1,7%
Long term financial debt	2.611	3.426	(815)	-23,8%
Other non-current liabilities	518	501	17	3,4%
Deferred tax liabilities	947	975	(28)	-2,9%
<b>Current liabilities</b>	<b>5.040</b>	<b>6.084</b>	<b>(1.044)</b>	<b>-17,2%</b>
Short term financial debt	10	(21)	31	-147,6%
Short term provisions	550	562	(12)	-2,1%
Trade and other payables	4.480	5.543	(1.063)	-19,2%
Liabilities related to non current assets held for sale and from interrupted activities				n/a
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32.521</b>	<b>34.094</b>	<b>(1.573)</b>	<b>-4,6%</b>



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

(Unaudited)

Euro Million

	<u>31.03.14</u>	<u>Restated</u> <u>31.03.13</u>	<u>Variation</u>	
REVENUES	5.443	5.732	(289)	-5,0%
Sales	5.028	5.426	(398)	-7,3%
Other operating revenues	415	306	109	35,6%
PURCHASES AND SERVICES	4.041	4.272	(231)	-5,4%
Energy purchases	1.214	1.486	(272)	-18,3%
Fuel procurement costs	568	665	(97)	-14,6%
Transmission expenses	1.602	1.630	(28)	-1,7%
Other variable purchases and services	657	491	166	33,8%
GROSS MARGIN	1.402	1.460	(58)	-4,0%
Work performed by the entity and capitalized	33	28	5	17,9%
Personnel expenses	220	242	(22)	-9,1%
Other fixed operating expenses	262	288	(26)	-9,0%
GROSS OPERATING INCOME (EBITDA)	953	958	(5)	-0,5%
Depreciation and amortization	393	460	(67)	-14,6%
OPERATING INCOME (EBIT)	560	498	62	12,4%
FINANCIAL INCOME	(33)	(47)	14	-29,8%
Financial revenues	29	51	(22)	-43,1%
Financial expenses	(61)	(100)	39	-39,0%
Foreign exchanges	(1)	2	(3)	-150,0%
Share of profit of associates	(33)	18	(51)	-283,3%
Income from other investments	(1)	3	(4)	-133,3%
Income from asset sales	(10)	(11)	1	-9,1%
INCOME BEFORE TAXES	483	461	22	4,8%
Income tax	133	123	10	8,1%
ONGOING ACTIVITIES PROFIT	350	338	12	3,6%
INTERRUPTED ACTIVITIES PROFIT				n/a
NET INCOME	350	338	12	3,6%
Attributable to the holders of the parent company	350	338	12	3,6%
Minority interest				n/a

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

Euro Million

	<u>31.03.14</u>	<u>Restated</u> <u>31.03.13</u>
Consolidated income before income taxes	483	461
Result adjustments:	377	419
Fixed assets amortization and impairment loss	393	460
Other result adjustments (net)	(16)	(41)
Changes in working capital	579	(160)
Other cash flows from operating activities:	(101)	(241)
Cash-in interests	26	28
Cash-in dividends		2
Interest payments	(25)	(93)
Tax income payment	58	21
Other cash-in/payments from operating activities	(160)	(199)
<b>Net cash provided by operating activities</b>	<b>1.338</b>	<b>479</b>
Acquisitions of fixed and intangible assets	(310)	(364)
Disposal of fixed and intangible assets	(1)	
Investments in stakes of subsidiaries		
Disposal in stakes of subsidiaries		
Acquisitions of other investments	(37)	(597)
Disposal of other investments	200	1.308
Cash flow from changes in perimeter		
Subsidies and other deferred income	21	30
<b>Net cash used for investing activities</b>	<b>(127)</b>	<b>377</b>
Cash Flows from Equity Instruments		
New long-term debt	58	128
Repayment of long-term debt	(615)	(764)
Net cash from financial debt with short term maturity	(179)	(1.070)
Dividends paid by the controlling company	(1.588)	530
Dividends paid to minority shareholders		
<b>Net cash used for financing activities</b>	<b>(2.324)</b>	<b>(1.176)</b>
<b>Total net cash</b>	<b>(1.113)</b>	<b>(320)</b>
Effects of exchange rate changes on cash and cash equivalents		
<b>Net increase in cash and cash equivalents</b>	<b>(1.113)</b>	<b>(320)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1.928</b>	<b>473</b>
<b>Cash and cash equivalents at end of period</b>	<b>815</b>	<b>153</b>

## CONSOLIDATED BALANCE SHEETS LATIN AMERICAN BUSINESS

(Unaudited)

Euro Million

<b>ASSETS</b>	<u>31.03.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
<b>Total fixed assets</b>	<b>16.225</b>	<b>16.452</b>	<b>(227)</b>	<b>-1,4%</b>
Utility plant	9.962	10.252	(290)	-2,8%
Investment property	57	62	(5)	-8,1%
Intangible asset	1.670	1.620	50	3,1%
Goodwill	2.230	2.302	(72)	-3,1%
Investments in associates	344	343	1	0,3%
Long term financial investments	1.162	1.108	54	4,9%
Deferred tax assets	800	765	35	4,6%
<b>Total current assets</b>	<b>4.561</b>	<b>5.411</b>	<b>(850)</b>	<b>-15,7%</b>
Inventories	108	107	1	0,9%
Trade and other receivables	2.007	1.821	186	10,2%
Short term financial investments	510	1.266	(756)	-59,7%
Cash and cash equivalents	1.936	2.217	(281)	-12,7%
Non current assets held for sale and from interrupted activities				n/a
<b>TOTAL ASSETS</b>	<b>20.786</b>	<b>21.863</b>	<b>(1.077)</b>	<b>-4,9%</b>

<b>EQUITY AND LIABILITIES</b>	<u>31.03.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
<b>Total equity</b>	<b>10.550</b>	<b>11.093</b>	<b>(543)</b>	<b>-4,9%</b>
Atributable to equity holders of the parent company	4.727	4.852	(125)	-2,6%
Minority interest	5.823	6.241	(418)	-6,7%
<b>Non-current liabilities</b>	<b>5.718</b>	<b>5.847</b>	<b>(129)</b>	<b>-2,2%</b>
Deferred revenues	25	25		
Long term provisions	619	605	14	2,3%
Long term financial debt	3.945	4.046	(101)	-2,5%
Other non-current liabilities	100	96	4	4,2%
Deferred tax liabilities	1.029	1.075	(46)	-4,3%
<b>Current liabilities</b>	<b>4.518</b>	<b>4.923</b>	<b>(405)</b>	<b>-8,2%</b>
Short term financial debt	646	1.113	(467)	-42,0%
Short term provisions	92	127	(35)	-27,6%
Trade and other payables	3.780	3.683	97	2,6%
Liabilities related to non current assets held for sale and from interrupted activities				n/a
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20.786</b>	<b>21.863</b>	<b>(1.077)</b>	<b>-4,9%</b>



## CONSOLIDATED STATEMENTS OF INCOME LATIN AMERICA BUSINESS

(Unaudited)

Euro Million

	<u>31.03.14</u>	<u>Restated</u> <u>31.03.13</u>	<u>Variation</u>	
REVENUES	2.080	2.377	(297)	-12,5%
Sales	1.981	2.280	(299)	-13,1%
Other operating revenues	99	97	2	2,1%
PURCHASES AND SERVICES	1.216	1.319	(103)	-7,8%
Energy purchases	790	713	77	10,8%
Fuel procurement costs	165	258	(93)	-36,0%
Transmission expenses	142	153	(11)	-7,2%
Other variable purchases and services	119	195	(76)	-39,0%
GROSS MARGIN	864	1.058	(194)	-18,3%
Work performed by the entity and capitalized	20	22	(2)	-9,1%
Personnel expenses	159	186	(27)	-14,5%
Other fixed operating expenses	179	194	(15)	-7,7%
GROSS OPERATING INCOME (EBITDA)	546	700	(154)	-22,0%
Depreciation and amortization	158	178	(20)	-11,2%
OPERATING INCOME (EBIT)	388	522	(134)	-25,7%
FINANCIAL INCOME	(69)	(101)	32	-31,7%
Financial revenues	104	86	18	20,9%
Financial expenses	(146)	(183)	37	-20,2%
Foreign exchange	(27)	(4)	(23)	575,0%
Share of profit of associates	9	11	(2)	-18,2%
Income from other investments	1		1	n/a
Income from asset sales	6	5	1	20,0%
INCOME BEFORE TAXES	335	437	(102)	-23,3%
Income tax	117	138	(21)	-15,2%
ONGOING ACTIVITIES PROFIT	218	299	(81)	-27,1%
INTERRUPTED ACTIVITIES PROFIT				n/a
PROFIT FOR THE PERIOD	218	299	(81)	-27,1%
Attributable to the holders of the parent company	98	138	(40)	-29,0%
Minority interest	120	161	(41)	-25,5%



**STATEMENTS OF CASH FLOWS**  
**LATIN AMERICA BUSINESS**  
(Unaudited)

Euro Million

	<u>31.03.14</u>	<u>Restated</u> <u>31.03.13</u>
Consolidated income before income taxes	335	437
Result adjustments:	241	263
Fixed assets amortization and impairment loss	158	178
Other result adjustments (net)	83	85
Changes in working capital	(247)	(322)
Other cash flows from operating activities:	(221)	(272)
Cash-in interests	74	46
Cash-in dividends		
Interest payments	(135)	(168)
Tax income payment	(140)	(128)
Other cash-in/payments from operating activities	(20)	(22)
<b>Net cash provided by operating activities</b>	<b>108</b>	<b>106</b>
Acquisitions of fixed and intangible assets	(219)	(205)
Disposal of fixed and intangible assets	8	12
Investment in stakes of subsidiaries		
Disposal in stakes of subsidiaries		
Acquisitions of other investments	(177)	(618)
Disposal of other investments	904	165
Cash flow from changes in perimeter		
Subsidies and other deferred income		
<b>Net cash used for investing activities</b>	<b>516</b>	<b>(646)</b>
Cash Flows from Equity Instruments	(184)	1.749
New long-term debt	66	22
Repayment of long-term debt	(31)	(7)
Net cash from financial debt with short term maturity	(572)	384
Dividends paid by the controlling company		(530)
Payments to minority shareholders	(116)	(102)
<b>Net cash used for financing activities</b>	<b>(837)</b>	<b>1.516</b>
<b>Total net cash</b>	<b>(213)</b>	<b>976</b>
Effects of exchange rate changes on cash and cash equivalents	(68)	67
<b>Net increase in cash and cash equivalents</b>	<b>(281)</b>	<b>1.043</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2.217</b>	<b>1.346</b>
<b>Cash and cash equivalents at end of period</b>	<b>1.936</b>	<b>2.389</b>

# Breakdown Consolidated Balance Sheet Spain, Portugal and other businesses for the period ended March 31,2014

(Unaudited)

Euro Million

	Generation and Supply				Distribution				Corporate Structure, Services and Adjustments				Total			
	<u>31.03.14</u>	<u>31.12.13</u> <u>Restated</u>	<u>Variation</u>		<u>31.03.14</u>	<u>31.12.13</u> <u>Restated</u>	<u>Variation</u>		<u>31.03.14</u>	<u>31.12.13</u> <u>Restated</u>	<u>Variation</u>		<u>31.03.14</u>	<u>31.12.13</u> <u>Restated</u>	<u>Variation</u>	
<b>ASSETS</b>																
Total fixed assets	12.097	11.936	161	1,3%	14.503	14.545	(42)	-0,3%	(535)	(238)	(297)	124,8%	26.065	26.243	(178)	-0,7%
Utility plant	9.383	9.522	(139)	-1,5%	11.771	11.823	(52)	-0,4%	(6)	(6)			21.148	21.339	(191)	-0,9%
Investment property				n/a	3	3			12	12			15	15		
Intangible asset	329	340	(11)	-3,2%	153	159	(6)	-3,8%	102	106	(4)	-3,8%	584	605	(21)	-3,5%
Goodwill				n/a				n/a				n/a				n/a
Long term financial investments	978	940	38	4,0%	21	23	(2)	-8,7%	96	102	(6)	-5,9%	1.095	1.065	30	2,8%
Investments in associates	900	648	252	38,9%	2.143	2.139	4	0,2%	(938)	(671)	(267)	39,8%	2.105	2.116	(11)	-0,5%
Deferred tax assets	507	486	21	4,3%	412	398	14	3,5%	199	219	(20)	-9,1%	1.118	1.103	15	1,4%
Total current assets	4.849	5.089	(240)	-4,7%	1.020	1.033	(13)	-1,3%	587	1.729	(1.142)	-66,0%	6.456	7.851	(1.395)	-17,8%
Inventories	1.046	954	92	9,6%	53	42	11	26,2%				n/a	1.099	996	103	10,3%
Trade and other receivables	2.899	2.622	277	10,6%	941	975	(34)	-3,5%	(333)	(486)	153	-31,5%	3.507	3.111	396	12,7%
Short term financial investments	664	1.301	(637)	-49,0%	7	7			360	504	(144)	-28,6%	1.031	1.812	(781)	-43,1%
Cash and cash equivalents	236	208	28	13,5%	19	9	10	111,1%	560	1.711	(1.151)	-67,3%	815	1.928	(1.113)	-57,7%
Non current assets held for sale and from interrupted activities	4	4						n/a				n/a	4	4		
TOTAL ASSETS	16.946	17.025	(79)	-0,5%	15.523	15.578	(55)	-0,4%	52	1.491	(1.439)	-96,5%	32.521	34.094	(1.573)	-4,6%
<b>EQUITY AND LIABILITIES</b>																
Total equity	8.080	7.952	128	1,6%	4.871	4.690	181	3,9%	3.055	3.027	28	0,9%	16.006	15.669	337	2,2%
Atributable to equity holders of the parent company	8.080	7.952	128	1,6%	4.871	4.690	181	3,9%	3.055	3.027	28	0,9%	16.006	15.669	337	2,2%
Minority interest				n/a				n/a				n/a				n/a
Non-current liabilities	4.923	5.234	(311)	-5,9%	8.108	8.675	(567)	-6,5%	(1.556)	(1.568)	12	-0,8%	11.475	12.341	(866)	-7,0%
Deferred revenues	57	58	(1)	-1,7%	4.586	4.576	10	0,2%	(86)	(86)			4.557	4.548	9	0,2%
Long term provisions	1.583	1.569	14	0,9%	957	986	(29)	-2,9%	302	336	(34)	-10,1%	2.842	2.891	(49)	-1,7%
Long term financial debt	2.727	3.058	(331)	-10,8%	1.791	2.345	(554)	-23,6%	(1.907)	(1.977)	70	-3,5%	2.611	3.426	(815)	-23,8%
Other non-current liabilities	106	95	11	11,6%	402	401	1	0,2%	10	5	5	100,0%	518	501	17	3,4%
Deferred tax liabilities	450	454	(4)	-0,9%	372	367	5	1,4%	125	154	(29)	-18,8%	947	975	(28)	-2,9%
Current liabilities	3.943	3.839	104	2,7%	2.544	2.213	331	15,0%	(1.447)	32	(1.479)	n/a	5.040	6.084	(1.044)	-17,2%
Short term financial debt	153	23	130	565,2%	4	4			(147)	(48)	(99)	206,3%	10	(21)	31	-147,6%
Short term provisions	337	381	(44)	-11,5%	110	123	(13)	-10,6%	103	58	45	77,6%	550	562	(12)	-2,1%
Trade and other payables	3.453	3.435	18	0,5%	2.430	2.086	344	16,5%	(1.403)	22	(1.425)	n/a	4.480	5.543	(1.063)	-19,2%
activities				n/a				n/a				n/a				n/a
TOTAL EQUITY AND LIABILITIES	16.946	17.025	(79)	-0,5%	15.523	15.578	(55)	-0,4%	52	1.491	(1.439)	-96,5%	32.521	34.094	(1.573)	-4,6%

# Breakdown Consolidated Statement of Income Spain, Portugal and other businesses for the period ended March 31, 2014 and March 31, 2013

(Unaudited)

Euro Million

	Generation and Supply				Distribution				Corporate Structure, Services and Adjustments				Total			
	<u>31.03.14</u>	<u>31.03.13</u> <u>Restated</u>	<u>Variation</u>		<u>31.03.14</u>	<u>31.03.13</u> <u>Restated</u>	<u>Variation</u>		<u>31.03.14</u>	<u>31.03.13</u> <u>Restated</u>	<u>Variation</u>		<u>31.03.14</u>	<u>31.03.13</u> <u>Restated</u>	<u>Variation</u>	
REVENUES	4.868	5.147	(279)	-5,4%	624	649	(25)	-3,9%	(49)	(64)	15	-23,4%	5.443	5.732	(289)	-5,0%
Sales	4.511	4.886	(375)	-7,7%	560	590	(30)	-5,1%	(43)	(50)	7	-14,0%	5.028	5.426	(398)	-7,3%
Other operating revenues	357	261	96	36,8%	64	59	5	8,5%	(6)	(14)	8	-57,1%	415	306	109	35,6%
PURCHASES AND SERVICES	4.041	4.299	(258)	-6,0%	36	34	2	5,9%	(36)	(61)	25	-41,0%	4.041	4.272	(231)	-5,4%
Energy purchases	1.236	1.507	(271)	-18,0%				n/a	(22)	(21)	(1)	4,8%	1.214	1.486	(272)	-18,3%
Fuel procurement costs	568	665	(97)	-14,6%				n/a				n/a	568	665	(97)	-14,6%
Transmission expenses	1.601	1.628	(27)	-1,7%				n/a	1	2	(1)	-50,0%	1.602	1.630	(28)	-1,7%
Other variable purchases and services	636	499	137	27,5%	36	34	2	5,9%	(15)	(42)	27	-64,3%	657	491	166	33,8%
GROSS MARGIN	827	848	(21)	-2,5%	588	615	(27)	-4,4%	(13)	(3)	(10)	333,3%	1.402	1.460	(58)	-4,0%
Work performed by the entity and capitalized	10	6	4	66,7%	24	22	2	9,1%	(1)		(1)	n/a	33	28	5	17,9%
Personnel expenses	120	122	(2)	1,6%	63	73	(10)	-13,7%	37	47	(10)	-21,3%	220	242	(22)	-9,1%
Other fixed operating expenses	212	238	(26)	-10,9%	117	106	11	10,4%	(67)	(56)	(11)	19,6%	262	288	(26)	-9,0%
GROSS OPERATING INCOME (EBITDA)	505	494	11	2,2%	432	458	(26)	-5,7%	16	6	10	166,7%	953	958	(5)	-0,5%
Depreciation and amortization	235	296	(61)	-20,6%	151	159	(8)	-5,0%	7	5	2	40,0%	393	460	(67)	-14,6%
OPERATING INCOME (EBIT)	270	198	72	36,4%	281	299	(18)	-6,0%	9	1	8	800,0%	560	498	62	12,4%
FINANCIAL INCOME	(30)	(54)	24	-44,4%	(9)	3	(12)	-400,0%	6	4	2	50,0%	(33)	(47)	14	-29,8%
Financial revenues	7	6	1	16,7%	15	16	(1)	-6,3%	7	29	(22)	-75,9%	29	51	(22)	-43,1%
Financial expenses	(39)	(65)	26	-40,0%	(24)	(13)	(11)	84,6%	2	(22)	24	-109,1%	(61)	(100)	39	-39,0%
Foreign exchanges	2	5	(3)	-60,0%				n/a	(3)	(3)			(1)	2	(3)	-150,0%
Share of profit of associates	(34)	18	(52)	-288,9%	(2)	(3)	1	-33,3%	3	3			(33)	18	(51)	-283,3%
Income from other investments		2	(2)	-100,0%	1	1		0,0%	(2)		(2)	n/a	(1)	3	(4)	-133,3%
Income from asset sales	(9)	(11)	2	-18,2%	(2)		(2)	n/a	1		1	n/a	(10)	(11)	1	-9,1%
INCOME BEFORE TAXES	197	153	44	28,8%	269	300	(31)	-10,3%	17	8	9	112,5%	483	461	22	4,8%
Income tax	54	31	23	74,2%	89	90	(1)	-1,1%	(10)	2	(12)	-600,0%	133	123	10	8,1%
ONGOING ACTIVITIES PROFIT	143	122	21	17,2%	180	210	(30)	-14,3%	27	6	21	350,0%	350	338	12	3,6%
INTERRUPTED ACTIVITIES PROFIT				n/a				n/a				n/a				n/a
PROFIT FOR THE PERIOD	143	122	21	17,2%	180	210	(30)	-14,3%	27	6	21	350,0%	350	338	12	3,6%
Attributable to the holders of the parent company	143	122	21	17,2%	180	210	(30)	-14,3%	27	6	21	350,0%	350	338	12	3,6%
Minority interest				n/a				n/a				n/a				n/a