



ENERGÍA PARA LA VIDA

**CONSOLIDATED
FINANCIAL STATEMENTS
AS OF SEPTEMBER, 30th 2014
ENDESA, S.A. AND
SUBSIDIARIES**

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD 30 SEPTEMBER 2014 AND 2

Euro Million

(Unaudited)

	<u>Unaudited</u> <u>30.09.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
ASSETS				
Total fixed assets	25.622	42.695	(17.073)	-40,0%
Utility plant	21.028	31.591	(10.563)	-33,4%
Investment property	24	77	(53)	-68,8%
Intangible asset	505	2.225	(1.720)	-77,3%
Goodwill		2.302	(2.302)	-100,0%
Investments in associates	1.072	1.408	(336)	-23,9%
Long term financial investments	1.876	3.224	(1.348)	-41,8%
Deferred tax assets	1.117	1.868	(751)	-40,2%
Total current assets	29.157	13.262	15.895	119,9%
Inventories	1.046	1.103	(57)	-5,2%
Trade and other receivables	3.547	4.932	(1.385)	-28,1%
Short term financial investments	1.286	3.078	(1.792)	-58,2%
Cash and cash equivalents	1.110	4.145	(3.035)	-73,2%
Non current assets held for sale and from interrupted activities	22.168	4	22.164	n/a
TOTAL ASSETS	54.779	55.957	(1.178)	-2,1%

	<u>Unaudited</u> <u>30.09.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
EQUITY AND LIABILITIES				
Total equity	27.423	26.762	661	2,5%
Atributable to equity holders of the parent company	21.417	20.521	896	4,4%
Minority interest	6.006	6.241	(235)	-3,8%
Non-current liabilities	11.667	18.153	(6.486)	-35,7%
Deferred revenues	4.585	4.573	12	0,3%
Long term provisions	3.040	3.496	(456)	-13,0%
Long term financial debt	2.418	7.437	(5.019)	-67,5%
Other non-current liabilities	539	597	(58)	-9,7%
Deferred tax liabilities	1.085	2.050	(965)	-47,1%
Current liabilities	15.689	11.042	4.647	42,1%
Short term financial debt		1.127	(1.127)	-100,0%
Short term provisions	447	689	(242)	-35,1%
Trade and other payables	5.144	9.226	(4.082)	-44,2%
Liabilities related to non current assets held for sale and from interrupted activities	10.098		10.098	n/a
TOTAL EQUITY AND LIABILITIES	54.779	55.957	(1.178)	-2,1%

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD 30 SEPTEMBER 2014 AND 2013

Euro Million

(Unaudited)

	<u>30.09.14</u>	<u>Restated</u> <u>30.09.13</u>	<u>Variation</u>	
REVENUES	15.542	16.234	(692)	-4,3%
Sales	14.707	15.490	(783)	-5,1%
Other operating revenues	835	744	91	12,2%
PURCHASES AND SERVICES	11.577	11.982	(405)	-3,4%
Energy purchases	3.754	3.919	(165)	-4,2%
Fuel procurement costs	1.766	2.117	(351)	-16,6%
Transmission expenses	4.440	4.596	(156)	-3,4%
Other variable purchases and services	1.617	1.350	267	19,8%
GROSS MARGIN	3.965	4.252	(287)	-6,7%
Work performed by the entity and capitalized	84	73	11	15,1%
Personnel expenses	695	751	(56)	-7,5%
Other fixed operating expenses	870	920	(50)	-5,4%
GROSS OPERATING INCOME (EBITDA)	2.484	2.654	(170)	-6,4%
Depreciation and amortization	1.167	1.227	(60)	-4,9%
OPERATING INCOME (EBIT)	1.317	1.427	(110)	-7,7%
FINANCIAL INCOME	(114)	(92)	(22)	23,9%
Financial revenues	79	145	(66)	-45,5%
Financial expenses	(190)	(240)	50	-20,8%
Foreign exchanges	(3)	3	(6)	-200,0%
Share of profit of associates	(65)	39	(104)	-266,7%
Income from other investments		7	(7)	-100,0%
Income from asset sales	(20)	35	(55)	-157,1%
INCOME BEFORE TAXES	1.118	1.416	(298)	-21,0%
Income tax	364	380	(16)	-4,2%
ONGOING ACTIVITIES PROFIT	754	1.036	(282)	-27,2%
INTERRUPTED ACTIVITIES PROFIT	988	1.283	(295)	-23,0%
PROFIT FOR THE PERIOD	1.742	2.319	(577)	-24,9%
Attributable to the holders of the parent company	1.219	1.551	(332)	-21,4%
Minority interest	523	768	(245)	-31,9%

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD 30 SEPTEMBER 2014 AND 2013

Euro Million
(Unaudited)

Restated

	<u>30.09.14</u>	<u>30.09.13</u>
Consolidated income before income taxes	2.383	3.158
(Unaudited)	2.221	2.007
Fixed assets amortization and impairment loss	1.555	1.829
Other result adjustments (net)	666	178
Changes in current assets	(692)	(1.401)
Other cash flows from operating activities:	(1.427)	(1.449)
Cash-in interests	257	271
Cash-in dividends	27	18
Interest payments	(550)	(528)
Tax income payment	(744)	(723)
Other cash-in/payments from operating activities	(417)	(487)
Net cash provided by operating activities	2.485	2.315
Acquisitions of fixed and intangible assets	(1.668)	(1.636)
Disposal of fixed and intangible assets	14	31
Investments in stakes of subsidiaries	(68)	
Disposal in stakes of subsidiaries		84
Acquisitions of other investments	(801)	(3.809)
Disposal of other investments	2.348	2.983
Cash flow from changes in perimeter		
Subsidies and other deferred income	109	115
Net cash used for investing activities	(66)	(2.232)
Cash Flows from Equity Instruments	(507)	1.741
New long-term debt	971	699
Repayment of long-term debt	(986)	(915)
Net cash from financial debt with short term maturity	(1.004)	(620)
Dividends paid by the controlling company	(1.588)	
Dividends paid to minority shareholders	(492)	(399)
Net cash used for financing activities	(3.606)	506
Total net cash	(1.187)	589
Effects of exchange rate changes on cash and cash equivalents	(8)	(180)
Net increase in cash and cash equivalents	(1.195)	409
Cash and cash equivalents at beginning of period	4.145	1.819
Cash and cash equivalents at end of period	2.950	2.228

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME AND EXPENSES FOR THE PERIOD 30 SEPTEMBER 2014 AND 2013

Euro Million

(Unaudited)

	30.09.14			Restated 30.09.13		
	Of the Parent Company	Of Minority Interests	Total	Of the Parent Company	Of Minority Interests	Total
PROFIT FOR THE PERIOD	1.219	523	1.742	1.551	768	2.319
OTHER COMPREHENSIVE INCOME:						
INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	(126)	87	(39)	(654)	(760)	(1.414)
Items that may be Subject to State Income Reclassification	(48)	96	48	(654)	(760)	(1.414)
Arising from utility plant and intangible assets revaluation						
Arising from financial instruments valuation				(2)		(2)
Financial Assets Available for Sale				(2)		(2)
Other revenues/(Expenses)						
Arising from cash flow hedge	(4)	(90)	(94)	(179)	(52)	(231)
Translation differences	(29)	151	122	(536)	(726)	(1.262)
Companies accounted using the equity method	(21)	14	(7)	12	7	19
Remaining incomes and expenses recognised directly in equity						
Tax effect	6	21	27	51	11	62
Items that will not be Subject to State Income Reclassification	(78)	(9)	(87)			
Arising from actuarial gains and losses and other adjustments	(101)	(14)	(115)			
Tax effect	23	5	28			
TRANSFERS TO PROFIT AND LOSS ACCOUNT	(22)	(9)	(31)	85	(5)	80
Arising from financial instruments valuation				(64)		(64)
Financial Assets Available for Sale				(64)		(64)
Other revenues/(Expenses)						
Arising from cash flow hedge	(33)	(10)	(43)	188	(3)	185
Translation differences						
Companies accounted using the equity method	4		4	7		7
Remaining revenues and costs recognised directly in equity						
Tax effect	7	1	8	(46)	(2)	(48)
TOTAL COMPREHENSIVE INCOME	1.071	601	1.672	982	3	985

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED IN 30 SEPTEMBER 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>
	1.271	17.665		1.879		(294)	6.241	26.762
Adjustments due to changes in accounting policies								
Correction of errors								
ADJUSTED BALANCE	1.271	17.665		1.879		(294)	6.241	26.762
TOTAL COMPREHENSIVE INCOME		(78)		1.219		(70)	601	1.672
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(176)				1	(836)	(1.011)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid							(503)	(503)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations						1	1	2
Other transactions with shareholders and owners		(176)					(334)	(510)
OTHER CHANGES IN EQUITY		1.879		(1.879)				
Share-based payments								
Transfers between equity items		1.879		(1.879)				
Other changes								
BALANCE AT 30 SEPTEMBER 2014	1.271	19.290		1.219		(363)	6.006	27.423

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED IN 30 SEPTEMBER 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>
	1.271	16.719		2.034		629	5.716	26.369
Adjustments due to changes in accounting policies							(9)	(9)
Correction of errors								
ADJUSTED BALANCE	1.271	16.719		2.034		629	5.707	26.360
TOTAL COMPREHENSIVE INCOME				1.551		(569)	3	985
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		546					756	1.302
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid							(432)	(432)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners		546					1.188	1.734
OTHER CHANGES IN EQUITY		2.034		(2.034)				
Share-based payments								
Transfers between equity items		2.034		(2.034)				
Other changes								
BALANCE AT 30 SEPTEMBER 2013 (Restated)	1.271	19.299		1.551		60	6.466	28.647

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED SEPTEMBER 30, 2014

Euro Million

(Unaudited)

	SPAIN AND PORTUGAL				LATIN AMERICA	ENDESA
	Generation and Supply	Distribution	Corporate Structure, Services and	Total	Total	Total
	30.09.14	30.09.14	30.09.14	30.09.14	30.09.14	30.09.14
ASSETS						
Total fixed assets	11.652	12.893	1.077	25.622		25.622
Utility plant	9.277	11.758	(7)	21.028		21.028
Investment property		3	21	24		24
Intangible asset	253	150	102	505		505
Goodwill						
Long term financial investments	953	21	98	1.072		1.072
Investments in associates	656	551	669	1.876		1.876
Deferred tax assets	513	410	194	1.117		1.117
Total current assets	4.974	1.414	605	6.993	22.164	29.157
Inventories	978	68		1.046		1.046
Trade and other receivables	3.077	919	(449)	3.547		3.547
Short term financial investments	745	410	131	1.286		1.286
Cash and cash equivalents	170	17	923	1.110		1.110
Non current assets held for sale and from interrupted activities	4			4	22.164	22.168
TOTAL ASSETS	16.626	14.307	1.682	32.615	22.164	54.779
EQUITY AND LIABILITIES						
Total equity	4.526	1.297	9.534	15.357	12.066	27.423
Atributable to equity holders of the parent company	4.526	1.297	9.529	15.352	6.065	21.417
Minority interest			5	5	6.001	6.006
Non-current liabilities	8.131	10.720	(7.184)	11.667		11.667
Deferred revenues	55	4.615	(85)	4.585		4.585
Long term provisions	1.808	902	330	3.040		3.040
Long term financial debt	5.656	4.320	(7.558)	2.418		2.418
Other non-current liabilities	116	408	15	539		539
Deferred tax liabilities	496	475	114	1.085		1.085
Current liabilities	3.969	2.290	(668)	5.591	10.098	15.689
Short term financial debt	234	4	(238)			
Short term provisions	295	99	53	447		447
Trade and other payables	3.440	2.187	(483)	5.144		5.144
Liabilities related to non current assets held for sale and from interrupted activities					10.098	10.098
TOTAL EQUITY AND LIABILITIES	16.626	14.307	1.682	32.615	22.164	54.779

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2014

Euro Million

(Unaudited)

	SPAIN AND PORTUGAL				LATIN AMERICA	ENDESA
	Generation and Supply	Distribution	Corporate Structure, Services and	Total	Total	Total
	30.09.14	30.09.14	30.09.14	30.09.14	30.09.14	30.09.14
REVENUES	13.795	1.879	(132)	15.542		15.542
Sales	13.134	1.675	(102)	14.707		14.707
Other operating revenues	661	204	(30)	835		835
PURCHASES AND SERVICES	11.527	108	(58)	11.577		11.577
Energy purchases	3.776		(22)	3.754		3.754
Fuel procurement costs	1.766			1.766		1.766
Transmission expenses	4.438		2	4.440		4.440
Other variable purchases and services	1.547	108	(38)	1.617		1.617
GROSS MARGIN	2.268	1.771	(74)	3.965		3.965
Work performed by the entity and capitalized	12	72		84		84
Personnel expenses	368	208	119	695		695
Other fixed operating expenses	736	320	(186)	870		870
GROSS OPERATING INCOME (EBITDA)	1.176	1.315	(7)	2.484		2.484
Depreciation and amortization	618	524	25	1.167		1.167
OPERATING INCOME (EBIT)	558	791	(32)	1.317		1.317
FINANCIAL INCOME	(108)	(47)	41	(114)		(114)
Financial revenues	24	39	16	79		79
Financial expenses	(125)	(86)	21	(190)		(190)
Foreign exchanges	(7)		4	(3)		(3)
Share of profit of associates	(73)	1	7	(65)		(65)
Income from other investments		1	(1)			
Income from asset sales	(21)	(2)	3	(20)		(20)
INCOME BEFORE TAXES	356	744	18	1.118		1.118
Income tax	138	215	11	364		364
ONGOING ACTIVITIES PROFIT	218	529	7	754		754
INTERRUPTED ACTIVITIES PROFIT					988	988
PROFIT FOR THE PERIOD	218	529	7	754	988	1.742
Attributable to the holders of the parent company	218	529	8	755	464	1.219
Minority interest			(1)	(1)	524	523

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED SEPTEMBER 30, 2013

Euro Million

(Unaudited)

	SPAIN AND PORTUGAL				LATIN AMERICA	ENDESA
	Generation and Supply	Distribution	Corporate Structure, Services and	Total	Total	Total
	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>
ASSETS						
Total fixed assets	11.936	14.545	(238)	26.243	16.452	42.695
Utility plant	9.522	11.823	(6)	21.339	10.252	31.591
Investment property		3	12	15	62	77
Intangible asset	340	159	106	605	1.620	2.225
Goodwill					2.302	2.302
Long term financial investments	940	23	102	1.065	343	1.408
Investments in associates	648	2.139	(671)	2.116	1.108	3.224
Deferred tax assets	486	398	219	1.103	765	1.868
Total current assets	5.089	1.033	1.729	7.851	5.411	13.262
Inventories	954	42		996	107	1.103
Trade and other receivables	2.622	975	(486)	3.111	1.821	4.932
Short term financial investments	1.301	7	504	1.812	1.266	3.078
Cash and cash equivalents	208	9	1.711	1.928	2.217	4.145
Non current assets held for sale and from interrupted activities	4			4		4
TOTAL ASSETS	17.025	15.578	1.491	34.094	21.863	55.957
EQUITY AND LIABILITIES						
Total equity	7.952	4.690	3.027	15.669	11.093	26.762
Attributable to equity holders of the parent company	7.952	4.690	3.027	15.669	4.852	20.521
Minority interest					6.241	6.241
Non-current liabilities	5.234	8.675	(1.603)	12.306	5.847	18.153
Deferred revenues	58	4.576	(86)	4.548	25	4.573
Long term provisions	1.569	986	336	2.891	605	3.496
Long term financial debt	3.058	2.345	(2.012)	3.391	4.046	7.437
Other non-current liabilities	95	401	5	501	96	597
Deferred tax liabilities	454	367	154	975	1.075	2.050
Current liabilities	3.839	2.213	67	6.119	4.923	11.042
Short term financial debt	23	4	(13)	14	1.113	1.127
Short term provisions	381	123	58	562	127	689
Trade and other payables	3.435	2.086	22	5.543	3.683	9.226
Liabilities related to non current assets held for sale and from interrupted activities						
TOTAL EQUITY AND LIABILITIES	17.025	15.578	1.491	34.094	21.863	55.957

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2013

Euro Million

(Unaudited)

	SPAIN AND PORTUGAL				LATIN AMERICA	ENDESA
	Generation and Supply	Distribution	Corporate Structure, Services and	Total	Total	Total
	<u>30.09.13</u> <u>Restated</u>	<u>30.09.13</u> <u>Restated</u>	<u>30.09.13</u> <u>Restated</u>	<u>30.09.13</u> <u>Restated</u>	<u>30.09.13</u> <u>Restated</u>	<u>30.09.13</u> <u>Restated</u>
REVENUES	14.462	1.906	(134)	16.234		16.234
Sales	13.879	1.719	(108)	15.490		15.490
Other operating revenues	583	187	(26)	744		744
PURCHASES AND SERVICES	12.006	95	(119)	11.982		11.982
Energy purchases	3.919			3.919		3.919
Fuel procurement costs	2.117			2.117		2.117
Transmission expenses	4.592		4	4.596		4.596
Other variable purchases and services	1.378	95	(123)	1.350		1.350
GROSS MARGIN	2.456	1.811	(15)	4.252		4.252
Work performed by the entity and capitalized		73		73		73
Personnel expenses	377	222	152	751		751
Other fixed operating expenses	766	332	(178)	920		920
GROSS OPERATING INCOME (EBITDA)	1.313	1.330	11	2.654		2.654
Depreciation and amortization	754	459	14	1.227		1.227
OPERATING INCOME (EBIT)	559	871	(3)	1.427		1.427
FINANCIAL INCOME	(125)	17	16	(92)		(92)
Financial revenues	26	54	65	145		145
Financial expenses	(155)	(37)	(48)	(240)		(240)
Foreign exchanges	4		(1)	3		3
Share of profit of associates	37	(3)	5	39		39
Income from other investments	5	1	1	7		7
Income from asset sales	35			35		35
INCOME BEFORE TAXES	511	886	19	1.416		1.416
Income tax	103	264	13	380		380
ONGOING ACTIVITIES PROFIT	408	622	6	1.036		1.036
INTERRUPTED ACTIVITIES PROFIT					1.283	1.283
PROFIT FOR THE PERIOD	408	622	6	1.036	1.283	2.319
Attributable to the holders of the parent company	408	622	6	1.036	515	1.551
Minority interest					768	768