

ENDESA, S.A. and Subsidiaries

Consolidated Management Report for the nine-month period ended 30 September 2014

(Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Madrid, 29 October 2014

ENDESA, S.A. AND SUBSIDIARIES **CONSOLIDATED MANAGEMENT REPORT** **FOR THE PERIOD ENDED** **30 SEPTEMBER 2014**

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Consolidated Results

ENDESA reported net income of Euros 1,219 million in the nine-month period ended 30 September 2014 of which Euros 755 million corresponded to the Spain and Portugal Business and Euros 464 million to the Latin America Business

ENDESA's reported net income of Euros 1,219 million in the first nine months of 2014, down 21.4% on the same period of the prior year. Of this, Euros 755 million corresponded to net income from the Spain and Portugal Business (down 27.1%) and Euros 464 million to the Latin America Business (a reduction of 9.9%).

The decline in net income for the Spain and Portugal Business is largely due to the impact of regulatory measures where we would note lower non-mainland revenue in 2012 and 2013 totalling Euros 162 million as a result of re-estimating the revenue for these years as a result of the proposal of Royal Decree which was received for observations in July, and the Euros 96 million loss of the Company's stakes in Elcogas, S.A. and Nuclenor, S.A.

The poor performance of net income in the Latin America Business is largely due to the adverse impact of exchange rates of the region's currencies against the euro, the negative impact of the higher tax rate on deferred taxes recognised in Chile, certain specific negative aspects of the Business in Chile and Brazil in the first nine months of the year as well as the one-off positive impact in Argentina in the first nine months of 2013 of the income related to the compensation applied for cost fluctuations which had not been passed on to the tariff between 2007 and February 2013 in relation to the amounts to be applied under the Cost Monitoring Mechanism ("MMC") adjustment. These negative impacts were partially offset by income due to the recognition of deferred tax related to ENDESA, S.A.'s direct stake in Enersis, S.A. as a result of the disposal process which commenced prior to 30 September 2014. For this reason, the assets of the Latin America Business were no longer amortised from 31 July 2014.

Electricity generation and sales

ENDESA's electricity generation totalled 96,811 GWh in the first nine months of 2014, up 0.1% on the same period in 2013. Electricity sales stood at 117,949 GWh, unchanged year-on-year.

GWh

Power output and sales for January - September 2014

	Output		Sales	
	January - September 2014	% chg. 3Q13	January - September 2014	% chg. 3Q13
Spain and Portugal	51,704	(0.4)	70,921	(2.1)
Latin America	45,107	0.7	47,028	3.5
TOTAL	96,811	0.1	117,949	0.0

Disposal of ENDESA's Latin America Business and Dividends Distribution

On 30 July 2014, the Board of Directors of ENDESA, S.A. took note of the proposal received from ENEL, S.p.A., through ENEL Energy Europe, S.L.U., for the acquisition by the latter of 100% of ENDESA Latinoamérica, S.A.U., (a company which is in turn owner of 40.32% of the share capital of Enersis, S.A.), and 20.3% of the shares in Enersis, S.A., owned directly by ENDESA, S.A. and for the payment of an extraordinary cash dividend for an amount at least equal to the amount which ENDESA will receive from ENEL Energy Europe, S.L.U. as a result of the disposals.

On 11 September 2014, ENEL Energy Europe, S.L.U. submitted to ENDESA, S.A. a binding offer to acquire the above mentioned shares for a total purchase price of Euros 8,252.9 million.

On 17 September 2014, the ENDESA, S.A. Board of Directors resolved to propose to shareholders at an Extraordinary Shareholders' Meeting that they accept the offer submitted by ENEL Energy Europe, S.L.U.

At the meeting held on 21 October 2014, shareholders at the ENDESA, S.A. Extraordinary Shareholders' Meeting agreed to accept the offer submitted by ENEL Energy Europe, S.L.U. to acquire ENDESA's Latin America Business for a total purchase price of Euros 8,252.9 million.

On 23 October 2014, ENDESA completed the disposal of its Latin America Business described for Euros 8,252.9 million. The carrying amount at 30 September 2014 of the net assets amounted to Euros 12,066 million, of which Euros 6,001 million correspond to non-controlling interests. Therefore, the net carrying amount of assets included in the disposal amounted to Euros 6,065 million. For tax purposes, the transaction is subject to taxation in Chile which will require the recognition of an income tax expense of approximately Euros 300 million, including the reversal of the deferred tax asset arising on the difference between the carrying amount and the amount for tax purposes in Chile of the 20.3% stake in Enersis, S.A. held directly by ENDESA, S.A. Meanwhile, translation differences and gains and losses on cash flow hedges recognised in Equity of the Parent in the Consolidated Statement of Financial Position at 30 September 2014 amounted to a negative Euros 242 and Euros 34 million, respectively.

In addition, on the same date ENDESA Latinoamérica, S.A.U. reimbursed the intragroup cash pooling account held with ENDESA Financiación Filiales, S.A.U. for Euros 57 million.

In the disposal of its Latin America Business, ENDESA, S.A. has sold to ENEL Energy Europe, S.L.U. the following stakes:

- 796,683,058 shares of ENDESA Latinoamérica, S.A.U. representing 100% of its share capital; and
- 9,967,630,058 shares of Enersis, S.A. representing 20.3% of its share capital.

ENDESA Latinoamérica, S.A.U. was established on 26 January 1998 to administer ENDESA's presence in the Latin American market. ENDESA Latinoamérica, S.A.U.'s main investee is Enersis, S.A., in which it holds a 40.32% stake.

Enersis, S.A. is a holding company based in Chile with controlling interests in electricity generation and distribution companies in five Latin American countries. Its shares are traded on the Santiago and New York stock exchanges and the Latibex.

The joint disposal of 100% of ENDESA Latinoamérica, S.A.U. and of 20.3% of Enersis, S.A. means that, at the date these transactions are finalised, ENDESA, S.A. will lose control over ENDESA Latinoamérica, S.A.U., Enersis, S.A. and therefore all the companies controlled by the latter. Therefore, these companies are now excluded from the ENDESA consolidation scope.

Appendix III of this Consolidated Management Report lists the companies which, following the disposal of the Latin America Business finalised on 23 October 2014, will no longer be included in the consolidation scope from that date.

At 30 September 2014, all of the above mentioned companies comprising the Latin America Business were classified as discontinued operations. Accordingly, the balances have been reclassified to non-current assets held for sale and discontinued operations and to liabilities directly associated with non-current assets classified as held for sale and discontinued operations in the Consolidated Statement of Financial Position at 30 September 2014.

All income and expense corresponding to the Companies which were disposed of, given that they are considered to be discontinued operations, are now recognised in profit after tax for the year from discontinued operations in the Consolidated Income Statement for the nine months ended 30 September 2014.

In accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets transferred to Non-current Assets Held for Sale and Discontinued Operations on 31 July 2014 as a result of the initiation of the disposal of the Latin America Business, were no longer amortised from that date.

Accordingly, the following paragraphs include information for businesses included in the Consolidated Statement of Financial Position at 30 September 2014 and the Consolidated Income Statement for the nine months ended 30 September 2014, taking into account that the Spain and Portugal Business corresponds to continuing operations and the Latin America Business corresponds to discontinued operations.

Also, at the Extraordinary General Meeting of Shareholders of ENDESA, S.A. held on 21 October 2014, approval was given to pay an extraordinary dividend charged to reserves of a gross Euros 7.795 per share, for a total amount of Euros 8,252.9 million, equivalent to the funds obtained from the disposal of the Latin America Business. In addition, ENDESA S.A.'s Board of Directors, at its meeting on 7 October 2014, resolved to pay shareholders an interim dividend charged against 2014 earnings of Euros 6 per share, for a total shareholder amount of Euros 6,352.5 million. The purpose of this dividend is to give ENDESA a more efficient financial structure now its net financial debt has been significantly reduced following the disposal of its Latin America Business.

Both dividends were paid on 29 October 2014. Neither have been recorded in the interim condensed consolidated financial statements for the nine months ended 30 September 2014 as they were agreed after that date.

Comparative Information

As a result of the application from 1 January 2014 of IFRS 11 *Joint Arrangements*, the Financial Statements of ENDESA's joint ventures, which until 2013 were consolidated using proportionate consolidation, are consolidated using the equity method. As a result, the figures of Consolidated Financial Statements for 2013 and the figures of Consolidated Income Statement for the nine months ended 30 September 2013, which are presented for purposes of comparison, have been restated to include the measurement of the interests in which ENDESA holds joint control using the equity method.

Also, as a result of the asset disposals in Latin America described in the previous section of this Consolidated Management Report, the Interim Condensed Financial Statements for the nine months ended 30 September 2014 include the figures for the Latin America Business as discontinued operations. This is why the information relating to the Consolidated Income Statement for the nine months ended 30 September 2013, which is presented here for comparative purposes, has been restated in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* to present the results of that Business as discontinued operations.

The comparative information corresponding to 2013 used in this Consolidated Management Report has been restated to take into account the information described in the previous paragraphs. The effect on the comparative information corresponding to 2013 of this restatement is described in Appendix II "Effect of the Restatement of the 2013 Consolidated Financial Statements".

Analysis of Results: **Continuing Operations** **(Business in Spain and Portugal)**

Net income of continuing operations: Euros 755 million

Net income from ENDESA's Continuing Operations was Euros 755 million in the first nine months of 2014, Euros 281 million less than during the same period in 2013, contributing 61.9% to ENDESA's total net income.

Gross Profit from Operations (EBITDA) stood at Euros 2,484 million, down 6.4% year on year, while Profit from Operations (EBIT) totalled Euros 1,317 million, a 7.7% decline on the same period of 2013.

The following factors must be taken into account when looking at Gross Profit from Operations (EBITDA) for the period:

- A new Royal Decree draft regulating the production of electricity and the procedure for dispatching power in non-mainland electricity systems was received for observations in July 2014. This draft considers effects retroactively as of 1 January 2012 for the remuneration of non-mainland production, with an impact of Euros 259 million for 2012 and 2013 when compared to the previous framework. Euros 97 million of this amount were already provisioned in 2013, based on a previous draft in 2013. Therefore, Gross Profit from Operations (EBITDA) in the first nine months of 2014 includes a Euros 162 million decrease in income as a result of restating the remuneration of non-mainland production in 2012 and 2013.
- The figure for the first nine months of 2014 includes the effects of certain regulatory measures approved by the Spanish government in 2013 that were not reflected in the same period in 2013. These measures primarily include the reduced remuneration distribution and generation electricity generation for non-mainland territories and as set out in the above mentioned Royal Decree Law 9/2013 of 12 July on non-mainland Electricity Systems, and the assumption by ENDESA, S.A. of the cost of 41.61% of the subsidised electricity tariff (Social Bonus or "Bono Social"). These measures had a negative impact of Euros 375 million on EBITDA for the first nine months of 2014.
- Fixed costs were reduced by 6.3% (Euros 106 million) due to ENDESA's considerable cost-control efforts, which aim to mitigate the impact on results of the negative effects of regulatory measures enacted by the Spanish government in recent years.
- Variable costs were reduced by 3.4% as a result of lower electricity and fuel prices, as well as a reduction in transmission costs.

Regulatory update

From a regulatory perspective, the main highlights during the period were as follows:

Royal Decree 413/2014, of 6 June, which regulates the production of electricity from renewable energy sources, combined heat and power, and waste

This Royal Decree approved a new remuneration framework for facilities producing electricity from renewable energy sources, combined heat and power, and waste, following Royal Decree Law 9/2013, of 12 July, adopting urgent measures to ensure the financial stability of the Electricity System, and Electricity Sector Law 24/2013, of 26 December.

The new methodology replaces the previous regulated tariff structure with a new framework which applies the concept of reasonable return, guaranteeing a profit before tax based on the average yield of 10-year Government Obligations plus 300 basis points. Under this new framework, in addition to remuneration for the sale of electricity valued at market price, facilities will be eligible to receive a specific remuneration consisting of a term per unit of installed capacity which covers, where appropriate, the investment costs for a standard facility that cannot be recovered through electricity sales on the market, which is known as return on investment, and an operating term which covers, where applicable, the difference between the operating costs and the income from the investment on the production market for this standard facility, which is known as return of operations.

The new remuneration system will be applied equally to facilities already in operation and new installations. For new facilities, adherence to the specific remuneration regime will be established through a series of competitive procedures.

In non-mainland territories (formerly known as Island and Non-Mainland Electricity Systems ("SEIE")), an incentive is established for investment when generation costs are reduced.

The regulation also establishes the terms under which remuneration parameters should be reviewed. These may only be modified, as applicable, every six years, every three years or every year. The standard value of the initial investment and the regulatory useful life of the asset shall remain unchanged once they have been recognised for each standard facility.

Order IET/1045/2014, of 16 June, approving the remuneration parameters for standard facilities applicable to certain facilities producing electricity from renewable energy sources, combined heat and power, and waste, and establishing specific values for the standard costs for each of the standard facilities defined, was published in the Official State Gazette on 20 June 2014.

Finally, Order IET/1459/2014, of 1 August, approving the remuneration parameters and establishing a mechanism for allocating remuneration for new wind and photovoltaic facilities in non-mainland electricity systems, was published in the Official State Gazette on 5 August.

Royal Decree Law 8/2014, of 4 July, approving urgent measures to boost growth, competitiveness and efficiency

On 4 July 2014, the Council of Ministers approved this Royal Decree Law, which was published on 5 July, which, among other matters, includes the reform regarding remuneration of the gas system, for the purpose of designing an economically sustainable system that minimises costs for the consumer and, with regard to energy efficiency, created the Energy Efficiency National Fund with the aim of achieving energy savings.

In the gas market, the purpose of the reform is to resolve the tariff deficit of the gas sector and to ensure an economically sustainable system for the future, the main principles of which are as follows:

- Recognition of the deficit generated until 31 December 2014 and payment in 15 years.
- Elimination of the structural deficit and adjustment of the remuneration of regulated activities.
- Rules for financial sustainability in the gas system to avoid generating new deficits.
- Align the remuneration of activities to changes in demand.

With regard to energy efficiency, from its entry into force, the Royal Decree Law establishes a system of obligations for companies selling gas and electricity, for wholesale operators of oil products, and for wholesale operators of liquefied petroleum gas. Each year the Ministry of Industry, Energy and Tourism issues an Order that determines an annual savings target and the share thereof relating to each obligated party depending on their final energy sales in the year $n-2$, as well as the financial equivalence to calculate the amount equal to the investment necessary to comply with these obligations through contributions to an Energy Efficiency National Fund. Alternatively, and in accordance with government regulations, a mechanism could be established for confirming the amount of energy savings achieved that is equal to compliance with system obligations. This mechanism will be based on the presentation of negotiable Energy Saving Certificates ("CDE"), obtained by carrying out energy efficiency actions defined in a catalogue and that comply with the requirements and conditions established in this catalogue, which will be managed by the Spanish Institute for Energy Diversification and Savings ("IDAE").

The Spanish Energy Efficiency obligation Scheme will be in effect from the entry into force of this Royal Decree Law, 5 July 2014, until 31 December 2020.

The Royal Decree Law stipulates that obligated parties must make a contribution to the Energy Efficiency National Fund for 2014 from 5 July 2014. ENDESA's contribution amounts to Euros 14 million for the second half of 2014.

Proposed Royal Decree regulating the production of electricity and the procedure for dispatching power in non-mainland Electricity Systems

Within the context of the reform measures for the energy sector approved by the Council of Ministers on 12 July 2013, the Government began to process several regulatory developments that relate, among other matters, to electricity generated in non-mainland territories, and a proposed Royal Decree is currently in process in this connection. The proposed Royal Decree also implements matters already contained in Law 17/2013, of 29 October, to guarantee supply and increase competition in these systems.

The proposal establishes a scheme similar to the current scheme, made up of remuneration for fixed costs, which includes investment costs and operation and maintenance costs, and for variable costs, to remunerate fuel and variable operations and maintenance costs. Certain aspects of the methodology are changed in order to improve the efficiency of the System.

The methodology proposed would be applicable from its entry into force, with a transitional period for certain measures from 1 January 2012.

In accordance with Electricity Sector Law 24/2013, of 26 December, the financial remuneration rate of the net investment recognised will be tied to the return on the 10-year Government Obligations on the secondary market plus the appropriate spread.

For the first regulatory period, which runs until 31 December 2019, this rate will correspond to the average return of the price on the secondary market of the 10-year Government Obligations for April, May and June 2013, plus 200 basis points.

A new proposed Royal Decree with new elements was received on 4 July 2014 with regard to non-mainland territories. Among them, the most notable is the extension of measures to which the transitional period applies and, therefore, with retroactive effective from 1 January 2012.

Royal Decree Law 13/2014, of 3 October, adopting urgent measures for the gas system and ownership of nuclear plants

This Royal Decree Law was published on 4 October and introduces certain aspects affecting the gas sector and ownership of nuclear plants.

With regard to the gas sector, the Royal Decree Law aims to resolve the existing complicated technical situation surrounding the Castor underground natural gas storage facility and the relinquishment of the operating concession presented by its owner (Escal UGS, S.L.) safeguarding the general interest. It approves the mothballing of the facilities, thereby consolidating the stoppage of storage operations approved by the Ministry of Industry, Energy and Tourism. Pursuant to a Council of Ministers' resolution, the facility will stop the mothballing should technical reports on the commissioning of such facilities recommend, or the facility could be dismantled under secure conditions. At the same time the Royal-Decree Law acknowledges the termination of the operating concession of the storage, and the allocation of the Administration and maintenance of the facilities to Enagás, S.A., entrusted with ongoing care and maintenance of the facilities during its mothballing. The costs associated with these tasks will be met by gas system. Finally, Enagás, S.A. must pay Escal UGS, S.L. the value of its investment (Euros 1,351 million) in accordance with the Royal Decree Law. Enagás, S.A. will in turn obtain collection rights from the Spanish gas system to ensure the payment of this amount is covered over a period of 30 years. These rights may be transferred to a third party.

Ownership of nuclear facilities will be adapted pursuant to the nuclear energy legislation. Specifically, Law 12/2011, of 27 May on civil liability for nuclear damages or damages produced by radioactive material, amended Law 25/1964, of 29 April on Nuclear Power stating that the authorised licence holder of a nuclear plant must be a single legal person whose sole corporate purpose is to manage nuclear plants. It also set out a time frame to adapt this. However, pursuant to Royal Decree Law 13/2014, of 3 October, if, at the date the legislation is adopted, the authorised licence holder of a nuclear facility has not been adapted to the provisions of the Nuclear Power Law, ownership shall be understood to be transferred to the entity which at that date is entrusted with operating the nuclear plant on behalf of the authorised licence holders, thereby rendering null and void the adaptation plans, if applicable, in process. The Royal Decree Law also stipulates that, regardless of the new owner's rules on passing resolutions, any decisions regarding nuclear security shall be adopted by a simple majority. Also, without prejudice to the responsibility of the owner of the nuclear plant, responsibility for damages arising from its operation, shall not fall to entities which are not co-owners nor, if applicable, their representatives in the Governing Bodies of the owner.

Royal Decree 680/2014, of 1 August, regulating the procedure for budgeting, recognising, settling and controlling stranded costs for electricity production in non-mainland systems charged to the General State Budget

This Royal Decree, published on 23 August 2014, in compliance with the fifteenth additional provision of Law 24/2013, of 26 December on the Electricity Sector, regulating the involvement and procedures to be followed by the various ministerial departments and the body entrusted with settlements (the Spanish Markets and Competition Commission (CNMC)), to establish the budget allocated for this purpose, calculated in accordance with prevailing legislation, the settlement procedure of this budgetary remuneration, as well as its control.

2014 electricity tariff

The twenty-fifth "CESUR" auction (Last Resort Energy Supply Contracts) was held on 19 December 2013 to determine the cost of energy to be integrated in calculation of the Small Consumer Voluntary Prices (SCVP), in replacement of the Last Resort Tariff (LRT). After the auction, on 20 December 2013 the Spanish Markets and Competition Commission ("CNMC") issued a ruling declaring that the results of the auction could not be validated in view of atypical circumstances and because the auction was held in an energy context that could not be extrapolated to the first quarter of 2014. As a result, in accordance with prevailing regulations the auction was cancelled for all effects.

Thus, a ruling on 20 December 2013 by the Secretary of State for Energy established that the price arising from the twenty-fifth CESUR (Last Resort Energy Supply Contracts) auction could not be considered for the determination of the estimated cost of wholesale contracts, as the auction had been cancelled for all effects.

On 28 December 2013, the Official State Gazette ("BOE") published Royal Decree Law 17/2013, of 27 December, determining the price of electricity in contracts subject to the Small Consumer Voluntary Prices (SCVP) in the first quarter of 2014. The Royal Decree Law set the base and peak prices for calculating the energy costs to be included in the Small Consumer Voluntary Prices (SCVP), considering the base and peak references of the public prices of the Iberian Energy Derivatives Exchange ("OMIP") for 1Q14 contracts in the last six months of trading available at the date of approval of Royal Decree Law 17/2013, of 27 December. Accordingly, as of 1 January 2014, the Small Consumer Voluntary Price (SCVP) was modified by 1.4%, keeping access tariffs unchanged. The price was approved in a Resolution of 30 December 2013. Royal Decree Law 17/2013, of 27 December, also establishes that there were be acknowledgement for Suppliers of Reference of the discrepancies between the prices stipulated in the Royal Decree law and market price, and this would be incorporated in the Small Consumer Voluntary Prices (SCVP) calculation in the following quarter.

Order IET/107/2014, of 31 January, was published on 1 February to review 2014 access tariffs - these have now been increased by an average of 2% from 1 February. The Order contemplates an annual payment to recover the deficit envisaged for 2013, and the inclusion in 2013 access tariffs, of compensation for non-mainland electricity systems for that year not financed by the General State Budget ("PGE"), as per Law 24/2013, of 26 December, on the Electricity Sector. The Small Consumer Voluntary Prices (SCVP) was also revised, and this brought its average increase following Royal Decree Law 17/2013 of 27 December 2013 and Order IET/107/2014 of 31 January 2014, respect to prices prevailing at 31 December 2013, to approximately 2%.

Royal Decree 216/2014, of 28 March, establishing the methodology for calculating the Small Consumer Voluntary Price (SCVP) electricity tariff and the contracting system

This Royal Decree, published on 29 March 2014, sets out the methodology for calculating the Small Consumer Voluntary Price (SCVP) as of 1 April 2014. Key aspects of this Royal Decree are as follows:

- The cost of energy to be used in calculating the Small Consumer Voluntary Prices (SCVP) will be the energy price per hour in the daily and intraday market in the invoice period, plus adjustment services, capacity payments and System Operator and Market Operator financing payments.
- For consumers with remote meters integrated in the Systems, the hourly price will be applied to the actual hourly consumption; otherwise, the profile published by the System Operator will be used.
- This new mechanism will be applied as of 1 April 2014. Prior to 1 July 2014, the suppliers of reference must adapt their information technology systems in order to invoice consumers under the new scheme. In the meantime, the cost of energy to be applied in the Small Consumer Voluntary Prices (SCVP) will be the temporary price established for the first quarter of 2014. Subsequently, the cost will be adjusted in invoices for consumption as of 1 April 2014, in the first billing period after suppliers' IT systems are duly adapted for the new Small Consumer Voluntary Prices (SCVP).
- In addition, electricity consumed in the first quarter of 2014 must be adjusted in the first invoices issued following adaptation of the information technology systems, as per Royal Decree Law 17/2013, of 27 December, taking into account the spread between the market price and the cost of purchasing energy included in the Small Consumer Voluntary Price (SCVP) in that period.
- The Royal Decree also establishes that, within two months of its publication, the Spanish Markets and Competition Commission ("CNMC") shall propose to the Secretary of State for Energy specific procedures for verifying, validating and closing data taken from metering equipment connected to the remote System for the purposes of hourly measurements. These proposed procedures will include a maximum period for completing the remote measurement of all remote meters installed.
- As an alternative, the Suppliers of Reference will be required to extend an offer to customers entitled to the Small Consumer Voluntary Prices (SCVP) in the form of a fixed price for a one-year period, comprising the revisable access tariff and a fixed value for one year, in €/kW, for the remaining items. The offer shall remain in force for one month, and shall be consistent throughout Spain. Each Supplier of Reference may have only one offer in force during the period.
- The Royal Decree also establishes that the Social Bonus will be equal to a 25% discount on the Small Consumer Voluntary Prices (SCVP).

On 28 March 2014, the Official State Gazette ("BOE") published Law 3/2014, of 27 March, amending the consolidated text of the General Consumer and User Protection Law and other complementary legislation, approved under Legislative Royal Decree 1/2007, of 16 November. Among other aspects, this Law amends Law 24/2013, of 26 December, in order to pave the way for some of the terms established in Royal Decree 216/2014, of 28 March.

Order IET/350/2014, of 7 March, establishing the distribution percentages for the amounts to be financed in respect of the Social Bonus for 2014

Royal Decree 9/2013, of 12 July, included a new regulation for the Social Bonus, requiring, as a public service obligation, assumption of the costs borne by the parent companies or groups of companies which carry out electricity generation, distribution and supply activities and are vertically integrated, in proportion to the percentage attributed to them based on number of supply connections to distribution grids and number of customers supplied. The Spanish Markets and Competition Commission ("CNMC") will calculate this percentage annually, without prejudice to approval by a Ministry of Industry, Energy and Tourism Order.

According to Ministerial Order IET/350/2014, of 7 March, the percentage of the 2014 Social Bonus to be financed by ENDESA, S.A. is 41.61%, which in the nine months ended 30 September 2014 amounted to Euros 79 million.

Domestic coal

A Resolution of 30 December 2013 handed down by the Secretary of State for Energy approved coal quantities, maximum output and energy remuneration prices for 2014 to be applied in the security of supply restrictions resolution process. This Resolution was amended by further resolutions dated 22 April 2014 and 8 July 2014, to examine certain transfers of Spanish coal between power plants affected by security of supply restrictions.

Natural gas tariff for 2014

Ministerial Order IET/2446/2013, of 27 December, revised access charges as of 1 January, introducing a general increase of around 2%, with no changes made to Last Resort Tariffs ("TUR").

Revenue: Euros 15,542 million

Revenue from continuing operations stood at Euros 15,542 million in the first nine months of 2014, down Euros 692 million year on year (-4.3%).

Of this amount, revenues from sales accounted for Euros 14,707 million (-5.1%), while operating income accounted for Euros 835 million (+12.2%).

Sales

Sales from continuing operations in the first nine months of 2014 were as follows:

Millions of Euros

Sales from continuing operations				
	January - September 2014	January - September 2013	Difference	% change
Electricity sales	10,682	11,445	(763)	(6.7)
Sales to the deregulated market	5,958	5,780	178	3.1
Sales at regulated prices	2,415	3,031	(616)	(20.3)
Wholesale market sales	685	708	(23)	(3.2)
Supplies to customers in deregulated markets outside Spain	689	665	24	3.6
Compensation for non-mainland systems	926	1,251	(325)	(26.0)
Electricity trading	9	10	(1)	(10.0)
Regulated revenues from electricity distribution	1,514	1,562	(48)	(3.1)
Gas trading	1,441	1,494	(53)	(3.5)
Other sales and services rendered	1,070	989	81	8.2
TOTAL	14,707	15,490	(783)	(5.1)

Mainland electricity demand shrank by 0.9% year-on-year in the first nine months of 2014 (+0.3% adjusted for working days and temperature).

ENDESA's mainland ordinary regime output totalled 42,570 GWh, 0.2% less than in the same period in 2013 due to lower hydro (-10.4%) and nuclear (-6.7%) output, which was practically offset by higher output at its coal-fired (+13.7%) and combined cycle (+20.4%) plants.

Nuclear and hydro energy accounted for 60.4% of ENDESA's mainland generation mix under the ordinary regime (65.4% in January-September 2013), compared with 60.0% for the rest of the sector (58.6% in January-September 2013).

ENDESA's output in non-mainland territories was 9,134 GWh, a decrease of 1.3% compared to the first nine months of 2013.

ENDESA achieved a market share of 37.2% in ordinary regime mainland generation, a 43.2% share in distribution and a 37.3% share in sales to customers in the deregulated market.

Supply to deregulated customers

Endesa had 4,314,040 customers in the deregulated market at the end of September 2014, a 24.3% increase on the year-ago figure: 3,856,083 (+25.8%) in the Spanish mainland market, 307,739 (+52.2%) in the non-mainland market and 150,218 (-8.3%) in European deregulated markets other than Spain.

ENDESA sold a total of 57,647 GWh to these customers in January-September 2014, a year on year increase of 3.4%.

Sales in the Spanish deregulated market totalled Euros 5,958 million, which is Euros 178 million more than the year-ago figure (up +3.1%). Revenues from sales to deregulated European markets other than Spain rose 3.6% year on year to Euros 689 million.

Sales at regulated prices

During the first nine months of 2014, ENDESA sold 13,274 GWh to customers via its Supplier of Reference under regulated prices, which is down 20.6% on the same period of 2013.

These sales generated revenue of Euros 2,415 million in January-September 2014, down 20.3% year-on-year.

Non-mainland compensation

Compensation for non-mainland generation stranded costs in the first nine months of 2014 amounted to Euros 926 million, Euros 325 million or 26.0% less than in the same period in 2013.

This decrease is due to the effect of re-estimating the compensation for 2012 and 2013 as a result of the new Royal Decree draft, which became known in July 2014, regulating the production of electricity and the procedure for dispatching power in non-mainland electricity systems, which represented a Euros 162 million reduction in income, and to the effect of this draft on the compensation accrued in the first nine months of 2014, which represented a Euros 147 million reduction in income with regard to the regulations used to calculate income in the financial statements for the same period in 2013.

Electricity distribution

ENDESA distributed 83,553 GWh of power in the Spanish market in the first nine months of 2014, a year-on-year decrease of 0.8%.

Regulated revenue from distribution activities stood at Euros 1,514 million, down 3.1% compared to the same period of 2013, as a result of the application of Royal Decree Law 9/2013, of 12 July.

Gas supply

ENDESA sold 39,840 GWh of natural gas to customers in the deregulated market in Spain in the first nine months of 2014, a decrease of 3.8% on the 2013 figure.

Revenue from gas sales in the deregulated market totalled Euros 1,441 million, down Euros 53 million (-3.5%).

Operating expenses

The breakdown of operating expenses from continuing operations through September 2014 is as follows:

Millions of Euros

Operating expenses from continuing operations				
	January - September 2014	January - September 2013	Difference	% change
Procurement and services	11,577	11,982	(405)	(3.4)
Energy power purchases	3,754	3,919	(165)	(4.2)
Fuel costs	1,766	2,117	(351)	(16.6)
Energy transmission costs	4,440	4,596	(156)	(3.4)
Other procurements and services	1,617	1,350	267	19.8
Personnel expenses	695	751	(56)	(7.5)
Other fixed operating expenses	870	920	(50)	(5.4)
Depreciation and amortisation, and impairment losses	1,167	1,227	(60)	(4.9)
TOTAL	14,309	14,880	(571)	(3.8)

Procurements and services (variable costs)

Procurement and services (variable costs) amounted to Euros 11,577 million in the first half of 2014, 3.4% less than the same period of 2013 due mainly to the lower cost of power purchases and fuel consumed (Euros 516 million), due to the impact of the lower average purchase price as a result of the drop in the average price on the wholesale electricity market which was Euros 39.1/MWh (-4.6%) and the cost of raw materials. Meanwhile, transmission costs were reduced by Euros 156 millions, above all due to lower tolls for self-consumption and sales to customers under regulated prices.

The Euros 672 million reduction in power purchases, fuel costs and transmission costs was partly offset by a Euros 267 million increase in other procurements and services caused by the Euros 85 million in CO₂ emission costs due to higher fossil-fuel output and the increase in the market price of CO₂ emission allowances, as well as the Euros 122 million increase in expenses related to energy derivatives. This increase in energy derivatives costs is offset by a Euros 127 million increase in income in this connection, recognised under "Other operating income".

Personnel and other fixed operating expenses

Fixed costs amounted to Euros 1,565 million in the first nine months of 2014, down by Euros 106 million (-6.3%) compared to the same period in 2013 as a result of the cost-savings policy deployed.

Personnel expenses amounted to Euros 695 million, a 7.5% decrease, reflecting the workforce reduction carried out and the efforts to contain salary costs.

Other fixed operating expenses stood at Euros 870 million, down by Euros 50 million (-5.4%) as a result of the cost-reduction policy deployed.

Depreciation and amortisation, and impairment losses

Depreciation and amortisation charges and impairment losses totalled Euros 1,167 million in the first nine months of 2014, Euros 60 million (-4.9%) less than the same period of 2013.

This figure included the reversal of an impairment provision of Euros 15 million recognised on the CO₂ emissions allowance portfolio following the mark-to-market measurement of the assets, compared to the Euros 80 million charge recognised in the same period last year.

Also included is an impairment loss of Euros 59 million related to the write-down of the value of the land ENDESA should receive following enforcement of a Supreme Court ruling in favour of Josel, S.L.

Net financial loss: Euros 114 million

The net financial loss reported for the first nine months of 2014 was Euros 114 million, a year-on-year increase of Euros 22 million (+23.9%).

This was due to a Euros 16 million decrease in net financial expenses and a Euros 6 million increase in net exchange differences.

Regarding net financial expenses, the trend in long-term interest rates in the both first nine months of 2014 and 2013 meant that provisions had to be adjusted to account for obligations from ongoing workforce restructuring plans in the amounts of Euros 30 million (negative) in 2014 and Euros 7 million (positive) in 2013.

Excluding this impact, net financial expenses would have fallen by Euros 21 million (-20.6%), due to a reduction in average debt over the period.

Net profit (loss) of companies accounted for using the equity method

In the first nine months of 2014, companies accounted for using the equity method contributed a net loss of Euros 65 million, compared to a net profit of Euros 39 million in the same period of 2013.

Due to the lack of economic viability of Elcogas, S.A., in which ENDESA holds a 40.99% interest, following application of the measures set out in the Royal Decree governing the mechanism to guarantee the output from certain power plants that use Spanish coal, for reasons of supply security, the company decided to discontinue this company's activity at the end of 2014. The net loss of companies accounted for using the equity method includes a provision amounting to Euros 51 million to cover the estimated cost for ENDESA to discontinue this company's activity.

Also included under this item are a loss of Euros 45 million from the 50% interest in Nuclenor, S.A. due to the higher costs incurred by this company as a result of the delay in the dismantling of the Santa María de Garoña nuclear plant while awaiting a final ruling on its potential reopening, and the recognition of a provision of Euros 18 million related to the fine imposed by the Spanish Markets and Competition Commission ("CNMC") in its resolution dated 10 July 2014 from the reduction in production capacity due to the halt of operations agreed in December 2012.

Analysis of Results: **Discontinued Operations** **(Business in Latin America)**

Profit after tax from discontinued operations in the first nine months of 2014 amounted to Euros 988 million, a 23.0% decrease on the year-earlier figure. Of this amount, Euros 464 million are attributable to the Parent company, with a decrease of 9.9%.

The drop in net profit from the Latin America Business was due to various factors:

- The adverse impact of the strong currency depreciation in the Latin American countries in which ENDESA operates, which caused earnings in local currency to lose magnitude when translated to euros.
- The recognition in the first nine months of 2013 of the exceptional impact of Resolution 250/2013 issued by Argentina's Energy Secretary, whereby Empresa Distribuidora Sur, S.A. recognised the income from the compensation for cost fluctuations that had not been passed on to the tariff between 2007 and February 2013 in relation to the amounts to be applied under the Cost Monitoring Mechanism ("MMC"), for a total of Euros 333 million including interest, which impacted net income in the amount of Euros 94 million.
- The decrease in financial assets of Euros 144 million due to the amount to be recovered by Brazilian distributors for the reversion of assets at the end of the concession as a result of the re-estimation of this amount in accordance with the new information arising from the tariff review carried out by the Brazilian regulator for Ampla Energia e Serviços, S.A. in the second quarter of 2014, and the Euros 106 million of stranded costs from energy purchases from these distributors not recovered through the tariff from January to September 2014. Combined, these had a negative impact of Euros 81 million on profit for the period.
- The drop in income from generation in Chile caused by adverse weather conditions and the shut-down of the Bocamina II power plant, as well as the negative impact of Euros 88 million on deferred taxes (Euros 32 million on net profit for the period) of the increase in the country's tax rate.

These negative impacts were partially offset by the recognition of a Euros 228 million tax refund following recognition of a deferred tax asset due to the lower carrying amount compared to the amount for tax purposes of Chile of ENDESA, S.A.'s direct 20.3% interest in Enersis, S.A., since after 30 July 2014, when ENDESA, S.A.'s Board of Directors received the bid by ENEL Energy Europe, S.L.U., the requirement set out in IAS 12 for not recognising the deferred tax were no longer met.

Financial Position

Net financial debt

ENDESA had net financial debt of Euros 1,293 million at 30 September 2014, a reduction of Euros 3,044 million compared to 31 December 2013. When assessing debt, it must be borne in mind that on 31 July 2014, the net financial debt of the Latin America Business was transferred to discontinued operations, which at 30 September amounted to Euros 3,432 million.

The Spain and Portugal Business had net financial debt at 31 December 2013 of Euros 1,435 million. Accordingly, net financial debt in this Business decreased by Euros 142 million in the first nine months of 2014.

At 30 September 2014 Endesa had accumulated collection rights of Euros 2,502 million in connection with several regulatory matters: Euros 1,376 million for the revenue shortfall from regulated activities before 31 December 2013, Euros 427 million for the shortfall generated in the mainland Business in the first nine months of 2014 for temporary imbalances caused by the application of the new deficit financing mechanism established in Law 24/2013, of 26 December, and Euros 699 million related to compensation for production in non-mainland systems.

Excluding these items, ENDESA's net financial debt from continuing operations at 30 September would stand at Euros 1,209 million, negative.

The structure of net financial debt at 30 September 2014 was as follows:

Millions of Euros

Structure of ENDESA's net financial debt				
	30 September 2014	31 December 2013	Difference	% change
Euro	1,295	1,631	(336)	(20.6)
US dollar	(1)	1,088	(1,089)	N/A
Chilean Peso / "Unidades de Fomento"	-	(200)	200	N/A
Brazilian real	-	405	(405)	N/A
Colombian peso	-	1,187	(1,187)	N/A
Peruvian nuevo sol	-	195	(195)	N/A
Argentine peso	-	31	(31)	N/A
Other currencies	(1)	-	(1)	N/A
TOTAL	1,293	4,337	(3,044)	(70.2)
Fixed rate	554	2,730	(2,176)	(79.7)
Floating rate	739	1,607	(868)	(54.0)
TOTAL	1,293	4,337	(3,044)	(70.2)
Average life (years)	4.6	6.0	-	-
Average cost (%)	3.0	5.8	-	-

ENDESA had liquidity from continuing operations of Euros 5,320 million at 30 September 2014, sufficient to meet the Group's total debt repayments over the next 25 months. This amount includes Euros 1,110 million of cash and cash equivalents and Euros 4,210 million in undrawn and unconditionally available lines of credit, of which Euros 1,000 million correspond to credit lines with ENEL Finance International, N.V.

To pay the interim dividend out of 2014 profit of Euros 6,352.5 million on 29 October 2014 (see Section 2 of this Management Report), ENDESA arranged finance transactions with ENEL Finance International, N.V. for Euros 5,500 million. The remainder required for the payment came from the Company's own liquidity.

At the date of authorisation for issue of the Consolidated Management Report, ENDESA's credit ratings were as follows:

Credit rating	30 September 2014			31 December 2013		
	Long term	Short term	Outlook	Long term	Short term	Outlook
Standard & Poor's	BBB	A-2	Stable	BBB	A-2	Stable
Moody's	Baa2	P-2	Negative	Baa2	P-2	Negative
Fitch Ratings	BBB+	F2	Stable	BBB+	F2	Review Negative

Equity

ENDESA's consolidated equity stood at Euros 27,423 million at 30 September 2014, Euros 661 million more than at 31 December 2013. Euros 21,417 million of consolidated equity is attributable to ENDESA, S.A. shareholders and Euros 6,006 million to non-controlling interests.

This increase is primarily due to profit before non-controlling interests obtained during the period amounting to Euros 1,742 million, to the acquisition of non-controlling interests in Companhia Energética do Ceará, S.A. for Euros 181 million and an additional 39% interest in Generandes Perú, S.A. for Euros 333 million, which reduced the equity attributable to non-controlling interests, and to the distribution of dividends to non-controlling shareholders amounting to Euros 503 million.

The Group's Equity was heavily impacted by the disposal of the Latin America Business, and the distribution of an extraordinary dividend charged against reserves and the 2014 interim dividend (see Section 2 of this Consolidated Management Report) approved by the corresponding corporate bodies and paid in October 2014.

Cash flows from Operating and Investing Activities

Net cash flows from operating activities: Euros 2,485 million

Net cash flows from operating activities in the first nine months of 2014 amounted to Euros 2,485 million, compared to Euros 2,315 million in the same period last year.

Net cash flows from operating activities related to continuing operations amounted to Euros 1,640 million, compared to Euros 1,204 million. The increase was mainly due to an improvement in working capital, which offset the decrease in profit generated during the period.

Net cash flows from operating activities of discontinued operations amounted to Euros 845 million in the first nine months of 2014, compared to Euros 1,111 million in the same period of 2013. This decrease was due mainly to the decline in profit generated during the period.

Gross investment: Euros 1,386 million

Gross investments by ENDESA totalled Euros 1,386 million in the first nine months of 2014 (Euros 1,456 million in the first nine months of 2013), broken down as follows:

Millions of Euros

Investments in January - September 2014				
	Capex, intangibles and investment property	Financial investment	TOTAL	% change 3Q13
	(2)			
Spain and Portugal	534	87	621	16.1
Latin America (1)	666	99	765	(16.9)
TOTAL	1,200	186	1,386	(4.8)

(1) Relates to investments made to 31 July 2014, when the ENDESA companies included in the disposal were transferred (see Section 2 of the Consolidated Management Report) to non-current assets held for sale and discontinued operations in the Consolidated Statement of Financial Position. Investments made between 31 July 2014 and 30 September 2014 amounted to Euros 323 million.

(2) Excludes CO₂ emission rights, CERs and ERUs and the obligation to acquire land from Josel, S.L. pursuant to the Supreme Court ruling.

In addition, in the first nine months of 2014, acquisitions were made in the Latin America Business (Discontinued Operations) of shareholdings for a total amount of Euros 741 million, corresponding to the additional 50% of Inversiones GasAtacama Holding, Ltd. (Euros 227 million), 15.18% of Companhia Energética do Ceará, S.A. (Euros 181 million) and an additional 39% of Generandes Perú, S.A. (Euros 333 million).

Gross investment in the Spain and Portugal Business in the first nine months of 2014 totalled Euros 621 million, as detailed in the following table:

Millions of Euros

Gross investment in the Spain and Portugal Business			
	January - September 2014	January - September 2013	% change
Capex ⁽¹⁾	477	473	0.8
Intangible assets ⁽²⁾	57	39	46.2
Investment property	-	2	N/A
Financial investments ⁽³⁾	87	21	314.3
TOTAL	621	535	16.1

(1) Excludes the obligation to acquire land from Josel, S.L. pursuant to the Supreme Court ruling.

(2) Excludes CO₂ emission rights, "Certified Emissions Reductions" (CERs) and "Emission Reduction Units" (ERUs).

(3) Includes financing granted to Elcogas, S.A. of Euros 51 million, mainly to enable the company to pay its bank borrowings guaranteed by shareholders.

Gross capex by Business breaks down as follows:

Millions of Euros

Gross capex in the Spain and Portugal Business			
	January - September 2014 ⁽¹⁾	January - September 2013	% change
Generation	165	132	25.0
Distribution	311	339	(8.3)
Other	1	2	(50.0)
TOTAL	477	473	0.8

(1) Excludes the obligation to acquire land from Josel, S.L. pursuant to the Supreme Court ruling.

Gross generation capex in 2014 relates mainly to recurring investment in plants, as well as investments in the Litoral and Puentes power plants for Euros 37 million, which resulted in an extension of their useful lives.

Gross investments in distribution related to network extensions and expenditure aimed at optimising the network for greater efficiency and quality of service. It also included investment for the widespread installation of remote management smart meters and their operating systems.

Appendix I: Statistical Information

Key figures

GWh

Electricity generation output	January - September 2014	January - September 2013	% change
Business in Spain and Portugal	51,704	51,904	(0.4)
Mainland	42,570	42,653	(0.2)
Nuclear	18,576	19,905	(6.7)
Coal	15,833	13,931	13.7
Hydroelectric	7,141	7,970	(10.4)
Combined cycle (CCGT)	1,020	847	20.4
Non-mainland	9,134	9,251	(1.3)
Business in Latin America	45,107	44,776	0.7
Argentina	10,982	10,957	0.2
Brazil	3,825	3,631	5.3
Chile	12,995	14,325	(9.3)
Colombia	10,467	9,573	9.3
Peru	6,838	6,290	8.7
TOTAL	96,811	96,680	0.1

GWh

Electricity sales	January - September 2014	January - September 2013	% change
Business in Spain and Portugal	70,921	72,453	(2.1)
Reference supply	13,274	16,715	(20.6)
Deregulated market	57,647	55,738	3.4
Business in Latin America	47,028	45,456	3.5
Argentina	11,251	11,104	1.3
Brazil	14,693	13,824	6.3
Chile	9,973	9,744	2.3
Colombia	6,115	5,961	2.6
Peru	4,996	4,823	3.6
TOTAL	117,949	117,909	0.0

GWh

Energy distributed ⁽¹⁾	January - September 2014	January - September 2013	% change
Business in Spain and Portugal	83,553	84,234	(0.8)
Business in Latin America	64,827	62,799	3.2
Argentina	15,201	15,214	(0.1)
Brazil	20,211	19,189	5.3
Chile	12,477	11,996	4.0
Colombia	10,973	10,687	2.7
Peru	5,965	5,713	4.4
TOTAL	148,380	147,033	0.9

⁽¹⁾ At power plant busbars.

Thousands

Number of customers	30 September 2014	30 September 2013	% change
Business in Spain and Portugal	11,254	11,397	(1.3)
Reference supply	6,940	7,926	(12.4)
Deregulated market	4,314	3,471	24.3
Business in Latin America	14,668	14,259	2.9
Argentina	2,459	2,437	0.9
Brazil	6,445	6,247	3.2
Chile	1,728	1,679	2.9
Colombia	2,751	2,657	3.5
Peru	1,285	1,239	3.7
TOTAL	25,922	25,656	1.0

MW

Installed capacity (gross)	30 September 2014	30 September 2013	% change
Business in Spain and Portugal	22,619	22,652	(0.1)
Hydroelectric	4,718	4,718	N/A
Conventional thermal	8,780	8,816	(0.4)
Nuclear	3,443	3,443	N/A
Combined cycle	5,678	5,675	0.1
Business in Latin America	16,729	15,964	4.8
Argentina	4,522	4,522	N/A
Brazil	987	991	(0.4)
Chile	6,352	5,571	14.0
Colombia	3,041	2,914	4.4
Peru	1,827	1,966	(7.1)
TOTAL	39,348	38,616	1.9

km

Distribution and transmission networks	30 September 2014	30 September 2013	% change
Business in Spain and Portugal	313,929	327,871	(4.3)
Business in Latin America	310,640	306,408	1.4
Argentina	24,588	24,546	0.2
Brazil	193,825	191,172	1.4
Chile	16,458	16,248	1.3
Colombia	49,277	48,550	1.5
Peru	26,492	25,892	2.3
TOTAL	624,569	634,279	(1.5)

GWh

Gas sales	January - September 2014	January - September 2013	% change
Deregulated market	33,046	34,726	(4.8)
Regulated market	639	815	(21.6)
International market	6,794	6,689	1.6
Wholesale business sales	15,505	11,240	37.9
TOTAL (*)	55,984	53,470	4.7

(*) Excluding own-generation consumption.

Number of employees

Final headcount	30 September 2014	31 December 2013	% change
Business in Spain and Portugal	10,699	10,933	(2.1)
Business in Latin America	12,203	11,608	5.1
TOTAL	22,902	22,541	1.6

Number of employees

Average headcount	January - September 2014	January - September 2013	% change
Business in Spain and Portugal	10,822	11,137	(2.8)
Business in Latin America	11,872	11,264	5.4
TOTAL	22,694	22,401	1.3

Financial data

Euros

Key figures (Euros)	January - September 2014	January - September 2013	% change
EPS ⁽¹⁾	1.15	1.46	(21.4)
CFPS ⁽²⁾	2.35	2.19	7.3
BVPS ⁽³⁾	20.23	20.95	(3.4)

(1) Profit attributable to the Parent / No. of shares.

(2) Net cash flows from operating activities / No. of shares.

(3) Equity attributable to the parent / No. of shares.

Profitability indicators	January - September 2014	January - September 2013
Return on equity ^{(1) (%)}	5.80	7.54
Return on assets ^{(2) (%)}	2.90	3.55
Economic profitability ^{(3) (%)}	6.55	5.76

(1) Profit attributable to the Parent / average equity.

(2) Profit attributable to the Parent / average total assets.

(3) EBIT / average PP&E.

Millions of Euros

Net financial debt	Leverage ratio	
	30 September 2014	31 December 2013
Net financial debt:	1,293	4,337
Non-current interest-bearing loans and borrowings	2,418	7,437
Current interest-bearing loans and borrowings	-	1,127
Cash and cash equivalents	(1,110)	(4,145)
Derivatives recognised as financial assets	(15)	(82)
Equity:	27,423	26,762
Of the Parent	21,417	20,521
Of non-controlling interests	6,006	6,241
Leverage ratio (%) ^(*)	4.72	16.21

(*) Net financial debt / Equity

Financial indicators	January - September 2014	January - September 2013
Liquidity ratio ⁽¹⁾	1.86	1.64
Solvency ratio ⁽²⁾	1.53	1.14
Debt ratio ^(%) ⁽³⁾	4.50	19.75
Debt coverage ratio ⁽⁴⁾	0.39	1.99

(1) Current assets / current liabilities.

(2) (Equity + non-current liabilities) / non-current assets.

(3) Net financial debt / (equity + net financial debt).

(4) Net financial debt / EBITDA.

Ratings	30 September 2014			31 December 2013		
	Long term	Short term	Outlook	Long term	Short term	Outlook
Standard & Poor's	BBB	A-2	Stable	BBB	A-2	Stable
Moody's	Baa2	P-2	Negative	Baa2	P-2	Negative
Fitch Ratings	BBB+	F2	Stable	BBB+	F2	Review Negative

Euros / Share

Dividends

2013 interim (2 January 2014)	1.500
Final	-
Total dividend per share	1.500
Pay-out (%) (1)	84.5
Dividend yield (%) (2)	6.4
2014 interim (29 October 2014)	6.000
Extraordinary dividend charged to reserves (29 October 2014)	7.795
Dividend yield (%) (2)	44.1

(1) Total gross dividend / profit attributable to the Parent.

(2) Gross dividend per share / closing share price.

Stock market data	30 September 2014	30 September 2013	% change
Market capitalisation (Millions of Euros)	33,123	20,386	62.5
Number of shares outstanding	1,058,752,117	1,058,752,117	-
Nominal share value (Euros)	1.2	1.2	-
Cash (Thousands of Euros)	2,633,863	2,060,499	27.8
Madrid stock exchange (Shares)			
Trading volume	100,836,809	89,827,726	12.3
Average daily trading volume	527,941	470,302	12.3
P.E.R. (*)	20.38	9.86	106.71

(*) Closing share price / earnings per share.

Euros

ENDESA share price	January - September 2014	January - September 2013	% change
Maximum	31.44	19.40	62.1
Minimum	21.02	16.00	31.4
Average in the period	26.51	17.40	52.4
Closing share price	31.29	19.26	62.5

Percentage (%)

Share price trend compared to the previous year	January - September 2014	January - September 2013
ENDESA, S.A.	34.3	14.1
Ibex-35	9.2	12.5
Eurostoxx 50	3.8	9.8
Eurostoxx Utilities	18.2	4.7

Appendix II: **Effect of the Restatement of the 2013** **Consolidated Financial Statements**

Consolidated Statement of Financial Position

Millions of Euros

	1 January 2013	Restatement due to adoption of IFRS 11	Consolidated Restatement due to adoption of IFRS 5	Total Restatement	1 January 2013 (Restated)
Non-current assets	44,487	(248)	-	(248)	44,239
Current assets	14,291	(334)	-	(334)	13,957
TOTAL ASSETS	58,778	(582)	-	(582)	58,196
Equity	26,369	(9)	-	(9)	26,360
Of the Parent	20,653	-	-	-	20,653
Of non-controlling interests	5,716	(9)	-	(9)	5,707
Non-current liabilities	21,644	(253)	-	(253)	21,391
Current liabilities	10,765	(320)	-	(320)	10,445
TOTAL LIABILITIES	58,778	(582)	-	(582)	58,196

Millions of Euros

	31 December 2013	Restatement due to adoption of IFRS 11	Consolidated Restatement due to adoption of IFRS 5	Total Restatement	31 December 2013 (Restated)
Non-current assets	42,851	(156)	-	(156)	42,695
Current assets	13,606	(344)	-	(344)	13,262
TOTAL ASSETS	56,457	(500)	-	(500)	55,957
Equity	26,769	(7)	-	(7)	26,762
Of the Parent	20,521	-	-	-	20,521
Of non-controlling interests	6,248	(7)	-	(7)	6,241
Non-current liabilities	18,474	(321)	-	(321)	18,153
Current liabilities	11,214	(172)	-	(172)	11,042
TOTAL LIABILITIES	56,457	(500)	-	(500)	55,957

Millions of Euros

	Business in Spain and Portugal				31 December 2013 (Restated)
	31 December 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	
Non-current assets	26,401	(158)	-	(158)	26,243
Current assets	8,069	(218)	-	(218)	7,851
TOTAL ASSETS	34,470	(376)	-	(376)	34,094
Equity	15,669	-	-	-	15,669
Of the Parent	15,669	-	-	-	15,669
Of non-controlling interests	-	-	-	-	-
Non-current liabilities	12,569	(263)	-	(263)	12,306
Current liabilities	6,232	(113)	-	(113)	6,119
TOTAL LIABILITIES	34,470	(376)	-	(376)	34,094

Millions of Euros

	Business in Latin America				31 December 2013 (Restated)
	31 December 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	
Non-current assets	16,450	2	-	2	16,452
Current assets	5,537	(126)	-	(126)	5,411
TOTAL ASSETS	21,987	(124)	-	(124)	21,863
Equity	11,100	(7)	-	(7)	11,093
Of the Parent	4,852	-	-	-	4,852
Of non-controlling interests	6,248	(7)	-	(7)	6,241
Non-current liabilities	5,905	(58)	-	(58)	5,847
Current liabilities	4,982	(59)	-	(59)	4,923
TOTAL LIABILITIES	21,987	(124)	-	(124)	21,863

Income Statement

Millions of Euros

	January - September 2013	Restatement due to adoption of IFRS 11	Consolidated Restatement due to adoption of IFRS 5	Total Restatement	January - September 2013 (Restated)
Income	23,485	(185)	(7,066)	(7,251)	16,234
Procurement and services	(15,571)	81	3,508	3,589	(11,982)
Contribution margin	7,914	(104)	(3,558)	(3,662)	4,252
Gross profit from operations	5,251	(77)	(2,520)	(2,597)	2,654
Depreciation and amortisation, and impairment losses	(1,859)	30	602	632	(1,227)
Profit from operations	3,392	(47)	(1,918)	(1,965)	1,427
Net financial loss	(310)	(3)	221	218	(92)
Net profit of companies accounted for using the equity method	25	37	(23)	14	39
Profit before tax	3,171	(13)	(1,742)	(1,755)	1,416
Income tax expense	(852)	13	459	472	(380)
Profit after tax for the period from continuing operations	2,319	-	(1,283)	(1,283)	1,036
Profit after tax for the period from discontinued operations	-	-	1,283	1,283	1,283
Profit/(loss) for the period	2,319	-	-	-	2,319
Parent company	1,551	-	-	-	1,551
Non-controlling interests	768	-	-	-	768

Millions of Euros

	January - September 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	January - September 2013 (Restated)
Income	16,217	(78)	95	17	16,234
Procurement and services	(11,920)	33	(95)	(62)	(11,982)
Contribution margin	4,297	(45)	-	(45)	4,252
Gross profit from operations	2,697	(43)	-	(43)	2,654
Depreciation and amortisation, and impairment losses	(1,246)	19	-	19	(1,227)
Profit from operations	1,451	(24)	-	(24)	1,427
Net financial loss	(87)	(5)	-	(5)	(92)
Net profit of companies accounted for using the equity method	18	21	-	21	39
Profit before tax	1,424	(8)	-	(8)	1,416
Income tax expense	(388)	8	-	8	(380)
Profit after tax for the period from continuing operations	1,036	-	-	-	1,036
Profit after tax for the period from discontinued operations	-	-	-	-	-
Profit/(loss) for the period	1,036	-	-	-	1,036
Parent company	1,036	-	-	-	1,036
Non-controlling interests	-	-	-	-	-

Millions of Euros

	Business in Latin America				January - September 2013 (Restated)
	January - September 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	
Income	7,268	(107)	(7,161)	(7,268)	-
Procurement and services	(3,651)	48	3,603	3,651	-
Contribution margin	3,617	(59)	(3,558)	(3,617)	-
Gross profit from operations	2,554	(34)	(2,520)	(2,554)	-
Depreciation and amortisation, and impairment losses	(613)	11	602	613	-
Profit from operations	1,941	(23)	(1,918)	(1,941)	-
Net financial loss	(223)	2	221	223	-
Net profit of companies accounted for using the equity method	7	16	(23)	(7)	-
Profit before tax	1,747	(5)	(1,742)	(1,747)	-
Income tax expense	(464)	5	459	464	-
Profit after tax for the period from continuing operations	1,283	-	(1,283)	(1,283)	-
Profit after tax for the period from discontinued operations	-	-	1,283	1,283	1,283
Profit/(loss) for the period	1,283	-	-	-	1,283
Parent company	515	-	-	-	515
Non-controlling interests	768	-	-	-	768

Consolidated Statement of Other Comprehensive Income

Millions of Euros

	January - September 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	January - September 2013 (Restated)
Profit for the period	2,319	-	-	-	2,319
Other comprehensive income:					
Income and expense recognised directly in equity	(1,414)	-	-	-	(1,414)
Amounts transferred to income statement and/or investments	80	-	-	-	80
Total comprehensive income	985	-	-	-	985

Statement of Cash Flows

Millions of Euros

	January - September 2013	Restatement due to adoption of IFRS 11	Consolidated Restatement due to adoption of IFRS 5	Total restatement	January - September 2013 (Restated)
Net cash flows from/(used in) operating activities	2,347	(32)	-	(32)	2,315
Net cash flows from/(used in) investing activities	(2,215)	(17)	-	(17)	(2,232)
Net cash flows from/(used in) financing activities	461	45	-	45	506
Total net cash flows	593	(4)	-	(4)	589
Effect of exchange rate changes on cash and cash equivalents	(182)	2	-	2	(180)
Net increase/(decrease) in cash and cash equivalents	411	(2)	-	(2)	409
Cash and cash equivalents at 1 January	1,986	(167)	-	(167)	1,819
Cash and cash equivalents at 30 September	2,397	(169)	-	(169)	2,228

Millions of Euros

	January - September 2013	Restatement due to adoption of IFRS 11	Business in Spain and Portugal Restatement due to adoption of IFRS 5	Total Restatement	January - September 2013 (Restated)
Net cash flows from/(used in) operating activities	1,199	5	-	5	1,204
Net cash flows from/(used in) investing activities	(854)	(28)	-	(28)	(882)
Net cash flows from/(used in) financing activities	(544)	38	-	38	(506)
Total net cash flows	(199)	15	-	15	(184)
Effect of exchange rate changes on cash and cash equivalents	(1)	-	-	-	(1)
Net increase/(decrease) in cash and cash equivalents	(200)	15	-	15	(185)
Cash and cash equivalents at 1 January	574	(101)	-	(101)	473
Cash and cash equivalents at 30 September	374	(86)	-	(86)	288

Millions of Euros

	Business in Latin America				January - September 2013 (Restated)
	January - September 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	
Net cash flows from/(used in) operating activities	1,148	(37)	-	(37)	1,111
Net cash flows from/(used in) investing activities	(1,361)	11	-	11	(1,350)
Net cash flows from/(used in) financing activities	1,005	7	-	7	1,012
Total net cash flows	792	(19)	-	(19)	773
Effect of exchange rate changes on cash and cash equivalents	(181)	2	-	2	(179)
Net increase/(decrease) in cash and cash equivalents	611	(17)	-	(17)	594
Cash and cash equivalents at 1 January	1,412	(66)	-	(66)	1,346
Cash and cash equivalents at 30 September	2,023	(83)	-	(83)	1,940

Appendix III: **Shareholdings Included in the Disposal**

Appendix III: Shareholdings included in the disposal

Company (in alphabetical order)	% ownership at 30 September 2014			Registered offices	Activity
	Control	Ownership	Consolidation method		
AGUAS SANTIAGO PONIENTE, S.A.	78.88	33.34	FC	SANTIAGO DE CHILE (CHILE)	WATER SERVICES
AMPLA ENERGIA E SERVIÇOS, S.A.	99.64	55.79	FC	RIO DE JANEIRO (BRAZIL)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION
AYSÉN ENERGÍA, S.A.	99.51	18.55	EM	SANTIAGO (CHILE)	ELECTRICITY PRODUCTION AND TRANSMISSION
AYSÉN TRANSMISIÓN, S.A.	99.51	18.55	EM	SANTIAGO (CHILE)	DEVELOPMENT OF ELECTRICITY TRANSMISSION SYSTEMS
CENTRAIS ELÉTRICAS CACHOEIRA DOURADA, S.A.	99.75	51.03	FC	RIO DE JANEIRO (BRAZIL)	ELECTRICITY PRODUCTION AND SUPPLY
CENTRAL DOCK SUD, S.A.	69.99	24.25	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION
CENTRAL EÓLICA CANELA S.A.	75.00	27.96	FC	SANTIAGO (CHILE)	PROMOTION AND DEVELOPMENT OF RENEWABLE ENERGY PROJECTS
CENTRAL GERADORA TERMELÉTRICA FORTALEZA, S.A.	100.00	51.16	FC	FORTALEZA (BRAZIL)	DEVELOPMENT OF A THERMOELECTRIC GENERATION PROJECT
CENTRAL VUELTA DE OBLIGADO, S.A.	40.90	9.80	EM	BUENOS AIRES (ARGENTINA)	CONSTRUCTION AND OPERATION OF A COMBINED CYCLE PLANT
CENTRALES HIDROELÉCTRICAS DE AYSÉN, S.A.	51.00	18.55	EM	SANTIAGO (CHILE)	DESIGN AND IMPLEMENTATION OF A HYDROELECTRIC PROJECT
CHILECTRA INVERSUD, S.A.	100.00	60.07	FC	SANTIAGO (CHILE)	HOLDING COMPANY
CHILECTRA, S.A.	99.09	60.07	FC	SANTIAGO (CHILE)	DISTRIBUTION AND SALE OF ELECTRICITY AND HOLDING COMPANY
CHINANGO, S.A.C.	80.00	28.42	FC	LIMA (PERU)	ELECTRICITY PRODUCTION, SUPPLY AND TRANSMISSION
CODENSA, S.A. E.S.P.	48.48	29.34	FC	BOGOTA D.C. (COLOMBIA)	ENERGY DISTRIBUTION AND SUPPLY
COMPANHIA ENERGÉTICA DO CEARÁ, S.A.	74.05	39.32	FC	FORTALEZA (BRAZIL)	COMPLETE ELECTRICITY CYCLE
COMPAÑIA DE INTERCONEXIÓN ENERGÉTICA, S.A.	100.00	51.16	FC	RIO DE JANEIRO (BRAZIL)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION
COMPAÑIA DE TRANSMISIÓN DEL MERCOSUR, S.A.	100.00	51.16	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION
COMPAÑIA ELÉCTRICA TARAPACÁ, S.A.	100.00	37.28	FC	SANTIAGO (CHILE)	COMPLETE ELECTRICITY CYCLE
COMPAÑIA ENERGÉTICA VERACRUZ S.A.C.	100.00	60.62	FC	LIMA (PERU)	HYDROELECTRIC PROJECTS
CONSORCIO ARA-INGENDESA LTDA.	50.00	18.64	PC	SANTIAGO (CHILE)	PROJECT ENGINEERING CONSULTANCY SERVICES
CONSTRUCCIONES Y PROYECTOS LOS MAITENES, S.A.	55.00	33.34	FC	SANTIAGO (CHILE)	CONSTRUCTION AND INSTALLATION WORK
DISTRIBUIDORA ELÉCTRICA DE CUNDINAMARCA, S.A. E.S.P.	49.00	14.38	EM	BOGOTA D.C. (COLOMBIA)	ENERGY DISTRIBUTION AND SUPPLY
DISTRILEC INVERSORA, S.A.	51.50	30.88	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY
EDEGEL, S.A.A.	83.60	35.53	FC	LIMA (PERU)	ELECTRICITY PRODUCTION, SUPPLY AND DISTRIBUTION
ELÉCTRICA CABO BLANCO, S.A.C.	100.00	60.62	FC	LIMA (PERU)	HOLDING COMPANY
ELECTROGAS, S.A.	42.50	15.45	EM	SANTIAGO (CHILE)	NATURAL GAS TRANSMISSION
EMGESA PANAMÁ, S.A.	100.00	22.87	FC	PANAMA CITY (PANAMA)	ELECTRICITY SUPPLY
EMGESA, S.A. E.S.P.	48.48	22.87	FC	BOGOTA D.C. (COLOMBIA)	ELECTRICITY PRODUCTION AND SUPPLY
EMPRESA DE DISTRIBUCIÓN ELÉCTRICA DE LIMA NORTE, S.A.A.	75.68	45.80	FC	LIMA (PERU)	ENERGY DISTRIBUTION AND SUPPLY
EMPRESA DISTRIBUIDORA SUR, S.A.	99.45	43.41	FC	BUENOS AIRES (ARGENTINA)	ENERGY DISTRIBUTION AND SUPPLY
EMPRESA ELÉCTRICA DE COLINA LTDA.	100.00	60.07	FC	SANTIAGO (CHILE)	COMPLETE ENERGY AND SIMILAR MATERIALS CYCLE
EMPRESA ELÉCTRICA DE PIURA, S.A.	96.50	58.50	FC	LIMA (PERU)	ELECTRICITY PRODUCTION
EMPRESA ELÉCTRICA PEHUENCHE, S.A.	92.65	33.69	FC	SANTIAGO (CHILE)	COMPLETE ELECTRICITY CYCLE
EMPRESA NACIONAL DE ELECTRICIDAD, S.A.	59.98	36.36	FC	SANTIAGO (CHILE)	COMPLETE ELECTRICITY CYCLE
EN-BRASIL COMERCIO E SERVIÇOS, S.A.	100.00	51.16	FC	RIO DE JANEIRO (BRAZIL)	SUPPLY OF PRODUCTS AND SERVICES
ENDESA ARGENTINA, S.A.	100.00	36.37	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY
ENDESA BRASIL, S.A.	100.00	51.16	FC	RIO DE JANEIRO (BRAZIL)	HOLDING COMPANY
ENDESA CEMSA, S.A.	100.00	49.71	FC	BUENOS AIRES (ARGENTINA)	WHOLESALE PURCHASE AND SALE OF ELECTRICITY
ENDESA COSTANERA, S.A.	75.68	27.52	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION AND SUPPLY
ENDESA LATINOAMÉRICA, S.A. (SOCIEDAD UNIPERSONAL)	100.00	100.00	FC	MADRID (SPAIN)	ENDESA, S.A. INTERNATIONAL ACTIVITY

Company (in alphabetical order)	% ownership at 30 September 2014			Registered offices	Activity
	Control	Ownership	Consolidation method		
ENERSIS, S.A.	60.62	60.62	FC	SANTIAGO (CHILE)	ELECTRICITY PRODUCTION AND DISTRIBUTION AND HOLDING COMPANY
EÓLICA FAZENDA NOVA - GERAÇÃO E COMERCIALIZAÇÃO DE ENERGIA, S.A.	99.95	51.13	FC	RIO GRANDE DO NORTE (BRAZIL)	WIND FARM PROJECTS
GASATACAMA CHILE, S.A.	99.95	36.80	FC	SANTIAGO (CHILE)	COMPLETE ELECTRICITY CYCLE
GASATACAMA, S.A.	100.00	36.82	FC	SANTIAGO (CHILE)	COMPANY ADMINISTRATION AND MANAGEMENT
GASODUCTO ATACAMA ARGENTINA, S.A.	99.97	36.80	FC	SANTIAGO (CHILE)	NATURAL GAS TRANSMISSION
GASODUCTO TALTAL, S.A.	100.00	36.80	FC	SANTIAGO (CHILE)	NATURAL GAS TRANSMISSION
GENERALIMA, S.A.C.	100.00	60.62	FC	LIMA (PERU)	HOLDING COMPANY
GENERANDES PERÚ, S.A.	100.00	45.83	FC	LIMA (PERU)	HOLDING COMPANY
GNL CHILE, S.A.	33.33	12.12	EM	SANTIAGO (CHILE)	PROMOTION OF PROJECT TO SUPPLY LIQUEFIED GAS
GNL NORTE, S.A.	100.00	36.80	FC	SANTIAGO (CHILE)	PRODUCTION, TRANSPORT, DISTRIBUTION, STORAGE AND SUPPLY OF ENERGY AND FUELS
GNL QUINTERO, S.A.	20.00	7.27	EM	SANTIAGO (CHILE)	DESIGN, DEVELOPMENT AND SUPPLY OF A LIQUEFIED NATURAL GAS REGASIFICATION TERMINAL
HIDROELÉCTRICA EL CHOCÓN, S.A.	67.67	23.77	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION AND SUPPLY
HIDROINVEST, S.A.	96.09	34.94	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY
ICT SERVICIOS INFORMÁTICOS LTDA.	100.00	60.62	FC	SANTIAGO (CHILE)	IT, TELECOMMUNICATIONS AND DATA TRANSMISSION SERVICES
INGENDESA DO BRASIL LTDA. (IN LIQUIDATION)	100.00	37.27	FC	RIO DE JANEIRO (BRAZIL)	PROJECT ENGINEERING CONSULTANCY SERVICES
INKIA HOLDINGS (ACTER) LIMITED	100.00	60.62	FC	GRAND CAYMAN (CAYMAN ISLANDS)	HOLDING COMPANY
INMOBILIARIA MANSO DE VELASCO LTDA.	100.00	60.62	FC	SANTIAGO (CHILE)	CONSTRUCTION WORK
INVERSIONES DISTRILIMA, S.A.C.	100.00	60.46	FC	LIMA (PERU)	HOLDING COMPANY
INVERSIONES GASATACAMA HOLDING LTDA.	100.00	36.82	FC	SANTIAGO (CHILE)	NATURAL GAS TRANSMISSION
INVERSORA CODENSA S.A.S.	100.00	29.34	FC	BOGOTÁ D.C. (COLOMBIA)	INVESTMENTS IN PUBLIC RESIDENTIAL ENERGY SERVICES
INVERSORA DOCK SUD, S.A.	57.14	34.64	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY
LATIN AMERICA HOLDING I LTD.	100.00	60.62	FC	GRAND CAYMAN (CAYMAN ISLANDS)	HOLDING COMPANY
LATIN AMERICA HOLDING II LTD.	100.00	60.62	FC	GRAND CAYMAN (CAYMAN ISLANDS)	HOLDING COMPANY
LUZ ANDES LTDA.	100.00	60.07	FC	SANTIAGO (CHILE)	TRANSPORT, DISTRIBUTION AND SALE OF ENERGY AND FUELS
PROGAS, S.A.	100.00	36.80	FC	SANTIAGO (CHILE)	GAS DISTRIBUTION
SACME, S.A.	50.00	21.71	EM	BUENOS AIRES (ARGENTINA)	ELECTRICITY SYSTEM OVERSIGHT AND CONTROL
SOCIEDAD AGRÍCOLA DE CAMEROS LTDA.	57.50	34.86	FC	SANTIAGO (CHILE)	REAL ESTATE INVESTMENT
SOCIEDAD CONCESIONARIA TÚNEL EL MELÓN, S.A.	100.00	36.36	FC	SANTIAGO (CHILE)	DESIGN, CONSTRUCTION AND OPERATION OF THE EL MELÓN TUNNEL
SOCIEDAD PORTUARIA CENTRAL CARTAGENA, S.A.	99.85	23.15	FC	BOGOTÁ D.C. (COLOMBIA)	PORT-RELATED SERVICES
SOUTHERN CONE POWER ARGENTINA, S.A.	100.00	36.38	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY
SOUTHERN CONE POWER LTD.	100.00	60.62	FC	GRAND CAYMAN (CAYMAN ISLANDS)	HOLDING COMPANY
SOUTHERN CONE POWER PERÚ, S.A.A.	100.00	60.62	FC	LIMA (PERU)	HOLDING COMPANY
TERMOELÉCTRICA JOSÉ DE SAN MARTÍN, S.A.	25.60	6.29	EM	BUENOS AIRES (ARGENTINA)	CONSTRUCTION AND OPERATION OF A COMBINED CYCLE PLANT
TERMOELÉCTRICA MANUEL BELGRANO, S.A.	25.60	6.29	EM	BUENOS AIRES (ARGENTINA)	CONSTRUCTION AND OPERATION OF A COMBINED CYCLE PLANT
TRANSMISORA ELÉCTRICA DE QUILLOTA LTDA.	50.00	18.64	EM	SANTIAGO (CHILE)	ELECTRICITY TRANSMISSION AND DISTRIBUTION
TRANSPORTADORA DE ENERGÍA, S.A.	100.00	51.15	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION
YACYLEC, S.A.	22.22	13.47	EM	BUENOS AIRES (ARGENTINA)	ELECTRICITY TRANSMISSION

FC: Full consolidation; PC: Proportionate consolidation; EM: Equity method

Report on Limited Review

ENDESA, S.A. AND SUBSIDIARIES

**Interim Condensed Consolidated Financial Statements
for the nine-month period ended
September 30, 2014**

(A free translation from the original in Spanish)

REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(A free translation from the original in Spanish.
In the event of discrepancy the Spanish language prevails)

To the Shareholders of ENDESA, S.A.
at the request of the Directors

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter the interim financial statements) of ENDESA, S.A. (hereinafter the parent) and subsidiaries, which comprise the consolidated statement of financial position at September 30, 2014 and the income statement, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flow, and the condensed explanatory notes, all of which have been consolidated, for the nine-month period then ended. The parent's Directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by International Accounting Standard (IAS) 34, "Interim Financial Reporting", adopted by the European Union, for the preparation of interim condensed financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would lead us to conclude that the accompanying interim financial statements for the nine-month period ended September 30, 2014 have not been prepared, in all significant respects, in accordance with the requirements established by International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, for the preparation of interim condensed financial statements.

Emphasis paragraph

We draw attention to the matter described in accompany explanatory Note 2, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the consolidated financial statements of ENDESA, S.A. and its subsidiaries for the year ended December 31, 2013. This does not modify our conclusion.

ERNST & YOUNG, S.L.

(Signed on the original in Spanish)

José Agustín Rico Horcajo

October 29, 2014

ENDESA, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014

(Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

ENDESA, S.A. AND SUBSIDIARIES **CONSOLIDATED STATEMENTS OF FINANCIAL** **POSITION AT 30 SEPTEMBER 2014 AND 31** **DECEMBER 2013**

Millions of Euros

	30 September 2014 (Unaudited)	31 December 2013 (Restated)(*)
ASSETS		
NON-CURRENT ASSETS	25,622	42,695
Property, plant and equipment (Note 6)	21,028	31,591
Investment property	24	77
Intangible assets (Note 7)	505	2,225
Goodwill (Notes 5 and 8)	-	2,302
Investments accounted for using the equity method (Note 9)	1,072	1,408
Non-current financial assets (Note 10.1)	1,876	3,224
Deferred tax assets (Note 20)	1,117	1,868
CURRENT ASSETS	29,157	13,262
Inventories (Note 11)	1,046	1,103
Trade and other receivables (Note 12)	3,547	4,932
Trade and other receivables	3,137	4,512
Current income tax assets	410	420
Current financial assets (Note 10.1)	1,286	3,078
Cash and cash equivalents (Note 13)	1,110	4,145
Non-current assets held for sale and discontinued operations (Note 4)	22,168	4
TOTAL ASSETS	54,779	55,957
EQUITY AND LIABILITIES		
EQUITY (Note 14)	27,423	26,762
Of the Parent	21,417	20,521
Share capital	1,271	1,271
Share premium and reserves	19,290	19,253
Profit for the period of the Parent	1,219	1,879
Interim dividend	-	(1,588)
Valuation adjustments	(363)	(294)
Of non-controlling interests	6,006	6,241
NON-CURRENT LIABILITIES	11,667	18,153
Deferred income	4,585	4,573
Non-current provisions (Note 15.1)	3,040	3,496
Provisions for pensions and similar obligations	878	1,120
Other non-current provisions	2,162	2,376
Non-current interest-bearing loans and borrowings (Note 16.1)	2,418	7,437
Other non-current liabilities	539	597
Deferred tax liabilities (Note 20)	1,085	2,050
CURRENT LIABILITIES	15,689	11,042
Current interest-bearing loans and borrowings (Note 16.1)	-	1,127
Current provisions (Note 15.1)	447	689
Provisions for pensions and similar obligations	-	-
Other current provisions	447	689
Trade payables and other current liabilities (Note 19)	5,144	9,226
Suppliers and other payables	4,605	8,604
Current income tax liabilities	539	622
Liabilities directly associated with non-current assets classified as held for sale and discontinued operations (Note 4)	10,098	-
TOTAL EQUITY AND LIABILITIES	54,779	55,957

(*) Restated as explained in Note 2.2.

The accompanying explanatory notes 1 to 26 are an integral part of the consolidated statements of financial position at 30 September 2014 and 31 December 2013.

ENDESA, S.A. AND SUBSIDIARIES **CONSOLIDATED INCOME STATEMENT FOR** **THE NINE MONTHS ENDED 30 SEPTEMBER** **2014 AND 2013**

Millions of Euros

	January - September 2014 (Unaudited)	January - September 2013 (Restated) (*) (Unaudited)
INCOME	15,542	16,234
Revenue	14,707	15,490
Other operating income	835	744
PROCUREMENTS AND SERVICES	(11,577)	(11,982)
Power purchased	(3,754)	(3,919)
Cost of fuel consumed	(1,766)	(2,117)
Transmission costs	(4,440)	(4,596)
Other variable procurements and services	(1,617)	(1,350)
CONTRIBUTION MARGIN	3,965	4,252
Self-constructed assets	84	73
Personnel expenses	(695)	(751)
Other fixed operating expenses	(870)	(920)
GROSS PROFIT FROM OPERATIONS	2,484	2,654
Depreciation and amortisation, and impairment losses	(1,167)	(1,227)
PROFIT FROM OPERATIONS	1,317	1,427
NET FINANCIAL LOSS	(114)	(92)
Financial income	79	145
Financial expense	(190)	(240)
Net exchange differences	(3)	3
Net profit of companies accounted for using the equity method (Note 9)	(65)	39
Gains/(losses) from other investments	-	7
Gains/(losses) on disposal of assets	(20)	35
PROFIT BEFORE TAX	1,118	1,416
Income tax expense	(364)	(380)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	754	1,036
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS (Note 4)	988	1,283
PROFIT FOR THE PERIOD	1,742	2,319
Parent company	1,219	1,551
Non-controlling interests	523	768
BASIC NET EARNINGS PER SHARE FOR CONTINUING OPERATIONS (Euros)	0.71	0.98
DILUTED NET EARNINGS PER SHARE FOR CONTINUING OPERATIONS (Euros)	0.71	0.98
BASIC NET EARNINGS PER SHARE FOR DISCONTINUED OPERATIONS (Euros)	0.44	0.48
DILUTED NET EARNINGS PER SHARE FOR DISCONTINUED OPERATIONS (Euros)	0.44	0.48
BASIC NET EARNINGS PER SHARE (Euros)	1.15	1.46
DILUTED NET EARNINGS PER SHARE (Euros)	1.15	1.46

(*) Restated as explained in Note 2.2.

The accompanying explanatory notes 1 to 26 are an integral part of the consolidated income statements for the nine months ended 30 September 2014 and 2013.

ENDESA, S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 AND 2013

Millions of Euros

	30 September 2014 (Unaudited)			30 September 2013 (Restated) (*) (Unaudited)		
	Parent	Non- controlling interests	Total	Parent	Non- controlling interests	Total
PROFIT FOR THE PERIOD	1,219	523	1,742	1,551	768	2,319
OTHER COMPREHENSIVE INCOME:						
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	(126)	87	(39)	(654)	(760)	(1,414)
Items that can be reclassified to profit or loss in subsequent periods:	(48)	96	48	(654)	(760)	(1,414)
From revaluation/(reversal of revaluation) of property, plant and equipment and intangible assets	-	-	-	-	-	-
From measurement of financial instruments	-	-	-	(2)	-	(2)
Available-for-sale financial assets	-	-	-	(2)	-	(2)
Other income/(expenses)	-	-	-	-	-	-
From cash flow hedges	(4)	(90)	(94)	(179)	(52)	(231)
Translation differences	(29)	151	122	(536)	(726)	(1,262)
Investments consolidated for using the equity method	(21)	14	(7)	12	7	19
Other income and expenses recognised directly in equity	-	-	-	-	-	-
Income Tax effect	6	21	27	51	11	62
Items not to be reclassified to profit or loss in subsequent periods:	(78)	(9)	(87)	-	-	-
From actuarial gains and losses and other adjustments	(101)	(14)	(115)	-	-	-
Income tax effect	23	5	28	-	-	-
AMOUNTS TRANSFERRED TO INCOME STATEMENT AND/OR INVESTMENTS	(22)	(9)	(31)	85	(5)	80
From measurement of financial instruments	-	-	-	(64)	-	(64)
Available-for-sale financial assets	-	-	-	(64)	-	(64)
Other income/(expenses)	-	-	-	-	-	-
From cash flow hedges	(33)	(10)	(43)	188	(3)	185
Translation differences	-	-	-	-	-	-
Investments consolidated for using the equity method	4	-	4	7	-	7
Other income and expenses recognised directly in equity	-	-	-	-	-	-
Income tax effect	7	1	8	(46)	(2)	(48)
TOTAL COMPREHENSIVE INCOME	1,071	601	1,672	982	3	985

(*) Restated as explained in Note 2.2.

The accompanying explanatory notes 1 to 26 are an integral part of the consolidated statements of other comprehensive income for the nine months ended 30 September 2014 and 2013.

ENDESA, S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

Millions of Euros

	Equity attributable to owners of the Parent (unaudited)						Non- controlling interests	Total equity
	Capital and reserves					Valuation adjustments		
	Share capital	Share premium, reserves and interim dividend	Treasury shares and own equity instruments	Profit/(loss) for the period	Other equity instruments			
Balance at 1 January 2014 (*)	1,271	17,665	-	1,879	-	(294)	6,241	26,762
Adjustments due to changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of errors	-	-	-	-	-	-	-	-
Adjusted initial balance	1,271	17,665	-	1,879	-	(294)	6,241	26,762
Total comprehensive income	-	(78)	-	1,219	-	(70)	601	1,672
Transactions with shareholders 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 or owners (Note 14.4)	-	(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

(*) Restated as explained in Note 2.2.

The accompanying explanatory notes 1 to 26 are an integral part of the consolidated statement of changes in equity
for the nine months ended 30 September 2014.

ENDESA, S.A. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

Millions of Euros

	Equity attributable to owners of the Parent (Restated) ^(*) (unaudited)						Non-controlling interests	Total equity
	Capital and reserves							
	Share capital	Share premium, reserves and interim dividend	Treasury shares and own equity instruments	Profit/(loss) for the period	Other equity instruments	Valuation adjustments		
Balance at 1 January 2013	1,271	16,719	-	2,034	-	629	5,716	26,369
Adjustments due to changes in accounting policies ^(Note 2.2)	-	-	-	-	-	-	(9)	(9)
Corrections of errors	-	-	-	-	-	-	-	-
Adjusted initial balance	1,271	16,719	-	2,034	-	629	5,707	26,360
Total comprehensive income	-	-	-	1,551	-	(569)	3	985
Transactions with shareholders 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 or 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	1,271	19,299	-	1,551	-	60	6,466	28,647

(*) Restated as explained in Note 2.2.

The accompanying explanatory notes 1 to 26 are an integral part of the consolidated statement of changes in equity for the nine months ended 30 September 2013.

ENDESA, S.A. AND SUBSIDIARIES **CONSOLIDATED STATEMENTS OF CASH** **FLows FOR THE NINE MONTHS ENDED 30** **SEPTEMBER 2014 AND 2013**

Millions of Euros

	January - September 2014 (Unaudited)	January - September 2013 (Restated) (*)(unaudited)
Profit before tax	2,383	3,158
Adjustments for:	2,221	2,007
Depreciation and amortisation, and impairment losses	1,555	1,829
Other adjustments (net)	666	178
Changes in working capital	(692)	(1,401)
Other cash flows from operating activities:	(1,427)	(1,449)
Interest received	257	271
Dividends received	27	18
Interest paid	(550)	(528)
Income tax paid	(744)	(723)
Other receipts from and payments for operating activities	(417)	(487)
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,485	2,315
Acquisitions of property, plant and equipment and intangible assets	(1,668)	(1,636)
Proceeds from sale of property, plant and equipment and intangible assets	14	31
Purchase of investments in group companies (Note 5)	(68)	-
Proceeds from sale of investments in group companies	-	84
Purchase of other investments	(801)	(3,809)
Proceeds from sale of other investments	2,348	2,983
Grants and other deferred income	109	115
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(66)	(2,232)
Cash flows from equity instruments (Note 14.4)	(507)	1,741
Proceeds from borrowings, non-current	971	699
Repayment of borrowings, non-current	(986)	(915)
Net cash flows used in current borrowings	(1,004)	(620)
Dividends of the Parent paid (Note 14.2)	(1,588)	-
Payments to non-controlling interests	(492)	(399)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(3,606)	506
TOTAL NET CASH FLOWS	(1,187)	589
Effect of exchange rate changes on cash and cash equivalents	(8)	(180)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,195)	409
INITIAL CASH AND CASH EQUIVALENTS	4,145	1,819
Cash in hand and at banks	1,058	1,024
Cash equivalents	3,087	795
FINAL CASH AND CASH EQUIVALENTS	2,950	2,228
Cash in hand and at banks	1,389	599
Cash equivalents	1,561	1,629

(*) Restated as explained in Note 2.2.

The accompanying explanatory notes 1 to 26 are an integral part of the consolidated statements of cash flows for the nine months ended 30 September 2014 and 2013.

ENDESA, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

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ENDESA, S.A. AND SUBSIDIARIES

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

1. Group Activity and Interim Condensed Consolidated Financial Statements.

ENDESA, S.A. (hereinafter, "the Parent Company" or the "Company") and its subsidiaries make up the ENDESA Group (hereinafter "ENDESA"). The Company's registered and head offices are at calle Ribera del Loira, 60, Madrid.

The Company was incorporated with limited liability under Spanish law in 1944 under the name Empresa Nacional de Electricidad, S.A. and changed its name to ENDESA, S.A. pursuant to a resolution adopted by the shareholders at the General Meeting of Shareholders on 25 June 1997.

Its corporate purpose is the Electricity Business in all its various industrial and commercial areas; the exploitation of primary energy resources of all types; the provision of industrial services, particularly in the areas of telecommunications, water and gas and those preliminary or supplementary to the Group's corporate purpose, and the management of the corporate Group, comprising investments in other companies. ENDESA carries out its corporate purpose in Spain and abroad directly or through its investments in other companies.

In view of the areas of business carried on by ENDESA companies, their transactions are not highly cyclical or seasonal.

ENDESA's Consolidated Financial Statements for the year ended 31 December 2013 were approved by the shareholders at the General Meeting of Shareholders held on 19 May 2014.

The presentation currency of the Parent Company is the euro and the figures shown herein (unless stated otherwise) are in millions of Euros.

The Company forms part of the ENEL Group, whose parent is ENEL, S.p.A., which is governed by Italian commercial legislation. Its registered office is at Viale Regina Margherita, 137, Rome, Italy. In Spain, the ENEL Group is headed by ENEL Energy Europe, S.L.U., with registered office at Calle Ribera del Loira, 60, Madrid. The ENEL Group's Consolidated Financial Statements for the year ended 31 December 2013 were approved by the shareholders at the General Meeting of Shareholders held on 22 May 2014 and filed with the Rome and Madrid commercial registers.

Through ENEL Energy Europe, S.L.U., the ENEL Group holds 92.063% of the shares of ENDESA, which was acquired between 2007 and 2009 (see Note 14).

2. Basis of preparation of the Interim Condensed Consolidated Financial Statements.

2.1. Accounting principles.

ENDESA's Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014 were approved by the Directors of the Parent Company at the board meeting held 29 October 2014 and prepared in accordance with the International Financial Reporting Standards ("IFRSs") and the interpretations of the IFRS Interpretations Committee ("IFRIC") as adopted by the European Union at the Consolidated Statement of Financial Position date pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council and other applicable regulations regarding financial reporting.

These Interim Condensed Consolidated Financial Statements present fairly the equity and financial position of ENDESA at 30 September 2014, as well as the consolidated comprehensive income, consolidated operating performance, changes in consolidated equity and consolidated cash flows for the nine months then ended.

The accounting principles and measurement criteria used to prepare the Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014 are the same as those explained in Notes 2 and 3 to the Consolidated Financial Statements for the year ended 31 December 2013, except for the adoption of the new standards endorsed by the European Union applicable to annual periods beginning on or after 1 January 2014 and to interim financial statements explained below. The Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis using the cost method, with the exception of items measured at fair value in accordance with IFRS, as explained in the measurement criteria indicated above, and non-current assets and disposal groups classified as held for sale, which are measured at the lower of carrying amount and fair value less costs to sell.

Each company prepares its financial statements in accordance with the accounting principles and standards prevailing in the country in which it operates. When necessary, adjustments and reclassifications have been made to the financial statements of subsidiaries to bring their accounting principles into line with IFRSs and IFRIC criteria.

At the date of authorisation for issue of these Interim Condensed Consolidated Financial Statements, the following IFRSs and IFRIC interpretations have been published in the Official Journal of the European Union:

a) Standards and interpretations endorsed by the European Union applied for the first time in the Interim Condensed Consolidated Financial Statements at 30 September 2014.

Standards, amendments and interpretations	Mandatory application: Annual periods beginning on or after
IFRS 10 "Consolidated Financial Statements". <i>Establishes a single control model and control as the basis for consolidation of all entities. It replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities.</i>	1 January 2014
IFRS 11 "Joint Arrangements". <i>IFRS 11 refines the concept of joint control in line with the definition of control provided in IFRS 10 Consolidated Financial Statements. It removes the option to account for jointly controlled entities using proportionate consolidation. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Venturers.</i>	1 January 2014
IFRS 12 "Disclosure of Interests in Other Entities". <i>IFRS 12 reinforces and consolidates disclosure requirements applicable to subsidiaries, joint arrangements, associates and unconsolidated structured entities previously included in IAS 27 Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures and IAS 31 Interests in Joint Ventures.</i>	1 January 2014
IAS 27 "Separate Financial Statements (Revised)". <i>IAS 27 was revised after IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities were issued, limiting the content of this standard to the accounting of investments in subsidiaries, jointly controlled entities and associates in separate financial statements</i>	1 January 2014
IAS 28 "Investments in Associates and Joint Ventures (Revised)". <i>This standard was revised after IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities were issued to unify definition and clarify other content in these new IFRSs.</i>	1 January 2014
Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities". <i>The amendments provide additional transition relief, limiting the requirements to provide adjusted comparative information to only the preceding comparative period.</i>	1 January 2014
Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IAS 27 "Separate Financial Statements". <i>These amendments provide an exception to the requirement to consolidate all subsidiaries for entities that meet the definition of an "investment entity".</i>	1 January 2014
Amendments to IAS 32 "Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities". <i>These amendments clarify the requirements for offsetting financial assets and financial liabilities to remove inconsistencies in the application of the IAS 32 offsetting criteria.</i>	1 January 2014
Amendments to IAS 36 "Impairment of Assets". <i>The amendment clarifies that the scope of the disclosures of information about the recoverable amount of assets, where that amount is based on fair value less costs of disposal, is limited to impaired assets.</i>	1 January 2014
Amendments to IAS 39 "Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting". <i>The amendment clarifies that with derivatives designed as hedging instruments, where a clearing counterparty replaces the original counterparty as a consequence of laws or regulations, hedge accounting may continue despite the novation.</i>	1 January 2014

The application of these standards did not have a significant impact on the Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014 except for the application of IFRS 11 *Joint Arrangements* (see Note 2.2).

b) Standards and interpretations endorsed by the European Union to be applied for the first time in annual periods beginning on 1 January 2015.

Standards, amendments and interpretations	Mandatory application: Annual periods beginning on or after
IFRIC 21 "Levies". <i>This interpretation of IAS 37 Provisions, Contingent Assets and Contingent Liabilities provides guidance on when to recognise a liability for a levy imposed by a government, other than income taxes, fines and other penalties that are imposed for breaches of legislation, in its financial statements.</i>	17 June 2014

c) Standards and interpretations issued by the International Accounting Standards Board (IASB) not endorsed by the European Union.

In addition, the International Accounting Standards Board (IASB) has approved the following IFRSs which could affect ENDESA and at the date of issue of the accompanying Interim Condensed Consolidated Financial Statements had yet to be endorsed by the European Union:

Standards, amendments and interpretations	Mandatory application: Annual periods beginning on or after
IFRS 9 Financial Instruments and subsequent amendments.	1 January 2018
IAS 19 Employee Benefits: Defined Benefit Plans: Employee Contributions (Amendment).	1 July 2014
Annual Improvements to IFRSs, 2010-2012 Cycle.	1 July 2014
Annual Improvements to IFRSs, 2011-2013 Cycle.	1 July 2014
Annual Improvements to IFRSs, 2012-2014 Cycle.	1 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Acceptable Methods of Depreciation and Amortisation.	1 January 2016
Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations.	1 January 2016
IFRS 15 Revenue from Contracts with Customers.	1 January 2017
Amendments to IAS 27 Separate Financial Statements: Equity Method in Separate Financial Statements.	1 January 2016
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	1 January 2016

At the date of issue of the Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014, ENDESA's management is assessing the impact of application of these standards indicated in sections b) and c), in this case, if endorsed by the European Union, on the Consolidated Financial Statements of ENDESA. Initially, it does not expect any significant impact.

2.2. Restatement of information.

As a result of the application from 1 January 2014 of IFRS 11 *Joint Arrangements*, the financial statements of ENDESA's joint ventures, which until 2013 were consolidated using proportionate consolidation, are consolidated IN 2014 using the equity method. Accordingly, data for the year ended 31 December 2013, presented for purposes of comparison, have been restated to include the measurement of the interests in which ENDESA has joint control using the equity method.

Appendix II to the Interim Condensed Consolidated Financial Statements details the joint ventures consolidated using the equity method instead of proportionate consolidation following the application of IFRS 11 *Joint Arrangements*.

Also, as a result of the asset disposals in Latin America described in Note 4, the Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014 include the figures for the Latin America Business as Discontinued Operations. This is why the information relating to the consolidated income statement for the nine months ended 30 September 2013, which is presented here for comparative purposes, has been restated in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* to present the results of that Business as Discontinued Operations.

The retrospective application of IFRS 11 *Joint Arrangements* and IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* on the comparative Consolidated Financial Statements are as follows:

Consolidated Statements of Financial Position

Millions of Euros

	1 January 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	1 January 2013 (Restated)
Non-current assets	44,487	(248)	-	(248)	44,239
Current assets	14,291	(334)	-	(334)	13,957
TOTAL ASSETS	58,778	(582)	-	(582)	58,196
Equity	26,369	(9)	-	(9)	26,360
Of the Parent	20,653	-	-	-	20,653
Of non-controlling interests	5,716	(9)	-	(9)	5,707
Non-current liabilities	21,644	(253)	-	(253)	21,391
Current liabilities	10,765	(320)	-	(320)	10,445
TOTAL EQUITY AND LIABILITIES	58,778	(582)	-	(582)	58,196

Millions of Euros

	31 December 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	31 December 2013 (Restated)
Non-current assets	42,851	(156)	-	(156)	42,695
Current assets	13,606	(344)	-	(344)	13,262
TOTAL ASSETS	56,457	(500)	-	(500)	55,957
Equity	26,769	(7)	-	(7)	26,762
Of the Parent	20,521	-	-	-	20,521
Of non-controlling interests	6,248	(7)	-	(7)	6,241
Non-current liabilities	18,474	(321)	-	(321)	18,153
Current liabilities	11,214	(172)	-	(172)	11,042
TOTAL EQUITY AND LIABILITIES	56,457	(500)	-	(500)	55,957

Consolidated Income Statement

Millions of Euros

	January - September 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	January - September 2013 (Restated)
Income	23,485	(185)	(7,066)	(7,251)	16,234
Procurements and services	(15,571)	81	3,508	3,589	(11,982)
Contribution margin	7,914	(104)	(3,558)	(3,662)	4,252
Gross profit from operations	5,251	(77)	(2,520)	(2,597)	2,654
Depreciation and amortisation, and impairment losses	(1,859)	30	602	632	(1,227)
Profit from operations	3,392	(47)	(1,918)	(1,965)	1,427
Net financial loss	(310)	(3)	221	218	(92)
Net profit of companies accounted for using the equity method	25	37	(23)	14	39
Profit before tax	3,171	(13)	(1,742)	(1,755)	1,416
Income tax expense	(852)	13	459	472	(380)
Profit after tax for the period from continuing operations	2,319	-	(1,283)	(1,283)	1,036
Profit after tax for the period from discontinued operations	-	-	1,283	1,283	1,283
Profit for the period	2,319	-	-	-	2,319
Parent company	1,551	-	-	-	1,551
Non-controlling interests	768	-	-	-	768

Consolidated Statement of Other Comprehensive Income

Millions of Euros

	January - September 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	January - September 2013 (Restated)
Profit for the period	2,319	-	-	-	2,319
Other comprehensive income:					
Income and expense recognised directly in equity	(1,414)	-	-	-	(1,414)
Amounts transferred to income statement and/or investments	80	-	-	-	80
Total comprehensive income	985	-	-	-	985

Consolidated Statement of Cash Flows

Millions of Euros

	January - September 2013	Restatement due to adoption of IFRS 11	Restatement due to adoption of IFRS 5	Total Restatement	January - September 2013 (Restated)
Net cash flows from operating activities	2,347	(32)	-	(32)	2,315
Net cash flows used in investing activities	(2,215)	(17)	-	(17)	(2,232)
Net cash flows from financing activities	461	45	-	45	506
Total net cash flows	593	(4)	-	(4)	589
Effect of exchange rate changes on cash and cash equivalents	(182)	2	-	2	(180)
Net increase/(decrease) in cash and cash equivalents	411	(2)	-	(2)	409
Cash and cash equivalents at 1 January	1,986	(167)	-	(167)	1,819
Cash and cash equivalents at 30 September	2,397	(169)	-	(169)	2,228

2.3. Responsibility for information and estimates.

The Company's Directors are responsible for the contents of the Interim Condensed Consolidated Financial Statements, which were authorised for issue at the Board of Directors' Meeting held on 29 October 2014, and expressly states that all IFRS principles and criteria endorsed by the European Union have been applied.

ENDESA's Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014 have been prepared from the accounting records of the Company and those of the rest of the companies comprising ENDESA at 30 September 2014, and include all the significant disclosures required of IAS 34 *Interim Financial Reporting*, but not the full set of disclosures as required by IFRSs in a complete set of financial statements. Therefore, for an appropriate understanding, they should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2013.

In preparing the accompanying Interim Condensed Consolidated Financial Statements, ENDESA's Directors made estimates to measure certain assets, liabilities, income, expenses and commitments included therein. The estimates necessary to prepare ENDESA's Interim Condensed Consolidated Financial Statements were basically the same as those described in Note 2.2 to the Consolidated Financial Statements for the year ended 31 December 2013. There were no changes with respect to those used in the Consolidated Financial Statements for the year ended 31 December 2013 that had a significant impact on the Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2014, except with respect to the estimate of generation revenue in non-mainland Spain and the asset related to the amount to be recovered at the end of the concession by ENDESA concessionaires for management of electricity distribution in Brazil.

The definitive determination of non-mainland generation revenue in Spain from 1 January 2012 is awaiting approval of the Royal Decree implementing Royal Decree Law 13/2012, of 30 March, and Royal Decree Law 17/2013, of 27 December. In July 2014, ENDESA had access to a new draft of this Royal Decree, which contains substantial amendments to the retroactive impacts for non-mainland remuneration for 2012 and 2013 compared to the previous draft available at the date of authorisation for issue of the Consolidated Financial Statements for the year ended 31 December 2013. The estimation of income for 2013 and 2012 in accordance with the content of the new Royal Decree draft resulted in the recognition of Euros 162 million less income in the interim consolidated income statement for the nine months ended 30 September 2014 (see Note 3.1).

Elsewhere, in accordance with IFRIC 12 Service Concession Arrangements, ENDESA recognised a financial asset for the amount it expects to recover at the end of the concession period from the management companies of Brazil's electricity distribution networks for assets in operation at the closing date of the consolidated financial statements. As a result of the tariff review of Ampla Energia e Serviços, S.A. carried out in 2014, the value of the concession assets was remeasured, leading to a decrease of Euros 144 million in the value of that asset.

2.4. Subsidiaries and joint operations.

Subsidiaries are the investees which the Parent Company controls, directly or indirectly, when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence of potential voting rights held by ENDESA that are exercisable or convertible at the end of the reporting period are considered when assessing control.

Joint operations are companies over which there is contractually agreed sharing of decisions about the relevant activities that require unanimous consent between ENDESA and the other parties, and they have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Subsidiaries are fully consolidated and joint operations are consolidated in proportion to the share of the operation's joint assets and liabilities (see Note 2.6 to the Consolidated Financial Statements for the year ended 31 December 2013).

ENDESA considers Special Purpose Entities (SPEs), understood to be those entities that ENDESA, even when it does not hold a controlling interest, effectively controls, as subsidiaries. ENDESA is considered to have control when it substantially obtains the majority of the SPE's benefits and retains most of the Special Purpose Entity's risks, even when a controlling interest is not held. ENDESA had no SPEs in the nine months ended 30 September 2014.

2.4.1. Changes in consolidation scope.

Appendix I to the Interim Condensed Consolidated Financial Statements details the companies included in and excluded from the consolidated scope and the changes in consolidation scope of subsidiaries and joint operations in the nine months ended 30 September 2014 and 2013.

Nine months ended 30 September 2014:

Companies included:

As a result of the acquisition of an additional 50% interest in Inversiones GasAtacama Holding Ltda. (see Note 5), the following companies were included in the consolidation scope in the nine months ended 30 September 2014: GasAtacama Chile, S.A., GasAtacama, S.A., Gasoducto Atacama Argentina, S.A., Gasoducto Taltal, S.A., GNL Norte, S.A., Inversiones GasAtacama Holding Ltda. and Progas, S.A. (see Appendix I). Previously, pursuant to IFRS 11 *Joint Arrangements*, these companies were accounting for in the Consolidated Financial Statements using the equity method (see Note 2.5).

Note 5 to the Interim Condensed Consolidated Financial Statements provides financial figures for the Atacama Group companies included. All the companies listed above were joint ventures or associates, and consolidated using the equity method (see Appendix II).

In addition, after Nueva Marina Real State, S.L. filed for voluntary bankruptcy, it was removed from the consolidation scope as ENDESA did not have the power to govern the company's operating policies at 31 December 2012. After the related proceedings, a ruling was issued on the completion of the bankruptcy. Therefore, in the nine months ended 30 September 2014, Nueva Marina Real Estate, S.L. was included in ENDESA's consolidation scope. The inclusion in the consolidation scope led to an increase of Euros 32 million in non-current assets, Euros 2 million in current assets, Euros 11 million in non-current liabilities and Euros 18 million in current liabilities in the consolidated statement of financial position.

Meanwhile, as a result of the acquisition of an additional 39% of Generandes Perú, S.A. (see Note 14.4), the following companies were included in the consolidation scope in the nine months ended 30 September 2014: Inkia Holdings (Acter) Limited, Latin America Holding I Ltd., Latin America Holding II Ltd., Southern Cone Power Ltd. and Southern Cone Power Perú, S.A.A. The financial indicators for these companies are not material.

Companies excluded:

In the nine months ended 30 September 2014, ENDESA Capital Finance, L.L.C. was removed from the consolidation scope. The financial indicators for this company are not material.

Changes:

As a result of the acquisition of additional shares in Companhia Energética do Ceará, S.A. and Generandes Perú, S.A., the percentage of control and economic ownership in these companies increased in the nine months ended 30 September 2014.

In addition, as a result of the acquisitions of additional shares indicated above, there were changes in the percentage of economic ownership in the following companies: Ampla Energia e Serviços, S.A., Centrais Elétricas Cachoeira Dourada, S.A., Central Geradora Termelétrica Fortaleza, S.A., Chinango, S.A.C., Compañía de Interconexión Energética, S.A., Compañía de Transmisión del Mercosur, S.A., Edegel, S.A.A., En-Brasil Comercio e Serviços, S.A., Endesa Brasil, S.A., Eólica Fazenda Nova - Geração e Comercialização de Energia, S.A. and Transportadora de Energia, S.A.

Nine months ended 30 September 2013:

Companies included:

In the nine months ended 30 September 2013, the following companies were included in the consolidation scope: Compañía Energética Veracruz S.A.C., ENDESA Generación Nuclear, S.A.U. and Inversiones Sudamérica Ltda. The financial indicators for these companies are not material.

Companies excluded:

In the nine months ended 30 September 2013, the following mergers took place between subsidiaries:

Acquirers	Acquirees	Effective merger date
Inversiones Sudamérica Ltda.	Cono Sur Participaciones, S.L.U.	1 July 2013
ENDESA Financiación Filiales, S.A.U.	ENDESA Desarrollo, S.L.U.	1 July 2013
ENDESA Eco, S.A.	Compañía Eléctrica San Isidro, S.A.	1 September 2013

Meanwhile, in the nine months ended 30 September, ENDESA Carbono Philippines, Inc. was dissolved.

Changes:

In the nine months ended 30 September 2013, the capital increase carried out by Enersis and subscribed by ENDESA through the contribution of 100% of the share capital of Cono Sur Participaciones, S.L.U. resulted in changes in the economic stakes in the following companies in the consolidation scope: Ampla Energia e Serviços, S.A., Ampla Investimentos e Serviços, S.A., Centrais Elétricas Cachoeira Dourada, S.A., Central Dock Sud, S.A., Central Geradora Termelétrica Fortaleza, S.A., Central Vuelta de Obligado, S.A., Codensa, S.A. E.S.P., Companhia Energética do Ceará, S.A., Compañía de Interconexión Energética, S.A., Compañía de Transmisión del Mercosur, S.A., Distribuidora Eléctrica de Cundinamarca, S.A. E.S.P., Eléctrica Cabo Blanco, S.A.C., Emgesa Panamá, S.A., Emgesa, S.A. E.S.P., Empresa de Distribución Eléctrica de Lima Norte, S.A.A., Empresa Distribuidora Sur, S.A., Empresa Eléctrica de Piura, S.A., En-Brasil Comercio e Serviços, S.A., ENDESA Brasil, S.A., ENDESA Camsa, S.A., Eólica Fazenda Nova - Geração e Comercialização de Energia, S.A., Generalima, S.A.C., Inversiones Distrilima, S.A.C., Inversora Codensa S.A.S., Inversora Dock Sud, S.A.,

Investluz, S.A., Sacme, S.A., Sociedad Portuaria Central Cartagena, S.A., Transmisora Eléctrica de Quillota Ltda. and Transportadora de Energía, S.A.

Meanwhile, there were changes in the percentage of control and economic ownership in the following companies in the consolidation scope in the nine months ended 30 September 2013: ENDESA Carbono, S.L.U. and Gasificadora Regional Canaria, S.A., and in the percentages of economic ownership in the following companies in the consolidation scope: Asin Carbono USA, Inc., , Central Eólica Canela, S.A., Consorcio Ara – Ingendesa Ltda, ENDESA Argentina, S.A., , ENDESA Carbono USA, L.L.C., ENDESA Eco, S.A., Ingendesa Do Brasil Ltda. (in liquidation), Inversiones GasAtacama Holding Ltda. and Southern Cone Power Argentina, S.A.

2.5. Joint ventures and associates.

Joint ventures are companies over which there is contractually agreed sharing of control over an economic activity that requires unanimous consent between ENDESA and the other parties on decisions about the relevant activities and the parties have rights to the net assets of the arrangement.

Associates are entities over which the Parent Company has significant influence, directly or indirectly. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by ENDESA or other entities, are considered when assessing whether it has significant influence. In general, where ENDESA holds a stake above 20%, it is presumed that it has significant influence.

Both joint ventures and associates are consolidated in the Interim Condensed Consolidated Financial Statements using the equity method (see Note 2.6 to the Consolidated Financial Statements for the year ended 31 December 2013).

Appendix I to these Interim Condensed Consolidated Financial Statements details the associates and joint ventures included in and excluded from the consolidation scope in the nine months ended 30 September 2014 and 2013.

Nine months ended 30 September 2014:

Companies included:

In the nine months ended 30 September 2014, no companies were included in the consolidation scope.

Companies excluded:

In the nine months ended 30 September 2014, Inversiones GasAtacama Holding Ltda. and its subsidiaries were removed from the consolidation scope and became a subsidiary (see Notes 2.4.1 and 5).

Changes:

In the nine months ended 30 September 2014 there were changes in the percentage of ownership in Kromschroeder, S.A.

Nine months ended 30 September 2013:

Companies included

No companies were included in the consolidation scope in the nine months ended 30 September 2013.

Companies excluded:

Meanwhile, in the nine months ended 30 September 2013, ENEL Green Power Modelo I Eólica, S.A. and ENEL Green Power Modelo II Eólica, S.A. were removed from the consolidation scope. The financial figures for these companies are not material.

Changes:

There were changes in the percentage of economic ownership in the following companies in the consolidation scope in the nine months ended 30 September 2013: Termoeléctrica José de San Martín, S.A., Termoeléctrica Manuel Belgrano, S.A. and Yacylec, S.A.

3. Industry regulation.

From a regulatory perspective, the main highlights during the period were as follows:

3.1. Spain.

Royal Decree 413/2014, of 6 June, which regulates the production of electricity from renewable energy sources, combined heat and power, and waste.

This Royal Decree approved a new remuneration framework for facilities producing electricity from renewable energy sources, combined heat and power, and waste, following Royal Decree Law 9/2013, of 12 July, adopting urgent measures to ensure the financial stability of the Electricity System, and Electricity Sector Law 24/2013, of 26 December.

The new methodology replaces the previous regulated tariff structure with a new framework which applies the concept of reasonable return, guaranteeing a profit before tax based on the average yield of 10-year government obligations plus 300 basis points. Under this new framework, in addition to remuneration for the sale of electricity valued at market price, facilities will be eligible to receive a specific remuneration consisting of a term per unit of installed capacity which covers, where appropriate, the investment costs for a standard facility that cannot be recovered through electricity sales on the market, which is known as return on investment, and an operating term which covers, where applicable, the difference between the operating costs and the income from the investment on the production market for this standard facility, which is known as return of operations.

The new remuneration system will be applied equally to facilities already in operation and new installations. For new facilities, adherence to the specific remuneration regime will be established through a series of competitive procedures.

In non-mainland territories (formerly known as Island and Non-Mainland Electricity Systems ("SEIE")), an incentive is established for investment when generation costs are reduced.

The regulation also establishes the terms under which remuneration parameters should be reviewed. These may only be modified, as applicable, every six years, every three years or every year. The standard value of the initial investment and the regulatory useful life of the asset shall remain unchanged once they have been recognised for each standard facility.

Order IET/1045/2014, of 16 June, approving the remuneration parameters for standard facilities applicable to certain facilities producing electricity from renewable energy sources, combined heat and power, and waste, and establishing specific values for the standard costs for each of the standard facilities defined, was published in the Official State Gazette ("BOE") on 20 June 2014.

Finally, Order IET/1459/2014, of 1 August, approving the remuneration parameters and establishing a mechanism for allocating remuneration for new wind and photovoltaic facilities in non-mainland electricity systems, was published in the Official State Gazette ("BOE") on 5 August.

Royal Decree Law 8/2014, of 4 July, approving urgent measures to boost growth, competitiveness and efficiency.

On 4 July 2014, the Council of Ministers approved this Royal Decree Law, which was published on 5 July, which, among other matters, includes the reform regarding remuneration of the gas system, for the purpose of designing an economically sustainable system that minimises costs for the consumer and, with regard to energy efficiency, created the Energy Efficiency National Fund with the aim of achieving energy savings.

In the gas market, the purpose of the reform is to resolve the tariff deficit of the gas sector and to ensure an economically sustainable system for the future, the main principles of which are as follows:

- Recognition of the deficit generated until 31 December 2014 and payment in 15 years.
- Elimination of the structural deficit and adjustment of the remuneration of regulated activities.
- Rules for financial sustainability in the gas System to avoid generating new deficits.
- Align the remuneration of activities to changes in demand.

With regard to energy efficiency, from its entry into force, the Royal Decree Law establishes a system of obligations for companies selling gas and electricity, for wholesale operators of oil products, and for wholesale operators of liquefied petroleum gas. Each year the Ministry of Industry, Energy and Tourism issues an Order that determines an annual savings target and the share thereof relating to each obligated party depending on their final energy sales in the year $n-2$, as well as the financial equivalence to calculate the amount equal to the investment necessary to comply with these obligations through contributions to an Energy Efficiency National Fund. Alternatively, and in accordance with government regulations, a mechanism could be established for confirming the amount of energy savings achieved that is equal to compliance with system obligations. This mechanism will be based on the presentation of negotiable Energy Saving Certificates ("CDE"), obtained by carrying out energy efficiency actions defined in a catalogue and that comply with the requirements and conditions established in this catalogue, which will be managed by the Spanish Institute for Energy Diversification and Savings ("IDAE").

The Spanish Energy Efficiency obligation Scheme will be in effect from the entry into force of this Royal Decree Law, i.e. 5 July 2014, until 31 December 2020.

The Royal Decree Law stipulates that obligated parties must make a contribution to the Energy Efficiency National Fund for 2014 from 5 July 2014. ENDESA's contribution for the second half of 2014 amounts to Euros 14 million.

Proposed Royal Decree regulating the production of electricity and the procedure for dispatching power in non-mainland Electricity Systems.

Within the context of the reform measures for the energy sector approved by the Council of Ministers on 12 July 2013, the government began to process several regulatory developments that relate, among other matters, to electricity generated in non-mainland territories, and a proposed Royal Decree is currently in process in this connection.

The proposed Royal Decree also implements matters already contained in Law 17/2013, of 29 October, to guarantee supply and increase competition in these systems.

The proposal establishes a scheme similar to the current scheme, made up of remuneration for fixed costs, which includes investment costs and operations and maintenance costs, and for variable costs, to remunerate fuel and variable operation and maintenance costs. Certain aspects of the methodology are changed in order to improve the efficiency of the System.

The methodology proposed would be applicable from its entry into force, with a transitional period for certain measures from 1 January 2012.

In accordance with Electricity Sector Law 24/2013, of 26 December, the financial remuneration rate of the net investment recognised will be tied to the return on the 10-year government obligations on the secondary market plus the appropriate spread.

For the first regulatory period, which runs until 31 December 2019, this rate will correspond to the average return of the price on the secondary market of the 10-year government obligations for April, May and June 2013, plus 200 basis points.

A new proposed Royal Decree with new elements was received on 4 July 2014 with regard to non-mainland territories. Among them, the most notable is the extension of measures to which the transitional period applies and, therefore, with retroactive effective from 1 January 2012.

Royal Decree Law 13/2014, of 3 October, adopting urgent measures for the gas system and ownership of nuclear plants.

This Royal Decree Law was published on 4 October and introduces certain aspects affecting the gas sector and ownership of nuclear plants.

With regard to the gas sector, the Royal Decree Law aims to resolve the existing complicated technical situation surrounding the Castor underground natural gas storage facility and the relinquishment of the operating concession presented by its owner (Escal UGS, S.L.) safeguarding the general interest. It approves the mothballing of the facilities, thereby consolidating the stoppage of storage operations approved by the Ministry of Industry, Energy and Tourism. Pursuant to a Council of Ministers' resolution, the facility will stop the mothballing should technical reports on the commissioning of such facilities recommend, or the facility could be dismantled under secure conditions. At the same time the Royal-Decree Law acknowledges the termination of the operating concession of the storage, and the allocation of

the Administration and maintenance of the facilities to Enagás, S.A., entrusted with ongoing care and maintenance of the facilities during its mothballing. The costs associated with these tasks will be met by gas system. Finally, Enagás, S.A. must pay Escal UGS, S.L. the value of its investment (Euros 1,351 million) in accordance with the Royal Decree Law. Enagás, S.A. will in turn obtain collection rights from the Spanish gas system to ensure the payment of this amount is covered over a period of 30 years. These rights may be transferred to a third party.

Ownership of nuclear facilities will be adapted pursuant to the nuclear energy legislation. Specifically, Law 12/2011, of 27 May on civil liability for nuclear damages or damages produced by radioactive material, amended Law 25/1964, of 29 April on Nuclear Power stating that the authorised licence holder of a nuclear plant must be a single legal person whose sole corporate purpose is to manage nuclear plants. It also set out a time frame to adapt this. However, pursuant to Royal Decree Law 13/2014, of 3 October, if, at the date the legislation is adopted, the authorised licence holder of a nuclear facility has not been adapted to the provisions of the Nuclear Power Law, ownership shall be understood to be transferred to the entity which at that date is entrusted with operating the nuclear plant on behalf of the authorised licence holders, thereby rendering null and void the adaptation plans, if applicable, in process. The Royal Decree Law also stipulates that, regardless of the new owner's rules on passing resolutions, any decisions regarding nuclear security shall be adopted by a simple majority. Also, without prejudice to the responsibility of the owner of the nuclear plant, responsibility for damages arising from its operation, shall not fall to entities which are not co-owners nor, if applicable, their representatives in the governing bodies of the owner.

Royal Decree 680/2014, of 1 August, regulating the procedure for budgeting, recognising, settling and controlling stranded costs for electricity production in non-mainland systems charged to the General State Budget.

This Royal Decree, published on 23 August 2014, in compliance with the fifteenth additional provision of Law 24/2013, of 26 December on the Electricity Sector, regulating the involvement and procedures to be followed by the various ministerial departments and the body entrusted with settlements (the Spanish Markets and Competition Commission ("CNMC")), to establish the budget allocated for this purpose, calculated in accordance with prevailing legislation, the settlement procedure of this budgetary remuneration, as well as its control.

2014 electricity tariff.

The twenty-fifth "CESUR" auction (Last Resort Energy Supply Contracts) was held on 19 December 2013 to determine the cost of energy to be integrated in calculation of the Small Consumer Voluntary Prices (SCVP), in replacement of the Last Resort Tariff (LRT). After the auction, on 20 December 2013 the Spanish Markets and Competition Commission ("CNMC") issued a ruling declaring that the results of the auction could not be validated in view of atypical circumstances and because the auction was held in an energy context that could not be extrapolated to the first quarter of 2014. As a result, in accordance with prevailing regulations the auction was cancelled for all effects.

Thus, a ruling on 20 December 2013 by the Secretary of State for Energy established that the price arising from the twenty-fifth CESUR (Last Resort Energy Supply Contracts) auction could not be considered for the determination of the estimated cost of wholesale contracts, as the auction had been cancelled for all effects.

On 28 December 2013, the Official State Gazette ("BOE") published Royal Decree Law 17/2013, of 27 December, determining the price of electricity in contracts subject to the Small

Consumer Voluntary Prices (SCVP) in the first quarter of 2014. The Royal Decree Law set the base and peak prices for calculating the energy costs to be included in the Small Consumer Voluntary Prices (SCVP), considering the base and peak references of the public prices of the Iberian Energy Derivatives Exchange ("OMIP") for 1Q14 contracts in the last six months of trading available at the date of approval of Royal Decree Law 17/2013, of 27 December. This produced a modification to the SCVP as of 1 January 2014, considering as constant the access tariffs, by 1.4%; and this was approved in a Resolution dated 30 December 2013. Royal Decree Law 17/2013, of 27 December, also establishes that there were be acknowledgement for Suppliers of Reference of the discrepancies between the prices stipulated in the Royal Decree law and market price, and this would be incorporated in the Small Consumer Voluntary Prices (SCVP) calculation in the following quarter.

Order IET/107/2014, of 31 January, was published on 1 February to review 2014 access tariffs - these have now been increased by an average of 2% from 1 February. The Order contemplates an annual payment to recover the deficit envisaged for 2013, and the inclusion in 2013 access tariffs, of compensation for non-mainland electricity systems for that year not financed by the General State Budget ("PGE"), as per Law 24/2013, of 26 December, on the Electricity Sector. The Small Consumer Voluntary Prices (SCVP) was also revised, and this brought its average increase following Royal Decree Law 17/2013 of 27 December 2013 and Order IET/107/2014 of 31 January 2014, with respect to prices prevailing at 31 December 2013, to approximately 2%.

Royal Decree 216/2014, of 28 March, establishing the methodology for calculating the Small Consumer Voluntary Price (SCVP) electricity tariff and the contracting system.

This Royal Decree, published on 29 March 2014, sets out the methodology for calculating the Small Consumer Voluntary Price (SCVP) as of 1 April 2014. Key aspects of this Royal Decree are as follows:

- The cost of energy to be used in calculating the Small Consumer Voluntary Prices (SCVP) will be the energy price per hour in the daily and intraday market in the invoice period, plus adjustment services, capacity payments and System Operator and Market Operator financing payments.
- For consumers with remote meters integrated in the systems, the hourly price will be applied to the actual hourly consumption; otherwise, the profile published by the System Operator will be used.
- This new mechanism will be applied as of 1 April 2014. Prior to 1 July 2014, the suppliers of reference must adapt their information technology systems in order to invoice consumers under the new scheme. In the meantime, the cost of energy to be applied in the Small Consumer Voluntary Prices (SCVP) will be the temporary price established for the first quarter of 2014. Subsequently, the cost will be adjusted in invoices for consumption as of 1 April 2014, in the first billing period after suppliers' information technology systems are duly adapted for the new Small Consumer Voluntary Prices (SCVP).
- In addition, electricity consumed in the first quarter of 2014 must be adjusted in the first invoices issued following adaptation of the information technology systems, as per Royal Decree Law 17/2013, of 27 December, taking into account the spread between the market price and the cost of purchasing energy included in the Small Consumer Voluntary Prices (SCVP) in that period.

- The Royal Decree also establishes that, within two months of its publication, the Spanish Markets and Competition Commission ("CNMC") shall propose to the Secretary of State for Energy specific procedures for verifying, validating and closing data taken from metering equipment connected to the remote System for the purposes of hourly measurements. These proposed procedures will include a maximum period for completing the remote measurement of all remote meters installed.
- As an alternative, the Suppliers of Reference will be required to extend an offer to customers entitled to the information technology in the form of a fixed price for a one-year period, comprising the revisable access tariffs and a fixed value for one year (in €/kW) for the remaining items. The offer shall remain in force for one month, and shall be consistent throughout Spain. Each Supplier of Reference may have only one offer in force during the period.
- The Royal Decree also establishes that the Social Bonus will be equal to a 25% discount on the Small Consumer Voluntary Prices (SCVP).

On 28 March 2014, the Official State Gazette ("BOE") published Law 3/2014, of 27 March, amending the consolidated text of the General Consumer and User Protection Law and other complementary legislation, approved under Legislative Royal Decree 1/2007, of 16 November. Among other aspects, this Law amends Law 24/2013, of 26 December, in order to pave the way for some of the terms established in Royal Decree 216/2014, of 28 March.

Order IET/350/2014, of 7 March, establishing the distribution percentages for the amounts to be financed in respect of the Social Bonus for 2014.

Royal Decree 9/2013, of 12 July, included a new regulation for the Social Bonus, requiring, as a public service obligation, assumption of the costs borne by the parent companies or groups of companies which carry out electricity generation, distribution and supply activities and are vertically integrated, in proportion to the percentage attributed to them based on number of supply connections to distribution grids and number of customers supplied. The Spanish Markets and Competition Commission ("CNMC") will calculate this percentage annually, without prejudice to approval by a Ministry of Industry, Energy and Tourism Order.

According to Order IET/350/2014, of 7 March, the percentage of the 2014 Social Bonus to be financed by ENDESA, S.A. is 41.61%, which in the nine months ended 30 September 2014 amounted to Euros 79 million.

Domestic coal.

A Resolution of 30 December 2013 handed down by the Secretary of State for Energy approved coal quantities, maximum output and energy remuneration prices for 2014 to be applied in the security of supply restrictions resolution process. This Resolution was amended by further resolutions dated 22 April 2014 and 8 July 2014, to examine certain transfers of Spanish coal between power plants affected by security of supply restrictions.

Natural gas tariff for 2014.

Order IET/2446/2013, of 27 December, revised access charges as of 1 January, introducing a general increase of around 2%, with no changes made to Last Resort Tariffs (LRTs or "TUR").

3.2. Latin America.

Argentina

On 3 January 2014, the Ministry of Federal Planning and the Argentine Electricity Sector Regulator (ENRE) issued three Resolutions regarding the suspension of supply affecting Buenos Aires since 16 December 2013. ENRE Resolution 1/2014 determined the unit amounts of the extraordinary compensation that Empresa Distribuidora Sur, S.A. is required to pay those users affected by the suspension until the service is fully restored. The other two ENRE Resolutions relate to the characteristics of distributor call centres (Resolution 2/2014) and to the requirement that the trust created under Resolution 347 (Resolution 3/2014) for the financing of public investment works adheres to instructions issued by the Ministry's Sub-Secretary of Coordination and Management Control.

On 20 May 2014, the Energy Secretary, through Resolution 529, updated the remuneration for electricity producers that was in force since February 2013 pursuant to Resolution 95. This Resolution, which is effective retroactively from February 2014, increased the recognition of fixed costs of combined cycle plants and large hydroelectric power plants by 25%, and variable costs were increased by 41% for fossil-fuel plants and by 25% for hydroelectric plants. New variable remuneration was also established for operating with biodiesel. A new charge was also created for non-recurring maintenance costs of ARS 21/MWh (equal to Euros 1.97/MWh) for generating electricity using combined cycle plants and ARS 24/MWh (equal to Euros 2.25/MWh) for generation using fossil fuels.

Brazil

On 12 December 2013, the Brazilian electricity regulator, Agência Nacional de Energia Elétrica (ANEEL), decided to extend the trial period for the new tariff system, known as flags ("banderas tarifarias"), until the end of 2014. The proposed flags system for tariffs (green, yellow and red flags) has been proposed in response to monthly changes in energy tariffs to customers to indicate higher energy purchase costs. It was initially proposed that the system would come into force in 2014, but ANEEL decided to postpone the scheme for another year to streamline the adjustment. On 7 March 2014, the Brazilian government approved Decree 8,203, which, as in the previous year, allowed the use of the Energy Development Fund ("Conta de Desenvolvimento Energético", "CDE") to cover additional expenses of distributors due to involuntary exposure to the spot market and the costs of thermal output arising because of low reservoir levels. To that end, the Brazilian Treasury allocated BRL 1,200 million (approximately Euros 389 million) to cover the January shortfall.

To cover the remaining months of 2014 (February to December), the government approved Decree 8,221, of 1 April, which authorised the Brazilian Chamber of Commerce for Electricity ("CCEE") to pay the aforementioned extra costs using credit facilities obtained from market financing. To ensure this financing, Decree 8,221 requires the funds to be guaranteed by the CDE. The CCEE subsequently took out a loan for BRL 11,200 million (approximately Euros 3,634 million). These funds were allocated to the distributors to cover the shortfall of February, March and April 2014.

On 15 August 2014, la CCEE took out a new loan for BRL 6.6 billion (approximately Euros 2,141 million) in addition to this BRL 11,200 million (approximately Euros 3,634 million) to cover the shortfall from April 2014.

After the tariff processes to be carried out in 2015, ANEEL will define a uniform charge for all consumers, to be collected by companies and passed on to the CDE, in order to repay the loan assumed by the CCEE.

In addition to the loan, the Brazilian Treasury may also allocate another BRL 2,800 million (approximately Euros 908 million) for subsequent months, as occurred in January.

The Decree also establishes that the stranded costs that cannot be covered through the mechanism described above, due to insufficient financing, will be incorporated in future tariffs through the normal tariff adjustment process.

On 7 April 2014, ANEEL approved the third tariff review of Ampla Energia e Serviços, S.A. The new tariffs in force entail an average increase of 2.64% for consumers. On 15 April 2014, ANEEL then approved the tariff adjustment for Companhia Energética do Ceará, S.A. The average tariff adjustment to be received by consumers is 16.77%, effective as of 22 April 2014, primarily affected by the high costs of power purchases.

Chile

On 9 February 2014, the Department of the Environment lifted the suspension of operations placed on the first unit of the Bocamina thermoelectric plant in Region VIII (Bocamina I). By doing so, the environmental regulatory agency rendered ineffective the temporary closure of the 125 MW plant as well as the corrective, security and control measures laid out in the Resolution issued on 28 January 2014.

On 7 August 2014, the short-term node prices for the May-November 2014 period in the two interconnected systems were published. In addition to energy prices and capacity in each node, the Decree stipulates the maximum energy price value valid for the forthcoming tenders: USD 103.54/MWh (equal to Euros 82.29/MWh) in the SIC and USD 110.39/MWh (equal to Euros 87.73/MWh) in the SING. It also amended the Single Cost for the Backbone Transmission System ("CUT"), which is included in consumer rates: USD0.585/kWh for the SIC (equal to Euros 0.465/kWh) and USD 1.589/kWh for the SING (equal to Euros 1.263/kWh).

4. Non-current assets held for sale and Discontinued Operations.

On 30 July 2014, the Board of Directors of ENDESA, S.A. acknowledged the proposal from ENEL, S.p.A., acting through ENEL Energy Europe, S.L.U., to consider the acquisition by ENEL Energy Europe, S.L.U. of the shares of ENDESA Latinoamérica, S.A.U., which in turn owns 40.32% of the share capital of Enersis, S.A., and 20.3% of the shares in Enersis, S.A., owned directly by ENDESA, S.A.

The aim of the transaction was the reorganisation of the companies comprising the ENEL Group, adapting its organisational and corporate structure to respond efficiently to the varying requirements of the markets where it operates.

On 11 September 2014, ENEL Energy Europe, S.L.U. submitted to ENDESA, S.A. a binding offer to acquire the above mentioned shares for a total purchase price of Euros 8,252.9 million and pay a dividend for the same amount.

On 17 September 2014, the ENDESA, S.A.'s Board of Directors resolved to propose to shareholders at an Extraordinary Shareholders' Meeting that they accept the offer submitted by ENEL Energy Europe, S.L.U. and the extraordinary dividend charged against reserves for an equivalent amount to the disposal price.

At the meeting held on 21 October 2014, shareholders at the ENDESA, S.A. Extraordinary Shareholders' Meeting agreed to accept the offer submitted by ENEL Energy Europe, S.L.U. to acquire ENDESA's Latin America Business for a total purchase price of Euros 8,252.9 million and the payment of an extraordinary dividend charged against reserves for the same amount.

The disposal was carried out on 23 October 2014.

In the disposal of its Latin America Business, ENDESA, S.A. has sold to ENEL Energy Europe, S.L.U. the following stakes:

- 796,683,058 shares of ENDESA Latinoamérica, S.A.U. representing 100% of its share capital; and
- 9,967,630,058 shares of Enersis, S.A. representing 20.3% of its share capital.

ENDESA Latinoamérica, S.A.U. was established on 26 January 1998 to administer ENDESA's presence in the Latin American market. ENDESA Latinoamérica, S.A.U.'s main investee is Enersis, S.A., in which it holds a 40.32% stake.

Enersis, S.A. is a holding company based in Chile with controlling interests in electricity generation and distribution companies in five Latin American countries. Its shares are traded on the Santiago and New York stock exchanges and the Latibex.

The joint disposal of 100% of ENDESA Latinoamérica, S.A.U. and of 20.3% of Enersis, S.A. means that, at the date these transactions are finalised, ENDESA, S.A. will lose control over ENDESA Latinoamérica, S.A.U., Enersis, S.A. and therefore all the companies controlled by the latter. Therefore, these companies are now excluded from the ENDESA consolidation scope.

Appendix III to these Interim Condensed Consolidated Financial Statements lists the companies which, following the disposal of the Latin America Business finalised on 23 October 2014, will no longer be included in the consolidation scope from that date.

At 30 September 2014, all of the above mentioned assets, by including the entire Latin America Business, were considered Discontinued Operations. Their balances were reclassified from 31 July 2014 to non-current assets held for sale and Discontinued Operations and Liabilities directly Associated with Non-current Assets Classified as Held for Sale and Discontinued Operations in the Consolidated Statement of Financial Position at 30 September 2014. Therefore, the transferred assets were no longer depreciated or amortised from 31 July 2014. In addition, there was no need to recognise a provision upon the transfer of the assets as their selling price exceeded their carrying amount (see Note 25).

All income and expense corresponding to the Companies which were disposed of, given that they are considered to be Discontinued Operations, are now included under profit after tax for the period from Discontinued Operations in the consolidated income statements for the nine months ended 30 September 2014 and 2013.

Accordingly, the Consolidated Income Statement included in these Interim Condensed Consolidated Financial Statements for comparative purposes does not coincide with the

consolidated income statement approved in the nine months ended 30 September 2013, as the income and expenses generated in that period from the now Discontinued Operations were reclassified to Profit after Tax for the Period from Discontinued Operations (see Note 2.2).

Meanwhile, at 30 September 2014 and 31 December 2013, Non-current Assets Held for Sale and Discontinued Operations included the 47.18% stake in Compañía Transportista de Gas Canarias, S.A. and ENDESA's loan with this company on a total amount of Euros 4 million.

Details of Non-Current Assets Held for Sale and Discontinued Operations and Liabilities Directly Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations in the Consolidated Statement of Financial Position at 30 September 2014 are as follows:

Millions of Euros

	30 September 2014		
	Spain and Portugal	Latin America (Note 21.1)	Total
ASSETS			
NON-CURRENT ASSETS	4	17,620	17,624
Property, plant and equipment	-	11,107	11,107
Investment property	-	31	31
Intangible assets	-	1,730	1,730
Goodwill	-	2,262	2,262
Investments accounted for using the equity method	-	195	195
Non-current financial assets	4	1,142	1,146
Deferred tax assets	-	1,153	1,153
CURRENT ASSETS	-	4,544	4,544
Inventories	-	183	183
Trade and other receivables	-	2,129	2,129
Current financial assets	-	392	392
Cash and cash equivalents (Note 13)	-	1,840	1,840
TOTAL ASSETS	4	22,164	22,168
LIABILITIES			
NON-CURRENT LIABILITIES	-	6,641	6,641
Deferred income	-	31	31
Non-current provisions	-	641	641
Non-current interest-bearing loans and borrowings (Note 16.2)	-	4,632	4,632
Other non-current liabilities	-	146	146
Deferred tax liabilities	-	1,191	1,191
CURRENT LIABILITIES	-	3,457	3,457
Current interest-bearing loans and borrowings (Note 16.2)	-	650	650
Current provisions	-	126	126
Trade payables and other current liabilities	-	2,681	2,681
TOTAL LIABILITIES	-	10,098	10,098

The detail of Profit after Tax for the Period from Discontinued Operations in the accompanying consolidated income statements for the nine months ended 30 September 2014 and 2013 by nature, which correspond entirely to the Latin America Business, is as follows:

Millions of Euros

	January – September 2014	January – September 2013 (Restated)
INCOME	6,848	7,161
Revenue (Note 21.2)	6,496	6,838
Other operating income	352	323
PROCUREMENTS AND SERVICES	(3,866)	(3,603)
Power purchased	(2,507)	(2,086)
Cost of fuel consumed	(498)	(505)
Transmission costs	(431)	(451)
Other variable procurements and services	(430)	(561)
CONTRIBUTION MARGIN	2,982	3,558
Self-constructed assets	71	67
Personnel expenses	(511)	(544)
Other fixed operating expenses	(557)	(561)
GROSS PROFIT FROM OPERATIONS	1,985	2,520
Depreciation and amortisation, and impairment losses	(388)	(602)
PROFIT FROM OPERATIONS	1,597	1,918
NET FINANCIAL LOSS	(391)	(221)
Financial income	194	310
Financial expense	(546)	(506)
Net exchange differences	(39)	(25)
Net profit of companies accounted for using the equity method (Note 9)	13	23
Gains/(losses) from other investments	3	3
Gains/(losses) on disposal of assets	43	19
PROFIT BEFORE TAX	1,265	1,742
Income tax expense	(277)	(459)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS (Note 21.1)	988	1,283

The following table presents the net cash flows from operating, investing and financing activities attributable to Discontinued Operations in the nine months ended 30 September 2014 and 2013:

Millions of Euros

	January - September 2014	January - September 2013 (Restated)
NET CASH FLOWS FROM OPERATING ACTIVITIES	845	1,111
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(117)	(1,350)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(957)	1,346

5. Business Combinations.

On 22 April 2014, Empresa Nacional de Electricidad, S.A. and Southern Cross Latin American Private Equity Fund III, L.P. signed the pertinent documents and contracts whereby the former directly acquired all the equity interests held by the latter, either on its own behalf or through related companies, in Inversiones GasAtacama Holding Ltda., equivalent to 50% of that company, including the transfer of the loan held by Pacific Energy Sub Co. in the Group. The total price of the deal was USD 309 million (approximately Euros 227 million, of which Euros 206 million related to the acquisition price and Euros 21 million to the transfer of the loan) and

was fully settled at that date. The parties also withdrew from the shareholders' agreement signed on 1 August 2007. As a result of this transaction, Empresa Nacional de Electricidad, S.A. secured a 100% holding in Inversiones GasAtacama Holding Ltda., assuming total control of the company it had previously controlled jointly.

From the time ENDESA obtained control of the additional 50% until 30 September 2014, Inversiones GasAtacama Holding Ltda. and its subsidiaries generated Profit After Tax for the Period from Discontinued Operations of Euros 11 million, of which Euros 5 million related to non-controlling interests. Had the acquisition taken place at 1 January 2014, this company would have generated profit for the nine months ended 30 September 2014 of Euros 19 million, of which Euros 12 million would have corresponded to non-controlling interests.

The detail of the cost of the Business combination, the fair value of the net assets acquired and the goodwill at 22 April 2014 is as follows:

Millions of Euros

Cost of the business combination	206
Pre-combination fair value	206
Fair value of net assets acquired	(411)
Goodwill (Note 8)	1

The detail of the fair value of Inversiones GasAtacama Holding Ltda.'s assets and liabilities and their carrying amount at 22 April 2014 is as follows:

Millions of Euros

	Carrying amount	Fair value
Non-current Assets	235	294
Property, plant and equipment	232	266
Intangible assets	-	-
Non-current financial assets	-	-
Deferred tax assets	3	28
Current Assets	257	257
Inventories	-	-
Trade and other receivables	61	61
Current financial assets	37	37
Cash and cash equivalents	159	159
TOTAL ASSETS	492	551
Non-current Liabilities	49	48
Non-current provisions	2	2
Non-current interest-bearing loans and borrowings	-	-
Other non-current liabilities	6	6
Deferred tax liabilities	41	40
Current Liabilities	91	91
Current interest-bearing loans and borrowings	43	43
Current provisions	-	-
Trade payables and other current liabilities	48	48
TOTAL LIABILITIES	140	139
Net Assets		412
Non-controlling Interests		(1)
Fair value of net assets acquired		411

The assets described in the preceding paragraphs of this Note are included in the disposal in Latin America explained in Note 4. Accordingly, at 30 September 2014, they were reclassified to Non-current Assets held for Sale and Discontinued Operations, and Liabilities Directly Associated with Non-Current Assets Classified as Held for Sale And Discontinued Operations in the Consolidated Statement of Financial Position.

The gain from measuring the previously held 50% of Inversiones GasAtacama Holding Ltda. at the acquisition-date fair value was Euros 28 million, recognised under Profit after Tax for the Period from Discontinued Operations in the Consolidated Income Statement.

The net cash outflow from the acquisition of Inversiones GasAtacama Holding Ltda. was calculated as follows:

Millions of Euros	
Cash and cash equivalents of the acquiree	159
Amount paid in cash	(227)
Acquisition Costs Recognised with a Charge to the Consolidated Income Statement	-
TOTAL	(68)

6. Property, plant and equipment.

Details of property, plant and equipment at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros	30 September 2014	31 December 2013 (Restated)
Land and buildings	269	543
Electricity generating facilities	8,563	14,158
Hydroelectric power plants	834	4,364
Coal-fired/fuel-oil power plants	2,151	3,040
Nuclear power plants	2,854	2,955
Combined cycle plants	2,712	3,663
Renewable energy plants	12	136
Transmission and distribution facilities	11,191	14,102
High-voltage	-	545
Low- and medium-voltage, measuring and remote control equipment and other installations	11,191	13,557
Other property, plant and equipment	92	221
Property, plant and equipment under construction	913	2,567
TOTAL	21,028	31,591

In the nine months ended 30 September 2014, the assets of companies included in the disposal described in Note 4, which amounted to Euros 10,739 million, were transferred to Non-Current Assets Held for Sale and Discontinued Operations.

6.1. Additional information on property, plant and equipment.

Main investments.

Details of investments in property, plant and equipment in the nine months ended 30 September 2014 and 2013 in the different geographical areas and businesses in which ENDESA operates are as follows:

Millions of Euros

	January - September 2014			
	Generation	Distribution and transmission	Other	Total
Spain and Portugal ⁽¹⁾	165	311	1	477
Latin America ⁽²⁾	317	202	-	519
TOTAL	482	513	1	996

- (1) Does not include the addition to assets under construction of Euros 121 million from the obligation to acquire land from Josel, S.L. pursuant to the Supreme Court ruling (see Note 15.2).
- (2) Relates to capex made to 31 July 2014, when the companies included in the disposal (see Note 4) were reclassified to Non-current Assets Held for Sale and Discontinued Operations in the Consolidated Statement of Financial Position. Investments made between 31 July 2014 and 30 September 2014 amounted to Euros 240 million.

Millions of Euros

	January - September 2013 (Restated)			
	Generation	Distribution and transmission	Other	Total
Spain and Portugal	132	339	2	473
Latin America	365	255	1	621
TOTAL	497	594	3	1,094

Investments in the Spain and Portugal Business refer to the assets related to Continuing Operations. Generation capital expenditure (capex) in the first nine months of 2014 largely related to plants that were already operating at 31 December 2013, including investments in the Litoral and Puentes coal-fired power plants for Euros 37 million, which resulted in an extension of their useful lives. Investments in distribution related to network extensions and expenditure aimed at optimising the network for greater efficiency and quality of service. It also included investment for the widespread installation of remote management smart meters and their operating systems.

Generation capital expenditure (capex) in the Latin America Business related mainly to the construction of the El Quimbo hydroelectric plant in Colombia (400 MW).

Other information.

The detail of property, plant and equipment from the main geographical areas where ENDESA operates is as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Spain	21,015	21,336
Portugal	13	6
Other ^(*)	-	10,249
TOTAL	21,028	31,591

(*) Corresponds to companies included in the disposal (see Note 4).

At 30 September 2014, ENDESA companies had commitments to purchase property, plant and equipment amounting to Euros 1,435 million (Euros 757 million at 31 December 2013), which relate mostly to investments in generation and distribution in ENDESA's production base and the extension or upgrade of the network, most of which will be made in 2014 and 2015. Of this amount, Euros 875 million relates to continuing operations and Euros 560 million to companies included in the disposal described in Note 4.

At 30 September 2014 and 31 December 2013, there were no commitments to purchase items of property, plant and equipment from joint operations.

Impairment losses recognised in the nine months ended 30 September 2014 included an expense of Euros 59 million for the write-down of the value of the land that ENDESA must receive pursuant to the Supreme Court ruling in favour of Josel, S.L., under which ENDESA must pay certain items for a total amount of Euros 121 million (see Note 15.2).

7. Intangible assets.

Details of intangible assets at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
CO ₂ emission allowances, Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs)	70	193
Software	337	402
Concessions	78	1,502
Other	20	128
TOTAL	505	2,225

In the nine months ended 30 September 2014, the assets of companies included in the disposal described in Note 4, which amounted to Euros 1,803 million, were transferred to Non-current Assets Held for Sale and Discontinued Operations.

7.1. CO₂ emission rights, Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs).

2013 and 2012 CO₂ emission allowances were cancelled in the nine months ended 30 September 2014 and 2013, respectively, resulting in the derecognition of intangible assets of Euros 149 million and Euros 92 million, respectively (28.4 million and 37.1 million tonnes, respectively).

At 30 September 2014, the provision for allowances to be delivered to cover these CO₂ emissions under current liabilities in the Consolidated Statement Of Financial Position amounted to Euros 110 million (Euros 137 million at 31 December 2013) (see Note 15.1).

At 30 September 2014, a reversal of an impairment loss on CO₂ emission allowances was recognised in the amount of Euros 15 million. At 30 September 2013, an impairment loss of Euros 80 million was recognised on the CO₂ emissions allowance portfolio to reflect the lower market price.

7.2. Additional information on intangible assets.

Main investments.

Details of investments in intangible assets in the nine months ended 30 September 2014 and 2013 excluding CO₂ emission allowances, Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs) in the different geographical areas and businesses in which ENDESA operates, are as follows:

Millions of Euros

January - September 2014				
	Generation	Distribution and transmission	Other	Total
Spain and Portugal	21	15	21	57
Latin America ⁽¹⁾	5	141	-	146
TOTAL	26	156	21	203

⁽¹⁾ Relates to capex made to 31 July 2014, when the companies included in the disposal were classified (see Note 4) as non-current assets held for sale and discontinued operations in the Consolidated Statement of Financial Position. Investments made between 31 July 2014 and 30 September 2014 amounted to Euros 51 million.

Millions of Euros

January - September 2013 (Restated)				
	Generation	Distribution and transmission	Other	Total
Spain and Portugal	17	5	17	39
Latin America	7	180	-	187
TOTAL	24	185	17	226

Investments in the Spain and Portugal Business relate mainly to sponsorships and computer software. Investments in the Latin America Business include mainly investments in the distribution business in Brazil as, given the nature of the concession, the associated assets are classified partly as intangible assets and partly as financial assets under IFRIC 12.

Other information.

The detail of intangible assets from the main geographical areas where ENDESA operates is as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Spain	470	569
Portugal	35	37
Other ^(*)	-	1,619
TOTAL	505	2,225

^(*) Corresponds to companies included in the disposal (see Note 4).

At 30 September 2014, future purchase commitments for CO₂ emission rights, Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs) arising from Clean Development Mechanisms (CDMs or "MDLs") amounted to a maximum of Euros 205 million (Euros 59 million at 31 December 2013) in accordance with the agreed prices if all the projects are completed successfully. The entire amount relates to continuing operations.

At 30 September 2014, there were future purchase commitments to purchase intangible assets other than those described in the preceding paragraphs above amounting to Euros 4 million (Euros 15 million at 31 December 2013). The entire amount relates to continuing operations.

There were no commitments to purchase intangible assets from joint operations at 30 September 2014 and 31 December 2013.

8. Goodwill.

Details of goodwill by the different cash-generating units (CGUs or "UGEs") or groups of CGUs to which it is allocated at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Subsidiaries in Chile (Chile)	-	1,905
Companhia Energética do Ceará, S.A. (Brazil)	-	131
Ampla Energia e Serviços, S.A. (Brazil)	-	92
Edegel, S.A.A. (Peru)	-	100
Empresa de Distribución Eléctrica de Lima Norte, S.A.A. (Peru)	-	49
Hidroeléctrica El Chocón, S.A. (Argentina)	-	9
Empresa de Energía de Cundinamarca, S.A. E.S.P. (Colombia)	-	-
Inversiones GasAtacama Holding Ltda. (Chile)	-	-
Other	-	16
TOTAL	-	2,302

In the nine months ended 30 September 2014, ENDESA secured control of an additional 50% of Inversiones GasAtacama Holding Ltda. The acquisition generated goodwill amounting to Euros 1 million (see Note 5).

In addition, in the nine months ended 30 September 2014, the entire Euros 2,240 million of goodwill was reclassified to Non-Current Assets Held for Sale and Discontinued Operations, as it corresponded entirely to companies included in the disposal described in Note 4.

9. Investments accounted for using the equity method.

The detail of investments accounted for using the equity method is as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Associates	879	897
Joint ventures	193	511
TOTAL	1,072	1,408

Following are details of:

- The main ENDESA investees accounted for using the equity method and movement in the nine months ended 30 September 2014.
- Information at 30 September 2014 taken from the Financial Statements of the main companies over which ENDESA has significant influence or control in a Joint Venture used to prepare the accompanying Interim Condensed Consolidated Financial Statements.

Millions of Euros

	Balance at 31/12/2013 (Restated)	Inclusion/exclusion of companies	Investment or increases	Disposals or reductions	Share of profit/(loss) of equity- accounted investees (*)	Dividends	Translation differences	Transfers and other	Transfers to non- current assets held for sale (Note 4)	Balance at 30/9/2014
Associates	897	-	-	-	(34)	(15)	-	47	(16)	879
ENEL Green Power España, S.L.	825	-	-	-	6	-	-	(3)	-	828
Tecnatom, S.A.	30	-	-	-	-	-	-	-	-	30
Elcogas, S.A.	-	-	-	-	(51)	-	-	51	-	-
Other	42	-	-	-	11	(15)	-	(1)	(16)	21
Joint ventures	511	(179)	4	-	(18)	(13)	1	40	(153)	193
Inversiones GasAtacama Holding Ltda. (Notes 4 and 5)	171	(179)	-	-	4	-	4	-	-	-
Centrales Hidroeléctricas de Aysén, S.A. (Note 4)	96	-	4	-	(1)	-	(5)	-	(94)	-
ENEL Insurance, N.V.	90	-	-	-	6	-	-	-	-	96
Tejo Energia - Produção e Distribuição de Energia Eléctrica, S.A.	58	-	-	-	4	(4)	-	-	-	58
Distribuidora Eléctrica de Cundinamarca, S.A. E.S.P. (Note 4)	45	-	-	-	2	-	3	-	(50)	-
Energie Electrique de Tahaddart, S.A.	30	-	-	-	5	(6)	-	-	-	29
Nuclenor, S.A.	12	-	-	-	(45)	-	-	33	-	-
Other	9	-	-	-	7	(3)	(1)	7	(9)	10
TOTAL	1,408	(179)	4	-	(52)	(28)	1	87	(169)	1,072

(*) Of the share of profit/(loss) of companies accounted for using the equity method, a loss of Euros 65 million corresponds to Continuing Operations and a profit of Euros 13 million to Discontinued Operations.

Millions of Euros

Continuing Operations	30 September 2014								
	% ownership	Non-current assets	Current assets	Equity	Non-current liabilities	Current liabilities	Income	Expenses	Profit/(loss) for the period
Associates									
ENEL Green Power España, S.L.	40%	3,080	253	1,479	1,555	299	267	(252)	15
Tecnatom, S.A.	45%	70	65	65	28	42	52	(53)	(1)
Elcogas, S.A.	40.99%	16	105	-	2	119	102	(123)	(21)
Joint ventures									
ENEL Insurance, N.V.	50%	198	272	191	224	55	115	(104)	11
Tejo Energia - Produção e Distribuição de Energia Eléctrica, S.A.	38.89%	391	127	151	261	106	136	(125)	11
Energie Electrique de Tahaddart, S.A.	32%	135	28	90	43	30	43	(28)	15
Nuclenor, S.A.	50%	57	41	-	39	59	4	(93)	(89)

Millions of Euros

Discontinued operations (*)	30 September 2014								
	% ownership	Non-current assets	Current assets	Equity	Non-current liabilities	Current liabilities	Income	Expenses	Profit/(loss) for the period
Joint ventures									
Centrales Hidroeléctricas de Aysén, S.A.	51%	176	12	184	-	4	-	(4)	(4)
Distribuidora Eléctrica de Cundinamarca, S.A. E.S.P.	49%	185	25	98	90	22	89	(75)	14

(*) Included at 30 September 2014 under Non-current Assets Held for Sale and Discontinued Operations (see Note 4).

Details of these companies' equity at 30 September 2014 correspond to information on the individual companies, except for Centrales Hidroeléctricas de Aysén, S.A., Distribuidora Eléctrica de Cundinamarca, S.A. E.S.P., ENEL Green Power España, S.L. and ENEL Insurance, N.V., which correspond to their consolidated financial statements.

The financial indicators of the other companies over which ENDESA has significant influence are not significant.

These companies do not have publicly listed share prices.

Nuclenor, S.A.

On 5 July 2013, the Ministry of Industry, Energy and Tourism issued an order officially closing the Santa María de Garoña nuclear power plant, with effect the next day, 6 July 2013. This order was issued pursuant to Law 15/1980, of 22 April, on nuclear energy, and Royal Decree 1836/1999, of 3 December, approving the Regulation on Nuclear and Radioactive Facilities, and in compliance with Order ITC 1785/2009, of 3 July, granting the extension of operation of the plant until 6 July 2013, when it must cease, even though there are no reasons of nuclear safety or radiation protection warranting its closure. The owner of the operating license alleged purely economic reasons for not applying for renewal under the terms set out in Ministerial Order IET1453/2012, of 29 June.

The Order was issued strictly in application of the regulations, as the authorisation for operation had expired and no application for renewal had been submitted for purely economic reasons, and not attributable to any nuclear safety and/or radiation protection issues.

Meanwhile, at the Spanish Cabinet meeting held 21 February 2014, the Spanish government approved a Royal Decree on responsible management of spent nuclear fuel and radioactive waste which, "*inter alia*", amends the Regulation on Nuclear and Radioactive Facilities, of 1999, introducing the possibility that, after decommissioning of a nuclear plant was declared, the plant owner could apply for renewal of the authorisation, barring reasons of safety and provided that this application were submitted within one year from the decommissioning declaration.

Therefore, given the circumstances in which the decommissioning was produced, which are expressly recognised in the decommissioning order and do not relate to reasons of nuclear safety and radiation protection, but strictly economic reasons, on 27 May 2014, the plant owner, Nuclenor, S.A., submitted an application with the Ministry of Industry, Energy and Tourism for renewal of the authorisation to operate the plant for a period of 17 years, to 2031. The Nuclear Safety Council ("CSN") is expected to issue reports on both the plant's reopening and on the extension of the period of plant operation.

Losses recognised by Nuclenor, S.A. in the first nine months of 2014 result in an expense for ENDESA of Euros 45 million and include the update of the provision for the cost of dismantling the plant considering the delays in the dismantling work while awaiting a final ruling on whether the plant will be allowed to continue its operations.

Elcogas, S.A.

Elcogas, S.A. is a producer of electricity via coal gasification that is 40.99%-owned by ENDESA through ENDESA Generación, S.A.U. It is an experimental company set up to carry out an European research project, which has continuously needed government assistance to become viable. This led to a resolution at the Council of Ministers meeting of 16 March 2007 to devise a viability plan for the company. However, the government halted the plan after failing to obtain European authorisation. The plant was subsequently included under Royal Decree 134/2010, of 12 February, on restrictions for security of supply, as the production process added the consumption of domestic coal from Puertollano supplied by Empresa Carbonífera del Sur, S.A.U. This system has allowed it to operate until now. However, given the imminent extinction of this regime, on 31 December 2014, and the absence of alternative mechanisms providing the required support, on 1 July 2014, this company was forced to apply for administrative authorisation for decommissioning from the Ministry of Industry, Energy and Tourism. It will tentatively cease operation on 31 December 2014, once this authorisation is obtained.

The net loss of companies accounted for using the equity method includes a provision amounting to Euros 51 million to cover the estimated cost for ENDESA to discontinue this company's activity.

10. Non-current and current financial assets.

10.1. Non-current and current financial assets.

Details of Non-current Financial Assets in the accompanying Consolidated Statement of Financial Position are as follows:

Millions of Euros		
	30 September 2014	31 December 2013 (Restated)
Loans and receivables	1,852	2,534
Available-for-sale financial investments	36	673
Derivatives	14	43
Impairment losses	(26)	(26)
TOTAL	1,876	3,224

In the nine months ended 30 September 2014, the assets of companies included in the disposal described in Note 4, which amounted to Euros 1,118 million, were transferred to non-current assets held for sale and discontinued operations.

The market value of these assets does not differ substantially from their carrying amount. Most of these assets earned interest in the nine months ended 30 September 2014 at a rate of 2.0% (2.0% in the nine months ended 31 December 2013).

Details of Loans and Receivables at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Financing of the revenue shortfall from regulated activities in Spain (Note 10.2)	1,251	1,498
Guarantee deposits	428	578
Loans to the Argentine wholesale electricity market	-	215
Loans to employees	21	36
Loans to associates and joint ventures	83	25
Defined benefit plan assets	-	20
Non-financial derivatives	24	8
Other	45	154
TOTAL	1,852	2,534

Loans to the Argentine wholesale market at 31 December 2013 included the amounts owed to electricity generation companies for the Argentine wholesale electricity market ("MEM") deposited with the national wholesale electricity market investment fund ("FONINVEMEN") and used to build three combined-cycled plants, which were reclassified to Non-current Assets Held for Sale and Discontinued Operations.

Details of Current Financial Assets at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Compensation for stranded costs in non-mainland generation	699	1,161
Short-term financial investments	-	1,029
Financing of the revenue shortfall from regulated activities in Spain (Note 10.2)	552	487
Derivative financial instruments	1	39
Loans to employees	9	35
Loans to associates and joint ventures	-	21
Other current loans	25	306
TOTAL	1,286	3,078

At 31 December 2013, following a Supreme Court ruling dated 13 November 2013, which extended its ruling dated 7 February 2012 to ENDESA and all the other ordinary regime generation companies whereby they are exempted from financing the Social Bonus cost, the balance of other current loans included a receivable of Euros 102 million related to undue costs incurred related to the Social Bonus for the 2009-2011 period, as well as the implied interest accrued of Euros 13 million based on the delay in payment by the CNMC, which was collected in 2014.

In addition, Short-term Financial Investments at 31 December 2013 included cash placed in financial instruments maturing at over three months by ENDESA's Latin American subsidiaries, which have been reclassified to Non-current Assets Held for Sale and Discontinued Operations.

10.2. Financing of the revenue shortfall from regulated activities in Spain.

Accordingly to Law 24/2013, of 26 December, on the electricity sector, timing mismatches arising in financial periods from 2014 between electricity system income and costs will be limited to a maximum annual amount of 2% of the estimated system revenue (or 5% in cumulative terms). Any transitory imbalance will be financed by all players taking part in the settlement system, in proportion to their remuneration, and if these limits are exceeded, access fees or charges will be reviewed by an equivalent amount. Within these limits, any imbalance will entitle the financing parties to recover those funds in the five following years, at an equivalent market interest rate. The full amount of this financing was classified as current, under the assumption that it is a timing mismatch that will be recovered through the electricity system settlements corresponding to 2014.

With regard to the year 2013, Law 24/2013 of 26 December on the electricity sector recognises a maximum deficit of Euros 3,600 million, which will generate a recovery entitlement over the 15 years following, at an equivalent market interest rate. These rights may be transferred, in accordance with the procedure established in regulations. Accordingly, at 30 September 2014, Loans and Receivables which, under legislation at the date of approval of these Interim Condensed Consolidated Financial Statements, will be recovered over the long term, and current financial assets the balance that will be recovered in the short term, according to the following detail (see Note 10.1):

Millions of Euros

	30 September 2014		31 December 2013 (Restated)	
	Non-current (Note 10.1)	Current (Note 10.1)	Non-current (Note 10.1)	Current (Note 10.1)
Financing of the revenue shortfall from regulated activities in Spain (2013)	1,251	125	1,498	487
Financing of the revenue shortfall from regulated activities in Spain (2014)	-	427	-	-
TOTAL	1,251	552	1,498	487

10.3. Classification of non-current and current financial assets by nature and categories.

The classification of non-current and current financial assets in the Consolidated Statement of Financial Position by nature and categories, excluding trade and other receivables, at 30 September 2014 and 31 December 2013 is as follows:

Millions of Euros

	30 September 2014						
	Financial Assets Held for Trading	Other Financial Assets at Fair Value Through Profit Or Loss	Available-for- Sale Financial Assets	Loans and Receivables	Held-to- Maturity Investments	Hedging Derivatives	TOTAL
Equity instruments	-	-	13	-	-	-	13
Debt securities	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	14	14
Other financial assets	-	-	-	1,826	-	-	1,826
Non-current	-	-	13	1,826	-	14	1,853
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	1	1
Other financial assets	-	-	-	1,285	-	-	1,285
Current	-	-	-	1,285	-	1	1,286
Non-current Assets Held for Sale And Discontinued Operations	-	117	643	690	-	10	1,460
TOTAL	-	117	656	3,801	-	25	4,599
FAIR VALUE	-	117	656	3,801	-	25	4,599

Millions of Euros

	31 December 2013 (Restated)						
	Financial Assets Held for Trading	Other Financial Assets at Fair Value Through Profit Or Loss	Available-for- Sale Financial Assets	Loans and Receivabl es	Held-to- Maturity Investments	Hedging Derivatives	TOTAL
Equity instruments	-	-	32	-	-	-	32
Debt securities	-	-	-	-	-	-	-
Derivatives	2	-	-	-	-	41	43
Other financial assets	-	-	618	2,431	-	-	3,049
Non-current	2	-	650	2,431	-	41	3,124
Equity instruments	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	39	39
Other financial assets	-	225	-	2,814	-	-	3,039
Current	-	225	-	2,814	-	39	3,078
Non-current Assets Held for Sale And Discontinued Operations	-	-	-	-	-	-	-
TOTAL	2	225	650	5,245	-	80	6,202
FAIR VALUE	2	225	650	5,245	-	80	6,202

10.4. Financial investment commitments.

At 30 September 2014 and 31 December 2013, ENDESA had not entered into any agreements that included commitments to make financial investments of significant amounts except for the obligation to finance the revenue shortfall on regulated activities in Spain.

11. Inventories.

Details of inventories at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Fuel stocks	903	928
Coal	310	371
Nuclear fuel	340	339
Fuel	117	129
Gas	136	89
Other inventories	150	183
Valuation adjustments	(7)	(8)
TOTAL	1,046	1,103

The main change in this item in the nine months ended 30 September 2014 relates to the transfer of assets of companies included in the disposal described in Note 4, which amounted to Euros 165 million, to Non-current Assets Held for Sale and Discontinued Operations.

At 30 September 2014 and 31 December 2013, ENDESA had not pledged material amounts of inventories to secure the repayment of debts.

Fuel stock purchase commitments amounted to Euros 40,360 million at 30 September 2014 (Euros 25,513 million at 31 December 2013), of which no amounts related to entities jointly controlled by ENDESA. Part of these commitments relate to agreements with "take or pay" clauses. Of this amount, Euros 31,695 million relates to continuing operations and Euros 8,665 million to companies included in the disposal described in Note 4.

On 31 March 2014, ENDESA entered into two agreements with Corpus Christi Liquefaction, LLC to acquire liquefied natural gas (GNL) from 2019 for a total of 3 bcm/year, subject to compliance with certain suspensive conditions. The amount shown for commitments to acquire inventories at 30 September 2014 included the commitment to acquire gas related to these agreements.

The Company's Directors consider that ENDESA will be able to fulfil these obligations and, therefore, they do not expect any contingency to arise in this respect.

12. Trade and other receivables.

Details of trade and other receivables at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Trade receivables	3,064	4,091
Tax assets	460	624
Current income tax	410	420
VAT receivable	36	153
Other taxes	14	51
Non-financial derivatives	169	116
Other receivables	191	661
Valuation adjustments	(337)	(560)
TOTAL	3,547	4,932

The main change in this item in the nine months ended 30 September 2014 relates to the transfer of assets of companies included in the disposal described in Note 4, which amounted to Euros 2,057 million, to Non-current Assets Held for Sale and Discontinued Operations.

Balances included under this caption do not generally earn interest.

Factoring transactions were carried out in the nine months ended 30 September 2014 with undue balances at that date of Euros 326 million, which were derecognised from the Consolidated Statement of Financial Position at 30 September 2014 (Euros 668 million at 31 December 2013). The entire amount relates to continuing operations.

13. Cash and cash equivalents.

Details of cash and cash equivalents at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Cash in hand and at banks	1,048	1,058
Cash equivalents	62	3,087
TOTAL	1,110	4,145

Non-Current Assets Held for Sale and Discontinued operations at 30 September 2014 included Euros 1,840 million of cash and cash equivalents (see Note 4).

Short-term cash investments mature within three months from acquisition date and earn interest at market interest rates for this type of deposits. There are no restrictions for material amounts on the availability of cash.

At 31 December 2013, Cash and Cash Equivalents included Euros 1,000 million placed with ENEL Energy Europe, S.L.U., which were cancelled on 2 January 2014 on payment of the 2013 interim dividend to ENDESA (see Note 14.2).

The detail of funds invested in sovereign debt included under cash equivalents at 30 September 2014 and 31 December 2013 is as follows:

Millions of Euros

Country	30 September 2014	31 December 2013 (Restated)
Brazil (*)	-	314
TOTAL	-	314

(*) Corresponds to companies included in the disposal (see Note 4).

14. Equity and dividends.

Details of ENDESA's equity at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Equity of the Parent	21,417	20,521
Share capital	1,271	1,271
Share premium	1,376	1,376
Legal reserve	285	285
Revaluation reserve	1,714	1,714
Other reserves	106	106
Translation differences	(239)	(210)
Valuation adjustments	(124)	(84)
Retained earnings	17,028	17,651
Interim dividend	-	(1,588)
Equity of non-controlling interests	6,006	6,241
TOTAL EQUITY	27,423	26,762

In the nine months ended 30 September 2014, ENDESA followed the same capital management policy as that described in Note 15.1.8 to the Consolidated Financial Statements for the year ended 31 December 2013.

ENDESA's long-term and short-term credit ratings at 30 September 2014 and 31 December 2013, reflecting investment grade levels, are as follows:

	30 September 2014			31 December 2013		
	Short term	Long term	Outlook	Short term	Long term	Outlook
Standard & Poor's	BBB	A-2	Stable	BBB	A-2	Stable
Moody's	Baa2	P-2	Negative	Baa2	P-2	Negative
Fitch Ratings	BBB+	F2	Stable	BBB+	F2	Review Negative

14.1. Share capital.

At 30 September, ENDESA had share capital of Euros 1,270,502,540.40, represented by 1,058,752,117 bearer shares with a par value of Euros 1.2 each, subscribed and fully paid and all admitted to trading on the Spanish Stock Exchanges. There were no changes in share capital in the nine months ended 30 September 2014 or during 2013. The shares of ENDESA, S.A. are also traded on the Santiago de Chile Offshore Stock Exchange.

At both 30 September 2014 and 31 December 2013, the ENEL Group, through ENEL Energy Europe, S.L.U., held 92.063% of ENDESA's share capital, giving it control of ENDESA. This did not change in the nine months ended 30 September 2014 or in 2013.

14.2. Dividends.

The 2013 interim dividend authorised by the Board of Directors of ENDESA, S.A. on 17 December 2013 was a gross Euros 1.5 per share, representing a total payment of Euros 1.588 million, deducted from the Parent's equity at 31 December 2013. This interim dividend was paid on 2 January 2014.

At the General Meeting of Shareholders of ENDESA, S.A. held on 19 May 2014, approval was given to pay a total dividend out of 2013 profit equivalent to a gross Euros 1.5 per share, which is the same as the interim dividend paid in January 2014.

14.3. Other information.

As indicated in Note 15.1.10 to the annual Consolidated Financial Statements for the year ended 31 December 2013, certain members of senior management of ENDESA coming from ENEL benefit from ENEL remuneration schemes based on ENEL share prices.

The cost of these schemes is assumed by ENEL, with no amounts passed on to ENDESA.

The expense recognised on the ENEL share option schemes in the nine months ended 30 September 2014 with a charge to equity amounted to Euros 71 (income of Euros 11,920 in the nine months ended 30 September 2013).

14.4. Non-controlling interests.

Voluntary Takeover Bid on Companhia Energética do Ceará, S.A.

Enersis, S.A. acquired 15.18% of Companhia Energética do Ceará, S.A. for USD 242 million (approximately Euros 181 million), taking its total direct and indirect stake in the company at the date of approval of these Interim Condensed Consolidated Financial Statements to 74.05%. This resulted in a decrease in Equity of the Parent of Euros 62 million and in Equity of Non-controlling Interests of Euros 118 million.

Acquisition of an additional 39% interest in Generandes Perú.

On 3 September 2014, Enersis, S.A. acquired Inkia Americas Holding Limited's 39.001% indirect holding in Generandes Perú, S.A. for USD 421 million (approximately Euros 333 million). With this acquisition, Enersis, S.A. secured a 100% holding in Generandes Perú, S.A., which in turn owns a 54.2% interest in Edegel, S.A.A. This is in addition to the 17.6% interest that Enersis, S.A. indirectly holds in Edegel, S.A.A. This transaction increased ENDESA's effective ownership interest in Edegel, S.A.A., which determines the economic interest that ENDESA holds in this company (from 22.7% to 35.5%).

This resulted in a decrease in Equity of the Parent of Euros 112 million and in Equity of Non-controlling Interests of Euros 221 million.

15. Non-current and current provisions.

15.1. Non-current and current provisions.

Details of non-current provisions in the accompanying Consolidated Statement of Financial Position at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros	30 September 2014	31 December 2013 (Restated)
Provisions for pensions and similar obligations	878	1,120
Provisions for workforce restructuring costs	451	578
Other provisions	1,711	1,798
TOTAL	3,040	3,496

In the nine months ended 30 September 2014, the liabilities corresponding to companies included in the disposal described in Note 4, which amounted to Euros 627 million, were transferred to Liabilities directly Associated with Non-current Assets Classified as Held for Sale And Discontinued Operations.

Details of current provisions in the accompanying Consolidated Statement of Financial Position at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros	30 September 2014	31 December 2013 (Restated)
Workforce restructuring costs	255	323
CO ₂ emission allowances (Note 7.1)	110	137
Other current provisions	82	229
TOTAL	447	689

The main change in other current provisions in the nine months ended 30 September 2014 corresponds to the transfer of the liabilities of companies included in the disposal described in Note 4, which amounted to Euros 95 million, to Liabilities directly Associated with Non-current Assets Classified as Held for Sale And Discontinued Operations.

15.2. Litigation and arbitration.

The main changes in litigation and arbitration proceedings involving ENDESA companies in the nine months ended 30 September 2014 in comparison to 31 December 2013 are as follows:

Continuing operations:

- In January 2009, the company Josel, S.L. sued ENDESA Distribución Eléctrica, S.L.U. to set aside the sale of certain properties whose planning status had changed. The claimant sought the restitution of Euros 85 million plus interest. On 9 May 2011, the court of first instance set aside the contract of sale, with the concomitant restitution of the consideration paid. ENDESA Distribución Eléctrica, S.L.U. was ordered to refund the sale price, plus interest, costs and taxes. On 20 May 2011, ENDESA Distribución Eléctrica, S.L.U. lodged an appeal with the Audiencia Provincial de Palma de Mallorca (Provincial Appeal Court), which was allowed in a ruling in 2012. However, the claimant filed an appeal for judicial review with the Supreme Court, which was allowed in a ruling of 13 June 2014, notified on 16 July 2014. When the ruling was issued, ENDESA Distribución Eléctrica, S.L.U. engaged an independent third party to appraise the land

in order to make a preliminary assessment of the economic impact of the ruling. However, as ownership of the original property has passed to the local government following execution of the planning, the assessment of the implications of the ruling is still under way. ENDESA Distribución Eléctrica, S.L.U. prepared an appeal for annulment prior to the appeal writ of protection of constitutional rights ("recurso de amparo") before the Constitutional Court.

- On 24 June 2009, ENDESA Generación, S.A.U. sold the Lafortunada-Cinqueta hydroelectric concession to Acciona, S.A. for Euros 50 million. The original term of the concession had expired by then, but there was a commitment by the current Ministry of Agriculture, Food and the Environment to grant an extension. On 16 May 2013, ENDESA Generación, S.A.U. was notified of the resolution by the Director General for Water ordering the procedure to declare the concession expired. On 14 June 2013, an appeal was lodged with the Ministry along with a technical report explaining that this concession had to be operated jointly with another hydroelectric operating concession (the Cinca hydroelectric concession) expiring in 2061. With the contractual deadline for formalising the extension or granting a new concession having been reached, Acciona, S.A. sent ENDESA Generación, S.A.U. a formal notice that it was exercising its right to cancel the contract, undertaking to sign any documents necessary for restitution of the consideration paid and, accordingly, seeking reimbursement of the price paid, plus interest, less the operating profit obtained during the period. On 9 July 2014, ENDESA Generación, S.A.U. responded to the notice, requesting certain information on the transfer of the concession without making a preliminary assessment of the request received.
- On 1 July 2010, ENDESA Distribución Eléctrica, S.L.U. was legally forced to sell its transmission network (mostly non-mainland systems) to Red Eléctrica de España, S.A.U. The price was Euros 1,412 million, but the agreement included a price adjustment if before 31 December 2013, the CNMC carried out a settlement resulting in lower remuneration. Red Eléctrica de España, S.A.U., considering that Order ITC/2443/2013 (published in the Official State Gazette ("BOE") on 28 December) established a definitive remuneration for island transmission that was lower than the amount envisaged in the contract and therefore warranting an adjustments, filed a request with the Civil and Commercial Arbitration Court ("Corte Civil y Mercantil de Arbitraje", "CIMA") for arbitration, with no specified amount, against ENDESA Distribución Eléctrica, S.L.U. On 21 July 2014, the CIMA appointed an arbitrator. ENDESA Distribución Eléctrica, S.L.U. intends to defend its interests in the proceedings, opposing Red Eléctrica de España, S.A.U.'s claims. On 5 August, ENDESA Distribución Eléctrica, S.L.U. submitted its response to the request for arbitration by Red Eléctrica de España, S.A.U. and appointed its arbitrator.
- Court of First Instance No. 4 of Algeciras (Cádiz) accepted for processing the lawsuit filed by Obras y Construcciones Alcalá Sur, S.L. against ENDESA Distribución Eléctrica, S.L.U. seeking payment to Obras y Construcciones Alcalá Sur, S.L. of an indemnity of Euros 61 million in damages for breach of an agreement signed on 16 January 2006 between the companies. Specifically, the lawsuit is over failure by ENDESA Distribución Eléctrica, S.L.U. to build a substation for the supply of power to the more than 450 residential units owned by the plaintiffs, which prevented the completed development from obtaining occupancy permits.

ENDESA Distribución Eléctrica, S.L.U. considers that there is no basis for the claim, since there is no contractual breach and no causal link between ENDESA Distribución Eléctrica, S.L.U.'s actions or omissions and the lack of available land to build the substation, or the delay in the construction of the substation and the delay in obtaining the occupancy permit for the residences. On 26 February 2014, ENDESA Distribución Eléctrica, S.L.U. submitted its response to the lawsuit and is awaiting assignment of the preliminary hearing.

- On 22 January 2014, the President of the Ebro Hydrographic Federation (CHE) issued a resolution requiring ENDESA Generación, S.A.U. to deliver 25% of the power produced at the hydroelectric plants in the Noguera Ribagorzana basin and at the Mequinez and Ribarroja plants along the Ebro river, with effect from 1 January 2012, and approving settlements of Euros 28.2 million due to the impossibility of enforcing the obligation *in natura*, as equivalent compensation for the period from 1 January 2012 to 30 September 2013. On 6 June 2014, the CHE required additional payment of Euros 2.2 million in alternative compensation for the period between 1 October 2013 and 17 December 2013. The CHE's resolution was predicated on article 10 of the 1946 Decree granting the Ribagorzana reserve to the National Institute of Industry, which was subsequently supported by the Decree granting Empresa Nacional Hidroeléctrica Ribagorzana the reserve of the middle section of the Ebro between the Escatrón and Flix plants. ENDESA Generación, S.A.U. filed an appeal for judicial review with Section 2 of the Regional Appeal Court of Aragon under ordinary procedures 131/2014-B and 311/2014-B.
- On 15 and 16 April 2014, notification of four resolutions from the Directorate General of Energy Policy and Mines, all dated 10 April 2014, were received. The resolutions bring infringement proceedings against ENDESA Generación, S.A.U. as owner or co-owner of the Almaraz I and Almaraz II, Ascó I and Ascó II and Vandellós nuclear power plants for alleged, continuous breach of the sole transitional provision of Law 25/1964, of 29 April, on Nuclear Power; specifically considering that the Adaptation Plan submitted was not the "*appropriate adaptation plan*" referred to in the sole transitional provision of Law 25/1964, of 29 April, on Nuclear Power, and was not submitted within the time frame stipulated in this provision. On 10 July, the proposed resolution resulted in a fine for serious breach of Euros 3 million for each case. The pleas were submitted on 25 July 2014. On 20 September 2014, the four resolutions from the Ministry of Industry, Energy and Tourism of 26 September, ruling on the infringement proceedings against ENDESA Generación, S.A.U. as owner or co-owner of the Almaraz I and II, Ascó I and II and Vandellós nuclear power plants, and imposing four fines of Euros 3 million, were received. ENDESA Generación, S.A.U. will appeal all four rulings before the Spanish High Court. Worth noting is the publication on 4 October 2014 of Royal Decree Law 13/2014, of 3 October, adopting urgent measures for the gas system and ownership of nuclear plants.
- On 17 July 2014, a resolution issued by the Competition Chamber of the CNMC was received proposing a fine on ENDESA Distribución Eléctrica, S.L.U. of Euros 1 million for alleged abuse of its dominant position entailing wrongful receipt of payment for execution of network extension installations for charging an uncontrolled price for the network extension which, according to the CNMC's interpretations of regulations, should be charged according to a scale. On the contrary, ENDESA Distribución Eléctrica, S.L.U. considers that it applied industry regulations correctly according to numerous judgements handed down which it presented during the process. ENDESA Distribución Eléctrica, S.L.U. has appealed the Resolution considering it contrary to law.

Discontinued operations:

- In 2010, Compañía de Interconexión Energética, S.A. was notified of a lawsuit filed by Furnas Centrais Eletricas S.A. for alleged breach by Compañía de Interconexión Energética, S.A. of the purchase contract for final capacity with Energía Asociada to acquire 700 MW of final capacity and associated power from Argentina signed in 1998 for a period of 20 years from June 2000. However, the Argentine crisis prevented Compañía de Interconexión Energética, S.A. from supplying Furnas Centrais Eletricas S.A. In its lawsuit, Furnas Centrais Eletricas S.A. is seeking payment by Compañía de Interconexión Energética, S.A. of BRL 520 million (approximately Euros 169 million) for cancellation of the contract, plus updates and late payment interest, from the filing of the lawsuit until effective payment, and miscellaneous other amounts for the unavailability of final capacity and associated power, to be determined in the final judgement. In addition, Compañía de Interconexión Energética, S.A. received notification from Furnas Centrais Eletricas S.A. out of court indicating that in the event of termination of the agreement for breach by Compañía de Interconexión Energética, S.A., it was entitled to acquire 70% of Línea I. A judgement at first instance was issued in favour of Compañía de Interconexión Energética, S.A., rejecting the lawsuit filed by Furnas Centrais Eletricas S.A. The plaintiff has appealed this ruling.

- In August 2013, the environmental authorities brought charges against Empresa Nacional de Electricidad S.A. for a number of infringements of Exemption Resolution No. 206, of 2 August 2007 and complementary or explanatory resolutions, on the environmental classification of the "Bocamina Thermal Power Plant Enlargement Project". On 27 November 2013, the environmental authorities reformulated the charges, adding two new ones. Empresa Nacional de Electricidad S.A. filed its defence in December 2013, admitting to certain infractions but opposing the rest. A decision by the environmental authorities is pending. However, on 28 January 2014, the environmental authorities, as a precautionary measure, ordered the temporary shutdown of Generating Unit I. This order was lifted on 6 February 2014, with Empresa Nacional de Electricidad, S.A. having adopted the measures required by the authority.

Through Exemption Resolution No. 421 of 11 August 2014, Empresa Nacional de Electricidad S.A. was fined a total of 8,640.4 Annual Tax Units ("UTA") (approximately Euros 5.6 million) for the following infringements: excess CO₂ emissions into the air; desulphurisation system not in operation at the time of the inspection; failures and cracks between soundproofing panels; failure to comply with noise regulations; absence of measures to address massive suction of hydrobiological resources; delivery of information required in the continuous emission monitoring system (CEMS) validation protocol seven months after the deadline; failure to comply with disclosure requirements; and the exercise of activities without the related environmental qualification resolution. Empresa Nacional de Electricidad S.A. filed an appeal against the legality of the fine imposed by the environmental authorities before Environment Court No. 3 of Valdivia on 29 August 2014. It has yet to be resolved.

Elsewhere, in December 2013 and January 2014, fishermen and algae collection unions in Coronel (Chile), among others, filed three motions for legal protection against Empresa Nacional de Electricidad S.A. before the Concepción Court of Appeals. The two motions for legal protection filed in December were joined, and the plaintiffs obtained an injunction (stay-of-action), ordering the shutdown of Generating Unit II of the Bocamina power plant. Empresa Nacional de Electricidad S.A. filed a request to lift this injunction, which was rejected by the court. In the nine months ended 30 September 2014, it filed other motions for protection regarding operation of the Bocamina plant. A total of five such motions are currently been processed by the courts. Regarding the

motions for protection through which the plaintiffs obtained the order shutting down Generating Unit II of the Bocamina power plant, on 10 April 2014, a judgement at first instance was issued on the injunction ruling that it could only be lifted once the current judgement was considered definitive. Empresa Nacional de Electricidad S.A. and the plaintiffs filed respective appeals against the decision with the Supreme Court. These have yet to be resolved. As a result of the above, operation of Generating Unit II of the Bocamina plant remains suspended.

The Directors of ENDESA consider that the provisions recognised in the Interim Condensed Consolidated Financial Statements at 30 September 2014 adequately cover the risks relating to litigation, arbitration and claims, and do not expect these issues to give rise to any liability not already provided for.

The amounts paid in connection with litigation in the nine months ended 30 September 2014 totalled Euros 51 million (Euros 47 million in the nine months ended 30 September 2013). Of this amount, Euros 17 million relates to continuing operations and Euros 34 million to companies included in the disposal described in Note 4.

16. Interest-bearing loans and borrowings.

16.1. Current and non-current interest-bearing loans and borrowings.

Details of current and non-current interest-bearing loans and borrowings at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014		31 December 2013 (Restated)	
	Current	Non-current	Current	Non-current
Bonds and other marketable securities	-	1,174	491	4,469
Bank borrowings	-	538	213	1,683
Other borrowings (*)	-	706	253	1,131
Total interest-bearing loans and borrowings excluding derivatives	-	2,418	957	7,283
Derivatives	-	-	170	154
TOTAL	-	2,418	1,127	7,437

(*)_Includes finance leases amounting to Euros 543 million classified as non-current at 30 September 2014 and Euros 695 million at 31 December 2013 (Euros 676 million classified as non-current and Euros 19 million as current).

The movement in the notional amount of non-current interest-bearing loans and borrowings excluding derivatives in the nine months ended 30 September 2014 is as follows:

Millions of Euros

	Notional Amount at 31/12/2013	Repayments and Redemptions	Changes In Consolidation Scope	New Borrowings	Transfers	Translation and Foreign Currency Differences	Transfers to Liabilities Directly Associated with Non- Current Assets Classified as Held for Sale (Note 4)	Notional Amount at 30/9/2014
Bonds and other marketable securities	4,461	(244)	-	576	(161)	103	(3,574)	1,161
Bank borrowings	1,711	(722)	-	65	(127)	10	(370)	567
Other borrowings	1,101	(5)	20	45	(88)	26	(423)	676
TOTAL	7,273	(971)	20	686	(376)	139	(4,367)	2,404

The notional amount of current and non-current interest-bearing loans and borrowings at 30 September 2014, corresponding to continuing operations, is equal to Euros 2,404 million (Euros 8,230 million at 31 December 2013). The average interest on interest-bearing loans and borrowings in the nine months ended 30 September 2014 and 2013 was 3.0% and 3.2%, respectively.

At 30 September 2014, current and non-current interest-bearing loans and borrowings recognised in Liabilities directly Associated with Non-current Assets Classified as Held for Sale and Discontinued Operations amounted to Euros 5,282 million. The notional amount at that date, excluding derivatives, was equal to Euros 5,189 million, with an average interest rate of 8.5%.

16.2. Classification of non-current and current financial liabilities by nature and categories.

The classification of non-current and current financial liabilities in the Consolidated Statement of Financial Position by nature and categories, excluding trade and other payables, other current liabilities and other non-current liabilities, at 30 September 2014 and 31 December 2013 is as follows:

Millions of Euros

30 September 2014					
	Financial Liabilities Held for Trading	Other Financial Liabilities at Fair Value Through Profit or Loss (*)	Debts and Payables	Hedging Derivatives	TOTAL
Bank borrowings	-	22	516	-	538
Bonds and other marketable securities	-	99	1,075	-	1,174
Derivatives	-	-	-	-	-
Other financial liabilities	-	-	706	-	706
Non-current financial liabilities	-	121	2,297	-	2,418
Bank borrowings	-	-	-	-	-
Bonds and other marketable securities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Current financial liabilities	-	-	-	-	-
Liabilities directly associated with non-current assets classified as held for sale and discontinued operations (Note 4)	-	11	5,144	127	5,282
TOTAL	-	132	7,441	127	7,700
FAIR VALUE	-	132	8,210	127	8,469

Millions of Euros

31 December 2013 (Restated)					
	Financial Liabilities Held for Trading	Other Financial Liabilities at Fair Value Through Profit or Loss (*)	Debts and Payables	Hedging Derivatives	TOTAL
Bank borrowings	-	30	1,653	-	1,683
Bonds and other marketable securities	-	333	4,136	-	4,469
Derivatives	-	-	-	154	154
Other financial liabilities	-	-	1,131	-	1,131
Non-current financial liabilities	-	363	6,920	154	7,437
Bank borrowings	-	6	207	-	213
Bonds and other marketable securities	-	-	491	-	491
Derivatives	-	-	-	170	170
Other financial liabilities	-	-	253	-	253
Current financial liabilities	-	6	951	170	1,127
Liabilities directly associated with non-current assets classified as held for sale and discontinued operations	-	-	-	-	-
TOTAL	-	369	7,871	324	8,564
FAIR VALUE	-	369	8,627	324	9,320

(*) Relates entirely to financial liabilities embedded in a fair value hedge since the contract date.

16.3. Other matters.

16.3.1. Liquidity.

At 30 September 2014, ENDESA companies had undrawn credit facilities totalling Euros 4,858 million (Euros 7,232 million at 31 December 2013). Of this amount, Euros 4,210 million relates to continuing operations and Euros 648 million to companies included in the disposal described in Note 4.

Euros 1,000 million and Euros 3,500 million at 30 September 2014 and 31 December 2013, respectively, correspond to a credit line signed with ENEL Finance International, N.V. No amounts had been drawn down on this facility at either date.

These credit facilities secure the refinancing of current debt presented in Non-current Interest-Bearing Loans and Borrowings in the accompanying Consolidated Statement of Financial Position (see Note 3n to the annual Consolidated Financial Statements for the year ended 31 December 2013). The amount of these credit facilities, together with the current assets, provides sufficient coverage of ENDESA's short-term payment obligations.

16.3.2. Main transactions.

The main transactions in the nine months ended 30 September 2014 were as follows:

Continuing operations:

- Early redemption in February 2014 by International ENDESA B.V. of a Euro Medium Term Note (EMTN) for Euros 245 million maturing in February 2039.
- Early repayment in March 2014 by ENDESA, S.A. of a Euros 400 million bank loan arranged with Banco Popular.
- The novation on 6 June 2014 of the intercompany credit line between ENDESA, S.A. and ENEL Finance International, N.V. The limit on this credit line was reduced from Euros 3,500 million to Euros 1,000 million, while its new maturity is 30 November 2016.
- Early repayment by ENDESA, S.A. in August 2014 of bank loans arranged with Banco Sabadell and Citibank for Euros 150 million and Euros 135 million, respectively.
- Early repayment by International ENDESA B.V.. on 9 September 2014 of two US Private Placements (USPP) for Euros 158 million, maturing in September 2016 and September 2019, respectively.
- New financing taken out by ENDESA, S.A. on 26 September 2014 with the European Investment Bank of Euros 300 million, which has yet to be disbursed.

Discontinued Operations:

- Rollover in Brazil, of committed credit lines by Ampla Energia e Serviços, S.A. and Companhia Energetica do Ceará S.A. for BRL 150 million (equivalent to Euros 50 million) and arrangement of new committed credit lines for BRL 120 million (equivalent to Euros 40 million). Companhia Energetica do Ceará S.A. also took out a five-year bank loan for BRL 150 million (equivalent to Euros 50 million).

- In Chile, Empresa Nacional de Electricidad, S.A. held a 10-year international bond issue for USD 400 million (equivalent to Euros 293 million).
- In Colombia, Emgesa S.A. E.S.P. issued 6-, 10- and 16-year local bonds in the amount of COP 590,000 million (equivalent to Euros 221 million). In addition, in September Codensa, S.A. issued a 7-year local bond in the amount of COP 185,000 million (the equivalent of Euros 69 million).
- In Peru, Empresa de Distribución Eléctrica de Lima Norte, S.A.A. brought out various bond issues with maturities between three and 10 years for a total amount of PEN 389 million (the equivalent of Euros 139 million).

The main transactions in the nine months ended 30 September 2013 were as follows:

Continuing Operations:

- Early redemption by ENDESA, Capital Finance, L.L.C. of preference shares, thereby cancelling the entire issue for Euros 181 million.
- Disbursements on financial operations with the European Investment Bank on terms of 15 years in the amount of Euros 75 million.

Discontinued Operations:

- In Argentina, Hidroeléctrica El Chocón, S.A. took out a three-year syndicated loan with a number of local financial institutions for a total amount of ARS 149 million (equivalent to Euros 17 million).
- In Brazil, Ampla Energia e Serviços, S.A. arranged a six-year loan with Banco do Brasil in the amount of BRL 130 million (the equivalent of Euros 40 million) and issued BRL 400 million of five-year local bonds, of which BRL 300 million has been disbursed (the equivalent of Euros 97 million). Funding was also secured from Banco Nacional do Desenvolvimento (BNDES) over seven years for capital goods investment in the amount of BRL 250 million (the equivalent of Euros 77 million). Companhia Energética do Ceará, S.A. also obtained funds from Banco Nacional do Desenvolvimento ("BNDES") over seven years for capital goods investment in the amount of BRL 150 million (the equivalent of Euros 46 million).
- In Chile, Enersis, S.A. and Empresa Nacional de Electricidad, S.A. rolled over their committed credit lines with financial institutions for total amounts of "Unidades de Fomento" 2 million each (the equivalent of Euros 89 million) for a period of three years. Empresa Nacional de Electricidad, S.A. rolled over a five-year committed credit line of USD 200 million (the equivalent of Euros 159 million) maturing in July 2019.
- In Colombia, Emgesa S.A. E.S.P. brought out 7- and 12-year bond issues on the local market in the amount of COP 565,000 million (the equivalent of Euros 212 million).
- In Peru, Empresa de Distribución Eléctrica de Lima Norte, S.A.A. brought out a 20-year domestic bond issue of PEN 50 million (the equivalent of Euros 13 million). It also arranged two loans with Banco Bilbao Vizcaya Argentaria in the total amount of PEN 89 million (the equivalent of Euros 23 million) over five years, and issued PEN 85 million (the equivalent of Euros 22 million) of 7-year and 25-year bonds.

16.3.3. Covenants and other considerations.

At 30 September 2014 and 31 December 2013, no issues were convertible into Company shares or grant holders privileges or rights that could, in certain cases, make the issues convertible into shares.

Certain ENDESA companies' loans and borrowings contain the usual covenants in this type of agreement.

Continuing Operations:

- The financing agreements of ENDESA, S.A., International ENDESA B.V. and ENDESA Capital, S.A.U., which carry out most of ENDESA's financing activity in Spain, contain no obligations whereby failure to maintain certain financial ratios would lead to breach of contract and early termination.
- Commitments relating to bonds issued by International ENDESA B.V. and ENDESA Capital, S.A.U. under their Global Medium Term Notes programmes are as follows:
 - Cross-default clauses, whereby debt must be prepaid in the event of default (over and above a certain amount) on the settlement of certain obligations of ENDESA, S.A. (as lender or guarantor), or of the issuers.
 - Negative pledge clauses, whereby neither the issuer nor ENDESA, S.A. may issue mortgages, liens or other encumbrances on their assets to secure certain types of bonds, unless similar guarantees are issued on the bonds in question.
 - *Pari passu* clauses, whereby the bonds and guarantees have at least the same status as any other existing or future unsecured or non-subordinated bonds issued by ENDESA, S.A. as guarantor, or by the issuers.
- Debt issued by ENDESA, S.A., International ENDESA B.V. and ENDESA Capital, S.A.U. do not contain any cross-default clauses in relation to the debt of Enersis, S.A. and its subsidiaries.
- As regards clauses relating to credit ratings, at 30 September 2014 ENDESA, S.A. had entered into financial transactions amounting to Euros 129 million that could require additional guarantees or renegotiation if its credit rating were downgraded to below certain levels.
- At 30 September 2014, ENDESA and its subsidiaries had loans and other borrowings from banks of approximately Euros 150 million that might have to be repaid early in the event of a change of control over ENDESA.
- Also, at 30 September 2014 it had derivatives with a gross market value of Euros 0.87 million (notional amount of Euros 15 million) that might have to be settled early as a result of a change of control.
- Regarding clauses related to the assignment of assets, part of the debt of ENDESA S.A. includes restrictions if a certain percentage of ENDESA's consolidated assets is surpassed, which varies for the related transactions from 7% to 12%. Above these thresholds, the restrictions would only apply, in general, if no equivalent consideration is received or if there was a material negative impact on ENDESA, S.A.'s solvency. The amount of debt affected by these clauses at 30 September 2014 is Euros 206 million.

Discontinued Operations:

- A smaller portion of the financial debt of Enersis, S.A. and Empresa Nacional de Electricidad, S.A. is subject to cross-default clauses whereby early repayment of their debt would be triggered if, under certain circumstances, one of their Chilean subsidiaries were to default on payments or other obligations individually amounting to USD 30 million or USD 50 million (equivalent to Euros 24 million or Euros 40 million) depending on the loan.
- At 30 September 2014, ENDESA and its subsidiaries had loans and other borrowings from banks of approximately Euros 311 million that might have to be repaid early in the event of a change of control over ENDESA.
- For the Latin America subsidiaries, the terms of the financing agreement containing restrictions on assets sales vary, but in general relate to the disposal of a substantial portion of assets where the sale could have a material adverse effect on the companies.
- The contracts governing the debt of certain Latin American subsidiaries to third parties include standard project finance clauses used at international level in this type of contract. These contracts also require that all the assets assigned to the projects be pledged to the creditors. The outstanding balance of the debt to third parties that includes clauses of this nature amounted to Euros 102 million at 30 September 2014.

ENDESA's Directors do not consider that these clauses will change the current/non-current classification in the Consolidated Statement of Financial Position at 30 September 2014.

Regulation of the electricity sector in Argentina is giving rise to a mismatch between revenues and costs in both electricity generation and distribution, which is having a negative impact on the companies' financial positions. As a result, at 30 September 2014 some ENDESA companies in Argentina included in the disposal described in Note 4 were late complying with their payment obligations when certain debts became due. These delays would not trigger early repayment of other ENDESA borrowings outside Argentina.

At 30 September 2014, neither ENDESA, S.A. nor any of its major subsidiaries were in breach of their financial obligations or any other covenants that could require early repayment of their liabilities.

17. Detail of non-current and current assets and liabilities measured at fair value in accordance with IFRS 13.

The classifications of non-current and current assets measured at fair value in the Consolidated Statement of Financial Position by fair value hierarchy level at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014			
	Fair value	Level 1	Level 2	Level 3
Debt securities	-	-	-	-
Debt derivatives	14	-	14	-
Physical derivatives	24	1	23	-
Other derivatives	-	-	-	-
Financial assets IFRIC 12	-	-	-	-
Other financial assets	-	-	-	-
Total Non-current Assets	38	1	37	-
Debt securities	-	-	-	-
Debt derivatives	1	-	1	-
Physical derivatives	169	20	149	-
Other derivatives	-	-	-	-
Other financial assets	-	-	-	-
Non-current Assets Held for Sale and Discontinued Operations	764	117	647	-
Total current assets	934	137	797	-

Millions of Euros

	31 December 2013 (Restated)			
	Fair value	Level 1	Level 2	Level 3
Debt securities	-	-	-	-
Debt derivatives	43	-	43	-
Physical derivatives	8	2	6	-
Other derivatives	-	-	-	-
Financial assets IFRIC 12	618	-	618	-
Other financial assets	-	-	-	-
Total Non-current Assets	669	2	667	-
Debt securities	-	-	-	-
Debt derivatives	39	-	39	-
Physical derivatives	108	18	90	-
Other derivatives	8	-	8	-
Other financial assets	225	225	-	-
Non-current Assets Held for Sale and Discontinued Operations	3	-	3	-
Total current assets	383	243	140	-

The classifications of non-current and current liabilities measured at fair value in the Consolidated Statement of Financial Position by fair value hierarchy level at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014			
	Fair value	Level 1	Level 2	Level 3
Bank borrowings	22	-	22	-
Bonds and other marketable securities	99	43	56	-
Debt derivatives	-	-	-	-
Physical derivatives	21	1	20	-
Other hedges	-	-	-	-
Other financial liabilities	-	-	-	-
Total non-current liabilities	142	44	98	-
Bank borrowings	-	-	-	-
Bonds and other marketable securities	-	-	-	-
Debt derivatives	-	-	-	-
Physical derivatives	148	10	138	-
Other hedges	-	-	-	-
Other financial liabilities	-	-	-	-
Liabilities directly associated with non-current assets classified as held for sale and discontinued operations	179	-	179	-
Total current liabilities	327	10	317	-

Millions of Euros

	31 December 2013 (Restated)			
	Fair value	Level 1	Level 2	Level 3
Bank borrowings	30	-	30	-
Bonds and other marketable securities	333	-	333	-
Debt derivatives	154	-	154	-
Physical derivatives	6	1	5	-
Other hedges	-	-	-	-
Other financial liabilities	-	-	-	-
Total Non-current Liabilities	523	1	522	-
Bank borrowings	6	-	6	-
Bonds and other marketable securities	-	-	-	-
Debt derivatives	170	-	170	-
Physical derivatives	102	12	90	-
Other hedges	2	-	2	-
Other financial liabilities	-	-	-	-
Liabilities directly associated with non-current assets classified as held for sale and discontinued operations	-	-	-	-
Total Current Liabilities	280	12	268	-

17.1. Other matters.

In the nine months ended 30 September 2014, ENDESA used the same hierarchy levels to measure the fair value of non-current and current assets and liabilities as those detailed in Notes 3.g.5 and 22 to the Consolidated Financial Statements for the year ended 31 December 2013, with no transfers between levels.

18. Risk management policy.

In the nine months ended 30 September 2014, ENDESA followed the same general risk policy as that described in Note 19 to the Consolidated Financial Statements for the year ended 31 December 2013. For this period, the financial instruments and types of hedges are the same as those described in the consolidated financial statements.

There was a general improvement in the credit ratings of the counterparties with which ENDESA has derivatives in the first nine months of 2014 compared to 31 December 2013, as set out in Note 19.5 to the Consolidated Financial Statements for the year ended 31 December 2013. At 30 September 2014, more than 69% of exposures to interest-rate and exchange-rate derivatives relate to transactions with entities with a credit rating of BBB+ or higher (68% correspond to Continuing Operations and 1% to Discontinued Operations).

As for credit risk on commodities, counterparty risk is limited as the largest number of transactions is concentrated in ENEL Group companies and clearing houses of organised markets or relate to physical supplies of natural gas. As for other contracts, at 30 September 2014 more than 70% of the exposure relates to transactions with entities with a credit rating of BBB- or higher. All of these transactions relate to continuing operations.

19. Trade payables and other current liabilities.

Details of trade payables and other current liabilities at 30 September 2014 and 31 December 2013 are as follows:

Millions of Euros

	30 September 2014	31 December 2013 (Restated)
Trade payables	3,522	5,045
Tax liabilities	1,028	1,223
Income tax expense	539	622
VAT payable	66	102
Other taxes	423	499
Non-financial derivatives	149	104
Dividend payable	-	1,825
Other payables	445	1,029
TOTAL	5,144	9,226

The main change in the nine months ended 30 September 2014 in trade payables and other current liabilities corresponds to the transfer of liabilities of companies included in the disposal described in Note 4, which amounted to Euros 3,347 million, to Liabilities directly Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations.

In addition, on 2 January 2014, the interim dividend authorised by the Board of Directors of ENDESA, S.A. on 17 December 2013 was paid, for a total amount of Euros 1,588 million (gross Euros 1.5 per share).

20. Deferred tax assets and liabilities.

The breakdown of Deferred Tax Assets and Deferred Tax Liabilities in the accompanying Consolidated Statement of Financial Position is as follows:

Millions of Euros

Deferred Tax Assets	30 September 2014	31 December 2013 (Restated)
Depreciation and amortisation of assets	199	285
Provisions for pension funds and workforce reduction plans	622	720
Other provisions	178	369
Loss carry forwards	-	5
Unused tax credits	35	59
Other	83	430
TOTAL	1,117	1,868

Millions of Euros

Deferred Tax Liabilities	30 September 2014	31 December 2013 (Restated)
Accelerated depreciation and amortisation of assets for tax purposes	764	1,233
Other	321	817
TOTAL	1,085	2,050

The main change in the nine months ended 30 September 2014 in Deferred tax assets and Deferred Tax Liabilities corresponds to the transfer of assets and liabilities of companies included in the disposal described in Note 4, which amounted to Euros 1,084 million and Euros

1,058 million, respectively, to Non-current Assets Held for Sale and Discontinued Operations, and Liabilities Directly Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations.

In Chile, on 29 September 2014, Law 20,780 stipulating progressive increases in the corporate income tax rate from 2014 to 27% was published in the Official Gazette. This increase in tax rates in Chile had a negative impact on deferred taxes of Euros 88 million.

When the process for disposing of the Latin America assets described in Note 4 began, the Company considered it probable that the deferred tax asset related to the difference between the tax amount in Chile of the direct 20.3% stake held by ENDESA, S.A. in Enersis, S.A. and the carrying amount in ENDESA's Consolidated Financial Statements of the net assets related to this shareholding would arise. Accordingly, on 31 July 2014, it recognised a deferred tax asset of Euros 219 million, which on the same date was transferred to Non-current Assets Held for Sale and Discontinued Operations.

21. Segment information.

21.1. Segment information.

Until the disposal of the Latin America Business described in Note 4 carried out on 23 October 2014, ENDESA's Business (essentially the electricity business –which includes electricity generation, distribution and supply–, the natural gas business and other value added services related to its core business) was organised mainly into two business lines, each based on a specific geographical area: (i) Spain and Portugal, which includes all activities carried out by ENDESA in Spain and Portugal and in other countries not included in the geographic area of Latin America, and (ii) Latin America. Accordingly, ENDESA presents segment information differentiating between these two lines of business.

Meanwhile, ENDESA treats generation and distribution as secondary segments, each including the associated supply activity.

As described in Note 4, on 23 October 2014, ENDESA transferred its Latin America Business to ENEL, S.p.A., through ENEL Energy Europe, S.L.U. At 30 September 2014, the assets, which included the entire Latin America segment, were classified as discontinued operations. Accordingly, the balances of assets and liabilities were reclassified to Non-current Assets Classified as Held for Sale and Discontinued Operations and to Liabilities directly Associated with Non-current Assets Held for Sale and Discontinued Operations, respectively, in the consolidated statement of financial position at 30 September 2014. The related income and expenses were recognised in profit after tax for the period from discontinued operations in the consolidated income statement for the nine months ended 30 September 2014 and 2013.

Therefore, information from continuing operations in the accompanying consolidated statement of financial position at 30 September 2014 and consolidated income statement for the nine months ended 30 September 2014 and 2013 relate to the Spain and Portugal Business, whereas the assets and liabilities, and income and expenses of discontinued operations in these Statements correspond to the Latin America Business (see Note 4).

The following sections provide the segment information referring to the Consolidated Income Statements for the nine months ended 30 September 2014 and 2013 and the Consolidated Statements of Financial Position at 30 September 2014 and 31 December 2013.

The corporate organisation of ENDESA is essentially the same as that of its businesses and, consequently, of the segments. Therefore, the basis of allocation established in the segment reporting presented below is based on the financial information of the companies making up each Segment.

Transactions between segments form part of normal Business activities in terms of their purpose and terms and conditions.

External customers did not represent 10% or more of the income of any ENDESA segment in the nine month ended 30 September 2014 and 2013.

Segment information: Income statement for the nine months ended 30 September 2014.

Millions of Euros

	January - September 2014					Latin America (Note 4)	Total
	Spain and Portugal				Total Spain and Portugal		
	Generation	Distribution and transmission	Corporate activities	Consolidated adjustments and eliminations			
INCOME	13,795	1,879	354	(486)	15,542	-	15,542
Revenue	13,134	1,675	276	(378)	14,707	-	14,707
Other operating income	661	204	78	(108)	835	-	835
PROCUREMENTS AND SERVICES	(11,527)	(108)	(154)	212	(11,577)	-	(11,577)
Power purchased	(3,776)	-	-	22	(3,754)	-	(3,754)
Cost of fuel consumed	(1,766)	-	-	-	(1,766)	-	(1,766)
Transmission costs	(4,438)	-	-	(2)	(4,440)	-	(4,440)
Other variable procurements and services	(1,547)	(108)	(154)	192	(1,617)	-	(1,617)
CONTRIBUTION MARGIN	2,268	1,771	200	(274)	3,965	-	3,965
Self-constructed assets	12	72	-	-	84	-	84
Personnel expenses	(368)	(208)	(158)	39	(695)	-	(695)
Other fixed operating expenses	(736)	(320)	(108)	294	(870)	-	(870)
GROSS PROFIT FROM OPERATIONS	1,176	1,315	(66)	59	2,484	-	2,484
Depreciation and amortisation, and impairment losses (*)	(618)	(524)	(28)	3	(1,167)	-	(1,167)
PROFIT FROM OPERATIONS	558	791	(94)	62	1,317	-	1,317
NET FINANCIAL LOSS	(108)	(47)	42	(1)	(114)	-	(114)
Financial income	24	39	388	(372)	79	-	79
Financial expense	(125)	(86)	(350)	371	(190)	-	(190)
Net exchange differences	(7)	-	4	-	(3)	-	(3)
Net profit of companies accounted for using the equity method	(73)	1	7	-	(65)	-	(65)
Gains/(losses) from other investments	-	1	8,068	(8,069)	-	-	-
Gains/(losses) on disposal of assets	(21)	(2)	1	2	(20)	-	(20)
PROFIT BEFORE TAX	356	744	8,024	(8,006)	1,118	-	1,118
Income tax expense	(138)	(215)	11	(22)	(364)	-	(364)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	218	529	8,035	(8,028)	754	-	754
PROFIT AFTER TAX FOR THE YEAR FROM DISCONTINUED OPERATIONS	-	-	-	-	-	988	988
PROFIT FOR THE PERIOD	218	529	8,035	(8,028)	754	988	1,742
Parent company	218	529	8,036	(8,028)	755	464	1,219
Non-controlling interests	-	-	(1)	-	(1)	524	523

(*) The Spain and Portugal segment includes net impairment losses in the nine months ended 30 September 2014 of Euros 126 million. The Latin America Segment includes net impairment losses in the nine months ended 30 September 2014 of Euros 39 million included in Profit after Tax for the Period from Discontinued Operations.

Segment information: Income statement for the nine months ended 30 September 2013.

Millions of Euros

	January - September 2013 (restated) (*)						
	Spain and Portugal						
	Generation	Distribution and transmission	Corporate Activities	Consolidated adjustments and eliminations	Total Spain and Portugal	Latin America	Total
INCOME	14,462	1,906	312	(446)	16,234	-	16,234
Revenue	13,879	1,719	277	(385)	15,490	-	15,490
Other operating income	583	187	35	(61)	744	-	744
PROCUREMENTS AND SERVICES	(12,006)	(95)	(34)	153	(11,982)	-	(11,982)
Power purchased	(3,919)	-	-	-	(3,919)	-	(3,919)
Cost of fuel consumed	(2,117)	-	-	-	(2,117)	-	(2,117)
Transmission costs	(4,592)	-	-	(4)	(4,596)	-	(4,596)
Other variable procurements and services	(1,378)	(95)	(34)	157	(1,350)	-	(1,350)
CONTRIBUTION MARGIN	2,456	1,811	278	(293)	4,252	-	4,252
Self-constructed assets	-	73	-	-	73	-	73
Personnel expenses	(377)	(222)	(152)	-	(751)	-	(751)
Other fixed operating expenses	(766)	(332)	(126)	304	(920)	-	(920)
GROSS PROFIT FROM OPERATIONS	1,313	1,330	-	11	2,654	-	2,654
Depreciation and amortisation, and impairment losses ^(**)	(754)	(459)	(49)	35	(1,227)	-	(1,227)
PROFIT FROM OPERATIONS	559	871	(49)	46	1,427	-	1,427
NET FINANCIAL LOSS	(125)	17	22	(6)	(92)	-	(92)
Financial income	26	54	454	(389)	145	-	145
Financial expense	(155)	(37)	(432)	384	(240)	-	(240)
Net exchange differences	4	-	-	(1)	3	-	3
Net profit of companies accounted for using the equity method	37	(3)	5	-	39	-	39
Gains/(losses) from other investments	5	1	997	(996)	7	-	7
Gains/(losses) on disposal of assets	35	-	-	-	35	-	35
PROFIT BEFORE TAX	511	886	975	(956)	1,416	-	1,416
Income tax expense	(103)	(264)	(11)	(2)	(380)	-	(380)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	408	622	964	(958)	1,036	-	1,036
PROFIT AFTER TAX FOR THE YEAR FROM DISCONTINUED OPERATIONS	-	-	-	-	-	1,283	1,283
PROFIT FOR THE PERIOD	408	622	964	(958)	1,036	1,283	2,319
Parent company	408	622	964	(958)	1,036	515	1,551
Non-controlling interests	-	-	-	-	-	768	768

(*) Restated as explained in Note 2.2.

(**) The Spain and Portugal Segment includes net impairment losses in the nine months ended 30 September 2013 of Euros 180 million. The Latin America segment includes net impairment losses in the nine months ended 30 September 2013 of Euros 89 million included in Profit after Tax for the Period from Discontinued Operations.

Segment information: Statement of financial position at 30 September 2014.

Millions of Euros

	30 September 2014						
	Spain and Portugal					Latin America (Note 4)	Total
	Generation	Distribution and transmission	Corporate Activities	Consolidated adjustments and eliminations	Total		
ASSETS							
Non-current assets	11,652	12,893	26,616	(25,539)	25,622	-	25,622
Property, plant and equipment	9,277	11,758	10	(17)	21,028	-	21,028
Investment property	-	3	64	(43)	24	-	24
Intangible assets	253	150	124	(22)	505	-	505
Goodwill	-	-	-	-	-	-	-
Investments in companies accounted for using the equity method	953	21	98	-	1,072	-	1,072
Non-current financial assets	656	551	26,182	(25,513)	1,876	-	1,876
Deferred tax assets	513	410	138	56	1,117	-	1,117
Current assets	4,974	1,414	2,678	(2,073)	6,993	22,164	29,157
Inventories	978	68	-	-	1,046	-	1,046
Trade and other receivables	3,077	919	321	(770)	3,547	-	3,547
Current financial assets	745	410	1,434	(1,303)	1,286	-	1,286
Cash and cash equivalents	170	17	923	-	1,110	-	1,110
Non-current assets held for sale and discontinued operations	4	-	-	-	4	22,164	22,168
TOTAL ASSETS	16,626	14,307	29,294	(27,612)	32,615	22,164	54,779
EQUITY AND LIABILITIES							
Equity	4,526	1,297	24,412	(14,878)	15,357	12,066	27,423
Of the Parent	4,526	1,297	24,407	(14,878)	15,352	6,065	21,417
Of non-controlling interests	-	-	5	-	5	6,001	6,006
Non-current liabilities	8,131	10,720	2,195	(9,379)	11,667	-	11,667
Deferred income	55	4,615	-	(85)	4,585	-	4,585
Non-current provisions	1,808	902	208	122	3,040	-	3,040
Non-current interest-bearing loans and borrowings	5,656	4,320	1,883	(9,441)	2,418	-	2,418
Other non-current liabilities	116	408	17	(2)	539	-	539
Deferred tax liabilities	496	475	87	27	1,085	-	1,085
Current liabilities	3,969	2,290	2,687	(3,355)	5,591	10,098	15,689
Current interest-bearing loans and borrowings	234	4	2,299	(2,537)	-	-	-
Current provisions	295	99	53	-	447	-	447
Trade payables and other current liabilities	3,440	2,187	335	(818)	5,144	-	5,144
Liabilities directly associated with non-current assets classified as held for sale and discontinued operations	-	-	-	-	-	10,098	10,098
TOTAL EQUITY AND LIABILITIES	16,626	14,307	29,294	(27,612)	32,615	22,164	54,779

Segment information: Statement of financial position at 31 December 2013.

Millions of Euros

31 December 2013 (restated) (*)							
Spain and Portugal							
	Generation	Distribution and transmission	Corporate Activities	Consolidated adjustments and eliminations	Total	Latin America	Total
ASSETS							
Non-current assets	11,936	14,545	33,321	(33,559)	26,243	16,452	42,695
Property, plant and equipment	9,522	11,823	11	(17)	21,339	10,252	31,591
Investment property	-	3	19	(7)	15	62	77
Intangible assets	340	159	127	(21)	605	1,620	2,225
Goodwill	-	-	-	-	-	2,302	2,302
Investments accounted for using the equity method	940	23	102	-	1,065	343	1,408
Non-current financial assets	648	2,139	32,891	(33,562)	2,116	1,108	3,224
Deferred tax assets	486	398	171	48	1,103	765	1,868
Current assets	5,089	1,033	3,647	(1,918)	7,851	5,411	13,262
Inventories	954	42	-	-	996	107	1,103
Trade and other receivables	2,622	975	488	(974)	3,111	1,821	4,932
Current financial assets	1,301	7	1,448	(944)	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 discontinued operations	4	-	-	-	4	-	4
TOTAL ASSETS	17,025	15,578	36,968	(35,477)	34,094	21,863	55,957
EQUITY AND LIABILITIES							
Equity	7,952	4,690	21,255	(18,228)	15,669	11,093	26,762
Of the Parent	7,952	4,690	21,255	(18,228)	15,669	4,852	20,521
Of non-controlling interests	-	-	-	-	-	6,241	6,241
Non-current liabilities	5,234	8,675	11,625	(13,228)	12,306	5,847	18,153
Deferred income	58	4,576	-	(86)	4,548	25	4,573
Non-current provisions	1,569	986	216	120	2,891	605	3,496
Non-current interest-bearing loans and borrowings	3,058	2,345	11,275	(13,287)	3,391	4,046	7,437
Other non-current liabilities	95	401	7	(2)	501	96	597
Deferred tax liabilities	454	367	127	27	975	1,075	2,050
Current liabilities	3,839	2,213	4,088	(4,021)	6,119	4,923	11,042
Current interest-bearing loans and borrowings	23	4	2,026	(2,039)	14	1,113	1,127
Current provisions	381	123	58	-	562	127	689
Trade payables and other current liabilities	3,435	2,086	2,004	(1,982)	5,543	3,683	9,226
Liabilities directly associated with non- current assets classified as held for sale and discontinued operations	-	-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	17,025	15,578	36,968	(35,477)	34,094	21,863	55,957

(*) Restated as explained in Note 2.2.

21.2. Other information.

The detail of sales from external customers by the main geographical areas where ENDESA operates, excluding sales of discontinued operations (see Note 4) is as follows:

Millions of Euros

	January - September 2014	January - September 2013 (Restated)
Spain	13,169	13,798
Portugal	572	549
Other	966	1,143
TOTAL	14,707	15,490

The detail of sales from external customers by the main geographical areas where ENDESA operates corresponding to Discontinued Operations (see Note 4) is as follows:

Millions of Euros

	January - September 2014	January - September 2013 (Restated)
Chile	1,930	1,933
Brazil	1,854	1,950
Colombia	1,574	1,471
Peru	744	682
Argentina	394	802
TOTAL	6,496	6,838

22. Related-party balances and transactions.

Transactions between the Company and its subsidiaries and joint operations, which are related parties, form part of the Company's normal business activities (in terms of their purpose and conditions) and have been eliminated on consolidation. Therefore, they are not disclosed in this Note.

For informational purposes, all companies comprising the ENEL Group and not included in the ENDESA Group's Interim Condensed Consolidated Financial Statements were considered significant shareholders.

All transactions with related parties are at arm's length.

22.1. Expenses and income and other transactions.

Noteworthy balances and transactions carried out with related parties in the nine months ended 30 September 2014 and 2013, all of which were on an arm's length basis, are as follows:

22.1.1. Expenses and income.

Thousands of Euros

	January - September 2014				Total
	Significant shareholders	Directors and executives (see Note 22.1.5)	ENDESA employees, companies or entities	Other related parties	
Continuing operations					
Financial expenses	17,500	-	-	-	17,500
Management or cooperation agreements	18,719	-	-	-	18,719
R&D transfers and licensing agreements	-	-	-	-	-
Leases	388	-	-	-	388
Services received	118,225	-	-	-	118,225
Purchase of finished goods and work in progress	72,547	-	-	-	72,547
Valuation adjustments for uncollectible or doubtful debts	-	-	-	-	-
Losses on derecognition or disposal of assets	-	-	-	-	-
Other expenses	214,127	-	-	-	214,127
Total Expenses of Continuing Operations	441,506	-	-	-	441,506
Total Expenses of Discontinued Operations	18,795	-	-	-	18,795
TOTAL EXPENSES	460,301	-	-	-	460,301
Continuing Operations					
Financial income	34	2	-	-	36
Management or cooperation agreements	9,449	-	-	-	9,449
R&D transfers and licensing agreements	-	-	-	-	-
Dividends received	-	-	-	-	-
Leases	6,080	-	-	-	6,080
Rendering of services	1,674	-	-	-	1,674
Sale of finished goods and work in progress	28,625	-	-	-	28,625
Gains on derecognition or disposal of assets	-	-	-	-	-
Other income ^(*)	180,110	-	-	-	180,110
Total Income of Continuing Operations	225,972	2	-	-	225,974
Total Income of Discontinued Operations	2,154	-	-	-	2,154
TOTAL INCOME	228,126	2	-	-	228,128

(*) Includes Euros 22,875 thousand recognised in other comprehensive income.

Thousands of Euros

January - September 2013 (Restated)					
	Significant shareholders	Directors and executives (see Note 22.1.5)	ENDESA employees, companies or entities	Other related parties	Total
Continuing operations					
Financial expenses	30,236	-	-	-	30,236
Management or cooperation agreements	24,752	-	-	-	24,752
R&D transfers and licensing agreements	-	-	-	-	-
Leases	-	-	-	-	-
Services received	125,879	-	-	-	125,879
Purchase of finished goods and work in progress	124,525	-	-	-	124,525
Valuation adjustments for uncollectible or doubtful debts	-	-	-	-	-
Losses on derecognition or disposal of assets	74	-	-	-	74
Other expenses	150,378	-	-	-	150,378
Total Expenses of Continuing Operations	455,844	-	-	-	455,844
Total Expenses of Discontinued Operations	9,437	-	-	-	9,437
TOTAL EXPENSES	465,281	-	-	-	465,281
Continuing Operations					
Financial income	40	2	-	-	42
Management or cooperation agreements	9,700	-	-	-	9,700
R&D transfers and licensing agreements	-	-	-	-	-
Dividends received	-	-	-	-	-
Leases	6,600	-	-	-	6,600
Rendering of services	2,990	-	-	-	2,990
Sale of finished goods and work in progress	17,831	-	-	-	17,831
Gains on derecognition or disposal of assets	-	-	-	-	-
Other income ^(*)	133,626	-	-	-	133,626
Income of Continuing Operations	170,787	2	-	-	170,789
Income of Discontinued Operations	1,698	-	-	-	1,698
TOTAL INCOME	172,485	2	-	-	172,487

^(*) Includes Euros 15,233 thousand recognised in other comprehensive income.

The main transactions with related parties included under other expenses in the nine months ended 30 September 2014 relate to decreases in the fair value of derivative financial instruments on electricity and other energy products for Euros 208 million (Euros 146 million in the nine months ended 30 September 2013) and energy purchases of Euros 6 million (Euros 4 million in the nine months ended 30 September 2013). These transactions relate mainly to continuing operations.

The main transactions with related parties under other income in the nine months ended 30 September 2014 include increases in the fair value of derivative financial instruments for electricity and other energy products amounting to Euros 161 million (Euros 101 million in the nine months ended 30 September 2013), other income from energy sales of Euros 7 million (Euros 4 million in the nine months ended 30 September 2013) and the contribution to income of Euros 12 million from ENEL Green Power España, S.L. and ENEL Insurance, N.V., in which ENDESA interests of 40% and 50%, respectively (Euros 29 million in the nine months ended 30 September 2013), recognised in ENDESA's Consolidated Financial Statements using the equity method. These transactions relate mainly to Continuing Operations.

22.1.2. Other transactions.

Thousands of Euros

	January - September 2014				
	Significant shareholders	Directors and executives (see Note 22.1.5)	ENDESA employees, companies or entities	Other related parties	Total
Continuing Operations	1,514,283	8,183	-	-	1,522,466
Purchase of property, plant and equipment, intangible assets or other assets	52,203	-	-	-	52,203
Financing agreements (lender)	-	-	-	-	-
Finance leases (lessor)	-	-	-	-	-
Repayment or cancellation of loans and leases (lessor)	-	-	-	-	-
Sale of property, plant and equipment, intangible assets or other assets	-	-	-	-	-
Financing agreements (borrower)	-	929	-	-	929
Finance leases (lessee)	-	-	-	-	-
Repayment or cancellation of loans and leases (lessee)	-	86	-	-	86
Guarantees provided	-	-	-	-	-
Guarantees received	-	7,159	-	-	7,159
Commitments acquired	-	-	-	-	-
Commitments/guarantees cancelled	-	-	-	-	-
Dividends and other distributions	1,462,077	9	-	-	1,462,086
Other transactions	-	-	-	-	-
Discontinued Operations	-	-	-	-	-

Thousands of Euros

	January - September 2013 (Restated)				
	Significant shareholders	Directors and executives (see Note 22.1.5)	ENDESA employees, companies or entities	Other related parties	Total
Continuing Operations	35,777	7,870	-	-	43,647
Purchase of property, plant and equipment, intangible assets or other assets	35,777	-	-	-	35,777
Financing agreements (lender)	-	-	-	-	-
Finance leases (lessor)	-	-	-	-	-
Repayment or cancellation of loans and leases (lessor)	-	-	-	-	-
Sale of property, plant and equipment, intangible assets or other assets	-	-	-	-	-
Financing agreements (borrower)	-	703	-	-	703
Finance leases (lessee)	-	-	-	-	-
Repayment or cancellation of loans and leases (lessee)	-	8	-	-	8
Guarantees provided	-	-	-	-	-
Guarantees received	-	7,159	-	-	7,159
Commitments acquired	-	-	-	-	-
Commitments/guarantees cancelled	-	-	-	-	-
Dividends and other distributions	-	-	-	-	-
Other transactions	-	-	-	-	-
Discontinued Operations	5,670	-	-	-	5,670

22.1.3. Other information.

Balances at 30 September 2014 and 31 December 2013 with significant shareholders are as follows:

Millions of Euros

	30 September 2014	% of Consolidated statement of financial position	31 December 2013 (Restated)	% of Consolidated statement of financial position
Non-current financial assets	11	0.6	3	0.1
Trade and other receivables	109	3.5	77	1.7
Current income tax assets	400	97.6	243	57.9
Cash and cash equivalents	-	-	1,000	24.1
ASSETS	520	0.9	1,323	2.4
Non-current interest-bearing loans and borrowings	121	5.0	118	1.6
Other non-current liabilities	17	3.2	3	0.5
Current interest-bearing loans and borrowings	-	-	2	0.2
Suppliers and other payables	374	8.1	1,858	21.6
Current income tax liabilities	519	96.3	401	64.5
LIABILITIES	1,031	1.9	2,382	4.3

22.1.4. Associates and joint ventures.

Transactions with associates and joint ventures relate mainly to:

- Loans granted and maturing up to 2019 totalling Euros 83 million at 30 September 2014 (Euros 57 million at 31 December 2013), all corresponding to Continuing Operations, of which Euros 55 million relate to loans granted to Elcogas, S.A.
- Guarantees provided at the same date for Euros 55 million (Euros 102 million at 31 December 2013), with maturities up to 2025, all of which correspond to Continuing Operations.

None of these amounts relate to joint operations.

Transactions carried out in the nine months ended 30 September 2014 with associates and joint ventures not eliminated in consolidation relate to expenses amounting to Euros 56 million and income amounting to Euros 14 million (Euros 91 million and Euros 32 million, respectively, in the nine months ended 30 September 2013). Of these amounts, at 30 September 2014, Euros 8 million and Euros 10 million, respectively, correspond to companies included in the disposal described in Note 4 (Euros 41 million and Euros 18 million, respectively, in the nine months ended 30 September 2013).

22.1.5. Remuneration and other benefits of Directors and senior management personnel.

Details of remuneration and other benefits received by Directors in the nine months ended 30 September 2014 and 2013 are as follows:

Thousands of Euros

Item	Directors Amount	
	January - September 2014	January - September 2013
Fixed remuneration	1,950	2,078
Variable remuneration	3,084	2,269
Attendance fees	135	148
Bylaw-stipulated emoluments	-	-
Options on shares and/or financial instruments	-	-
Other	284	191
TOTAL	5,453	4,686

Thousands of Euros

Other benefits	Directors Amount	
	January - September 2014	January - September 2013
Advances	-	-
Loans	-	-
Pension funds and schemes: Contributions	585	588
Pension funds and schemes: Obligations assumed	-	-
Life insurance premiums	263	265
Guarantees provided to directors	-	-

Remuneration of senior executives as defined in the Spanish Securities Market Commission ("CNMV") Circular 5/2013, of 12 June, in the nine months ended 30 September 2014 and 2013 amounted to Euros 8,256 thousand and Euros 8,514 thousand, respectively. Senior management at 30 September 2014 and 2013 comprises 11 and 12 people, respectively.

At 30 September 2014 and 2013, the Company had all its early retirement and pension obligations with Directors and Senior Executives covered.

23. Personnel.

Details of the period-end and average headcount of ENDESA, by Business, professional category and gender, are as follows:

Number of employees

	Period-end headcount					
	30 September 2014			31 December 2013 (Restated)		
	Male	Female	Total	Male	Female	Total
Electricity Business in Spain and Portugal	8,372	2,327	10,699	8,594	2,339	10,933
Electricity Business in Latin America	9,679	2,524	12,203	9,179	2,429	11,608
TOTAL	18,051	4,851	22,902	17,773	4,768	22,541

Number of employees

	Period-end headcount					
	30 September 2014			31 December 2013 (Restated)		
	Male	Female	Total	Male	Female	Total
Executives	459	75	534	462	69	531
Graduates	5,724	2,266	7,990	5,615	2,145	7,760
Middle management	10,924	2,184	13,108	10,443	2,191	12,634
Manual workers	944	326	1,270	1,253	363	1,616
TOTAL	18,051	4,851	22,902	17,773	4,768	22,541

Number of employees

	Average headcount					
	January - September 2014			January - September 2013 (Restated)		
	Male	Female	Total	Male	Female	Total
Electricity Business in Spain and Portugal	8,491	2,331	10,822	8,761	2,376	11,137
Electricity Business in Latin America	9,403	2,469	11,872	8,889	2,375	11,264
TOTAL	17,894	4,800	22,694	17,650	4,751	22,401

Number of employees

	Average headcount					
	January - September 2014			January - September 2013 (Restated)		
	Male	Female	Total	Male	Female	Total
Executives	467	74	541	473	67	540
Graduates	5,674	2,198	7,872	5,584	2,114	7,698
Middle management	10,740	2,188	12,928	10,248	2,182	12,430
Manual workers	1,013	340	1,353	1,345	388	1,733
TOTAL	17,894	4,800	22,694	17,650	4,751	22,401

The average number of employees in the nine months ended 30 September 2014 at joint ventures was 401 (453 at 30 September 2013), of which 192 relate to companies included in the disposal described in Note 4.

24. Other information.

There were no one-off events of significant amounts during the nine months ended 30 September 2014 and 2013 other than those referred to in other Notes of these Interim Condensed Consolidated Financial Statements.

24.1. Other commitments.

At 30 September 2014, ENDESA had future electricity purchase commitments amounting to Euros 33,592 million (Euros 28,259 million at 31 December 2013), with details as follows:

Continuing Operations:

Millions of Euros

	Future electricity purchase commitments
2014 – 2018	13
2019 – 2023	-
2024 – 2028	-
2029 – Other	-
TOTAL (*)	13

(*) At 30 September 2014 and 31 December 2013, no amount corresponded to joint ventures.

Discontinued operations:

Millions of Euros

	Future electricity purchase commitments
2014 – 2018	8,312
2019 – 2023	8,943
2024 – 2028	4,478
2029 – Other	11,846
TOTAL (*)	33,579

(*) At 30 September 2014 and 31 December 2013, no amount corresponded to joint ventures.

24.2. Other information.

At 30 September 2014, ENDESA's liquid financial assets pledged as security for liabilities or contingent liabilities corresponded in full to companies included in the disposal described in Note 4 and amounted to Euros 84 million (Euros 79 million at 31 December 2013). The pledged liquid financial assets cover periods up to 2016.

In addition, at 30 September 2014, future collections pledged corresponding to companies included in the disposal described in Note 4 amounted to Euros 356 million (Euros 387 million at 31 December 2013). The future collections cover periods up to 2024.

25. Subsequent events.

On 23 October 2014, ENDESA completed the disposal of its Latin America Business described in Note 4 of these Interim Condensed Consolidated Financial Statements for Euros 8,252.9 million. The carrying amount at 30 September 2014 of the net assets sold, recognised under Non-current Assets Held for Sale and Discontinued Operations, and Liabilities directly Associated with Non-current Assets Classified as Held for Sale and Discontinued Operations amounted to Euros 12,066 million, of which Euros 6,001 million corresponded to non-controlling interests. Therefore, the net carrying amount of the assets included in the disposal amounts to Euros 6,065 million.

In accordance with Articles 21 and 118 of the Corporate Income Tax law ("Ley del Impuesto sobre Sociedades"), the transfers of the stakes in Enersis, S.A. and ENDESA Latinoamérica, S.A.U. -the latter subject to the tax regime for foreign security holding companies- are considered to be tax exempt in Spain as they entail income obtained on the transfer of an interest in a non-resident entity in Spain and in a security holding company, respectively. Accordingly, the disposal will not generate an income tax expense in Spain. However, the disposal is subject to tax in Chile, implying an impact of approximately Euros 300 million on the consolidated income statement, including the reversal of the deferred tax asset arising on the difference between the carrying amount and the amount for tax purposes in Chile of the 20.3% stake in ENERSIS, S.A. held directly by ENDESA, S.A (see Note 20).

Meanwhile, translation differences and gains and losses on cash flow hedges recognised in equity of the Parent in the consolidated statement of financial position at 30 September 2014 amounted to a negative Euros 242 million and Euros 34 million, respectively.

In addition, on the same date ENDESA Latinoamérica, S.A.U. reimbursed the intragroup cash pooling account held with ENDESA Financiación Filiales, S.A.U. for Euros 57 million.

At the Extraordinary General Meeting of Shareholders ENDESA, S.A. held on 21 October 2014, approval was given to pay a special dividend charged to reserves of a gross Euros 7.795 per share, for a total amount of Euros 8,252.9 million. In addition, ENDESA S.A.'s Board of Directors, at its meeting on 7 October 2014, resolved to pay shareholders an interim dividend charged against 2014 earnings of a gross Euros 6 per share, for a total amount of Euros 6,352.5 million.

Accordingly, the total distribution by ENDESA, S.A. to shareholders on 29 October 2014 amounted to a gross Euros 13.795 per share, for a total amount of Euros 14,605 million.

On 23 October 2014, ENDESA, S.A. and ENEL Finance International, N.V. arranged a 10-year intercompany loan at a fixed rate of interest of Euros 4,500 million. On the same date, ENDESA, S.A. arranged a short-term credit line with International, N.V. for Euros 1,000 million bearing interest at the Euribor rate plus a spread of 60 basis points maturing in one year.

Before drafting and presenting the new ENDESA Strategic Plan on 8 October 2014, new technical studies on the useful lives of generation assets were conducted. These studies uncovered the need to modify the useful lives of the nuclear and combined-cycle plants based on the increased experience at plants using similar technologies, which shows that by maintaining adequate operating conditions, operating and maintenance programmes and investment, these plants can achieve a longer useful life than originally estimated, guaranteeing security of operations in accordance with legal requirements. Therefore, ENDESA will modify the useful lives of its nuclear and combined-cycle power plants, prospectively from 1 October 2014, extending them to 50 years and 40 years, respectively.

No other significant events took place between 30 September 2014 and the date of authorisation of the accompanying Interim Condensed Consolidated Financial Statements.

26. Explanation added for translation to English.

These Interim Condensed Consolidated Financial Statements are presented on the basis of IFRSs, as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

Appendix I: Changes in the consolidated group.

Companies consolidated for the first time in the nine months ended 30 September 2014.

Company (in alphabetical order)	% ownership at 30 September 2014		
	Date of consolidation	Control	Ownership
INKIA HOLDINGS (ACTER) LIMITED	03/09/2014	100.00	60.62
LATIN AMERICA HOLDING I LTD.	03/09/2014	100.00	60.62
LATIN AMERICA HOLDING II LTD.	03/09/2014	100.00	60.62
NUEVA MARINA REAL ESTATE, S.L.	06/05/2014	60.00	60.00
SOUTHERN CONE POWER LTD.	03/09/2014	100.00	60.62
SOUTHERN CONE POWER PERÚ S.A.A.	03/09/2014	100.00	60.62

FC: Full consolidation

% ownership at 31 December 2013		
Control	Ownership	Consolidation method
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

Companies consolidated for the first time in the nine months ended 30 September 2013.

Company (in alphabetical order)	% ownership at 30 September 2013		
	Date of consolidation	Control	Ownership
COMPAÑÍA ENERGÉTICA VERACRUZ S.A.C.	23/09/2013	100.00	60.62
ENDESA GENERACIÓN NUCLEAR, S.A.U.	17/06/2013	100.00	100.00
INVERSIONES SUDAMÉRICA LTDA.	21/03/2013	100.00	60.62

FC: Full consolidation

% ownership at 31 December 2012		
Control	Ownership	Consolidation method
-	-	-
-	-	-
-	-	-

Appendix I: Changes in the consolidated group.

Companies excluded from the consolidation scope in the nine months ended 30 September 2014.

Company (in alphabetical order)	% ownership at 30 September 2014			% ownership at 31 December 2013		
	Control	Ownership	Consolidation method	Control	Ownership	Consolidation method (*)
ENDESA CAPITAL FINANCE, L.L.C.	-	-	-	100.00	100.00	FC

FC: Full consolidation
(*) Restated in accordance with IFRS 11.

Companies excluded from the consolidation scope in the nine months ended 30 September 2013.

Company (in alphabetical order)	% ownership at 30 September 2013			% ownership at 31 December 2012		
	Control	Ownership	Consolidation method (*)	Control	Ownership	Consolidation method
COMPANÍA ELÉCTRICA SAN ISIDRO, S.A.	-	-	-	100.00	39.15	FC
CONO SUR PARTICIPACIONES, S.L. (SOCIEDAD UNIPERSONAL)	-	-	-	100.00	100.00	FC
ENDESA CARBONO PHILIPPINES, INC.	-	-	-	100.00	82.50	FC
ENDESA DESARROLLO, S.L. (SOCIEDAD UNIPERSONAL)	-	-	-	100.00	100.00	FC

FC: Full consolidation
(*) Restated in accordance with IFRS 11.

Appendix I: Changes in the consolidated group.

Changes in the percentage of ownership in the nine months ended 30 September 2014.

Company (in alphabetical order)	% ownership at 30 September 2014		
	Control	Ownership	Consolidation method
AMPLA ENERGIA E SERVIÇOS, S.A.	99.64	55.79	FC
CENTRAIS ELÉTRICAS CACHOEIRA DOURADA, S.A.	99.75	51.03	FC
CENTRAL GERADORA TERMELÉTRICA FORTALEZA, S.A.	100.00	51.16	FC
CHINANGO, S.A.C.	80.00	28.42	FC
COMPANHIA ENERGÉTICA DO CEARÁ, S.A.	74.05	39.32	FC
COMPANÍA DE INTERCONEXIÓN ENERGÉTICA, S.A.	100.00	51.16	FC
COMPANÍA DE TRANSMISIÓN DEL MERCOSUR, S.A.	100.00	51.16	FC
EDEGEL, S.A.A.	83.60	35.53	FC
EN-BRASIL COMERCIO E SERVIÇOS, S.A.	100.00	51.16	FC
ENDESA BRASIL, S.A.	100.00	51.16	FC
EÓLICA FAZENDA NOVA - GERAÇÃO E COMERCIALIZAÇÃO DE ENERGIA, S.A.	99.95	51.13	FC
GASATACAMA CHILE, S.A.	99.95	36.80	FC
GASATACAMA, S.A.	100.00	36.82	FC
GASODUCTO ATACAMA ARGENTINA, S.A.	99.97	36.80	FC
GASODUCTO TALTAL, S.A.	100.00	36.80	FC
GENERANDES PERÚ, S.A.	100.00	45.83	FC
GNL NORTE, S.A.	100.00	36.80	FC
INVERSIONES GASATACAMA HOLDING LTDA.	100.00	36.82	FC
PROGAS, S.A.	100.00	36.80	FC
TRANSPORTADORA DE ENERGÍA, S.A.	100.00	51.15	FC

FC: Full consolidation; EM: Equity method
(*) Restated in accordance with IFRS 11.

% ownership at 31 December 2013		
Control	Ownership	Consolidation method (*)
99.64	55.55	FC
99.75	50.52	FC
100.00	50.64	FC
80.00	18.17	FC
58.87	29.81	FC
100.00	50.64	FC
100.00	50.64	FC
83.60	22.71	FC
100.00	50.64	FC
100.00	50.64	FC
99.95	50.62	FC
99.95	18.64	EM
100.00	18.64	EM
99.97	18.64	EM
100.00	18.64	EM
61.00	22.18	FC
100.00	18.64	EM
50.00	18.64	EM
100.00	18.64	EM
100.00	50.64	FC

Changes in the percentage of ownership in the nine months ended 30 September 2013.

Company (in alphabetical order)	% ownership at 30 September 2013			% ownership at 31 December 2012		
	Control	Ownership	Consolidation method (*)	Control	Ownership	Consolidation method
AMPLA ENERGIA E SERVIÇOS, S.A.	99.64	55.34	FC	99.64	63.63	FC
AMPLA INVESTIMENTOS E SERVIÇOS, S.A.	99.64	55.34	FC	99.64	63.63	FC
ASIN CARBONO USA, INC.	100.00	100.00	FC	100.00	82.50	FC
CENTRAIS ELÉTRICAS CACHOEIRA DOURADA, S.A.	99.75	50.06	FC	99.75	61.25	FC
CENTRAL DOCK SUD, S.A.	69.99	24.25	FC	69.99	39.99	FC
CENTRAL EÓLICA CANELA, S.A.	75.00	27.99	FC	75.00	27.27	FC
CENTRAL GERADORA TERMELÉTRICA FORTALEZA, S.A.	100.00	50.19	FC	100.00	61.40	FC
CENTRA VUELTA DE OBLIGADO, S.A.	40.90	9.77	EM	40.90	10.78	PC
CODENSA, S.A. E.S.P.	48.48	29.34	FC	48.48	39.84	FC
COMPANHIA ENERGÉTICA DO CEARÁ, S.A.	58.87	30.61	FC	58.87	36.61	FC
COMPANÍA DE INTERCONEXIÓN ENERGÉTICA, S.A.	100.00	50.19	FC	100.00	61.40	FC
COMPANÍA DE TRANSMISIÓN DEL MERCOSUR, S.A.	100.00	50.19	FC	100.00	61.40	FC
CONSORCIO ARA-INGENDESA LTDA.	50.00	18.66	PC	50.00	18.18	PC
DISTRIBUIDORA ELÉCTRICA DE CUNDINAMARCA, S.A. E.S.P.	49.00	14.38	EM	49.00	19.52	PC
ELÉCTRICA CABO BLANCO, S.A.C.	100.00	60.62	FC	100.00	100.00	FC
EMGESA PANAMÁ, S.A.	100.00	22.87	FC	100.00	31.38	FC
EMGESA, S.A. E.S.P.	48.48	22.87	FC	48.48	31.38	FC
EMPRESA DE DISTRIBUCIÓN ELÉCTRICA DE LIMA NORTE, S.A.A.	75.68	45.80	FC	75.68	52.88	FC
EMPRESA DISTRIBUIDORA SUR, S.A.	99.45	43.41	FC	99.45	45.87	FC
EMPRESA ELÉCTRICA DE PIURA, S.A.	96.50	58.50	FC	96.50	96.50	FC
EN-BRASIL COMERCIO E SERVIÇOS, S.A.	100.00	50.19	FC	100.00	61.40	FC
ENDESA ARGENTINA, S.A.	100.00	36.37	FC	100.00	36.36	FC
ENDESA BRASIL, S.A.	100.00	50.19	FC	100.00	61.40	FC
ENDESA CARBONO USA, L.L.C.	100.00	100.00	FC	100.00	82.50	FC
ENDESA CARBONO, S.L.U.	100.00	100.00	FC	82.50	82.50	FC
ENDESA CEMSA, S.A.	100.00	49.71	FC	100.00	71.36	FC
ENDESA ECO, S.A.	100.00	37.32	FC	100.00	36.36	FC
EÓLICA FAZENDA NOVA - GERAÇÃO E COMERCIALIZAÇÃO DE ENERGIA, S.A.	99.95	50.16	FC	99.95	61.37	FC
GASIFICADORA REGIONAL CANARIA, S.A.	100.00	99.83	FC	72.00	72.00	FC
GENERALIMA, S.A.C.	100.00	60.62	FC	100.00	100.00	FC
INGENDESA DO BRASIL LTDA. (IN LIQUIDATION)	100.00	37.31	FC	100.00	36.36	FC
INVERSIONES DISTRILIMA, S.A.C.	100.00	60.46	FC	100.00	74.17	FC
INVERSIONES GASATACAMA HOLDING LTDA.	50.00	18.66	EM	50.00	18.18	PC
INVERSORA CODENSA S.A.S.	100.00	29.34	FC	100.00	39.84	FC
INVERSORA DOCK SUD, S.A.	57.14	34.64	FC	57.14	57.14	FC
INVESTLUZ, S.A.	100.00	52.07	FC	100.00	62.22	FC
SACME, S.A.	50.00	21.71	EM	50.00	22.93	PC
SOCIEDAD PORTUARIA CENTRAL CARTAGENA, S.A.	99.85	23.15	FC	99.85	31.75	FC
SOUTHERN CONE POWER ARGENTINA, S.A.	100.00	36.38	FC	100.00	36.36	FC
TRANSMISORA ELÉCTRICA DE QUILLOTA, LTDA.	50.00	18.66	EM	50.00	19.58	PC
TRANSPORTADORA DE ENERGÍA, S.A.	100.00	50.19	FC	100.00	61.40	FC

FC: Full consolidation; PC: Proportionate consolidation; EM: Equity method
(*) Restated in accordance with IFRS 11.

Appendix I: Changes in the consolidated group.

Joint ventures and Associates: Companies included, excluded and changes in the nine months ended 30 September 2014.

Company (in alphabetical order)	% ownership at 30 September 2014		
	Control	Ownership	Consolidation method
Companies included:			
-	-	-	-
Companies excluded:			
-	-	-	-
Changes:			
KROMSCHROEDER, S.A.	29.26	29.26	EM

EM: Equity method

(*) Restated in accordance with IFRS 11.

% ownership at 31 December 2013		
Control	Ownership	Consolidation method (*)
-	-	-
-	-	-
27.93	27.93	EM

Joint ventures and Associates: Companies included, excluded and changes in the nine months ended 30 September 2013.

Company (in alphabetical order)	% ownership at 30 September 2013		
	Control	Ownership	Consolidation method (*)
Companies included:			
-	-	-	-
Companies excluded:			
ENEL GREEN POWER MODELO I EÓLICA, S.A.	0.98	0.49	-
ENEL GREEN POWER MODELO II EÓLICA, S.A.	0.98	0.49	-
Changes:			
TERMOELÉCTRICA JOSÉ DE SAN MARTÍN, S.A.	25.60	6.18	EM
TERMOELÉCTRICA MANUEL BELGRANO, S.A.	25.60	6.18	EM
YACYLEC, S.A.	22.22	13.47	EM

EM: Equity method

(*) Restated in accordance with IFRS 11.

% ownership at 31 December 2012		
Control	Ownership	Consolidation method
-	-	-
40.00	24.56	EM
40.00	24.56	EM
25.60	6.40	EM
25.60	6.40	EM
22.22	22.22	EM

Appendix II: Changes in the consolidated scope due to application of IFRS 11 Joint Arrangements.

Changes in consolidation method due to the application of IFRS Joint Arrangements in the nine months ended 30 September 2014.

Company (in alphabetical order)	% ownership at 30 September 2014		
	Control	Ownership	Consolidation method
AYSÉN ENERGÍA, S.A.	99.51	18.55	EM
AYSÉN TRANSMISIÓN, S.A.	99.51	18.55	EM
ATACAMA FINANCE CO.	-	-	-
CARBOPEGO - ABASTECIMIENTOS DE COMBUSTIBLES, S.A.	50.00	50.00	EM
CENTRAL VUELTA DE OBLIGADO, S.A.	40.90	9.80	EM
CENTRALES HIDROELÉCTRICAS DE AYSÉN, S.A.	51.00	18.55	EM
COMERCIALIZADORA ELÉCTRICA DE CÁDIZ, S.A.U.	-	-	-
COMPOSTILLA RE. S.A.	-	-	-
DISTRIBUIDORA ELÉCTRICA DE CUNDINAMARCA, S.A. E.S.P.	49.00	14.38	EM
ELECGAS, S.A.	50.00	49.70	EM
ELÉCTRICA DE LIJAR, S.L.	50.00	50.00	EM
ELECTRICIDAD DE PUERTO REAL, S.A.	50.00	50.00	EM
EMPRESA DE ENERGÍA DE CUNDINAMARCA, S.A. E.S.P.	40.35	11.84	EM
ENEL INSURANCE N.V.	50.00	50.00	EM
ENERGEX CO	-	-	-
ENERGIE ELECTRIQUE DE TAHADDART, S.A.	32.00	32.00	EM
EPRESA ENERGÍA, S.A.U.	-	-	-
GASATACAMA CHILE, S.A.	99.95	36.80	FC
GASATACAMA, S.A.	100.00	36.82	FC
GASODUCTO ATACAMA ARGENTINA, S.A.	99.97	36.80	FC
GASODUCTO TALTAL, S.A.	100.00	36.80	FC
GNL NORTE, S.A.	100.00	36.80	FC
INVERSIONES GASATACAMA HOLDING LTDA.	100.00	36.82	FC
MEDIDAS AMBIENTALES, S.L.	-	-	-
NUCLEONOR, S.A.	50.00	50.00	EM
PEGOP - ENERGÍA ELÉCTRICA, S.A.	50.00	50.00	EM
PROGAS, S.A.	100.00	36.80	FC
SACME, S.A.	50.00	21.71	EM
SUMINISTRADORA ELÉCTRICA DE CÁDIZ, S.A.	33.50	33.50	EM
TEJO ENERGÍA - PRODUÇÃO E DISTRIBUIÇÃO DE ENERGIA ELÉCTRICA, S.A.	38.89	38.89	EM
TRANSMISORA ELÉCTRICA DE QUILLOTA LTDA.	50.00	18.64	EM

FC: Full consolidation; PC: Proportionate consolidation; EM: Equity method

% ownership at 31 December 2013		
Control	Ownership	Consolidation method
99.51	18.55	PC
99.51	18.55	PC
100.00	18.64	PC
50.00	50.00	PC
40.90	9.80	PC
51.00	18.55	PC
100.00	33.50	PC
50.00	50.00	PC
49.00	14.38	PC
50.00	49.70	PC
50.00	50.00	PC
50.00	50.00	PC
40.35	11.84	PC
50.00	50.00	PC
100.00	18.64	PC
32.00	32.00	PC
100.00	50.00	PC
99.95	18.64	PC
100.00	18.64	PC
99.97	18.64	PC
100.00	18.64	PC
100.00	18.64	PC
50.00	18.64	PC
50.00	25.00	PC
50.00	50.00	PC
50.00	50.00	PC
100.00	18.64	PC
50.00	21.71	PC
33.50	33.50	PC
38.89	38.89	PC
50.00	18.64	PC

Appendix III: Shareholdings included in the disposal.

Company (in alphabetical order)	% ownership at 30 September 2014			Registered offices	Activity
	Control	Ownership	Consolidation method		
AGUAS SANTIAGO PONIENTE, S.A.	78.88	33.34	FC	SANTIAGO DE CHILE (CHILE)	WATER SERVICES
AMPLA ENERGIA E SERVIÇOS, S.A.	99.64	55.79	FC	RIO DE JANEIRO (BRAZIL)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION
AYSÉN ENERGÍA, S.A.	99.51	18.55	EM	SANTIAGO DE CHILE (CHILE)	ELECTRICITY PRODUCTION AND TRANSMISSION
AYSÉN TRANSMISIÓN, S.A.	99.51	18.55	EM	SANTIAGO DE CHILE (CHILE)	DEVELOPMENT OF ELECTRICITY TRANSMISSION SYSTEMS
CENTRAIS ELÉTRICAS CACHOEIRA DOURADA, S.A.	99.75	51.03	FC	RIO DE JANEIRO (BRAZIL)	ELECTRICITY PRODUCTION AND SUPPLY
CENTRAL DOCK SUD, S.A.	69.99	24.25	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION
CENTRAL EÓLICA CANELA S.A.	75.00	27.96	FC	SANTIAGO DE CHILE (CHILE)	PROMOTION AND DEVELOPMENT OF RENEWABLE ENERGY PROJECTS
CENTRAL GERADORA TERMELÉTRICA FORTALEZA, S.A.	100.00	51.16	FC	FORTALEZA (BRAZIL)	DEVELOPMENT OF A THERMOELECTRIC GENERATION PROJECT
CENTRAL VUELTA DE OBLIGADO, S.A.	40.90	9.80	EM	BUENOS AIRES (ARGENTINA)	CONSTRUCTION AND OPERATION OF A COMBINED CYCLE PLANT
CENTRALES HIDROELÉCTRICAS DE AYSÉN, S.A.	51.00	18.55	EM	SANTIAGO DE CHILE (CHILE)	DESIGN AND IMPLEMENTATION OF A HYDROELECTRIC PROJECT
CHILECTRA INVERSUD, S.A.	100.00	60.07	FC	SANTIAGO DE CHILE (CHILE)	HOLDING COMPANY
CHILECTRA, S.A.	99.09	60.07	FC	SANTIAGO DE CHILE (CHILE)	DISTRIBUTION AND SALE OF ELECTRICITY AND HOLDING COMPANY
CHINANGO, S.A.C.	80.00	28.42	FC	LIMA (PERU)	ELECTRICITY PRODUCTION, SUPPLY AND TRANSMISSION
CODENSA, S.A. E.S.P.	48.48	29.34	FC	BOGOTA D.C. (COLOMBIA)	ELECTRICITY DISTRIBUTION AND SUPPLY
COMPANHIA ENERGÉTICA DO CEARÁ, S.A.	74.05	39.32	FC	FORTALEZA (BRAZIL)	COMPLETE ELECTRICITY CYCLE
COMPAÑÍA DE INTERCONEXIÓN ENERGÉTICA, S.A.	100.00	51.16	FC	RIO DE JANEIRO (BRAZIL)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION
COMPAÑÍA DE TRANSMISIÓN DEL MERCOSUR, S.A.	100.00	51.16	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION
COMPAÑÍA ELÉCTRICA TARAPACÁ, S.A.	100.00	37.28	FC	SANTIAGO DE CHILE (CHILE)	COMPLETE ELECTRICITY CYCLE
COMPAÑÍA ENERGÉTICA VERACRUZ S.A.C.	100.00	60.62	FC	LIMA (PERU)	HYDROELECTRIC PROJECTS
CONSORCIO ARA-INGENDESA LTDA.	50.00	18.64	PC	SANTIAGO DE CHILE (CHILE)	PROJECT ENGINEERING CONSULTANCY SERVICES
CONSTRUCCIONES Y PROYECTOS LOS MAITENES, S.A.	55.00	33.34	FC	SANTIAGO DE CHILE (CHILE)	CONSTRUCTION AND INSTALLATION WORK
DISTRIBUIDORA ELÉCTRICA DE CUNDINAMARCA, S.A. E.S.P.	49.00	14.38	EM	BOGOTA D.C. (COLOMBIA)	ELECTRICITY DISTRIBUTION AND SUPPLY
DISTRILEC INVERSORA, S.A.	51.50	30.88	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY
EDEGEL, S.A.A.	83.60	35.53	FC	LIMA (PERU)	ELECTRICITY PRODUCTION, SUPPLY AND DISTRIBUTION
ELÉCTRICA CABO BLANCO, S.A.C.	100.00	60.62	FC	LIMA (PERU)	HOLDING COMPANY

Company (in alphabetical order)	% ownership at 30 September 2014			Registered offices	Activity
	Control	Ownership	Consolidation method		
ELECTROGAS, S.A.	42.50	15.45	EM	SANTIAGO DE CHILE (CHILE)	NATURAL GAS TRANSMISSION
EMGESA PANAMÁ, S.A.	100.00	22.87	FC	PANAMA CITY (PANAMA)	ELECTRICITY SUPPLY
EMGESA, S.A. E.S.P.	48.48	22.87	FC	BOGOTA D.C. (COLOMBIA)	ELECTRICITY PRODUCTION AND SUPPLY
EMPRESA DE DISTRIBUCIÓN ELÉCTRICA DE LIMA NORTE, S.A.A.	75.68	45.80	FC	LIMA (PERU)	ELECTRICITY DISTRIBUTION AND SUPPLY
EMPRESA DISTRIBUIDORA SUR, S.A.	99.45	43.41	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY DISTRIBUTION AND SUPPLY
EMPRESA ELÉCTRICA DE COLINA LTDA.	100.00	60.07	FC	SANTIAGO DE CHILE (CHILE)	COMPLETE ENERGY AND SIMILAR MATERIALS CYCLE
EMPRESA ELÉCTRICA DE PIURA, S.A.	96.50	58.50	FC	LIMA (PERU)	ELECTRICITY PRODUCTION
EMPRESA ELÉCTRICA PEHUENCHE, S.A.	92.65	33.69	FC	SANTIAGO DE CHILE (CHILE)	COMPLETE ELECTRICITY CYCLE
EMPRESA NACIONAL DE ELECTRICIDAD, S.A.	59.98	36.36	FC	SANTIAGO DE CHILE (CHILE)	COMPLETE ELECTRICITY CYCLE
EN-BRASIL COMERCIO E SERVIÇOS, S.A.	100.00	51.16	FC	RIO DE JANEIRO (BRAZIL)	SUPPLY OF PRODUCTS AND SERVICES
ENDESA ARGENTINA, S.A.	100.00	36.37	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY
ENDESA BRASIL, S.A.	100.00	51.16	FC	RIO DE JANEIRO (BRAZIL)	HOLDING COMPANY
ENDESA CEMSA, S.A.	100.00	49.71	FC	BUENOS AIRES (ARGENTINA)	WHOLESALE PURCHASE AND SALE OF ELECTRICITY
ENDESA COSTANERA, S.A.	75.68	27.52	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION AND SUPPLY
ENDESA LATINOAMÉRICA, S.A. (SOCIEDAD UNIPERSONAL)	100.00	100.00	FC	MADRID (SPAIN)	ACTIVIDAD INTERNACIONAL DE ENDESA, S.A.
ENERSIS, S.A.	60.62	60.62	FC	SANTIAGO DE CHILE (CHILE)	ELECTRICITY PRODUCTION AND DISTRIBUTION AND HOLDING COMPANY
EÓLICA FAZENDA NOVA - GERAÇÃO E COMERCIALIZAÇÃO DE ENERGIA, S.A.	99.95	51.13	FC	RIO GRANDE DO NORTE (BRAZIL)	WIND FARM PROJECTS
GASATACAMA CHILE, S.A.	99.95	36.80	FC	SANTIAGO DE CHILE (CHILE)	COMPLETE ELECTRICITY CYCLE
GASATACAMA, S.A.	100.00	36.82	FC	SANTIAGO DE CHILE (CHILE)	COMPANY ADMINISTRATION AND MANAGEMENT
GASODUCTO ATACAMA ARGENTINA, S.A.	99.97	36.80	FC	SANTIAGO DE CHILE (CHILE)	NATURAL GAS TRANSMISSION
GASODUCTO TALTAL, S.A.	100.00	36.80	FC	SANTIAGO DE CHILE (CHILE)	NATURAL GAS TRANSMISSION
GENERALIMA, S.A.C.	100.00	60.62	FC	LIMA (PERU)	HOLDING COMPANY
GENERANDES PERÚ, S.A.	100.00	45.83	FC	LIMA (PERU)	HOLDING COMPANY
GNL CHILE, S.A.	33.33	12.12	EM	SANTIAGO DE CHILE (CHILE)	PROMOTION OF PROJECT TO SUPPLY LIQUEFIED GAS
GNL NORTE, S.A.	100.00	36.80	FC	SANTIAGO DE CHILE (CHILE)	PRODUCTION, TRANSPORT, DISTRIBUTION, STORAGE AND SUPPLY OF ENERGY AND FUELS
GNL QUINTERO, S.A.	20.00	7.27	EM	SANTIAGO DE CHILE (CHILE)	DESIGN, DEVELOPMENT AND SUPPLY OF A LIQUEFIED NATURAL GAS REGASIFICATION TERMINAL
HIDROELÉCTRICA EL CHOCÓN, S.A.	67.67	23.77	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION AND SUPPLY

Company (in alphabetical order)	% ownership at 30 September 2014			Registered offices		Activity
	Control	Ownership	Consolidation method			
HIDROINVEST, S.A.	96.09	34.94	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY	
ICT SERVICIOS INFORMÁTICOS LTDA.	100.00	60.62	FC	SANTIAGO DE CHILE (CHILE)	IT, TELECOMMUNICATIONS AND DATA TRANSMISSION SERVICES	
INGENDESA DO BRASIL LTDA. (IN LIQUIDATION)	100.00	37.27	FC	RIO DE JANEIRO (BRAZIL)	PROJECT ENGINEERING CONSULTANCY SERVICES	
INKIA HOLDINGS (ACTER) LIMITED	100.00	60.62	FC	GRAND CAYMAN (CAYMAN ISLANDS)	HOLDING COMPANY	
INMOBILIARIA MANO DE VELASCO LTDA.	100.00	60.62	FC	SANTIAGO DE CHILE (CHILE)	CONSTRUCTION WORK	
INVERSIONES DISTRILIMA, S.A.C.	100.00	60.46	FC	LIMA (PERU)	HOLDING COMPANY	
INVERSIONES GASATACAMA HOLDING LTDA.	100.00	36.82	FC	SANTIAGO DE CHILE (CHILE)	NATURAL GAS TRANSMISSION	
INVERSORA CODENSA S.A.S.	100.00	29.34	FC	BOGOTA D.C. (COLOMBIA)	INVESTMENTS IN PUBLIC RESIDENTIAL ENERGY SERVICES	
INVERSORA DOCK SUD, S.A.	57.14	34.64	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY	
LATIN AMERICA HOLDING I LTD.	100.00	60.62	FC	GRAND CAYMAN (CAYMAN ISLANDS)	HOLDING COMPANY	
LATIN AMERICA HOLDING II LTD.	100.00	60.62	FC	GRAND CAYMAN (CAYMAN ISLANDS)	HOLDING COMPANY	
LUZ ANDES LTDA.	100.00	60.07	FC	SANTIAGO DE CHILE (CHILE)	TRANSPORT, DISTRIBUTION AND SALE OF ENERGY AND FUELS	
PROGAS, S.A.	100.00	36.80	FC	SANTIAGO DE CHILE (CHILE)	GAS DISTRIBUTION	
SACME, S.A.	50.00	21.71	EM	BUENOS AIRES (ARGENTINA)	ELECTRICITY SYSTEM OVERSIGHT AND CONTROL	
SOCIEDAD AGRÍCOLA DE CAMEROS LTDA.	57.50	34.86	FC	SANTIAGO DE CHILE (CHILE)	REAL ESTATE INVESTMENT	
SOCIEDAD CONCESIONARIA TÚNEL EL MELÓN, S.A.	100.00	36.36	FC	SANTIAGO DE CHILE (CHILE)	DESIGN, CONSTRUCTION AND OPERATION OF THE EL MELÓN TUNNEL	
SOCIEDAD PORTUARIA CENTRAL CARTAGENA, S.A.	99.85	23.15	FC	BOGOTA D.C. (COLOMBIA)	PORT-RELATED SERVICES	
SOUTHERN CONE POWER ARGENTINA, S.A.	100.00	36.38	FC	BUENOS AIRES (ARGENTINA)	HOLDING COMPANY	
SOUTHERN CONE POWER LTD.	100.00	60.62	FC	GRAND CAYMAN (CAYMAN ISLANDS)	HOLDING COMPANY	
SOUTHERN CONE POWER PERÚ, S.A.A.	100.00	60.62	FC	LIMA (PERU)	HOLDING COMPANY	
TERMOELÉCTRICA JOSÉ DE SAN MARTÍN, S.A.	25.60	6.29	EM	BUENOS AIRES (ARGENTINA)	CONSTRUCTION AND OPERATION OF A COMBINED CYCLE PLANT	
TERMOELÉCTRICA MANUEL BELGRANO, S.A.	25.60	6.29	EM	BUENOS AIRES (ARGENTINA)	CONSTRUCTION AND OPERATION OF A COMBINED CYCLE PLANT	
TRANSMISORA ELÉCTRICA DE QUILLOTA LTDA.	50.00	18.64	EM	SANTIAGO DE CHILE (CHILE)	ELECTRICITY TRANSMISSION AND DISTRIBUTION	
TRANSPORTADORA DE ENERGÍA, S.A.	100.00	51.15	FC	BUENOS AIRES (ARGENTINA)	ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION	
YACYLEC, S.A.	22.22	13.47	EM	BUENOS AIRES (ARGENTINA)	ELECTRICITY TRANSMISSION	

FC: Full consolidation; PC: Proportionate consolidation; EM: Equity method



Endesa is an Enel Group Company