

ADDITIONAL INFORMATION TO THE PROSPECTUS FOR THE PUBLIC OFFERING OF ENDESA, S.A. SHARES

In relation to the public offering of ENDESA, S.A. (“**Endesa**”) shares held by Enel Energy Europe, S.L.U. (the “**Public Offering**” or the “**Offering**”) referred to in the Prospectus registered in the official registries of the Spanish National Securities Market Commission (CNMV) on 6 November 2014 (the “**Prospectus**”), and in accordance with that set forth in section 5.3.2 of the Securities Note that forms part of the Prospectus (the “**Securities Note**”), the following additional information is provided:

- **Pricing of the Offering**

Yesterday, the offeror, Enel Energy Europe, S.L.U. (the “**Offeror**”), upon consultation with the Global Coordinators and taking into consideration, among other matters, the volume and quality of demand for the institutional tranche and the volume of demand for the Offering as a whole, along with prevailing market conditions, set the price for the institutional tranche of the Offering at €13.50 per share (the “**Institutional Tranche Price**”).

Consequently, in accordance with section 5.3.1 of the Securities Note, the price of the retail tranche of the Offering also was set at €13.50 per share (the “**Retail Tranche Price**”), given that it was less than the maximum retail price (the “**Maximum Retail Price**”) provided in the aforementioned section of the Securities Note, which was €15.535 per share.

- **Size and final amount of the Offering**

Once market conditions and the demand registered during the book-building period with regard to the institutional tranche were analysed, and taking into account the prices established for the Offering, the Offeror agreed to set the final amount of the Offering at €2,724,300,000, which relates to the amount of the maximum offering size contemplated by and defined in section 5.1.2 of the Securities Note. Consequently, the total number of shares offered will be 201,800,000 shares with a nominal value of €1.20 (not including the green shoe option), which represent 19.06% of Endesa's share capital, and 232,070,000 shares (assuming the full exercise of the green shoe option), which represent 21.92% of Endesa's share capital, for a total amount of €3,132,945,000 (assuming the full exercise of the green shoe option).

- **Entering into the Underwriting Agreement for the institutional tranche**

On 20 November 2014, after the Institutional Tranche Price was set, the Underwriting Agreement was entered into for the institutional tranche of the Offering, without having registered any changes with regard to the Underwriters as provided in section 5.4.1 of the Securities Note.

- **Demand registered in the Offering**

In accordance with the information communicated in significant event no. 214350 published on 20 November 2014, the demand registered in the retail tranche at the end of the Offering amounted to 40,304,088 shares, which represents a demand of 1.7 times the number of shares initially assigned to that tranche. The Offeror agreed to increase the volume of shares assigned to the retail tranche to a total of 34,810,500 shares.

Consequently, in accordance with the rules set forth in the Securities Note, a pro-rata allocation was carried out in the retail tranche of the Offering for the purpose of allocating shares to the orders submitted, as explained below.

In turn, at the end of the book building period, which ended on 20 November 2014, the demand registered in the institutional tranche represented 2.2 times the number of shares initially assigned to that tranche (assuming the full exercise of the green shoe option).

- **Final allocation of shares between the Offering tranches**

Final allocation of shares to each of the Offering tranches (not including the green shoe option) was as follows :

- Retail tranche: 34,810,500 shares.
- Institutional tranche: 166,989,500 shares (197,259,500 shares assuming the full exercise of the green shoe option).

- **Information on the result of the pro-rata allocation in the retail tranche of the Offering**

The number of shares assigned to the retail tranche of the Offering (34,810,500 shares) was insufficient to fully meet all binding orders not cancelled in this tranche, which amounted to 40,179,970 shares. Consequently, the orders submitted during the Offering period were not met in full. Applying the rules set forth in section 5.2.3 (c) of the Securities Note, the result of the pro-rata allocation was as follows:

- **Preferred allocation to current Endesa shareholders**

The volume of shares earmarked for the preferred allocation of shares to current Endesa shareholders (12,874,155 shares) was sufficient to meet all binding orders not cancelled by current Endesa shareholders eligible for the preferred share allocation scheme, which amounted to 2,082,798 shares.

The remaining 10,791,357 shares (12,874,155 – 2,082,798 shares) not allocated to current Endesa shareholders were allocated and included in the general retail tranche.

- **Allocation of shares in the retail tranche**

The volume of shares assigned to the retail tranche of the Offering after deducting the shares allocated to Endesa's shareholders eligible for the preferred share allocation scheme (34,810,500 – 2,082,798 shares allocated to Endesa shareholders = 32,727,702 shares) was insufficient to meet all binding orders not cancelled in this tranche, which amounted to 38,097,172 shares (40,179,970 – 2,082,798 shares allocated to Endesa's shareholders). Accordingly, all the binding orders not cancelled during the public offering of the retail tranche of the Offering were not met.

According to the rules set out in section 5.2.3 (c) (*Pro-rata allocation in the retail tranche*) of the Securities Note, a pro-rata allocation process was carried out. According to information provided by the agent bank (Santander Investment, S.A.), the result of the pro-rata allocation based on the binding orders not cancelled, based on the Maximum Retail Price, was as follows:

(i) Allocations of at least 96 shares to purchase orders not cancelled

- The volume of shares assigned to the retail tranche of the Offering was sufficient to allocate the minimum number of shares (the “**Minimum Number of Shares**”) established for this tranche in paragraph (v) of section 5.2.3 (c) (*Pro-rata allocation in the retail tranche*) in the Securities Note, i.e., 96 shares, for all orders submitted and not cancelled in the retail tranche.
- The number of shares allocated pursuant to the rule stipulated in section 5.2.3 (c) was 5,781,624 shares.

(ii) Allocations to orders not cancelled after meeting the minimum 96 shares indicated in the preceding paragraph

- Once the Minimum Number of Shares were allocated, the number of shares remaining was 26,946,078 shares.
- Orders to purchase shares stated in orders not cancelled (for the amount not covered by the Minimum Number of Shares) exceeded the number of surplus shares. Accordingly, the shares were distributed on a pro-rata basis as set out in paragraph (vi) of section 5.2.3 (c) (*Pro-rata allocation in the retail tranche*) of the Securities Note.
- After applying the pro-rata allocation rules, 83.384 % of the volume not met was allocated to the orders not cancelled (for the amount not covered by the Minimum Number of Shares).
- The number of shares allocated after applying the rule stipulated in paragraph (vi) of section 5.2.3 (c) (*Pro-rata allocation in the Retail tranche*) was 26,918,036 shares.

(iii) Allocation of shares not previously allocated due to rounding:

After applying the pro-rata allocation stipulated in paragraph (v) of section 5.2.3 (c) (*Pro-rata allocation in the retail tranche*), the number of shares not allocated due to rounding was 28,042 shares. As set out in paragraph (vi) of section 5.2.3 (c) (*Pro-rata allocation in the retail tranche*), these shares were allocated one by one from the highest to the lowest quantity of the application to purchase shares and, where the quantities were equal, by alphabetical order of the applicants starting with the letter “X”, and the results were recorded before a notary public on 19 November 2014.

• **Over-allocation and stabilisation**

Beginning today, 21 November, and running for 25 calendar days (i.e., until 15 December 2014), Credit Suisse Securities (Europe) Limited, acting as Stabilisation Manager, may engage in stabilisation transactions in the market on behalf of the underwriters of the tranche for institutional investors (as defined in the Prospectus) in accordance with Regulation (EC) 2273/2003 of 22 December 2013.

Stabilisation transactions are aimed at supporting the market price of Endesa shares. However, there is no assurance that stabilisation will be undertaken. If it does occur, it may be stopped at any time.

In this respect, the Global Coordinators, on behalf of the underwriters of the institutional tranche, have over-allocated in the Offering a total of 30,270,000 shares (equivalent to 15% of the number of shares subject to the Offering), in connection with the execution of a stock lending agreement, which may be repaid through the exercise of the green shoe call option, or over-allocation option, granted by the Offeror to the Stabilisation Manager, acting on behalf of the underwriters of the institutional tranche, on a number of shares equivalent to 15% of the shares subject to the Offer (i.e., 30,270,000 shares).

- **Global Coordinators and Underwriters of the institutional tranche**

Banco Santander, BBVA, Credit Suisse and J.P. Morgan have acted as Global Coordinators and underwriters of the tranche for qualified investors, while Goldman Sachs International, Morgan Stanley & Co and UBS Limited have acted as underwriters of the said tranche. In addition, BBVA and Banco Santander have lead the placement syndicate for the retail offering.

Madrid, 21 November 2014

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This announcement and the Prospectus of the Offering do not constitute an offer to sell shares in ENDESA in Chile, and neither the Offeror nor ENDESA intends to make any kind of offering in that country.

The Prospectus of the Offering registered by the CNMV can be found on its website (www.cnmv.es) and on the corporate website of ENDESA www.endesa.com