



Endesa is an Enel Group Company

**CONSOLIDATED
FINANCIAL STATEMENTS
AS OF DECEMBER, 31th 2014
ENDESA, S.A. AND
SUBSIDIARIES**

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD 31 DECEMBER 2014 AND 2013

Euro Million

ASSETS	31.12.14	Restated 31.12.13	Variation	
Total fixed assets	24.751	42.695	(17.944)	-42,0%
Utility plant	21.104	31.591	(10.487)	-33,2%
Investment property	22	77	(55)	-71,4%
Intangible asset	627	2.225	(1.598)	-71,8%
Goodwill		2.302	(2.302)	-100,0%
Investments in associates	1.104	1.408	(304)	-21,6%
Long term financial investments	619	3.224	(2.605)	-80,8%
Deferred tax assets	1.275	1.868	(593)	-31,7%
Total current assets	5.945	13.262	(7.317)	-55,2%
Inventories	1.008	1.103	(95)	-8,6%
Trade and other receivables	3.071	4.932	(1.861)	-37,7%
Short term financial investments	1.210	3.078	(1.868)	-60,7%
Cash and cash equivalents	648	4.145	(3.497)	-84,4%
Non current assets held for sale and from interrupted activities	8	4	4	100,0%
TOTAL ASSETS	30.696	55.957	(25.261)	-45,1%

EQUITY AND LIABILITIES	31.12.14	Restated 31.12.13	Variation	
Total equity	8.575	26.762	(18.187)	-68,0%
Atributable to equity holders of the parent company	8.576	20.521	(11.945)	-58,2%
Minority interest	(1)	6.241	(6.242)	-100,0%
Non-current liabilities	15.715	18.153	(2.438)	-13,4%
Deferred revenues	4.612	4.573	39	0,9%
Long term provisions	3.591	3.496	95	2,7%
Long term financial debt	6.083	7.437	(1.354)	-18,2%
Other non-current liabilities	556	597	(41)	-6,9%
Deferred tax liabilities	873	2.050	(1.177)	-57,4%
Current liabilities	6.406	11.042	(4.636)	-42,0%
Short term financial debt	1	1.127	(1.126)	-99,9%
Short term provisions	544	689	(145)	-21,0%
Trade and other payables	5.861	9.226	(3.365)	-36,5%
Liabilities related to non current assets held for sale and from interrupted activities				n/a
TOTAL EQUITY AND LIABILITIES	30.696	55.957	(25.261)	-45,1%

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD 31 DECEMBER 2014 AND 2013

Euro Million

	<u>31.12.14</u>	<u>Restated</u> <u>31.12.13</u>	<u>Variation</u>	
REVENUES	21.512	21.515	(3)	0,0%
Sales	20.473	20.509	(36)	-0,2%
Other operating revenues	1.039	1.006	33	3,3%
PURCHASES AND SERVICES	15.974	16.015	(41)	-0,3%
Energy purchases	5.126	5.379	(253)	-4,7%
Fuel procurement costs	2.486	2.780	(294)	-10,6%
Transmission expenses	5.918	6.106	(188)	-3,1%
Other variable purchases and services	2.444	1.750	694	39,7%
GROSS MARGIN	5.538	5.500	38	0,7%
Work performed by the entity and capitalized	113	102	11	10,8%
Personnel expenses	1.245	1.030	215	20,9%
Other fixed operating expenses	1.316	1.356	(40)	-2,9%
GROSS OPERATING INCOME (EBITDA)	3.090	3.216	(126)	-3,9%
Depreciation and amortization	1.618	1.601	17	1,1%
OPERATING INCOME (EBIT)	1.472	1.615	(143)	-8,9%
FINANCIAL INCOME	(166)	(106)	(60)	56,6%
Financial revenues	110	142	(32)	-22,5%
Financial expenses	(280)	(278)	(2)	0,7%
Foreign exchanges	4	30	(26)	-86,7%
Share of profit of associates	(44)	57	(101)	-177,2%
Income from other investments	2	10	(8)	-80,0%
Income from asset sales	(25)	(4)	(21)	525,0%
INCOME BEFORE TAXES	1.239	1.572	(333)	-21,2%
Income tax	296	396	(100)	-25,3%
ONGOING ACTIVITIES PROFIT	943	1.176	(233)	-19,8%
INTERRUPTED ACTIVITIES PROFIT	3.045	1.767	1.278	72,3%
PROFIT FOR THE PERIOD	3.988	2.943	1.045	35,5%
Attributable to the holders of the parent company	3.337	1.879	1.458	77,6%
Minority interest	651	1.064	(413)	-38,8%

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD 31 DECEMBER 2014 AND 2013

Euro Million

Restated

	<u>31.12.14</u>	<u>31.12.13</u>
Consolidated income before income taxes	4.852	4.010
(Unaudited)	1.711	2.830
Fixed assets amortization and impairment loss	2.006	2.379
	(295)	451
Changes in current assets	(1.228)	(555)
Other cash flows from operating activities:	(1.621)	(1.776)
Cash-in interests	280	367
Cash-in dividends	27	18
Interest payments	(593)	(708)
Tax income payment	(810)	(828)
Other cash-in/payments from operating activities	(525)	(625)
Net cash provided by operating activities	3.714	4.509
Acquisitions of fixed and intangible assets	(1.853)	(2.376)
Disposal of fixed and intangible assets	19	49
Investments in stakes of subsidiaries	(68)	
Disposal in stakes of subsidiaries	6.358	214
Acquisitions of other investments	(780)	(5.070)
Disposal of other investments	3.526	5.375
Cash flow from changes in perimeter		
Subsidies and other deferred income	153	170
Net cash used for investing activities	7.355	(1.638)
Cash Flows from Equity Instruments	(507)	1.747
New long-term debt	5.471	1.086
Repayment of long-term debt	(1.001)	(1.219)
Net cash from financial debt with short term maturity	(1.835)	(1.319)
Dividends paid by the controlling company	(16.194)	
Dividends paid to minority shareholders	(492)	(539)
Net cash used for financing activities	(14.558)	(244)
Total net cash	(3.489)	2.627
Effects of exchange rate changes on cash and cash equivalents	(8)	(301)
Net increase in cash and cash equivalents	(3.497)	2.326
Cash and cash equivalents at beginning of period	4.145	1.819
Cash and cash equivalents at end of period	648	4.145

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME AND EXPENSES FOR THE PERIOD 31 DECEMBER 2014 AND 2013

Euro Million

	31.12.14			Restated 31.12.13		
	Of the Parent Company	Of Minority Interests	Total	Of the Parent Company	Of Minority Interests	Total
PROFIT FOR THE PERIOD	3.337	651	3.988	1.879	1.064	2.943
OTHER COMPREHENSIVE INCOME:						
INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	(345)	87	(258)	(1.044)	(1.099)	(2.143)
Items that may be Subject to State Income Reclassification	(22)	95	73	(1.006)	(1.098)	(2.104)
Arising from utility plant and intangible assets revaluation						
Arising from financial instruments valuation				(3)		(3)
Financial Assets Available for Sale				(3)		(3)
Other revenues/(Expenses)						
Arising from cash flow hedge	46	(90)	(44)	(189)	(73)	(262)
Translation differences	(29)	150	121	(886)	(1.048)	(1.934)
Companies accounted using the equity method	(27)	14	(13)	22	8	30
Remaining incomes and expenses recognised directly in equity						
Tax effect	(12)	21	9	50	15	65
Items that will not be Subject to State Income Reclassification	(323)	(8)	(331)	(38)	(1)	(39)
Arising from actuarial gains and losses and other adjustments	(396)	(13)	(409)	(31)	(1)	(32)
Tax effect	73	5	78	(7)		(7)
TRANSFERS TO PROFIT AND LOSS ACCOUNT	241	(9)	232	83	(6)	77
Arising from financial instruments valuation				(64)		(64)
Financial Assets Available for Sale				(64)		(64)
Other revenues/(Expenses)						
Arising from cash flow hedge	9	(10)	(1)	187	(4)	183
Translation differences	239		239			
Companies accounted using the equity method	(6)		(6)	7		7
Remaining revenues and costs recognised directly in equity						
Tax effect	(1)	1		(47)	(2)	(49)
TOTAL COMPREHENSIVE INCOME	3.233	729	3.962	918	(41)	877

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED IN 31 DECEMBER 2014

Euro Million

	<i>Capital</i>	<i>Share premium, Reserves and interim dividend</i>	<i>Treasury shares and own equity instruments</i>	<i>Profit (loss) for the year</i>	<i>Other equity instruments</i>	<i>Valuation adjustments</i>	<i>Minority interests</i>	<i>Total equity</i>
BALANCE AT 1 JANUARY 2014 (Restated)	1.271	17.665		1.879		(294)	6.241	26.762
Adjustments due to changes in accounting policies								
Correction of errors								
ADJUSTED BALANCE	1.271	17.665		1.879		(294)	6.241	26.762
TOTAL COMPREHENSIVE INCOME		(323)		3.337		219	729	3.962
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(15.179)				1	(6.971)	(22.149)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(15.008)					(503)	(15.511)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations						1	1	2
Other transactions with shareholders and owners		(171)					(6.469)	(6.640)
OTHER CHANGES IN EQUITY		1.879		(1.879)				
Share-based payments								
Transfers between equity items		1.879		(1.879)				
Other changes								
BALANCE AT 31 DECEMBER 2014	1.271	4.042		3.337		(74)	(1)	8.575

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED IN 31 DECEMBER 2013

Euro Million

	<i>Capital</i>	<i>Share premium, Reserves and interim dividend</i>	<i>Treasury shares and own equity instruments</i>	<i>Profit (loss) for the year</i>	<i>Other equity instruments</i>	<i>Valuation adjustments</i>	<i>Minority interests</i>	<i>Total equity</i>
BALANCE AT 1 JANUARY 2013	1.271	16.719		2.034		629	5.716	26.369
Adjustments due to changes in accounting policies							(9)	(9)
Correction of errors								
ADJUSTED BALANCE	1.271	16.719		2.034		629	5.707	26.360
TOTAL COMPREHENSIVE INCOME		(38)		1.879		(923)	(41)	877
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(1.050)					575	(475)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(1.588)					(630)	(2.218)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners		538					1.205	1.743
OTHER CHANGES IN EQUITY		2.034		(2.034)				
Share-based payments								
Transfers between equity items		2.034		(2.034)				
Other changes								
BALANCE AT 31 DECEMBER 2013 (Restated)	1.271	17.665		1.879		(294)	6.241	26.762

ENDESA S.A. AND SUBSIDIARIES
BREAKDOWN CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2014

Euro Million

	SPAIN AND PORTUGAL				LATIN AMERICA	ENDESA
	Generation and Supply	Distribution	Corporate Structure, Services and	Total	Total	Total
	<u>31.12.14</u>	<u>31.12.14</u>	<u>31.12.14</u>	<u>31.12.14</u>	<u>31.12.14</u>	<u>31.12.14</u>
ASSETS						
Total fixed assets	11.628	12.974	149	24.751		24.751
Utility plant	9.315	11.782	7	21.104		21.104
Investment property		3	19	22		22
Intangible asset	397	123	107	627		627
Goodwill						
Long term financial investments	979	21	104	1.104		1.104
Investments in associates	337	567	(285)	619		619
Deferred tax assets	600	478	197	1.275		1.275
Total current assets	4.403	1.351	191	5.945		5.945
Inventories	953	55		1.008		1.008
Trade and other receivables	2.509	866	(304)	3.071		3.071
Short term financial investments	756	428	26	1.210		1.210
Cash and cash equivalents	177	2	469	648		648
Non current assets held for sale and from interrupted activities	8			8		8
TOTAL ASSETS	16.031	14.325	340	30.696		30.696
EQUITY AND LIABILITIES						
Total equity	4.539	1.367	2.669	8.575		8.575
Atributable to equity holders of the parent company	4.539	1.367	2.670	8.576		8.576
Minority interest			(1)	(1)		(1)
Non-current liabilities	7.225	10.660	(2.170)	15.715		15.715
Deferred revenues	55	4.592	(35)	4.612		4.612
Long term provisions	2.084	1.077	430	3.591		3.591
Long term financial debt	4.535	4.188	(2.640)	6.083		6.083
Other non-current liabilities	133	411	12	556		556
Deferred tax liabilities	418	392	63	873		873
Current liabilities	4.267	2.298	(159)	6.406		6.406
Short term financial debt	247	4	(250)	1		1
Short term provisions	392	97	55	544		544
Trade and other payables	3.628	2.197	36	5.861		5.861
Liabilities related to non current assets held for sale and from interrupted activities						
TOTAL EQUITY AND LIABILITIES	16.031	14.325	340	30.696		30.696

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED DECEMBER 31, 2014

Euro Million

	SPAIN AND PORTUGAL				LATIN AMERICA	ENDESA
	Generation and Supply	Distribution	Corporate Structure, Services and	Total	Total	Total
	31.12.14	31.12.14	31.12.14	31.12.14	31.12.14	31.12.14
REVENUES	19.149	2.531	(168)	21.512		21.512
Sales	18.352	2.252	(131)	20.473		20.473
Other operating revenues	797	279	(37)	1.039		1.039
PURCHASES AND SERVICES	15.904	141	(71)	15.974		15.974
Energy purchases	5.148		(22)	5.126		5.126
Fuel procurement costs	2.486			2.486		2.486
Transmission expenses	5.915		3	5.918		5.918
Other variable purchases and services	2.355	141	(52)	2.444		2.444
GROSS MARGIN	3.245	2.390	(97)	5.538		5.538
Work performed by the entity and capitalized	13	100		113		113
Personnel expenses	635	335	275	1.245		1.245
Other fixed operating expenses	1.073	464	(221)	1.316		1.316
GROSS OPERATING INCOME (EBITDA)	1.550	1.691	(151)	3.090		3.090
Depreciation and amortization	858	724	36	1.618		1.618
OPERATING INCOME (EBIT)	692	967	(187)	1.472		1.472
FINANCIAL INCOME	(159)	(82)	75	(166)		(166)
Financial revenues	26	32	52	110		110
Financial expenses	(181)	(114)	15	(280)		(280)
Foreign exchanges	(4)		8	4		4
Share of profit of associates	(55)	2	9	(44)		(44)
Income from other investments	(1)	2	1	2		2
Income from asset sales	(28)		3	(25)		(25)
INCOME BEFORE TAXES	449	889	(99)	1.239		1.239
Income tax	86	208	2	296		296
ONGOING ACTIVITIES PROFIT	363	681	(101)	943		943
INTERRUPTED ACTIVITIES PROFIT					3.045	3.045
PROFIT FOR THE PERIOD	363	681	(101)	943	3.045	3.988
Attributable to the holders of the parent company	363	681	(94)	950	2.387	3.337
Minority interest			(7)	(7)	658	651

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2013

Euro Million

	SPAIN AND PORTUGAL				LATIN AMERICA	ENDESA
	Generation and Supply	Distribution	Corporate Structure, Services and Adjustments	Total	Total	Total
	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>
ASSETS						
Total fixed assets	11.936	14.545	(238)	26.243	16.452	42.695
Utility plant	9.522	11.823	(6)	21.339	10.252	31.591
Investment property		3	12	15	62	77
Intangible asset	340	159	106	605	1.620	2.225
Goodwill					2.302	2.302
Long term financial investments	940	23	102	1.065	343	1.408
Investments in associates	648	2.139	(671)	2.116	1.108	3.224
Deferred tax assets	486	398	219	1.103	765	1.868
Total current assets	5.089	1.033	1.729	7.851	5.411	13.262
Inventories	954	42		996	107	1.103
Trade and other receivables	2.622	975	(486)	3.111	1.821	4.932
Short term financial investments	1.301	7	504	1.812	1.266	3.078
Cash and cash equivalents	208	9	1.711	1.928	2.217	4.145
Non current assets held for sale and from interrupted activities	4			4		4
TOTAL ASSETS	17.025	15.578	1.491	34.094	21.863	55.957
EQUITY AND LIABILITIES						
Total equity	7.952	4.690	3.027	15.669	11.093	26.762
Atributable to equity holders of the parent company	7.952	4.690	3.027	15.669	4.852	20.521
Minority interest					6.241	6.241
Non-current liabilities	5.234	8.675	(1.603)	12.306	5.847	18.153
Deferred revenues	58	4.576	(86)	4.548	25	4.573
Long term provisions	1.569	986	336	2.891	605	3.496
Long term financial debt	3.058	2.345	(2.012)	3.391	4.046	7.437
Other non-current liabilities	95	401	5	501	96	597
Deferred tax liabilities	454	367	154	975	1.075	2.050
Current liabilities	3.839	2.213	67	6.119	4.923	11.042
Short term financial debt	23	4	(13)	14	1.123	1.127
Short term provisions	381	123	58	562	127	689
Trade and other payables	3.435	2.086	22	5.543	3.683	9.226
Liabilities related to non current assets held for sale and from interrupted activities						
TOTAL EQUITY AND LIABILITIES	17.025	15.578	1.491	34.094	21.863	55.957

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED DECEMBER 31, 2013

Euro Million

	SPAIN AND PORTUGAL				LATIN AMERICA	ENDESA
	Generation and Supply	Distribution	Corporate Structure, Services and Adjustments	Total	Total	Total
	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>	<u>31.12.13</u> <u>Restated</u>
REVENUES	19.214	2.500	(199)	21.515		21.515
Sales	18.446	2.221	(158)	20.509		20.509
Other operating revenues	768	279	(41)	1.006		1.006
PURCHASES AND SERVICES	16.050	134	(169)	16.015		16.015
Energy purchases	5.389		(10)	5.379		5.379
Fuel procurement costs	2.780			2.780		2.780
Transmission expenses	6.101		5	6.106		6.106
Other variable purchases and services	1.780	134	(164)	1.750		1.750
GROSS MARGIN	3.164	2.366	(30)	5.500		5.500
Work performed by the entity and capitalized	3	99		102		102
Personnel expenses	500	306	224	1.030		1.030
Other fixed operating expenses	1.079	523	(246)	1.356		1.356
GROSS OPERATING INCOME (EBITDA)	1.588	1.636	(8)	3.216		3.216
Depreciation and amortization	981	617	3	1.601		1.601
OPERATING INCOME (EBIT)	607	1.019	(11)	1.615		1.615
FINANCIAL INCOME	(150)	29	15	(106)		(106)
Financial revenues	34	61	47	142		142
Financial expenses	(189)	(32)	(57)	(278)		(278)
Foreign exchanges	5		25	30		30
Share of profit of associates	51		6	57		57
Income from other investments	8	1	1	10		10
Income from asset sales	(16)	12		(4)		(4)
INCOME BEFORE TAXES	500	1.061	11	1.572		1.572
Income tax	83	309	4	396		396
ONGOING ACTIVITIES PROFIT	417	752	7	1.176		1.176
INTERRUPTED ACTIVITIES PROFIT					1.767	1.767
PROFIT FOR THE PERIOD	417	752	7	1.176	1.767	2.943
Attributable to the holders of the parent company	417	752	7	1.176	703	1.879
Minority interest					1.064	1.064