



**CONSOLIDATED
FINANCIAL STATEMENTS
AS OF JUNE 30th 2016
ENDESA, S.A. AND
SUBSIDIARIES**

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET FOR THE PERIOD 30 JUNE 2016 AND 31 DECEMBER 2015

Euro Million

(*) Unaudited

ASSETS	30.06.16 (*)	31.12.15	Variation	
Total fixed assets	23.946	24.266	(320)	-1,3%
Utility plant	20.659	20.815	(156)	-0,7%
Investment property	21	21		
Intangible asset	413	428	(15)	-3,5%
Goodwill				n/a
Investments in associates	965	1.087	(122)	-11,2%
Long term financial investments	667	629	38	6,0%
Deferred tax assets	1.221	1.286	(65)	-5,1%
Total current assets	4.954	4.979	(25)	-0,5%
Inventories	1.107	1.262	(155)	-12,3%
Trade and other receivables	2.906	2.977	(71)	-2,4%
Short term financial investments	267	353	(86)	-24,4%
Cash and cash equivalents	674	346	328	94,8%
Non current assets held for sale and from interrupted activities		41	(41)	-100,0%
TOTAL ASSETS	28.900	29.245	(345)	-1,2%

EQUITY AND LIABILITIES	30.06.16	31.12.15	Variation	
Total equity	9.215	9.039	176	1,9%
Atributable to equity holders of the parent company	9.212	9.036	176	1,9%
Minority interest	3	3		
Non-current liabilities	13.877	14.335	(458)	-3,2%
Deferred revenues	4.674	4.679	(5)	-0,1%
Long term provisions	3.227	3.405	(178)	-5,2%
Long term financial debt	4.428	4.680	(252)	-5,4%
Other non-current liabilities	619	632	(13)	-2,1%
Deferred tax liabilities	929	939	(10)	-1,1%
Current liabilities	5.808	5.871	(63)	-1,1%
Short term financial debt				n/a
Short term provisions	446	638	(192)	-30,1%
Trade and other payables	5.362	5.233	129	2,5%
Liabilities related to non current assets held for sale and from interrupted activities				n/a
TOTAL EQUITY AND LIABILITIES	28.900	29.245	(345)	-1,2%

ENDESA S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE SIX MONTH PERIODS ENDED ON
30 JUNE 2016 AND 30 JUNE 2015**

Euro Million

(Unaudited)

	<u>January- June 2016</u>	<u>January- June 2015</u>	<u>Variation</u>	
REVENUES	9.203	10.314	(1.111)	-10,8%
Sales	8.837	9.783	(946)	-9,7%
Other operating revenues	366	531	(165)	-31,1%
PURCHASES AND SERVICES	6.367	7.406	(1.039)	-14,0%
Energy purchases	1.935	2.533	(598)	-23,6%
Fuel procurement costs	621	1.019	(398)	-39,1%
Transmission expenses	2.950	2.960	(10)	-0,3%
Other variable purchases and services	861	894	(33)	-3,7%
GROSS MARGIN	2.836	2.908	(72)	-2,5%
Work performed by the entity and capitalized	51	50	1	2,0%
Personnel expenses	432	458	(26)	-5,7%
Other fixed operating expenses	589	566	23	4,1%
GROSS OPERATING INCOME (EBITDA)	1.866	1.934	(68)	-3,5%
Depreciation and amortization	676	672	4	0,6%
OPERATING INCOME (EBIT)	1.190	1.262	(72)	-5,7%
FINANCIAL INCOME	(101)	(94)	(7)	7,4%
Financial revenues	32	42	(10)	-23,8%
Financial expenses	(133)	(133)		
Foreign exchanges		(3)	3	-100,0%
Share of profit of associates	(38)	(17)	(21)	123,5%
Income from other investments				n/a
Income from asset sales	(10)	1	(11)	n/a
INCOME BEFORE TAXES	1.041	1.152	(111)	-9,6%
Income tax	245	280	(35)	-12,5%
ONGOING ACTIVITIES PROFIT AFTER TAXES	796	872	(76)	-8,7%
INTERRUPTED ACTIVITIES PROFIT AFTER TAXES				n/a
PROFIT FOR THE PERIOD	796	872	(76)	-8,7%
Attributable to the holders of the parent company	796	870	(74)	-8,5%
Minority interest		2	(2)	-100,0%

ENDESA S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS ENDED ON
30 JUNE 2016 AND 30 JUNE 2015**

Euro Million

(Unaudited)

	<u>January- June 2016</u>	<u>January- June 2015</u>
Consolidated income before income taxes and minority interest	1.041	1.152
Result adjustments:	699	543
Fixed assets amortization and impairment loss	676	672
Other result adjustments (net)	23	(129)
Changes in current assets	(69)	(246)
Other cash flows from operating activities:	(201)	(255)
Cash-in interests	18	29
Cash-in dividends	3	3
Interest payments	(63)	(97)
Tax income payment	36	7
Other cash-in/payments from operating activities	(195)	(197)
Net cash provided by operating activities	1.470	1.194
Acquisitions of fixed and intangible assets	(529)	(439)
Disposal of fixed and intangible assets	4	15
Investments in stakes of subsidiaries		
Disposal in stakes of subsidiaries	114	
Acquisitions of other investments	(127)	(32)
Disposal of other investments	24	39
Cash flow from changes in perimeter		
Subsidies and other deferred income	39	46
Net cash used for investing activities	(475)	(371)
Cash Flows from Equity Instruments		
New long-term debt	105	1.006
Repayment of long-term debt	(2)	(1.618)
Net cash from financial debt with short term maturity	(346)	196
Dividends paid by the controlling company	(424)	(402)
Dividends paid to minority shareholders		
Net cash used for financing activities	(667)	(818)
Total net cash	328	5
Effects of exchange rate changes on cash and cash equivalents		
Net increase in cash and cash equivalents	328	5
Cash and cash equivalents at beginning of period	346	648
Cash and cash equivalents at end of period	674	653

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME AND EXPENSES FOR THE SIX MONTH PERIODS ENDED ON 30 JUNE 2016 AND 30 JUNE 2015

Euro Million

(Unaudited)

	30.06.16			30.06.15		
	Of the Parent Company	Of Minority Interests	Total	Of the Parent Company	Of Minority Interests	Total
PROFIT FOR THE PERIOD	796		796	870	2	872
OTHER COMPREHENSIVE INCOME:						
INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	26		26	23		23
Items that may be Subject to State Income Reclassification	26		26	23		23
Arising from utility plant and intangible assets revaluation / (revaluation reversal)						
Arising from financial instruments valuation						
Financial Assets Available for Sale						
Other revenues/(Expenses)						
Arising from cash flow hedge	43		43	30		30
Translation differences						
Companies accounted using the equity method	(6)		(6)	3		3
Remaining incomes and expenses recognised directly in equity						
Tax effect	(11)		(11)	(10)		(10)
Items that will not be Subject to State Income Reclassification						
Arising from actuarial gains and losses and other adjustments						
Tax effect						
TRANSFERS TO PROFIT AND LOSS ACCOUNT AND/OR INVESTMENTS	17		17	(46)		(46)
Arising from financial instruments valuation						
Financial Assets Available for Sale						
Other revenues/(Expenses)						
Arising from cash flow hedge	19		19	(70)		(70)
Translation differences						
Companies accounted using the equity method	3		3	4		4
Remaining revenues and costs recognised directly in equity						
Tax effect	(5)		(5)	20		20
TOTAL COMPREHENSIVE INCOME	839		839	847	2	849

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED ON 30 JUNE 2016
Euro Million
(Unaudited)

	<i>Capital</i>	<i>Share premium, Reserves and interim dividend</i>	<i>Treasury shares and own equity instruments</i>	<i>Profit (loss) for the year</i>	<i>Other equity instruments</i>	<i>Valuation adjustments</i>	<i>Minority interests</i>	<i>Total equity</i>
BALANCE AT 1 JANUARY 2016	1.271	6.799		1.086		(120)	3	9.039
Adjustments due to changes in accounting policies								
Correction of errors								
ADJUSTED BALANCE AT 1 JANUARY 2016	1.271	6.799		1.086		(120)	3	9.039
TOTAL COMPREHENSIVE INCOME				796		43		839
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(663)						(663)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(663)						(663)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners								
OTHER CHANGES IN EQUITY		1.086		(1.086)				
Share-based payments								
Transfers between equity items		1.086		(1.086)				
Other changes								
BALANCE AT 30 JUNE 2016	1.271	7.223		796		(77)	3	9.215

AS OF JUNE 30th 2016

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED ON 30 JUNE 2015
Euro Million
(Unaudited)

	<i>Capital</i>	<i>Share premium, Reserves and interim dividend</i>	<i>Treasury shares and own equity instruments</i>	<i>Profit (loss) for the year</i>	<i>Other equity instruments</i>	<i>Valuation adjustments</i>	<i>Minority interests</i>	<i>Total equity</i>
BALANCE AT 1 JANUARY 2015	1.271	4.042		3.337		(74)	(1)	8.575
Adjustments due to changes in accounting policies								
Correction of errors								
ADJUSTED BALANCE AT 1 JANUARY 2015	1.271	4.042		3.337		(74)	(1)	8.575
TOTAL COMPREHENSIVE INCOME				870		(23)	2	849
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(402)						(402)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(402)						(402)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners								
OTHER CHANGES IN EQUITY		3.337		(3.337)				
Share-based payments								
Transfers between equity items		3.337		(3.337)				
Other changes								
BALANCE AT 30 JUNE 2015	1.271	6.977		870		(97)	1	9.022

AS OF JUNE 30th 2016

ENDESA S.A. AND SUBSIDIARIES
BREAKDOWN CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED JUNE 30, 2016

Euro Million

(Unaudited)

	Generation and Supply	Distribution	Corporate Structure and Services	Adjustments	Total
	<u>30.06.16</u>	<u>30.06.16</u>	<u>30.06.16</u>	<u>30.06.16</u>	<u>30.06.16</u>
ASSETS					
Total fixed assets	11.649	12.852	25.041	(25.596)	23.946
Utility plant	8.896	11.756	11	(4)	20.659
Investment property		3	18		21
Intangible asset	184	119	110		413
Goodwill					
Long term financial investments	945	20			965
Investments in associates	995	539	24.744	(25.611)	667
Deferred tax assets	629	415	158	19	1.221
Total current assets	3.690	1.085	1.317	(1.138)	4.954
Inventories	1.058	49			1.107
Trade and other receivables	2.438	852	304	(688)	2.906
Short term financial investments	70	180	467	(450)	267
Cash and cash equivalents	124	4	546		674
Non current assets held for sale and from interrupted activities					
TOTAL ASSETS	15.339	13.937	26.358	(26.734)	28.900
EQUITY AND LIABILITIES					
Total equity	4.856	1.922	17.235	(14.798)	9.215
Attributable to equity holders of the parent company	4.856	1.918	17.236	(14.798)	9.212
Minority interest		4	(1)		3
Non-current liabilities	6.864	9.850	7.722	(10.559)	13.877
Deferred revenues	42	4.661		(29)	4.674
Long term provisions	1.864	1.000	322	41	3.227
Long term financial debt	4.229	3.427	7.337	(10.565)	4.428
Other non-current liabilities	191	427	6	(5)	619
Deferred tax liabilities	538	335	57	(1)	929
Current liabilities	3.619	2.165	1.401	(1.377)	5.808
Short term financial debt	309	5	387	(701)	
Short term provisions	309	75	62		446
Trade and other payables	3.001	2.085	952	(676)	5.362
Liabilities related to non current assets held for sale and from interrupted activities					
TOTAL EQUITY AND LIABILITIES	15.339	13.937	26.358	(26.734)	28.900

ENDESA S.A. AND SUBSIDIARIES
BREAKDOWN CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2015

Euro Million

(Unaudited)

	Generation and Supply	Distribution	Corporate Structure and Services	Adjustments	Total
	<u>31.12.15</u>	<u>31.12.15</u>	<u>31.12.15</u>	<u>31.12.15</u>	<u>31.12.15</u>
ASSETS					
Total fixed assets	11.442	12.905	25.547	(25.628)	24.266
Utility plant	9.004	11.803	11	(3)	20.815
Investment property		3	49	(31)	21
Intangible asset	190	125	113		428
Goodwill					
Long term financial investments	1.003	21	63		1.087
Investments in associates	586	514	25.151	(25.622)	629
Deferred tax assets	659	439	160	28	1.286
Total current assets	4.104	1.021	833	(979)	4.979
Inventories	1.226	36			1.262
Trade and other receivables	2.495	826	444	(788)	2.977
Short term financial investments	182	156	206	(191)	353
Cash and cash equivalents	201	3	142		346
Non current assets held for sale and from interrupted activities			41		41
TOTAL ASSETS	15.546	13.926	26.380	(26.607)	29.245

EQUITY AND LIABILITIES

Total equity	4.650	1.651	17.570	(14.832)	9.039
Attributable to equity holders of the parent company	4.650	1.647	17.571	(14.832)	9.036
Minority interest		4	(1)		3
Non-current liabilities	7.101	10.205	7.302	(10.273)	14.335
Deferred revenues	45	4.666		(32)	4.679
Long term provisions	1.882	1.089	329	105	3.405
Long term financial debt	4.444	3.671	6.910	(10.345)	4.680
Other non-current liabilities	193	433	6		632
Deferred tax liabilities	537	346	57	(1)	939
Current liabilities	3.795	2.070	1.508	(1.502)	5.871
Short term financial debt	49	4	645	(698)	
Short term provisions	496	76	94	(28)	638
Trade and other payables	3.250	1.990	769	(776)	5.233
Liabilities related to non current assets held for sale and from interrupted activities					
TOTAL EQUITY AND LIABILITIES	15.546	13.926	26.380	(26.607)	29.245

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2016

Euro Million

(Unaudited)

	Generation and Supply	Distribution	Corporate Structure and Services	Adjustments	Total
	January - June 2016	January - June 2016	January - June 2016	January - June 2016	January - June 2016
REVENUES	8.004	1.289	143	(233)	9.203
Sales	7.775	1.132	107	(177)	8.837
Other operating revenues	229	157	36	(56)	366
PURCHASES AND SERVICES	6.352	62	63	(110)	6.367
Energy purchases	1.935				1.935
Fuel procurement costs	621				621
Transmission expenses	2.952			(2)	2.950
Other variable purchases and services	844	62	63	(108)	861
GROSS MARGIN	1.652	1.227	80	(123)	2.836
Work performed by the entity and capitalized	1	49	1		51
AS Personnel expenses	228	131	82	(9)	432
Other fixed operating expenses	451	193	39	(94)	589
GROSS OPERATING INCOME (EBITDA)	974	952	(40)	(20)	1.866
Depreciation and amortization	338	328	11	(1)	676
OPERATING INCOME (EBIT)	636	624	(51)	(19)	1.190
FINANCIAL INCOME	(80)	(67)	46		(101)
Financial revenues	22	2	158	(150)	32
Financial expenses	(102)	(69)	(112)	150	(133)
Foreign exchanges					
Share of profit of associates	(46)	2	6		(38)
Income from other investments			421	(421)	
Income from asset sales	(11)	1	94	(94)	(10)
INCOME BEFORE TAXES	499	560	516	(534)	1.041
Income tax	108	133	2	2	245
ONGOING ACTIVITIES PROFIT AFTER TAXES	391	427	514	(536)	796
INTERRUPTED ACTIVITIES PROFIT AFTER TAXES					
PROFIT FOR THE PERIOD	391	427	514	(536)	796
Attributable to the holders of the parent company	391	427	514	(536)	796
Minority interest					

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED STATEMENT OF INCOME FOR THE SIX PERIOD ENDED JUNE 30, 2015

Euro Million

(Unaudited)

	Generation and Supply	Distribution	Corporate Structure and Services	Adjustments	Total
	January - June 2015	January - June 2015	January - June 2015	January - June 2015	January - June 2015
REVENUES	9.132	1.278	315	(411)	10.314
Sales	8.723	1.133	156	(229)	9.783
Other operating revenues	409	145	159	(182)	531
PURCHASES AND SERVICES	7.396	72	173	(235)	7.406
Energy purchases	2.537			(4)	2.533
Fuel procurement costs	1.019				1.019
Transmission expenses	2.957			3	2.960
Other variable purchases and services	883	72	173	(234)	894
GROSS MARGIN	1.736	1.206	142	(176)	2.908
Work performed by the entity and capitalized	3	47			50
AS Personnel expenses	229	169	66	(6)	458
Other fixed operating expenses	470	209	65	(178)	566
GROSS OPERATING INCOME (EBITDA)	1.040	875	11	8	1.934
Depreciation and amortization	349	313	11	(1)	672
OPERATING INCOME (EBIT)	691	562		9	1.262
FINANCIAL INCOME	(72)	(61)	39		(94)
Financial revenues	24	5	171	(158)	42
Financial expenses	(93)	(66)	(132)	158	(133)
Foreign exchanges	(3)				(3)
Share of profit of associates	(21)	1	3		(17)
Income from other investments		1	359	(360)	
Income from asset sales		1			1
INCOME BEFORE TAXES	598	504	401	(351)	1.152
Income tax	149	125	4	2	280
ONGOING ACTIVITIES PROFIT AFTER TAXES	449	379	397	(353)	872
INTERRUPTED ACTIVITIES PROFIT AFTER TAXES					
PROFIT FOR THE PERIOD	449	379	397	(353)	872
Attributable to the holders of the parent company	449	377	397	(353)	870
Minority interest		2			2