



**CONSOLIDATED
FINANCIAL STATEMENTS
AS OF DECEMBER, 31st 2015
ENDESA, S.A. AND
SUBSIDIARIES**

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET FOR THE PERIOD 31 DECEMBER 2015 AND 31 DECEMBER 2014

Euro Million

(Audited)

ASSETS	<u>30.12.15</u>	<u>31.12.14</u>	<u>Variation</u>	
Total fixed assets	24.266	24.512	(246)	-1,0%
Utility plant	20.815	21.104	(289)	-1,4%
Investment property	21	22	(1)	-4,5%
Intangible asset	428	388	40	10,3%
Goodwill				n/a
Investments in associates	1.087	1.104	(17)	-1,5%
Long term financial investments	629	619	10	1,6%
Deferred tax assets	1.286	1.275	11	0,9%
Total current assets	4.979	6.184	(1.205)	-19,5%
Inventories	1.262	1.247	15	1,2%
Trade and other receivables	2.977	3.071	(94)	-3,1%
Short term financial investments	353	1.210	(857)	-70,8%
Cash and cash equivalents	346	648	(302)	-46,6%
Non current assets held for sale and from interrupted activities	41	8	33	412,5%
TOTAL ASSETS	29.245	30.696	(1.451)	-4,7%

EQUITY AND LIABILITIES	<u>31.12.15</u>	<u>31.12.14</u>	<u>Variation</u>	
Total equity	9.039	8.575	464	5,4%
Atributable to equity holders of the parent company	9.036	8.576	460	5,4%
Minority interest	3	(1)	4	-400,0%
Non-current liabilities	14.335	15.715	(1.380)	-8,8%
Deferred revenues	4.679	4.612	67	1,5%
Long term provisions	3.405	3.591	(186)	-5,2%
Long term financial debt	4.680	6.083	(1.403)	-23,1%
Other non-current liabilities	632	556	76	13,7%
Deferred tax liabilities	939	873	66	7,6%
Current liabilities	5.871	6.406	(535)	-8,4%
Short term financial debt		1	(1)	-100,0%
Short term provisions	638	544	94	17,3%
Trade and other payables	5.233	5.861	(628)	-10,7%
Liabilities related to non current assets held for sale and from interrupted activities				n/a
TOTAL EQUITY AND LIABILITIES	29.245	30.696	(1.451)	-4,7%

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD 31 DECEMBER 2015 AND 2014

Euro Million

(Audited)

	<u>30.12.15</u>	<u>30.12.14</u>	<u>Variation</u>	
REVENUES	20.299	21.512	(1.213)	-5,6%
Sales	19.281	20.473	(1.192)	-5,8%
Other operating revenues	1.018	1.039	(21)	-2,0%
PURCHASES AND SERVICES	14.818	15.974	(1.156)	-7,2%
Energy purchases	4.795	5.126	(331)	-6,5%
Fuel procurement costs	2.123	2.486	(363)	-14,6%
Transmission expenses	5.781	5.918	(137)	-2,3%
Other variable purchases and services	2.119	2.444	(325)	-13,3%
GROSS MARGIN	5.481	5.538	(57)	-1,0%
Work performed by the entity and capitalized	102	113	(11)	-9,7%
Personnel expenses	1.332	1.245	87	7,0%
Other fixed operating expenses	1.212	1.316	(104)	-7,9%
GROSS OPERATING INCOME (EBITDA)	3.039	3.090	(51)	-1,7%
Depreciation and amortization	1.441	1.618	(177)	-10,9%
OPERATING INCOME (EBIT)	1.598	1.472	126	8,6%
FINANCIAL INCOME	(186)	(166)	(20)	12,0%
Financial revenues	55	110	(55)	-50,0%
Financial expenses	(229)	(280)	51	-18,2%
Foreign exchanges	(12)	4	(16)	-400,0%
Share of profit of associates	(15)	(44)	29	-65,9%
Income from other investments	(1)	2	(3)	150,0%
Income from asset sales	(5)	(25)	20	-80,0%
INCOME BEFORE TAXES	1.391	1.239	152	12,3%
Income tax	301	296	5	1,7%
ONGOING ACTIVITIES PROFIT AFTER TAXES	1.090	943	147	15,6%
INTERRUPTED ACTIVITIES PROFIT AFTER TAXES		3.045	(3.045)	-100,0%
PROFIT FOR THE PERIOD	1.090	3.988	(2.898)	-72,7%
Attributable to the holders of the parent company	1.086	3.337	(2.251)	-67,5%
Minority interest	4	651	(647)	-99,4%

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD 31 DECEMBER 2015 AND 2014

Euro Million
(Audited)

Restated

	<u>31.12.15</u>	<u>31.12.14</u>
Consolidated income before income taxes and minority interest	1.391	4.852
Result adjustments:	1.952	1.711
Fixed assets amortization and impairment loss	1.441	2.006
Other result adjustments (net)	511	(295)
Changes in current assets	396	(1.228)
Other cash flows from operating activities:	(1.083)	(1.621)
Cash-in interests	42	280
Cash-in dividends	17	27
Interest payments	(188)	(593)
Tax income payment	(603)	(810)
Other cash-in/payments from operating activities	(351)	(525)
Net cash provided by operating activities	2.656	3.714
Acquisitions of fixed and intangible assets	(882)	(1.853)
Disposal of fixed and intangible assets	17	19
Investments in stakes of subsidiaries		(68)
Disposal in stakes of subsidiaries	1	6.358
Acquisitions of other investments	(104)	(780)
Disposal of other investments	76	3.526
Cash flow from changes in perimeter		
Subsidies and other deferred income	119	153
Net cash used for investing activities	(773)	7.355
Cash Flows from Equity Instruments		(507)
New long-term debt	326	5.471
Repayment of long-term debt	(1.632)	(1.001)
Net cash from financial debt with short term maturity	(74)	(1.835)
Dividends paid by the controlling company	(805)	(16.194)
Dividends paid to minority shareholders		(492)
Net cash used for financing activities	(2.185)	(14.558)
Total net cash	(302)	(3.489)
Effects of exchange rate changes on cash and cash equivalents		(8)
Net increase in cash and cash equivalents	(302)	(3.497)
Cash and cash equivalents at beginning of period	648	4.145
Cash and cash equivalents at end of period	346	648

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME AND EXPENSES FOR THE PERIOD 31 DECEMBER 2015 AND 2014

Euro Million

(Audited)

	31.12.15			31.12.14		
	Of the Parent Company	Of Minority Interests	Total	Of the Parent Company	Of Minority Interests	Total
PROFIT FOR THE PERIOD	1.086	4	1.090	3.337	651	3.988
OTHER COMPREHENSIVE INCOME:						
INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	291		291	(345)	87	(258)
Items that may be Subject to State Income Reclassification	45		45	(22)	95	73
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	64		64	46	(90)	(44)
Translation differences				(29)	150	121
Companies accounted using the equity method	1		1	(27)	14	(13)
Remaining incomes and expenses recognised directly in equity						
Tax effect	(20)		(20)	(12)	21	9
Items that will not be Subject to State Income Reclassification	246		246	(323)	(8)	(331)
Arising from actuarial gains and losses and other adjustments	319		319	(396)	(13)	(409)
Tax effect	(73)		(73)	73	5	78
TRANSFERS TO PROFIT AND LOSS ACCOUNT AND/OR INVESTMENTS	(91)		(91)	241	(9)	232
Arising from financial instruments valuation						
Financial Assets Available for Sale						
Other revenues/(Expenses)						
Arising from cash flow hedge	(147)		(147)	9	(10)	(1)
Translation differences				239		239
Companies accounted using the equity method	15		15	(6)		(6)
Remaining revenues and costs recognised directly in equity						
Tax effect	41		41	(1)	1	
TOTAL COMPREHENSIVE INCOME	1.286	4	1.290	3.233	729	3.962

ENDESA S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31 DECEMBER 2015
Euro Million
(Audited)

	<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		246		1.086		(46)	4	1.290
TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS		(826)						(826)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(826)						(826)
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 31 DECEMBER 2015	1.271	6.799		1.086		(120)	3	9.039

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

Euro Million

(Audited)

	Capital	Share premium, Reserves and interim dividend	Treasury shares and own equity instruments	Profit (loss) for the year	Other equity instruments	Valuation adjustments	Minority interests	Total equity
BALANCE AT 1 JANUARY 2014	1.271	17.665		1.879		(294)	6.241	26.762
Adjustments due to changes in accounting policies								
Correction of errors								
ADJUSTED BALANCE AT 1 JANUARY 2014	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
BREAKDOWN CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2015

Euro Million

(Audited)

	Generation and Supply	Distribution	Corporate Structure and Services	Consolidation Adjustments and Eliminations	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
Atributable 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 PERIOD ENDED DECEMBER 31, 2015

Euro Million

(Audited)

	Generation and Supply	Distribution	Corporate Structure and Services	Consolidation Adjustments and Eliminations	Total
	31.12.15	31.12.15	31.12.15	31.12.15	31.12.15
REVENUES	17.911	2.582	534	(728)	20.299
Sales	17.166	2.264	298	(447)	19.281
Other operating revenues	745	318	236	(281)	1.018
PURCHASES AND SERVICES	14.798	137	269	(386)	14.818
Energy purchases	4.799			(4)	4.795
Fuel procurement costs	2.123				2.123
Transmission expenses	5.779			2	5.781
Other variable purchases and services	2.097	137	269	(384)	2.119
GROSS MARGIN	3.113	2.445	265	(342)	5.481
Work performed by the entity and capitalized	5	97			102
Personnel expenses	549	555	234	(6)	1.332
Other fixed operating expenses	999	418	165	(370)	1.212
GROSS OPERATING INCOME (EBITDA)	1.570	1.569	(134)	34	3.039
Depreciation and amortization	756	663	25	(3)	1.441
OPERATING INCOME (EBIT)	814	906	(159)	37	1.598
FINANCIAL INCOME	(157)	(129)	99	1	(186)
Financial revenues	37	10	335	(327)	55
Financial expenses	(182)	(139)	(237)	329	(229)
Foreign exchanges	(12)		1	(1)	(12)
Share of profit of associates	(23)	2	5	1	(15)
Income from other investments	(1)	2	1.382	(1.384)	(1)
Income from asset sales	(10)	5	(1)	1	(5)
INCOME BEFORE TAXES	623	786	1.326	(1.344)	1.391
Income tax	117	201	(18)	1	301
ONGOING ACTIVITIES PROFIT AFTER TAXES	506	585	1.344	(1.345)	1.090
INTERRUPTED ACTIVITIES PROFIT AFTER TAXES					
PROFIT FOR THE PERIOD	506	585	1.344	(1.345)	1.090
Attributable to the holders of the parent company	506	581	1.344	(1.345)	1.086
Minority interest		4			4

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

Euro Million

(Audited)

	Generation and Supply	Distribution	Corporate Structure and Services	Consolidation Adjustments and Eliminations	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>
ASSETS					
Total fixed assets	11.389	12.974	25.371	(25.222)	24.512
Utility plant	9.315	11.782	11	(4)	21.104
Investment property		3	57	(38)	22
Intangible asset	158	123	106	1	388
Goodwill					
Long term financial investments	979	21	104		1.104
Investments in associates	337	567	24.938	(25.223)	619
Deferred tax assets	600	478	155	42	1.275
Total current assets	4.642	1.351	1.393	(1.202)	6.184
Inventories	1.192	55			1.247
Trade and other receivables	2.509	866	422	(726)	3.071
Short term financial investments	756	428	502	(476)	1.210
Cash and cash equivalents	177	2	469		648
Non current assets held for sale and from interrupted activities	8				8
TOTAL ASSETS	16.031	14.325	26.764	(26.424)	30.696

EQUITY AND LIABILITIES

Total equity	4.539	1.367	17.441	(14.772)	8.575
Attributable to equity holders of the parent company	4.539	1.367	17.442	(14.772)	8.576
Minority interest			(1)		(1)
Non-current liabilities	7.225	10.660	7.764	(9.934)	15.715
Deferred revenues	55	4.592		(35)	4.612
Long term provisions	2.084	1.077	315	115	3.591
Long term financial debt	4.535	4.188	7.370	(10.010)	6.083
Other non-current liabilities	133	411	11	1	556
Deferred tax liabilities	418	392	68	(5)	873
Current liabilities	4.267	2.298	1.559	(1.718)	6.406
Short term financial debt	247	4	664	(914)	1
Short term provisions	392	97	55		544
Trade and other payables	3.628	2.197	840	(804)	5.861
Liabilities related to non current assets held for sale and from interrupted activities					
TOTAL EQUITY AND LIABILITIES	16.031	14.325	26.764	(26.424)	30.696

ENDESA S.A. AND SUBSIDIARIES

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

Euro Million

(Audited)

	SPAIN AND PORTUGAL					LATIN AMERICA	ENDESA
	Generation and Supply	Distribution	Corporate Structure and Services	Consolidation Adjustments and Eliminations	Total	Total	Total
	31.12.14	31.12.14	31.12.14	31.12.14	31.12.14	31.12.14	31.12.14
REVENUES	19.149	2.531	491	(659)	21.512		21.512
Sales	18.352	2.252	383	(514)	20.473		20.473
Other operating revenues	797	279	108	(145)	1.039		1.039
PURCHASES AND SERVICES	15.904	141	206	(277)	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	206	(258)	2.444		2.444
GROSS MARGIN	3.245	2.390	285	(382)	5.538		5.538
Work performed by the entity and capitalized	13	100			113		113
Personnel expenses	635	335	313	(38)	1.245		1.245
Other fixed operating expenses	1.073	464	180	(401)	1.316		1.316
GROSS OPERATING INCOME (EBITDA)	1.550	1.691	(208)	57	3.090		3.090
Depreciation and amortization	858	724	45	(9)	1.618		1.618
OPERATING INCOME (EBIT)	692	967	(253)	66	1.472		1.472
FINANCIAL INCOME	(159)	(82)	76	(1)	(166)		(166)
Financial revenues	26	32	452	(400)	110		110
Financial expenses	(181)	(114)	(385)	400	(280)		(280)
Foreign exchanges	(4)		9	(1)	4		4
Share of profit of associates	(55)	2	9		(44)		(44)
Income from other investments	(1)	2	8.067	(8.066)	2		2
Income from asset sales	(28)		3.934	(3.931)	(25)		(25)
INCOME BEFORE TAXES	449	889	11.833	(11.932)	1.239		1.239
Income tax	86	208	40	(38)	296		296
ONGOING ACTIVITIES PROFIT AFTER TAXES	363	681	11.793	(11.894)	943		943
INTERRUPTED ACTIVITIES PROFIT AFTER TAXES						3.045	3.045
PROFIT FOR THE PERIOD	363	681	11.793	(11.894)	943	3.045	3.988
Attributable to the holders of the parent company	363	681	11.800	(11.894)	950	2.387	3.337
Minority interest			(7)		(7)	658	651