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Secretary to the Board of Directors

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In accordance with the provisions of article 228 of the Spanish Securities Markets Act Endesa, S.A. hereby publishes the following

SIGNIFICANT EVENT

Endesa, S.A., via its fully-owned subsidiary Endesa Servicios, S.L., has reached agreement with the Enel Iberoamérica S.L. company to acquire the systems and telecommunications business relating to Endesa's sphere of activity for a price of Euro 246 million.

This decision was approved by the Board of Directors of Endesa S.A. on the basis of a favourable report from the Audit and Compliance Committee. This Committee, in the discharge of its duties, used a fairness opinion of the reasonableness of the price issued by a renowned financial institution.

The transaction is being entirely financed with debt and available cash and contributes to the aim of streamlining the company's capital structure.

This transaction entails a reorganisation of systems and telecommunications support activities. These activities are being internalised with the aim of making them more adaptable to the needs of Endesa's corporate perimeter, simplifying internal and administrative management procedures. This improved efficiency will be attained within a context of functional rationalisation and therefore of cost optimisation. These activities are based on the ongoing development of specialist technical capabilities, with Endesa's key objective being to possess the necessary means to continue to develop innovative initiatives in a context of growing digitalisation.

The transaction is expected to be completed by 31 December 2016.

Secretary to the Board of Directors