

INFORMATION MEMORANDUM



International Endesa B.V.

(incorporated with limited liability in The Netherlands
and having its statutory domicile in Amsterdam)

as Issuer

Endesa S.A.

(incorporated with limited liability in The Kingdom of Spain
and having its statutory domicile in Madrid)

as Guarantor

Euro2,000,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Arranger

Citigroup

Dealers

Barclays Capital

Citigroup

Deutsche Bank

IMPORTANT NOTICE

No application will be made at any time to list the Notes on any stock exchange or to admit Notes to trading on any regulated market.

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of FSMA does not apply to the Issuer or Guarantor.

This Information Memorandum supersedes the Information Memorandum dated 29 April 1998. This Information Memorandum contains summary information provided by International Endesa B.V. (the “Issuer”) and ENDESA, S.A. (“Endesa” and the “Guarantor”) in connection with a Euro-commercial paper programme (the “Programme”) under which the Issuer may issue and have outstanding at any time commercial paper notes (the “Notes”) up to a maximum aggregate amount of Euro2,000,000,000 (or its equivalent in alternative currencies). The Issuer has appointed Barclays Bank PLC, Citibank International plc and Deutsche Bank AG, London Branch as dealers (the “Dealers”) for the Notes under the Programme, and has authorised and requested the Dealers to circulate this Information Memorandum in connection therewith on their behalf to purchasers or potential purchasers of the Notes.

The Issuer and the Guarantor have confirmed to the Dealers that the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects and not misleading and there are no other facts the omission of which makes this Information Memorandum as a whole or any such information contained or incorporated by reference herein misleading.

This Information Memorandum is not intended to provide the basis of any credit, taxation, or other evaluation, and should not be considered as a recommendation by any of the Dealers that any recipient of this Information Memorandum should purchase any of the Notes. Each recipient contemplating purchasing any Notes is responsible for obtaining its own independent professional advice in relation to the Programme and for making its own independent investigation and appraisal of the financial condition, affairs and creditworthiness of the Issuer and the Guarantor.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness at any time of this Information Memorandum or any supplement hereto. No person has been authorised by the Issuer, the Guarantor or the Dealers to give any information or to make any representation not contained in this Information Memorandum or any supplement hereto, and, if given or made, such information or representation must not be relied upon as having been authorised.

Neither the Issuer, the Guarantor nor the Dealers accept any responsibility, express or implied, for updating this Information Memorandum and neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Notes shall, in any circumstances, create any implication that the information contained herein is true subsequent to the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer or the Guarantor since the date hereof or, as the case may be, the date upon which this Information Memorandum has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated by reference herein or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Information Memorandum does not, and is not intended to, constitute or contain an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum or any Notes come are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. In particular, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes set out under “Selling Restrictions” below. The Notes have not been and will not be registered under the United States Securities Act of 1933. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Furthermore, neither the Issuer, the Guarantor nor any of the Dealers makes any comment about the treatment for taxation purposes of payments or receipts in respect of the Notes. Each investor contemplating acquiring Notes under the Programme described herein is advised to consult a professional adviser in connection therewith.

In this Information Memorandum references to “Dollars”, “U.S. Dollars” and “U.S.\$” are to the lawful currency from time to time of the United States of America; references to “Pounds”, “Sterling” and “£” are to the lawful currency from time to time of the United Kingdom; “Japanese Yen” and “¥” are to the lawful currency from time to time of Japan and references to “Euro” and “€” refer to the single currency of participating member states of the European Union, as contemplated by the Treaty on European Union.

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, from 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

INCORPORATION BY REFERENCE

The most recently published audited financial statements of the Issuer and the Guarantor and any subsequent interim financial statements (whether audited or unaudited) concerning the Issuer and the Guarantor shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Except as provided above, no other information, including information on the websites of the Issuer or Guarantor is incorporated by reference into this Information Memorandum.

Each Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all of the documents incorporated by reference unless such documents have been modified or superseded above. Written requests for such documents should be directed to the relevant Dealer as set out at the end of this Information Memorandum.

CONTENTS

	Page
Summary Of The Programme	5
The Issuer	7
The Guarantor	8
Selling Restrictions.....	11
Forms Of Notes.....	14
Form Of Multicurrency Global Note.....	14
Form Of Sterling Definitive Note	19
Form Of Multicurrency Definitive Note	24

SUMMARY OF THE PROGRAMME

Issuer:	International Endesa B.V.
Guarantor:	ENDESA, S.A.
Arranger:	Citibank International plc
Dealers:	Barclays Bank PLC Citibank International plc Deutsche Bank AG, London Branch
Issue and Paying Agent:	Citibank, N.A.
Guarantee:	Each of the Notes has the benefit of a guarantee (the "Guarantee") issued by the Guarantor.
Programme Amount:	The aggregate principal amount of Notes outstanding at any time will not exceed Euro2,000,000,000 or its equivalent in alternative currencies (including Euro) subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time.
Currencies:	Notes may be denominated in any currency, subject to compliance with all applicable legal and regulatory requirements. Specifically, the Programme will allow for the issue of Notes denominated in U.S. Dollars, Japanese Yen, Sterling and Euro.
Denominations:	The initial minimum denominations are U.S.\$500,000, £100,000 and Euro500,000. The minimum denominations of Notes denominated in other currencies will be in accordance with legal and regulatory requirements. Minimum denominations may be changed from time to time.
Maturity of the Notes:	Not less than 1 nor more than 364 days, subject to legal and regulatory requirements.
Yield Basis:	The Notes may be issued at a discount or may bear fixed or floating rate interest or a coupon calculated by reference to an index or formula.
Redemption:	The Notes may be redeemed at par or at an amount calculated by reference to an index or formula.
Status of the Notes:	The Notes will be senior unsecured obligations of the Issuer ranking <i>pari passu</i> with all present and future unsecured and unsubordinated indebtedness of the Issuer including any guarantees given by the Issuer, other than obligations preferred by mandatory provisions of law.
Status of the Guarantee:	The Guarantee will be a senior unsecured direct and unsubordinated obligation of the Guarantor ranking <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Guarantor, including any guarantees given by the Guarantor save for those obligations preferred by law under Articles 84, 90 and 91 of Law 22/2003.
Taxation:	All payments under the Notes and the Guarantee will be made without deduction or withholding for or on account of any present or future withholding taxes of The Netherlands, The Kingdom of Spain and/or the United Kingdom except as stated in the Notes.
Form of the Notes:	The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more Global Notes or Definitive Notes (as the case may be). Global Notes will be exchangeable for Definitive Notes only in the circumstances specified in the Global Notes.

Listing:	The Notes will not be listed on any stock exchange or admitted to trading on any regulated market.
Delivery:	The Notes will be available in London for collection or for delivery to Euroclear Bank S.A./N.V., as operator of the Euroclear system, Clearstream Banking, société anonyme, Luxembourg, Euroclear France or to any other recognised clearing system in which the Notes may from time to time be held or, in the case of sterling Definitive Notes, for collection in accordance with current London market practice.
Selling Restrictions:	The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the United States of America, the United Kingdom, the Netherlands, Japan, the Kingdom of Spain and the Republic of France (See “ Selling Restrictions ” on pages 11 to 13).
Governing Law:	The Notes and the Guarantee will be governed by and construed in accordance with English law.

THE ISSUER

International Endesa B.V. (the “**Issuer**”), a wholly-owned subsidiary of Endesa S.A. (“**Endesa**” or the “**Guarantor**”), was incorporated under the laws of The Netherlands as a private limited liability company (“*besloten vennootschap met beperkte aansprakelijkheid*”) on 10 June 1993 with unlimited duration.

The authorised share capital of the Issuer as of 31 December 2005 is Euro 15,882,308 divided into 35 million ordinary registered shares of nominal value Euro 0.4537, of which 34 million are issued and fully paid up.

The statutory domicile of the Issuer is in Amsterdam, The Netherlands and its registered address is at Hoogoorddreef 9, 1101 BA Amsterdam. It is registered with the Commercial Register of the Amsterdam Chamber of Commerce under number 33248762.

The Issuer was incorporated to hold Endesa’s international equity investments and to serve as a financing vehicle for the foreign currency funding of Endesa and its group companies. The Issuer has a subsidiary company, Endesa Capital Finance LLC.

Since 7 April 2003, Jose Antonio Artés Sanchez is the sole Managing Director of the Issuer and constitutes its Board of Directors.

THE GUARANTOR

INTRODUCTION

Endesa is a Spanish public limited company (*sociedad anónima*), organized under the laws of the Kingdom of Spain. Its capital stock of Euro1,270,502,540.40 consists of 1,058,752,117 shares of 1.2 par value each. Its shares are listed on the Spanish Stock Exchanges, on the New York Stock Exchange in the form of American Depositary Receipts (ADR) and on the Off-shore Stock Exchange of Santiago de Chile.

Endesa is the largest operator in the Spanish and Portuguese electricity industries in terms of installed capacity and market shares in generation and distribution, with a significant presence in the southern European electricity market, in particular in Italy, and one of the largest private-sector multinational electricity companies in Latin America. Its core business is energy, including the supply of natural gas.

Endesa's electricity business is principally focused on Spain and Portugal, the southern European region (including Italy and France) and Latin America.

At 31 December 2005, Endesa had a total installed capacity of 45,908 MW, and in 2005, Endesa generated 185,264 GWh and sold 203,335 GWh, supplying electricity to approximately 23.2 million customers in 15 countries. At that date, Endesa had 27,204 employees, 53.2% of whom were located outside Spain and Portugal, and Endesa's total assets amounted to approximately Euro55 billion, 43.3% of which were located outside Spain and Portugal.

BUSINESS

Core Business

Electricity and gas

Endesa's electricity business is conducted in Spain and Portugal, the rest of Europe and Latin America. Endesa's gas business is conducted in Spain and Portugal.

Spain and Portugal

Electricity Generation and Distribution. Endesa is the leading electricity generator and distributor in Spain with an approximately 38.1% market share in generation in ordinary regime and 43.1% market share in distribution at December 31, 2005. Endesa operates hydroelectric, nuclear, coal, fuel oil and gas generating facilities with a total installed capacity in Spain of 21,409 MW at December 31, 2005 and a total net generation of 91,505 GWh in 2005. In 2005, Endesa sold 64,095 GWh to approximately 11.0 million regulated customers (i.e., those who have not chosen to contract with suppliers) in Catalonia, Andalusia, Aragon, the Balearic Islands, the Canary Islands, parts of Extremadura, Ceuta and Melilla. Endesa is also one of the largest suppliers of electricity and gas to deregulated customers (i.e., those who have chosen to contract with suppliers) with an approximately 37.4% market share at December 31, 2005. In 2005, Endesa Energía sold 36,773 GWh to 998,154 points of consumption corresponding to deregulated customers.

Renewable Energies and Cogeneration. The companies in which Endesa participates produce 11.8% of the total special regime output in Spain. At December 31, 2005, Endesa had ownership interests in facilities in service or under construction which had a total installed capacity of 2,301 MW in Spain, an additional 289 MW of capacity in Portugal, and an additional 36 MW in Colombia and Mexico.

Natural Gas Distribution.

Endesa carries on business activities in the regulated and deregulated gas markets. Endesa has significantly increased its presence in this market in recent years, and have now achieved a particularly significant position in sales of integrated electricity and gas services to end customers.

In 2005, the Spanish natural gas market continued down the path towards growth witnessed in recent years. Natural gas sales in the first eleven months of the year totalled 338,863 GWh, up 18% compared to 2004.

Endesa operates in the three natural gas market segments in Spain: supply of gas to customers in the deregulated market, distribution and supply of gas to customers in the regulated market and, lastly, participation in LNG receiving, storage, regasification and transmission projects.

Endesa has 348,395 customers on the deregulated natural gas market, with an annual volume of gas traded of 24,947 GWh, as compared with 18,562 GWh in 2004 (a 34.4% increase.) 18,558 GWh of natural

gas were sold by ENDESA to 221,719 customers in the deregulated market in 2005 (an increase of 58.2% on 2004). The customer base also grew strongly due to the acceleration of the deregulation process, particularly in the low-pressure segment. Adding the consumption of Endesa Generación (dual-fuel and combined cycle plants), which amounted to 22,222 GWh in 2005, our share in the deregulated market in Spain stands at 10.9% (12% for the entire market).

Europe

Endesa has entered into the electricity business in Southern Europe, taking advantage of opportunities arising from the deregulation process in Europe and the demand for the cross-border supply of electricity to deregulated customers throughout Europe. Endesa operates plants in Italy with total installed capacity of 6,590 MW and has interests in an additional 2,807 MW in Snet (France) at December 31, 2005 and a total net generation in companies in which Endesa participates of 33,749 GWh in 2005.

Endesa currently holds a 80% stake in Endesa Italia. ASM Brescia holds the remaining 20%.

Endesa currently holds a 65% stake in Snet, France's second-largest electricity generator. The other stockholders are CdF and EdF.

Snet has a controlling stake of 69.58% in the Polish co-generation plant Bialystok, and a 20% in Soprolif, the French company which owns a circulating fluid bed plant with installed capacity of 250 MW. Together with Alarco, Snet holds 50% of the Altek group (Turkey), which has 40MW of installed hydro capacity and at the end of 2005 opened a 80MW CCGT plant at Kirklareli.

On September 2006, Endesa Europa SL acquired 58,35% of two 150 MW CCGT plants Centro Energia Teverola S.P.A. and Centro Energia Ferrara S.P.A. (300MW).

On September 2006, Endesa Polska was established as Endesa's investment vehicle in the Polish electricity market.

In Northern Africa, Endesa holds a 32% stake in a consortium with Office National de l'Electricité (ONE) in a 400 MW combined cycle gas turbine plant located in Tahaddart.

Latin America

Endesa is involved in the generation, transmission, distribution and supply of electricity in five countries in Latin America. Endesa participates in more than 20 electricity companies in the region, either directly or through its controlling stake in the Latin American electricity group, Enersis, of which it acquired control in 1999, becoming one of the largest private electricity groups in Latin America in terms of consolidated assets and operating revenues. Endesa Chile manages its electricity generation business in Latin America and Chilectra manages its electricity distribution business in Latin America. Both Endesa Chile and Chilectra are controlled by Enersis. In 2005, Endesa had a total installed capacity of 14,095 MW in the region, generated 57,890 GWh and distributed 55,246 GWh to 11.2 million customers. At December 31, 2005, assets in Latin America represented 31.0% of Endesa's total assets. In 2005, Latin American operations contributed 28.7% of Endesa's operating revenues and 32.4% of its operating income.

TENDER OFFERS

On September 5, 2005, Gas Natural SDG, S.A. (hereinafter, "**Gas Natural**") applied to the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores; hereinafter, "**CNMV**") for authorization of a tender offer (hereinafter, "**Tender Offer**") for all of the shares representing the capital stock of Endesa, S.A. On February 27, 2006, the CNMV authorized Gas Natural's Tender Offer, for all of the shares representing Endesa's capital stock, after obtaining the authorization with conditions from the antitrust/competition authorities by resolution of the Council of Ministers of February 3, 2006. Although the acceptance period for the Tender Offer began on March 6, 2006, this offer was stayed by precautionary injunction by Commercial Court number 3 of Madrid effective April 4, 2006. Furthermore, on May 10, 2006, Endesa was served the Supreme Court ruling dated April 28, 2006 admitting the injunctive relief requested by ENDESA consisting of a provisional stay of the resolution of the Council of Ministers of February 3, 2006 approving, subject to certain conditions, the concentration resulting from Gas Natural's Tender Offer on all of ENDESA's capital stock, until the Supreme Court resolves on the substance of the matter.

On February 21, 2006, E.On applied, in turn, to the CNMV for authorization of a competing Tender Offer for all of the shares representing the capital stock of ENDESA, S.A. The bid was authorized by the

CNMV on November 16, 2006 and temporarily stayed until, with the resumption of Gas Natural's bid or, as the case may be, desistment therefrom, the start of the period for processing declarations of acceptance can be specified.

On November 17, 2006, Endesa filed before Court Three of the Supreme Court a petition for amendment and, on a subsidiary basis, for lifting of the injunctive stay, and before Commercial Court number 3 of Madrid, a petition for lifting of the injunctive stay of the processing of Gas Natural's Tender Offer.

ORGANISATIONAL STRUCTURE

Endesa operates its business through the following wholly owned companies:

Spain and Portugal

Endesa Generación, S.A. ("**Endesa Generación**"), operates Endesa's generation and mining assets and conducts its renewable energies and cogeneration cogeneration operations.

Endesa Red, S.A. ("**Endesa Red**"), which conducts the regulated electricity transmission and distribution activities, as well as supplying under the tariff system, through Endesa Distribución Eléctrica, S.L., and provides commercial support to the energy companies of Endesa, through Endesa Operaciones y Servicios Comerciales, S.L. The Company conducts its natural gas distribution business through Endesa Gas S.A. ("**Endesa Gas**") and together with the natural gas distribution companies in which it holds stakes.

Endesa Energía, S.A. ("**Endesa Energía**") conducts marketing activities in the deregulated market in Spain.

Rest of Europe

Endesa Europa, S.L. ("**Endesa Europa**"), was created to consolidate the presence in Europe and to take advantage of the organic growth of the markets in which Endesa operates (other than Spain and Portugal), centralizing the administration and management of Endesa's investee companies in Europe. Our European investee companies are Endesa Italia, Snet and Soprolif (France).

Latin America

Endesa Internacional, S.A. ("**Endesa Internacional**") concentrates Endesa's presence in the Latin America market. Endesa Internacional integrates our stakes in among other investees, Enersis, S.A. ("**Enersis**") and Endesa Chile, S.A. ("**Endesa Chile**").

SELLING RESTRICTIONS

1. General

By its purchase and acceptance of Notes issued under the Note Agency Agreement, each Dealer has represented, warranted and agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes; and that it will not directly or indirectly offer, sell, resell, reoffer or deliver Notes or distribute any Disclosure Document, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

2. The United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has represented and agreed that it has offered and sold, and will offer and sell, Notes only outside the United States to non U.S. persons in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

3. The United Kingdom

Each Dealer has further represented and agreed that:

3.1 in relation to any Notes which have a maturity of less than one year:

3.1.1 it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and:

3.1.2 it has not offered or sold and will not offer or sell any such Notes other than to persons:

(a) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(b) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

3.2 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

3.3 it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

4. Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of any Japanese Person or to others for re-offering or

resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

5. **The Netherlands**

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or an admitted institution of Amsterdam Stock Exchanges n.v., admitted in a function on the AEX Stock Exchange (*toegelaten instelling*), in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended). No such mediation is required (a) in respect of Zero Coupon Notes in definitive form between individuals not acting in the course of a business or profession, or (b) in respect of the transfer and acceptance of the Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of the initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with. As used herein “**Zero Coupon Notes**” are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

6. **The Kingdom of Spain**

Each Dealer has represented and agreed that the Notes may not be offered or sold in Spain other than by institutions authorised under the Securities Market Law 24/1988 of 28 July (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) (the “**Securities Market Law**”), and Royal Decree 867/2001 of 20 July on the Legal Regime Applicable to Investment Services Companies (*Real Decreto 867/2001, de 20 de Julio, sobre el Régimen Jurídico de las empresas de servicios de inversión*), to provide investment services in Spain, and in compliance with the provisions of the Securities Market Law and any other applicable legislation.

7. **The Republic of France**

Each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or *indirectly*, Notes to the public in France and that offers and sales of Notes in France will be made only to qualified investors (*investisseurs qualifiés*), as defined in Articles L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2°.

In addition, each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Information Memorandum or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

8. **General**

No action has been or will be taken in any country or jurisdiction by the Issuer, the Guarantor, the Dealers or any of them that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Information Prospectus comes are required by the Issuer, the Guarantor and each of the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the provisions of the Dealer Agreement.

Selling restrictions may be supplemented or modified with the agreement of the Issuer and the Guarantor. Any such supplement or modification will be set out in a supplement to this document.

FORM OF NOTES
Form of Multicurrency Global Note
(Interest Bearing/Discounted/Index-Linked)
INTERNATIONAL ENDESA B.V.

guaranteed by
ENDESA, S.A.

No:	Series No.:
Issued in London on:	Maturity Date:
Specified Currency:	Denomination:
Nominal Amount: <i>(words and figures if a Sterling BNote)</i>	Reference Rate: LIBOR/EURIBOR ¹
Calculation Agent: ²	
Fixed Interest Rate: ³ % per annum	Margin: ⁴ %
Calculation Agent: ⁵ <i>(Interest)</i>	Interest Payment Dates: ⁶

1. For value received, **INTERNATIONAL ENDESA B.V.** (the “**Issuer**”) promises to pay to the bearer of this Global Note on the above-mentioned Maturity Date:
 - (a) the above-mentioned Nominal Amount; or
 - (b) if this Global Note is index-linked, an amount (representing either principal or interest) to be calculated by the Calculation Agent named above, in accordance with the redemption or interest calculation, a copy of which is attached to this Global Note and/or is available for inspection at the offices of the Paying Agent referred to below,

together with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an amended and restated note agency agreement dated 13 December 2006 between the Issuer and the Guarantor and Citibank, N.A. as agent (the “**Agent**”), a copy of which is available for inspection at the offices of the Agent at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the offices of the Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Global Note denominated in euro, by euro cheque drawn on, or by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes to ensure that it maintains a paying agent in an European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive.

2. This Global Note is issued in representation of an issue of Notes in the above-mentioned aggregate Nominal Amount.
3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing (“**Taxes**”). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
 - (b) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Global Note to another paying agent in a member state of the European Union; or
 - (d) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days.
4. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law.
5. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Global Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

“**Payment Business Day**” means any day other than a Saturday or Sunday which is both (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (B) either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

“**TARGET Business Day**” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

6. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).

¹ Delete as appropriate. The reference rate will be LIBOR unless this Global Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

² Complete for index-linked Notes only.

³ Complete for fixed rate interest bearing Notes only.

⁴ Complete for floating rate interest bearing Notes only.

⁵ Complete for floating rate interest bearing Notes only.

⁶ Complete for interest bearing Notes.

7. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
- if the clearing system(s) in which this Global Note is held at the relevant time is closed for a continuous period of 14 days (other than by reason of public holidays); or
 - if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issue Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the above-mentioned Specified Currency in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

8. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 13 December 2006, entered into by the Issuer).
9. This Global Note has the benefit of a guarantee issued by **ENDESA, S.A.** on 13 December 2006, copies of which are available for inspection during normal business hours at the offices of the Agent referred to above.
10. If this is an interest bearing Global Note, then:
- notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day; and
 - upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Schedule hereto shall be duly completed by the Agent to reflect such payment.

11. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is an **"Interest Period"** for the purposes of this paragraph.
12. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- in the case of a Global Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note:

"LIBOR" shall be equal to the rate defined as **"LIBOR-BBA"** in respect of the above-mentioned Specified Currency (as defined in the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the **"ISDA Definitions"**)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period (a **"LIBOR Interest Determination Date"**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and

"London Banking Day" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- in the case of a Global Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.
As used in this Global Note, **"EURIBOR"** shall be equal to EUR-EURIBOR-Telerate (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **"EURIBOR Interest Determination Date"**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate;
- the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the **"Amount of Interest"**) for the relevant Interest Period. **"Rate of Interest"** means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 12(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 12(a). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
- a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
- the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is called an **"Interest Period"** for the purposes of this paragraph; and
- the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 7, will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).

13. Instructions for payment must be received at the offices of the Agent referred to above together with this Global Note as follows:
- if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - if this Global Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
 - in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, **"Business Day"** means:

- a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
- in the case of payments in euro, a TARGET Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.

- 14. This Global Note shall not be validly issued unless manually authenticated by Citibank, N.A. as issue agent.
- 15. This Global Note is governed by, and shall be construed in accordance with, English law.
- 16. (a) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with this Global Note.
- (b) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (c) *Rights of the bearer to take proceedings outside England:* Sub paragraph 16(a) (English courts) is for the benefit of the bearer only. As a result, nothing in this paragraph 16 prevents the bearer from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
- (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Endesa Power Trading Limited, 22 Bedford Row, London WC1R 4JS or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Paying Agent. Nothing in this sub paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This sub paragraph applies to Proceedings in England and to Proceedings elsewhere.
- 17. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

AUTHENTICATED by
 CITIBANK, N.A.
 without recourse, warranty or liability and for authentication purposes only

Signed on behalf of:
INTERNATIONAL ENDESA B.V.

By:
 (Authorised Signatory)

By:
 (Authorised Signatory)

SCHEDULE

Payments of Interest

The following payments of interest in respect of this Global Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
.....
.....
.....
.....
.....

**Pro-forma Redemption or Interest Calculation
(Index linked Global Note)**

This is the Redemption or Interest Calculation relating to the attached index-linked Global Note:

Calculation Date:

Calculation Agent:

Redemption Amount: to be calculated by the Calculation Agent as follows:

[Insert particulars of index and redemption calculation]

[Indicate whether the calculation refers to principal or coupon]

Confirmed:

.....

For **INTERNATIONAL ENDESA B.V.**

Note: The Calculation Agent is required to notify the Agent for the Notes of the Redemption Amount immediately upon completing its calculation of the same.

**FORM OF DEFINITIVE NOTE
(for use where the Issuer accepts the
proceeds of issue in the United Kingdom)**

INTERNATIONAL ENDESA B.V.

£100,000

guaranteed by

ENDESA, S.A.

No:	Series No.:
Issued in London on:	Maturity Date:
Denomination:	Nominal Amount ¹ : <i>(words and figures)</i>
Reference Rate ² : months LIBOR	Calculation Agent ³ <i>(Principal)</i>
Fixed Interest Rate ⁴ : % per annum	Margin ⁵ : %
Calculation Agent ⁶ : <i>(Interest)</i>	Interest Payment Dates ⁷ : <i>(Interest)</i>

1. For value received, **INTERNATIONAL ENDESA B.V.** (the “**Issuer**”) promises to pay to the bearer of this Note on the above-mentioned Maturity Date:

- (a) the above-mentioned Nominal Amount; or
- (b) if this Note is index-linked, an amount (representing either principal or interest) to be calculated by the Calculation Agent named above, in accordance with the redemption or interest calculation, a copy of which is attached to this Note and/or is available for inspection at the offices of the Agent referred to below, together with interest thereon at the rate and at the times (if any) specified on the reverse of this Note.

All such payments shall be made in accordance with an amended and restated note agency agreement dated 13 December 2006 between the Issuer, the Guarantor and Citibank, N.A. as agent (the “**Agent**”), a copy of which is available for inspection at the offices of the Agent at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the offices of the Agent referred to above by transfer to a sterling account maintained by the bearer in London. The Issuer undertakes to ensure that it maintains a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing (“**Taxes**”). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
- (b) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another paying agent in a member state of the European Union, or
- (d) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this note on the last day of such 15 day period.

3. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law.

4. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment. As used in this Note, “**Payment Business Day**” means any day other than a Saturday or Sunday which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London.

5. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).

6. This Note has the benefit of a guarantee issued by **ENDESA, S.A.** on 13 December 2006, copies of which are available for inspection during normal business hours at the offices of the Agent referred to above.

7. This Note shall not be validly issued unless manually authenticated by Citibank, N.A. as issue agent.

8. This Note is governed by, and shall be construed in accordance with, English law.

9. (a) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with this Note.

(b) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(c) *Rights of the bearer to take proceedings outside England:* Sub-paragraph 9(a) (English courts) is for the benefit of the bearer only. As a result, nothing in this paragraph 9 prevents the bearer from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.

¹ Complete for Notes other than index-linked Notes.
² Complete for floating rate interest bearing Notes only.
³ Complete for index-linked Notes only.
⁴ Complete for fixed rate interest bearing Notes only.
⁵ Complete for floating rate interest bearing Notes only.
⁶ Complete for floating rate interest bearing Notes only.
⁷ Complete for interest bearing Notes if interest is payable before the Maturity Date.

(d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Endesa Power Trading Limited, 22 Bedford Row, London WC1R 4JS or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent. Nothing in this sub paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This sub-paragraph applies to Proceedings in England and to Proceedings elsewhere.

10. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

AUTHENTICATED by
CITIBANK, N.A.
without recourse, warranty or liability and for authentication purposes only

Signed on behalf of:
INTERNATIONAL ENDESA B.V.

By:
(Authorised Signatory)

By:
(Authorised Signatory)

By:
(Authorised Signatory)

[On the Reverse]

- (A) If this is an interest bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Agent to reflect such payment.
- (B) If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest penny (with halves being rounded upwards); and
 - (b) the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph (B).
- (C) If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days. As used in this Note, "**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of Sterling (as defined in the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the first day of the relevant Interest Period (the "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate;
 - (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on the LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. "**Rate of Interest**" means the rate which is determined in accordance with the provisions of sub-paragraph (a) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 365 and rounding the resulting figure to the nearest penny. The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
 - (c) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
 - (d) the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph (C).

SCHEDULE

Payments of Interest

The following payments of interest in respect of this Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
.....
.....
.....
.....
.....

**Pro-forma Redemption or Interest Calculation
(Index linked Note)**

This is the Redemption or Interest Calculation relating to the attached index-linked Note:

Calculation Date:

Calculation Agent:

Redemption Amount: to be calculated by the Calculation Agent as follows:

[Insert particulars of index and redemption calculation]

[Indicate whether the calculation refers to principal or coupon]

Confirmed:

.....

For **INTERNATIONAL ENDESA B.V.**

Note: The Calculation Agent is required to notify the Agent for the Notes of the Redemption Amount immediately upon completing its calculation of the same.

**Form of Multicurrency Definitive Note
(Interest Bearing/Discounted/Index-Linked)
(Non-Sterling)**

INTERNATIONAL ENDESA B.V.

guaranteed by

ENDESA, S.A.

No:	Series No.:
Issued in London on:	Maturity Date:
Specified Currency:	Denomination:
Nominal Amount:	Reference Rate: ⁴ months LIBOR/EURIBOR ¹
Calculation Agent: ² (Principal)	Fixed Interest Rate ³ % per annum
Margin: ⁴ %	Calculation Agent: ⁴ (Interest)
Interest Payment Dates: ⁵	

- For value received, **INTERNATIONAL ENDESA B.V.** (the "**Issuer**") promises to pay to the bearer of this Note on the above-mentioned Maturity Date:
 - the above-mentioned Nominal Amount; or
 - if this Note is index-linked, an amount (representing either principal or interest) to be calculated by the Calculation Agent named above, in accordance with the redemption or interest calculation, a copy of which is attached to this Note and/or is available for inspection at the offices of the Agent referred to below, together with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an amended and restated note agency agreement dated 13 December 2006 between the Issuer and the Guarantor, and Citibank, N.A. as agent (as "**Agent**"), a copy of which is available for inspection at the offices of the Agent at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the offices of the Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Note denominated in euro, by euro cheque drawn on, or by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes to ensure that it maintains a paying agent in an European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive.

- All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing ("**Taxes**"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been received hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:
 - by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
 - where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another paying agent in a member state of the European Union; or
 - more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days.
- The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law.
- If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Note:

"**Payment Business Day**" means any day other than a Saturday or Sunday which is both (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (B) either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

- This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
- This Note has the benefit of a guarantee issued by **ENDESA, S.A.** on 13 December 2006, copies of which are available for inspection during normal business hours at the offices of the Agent referred to above.

¹ Delete as appropriate. The reference rate will be LIBOR unless this Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.
² Complete for index-linked Notes only.
³ Complete for fixed rate interest bearing Notes only.
⁴ Complete for floating rate interest bearing Notes only.
⁵ Complete for interest bearing Notes.

7. If this is an interest bearing Note, then:
- notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day; and
 - upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Agent to reflect such payment.
8. If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is an “**Interest Period**” for the purposes of this paragraph.
9. If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- in the case of a Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note:

“**LIBOR**” shall be equal to the rate defined as “LIBOR-BBA” in respect of the above-mentioned Specified Currency (as defined in the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the “**ISDA Definitions**”)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period (a “**LIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and

“**London Banking Day**” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- in the case of a Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note, “**EURIBOR**” shall be equal to EUR-EURIBOR-Telerate (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “**EURIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate;

- the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for the relevant Interest Period. “**Rate of Interest**” means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 9(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 9(a). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
 - a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
 - the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is called an “**Interest Period**” for the purposes of this paragraph; and
 - the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note, or if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
10. Instructions for payment must be received at the offices of the Agent referred to above together with this Note as follows:
- if this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - if this Note is denominated in United States dollars or Canadian dollars, on or prior to the relevant payment date; and
 - in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, “**Business Day**” means:

- a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
- in the case of payments in euro, a TARGET Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.

11. This Note shall not be validly issued unless manually authenticated by Citibank, N.A. as issue agent.
12. This Note is governed by, and shall be construed in accordance with, English law.
13.
 - English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with this Global Note.
 - Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
 - Rights of the bearer to take proceedings outside England:* Sub paragraph 13(a) is for the benefit of the bearer only. As a result, nothing in this paragraph 13 prevents the bearer from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
 - Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Endesa Power Trading Limited, 22 Bedford Row, London WC1R 4JS or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Agent. Nothing in this sub-paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This sub-paragraph applies to Proceedings in England and to Proceedings elsewhere.

14. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

AUTHENTICATED by
CITIBANK, N.A.
without recourse, warranty or liability and for authentication purposes only

Signed on behalf of:
INTERNATIONAL ENDESA B.V.

By:
(Authorised Signatory)

By:
(Authorised Signatory)

SCHEDULE

Payments of Interest

The following payments of interest in respect of this Global Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
.....
.....
.....
.....
.....

**Pro-forma Redemption or Interest Calculation
(Index linked Note)**

This is the Redemption or Interest Calculation relating to the attached index-linked Note:

Calculation Date:

Calculation Agent:

Redemption Amount: to be calculated by the Calculation Agent as follows:

[Insert particulars of index and redemption calculation]

[Indicate whether the calculation refers to principal or coupon]

Confirmed:

.....

For **INTERNATIONAL ENDESA B.V.**

Note: The Calculation Agent is required to notify the Agent for the Notes of the Redemption Amount immediately upon completing its calculation of the same.

ISSUER

International Endesa B.V.
Hoogoorddreef 9
1101 BA Amsterdam

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Ribera de Loira 60
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Spain

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Citigroup Centre
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