



Report on the half year
accounts January-June 2009

July 28, 2009

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Half year Report January-June 2009

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Management Board's report

General

International Endesa B.V. ("the company") was incorporated on June 10, 1993 under the laws of the Netherlands.

The principal activity of the company is to issue and manage notes and other financial instruments (refer to below), and to lend the funds to its parent company and other affiliated companies.

The Managing Director of the company is pleased to present herewith the financial statements for the half yearly report 2009. The result for the first half year 2009 was in accordance with management's expectations.

Operating results

The company earned a profit before taxation of EUR 1,894,663 due to its financial activities.

Principal activities during the first six months of 2009

The company was focused on its financing activities under its Euro Commercial Paper (ECP) Programme.

During the first six months, the company regularly issued a short-term debt under its Euro Commercial Paper Programme. The maximum amount of the outstanding debt under this programme is EUR 2,000 million. The nominal debt amount on June 30, 2009 is EUR 1,611 million. The volume issued until 30th of June is EUR 3,069 million and average debt is EUR 1,396 million. All funds have been lent to companies of the Endesa Group.

The company performed the management and administration activities on its financial assets and liabilities, including ECP, MTN, private placement, intercompany loans and financial derivatives.

The company sent financial and accounting reports to the Endesa Group on a monthly basis.

On April 21, 2009, the Managing Director proposed a dividend distribution of EUR 4,357,289 for April 24, 2009 with charge to total retained earnings proposed by the Board of Directors. The shareholders approved this proposal and adopted the statutory financial statements for the year 2008 in the General Meeting of Shareholders on April 21, 2009.

On July 7, 2009, International Endesa BV held an Extraordinary Shareholders Meeting to appoint KPMG Accountants N.V as the auditor of the Company for the financial year ending December 31, 2009.

Recent events

As at December 31, 2008, Enel owned 67.053% of Endesa's capital and Acciona 25.01%. Consequently, between both companies they owned 92.063% of Endesa's capital which allowed them to develop the joint management agreement on Endesa signed between both companies on March 26, 2007, which was reported to the Spanish Securities Market Commission ("Comisión Nacional del Mercado de Valores"; "CNMV") on April 2, 2007.

On June 25, 2009, the transfer by Acciona to Enel of shares representing 25.01% of Endesa's share capital took place. This transfer represents the termination of the quasi-corporate agreement entered into between Enel and Acciona.

As at June 30, 2009, Enel owned 92.063% of Endesa's capital.

Since June 30, 2009 no events have taken place which could have a significant effect on the Group's economic-financial position.

Risk and uncertainties

Due to the company's prudent management policy regarding its financial assets and liabilities, the events that took place on financial markets during the first six months of 2009 did not have a material negative impact on the business of International Endesa B.V.

The company has contracted appropriate derivative financial instruments to mitigate the interest and foreign currency risk of its financial assets and financial liabilities.

As the company lends funds only intragroup to Endesa S.A and affiliates, and the company is supported by Endesa S.A., the credit risk is considered low.

Internal control

International Endesa B.V. continues to maintain a system of internal control that provides reasonable assurance of effective and efficient operations, and compliance with laws and regulations.

This internal control ensures that risk is properly measured and managed.

International Endesa B.V. does not have an Audit Committee installed. The Audit Committee of Endesa S.A. monitors the compliance with the regulations of the Dutch Corporate Governance Code.

Future outlook

The principal activities of the company will concentrate on the financial operations. No major changes are expected in the size and nature of operations in the second half of 2009.

Management Statement International Endesa BV

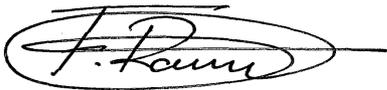
As the Managing Director of International Endesa BV, I Francisco Ramírez Millor make the following statement in light of the Transparency Directive:

The half year report gives a true and fair view of the assets, liabilities, financial position and the profit of International Endesa BV for the financial period ending June 30, 2009.

This half year report has not been audited or reviewed by any external party.

Amsterdam, July 28, 2009

Managing Director:



Francisco Ramírez Millor

Interim Financial Statements

- Balance sheet
- Profit and loss account
- Notes to the Interim financial statements

Balance sheet as at June 30, 2009

(before appropriation of net income)

	<u>Note</u>	<u>06.30.2009</u> EUR 000	<u>12.31.2008</u> EUR 000
Assets			
Fixed assets			
Financial fixed assets:			
Investment in subsidiary	1	0	0
Loans to affiliated companies	2	<u>4,092,174</u>	<u>4,074,091</u>
		4,092,174	4,074,091
Current assets			
Accounts receivable:			
Receivable from affiliated companies	3	1,623,243	2,492,206
Interest receivable and prepaid expenses	4	60,493	106,527
Income tax receivable		<u>441</u>	<u>233</u>
		1,684,177	2,598,966
Cash	5	16	40
		<u>5,776,367</u>	<u>6,673,097</u>

	<u>Note</u>	<u>06.30.2009</u>	<u>12.31.2008</u>
		EUR 000	EUR 000
Shareholder's equity and liabilities			
Shareholder's equity	6		
Issued and paid-in capital		15,429	15,429
Additional paid-in capital		4,660	4,660
Accumulated deficit		0	-244
Result for the year		<u>1,427</u>	<u>4,801</u>
		21,516	24,446
Long-term liabilities	7	4,092,520	4,074,239
Short-term liabilities			
Notes payable	8	1,595,283	2,463,107
Interest payable	9	56,576	101,660
Payable to subsidiary		10,468	9,614
Accrued liabilities		<u>4</u>	<u>31</u>
		<u>1,662,331</u>	<u>2,574,412</u>
		<u>5,776,367</u>	<u>6,673,097</u>

Profit and loss account for the half year January-June 2009

	Note	06.30.2009 EUR 000	06.30.2008 EUR 000
Financial income and expense:			
Interest income	10	124,179	175,053
Interest expense	11	-137,740	-166,255
Net result interest rate swaps	12	15,858	-5,166
Other financial results	13	<u>-141</u>	33
		2,156	3,665
General and administrative expenses	14	<u>-261</u>	<u>-365</u>
Income before income taxes		1,895	3,300
Provision for income taxes	15	<u>-468</u>	<u>-827</u>
Net income		<u><u>1,427</u></u>	<u><u>2,473</u></u>

Notes to the Interim Financial Statements

General

International Endesa B.V. (“the company”) was incorporated under the laws of the Netherlands on June 10, 1993 and has its statutory seat in Amsterdam, the Netherlands, with offices at Hoogoorddreef 9, Amsterdam. The company is a wholly-owned subsidiary of Endesa S.A (“the parent”), a Spanish company having its registered office at Ribera del Loira 60, 28042 Madrid, Spain.

The principal activity of the company is to issue commercial paper notes and other financial debt instruments (refer to below), and provide these funds to its parents and other affiliated companies.

Debt Issuance Programme and ECP Programme

On January 17, 1995, the company entered into a USD 750 million Debt Issuance Programme, arranged by Morgan Stanley & Co. International Limited. On July 5, 1998, this Debt Issuance Programme was increased up to USD 4,000 million. On July 9, 1999, the initial maximum programme amount has been increased up to EUR 7,000 million from the former USD 4,000 million. On September 20, 2001, the maximum programme amount has been increased up to EUR 9,000 million from the former EUR 7,000 million. On November 15, 2002, the maximum programme amount has been increased up to EUR 10,000 million from the former EUR 9,000 million. As from 2004, no new loans are issued under the programme.

Under the programme, the company issues notes in different currencies. These notes are listed on several European stock exchanges.

On April 29, 1998, the company established a Euro Commercial Paper Programme pursuant to which the company may issue and have outstanding short-term notes up to a maximum aggregate amount of USD 2,000 million. On December 13, 2006, the existing programme was updated to EUR 2,000. The proceeds of the notes issued are passed on to the parent company and other affiliated companies.

The risks relating to the different currencies have been covered using hedge and swap agreements. The swap contracts mature in accordance with the terms of the related assets and liabilities. Accordingly, the balances have been presented against their hedge or swap rate.

In 2004, the company issued a private placement of USD 575 million. The term of the agreement is 15 years, and the repayment schedule is settled and starts in 2011. The parent company, Endesa S.A., is guarantor of the loan.

Consolidation and cash flow statement

The interim financial statements of the company are included in the consolidated interim financial statements of its parent company, which will be filed with the Chamber of Commerce in Amsterdam. Therefore, and in accordance with the provisions of Article 2:408 of the Netherlands Civil Code, the company does not prepare consolidated financial statements and no cash flow statement is included in these financial statements.

Accounting principles

The principal accounting policies adopted in preparation of these interim financial statements are set out below.

Basis of preparation

The interim financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands (Dutch GAAP) and Part 9 of Book 2 of the Netherlands Civil Code. The interim financial statements have been prepared under the historical cost convention. Assets and liabilities are recorded at face value, unless indicated otherwise.

Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. Financial assets and liabilities are translated at the exchange rate prevailing at balance sheet date, except when covered by a hedge or swap agreement, at the contractual rates.

Financial fixed assets

Investments in subsidiaries are stated at cost value, less a provision for impairment if such is deemed necessary.

Loans to affiliated companies are stated at amortized cost value using the effective interest rate, less a provision for doubtful debt if such is deemed necessary.

Accounts receivable

Accounts receivable are stated at face value, less an allowance for possible uncollectable accounts.

Recognition of income

Revenues and expenses are recorded in the period in which they originate.

Taxation

Corporate income tax is calculated by applying the nominal tax rate to the profit before taxation of the first six months of 2009, taking into account permanent and timing differences, including carry forward, if any, between the profit for commercial and profit for tax purposes. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Financial instruments

Derivative financial instruments are stated at cost. In case the fair value is negative, a provision is recorded for this amount.

The company (actively) uses financial instruments to hedge its potential exposures to movements in currency exchanges rates and interest rates, and to assume trading positions. These financial instruments include currency and interest rate agreements.

Financial instruments which are designated as hedges of assets, liabilities, firm commitments or transactions existing at balance sheet date are combined with the underlying positions being hedged.

Unrealized result of financial instruments designated as hedges of assets, liabilities, firm commitments or transactions existing at balance sheet date are deferred and recognized at the date the underlying positions are effectuated.

Interest differentials relating to interest swaps that hedge interest risks on debts are recorded as adjustments to the effective interest rates of the underlying debt.

Notes to the specific items of the balance sheet

1. Investment in subsidiary

The company holds 100% of the common capital securities of Endesa Capital Finance, LLC, having its statutory seat in Delaware, USA. To the common capital securities all net losses are allocated (in the events such should occur), and all gains and losses resulting from the disposition of assets by Endesa Capital Finance, LLC.

Endesa Capital Finance, LLC has also issued preferred capital securities, which are all held by non-related parties. Holders of preferred capital securities are entitled to receive cash dividends out of the net profits, as and if declared by the Board of Directors of Endesa Capital Finance, LLC. These dividends are non-cumulative.

2. Loan to affiliated companies

The specification of the loans to affiliated companies is set out below:

	<u>06.30.2009</u>	<u>12.31.2008</u>
	EUR 000	EUR 000
Loans to parent company	0	0
Loans to affiliated companies	<u>4,092,174</u>	<u>4,074,091</u>
	<u>4,092,174</u>	<u>4,074,091</u>

Of the loans to affiliated companies, an amount of EUR 1,365 million has fixed interest rates between 5.42% and 6.05% the remainder has floating interest rates related to Libor and Euribor plus mark-up.

The movement in the loans to affiliated companies is as follows:

	<u>EUR 000</u>
Balance as at January 1, 2009	4,074,091
Transfer to current assets	0
Early redemption	0
Additions due to zero coupon notes	12,217
Additions due to amortised cost of the upfront fee of outstanding loans	<u>5,866</u>
Balance as at June 30, 2009	<u>4,092,174</u>

The proceeds of the notes issued by the company under the private placement are passed on to the parent company and other affiliated companies.

3. Accounts receivable

Accounts receivable mature within one year.

4. Interest receivable and prepaid expenses

The interest receivable and prepaid expenses can be detailed as follows:

	<u>06.30.2009</u>	<u>12.31.2008</u>
	EUR 000	EUR 000
Interest receivable related parties	54,001	87,583
Interest receivable on interest rate swaps	6,483	18,935
Other receivables and prepaid expenses	<u>9</u>	<u>9</u>
	<u><u>60,493</u></u>	<u><u>106,527</u></u>

5. Cash

No restrictions on usage of cash exist.

6. Shareholder's equity

The movement in shareholder's equity is as follows:

	Issued and paid-in capital	Additional paid-in capital	Accumulated deficit	Result for the half year	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Balance as January 1, 2008	15,429	4,660	0	4,835	24,924
Accounting change	0	0	0	-244	-244
Revised balance as at January 1, 2008	15,429	4,660	0	4,591	24,680
Allocation of result	0	0	4,591	-4,591	0
Net income	0	0	0	2,473	2,473
Dividend paid	0	0	-4,835	0	-4,835
Balance as June 30, 2008	15,429	4,660	-244	2,473	22,318

	Issued and paid-in capital	Additional paid-in capital	Retained earnings	Result for the half year	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Balance as January 1, 2009	15,429	4,660	0	4,357	24,446
Allocation of result	0	0	4,601	-4,357	244
Accounting change	0	0	-244	0	-244
Net income	0	0	0	1,427	1,427
Dividend paid	0	0	-4,357	0	-4,357
Balance as June 30, 2009	15,429	4,660	0	1,427	21,516

The authorized share capital amounts to EUR 15,882,308, consisting of 35,000 common shares with a par value of EUR 453.78 per share. As at June 30, 2009, 34,000 shares were issued and paid in.

In 2009, dividend was paid of EUR 4,357,289.

7. Long-term liabilities

The notes issued by the company under the Debt Issuance Programme and the Euro Commercial Paper Programme, a private placement and a payable to its subsidiary are presented under the liabilities.

The original notes issued are dominated in various currencies. The nominal interest rates on the notes issued vary from 4.18% to 6.26%. These rates are fixed or floating. Floating rates are linked to Euribor or market indices. The notes and ECP notes issued under the Debt Issuance Programme and the Euro Commercial Paper Programme are unconditionally guaranteed by the parent company.

Endesa Capital Finance, LLC has issued preferred capital securities and the revenue of this issuance has been borrowed by the company.

The specification of the long-term liabilities is set out below:

	<u>06.30.2009</u>	<u>12.31.2008</u>
	EUR 000	EUR 000
EMTN notes	2,411,143	2,355,341
EMTN notes to subsidiary	1,468,334	1,462,705
Negative fair value currency swap	213,043	256,193
	<u>4,092,520</u>	<u>4,074,239</u>

The interest on the individual EMTN notes is either fixed or floating. By the use of interest rate swaps, net interest payable is mostly related to Libor or Euribor rates plus a mark-up. Of the EMTN notes, an amount of EUR 1,210 million has fixed interest rates between 5.375% and 6.125%.

Liabilities with a remaining period up to one year, including the short-term portion of long-term liabilities, are presented under short-term liabilities.

The movement in the long-term liabilities is as follows:

	<u>EUR 000</u>
Balance as at January 1, 2009	4,074,239
Transfer to current liabilities	0
Early redemption	0
Additions due to zero coupon notes	12,217
Additions due to amortised cost of upfront fee of the outstanding loans	6,064
Balance as at June 30, 2009	<u>4,092,520</u>

8. Notes payable

The notes payable consist of liabilities to third parties under the ECP Programme and the short-term portions of the loan under the EMTN Programme. Liabilities mature in one year.

9. Interest payable

The interest payable can be detailed as follows:

	<u>06.30.2009</u>	<u>12.31.2008</u>
	EUR 000	EUR 000
Payable to third parties	58,029	101,123
Payable to subsidiary	<u>547</u>	<u>537</u>
	<u><u>58,576</u></u>	<u><u>101,660</u></u>

Contingent liabilities

The company has issued a guarantee of approximately EUR 81 million to the European Investment Bank in relation to a loan payable of that same amount by its parent company, expiring on December 15, 2011.

Contingent rental expenses have been agreed for EUR 30,000 per year till October 31, 2010 and EUR 56,136 per year till May 16, 2011.

Financial instruments

In the normal course of business, the company uses various types of financial instruments. Financial instruments include those recognized in the balance sheet (on-balance-sheet) and off-balance sheet financial instruments.

The estimated fair value of a financial instrument is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values are determined from listed markets prices, price quotations from banks or from pricing models.

The company has procedures and policies in place to control risks related to financial instruments. These policies and procedures include a clear segregation of duties between operating, settlement, accounting and controlling of all financial instruments used. The company's management is involved in the risk management process.

The company attempts to minimize the counterparty credit risk associated with the financial instruments used by selecting counterparties that it assumes to be creditworthy, given their high credit ratings.

Financial instruments in the balance sheet substantially include long-term receivables and payables, short-term loans receivable and payable, and cash.

The estimated fair value of financial instruments as at June 30, 2009 approximate their carrying amount, because these are mainly entered into or swapped at floating interest rates which are periodically reset.

Derivative financial instruments

Interest derivatives:

Interest derivatives are mostly related to long-term financing arrangements and are used to manage exposure to movements in interest rates and/or to adjust the fixed rate or floating rate or floating rate nature of financing arrangements.

Foreign exchange derivatives:

Foreign exchange derivatives are used to hedge currency exchange rate risks resulting from cash flows (anticipated) business activities and financing arrangements denominated in foreign currencies.

Notes to the specific items of the profit and loss account

10. Interest income

Interest income is mainly due to interest receivable from group companies.

11. Interest expense

Interest expense consist of:

	<u>06.30.2009</u>	<u>06.30.2008</u>
	EUR 000	EUR 000
Interest expense to third parties of EMTN Programme	89,617	97,566
Interest expense to subsidiary due to loan	32,250	39,336
Interest expense to third parties of ECP notes	15,708	29,166
Interest expense to subsidiary due credit line	<u>185</u>	<u>187</u>
	<u>137,740</u>	<u>166,255</u>

12. Net result interest rate swaps

The net result on off-balance sheet instruments is the net amount of interest income and interest expense on the interest rate swaps related tot the EMTN notes.

13. Other financial results

Other financial results mainly consist of the net amount of amortized upfront fees and issuance expenses released to the profit and loss account.

14. General and administrative expenses

General and administrative expenses consist of:

	<u>06.30.2009</u>	<u>06.30.2008</u>
	EUR 000	EUR 000
Salary expenses	82	174
Pension costs	0	1
Other personal expenses	28	32
Professional fees	78	43
General expenses	73	115
	<u>261</u>	<u>365</u>

Audit fees are included in the professional fees an amount to EUR 20,900 (06.30.2008: EUR 30,642), of which EUR 20,900 relate to prior year.

15. Provision for income taxes

The effective rate for the financial year ended December 31, 2008 amounts to 24.7% (2008: 25.3%). The nominal tax rate for the six first moths of 2009 amounts to 20.0% for the first EUR 275,000 and 25.5% for the remainder.

Other notes

Statutory Director

In accordance with Article 2:383 of the Netherlands Civil Code, the remuneration of the only Statutory Director is not presented. The company has no Supervisory Directors.

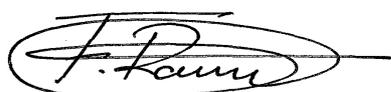
Personnel

The average number of personnel during the first six moths of 2009 was 4.

Signing of the financial statements

Amsterdam, July 28, 2009

Managing Director:



Francisco Ramírez Millor

Other information

Statutory rules concerning appropriation of net income

The Articles of Association of the company provide that the appropriation of the net income for the year is decided upon at the annual General Meeting of Shareholders. The distributable profit shall be at the free disposal; of the General Meeting of Shareholders.

Appropriation of net income 2008

On April 21, 2009, the annual General Meeting of Shareholders approved the dividend of EUR 4,357,289 and adopted the 2008 statutory financial statements.

Post-balance sheet events

There are no post-balance sheet events.