D. Francisco Javier Galán Allué y D. Pedro Corpas Fernández, en nombre y representación de Endesa Capital S.A., Sociedad Unipersonal, en su condición de Administradores Mancomunados, con domicilio social en la calle Ribera del Loira, 60, Madrid, y con C.I.F A-84109636

CERTIFICAN:

El contenido del presente pendrive coincide plenamente con el contenido del Documento de Registro de Endesa Capital, S.A., Sociedad Unipersonal, registrado en la Comisión Nacional del Mercado de Valores, con fecha 7 de julio de 2009.

Que autorizo la difusión de dicho archivo a través de la 'web' de la Comisión Nacional del Mercado de Valores.

ENDESA CAPITAL S.A.
P.P.

D. Francisco Javier Galán Allué D. Pedro Corpas Fernández endesa

ENDESA CAPITAL

REGISTRATION DOCUMENT
OF
ENDESA CAPITAL, S.A.
SOCIEDAD UNIPERSONAL
(SINGLE MEMBER COMPANY)

This Registration Document comprises:
Registration Document (drafted in accordance with annex IX of Regulation 809/2004, of the European Commission, of April 29, 2004).

CONTENTS

1. PERSONS RESPONSIBLE

Mr. Francisco Javier Galán Allué, of legal age, holder of National Identity Card number 5.238.430-L, and Mr. Pedro Corpas Fernández, of legal age, holder of National Identity Card number 50.294-605-E, in their capacity as Joint Administrators of the Issuer, which has its registered offices in Madrid, at C/Ribera del Loira no. 60, holder of Tax Identification Code number A-84109636, assume, for and on behalf thereof, responsibility for the information contained in this Registration Document of Debt Securities and Derivatives (hereinafter, the "Registration Document").

Mr. Francisco Javier Galán Allué and Mr. Pedro Corpas Fernández, in their capacity as Joint Administrators of the Issuer, declare that, having taken all reasonable care to ensure that such is the case, declare that the information contained in this Registration Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS

The Issuer's annual financial statements for the fiscal years ending December 31, 2008 and December 31, 2007 were audited with a favorable report without exceptions by the firm Deloitte, S.L., having its registered offices at Plaza de Pablo Ruiz Picasso no. 1, Torre Picasso 28020 Madrid, which firm is registered with the Official Registry of Account Auditors (*Registro Oficial de Auditores de Cuentas*) (hereinafter, "ROAC") under registration number S0962.

On April 25 2008, they have been reelected by the Issuer's single shareholder, Endesa S.A., to audit the Issuer's annual financial statements for the fiscal year ending December 31, 2008.

3. RISK FACTORS

The main risk factors affecting Endesa Capital, S.A., Sociedad Unipersonal (Single Member Company) (hereinafter, the "Issuer") are as follows:

Liquidity Risk

This derives from an excessive concentration of maturities which may endanger, albeit temporarily, the capacity to meet payment commitments.

Market Risk

Possibility of suffering losses in the economic value of transactions contracted as a consequence of unfavorable evolutions in the quotations of financial markets.

Operational Risk

The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

Business Risk

Possibility of suffering losses as a consequence of the absence of correlation between the line-items of the assets and liabilities of the Issuer, irrespective of the above-mentioned line items having to be correlative among themselves.

Guarantor Risk

These are the risks of the guarantor, that are included in the “Documento de Registro de Valores” of the Guarantor Registered at the Comisión Nacional del Mercado de Valores (hereinafter “CNMV”) on the 3 of July 2009.

4. INFORMATION ABOUT THE ISSUER

The corporate name of the issuer is “Endesa Capital, S.A., Sociedad Unipersonal” (Single Member Company).

The Issuer is registered with the Mercantile Registry of Madrid, under Volume 20623, Book 0, Folio 21, Section 8, Page M-365127, 1st registration entry. The Issuer holds Tax Identification Code number A-84109636.

The Issuer was incorporated for an indefinite time before Madrid Notary Public Emilio Recoder de Casso, on October 5, 2004.

The Issuer is a wholly-owned subsidiary of Endesa S.A. (hereinafter the “Guarantor”), taking the legal form of a stock corporation (*sociedad anónima*) owned by one single shareholder (*unipersonal*), incorporated in accordance with Spanish law under Royal Legislative Decree 1564/1989, of December 22, approving the Spanish Corporations Law (*Ley de Sociedades Anónimas*), as restated and amended.

The Issuer’s registered offices are located at calle Ribera del Loira no. 60, 28042 Madrid, Spain, telephone number 91 213 10 00.

The Issuer’s share capital is 60,200 euros, fully subscribed and paid-in, divided into six hundred two (602) common shares each having a par value of one hundred (100) euros, consecutively numbered from no. 1 through no. 602, both inclusive, all of which issued and fully paid-in.

No recent event relating to the Issuer exists which is important for evaluating its solvency.

5. BUSINESS OVERVIEW

5.1. Principal Activities

The exclusive corporate purpose of the Issuer is the issuance of ordinary or unsubordinated debt instruments backed by the Guarantor. The purpose shall be implemented subject to compliance in each case with the requisites established by current law in force applicable from time to time.

6. ORGANIZATIONAL STRUCTURE

The Issuer belongs to the Endesa Group. Specifically, the Issuer’s sole shareholder, holder of 100% of the company’s shares, is the Guarantor.

7. TREND INFORMATION

There has been no significant change in the prospects of the Issuer since the date of its latest financial statements pertaining to the fiscal year ending December 31, 2008, as duly audited and published.

8. PROFIT FORECASTS OR ESTIMATES

The Issuer chooses not to include a profit forecast or estimate, inasmuch as this section is not applicable.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

As at the registration date of this Registration Document, the management body was formed by:

Name	Business Address	Position	Other positions in group
Francisco Javier Galán Allué	C/ Ribera del Loira, 60 28042 Madrid	Joint Administrator	Deputy Director General of Finance
Pedro Corpas Fernández	C/Ribera del Loira, 60 28042 Madrid	Joint Administrator	Director of Capital Markets

Both Administrators have no significant duty outside of the Endesa Group.

The Issuer is controlled in its entirety, directly, by Endesa S.A. Consequently, in accordance with Circular 1/2004, of March 17, 2004, of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*), the Issuer does not have the obligation to prepare an annual corporate governance report, its remission to the annual corporate governance report for fiscal year 2005 of its controlling company, Endesa S.A., which was approved by its Board of Directors on January 16, 2006, and submitted as a Material Fact to the Spanish Securities Market Commission (*CNMV*) on January 19, 2006, being sufficient.

9.2. Administrative, management and supervisory bodies conflicts of interests

In relation to the provisions of article 127 *ter* of the Spanish Corporations Law (*Ley de Sociedades Anónimas*), it is stated for the record that the persons mentioned in section 9.1 have no direct or indirect conflicts of interest with the interest of the entity.

10. MAJOR SHAREHOLDERS

The Issuer's share capital is held in its entirety by the Guarantor.

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

11.1. Historical Financial Information

BALANCE SHEET AS AT DECEMBER 31, 2008.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

ENDESA CAPITAL, S.A. (SOLE-SHAREHOLDER COMPANY)
BALANCE SHEET AT 31 DECEMBER 2008
(Thousands of Euros)

ASSETS	Notes	2008	EQUITY AND LIABILITIES	Notes	2008
NON-CURRENT ASSETS		**661,332**	**EQUITY**		**97**
Non-current investments in Group companies and associates	**Note 5**	**657,967**	**Share capital**	**Note 6**	**60**
Loans to companies		657,967	Registered share capital		60
Non-current financial assets	**Note 5**	**3,365**	**Reserves**		**1**
Derivatives		3,365	Legal and bylaw reserves		1
			Prior years' profits		**4**
			Profits not specifically appropriated		4
			Profit for the year		**32**
			NON-CURRENT LIABILITIES		**661,287**
			Non-current payables	**Note 7**	**661,287**
			Debt instruments and other marketable securities		661,287
CURRENT ASSETS		**1,045,238**			
			CURRENT LIABILITIES		**1,045,186**
Trade and other receivables		**8**			
Sundry accounts receivable		1	**Short-term provisions**		**1**
Current tax assets		7			
Current investments in Group companies and associates	**Note 5**	**1,045,081**	**Current payables**	**Note 7**	**1,045,078**
Loans to companies		1,033,042	Debt instruments and other marketable securities		1,045,078
Interest		12,039	**Current payables to Group companies and associates**		**16**
Current financial assets	**Note 5**	**48**	**Trade and other payables**	**Note 7**	**91**
Other financial assets		48	Sundry accounts payable		7
Cash and cash equivalents		**101**	Other accounts payable to public authorities		84
Cash		101			
TOTAL ASSETS		**1,706,570**	**TOTAL EQUITY AND LIABILITIES**		**1,706,570**

The accompanying Notes 1 to 18 are an integral part of the balance sheet at 31 December 2008.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

ENDESA CAPITAL, S.A. (SOLE-SHAREHOLDER COMPANY)
INCOME STATEMENT FOR 2008
(Thousands of Euros)

	Notes	2008
CONTINUING OPERATIONS		
Other operating income		**(643)**
Non-core and other current operating income		(643)
Other operating expenses	**Note 12**	**596**
Outside services		334
Taxes other than income tax		262
PROFIT FROM OPERATIONS		**(47)**
Finance income		**(115,530)**
From marketable securities and other financial instruments		(115,530)
- Group companies and associates		(115,530)
Finance costs		**115,534**
On debts to Group companies and associates		9
On debts to third parties		69,932
Interest on current payables		45,593
Change in fair value of financial instruments		**0**
Held for trading financial assets/liabilities and other		0
Exchange differences		**(3)**
FINANCIAL LOSS	**Note 12**	**1**
PROFIT BEFORE TAX		**(46)**
Income tax	**Note 11**	14
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**(32)**
PROFIT FOR THE YEAR	**Note 3**	**(32)**

The accompanying Notes 1 to 18 are an integral part of the income statement for 2008.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

ENDESA CAPITAL, S.A. (SOLE-SHAREHOLDER COMPANY)
STATEMENT OF CHANGES IN EQUITY FOR 2008
A) STATEMENT OF RECOGNISED INCOME AND EXPENSE
(Thousands of Euros)

	Notes	2008
PROFIT PER INCOME STATEMENT (I)	**Note 3**	**(32)**
Income and expenses recognised directly in equity		-
- Arising from revaluation of financial instruments		-
- Arising from cash flow hedges		-
- Grants, donations or gifts and legacies received		-
- Arising from actuarial gains and losses and other adjustments		-
- Tax effect		-
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)		-
Transfers to profit or loss		-
- Arising from revaluation of financial instruments		-
- Arising from cash flow hedges		-
- Grants, donations or gifts and legacies received		-
- Tax effect		-
TOTAL TRANSFERS TO PROFIT OR LOSS (III)		-
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		**(32)**

The accompanying Notes 1 to 18 are an integral part of the statement of recognised income and expense for 2008.

ENDESA CAPITAL, S.A. (SOLE-SHAREHOLDER COMPANY)
STATEMENT OF CHANGES IN EQUITY FOR 2008
B) STATEMENT OF CHANGES IN TOTAL EQUITY
(Thousands of Euros)

	Share Capital	Reserves	Prior Years' Profits	Profit for the Year	TOTAL
BALANCE AT BEGINNING OF 2008	**60**	**-**	**4**	**-**	**64**
Total recognised income and expenses	**-**	**-**	**-**	**-**	-
Transactions with shareholders	**-**	**-**	**-**	**-**	-
Other changes in equity	**-**	**-**	**-**	**32**	32
2008 ENDING BALANCE	**60**	**-**	**4**	**32**	**96**

The accompanying Notes 1 to 18 are an integral part of the statement of changes in total equity for 2008.

ENDESA CAPITAL, S.A. (SOLE-SHAREHOLDER COMPANY)
STATEMENT OF CASH FLOWS FOR 2008
(Thousands of Euros)

	Notes	2008
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**10,147**
Profit for the year before tax		**46**
Adjustments for:		**0**
- Impairment losses		(1)
- Finance income	**Note 12**	(115,530)
- Finance costs	**Note 12**	115,534
- Exchange differences	**Note 12**	(3)
- Changes in fair value of financial instruments	**Note 12**	0
Changes in working capital		**205**
- Trade and other receivables		205
- Trade and other payables		48
- Other non-current assets and liabilities		(48)
Other cash flows from operating activities		**9,896**
- Interest paid		(117,926)
- Interest received		127,814
- Income tax recovered (paid)		8
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**1,145,290**
Payments due to investment		**-**
Proceeds from disposal		**1,145,290**
- Group companies and associates		1,144,062
- Other assets	**Note 2**	1,228
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(1,155,678)**
Proceeds and payments relating to equity instruments		**-**
Proceeds and payments relating to financial liability instruments		**(1,155,678)**
- Redemption of debt instruments and other marketable securities		(1,154,009)
- Repayment of borrowings from Group companies and associates	**Note 7**	(441)
- Repayment of other borrowings	**Note 2**	(1,228)
Dividends and returns on other equity instruments paid		**-**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)		
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		(241)
Cash and cash equivalents at beginning of year		342
Cash and cash equivalents at end of year		101

The accompanying Notes 1 to 18 are an integral part of the statement of cash flows for 2008.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 18). In the event of a discrepancy, the Spanish-language version prevails.

1.- COMPANY ACTIVITIES

Endesa Capital, S.A. (Sole-Shareholder Company) ("the Company") was incorporated, as a sole-shareholder company, for an indefinite period of time by Endesa, S.A. under a public deed on 5 October 2004. The Company's registered office and administrative headquarters are in Madrid, at calle de Ribera del Loira, 60.

The Company's sole company object is the issuance of ordinary or unsubordinated debt instruments guaranteed by Endesa, S.A. The company object will be carried on in compliance with the requirements established in each case by the applicable legislation in force at any given time.

The Company forms part of the Endesa Group. The Parent of this Group, Endesa, S.A., with registered office in Madrid, at calle del Loira, 60, prepares consolidated financial statements. The Endesa Group's consolidated financial statements for 2008 were formally prepared by the directors of Endesa, S.A. at the meeting of its Board of Directors on 20 February 2009 and were filed at the Madrid Mercantile Registry.

The Endesa Group is controlled by Enel, S.p.A. ("Enel") which holds 92.1% of the share capital.

In view of the business activity carried on by the Company at 31 December 2008, it did not have any environmental liability, non-current and other assets, expenses, provisions or contingencies that might be material with respect to its net worth, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

2.- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Fair presentation

The financial statements for 2008 are presented in accordance with Law 16/2007, of 4 July, reforming and adapting current Spanish corporate law on accounting matters for its international harmonisation based on European Union regulations and on the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November.

These financial statements, which were prepared using the Company's accounting records, present fairly the Company's equity and financial position at 31 December 2008 and the results of its operations, the changes in equity and cash flows for the year then ended.

2.2. Accounting principles

The accounting principles and policies applied in preparing these financial statements are summarised in Note 4. All obligatory accounting principles with an effect on equity, financial position and profit or loss were applied in preparing these financial statements.

2.3. Responsibility for the information and use of estimates

The information in these financial statements is the responsibility of the Company's directors.

In preparing the financial statements estimates were occasionally made by the Company's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The measurement of assets in order to determine the existence of impairment losses thereon.

- The methods used in calculating the fair value of financial instruments (see Notes 5 and 7).

- The taxable income or tax losses of the Company that will be reported to the tax authorities in the future that served as the basis for recognising the various income tax-related balances in the financial statements (see Note 11).

Although these estimates were made on the basis of the best information available at the date of preparation of these financial statements on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future financial statements.

2.4. Comparative information and matters arising from the transition to the new accounting rules

The Company's financial statements for the year ended 31 December 2008 are the first to be prepared in accordance with the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November.

In compliance with the obligation established in Article 35.6 of the Spanish Commercial Code and for the purposes of applying the principle of consistency and meeting the requirement of comparability, the first financial statements prepared in accordance with the rules contained in the new Spanish National Chart of Accounts will be considered to be initial financial statements and, accordingly, they will not include comparative figures for the previous period.

However, pursuant to Transitional Provision 4.1 of Royal Decree 1514/2007, of 16 November, the notes to the initial financial statements will reflect the balance sheet and income statement included in the prior year's financial statements, and these are as follows:

ENDESA CAPITAL, S.A. (SOLE-SHAREHOLDER COMPANY)
Abridged Balance Sheet at 31 December 2007

	Thousands of Euros 2007
ASSETS	
NON-CURRENT ASSETS	**807,600**
Start-up costs	1
Long-term investments	807,599
CURRENT ASSETS	**2,070,672**
Accounts receivable	212
Short-term investments	2,051,801
Cash	342
Accrual accounts	18,317
TOTAL ASSETS	**2,878,272**

	Thousands of Euros 2007
SHAREHOLDER'S EQUITY AND LIABILITIES	
SHAREHOLDER'S EQUITY	**65**
Share capital	60
Legal reserve	1
Profits not specifically appropriated	4
Prior years' profits	-
Profit for the year	-
NON-CURRENT LIABILITIES	**808,039**
CURRENT LIABILITIES	**2,070,168**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	**2,878,272**

ENDESA CAPITAL, S.A. (SOLE-SHAREHOLDER COMPANY)
Abridged Income Statement for 2007
(Thousands of Euros)

DEBIT	2007	CREDIT	2007
EXPENSES		**INCOME**	
Other operating expenses	**856**	Other operating income	**895**
Profits from operations	**39**	**Loss from operations**	**-**
Finance and similar costs	**93,435**	Finance income	**93,396**
Financial profit	**-**	**Financial loss**	**39**
Profit from ordinary activities	**-**	**Loss on ordinary activities**	**-**
Extraordinary profit	**-**	**Extraordinary loss**	**-**
Profit before tax	**-**	**Loss before tax**	**-**
Income tax			
Profit for the year	**-**	**Loss for the year**	**-**

The Company decided not to present comparative information adapted to the new standards. The main implications of the new rules are as follows:

- Changes in accounting policies, measurement bases and presentation of the financial statements;
- The inclusion in the financial statements of two new financial statements, namely, the statement of changes in equity and the statement of cash flows; and
- A substantial increase in the disclosures provided in the notes to the financial statements.

The reconciliation of the equity at 1 January 2008 (date of transition to the New Spanish National Chart of Accounts) calculated in accordance with the Spanish National Chart of Accounts approved by Royal Decree 1643/1990 to the equity at that same date calculated in accordance with the new accounting rules established in Royal Decree 1514/2007 is as follows:

	Thousands of Euros
Equity at 1 January 2008 under former Spanish National Chart of Accounts (Royal Decree 1643/1990) (*)	**65**
Reduction in value of loans received	2,631
Revaluation of hedging derivatives	(2,866)
Debt arrangement expenses derecognised	235
Incorporation and pre-opening expenses derecognised	(1)
Equity at 1 January 2008 under new Spanish National Chart of Accounts	64

(*)Obtained from the financial statements at 31 December 2007 prepared in accordance with the accounting principles and standards applicable at that date.

The effects on equity of the transition to the new Spanish National Chart of Accounts were as follows:

- The value of the loans received decreased by EUR 3,572 thousand due to their classification as “Other Financial Liabilities Classified as at Fair Value through Profit or Loss”. They were measured at fair value, increasing equity by EUR 2,631 thousand.

- The measurement at fair value of a fair value hedge gave rise to the recognition of a financial liability of EUR (4,094) thousand, reducing equity by EUR 2,866 thousand.

- The value of the loans granted increased by EUR 335 thousand due to their classification as “Other Financial Assets Classified as at Fair Value through Profit or Loss”. They were measured at fair value, increasing equity by EUR 235 thousand.

- EUR (1) thousand of incorporation and pre-opening expenses were derecognised, reducing equity, accordingly.

- The tax effect of the adjustments made was recognised, giving rise to an asset due to temporary differences of EUR 1,228 thousand and a liability due to temporary differences of EUR (1,228) thousand, with no impact on equity.

The following effects of the transition to the new Spanish National Chart of Accounts did not have any impact on equity:

- The derecognition of EUR (18,317) thousand of prepaid interest reduced the amount of the debt principal on which this interest had arisen, since the debt was measured at amortised cost by applying the effective interest method.

- The derecognition of EUR (503) thousand of deferred interest expenses reduced the amount of non-current borrowings by EUR 371 thousand and current borrowings by EUR 132 thousand.

3.- DISTRIBUTION OF PROFIT

The Company’s directors acting jointly have proposed the following distribution of 2008 profit for approval by the sole shareholder:

Distributable Profit	Thousands of Euros
Profit for the year	32
Profits not specifically appropriated	4
Total	**36**

Distribution to	Thousands of Euros
Legal reserve	4
Profits not specifically appropriated	32
Total	**36**

4.- ACCOUNTING POLICIES AND MEASUREMENT BASES

The principal measurement bases used by the Company in preparing its financial statements for 2008, in accordance with the Spanish National Chart of Accounts, were as follows:

a) FINANCIAL INSTRUMENTS

a.1. Financial assets other than derivatives

The non-current and current financial assets held by the Company are classified in the following categories:

- <u>Loans and receivables</u>: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market. This classification excludes the financial assets for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

  These financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

  Subsequently, these items are measured at amortised cost. The accrued interest is recognised in the income statement using the effective interest method.

  At least at year-end, the necessary valuation adjustments must be made whenever there is objective evidence that these assets have become impaired.

  Impairment losses on these assets are calculated as the difference between the carrying amount of the investments and the present value of the future cash flows that they are expected to generate, discounted at the effective interest rate calculated at the time of initial recognition. In the case of financial assets earning interest at floating rates, the effective interest rate at the balance sheet date will be applied, based on the related contractual terms and conditions.

Impairment losses recognised and reversed are charged and credited, respectively, to the income statement. When an impairment loss subsequently reverses, the carrying amount of the account receivable is increased, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised.

In particular, in relation to the valuation adjustments relating to trade and other receivables, the Company recognises the corresponding impairment losses based on the risk to which it is exposed from possible doubtful debts.

- Other financial assets classified as at fair value through profit or loss: financial assets designated as such upon initial recognition, due to the elimination or reduction of accounting mismatches or the need to provide more relevant information.

  These assets are initially recognised at the fair value of the consideration given which, unless there is evidence to the contrary, will be the transaction price. The directly attributable transaction costs are recognised in the income statement for the year. In the case of equity instruments, pre-emptive subscription rights and similar items are included in the initial measurement.

  Subsequently, the assets are recognised at their fair value, without deducting the transaction costs that might be incurred in their disposal. Changes in this fair value are recognised directly in profit or loss.

The Company derecognises a financial asset when the contractual rights on the cash flows from the related financial asset expire or are transferred, provided that substantially all the risks and rewards of ownership of the financial asset have been transferred.

The Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

a.2. Financial liabilities other than derivatives

The Company classifies its non-current and current financial liabilities as follows:

- Accounts payable: include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business, and those which, not having commercial substance, cannot be classed as derivative financial instruments.

  Financial liabilities relating to accounts payable are initially recognised at their fair value which, unless there is evidence to the contrary, is the transaction price, which will be equal to the fair value of the consideration received adjusted by the directly attributable transaction costs.

  These liabilities are subsequently measured at amortised cost. Accrued interest is recognised in profit or loss using the effective interest method.

- Other financial liabilities classified as at fair value through profit or loss: financial liabilities designated as such on initial recognition, due to the elimination or reduction of accounting mismatches or the need to provide more relevant information.

  These liabilities are initially recognised at the fair value of the consideration received which, unless there is evidence to the contrary, will be the transaction price. The directly attributable transaction costs are recognised in profit or loss for the year.

  They are subsequently measured at fair value, excluding any transaction costs that might be incurred in their settlement. Changes in this fair value are recognised directly in profit or loss.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist. It also derecognises its own debt instruments acquired by it, even if it intends to place them on the market again in the future.

a.3. Derivatives and hedge accounting

The derivatives held by the Company relate mainly to transactions to hedge interest rate or foreign currency risk, the purpose of which is to eliminate or significantly reduce the impact on the income statement of these risks resulting from changes in the fair value or cash flows of the hedged or underlying transactions.

Derivatives are recognised at their fair value at the balance sheet date under “Non-Current Financial Assets” or “Current Financial Assets” if their value is positive, and under “Non-Current Payables” or “Current Payables”, if their value is negative.

Since the Company has only designated instruments as fair value hedges, changes in fair value are recognised in the income statement.

The Company has fair value hedges which cover its exposure to changes in the fair value of the recognised assets and liabilities or of hitherto unrecognised firm commitments, or of a specific portion of these assets, liabilities and firm commitments attributable to a particular risk that could affect profit or loss. The changes in fair value of the hedging instruments and of the hedged item are recognised in the income statement.

All hedging relationships qualifying for hedge accounting were designated as such, at inception, are documented and are highly effective.

A hedge is considered to be highly effective when at inception of the term of the hedge it is prospectively foreseeable that the changes in fair value or in the cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by the changes in the fair value or cash flows of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

The fair value of the derivative financial instruments is calculated as follows:

- Derivatives quoted on an organised market, at market price at year-end.
- Derivatives not traded on an organised market are measured by discounting the expected cash flows and using generally accepted option pricing models based on spot and futures market conditions at the end of each year.

b) FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than the Euro, the Company’s functional currency, are translated to euros by applying the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the balances translated at the exchange rate prevailing at the date of the transaction and the balances translated at the exchange rate prevailing at the date of collection or payment are recorded as finance costs or finance income in the income statement.

Also, balances receivable or payable at 31 December each year denominated in currencies other than the functional currency in which the Company's financial statements are denominated are translated at the year-end exchange rates. The resulting translation differences are recognised as finance costs or finance income in the income statement.

c) CURRENT/NON-CURRENT CLASSIFICATION

In the accompanying balance sheet, balances due to be settled within twelve (12) months are classified as current items and those due to be settled within more than twelve months as non-current items.

d) INCOME TAX

The current income tax expense is calculated by adding the current tax of the Company arising from the application of the tax rate to the taxable profit for the year, after deducting the tax credits allowable for tax purposes, to the change in deferred tax assets and liabilities and tax loss and tax credit carry forwards. Differences between the carrying amount of the assets and liabilities and their tax bases give rise to deferred tax assets and liabilities, which are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred and other tax assets are only recognised if it is considered probable that the Company will have sufficient future taxable profits against which the related temporary differences can be recovered or against which the related tax assets can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss), and except for those associated with investments in subsidiaries, associates and joint ventures in which the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax credits arising from economic events occurring in the year are deducted from the income tax expense, unless there are doubts as to whether they can be realised, in which case they are not recognised until they have effectively been realised.

The deferred tax assets and liabilities recognised are reassessed at the end of each reporting period in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the aforementioned analyses.

The Company files consolidated tax returns as part of a tax group, of which Endesa, S.A. is the head, made up of the companies that meet the related legal requirements.

e) REVENUE AND EXPENSE RECOGNITION

Revenue and expenses are recognised on an accrual basis.

Revenue is recognised when the gross inflow of economic benefits arising in the course of the Company's ordinary activities in the year occurs, provided that this inflow of economic benefits results in an increase in equity that it is not related to contributions from equity participants and that these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable arising therefore.

Revenue associated with the rendering of services is only recognised if it can be estimated reliably, by reference to the stage of completion of the transaction at the balance sheet date.

Interest income is recognised by reference to the effective interest rate applicable to the principal outstanding over the related repayment period.

f) RELATED PARTY TRANSACTIONS

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

g) STATEMENTS OF CASH FLOWS

The statement of cash flows reflects the changes in cash that took place in the year calculated using the indirect method. The following terms are used in the statement of cash flows with the meanings specified:

- <u>Cash flows</u>: inflows and outflows of cash and cash equivalents, which are investments with a term of less than three months and which are highly liquid and subject to an insignificant risk of changes in value.

- Operating activities: the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.

- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of equity and borrowings.

5.- NON-CURRENT AND CURRENT FINANCIAL ASSETS

The changes in 2008 in "Non-Current Assets" in the balance sheet were as follows:

Changes in Non-Current Financial Assets	Thousands of Euros					
	01/01/08	Additions or Charge for the Year	Disposals or Reductions	Transfers to Current	Fair Value Adjustments	31/12/08
Non-current investments in Group companies and associates	**807,750**	**131**	**-**	**(150,000)**	**86**	**657,967**
Loans to companies	807,750	131	-	(150,000)	86	657,967
Non-current financial assets	**-**	**-**	**-**	**-**	**3,365**	**3,365**
Derivatives	-	-	-	-	3,365	3,365
Total	**807,750**	**131**	**-**	**(150,000)**	**3,451**	**661,332**

The transfer to current financial assets in 2008 relates to a loan of EUR 150,000 thousand granted to Endesa Financiación Filiales, S.A., which matures in 2009.

The detail of "Current Investments in Group Companies and Associates" and "Current Financial Assets" at 31 December 2008 is as follows:

Current Financial Assets	Thousands of Euros
	Balance at 31/12/08
Current investments in Group companies and associates	**1,045,081**
Loans to companies	1,045,081
Current financial assets	**48**
Other financial assets	48
Total	**1,045,129**

5.1. Classification of financial assets by nature and category

The breakdown, by nature and category, of the financial assets in the balance sheet, excluding equity investments in Group companies and associates, at 31 December 2008 is as follows:

Financial Assets: Nature/Category	Thousands of Euros			
	Asset Financial Instruments			
	Other Financial Assets at Fair Value through Profit or Loss	Loans and Receivables	Hedging Derivatives	Total
Loans to companies	22,207	635,760	-	657,967
Derivatives	-	-	3,365	3,365
Total non-current	**22,207**	**635,760**	**3,365**	**661,332**
Loans to companies	**-**	1,045,081	-	1,045,081
Other financial assets		48	-	48
Total current	**-**	**1,045,129**	**-**	**1,045,129**
Total	**22,207**	**1,680,889**	**3,365**	**1,706,461**

The balance at 31 December 2008 relates mainly to long-term loans granted to Endesa Financiación Filiales, S.A. amounting to EUR 599,788 thousand, earning average interest at 4.93%. This amount relates to the amounts used and repayments of the loans granted by the Company to Endesa Financiación de Filiales, S.A., mainly under the agreement existing in the Endesa Group whereby each company may draw down the amounts required to cover their financial needs and use their surpluses in order to regulate their cash flows. The remaining balance of EUR 58,178 thousand relates to loans granted to Endesa, S.A., which bear interest at an average rate of 5.16%.

The balance of the short-term loans to Group companies at 31 December 2008 relates mainly to loans granted to Endesa Financiación Filiales, S.A. amounting to EUR 1,033,041 thousand, earning average interest at 4.94%, and EUR 11,096 thousand relate to unmatured accrued interest.

The remaining balance of the short-term loans to Group companies at 31 December 2008, EUR 943 thousand, relates to unmatured accrued interest earned on the loan granted to Endesa, S.A. (see Note 5.3).

The accrued finance income recognised in relation to the long-term loans amounted to EUR 55,539 thousand at 2008 year-end.

5.2. Financial assets classified as at fair value through profit or loss

The changes in the fair value of this category of financial assets in 2008, and the accumulated amounts at the reporting date, were as follows:

Change in Fair Value of Financial Assets	Thousands of Euros		
	Initial Fair Value	Change in Fair Value in 2008	Fair Value at 31/12/08
Financial assets at fair value through profit or loss:			
Other financial assets at fair value through profit or loss	22,121	86	22,207
Hedging derivatives	(4,094)	7,459	3,365
Total	**18,027**	**7,545**	**25,572**

The detail of the gains or losses recognised in the income statement due to changes in the fair value of financial assets at fair value is as follows:

Change in Fair Value of Financial Assets Recognised in Profit or Loss	Thousands of Euros		
	Income	Expenses	Total
Loans to companies	86	-	86
Derivatives	7,459	-	7,459
Total	**7,545**	**-**	**7,545**

To calculate the fair value of a financial asset, a distinction was made between assets at a fixed interest rate ("fixed-rate asset") and assets at a floating interest rate ("floating-rate asset"). A fixed-rate asset is an asset that earns explicit or implicit interest at fixed rates from inception of the transaction. A floating-rate asset is a right issued at a floating interest rate, i.e. the interest rate is established at the beginning of each period based on the reference interest rate. The asset as a whole was measured by discounting the estimated future cash flows by applying the market interest rate curve associated with the currency in which the related collection will be made.

5.3. Other fair value disclosures

At 31 December 2008, the fair value of the loans was as follows:

Fair Value of Financial Assets	Thousands of Euros
Long-term loans to companies	22,207

The Company granted a loan of EUR 22,207 thousand to Endesa, S.A. This loan is measured at its fair value, since it is included under "Other Financial Assets at Fair Value through Profit or Loss" because it has a swap associated with it whereby a fixed interest rate in yen is exchanged for a floating interest rate in euros (see Note 9). The value of the swap at 31 December 2008 is reflected under “Derivatives”, thus avoiding accounting mismatches when recognising the gain or loss on the transaction.

5.4. Breakdown by maturity of non-current and current financial assets

The breakdown by maturity of the non-current and current asset financial assets is as follows:

Breakdown by Maturity of Non-Current and Current Financial Assets	Thousands of Euros						
	2009	2010	2011	2012	2013	Subsequent Years	Total
Receivable from Group companies, associates and jointly controlled entities	1,045,081	-	299,840	299,903	-	58,224	1,703,048
Other financial assets	48	-	-	-	-	-	48
Total	**1,045,129**	**-**	**299,840**	**299,903**	**-**	**58,224**	**1,703,096**

5.5. Amounts taken to the income statement and to equity

The changes in profit and loss and in equity for each of the categories in 2008, excluding trade and other receivables, are as follows:

Categories	Thousands of Euros	
	Profit or Loss	Equity
Other financial assets at fair value through profit or loss	86	-
Loans and receivables	115,536	-
Hedging derivatives	7,459	-
Total	**123,081**	**-**

6.- EQUITY

6.1. SHARE CAPITAL

At 31 December 2008, the share capital of Endesa Capital, S.A. (Sole-Shareholder Company) amounted to EUR 60 thousand and was represented by 602 registered shares of EUR 100 par value each, fully subscribed and paid by the sole shareholder, Endesa, S.A.

6.2. LEGAL RESERVE

Under the Consolidated Spanish Companies Law, 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

7.- NON-CURRENT AND CURRENT PAYABLES

The changes in "Non-Current Payables" and "Non-Current Payables to Group Companies and Associates" in 2008 were as follows:

Changes in Non-Current Payables	Thousands of Euros					
	01/01/08	Drawdowns	Repayments	Transfers to Current	Fair Value Adjustment	31/12/08
Non-current payables	**807,749**	**-**	**-**	**(150,000)**	**3,538**	**661,287**
Debt instruments and other marketable securities	803,655	-	-	(150,000)	7,632	661,287
Loans from companies	-	-	-	-	-	-
Derivatives	4,094	-	-	-	(4,094)	-
Non-current payables to Group companies and associates	**441**	**-**	**(441)**	**-**	**-**	**-**
Loans from companies	441	-	(441)	-	-	-
Total	**808,190**	**-**	**(441)**	**(150,000)**	**3,538**	**661,287**

The transfer to current payables in 2008 relates to marketable securities issued by the Company amounting to EUR 150,000 thousand, which mature in 2009.

The detail of the balances of "Current Payables" and "Current Payables to Group Companies and Associates" at 31 December 2008 is as follows:

Current Payables	Thousands of Euros
	Balance at 31/12/8
Current payables	**1,045,078**
Debt instruments and other marketable securities	1,045,078
Current payables to Group companies and associates	**16**
Loans from companies	3
Other financial liabilities	13
Total	**1,045,094**

7.1. Classification of financial liabilities by nature and category

The breakdown, by nature and category, of the related balance sheet line items at 31 December 2000 is as follows:

Financial Liabilities: Nature/Category	Thousands of Euros		
	Liability Financial Instruments		
	Other Financial	Payables	Total

	Liabilities at Fair Value through Profit or Loss		
Debt instruments and other marketable securities	25,572	635,715	661,287
Total non-current	**25,572**	**635,715**	**661,287**
Debt instruments and other marketable securities	**-**	1,045,078	1,045,078
Loans from companies	**-**	3	3
Other financial liabilities	**-**	13	13
Total current	**-**	**1,045,094**	**1,045,094**
Total	**25,572**	**1,680,809**	**1,706,381**

The non-current payables at 31 December 2008 totalled EUR 661,287 thousand and related to debt instrument issues guaranteed by Endesa, S.A., which mature between 2010 and 2017 and bear interest at an average rate of 4.99%. In 2008 the accrued finance costs amounted to EUR 68,901 thousand.

"Current Payables - Debt Instruments and Other Marketable Securities" relates mainly to short-term promissory notes issued at a discount recognised at fair value at 31 December 2008, which amount to EUR 887,400 thousand and bear interest at an average rate of 4.71%.

The remaining balance of the "Current Payables - Debt Instruments and Other Marketable Securities" at 31 December 2008 relates to the short-term balance of the debt instrument issue guaranteed by Endesa, S.A., amounting to EUR 150,000 thousand, which bears interest at an average rate of 4.95%. The related accrued interest payable amounted to EUR 7,678 thousand at that date.

7.2. Breakdown, by maturity, of non-current and current payables

The detail, by maturity, of "Non-Current Payables" and "Current Payables" is as follows:

Breakdown of Non-Current and Current Payables	Thousands of Euros						
	2009	2010	2011	2012	2013	Subsequent Years	Total
Payable to Group companies, associates and jointly controlled entities	16	-	-	-	-	-	16
Debt instruments and other marketable securities	1,045,078	-	299,840	299,903	-	61,544	1,706,365
Other financial liabilities		-	-	-	-	-	
Total	**1,045,094**	**-**	**299,840**	**299,903**	**-**	**61,544**	**1,706,381**

7.3. Financial liabilities classified as at fair value through profit or loss

The changes in the fair value of this category of financial liabilities in 2008, and the accumulated amounts at the reporting date, were as follows:

Change in Fair Value of Financial Liabilities	Thousands of Euros		
	Initial Fair Value	Change in Fair Value in 2008	Fair Value at 31/12/08
Financial liabilities at fair value through profit or loss:			
Other financial liabilities at fair value through profit or loss	18,027	7,545	25,572

The detail of the gains or losses recognised in the income statement due to changes in the fair value of financial liabilities at fair value is as follows:

Change in Fair Value of Financial Liabilities Recognised in Profit or Loss	Thousands of Euros		
	Income	Expenses	Total
Company loans	-	(7,545)	(7,545)
Total	**-**	**(7,545)**	**(7,545)**

To calculate the fair value of a financial liability, a distinction was made between liabilities at a fixed interest rate ("fixed-rate liability") and liabilities at a floating interest rate ("floating-rate liability"). A fixed-rate liability is a liability that bears explicit or implicit interest at fixed rates from inception of the transaction. A floating-rate liability is a liability issued at a floating interest rate, i.e. the interest rate is established at the beginning of each period based on the reference interest rate. The liability as a whole was measured by discounting the estimated future cash flows by applying the market interest rate curve associated with the currency in which the related payment will be made.

7.4. Other fair value disclosures

At 31 December 2008, the fair value of the loans was as follows:

Fair Value of Financial Liabilities	Thousands of Euros
Lon-term debt instruments	25,572

The Company has arranged certain derivative financial instruments to hedge the risk of the debt instrument issue amounting to JPY 3,000 million and maturing in 2015. Therefore, the balance of EUR 25,572 thousand corresponding to the foreign currency debt instruments translated to euros is included under "Financial Liabilities at Fair Value through Profit or Loss" because it has a swap associated with it whereby a fixed interest rate in yen is exchanged for a floating rate in euros (see Note 9). The value of this swap at 31 December 2008 is reflected under "Derivatives", thus avoiding accounting mismatches when recognising the gain or loss on the transaction.

7.5. Amounts taken to the income statement and to equity

The changes in profit or loss and in equity for each of the categories in 2008, excluding trade and other payables, were as follows:

Categories	2008	
	Thousands of Euros	
	Profit or Loss	Equity
Other financial liabilities at fair value through profit or loss	(8,638)	-
Payables	(114,444)	-
Total	**(123,082)**	**-**

8.- INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

8.1. Risk management policy

The Company is exposed to certain risks which it manages by applying risk identification, measurement, concentration, limitation and supervision systems.

The basic principles defined by the Endesa Group when establishing its risk management policy, which did not change significantly in 2008, are as follows:

- Comply with the principles of good corporate governance.
- Comply strictly with all the Endesa Group's rules.
- Each business and corporate area defines:
    - The markets and product lines in which it can operate on the basis of having sufficient know-how and capabilities to ensure effective risk management.
    - Criteria concerning counterparties.
    - The authorised operators.
- The businesses and corporate areas establish for each market in which they operate the level of risk that they are prepared to assume on a basis that is consistent with the strategy defined.

- The limits of the businesses and corporate areas are approved by their respective Risk Committees or, should they not have one, by the Endesa Risk Committee.

- All the businesses and corporate areas must conduct their business within the limits approved in each case.

- The businesses, corporate areas, lines of business and companies establish the risk management controls required to ensure that the transactions are performed in the markets in accordance with the policies, principles and procedures of Endesa.

8.2. Credit risk

The Company only lends to Endesa Group companies; consequently, the credit risk is controlled and, moreover, the financial support of Endesa, S.A. is assured at all times.

8.3. Liquidity risk

The Company, for the purpose of ensuring liquidity and being able to meet all the payment obligations arising from its business activities, has the necessary working capital and contracts to enable it to meet its short-term payment obligations.

8.4. Interest rate risk

Both the Company's financial obligations and its financial rights are exposed to interest rate risk, which has no adverse net impact on financial profit or loss or cash flows. The Company obtains cash from third parties, which it subsequently lends to Group companies, and the return on these lendings is always higher than that on the amounts obtained by the Company.

The detail of the interest rate risk structure, distinguishing between risk tied to fixed and protected interest rates and risk tied to floating interest rates and taking into account the derivatives and financial assets arranged, is as follows:

Financial Risk Structure	Net Position Thousands of Euros 31/12/08
Fixed interest rate	0
Protected interest rate (*)	-
Floating interest rate	0
TOTAL	**0**

(*) Transactions bearing interest at a floating rate with a cap.

8.5. Foreign currency risk

Foreign currency risk is concentrated on the debt instrument issue mentioned in Note 7.4, which is hedged by a hedging derivative which mitigates the foreign currency risk.

8.6. Risk measurement

The Company measures the Value at Risk of its debt and derivative positions in order to guarantee that the risk assumed by the Company remains consistent with the risk exposure defined by management, thereby reducing the volatility of the income statement.

The portfolio of positions included for the purpose of the current Value at Risk calculations is made up of debt, financial derivatives and financial assets.

The Value at Risk calculated represents the possible decline in value of the portfolio described above in a time period of one day with a confidence level of 95%. For this purpose, a study has been performed of the volatility of the risk variables that affect the value of the portfolio of positions, including:

-Euribor.

-US dollar Libor.

-The exchange rates of the various currencies included in the calculation.

The calculation of the Value at Risk is based on the generation of possible future scenarios (one day ahead) of the spot and forward market values of the risk variables using Monte Carlo methodologies. The number of scenarios generated ensures fulfilment of the convergence criteria of the simulation. For the simulation of the future price scenarios the matrix of volatilities and correlations among the various risk variables calculated on the basis of the historical record of logarithmic price returns was used.

Once the price scenarios have been generated, the fair value of the portfolio is calculated with each of the scenarios, obtaining a distribution of possible one day ahead values. One-day Value at Risk with a confidence level of 95% is calculated as the percentile of 5% of the possible increases in the fair value of the portfolio at one day.

The various debt, financial asset and derivative positions included in the calculation were measured on a basis consistent with the methodology used to calculate the Capital at Risk reported to management.

Taking into account the aforementioned assumptions, the Value at Risk of the positions discussed above, by business and type of position, is as follows:

Value at Risk	Thousands of Euros
	31/12/08
Financial positions	0.0
Interest rates	0.0
Exchange rates	0.0

9.- DERIVATIVE FINANCIAL INSTRUMENTS

The Company, applying the risk management policy described above, uses interest rate and foreign currency hedging derivatives.

The company classifies its hedges into:

- Cash flow hedges: which hedge the cash flows on the hedged underlying.

- Fair value hedges: which hedge the fair value of the hedged underlying.

For the derivative financial instruments accounted for formally as hedging derivatives, the Company has complied with the requirements detailed in Note 4.a.3. on measurement bases in order to be able to classify these financial instruments as hedges.

The detail of the balances at 31 December 2008 reflecting the valuation of the derivative financial instruments at that date is as follows:

Breakdown of Value of Derivative Financial Instruments	Thousands of Euros		
	31/12/08		
	Assets	Liabilities	Notional Amount
Interest rate and foreign currency fair value hedge	3,365	-	21,599

The derivative financial instrument and the hedged item both mature in 2015.

Fair value hedging derivatives

To hedge the foreign currency and interest rate risk to which the Company is exposed in the issue of debt instruments denominated in yen, the notional amount being JPY 3,000,000 thousand, equivalent to EUR 21,599 thousand, at a fixed rate of 1.51%, the Company arranged a swap whereby the aforementioned fixed rate in yen is exchanged for a floating rate of 6-month Euribor plus a spread of 0.25%, in euros.

The transaction forms a perfect hedge, since the same capital that was obtained through the debt issue denominated in yen was lent to Endesa, S.A., and both the liability and the asset are measured at fair value through profit or loss. Furthermore, the interest rate agreed upon for the loan to the Parent is the same floating rate established by the Company in the swap.

At 2008 year-end, in relation to the fair value hedge, EUR 7,545 thousand of income and EUR 7,545 thousand of costs were recognised in the income statement, corresponding to the changes in fair value of the hedging instruments and the hedged items (see Notes 5.2. and 7.3.).

10.-FOREIGN CURRENCY

At 31 December 2008, the assets and liabilities denominated in foreign currencies represented a net liability of EUR 25,572 thousand. The detail at that date of the balances denominated in foreign currencies (yen), translated to euros at the year-end exchange rate and the average exchange rate for the year, respectively, is as follows:

Detail of Foreign Currency Balances	Thousands of Euros
Assets:	**-**
Liabilities:	**25,572**
Debt instruments issued	25,572

The detail, by class of financial instrument, of the exchange differences recognised in profit or loss is as follows:

Exchange Differences Recognised in Profit or Loss	Thousands of Euros		
	On Transactions Settled in 2008	On Unmatured Balances	Total
Financial liabilities			
Debt instruments issued	-	3	3
Total financial liabilities	**-**	**3**	**3**

11.-TAX MATTERS

In 2008 Endesa Capital S.A. was taxed under the consolidated tax regime provided for in Legislative Royal Decree 4/2004 approving the Consolidated Spanish Corporation Tax Law, as part of tax group no. 42/98 of which Endesa, S.A. is the Parent.

The reconciliation of the accounting profit to the taxable profit for income tax purposes is as follows:

Reconciliation of Accounting Profit to Taxable Profit	Thousands of Euros					
	Income Statement			Income and Expenses Recognised Directly in Equity		
Accounting profit after tax	32			-		
	Increases	**Decreases**	**Total**	**Increases**	**Decreases**	**Total**
Income tax	14	-	14	-	-	-
Accounting profit before tax	46			-		
Permanent differences:	**-**	**-**	**-**	**-**	**-**	**-**
Tax-exempt gains	-	-	-	-	-	-
Non-deductible expenses	-	-	-	-	-	-
Impairment losses on investments in Group companies	-	-		-	-	-
Other adjustments	-	-	-	-	-	-
Temporary differences:	-	(1)	(1)	-	-	-
Arising in the year	-	-	-	-	-	-
Valuation adjustments – Incorporation expenses	-	(1)	(1)			
Offset of prior years' tax losses	-	-	-	-	-	-
Taxable Profit	45			-		

The decreases due to temporary differences relate to the elimination of incorporation expenses capitalised at 31 December 2007.

The reconciliation of the tax charge payable to the income tax expense is as follows:

Reconciliation of Tax Charge Payable to Income Tax Expense	Thousands of Euros
Taxable profit	
Income statement	45
Income and expenses recognised directly in equity	-
Total taxable profit	**45**
Gross tax payable	**14**
Deduction of tax credits and tax relief	-
Effective tax payable	**14**
Net tax effect of temporary differences	-
Offset of prior years' tax losses and tax credits	-
Prior years' adjustments	-
Effect of tax rate reduction	-
2008 income tax	**14**

The reconciliation of the accounting profit to the income tax expense for 2008 is as follows:

Reconciliation of Accounting Profit to Income Tax Expense	Thousands of Euros		
	Income Statement	Income and Expenses Recognised Directly in Equity	Total Income and Expenses Recognised
Accounting profit before tax	46	-	46
Permanent differences	-	-	-
Total adjusted profit	46	-	46
Tax charge at 30%	14	-	14
Tax credits:	-	-	-
Double taxation	-	-	-
Reinvestment of gains	-	-	-
Other	-	-	-
Offset of tax losses:	-	-	-
Other	-	-	-
Total income tax expense	**14**	**-**	**14**

In 2008 the Company did not deduct any tax credits or tax relief.

11.1. Breakdown of income tax expense

The breakdown of the income tax expense for 2008 is as follows:

Breakdown of Income Tax Expense	Thousands of Euros			
	Current Tax	Change in Deferred Tax		Total
		Change in Deferred Tax Assets	Change in Deferred Tax Liabilities	
		Temporary Differences	Temporary Differences	
Recognition in profit or loss:	14	(1,228)	1,228	14
Continuing operations	14	(1,228)	1,228	14
Discontinued operations	-	-	-	-
Recognition in equity:	-	-	-	-
Arising from revaluation of financial instruments	-	-	-	-
Arising from cash flow hedges	-	-	-	-
Arising from grants, donations or gifts and legacies received	-	-	-	-
Arising from actuarial gains and losses and other adjustments	-	-	-	-
Arising from non-current assets and classified as held for sale and associated liabilities	-	-	-	-
Arising from translation differences	-	-	-	-
Arising from reserves	-	-	-	-
Total	**14**	**(1,228)**	**1,228**	**14**

11.2. Deferred tax assets

The changes in “Deferred Tax Assets” in 2008 were as follows:

Changes in Deferred Tax Assets	Thousands of Euros		
	Deferred Tax Assets	Tax Losses	Unused Tax Credits and Other
Balance at 1 January 2008	**1,228**	**-**	**-**
Additions	-	-	-
Disposals	(1,228)	-	-
Balance at 31 December 2008	**-**	**-**	**-**

11.3. Deferred tax liabilities

The changes in “Deferred Tax Liabilities” in 2008 were as follows:

Changes in Deferred Tax Liabilities	Thousands of Euros
Balance at 1 January 2008	**(1,228)**
Additions	-
Disposals	1,228
Balance at 31 December 2008	**-**

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2008 year-end the Company had all years since 2002 open for review for income tax and all years since 2005 for the other taxes applicable to it. The Company’s directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

12.-INCOME AND EXPENSES

12.1. Other operating expenses

The detail of the Company's other operating expenses at 31 December 2008 is as follows:

Detail of Other Operating Expenses	Thousands of Euros
Outside services	334
Taxes other than income tax	262
Total	**596**

Most of the outside services received by the Company relate to corporate services provided by Endesa, S.A.

12.2. Finance income and costs

The detail of the Company's finance income and costs at 31 December 2008 is as follows:

Detail of Finance Income and Costs	Thousands of Euros
Finance income	**123,081**
Marketable securities and loans:	
Interest	115,530
Exchange differences	6
Changes in fair value of financial instruments	7,545
Finance costs	**(123,082)**
Marketable securities and loans:	
Interest	(115,534)
Exchange differences	(3)
Changes in fair value of financial instruments	(7,545)
Total financial loss	**(1)**

The finance income relates mainly to the interest on short-term loans to Group companies, Endesa, S.A. and Endesa Financiación Filiales, S.A. (Sole-Shareholder Company) (see Note 14.2) and the interest on drawdowns against a short-term current account credit facility that the Company has with Endesa Financiación Filiales, S.A. (Sole-Shareholder Company).

The finance costs were incurred on the promissory notes issued by the Company as part of the issue programme registered with the Spanish National Securities Market

Commission, on the transactions involving debt instruments arranged with various banks and on medium term notes.

The detail of the finance income and finance costs in 2008 calculated by applying the effective interest method during the year is as follows:

Effect of the Application of the Effective Interest Method	Thousands of Euros	
	Finance Income	Finance Costs
Application of the effective interest method	218	(218)

13.-INFORMATION ON THE ENVIRONMENT

In view of the business activities carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results.

14.-TRANSACTIONS WITH GROUP COMPANIES

The transactions with related parties in 2008 took place in the normal course of business and were performed on an arm's length basis.

14.1. Related party transactions

The detail of the related party transactions in 2008 is as follows:

Detail of Related Party Transactions	Thousands of Euros	
	Parent	Other Group Companies
Services rendered	643	-
Services received	(193)	-
Interest charged	2,969	112,561
Interest paid	-	(9)
Total	**3,419**	**112,552**

As indicated earlier, the Company's business activity is the issuance of ordinary or unsubordinated debt instruments guaranteed by Endesa, S.A., and the capital thus obtained is subsequently lent to the Parent or to other Endesa Group companies. The company object is carried on in compliance with the requirements established in each case by the applicable legislation in force at any given time. Consequently, the results presented by the Company relate to the returns obtained on these transactions.

14.2. Related party balances

The detail of the balances with related parties at 31 December 2008 is as follows:

Detail of Balances with Related Parties	Thousands of Euros	
	Parent	Other Group Companies
Non-current investments	**58,178**	**559,789**
Loans to companies	58,178	559,789
Current investments	**943**	**1,044,138**
Loans to companies	943	1,044,138
Current liabilities	**(13)**	**(3)**

The Note on financial instruments indicates the Group companies with which the most significant balances were held at 31 December 2008 (see Note 7.1.).

14.3. Contractual relations with the sole shareholder

Other than the loans mentioned in Note 5.3. above, the only agreement entered into between Endesa Capital, S.A. (Sole-Shareholder Company) and its sole shareholder Endesa, S.A. was executed on 1 January 2005. Under this agreement, Endesa S.A. is required to reimburse to the Company all the costs the latter incurs in the performance of its activity.

15.-REMUNERATION AND OTHER BENEFITS OF DIRECTORS

The two directors acting jointly in their capacity as executives of Endesa, S.A., earn their remuneration in all connections at that company. Also, any advances or pension and similar commitments to these directors would be granted by or reimbursed to Endesa, S.A.

None of the items composing their remuneration relates to their status as directors of Endesa Capital, S.A. (Sole-Shareholder Company), since the remuneration for such duties is included in their overall remuneration.

Pursuant to Article 127 ter.4 of the Spanish Companies Law, the Company’s directors acting jointly declare that in 2008 and previous years they did not own equity interests in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity constituting the Company’s object, that they did not hold any positions or discharge any functions in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company’s object, that they did not engage in, as independent professionals or as employees, any activities that are identical, similar or complementary to the activity constituting the Company’s object.

16.-FEES PAID TO AUDITORS

“Other Operating Expenses” in the accompanying income statement includes the fees for the audit of the Company’s financial statements amounting to EUR 12 thousand. Additionally, in 2008 the Company’s auditor received EUR 16 thousand for other audit-related services.

17.- EVENTS AFTER THE REPORTING PERIOD

There have been no noteworthy events since 2008 year-end.

11.2. Financial Statements

The Issuer does not prepare consolidated annual financial statements.

11.3. Auditing of historical annual financial information

See “2. Statutory Auditors”.

11.4. Age of latest financial information

The latest audited fiscal financial information in respect to the Issuer pertains to the year ending December 31, 2008.

11.5. Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware),which may have, or have had during the 12 months prior to the date of this prospectus, a significant effects on the financial position or profitability of the Issuer.

11.6. Significant change in the issuer’s financial or trading position

Since 31 December 2008 there have been no material adverse change in the prospectus of the issuer nor any significant change in the financial or trading position of the Issuer.

12. MATERIAL CONTRACTS

The Issuer has signed a service contract with the Guarantor dated January 1, 2005, the object of which is the provision by the Issuer in favor of the Guarantor, for and on behalf of the Guarantor, of the services and operations relating to the issuance of bonds and other debt instruments in such a form and manner that they may adhere to the scheme provided by additional provision two of Law 13/1985, of May 25, on investment ratios, equity and reporting obligations of financial intermediaries. By virtue of the above, the Issuer shall present to the Guarantor each year an expense budget of the Issuer for management and administration thereof. The Guarantor, by virtue of the above-mentioned service contract, agrees to pay to the Issuer the expenses and costs incurred by the latter in its management and administration.

13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Not applicable.

14. DOCUMENTS ON DISPLAY

1) Corporate Bylaws and deed of incorporation of the Issuer, which may be consulted at the registered offices.

2) Registration Document of the Guarantor (Annex IV of Regulation 809/2004, of the European Commission, of April 29, 2004) registered in the registries of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores; CNMV*) on July 3, 2009 and which may be consulted on the CNMV website: http://www.cnmv.es.

3) Annual Report of the Guarantor which may be consulted on the website http://www.endesa.es and on the CNMV's website http://www.cnmv.es.

4) Audited annual financial statements of the Issuer for the fiscal years ending December 31, 2008 and December 31, 2007, which may be consulted at the registered offices of the Issuer and on the website of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores; CNMV*).

In witness to their knowledge and approval of the contents of this Registration Document, it is hereby signed by the Joint Administrators of the Issuer, in Madrid, this day 7th of July, 2009.

Francisco Javier Galán Allué

Pedro Corpas Fernández