



Focus on value

*Presentation to Financial Analysts
Madrid, 12 March 2001*

Focus on value

- **Value-focused vision, leveraging our strong business platform and distinctive capabilities**
- **Proven ability to extract value from asset platform and capabilities, facing significant past challenges**
- **A clear plan to achieve our vision**
- **Sustained and solid financial performance**
- **Conclusions**



Focus on value

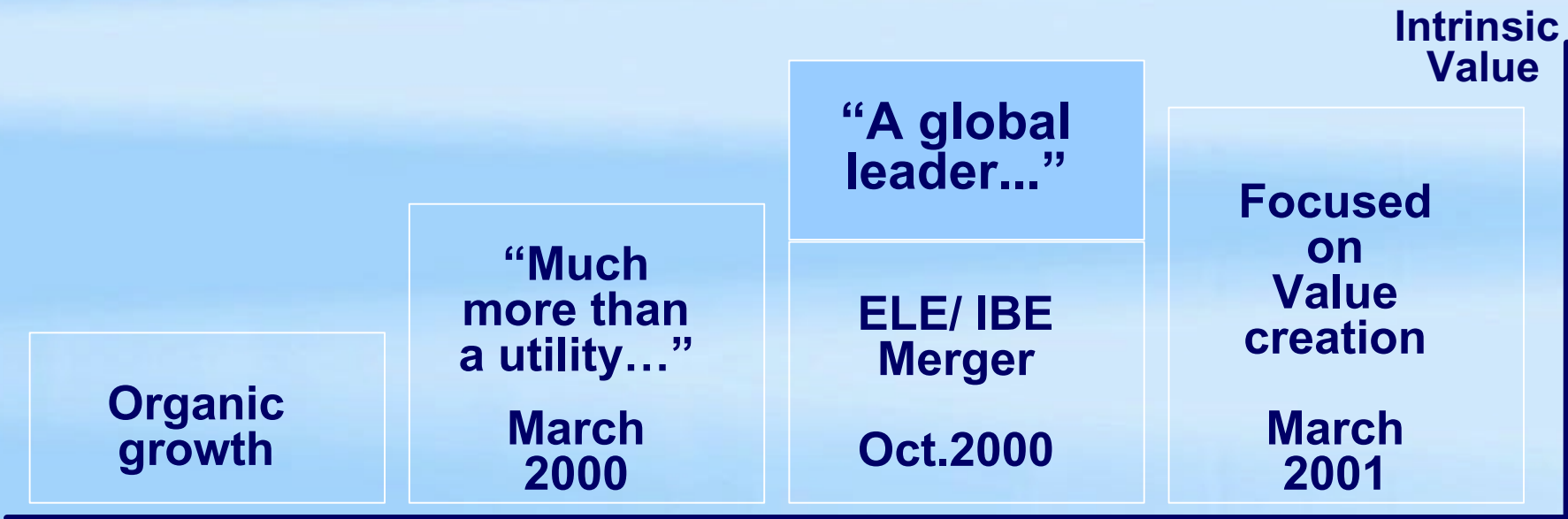
- **Value-focused vision**
 - Track record facing challenges
 - Future plans
 - Financial performance
 - Conclusions

Our business portfolio strategy

Vision: focus on value



Alternative strategies for Endesa



The best alternative as conditions set for merger did not allow the achievement of the required value

Energy: achieve a leadership position in the energy industry:

Spain

Consolidate leadership:

- Significantly improve efficiency
- Capacity renewal program
- Increase presence in gas market

Latin America

Reinforcing leadership:

- Significantly improve efficiency
- Increase our presence in Brazil
- New capacity and interconnection

Europe

Selective profitable expansion:

- Differentiated strategy by regions
- Portfolio management

NAFTA

- Exploring opportunities in Mexico and US

Telecoms: Extract value and leverage core skills

Initial phase

Network
deployment

Customers
capture

VALUE

Mature phase

Value added
services

World Class
operating skills

Spain

- Support AUNA business plan and strategy.
- Gradually extract value from current investments.

Latin America

- Support Smartcom business plan and strategy
- Identify new opportunities in Telecoms where we can leverage our core competences.

Our capabilities and skills add more value in the early stages of telecoms projects



Services and new technologies: Adding value to core business

New businesses will be developed only where we have competitive advantages

Develop new related businesses leveraging our assets and capabilities

Participate in businesses developed externally but with high relationship with our core business

Services

- ENDESA Hogar
- Energy management
- ENDESA IT

**New Technologies
(Net Factory)**

- OPCIONA
- ENDESA Web Hogar
- SME: Delanto.com
- Powerline
- Other: Myalert.com, Enertech,...

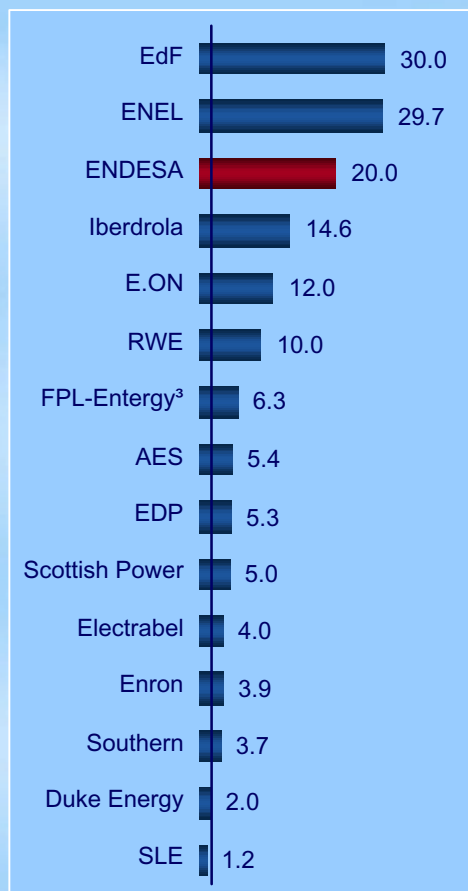


Our vision is leveraged on our strong business platform ...

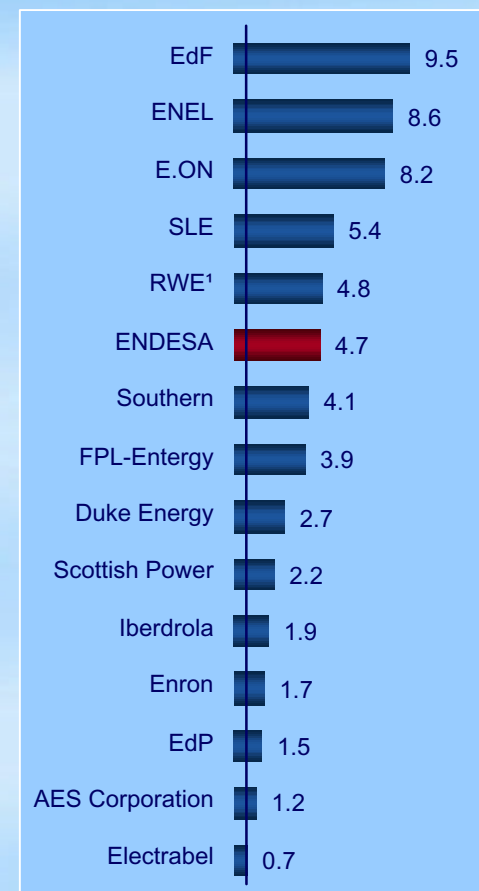
Unique business platform

- Market leader in 5 countries across the value chain
- Among world leaders in electricity sales, capacity and customer base
- Strong and stable cash flow
- Alternative global Telecom operator in Spain
- Increasing presence in selected new businesses and geographies

Number of electricity customers (Million)



EBITDA ranking (Euro Billion) 1999



... and distinctive capabilities and intangibles

Distinctive execution skills

- World-class operation and efficiency
- Superior asset portfolio management

Management of growth processes

- Gradual growth into new services and geographies
- Systematic best-practice transfer

Superior electricity market knowledge

- Leading market share
- Proprietary pricing models and practices

Privileged relationships

- Partner of first choice
- Wide base of clients, suppliers and partners



Vision overview

Endesa leverages on:

- Core competences and skills
- Proven execution skills
- Unique asset base



Focused and developed strategies

Track record building a
solid business platform
1996-2000

Optimal position to
achieve our vision and
maximize value

Focus on value

- Value-focused vision
- **Track record facing challenges**
- Future plans
- Financial performance
- Conclusions

Successful track record facing challenging conditions

 **Succeeding in an aggressive liberalization process**

 **Creating a solid international business platform**

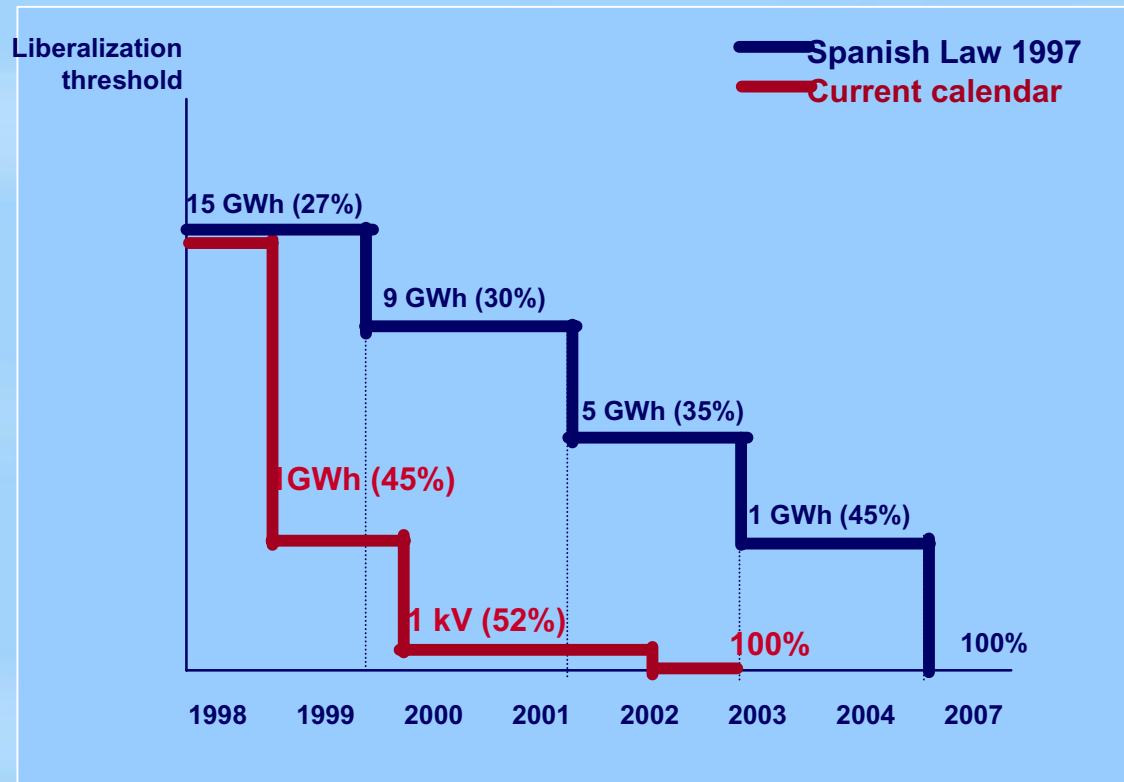
 **Generating value from Telecom opportunities**

 **Successfully financing a “quantum leap” in our expansion**

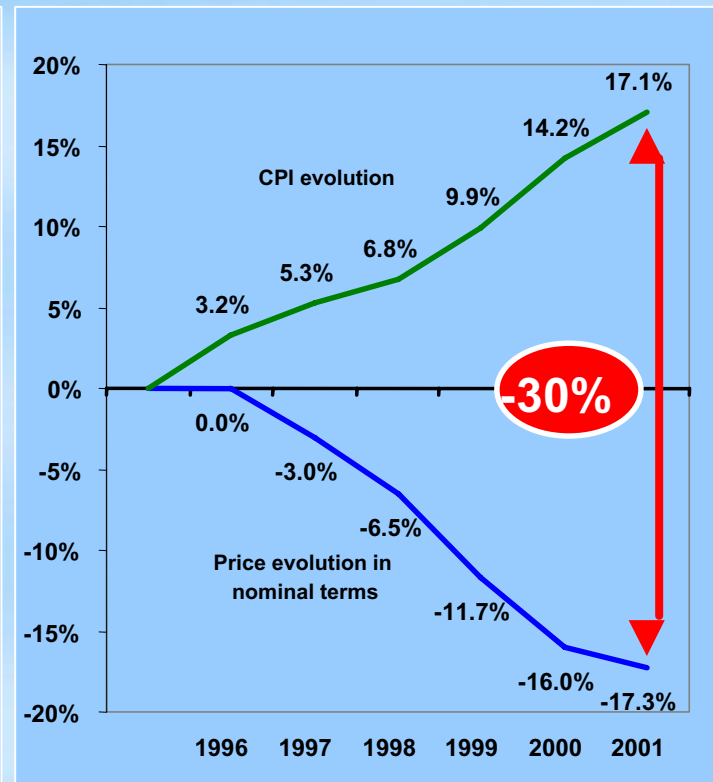
Succeeding in an aggressive liberalization process in Spain

Track record facing challenges

Liberalization has been radically accelerated



Tariffs have been cut by 30% in 6 years



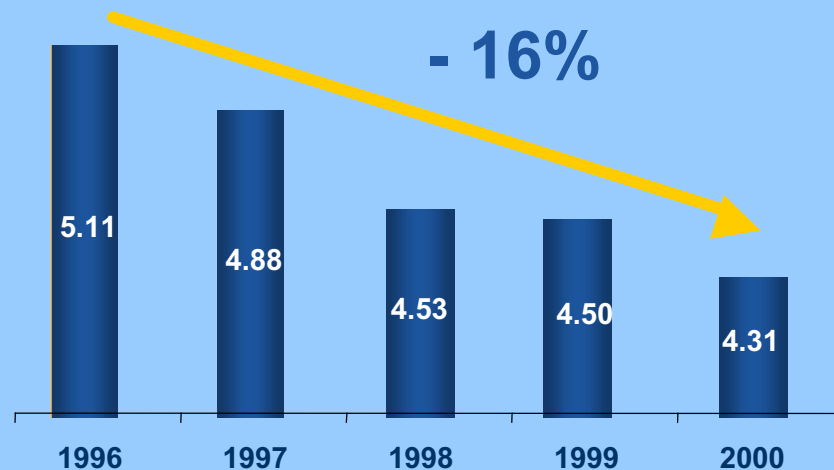
Succeeding in an aggressive liberalization process in Spain

Track record facing challenges

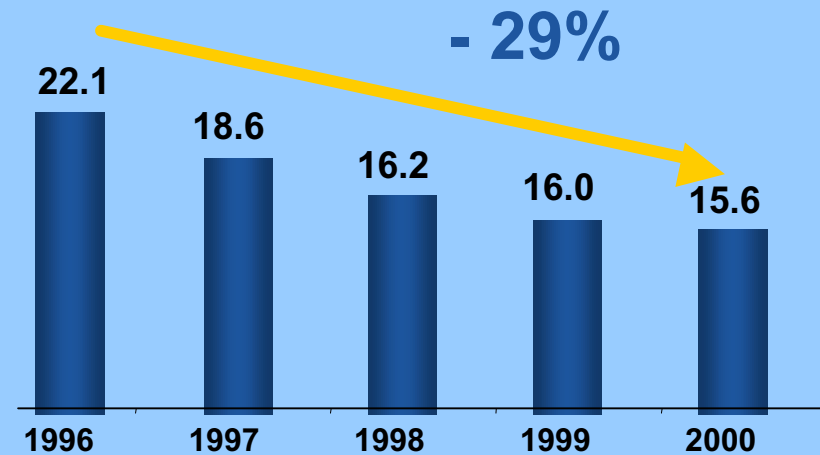
Domestic gross margin has been under pressure but...

..we have responded with aggressive cost cutting

Domestic Gross Margin
(Euro Billion)



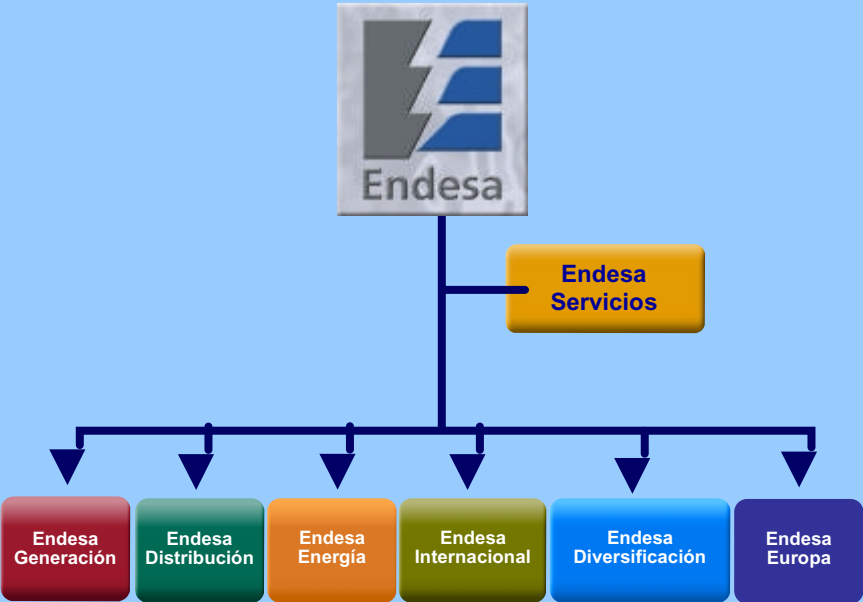
O&M total cost in domestic business
(Euro/Mwh)



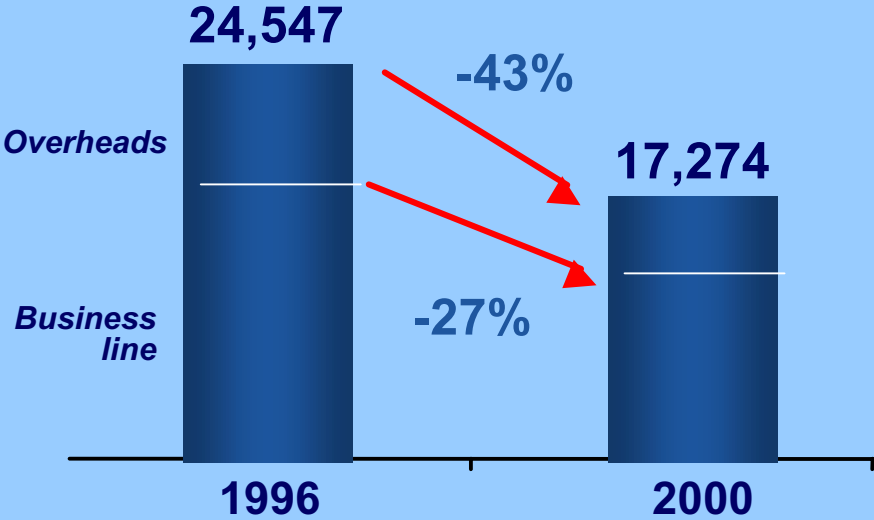
Consolidation of a business oriented organization

Track record facing challenges

From 8 multi-business subsidiaries to specialised business units within a single corporation



30% workforce reduction in Spain

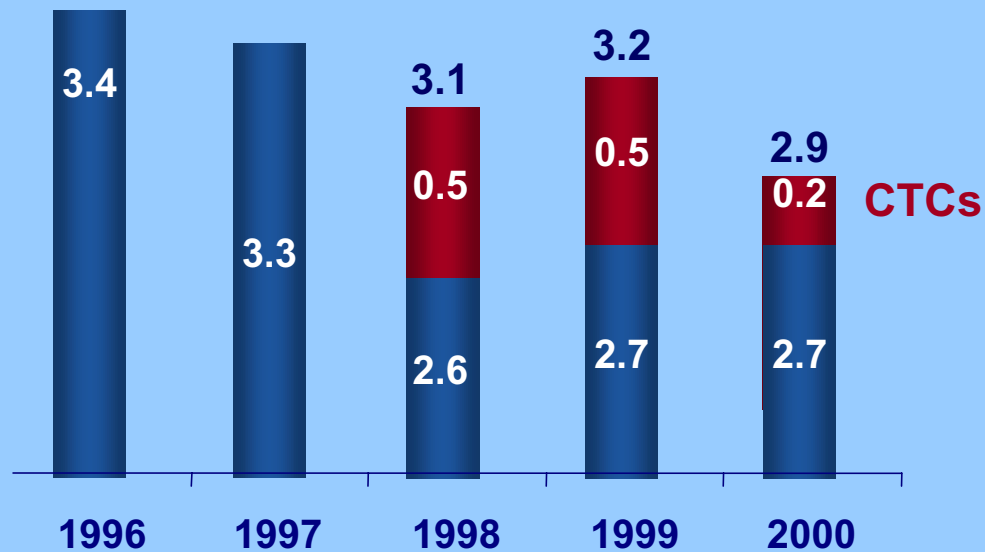


Positive performance and... ...leading the new competitive markets

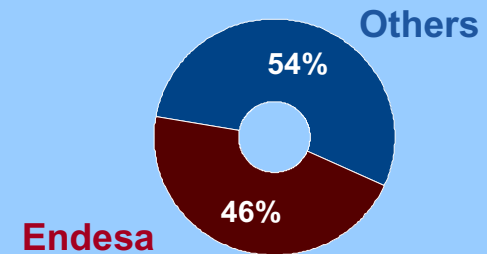
Track record facing challenges

Evolution of Domestic EBITDA

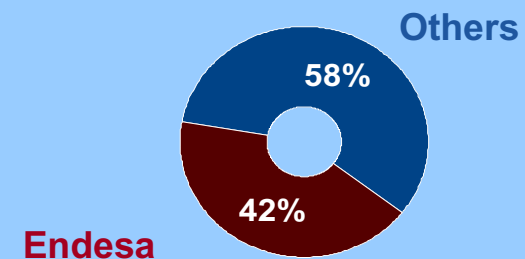
(Euro Billion)



Wholesale electricity market share



Supply Market share

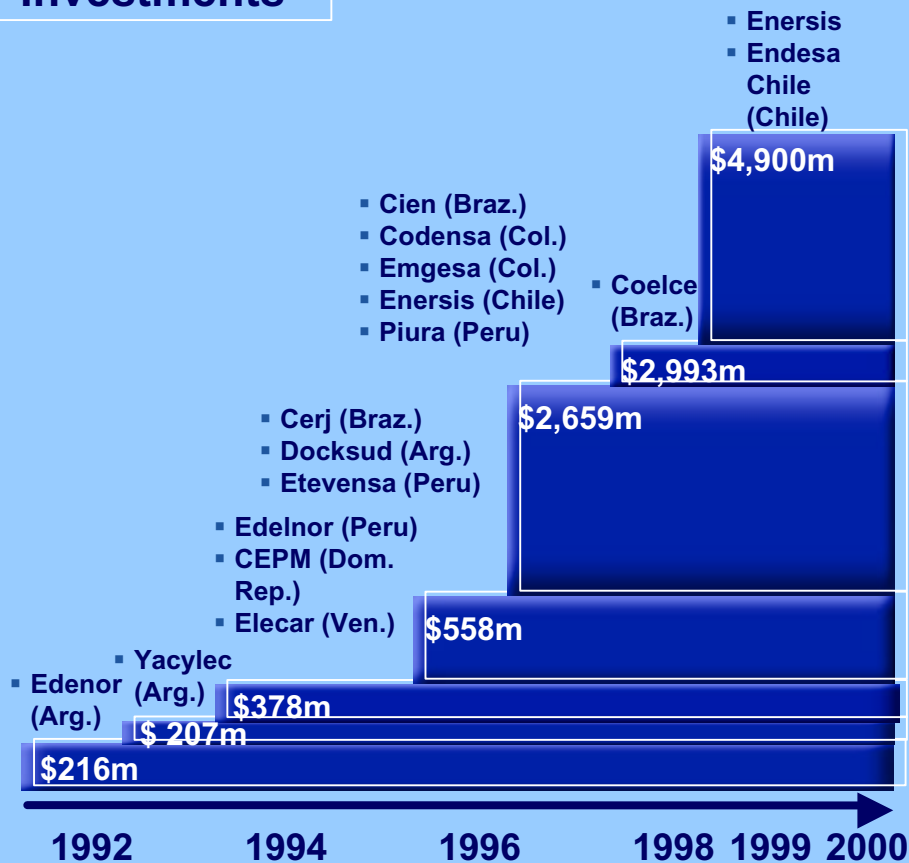


Endesa

Creating a solid international business platform

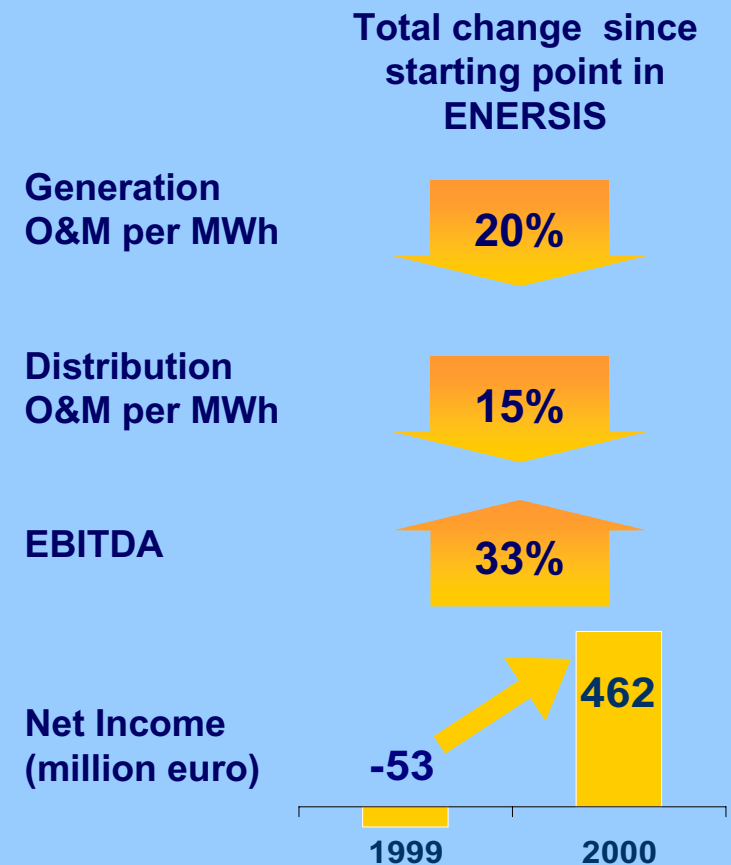
We have built a unique platform in Latin America through steady growth ...

Investments



Track record facing challenges

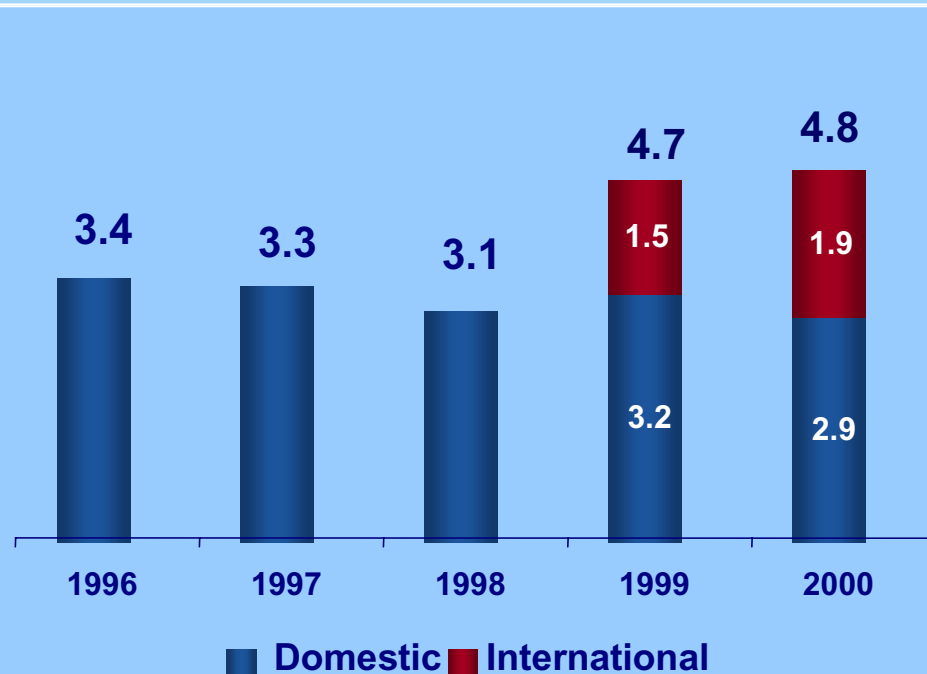
... and successfully transferred our core competences to turn around businesses



An international business platform to complement our domestic business

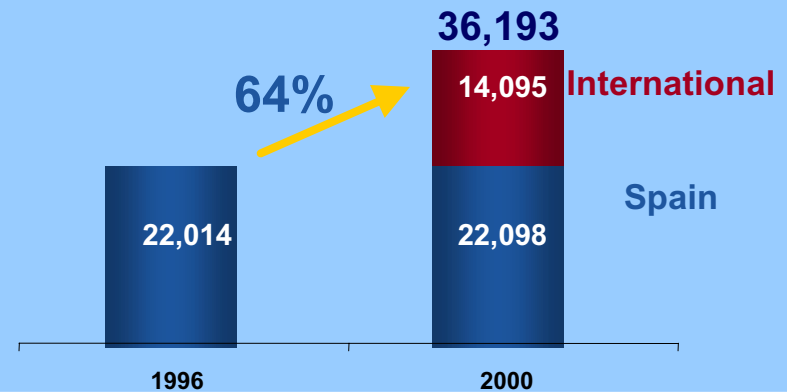
Track record facing challenges

EBITDA (Euro Billion)

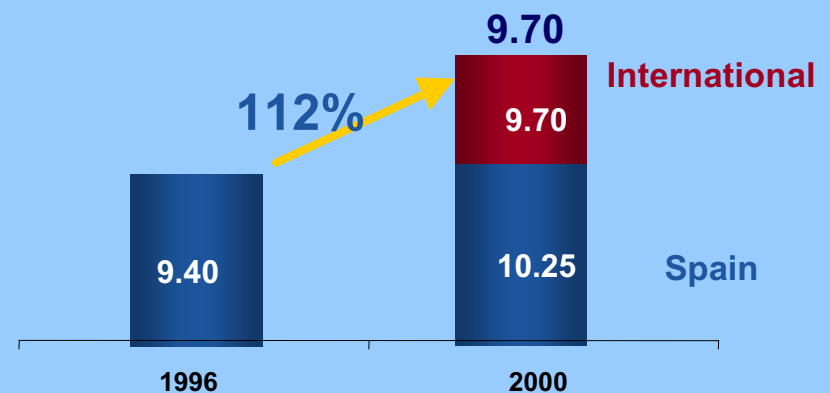


Investing in markets with high organic growth

MW installed



Customers (million)

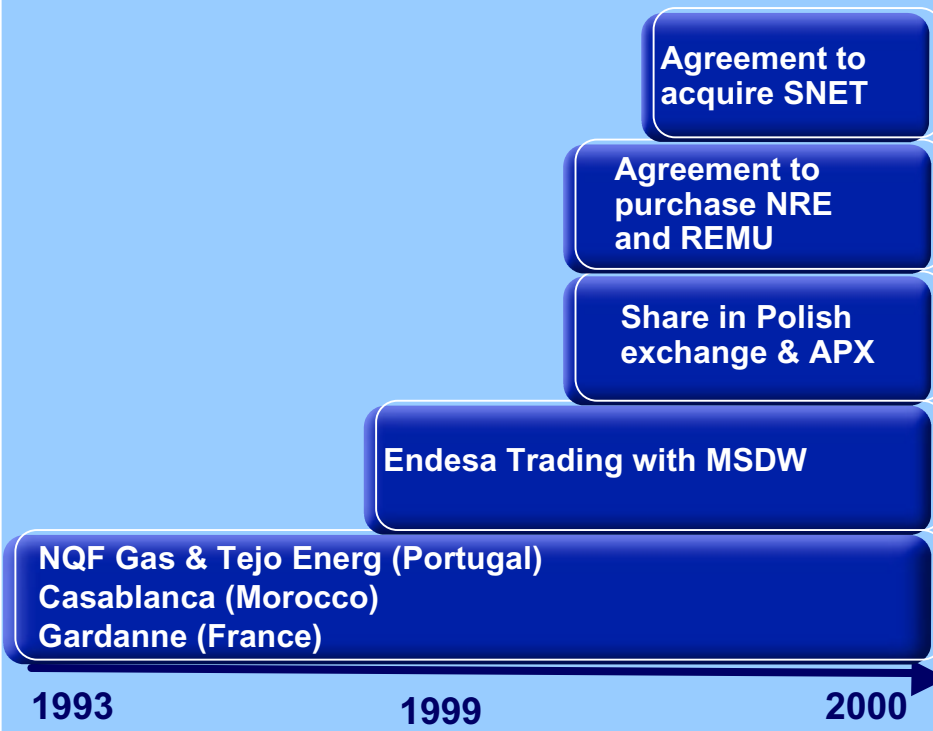


Europe: selected acquisitions based on value creation potential

Track record facing challenges

We are building our platform for selective profitable expansion into Europe...

...and transferring our best practices

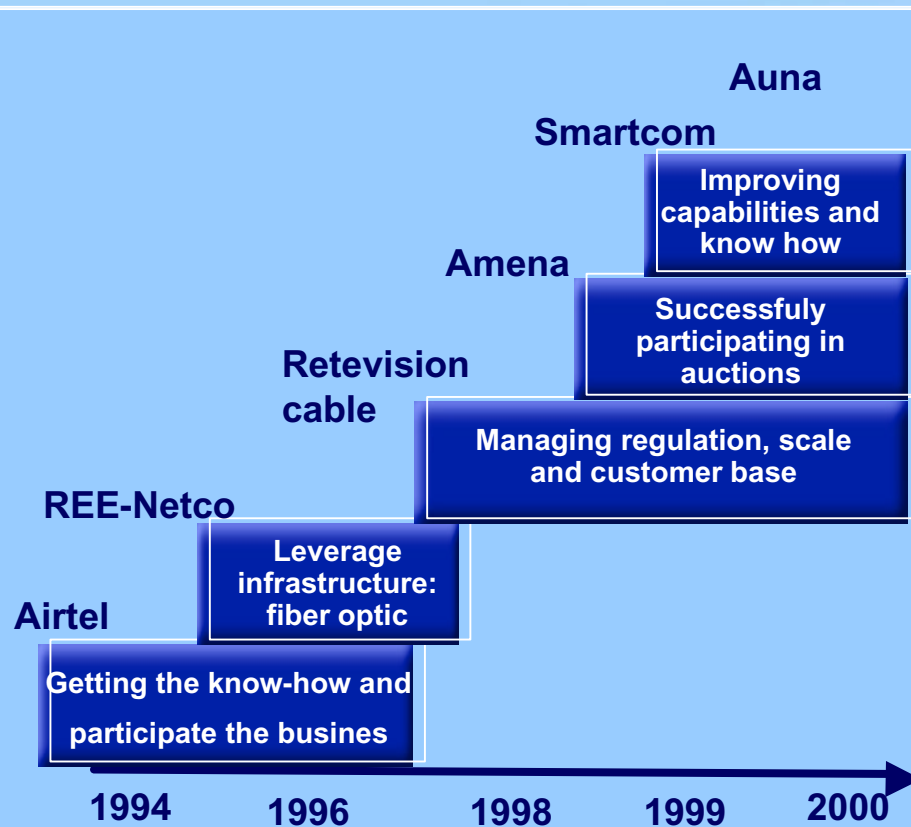


	NRE	REMU	Endesa Distribución
Customers per Employee	582	614	1,173
O&M/MWh Euro	13	14	10.8

Telecoms: generating value by leveraging our core skills

Track record facing challenges

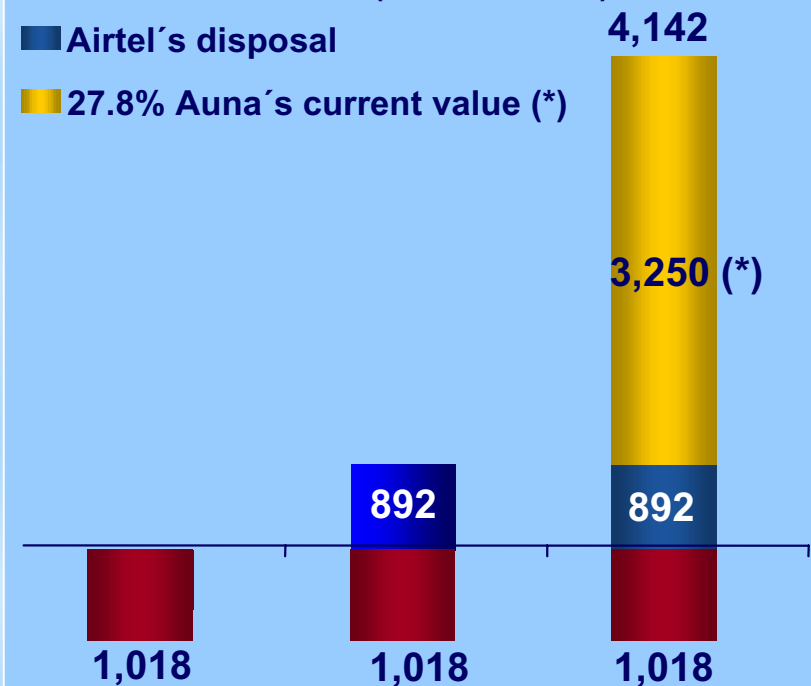
Leveraging our core skills...



...and generating value

Million Euro

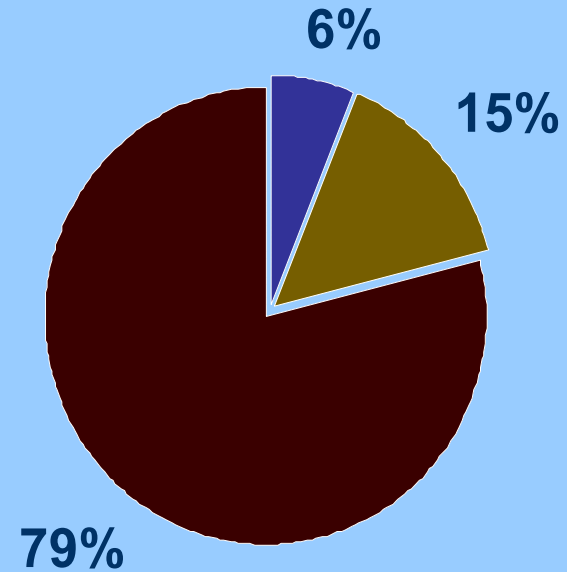
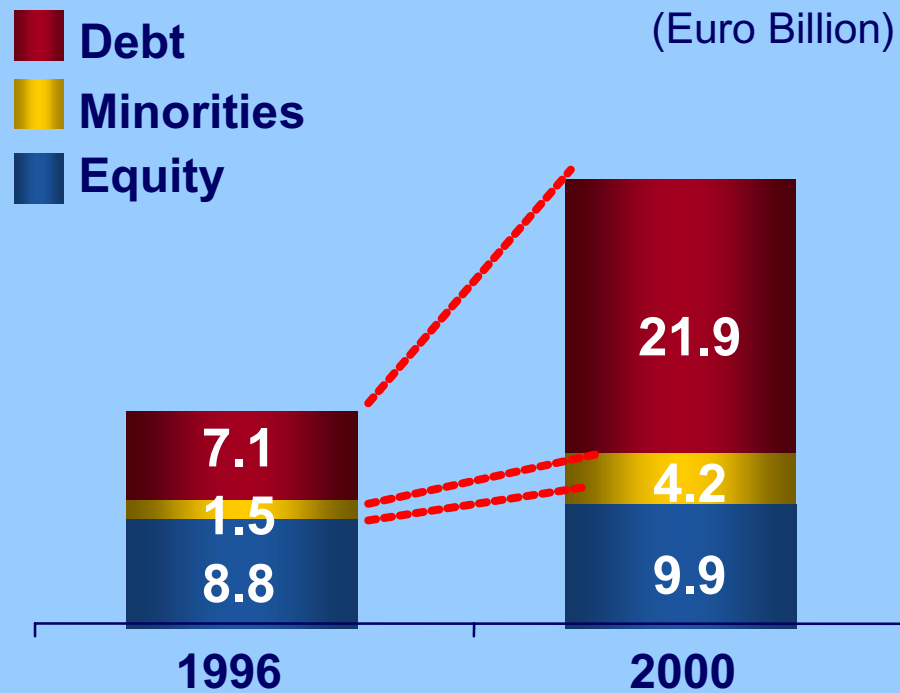
- Total investments (Airtel + Auna)
- Airtel's disposal
- 27.8% Auna's current value (*)



(*) Based on current consensus average analyst value (15 Bn Euro) Feb 2001

Endesa

Successfully financing our growth without calls for new shareholders funds... *Track record facing challenges*



Maintaining prime rating levels with strong and stable cash flow

...and delivering value

Track record facing challenges

- Succeeding in an aggressive liberalization process
- Creating a solid international business platform
- Generating value from Telecoms opportunities
- Successfully financing a “quantum leap” in our expansion

	2000	CAGR 96-00
ROE	14.7%	13.7%(*)
EBIT (Euro Bn)	2.97	6.9%
EPS (Euro)	1.33	8.8%
DPS (Euro)	0.65	11.5%

**Average annual shareholder return 1996-2000:
16.3%**

(*) Average for the last 5 years

Focus on value

- Value-focused vision
- Track record facing challenges
- **Future plans**
- Financial performance
- Conclusions

Four key drivers to enhance value

Future plans



Achieving challenging targets:

Future plans

- Reducing unit costs per kWh by 35%
- Improving average ROIC by 700 bp.
- Divesting approx. Euro 5 Billion assets. Potential capital gains 30% (2001-2002)
- Euro 14 Bn total investment for expansion
- EPS > 10% CAGR
- ROE > 15%

Development in two simultaneous phases:



1.- Profitability improvement: main actions

Margin-oriented pricing

Cost-cutting

**ROIC
+ 700 b.p.**

Managing regulation

Reducing capital employed

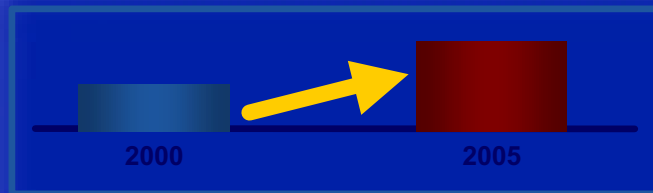


Profitability improvement across our business portfolio

Profitability improvement

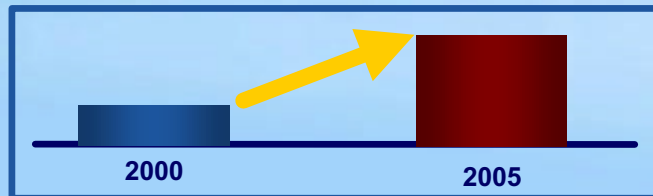
Increase in ROIC

Change in basis points



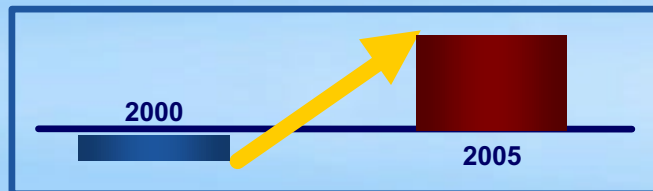
+500

Electricity in Spain:
Sustainable and healthy
growth



+700

Electricity in Latin America:
Strong organic growth



+2,500

Telecom:
Achieving profitability targets



Key issues in the Spanish energy market

Profitability improvement: electricity in Spain

Regulatory changes:

- Additional liberalization and tariff cuts
 - New CTC regulation
 - Liberalization of gas market
- Higher fuel costs

Positive signals for the future:

- Prices among the lowest in Europe
- Increasing long-term marginal price
- Reduction of reserve margin
- Strong demand growth

Growing interest in Spanish electricity assets

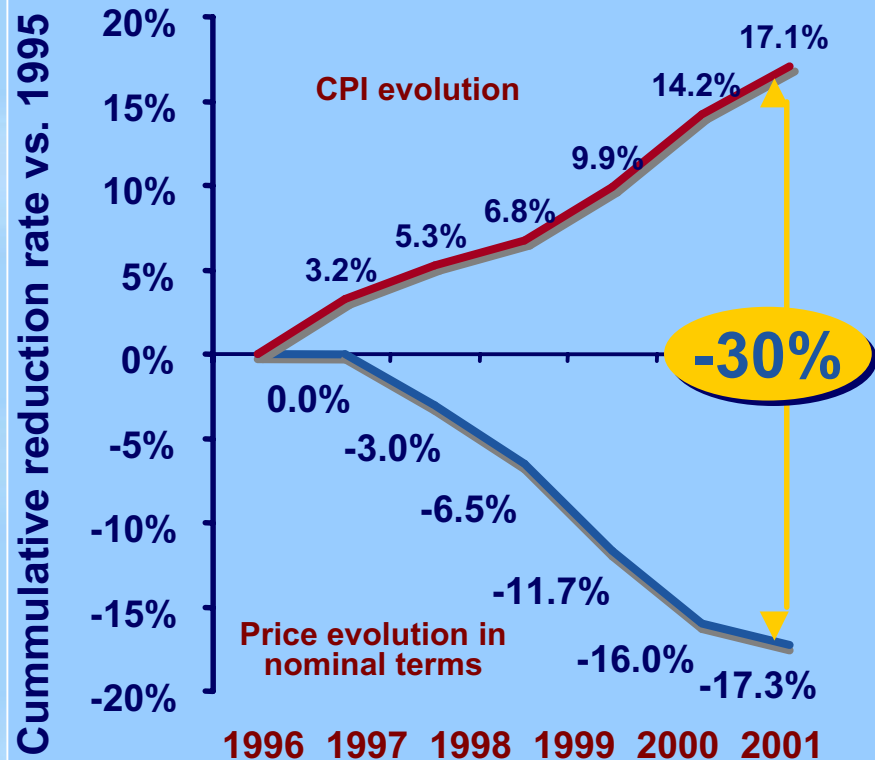
**Showing
signs of
recovery**



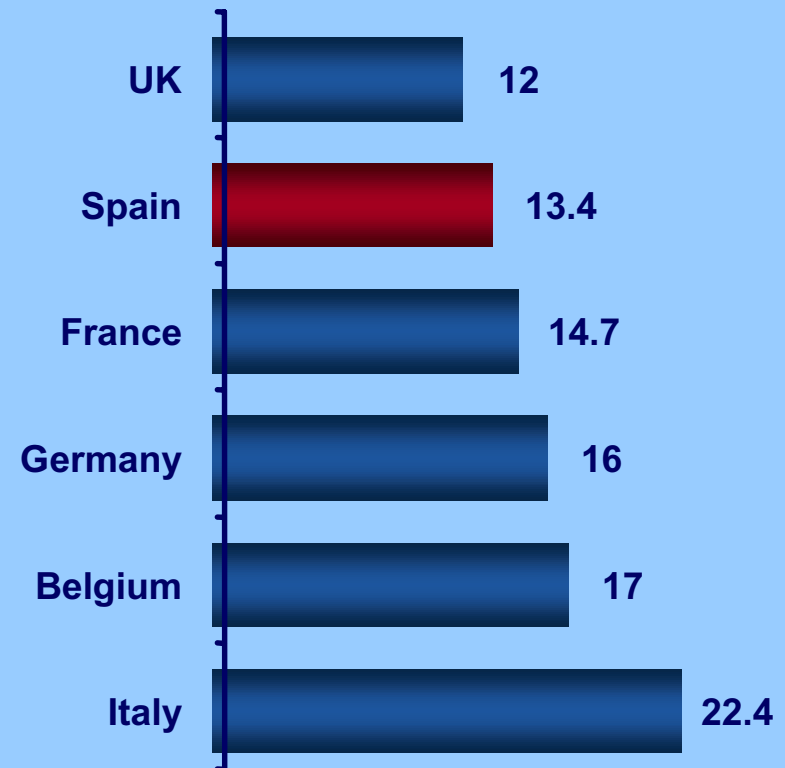
Continuing decreases in electricity prices have made Spanish prices competitive

Profitability improvement: electricity in Spain

Cumulative price reduction rate



Residential prices 2000
Euro cents/Kwh

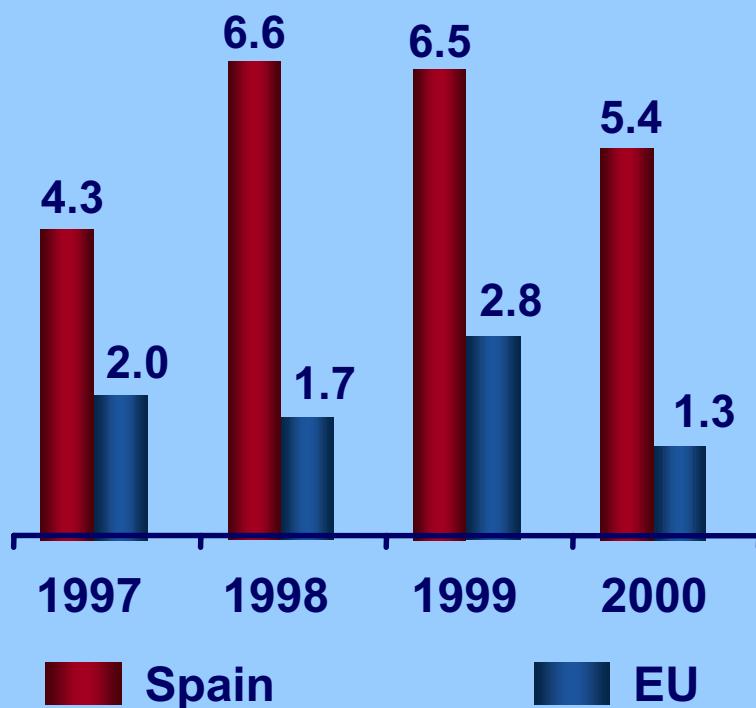


In five years electricity prices have decreased more than 30% in real terms. Spanish electricity prices are among the lowest in Europe

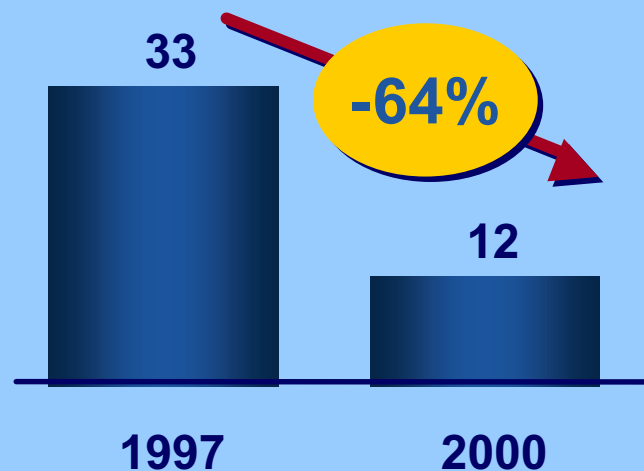
Demand growth above capacity additions

Profitability improvement: electricity in Spain

Annual demand increase (%)



Capacity reserve margin* (%)



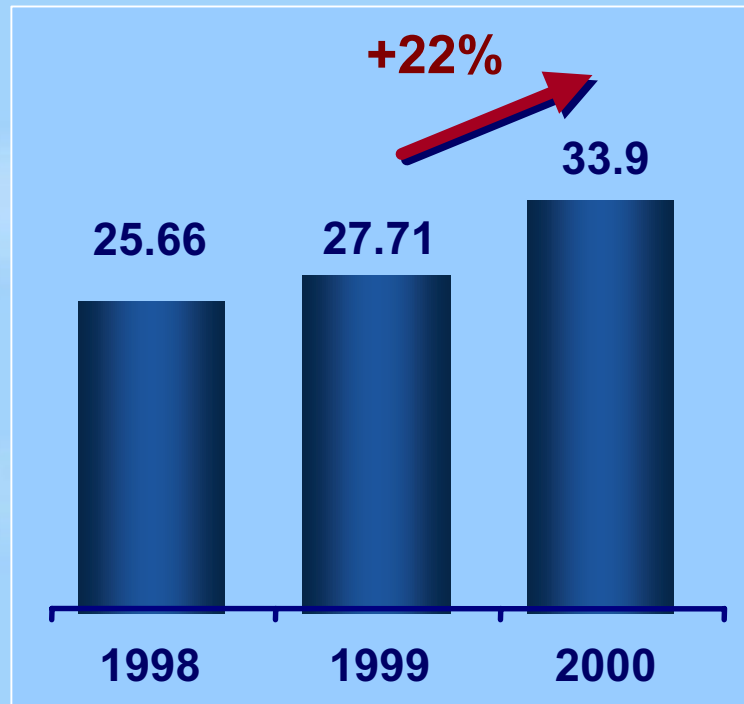
Demand growth has more than tripled the EU average, and has radically reduced the capacity reserve margin

* Margin for dry year

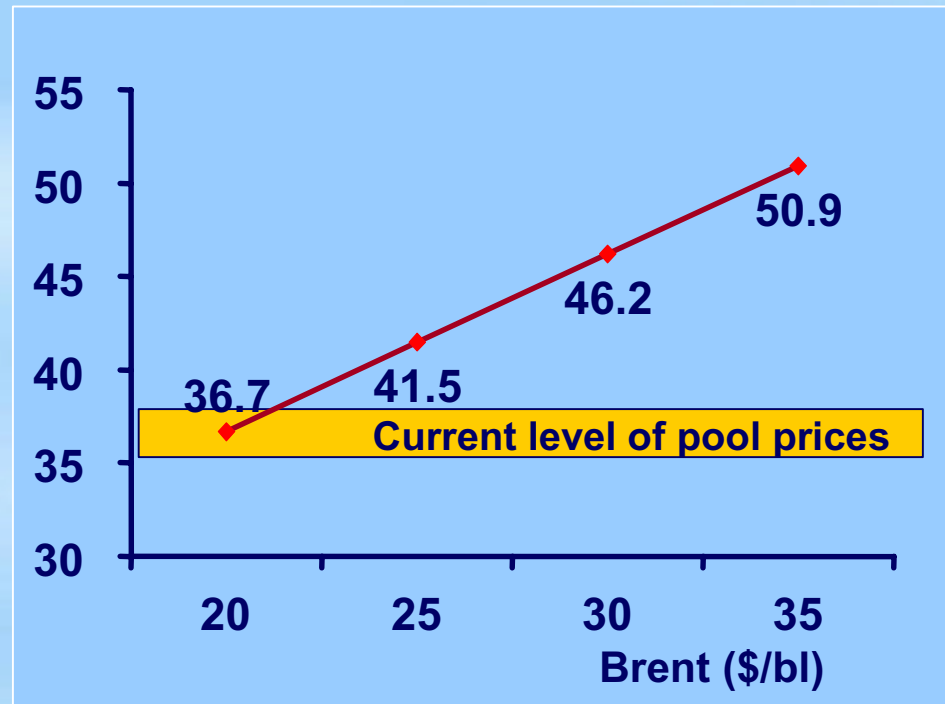
Higher fuel costs have increased wholesale electricity price and margin

Profitability improvement: electricity in Spain

Pool price (Euro/MWh)



LT marginal cost (Euro/MWh)

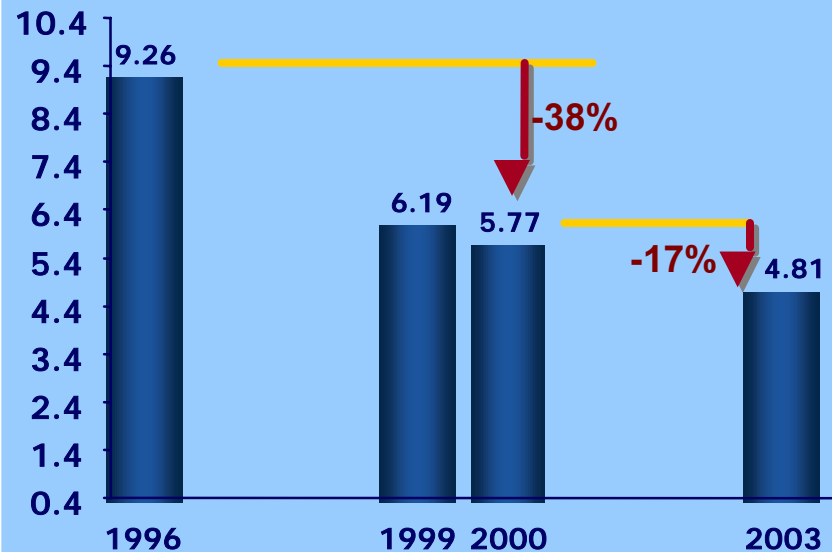


**Pool prices reflect increases in fuel prices.
Long term marginal costs indicate that price levels
should remain at least at current levels**

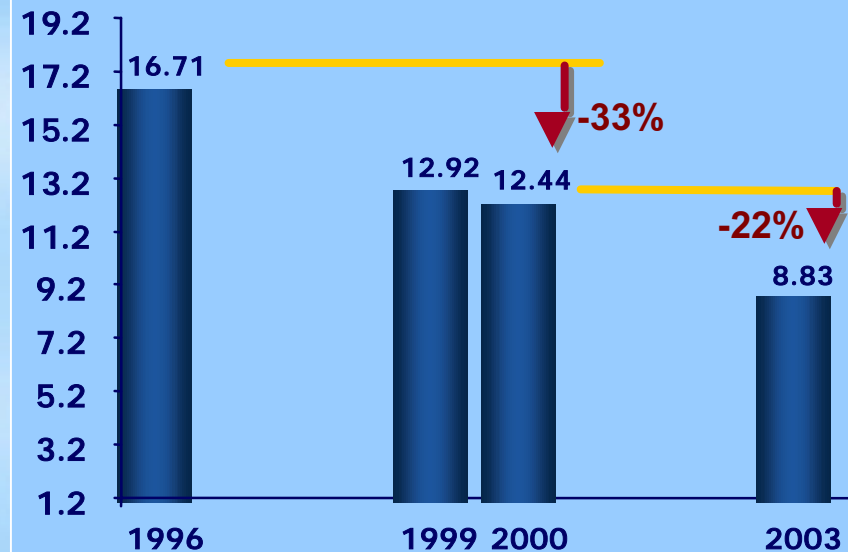
Maximizing operational efficiency

1. Profitability improvement: electricity in Spain

Generation: O&M costs
(Euro/MWh)



Distribution: O&M costs + capex
(Euro/MWh)



Efficiency ratios for both generation and distribution have improved by more than 30%. Endesa committed to further improvements of 20% through to 2003

Leveraging our leadership in customer service

Profitability improvement: electricity in Spain

Distribution: Strong platform

- ▣ **44.6% of total distribution market in Spain**
- ▣ **10 million customers**
- ▣ **Per capita consumption 30% lower than the European average**
- ▣ **Demand growth: 7% (5% higher than the rest of Spain)**

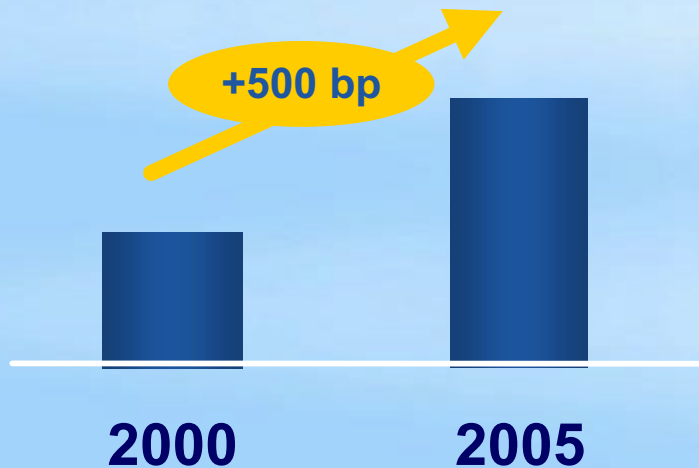
Supply: Getting ready for full liberalisation 2003

- ▣ **Building brand awareness, reinforcing “proximity” to customers: 5x higher investment budget than previous years.**
- ▣ **Developing specific loyalty programs**
- ▣ **Specialising commercial channels:**
 - ▣ **470 franchise offices**
 - ▣ **Alliance with specialist for SME segment**
- ▣ **Adapting information systems and operating processes**
 - ▣ **Euro 35 million investment in IT**
 - ▣ **Staff reduction of 1,000**

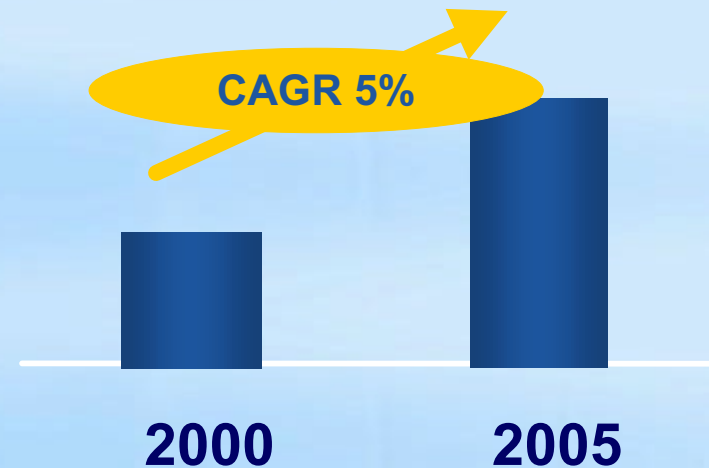
A strategy that will maximize value

Profitability improvement: electricity in Spain

ROIC



EBITDA



Sustainable and healthy growth



Profitability improvement across our business portfolio

Profitability improvement: electricity in Latin America

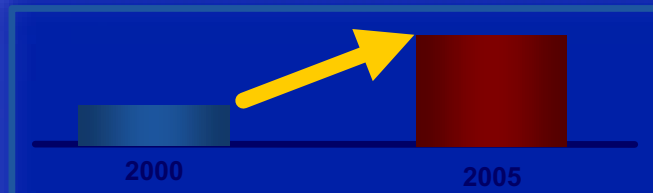
Increase in ROIC

Change in basis points



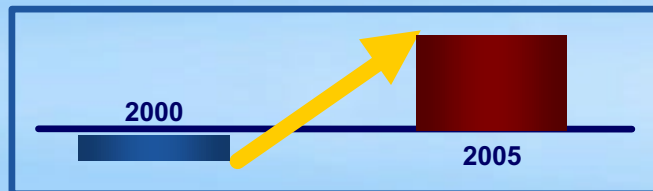
+500

**Electricity in Spain:
Sustainable and healthy
growth**



+700

**Electricity in Latin America:
Strong organic growth**



+2,500

**Telecom:
Achieving profitability targets**



Leadership position in the region

Profitability improvement: electricity in Latin America

Colombia
Generation: 26%
Distribution: 20%
Supply: 75%

Peru
Generation: 16%
Distribution: 18%

Chile
Generation: 48%
Distribution: 30%



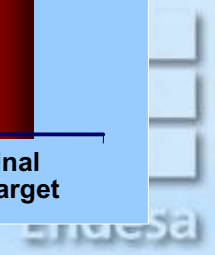
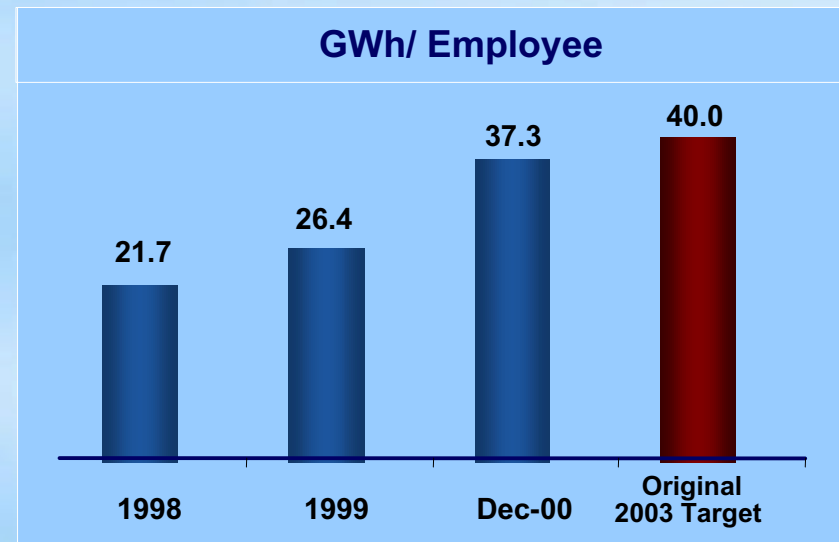
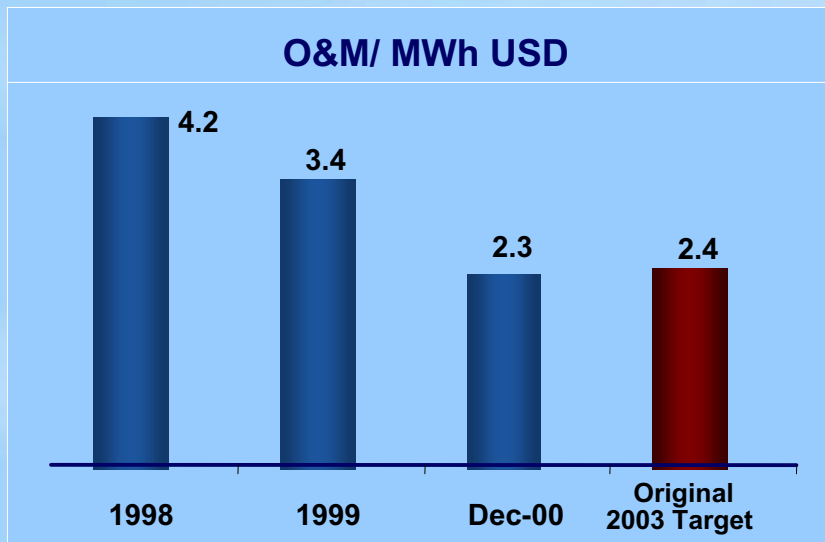
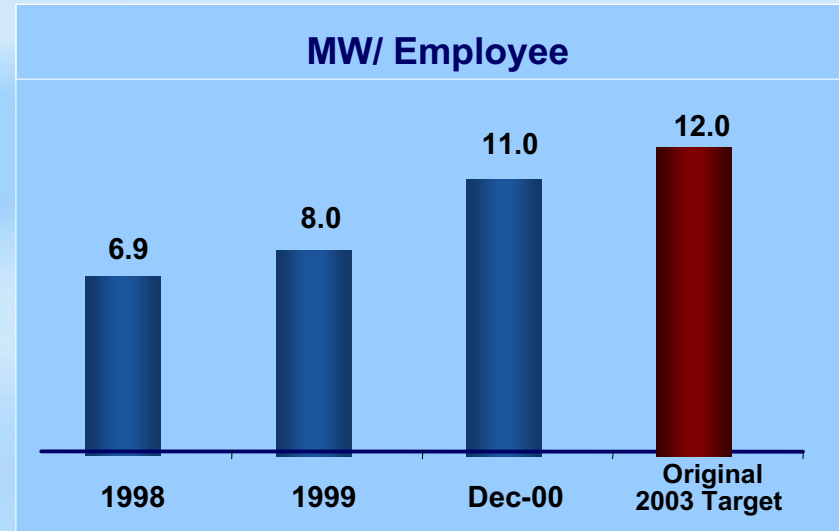
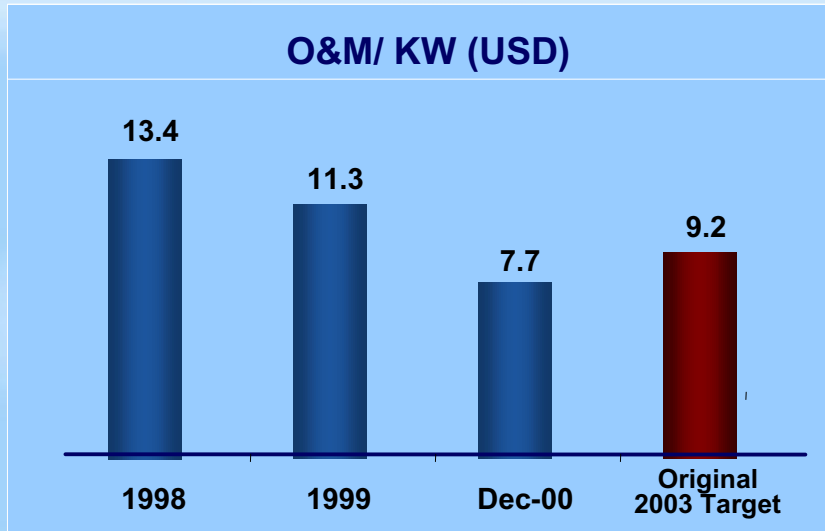
Brazil
Generation: 1%
Distribution: 5%

Argentina
Generation: 16%
Distribution: 19%



Genesis Project: Improvement continues in generation...

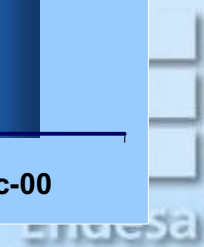
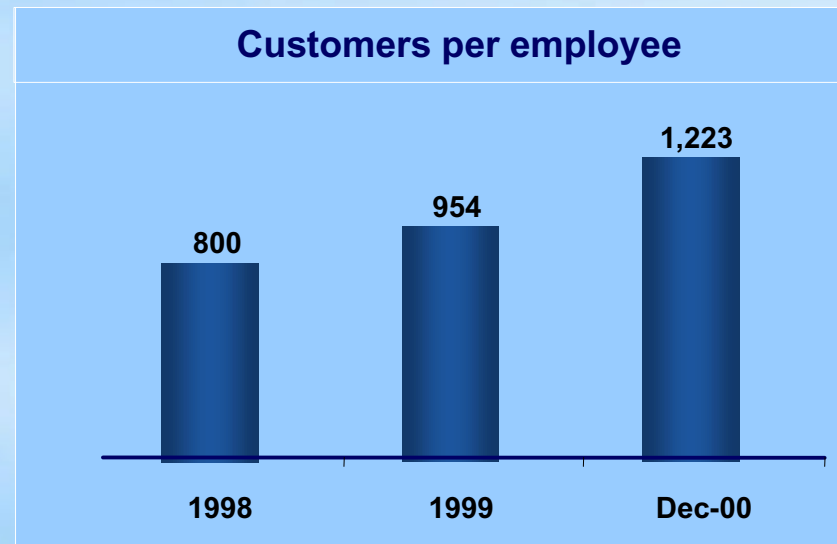
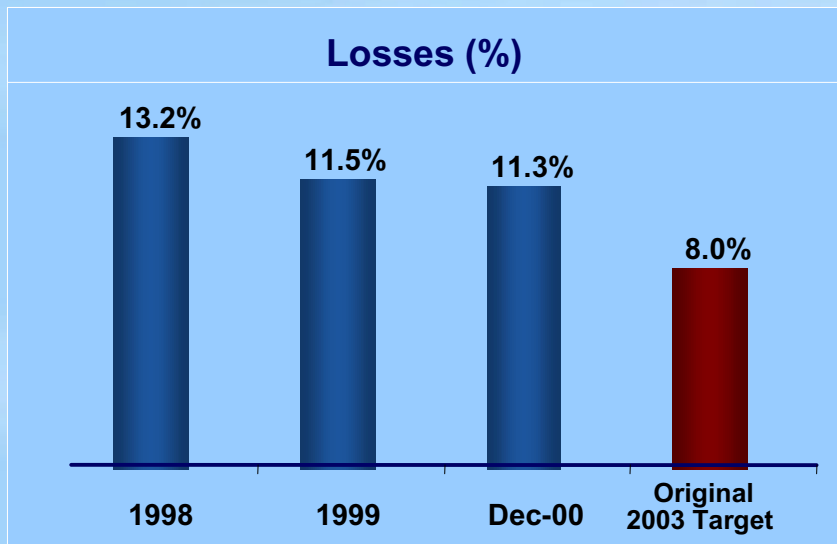
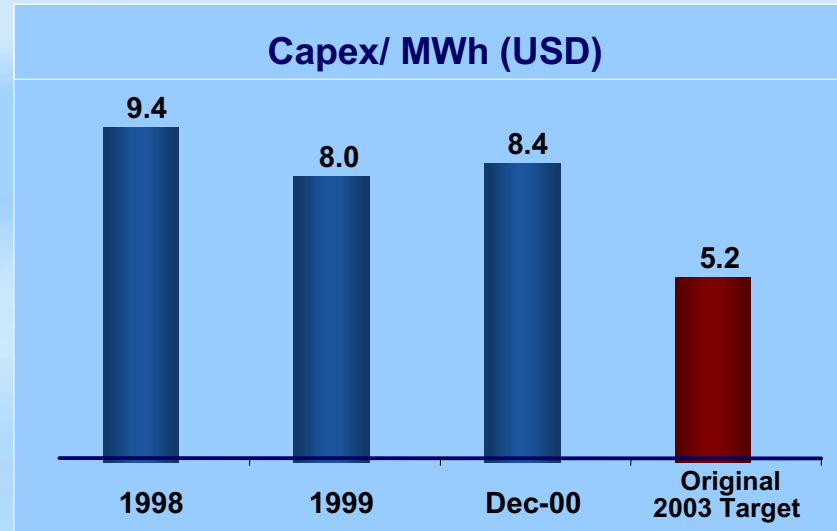
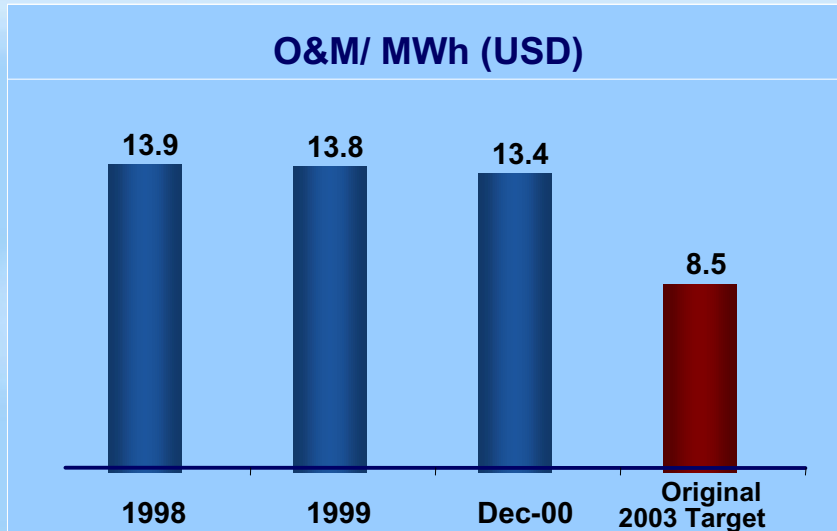
Profitability improvement: electricity in Latin America



Genesis Project

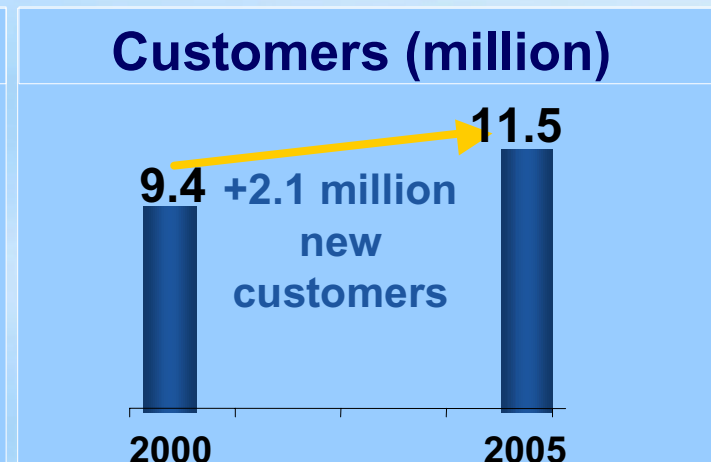
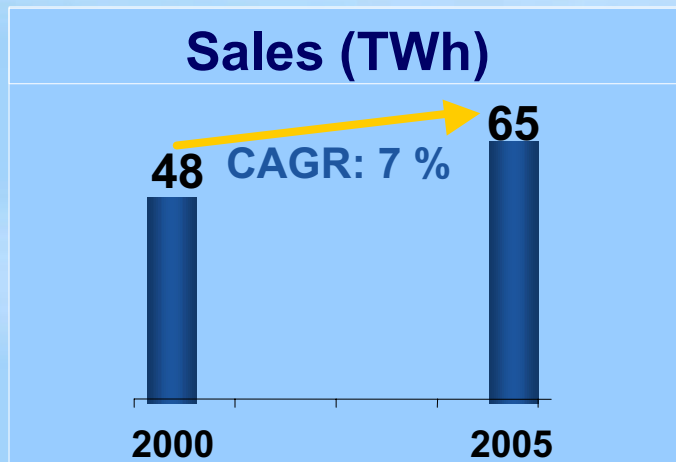
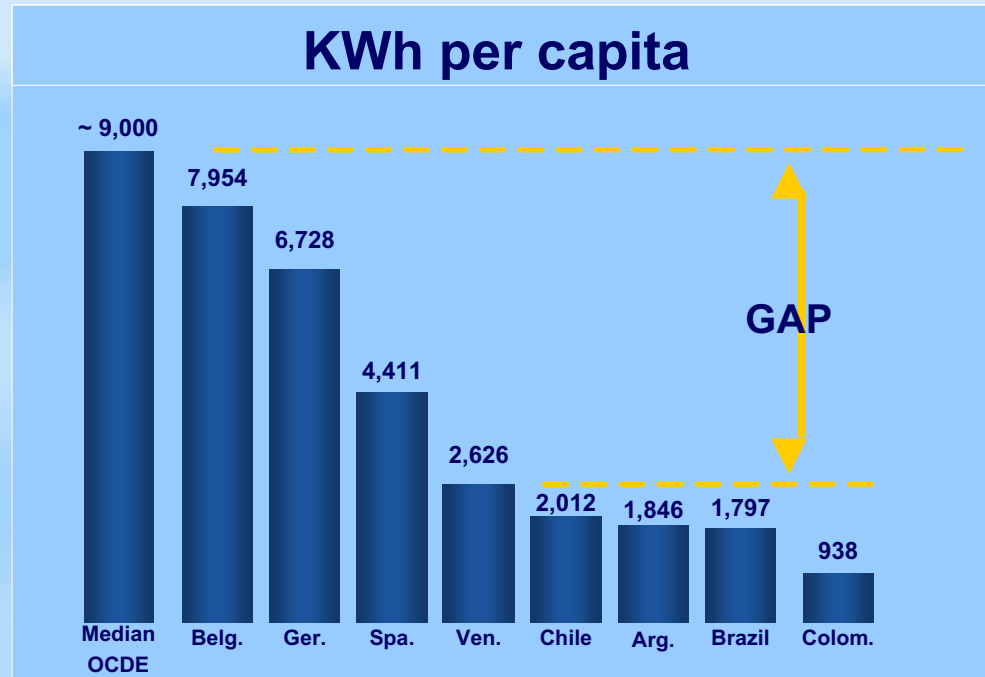
...and in distribution

Profitability improvement: electricity in Latin America



Strong organic growth in Latin America

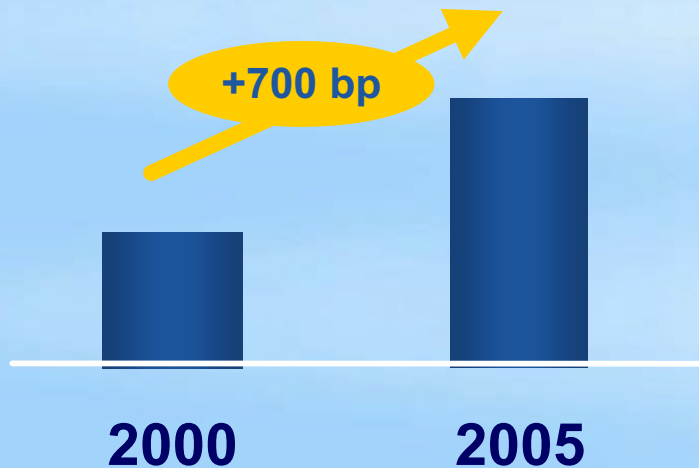
Profitability improvement: electricity in Latin America



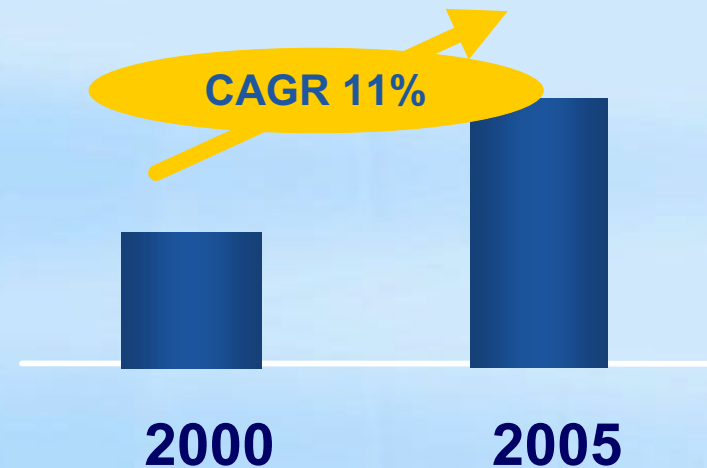
Achieving our targets

Profitability improvement: electricity in Latin America

ROIC



EBITDA(*)



(*) Fixed exchange rates

Strong organic growth

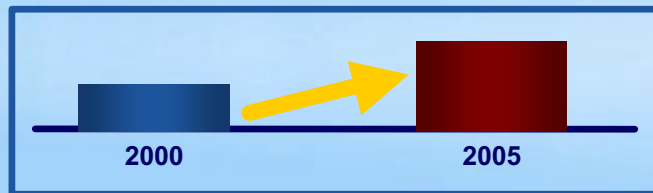


Profitability improvement across our business portfolio

Profitability improvement: Telecoms

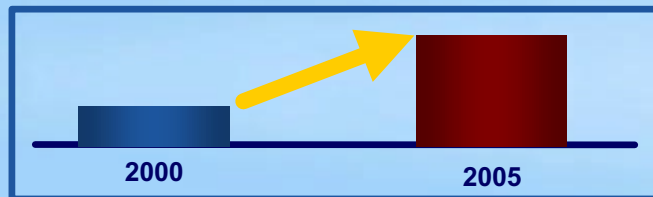
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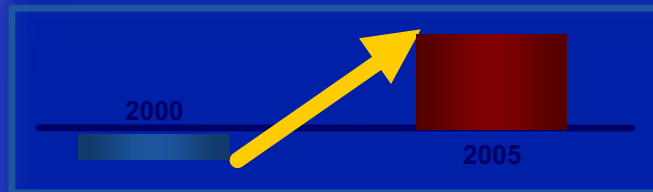
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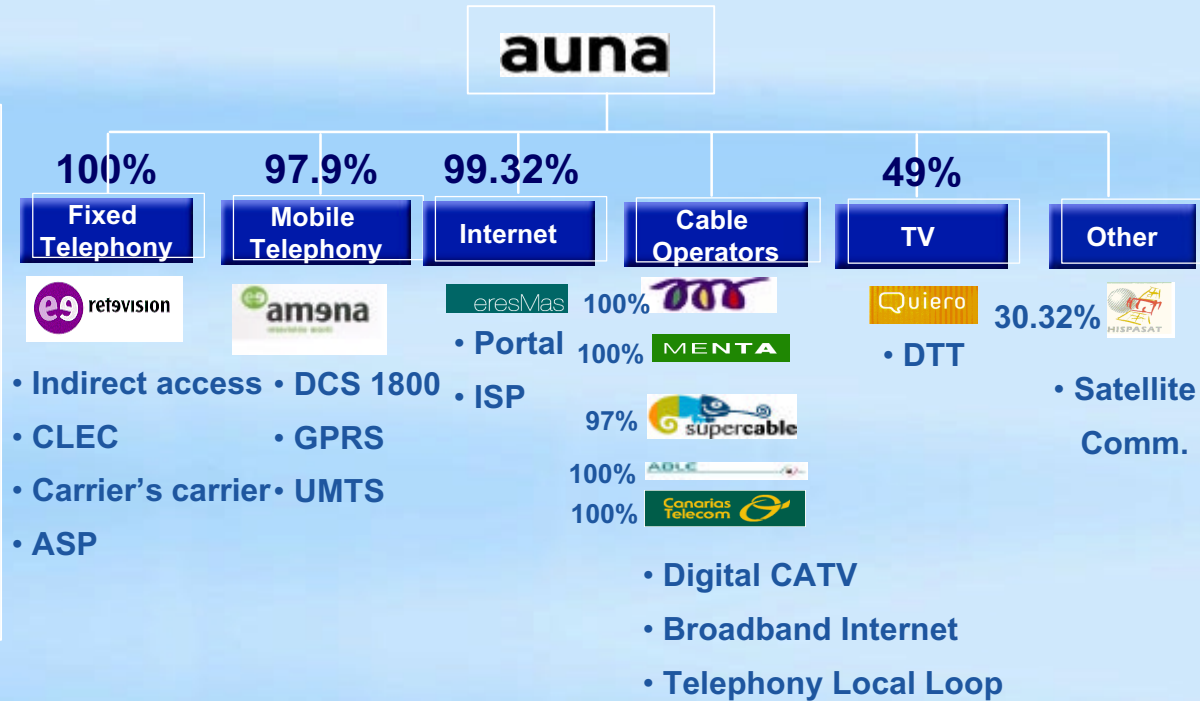
**Telecom:
Achieving profitability targets**

Telecoms: consolidating and looking for new opportunities

Profitability improvement: Telecoms

Auna

- 27.8%. Endesa business leader
- Consolidation of different businesses in an operating holding company
 - Single virtual network
 - Flexible



Smartcom PCS

- Acquisition of 100% of Chilean mobile operator

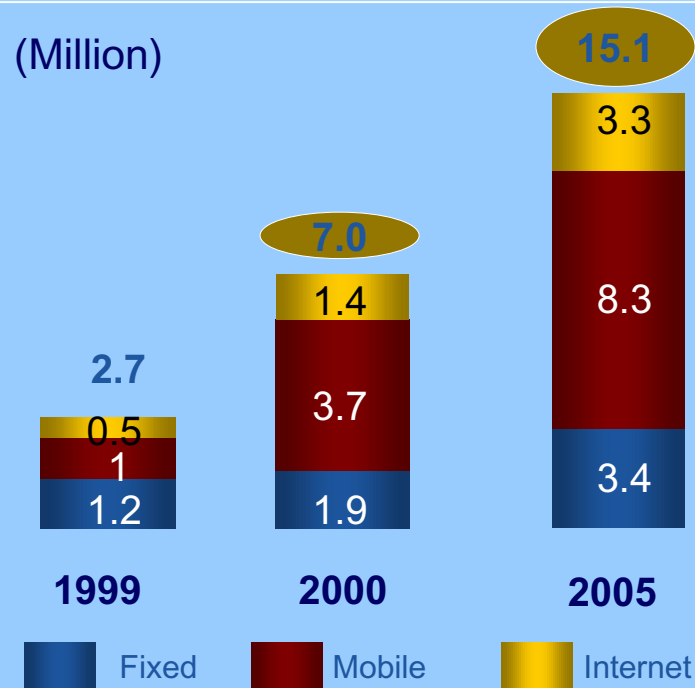
- ☐ Fourth mobile operator (30MHz spectrum)
- ☐ Leverage of Endesa's local presence, assets and network building capabilities



Auna: the second full-service telecom operator in Spain

Profitability improvement: Telecoms

Customer base of Auna



Explosive growth in customer base

Market share

	2000	2005
▪ Mobile	15.2%	22%
▪ Fixed	6%	17%
▪ Internet	29%	35%

Significant market share and penetration in all telecom sectors

Telecoms strategy

Profitability improvement: Telecoms

Business segmentation

- Auna develops a single virtual broadband network
- Assigns customer segment responsibility to each business unit
- Develop Retevision as CLEC

Telecoms

Targeting high value customers

- Abandon necessary growth scheme of early stage
- Oriented to high value customers
- Develop customer retention program

Cost-optimisation and synergies

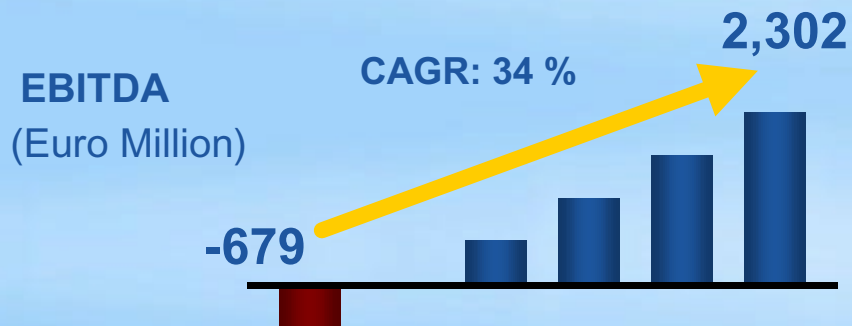
- Network deployment selective program
- GPRS/UMTS optimisation program
- Cost improvement
- Maximise synergies across business units

Proactive regulatory management

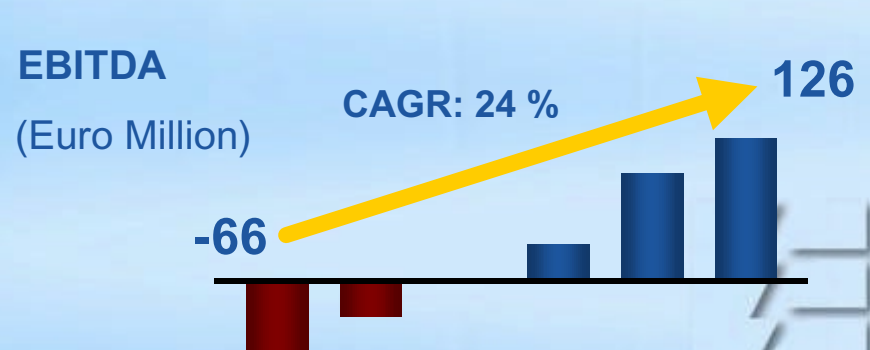
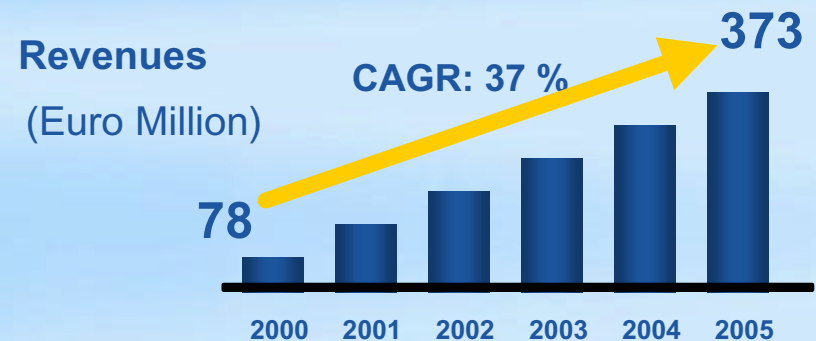
Projected evolution of telecom businesses

1. Profitability improvement: Telecoms

AUNA



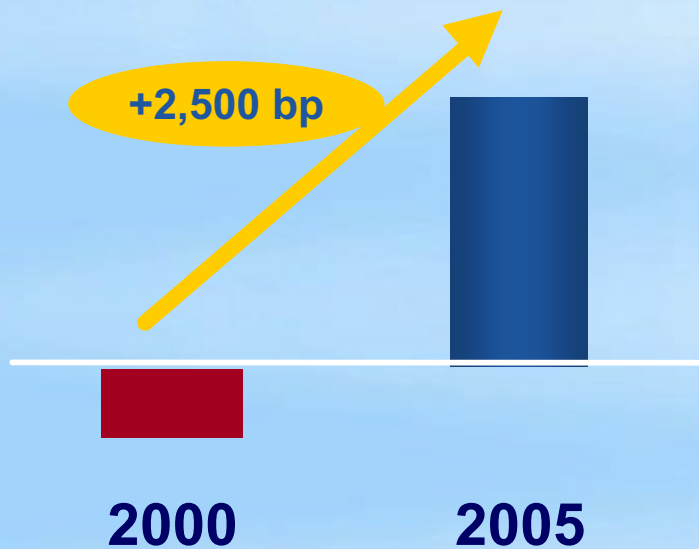
Smartcom



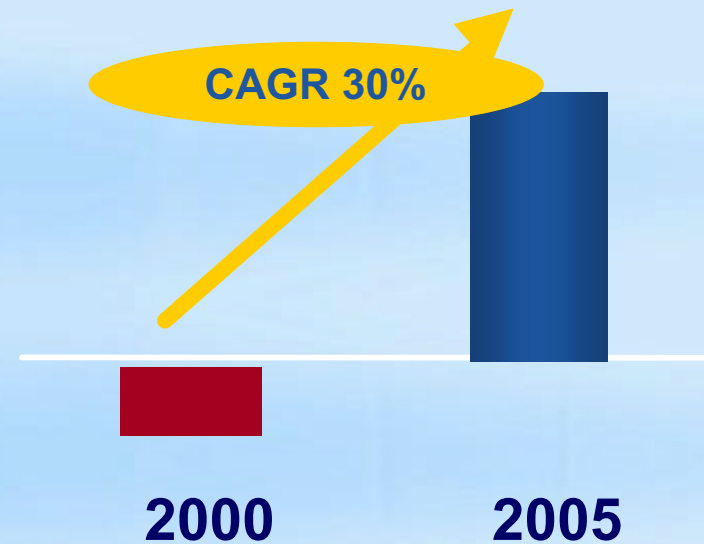
A strategy that will maximize value

Profitability improvement: Telecoms

ROIC



EBITDA

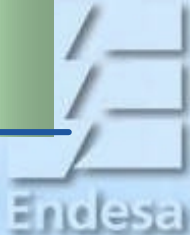


Achieving profitability targets



Four key drivers to enhance value

Future plans



Specific steps to optimise corporate structure

Proactive portfolio management

Initiatives	Objectives
Integration of energy business in Spain in a new company	Market visibility and performance metrics
Merger of Spanish distribution companies	Leverage brand and reduce staff
Consolidate back office and commercial services	Cost reduction
Corporate restructuring in Latin America	Reduce staff and improve returns

Proactive management of asset portfolio through divestments

Proactive portfolio management

Expected proceeds: Euro 5 Billion, 30% capital gains

Spin-off of some domestic electricity assets (approx. 0.6 million customers, 2,500 MW)

Financial investments

Non-core assets

Take advantage of interest in Spanish market

Continuously monitor profitability of all assets

Monetize optionality of specific assets or sites

Anticipate potential regulatory actions

Maintain financial flexibility



Four key drivers to enhance value

Future plans



Endesa IT: developing new services

Additional value from business base

Concept

A global provider of specific products and related services for utilities

Potential market

**Euro 50 Bn potential market in Spain and Latin America expected to grow by 20% annually
Endesa's potential revenues in five years: Euro 1 Bn**

Endesa's role

Providing quality know-how in

**Generation systems
Distribution systems
Supply systems
Administration**

Development stage

2nd half 2001



Endesa Hogar will extract additional value from deeper customer relationships

Additional value from business base

Concept

**One stop-shop for a broad range of home needs:
Repair - Security - Home control - Refurbishment -
Home insurance - Pay TV**

**Potential
market**

**Euro 120-150 million revenues expected in year 5
Euro 60 million EBITDA expected in year 5**

**Endesa's
role**

**Retailing an integrated offering, leveraging brand
credibility and customer base
Managing core services in which we can add
further value in execution**

**Development
stage**

**Business building phase well advanced
Supplier partnerships in place
Pilot launch in 2Q 2001
Roll-out in 3Q 2001**



Exploiting innovative technology and e-commerce

Additional value from business base

Successfully developing a portfolio of new businesses

B2B	Opciona.com Eutilia.com
B2C VAS	Web Hogar - Portae.com SME - Delanto.com Endesa Hogar
Others	PLC Technology Endesa Servicios IT Distributed generation

Investments: Euro 60 million

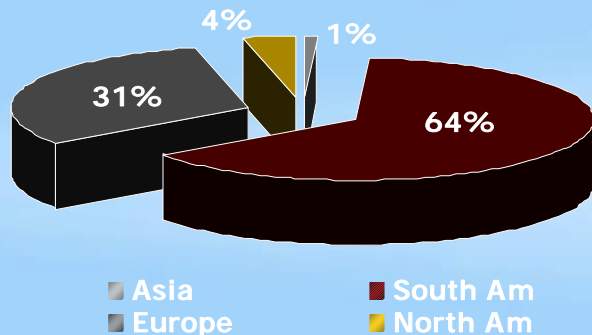
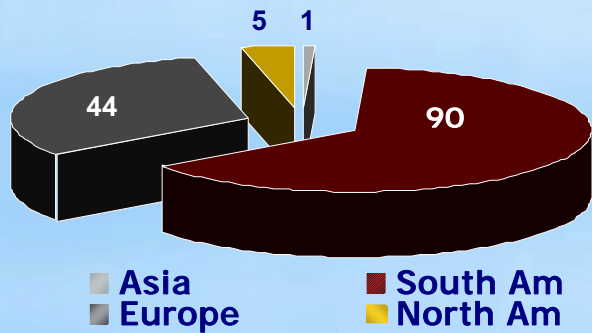
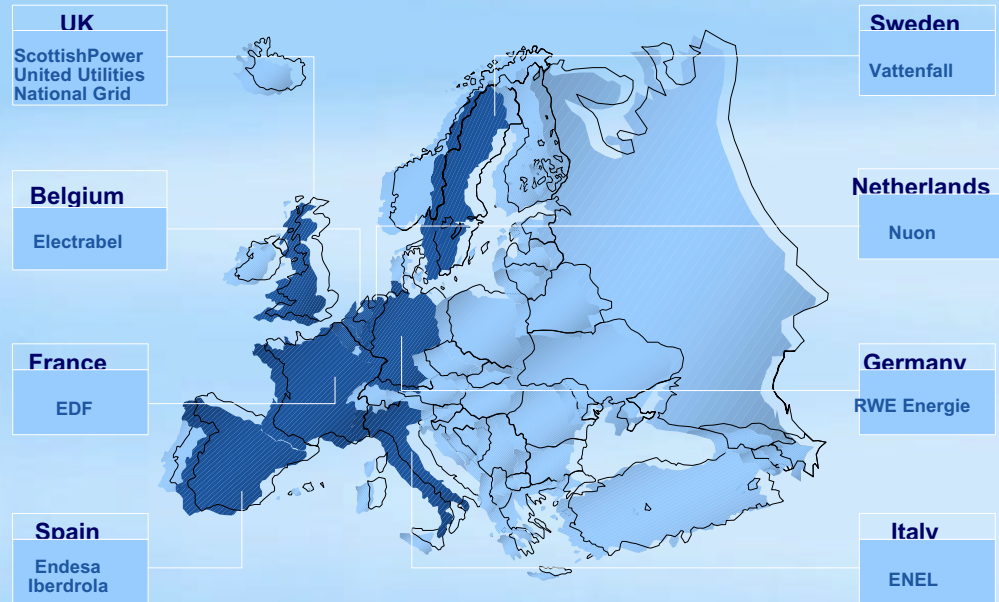


B2B platforms: Opciona.com and Eutilia.com

Active suppliers: 154
 Transacted volume:
 USD 427 Million
 Volume allocated:
 USD 377 Million
 Cumulative savings:
 11%



Additional value from business base



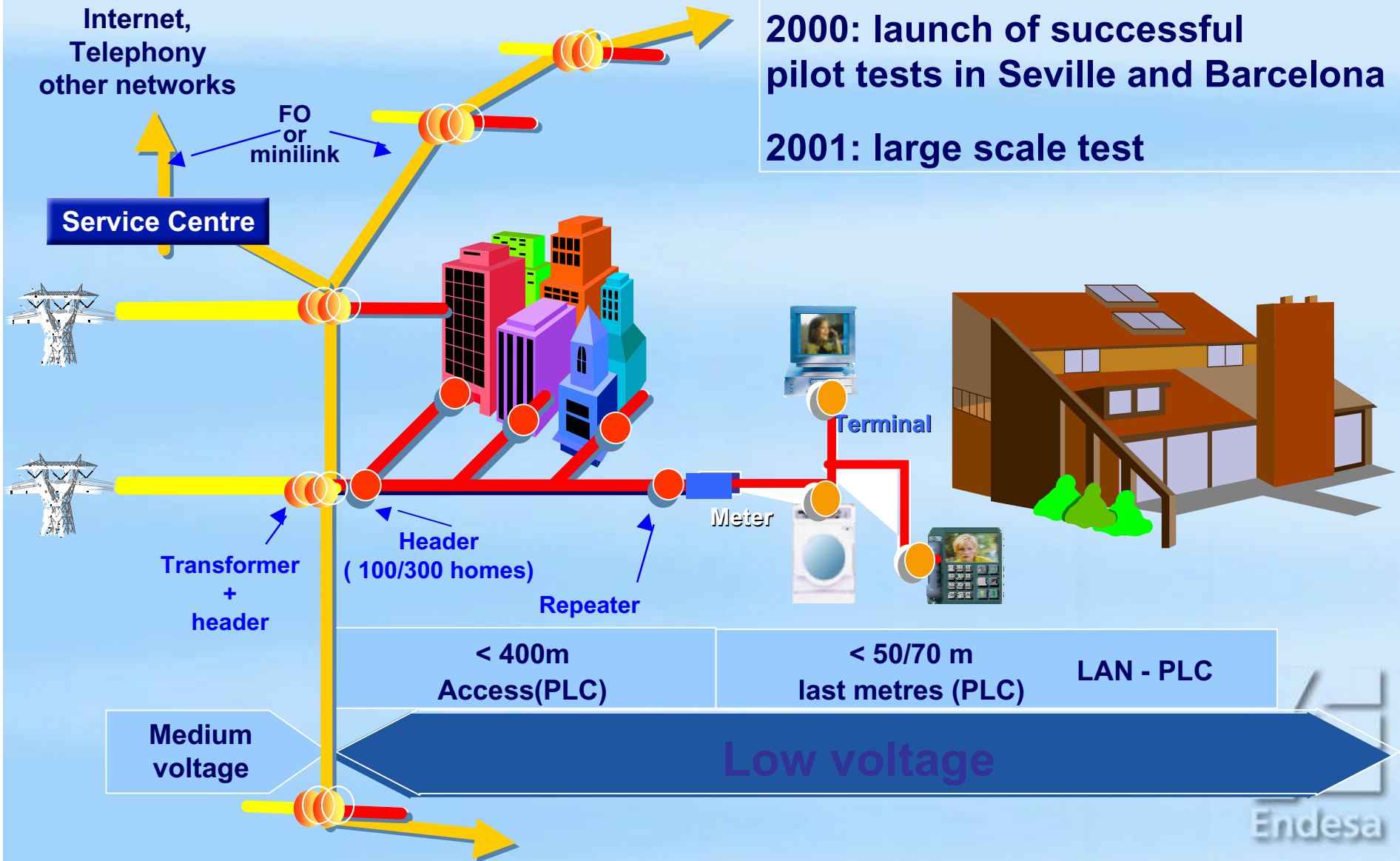
11 major utilities developed a B2B Procurement Portal.
Potential market: 40% of total European utility procurement (Euro 70 Billion).

PLC: new broadband technology for the residential market

Additional value from business base

2000: launch of successful pilot tests in Seville and Barcelona

2001: large scale test



Four key drivers to enhance value

Future plans



Investment plan 2001-2005

Selective expansion

	Euro Bn
▪ Consolidate leadership in Spain (New CCGT and gas)	2.6
▪ Reinforce leadership in Latin America (Brazil)	4.2
▪ Expansion in new markets (Europe)	5.0
▪ Telecoms and New Technologies	0.8
▪ Other strategic investment	1.8
▪ Total expansion	14.4
▪ <i>Recurring investments</i>	<i>6.1</i>
▪ <i>Total Investments</i>	<i>20.5</i>

Expansion plan expected to be financed
with internally generated funds and planned disposals

Average IRR = WACC(Project) + 4.5%

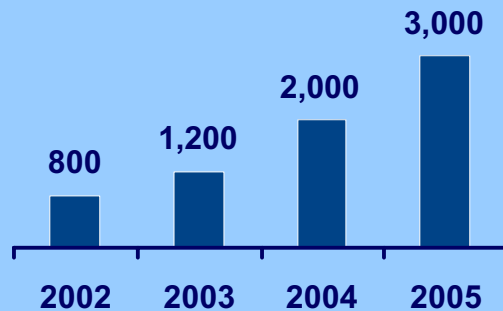
Asset portfolio renewal in Spain

Selective expansion

Capacity renewal program

MW

New
CCGT



Plant
closure

- Non-performing assets
- Obsolete technologies
- 3,000 MW by year 2005

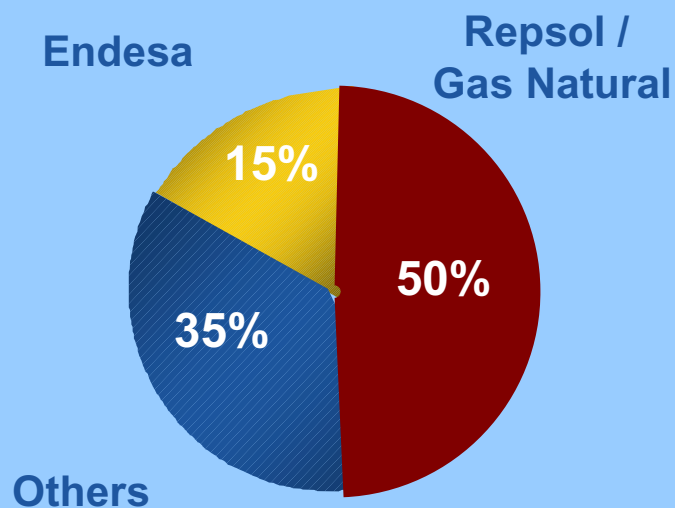


Expansion in Gas business in Spain

Selective expansion

Future vision

The second gas operator in Spain



Specific strategies

Sourcing

- Portfolio of contracts & spot market

Infrastructure

- Position in LNG terminals
- Minority interest in transportation

Distribution

- Acquire & develop networks

Supply

- Benefit from gas/electricity convergence

Expansion in Europe: Growth focused on selected opportunities

Selective expansion: Europe

Northern Europe

- Capture customer value
- Maximize operating efficiency
- Energy management

Mediterranean countries

- Enter as an integrated player
- Maximize operating efficiency

Emerging Europe

- Growth opportunities
- Strategic positioning in attractive markets
- Capture efficiency improvements



8,000 MW

5 million customers

Optimized portfolio

Expansion Plan for Europe 2001-05

Selective expansion: Europe

**Euro 5.0 Billion DIRECT INVESTMENT
+
Approx Euro 2.0 Billion contribution from partners
=
Euro 7.0 Billion EQUITY**

Approx Euro 8.0 Billion leverage capacity

Approx Euro 15.0 Billion TOTAL ASSETS

**Generation:
8,000 MW**

**Trading &
Energy
Management**

**Distribution:
5 million
customers**

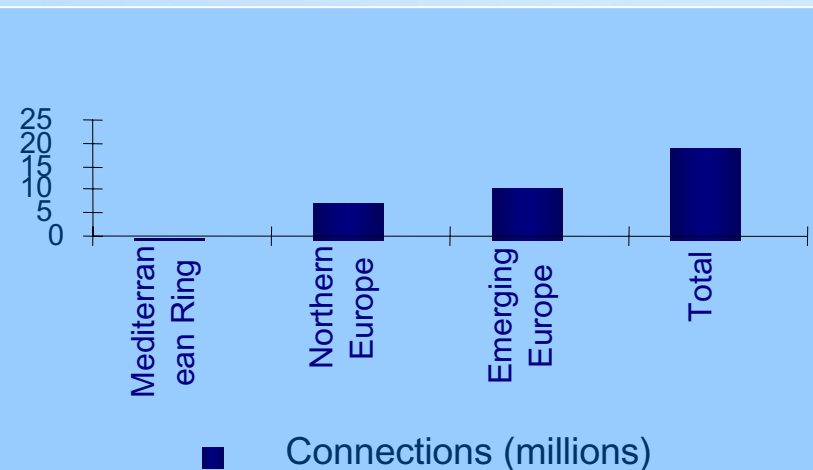
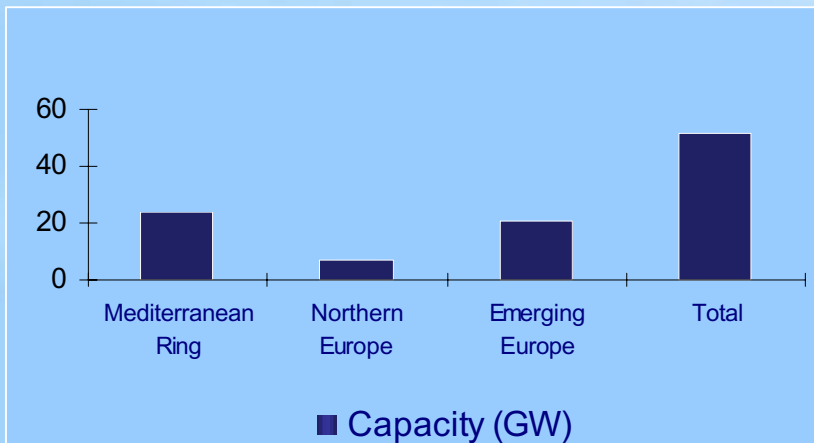
**Other:
e-business,
retail
distributed
generation**



European Energy Business: portfolio of potential investments for 2001

Selective expansion: Europe

- Over Euro 41 billion in analysed projects (ex Spain and UK)
- 52,000 MW of generation capacity and 20 million customers
- More than 45 opportunities meet our strategic requirements
- Only one year of operations



Opportunities available are consistent with Endesa's strategy both in terms of quality of the assets and financial attractiveness

Expansion in Europe to date

Selective expansion: Europe

	NRE	REMU	SNET
Country	The Netherlands	The Netherlands	France
Size	275,000 Conn.	890,000 Conn.	2,600 MW
Total EV	Euro 418 million	Euro 1,480 million	Euro 360 M + Control Premium
Price/Connection	Euro 1,524	Euro 1,656	Euro 500-600/Kw
Control	100 %	100 %	Control 2004
Economic benefit	100 %	100 %	30%
Presence	8.4% electricity market 8.7% gas market		2.5% French market
Issues	Awaiting final Government approval		European Union Approval

Specific future plans to fulfill our strategy in Europe

Selective expansion: Europe

Mediterranean



- Pursue opportunities in Italy under strict profitability criteria: ENEL divestitures, other divestitures, greenfield or brownfield projects
- Reinforce our leading position in France through
 - Development of CCGT's
 - Additional acquisitions if possible

Northern



- Further integration in The Netherlands
- Selective opportunities in Benelux and Germany

Emerging

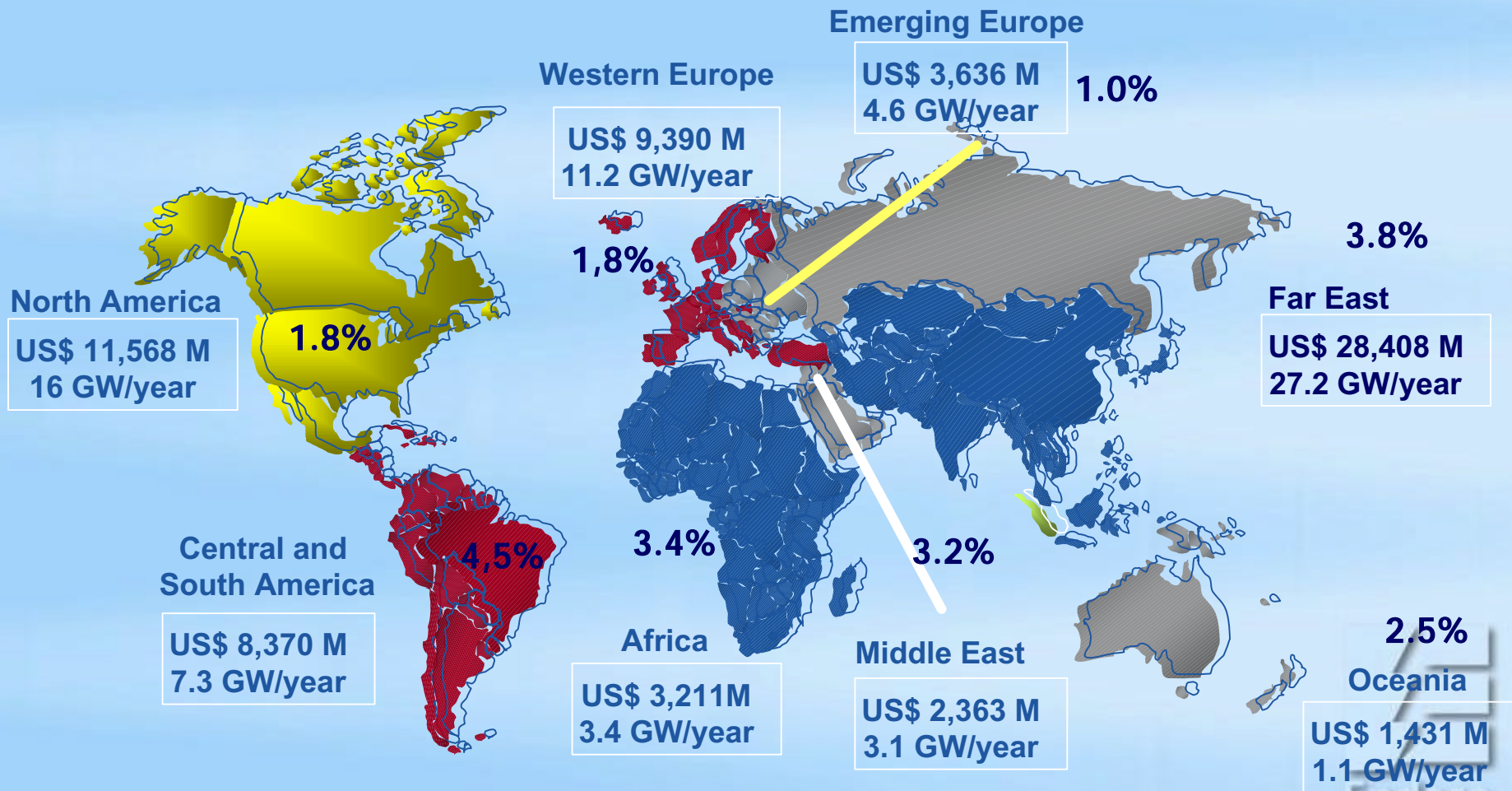


- Participate in privatisation process in Poland (STOEN, Northern Group)
- Acquire / develop generation capacity in Poland

Latin America offers the highest expected capacity growth in the next five years

Selective expansion: Latin America

Expected growth and investments for 2001-2005



Strategy for the Latin American electricity market

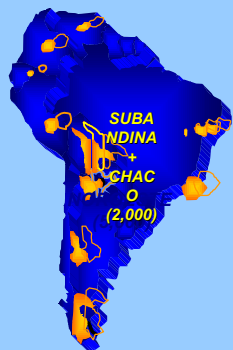
Selective expansion: Latin America

Focus on the South Cone

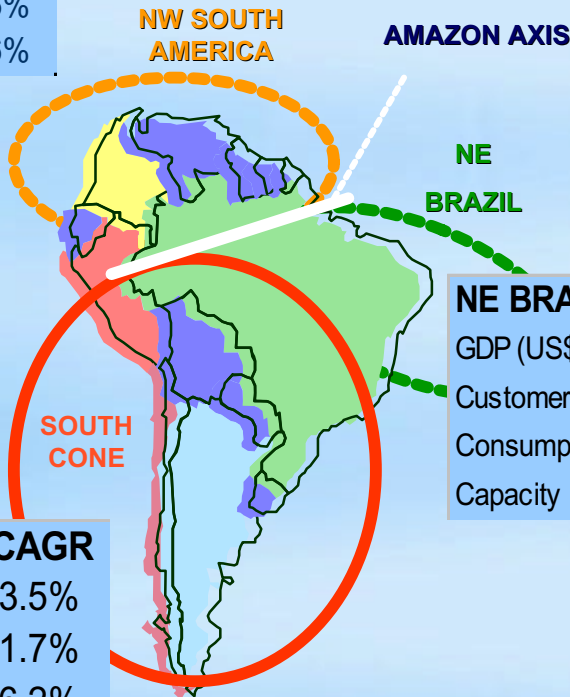
Location of hydro resources



Proven gas reserves



NW SAMERICA	2000E	CAGR
GDP (US\$ Bn)	248	2.2%
Customers (Million)	19	2.1%
Consumption (TWh)	150	3.5%
Capacity (GW)	45	2.6%



NE BRAZIL	2000E	CAGR
GDP (US\$ Bn)	213	2.5%
Customers (Million)	13	2.4%
Consumption (TWh)	57	5.2%
Capacity (GW)	18	3.8%

SOUTH CONE	2000E	CAGR
GDP (US\$ Bn)	1,085	3.5%
Customers (Million)	52	1.7%
Consumption (TWh)	413	6.2%
Capacity (GW)	97	3.5%



Strategy for Brazil

Selective expansion: Latin America

Target: 10% market share in generation and distribution focusing on the South, South East and Central West region

These regions account for 80% of Brazil's GDP, 30 million customers and 70% of Brazil's electricity consumption

DIRECT INVESTMENT IN BRAZIL

EURO 2.7 BILLION

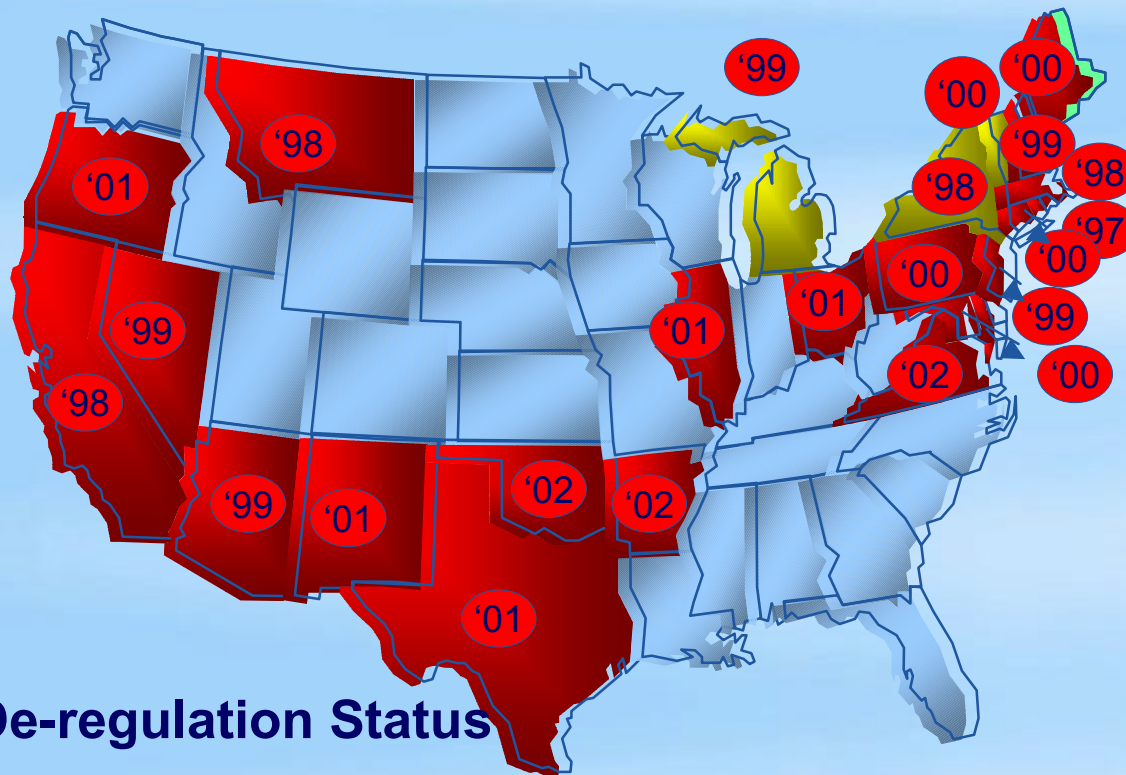
**Capacity :
3,700 MW**

**Customers:
1.1 million**



Ongoing evaluation of US entry points

Selective expansion: US



De-regulation Status

- Passed
- Submitted for approval
- Under study

(Year of opening to competition distr.)

- Fragmented market with varying degrees of deregulation

- Increasingly competitive wholesale markets

- High prices in liberalized states, less so in regulated regions

- Opportunities to improve network management

Ongoing evaluation to spot optimal entry points as they arise

A key element in our strategy: Low cost of capital

Selective expansion

Improving
leverage ratio to 1.3 x

Balancing country
risk of asset
portfolio

**Optimizing
WACC**

Improving financial
cost and Latam
rating

Maintaining prime
rating



Focus on value

- Value-focused vision
- Track record facing challenges
- Future plans
- **Financial performance**
- Conclusions

Earnings growth despite a tough environment in the domestic business

Financial performance

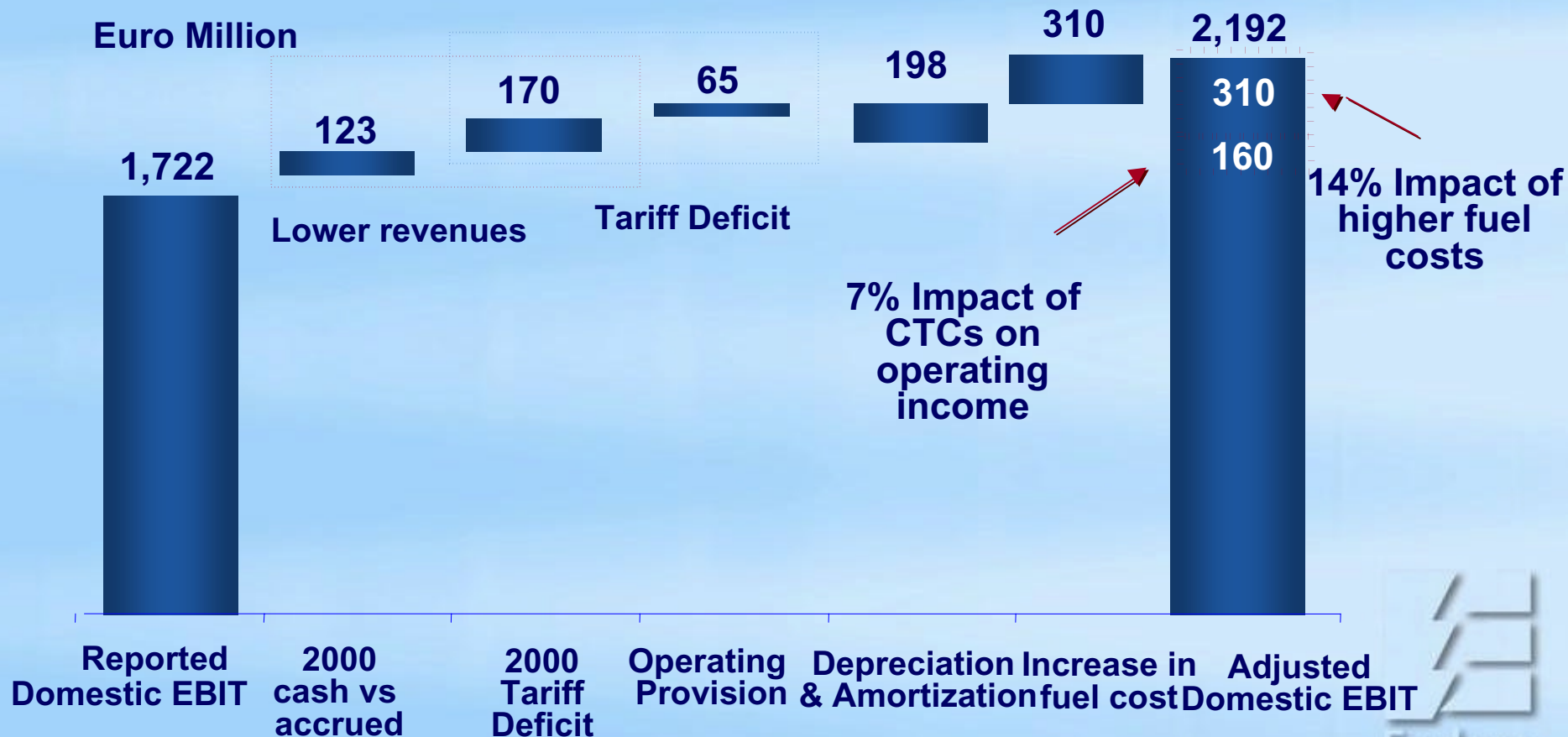
Euro Billion	2000	1999	2000/1999
Sales	15.0	13.1	14.0%
Operating Income	3.0	2.9	2.2%
<i>Domestic</i>	<i>1.7</i>	<i>2.0</i>	<i>-14.7%</i>
<i>International</i>	<i>1.3</i>	<i>0.9</i>	<i>47.4%</i>
Non-operating Income	1.0	(0.4)	358.5%
Income before taxes	2.6	2.1	26.9%
Net Income	1.4	1.3	10.2%
Earnings per Share (Euro)	1.33	1.2	10.2%
Cash Flow	3.3	4.4^(*)	-25.1%
EBITDA	4.8	4.7	2.7%
Total Assets	49.3	49.7	-0.8%

(*) The figure includes the capital gain from the disposal of Airtel

With some non-recurring factors in the domestic market:

Financial performance

Impact of change in CTCs and fuel costs on year 2000's domestic EBIT

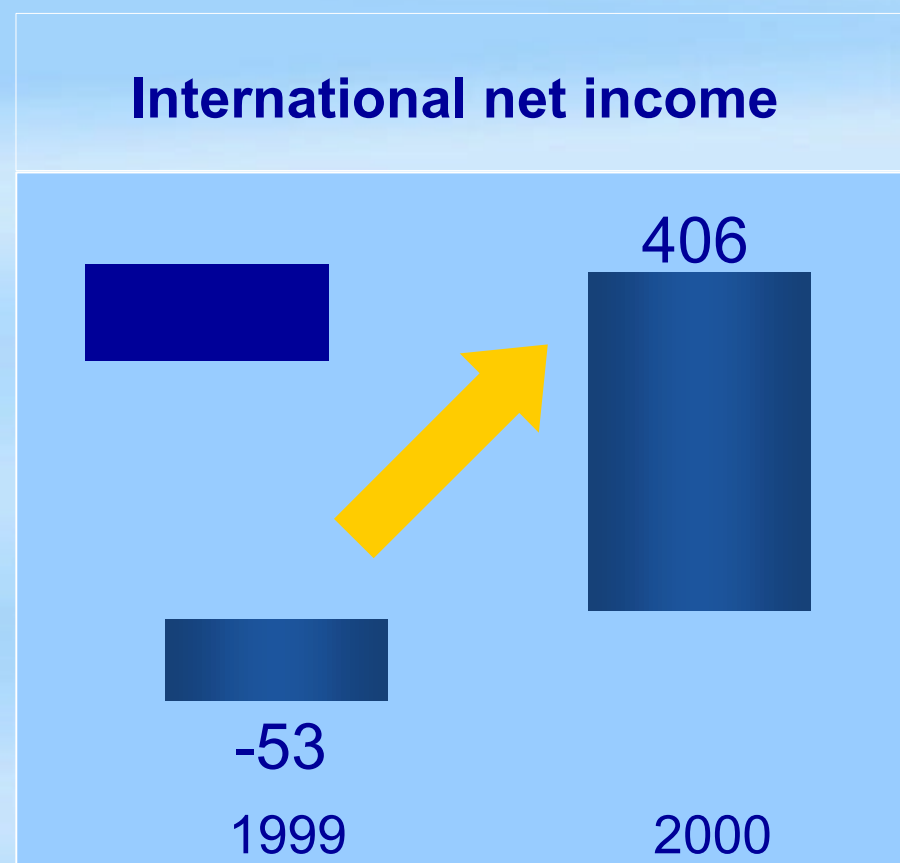


Strong recovery of International Results

Financial performance

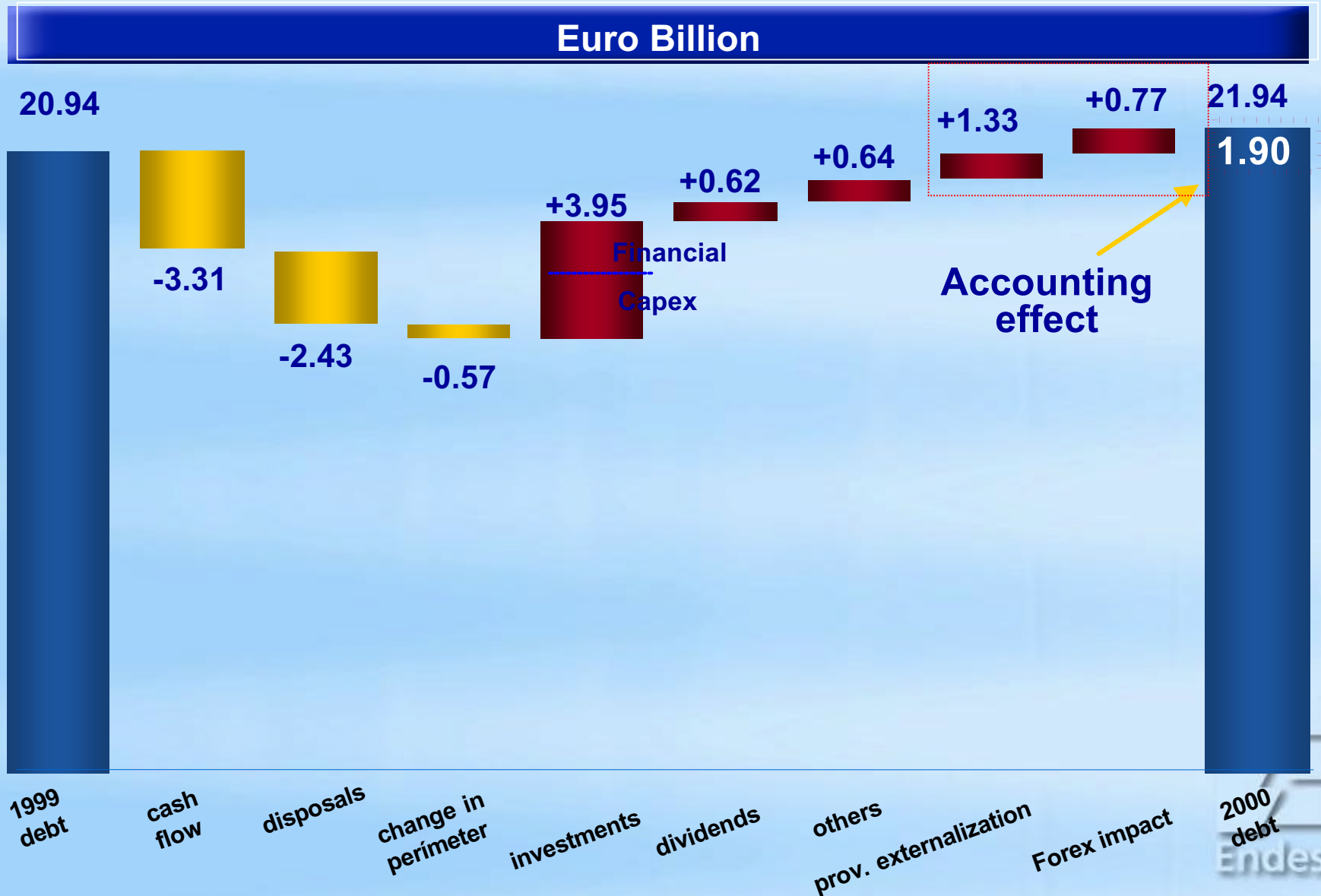
Euro Million

29% contribution to net earnings



Some non-recurring factors resulted in a slight increase in debt

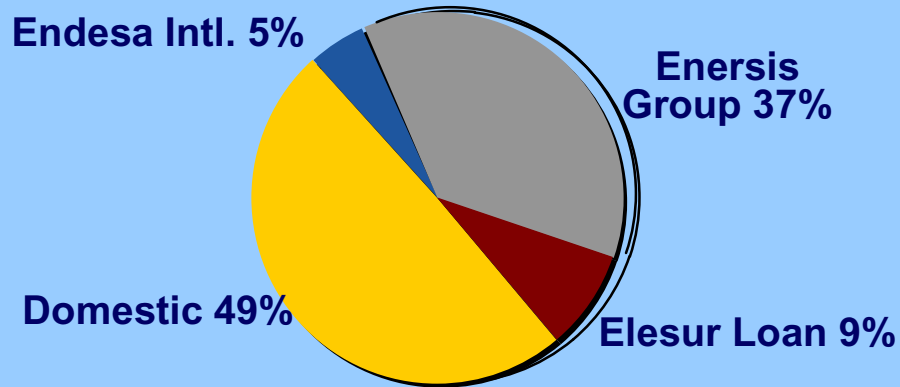
Financial performance



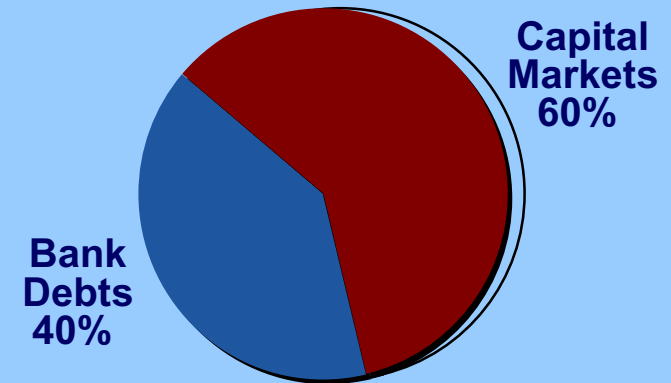
Reflecting a balanced debt structure at the end of 2000

Financial performance

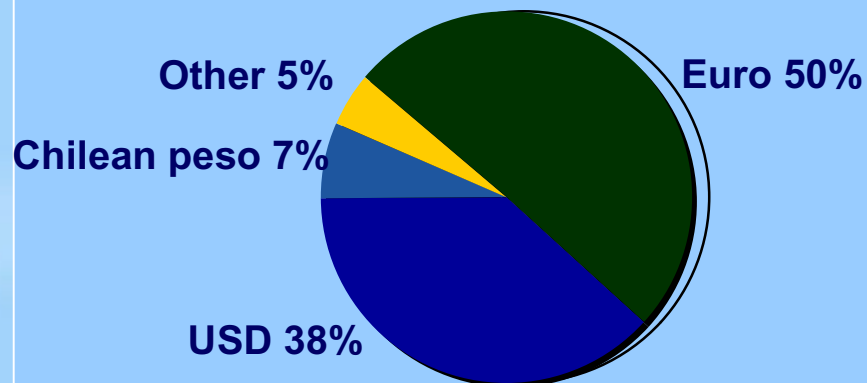
ENDESA GROUP 63% **ENERGIS GROUP 37%**
DOMESTIC 49% **INTERNATIONAL 51%**



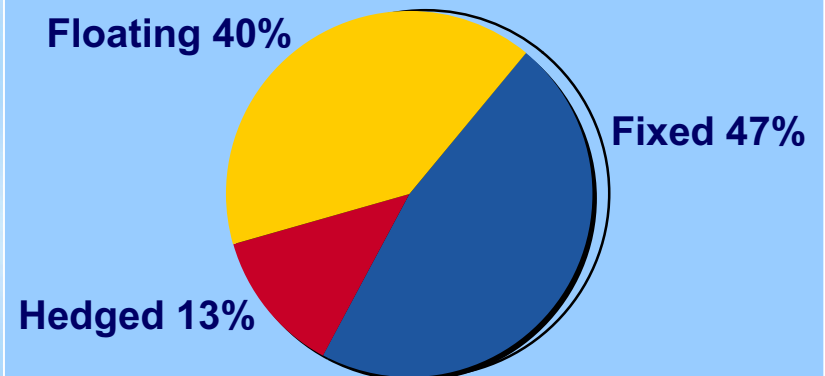
DISINTERMEDIATION



BREAKDOWN BY CURRENCY



FIXED/FLOATING

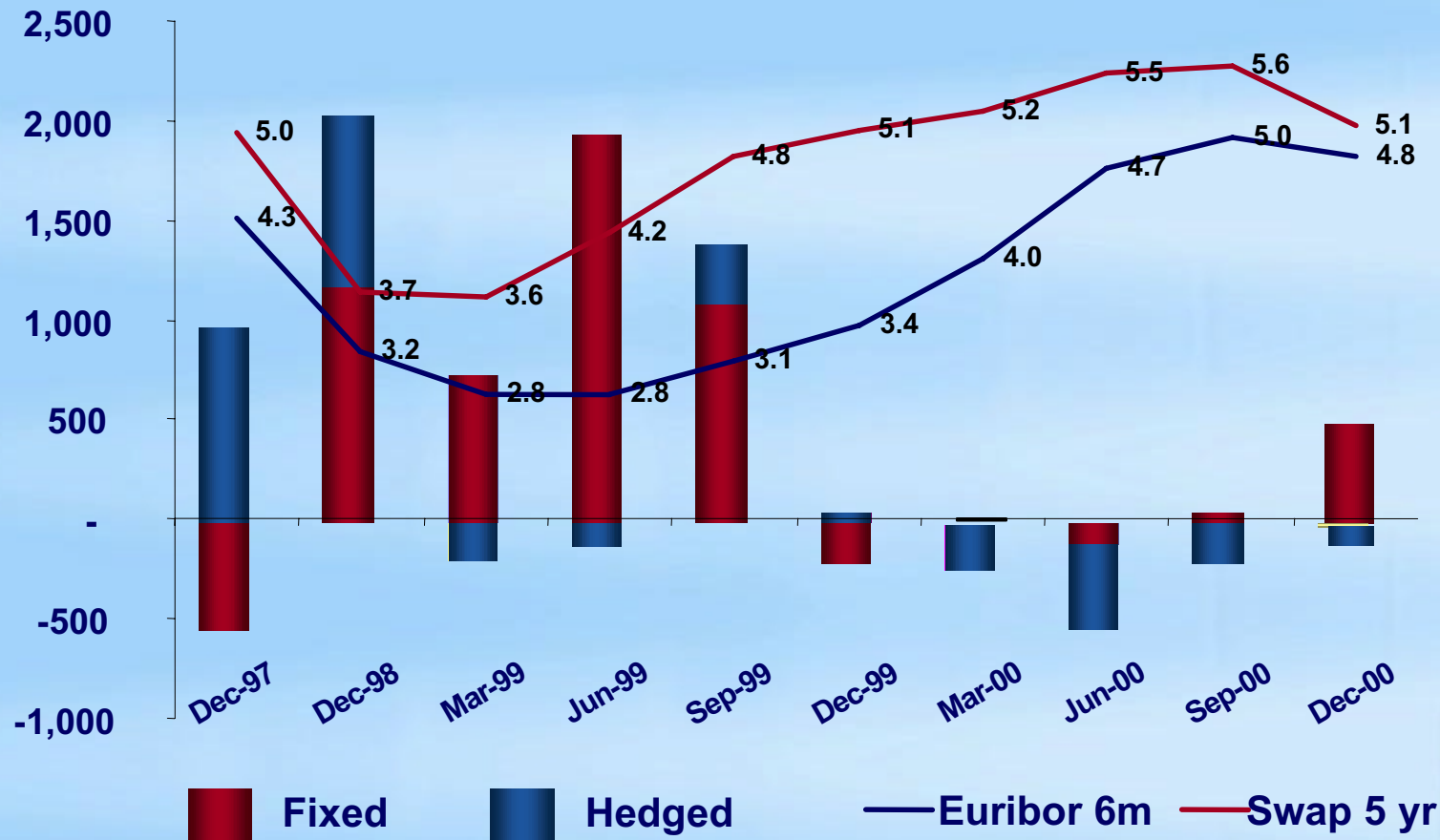


Managing debt to ensure a competitive cost of capital

Annual Debt Hedging in Endesa Spain

Financial performance

Euro Billion



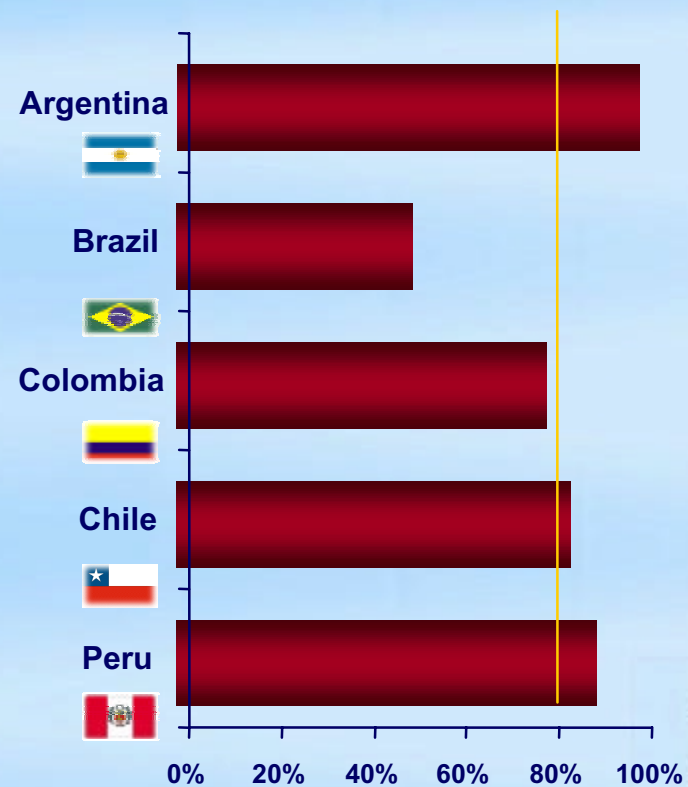
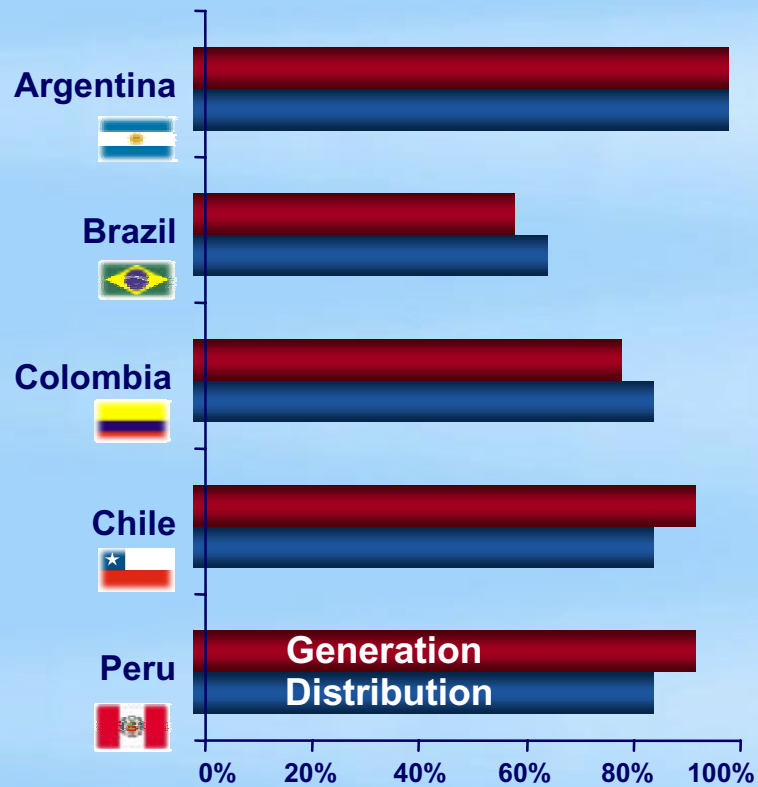
Risk management strategy: Hedging assets and liabilities

Tariff dollarisation and local currencies / US \$ Correlation

Financial performance

Tariff dollarisation

Correlation



Source: Bear Stearns.

4- years Moving Average.



Endesa enjoys a high credit rating within the industry

Financial performance

Corporate Risk Rating

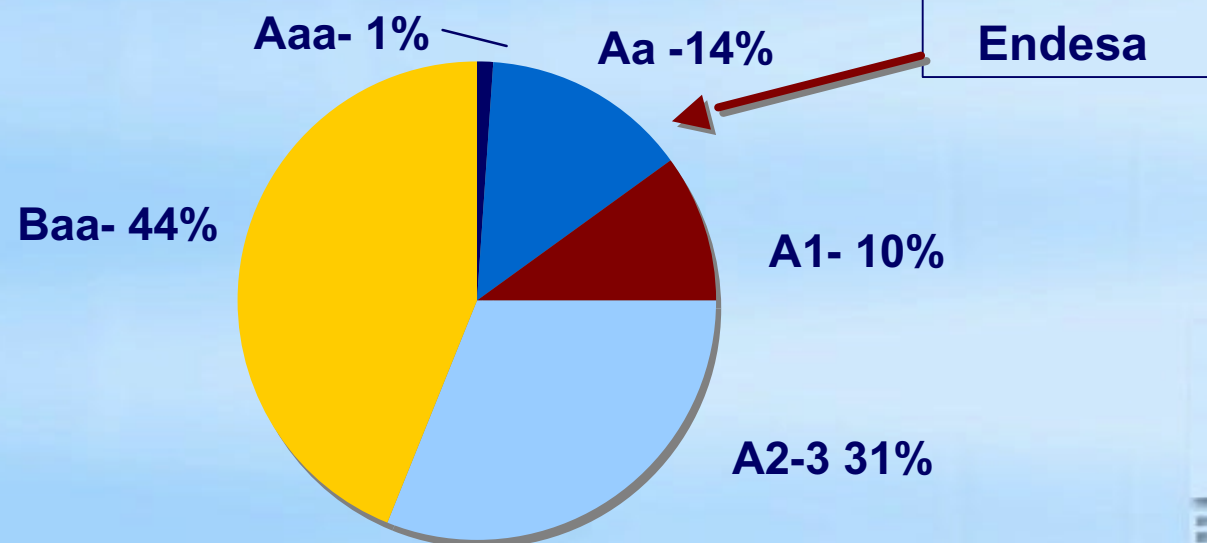
Standard & Poor's

Moody's

Fitch

ELE	A+	Aa3	AA-
ENI	A-	Baa1	A-
EOC	A-	Baa1	A-

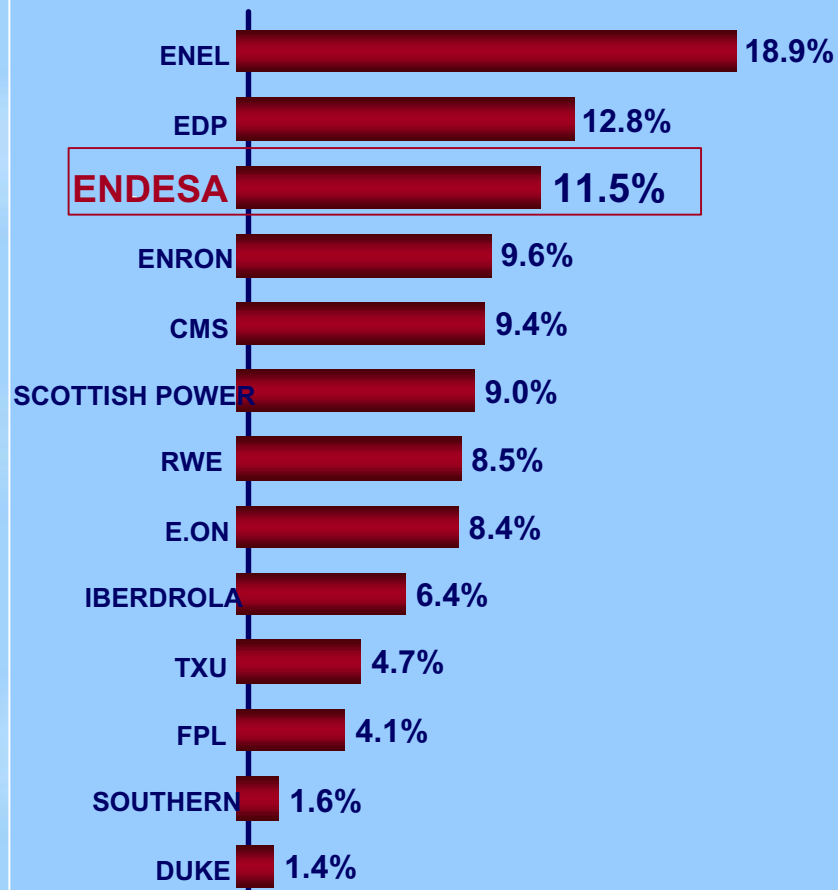
Endesa vs. European and US utilities: Moody's ratings



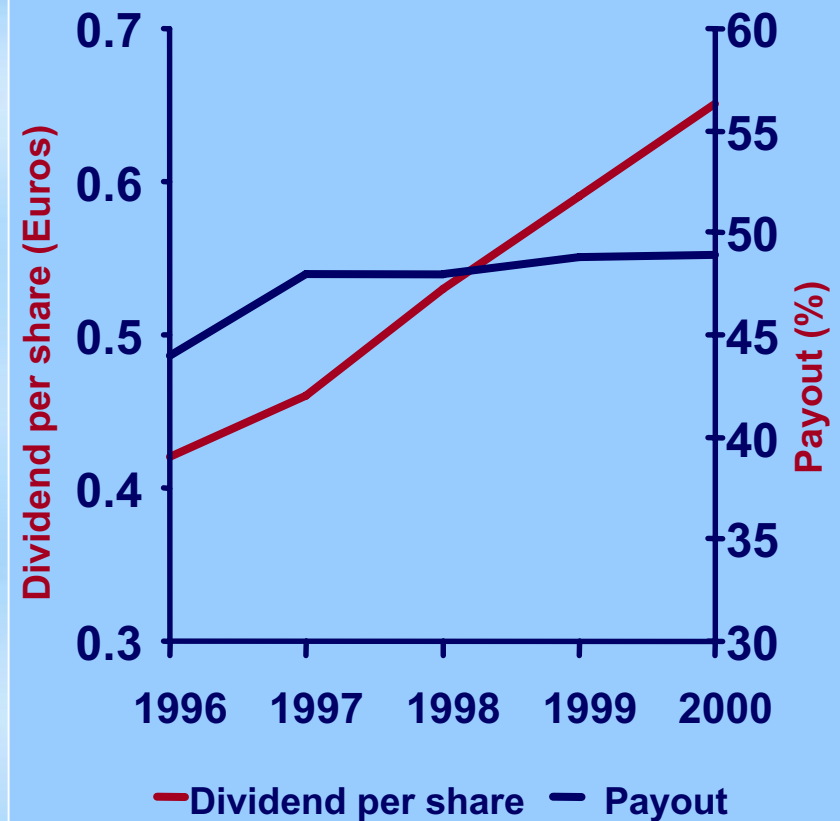
An attractive dividend history

Financial performance

Dividend per share 1996-2000 CAGR



Steady growth of pay-out



Focus on value

- Value-focused vision
- Track record facing challenges
- Future plans
- Financial performance
- **Conclusions**

Focus on value: conclusions (I)

Value-focused vision, leading to sustained growth and performance

- In energy: our core business
- In related businesses, which strengthen/complement our core

Based on unmatched business platforms

- Market leader in 5 countries
- Partner of first choice in multiple geographies

Proven ability to extract value from asset platform and capabilities

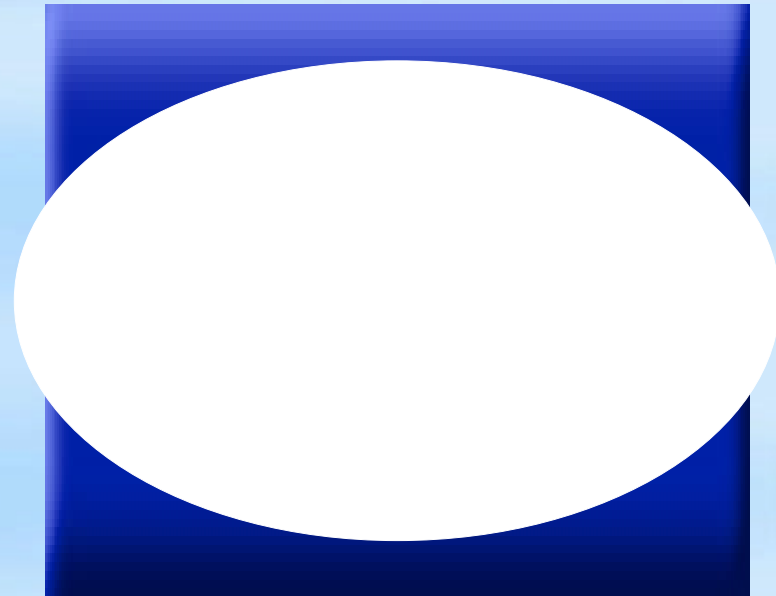
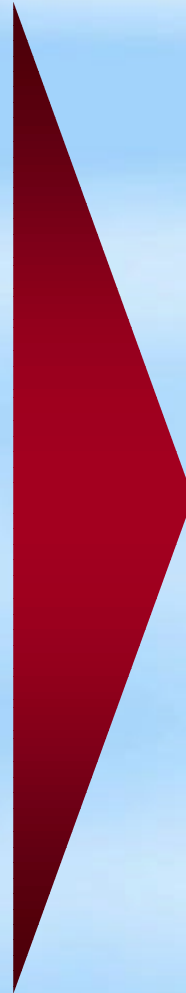
- Superior execution in critical elements of electricity value chain
- Leadership and performance in our core businesses
- Successful deployment of capabilities to new geographies and activities



Focus on value: conclusions (II)

**Clear route-map
going forward**

- **Profitability improvement**
- **Proactive portfolio management**
- **Additional value from business base**
- **Selective expansion**





Focus on value

*Presentation to Financial Analysts
Madrid, 12 March 2001*