Endesa:
9-month 2002 results
Strategic & business review

Member of Dow Jones Sustainability Indexes 03

Analyst presentation
Madrid, October 29th , 2002

The Quarter at a Glance

9-month net income +5.3% to € 1,102 M

- **Domestic Business:**
  - Strong 3Q marks operating recovery vs 1H02: EBIT + 4.7% (+24.3% underlying)
  - Prudent accounting of tariff shortfall continues
  - Competitive generation mix outperforms domestic competitors
- **Europe:**
  - Results and efficiency program according to plan in Italy
- **Latin America:**
  - 9-month EBIT –5.7% despite strong devaluations in 3Q in the region. EBIT +15.1% in local currency terms
  - Signal of crisis slowdown in Argentina and recovery of demand in Brazil
- **Financial aspects**:
  - €1.15 bn debt reduction against December 2001, and lower cost of debt (5.0%) result in 9.3% lower financial expenses

Highlights for 9-month 2002

€ M

CONSOLIDATED RESULTS	9M 2002	9M 2001	Change (%)
Revenues	12,488	11,671	7.0%
EBITDA	3,596	3,790	-5.1%
EBIT	2,263	2,449	-7.6%
Net Income	1,102	1,047	5.3%
EPS	1.04	0.99	5.3%
Employees	26,405	27,466	-3.9%

BREAKDOWN BY LINE OF BUSINESS	DOMESTIC ELECTR.	EUROPE ELECTR.	LATAM ELECTR.	OTHER BUSINESSES
Sales	7,883	1,091	2,972	170
EBIT	1,178	95	967	23
Ordinary Income	844	-2	-312	-217
Net Income	1,323	-6	-110	-105
Employees	13,592	1,294	11,034	485

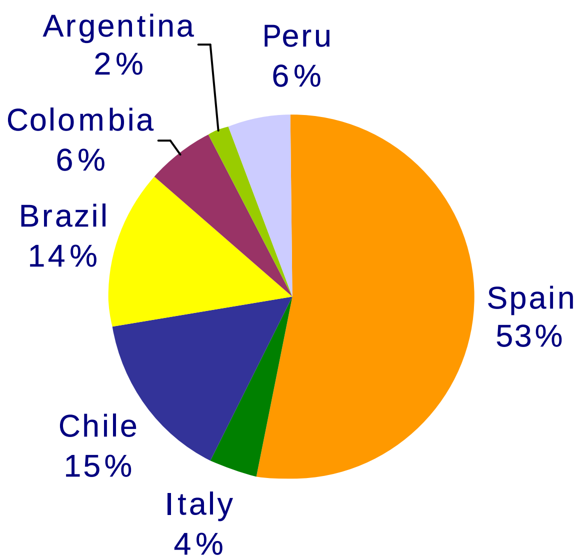
EBIT by country in 9-month 2002

- Domestic EBIT represents 53% of total EBIT, 71% proportionally consolidated.

EBIT BY COUNTRY (%)

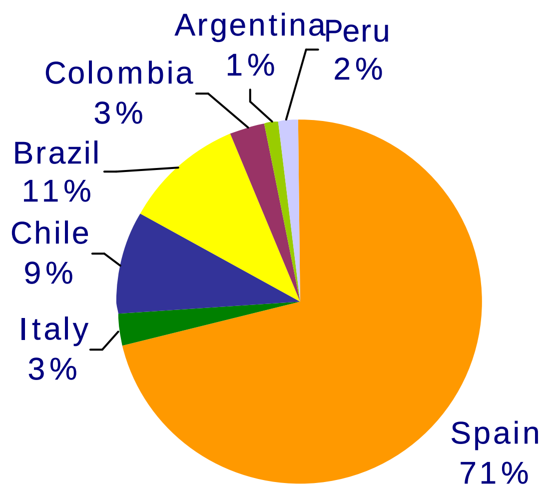
Global consolidation as reported

€ 2,263 M



Proportional consolidation adjusting minority interest

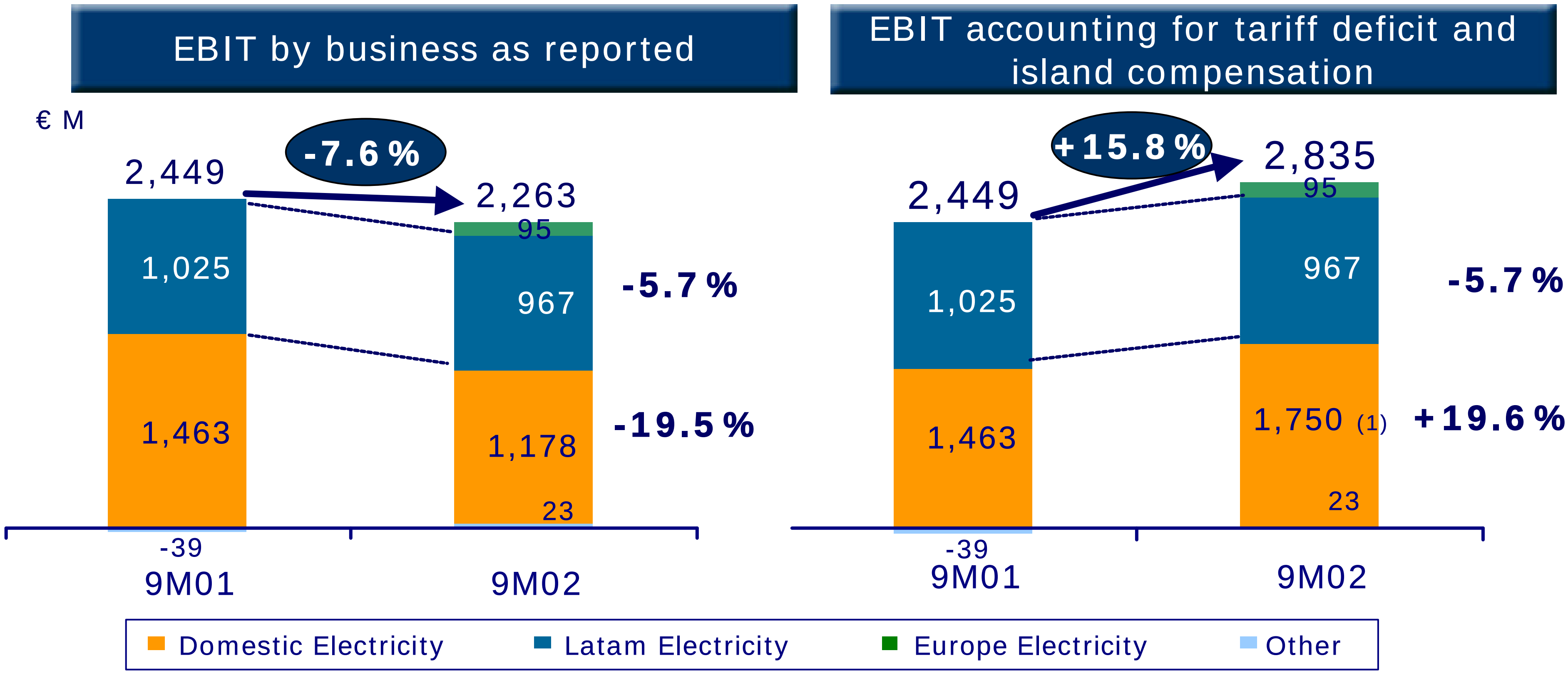
€ 1,699 M



EBIT for 9-month 2002

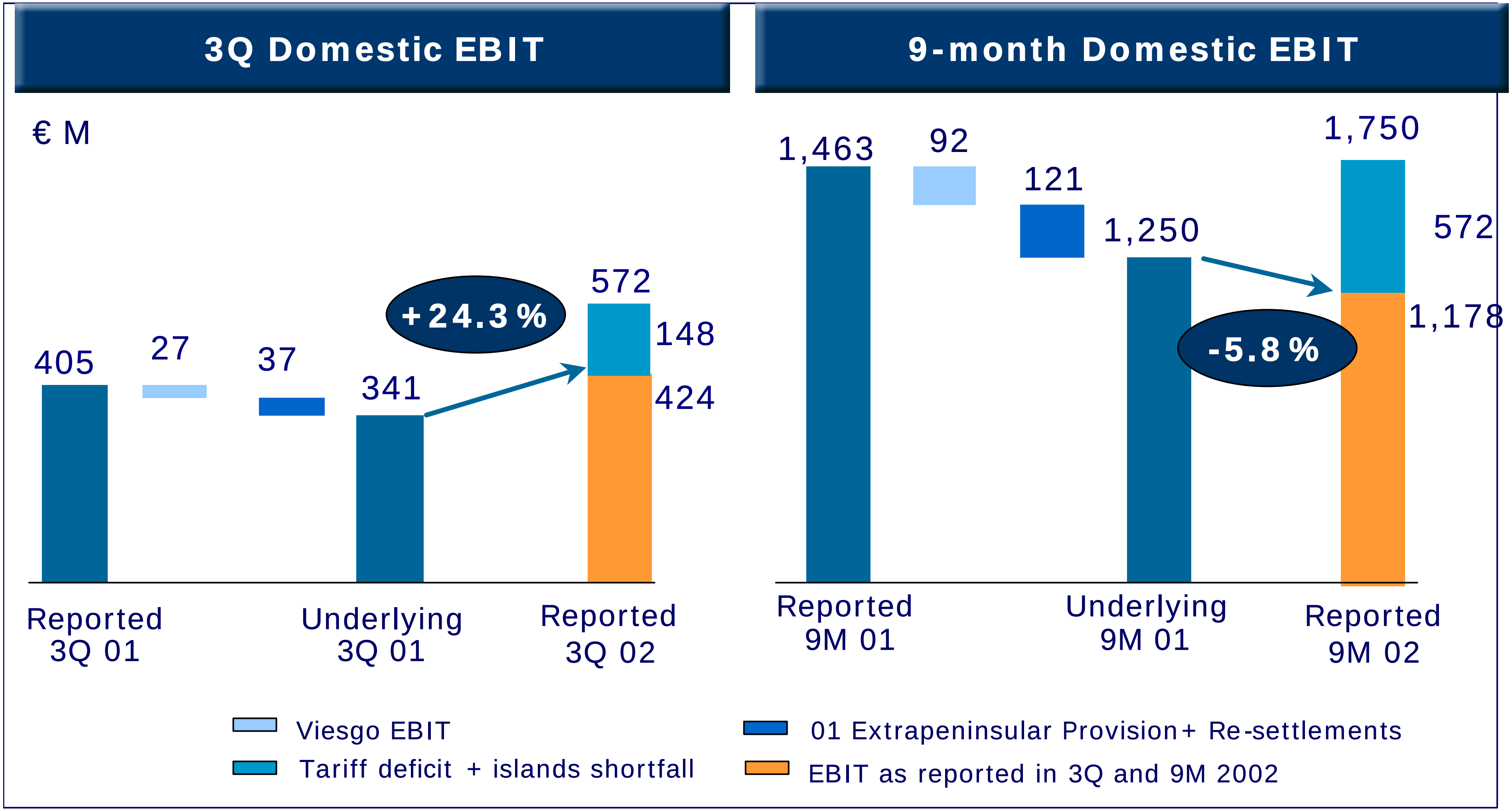
Impact of tariff shortfall

- Reported EBIT down 7.6%
  - Spain: EBIT –19.5% due to tariff shortfalls (€ 572M).
  - Domestic EBIT without tariff shortfall +19.6%
  - Latin American EBIT -5.7%, due to currencies depreciation.



(1) At least € 572 M additional adjustment for share in tariff deficit and pending island compensations in 2002.

Domestic Busines: Positive EBIT performance

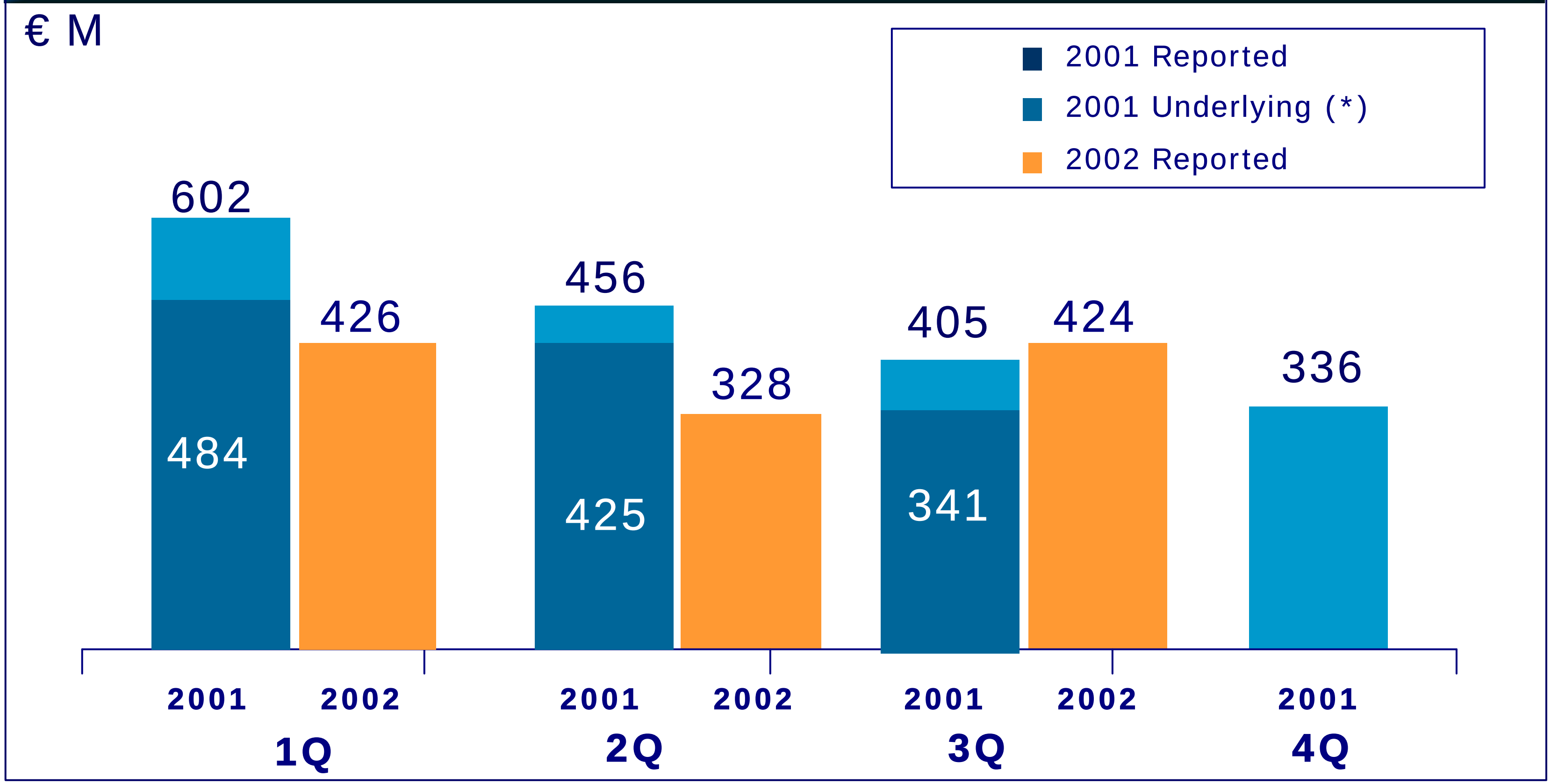


- Reported 3Q domestic EBIT +4.7%, underlying +24.3%, even with the most conservative accounting of "tariff deficit"
- 9-month reported EBIT –19.5%, underlying domestic EBIT –5.8%

Domestic Business: Changing trend of EBIT in 3rd Quarter

3Q EBIT higher than 2001 and higher than previous quarter

Domestic EBIT

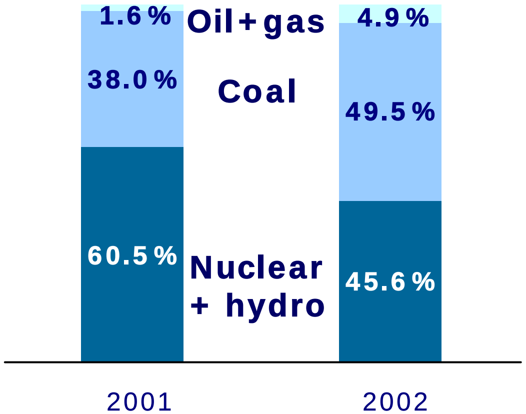


(*) Underlying EBIT = reported – Viesgo – extrapeninsular compensations –re-settlements

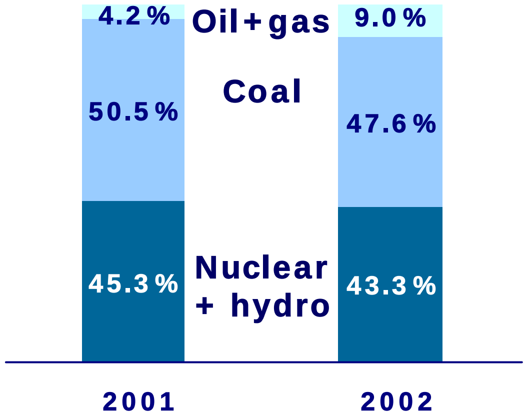
Domestic Business: Change in trend reflects different generation mix in each period

Endesa
MWh of production. Percentages

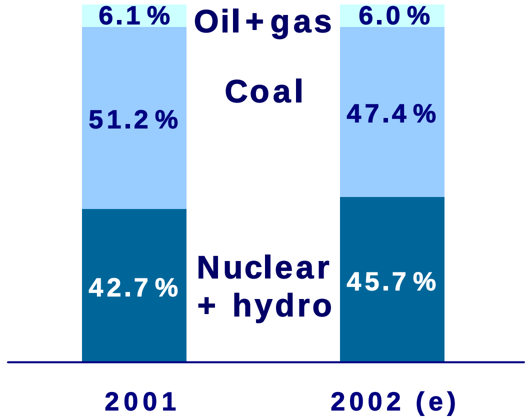
January – June

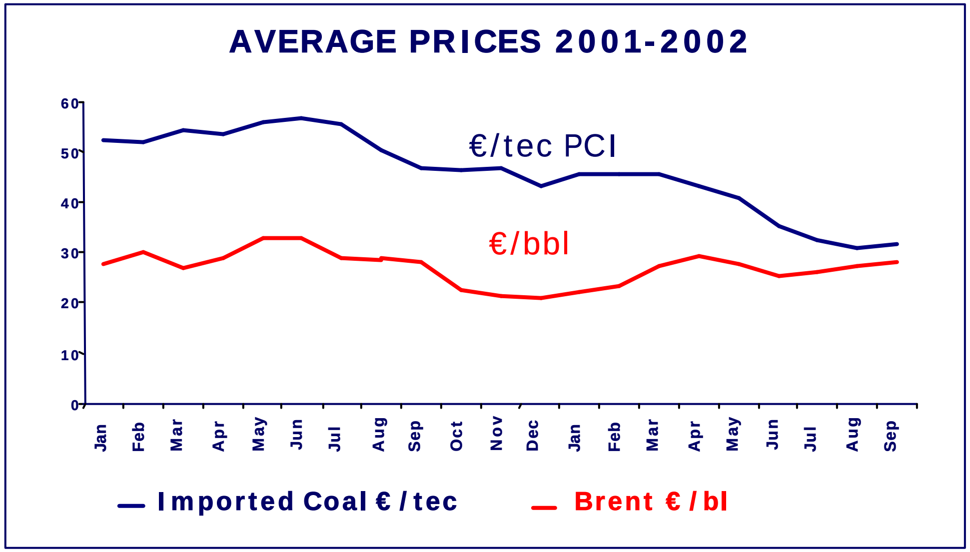


July – September



October - December

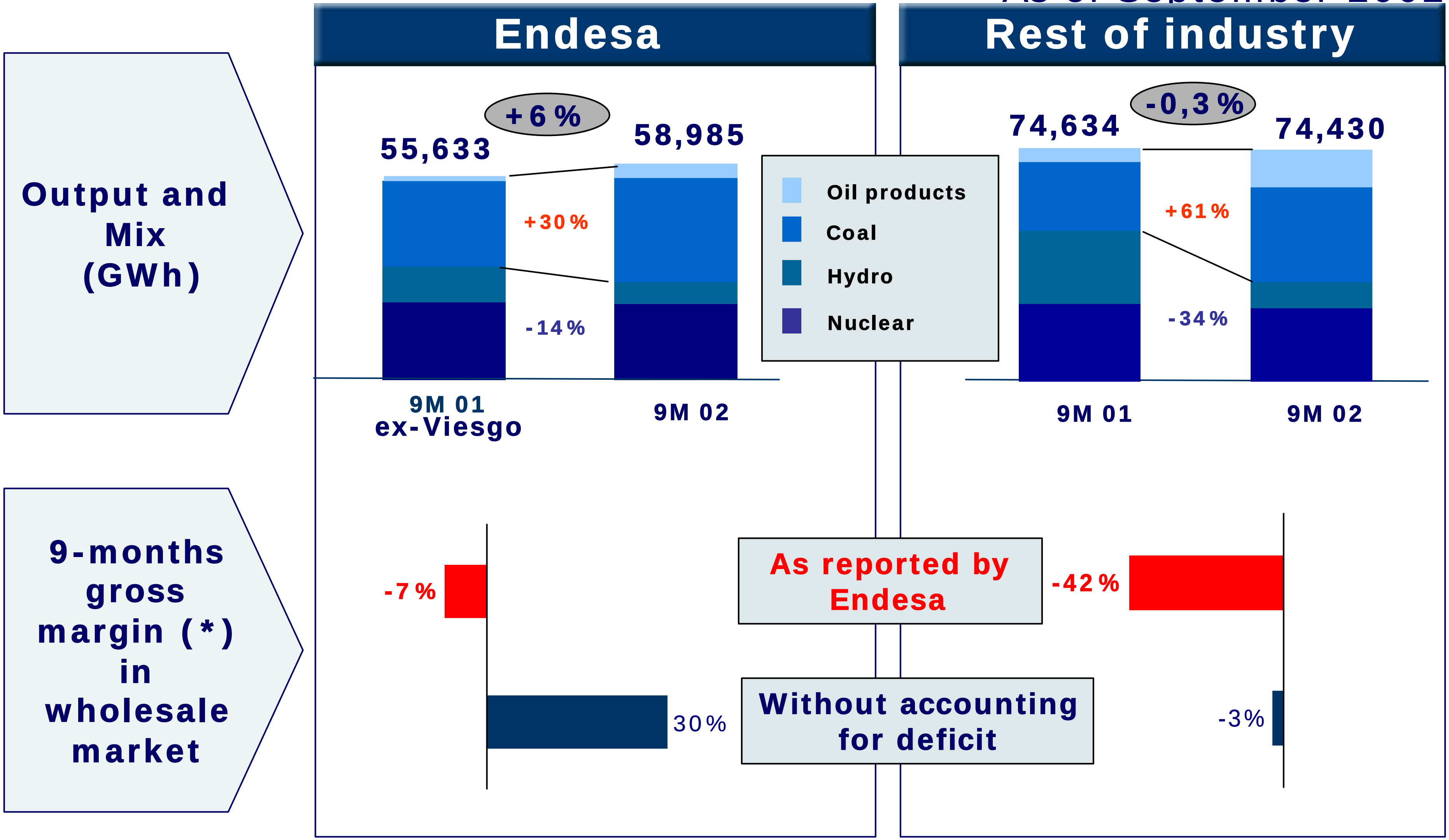




- 3Q02 generation mix similar to 3Q01
- Coal prices show a downward trend in the last months

Domestic Business: Better performance than rest of industry

As of September 2002



(*) Endesa's estimates based on public information

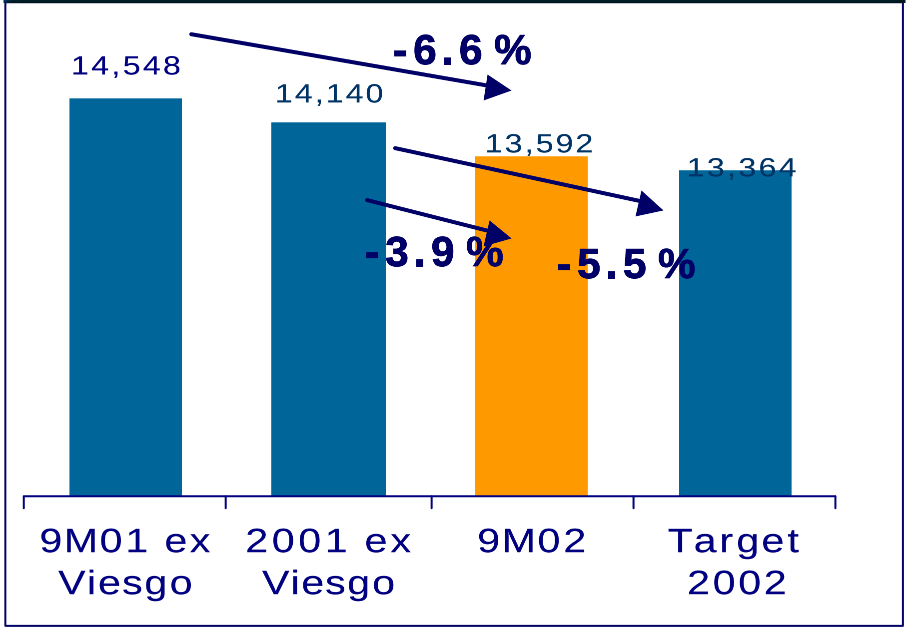
Domestic Business: 9-month Controllable Cost

- Controllable costs affected by extraordinary costs related to:
  – New CCGTs, 2003 full liberalisation, actual inflation higher than budgeted

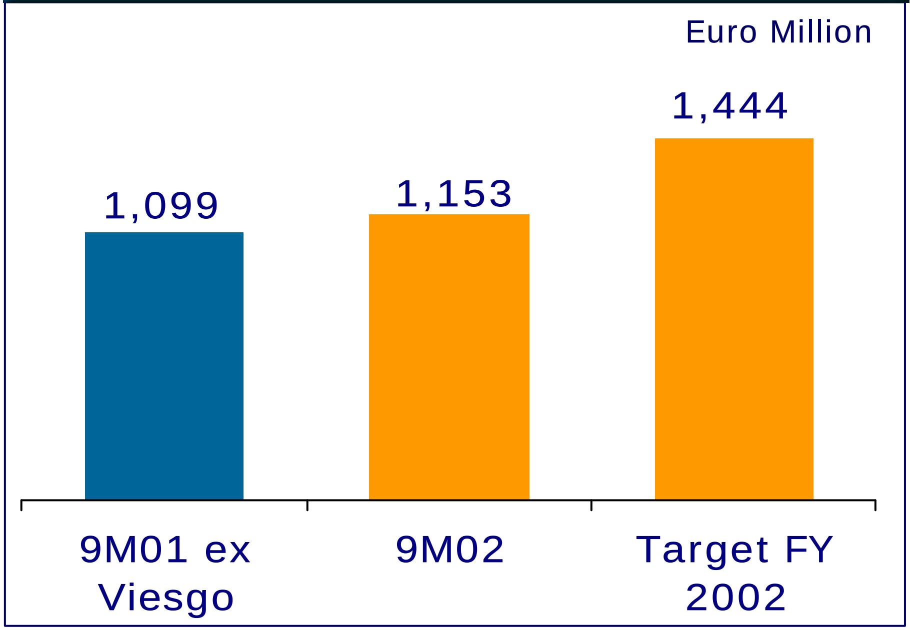
- +1.2% in real terms

- Headcount –6.6% YoY ex Viesgo

WORKFORCE

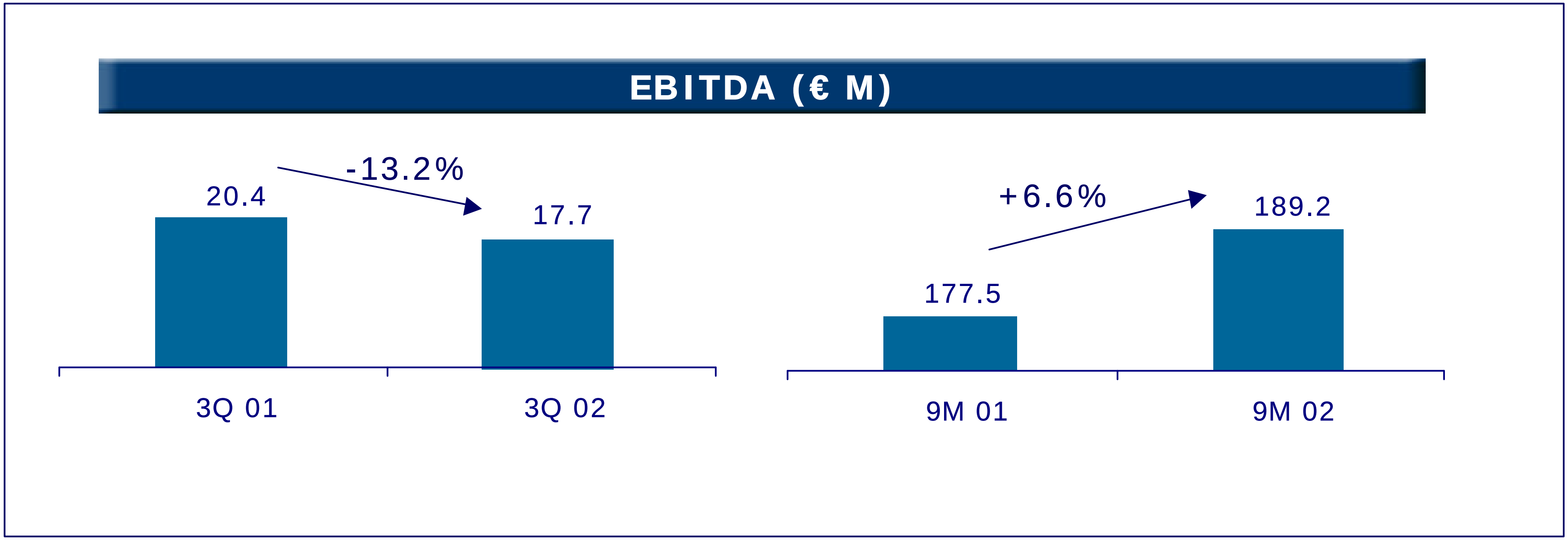


CONTROLLABLE COST



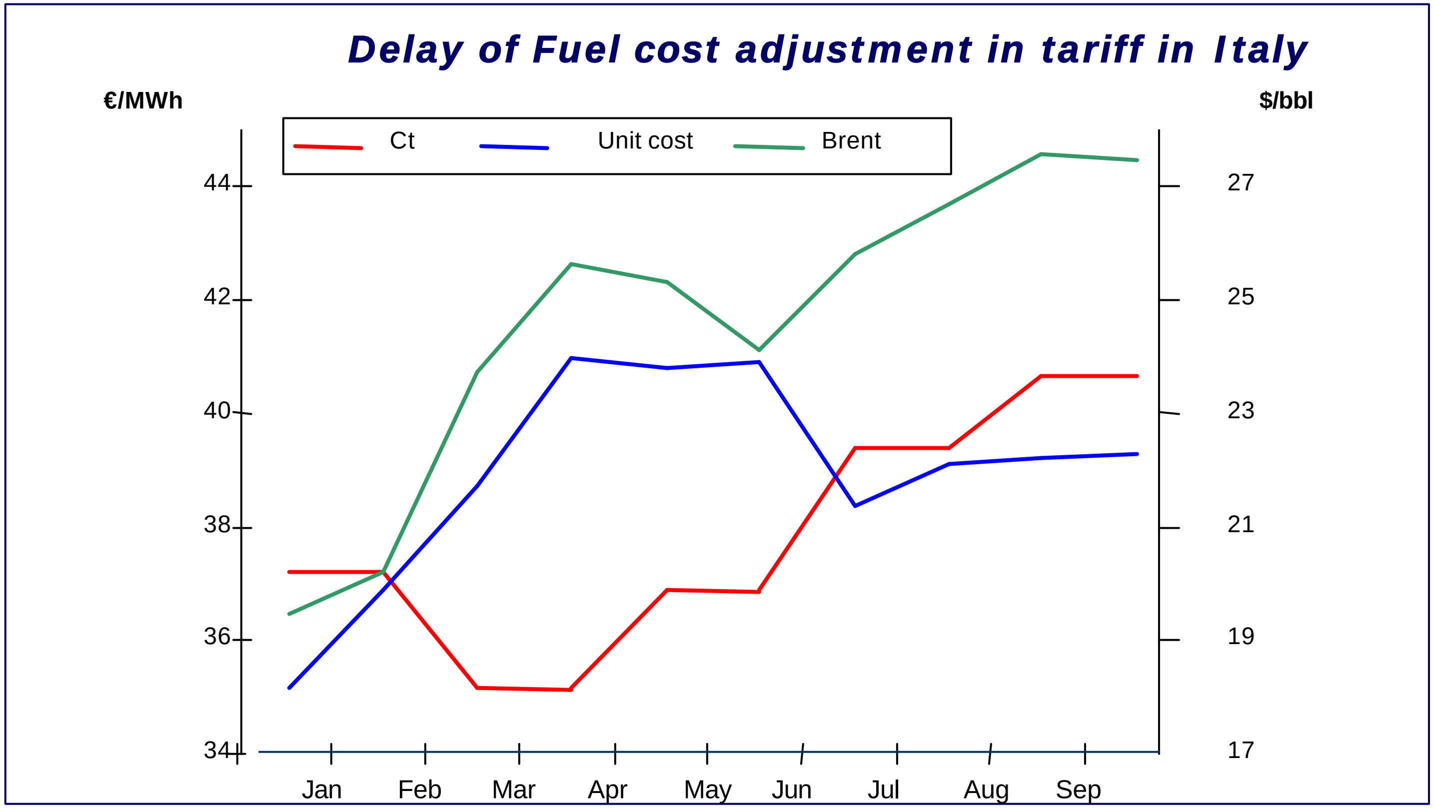
Endesa Italia:
Performance according to business plan

- 3Q EBIT affected by tariff seasonality
- 22% reduction in workforce in line with efficiency program
- Europe 9-month EBIT: €95 M compensates loss of Viesgo EBIT



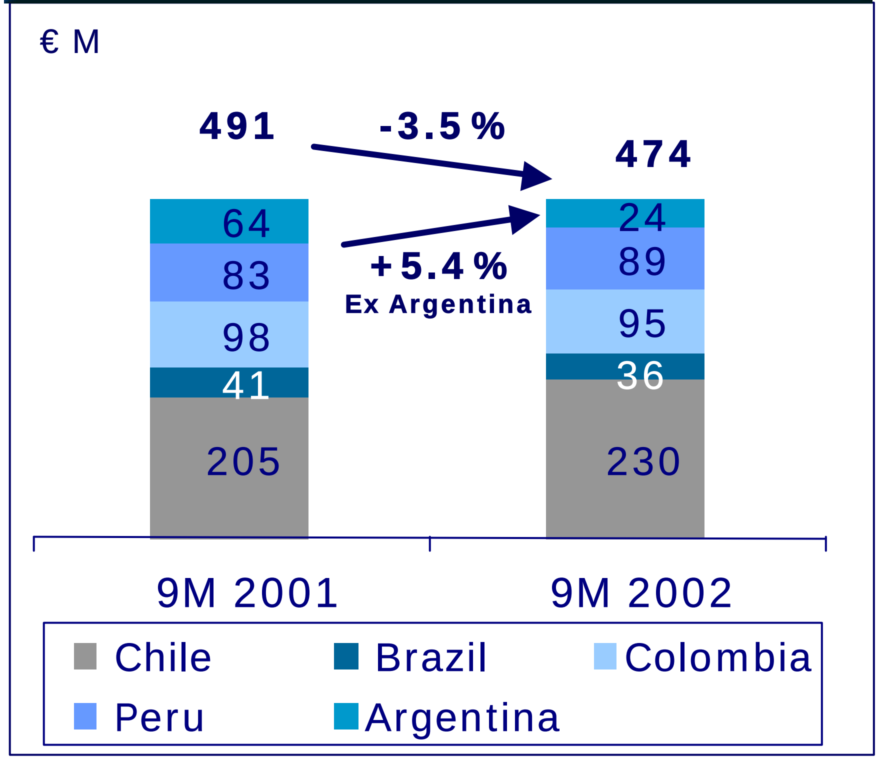
Endesa Italia:
Results affected by extraordinary issues

- Historic drought.
- Delay in fuel cost recognition in tariff
- September tariff freeze to end in November.
- Other extraordinary Items: -€27 M (-€18 M hydro penalty)

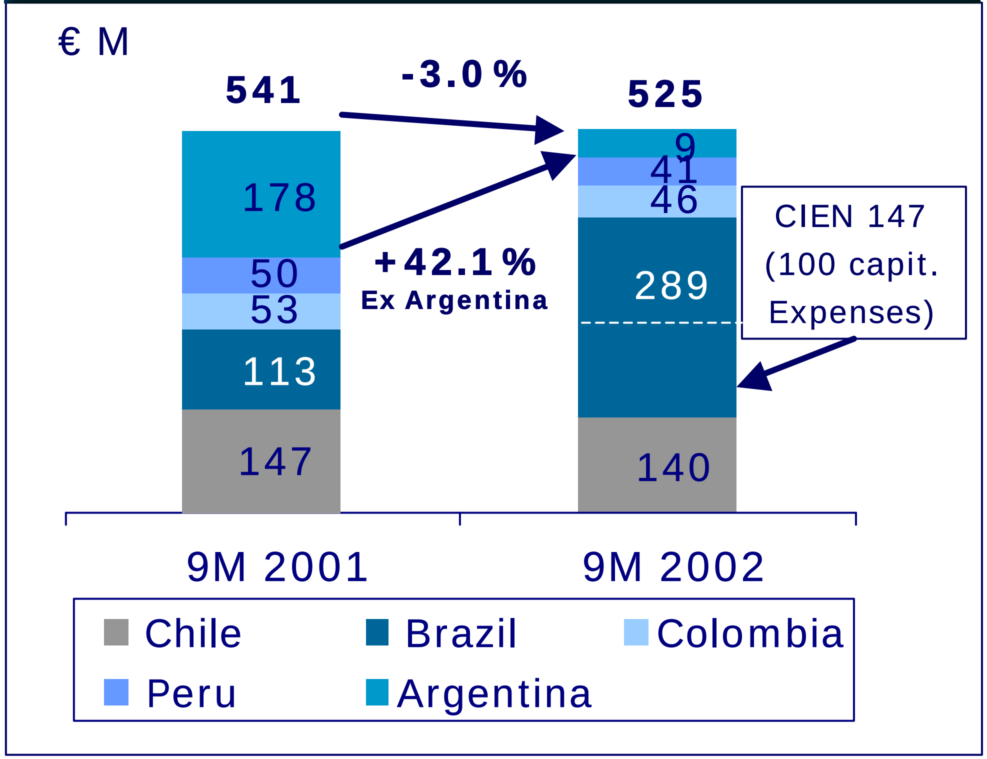


Latin America:
9-month EBIT breakdown

EBIT - GENERATION



EBIT - DISTRIBUTION



Total EBIT –5.7% to € 967 M
+19.3% ex Argentina
+15.1% adjusted ex devaluations

Argentina: FX impact and exposure

1.7 to 3.75 AR$ per US$ devaluation in 9M02

Gross FX impact	€ (547) M
Net FX impact after minorities	€ (105) M
In Reserves	€ (193) M
Additional Provision against Extraordinary Income	€ (134) M

Exposure to Argentina Sept '02

	€M		% total ELE
Net Exposure [1]	134	0	
Provision	-134		
Assets *	461		1.2%
EBIT *	9		0.5%
Net Income	(249)		
US$ debt with 3rd parties non recourse	722		3.0%

**proportionally consolidated*
(1) Equity + Intercompany loans

Endesa's total investment in Argentina is fully provisioned

Brazil: FX impact and exposure

2.32 to 3.90 BRL per US$ devaluation in 9M 02

Gross FX impact	€ (160) M
Net FX impact after minorities	€ (30) M
In Reserves	€ (114) M

Exposure to Brazil Sept '02

	€ M	% total ELE
Net Exposure	799	
Assets *	1,379	3.5%
EBIT *	197	11.6%
Net Income	(55)	
Debt with 3rd parties	678	2.8%

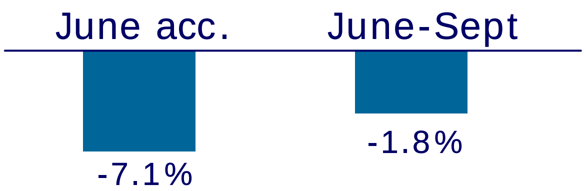
** proportionally consolidated*

50% of Net Debt with third parties denominated in Reals
US$ debt mainly financing CIEN, with mostly revenues in dollars

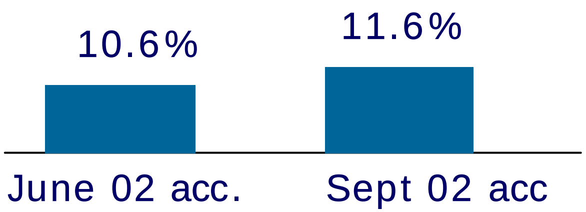
Latin America: Improving operating conditions

ARGENTINA

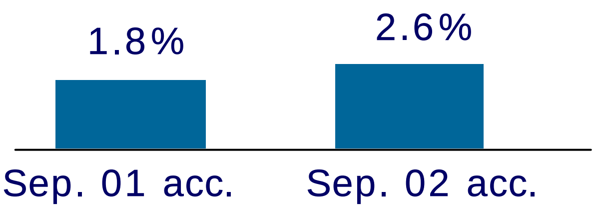
GWh distributed (02 vs 01)



Losses



Uncollectable accounts

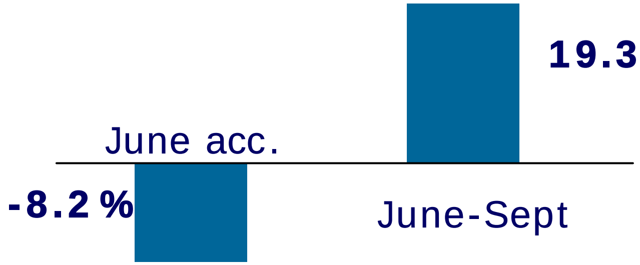


Arg$/US$: +1.7% in June-Sept.

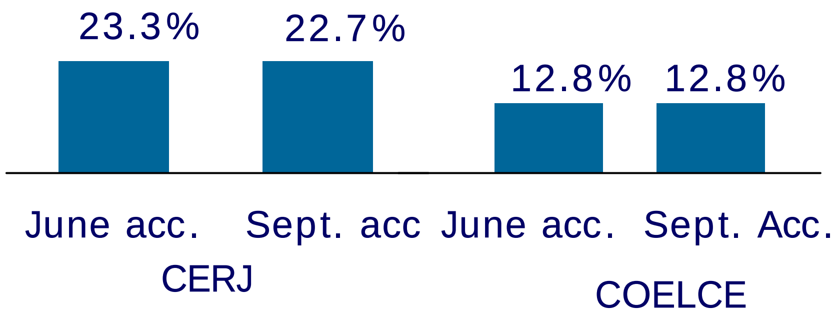
24 days average collecting period

BRAZIL

GWh distributed (02 vs 01)



Losses



Compensations for rationing:

€58.1 million in 2002

Latin America: no additional write-downs expected

Initial Investment

€ 6,710 M

-

Write downs to date adjusting investment to currency depreciations

€ 3,445 M

=

Latam electricity Book value As of september 02

Total BV = € 3,265 M

€ million	
Chile (*)	1,186
Colombia(**)	1,001
Brazil	799
Peru	279
Argentina	0

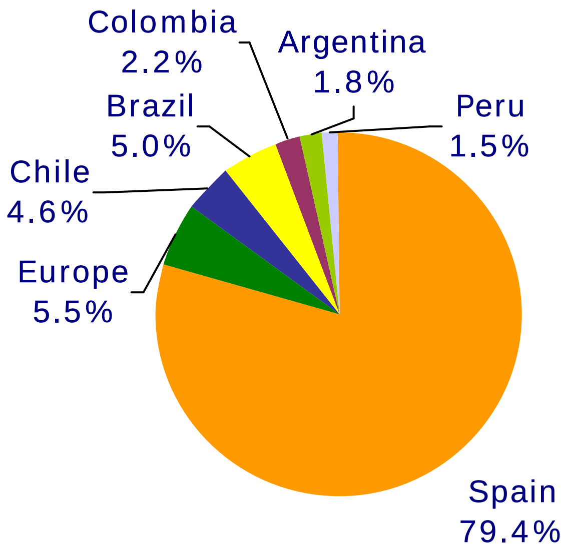
Book Value = Equity + Goodwill + Loans
(*) Includes € 1.3 Bn loan to Enersis
(**) Pending €100 Mn Capital amortization

- € 2,313 Goodwill in Latin America electricty as of Sept. 02
- Impairment tests adjusted to 2002 devaluations, show that book value is in line with fair value

Latin America contribution in 9-month results

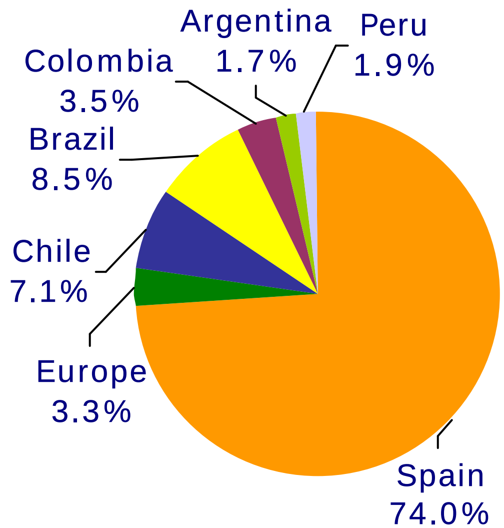
Proportional consolidation (%)

Revenues (€ 10,139 M)



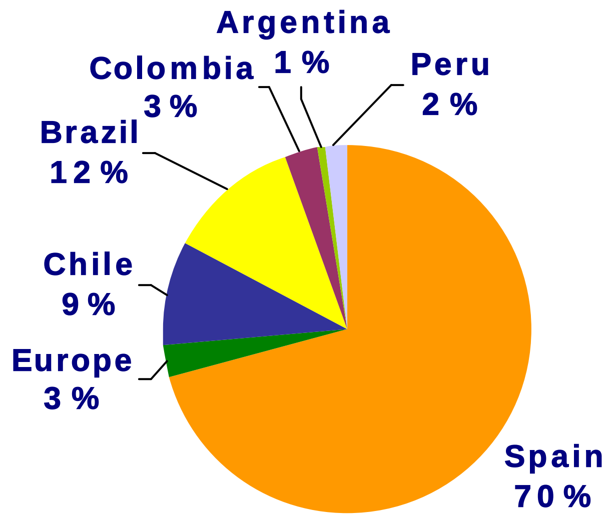
Latin America 15.1 %

EBITDA (€ 2,745 M)



Latin America 22.7 %

EBIT (€ 1,699 M)



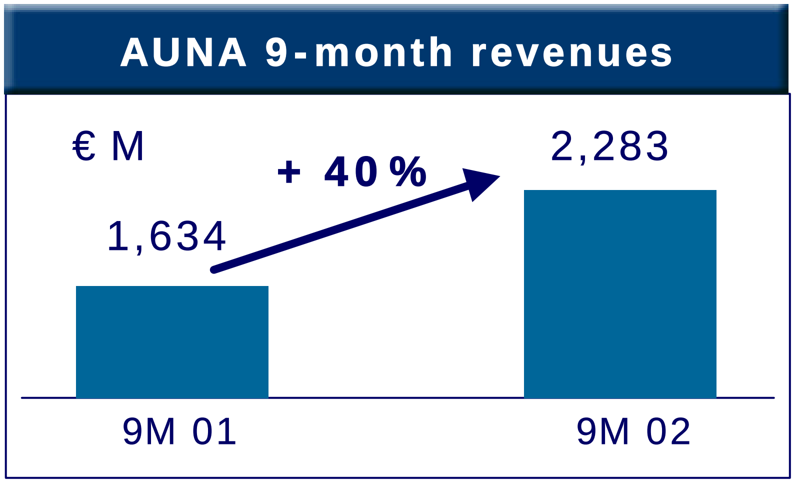
Latin America 26.3 %

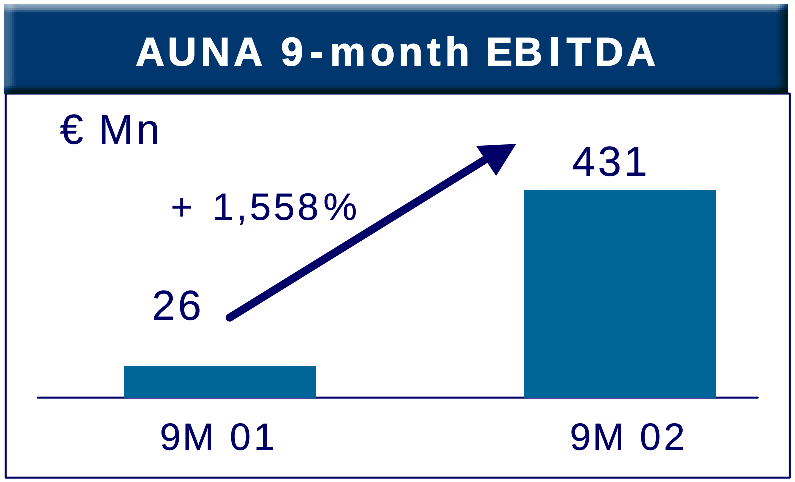
Telecommunications: 9-month performance

- **AUNA:**
  - AUNA € 431 M EBITDA, exceeding business plan
  - AMENA €77 M net income against € 93 M loss in Sep 01.
  - Clients: 6 M (+ 25%)
- **SmartCom:**
  - €4.6 M EBITDA vs € - 19.4 M
  - Clients: 0.8 M, + 71%

Objective: No more cash injections from shareholders

- Business restructuring along:
  - mobile telephony
  - Merger of fixed telephony +cable business
- Closure of Quiero TV in June
- Divestment program:
  - Eresmas/Hispasat/Audiovisual
- Positive net income in 2003

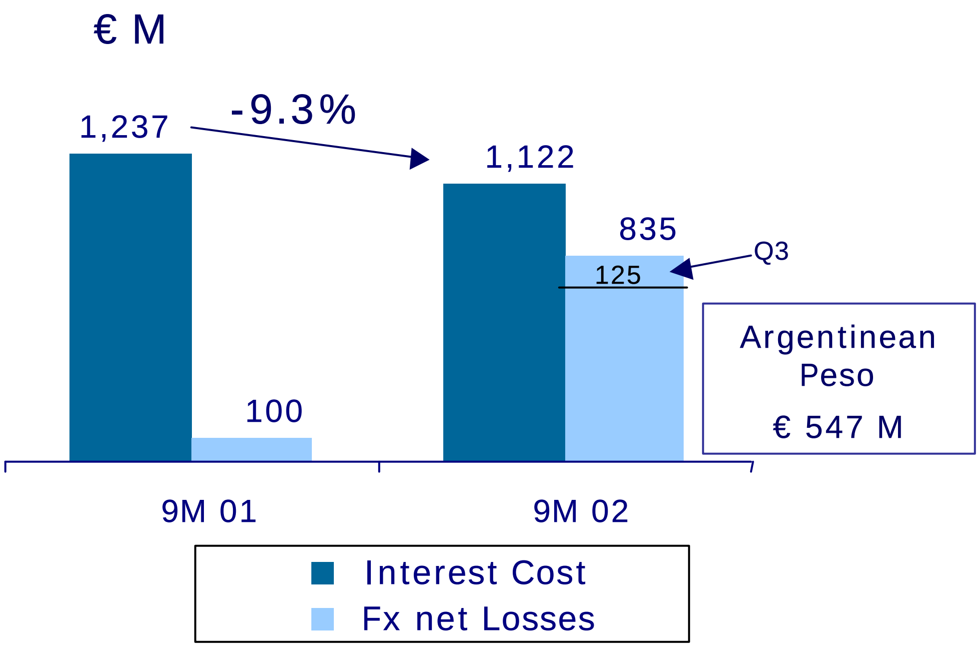




9-month Financial Results

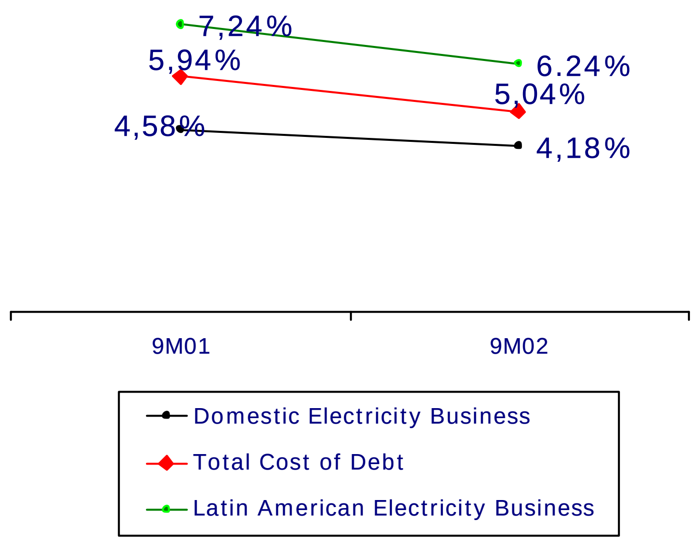
- Financial expenses –9.3% as cost of debt was reduced from 5.9% to 5.0% and debt went down by € 1.15 Bn
- 9M net FX losses of € 835 M against US$ debt of €1.4 bn in Brazil and Argentina
- Lower net FX losses in Q3 to €125 M

Interest cost & FX net losses

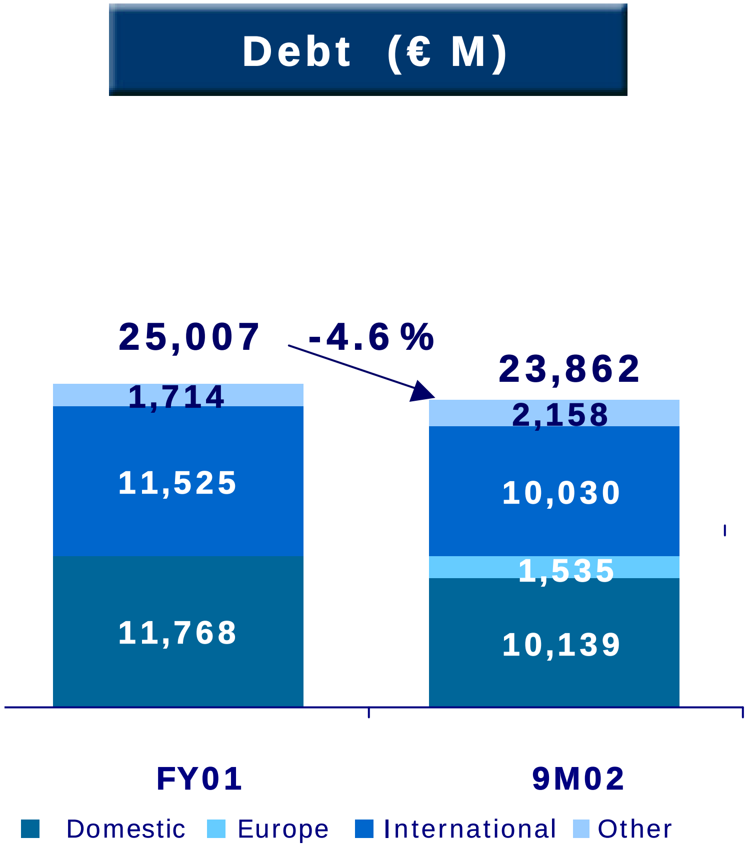


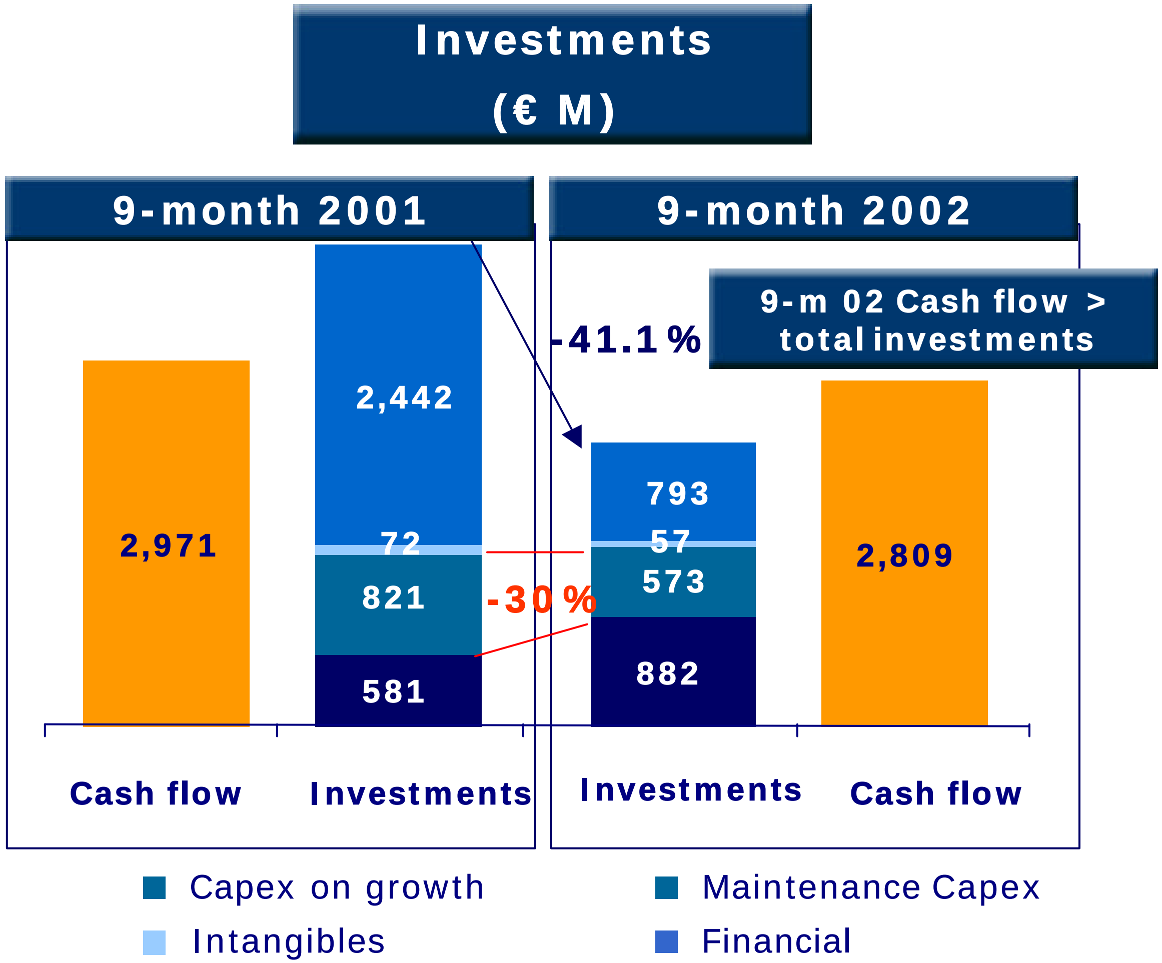
Cost of Debt

Total Debt: € 23.9 Bn



Reduction in debt and investments





•Debt has been reduced by 4.6%. Debt Increase in businesses not consolidated at EBITDA level

•41% reduction in total investment. 30% lower maintenance capex

Others

- Total net extraordinary results amounted to € 574 M
    - Domestic €755 M gain: € 1,066 M gross capital gain from Viesgo
    - Latin America € 201 M loss: provision for Argentina
- Taxes: Effective tax rate of 5.1%:
    - 17.1% domestic tax rate due to new tax for capital gain
    - €124 M tax credit in Latin America
- Minorities absorb €279 M loss from Latin America

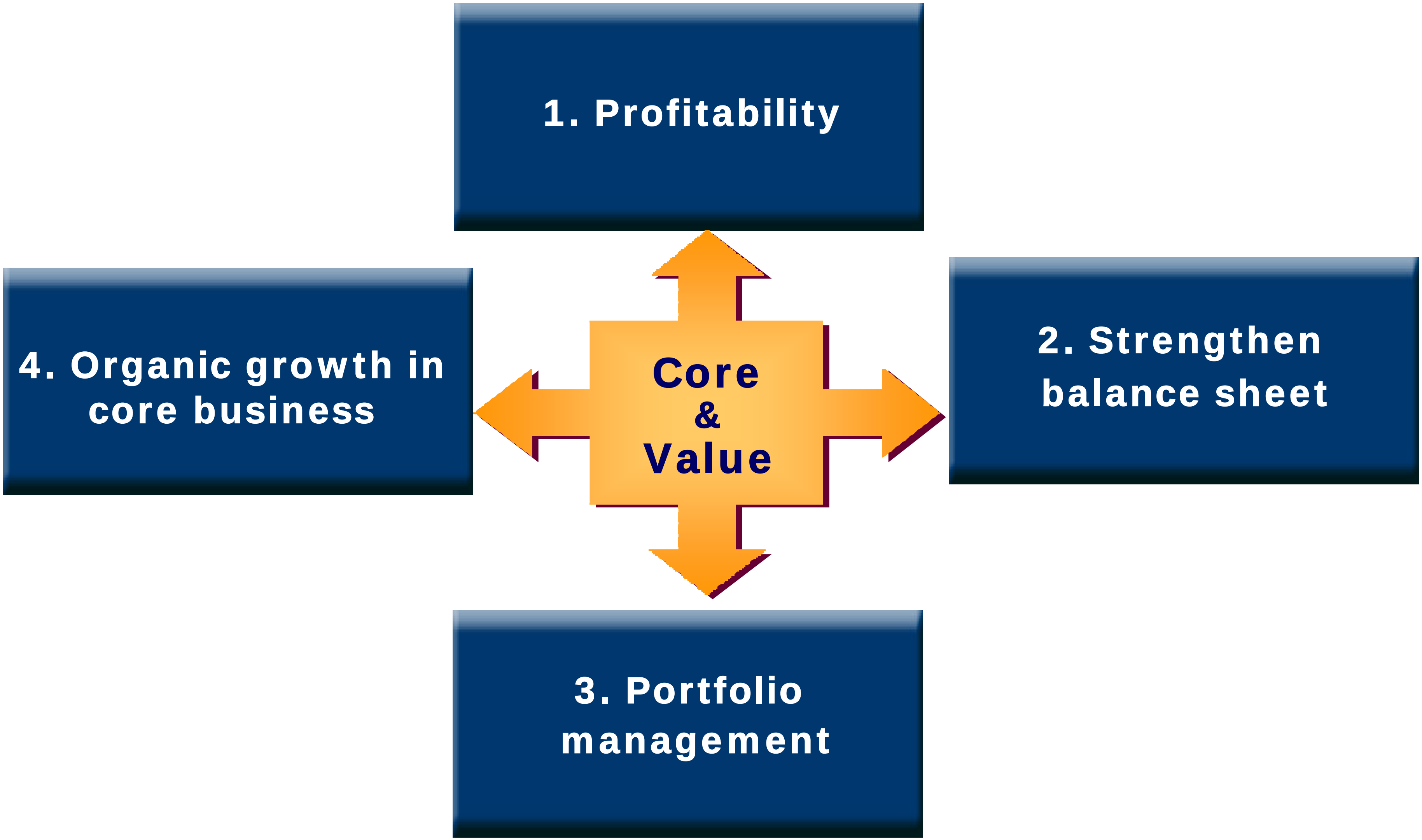
1. 9-month 2002 results

2. Strategy & business update

3. Financial review

4. Conclusions

Our strategy: maximize the value of core business in the new environment



Strategy updated in a tougher environment

Tougher macroeconomic scenario:

Devaluations – Economic Slowdown

Industry: higher risk profile of de-regulated activities

Emphasis on free cash flow:

- **Lower investments: € -3.3 bn**
- **Higher disposals: € +1.0 bn**

Worse financial markets conditions

Strategic priorities by line of business

Spain + Europe

- Improving regulatory outlook
- Cost reduction plan
- Optimise asset portfolio and repowering
- Supply: prepare for 2003 liberalisation. Cross-selling. Gas

Latin America

- To self-finance without recourse to Spain
- Enersis plan for financial strengthening
- Proactive management of regulation.
- Cost reduction plan

Other businesses

- **Telecoms:**
  - To self-finance without recourse to shareholders
  - Managing the value
  - Benefiting from business growth profile
  - Anticipating break-even
- **Renewables**:
  - Share ownership
  - Growth profile

Spain: Improving regulatory outlook

	2003	2004-2010
• Tariff framework proposed:	+1.65%	+1.4%

0.6% additional tariff for deviations:

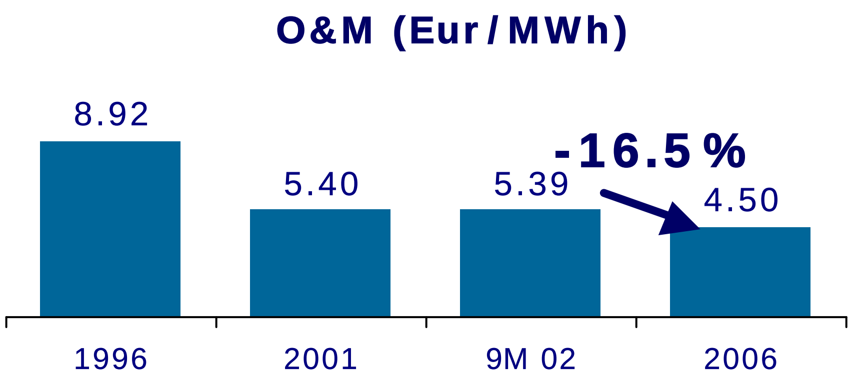
- 1% change in demand
- 50 b.p. change in interest rates
- 5% change in Special Regime cost
- 5% change in gas price

Nuclear moratorium levy in tariff ends in 2006, leaving 3,54% additional revenues for the sector

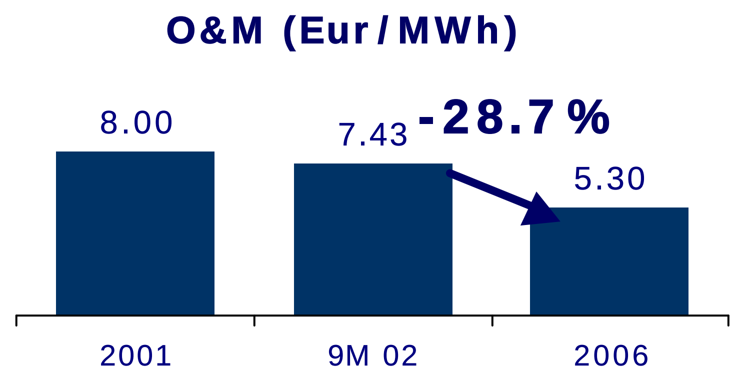
- Guarantee for recovery of tariff deficit and pending islands compensation currently under discussion.
- New regulation for islands
- Tariff increase. 1 p.p. = €120 M (Endesa 50%).

Spain & Europe: high potential for efficiency improvements

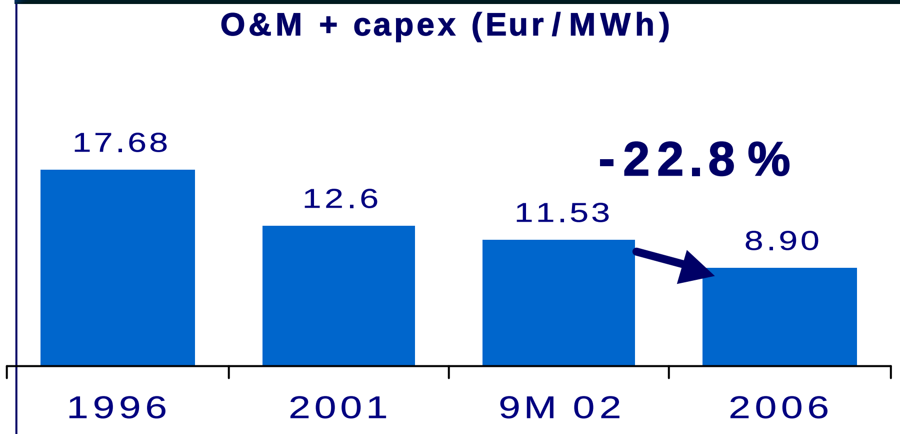
GENERATION SPAIN



GENERATION EUROPE

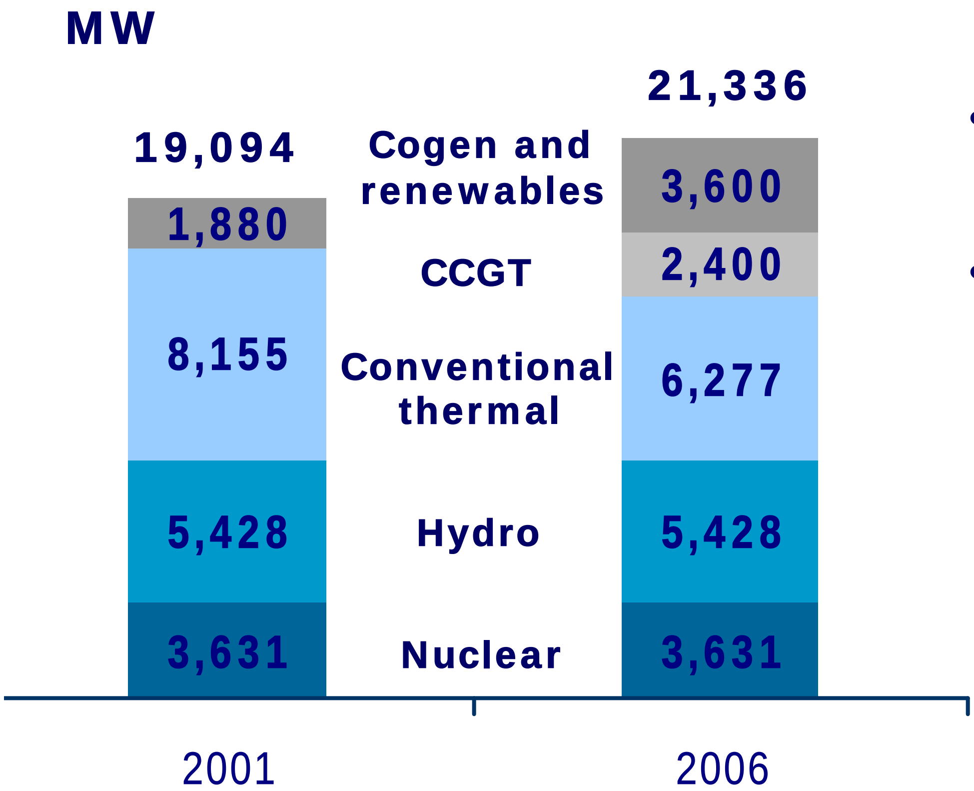


DISTRIBUTION SPAIN



Spain: optimizing asset portfolio
Well-balanced generation mix

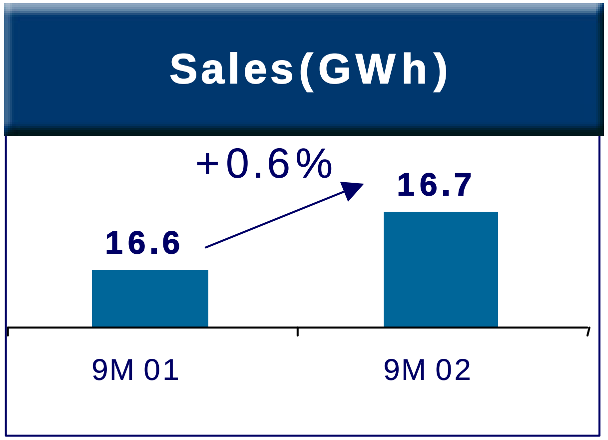
Endesa's planned installed capacity for the mainland

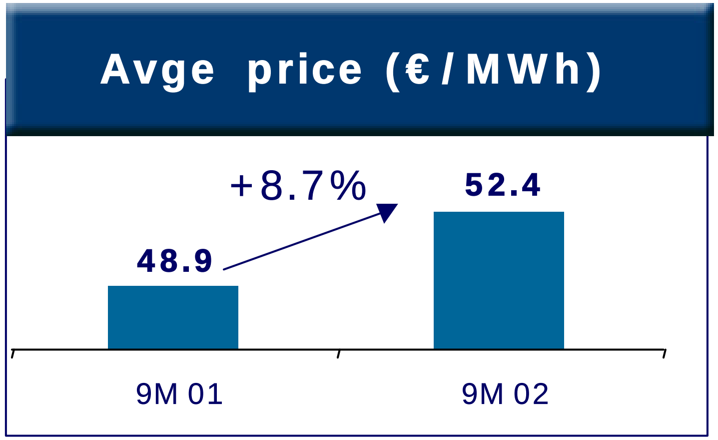


- Reduced investments by € 1.0 bn in the period 2002-2006 versus previous plan
- Objective to balance production and customers
- Maintain a well-balanced generation mix:
  - Base load (hydro + nuclear), less volatile than average
  - Strong mid-merit position
  - Additional diversification through CCGT
- Flexible capacity plan depending on market conditions

Spain: Supply prepared for liberalisation in 2003
Focusing on margins

Electricity Supply





Liberalized market outlook

Short term

Few changes expected:

- Low regulated tariff and high pool price leave little room to compete on price
- Residential consumer satisfaction levels: inertia against switching
- State of regulation

Medium/Long term

Redefining the industry:

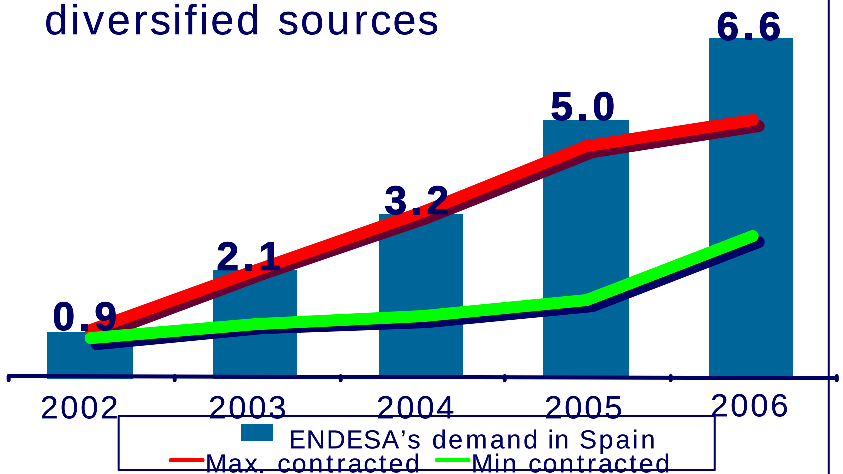
- Cross-selling joint supply of gas and electricity
- Changing from asset to customer management
- Focus: from volume to profitability
- Marketing based on brand and innovative product

Spain: a solid competitor in the gas market

Current situation

- 500,000 retail customers in the distribution business
- Only electricity company with experience in the gas industry
- 7% market share in supply

- Secured procurement of gas in the medium term with flexible and diversified sources



Perspective for 2006

- Total of 1 million retail customers (including supply)
- 15% market share in supply to liberalized customers
- 22% market share of total gas market in Spain (including CCGT)

- ENDESA will be the electricity company with the greatest purchase power

	Expected purchases of gas (bcm)
Spain	**7.2**
Rest of Europe	**3.9**
Total Europe	**11.1**

Europe: consolidate our current position

- **Focus on Italy & Portugal**
- **Increase efficiency**
- **Optimise repowering and load factor plan in Italy**
- **Integrated capacity and supply strategy in Spain & Portugal**
- **Review France strategy, linked to improving financial and competitive conditions**
- **Balanced asset portfolio with supply business**
- **Trading: limited risk and only on asset-backed basis**

Latin America: Plan for financial strengthening of Enersis

Announced on Oct.4th

Enersis to continue self-financing without recourse or additional cash injections from Endesa.

1. Target: reduce debt by US$2.2 bn at ENI parent and US$2.6 bn consolidated
2. Consolidated disposals of US$0.9 - $1.0 bn consolidated in 2002/03
3. Increase in shareholders' equity by US$1.5bn capital increase in 1H03
4. Improve annual cash flow by US$130 M over next 3 years by lower costs and investments
5. Replace US$500 M intercompany debt at parent companies' level with 3rd party debt at operating subsidiaries (Chilectra, Gas Atacama)

Latin America: Asset disposal plan for Enersis 2002-03

Assets attractive to investors and non-damaging core business's strategic position.

Río Maipo	–294,000 customers in high growth area (YoY + 13%) south of Santiago with highly efficient operations (6.2% losses). –Concession area adjacent to two other distributors. Potential synergies.
Canutillar	–Hydro plant in southern Chile with natural reservoir (Chapo Lake) –172 MW, average annual output 950 GWh –Potential synergies with other generators in same hydro region
Manso Velasco	– Chilean Real Estate, 100% ENI: Residential and commercial developments in Santiago and Viña del Mar
Infraestr 2000	– Operator of two toll highways in Chile – Santiago area - under long term concession (79 km + 104 km) – Sale on process - advanced negotiations with OHL
Transmiss ion	– Transmission lines in the Chilean SING (Celta, Nopel) –Edegel's transmission lines in southern Peru

Predictable cash flows in Chile make them potentially attractive to both global/local energy operators and financial investors

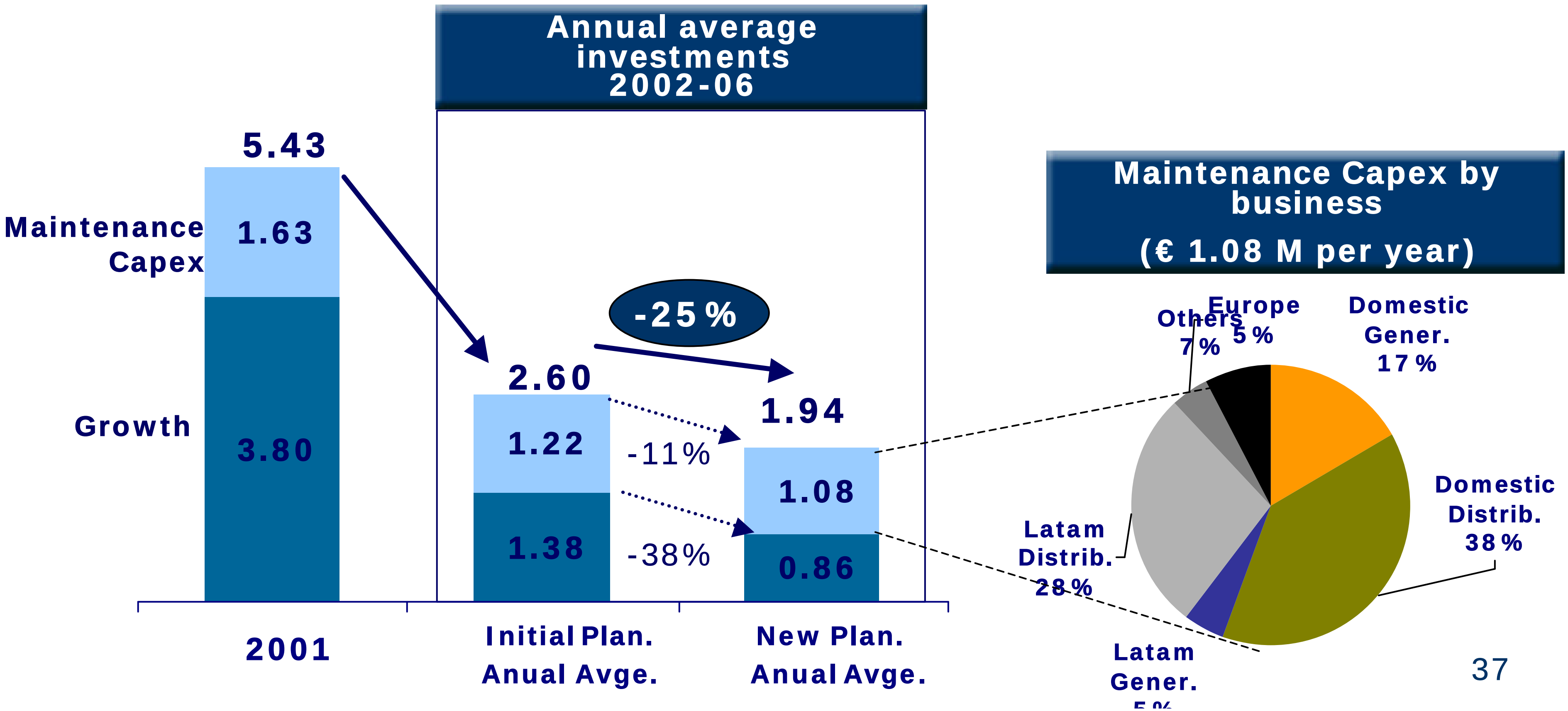
Adapting 2002-06 Investment Plan to the new environment

€ 3.3 bn lower investments in 5-year plan

(€ bn)	Budget 2002-06	Revised Budget 02-06	Changes Budget 2002-06	Reason for changes	Actual Sept '02
Spain	2.9	1.9	-1,0	Coal Plant. Share ownership in renewables.	0.3
Europe	2.1	1,0	-1.1	Delay in repowering. Reduce financial investments	0.3
Latam	0.9	0.5	-0.4	Only Ralco + Fortaleza	0.4
Telecom	0.5	0.7	0.2	3% additional share in AUNA	0.5
Other	0.5	0.2	-0.3		0.1
Growth	**6.9**	**4.3**	**-2.6**		**1.6**
Capex	**6.1**	**5.4**	**-0.7**	Spain unchanged. Reduction in Latin America.	**0.6**
Total	**13.0**	**9.7**	**-3.3**		**2.2**

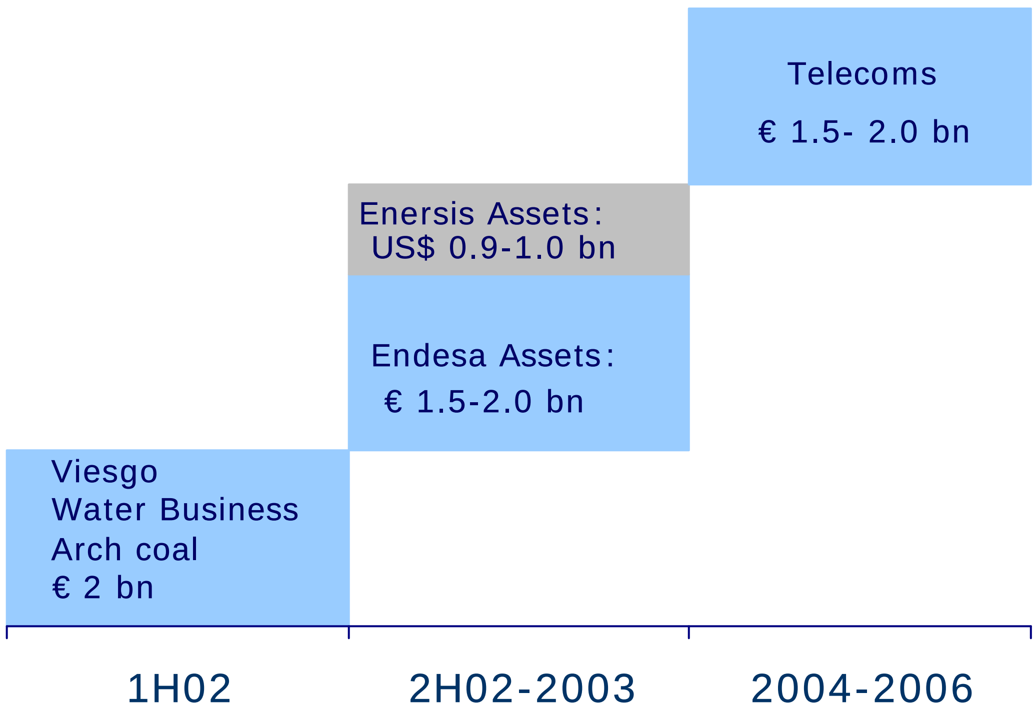
New plan: investments reduced by 25%

- Total investment –25%, freeing € 3.3 bn in 5 years
    - Growth investments reduced by 38%
    - Maintenance capex reduced by 11%
- Target: investments to remain below 60% of cash flow



New divestment program: + €1.0 bn divestments

New divestment Plan: € 6-7 bn in 2002-2006



Adapting divestment profile: New divestments in the pipeline

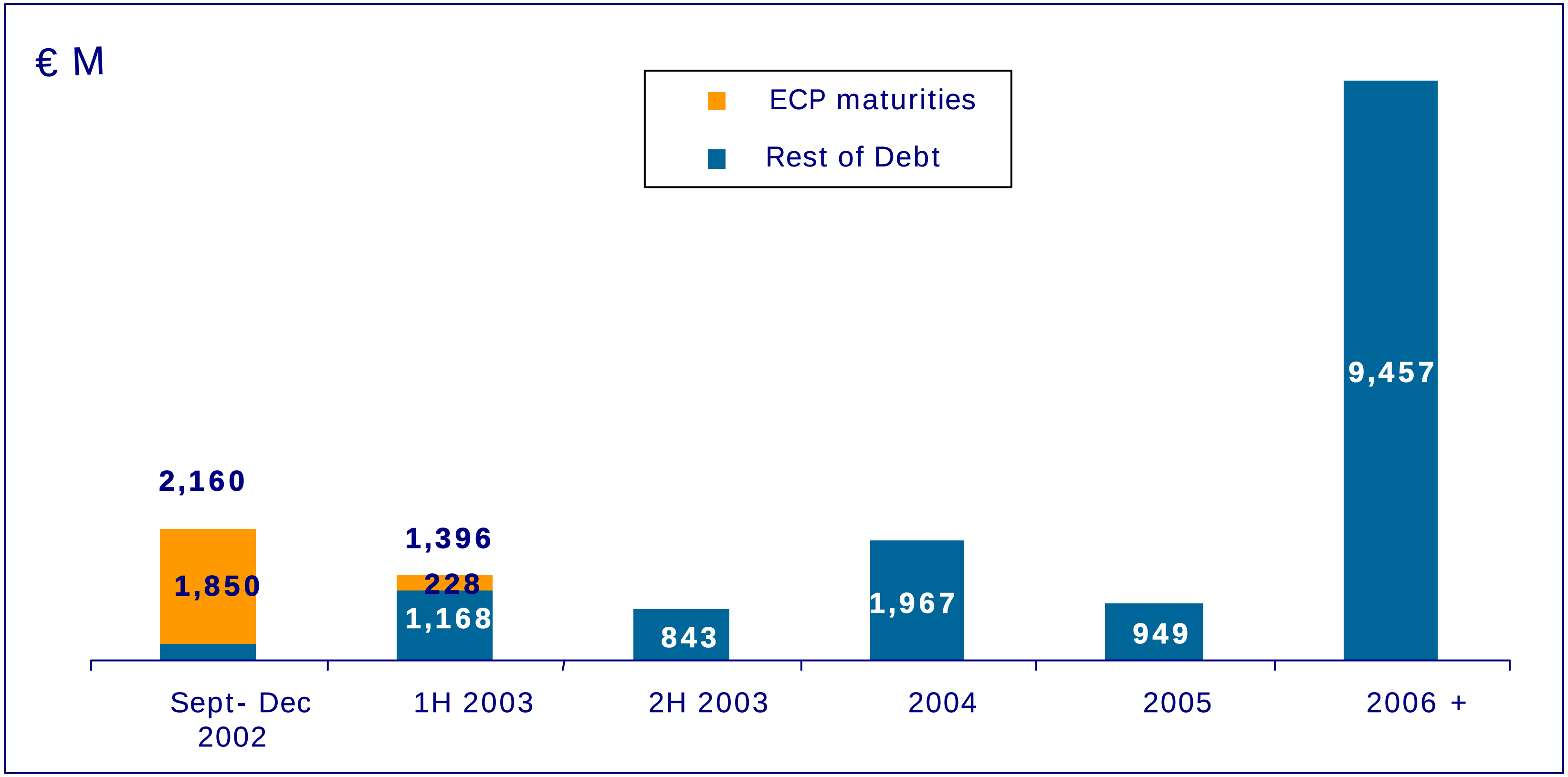
Financial Operations in the 9-month

- **Raised € 1.52 bn with average maturity of 6.4 years**
  - MTN issues € 1.04 bn
  - New lines of credit € 355 M
  - New Loans € 125 M

- **Financial Flexibility:**
  - Total credit lines € 3.4 bn. Average maturity: 3.2 yr, € 1.9 bn undrawn.
  - ECP average outstanding balance = € 2.1 bn, cost below Euribor.

Endesa Spain
Gross debt maturity schedule

Total outstanding gross debt € 16,773 M



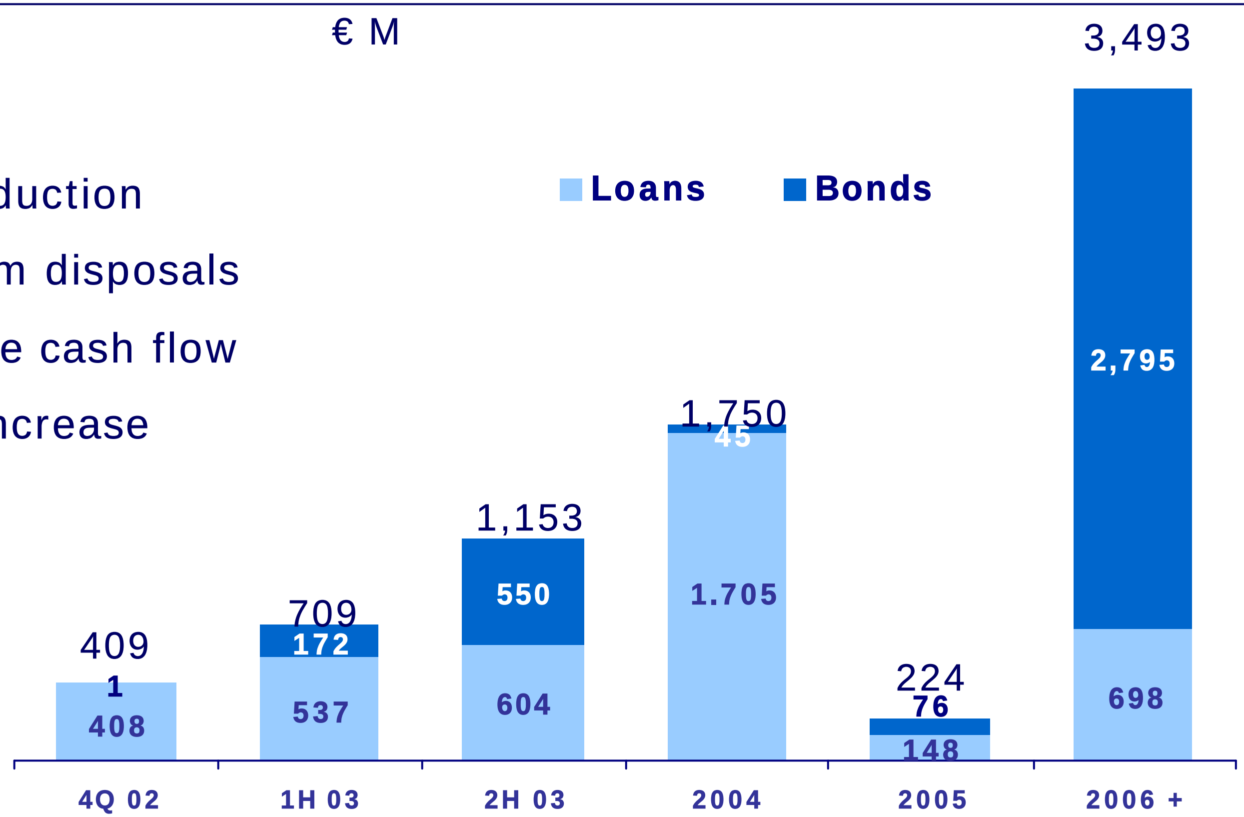
* Liquidity: €253 M cash + €1.9 bn undrawn lines of credit

Enersis gross third party debt maturity

Total outstanding gross debt € 7,738 M (*)

Enersis Plan:

- € 2,600 M debt reduction
- €1,000 M cash from disposals
- € 130 M higher free cash flow
- €1,500 M capital increase



(*) Excluding loan from ELESUR to ENERSIS

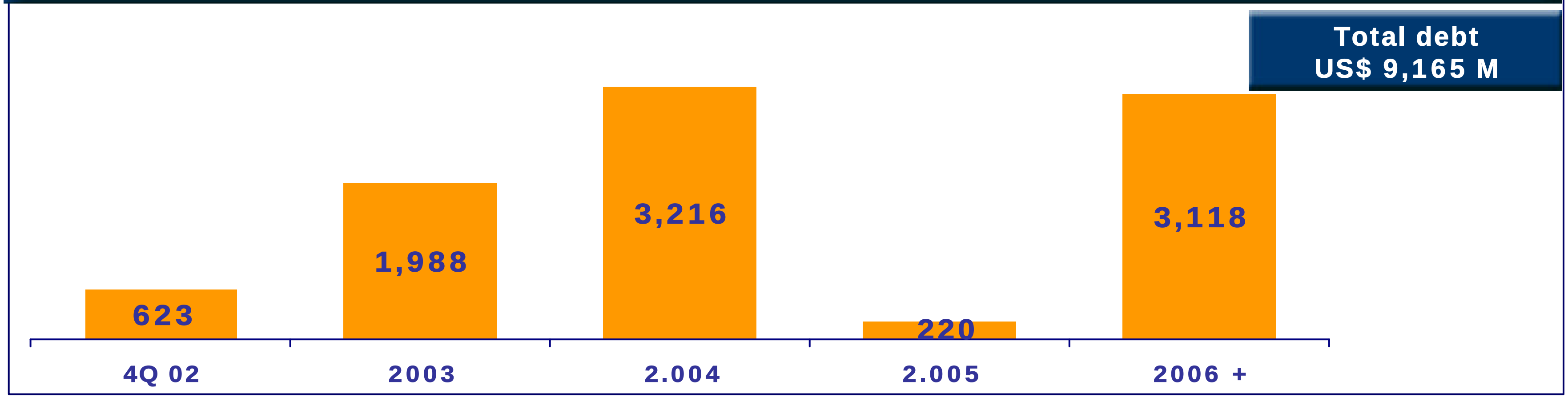
(Cash)	(396)					
Chilean Co.	179	275	1,138	1,677	97	2,789
Rest	230	434	15	73	127	704

Enersis's debt maturity schedule after new Plan

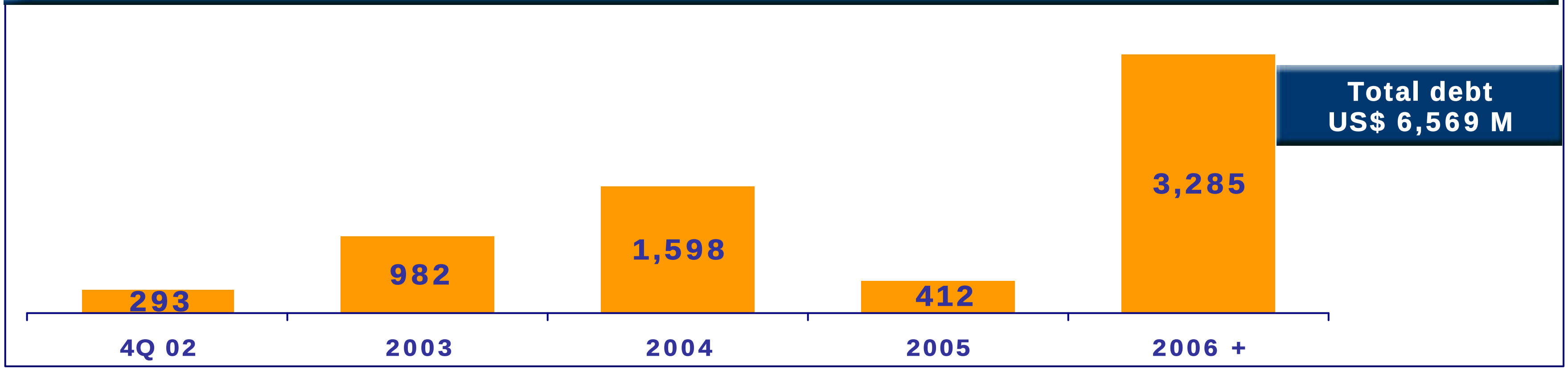
As reported by Enersis based on August debt information

In US$

Enersis Group current debt maturity schedule

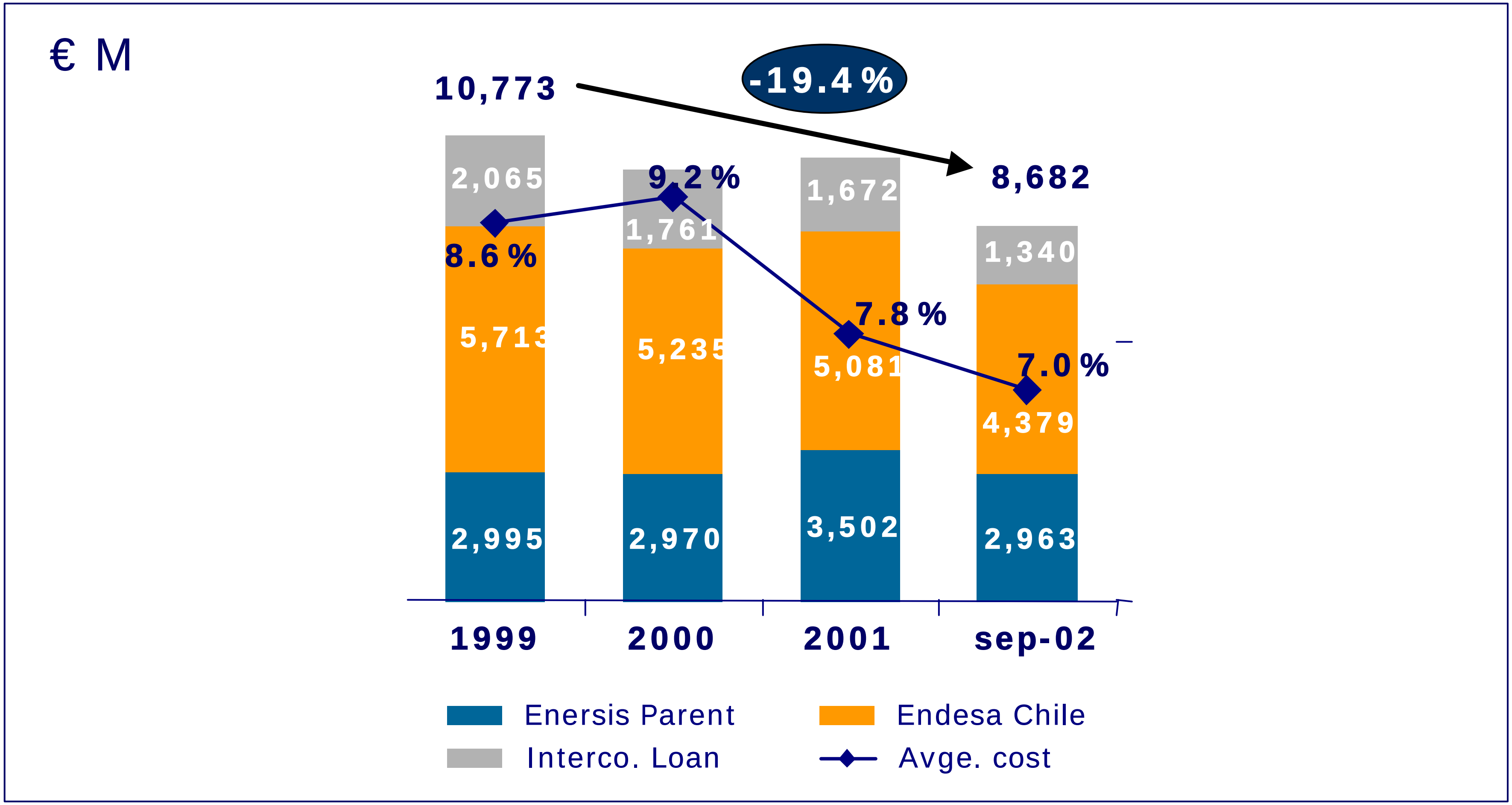


Enersis Group expected debt maturity schedule after new Plan



Enersis consolidated net debt evolution and interest cost

1999 – sep.02



Enersis has shown its ability to reduce debt over the last years

Rating Policy:Maintain current levels

	Latest review	Endesa	Enersis	Endesa Chile	
MOODY´S	Sept 02	A2 (negative)	Baa3 (stable)	Baa3 (stable)	
STANDARD& POOR´S	July 02	A (negative)	BBB+ (negative)	BBB+ (negative)	
FITCH	Oct 02	A (negative)	BBB+ (negative)	BBB+ (negative)	
Debt outstanding €bn		16.5	3.1(*)	4.3(*)	23.9

(*) Debt non recourse to Endesa and excluding the parent company loan

€ M	Sept 30th 02 Debt	9M02 EBITDA annualized	Debt to EBITDA
Domestic + Europe	11,674	3,460 (2)	3.4 x
Int'l Busines	10,030	1,852	5.4 x
Other	2,158	N/A	N/A
TOTAL DEBT	**23,862**		**4.4x**

(2) Without tariff and island compensation deficit

Index

1. 9-month 2002 results

2. Strategy & business update

3. Financial review

4. Conclusions

Conclusions (I)
9-month results

- Spain: Operating recovery in 3Q with prudent accounting of tariff deficit
- Latin America: Tougher macro conditions partially offset by good local operating performance
- Telecoms outperforming budget, with a new business plan underway
- 9.3% lower financial expenses due to a €1.15 bn debt reduction and a lower cost of debt (5.0%)
- Slowdown of FX losses in 3Q
- Argentinean assets fully provisioned
- 4Q positive outlook due to quarterly trend in domestic business and potential change from new regulatory tariff framework

Conclusions (II)
Updated strategic plan

New actions to face a tougher business environment:

- Strengthen balance sheet and free cash flow position:
  - 2002-06 Investment budget reduced by €3.3 bn
  - Divestments in the pipeline in Spain and additional ones in Latin America
    - €2.4-3.0 bn to be divested by the end of 2003
- Spain: expected improvement in the regulatory outlook
- Europe: focus on Italy and Portugal
- Enersis: new plan for the strengthening of its financial position
- AUNA: new business plan geared towards self financing and anticipating breakeven

Forward-looking Statements:

Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the United States Private Securities Litigation Reform Act of 1995. The U.S. Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This presentation contains certain forward-looking statements regarding anticipated financial and operating results and statistics that are subject to risks and uncertainties. Forward-looking statements include, but are not limited to, information regarding: estimated future revenues, costs, EBITDA, earnings, leverage and other ratios, return on invested capital, return on equity and other financial targets; anticipated increases in demand and market share; implementation of cost control measures and the anticipated benefits thereof; anticipated work force levels; management strategy and goals; synergies; operational efficiencies; cost and tax savings; tariffs and pricing structure; estimated capital expenditures and other investments; expected asset disposals; estimated increases in capacity and output and changes in capacity mix; estimated increases in customers and consumption per customer; anticipated supply needs; macroeconomic conditions.

For all of these forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The following important factors, in addition to those discussed elsewhere in this presentation, could cause actual financial and operating results and statistics to differ materially from those expressed in our forward-looking statements:

Economic and Industry Conditions: materially adverse changes in economic or industry conditions generally or in our markets; the effect of existing regulations and regulatory changes; tariff reductions; the impact of any fluctuations in interest rates; the impact of fluctuations in exchange rates; natural disasters; the impact of more stringent environmental regulations and the inherent environmental risks relating to our business operations; the potential liabilities relating to our nuclear facilities.

Transaction or Commercial Factors: any delays in or failure to obtain necessary regulatory, antitrust and other approvals for our proposed acquisitions or asset disposals, or any conditions imposed in connection with such approvals; our ability to integrate acquired businesses successfully; the challenges inherent in diverting management's focus and resources from other strategic opportunities and from operational matters during the process of integrating acquired businesses; the outcome of any negotiations with partners and governments.

Political/Governmental Factors: political conditions in Latin America; changes in Spanish and foreign laws, regulations and taxe.

Operating Factors: technical difficulties; changes in operating conditions and costs; the ability to implement cost reduction plans; the ability to maintain a stable supply of fuel and the impact of fluctuations on fuel prices; acquisitions or restructurings; the ability to implement an international and diversification strategy successfully.

Competitive Factors: the actions of competitors; changes in competition and pricing environments; the entry of new competitors in our markets.

Endesa:
9-month 2002 results
Strategic & business review

Member of Dow Jones Sustainability Indexes 03

Analyst presentation
Madrid, October 29th , 2002