



**CONSOLIDATED  
FINANCIAL STATEMENTS  
AS OF DECEMBER, 31st 2016  
ENDESA, S.A. AND  
SUBSIDIARIES**

**ENDESA S.A. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET FOR THE PERIOD 31 DECEMBER 2016 AND 31 DECEMBER 2015**

Euro Million

<b>ASSETS</b>	<b>31.12.16</b>	<b>31.12.15</b>	<b>Variation</b>	
<b>Total fixed assets</b>	<b>25.529</b>	<b>24.266</b>	<b>1.263</b>	<b>5,2%</b>
Utility plant	21.891	20.815	1.076	5,2%
Investment property	20	21	(1)	-4,8%
Intangible asset	1.172	428	744	173,8%
Goodwill	300		300	n/a
Investments in associates	208	1.087	(879)	-80,9%
Long term financial investments	714	629	85	13,5%
Deferred tax assets	1.224	1.286	(62)	-4,8%
<b>Total current assets</b>	<b>5.435</b>	<b>4.979</b>	<b>456</b>	<b>9,2%</b>
Inventories	1.202	1.262	(60)	-4,8%
Trade and other receivables	3.452	2.977	475	16,0%
Short term financial investments	363	353	10	2,8%
Cash and cash equivalents	418	346	72	20,8%
Non current assets held for sale and from interrupted activities		41	(41)	-100,0%
<b>TOTAL ASSETS</b>	<b>30.964</b>	<b>29.245</b>	<b>1.719</b>	<b>5,9%</b>

<b>EQUITY AND LIABILITIES</b>	<b>31.12.16</b>	<b>31.12.15</b>	<b>Variation</b>	
<b>Total equity</b>	<b>9.088</b>	<b>9.039</b>	<b>49</b>	<b>0,5%</b>
Atributable to equity holders of the parent company	8.952	9.036	(84)	-0,9%
Minority interest	136	3	133	n/a
<b>Non-current liabilities</b>	<b>14.355</b>	<b>14.335</b>	<b>20</b>	<b>0,1%</b>
Deferred revenues	4.712	4.679	33	0,7%
Long term provisions	3.718	3.405	313	9,2%
Long term financial debt	4.223	4.680	(457)	-9,8%
Other non-current liabilities	601	632	(31)	-4,9%
Deferred tax liabilities	1.101	939	162	17,3%
<b>Current liabilities</b>	<b>7.521</b>	<b>5.871</b>	<b>1.650</b>	<b>28,1%</b>
Short term financial debt	1.144		1.144	n/a
Short term provisions	567	638	(71)	-11,1%
Trade and other payables	5.810	5.233	577	11,0%
Liabilities related to non current assets held for sale and from interrupted activities				n/a
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30.964</b>	<b>29.245</b>	<b>1.719</b>	<b>5,9%</b>

**ENDESA S.A. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD 31 DECEMBER 2016 AND 2015**

Euro Million

	<u>31.12.16</u>	<u>31.12.15</u>	<u>Variation</u>	
REVENUES	18.979	20.299	(1.320)	-6,5%
Sales	18.313	19.281	(968)	-5,0%
Other operating revenues	666	1.018	(352)	-34,6%
PURCHASES AND SERVICES	13.327	14.818	(1.491)	-10,1%
Energy purchases	4.056	4.795	(739)	-15,4%
Fuel procurement costs	1.652	2.123	(471)	-22,2%
Transmission expenses	5.813	5.781	32	0,6%
Other variable purchases and services	1.806	2.119	(313)	-14,8%
GROSS MARGIN	5.652	5.481	171	3,1%
Work performed by the entity and capitalized	117	102	15	14,7%
Personnel expenses	1.128	1.332	(204)	-15,3%
Other fixed operating expenses	1.209	1.212	(3)	-0,2%
GROSS OPERATING INCOME (EBITDA)	3.432	3.039	393	12,9%
Depreciation and amortization	1.467	1.441	26	1,8%
OPERATING INCOME (EBIT)	1.965	1.598	367	23,0%
FINANCIAL INCOME	(182)	(186)	4	-2,2%
Financial revenues	44	55	(11)	-20,0%
Financial expenses	(222)	(229)	7	-3,1%
Foreign exchanges	(4)	(12)	8	-66,7%
Share of profit of associates	(59)	(15)	(44)	293,3%
Income from other investments	2	(1)	3	300,0%
Income from asset sales	(16)	(5)	(11)	220,0%
INCOME BEFORE TAXES	1.710	1.391	319	22,9%
Income tax	298	301	(3)	-1,0%
ONGOING ACTIVITIES PROFIT AFTER TAXES	1.412	1.090	322	29,5%
INTERRUPTED ACTIVITIES PROFIT AFTER TAXES				n/a
PROFIT FOR THE PERIOD	1.412	1.090	322	29,5%
Attributable to the holders of the parent company	1.411	1.086	325	29,9%
Minority interest	1	4	(3)	-75,0%

**ENDESA S.A. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD 31 DECEMBER 2016 AND 2015**

Euro Million

	<u>31.12.16</u>	<u>31.12.15</u>
Consolidated income before income taxes and minority interest	1.710	1.391
Result adjustments:	1.840	1.952
Fixed assets amortization and impairment loss	1.467	1.441
Other result adjustments (net)	373	511
Changes in current assets	217	396
Other cash flows from operating activities:	(772)	(1.083)
Cash-in interests	27	42
Cash-in dividends	22	17
Interest payments	(128)	(188)
Tax income payment	(346)	(603)
Other cash-in/payments from operating activities	(347)	(351)
<b>Net cash provided by operating activities</b>	<b>2.995</b>	<b>2.656</b>
Acquisitions of fixed and intangible assets	(1.258)	(882)
Disposal of fixed and intangible assets	14	17
Investments in stakes of subsidiaries	(1.196)	
Disposal in stakes of subsidiaries	135	1
Acquisitions of other investments	(173)	(104)
Disposal of other investments	61	76
Cash flow from changes in perimeter		
Subsidies and other deferred income	100	119
<b>Net cash used for investing activities</b>	<b>(2.317)</b>	<b>(773)</b>
Cash Flows from Equity Instruments		
New long-term debt	109	326
Repayment of long-term debt	(118)	(1.632)
Net cash from financial debt with short term maturity	492	(74)
Dividends paid by the controlling company	(1.086)	(805)
Dividends paid to minority shareholders	(3)	
<b>Net cash used for financing activities</b>	<b>(606)</b>	<b>(2.185)</b>
<b>Total net cash</b>	<b>72</b>	<b>(302)</b>
Effects of exchange rate changes on cash and cash equivalents		
<b>Net increase in cash and cash equivalents</b>	<b>72</b>	<b>(302)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>346</b>	<b>648</b>
<b>Cash and cash equivalents at end of period</b>	<b>418</b>	<b>346</b>

**ENDESA S.A. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME AND EXPENSES FOR THE PERIOD 31 DECEMBER 2016 AND 2015**

Euro Million

	31.12.16			31.12.15		
	Of the Parent Company	Of Minority Interests	Total	Of the Parent Company	Of Minority Interests	Total
<b>PROFIT FOR THE PERIOD</b>	1.411	1	1.412	1.086	4	1.090
<b>OTHER COMPREHENSIVE INCOME:</b>						
<b>INCOMES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY</b>	(83)		(83)	291		291
<b>Items that may be Subject to State Income Reclassification</b>	90		90	45		45
Arising from utility plant and intangible assets revaluation / (revaluation reversal)						
Arising from financial instruments valuation						
Financial Assets Available for Sale						
Other revenues/(Expenses)						
Arising from cash flow hedge	126		126	64		64
Translation differences	1		1			
Companies accounted using the equity method	(5)		(5)	1		1
Remaining incomes and expenses recognised directly in equity						
Tax effect	(32)		(32)	(20)		(20)
<b>Items that will not be Subject to State Income Reclassification</b>	(173)		(173)	246		246
Arising from actuarial gains and losses and other adjustments	(221)		(221)	319		319
Tax effect	48		48	(73)		(73)
<b>TRANSFERS TO PROFIT AND LOSS ACCOUNT AND/OR INVESTMENTS</b>	(8)		(8)	(91)		(91)
Arising from financial instruments valuation						
Financial Assets Available for Sale						
Other revenues/(Expenses)						
Arising from cash flow hedge	(22)		(22)	(147)		(147)
Translation differences						
Companies accounted using the equity method	9		9	15		15
Remaining revenues and costs recognised directly in equity						
Tax effect	5		5	41		41
<b>TOTAL COMPREHENSIVE INCOME</b>	1.320	1	1.321	1.286	4	1.290

**ENDESA S.A. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31 DECEMBER 2016**

Euro Million

	<i>Capital</i>	<i>Share premium, Reserves and interim dividend</i>	<i>Treasury shares and own equity instruments</i>	<i>Profit (loss) for the year</i>	<i>Other equity instruments</i>	<i>Valuation adjustments</i>	<i>Minority interests</i>	<i>Total equity</i>
<b>BALANCE AT 1 JANUARY 2016</b>	1.271	6.799		1.086		(120)	3	9.039
Adjustments due to changes in accounting policies								
Correction of errors								
<b>ADJUSTED BALANCE AT 1 JANUARY 2016</b>	1.271	6.799		1.086		(120)	3	9.039
<b>TOTAL COMPREHENSIVE INCOME</b>		(173)		1.411		82	1	1.321
<b>TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS</b>		(1.404)					132	(1.272)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(1.404)					(3)	(1.407)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations							135	135
Other transactions with shareholders and owners								
<b>OTHER CHANGES IN EQUITY</b>		1.086		(1.086)				
Share-based payments								
Transfers between equity items		1.086		(1.086)				
Other changes								
<b>BALANCE AT 31 DECEMBER 2016</b>	1.271	6.308		1.411		(38)	136	9.088

**ENDESA S.A. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31 DECEMBER 2015**

Euro Million

	<i>Capital</i>	<i>Share premium, Reserves and interim dividend</i>	<i>Treasury shares and own equity instruments</i>	<i>Profit (loss) for the year</i>	<i>Other equity instruments</i>	<i>Valuation adjustments</i>	<i>Minority interests</i>	<i>Total equity</i>
<b>BALANCE AT 1 JANUARY 2015</b>	1.271	4.042		3.337		(74)	(1)	8.575
Adjustments due to changes in accounting policies								
Correction of errors								
<b>ADJUSTED BALANCE AT 1 JANUARY 2015</b>	1.271	4.042		3.337		(74)	(1)	8.575
<b>TOTAL COMPREHENSIVE INCOME</b>		246		1.086		(46)	4	1.290
<b>TRANSACTIONS WITH EQUITY HOLDERS OR OWNERS</b>		(826)						(826)
Capital increases (reductions)								
Conversion of liabilities into equity								
Dividends paid		(826)						(826)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners								
<b>OTHER CHANGES IN EQUITY</b>		3.337		(3.337)				
Share-based payments								
Transfers between equity items		3.337		(3.337)				
Other changes								
<b>BALANCE AT 31 DECEMBER 2015</b>	1.271	6.799		1.086		(120)	3	9.039

**ENDESA S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2016**

Euro Million

	Generation and Supply	Distribution	Corporate Structure and Services	Consolidation Adjustments and Eliminations	Total
	31.12.16	31.12.16	31.12.16	31.12.16	31.12.16
<b>ASSETS</b>					
<b>Total fixed assets</b>	<b>13.566</b>	<b>12.922</b>	<b>25.421</b>	<b>(26.380)</b>	<b>25.529</b>
Utility plant	10.073	11.809	11	(2)	21.891
Investment property		3	17		20
Intangible asset	901	150	121		1.172
Goodwill	298	2			300
Long term financial investments	186	22			208
Investments in associates	1.480	528	25.105	(26.399)	714
Deferred tax assets	628	408	167	21	1.224
<b>Total current assets</b>	<b>4.080</b>	<b>1.219</b>	<b>2.726</b>	<b>(2.590)</b>	<b>5.435</b>
Inventories	1.154	48			1.202
Trade and other receivables	2.680	888	1.135	(1.251)	3.452
Short term financial investments	68	276	1.358	(1.339)	363
Cash and cash equivalents	178	7	233		418
Non current assets held for sale and from interrupted activities					
<b>TOTAL ASSETS</b>	<b>17.646</b>	<b>14.141</b>	<b>28.147</b>	<b>(28.970)</b>	<b>30.964</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>4.858</b>	<b>1.619</b>	<b>17.423</b>	<b>(14.812)</b>	<b>9.088</b>
Atributable to equity holders of the parent company	4.725	1.615	17.425	(14.813)	8.952
Minority interest	133	4	(2)	1	136
<b>Non-current liabilities</b>	<b>8.015</b>	<b>10.467</b>	<b>7.454</b>	<b>(11.581)</b>	<b>14.355</b>
Deferred revenues	50	4.689		(27)	4.712
Long term provisions	2.071	1.135	406	106	3.718
Long term financial debt	5.028	3.862	6.986	(11.653)	4.223
Other non-current liabilities	166	434	10	(9)	601
Deferred tax liabilities	700	347	52	2	1.101
<b>Current liabilities</b>	<b>4.773</b>	<b>2.055</b>	<b>3.270</b>	<b>(2.577)</b>	<b>7.521</b>
Short term financial debt	429	5	2.048	(1.338)	1.144
Short term provisions	440	69	58		567
Trade and other payables	3.904	1.981	1.164	(1.239)	5.810
Liabilities related to non current assets held for sale and from interrupted activities					
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17.646</b>	<b>14.141</b>	<b>28.147</b>	<b>(28.970)</b>	<b>30.964</b>



**ENDESA S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 2015**

Euro Million

	Generation and Supply	Distribution	Corporate Structure and Services	Consolidation Adjustments and Eliminations	Total
	<u>31.12.15</u>	<u>31.12.15</u>	<u>31.12.15</u>	<u>31.12.15</u>	<u>31.12.15</u>
<b>ASSETS</b>					
<b>Total fixed assets</b>	<b>11.442</b>	<b>12.905</b>	<b>25.547</b>	<b>(25.628)</b>	<b>24.266</b>
Utility plant	9.004	11.803	11	(3)	20.815
Investment property		3	49	(31)	21
Intangible asset	190	125	113		428
Goodwill					
Long term financial investments	1.003	21	63		1.087
Investments in associates	586	514	25.151	(25.622)	629
Deferred tax assets	659	439	160	28	1.286
<b>Total current assets</b>	<b>4.104</b>	<b>1.021</b>	<b>833</b>	<b>(979)</b>	<b>4.979</b>
Inventories	1.226	36			1.262
Trade and other receivables	2.495	826	444	(788)	2.977
Short term financial investments	182	156	206	(191)	353
Cash and cash equivalents	201	3	142		346
Non current assets held for sale and from interrupted activities			41		41
<b>TOTAL ASSETS</b>	<b>15.546</b>	<b>13.926</b>	<b>26.380</b>	<b>(26.607)</b>	<b>29.245</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>4.650</b>	<b>1.651</b>	<b>17.570</b>	<b>(14.832)</b>	<b>9.039</b>
Attributable to equity holders of the parent company	4.650	1.647	17.571	(14.832)	9.036
Minority interest		4	(1)		3
<b>Non-current liabilities</b>	<b>7.101</b>	<b>10.205</b>	<b>7.302</b>	<b>(10.273)</b>	<b>14.335</b>
Deferred revenues	45	4.666		(32)	4.679
Long term provisions	1.882	1.089	329	105	3.405
Long term financial debt	4.444	3.671	6.910	(10.345)	4.680
Other non-current liabilities	193	433	6		632
Deferred tax liabilities	537	346	57	(1)	939
<b>Current liabilities</b>	<b>3.795</b>	<b>2.070</b>	<b>1.508</b>	<b>(1.502)</b>	<b>5.871</b>
Short term financial debt	49	4	645	(698)	
Short term provisions	496	76	94	(28)	638
Trade and other payables	3.250	1.990	769	(776)	5.233
Liabilities related to non current assets held for sale and from interrupted activities					
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15.546</b>	<b>13.926</b>	<b>26.380</b>	<b>(26.607)</b>	<b>29.245</b>

**ENDESA S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED DECEMBER 31, 2016**

Euro Million

	Generation and Supply	Distribution	Corporate Structure and Services	Consolidation Adjustments and Eliminations	Total
	<u>31.12.16</u>	<u>31.12.16</u>	<u>31.12.16</u>	<u>31.12.16</u>	<u>31.12.16</u>
REVENUES	16.628	2.538	342	(529)	18.979
Sales	16.190	2.268	252	(397)	18.313
Other operating revenues	438	270	90	(132)	666
PURCHASES AND SERVICES	13.284	139	141	(237)	13.327
Energy purchases	4.055	1			4.056
Fuel procurement costs	1.652				1.652
Transmission expenses	5.812			1	5.813
Other variable purchases and services	1.765	138	141	(238)	1.806
GROSS MARGIN	3.344	2.399	201	(292)	5.652
Work performed by the entity and capitalized	8	106	3		117
Personnel expenses	544	321	263		1.128
Other fixed operating expenses	958	396	116	(261)	1.209
GROSS OPERATING INCOME (EBITDA)	1.850	1.788	(175)	(31)	3.432
Depreciation and amortization	785	657	24	1	1.467
OPERATING INCOME (EBIT)	1.065	1.131	(199)	(32)	1.965
FINANCIAL INCOME	(154)	(123)	95		(182)
Financial revenues	45	4	306	(311)	44
Financial expenses	(194)	(127)	(212)	311	(222)
Foreign exchanges	(5)		1		(4)
Share of profit of associates	(68)	3	6		(59)
Income from other investments	(1)	2	1.593	(1.592)	2
Income from asset sales	(20)	7		(3)	(16)
INCOME BEFORE TAXES	822	1.020	1.495	(1.627)	1.710
Income tax	70	249	(26)	5	298
ONGOING ACTIVITIES PROFIT AFTER TAXES	752	771	1.521	(1.632)	1.412
INTERRUPTED ACTIVITIES PROFIT AFTER TAXES					
PROFIT FOR THE PERIOD	752	771	1.521	(1.632)	1.412
Attributable to the holders of the parent company	751	771	1.522	(1.633)	1.411
Minority interest	1		(1)	1	1

**ENDESA S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED DECEMBER 31, 2015**

Euro Million

	Generation and Supply	Distribution	Corporate Structure and Services	Consolidation Adjustments and Eliminations	Total
	<u>31.12.15</u>	<u>31.12.15</u>	<u>31.12.15</u>	<u>31.12.15</u>	<u>31.12.15</u>
REVENUES	17.911	2.582	534	(728)	20.299
Sales	17.166	2.264	298	(447)	19.281
Other operating revenues	745	318	236	(281)	1.018
PURCHASES AND SERVICES	14.798	137	269	(386)	14.818
Energy purchases	4.799			(4)	4.795
Fuel procurement costs	2.123				2.123
Transmission expenses	5.779			2	5.781
Other variable purchases and services	2.097	137	269	(384)	2.119
GROSS MARGIN	3.113	2.445	265	(342)	5.481
Work performed by the entity and capitalized	5	97			102
Personnel expenses	549	555	234	(6)	1.332
Other fixed operating expenses	999	418	165	(370)	1.212
GROSS OPERATING INCOME (EBITDA)	1.570	1.569	(134)	34	3.039
Depreciation and amortization	756	663	25	(3)	1.441
OPERATING INCOME (EBIT)	814	906	(159)	37	1.598
FINANCIAL INCOME	(157)	(129)	99	1	(186)
Financial revenues	37	10	335	(327)	55
Financial expenses	(182)	(139)	(237)	329	(229)
Foreign exchanges	(12)		1	(1)	(12)
Share of profit of associates	(23)	2	5	1	(15)
Income from other investments	(1)	2	1.382	(1.384)	(1)
Income from asset sales	(10)	5	(1)	1	(5)
INCOME BEFORE TAXES	623	786	1.326	(1.344)	1.391
Income tax	117	201	(18)	1	301
ONGOING ACTIVITIES PROFIT AFTER TAXES	506	585	1.344	(1.345)	1.090
INTERRUPTED ACTIVITIES PROFIT AFTER TAXES					
PROFIT FOR THE PERIOD	506	585	1.344	(1.345)	1.090
Attributable to the holders of the parent company	506	581	1.344	(1.345)	1.086
Minority interest		4			4