

Ordinary Shareholders' Meeting



MADRID
February 25
2006



1 Energy Sector Environment

2 Excellent Results 2005

3 Shareholder Return

4 Takeover Bids

5 Endesa: stronger business, greater value



The image shows a large industrial facility, likely a power plant or refinery, with a complex network of large, metallic pipes and machinery. The scene is dimly lit, with a strong light source at the end of a long, narrow aisle, creating a dramatic perspective. Two workers in blue uniforms and red hard hats are visible in the distance, providing a sense of scale. A large blue rectangular overlay is positioned in the upper half of the image, containing the title text.

Energy Sector Environment

Macroeconomic Environment

Europe

- Deregulation of the energy market
- Growing integration of wholesale markets
- Concern for security of supply
- High fuel and CO₂ prices

Latin America

- Currency stability
- Economic recovery
- Change of the energy matrix

Growth of Electricity Demand

Demand in our markets

(Increases vs. 2004)

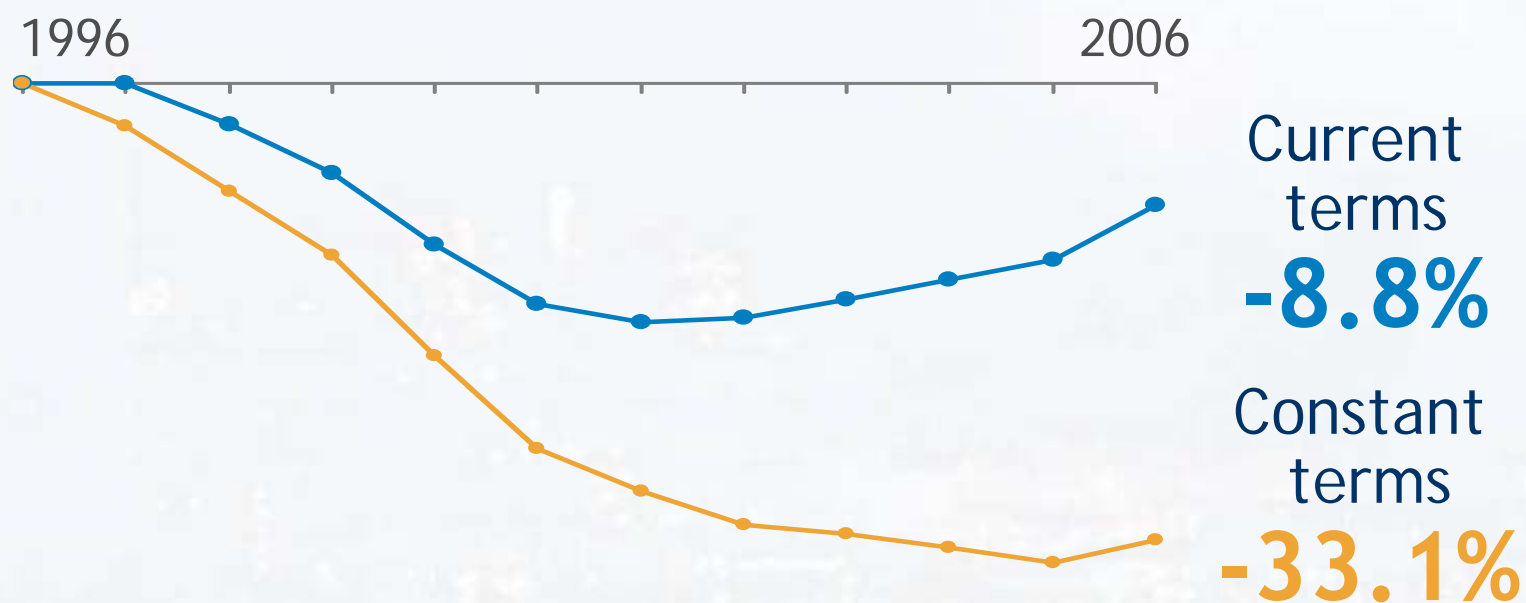


Summary of regulatory improvements in Spain

2005 Rate

- Increase + 1.71% vs. 2004
- 2006 rate increase + 4.48%

Development of electricity prices



Summary of regulatory improvements in Spain 2005

Generation deficit

- Deficit recognition
- Technologies at market price
- Progress toward additive rate

Extra-Peninsular

- Increase of recognized generation costs
- Recognition of deficits 2001-2004

Regulatory Improvements in Europe and Latin America

Latin America

- Rate revisions in Brazil, Chile and Peru
- Rate agreement for distribution and generation in Argentina

Europe

- Recognition of CTCs in Italy
- Fiscal revaluation of assets in Italy
- Opening of wholesale market

A night-time photograph of a nuclear power plant. The scene is illuminated by the plant's lights, showing various structures, pipes, and a tall cooling tower on the left. A large plume of white steam or smoke rises from the right side of the plant. The sky is dark blue. A semi-transparent blue rectangular box is overlaid on the upper left portion of the image, containing white text.

Excellent Results in 2005

Endesa has achieved the greatest profits in its history

(M€)	2004	2005	Variation
Sales	13,509	17,508	+30%
Net Profit without sales of assets	1,149	1,841	+60%
Net Profit	1,253	3,182	+154%
Dividends	782	2,541	+225%

Company with a recognizable multinational character

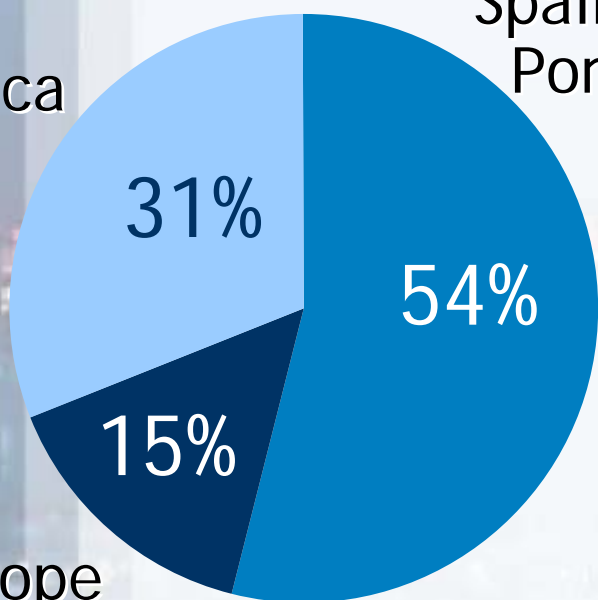
EBITDA: 6,020 M€ **+33%**

Diversified portfolio

Growth of all businesses

Latin America

Spain and Portugal



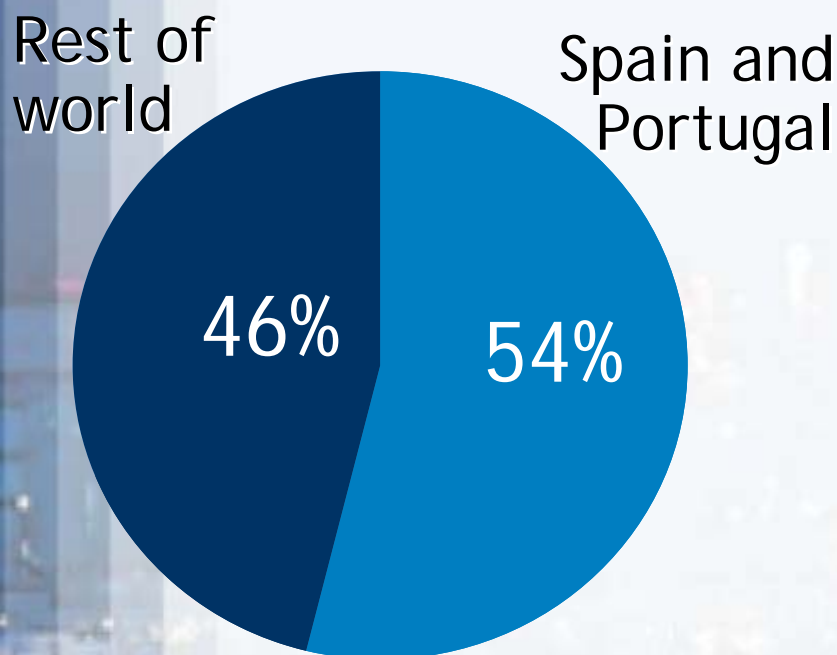
Spain and Portugal	+32%
Europe	+66%
Latin America	+23%

Europe

Company with a recognizable multinational character

EBITDA: 6,020 M€ **+33%**

Diversified portfolio



Growth of all businesses

Spain and Portugal	+32%
Europe	+66%
Latin America	+23%

Spain and Portugal

Endesa has achieved the greatest profits in its history

Spain and Portugal

Excellent
Results

Strengths

(M€)

2004

2005

Variation

Sales

6,648

8,761

+32%

EBITDA

2,472

3,266

+32%

Net Profit

888

1,358

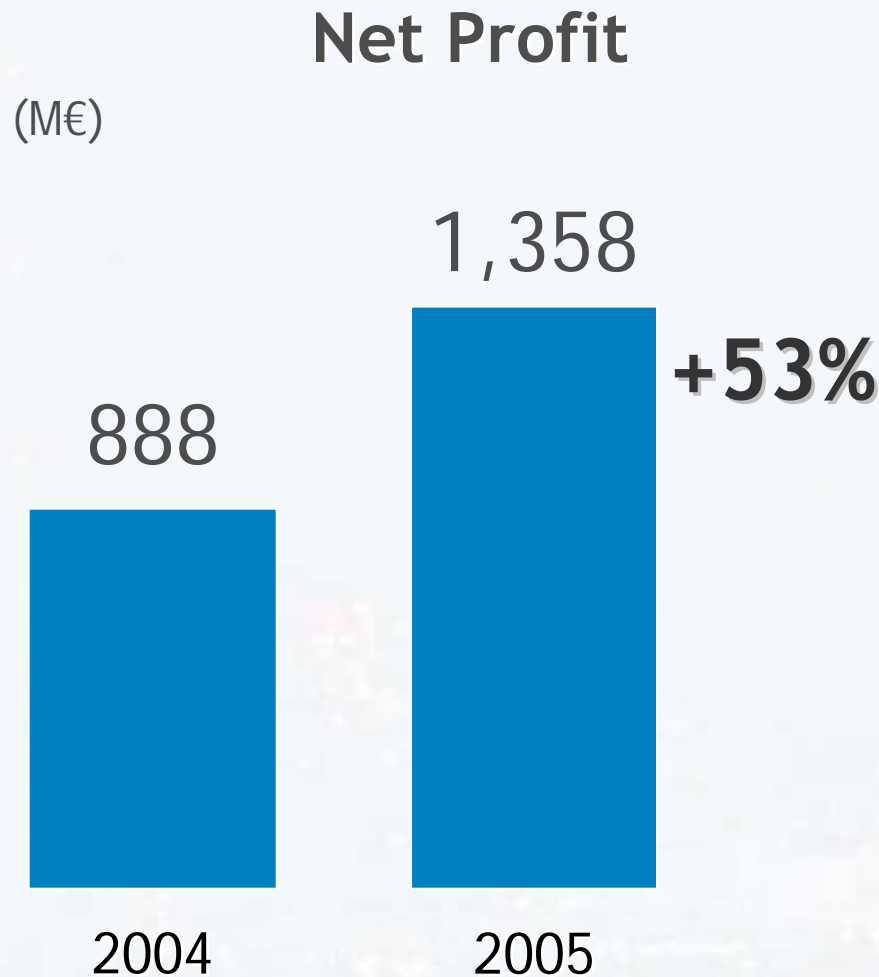
+53%

Excellent Results in 2005

Spain and Portugal

Excellent results

Strengths



- Increase in activity
- Containment of operating costs
- Competitive cost of fuel

Endesa is a leader in the national market

Spain and Portugal

Excellent
results

Strengths

No.1 in Spain

22,400 MW

Sales: 101 TWh

12 million
customers

- **Balanced generation mix**
- **Generation-sales balance**

Improvement in quality of service

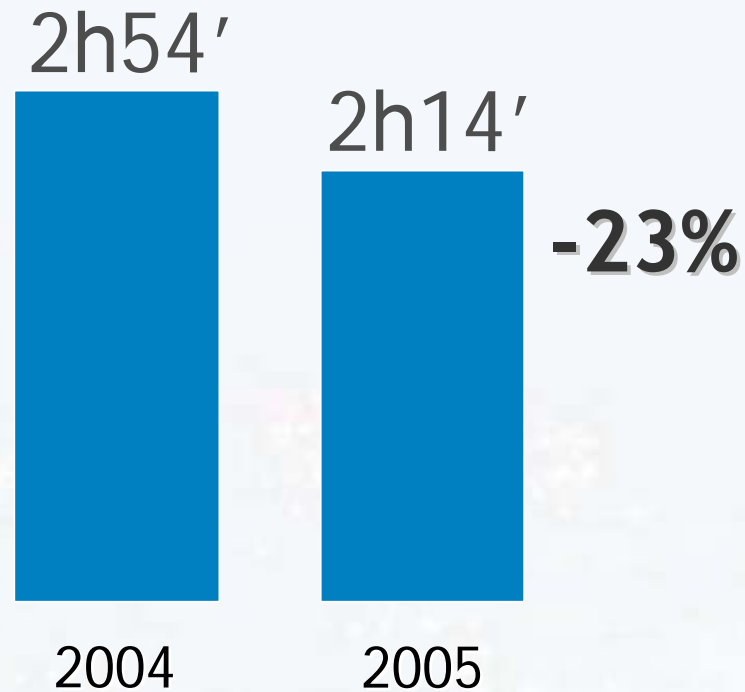
Spain and Portugal

Excellent
results

Strengths

TIEPI total

(Hours*)



1,389 M€
of investment in
distribution

* Does not include *force majeure*

Hurricane Delta

Spain and Portugal

Excellent
results

Strengths



Hurricane Delta

Spain and Portugal

Excellent
results

Strengths



Hurricane Delta

Spain and Portugal

Excellent
results

Strengths



- Winds of up to **250 km/h**
- **190,000** customers affected
- More than **700** people mobilized
- **99.4%** of service restored in 4 days

Well positioned in the gas market

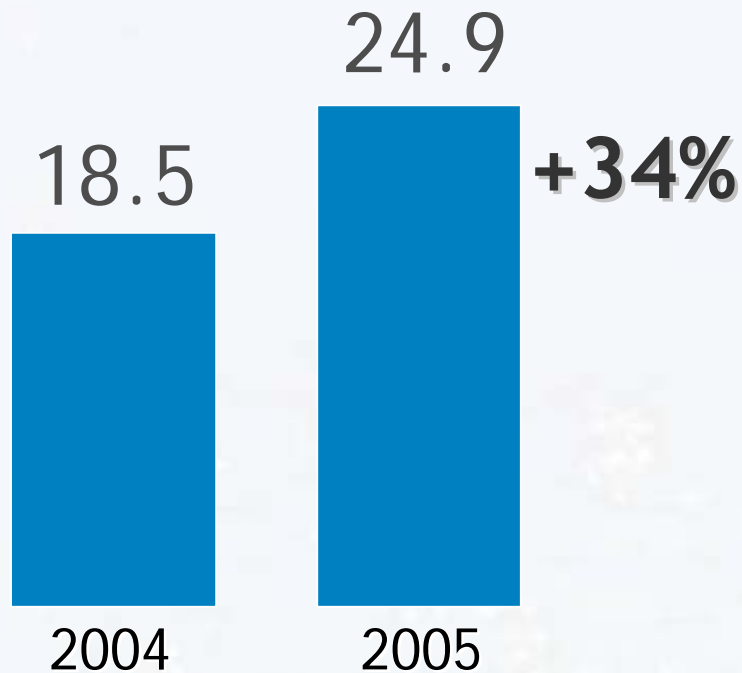
Spain and Portugal

Excellent
results

Strengths

Contracted
consumption

(TWh)



Gas provision

- **Diversified** by origin and destination
- **Flexible and competitive**
- **Largest** future **buyer** of Spanish gas

12% share in gas consumption

Advances in capacity plan

Spain and Portugal

Excellent
results

Strengths

Conversion of As Pontes to imported coal

As Pontes
1,400 MW

Construction of new CCGTs

Colón
400 MW

2006

As Pontes
800 MW

2007

Besós
800 MW

2008

Growth of Special Regime

149 MW
more installed
capacity

462 MW
under
construction

4,022 MW in
administrative
processing

Europe

Endesa has achieved the greatest profits in its history

Europe

Excellent
results

Strengths

(M€)

2004

2005

Variation

Sales

2,557

3,598

+41%

EBITDA

535

887

+66%

Net Profit

169

425

+151%

Excellent Results in the European Business

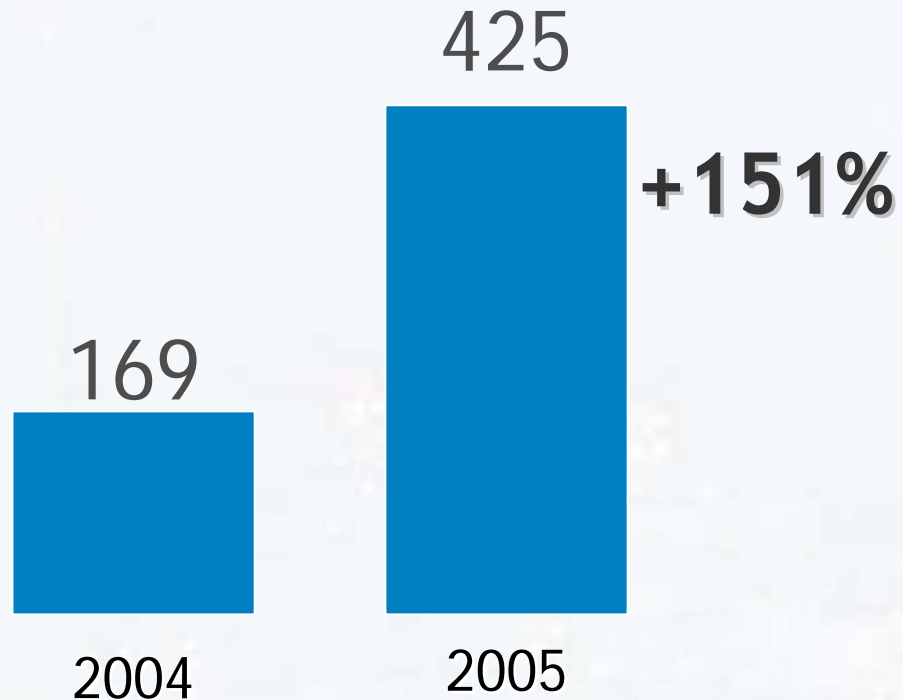
Europe

Excellent
Results

Strengths

Net Profit

(M€)



- In **Italy**:
 - Strong increase in activity and improvement of unit margin
 - Fiscal revaluation of assets
- Operational improvements in **France**

Endesa: a great leader in the European market

Europe

Excellent
results

Strengths



Italy

Endesa: a great leader in the European market

Europe

Excellent
results

Strengths



France

Italy

No. 3 in Italy

6,590 MW

Endesa: a great leader in the European market

Europe

Excellent
results

Strengths

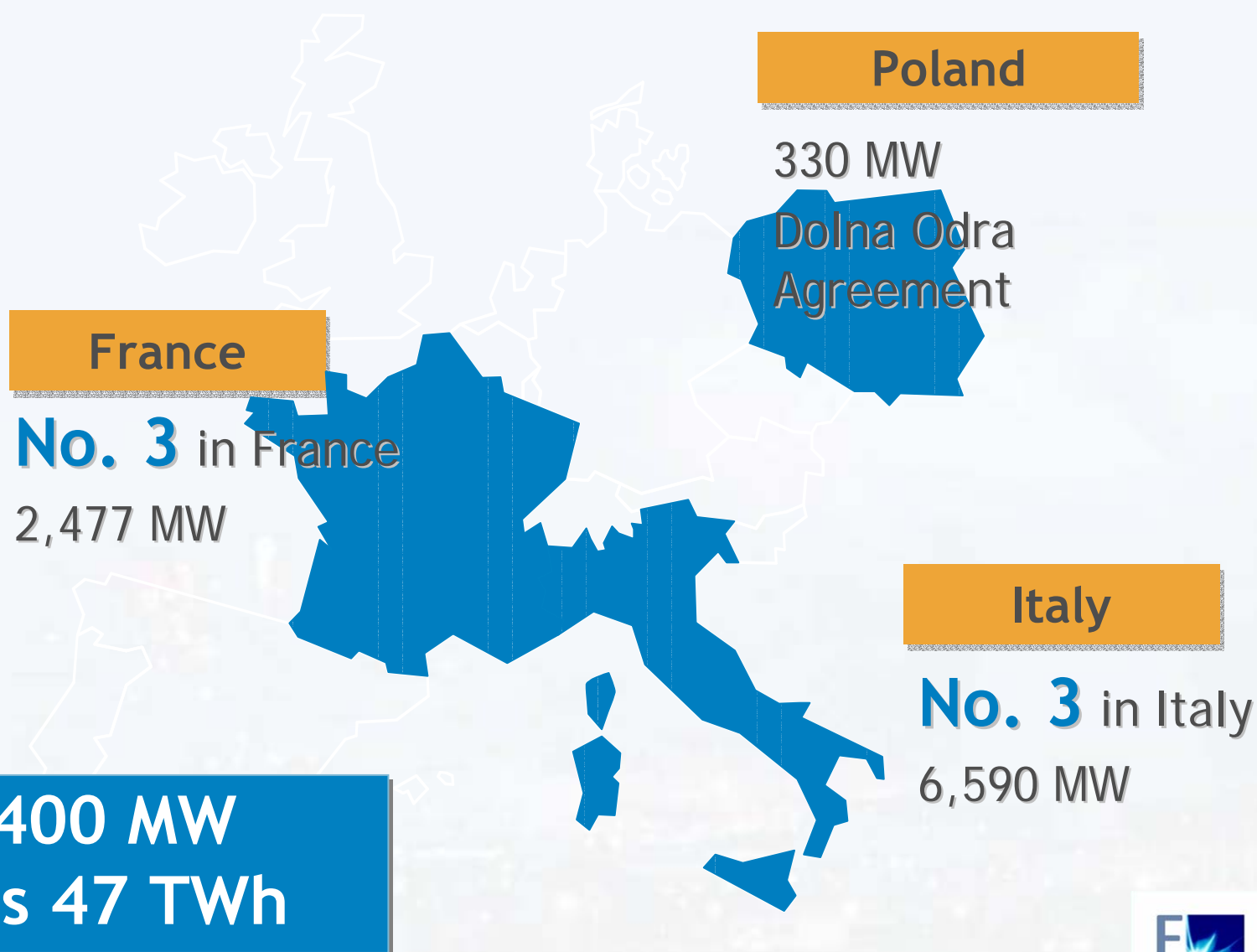


Endesa: a great leader in the European market

Europe

Excellent
results

Strengths



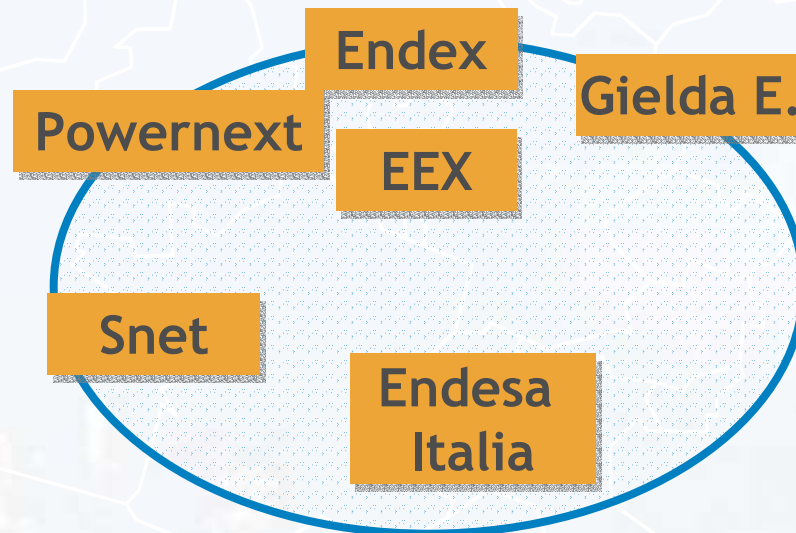
9,400 MW
Sales 47 TWh

Integrated management of the European asset portfolio

Europe

Excellent
results

Strengths



Maximizing the value of European assets

Stake in renewables and gas

Europe

Excellent
results

Strengths



- Repowering of Monfalcone (Groups 3-4)
- Start of Scandale projects (800MW)

- Portfolio of wind projects: 700MW

- Livorno and Monfalcone LNG regas terminals



- Wind projects: 55MW

- Additional opportunities: 2,000MW CCGTs + 200MW renewables

Endesa: among the five largest European electric companies

Europe

Excellent results

Strengths

	Spain and Portugal	Italy	United Kingdom	Central Europe
Endesa	✓	✓		✓
EDF		✓	✓	✓
E.ON			✓	✓
ENEL	✓	✓		✓
RWE			✓	✓

Latin America

Endesa has achieved the greatest profits in its history

Latin America

Excellent
results

Strengths

(M€)

2004

2005

Variation

Sales

4,297

5,149

+20%

EBITDA

1,522

1,878

+23%

Profit before
minority interests

431

710

+65%

Net Profit

127

262

+106%

Strong growth in earnings

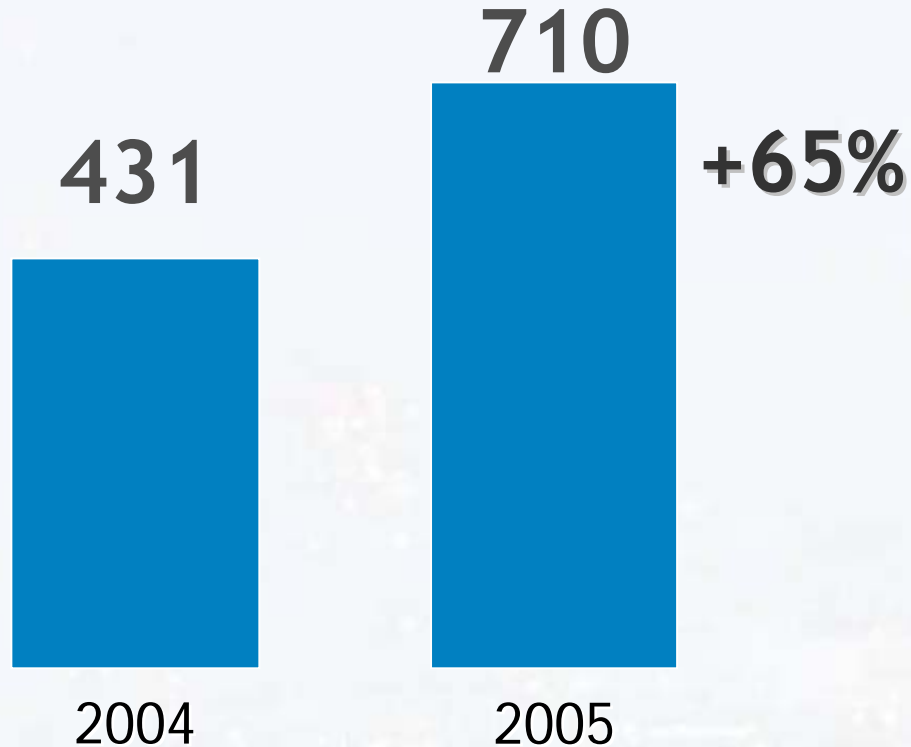
Latin America

Excellent
results

Strengths

Net profit before
minority interests

(M€)



- Generalized increase by **businesses** and **countries**
- Improvement of **unit margins**

Improvement of returns for the matrix

Latin America

Excellent
results

Strengths

	2004	2005
(M USD)		
Dividends and interest received	46	86
Capital reductions	221	195 ⁽¹⁾
Disinvestments	8	27 ⁽²⁾
Total	275	308⁽³⁾

1 Includes Elesur payments for 41 M USD

2 Sale of CEPM for 24 M USD and repurchase of EEB shares for 3 M USD

3 Does not include the tax credit received for 104 M USD in 2005

Good stock market performance

Latin America

Excellent results

Strengths

Stock Quote Performance in Chile



First private company in Latin America

Latin America

Excellent
results

Strengths



- Production increase: **+5.1%**
- Growth in sales: **+5,6%**
- Advances in **capacity plan**

14,100 MW
Sales 55 TWh
11 million customers

Shareholder Return



Excellent results in 2005

Net Earnings

(M€)

3,182

+154%

Net Earnings without sale of assets

1,841

+60%

Endesa has achieved the greatest profits in its history

Divestment of non-strategic assets

3,184 M€ in
divestments

1,341 M€ net
capital gains

Grupo auna

Sale of **27.7%**

Amount: **2,221 M€**

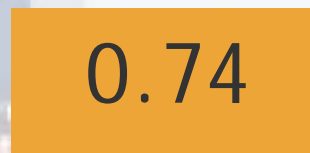
Net Capital Gain:
1,115 M€

Profitability of **17%** on our
telecommunications investments in Spain*

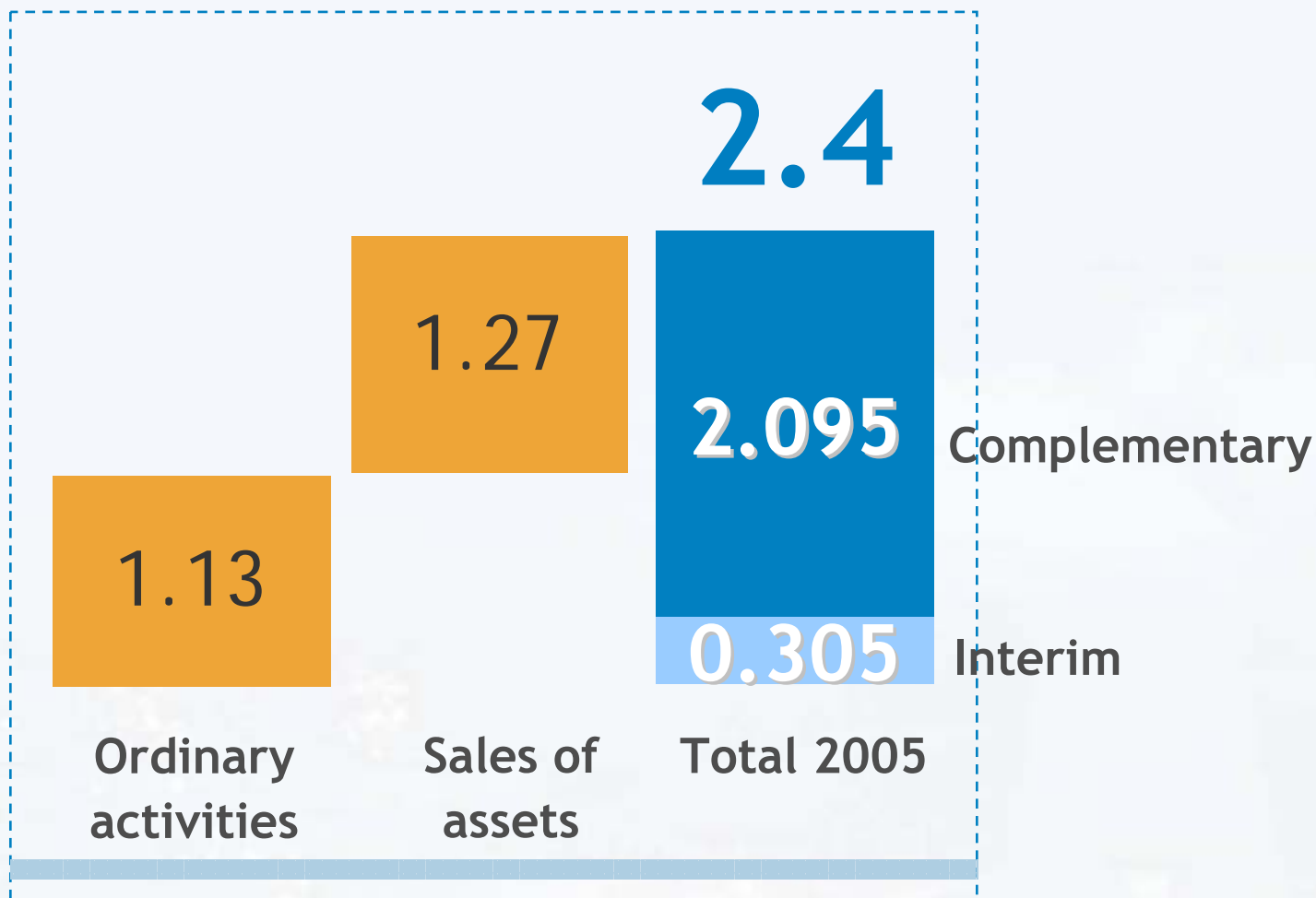
* Includes the Auna sale of 5.01%

Dividend proposal: payout 79.9%

(€/share)



**Dividend
2004**



Dividend 2005

A history of profitability

Revaluation of the Endesa share*

(Annual Average 1996-2006)

Endesa

10.6%

IBEX35

7.4%

Eurostoxx
Utilities

5.6%

Total profitability including dividends *

Total shareholder
return **262%**

13.7% annual
average

*From 31/12/1996 to 23/2/2006

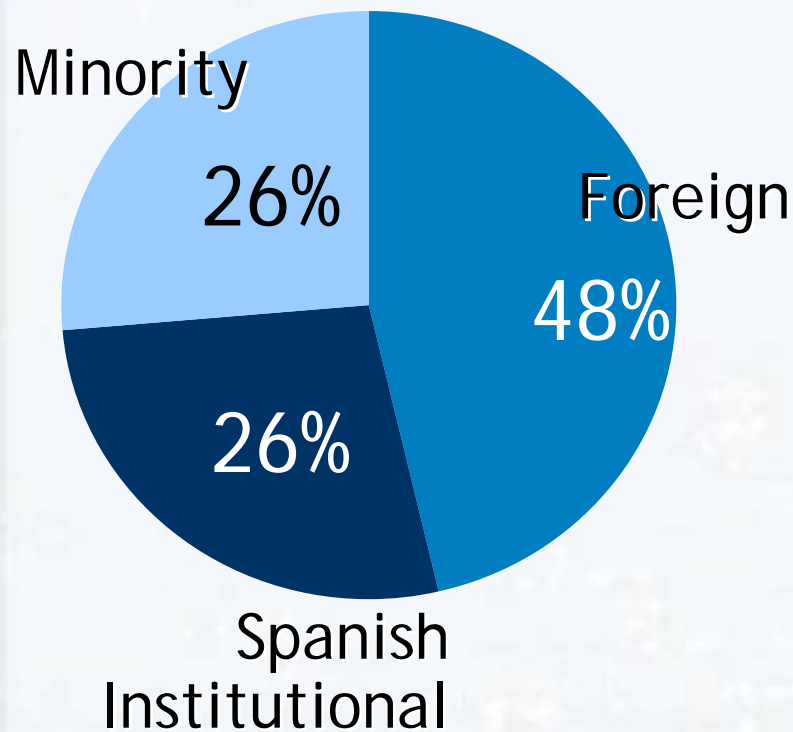
Takeover Bids



Endesa Shareholders

Endesa Shareholder Structure*

(February 2006)



*Estimate

- Half of our capital stock is held by foreign investors
- Our stock is listed in Spain, the U.S. and Chile
- Millions of direct and indirect shareholders, through investment funds, deposit their savings with us

Endesa's Action

Objective of Endesa's Board of Directors and Management Team:

- To defend the interests of shareholders
- To defend the company's value
- To defend the business project

Description of the Gas Natural Bid

Terms

- Takeover bid on 100% of the capital
- For each Endesa share **7.34 €/share** + **0.569** Gas Natural shares
- **21.3 Euros** per share as of 2 September 2005
- Total Equity: **22,500 M€**

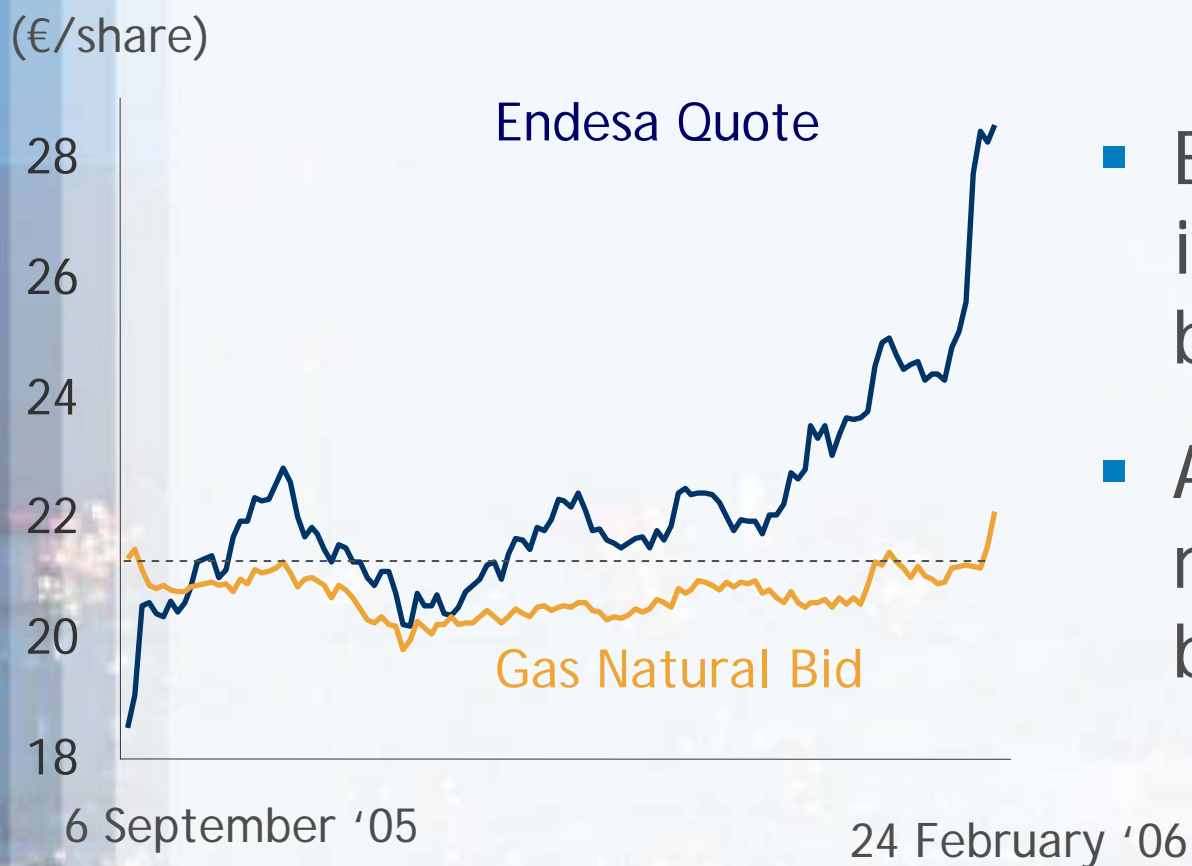
Conditions

- Acceptance of **75%** of Endesa's capital
- Amendment of the bylaws

Preliminary Evaluation of the Gas Natural Bid

- Bid proposed in a **hostile** manner
- **Insufficient** price
- **Inadequate** method of payment
- Industrial project that **destroys value**
- **No commitment** to shareholders

Insufficient Price



- Endesa quote over the initial Gas Natural bid: **+33%**
- Almost **7,500 M€** more than the initial bid

Inadequate Method of Payment

2/3 in shares of Gas Natural

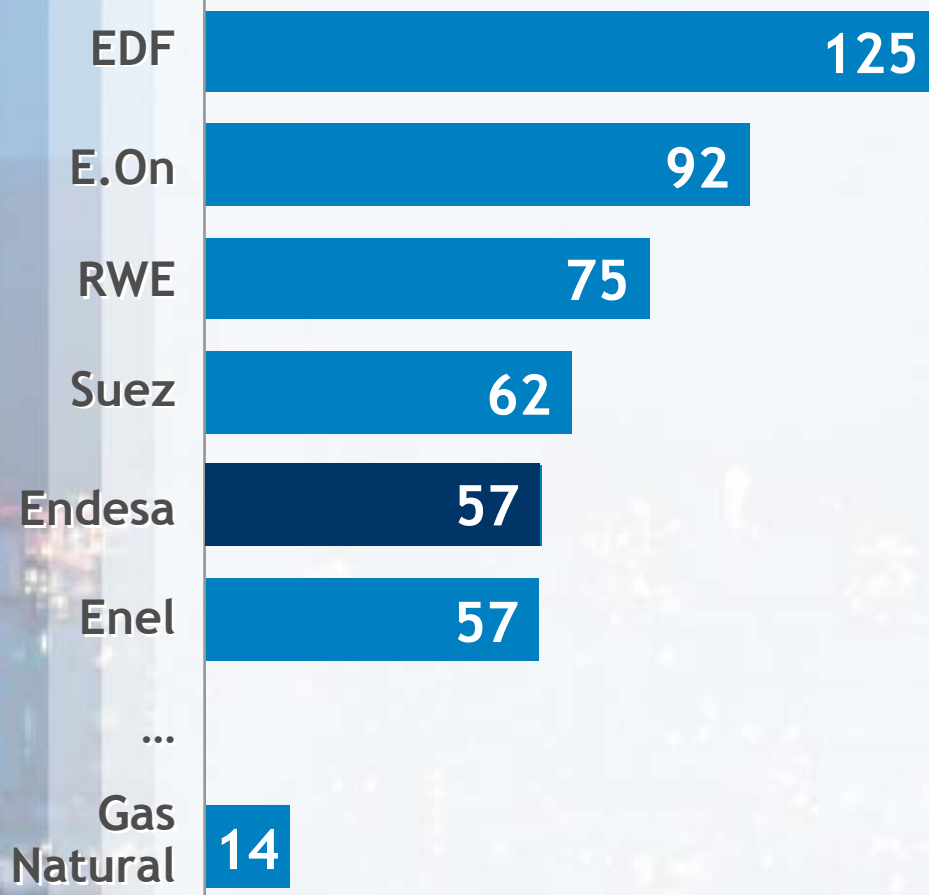
Legal Action

Need to **clarify** all the **regulatory** and **jurisdictional uncertainties** that may affect the action of the merged company in the **future** so that shareholders can make a **decision** with the **best information** possible

Endesa is already a global leader

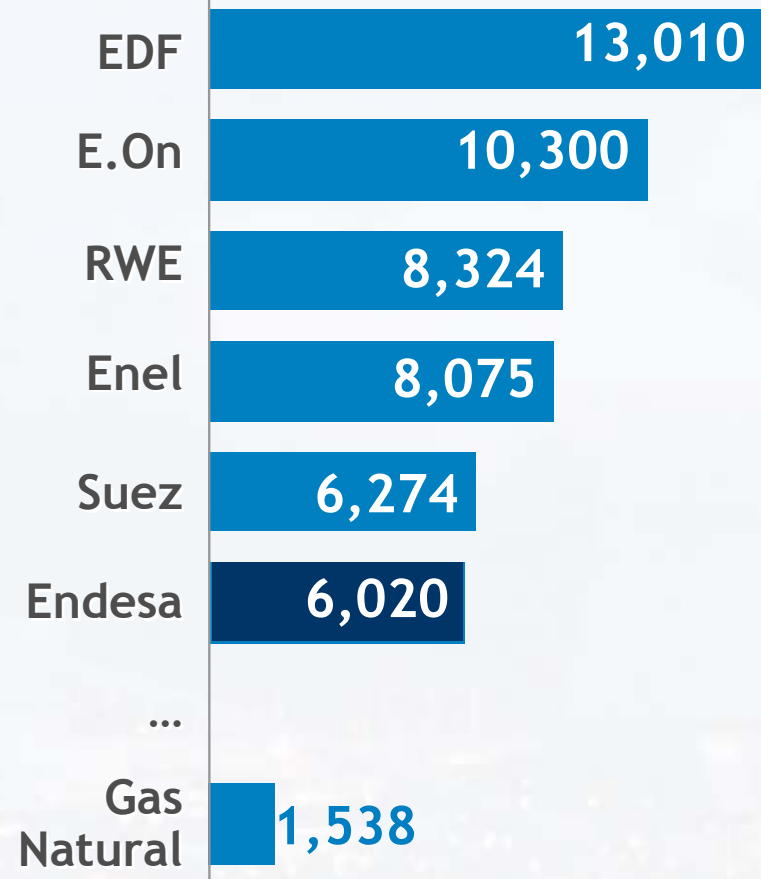
Enterprise Value

(MM€)



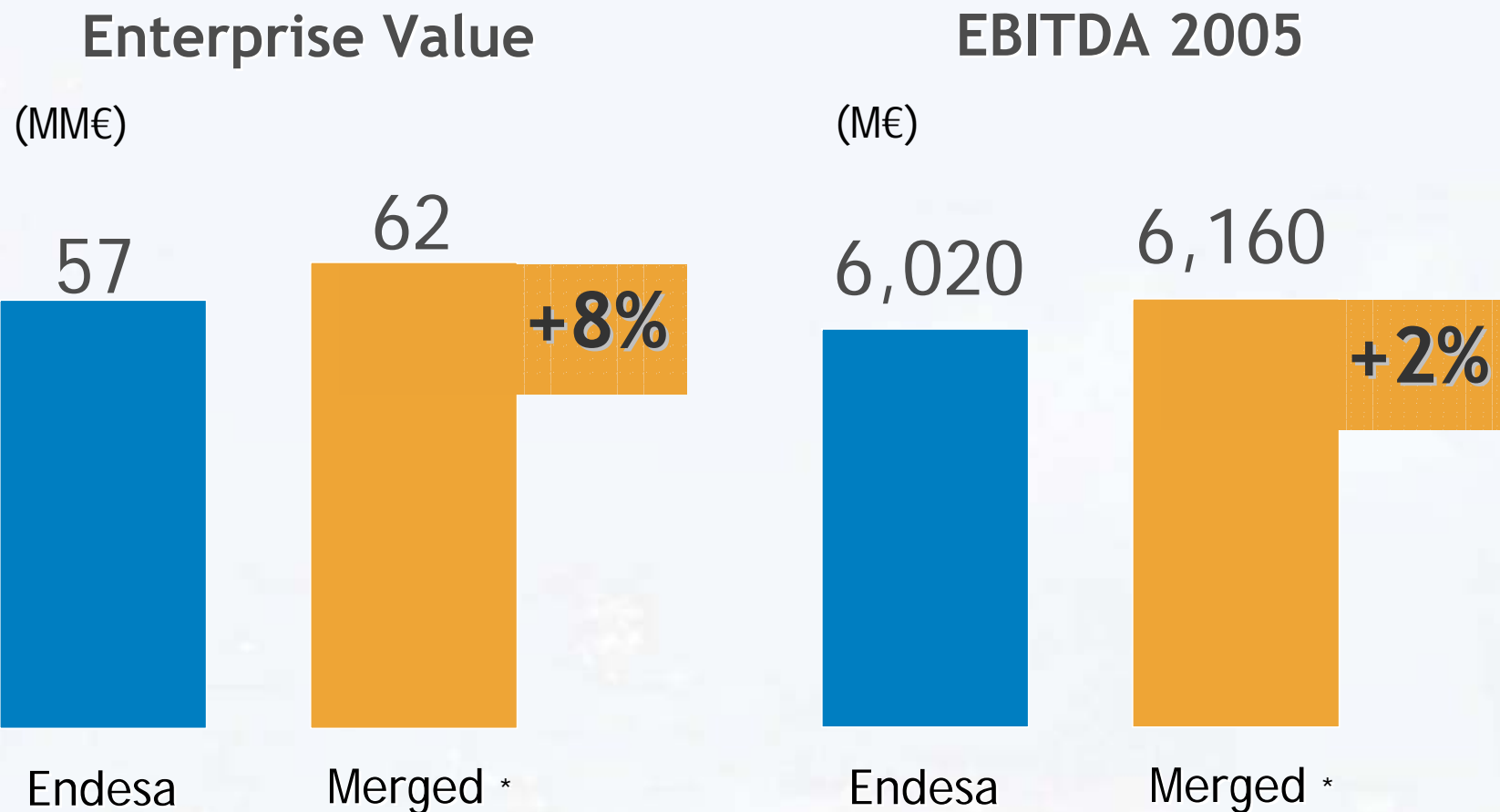
EBITDA 2005

(M€)



NOTE: Enterprise Value as of 22 February 2006; EBITDA 2005 IBES except companies with publication of results

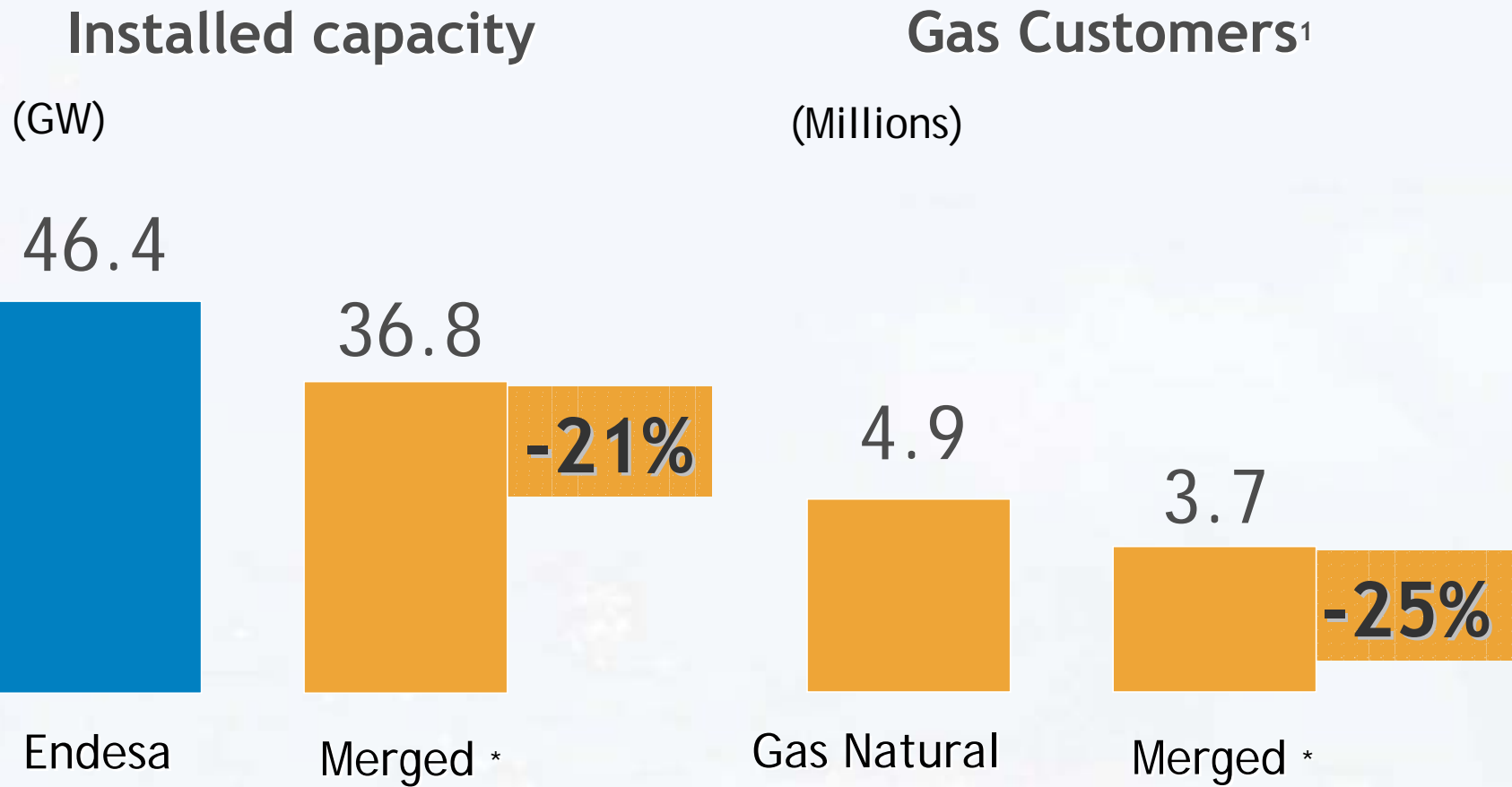
Gas Natural does not contribute additional size



* Merged after divestments, based on actual 2005 data for Endesa and IBES consensus for Gas Natural

1+1 equals 1

Significantly reduces position in electricity generation and gas distribution

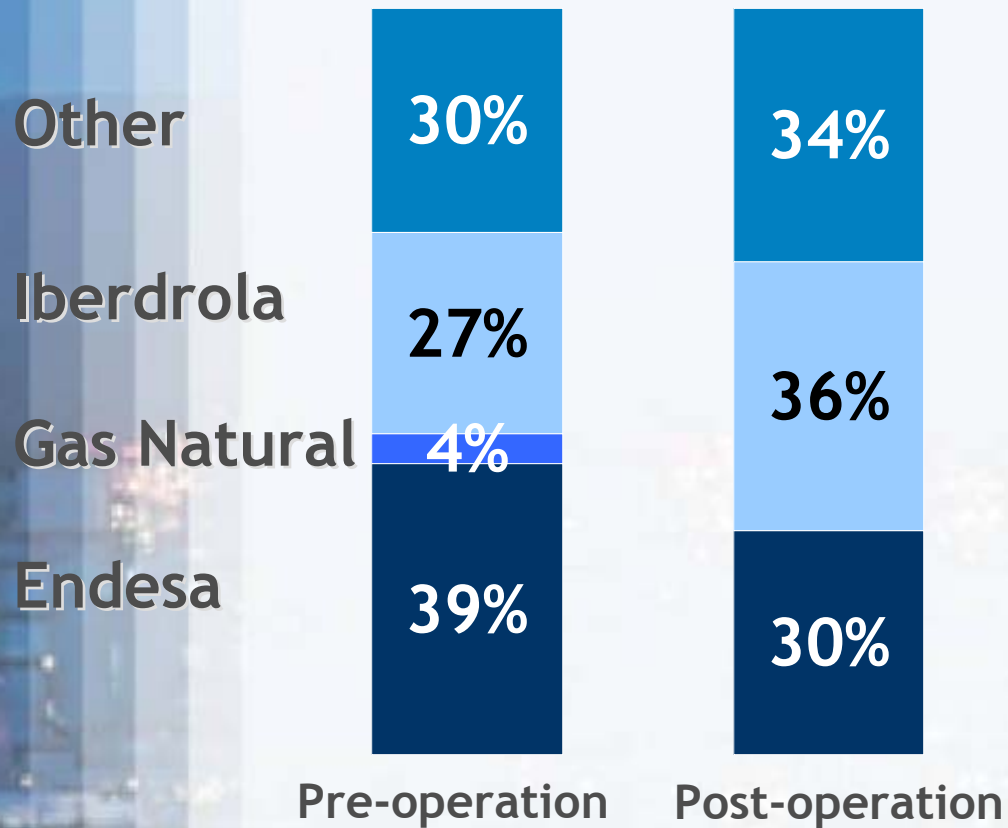


* After divestments
¹ Customers in Spain

1+1 is less than 1

Handing Over of Leadership in Spain to the Principal Competitor

Peninsular Production Share*



- The agreement **does not maximize the value of the assets**, favoring Iberdrola shareholders

*Ordinary System 2005

Loss of a Unique Asset Portfolio

Generation Portfolio in Europe in 2005

(MW)

9,397



Endesa

3,990



Merged *

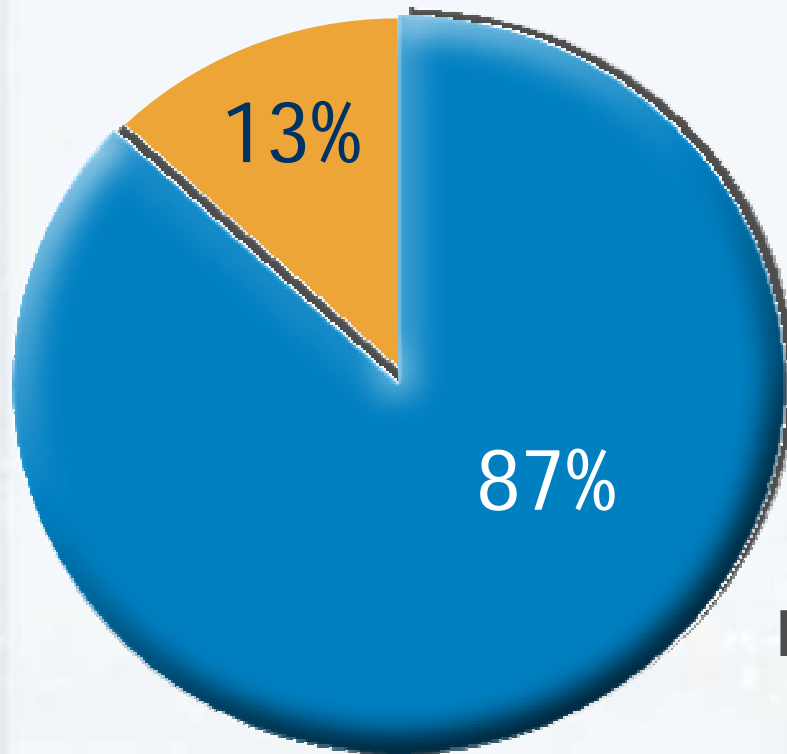
- Growth **project** in Europe **is sacrificed**
- In Europe, **size** and an important source of future growth **is lost**

* After disinvestments

In Latin America, the operation does not contribute anything

EBITDA of Latin America

Gas Natural



- Little geographic overlap
- No synergy
- Reduced additional presence

Endesa

The industrial project destroys value

Endesa

- **No. 1** in the electric sector in Spain

- **No. 3** in the electric sector in Italy

- **No. 3** in the electric sector in France

Generation park with
great potential

Gas Natural Project

- **No. 2** in the electric sector in Spain

- **No. 5** in the electric sector in Italy

- No presence in France

21% loss of global power

No commitment to shareholders

Strategic
plan?

Growth of
EBITDA and
Net Earnings?

Return for
shareholders?

How can the bid be valued?

Description of the E.ON bid

Terms

- Takeover bid on 100% of the capital
- 100% in cash
- 27.5 euros per share as of 20 February 2006
- Total Equity: 29,100 M€

Conditions

- Acceptance of 50.01% of Endesa's capital
- Amendment of the bylaws

Preliminary evaluation of the E.ON bid

- Discussions have been held with all interested companies, with no commitment for any of the parties
- Because it is formulated in cash, the bid makes the shareholders' decision easy
- Improves the price although it still does not reflect the actual value
- Positive evaluation of the maintenance of the Endesa industrial project

Committed Management Team

Annual Commitment Until 2009

EBITDA Growth

+10-11%

**Growth
Net Earnings**

>12%

**Dividend growth
ordinary activities**

≥12%

**Dividend for
divestments**

**100%
capital
gains**

More than
7,000 M€
in dividends

Commitment
of the
management
team

With clearly surpassable commitments

	Annual commitment until 2009	2005	Fulfillment
EBITDA Growth	+10-11%	+33%	✓
Growth Net Earnings	>12%	60-154%	✓
Dividend growth ordinary activities	≥12%	54%	✓
Dividend for divestments	100% capital gains	1,341 M€	✓

With clearly surpassable commitments

Distribution of dividends from the 2005
fiscal year

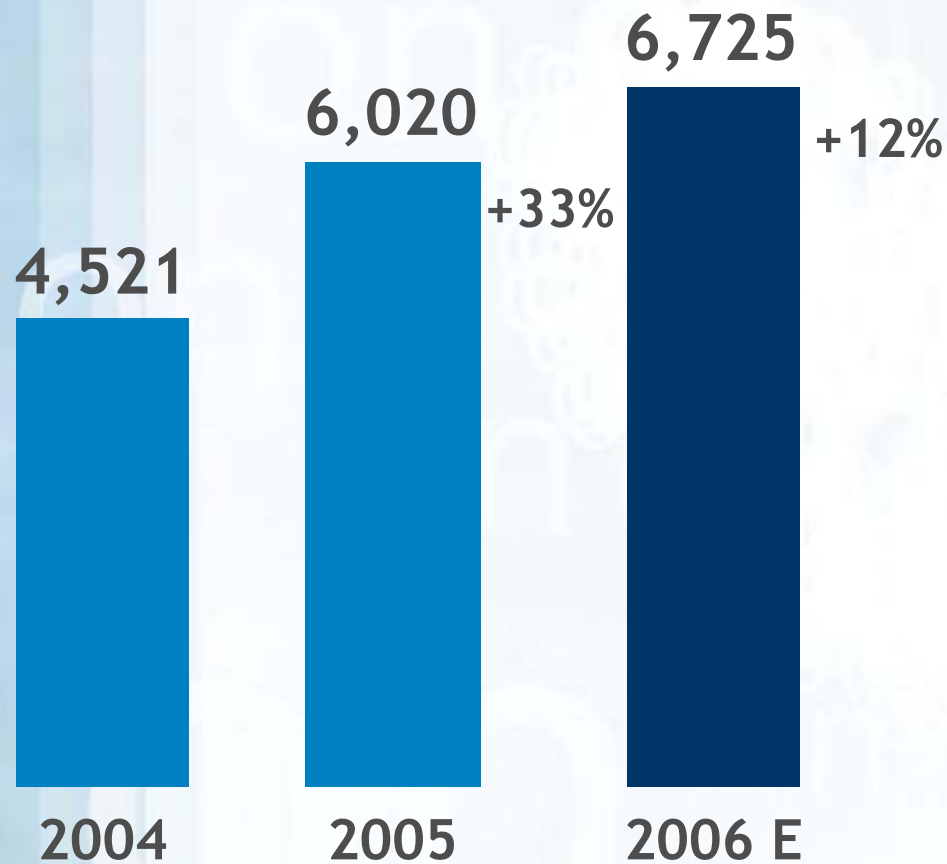
2,541 M€

36% of the more than 7,000 M€
committed

Excellent Prospects for 2006


EBITDA

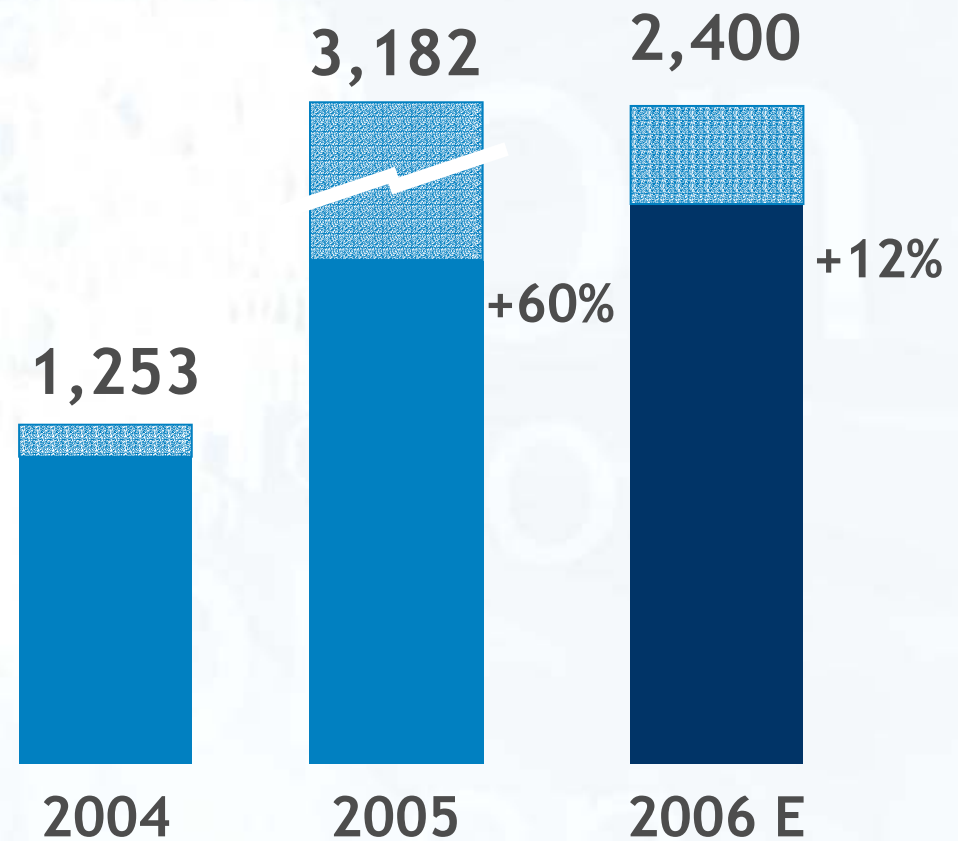
(M€)



2009 Estimate: +7,500 M€

Net Profit

(M€)  Excess Profit



2009 Estimate: +2,200 M€

Endesa is worth more

- Ambitious commitments
- +
- Excellent results 2005
- +
- Good prospects 2006
- +
- Maximizing of shareholder return

**Endesa is
worth more**

**28.35 € as
of 24
February
2006**

Endesa is already a global leader

No. 1 in the electric sector in **Spain**

Endesa is already a global leader

No. 1 in the electric sector in **Spain**

No. 3 in the electric sector in **Italy**

Endesa is already a global leader

No. 1 in the electric sector in **Spain**

No. 3 in the electric sector in **Italy**

No. 3 in the electric sector in **France**

Endesa is already a global leader

No. 1 in the electric sector in **Spain**

No. 3 in the electric sector in **Italy**

No. 3 in the electric sector in **France**

No. 1 in **Latin America**

Endesa is already a global leader

No. 1 in the electric sector in **Spain**

No. 3 in the electric sector in **Italy**

No. 3 in the electric sector in **France**

No. 1 in **Latin America**

Unique **asset portfolio** in Spain
and Europe

Endesa is already a global leader

No. 1 in the electric sector in **Spain**

No. 3 in the electric sector in **Italy**

No. 3 in the electric sector in **France**

No. 1 in **Latin America**

Unique **asset portfolio** in Spain and Europe

Market capitalization of
30,000 million €

Endesa is already a global leader

No. 1 in the electric sector in **Spain**

No. 3 in the electric sector in **Italy**

No. 3 in the electric sector in **France**

No. 1 in **Latin America**

Unique **asset portfolio** in Spain and Europe

Market capitalization of 30,000 million €

Endesa's Action

Objective of Endesa's Board of Directors
and Management Team:

shareholders

Endesa's Action

**Objective of Endesa's Board of Directors
and Management Team:**

Defend the interests of

shareholders

value

Endesa's Action

**Objective of Endesa's Board of Directors
and Management Team:**

**Defend the interests of
shareholders**

Defend the company's value

project

Endesa's Action

Objective of Endesa's Board of Directors and Management Team:

Defend the interests of
shareholders

Defend the company's **value**

Defend the business **project**

Important Legal Information

- Investors are urged to read Endesa's Solicitation/Recommendation Statement on Schedule 14D-9 when it is filed with the U.S. Securities and Exchange Commission (the "SEC"), as it will contain important information. The Solicitation/Recommendation Statement and other public filings made from time to time by Endesa with the SEC are available without charge from the SEC's website at www.sec.gov and at Endesa's principal executive offices in Madrid, Spain.
- This presentation contains certain "forward-looking statements" regarding anticipated financial and operating results and statistics and other future events. These statements are not guarantees of future performance and are subject to material risks, uncertainties, changes and other factors which may be beyond Endesa's control or may be difficult to predict.
- Forward-looking statements include, but are not limited to, information regarding: estimated future earnings; anticipated increases in wind and CCGTs generation and market share; expected increases in demand for gas and gas sourcing; management strategy and goals; estimated cost reductions; tariffs and pricing structure; estimated capital expenditures and other investments; expected asset disposals; estimated increases in capacity and output and changes in capacity mix; repowering of capacity and macroeconomic conditions. For example, the EBITDA and dividends targets for 2004 to 2009 included in this presentation are forward-looking statements and are based on certain assumptions which may or may not prove correct. The principal assumptions underlying these forecasts and targets relate to regulatory environment, exchange rates, divestments, increases in production and installed capacity in the various markets where Endesa operates, increases in demand in these markets, allocation of production among different technologies increased costs associated with higher activity levels not exceeding certain levels, the market price of electricity not falling below certain levels, the cost of CCGT and the availability and cost of gas, fuel, coal and emission rights necessary to operate our business at desired levels.
- 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. Any delays in or failure to obtain necessary regulatory approvals, including environmental to construct new facilities, repowering or enhancement of existing facilities; shortages or changes in the price of equipment, materials or labor; opposition of political and ethnic groups; adverse changes in the political and regulatory environment in the countries where we and our related companies operate; adverse weather conditions, which may delay the completion of power plants or substations, or natural disasters, accidents or other unforeseen events; and the inability to obtain financing at rates that are satisfactory to us.
 - Political/Governmental Factors: political conditions in Latin America; changes in Spanish, European and foreign laws, regulations and taxes.
 - 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 coal, fuel and gas and the impact of fluctuations on fuel and gas 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.
- Further information about the reasons why actual results and developments may differ materially from the expectations disclosed or implied by our forward-looking statements can be found under "Risk Factors" in our annual report on Form 20-F for the year ended December 31, 2004.
- No assurance can be given that the forward-looking statements in this document will be realized. Except as may be required by applicable law, neither Endesa nor any of its affiliates intends to update these forward-looking statements.

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