ENDESA, S.A.

€3,000,000,000
EURO-COMMERCIAL PAPER PROGRAMME

9 MAY 2019

This Base Prospectus has been approved by the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and registered in its official register on 9 May 2019.

In accordance with Royal Decree 1310/2005, of 4 November 2005 and Order EHA 3537/2005, of 10 November 2005, this prospectus has been drafted in accordance with the models set forth in Annexes IX and XIII of the Commission Regulation EC 809/2004, of 29 April 2004 regarding the applications of Directive 2003/71/EC of the European Parliament and of the Council and other applicable legislation.

TABLE OF CONTENTS

I RISK FACTORS

*Investing in the Notes issued under the Programme involves certain risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of Endesa, S.A. ("**Endesa**" or the "**Issuer**", and together with the companies that are part of its corporate group for commercial regulations purposes, the "**Group**") and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined elsewhere in this Base Prospectus have the same meanings in this section.*

Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business activities, results of operations, financial condition and cash flows of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Risks Related to Endesa's Business and Industry

Endesa's activities are subject to extensive regulation, and regulatory changes could have an adverse impact on its business, results of operations, financial condition and cash flows.

Endesa's subsidiaries are subject to broad regulations on tariffs and on other aspects of their activities in Spain and Portugal, regulations that, in many ways, determine the manner in which Endesa carries out its business and the revenues it receives from its products and service.

Endesa is subject to a complex group of laws and regulations applied by both public and private bodies, including, in Spain, the *Comisión Nacional de los Mercados y la Competencia*. The introduction of new laws and regulations or amendments to current laws and regulations could have a negative impact on Endesa's business, results of operations, financial condition and cash flows.

In the past, regulatory changes and the different interpretations thereof by the related authorities have had a substantially adverse effect on Endesa's business, results of operations, financial condition and cash flows and the same could occur in the future. Furthermore, regulatory authorities could demand Endesa make significant investments in order to comply with the new legal requirements. Endesa cannot predict the effects the new regulatory measures will have on its results of operations, its financial condition or its cash flows.

In addition, the European Union has established an operating framework for the various Member States which include, *inter alia*, objectives related to emissions, efficiency and renewable energies.

The introduction of new requirements, or amendments to existing ones, to achieve the aforementioned objectives could adversely affect Endesa's business activities, results of operations, financial condition and cash flows if it cannot adapt and manage its operations in compliance with such new or amended requirements.

For more information, see Note 4 (Sectorial Regulation) of the 2018 Consolidated Financial Statements.

Endesa's business is highly dependent on the steady supply of large amounts of fuel used to generate electricity, the supply of electricity and natural gas for its own use, as well as the supply of other commodities, and the prices of these commodities are subject to market forces that may affect prices and the amount of energy sold by Endesa.

Endesa is exposed to market price and availability risk in connection with purchases of fuel (including gas and coal) used to generate electricity, for procuring gas and supply activities. Fuel price fluctuations in international markets may affect the contribution margin. In the pool market, the offer made by every power plant within the system is determined by the allocation, among other factors, of fuel and carbon dioxide (CO_2) costs related to the technology and the plant characteristics. Therefore, in the event of fluctuations in fuel and CO_2 prices, power generation plants will reflect such fluctuations in their wholesale market offers and the merit order and the pool prices could be modified.

Endesa is exposed to the prices of CO_2 emission rights, which in turn influence the production cost of coal plants and combined cycle plants.

Endesa has entered into certain natural gas supply contracts which include binding "take or pay" clauses which compel it to either acquire the fuel it has agreed to contractually or to pay if it does not acquire such fuel. The terms of these contracts have been established based on certain assumptions regarding future electricity and gas demand. Any deviation from the assumptions used could give rise to an obligation to purchase more fuel than necessary or to sell excess fuel on the market at current prices. In recent years, supply and demand management has been carried out, considerably expanding the international customer base in order to ensure a balance between purchase commitments and the volume of own consumption and sales to customers. Furthermore, Endesa has entered into electricity and natural gas supply contracts based on certain assumptions regarding future market prices for electricity and natural gas. Endesa sells more electricity than it generates and, therefore, it is obliged to acquire electricity on the spot market in order to meet its supply obligations.

Any deviation from demand assumptions after the aforementioned supply contracts are signed could give rise to an obligation to purchase electricity or natural gas at prices which are higher than those included in the contracts. If there is a market price adjustment with respect to the estimates made, a deviation from Endesa's assumptions with regard to its fuel needs, or a regulatory change which affects prices as a whole and how they have been established, or if Endesa's risk management strategies are inadequate in the face of any such changes, this could have a material adverse effect on its business, results of operations, financial conditions and cash flows.

For more information on the main commitments to purchase inventories, see Note 12 (Inventories) and Note 26 (Procurements and Services) of the 2018 Consolidated Financial Statements.

Endesa's activities are subject to wide-reaching environmental regulations and its inability to comply with current environmental regulations or requirements or any changes to the environmental regulations or requirements could adversely affect its business activities, results of operations, financial condition and cash flows.

Endesa is subject to environmental legislation that impacts both the normal course of its operations, as well as the development of its projects, which imposes additional risks and costs on Endesa. This regulatory framework requires licences, permits and other administrative authorisations to be obtained prior to the relevant project's commercial operation date, as well as the fulfilment of all the requirements provided for in such licences, permits and authorisations. There can be no assurances that:

- laws or regulations will not be amended or interpreted in such a way as to increase the expenses necessary to comply with such laws or as to affect Endesa's operations, facilities or plants;

- public opposition will not lead to delays or changes in the projects that are proposed; or

- the relevant authorities will grant the environmental permits, licences and authorisations required to develop new projects.

In addition, Endesa is subject to the environmental risks inherent in its business, including risks related to the management of waste, spillages and emissions at its electricity production facilities, particularly nuclear power plants. Any of the foregoing risks could give rise to claims against Endesa for environmental damages, damages to employees or third parties or other damages arising from activities at its energy generation, supply and distribution facilities, as well as its port terminal activities.

There can be no assurances that Endesa will be able to comply with the requirements imposed on it or that it will be able to avoid fines, administrative or other sanctions, or any other penalties and expenses related to compliance with such requirements, including those related to the management of waste, spillages and emissions at its electricity production facilities. A failure to comply with any such requirements may result in Endesa incurring fines, damages, sanctions, expenses and other liabilities, and could also result in facility closures. Government authorities may also taxes and/or liens on the parties responsible in order to secure the parties' payment obligations. In the event that Endesa was found to have been in non-compliance with environmental laws, regulations, rules or other requirements, this could have a material adverse effect on its business activities, results of operations, financial condition and cash flows.

In this connection, Endesa has taken out the following insurance policies:

- an environmental liability insurance policy which covers, up to a maximum of €100 million, claims arising from contamination;

- a third-party liability insurance policy that covers claims relating to damage to third parties or their property up to a maximum of €200 million and an additional €800 million for hydroelectric plants; and

- in relation to risks arising from operating nuclear power plants, the storage and handling of low-level radioactive materials and the potential decommissioning of its nuclear power plants, an insurance policy up to €700 million to cover any liabilities related to nuclear power plants up to the liability limit established by Spanish legislation.

The nuclear power plants are also insured against damage to their installations (including stocks of fuel) and machinery breakdowns, with maximum coverage of $1,500 million for each power plant.

On 28 May 2011, the Spanish government published Law 12/2011 of 27 May, on civil liability for nuclear damage or damage caused by radioactive materials, raising operator liability to €1,200 million, while also allowing operators to cover this liability in several ways. The entry into effectiveness of this legislation is conditioned on the previous effectiveness of the Protocol of 12 February 2004 amending the Nuclear Third-Party Liability Convention (Paris Convention) and the Protocol of 12 February 2004 amending the complementary Convention (Brussels Convention), which at the date hereof was still pending ratification by some European Member States.

If Endesa were to be subject to liability for environmental damage for an amount in excess of its insurance coverage, or for environmental damage outside the scope of such coverage, it could have a material adverse effect on its business, financial condition and results of operations and cash flows.

Endesa is subject to compliance with the legislation and regulations on emissions of pollutants and on the storage and treatments of waste from fuel from nuclear power plants. It is possible that Endesa will be subject to even stricter environmental regulations in the future. In the past, the approval of new regulations has required, and could require in the future, significant capital investment expenditures in order to comply with legal requirements. Endesa cannot predict the increase in capital investments or the increase in operating costs or other expenses it may have to incur in order to comply with all environmental requirements and regulations. Nor can it predict if the aforementioned costs may be transferred to third parties. Thus, the costs associated with compliance with the regulations applicable could adversely affect Endesa's business, results of operations, financial condition and cash flows.

For more information, see Note 4 (Sectorial Regulation) of the 2018 Consolidated Financial Statements.

Historical or future violations of antitrust and competition laws may have a material adverse effect on Endesa's business, results of operations, financial condition and cash flows.

Endesa is subject to antitrust and competition laws in the markets in which it operates. Failure to comply with applicable antitrust and competition laws, rules and regulations, in particular in Spain, which is Endesa's main market, may result in legal proceedings being brought against Endesa.

Pursuant to Organic Law 5/2010, of 22 June, which amended Organic Law 10/1995, of 23 November, on the Criminal Code incorporating offences applicable to legal persons, subsequently amended by Organic Law 1/2015, of 30 March, Endesa is subject to criminal liability for certain offences. Any violations of these laws could give rise to legal proceedings against Endesa.

Endesa has in the past been, currently is, and may in the future be, subject to investigations and legal proceedings with respect to antitrust and competition matters. Investigations and legal proceedings regarding violations of antitrust and competition laws can continue for several years and can be subject to strict non-disclosure provisions. Furthermore, if Endesa or one of its subsidiaries is found to have committed a violation of antitrust and competition laws, this result in substantial fines and other sanctions being imposed on Endesa and/or the relevant subsidiary, which may have a material adverse effect on Endesa's business, results of operations, financial condition and cash flows.

Endesa's growth strategy has historically included, and continues to include, acquisitions which are subject to antitrust and competition laws. Such laws and regulations may affect Endesa's ability to pursue, or delay the implementation of, strategic transactions.

For more information on the main litigation and arbitration involving Endesa's companies, see Note 17.3 (Litigation and Arbitration) of the 2018 Consolidated Financial Statements.

Endesa's business could be adversely affected if it is unable to maintain relationships with suppliers, customers and customer advocacy groups or if the entities with which Endesa has relationships cease to exist.

The relationships Endesa currently maintains with the main industry service suppliers and providers are essential for the development and growth of its business and will continue to be so in the future. Furthermore, certain of these relationships are and will continue to be managed by ENEL, S.p.A.

Endesa's dependence on these relationships may affect its ability to negotiate favourable contract terms with these counterparties. Although Endesa's supplier portfolio is diverse and it does not have a concentration of suppliers, there can be no assurances that it will be able to replace any material suppliers or service providers in a timely manner, or at all, in the event that any of these relationships were to be discontinued or terminated. If Endesa is unable to negotiate favourable terms with its suppliers or service providers, or such suppliers or service providers are unable to fulfil their obligations, or discontinue their business with Endesa, and Endesa is unable to find other suitable replacements, this could have a material adverse effect on its business, results of operations, financial condition and cash flows.

In its electricity supply business, Endesa maintains relationships with a large number of customers. While the loss of any single customer will not have a material impact on Endesa's business as a whole, if Endesa were unable to maintain its relationships with its large customers, it could have a negative impact on its business. Furthermore, there is no assurance that Endesa will continue to maintain satisfactory relationships and communication with customers and customer advocacy groups, and any disruption in these relationships could lead to negative publicity and/or could lead to the loss of customers each of which could have a material adverse effect on Endesa's business, results of operations, financial condition and cash flows.

At 31 December 2018, receivables from the ten largest customers (business group) accounted for less than 12% of the total, although none of them individually accounted for more than 2.9% at that date.

At 31 December 2018, its top 10 suppliers did not represent more than 25.6% of the total (31 December 2017: 34.4%).

For more information on concentration risk, see Note 20.6 (Concentration Risk) of the 2018 Consolidated Financial Statements.

Endesa's activities could be affected by precipitation levels and climate and weather conditions.

Endesa depends on precipitation levels in the geographical areas where it has hydroelectric generation facilities. A year with low rainfall generally leads to a decline in hydroelectric output, in turn increasing the output of thermal power plants (at greater cost) and, therefore, an increase in the price of electricity. In a year with high rainfall, the opposite effects occur.

Therefore, if there are droughts or other circumstances which adversely affect hydroelectric generation, this could have a material adverse effect on Endesa's business, results of operations, financial condition and cash flows. Endesa actively manages its production mix when faced with changes in hydrological conditions. For example, in the event hydrological conditions are unfavourable, electricity generation will, to a large extent, come from other types of facilities and Endesa's operating expenses arising from these activities will increase. Endesa's inability to manage changes in hydrological conditions could have a material adverse effect on its business, results of operations, financial condition and cash flows.

Climatic conditions, in particular seasonality, have a significant impact on the demand for electricity, with electricity consumption peaking in summer and winter. The impact of seasonal changes on demand is mainly reflected in the residential and small business categories. Seasonal changes in demand are attributed to various weather-related factors such as the climate, the amount of natural light, and the use of light, heating and air conditioning. Since Endesa has a large fixed cost base, changes in demand due to climatic conditions can have a disproportionate effect on the profitability of its business.

The effect of seasonality on industrial demand for electricity is less pronounced than on the residential and commercial sectors primarily because different types of industrial activity by their nature have different seasonal peaks. Furthermore, the effect of climate-related factors varies according to the type of industry. Accordingly, Endesa must make projections and estimates regarding climate conditions when negotiating its contracts and a significant divergence in the precipitation levels and other weather conditions envisaged could have a material adverse effect on Endesa's business, results of operations, financial condition and cash flows.

Endesa is also subject to the risk of fluctuations in global demand.

Furthermore, adverse weather conditions can affect the regular delivery of energy due to network damage and the consequent service disruption, which might force Endesa to indemnify its customers for delays or shortages in their supply of electricity. A significant disruption in service in the future could materially adversely affect Endesa's business, results of operations, financial condition and cash flows.

Endesa faces risks common to the construction of new power generation and distribution facilities.

The construction of power generation and distribution facilities is time-consuming and can be highly complex. This means that investment needs to be planned well in advance of the estimated start-up date of the facility and, therefore, the Group may need to adapt its decisions to changes in the market conditions. This may entail significant additional unplanned changes or costs affecting the profitability of these types of projects.

In connection with the development of these facilities, Endesa must generally obtain the relevant administrative authorisations and permits, enter into land purchase or lease agreements, sign equipment procurement and construction contracts, operation and maintenance agreements, fuel supply and transport agreements, off-take arrangements and obtain sufficient financing to meet its capital and debt requirements.

Factors that may affect Endesa's capacity to build new facilities include the following:

- delays in obtaining regulatory approval, including environmental permits;
- shortages or changes in the price of equipment, supplies or labour;
- opposition from local groups, political groups or other stakeholders;
- adverse changes in the political environment and environmental regulations;
- adverse meteorological conditions, natural disasters, accidents or other unforeseen incidents which could delay completion of power plants or substations;
- non-compliance by suppliers of contractual terms; and
- inability to obtain financing on terms that are satisfactory to Endesa.

Any of these factors may cause delays in completion or commencement of the Group's construction projects and may increase the cost of planned projects. Furthermore, any costs incurred by Endesa if it is unable to complete these projects may not be recoverable.

If Endesa faces problems in connection with the development and construction of new facilities, this may have a material adverse effect on Endesa's business, results of operations, financial condition and cash flows.

In addition, Endesa makes investments to maintain and, where necessary, extend the technical life of its electricity power plants. The execution of these investments is dependent on market and regulatory conditions. If the necessary conditions enabling the viability of the plants do not exist, Endesa may have to cease production at the facility and, where appropriate, and begin the task of dismantling them. These closures would involve a reduction in installed capacity and output that support customer energy sales and, therefore, could adversely affect Endesa's business, results of operations, financial condition and cash flows.

For more information about the investments for the 2018 financial year, see Notes 5 (Business Combinations), 6 (Tangible Assets) and 8 (Intangible Assets) of the 2018 Consolidated Financial Statements.

For more information about the investment plan, see Note 6 (Outlook) of the Consolidated Management Report for the year ended December 31, 2018.

Risks Associated with the Countries in which Endesa Operates

Endesa's business may be affected by adverse economic and political conditions in Spain, Portugal, the Eurozone and elsewhere.

Adverse economic conditions could have a negative impact on energy demand and the ability of Endesa's consumers to meet their energy payment obligations. In times of economic recession, as experienced by Spain and Portugal in recent years, electricity demand usually falls off, adversely affecting the Endesa's results.

The economic conditions in Spain and Portugal in recent years have adversely affected electricity demand and, therefore Endesa's operating results. Endesa cannot predict how the economic cycle in Spain, Portugal and the Eurozone will evolve in the short term, nor can it predict whether economic conditions will worsen or deteriorate.

If the economic situation in Spain, Portugal or other Eurozone economies deteriorates, it could adversely affect energy consumption, which could have a material adverse effect on Endesa's business, financial condition, operating results and cash flows.

In addition, the financial conditions in the international markets represent a challenge for Endesa's economic situation due to the potential impact on its business of, on the one hand, levels of government debt, declining growth rates and possible downgrading of government bond ratings at the international level – and, in particular, in Eurozone countries – and, on the other hand, monetary expansion measures in the credit market. Changes in any of these factors could condition Endesa's access to capital markets and the conditions under which it obtains financing, which in turn could have a material adverse effect on its business, results of operations, financial condition and cash flows.

In addition to any economic problems which could arise at the international level, political uncertainty in Spain and internationally could adversely affect Endesa's financial condition and results of operations.

There can be no assurances that the international or Eurozone economic situation will not deteriorate, nor that an event of a political nature will not have a significant impact on the markets, thus affecting its economic situation. All of these factors could adversely affect Endesa's business, financial condition, operating results and cash flows.

Risks Associated with Endesa's Operations

Endesa's activities may be affected by operating risks and other significant risks.

In the course of Endesa's business activities, direct or indirect losses could arise from inadequate internal processes, technological failures, human error or certain external events, such as accidents at facilities, workplace conflicts and natural disasters. These risks and dangers could cause explosions, floods or other circumstances which could cause the total loss of the energy generation and distribution facilities; damages to or the deterioration or destruction of Endesa's facilities, or even environmental damages; delays in electricity generation and complete disruption of the activity; or could cause personal damages or deaths. The occurrence of any of these circumstances could adversely affect its business activities, results, financial position and cash flows.

The loss of key personnel or of Endesa's ability to attract, recruit, retain and develop qualified employees could materially and adversely affect its business, results of operations, financial condition and cash flows.

In order for Endesa to continue to maintain its position, it must attract, recruit, develop and retain the necessary personnel who can provide the needed expertise across the entire spectrum of Endesa's intellectual capital needs. Endesa's success depends upon the continued services of its senior management, directors and other key personnel, on whom Endesa relies and who have substantial experience in the electricity sector as well as reputations and influence within the industry based on years of having developed long-standing and favourable relationships. The qualified labour market is highly competitive and Endesa may not be able to successfully hire additional qualified staff or to replace outgoing staff with sufficiently qualified or effective employees.

Endesa's inability to retain or recruit essential personnel could have a material adverse effect on its business, results of operations, financial condition and cash flows.

For more information on workers, see Note 38 (Personnel) of the 2018 Consolidated Financial Statements.

For more information on the management of persons, see Note 11 (Human Resources) of the Consolidated Management Report for the year ended December 31, 2018.

Endesa's insurance, guaranty and warranty coverage may not be adequate or may not fully cover damages.

Endesa's business is exposed to the risks inherent to the markets in which it operates. Despite the fact that Endesa attempts to obtain adequate insurance cover in relation to the main risks associated with its business, including damages to Endesa itself, general civil liability, environmental and nuclear power plant liability, it is possible that insurance cover may not be available on the market under commercially reasonable terms. Likewise, the amounts for which Endesa is insured may not be sufficient to cover the incurred losses in their entirety.

In the event of a partial or total loss of Endesa's facilities or other assets, or a disruption to its activities, the funds Endesa receives from its insurance may not be sufficient to cover the complete repair or replacement of the assets or losses incurred. Furthermore, in the event of a total or partial loss of Endesa 's facilities or other assets, part of the equipment may not be easily replaced, given its high value or its specific nature, or may not be easily or immediately available.

Similarly, the cover of guarantees in relation to the aforementioned equipment or the limits to Endesa's ability to replace the equipment could disrupt or hinder its operations or significantly delay the course of its ordinary operations. If Endesa is unable to pass any increase in insurance premiums on to its customers, such additional costs could have an adverse effect on Endesa's business, results of operations, financial condition and cash flows.

Likewise, Endesa's insurance contracts are subject to regular review by its insurers. It is therefore possible that Endesa may be unable to maintain its insurance contracts under conditions similar to those currently in place in order to meet possible increases to premiums or to covers which become inaccessible. If Endesa is unable to transfer a possible premium increase to its customers, these additional costs may have an adverse effect on its business, results of operations, financial condition and cash flows.

Endesa is exposed to systems availability and cybersecurity risk.

Endesa manages its activities with information technology that uses the highest security and contingency standards according to the state of the art, to try and ensure operating efficiencies, as well as the continuity of the businesses, systems and processes which contribute to attaining its corporate objectives.

The business aggregates with regard to technical complexity, volume, granularity, functionality and varying situations handled by Endesa's systems make their uses essential and represent a strategic distinguishing element with respect to industry companies. Specifically, Endesa's main computer systems handle the following business processes:

- Sales systems: marketing processes, demand forecasts, profitability, sales, customer service, claim management, hiring and the basic revenue cycle (validation of meter reading, invoicing, collection management and debt processing).

- Technical distribution systems: processes for managing the grid, meter-reading management, handling of new supplies, network planning, field work management, management of meter-reading equipment with advanced remote management and energy management capabilities.

- Generation systems, energy management and renewables: fuel management processes, meter-reading management, trading risk management, etc.

- Economic and financial systems: economic management, accounting, financial consolidation and balance sheet processes of Endesa.

Additionally, Endesa is currently undergoing a process of digital transformation, which involves increasing its exposure to potential cyber-attacks that could jeopardise the security of its systems and customer data bases, affecting Endesa's profits and undermine its customers' trust.

Management of Endesa's business activity through these systems is key in order to perform its activity efficiently and achieve its corporate objectives. However, the existence of policies, processes, methodologies, tools and protocols based on international standards and duly audited, in addition to the development of a cybersecurity strategy supported by a management framework and aligned with international standards and government initiatives, does not mean that Endesa is exempt from technical incidents that could have a negative impact on the technical continuity of its business operation, the quality of its contractual relationships with customers, or its results, financial position and cash flows.

Financial Risks Related to Endesa's Business

Endesa is exposed to interest rate risk.

Endesa's borrowings at floating interest rates are mainly tied to Euribor.

At 31 December 2018, 59% of Endesa's gross financial debt accrued interest at fixed rates, while the remaining 41% accrued interest at floating rates. At said date, 100% of Endesa's gross financial debt was denominated in euros.

Changes in interest rates with respect to debt that is not hedged, or that is inadequately hedged, could have an adverse effect on Endesa's business, results of operations, financial condition and cash flows.

At 31 December 2018 the reference interest rate for the borrowings arranged by ENDESA is mainly Euribor. Considering effective cash flow hedges, 59% of debt is protected from interest rate risk at 31 December 2018. Considering fair value hedges, this percentage was 59% at 31 December 2018.

For more information, see Note 20.1 (Interest Rate Risk) of the 2018 Consolidated Financial Statements.

Endesa is exposed to foreign currency risk.

Endesa is exposed to foreign currency risk, mainly in relation to the payments it must make in international markets to acquire energy-related commodities, especially natural gas and international coal, where the prices of these commodities are usually denominated in US dollars.

Therefore, fluctuations in the foreign exchange rate could have an adverse effect on Endesa's business, results of operations, financial condition and cash flows.

At 31 December 2018, the impact of exchange-rate fluctuations of the euro against the US dollar (USD) on the consolidated income statement and consolidated statement of other comprehensive income, other variables remaining constant, is as follows:

- Consolidated income statement:

  Fair value of derivative instruments not designated as hedging instruments (Percentage variation 10%)

  - Euro depreciation: - 4 million
  - Euro appreciation: 3 million

- Consolidated statement of other comprehensive income:

  Fair value of derivative hedging instruments. Cash flow (Percentage variation 10%)

  - Euro depreciation: 171 million
  - Euro appreciation: -139 million

For more information on potential items affected by exchange rate risk, see Note 12 (Inventories), Note 26 (Procurements and Services) and Note 20.2 (Exchange Rate Risk) of the 2018 Consolidated Financial Statements.

Endesa is exposed to credit risk.

In its commercial and financial activities, Endesa is exposed to the risk that its counterparty may be unable to meet all or some of its obligations, both payment obligations arising from goods already delivered and services already rendered, as well as payment obligations related to expected cash flows, in accordance with the financial derivative contracts entered into, cash deposits or financial assets. In particular, Endesa assumes the risk that the consumer may not be able to fulfil its payment obligations for the supply of energy, including all transmission and distribution costs.

There can be no assurances that Endesa will not incur losses as a result of the non-payment of commercial or financial receivables and, therefore, the failure of one or various significant counterparties to fulfil their obligations could adversely affect its business, results of operations, financial condition and cash flows.

At 31 December 2018, past due debt to third parties totals €751 million, which represents 15.4 equivalent invoicing days. For more information, see Note 20.5 (Credit Risk) of the 2018 Consolidated Financial Statements.

Endesa's business depends on its ability to obtain the funds necessary to refinance its debt and finance its capital expenses.

Endesa is confident that it will be able to generate funds internally (self-financing), access bank financing through long-term credit facilities, access short-term capital markets as a source of liquidity and access the long-term debt market in order to finance its organic growth programme and other capital requirements, including its commitments arising from the on-going maintenance of its current facilities. Furthermore, Endesa occasionally needs to refinance its existing debt. This debt includes long-term credit facilities, obtained from both banks as well as companies of the ENEL Group, and financial investments.

If Endesa is unable to access capital under reasonable conditions, refinance its debt, settle its capital expenses and implement its strategy, it could be adversely affected. Instability in the capital markets, a possible reduction in Endesa's creditworthiness or possible restrictions on financing conditions imposed on the credit facilities in the event financial ratios deteriorate, could increase Endesa's finance costs or adversely affect its ability to access the capital markets.

A lack of financing could force Endesa to dispose of or sell its assets to offset the liquidity shortfall in order to pay the amounts owed and this sale could occur under circumstances which prevent Endesa from obtaining the best price for those assets. If Endesa is unable to access financing under acceptable conditions, this could have a material adverse effect on its business, results of operations, financial condition and cash flows.

The conditions under which Endesa accesses the capital markets or other means of financing, whether within Endesa or on the credit market, are highly dependent upon the credit rating of the ENEL Group, of which Endesa is part. Endesa's capacity to access the markets and financing could therefore be adversely affected, in part, by the credit and financial position of ENEL, to the extent that it could determine the availability of intercompany financing for Endesa or the conditions under which Endesa accesses the capital markets.

In this connection, the deterioration of ENEL's credit rating and, consequently, that of Endesa, could limit Endesa's ability to access the capital markets or any other means of financing (or refinancing) from third parties or increase the cost of these transactions which could adversely affect Endesa's business, results of operations, financial condition and cash flows.

As of 31 December 2018, Endesa had gross financial debt of €6.021 million, non-current interest-bearing loans and borrowing, €4.975 million, and current interest-bearing loans and borrowings, €1.046 million.

For more information on financial debt, see Notes 18 (Financial Debt) of the 2018 Consolidated Financial Statements.

For more information on financial management, capital management and rating management, see Note 4 (Liquidity and Capital Resources) of the Consolidated Management Report for the year ended December 31, 2018.

Risks Related to Taxation

Technical tax risk.

The tax authorities may demand more contributions from the taxpayer than expected in relation to tax returns or returns not presented, or in addition to the returns presented or unpaid tax, due to different interpretations of laws or regulations or new regulations that may be introduced retroactively, in connection with tax payable, late-interest penalties, fines or any other item entailing tax debt. This risk is associated both with compliance with current regulations and changes in their interpretation.

Any change to applicable tax legislation or to its interpretation could affect Endesa's tax obligations, entailing fines, extra costs or increases in its obligations, which could adversely affect its business activities, outlook, results of operations, financial condition and cash flows.

For more information about fiscal years open to inspection, see Notes 3n (Corporate Tax) and 17.3 (Litigation and Arbitration) of the 2018 Consolidated Financial Statements.

Reputational risk arising from tax matters.

The perception, assessment or opinion of Endesa by its customers, stakeholders, the wider public, the media and others could be seriously affected due to Endesa's own actions, or due to events that are wrongly or unfairly attributed to it, or due to events of similar nature that affect the entire sector and are projected on Endesa in a more pointed or damaging fashion.

Endesa could be held liable for income tax and value added tax (VAT) charges corresponding to the tax group of which it forms part or has formed part.

Since 2010, Endesa has filed consolidated tax returns for income tax purposes, as part of consolidated tax group no. 572/10, the Parent of which is ENEL, S.p.A. and ENEL Iberia, S.L.U. being the representative entity in Spain. Likewise, since January 2010, Endesa has formed part of the Spanish consolidated VAT group no. 45/10, the Parent of which is ENEL Iberia, S.L.U. Until 2009, Endesa filed consolidated tax returns as the Parent under group no. 42/1998 for income tax and under group no. 145/08 for VAT.

Also, ENEL Green Power España, S.L.U. (EGPE), a wholly-owned Endesa subsidiary, has been fully consolidated between 2010 and 2016 as part of the Group number 574/10 of which ENEL Green Power España, S.L.U. (EGPE) was the Parent. From 1 January 2017, ENEL Green Power España, S.L.U. (EGPE) paid taxes as part of tax group number 572/10 of which ENEL, S.p.A. is the Parent and ENEL Iberia, S.L.U. is the representative in Spain.

In accordance with the regime for filing consolidated tax returns for purposes of income tax and VAT for company groups, all of the Group companies that file consolidated tax returns are jointly responsible for paying the Group's tax charge. This includes certain sanctions arising from failure to comply with specific obligations imposed under the VAT regime for company groups.

As a result of this, Endesa is jointly responsible for paying the tax charge of the other members of the consolidated tax Groups to which it belongs or has belonged for all tax periods still open for review. ENEL Green Power España, S.L.U. (EGPE) is also responsible for this with respect to the other members of the tax consolidation Group of which it has formed part.

Even though Endesa or, where applicable, ENEL Green Power España, S.L.U. (EGPE), has the right to recourse against the other members of the corresponding consolidated tax group, it could be held jointly liable if any outstanding tax charge were to arise which had not been duly settled by another member of the consolidated tax Groups of which Endesa or, where applicable, ENEL Green Power España, S.L.U. (EGPE), forms or has formed part. Any material tax liability could adversely affect Endesa's business activities, results, financial position and cash flows.

For more information about fiscal years open to inspection, see Notes 3n (Corporate Tax) and 17.3 (Litigation and Arbitration) of the 2018 Consolidated Financial Statements.

Other Risks

The ENEL Group controls the majority of Endesa's share capital and voting rights and the interests of the ENEL Group could conflict with those of Endesa.

At 31 December 2018, the ENEL Group, through ENEL Iberia, S.L.U., held 70.101% of Endesa's share capital and voting rights, enabling it to appoint the majority of Endesa's Board members and, therefore, to control management of the business and its management policies.

In addition, certain of the relationships that Endesa currently maintains with its principal international suppliers and providers in the sector are, and will continue to be, managed by ENEL, S.p.A.

The ENEL Group's interests may differ from the interests of Endesa or those of its shareholders. Furthermore, both the ENEL Group and Endesa compete in the European electricity market. It not possible to ensure that the interests of the ENEL Group will coincide with the interests of Endesa's other shareholders or that the ENEL Group will act in support of Endesa's interests.

For more information on balances and transactions with related parties see Note 35.1 (Expenses and Revenue and other Transactions) of the 2018 Consolidated Financial Statements.

Endesa is party to legal and arbitration proceedings.

Endesa is party to various ongoing legal proceedings related to its business activities, including tax, regulatory and antitrust disputes. It is also subject to ongoing or possible tax audits. In general, Endesa is exposed to third-party claims from all jurisdictions (criminal, civil, commercial, labour and economic-administrative) and in national and international arbitration proceedings.

Although Endesa considers that the appropriate provisions have been made for any legal contingencies, it has not made provisions for all amounts claimed in each and every one of the proceedings. In particular, it has not made provisions in cases in which it is impossible to quantify the possible negative outcome nor in cases in which Endesa considers such negative outcome unlikely. No guarantee can be made that Endesa has allocated adequate provisions for contingencies, that it will be successful in the proceedings in which it expects a positive outcome, or that an unfavourable decision will not adversely affect Endesa's business, results of operations, financial condition and cash flows. Furthermore, Endesa cannot ensure that it will not be the object of new legal proceedings in the future which, if the outcome were unfavourable, would not have an adverse effect on its business, results of operations, financial condition or cash flows.

For more information on the main litigation and arbitration involving Endesa's companies, see Note 17.3 (Litigation and Arbitration) of the 2018 Consolidated Financial Statements.

Endesa is exposed to image and reputation impairment risk.

Endesa is exposed to the opinion and perception projected to different stakeholders. This perception could deteriorate as a result of events produced by Endesa or third parties over which it has little or no control. Should this occur, this could lead to economic detriment for Endesa due, among other factors, to increased requirements on the part of regulators, higher borrowing costs or increased efforts to attract customers.

Although Endesa actively works to identify and monitor potential reputational events and stakeholders affected, and transparency forms part of its communications policy, there is no guarantee that it will not have its image or reputation impaired which, since the outcome would be unfavourable, will have an adverse effect on its business, operating results, financial position or cash flows.

Endesa is exposed to sustainability risks.

Sustainability issues are now much more relevant, and in the years ahead they could increasingly affect some of the risks faced by Endesa. Among these emerging global trends, the following factors have been identified as those which could affect Endesa most: loss of biodiversity, terrorism, water stress, cybersecurity, inequality and social instability, involuntary large-scale immigration, extreme climate events and environmental disasters and climate change.

Risks relating to the Notes

Risks relating to the Insolvency Law.

Under Law 22/2003 (*Ley Concursal*) dated 9 July 2003 ("**Law 22/2003**" or the "**Insolvency Law**") (as this Law has been amended from time to time), the claims of creditors are classified as credits against the estate (*créditos contra la masa*), general and special privileged credits (*créditos privilegiados generales y especiales*), ordinary credits (*créditos ordinarios*) or subordinated credits (*créditos subordinados*).

On insolvency of an entity under the Insolvency Law, ordinary creditors rank ahead of subordinated creditors but behind privileged creditors and creditors with claims against the estate.

It is intended that claims against the Issuer under the Notes respectively will be classified as ordinary credits. However, certain actions or circumstances that are beyond the control of the Issuer may result in these claims being classified as subordinated credits.

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency, (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency will not be enforceable, and (iii) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may be written down not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of an out-of-court restructuring agreement (*acuerdo de refinanciación pre-concursal*) without insolvency proceedings having been previously opened (e.g., refinancing agreements which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and unless (ii) some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes).

The majorities legal regime envisaged for these purposes also hinges on (i) the type of the specific restructuring measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.) as well as (ii) on the part of claims to be written-down (i.e. secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law).

In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall be always subject to the measures contained therein, if passed. Additionally, liabilities from those creditors considered specially related persons for the purpose of Article 93.2 of the Insolvency Law would not be taken into account for the purposes of calculating the majorities required for the out-of-court restructuring agreement (*acuerdo de refinanciación pre- concursal*).

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer.

In any winding up of the Issuer, Noteholders may not be entitled to receive the currency of issue of the Notes.

Should Noteholders be entitled to any amount with respect to the Notes in any winding-up of the Issuer, Noteholders might not be entitled in those proceedings to a recovery in the currency of issue of the Notes and might be entitled only to a recovery in euro or any other lawful currency of Spain or such other jurisdiction in which the Issuer may then be incorporated.

The Issue Price may be greater than the market value of the Notes.

The Issue Price specified in the relevant Complementary Certifications may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

Negative return risk.

The Issuer may issue Notes at a premium to par, and therefore above the redemption amount of each Note at maturity. In this situation, the investor will obtain a negative return on its investment.

Notes have a market risk.

A holder of a security with a fixed price is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market and can therefore lead to losses for the Noteholders if they sell the Notes.

Risks in Relation to Spanish Taxation

Under Spanish Law 10/2014, of 26 June and Royal Decree 1065/2007, as amended, income payments in respect of the Notes will be made without withholding tax in Spain provided that the Issuer provides, pursuant to Spanish law, certain information at the relevant time in the Spanish language regarding the Notes to the Spanish tax authorities. The Issuer and the Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. The Issuer will withhold Spanish withholding tax from any payment in respect of any outstanding principal amount of the Notes (as applicable) as to which the required information has not been provided at the relevant time and will not gross up payments in respect of any such withholding tax. The procedures may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more new clearing systems. None of the Issuer, the Dealers or the Paying Agent assumes any responsibility therefor.

According to article 44.4 of the regulations approved by Royal Decree 1065/2007, income derived from securities (i) regarded as listed debt securities issued under Law 10/2014; (ii) originally registered with a clearing and settlement entity resident in Spain (such as Iberclear), and (iii) paid by the Issuer:

For the benefit of a Noteholder which is a non-Spanish tax resident investor or a Spanish Corporate Income Tax payer, **will not be subject to Spanish withholding tax** provided that the Iberclear Members that have their Notes registered in their securities account on behalf of third parties, as well as the entities that manage the clearing systems outside Spain that have an agreement with Iberclear, if applicable, and **provided that** the Issuer receives in a timely manner a duly executed and completed statement including the following information:

- Identification of the Notes;
- Total amount of the income paid by the Issuer in respect of the Notes;
- Amount of the income corresponding to individual residents in Spain that are Personal Income Tax Payers, and
- Amount of the income that must be paid on a gross basis.

Notwithstanding the above, in the case of Notes held by Spanish resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax) and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the current rate of 19%.

If the Spanish tax authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to

Corporate Income Tax), the Issuer will be bound by that opinion and, with immediate effect, will make the appropriate withholding and the Issuer will not, as a result, pay additional amounts.

Change of law.

The Terms and Conditions of the Notes are subject to English law, except for the status of the Notes and the provisions relating to the form of the Notes, which are subject to Spanish law, as in effect as at the date of this Base Prospectus. Changes in European, English or Spanish laws or their official interpretation by regulatory authorities after the date hereof may affect the rights and effective remedies of Noteholders as well as the market value of the Notes. Such changes in law or official interpretation of such laws may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes. No assurance can be given as to the impact of any possible judicial decision or change to such laws or official interpretation of such laws or administrative practices after the date of this Base Prospectus.

Such legislative and regulatory uncertainty could affect an investor's ability to value the Notes accurately and therefore affect the market price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes.

The proposed Spanish financial transactions tax.

On 19 October 2018, the Spanish Council of Ministers approved a draft bill (the "**Draft Bill**") for the implementation of a Spanish financial transactions tax (the "**Spanish FTT**").

According to the Draft Bill, a Spanish FTT, at a rate of 0.2%, would apply to certain acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. While, as currently drafted, the Spanish FTT would not apply in relation to an issue of Notes under the Programme, there can be no assurance that any such Spanish FTT would not apply to an issue of Notes in the future.

The Draft Bill is currently subject to a public consultation (*trámite de información pública*), during which interested parties can provide comments before the Draft Bill is sent to parliament for debate and approval. As a result, some of the proposed measures could be substantially modified (or even abandoned) during the legislative process. Prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.

Payments on the Notes may be subject to U.S. withholding tax under FATCA in certain circumstances.

The United States has enacted rules, commonly referred to as "**FATCA**", that generally impose a reporting and withholding regime with respect to certain payments and securities. The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with Spain (the "**IGA**"). Under the IGA, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Notes with a final maturity of 183 days or less generally will not be subject to FATCA withholding. Similarly, Notes issued before the six-month anniversary after final regulations that define the term "foreign passthru payment" are filed with the U.S. Federal Register generally will not be subject to FATCA. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA.

There is no active trading market for the Notes.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made to Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) for the Notes to be admitted to listing on the AIAF, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Clearing and settlement of the Notes.

The Notes will be registered with Iberclear. Consequently, no global or definitive bearer notes or global registered or individual registered note certificates have been or will be issued in respect of the Notes. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be performed within Iberclear's account-based system. The investors are therefore dependent on the functionality of Iberclear's account-based system.

Title to the Notes will be evidenced by book-entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the "**Iberclear Members**") as being the holder of the Notes will be considered the holder of the principal amount of the Notes recorded therein.

The Issuer will discharge its payment obligation under the Notes by making payments through Iberclear. Noteholders must rely on the procedures of Iberclear and its participants to receive payments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holders of the Notes according to book-entries and registries as described in the previous paragraph.

Exchange rate fluctuations may affect the value of the Notes.

If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the unit of currency in which principal and interest on the Notes is paid (the "**Payment Currency**"), this could present certain risk relating to currency conversions. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Payment Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Payment Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. Any of the foregoing events could adversely affect the price of the Notes.

II REGISTRATION DOCUMENT (ANNEX IX TO COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004)

1. PERSONS RESPONSIBLE

Mr Luca Passa, holding Spanish Identity Document (*N.I.E.*) number Y-6288471-D, in his capacity as chief financial officer of Endesa, S.A. ("**Endesa**", the "**Issuer**" or the "**Company**", and together with the companies that are part of its corporate group for commercial regulations purposes the "**Group**"), and acting on behalf of the Company by virtue of the power of attorney granted by the Board of Directors of Endesa on its meeting of 11 March 2019, accepts responsibility for the content of this registration document which conforms to the content set out in Annex IX of Regulation 809/2004 (the "**Registration Document**").

Mr Luca Passa declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. STATUTORY AUDITORS*Names and addresses of the Issuer's auditors.*

Ernst & Young, S.L., Raimundo Fernández Villaverde 65 - Torre Azca, 28003, Madrid, Spain, holder of tax identification number B-78970506 and registered with the Official Registry of Accounting Auditors (ROAC) under the number S0530 and in the Commercial Registry of Madrid under Volume 9,364, page 68 and sheet M-87,690-1, independent auditors.

2.2 *If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.*

Not Applicable.

3. RISK FACTORS

Please refer to the Risk Factors.

4. INFORMATION ABOUT THE ISSUER

4.1 *History and development of the Issuer:*

4.1.1 *The legal and commercial name of the issuer;*

The legal name of the Issuer is Endesa, S.A. and its commercial name is Endesa.

Endesa was established in 1944 with the name of Empresa Nacional de Electricidad, S.A. On 25 June 1997, the General Shareholders' Meeting changed its name to the current one, Endesa, S.A.

4.1.2 *The place of registration of the issuer and its registration number;*

The Issuer is registered in the Madrid Commercial Registry, Volume 323, Page 1, Sheet 6405.

4.1.3 *The date of incorporation and the length of life of the issuer, except where indefinite;*

Endesa was established in 1944 by way of public deed granted before the notary public of Madrid Mr. Rafael López de Haro y Moya.

4.1.4 *The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office;*

Endesa has its domicile and main offices in Madrid, Calle Ribera del Loira 60 with phone number (+34) 91 213 10 00 and their Tax Identification Number is A-28023430.

The legal form of the company is a public limited company (*sociedad anónima*) and its activity is subject to Spanish legislation.

The Legal Entity Identifier (LEI) code of the Issuer is 549300LHK07F2CHV4X31.

4.1.5 *Any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.*

Not Applicable.

5. BUSINESS OVERVIEW

5.1 *Principal activities:*

5.1.1 *A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;*

Endesa's purpose is the electricity business in all its various industrial and commercial areas, the exploitation of all types of primary energy resources, the provision of industrial services or services relating to its main area of business, particularly the gas business, and those preliminary or supplementary to the corporate purpose and management of the corporate Group, comprising investments in other companies. The Company carries out its corporate objects in Spain and abroad directly or through its investments in other companies.

Endesa's business purpose is mainly categorised in section E, division 40, subclass 40.10 of the Spanish Business Classification Index (CNAE).

Endesa generates, distributes and sells electricity mainly in Spain and Portugal and, to a lesser extent, supplies electricity and gas to other European markets, in particular Germany, France and the Netherlands, from its platform in Spain and Portugal.

The organisation is divided into generation, supply and distribution activities, each of which includes electricity and, in certain cases, gas activities and other products and services.

Endesa's electricity generation and supply businesses are managed jointly, in order to optimise its position as compared to managing these activities separately.

The markets in which Endesa carries out its activities are described as follows:

Market in Spain

- **Generation of electricity**: Endesa carries out its electricity generation activities in the mainland system and in Non-mainland Territories (TNP), which include the Balearic and Canary Islands and the self-governing cities of Ceuta and Melilla.

    - Conventional mainland electricity generation is a deregulated activity, although there is specific remuneration for generation from renewable energies.

    - Further, conventional generation in Non-mainland Territories (TNP) is subject to specific regulations which address the particular nature of their geographical location, and their remuneration is regulated. For generation from renewable energies in Non-mainland Territories (TNP) an incentive is established for investment when generation costs are reduced.

- **Supply of electricity, gas and other products and services**: This activity consists of supplying energy on the market and the sale of other products and services to customers. The supply of energy is a deregulated activity.

- **Electricity distribution:** The purpose of the electricity distribution activity is to distribute electricity to the consumption points. Electricity distribution is a regulated activity.

Market in Portugal

- **Generation of electricity**: Electricity generation in Portugal is carried out in a competitive environment.

- **Supply of electricity and gas**: This activity is deregulated in Portugal.

The tables below show the segment information contained in the income statement and statement of financial position in the 2018 Consolidated Financial Statements:

	2018				
	Generation and Supply [1]	Distribution[2]	Structure[3]	Consolidated Adjustments and Eliminations	Total
			Millions of euros		
INCOME	**17,621**	**2,784**	**614**	**(824)**	**20,195**
Revenue...	17,203	2,509	596	(753)	19,555
Other operating income..	418	275	18	(71)	640
PROCUREMENTS AND SERVICES..................	**(14,464)**	**(201)**	**(81)**	**179**	**(14,567)**
Power Purchased	(4,781)	(3)	-	-	(4,784)
Fuel Consumption	(2,269)	-	-	-	(2,269)
Transport Costs	(5,457)	(6)	-	-	(5,463)
Other Variable Procurements and Services.........	(1,957)	(192)	(81)	179	(2,051)
CONTRIBUTION MARGIN................................	**3,157**	**2,583**	**533**	**(645)**	**5,628**
Self-constructed Assets..	83	167	20	-	270
Personnel expenses	(520)	(263)	(180)	16	(947)
Other fixed operating expenses................................	(1,103)	(428)	(419)	626	(1,324)
GROSS OPERATING PROFIT	**1,617**	**2,059**	**(46)**	**(3)**	**3,627**
Depreciation and impairment losses..........................	**(1,029)**	**(630)**	**(49)**	**-**	**(1,708)**
PROFIT FROM OPERATIONS	**588**	**1,429**	**(95)**	**(3)**	**1,919**
NET FINANCIAL PROFIT/(LOSS)	(150)	(75)	86	-	(139)
Financial income	27	7	422	(420)	36
Financial expense	(173)	(82)	(338)	420	(173)
Net Exchange Differences	(4)	-	2	-	(2)
Net Profit/(Loss) of Companies Accounted for using the Equity Method	29	4	2	-	35
Gains/(Losses) from Other Investments	-	-	1,666	(1,666)	-
Gains/(losses) on disposal of assets	1	5	(3)	-	3
PROFIT/(LOSS) BEFORE TAX	**468**	**1,363**	**1,656**	**(1,669)**	**1,818**
Income Tax Expense..	(64)	(316)	(13)	1	(392)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**404**	**1,047**	**1,643**	**(1,668)**	**1,426**
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS...........	**-**	**-**	**-**	**-**	**-**
PROFIT FOR THE YEAR	**404**	**1,047**	**1,643**	**(1,668)**	**1,426**
Parent Company	396	1,046	1,643	(1,668)	1,417
Non-controlling interests	8	1	-	-	9

(1) Includes provisions for impairment of property, plant and equipment (€153 million), goodwill (€1 million), commercial insolvencies (€80 million) and other financial assets (€1 million).
(2) Includes the reversal for impairment of intangible assets (€6 million).
(3) Includes €1 million for net impairment losses from commercial insolvencies.

	31 December 2018				
	Generation and Supply	Distribution	Structure	Consolidated Adjustments and Eliminations	Total
			Millions of euros		
ASSETS					
Non-current assets	**13,235**	**13,349**	**29,981**	**(30,564)**	**26,001**
Property, plant and equipment	9,856	11,916	68	-	21,840
Investment property...	-	56	6	-	62
Intangible assets	991	223	141	-	1,355
Goodwill	378	97	4	-	479
Investments Accounted for using the Equity Method	229	18	2	-	249
Non-current Financial Assets.................................	1,093	718	29,623	(30,576)	858
Deferred Tax Assets	688	321	137	12	1,158
Current assets	**5,083**	**1,106**	**2,910**	**(3,444)**	**5,655**
Inventories...	1,348	125	-	-	1,473
Trade and Other Receivables.................................	2,622	671	1,941	(2,279)	2,955
Current Financial Assets..	889	304	955	(1,165)	983
Cash and cash equivalents	224	6	14	-	244
Non-current Assets Held for Sale and Discontinued Operations	-	-	-	-	-
TOTAL ASSETS	**18,318**	**14,455**	**32,891**	**(34,008)**	**31,656**
EQUITY AND LIABILITIES...................................					
Equity	**7,194**	**3,472**	**17,388**	**(18,873)**	**9,181**
Of the Parent	7,057	3,465	17,388	(18,873)	9,037
Of the non-controlling interests	137	7	-	-	144
Non-Current liabilities...	**6,079**	**8,522**	**12,111**	**(11,931)**	**14,781**
Deferred income	44	4,562	-	(19)	4,587
Non-current provisions..	1,995	954	323	53	3,325
Non-current financial debt.....................................	3,022	2,197	11,707	(11,951)	4,975
Other Non-current Liabilities.................................	281	474	19	(17)	757
Deferred Tax Liabilities...	737	335	62	3	1,137
Current liabilities...	**5,045**	**2,461**	**3,392**	**(3,204)**	**7,694**
Current Interest-Bearing Loans and Borrowings.....	59	4	1,916	(933)	1,046
Current Provisions...	444	65	62	-	571
Trade Payables and Other Current Liabilities	4,542	2,392	1,414	(2,271)	6,077
Liabilities Associated with Non-current Assets Classified as held for Sale and Discontinued Operations	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	**18,318**	**14,455**	**32,891**	**(34,008)**	**31,656**

The information contained in the column entitled "**Structure**" includes the balances and transactions of holding companies and financing and service provision companies.

The tables below show the segment information contained in the income statement and statement of financial position in the 2017 Consolidated Financial Statements:

	2017				
	Generation and Supply (1)	**Distribution**(2)	**Structure**	**Consolidated Adjustments and Eliminations**	**Total**
			Millions of euros		
INCOME	**17,509**	**2,750**	**560**	**(762)**	**20,057**
Revenue	17,223	2,492	541	(700)	19,556
Other operating income	286	258	19	(62)	501
PROCUREMENTS AND SERVICES	**(14,725)**	**(160)**	**146**	**170**	**(14,569)**
Power Purchased	(4,933)	-	-	-	(4,933)
Fuel Consumption	(2,294)	-	-	-	(2,294)
Transport Costs	(5,652)	-	-	-	(5,652)
Other Variable Procurements and Services	(1,846)	(160)	146	170	(1,690)
CONTRIBUTION MARGIN	**2,784**	**2,590**	**706**	**(592)**	**5,488**
Self-constructed Assets	42	156	24	-	222
Personnel expenses	(478)	(267)	(192)	20	(917)
Other fixed operating expenses	(998)	(429)	(393)	569	(1,251)
GROSS OPERATING PROFIT	**1,350**	**2,050**	**145**	**(3)**	**3,542**
Depreciation and impairment losses	(862)	(597)	(52)	-	(1,511)
PROFIT FROM OPERATIONS	**488**	**1,453**	**93**	**(3)**	**2,031**
NET FINANCIAL PROFIT/(LOSS)	**(132)**	**(96)**	**105**	**-**	**(123)**
Financial income	43	6	421	(419)	51
Financial expense	(180)	(102)	(315)	419	(178)
Net Exchange Differences	5	-	(1)	-	4
Net Profit/(Loss) of Companies Accounted for using the Equity Method	(18)	3	-	-	(15)
Gains/(Losses) from Other Investments	-	-	1,502	(1,502)	-
Gains/(losses) on disposal of assets	(24)	19	17	(5)	7
PROFIT/(LOSS) BEFORE TAX	**314**	**1,379**	**1,717**	**(1,510)**	**1,900**
Income Tax Expense	(41)	(331)	(56)	1	(427)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**273**	**1,048**	**1,661**	**(1,509)**	**1,473**
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**
PROFIT FOR THE YEAR	**273**	**1,048**	**1,661**	**(1,509)**	**1,473**
Parent Company	263	1,048	1,661	(1,509)	1,463
Non-controlling interests	10	-	-	-	10

(1) Includes provisions for impairment of property, plant and equipment (€1 million) and commercial insolvencies (€160 million).
(2) Includes reversals for impairment of property, plant and equipment (€14 million) and intangible assets (€8 million) and impairment allowance for commercial insolvencies (€22 million).

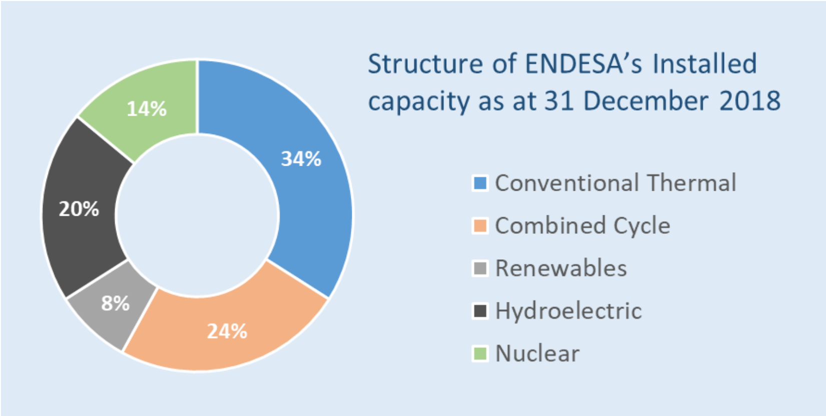
	31 December 2017				
	Generation and Supply	Distribution	Structure	Consolidated Adjustments and Eliminations	Total
			Millions of euros		
ASSETS					
Non-current assets	**12,936**	**13,149**	**25,134**	**(25,712)**	**25,507**
Property, plant and equipment	9,779	11,881	68	(1)	21,727
Investment property	-	2	7	-	9
Intangible assets	864	181	151	-	1,196
Goodwill	379	76	4	-	459
Investments Accounted for using the Equity Method	186	19	-	-	205
Non-current Financial Assets	1,078	665	24,759	(25,733)	769
Deferred Tax Assets	650	325	145	22	1,142
Current assets	**4,387**	**1,319**	**1,977**	**(2,153)**	**5,530**
Inventories	1,191	76	-	-	1,267
Trade and Other Receivables	2,647	956	478	(981)	3,100
Current Financial Assets	366	281	1,289	(1,172)	764
Cash and cash equivalents	183	6	210	-	399
Non-current Assets Held for Sale and Discontinued Operations	-	-	-	-	-
TOTAL ASSETS	**17,323**	**14,468**	**27,111**	**(27,865)**	**31,037**
EQUITY AND LIABILITIES					
Equity	**4,350**	**2,328**	**17,367**	**(14,812)**	**9,233**
Of the Parent	4,218	2,323	17,367	(14,812)	9,096
Of the non-controlling interests	132	5	-	-	137
Non-Current liabilities	**8,526**	**10,076**	**6,572**	**(10,905)**	**14,269**
Deferred income	50	4,704	-	(24)	4,730
Non-current provisions	1,889	1,020	369	104	3,382
Non-current financial debt	5,694	3,564	6,133	(10,977)	4,414
Other Non-current Liabilities	193	450	13	(10)	646
Deferred Tax Liabilities	700	338	57	2	1,097
Current liabilities	**4,447**	**2,064**	**3,172**	**(2,148)**	**7,535**
Current Interest-Bearing Loans and Borrowings	319	4	1,823	(1,168)	978
Current Provisions	309	60	55	1	425
Trade Payables and Other Current Liabilities	3,819	2,000	1,294	(981)	6,132
Liabilities Associated with Non-current Assets Classified as held for Sale and Discontinued Operations	12,936	13,149	25,134	(25,712)	25,507
TOTAL EQUITY AND LIABILITIES	**17,323**	**14,468**	**27,111**	**(27,865)**	**31,037**

GENERATION AND SUPPLY BUSINESS

GENERATION BUSINESS

Endesa operates its electricity generation activity in the mainland electricity system and in the non-mainland systems, which include the Balearic and Canary island territories and the self-governing cities of Ceuta and Melilla. As at 31 December 2018, total installed gross capacity amounted to 23,766 MW. Of that amount, 18,696 MW were in the mainland electricity system, and 5,070 MW in the non-mainland systems. These figures include 6,528 MW in renewable and hydroelectric energy in the peninsular electricity system and 40 MW in the non-mainland electrical systems.

The following diagram shows the structure of Endesa's installed capacity as at 31 December 2018.



During 2018, electricity demand in mainland Spain experienced an increase of 0.3% compared with the previous year (corrected for working days and temperature effect). Electricity demand has progressively increased over the last three years (Source: Red Eléctrica de España, S.A. ("**REE**")).

Coverage of the demand highlights the increase in hydroelectric generation, which replaces production from coal and combined cycles. Among the technologies that have contributed most to covering the mainland demand is nuclear production, which contributes 21% of the generation, followed by wind power, with 19%. It should be noted that 4% of the demand has been covered by energy imported from other countries (Source: REE).

In this context, Endesa's generation capacity amounted to a total production of 74,193 GWh in 2018, 5.7% less than the amount recorded in the previous year. Of this amount, 57,623 GWh corresponded to generation in the ordinary system in the mainland electricity system, 7.3% less than in 2017, and 12,737 GWh corresponded to generation under the ordinary system in non-mainland electricity systems, representing a decrease of 2.3%. In addition, renewable energy production of 3,833 GWh was recorded, 11.4% more than in 2017.

With respect to production from conventional sources, the higher contribution from hydroelectric production for the year ended 31 December 2018 compared with 2017 (an increase of 66.6%) is worth noting. On the other hand, there was lower production using Domestic Coal (a reduction of 36.5%) and Combined Cycles (a reduction of 37.1%). Production using Imported Coal, however, was slightly higher than in the previous year (an increase of 3.3%).

Endesa's electricity production in power plant busbars (GWh)

	For the year ended 31 December			
	2018	2017	% change	% of Total
Hydroelectric	8,339	5,004	66.6%	11.2%
Nuclear	24,067	26,448	-9.0%	32.4%
Domestic Coal	4,973	7,835	-36.5%	6.7%
Imported Coal	14,951	14,468	3.3%	20.2%
Combined cycles	5,293	8,409	-37.1%	7.1%
Total mainland	**57,623**	**62,164**	**-7.3%**	**77.7%**
Non-mainland Electric Systems (SENP)	12,737	13,043	-2.3%	17.2%
Renewables and Cogeneration	3,833	3,441	11.4%	5.2%
Total	**74,193**	**78,648**	**-5.7%**	**100.0%**

Renewable energy generation

At 31 December 2018, Endesa had 6,568 MW gross of installed renewable power, of which 4,753 MW corresponded to large hydroelectric, 51 MW to small hydroelectric, 1,750 MW to wind power, 13 MW to photovoltaic and 0.5 MW to biogas plants.

For the year ended 31 December 2018, Endesa generated 12,172 GWh from renewable energy sources. Of that figure, 8,339 GWh corresponded to large hydroelectric, 120 GWh to small hydroelectric, 3,688 GWh to wind power, 24 GWh to photovoltaic and 1 GWh to biogas plants.

Wind farm constructions. May 2017 Auction

On 16 May 2017, Endesa's renewable energies branch, Enel Green Power España, was awarded a total of 540 MW of power for the installation of new wind power production farms. This new capacity was assigned after bidding on 3,000 MW of renewable energy which the Spanish government launched to achieve the objective of covering 20% of the country's energy consumption with renewable energy in 2020.

These wind power projects are located in the regions of Aragon, Andalusia, Castilla y Leon and Galicia, Autonomous Communities that already have wind power resources. When they begin operation, the wind facilities are expected to generate approximately 1,750 GWh per year and avoid the discharge of approximately 1,050,000 tons of CO_2 emissions into the atmosphere.

The construction of most of the wind farms began in 2018, in order to reach the authorised capacity of 540 MW. Specifically, 18 projects were selected from the portfolio of projects that were submitted to the auction. At the end of 2018, construction agreements were signed and construction work was begun on 11 parks, with a total authorised capacity of 370 MW. The construction work on the remaining parks is expected to begin during the first months of 2019, once all the necessary administrative authorisations have been obtained.

Photovoltaic plant construction. June 2017 Auction

On 26 July 2017, Operador del Mercado Ibérico de Energía - Polo Español ("**OMIE**") held a second auction that had the objective of reaching 3,000 MW of new capacity in renewable energies. Endesa, through its renewable energies branch, Enel Green Power España, would be awarded 339 MW of photovoltaic solar capacity in Spain. This awarded solar capacity is in addition to the 540 MW of wind power that was awarded in May 2017.

During 2018, the construction of all the solar plants began in order to reach the authorised capacity of 339 MW. Specifically, 7 projects were selected from the portfolio of projects that were submitted to the auction. At the end of 2018, construction agreements were signed and construction work started on 7 plants, with a total authorised capacity of 338.4 MW.

These solar plant projects are located in the regions of Murcia and Badajoz. When they become operational, they are expected to generate approximately 640 GWh per year and are expected to avoid the discharge of approximately 348,000 tons of CO_2 emissions into the atmosphere.

In total, Endesa intends to invest approximately €820 million in the construction of wind and solar power that was awarded to it in the 2017 auctions. This new capacity is expected to become operational during 2019.

Acquisition of Gestinver S.L. in 2018

On April 2018, Enel Green Power España S.L.U acquired 100% of the capital of the company Parques Eólicos Gestinver S.L., a company that owns five wind farms with a combined capacity of 131.5 MW, distributed over 5 facilities in Galicia and Catalonia. Since then, these assets have been consolidated under Enel Green Power España, S.L.U. and generated 176 GWh until 31 December 2018.

Expansion of the portfolio in 2018

In addition, in 2018, work was also carried out to increase the "pipeline" of wind and solar projects, as well as the progress and development of those currently in the portfolio, which are projects that are expected to be completed over the coming years as new capacity. This ensures the continuous growth of renewable capacity in the future and increases the possibility of concluding commercial agreements in the sale of renewable energy.

Conventional generation

As at 31 December 2018, Endesa had 17,198 MW of conventional gross power installed, of which 3,443 MW corresponded to nuclear power generation, 5,412 MW to thermal generation facilities using coal and the rest to combined cycles, fuel oil and gas oil. These figures include Elecgas's Combined Cycle, amounting to 855 MW, located in Portugal.

New facilities and operating improvements in conventional generation

The main electrical infrastructures projects commenced, developed or completed during 2018 in Spain were the following:

Mainland system

- Start-up of the NOx emission reduction systems of Units 1, 2, 3 and 4 of the Puentes Thermal Power Plant (La Coruña), by installing NSCR (Non Selective Catalytic Reduction) systems to comply with Best available techniques Reference documents ("**BREF**") emission limits.
- Development of engineering works, construction work and assembly of the SO2 emission reduction system in the 4 Units of the Puentes Thermal Power Plant (La Coruña).
- Launch of the life extension works in the main equipment of the Puentes Thermal Power Plant, mainly by rewinding the electricity generators and main transformers.
- Evaluation, development and implementation of life extending activities in equipment and main systems of the Litoral Thermal Production Unit (Almeria).
- Launch of the design, construction, assembly and start-up of a new waste water treatment plant in the Litoral Thermal Power Plant, using ZLD "Zero Liquid Discharge" technology, which is expected to completely eliminate this type of liquid waste from the plant's gas cleaning process.
- Performance of works for the demolition of the Foix Thermal Power Plant.
- Upgrading of the Integrated Environmental Authorisation of Besós 3, due to its location in the Barcelona metropolitan area. The emission limits have been reduced to below 70% in the combined cycle.

Non-mainland system

- Development of the control system modernisation works of Units 3 and 4 of the Alcudia Thermal Production Unit (Majorca).
- Execution of the works for the partial closure of the ash landfill of the Alcudia Thermal Production Unit (Majorca).
- Completion of the project to improve non-mainland generation, with 675 actions implemented up to 2018 and another 26 actions in progress in mechanical and electrical equipment, lines and protections, control systems, maintenance and training plans in the 10 power plants located in isolated grids, with generation solely dependent on the Power Plant.
- Development and sequential implementation of zero electrical output simulators in eight power plants in the Balearic Islands, the Canary Islands, Ceuta and Melilla, with regular training procedures for the operation and maintenance staff to exit electric zero point conditions quickly and reliably.

- Tender and obtaining of authorisations for the installation of a cutting-edge energy storage system with a capacity of 4 MW, using second-hand batteries from electric cars in the Melilla Diesel Power Plant. This system is expected to contribute to providing backup and security to the autonomous city's electricity supply, a stand-alone energy system and a sustainable and economic solution.
- Launch of agreements to adapt the Mahón, Barranco de Tirajana and Granadilla power plants to the new emission limit values set by Directive 2010/75/EU, the Industrial Emissions Directive (*Directive sobre Emisiones Industriales*) ("**DEI**") and BREFs.
- Inserting fuel oil tanks in the Ibiza Diesel Power Plant.
- Development of the contingency plan in 80 MW steam units of the Granadilla and Barranco de Tirajana thermal power plants, which consists of the implementation of primary measures (OFAs) and injection of urea in the boiler to reach the NOx limits required by the DEI. The project is envisaged to become commercially operational at the end of 2019.
- BREF adaptation in the 80 MW steam units of the Granadilla and Barranco de Tirajana thermal power plants, consisting of the catalytic reduction of NOx in the boiler exhaust gases. The project is envisaged to become commercially operational in August 2021.
- Construction, installation, legalisation and operation of a new 4,000 m^3 fuel oil tank in the Los Guinchos Diesel Power Plant, which will allow the expansion of the strategic reserve of fuel oil in the plant. The tank is envisaged to become commercially operational before 2020.
- Partnership with the University of La Laguna in the development of a project to predict the generation of photovoltaic energy depending on the cloud cover in the island of Tenerife.
- Development of R&D projects for the installation of a stabilisation system based on the storage of energy in 1MW/3h Ion Li batteries in the auxiliary systems of the Llanos Blancos Power Plant and a thermal recovery and storage pilot system in cement to be installed in the Salinas Power Plant.
- Launch of the virtual gas pipeline project for the Mahón Power Plant, with the aim of the passage of gas from the P&W aeroderivative turbines.
- Renewal of the emission control stations in Menorca and Ibiza.
- Startup of the new seawater desalination system in the Ibiza Power Plant.

Mining

Endesa's coal mining activity in Spain took place in four mining centres: As Pontes (La Coruña) and Andorra (Teruel) belonging to Endesa Generación and Puertollano (Ciudad Real) and Peñarroya (Cordoba) via the company ENCASUR. Since 2016, there has been no coal production since the mining activity ceased the previous year. However, coal is being produced in the mining operations belonging to Endesa Generación with the authorisation to cease work (administrative closure) and those of ENCASUR in the restoration and closure phase.

Despite the closing of mining activity at the end of 2015, at the last mining operation that Endesa kept operational, the Emma mine (ENCASUR), continued commercial activity with the Puente Nuevo Thermal Power Plant (Córdoba), selling coal from ENCASUR stockpiles. During 2018, 314,118 tonnes were sold, the equivalent of 991 million therms of P.C.I. These sales took place within the scope of the supply agreements signed by ENCASUR with VIESGO in January 2016 and July 2018.

In 2018, activity in the Puertollano mining plant was focused on restoration work, with the filling of the emergency washing plant, removal of coal stocks, transportation of topsoil, revegetation (sowing and planting) and sale of mining facilities and equipment.

As regards the As Pontes mining plant, in 2018, following the authorisation for the final shutdown of operations in 2017, the formalisation of the agreement for the transfer of land and facilities to the As Pontes Council continued.

On 11 April 2018, ENCASUR obtained the authorisation to partially shut down the EMMA mine (Ciudad Real) on part of the land, facilities and infrastructure of the Mining Project.

In Corta Ballesta Este (Córdoba), restoration works were completed in 2018 and ENCASUR requested authorisation for the final shutdown of works. Maintenance and environmental monitoring work is continuing until the final resolution is obtained.

As of 1 January 2019, the Puertollano mining plant has continued to involve itself in the work envisaged on the closure plan: restoration, management of coal stocks, management of the sale of fixed assets and execution of the end-of-business plan.

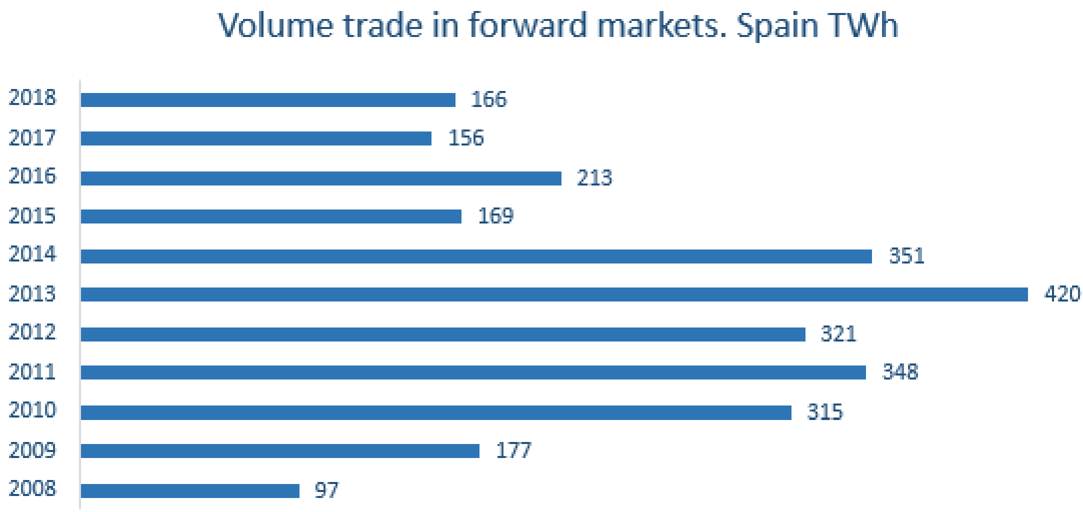
Endesa in the wholesale markets

The Spanish wholesale market

During 2018, energy allocated in the Peninsula for sales to electricity market end customers via distributors and resellers and to exports and coverage of own system consumption (network losses, auxiliary consumption by plants and pump consumption) amounted to 253 TWh. Pump consumption, the export balance and the Peninsula-Balearic Islands link amounted to 6.7 TWh during the year. (Source: REE).

57% of demand was covered by conventional thermal power generation, 40% by renewable energies and 3% by the importer balance of international exchanges, peninsula-Balearic Islands link and pump consumption (Source: REE).

During 2018, a volume of approximately 166 TWh was traded in the forward markets, 6% more than in 2017. Of the total volume traded, 11 TWh were closed in Organised Markets (OMIP and the European Energy Exchange ("**EEX**")). Of the remaining 155 TWh (volume traded in OTC), 124 TWh were recorded in the three clearing houses that operate in Spain: EEX (100 TWh), OMIClear (12 TWh) and MEFFPower (12 TWh). The percentage of the total volume in the clearing house (both continuous market and clearing) increased substantially compared with the previous year, from 69% to 81%. It should also be mentioned that, out of the total amount traded, around 13 TWh come from long-term products, amounting up to an additional 6 for the year, which had not been traded in previous years (Source: Issuer elaboration on the sources of OMIE, the Spanish market for financial futures (*Mercado Español de futuros Financieros*) ("**MEFF**") and electricity brokers).

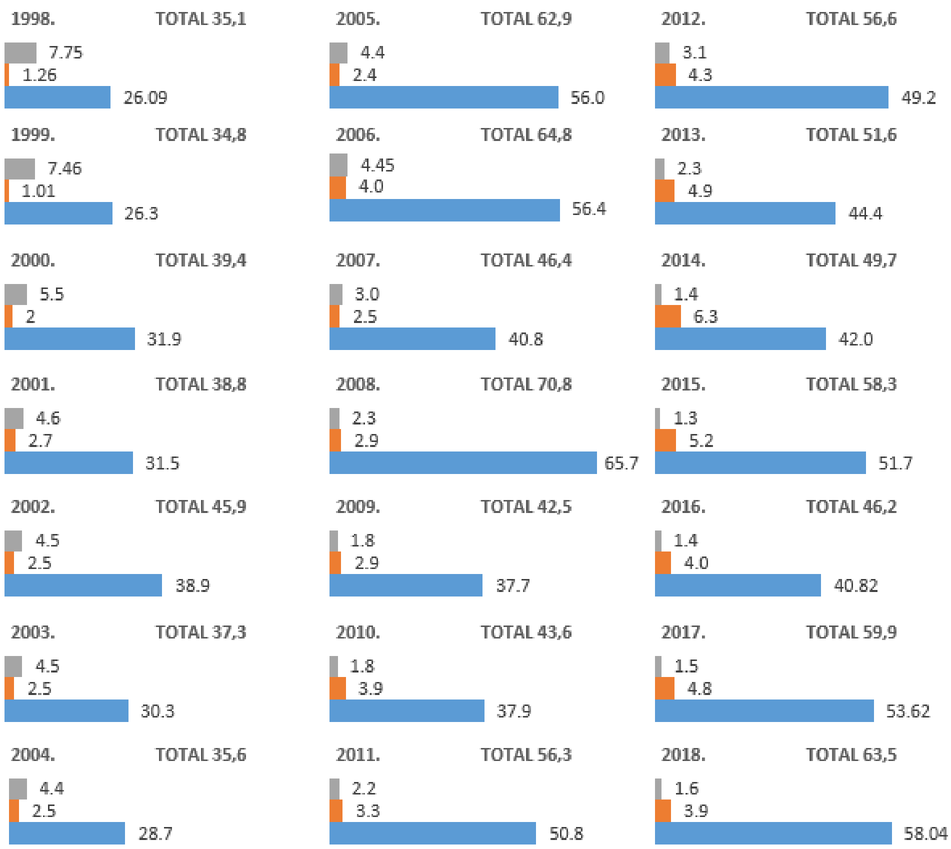


In the gas market (PVB), a volume of approximately 110 TWh was traded this year, a figure which entails a 57% increase compared with the previous year. In the organised gas market Iberian gas market (*Mercado Ibérico de Gas*) ("**MIBGAS**"), 23.6 TWh were traded, 21% of the volume with respect to 79% of OTC transactions. On 24 April, the MIBGAS DERIVATIVES futures market began to operate, in which products are traded beyond the following month, although liquidity is limited beyond that guarantee by the Market Maker. Source: Issuer elaboration based on the sources TrayPort and Midgas.

Evolution of the prices in the wholesale market (Source: elaboration by the Issuer based on OMIE data).

In 2018, the arithmetic mean of the day-ahead market was €57.3/MWh, compared with €52.2/MWh of the previous year (+9.7%). The average weighted prices were €58.0/MWh in 2018 and €53.6/MWh in 2017.

As in 2018 overruns for the system added €3.9/MWh to the price of day-ahead market and the capacity payments €1.6/MWh, the price at the end of the financial year was €63.5/MWh.



Note: In calculating the graph units, the revenues of the rest of the markets and power guarantee have been calculated in proportion to the energy contracted in OMEL in the day-ahead market.

Net unit revenues of the generation units calculated over contracted energy without including pumping purchases.

Average daily price (Source: elaboration by the Issuer based on OMIE data).

2018 was characterised by a significant increase in the cost of fuels, highlighting the growth in the cost of CO_2 emission rights and gas. This significantly influenced the rise in the arithmetic average price of the electricity market, resulting in an average of €57.3/MWh, representing a 9.7% increase over the 2017 price (€52.2/MWh).

The rise in the market price was partially mitigated by high hydroelectric production of the system, 88% more than in the previous year, as well as by the elimination of the generation tax in the final quarter of the year.

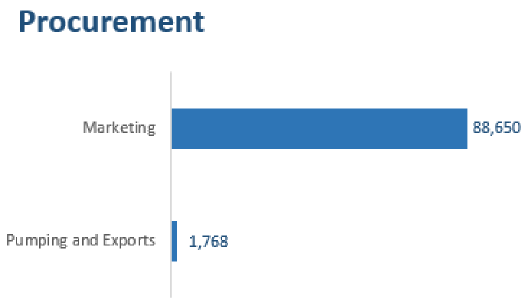
The price recorded a monthly minimum in March, with €40.2/MWh, driven by high hydroelectric and wind production. From that point an upward trend began, mainly due to the aforementioned increase in the cost of emission rights, reaching a monthly maximum in September with €71.3/MWh. The elimination of the generation tax in the final quarter of the year, as well as a moderation in gas prices, helped to moderate prices, resulting in an average price of €63.0/MWh in the quarter.

Purchases and sales in the wholesale electricity market

In 2018, Endesa sold 57,300 GWh in the wholesale market, 36% of the total offer of the regulated market and imports.

Approximately 56% of the Company's total sales were made by bilateral contracts and the rest were sold in the electricity market operator (*Operador del Mercado Eléctrico*) ("**OMEL**") and REE regulated markets.

For energy purchases, Endesa purchased 88,419 GWh in the wholesale market, of which 98% were allocated to resale and the rest to pumping consumption and exports.



Purchases and sales in the wholesale gas market

For the year ended 31 December 2018, Endesa purchased a total of 11.6 TWh of gas on the short-term wholesale natural gas market to supply to its customers in Spain and Portugal. During the same period, sales of natural gas in the wholesale market amounted to 4.16 TWh.

In 2019, the consolidation of the wholesale market in PVB, the trading volume of which continues to increase, as well as the start-up of the MEFF clearing house for natural gas, which will contribute towards the development of this market should be noted.

CO_2 market: approval of ETS reforms

During 2018, the CO_2 Market in Europe was marked by speculation regarding the consequences of the possible Brexit scenarios, given that the United Kingdom is a country that clearly imports emission rights and in which the continuity of the scheme is in question. The price trend was clearly upwards, with the year starting at around €8/t to reach a maximum of €25/t towards October. In the final quarter, volatility was high, with prices moving within a wide range, from €16 to €25/t. (Source: Intercontinental Exchange (ICE) and EEX).

The terms of the United Kingdom's withdrawal agreement from the European Union have yet to be approved by the British Parliament and negotiations are ongoing, which in turn has an impact on the timing of exit, and the possibility of a transition period up to 31 December 2020. It is possible that, during 2019, an agreement will be reached regarding the timing of Brexit and the end of the transition period. It will be marked by the initiation of the MSR, the market's stability reserve, a rights fund that had been accumulating over the three previous years and which will be released into the market, or will accumulate more, with the aim of maintaining a certain stability in trading.

Fuel procurement

The Iberian electricity market (*Mercado Ibérico de la Electricidad*) (MIBEL) thermal gap decreased compared with 2017, as a result of an increase in hydroelectric and wind production.

In this context, Endesa continued participating in an active contracting in the physical and financial wholesale markets.

Fuel Supply to Endesa

	2018	2017	
	***Total*[1]**	***Total*[1]**	***DIF***
Domestic Coal (kt.)	1,811	2,515	-28%
Imported Coal (kt.)	9,419	9,634	-2%
Petroleum Coke (kt.)	950	318	199%
Liquid Fuel (kt.)[1]	2,220	2,245	-1%
Gas Natural Cycles (bcm)	1.35	1.8	-25%
Gas Natural Resale (bcm)	6.4	7.1	-10%

NOTE: includes Non-Peninsular

Endesa contracted 9.4 million tons of imported coal during the financial year ended 31 December 2018, 2% less than in 2017. In liquid fuels, it managed 2.2 million tons, with a 1% decrease compared with 2017, as a result of the introduction of wind power plants in the Canary Islands.

The gas volume managed for own consumption was 1.35 bcm, and the volume managed for resale was 6.4 bcm.

Risk management in the electric business

The results of Endesa's deregulated business are subject to various risk factors, such as movements in the price of commodities (electricity, gas, coal, CO_2 emission rights) and euro/dollar exchange rate risk (market risk), potential contractual breaches by counterparties (credit risk), changes in regulations and other factors associated with business operations (operating risk).

As in previous years, the market coverage strategy applied in 2018 considered the commercial sales activity, in which Endesa sold electricity volumes higher than its own production. This strategy combined term coverage of thermal generation assets to capture their optional value due to their capacity to provide more production in price increase scenarios and thus minimize the risk, along with energy purchasing programmes in the wholesale markets to cover the resulting electricity marketing positions. These strategies manage risk by actions in the forward markets of the different commodities.

As for electricity, the gas portfolio risk is managed through a coverage mechanism specific to this business.

As regards the CO_2 emission rights, the management of Endesa's exposure to these rights is similar to that of other commodities that participate in price formation for thermal generation.

The application of the set of coverage and commercial strategies described allowed for the maintenance of a reduced level of risk within the limits established for the markets.

Energy management and participation in European wholesale markets

Endesa operates in different European electricity wholesale markets to optimise its positions outside of the Iberian market. Among other objectives, these operations make it possible for them to have the necessary energy to supply to its European customers and optimise management of the generation portfolio through the France-Spain interconnection. Likewise, import and export of guarantees of origin and of other renewable energy products to different European countries is maintained, thus optimising management of renewable assets.

In 2018, the spot prices for electricity in Europe increased compared with 2017 levels. Germany stood at €44.5/MWh (+10.47 over the previous year) and France at €50.2/MWh (+5.36 over the previous year). The same occurred in the peripheral markets, the main cause being the upward trend of CO_2 (and also of crude oil during most of 2018) (Source: EEX for Germany and PowerNext for France).

SUPPLY BUSINESS

During the year ended 31 December 2018, Endesa supplied liberalised electricity market customers with 89.6 TWh, to more than 10.7 customers, reaching a 33.4% share in terms of energy and maintaining absolute leadership of the sector. The average sale share of the Company in the areas not covered by its distribution grid was almost 23% (Source: Elaboration by the Issuer based on OMEL data).

Endesa continues to be one of the main operators in the Portuguese liberalised electricity market, with a share of over 14% (Source: Elaboration by the Issuer based on OMEL data). By the end of the year, Endesa had supplied 6.9 TWh to more than 272,000 supply points.

Commercial Service Excellence Plan

Endesa has a Commercial Attention Excellence Plan in order to provide its customers with the best possible attention and whose goal is to improve the main customer satisfaction indicators year after year.

During 2018, this plan focused its activities on the following aspects, among others:

- Continuous improvement in the quality perceived by customers in the Digital Channels;
- Acting on the two factors with greater impact on the Company's Business customer satisfaction (periods and steps);
- Continuous improvement of First Call Resolution;
- Creation of a system that measures all interactions with customers in real time and with which the management of dissatisfied customers can be automated; and
- Development of a customised service model for customers who provide more value.

In order to ensure compliance with the improvements identified in the Plan, a monthly follow-up is performed on 20 key indicators, enabling verification of the impact on the improvement of Endesa's commercial quality.

Among the most significant results of the Plan in 2018, the following are of note:

- The improvement in First Call Resolution (+3%).
- The significant improvement in customer satisfaction with downloading invoices via the Digital Channels (+8%).
- Improvement in the no reading-billing error rate (+2%).

<u>In-person attention</u>

Endesa's in-person attention is organised according to the customer segment, to better adapt to the requirements of each one:

Large Customers and Companies:

Endesa has a team of agents, organised by sector and territory, via which it seeks to achieve an in-depth knowledge of the customer's needs and to provide personalised, competitive solutions. The Company has approximately 350 customised sales managers distributed throughout the national territory. It supplements its coverage via a telephone and internet customer service.

General Public:

Endesa has 11 sales offices in Spain and 2 in Portugal. It also has 274 service points distributed throughout the country, aided by the Call Centre and Endesa's virtual office.

	Service points as at 31 December 2018	Commercial offices as at 31 December 2018
Andalusia-Extremadura	86	3
Aragon	24	1
Balearic Islands	18	1
Canary Islands	24	2
Catalonia	63	3
Our own territory	**215**	**10**
Expansion	59	1
Portugal	—	2
Endesa	**274**	**13**

Call Center

During the year ended 31 December 2018, Endesa's Call Centre dealt with over 19 million interactions. The contact demand in Portugal increased on the basis of the growth in the customer portfolio in that market, whilst in Spain, it decreased significantly, based on the first contact solution improvement plans, automation and interaction management, with the help of Bots (a communications system used by artificial intelligence to emulate human conversation).

45% of customers who contacted Endesa via this means did so for reasons associated with the commercial cycle, 13% due to supply unavailability issues and 4% to request new contracts, with the Telephone Service Centre remaining one of the company's main sales channels.

Likewise, the mix of channels in the channel continued to increase and 2% of the business was produced through digital support channels that they have developed to strengthen communication with customers.

The projects carried out in 2018 to improve the service have been classified into the following lines of work, all of them having the Digital Transformation as the main axis:

- **Digitalisation of the Contact Center:** The project is being developed for the technological renovation of the channels infrastructure, self-service with the incorporation of natural language dynamics, the support of AI (Artificial Intelligence) and new voice channels with virtual assistants.
- **Quality of processes**: A diagnosis of the operational model has been made to implement ISO 19285 in the channel. To this end, a training and engagement plan has been carried out, as well as new process optimisation lines to reduce average handle time supported by digital contracting.
- **Improvement in FCR** ("First Call Resolution")**:** An analytical model based on Speech Miner and a measurement are being implemented with the aim of identifying action plans based on the customer's voice.
- **Service by value:** Consolidation of the VIP phone assistance service, as well as new developments for corporate customers.

Out of all these lines, the development of new voice channels based on virtual assistant technology have been the most important projects. The telephone channel has developed a tool for Alexa (Amazon's virtual assistant), through which information regarding a bill can be consulted and all data associated with it can be checked. The ability to advise on consumption and power will soon be rolled out. Also, in 2019 another voice channel using this technology will also open via Google Home.

Thanks to this line of projects, Endesa is being a pioneer in the implementation of these types of channels.

For yet another year, the work carried out during this financial year, along with the transformation path undertaken in recent years, has received recognition in the sector, with the channel being awarded the Contact Center Award for the Best Customer Experience Strategy for value focused on corporate customers, as well as the award for the Best Contact Center Operation within the framework of the development of value services in the National Contact Center Congress and CRC Gold award for Best Customer Service.

In this framework, 2018 has been another very positive year for the channel, and it continuing to lay the foundations for improving customer service in the upcoming 2019.

On-line service

At the end of 2018, Endesa's commercial website, www.endesaclientes.com, achieved 2.1 million registered customers (17% more than in 2017), with over 3.3 million contracts and more than 294,000 new registered customers. These users have performed more than 2.5 million interactions per month, with bill consultation being the operation most performed, both on the Website as well as in the App.

During 2018, electronic invoicing has also received a great boost. At year-end, it had 2.8 million contracts in force with e-invoicing.

The main features added during 2018 were as follows:

- New payment methods (payment and management by credit cards).
- Improved display of authorised contracts.
- Privacy section to manage permissions associated with the Regulation (EU) 2016/679.
- Chat available from the App.
- Display of bills from previous or cancelled contracts.
- Redesign of consumption and trend graphs for bills (Quickwin Open Power).
- Query of accumulated discounts for contracts on the "Luz Happy 50" rate.

Since March 2013, more than 1.1 million downloads have been made from Endesa's app, almost 0.4 million of those in 2018.

In 2018, over 46,000 cases were managed on WhatsApp and Facebook.

Endesa is also currently developing a digital transformation process where the customer is positioned as a fundamental element of that transformation.

Sales to liberalised market customers

As at 31 December 2018, Endesa had 5.725 thousand customers in the liberalised market, a 2.4% increase on numbers as at 31 December 2017.

Endesa's 5,725 thousand customers and their change compared with 2017 breaks down as follows:

- 4,627 thousand customers (+0.6%) in the Spanish mainland market;
- 825thousand customer (+4.9%) in the Non-mainland Territories market (TNP); and
- 273 thousand customers (+33%) in European deregulated markets outside of Spain.

For the year ended 31 December 2018, Endesa's net sales totalled 77.3 TWh, with a 7.5% decrease compared with financial year 2017. In financial terms, these amounted to €9,236 million, according to the following detail:

- Sales in the Spanish deregulated market amounted to €8,227 million in 2018, €230 million less than in 2017 (a decrease of 2.7%), mainly due to the decrease in physical units sold.
- Revenues from sales to deregulated market customers outside of Spain amounted to €1,009 million, €67 million (a decrease of6.2%) less than in 2017, mainly due to the decrease in the volume of electricity sold in Portugal, Germany and Holland as a result of the change in the "mix" of customers.

Sales at regulated price

During financial year 2018, Endesa sold 12.9 TWh via its Reference Supplier Company, of which 12.4 TWh were to customers to whom a regulated price ("**PVPC**") applies, 4.4% less than in 2017.

These sales represented an income of €2,339 million, 4.9% less than in financial year 2017, mainly due to the decrease in physical units sold.

The Spanish natural gas market

Natural gas consumption in Spain amounted to almost 350 TWh, a 0.4% decrease compared with 2017. Excluding sales for electricity generation (17.7% of the total), the conventional demand of end-customers increased by 4.5% in comparison with 2017 (Source: Elaboration by the Issuer based on Enagas, S.A. public data).

Endesa in the gas Market

Supply of gas

Endesa sold a total of 74.5 GWh to natural gas market customers in 2018 (with no sales to generation or wholesalers), which involved a 2.8% increase compared with financial year 2017.

In economic terms, revenue from gas sales in financial year 2018 amounted to €2,554 million, €321 million higher (+14.4%) than in the financial year ended 31 December 2017, as follows:

- Gas sales in the deregulated market amounted to €2,469 million, €319 million more than 2017 (+14.8%), mainly due to the increase in both physical units sold and the sales price.
- Revenues from gas sales to customers at regulated price amounted to €85 million, up €2 million (+2.4%) from those in financial year 2017.

Conventional Market (Source: Elaboration by the Issuer).

Endesa's customer portfolio in the conventional natural gas market as at 31 December 2018, excluding sales for electricity generation, was formed by more than 1.6 million customers, which entails a growth of 2.8% respecting the number of customers as at 31 December 2017.

Endesa is the second gas reseller in Spain with an overall share of over 16% in the conventional market.

In the Portuguese gas market, Endesa supplied 4.6 TWh to end customers, 3.5% less than in the previous financial year, due to adjustment in demand.

Electricity generation market

For the year ended 31 December 2018, sales of natural gas to electricity generation power plants amounted to 15.8 TWh in 2018, entailing a decrease of 25.2% compared with 2017 (Source: Elaboration by the Issuer).

International Market

For the year ended 31 December 2018, the sale of natural gas in France, Portugal, Netherlands and Germany amounted to a volume of 25.3 TWh, 3% more than in 2017.

Endesa X

The energy sector is changing and Endesa, via Endesa X, intends to lead this transformation, with the vision of being a key player and promoter of change, by evolving and innovating customer services concerning energy. All this is carried out via technological solutions to achieve a digital, participatory and more sustainable model for industries, cities, homes and mobility.

In the context of industry and companies, Endesa X promotes new opportunities through energy efficiency, distributed generation and consulting and auditing services.

In the context of cities, in order to achieve the concept of "smart city", Endesa X is focusing on street lighting, managing 95,000 electricity points in 2018, the concept of "full-electric buildings", the wholesale sales to the fibre optic network and energy services.

In the domestic context, Endesa X supports the business trend in home products and services, providing customers with innovative products for installing energy equipment, maintenance and repair, automation and "Home 2 Grid" services.

The mobility area is one of Endesa X's main pillars and in which there is a clear commitment to the energy transition and decarbonisation. In this sense, Endesa X promotes the development of electric vehicles as one of the main ways of fighting against climate change and promotes electric mobility as a tool to facilitate a zero-emissions energy model.

Throughout the year ended 31 December 2018, Endesa X published a plan for investment in public access charging infrastructure, in which over 8,500 public access points will be installed, with a total investment of €65 million, developed in two phases: more than 2,000 points in 2019-2020, facilitating any vehicle to travel to any point in Spain and more than 6,500 points in 2021-2023, which is expected to enable a wider coverage of urban areas, the main motorways and islands.

In addition, Endesa X continues to market end-to-end value proposals for the roll-out of private electric vehicle charging, grouping electric mobility solutions for residential, business and commercial customers, as well as public administration customers.

Generation and Supply segment margins

The contribution margin of the Generation and Supply segment in financial year ended 31 December 2018 amounted to €3,157 million, entailing an increase of €373 million (an increase of 13.4%) compared with the previous financial year, essentially as a result of the following aspects:

- the decrease in the cost of energy purchases (a decrease of 3.1%) and fuel consumption (a decrease of 1.1%), mainly due to the lower thermal (a decrease of 13.3%) and nuclear (a decrease of 9.0%) production in the financial year, despite the increase in the cumulative price in the wholesale electricity market (€57.3/MWh; an increase of 9.7%).
- The €147 million increase (an increase of 68.7%) in carbon dioxide (CO2) emission rights costs, despite the lower thermal production (a decrease of 13.3%), as a result of the increase in market prices.
- The positive change in income and expenses due to the valuation of energy materials amounting to €71 million as a result of the trend in the valuation and settlement of gas and electricity derivatives.
- The €61 million decrease in costs (a decrease of 95.3%), as a result of the activation, in the Non-Current Asset of the Consolidated

Statement of Financial Position, of the incremental costs incurred in obtaining contracts with customers as of 1 January 2018.

The gross operating profit (EBITDA) for financial year ended 31 December 2018 for this segment amounted to €1,617 million (an increase of19.8% compared with the year ended 31 December 2017). To analyse the trend during financial year 2018, it is necessary to take into account the 13.4% increase in the contribution margin and the trend in staff costs (an increase of 8.8%), as well as other fixed operating costs (an increase of 10.5%).

Operating profit (EBIT) for financial year 2018 from the Generation and Supply segment was €588 million (an increase of 20.5% compared with the year ended 31 December 2017) and includes, among other items:

- A 19.8% increase in gross operating profit (EBITDA) compared with the year ended 31 December 2017.
- The increase in the "Depreciation and amortisation, and impairment losses" item of the Consolidated Income Statement for financial year 2018 by €167 million (an increase of 19.4%) due to the provision of impairment losses relating to the Alcudia Power Plant (Balearic Islands) amounting to €158 million and the provision of the amortisation of incremental costs incurred in obtaining contracts with customers in accordance with IFRS 15 "Ordinary Revenue from Contracts with Customers" as of 1 January 2018, amounting to €54 million.

DISTRIBUTION BUSINESS

Endesa considers it a priority to guarantee access to the electricity supply, and also its continuity, safety, efficiency and quality; therefore, the development of the necessary infrastructures to achieve this is of the utmost importance.

As at 31 December 2018, the number of customers with contracts for accessing the Company's distribution networks amounted to 12.4 million, representing an increase of 0.4% since 31 December 2017.

Endesa distributes electricity in 27 Spanish provinces in 10 Autonomous Communities (Andalusia, Aragon, the Balearic Islands, the Canary Islands, Castilla y Leon, Catalonia, the Valencia, Extremadura, Galicia and Navarre) and in the autonomous city of Ceuta, covering a total area of 195,486.8 km^2 and a population of nearly 21 million inhabitants.

Endesa supplied 101.256 GWh in 2018 to the customers of its distribution networks, this being 1.8% less than in 2017.

The total power distributed via Endesa's grids amounted to 117,029 GWh in 2018, measured at the power plant busbars, accounting for 44% of total demand in Spain, which stood at 268.8 TWh, according to the Spanish electrical system operator (REE Report: "*The Spanish Electrical System. Forecast for the close of 2018*").

The regulated revenue of the distribution business for the year ended 31 December 2018 amounted to €2,209 million, €22 million less (a decrease of 1.0%) than that recorded in 2017.

Acquisition of Empresa de Alumbrado Eléctrico de Ceuta, S.A. in 2018

During the year ended 31 December 2018, Endesa, through Endesa Red, S.A.U., acquired 96.3% of the share capital of Empresa de Alumbrado Eléctrico de Ceuta, S.A., which owns 100% of Empresa de Alumbrado Eléctrico de Ceuta Comercialización de Referencia, S.A.U. and 100% of Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A.U. These companies that have more than 30,000 customers and are the leading electricity distribution and supply companies in Ceuta. This acquisition is coherent with the strategy of driving growth in distribution and supply in Spain and Portugal.

Development of distribution infrastructures

To ensure the correct supply of power to its customers, Endesa's Distribution network infrastructures are planned and operated so as to adapt continuously to the capacity required by its current customers, to the extensions of the grid requested by new customers and to the attention necessary for regulatory or legal activities, or those subject to agreements.

The length of the lines of Endesa's distribution grid in Spain was 319,613 kilometres, of which 39.7% were underground lines. The number of substations at the close of the year was 1,275.

Along with the development of these infrastructures, a large number of activities were performed aimed at improving the quality of supply, such as maintenance work, the renovation of facilities, or an increase in the automation of the high- and medium-voltage grid.

In connection with this, the Company's Network automation plan for the medium-voltage network has continued to be implemented during 2018, with a total of 49,010 remotely-controlled elements.

Other activities have concentrated on the reduction of the environmental impact of the grids and on the development of various specific plans agreed upon with the Authorities.

The following chart sets forth the electrical power distribution facilities of the Group in Spain and Portugal for the years ended 31 December 2018, 2017 and 2016.

Electrical power distribution facilities in Spain and Portugal

	2016	2017	2018	% of variation 2018-2017
Length of distribution grid lines (km)	316,562	317,782	319,613	0.58%
High-voltage overhead lines (km)................	18,774	18,791	18,838	0.25%
Underground high-voltage lines (km)	765	770	787	2.21%
Medium-voltage overhead lines (km)	77,190	77,160	77,343	0.24%
Underground medium-voltage lines (km)	40,442	40,726	41,188	1.13%
Low-voltage overhead lines (km).................	95,609	95,868	96,390	0.54%
Underground low-voltage lines (km)	83,782	84,468	85,067	0.71%
Substations (number)	1,240	1,239	1,275	2.91%
Substations (MVA)	86,324	86,279	87,149	1.01%
Transformer centres (number)......................	132,771	133,193	133,971	0.58%

Continuity of supply

Continuity of supply in Spain is measured by two main indicators: the System Average Interruption Duration Index ("**SAIDI**") and the Number of Equivalent Interruptions of the Power Supply ("**NIEPI**"). The calculation procedure is regulated by Royal Decree 1955/2000. The SAIDI and NIEPI levels are audited annually by an independent external company.

During 2018, own SAIDI in the markets supplied by Endesa in Spain was 65 minutes, 5 minutes above the 2017 value. Dependability of service has stood at 99.99% of total hours throughout the year.

In 2018, the NIEPI itself stood at 1.5, a one-tenth increase over last year's figure.

The following chart shows the supply continuity indicators of the main autonomous communities where Endesa operates:

System Average Interruption Duration Index (SAIDI) of Endesa in Spain (minutes)

Interruption time	2016	2017	2018	Change 2018-2017
Andalusia...	53	75	80	7%
Aragon...	53	84	69	-18%
Balearic Islands..	39	44	51	16%
Canary Islands..	27	43	43	0%
Catalonia..	40	51	55	8%
Extremadura...	42	61	63	3%
Endesa...	**45**	**62**	**65**	**5%**

Note: Unaudited data elaborated by the Issuer

- Peninsula: 2018 was characterised by a worsening in own SAIDI in all communities, except in Aragon. In Andalusia, the own SAIDI value was 80 minutes, 69 in Aragon, 55 minutes in Catalonia and 63 minutes in Extremadura.
- Islands: In the case of the islands, as on the peninsula, there was an increase in the value of own SAIDI; in the Balearic Islands it was 51 minutes while in the Canary Islands it stayed at 43 minutes.

Network losses

Regarding network losses, Endesa is carrying out effective actions to reduce the volume of technical and non-technical losses, with the support of multidisciplinary and specialised equipment.

The application of technological advances, with the use and processing of data obtained on a large scale, automatically from the low and medium voltage networks, together with use of automatic predictive learning models based on Big Data technology, has permitted an important reduction in non-technical losses, which in turn has allowed improving the level of total losses on Endesa's networks.

Distribution Margin

In financial year ended 31 December 2018, the contribution margin of the Distribution Segment amounted to €2,583 million, representing a decrease of €7 million (-0.3%) compared with the previous financial year, mainly due to the fact that the regulated revenue from the distribution business during the financial year ended 31 December 2018 amounted to €2,209 million, €22 million less (-1.0%) than the amounted recorded for the financial year ended 31 December 2017.

Gross operating profit (EBITDA) for financial year ended 31 December 2018 stood at €2,059 million (+0.4%), due to the trend in the contribution margin (-0.3%), offset by the containment of fixed operating costs (-0.7%).

Operating profit (EBIT) for financial year ended 31 December 2018 in the Distribution Segment decreased by €24 million (-1.7%) compared with the previous financial year, mainly as a result of the €33 million increase in the amortisation cost.

5.1.2 The basis for any statements in the registration document made by the Issuer regarding its competitive position.

The Issuer has described its competitive position in the different segments on section 5.1.1 in this Base Prospectus and the issuer has always indicated the source of this information.

6. ORGANISATIONAL STRUCTURE

6.1 *If the issuer is part of a group, a brief description of the group and of the issuer's position within it.*

The Company forms part of the ENEL Group, whose ultimate parent company is ENEL, S.p.A., which is governed by Italian legislation.

At 31 December 2018, ENDESA, S.A. had share capital of €1,270,502,540.40, represented by 1,058,752,117 bearer shares with a par value of €1.20 each, subscribed and fully paid and all admitted to trading on the Spanish Stock Exchanges. There were no changes in share capital in 2018 and 2017.

At 31 December 2018 and 2017, the ENEL Group held 70,101% of the share capital in ENDESA, S.A., through ENEL Iberia, S.L.U.

In Spain, the ENEL Group is headed by ENEL Iberia, S.L.U., with registered office at Calle Ribera del Loira, 60, Madrid. The ENEL Group, through ENEL Iberia, S.L.U., holds 70.101% of Endesa's share capital.

Endesa's activity is structured by business lines, giving the Company flexibility and the ability to respond to the needs of its customers in the territories and businesses in which it operates.

For the organisation of its business lines, Endesa works primarily through the following companies:

Electricity generation: Endesa Generación, S.A.U.

This company was set up on 22 September 1999 to oversee Endesa's generation and mining assets.

Endesa Generación, S.A.U. comprises holdings in Gas y Electricidad Generación, S.A.U. (100%), Unión Eléctrica de Canarias Generación, S.A.U. (100%), and ENEL Green Power España, S.L.U. (EGPE) (100%).

At 31 December 2018, Endesa 's installed capacity at ordinary regime facilities was 20,903 MW, of which, 16,369 MW corresponded to the mainland electricity system and the remaining 4,534 MW to Non-mainland Territories (TNP) (Balearic and Canary Islands and the cities of Ceuta and Melilla). Net installed capacity for renewables at that date stood at 1,815 MW.

In Spain and Portugal, Endesa had total net output in 2018 of 74,193 GWh.

Energy distribution: Endesa Red, S.A.U.

This company was set up on 22 September 1999 and marked the culmination of the integration of Endesa 's regional distribution companies in Spain.

Among other interests, this company holds 100% interests in Endesa Distribución Eléctrica, S.L.U., (100%), which engages in regulated electricity distribution activity, and Endesa Ingeniería, S.L.U. (100%).

At 31 December 2018, Endesa distributed electricity in 27 Spanish provinces and across 10 Autonomous Communities (Andalusia, Aragón, the Balearic Islands, the Canary Islands, Castilla y León, Catalonia, Valencia, Extremadura, Galicia and Navarra) and the self-governing city of Ceuta, covering a total area of 195.487 km2 with a total population of nearly 21 million.

The number of clients with access contract to Endesa 's distribution networks exceeded 12 million on that date, and in 2018 its network supplied a total power output of 117,029 GWh, measured at busbar cost.

Energy supply: Endesa Energía, S.A.U. and Endesa X, S.A.U.

Endesa Energía, S.A.U. was set up on 3 February 1998 to carry out supply activities, responding to the demands of Spanish electricity market deregulation. Its main business is the supply of energy to customers wishing to exercise their right to choose their supplier and take up the service on the deregulated market and other products and services around the development of efficient energy infrastructures and maintenance services.

Endesa Energía, S.A.U. also holds 100% of the equity of Endesa Energía XXI, S.L.U., (100%), a company acting as a reference supplier for Endesa and Endesa Operaciones y Servicios Comerciales, S.L.U. (100%), which provides commercial services in relation to the supply of electricity. Endesa Energía, S.A.U. supplies the deregulated markets of Germany, France, the Netherlands and Portugal.

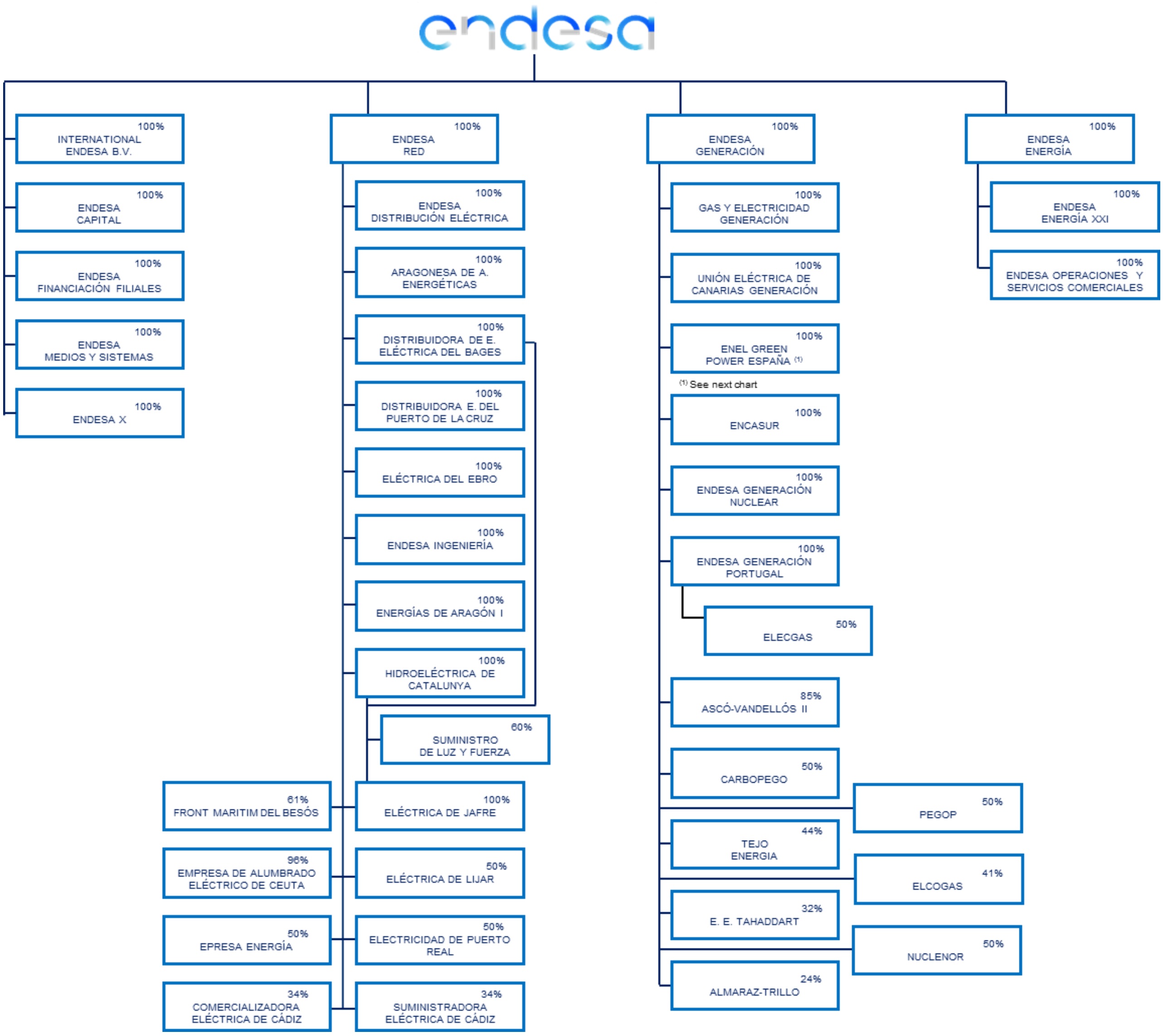
Endesa X, S.A.U. was created on 26 June 2018 to develop and market new services adapted to trends in the energy market. Its business covers four areas: e-Home, e-Industries, e-City and e-Mobility. These pursue opportunities in electric mobility, demand management, distributed generation, energy storage and the enlargement of the range of services provided to domestic, industrial and institutional customers.

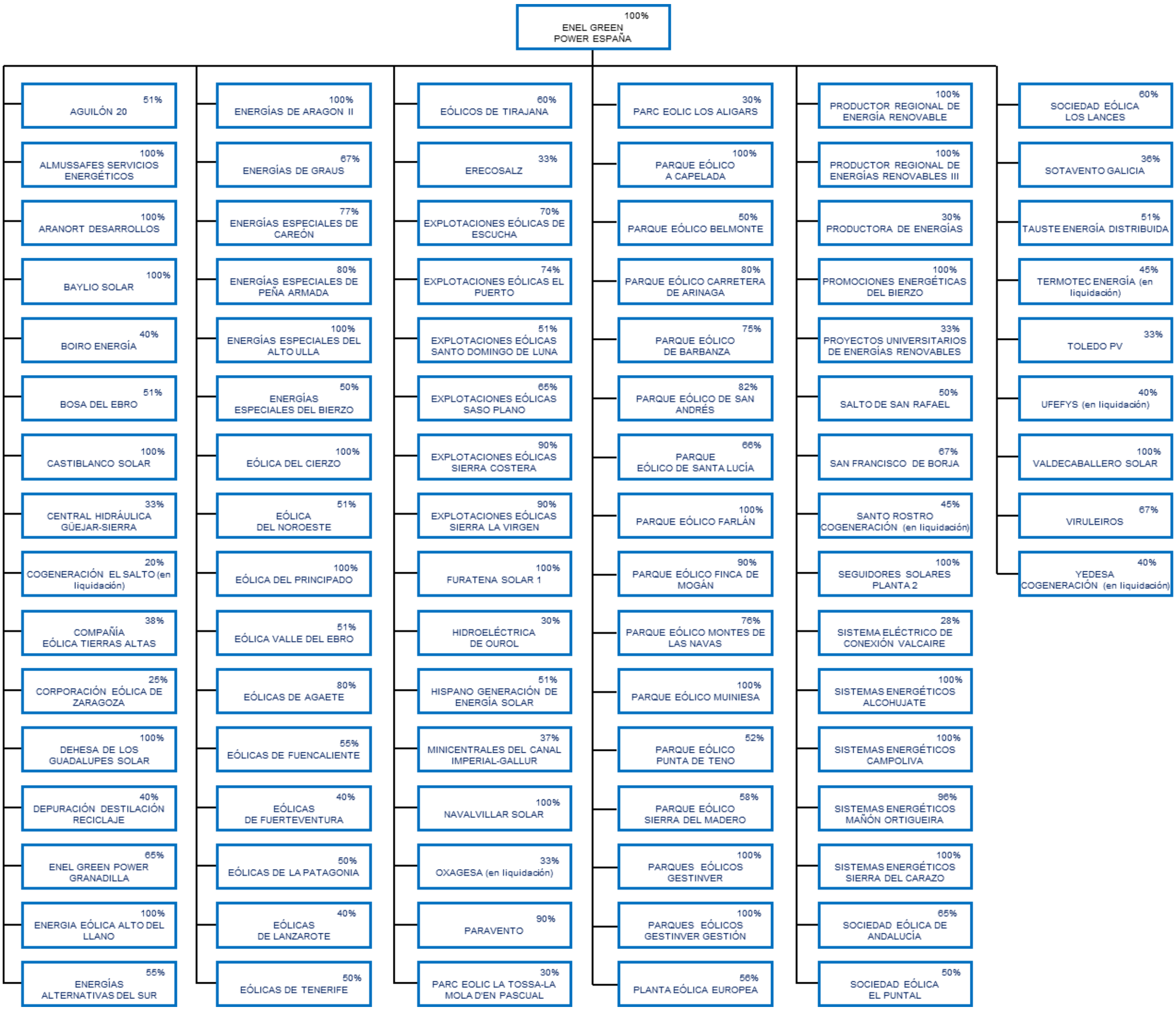
Endesa supplied 89,639 GWh in 2018, and, as of 31 December 2018, the client portfolio in the electricity market consisted of 10.8 million of supply points. It supplied total gas of 86,729 GWh in the year, and at 31 December 2018, its customer portfolio in the conventional natural gas market was made up of 1.6 million supply points.

Appendix I to the 2018 Consolidated Financial Statements (as defined below) lists Endesa's subsidiaries and joint operation entities.

Appendix II to the 2018 Consolidated Financial Statements lists Endesa 's associates and joint ventures.

There follows a corporate map of Endesa showing the situation of its main investees at 31 December 2018:


endesa
100% INTERNATIONAL ENDESA B.V.
100% ENDESA CAPITAL
100% ENDESA FINANCIACIÓN FILIALES
100% ENDESA MEDIOS Y SISTEMAS
100% ENDESA X
100% ENDESA RED
100% ENDESA DISTRIBUCIÓN ELÉCTRICA
100% ARAGONESA DE A. ENERGÉTICAS
100% DISTRIBUIDORA DE E. ELÉCTRICA DEL BAGES
100% DISTRIBUIDORA E. DEL PUERTO DE LA CRUZ
100% ELÉCTRICA DEL EBRO
100% ENDESA INGENIERÍA
100% ENERGÍAS DE ARAGÓN I
100% HIDROELÉCTRICA DE CATALUNYA
60% SUMINISTRO DE LUZ Y FUERZA
61% FRONT MARITIM DEL BESÓS
100% ELÉCTRICA DE JAFRE
96% EMPRESA DE ALUMBRADO ELÉCTRICO DE CEUTA
50% ELÉCTRICA DE LIJAR
50% EPRESA ENERGÍA
50% ELECTRICIDAD DE PUERTO REAL
34% COMERCIALIZADORA ELÉCTRICA DE CÁDIZ
34% SUMINISTRADORA ELÉCTRICA DE CÁDIZ
100% ENDESA GENERACIÓN
100% GAS Y ELECTRICIDAD GENERACIÓN
100% UNIÓN ELÉCTRICA DE CANARIAS GENERACIÓN
100% ENEL GREEN POWER ESPAÑA (1)
(1) See next chart
100% ENCASUR
100% ENDESA GENERACIÓN NUCLEAR
100% ENDESA GENERACIÓN PORTUGAL
50% ELECGAS
85% ASCÓ-VANDELLÓS II
50% CARBOPEGO
50% PEGOP
44% TEJO ENERGIA
41% ELCOGAS
32% E. E. TAHADDART
50% NUCLENOR
24% ALMARAZ-TRILLO
100% ENDESA ENERGÍA
100% ENDESA ENERGÍA XXI
100% ENDESA OPERACIONES Y SERVICIOS COMERCIALES



6.2 ***If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.***

Please see 6.1. above.

7. TREND INFORMATION

There has been no material adverse change in the prospects or financial or trading position of the Issuer since 31 December 2018.

8. PROFIT FORECASTS OR ESTIMATES

8.1 ***A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.***

The Company has not included any forecast or estimates of benefits in this Base Prospectus.

8.2 ***Any profit forecast set out in the registration document must be accompanied by a statement confirming that the said forecast has been properly prepared on the basis stated and that the basis of accounting is consistent with the accounting policies of the issuer.***

Not Applicable.

8.3 ***The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.***

Not Applicable.

9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

9.1 ***Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:***

Endesa is managed by a board of directors which, in accordance with its by-laws (*estatutos sociales*) (the "**By-Laws**"), is comprised of no less than nine and no more than fifteen members appointed by the general shareholders meeting. Members of the board of directors are appointed for a period of four years and may be re-elected.

As at the date of this Base Prospectus, the members of the board of directors of Endesa, their position on the board and their principal activities outside Endesa, where these are significant, are the following:

Name of director	Position on the Board	Date of first appointment	Principal activities performed by them outside the issuer
Juan Sanchez-Calero Guilarte	Independent Chairman	12/04/2019	Partner at the Sánchez Calero Law Firm University Professor of Commercial Law of the Faculty of Law of the Complutense University of Madrid.
Jose Damian Bogas Galvez	Chief Executive Officer	07/10/2014	Director of ENEL IBERIA, Director of Operador del Mercado Ibérico de Energía-Polo, Español, S.A., Director of MIBGAS, S.A. (Iberian Gas Market)
Francisco de Lacerda	Executive Director	27/04/2015	CEO of CTT - Correos de Portugal since 2012. Chairman of Banco CTT. Chairman of CTT Expresso, Chairman of Tourline Express.
Alberto de Paoli[(1)]	Proprietary Director	04/11/2014	Director General Manager of Administration, Finance and Control at ENEL, Chairman of Enel Green Power, S.p.A.
Alejandro Echevarria Busquet	Independent Director	25/06/2009	Chairman of Mediaset España Comunicación, S.A., Director of Sociedad Vascongada de Publicaciones, S.A., Director of CVNE, Director of

			Editorial Cantabria, S.A., Director of Diario El Correo.
Ignacio Garralda Y Ruiz De Velasco	Independent Director	27/04/2015	Chairman and CEO of Mutua Madrileña, Director of Caixabank, S.A., First Vice Chairman of Bolsas y Mercados Españoles (BME).
Maria Patrizia Grieco(1)	Proprietary Director	26/04/2017	Chairwomen of ENEL, S.p.A., Director of Anima Holding, Ferrari and Amplifon.
Helena Irene Revoredo Delvecchio	Independent Director	04/11/2014	Chairwoman of Prosegur Compañía de Seguridad, S.A. Chairwoman of Fundación Prosegur, Director of Mediaset España Comunicación and Euroforum Escorial, S.A.
Miguel Roca Junyent	Coordinating Independent Director	16/03/2015	Partner-Chairman of the firm Roca Junyent, with offices in Barcelona, Madrid, Palma de Mallorca, Girona and Lleida, Ombudsman at Seguros Catalana Occidente since March 1996, Non-voting secretary of the Board of Directors of Banco Sabadell, Abertis Infraestructuras, TYPSA, and Werfenlife, S.L.
Francesco Starace(1)	Proprietary Vice-Chairman	16/06/2014	Chief Executive Officer and Managing Director of Enel, S.p.A, Chairman of Enel Iberia, S.R.L., Vice Chairman of Endesa, S.A, Chairman of Eurelectric, Member of the Board of Directors of the United Nations Global Compact, Member of the Advisory Board of the United Nations initiative “Sustainable Energy 4 All” Member of the Executive Board of Fullbright, Member of the Advisory Board of the Polytecnic of Milan, Vice Chairman of the Italy-Japan Foundation.
Enrico Viale(1)	Proprietary Director	21/10/2014	Head of Enel Global Thermal Generation, Sole Administrator of Enel Global Thermal Generation Srl, Director of EPRI (Electric Power Research Institute), Director of Enel Américas, S.A. , Director of SPH (Slovak Power Holding), Director of "Fondazione Centro Studi Enel

(1) In representation of Enel

On 12 April 2019, following the general meeting of shareholders of Endesa, the Board of Directors appointed as Chairman Mr. Juan Sanchez-Calero Guilarte, who accepted such nomination.

The list below sets out the members of senior management who are not executive directors:

Name	**Position**
Don Juan María Moreno Mellado	DG. Gestión de la Energía
Don Francisco Borja Acha Besga(1)	Secretario General y del Consejo de Administración y DG Asesoría Jurídica
Don Javier Uriarte Monereo	DG. Comercialización
Don Pablo Azcoitia Lorente	DG. Compras
Doña María Malaxechevarría Grande	DG. Sostenibilidad
Don José Luis Puche Castillejo	DG. Medios
Don Alberto Fernández Torres	DG. Comunicación
Don Manuel Marín Guzmán	DG. ICT
Don Josep Trabado Farré	DG. Endesa X
Don José Casas Marín	DG. Relaciones Institucionales y Regulación
Don Paolo Bondi	DG. Generación Térmica
Don Andrea Lo Faso	DG. Personas y Organización
Doña Patricia Fernandez Salís	DG. Auditoría
Don Luca Passa	DG. Administación Finanzas y Control
Don Gonzalo Carbó De Haya	DG. Nuclear
Don Rafael González Sánchez	DG. Energías Renovables
Don Gianluca Caccialupi	DG. Infraestructuras y Redes

(1) Borja Acha is Director of Enel Iberia, S.r.l. and President of Enel Américas, S.A.

The business address for the members of the Senior Management is Madrid, Calle Ribera del Loira 60.

No member of the Endesa Senior Management has principal activities performed by them outside the issuer where these are significant with respect to the issuer.

Board Committees

In accordance with the By-Laws, the Board has appointed an Audit and Compliance Committee and an Appointments and Remuneration Committee. Additionally, the Board has appointed a Risk Committee for Spain and Portugal.

Audit and Compliance Committee

According to our By-Laws, the Audit and Compliance Committee shall be composed of no less than three and no more than six members of the Board. It shall be exclusively comprised of non-executive directors, the majority of which should be independent directors.

The Chairman of the Audit and Compliance Committee shall be appointed by the Board from among the nonexecutive directors or members who do not hold management or executive duties at the entity, nor maintain a contractual relationship other than the condition by which they are appointed, with the favorable vote of the majority of the Board itself. The Chairman shall be replaced every four years and may be reelected after stepping down for one year. In his absence, the Chairman shall be replaced by the Committee director provisionally appointed by the Board, or otherwise by the most senior member of the Audit and Compliance Committee.

The Audit and Compliance Committee shall meet as summoned by its Chairman, when so decided by the majority of its members or at the request of the Board. Committee meetings shall be held at the Company's registered office or any other location proposed by the Chairman and indicated in the call notice. The Committee shall be duly convened when the majority of its members attend the meeting. Resolutions shall be adopted by majority vote of the directors attending the meeting. The Chairman or whoever is exercising his functions has the deciding vote in the event of a tie.

The Secretary of the Committee shall be Secretary of the Board who will draft the minutes of the resolutions passed thereat and the Board will be informed of these resolutions.

The main task of the Audit and Compliance Committee is to promote compliance with good corporate governance and ensure the transparency of all actions of the Endesa Group in the economic and financial, external and internal audit and compliance areas. The duties and functions of our Audit and Compliance Committee include, among others, proposing the external auditors or audit firms to the Board, supervising the efficiency of the company's Internal Control System, internal auditing services and risk management systems, as well as discussing with the auditors or audit firms the significant weaknesses of the internal control system and supervising the process for preparation and presentation of regulated financial reporting. The Audit and Compliance Committee also evaluates related party transactions.

The Audit and Compliance Committee of Endesa comprises the following four members:

Name	Position	Date of appointment
Ignacio Garralda Y Ruiz De Velasco	Chairman	19/09/2016
Helena Irene Revoredo Delvecchio	Member	04/11/2014
Alberto de Paoli[(1)]	Member	04/11/2014
Alejandro Echevarria Busquet	Member	20/07/2009
Francisco de Lacerda	Member	7/05/2015

Name	Position	Date of appointment
Ignacio Garralda Y Ruiz De Velasco	Chairman	19/09/2016
Miguel Roca Junyent	Member	30/06/2009

(1) In representation of Enel

Francisco Borja Acha Besga serves as Non-Member Secretary to the Audit and Compliance Committee.

Appointments and Remuneration Committee

According to our By-Laws, the Appointments and Remuneration Committee shall be composed of no less than three and no more than six non-executive members of the Board, at least two of whom must be independent directors.

The Chairman of the Appointments and Remuneration Committee shall be appointed by the Board among the non-executive directors, with the favorable vote of the majority of the Board itself. The Chairman shall be replaced every four years and may be re-elected after stepping down for one year. In his absence, the Chairman shall be replaced by the director provisionally appointed by the Board of Directors, or otherwise by the most senior member of the Committee.

The Appointments and Remuneration Committee shall meet as often as summoned by the Chairman, when so decided by the majority of its members or at the request of the Board. Committee meetings shall be held at the Company's registered office or any other location proposed by the Chairman and indicated in the call notice. The Committee shall be duly convened when the majority of its members attend the meeting. Resolutions shall be adopted by majority vote of the directors attending the meeting. The Chairman or whoever is exercising his functions has the casting vote in the event of a tie.

The Board's Secretary shall be the Committee's Secretary, who shall draw up the minutes of the adopted resolutions, which shall, in turn, be notified to the Board.

The Appointments and Remuneration Committee is responsible for reporting on and proposing the appointment of Board members, either through cooption or for its proposal to the General Shareholders' Meeting; The Appointments and Remuneration Committee reports as well on the directors' remuneration.

The Appointments and Remuneration Committee of Endesa comprises the following four members:

Name	Position	Date of appointment
Miguel Roca Junyent	Chairman	19/09/2016
Helena Irene Revoredo Delvecchio	Member	04/11/2014
Alberto de Paoli[1]	Member	04/11/2014
Alejandro Echevarria Busquet	Member	24/07/2012
Francisco de Lacerda	Member	7/05/2015

Name	Position	Date of appointment
Miguel Roca Junyent	Chairman	19/09/2016
Ignacio Garralda Y Ruiz De Velasco	Member	7/05/2015

(1) In representation of Enel

Francisco Borja Acha Besga serves as Secretary to the Appointments and Remuneration Committee.

9.2 *Administrative, Management, and Supervisory bodies conflicts of interests*

There are no potential conflicts of interest between the members of the board of directors and senior management of Endesa and their respective private interests or duties.

10. MAJOR SHAREHOLDERS

10.1 *To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.*

As of the date of this Base Prospectus, Endesa's share capital is €1,270,502,540.40 consisting of 1,058,752,177 shares of €1.20 par value each. Endesa's share capital is represented by a single class of shares, with the same voting rights. Each share gives the right to one vote. Consequently, shareholders do not have different voting rights.

All the shares rank *pari passu* in all respects with each other's including for voting purposed and for all distribution of our profits and proceeds from liquidation.

As of the date of this Base Prospectus, ENEL Group, through ENEL Iberia S.L.U., is Endesa's main shareholder. The following table sets forth certain information with respect to the ownership of the shares:

Shareholder	Participation
	(%)
ENEL Iberia, S.L.U.	70.101
Free float	29.899

10.2 *A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.*

Endesa is not aware of any arrangements the operation of which may at a subsequent date result in a change of control.

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

11.1 *Historical Financial Information*

This Base Prospectus should be read and construed in conjunction with the documents incorporated by reference, described below, which form part of this Base Prospectus:

- the English translation of the unaudited interim consolidated condensed financial information of the Issuer as at and for the three month period ended 31 March 2019 (the "**2019 1Q Financial Information**") available for viewing at:
- https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/financialinformation/publicperiodicinformation/documents/2019/1q-2019-quarterly-report.pdf;
- the original Spanish version of the 2019 1Q Financial Information is available for viewing at:
- https://www.endesa.com/content/dam/enel-es/home/inversores/infoeconomicafinanciera/informacionpublicaperiodica/documentos/2019/1t-2019-declaracion-trimestral.pdf;
- the English translation of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2018 (the "**2018 Consolidated Financial Statements**") available for viewing at:

  https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/financialinformation/annualreports/documents/2019/LD2018ENG.pdf;
- the original Spanish version of the 2018 Consolidated Financial Statements is available for viewing at:

  https://www.endesa.com/content/dam/enel-es/home/inversores/infoeconomicafinanciera/informesanuales/documentos/2019/DL2018ESP.pdf;
- the English translation of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2017 (the "**2017 Consolidated Financial Statements**", as amended by the Additional Information Document (as defined below) available for viewing at:

  https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/financialinformation/annualreports/documents/2017/LD2017ENG.pdf; and
- the original Spanish version of the 2017 Consolidated Financial Statements is available for viewing at:

https://www.endesa.com/content/dam/enel-es/home/inversores/infoeconomicafinanciera/informesanuales/documentos/2018/DL2017ESP.pdf;

- the English translation of the document filed with the CNMV on 12 September 2018 containing, among other, additional information regarding certain questions included in the 2017 Consolidated Financial Statements (the "**Additional Information Document**") available for viewing on:

  https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/financialinformation/publicperiodicinformation/documents/2017/Requested%20information%202017.pdf; and

- the original Spanish version of the Additional Information Document:

  https://www.endesa.com/content/dam/enel-es/home/inversores/infoeconomicafinanciera/informacionpublicaperiodica/documentos/2017/10_Respuesta_de_requerimientos_2017.pdf.

save that any statement contained in the documents incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall be deemed, except as so modified or superseded, not to constitute a part of this Base Prospectus.

The 2018 Consolidated Financial Statements and the 2017 Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") and the interpretations of the IFRS Interpretations Committee ("**IFRIC**") as adopted by the European Union at the reporting date pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council and other applicable regulations regarding financial reporting, and shall be deemed to be incorporated in, and to form part of, this Base Prospectus, together (where applicable) with the accompanying notes and auditor's reports, save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded to the extent that a statement contained in any document subsequently incorporated by reference by way of supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such statement.

Any information not listed in the cross-reference list but included in the documents incorporated by reference is either not relevant for a potential investor in the Notes or is covered elsewhere in this Base Prospectus.

The following table shows where the information required under Annex IX, paragraph 11.1 of Commission Regulation (EC) No. 809/2004 can be found in the English-language version of the above-mentioned Consolidated Financial Statements incorporated by reference in this Base Prospectus:

Audited Consolidated Annual Financial Statements of the Issuer (English version)		
	2018	**2017**
	Page numbers refer to the page of the PDF document	
Consolidated statements of financial position	Page 179	Page 219
Consolidated income statements	Page 180	Page 220
Consolidated statements of other comprehensive income	Page 181	Page 221
Consolidated statement of changes in equity	Page 182	Page 222
Consolidated statements of cash flows	Page 184	Page 224
Notes to the Consolidated Financial Statements	Pages 185 – 343	Pages 225 - 385
Independent Auditor's report	Pages 171 - 177	Pages 210 - 217

Consolidated Management Report of the Issuer (English version)		
	2018	**2017**
Note 4 (Liquidity and Capital Resources)	Page 377	Page 418
Note 6 (Outlook)	Page 386	Page 426
Note 11 (Human Resources)	Page 419	Page 455
Appendix I, Alternative Performance Measures (definitions of EBITDA, EBIT and contribution margin only)	Page 432	Page 467

The following table shows the audited consolidated statements of financial position of the Issuer for the years 2018 and 2017:

	31 December 2018	31 December 2017
	Millions of euros	
ASSETS		
NON-CURRENT ASSETS	**26,001**	**25,507**
Property, plant and equipment	21,840	21,727
Investment property	62	9
Intangible Assets	1,355	1,196
Goodwill	479	459
Investments Accounted for using the Equity Method	249	205
Non-current Financial Assets	858	769
Deferred Tax Assets	1,158	1,142
CURRENT ASSETS	**5,655**	**5,530**
Inventories	1,473	1,267
Trade and Other Receivables	2,955	3,100
Trade Receivables	2,782	2,877
Current Income Tax Assets	173	223
Current Financial Assets	983	764
Cash and Cash Equivalents	244	399
Non-current Assets Held for Sale and Discontinued Operations	-	-
TOTAL ASSETS	**31,656**	**31,037**
EQUITY AND LIABILITIES		
EQUITY	**9,181**	**9,233**
Of the Parent	9,037	9,096
Share capital	1,271	1,271
Share Premium and Reserves	7,157	7,155
Profit for the Period of the Parent	1,417	1,463
Interim dividend	(741)	(741)
Valuation Adjustments	(67)	(52)
Of the non-controlling interests	144	137
NON-CURRENT LIABILITIES	**14,781**	**14,269**
Deferred income	4,587	4,730
Non-current Provisions	3,325	3,382
Provisions for pensions and similar obligations	989	951
Other Non-current Provisions	2,336	2,431
Non-current Interest-Bearing Loans and Borrowings	4,975	4,414
Other Non-current Liabilities	757	646
Deferred Tax Liabilities	1,137	1,097
CURRENT LIABILITIES	**7,694**	**7,535**
Current Interest-Bearing Loans and Borrowings	1,046	978
Current Provisions	571	425
Provisions for pensions and similar obligations	-	-
Other Current Provisions	571	425
Trade Payables and Other Current Liabilities	6,077	6,132
Suppliers and other Payables	5,918	5,962
Current Income Tax Liabilities	159	170
Liabilities Associated with Non-current Assets Classified as held for Sale and Discontinued Operations	-	-
TOTAL EQUITY AND LIABILITIES	**31,656**	**31,037**

The following table shows the audited consolidated income statements of the Issuer for the years 2018 and 2017:

	31 December 2018	**31 December 2017**
	Millions of euros	
INCOME	**20,195**	**20,057**
Revenue	19,555	19,556
Other operating income	640	501
PROCUREMENTS AND SERVICES	**(14,567)**	**(14,569)**
Power Purchases	(4,784)	(4,933)
Fuel consumption	(2,269)	(2,294)
Transport Costs	(5,463)	(5,652)
Other variable procurements and services	(2,051)	(1,690)
CONTRIBUTION MARGIN	**5,628**	**5,488**
Self-constructed Assets	270	222
Personnel Expenses	(947)	(917)
Other Fixed Operating Expenses	(1,324)	(1,251)
GROSS PROFIT FROM OPERATIONS	**3,627**	**3,542**
Depreciation and amortisation, and impairment losses	(1,708)	(1,511)
PROFIT FROM OPERATIONS	**1,919**	**2,031**
NET FINANCIAL PROFIT/(LOSS)	**(139)**	**(123)**
Financial income	36	51
Financial expense	(173)	(178)
Net Exchange Differences	(2)	4
Net Profit/(Loss) of Companies Accounted for using the Equity Method	35	(15)
Gains/(Losses) from Other Investments	-	-
Gains/(losses) on Disposal of Assets	3	7
PROFIT/(LOSS) BEFORE TAX	**1,818**	**1,900**
Income Tax Expense	(392)	(427)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**1,426**	**1,473**
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**-**	**-**
PROFIT FOR THE YEAR	**1,426**	**1,473**
Parent Company	1,417	1,463
Non-controlling interests	9	10
BASIC NET EARNINGS PER SHARE FOR CONTINUING OPERATIONS (Euros)	***1,34***	***1,38***
DILUTED NET EARNINGS PER SHARE FOR CONTINUING OPERATIONS (Euros)	***1,34***	***1,38***
BASIC NET EARNINGS PER SHARE FOR DISCONTINUED OPERATIONS (Euros)	-	-
DILUTED NET EARNINGS PER SHARE FOR DISCONTINUED OPERATIONS (Euros)	-	-
BASIC NET EARNINGS PER SHARE (Euros)	***1,34***	***1,38***
DILUTED NET EARNINGS PER SHARE (Euros)	***1,34***	***1,38***

11.2 ***Financial statements***

If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.

Please see response to 11.1, above.

11.3 ***Auditing of historical annual financial information***

11.3.1 *A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.*

Historical annual financial information has been audited.

11.3.2 *An indication of other information in the registration document which has been audited by the auditors.*

Not Applicable.

11.3.3 *Where financial data in the registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited.*

Alternative performance measures (definitions of EBITDA, EBIT and Contribution Margin only) are included in Appendix I of the Consolidated Management Report of the Issuer. This information has been revised but not audited by auditors.

The 2019 1Q Financial Information has not been audited.

11.4 ***Age of latest financial information***

The last year of audited financial information may not be older than 18 months from the date of the registration document.

Please see response to 11.1, above.

11.5 ***Legal and arbitration proceedings***

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

Endesa and its subsidiaries are subject to a number of legal, regulatory and administrative proceedings arising in the ordinary course of their business. Due to the nature of these matters, Endesa is not able to predict their final outcomes, some of which may be unfavourable to the Group. Further information on litigation and arbitration is provided in Note 17.3 to the Consolidated Financial Statements for the year ended 31 December 2018.

11.6 ***Significant change in the issuer's financial or trading position***

A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.

There has been no significant change in the financial or trading position of the Group since 31 March 2019.

12. **MATERIAL CONTRACTS**

A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.

There are no material contracts which could result in any member of the Group being under an obligation that may materially impede the Issuer's ability to meet its obligations to holders of Notes.

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

13.1 ***Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Registration Document.***

Please see Section II, paragraph 2.1 (*Names and addresses of the Issuer's auditors*).

13.2 ***Third Party Information***

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.

Certain information contained in this Base Prospectus has been sourced from third parties. As far as the Company is aware and is able to ascertain from the information published by the relevant third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where such information has been used in this Base Prospectus, the relevant source has been identified accordingly.

14. DOCUMENTS ON DISPLAY

A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

(a) *the memorandum and articles of association of the issuer;*

(b) *all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;*

(c) *the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.*

An indication of where the documents on display may be inspected, by physical or electronic means.

Physical copies of the following documents (together with English translations thereof where applicable) may be inspected during normal business hours at the offices of the Issuer for 12 months from the date of this Base Prospectus:

(a) the By-Laws of the Issuer that can be found on the Issuer's website;

(b) the 2017 Consolidated Financial Statements and Additional Information Document that can be found on the Issuer's website;

(c) the 2018 Consolidated Financial Statements that can be found on the Issuer's website;

(d) the Paying Agency Agreement;

(e) the Deed of Covenant.

III SECURITIES NOTE FOR DEBT (ANNEX XIII TO COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004)

1. PERSONS RESPONSIBLE

1.1 ***All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office***

Mr Luca Passa, holding Spanish Identity Document (*N.I.E.*) number Y-6288471-D, in his capacity as chief financial officer of Endesa, S.A. ("**Endesa**", the "**Issuer**" or the "**Company**", and together with the companies that are part of its corporate group for commercial regulations purposes the "**Group**"), and acting on behalf of the Company by virtue of the power of attorney granted by the Board of Directors of Endesa on its meeting of 11 March 2019, accepts responsibility for the content of this registration document which conforms to the content set out in Annex XIII of Regulation 809/2004 (the "**Securities Note**").

1.2 ***A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affects its import. As the case may be, declaration by those responsible for certain parts of the prospectus that the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import***

Mr Luca Passa declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. RISK FACTORS

Please refer to the Risk Factors.

3. ESSENTIAL INFORMATION

Endesa is not aware of the existence of any interest, including conflicts of interest, between the Company and any of the entities identified in Section 7.1 of this Securities Note that is material to the Programme and/or the issuance of the Notes pursuant thereto.

4. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

4.1 *Total amount of Notes admitted to trading*

Under this programme entitled "*Endesa, S.A. €3,000,000,000 Euro Commercial Paper Programme*", the Issuer may from time to time issue Notes (as defined in Condition 1 of Annex 1 (*Terms and Conditions of the Notes*)) governed by English law under the framework of the Programme.

4.2 *Type and class of Notes*

The Notes will be euro-commercial paper represented by uncertificated, dematerialised book-entry notes and will be debt obligations for the Issuer. The Notes issued will not bear interest and will be redeemed at par on maturity.

Each note will be assigned an ISIN code. The Notes with the same maturity date will have the same ISIN code. The ISIN code of each series of Notes will be specified in the relevant Complementary Certifications.

Notes will be issued in series and each series may comprise one or more tranches.

The maximum aggregate principal amount of all Notes from time to time outstanding will not exceed €3,000,000,000 (or its equivalent in U.S. dollars).

Each Note will have a minimum denomination of €100,000 and integral multiples thereof (if issued in euros) or of U.S.$500,000 and integral multiples thereof (if issued in U.S. dollars). Therefore, the maximum number of Notes to be issued under the Programme at any time may not exceed 30,000 (if issued in euros) or 6,000 (if issued in U.S. dollars).

The aggregate amount of each issue of Notes will be set out in the relevant Complementary Certifications.

Please see Conditions 1 and 2 of Annex 1 (*Terms and Conditions of the Notes*).

4.3 *Legislation under which the securities have been created*

The Notes will be constituted as a matter of English law by a Deed of Covenant dated 9 May 2018.

Subject as set out below, the Notes, and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English law. Title to the Notes and transfers of the Notes as described in condition 3 (*Form, Title and Transfers*) and the status of the Notes as described in Condition 4 (*Status of the Notes*) are governed by, and shall be construed in accordance with. Spanish law.

Please see Conditions 1 and 9 of Annex 1 (*Terms and Conditions of the Notes*).

4.4 ***Form of the Notes***

The Notes will be represented by book-entries, entered in the corresponding book-entry records maintained by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**"), with registered address at Plaza de la Lealtad 1, 28014, Madrid, Spain, and its members.

Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream Luxembourg**") with Iberclear.

Title to the Notes will be evidenced by book-entries and each person shown in the central registry (the "**Spanish Central Registry**") managed by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the "**Iberclear Members**") as being the holder of the Notes shall be considered the holder of the principal amount of the Notes recorded therein. The "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book and "**Noteholder**" shall be construed accordingly and when appropriate, means owners of a beneficial interest in the Notes.

Each Holder will be treated as the legitimate owner (*titular legítimo*) of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate (as defined in the Conditions) issued in respect of it) and no person will be liable for so treating the Holder.

Please see Condition 3 of Annex 1 (*Terms and Conditions of the Notes*).

4.5 ***Currency of the securities issue***

Notes may be issued in U.S. dollars and euro. The currency of the Notes will be specified in the relevant Complementary Certifications.

Please see Condition 2 of Annex 1 (*Terms and Conditions of the Notes*).

4.6 ***Ranking of the securities being admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer***

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise)) rank *pari passu* and rateably without any preference among themselves and *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.

In the event of insolvency (*concurso*) of the Issuer, under the Insolvency Law, claims relating to Notes (unless they qualify as subordinated credits under Article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal or statutory exceptions and subject to any other ranking that may apply as a result of mandatory provisions of law (or otherwise)) will be ordinary credits (*créditos ordinarios*) as defined in the Insolvency Law. The claims that qualify as subordinated credits under Article 92 of the Insolvency Law include, but are not limited to, any accrued and unpaid interests (including, for Notes sold at a discount, the amortisation of the original issue discount from (and including) the date of issue to (but excluding) the date upon which the insolvency proceeding (*concurso*) of the Issuer commenced). Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*). Ordinary credits rank above subordinated credits and the rights of shareholders. Pursuant to Article 59 of the Insolvency Law, accrual of interest shall be suspended from the date of declaration of insolvency of the Issuer.

Please see Condition 4 of Annex 1 (*Terms and Conditions of the Notes*).

4.7 ***Description of the rights attached to the securities, including any limitations of these attached to the securities, and procedure for the exercise of those rights***

The Terms and Conditions applicable to the Notes are as set out in "*Annex 1 – Terms and Conditions of the Notes*" (the "**Conditions**" and each, a "**Condition**").

Each issue of Notes will be the subject of Complementary Certifications which, for the purposes of that issue only, supplements the Conditions set out in Annex I to this Base Prospectus and must be read in conjunction with this Base Prospectus.

4.8 ***The nominal interest rate and provisions relating to interest payable***

4.8.1 *The date from which interest become payable and the due dates for interest*

The Notes may be issued at a discount, at par or at a premium to par, and will not bear interest, therefore the Notes will not bear coupons and periodic interest payments will not be made. The return on the Notes may be positive, zero or negative, and will be determined by the difference between the subscription or purchase price of the Notes and the redemption amount of each Note on maturity.

Please see Condition 5 of Annex 1 (*Terms and Conditions of the Notes*).

4.8.2 *The time limit on the validity of claims to interest and repayment of principal*

Claims for principal in respect of the Notes shall become void unless the relevant Notes are presented for payment within ten years of the maturity date specified in the relevant Complementary Certifications.

Please see Condition 11 of Annex 1 (*Terms and Conditions of the Notes*).

4.8.3 *Where the rate is not fixed, a statement setting out the type of underlying and a description of the underlying on which it is based and of the method used to relate the underlying and the rate*

Not Applicable.

4.8.4 *A description of any market disruption or settlement disruption events that affect the underlying*

Not Applicable.

4.8.5 *Adjustment rules with relation to events concerning the underlying*

Not Applicable.

4.8.6 *Name of the calculation agent*

Not Applicable.

4.9 ***Maturity date and arrangements for the amortization of the Notes, including the repayment procedures. Where advance amortization is contemplated, on the initiative of the issuer or of the holder, it must be described, stipulating amortization terms and conditions***

The *certificaciones complementarias* ("**Complementary Certifications**") prepared by the Issuer in respect of each issue of Notes will set out the date on which, and the amounts in which, such Notes may be redeemed.

The Maturity Date of an issue of Notes may not be less than 3 Payment Business Days (as defined in Annex I) nor more than 364 calendar days from and including the date of issue, subject to applicable legal and regulatory requirements.

Payments in respect of the Notes will be made by transfer to the registered account of the relevant Noteholder maintained by or on behalf of it with a bank that has access to the TARGET2 System, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Payment Business Day on which the payment of principal falls due. Noteholders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Notes. None of the Issuer or the Paying Agent or, if applicable, the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Notes.

The Issuer may redeem Notes (in whole but not in part) if it has or will become obliged to pay additional amounts pursuant to Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Please see Conditions 6, 7 and 8 of Annex 1 (*Terms and Conditions of the Notes*).

4.10 ***An indication of yield***

The yield of the Notes will be calculated based on the following formula:

$$I = [(\frac{N}{E})^{365/n} - 1]$$

I = yield
N = Nominal amount of the Note
E = underwriting or purchase price of the Note
n = period of days from the Issue date until the maturity of the Note.

The next table shows illustratively the effective values of a Note of 100,000 euros of nominal value for different terms and interest rates, calculated on a 365 base:

	30 Days			90 Days			365 Days		
Rate (%)	Effective Value (Euros)	Yiel (%)*	+ 10 Days (Euros)**	Effective Value (Euros)	Yiel (%)*	+ 10 Days (Euros)**	Effective Value (Euros)	Yiel (%)*	+ 10 Days (Euros)**
-1.00	100,082.6	-1.00	27.5	100,248.1	-1.00	27.5	101,010.1	-1.00	27.5
-0.50	100,041.2	-0.50	13.7	100,123.7	-0.50	13.7	100,502.5	-0.50	13.7
-0.20	100,016.5	-0.20	5.5	100,049.4	-0.20	5.5	100,200.4	-0.20	5.5
-0.15	100,012.3	-0.15	4.1	100,037.0	-0.15	4.1	100,150.2	-0.15	4.1
-0.10	100,008.2	-0.10	2.7	100,024.7	-0.10	2.7	100,100.1	-0.10	2.7
-0.05	100,004.1	-0.05	1.4	100,012.3	-0.05	1.4	100,050.0	-0.05	1.4
0.00	100,000.0	0.00	0.0	100,000.0	0.00	0.0	100,000.0	0.00	0.0
0.05	99,995.9	0.05	-1.4	99,987.7	0.05	-1.4	99,950.0	0.05	-1.4
0.10	99,991.8	0.10	-2.7	99,975.4	0.10	-2.7	99,900.1	0.10	-2.7
0.15	99,987.7	0.15	-4.1	99,963.0	0.15	-4.1	99,850.2	0.15	-4.1
0.20	99,983.6	0.20	-5.5	99,950.7	0.20	-5.5	99,800.4	0.20	-5.5
0.25	99,979.5	0.25	-6.8	99,938.5	0.25	-6.8	99,750.6	0.25	-6.8
0.50	99,959.0	0.50	-13.7	99,877.1	0.50	-13.7	99,502.5	0.50	-13.7
1.00	99,918.2	1.00	-27.3	99,755.0	1.00	-27.3	99,009.9	1.00	-27.3

*Composite Yield with 365 base
** Variation of the effective value with a 10-days extension of the Note.

4.11 ***Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where investors may have access to the contracts relating to these forms of representation***

There will be no trustee or other representative of the Noteholders. Due to the short-term nature of the Notes, they do not contain provisions for the convening of meetings of the Noteholders.

4.12 ***A statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued***

The establishment of the Programme and the issuance of Notes pursuant thereto was authorised by the Board of Directors of the Issuer on 11 March 2019.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

4.13 ***The expected issue date of the securities***

The issue date of each Note will be as set out in the relevant Complementary Certificate.

The term of validity of this Base Prospectus is one year from the date of approval of this Base Prospectus by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

The Notes may be issued and subscribed on any Payment Business Day during the term of validity of this Base Prospectus.

4.14 ***A description of any restrictions on the free transferability of the securities***

The Notes are issued without any restrictions on their free transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and / or Iberclear itself, as applicable.

5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

5.1 ***Indication of the market where the securities will be traded and for which prospectus has been published. If known, give the earliest dates on which the securities will be admitted to trading***

Application has been made to the Spanish AIAF Fixed Income Securities Market ("**AIAF**"), for Notes issued under the Programme during the period of twelve months after the date of this Base Prospectus to be listed and admitted to trading on AIAF. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the Dealer. No Notes may be issued on an unlisted basis.

5.2 ***Name and address of any paying agents and depository agents in each country***

Caixabank, S.A. at Calle Pintor Sorolla 2-4, 46002, Valencia, Spain, is the Paying Agent in respect of the Notes.

6. EXPENSE OF THE ADMISSION TO TRADING

An estimate of the total expenses related to the admission to trading.

	Payment concept	Estimation (Euros)
CNMV	Prospectus registration*	5,101
CNMV	Notes admission fee**	61,206
AIAF	Prospectus registration	55,000
AIAF	Publication fee	300
AIAF	Admission fee ***	55,000
IBERCLEAR	Prospectus registration	100
IBERCLEAR	Issuances fees****	12,000
TOTAL		**188,707**

* Base on the CNMV tariff.
** 0,01% over the total amount issued with a maximum of 61.206 euros
*** 1 per 1000 over the total amount issued with a maximum of 55.000 euros
**** Calculation for 240 ISIN code issues.

7. ADDITIONAL INFORMATION

7.1 *If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted*

Notes may be sold from time to time by the Issuer to any one or more of Banco Santander, S.A. Barclays Bank PLC, Barclays Bank Ireland PLC, BNP Paribas, BRED Banque Populaire, Citigroup Global Markets Limited, Citigroup Global Markets Europe AG, Goldman Sachs International, Crédit Agricole Corporate and Investment Bank, ING Bank N.V., NatWest Markets N.V., NatWest Markets Plc and Société Générale (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated 9 May 2019 (the "**Dealer Agreement**") and made between the Issuer and the Dealers.

Certain matters governed by English and Spanish law have been passed on for the Dealers by Clifford Chance, S.L.P.U, English and Spanish counsel for the Dealers.

Certain matters governed by Spanish law have been passed on for the Issuer by its internal legal counsel.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer (as defined below) subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules for the rest of the notes.

7.2 ***An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report***

There is no audited information in the Securities Note, nor has a report been produced by the auditors.

7.3 ***Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the Securities Note***

Not Applicable.

7.4 ***Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information***

Not Applicable.

7.5 ***Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process***

As at the date of this Base Prospectus, Endesa had a short-term debt rating of P-2 (stable outlook) from Moody's, A-2 (positive outlook) from Standard & Poor's and F-2 (stable outlook) from Fitch.

Each of Moody's, Standard & Poor's and Fitch is established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies.

ANNEX 1 – TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented by the relevant Complementary Certificates, will be applicable to the Notes.

1. ***Introduction***

Endesa, S.A. (the "**Issuer**") has established a programme (the "**Programme**") for the issuance of up to €3,000,000,000 in aggregate principal amount of notes (the "**Notes**").

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. The terms and conditions applicable to any particular Tranche of Notes are these Conditions (the "**Conditions**") as supplemented, amended and/or replaced. Each issue of Notes will be the subject of *certificaciones complementarias* ("**Complementary Certifications**") which, for the purposes of that issue of Notes only, supplements the Conditions and must be read in conjunction with the Conditions.

The Notes have been constituted as a matter of English law by a deed of covenant dated 9 May 2019 executed by the Issuer (the "**Deed of Covenant**") to which these Conditions have been affixed. In the Deed of Covenant, the Issuer has covenanted in favour of each Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions.

The Notes are the subject of a Spanish law issue and paying agency agreement dated 9 May 2019 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer and Caixabank, S.A. as issue and paying agent (the "**Agent**", which expression includes any successor agent appointed from time to time in accordance with the Agency Agreement).

2. ***Currency and minimum denomination of Notes***

Notes shall be issued in the following currencies and minimum denominations:

(a) for U.S.$ Notes, U.S.$500,000 (and integral multiples thereof); and

(b) for euro Notes, €100,000 (and integral multiples thereof).

3. ***Form, Title and Transfers***

Notes issued pursuant to the Programme will be in dematerialised, book-entry form (*anotaciones en cuenta*).

The Notes will be registered with the Spanish Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal ("**Iberclear**") as managing entity of the central registry of the Spanish clearance and settlement system (the "**Spanish Central Registry**") with its registered office at Plaza de la Lealtad, 1, 28014, Madrid, Spain. Holders of a beneficial interest in the Notes who do not have, directly or indirectly through their custodians, a participating account with Iberclear may hold the Notes through bridge accounts maintained by each of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream

Banking, société anonyme, Luxembourg ("**Clearstream Luxembourg**") with Iberclear. Iberclear will manage the settlement and clearing of the Notes, notwithstanding the Issuer's commitment to assist, when appropriate, on the clearing and settlement of the Notes through Euroclear and Clearstream Luxembourg.

The information concerning the International Securities Identification Number code of the Notes (the "**ISIN Code**") will be stated in the Complementary Certifications.

Title to the Notes will be evidenced by book-entries and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities (*entidades participantes*) in Iberclear (the "**Iberclear Members**") as being the holder of the Notes shall be considered the holder of the principal amount of the Notes recorded therein. The "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Spanish Central Registry managed by Iberclear or, as the case may be, the relevant Iberclear Member accounting book and "**Noteholder**" shall be construed accordingly and when appropriate, means owners of a beneficial interest in the Notes.

One or more certificates (each, a "**Certificate**") attesting to the relevant Noteholder's holding of the Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where the Holder is itself an lberclear Member, by lberclear (in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member's or, as the case may be, Iberclear's procedures) to such Holder upon such Holder's request.

The Notes are issued without any restrictions on their free transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/ or Iberclear itself, as applicable. Each Holder will be treated as the legitimate owner (*titular legítimo*) of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

4. ***Status of the Notes***

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions and subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise)) rank pari passu and rateably without any preference among themselves and pari passu with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.

In the event of insolvency (*concurso*) of the Issuer, under the Insolvency Law, claims relating to Notes (unless they qualify as subordinated credits under Article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal or statutory exceptions and subject to any other ranking that may apply as a result of mandatory provisions of law (or otherwise))) will be ordinary credits (*créditos ordinarios*) as defined in the Insolvency Law. The claims that qualify as subordinated credits under Article 92 of the Insolvency Law include, but are not limited to, any accrued and unpaid interests (including, for Notes sold at a discount, the amortisation of the original issue discount from (and including) the date of issue to (but excluding) the date upon which the insolvency proceeding (*concurso*) of the Issuer commenced). Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*). Ordinary credits rank above subordinated credits and the rights of shareholders. Pursuant to Article 59 of the Insolvency Law, accrual of interest shall be suspended from the date of declaration of insolvency of the Issuer.

5. ***Zero Coupon Notes***

The Notes may be issued at a discount, at par or at a premium to par, and will not bear interest, therefore the Notes will not bear coupons and periodic interest payments will not be made.

6. ***Payment***

(a) *Principal Amounts*

Payments in respect of the Notes will be made by transfer to the registered account of the relevant Noteholder maintained by or on behalf of it with a bank that has access to the corresponding tapayment system, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the Payment Business Day on which the payment of principal falls due. Noteholders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments under the relevant Notes. None of the Issuer or the Paying Agent or, if applicable, the Dealers will have any responsibility or liability for the records relating to payments made in respect of the Notes.

(b) *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

(c) *Payment Business Day*

If the date for payment of any amount in respect of any Note is not a Payment Business Day, the Holder thereof shall not be entitled to payment until the next following Payment Business Day and shall not be entitled to interest or other payment in respect of such delay provided that, if such following Payment Business Day falls in the next succeeding calendar month, the date for payment will be advanced to the Payment Business Day immediately preceding such date for payment.

In this Condition 6:

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is a TARGET Business Day; or

(b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment (which, in the case of payments in U.S. dollars will be New York City);

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

7. ***Redemption at maturity***

Each Note will be redeemed at its principal amount on the Maturity Date specified in the Complementary Certifications.

8. ***Taxation***

All payments in respect of the Notes by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed ("**Taxes**") in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing ("**Tax Jurisdiction**"). If the Issuer is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable:

(a) to, or to a third party on behalf of, a Holder or Noteholder who is liable for such taxes or duties in respect of such Notes by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; or

(b) to, or to a third party on behalf of, a Holder or Noteholder in respect of whose Notes the Issuer (or an agent acting on behalf of the Issuer) has not received information as may be necessary to allow payments on such Note to be made free and clear of withholding tax or deduction on account of any taxes imposed by a Tax Jurisdiction, including when the Issuer (or an agent acting on behalf of the Issuer) does not receive such information concerning such Noteholder's identity and tax residence as may be required in order to comply with the procedures that may be implemented; or

(c) where taxes are imposed by a Tax Jurisdiction that are (a) payable otherwise than by withholding from a payment under, or with respect to, the Notes; or (b) any estate, inheritance, gift, sales, transfer, personal property or similar taxes imposed by a Tax Jurisdiction; or (c) solely due to the appointment by an investor in the Notes, or any person through which an investor holds Notes, of a custodian, collection agent, person or entity acting on behalf of the investor of the Notes or similar person in relation to such Notes; or

(d) any combination of items (a) through (c) above.

Notwithstanding any other provision of these Conditions, no additional amounts shall be payable with respect to any Notes if any withholding or deduction is required to be made from a payment from the Notes pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) (the "**Code**"), any current or future regulations or official interpretations thereof, any law or regulations adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to section 1471(b) of the Code.

9. ***Governing Law and Jurisdiction***

(a) *Governing Law*: Subject as set out below, the Notes, and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English law. Title to the Notes and transfers of the Notes as described in condition 3 (*Form, Title and Transfers*) and the status of the Notes as described in Condition 4 (*Status of the Notes*) are governed by, and shall be construed in accordance with. Spanish law.

(b) *English Courts*: The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes (including a dispute relating to non-contractual obligations arising from or in connection with the Notes)

(c) *Appropriate Forum*: The Issuer agrees that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly that it will not argue to the contrary.

(d) *Rights of the Holder to take proceedings outside England*: Notwithstanding paragraph 9(b) (*English Courts*) the Holder may take proceedings relating to a dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Service of Process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debentures Corporate Services Limited, Fifth floor 100 Wood Street, London EC2V 7EX, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notification to the Holders in the manner prescribed for the giving of notices in connection with the Notes. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

10. ***Contracts (Rights of Third Parties) Act 1999***

No person shall have any right to enforce any provision of these Conditions or the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

11. ***Prescription***

Claims for principal in respect of the Notes shall become void unless the relevant Notes are presented for payment within ten years of the maturity date specified in the relevant Complementary Certifications.

In witness to its knowledge and approval of the contents of this prospectus drawn up according to Annexes IX and XIII of Commission Regulation (EC) No. 809/2004 of 29 April 2004, it is hereby signed in Madrid, this 9 day of May 2019, by the chief financial officer of Endesa, Mr Luca Passa, in name and of behalf of Endesa.

Endesa, S.A.

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Mr. Luca Passa