Distinctive platforms for renewed growth

endesa

Member of Dow Jones Sustainability Indexes

November 2004

Endesa: distinctive platforms for renewed growth

Distinctive platforms		Renewed growth		Strong free cash flow generation
• Top-tier European player • #1 in its markets • Diversified across businesses and regions	+	• Strong organic growth • Ample built-in optionality for additional investments beyond current plans • Telecom upside	+	• Investment plan • Growing dividend stream • Additional growing opportunities if required

Competitive return to shareholders

endesa

Distinctive platforms

	Spain & Portugal	Europe	Latam
Capacity [b] *(MW)*	**22,204**	**8,814** [a]	**13,903**
GWh [c]	Production 95,211; Customer Sales 90,855	Production 26,946 [a]; Customer Sales 10,697 [a]	Production 46,480; Customer Sales 49,526
Assets [b] *(€ M)*	**23,471**	**6,168**	**15,149**
Average weight	**50-55%**	**15-20%**	**30-35%**
Leaderhip position	#1 Iberian utility	Only Iberian utility with significant presence in Europe	Largest private utility in Latin America

Diversified geographies, sizeable business in each; Balanced portfolio in every region (and country); Leadership position in all regions.

[a] Includes 100% of SNET [b] as of 09/04 [c] year 2003

Renewed growth and strong free cash flow generation

Capture potential of existing asset base	• High utilization rates • Improved operations / profitability • Regulatory management
Investment in current businesses	• Maintain leadership in our markets, which enjoy high growth rates • Capture share in gas and renewables
Exploit additional business and investment opportunities	• Site optionality in Spain & Portugal, France and Italy • Gas-electricity convergence • Expanded offering to customers (22 million)
Sustain financial strength	• Continued focus on cash flow generation • Latam portfolio optimization / limited risk • Potential divestments to fund additional growth needs

endesa

Positive Performance in all Businesses in 9M 04

Improved operating performance and quality of results

- Consolidated EBIT +13.4%
- Ordinary income +13.6% to €1,759 M
- Net income w/o extraordinaries+48%

Stronger financial position

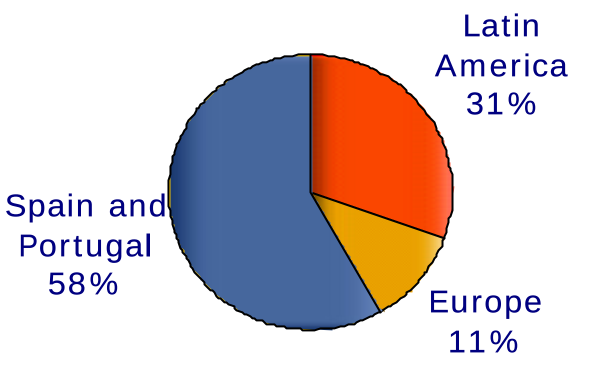
- Debt reduced by €93 M in 9M 04
- Leverage reduced to 1.14x, 1.37x with preferred securities
- Lower net financial expenses in €73M

Strengthened position in all business lines

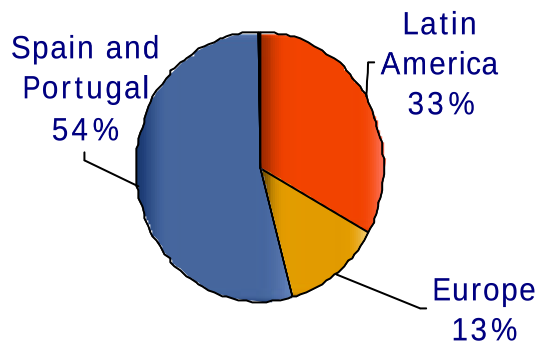
- 40% more mainland generation than next competitor. Vertically integrated
- Consolidation of SNET improves Endesa’s position in Mediterranean area
- Latin America: 18% higher generation, 6% higher distribution sales, 4% higher customers

9M 04 results by business

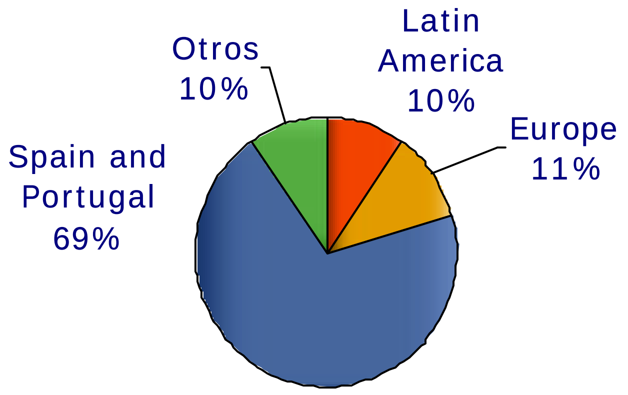
EBITDA: €3,842 M, +10.6%



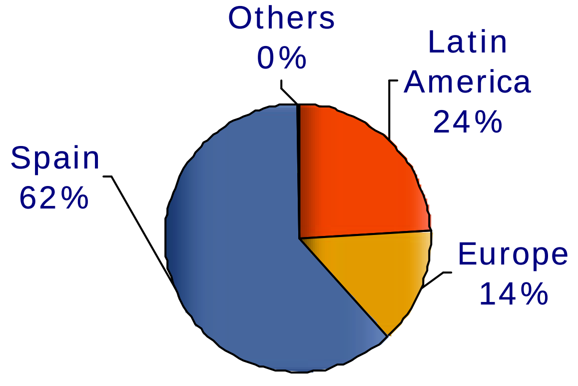
EBIT: €2,602 M, +13.4%



Net Income: €1,157 M, +1.1%



Cash Flow: €2,811 M, -0.7%



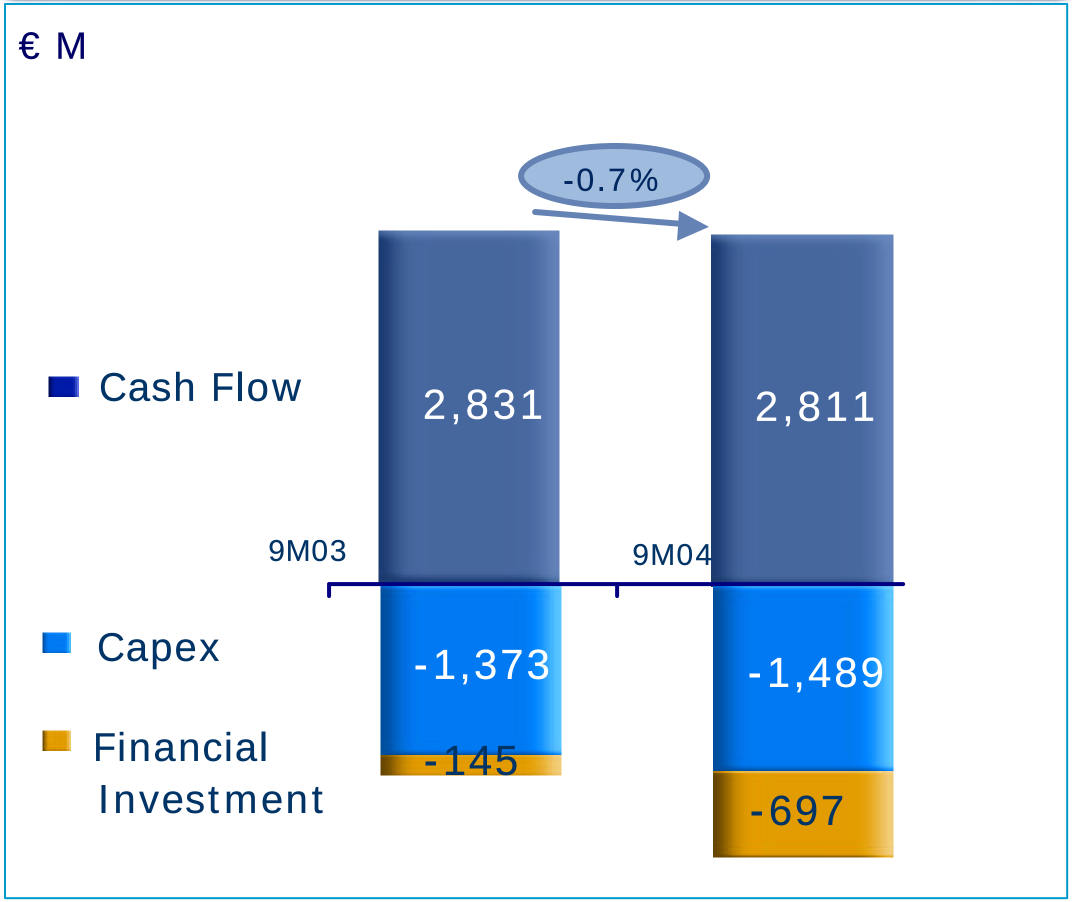
New organizational structure

- Changes in consolidation perimeter:
  - Renewables transferred to the Spain and Portugal unit
  - Portuguese generation assets transferred from Europe to the Spain and Portugal unit
  - Global consolidation of Snet from September 1st
  - Lighter and more simplified corporate structure

endesa

Sustained cash flow / capex coverage

Cash Flow and Capex



- **€2,811 M cash flow covering €1,489 M capex and €897 M dividend payments**
- **Cash Flow –0.7% due to abnormally low tax payment in 2003. Before taxes, Cash Flow +14.7%.**
- **Financial investments (€697 M) including:**
  - 3% in Auna (€261 M)
  - Loan Capitalization in Smartcom (€187 M) with no cash payment
  - Additional 35% stake in Snet (€121 M)
- **Divestments of €348 M**

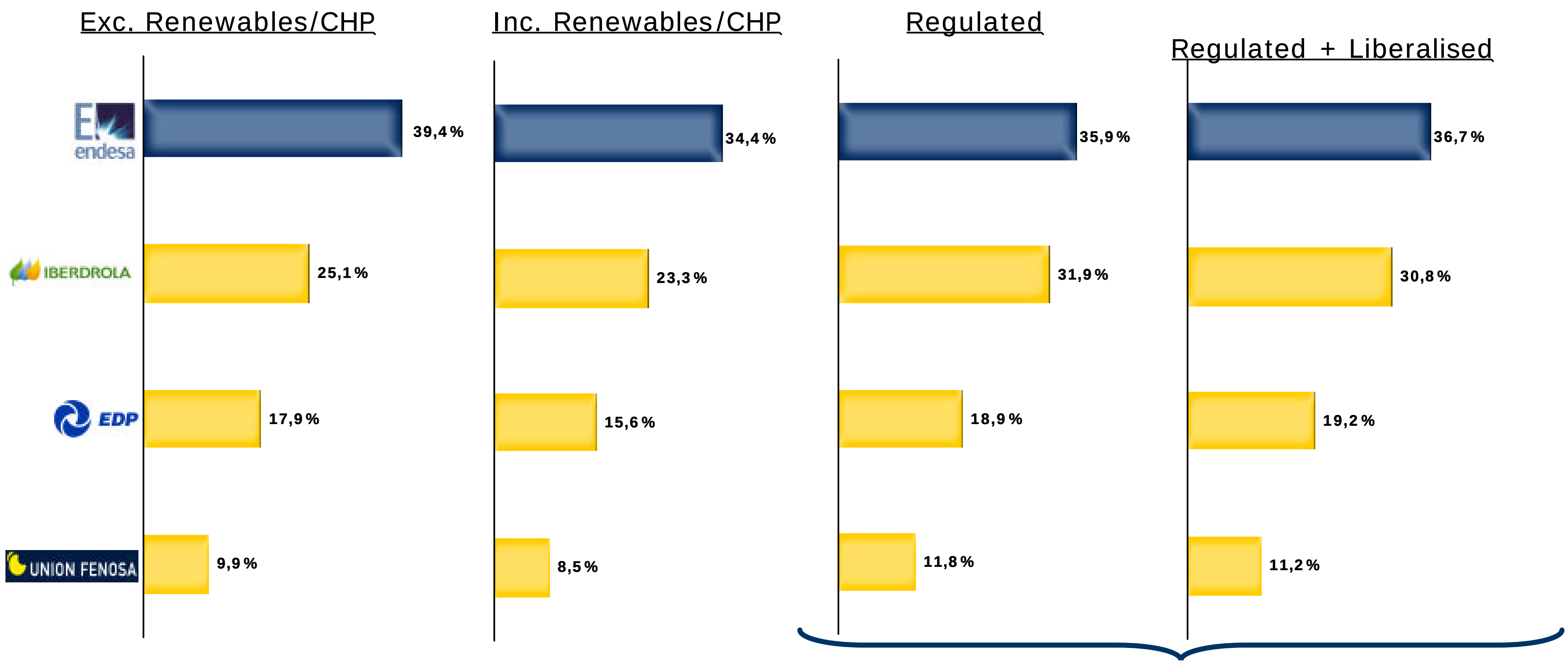
Spain and Portugal

Leader in Spain and Portugal across the value chain

Spain and Portugal

Generation → Distribution → Supply

Market Share GWh 2003



Total Mibel (2003, TWh): 237 | 280 | 251

Note: Hydro generation level in 2003 was slightly above average

Source: CNE, Annual Reports

Strategic drivers in Spain and Portugal

Solid business base

- Sustained leadership
- Balanced mix
- Vertically integrated
- Hedged fuel & flexible gas contracts

Growth potential

- High growth regions (demand, generation, supply)
- Renewables
- Gas
- Portugal

Robust positioning on key regulatory issues

- Islands
- Distribution
- NAP / ETS
- CTCs

Achievements in Spain and Portugal in 2004

Spain and Portugal

New capacity +621 MW	+ 400 MW CCGT + 94 MW Renewables + 127 MW Islands
Generation +4.9% to 74.1 TWh(1)	Peninsular: +4.4% 62.8 TWh Non-peninsular: +6.3% 9.9 TWh Special regime: +22.8% 1.4 TWh
Distribution	Yearly Outage time reduced from 3:38h to 2:51h (-22%)
Sales +4.2% to 72.7 TWh	Regulated: -2.7% 49.8 TWh Deregulated: +23% 22.9 TWh Market share (dereg. and reg.): 42,3%
Gas	Increased market share to 9,8%

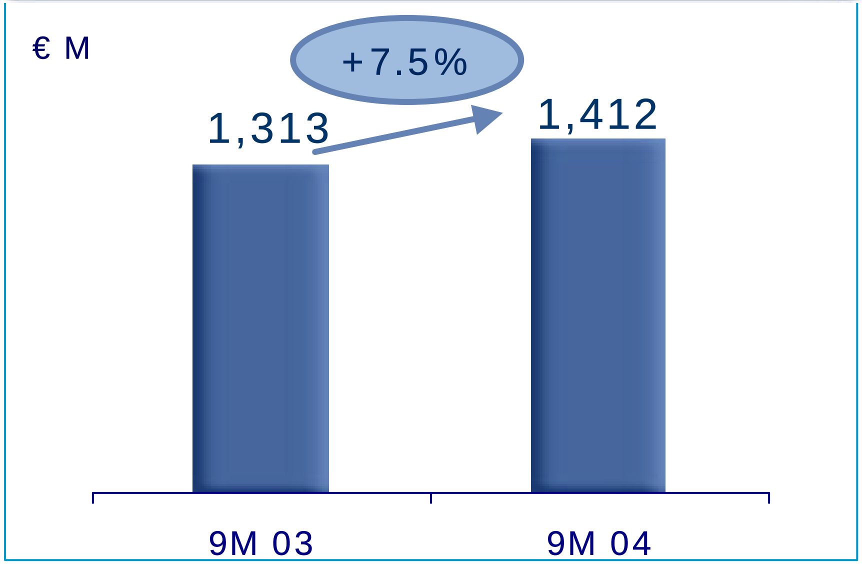
Strong growth in generation and sales of energy

(1) Not including share in Generation in Portugal

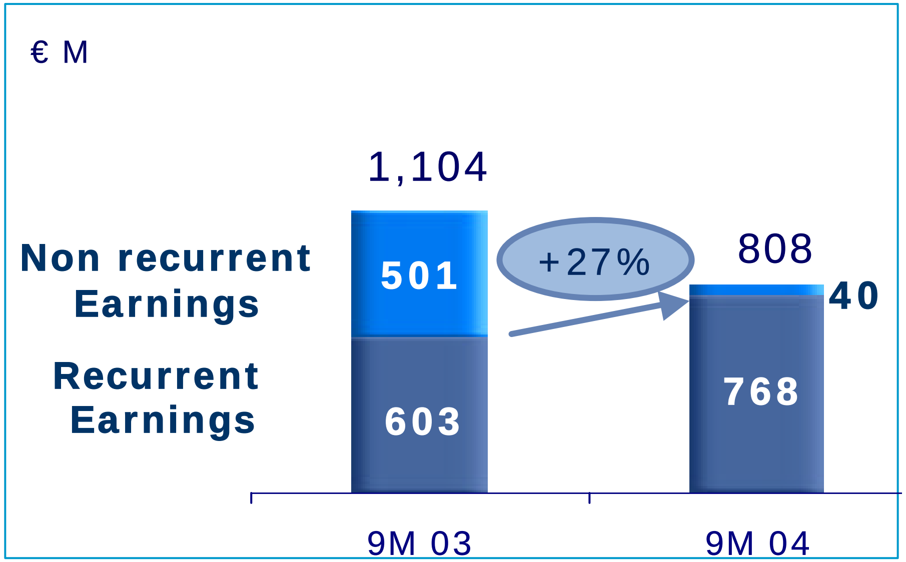
Spain & Portugal: strong 3Q performance

Spain and Portugal

EBIT



Net Income



- EBIT main drivers: +4.9% output; Average + 1.7% regulated tariff; + 6.1% increase in the average price levied on deregulated clients.
- Net income decreased due to high extraordinary income recorded in 2003. Excluding extraordinary results, net income: + 27.4%.
- Euro 123 million island compensation for extra costs in previous quarters

Spain & Portugal investment plan 2005 - 2009

€ bn	2004	2005	05-09	
Domestic Business (1)	**1.6**	**2.4**	**10.3**	
New capacity mainland	0.1	0.3	1.8	Additional 3.200 MW CCGT and 400 MW pumping
New capacity islands	0.2	0.3	1.1	1.300 MW due to increasing demand
Maintenance Capex Generation	0.3	0.4	1.5	As Pontes transformation DeNox-DeSox (LCF Directive)
Renewables	0.2	0.3	1.4	Same plan (additional 2.100 MW mainly wind)
Distribution capex	0.8	1.0	4.3	Better quality of supply and expected improvement in remuneration
Others (2)	0.0	0.1	0.2	

(1) Investments net of subsidies, surrender and contributions in distribution business
(2) Mainly gas infrastructure, coal infrastructure and commercialization

Europe

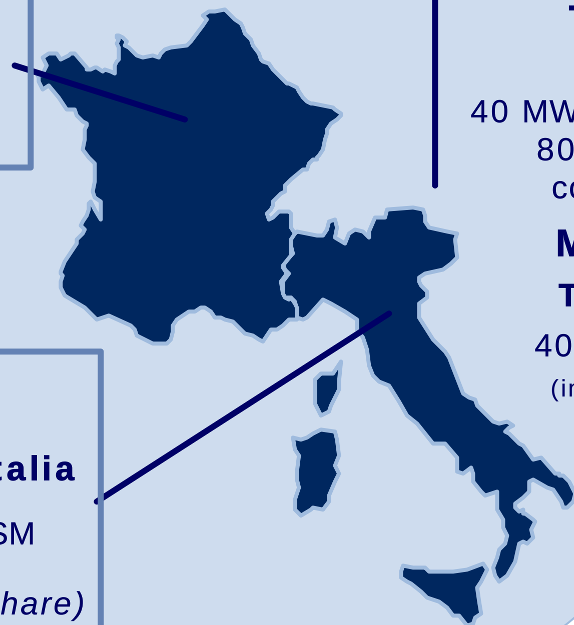
The only Iberian player with a sizeable position in Europe

Endesa Europa

France:

65% in Snet

- Partnership with Gaz de France
- 2,604 MW *(2.5% share)*
- 5,633 GWh sales to liberalised customers



Poland:

Bialystok

330 MW CHP

Turkey:

Altek

40 MW hydro plants + 80 MW CHP in construction

Morocco:

Tahaddart

400 MW CCGT

(in construction)

Italy:

85% in Endesa Italia

- Partnership with ASM Brescia
- 5,860 MW *(7.2% share)*
- 4,623 GWh sales to liberalised customers

Strong local partners
Large efficiency improvements
Promising growth prospects

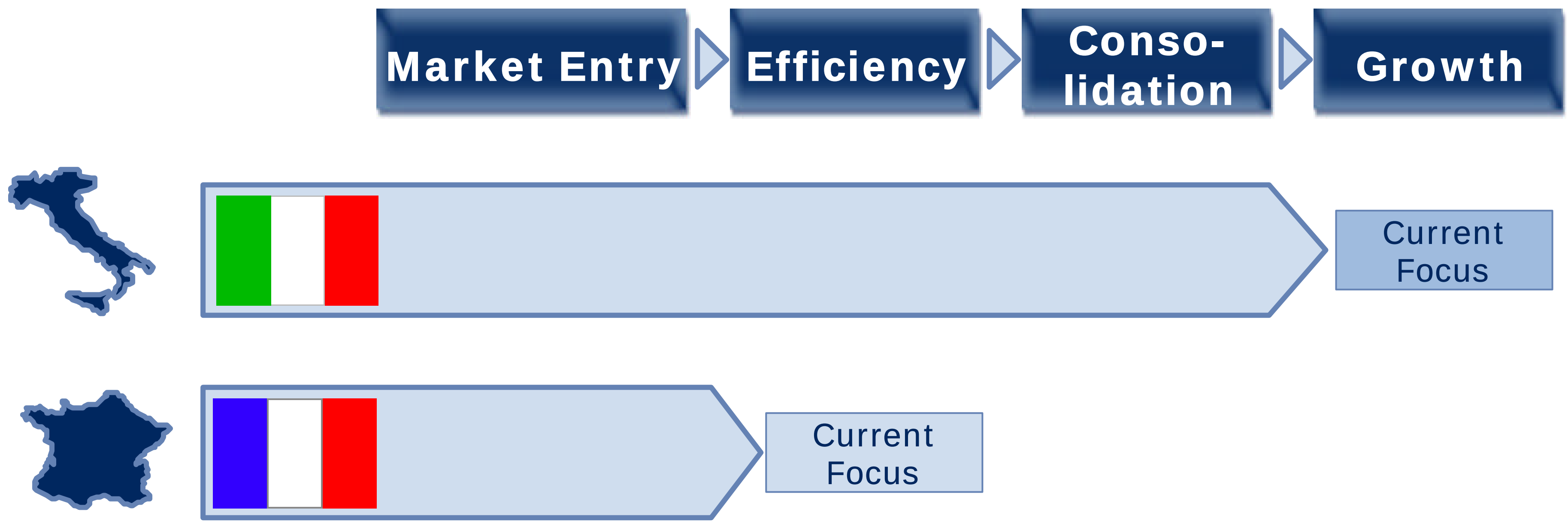
Source: Annual Reports

endesa

Strategic drivers in Europe

Endesa Europa

- Focus on attractive markets (large incumbent, gradual liberalization process)
- Already achieving outstanding results
- Guaranteeing access to future opportunities
- Investments 2005 – 09: €1,800 million
- Phased approach to entry



Achievements in Europe in 2004

Operating parameters

Capacity:	+ 140 MW New Capacity
	+ 2x330 MW Repowered
Generation:	+ 33% to 16.9 TW
Sales:	+ 52% to 20.8 TWh

2003 dividend paid by Endesa Italia in April of €31 M

Agreement to acquire 20MW Florinas wind farm in Sardinia, for €21.5 M

Agreement to acquire from GAMESA ENERGÍA 200MW wind farms in Italy for approx. €250 M

Purchase of additional 34% stake in Endesa Italia from SCH

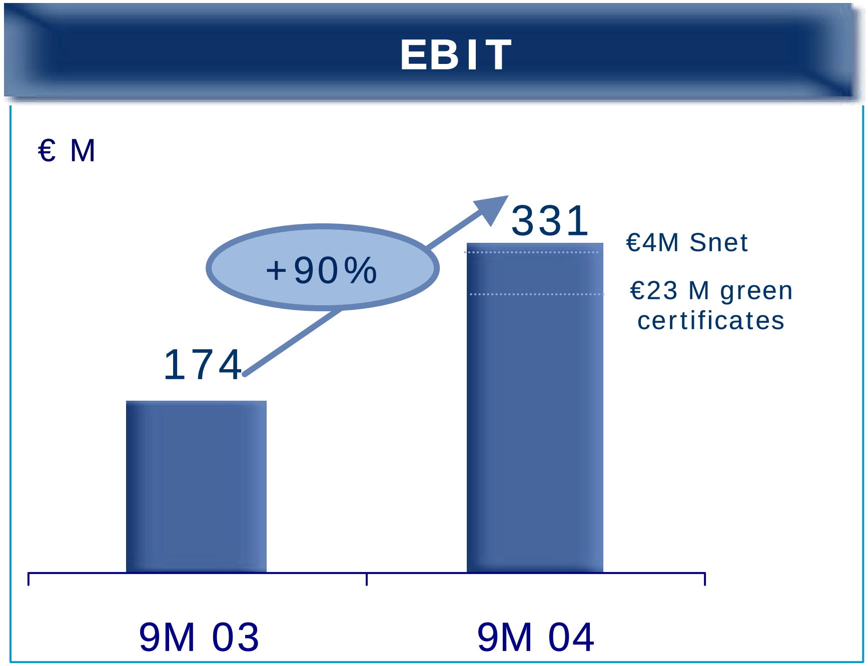
Purchase of additional 35% stake in Snet (to 65%) for € 121 M

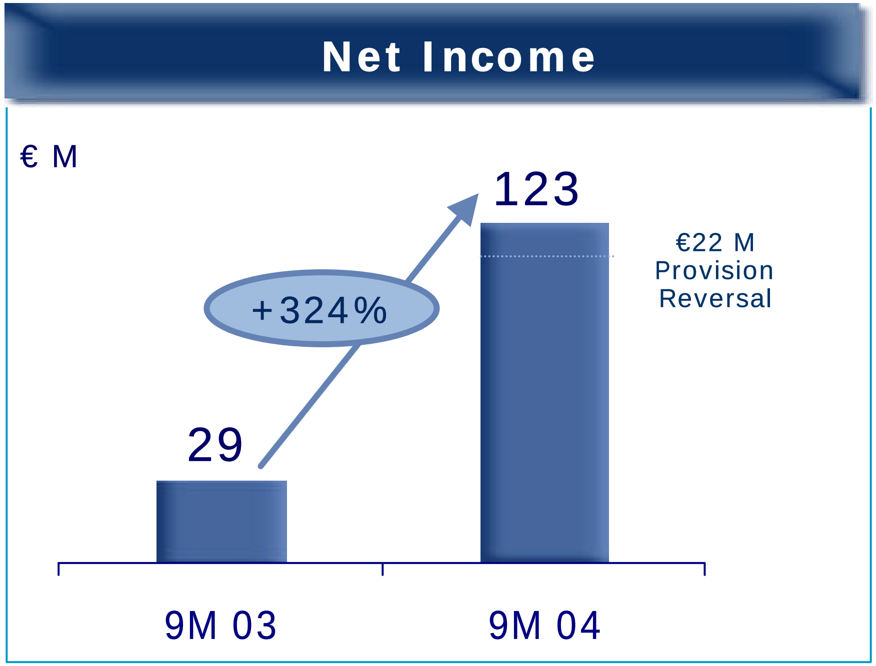
Agreement with ASM Brescia to build a co-generation plant in Scandale (Calabria) comprising 2 CCGTs with a combined capacity of 800MW

EU approved the stranded costs for Italy. €169 million to ENDESA Italia

European 9M04 EBIT: Strong Operating Performance

Endesa Europa





- Compensation for "green certificates" from previous years
- Lower equity income (€14 M) due to transfer of Portuguese assets to Endesa Generación
- Full consolidation of 65% of Snet from September 1st, 2004
- Reversal of provision for workforce reduction: €38 M (Net after minorities €22 M)

Europe investment plan 2005-2009

Endesa Europa

€ bn	2004	2005	05-09
European Business	**0.5**	**0.4**	**1.8**
New capacity Italy	0.2	0.2	0.9
Renewables	0.02	0.1	0.5
Maintenance Capex Italy	0.05	0.05	0.2
Maintenance Capex Snet	0.05	0.05	0.2
Acquisition 35% of Snet	0,14	-	-

Finish repowering up to 3200 MW, additional 800 MW CCGT´s and LNG infraestructure

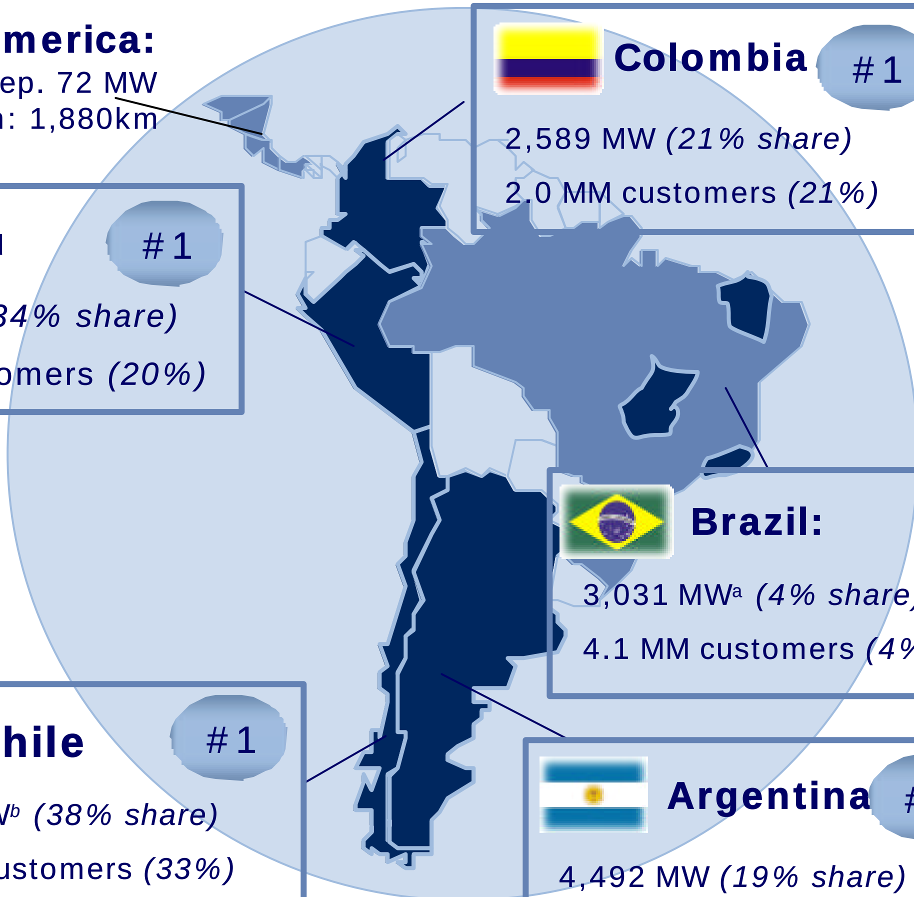
>400 MW additional mainly wind (350 MW in Italy and 55 MW France)

endesa

Latam

Leader in 4 Latin American markets

Central America:
Dominican Rep. 72 MW
Transmission: 1,880km



Colombia #1

2,589 MW *(21% share)*

2.0 MM customers *(21%)*

Peru #1

1,458 MW *(34% share)*

0.9 MM customers *(20%)*

Brazil:

3,031 MW[a] *(4% share)*

4.1 MM customers *(4%)*

Chile #1

4,333 MW[b] *(38% share)*

1.3 MM customers *(33%)*

Argentina #1

4,492 MW *(19% share)*

2.1 MM customers *(22%)*

Diversified across the region
Balanced Generation and Distribution in each country

[a] Includes 2,000 MW transmission capacity from CIEN and Fortaleza (310 MW)

[b] Including Ralco

Source: Annual Reports

Strategic drivers in Latam

Endesa Latin America

Capture growth

- High demand growth in our markets
- Increased operating excellence (cost reduction)
- Expanded and more utilized asset base

Guarantee an attractive and sustainable position in Latin America

Reduce risk profile

- Management of regulatory issues
- Financial strength
- Portfolio management

Achievements in Latam in 9M 2004

Endesa Latin America

Generation: +18.4% to 40.7 TWh | **Distribution: +5.7% to 38.9 TWh** | **Customers: +4.3% to 10.8M**

Chile

- Increase in US$ Node Prices (+19% April, + 7% Nov)
- Ralco starts operating (570 MW; 3,100 GWh per year)
- Managing the gas supply crisis
- Chilectra Tariff resetting- Nov 2004 (-4.4%)

Peru

- Reconversion of Etevensa plant to gas
- Generation Prices (wholesale prices) +19% in US$
- Edelnor US$ 40 M & Edegel US$ 35 M local bonds issued

Colombia

- Tariff increase in Distribution (+19% in January)
- Codensa US$ 140 MM local bond issued

Argentina

- Negotiation of new model of wholesale electricity market
- Edesur US$ 40 MM local bonds issued

Brazil

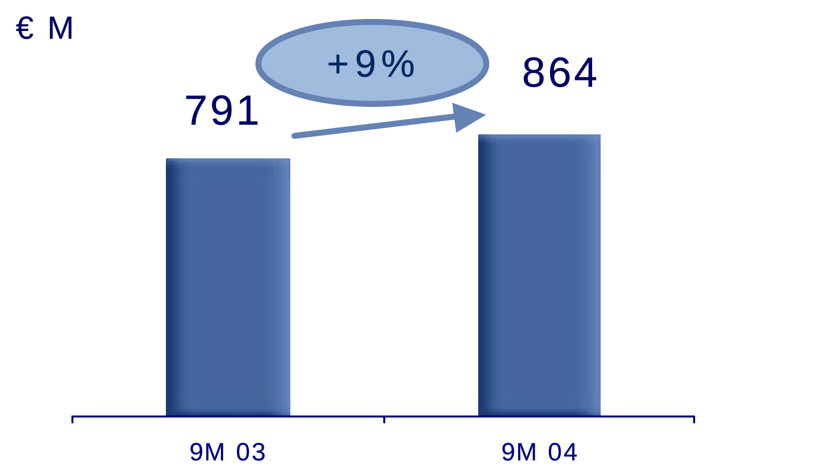
- Celg-Cachoeira Agreement
- Ampla (Cerj) Transformation plan launched
- Ampla Debt restructuring, CIEN and Coelce refinancing
- Exports from Brazil to Argentina through CIEN
- Fortaleza CCGT: 310 MW (Jan-04)

endesa

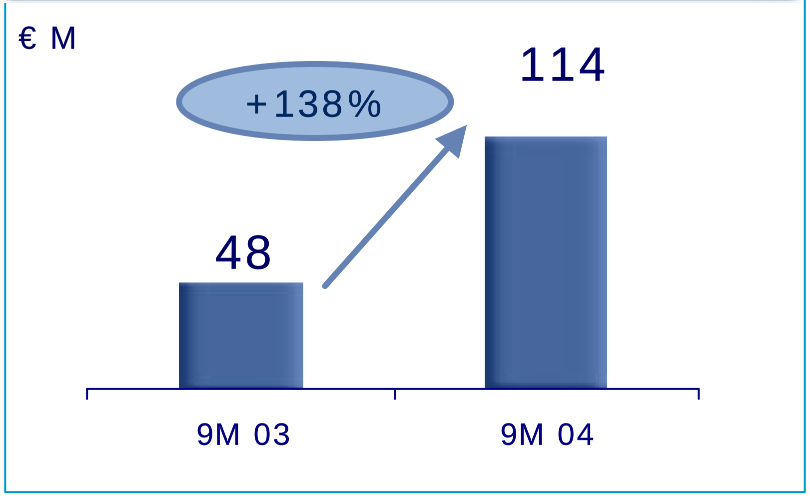
Latam 9M04 EBIT: confirmed recovery

Endesa Latin America

EBIT

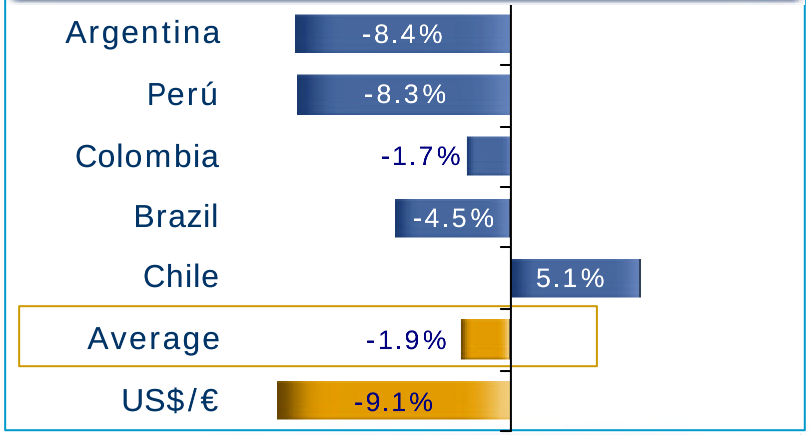


Net Income



- EBIT in US$ +20%
- Chile generation affected by the sale of the Canutillar hydro plant
- Generation EBIT: +10; Distribution EBIT: +18%; Transmission EBIT –16%
- Provision for Argentina: + €17 M, up to €198 M

Average Exchange rate vs. Euro 9m04 / 9m03



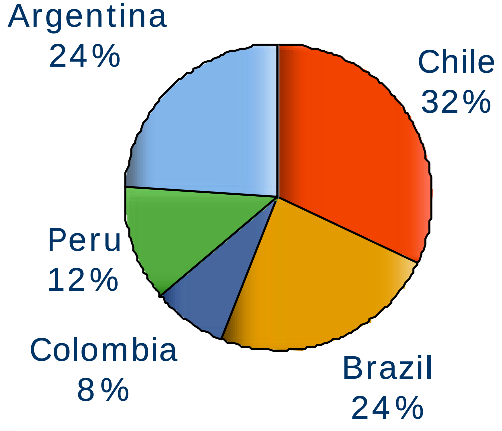
endesa

Latam investment plan 2005 - 2009

Endesa Latin America

€ bn	2004	2005	05-09
Latam Business	**0.4**	**0.5**	**2.5**
New capacity	0.1	0.1	0.5
Maintenance capex generation	0.1	0.1	0.5
Maintenance capex distribution	0.2	0.3	1.5

Latam investment plan 2005–2009 by country: € 2.5 bn



Telecom

Telecoms: positive contribution from both Auna and Smartcom

Telecoms

€ M	9M 03	9M 04	% Var.
Grupo auna			
Revenues	**2,776**	**3,109**	**12%**
EBITDA	**683**	**863**	**26%**
Equity Income Contrib. to Endesa	**-28**	**9**	**n.a.**
amena			
Revenues	1,930	2,290	19%
EBITDA	582	757	30%
Customers ('000)	7,667	8,970	17%
auna TLC			
Revenues	746	862	16%
EBITDA	60	122	106%
Customers ('000)	620	752	+21%

smartcom	9M 03	9M 04	% Var.
Revenues	126	132	5%
EBITDA	16	29	76%
Equity Income Contrib. to Endesa	-25	8	n.a.
Customers ('000)	1,070	1,395	30%

Achievements in telecom in 2004

Telecoms

AUNA:

- Debt renegotiation completed (€4.5 bn), self financing in place
- Guarantees lifted (€459 M)
- Endesa's stake increased to 32.7%
- Average analysts' consensus valuation: €2,106 M
- Book value: € 1,274 M

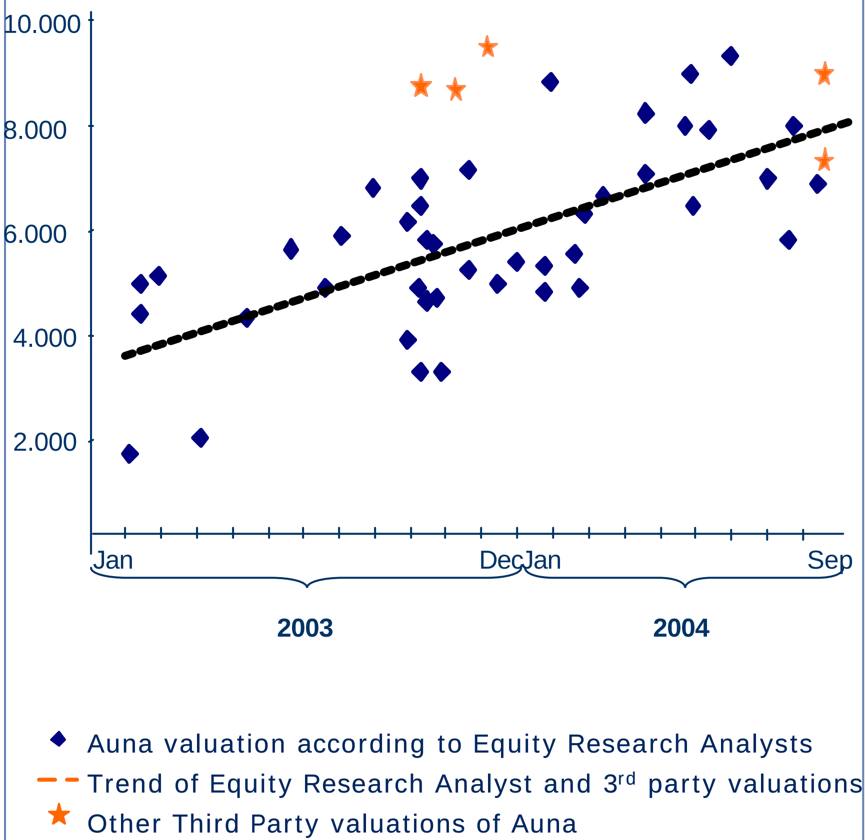
- **Effect of disposal of Netco Redes:**
  - Cash inflow: €51 M
  - Debt deconsolidated: €47 M
  - Capital gain: €8 M.

Strategic Priority in Telecoms: Extract value at right moment

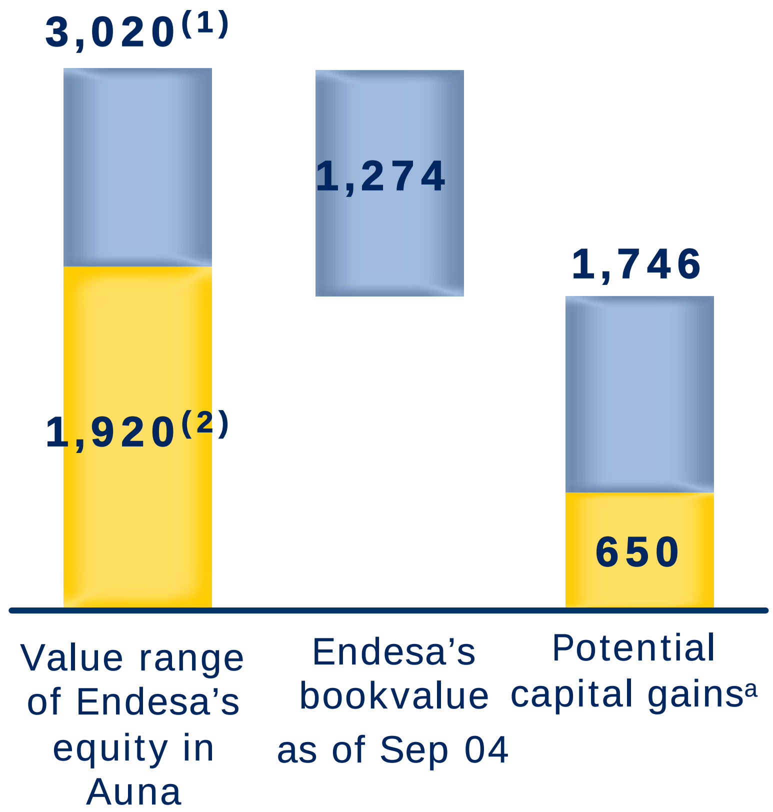
endesa

Telecoms: improved valuation

Increasing valuation of Auna (Equity, € million)



Estimated current capital gains (€ million)



(1) Mean of Other Third Party valuations of Auna; (2) Mean of Equity Research Analyst valuations in 2004

a Pre-tax

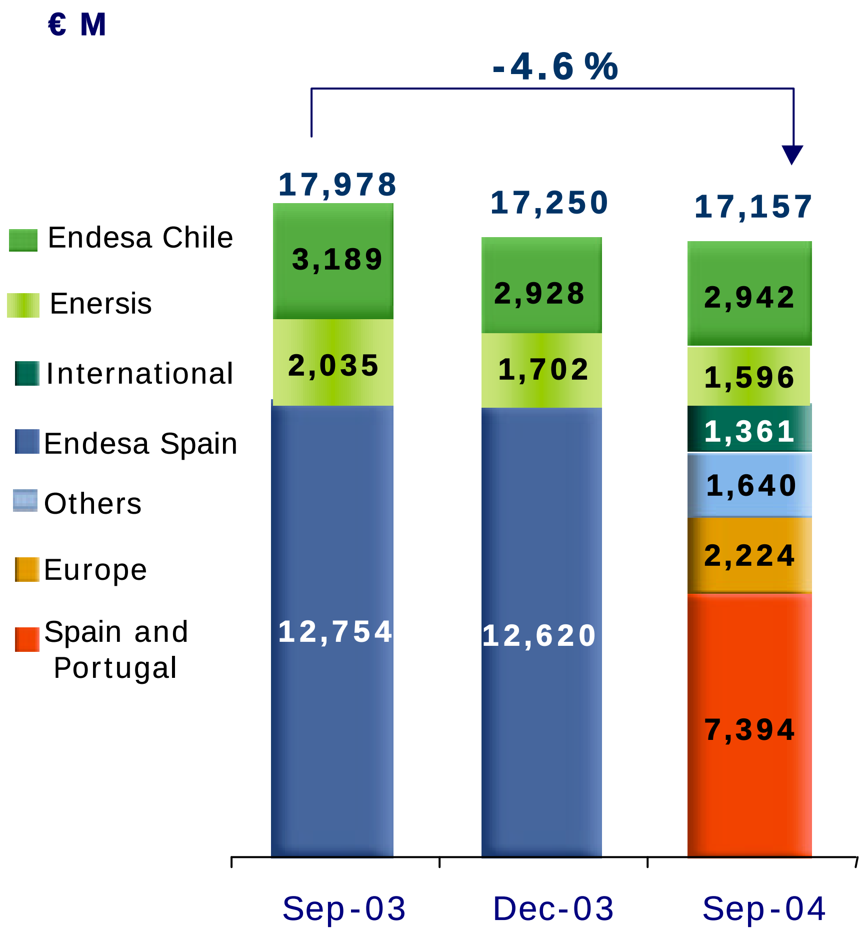
Financials

Financial strategic drivers

- Self financing policy for Enersis, Endesa Italia and Auna
- Rating objective:
  - **"A"** for Endesa
  - investment grade for Enersis
- Financial strength
- FX risk hedged with businesses cash flow

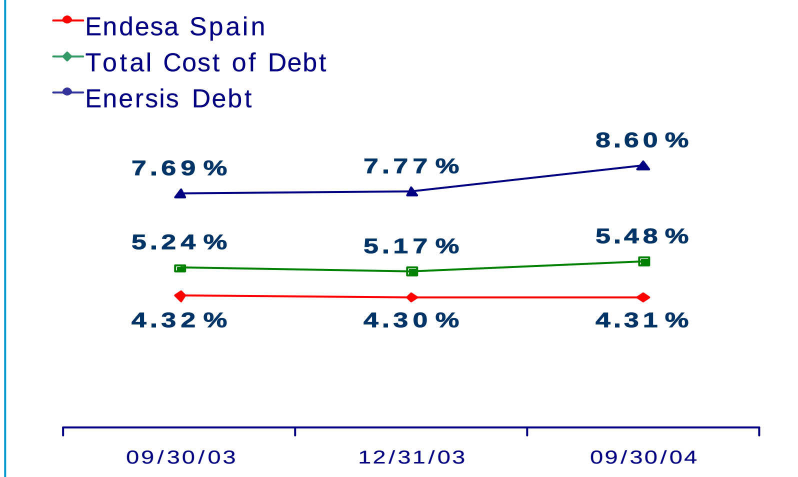
Debt evolution

Net Consolidated Financial Debt



	Sep-03	Dec-03	Sep-04
Leverage	1.25	1.25 (1)	1.14 (2)

Cost of Debt



EBITDA Interest cover 5.2x up from 4.4x as of Sept. 03

(1) 1.53 with preferred shares

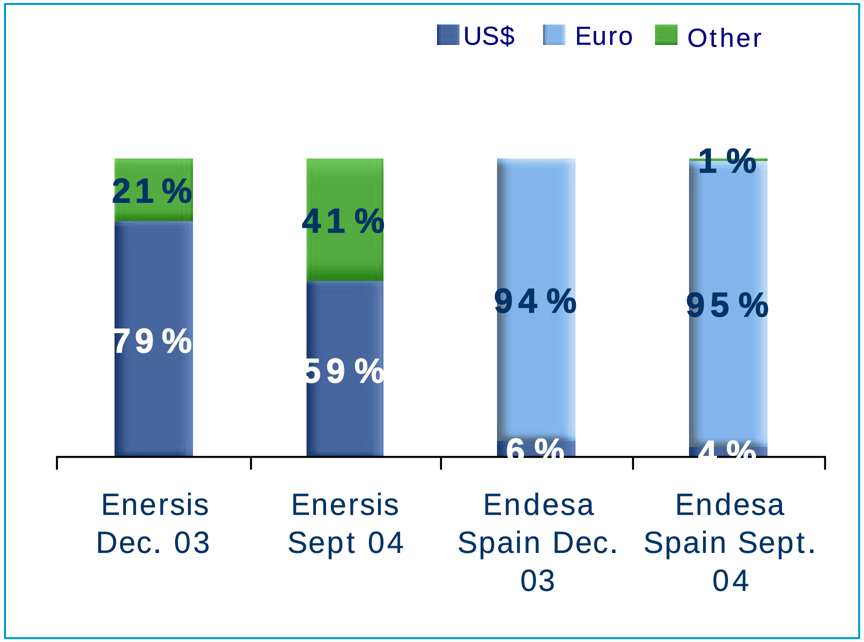
(2) 1.37 with preferred shares

endesa

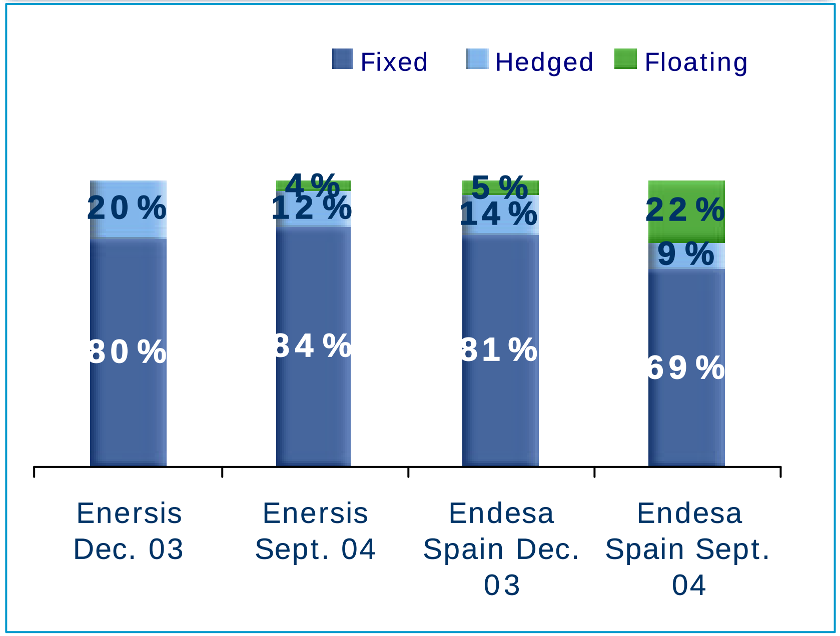
Debt structure: currency and interest rate hedge

Financials

Breakdown by Currency



Breakdown by Interest Rate



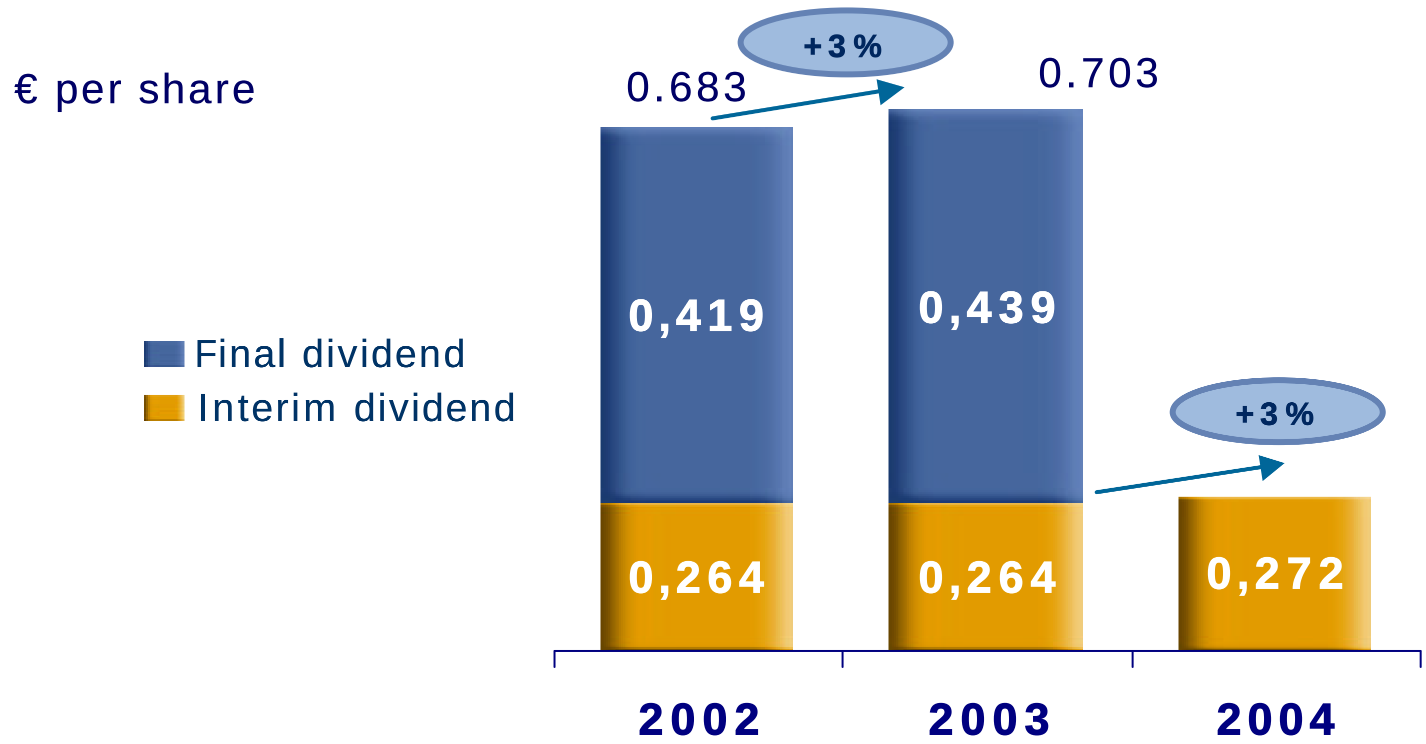
- Cash flow hedge strategy links debt currencies and revenues
- 96% of Enersis debt and 78% of Endesa Spain debt hedged against increases in interest rates.
- Average debt life extended to 5.34 years. Enersis debt life extended to 5.9 years
- Liquidity of ENDESA in Spain of €3,970 M (€3,657 M undrawn credit lines) covering maturities for next 19 months.
- Liquidity of Enersis of €600 M, covering debt maturities for the next 15 months

(1) Endesa's debt ex-Enersis

endesa

Dividend policy

Financials



- c€27.2 per share interim dividend against 2004 earnings, +3.0% increase
- To be paid in January 3rd, 2005
- Total dividend growth to be in line with FY Net Income growth

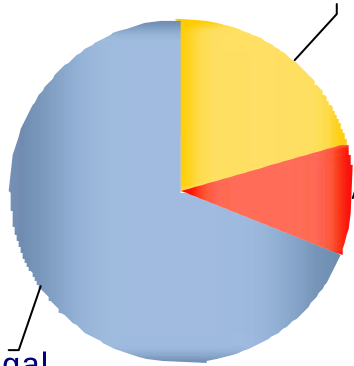
Outlook for year end

- **Spain & Portugal business:**
  - Positive performance continues in 9M04.
  - All 2004 coal purchases already hedged and 56% for 2005.
  - NAP details to be announced in 4Q 04. No significant impact expected for 2005-07
- **Europe**
  - Commissioning of 800 MW CCGT Tavazzano in Italy
  - 200 MW Wind agreement with Gamesa
  - Resolution of Delibera 20 appealing
- **Latin American Business:**
  - Full operation of Ralco (570 MW) in 3Q04. 7% average increase in node price
  - A reasonable tariff review for Chilectra expected
  - Revision of Argentina provision in Q4
- **Financials**
  - Other provisions to be analyzed by year end.
  - Dividends against 2004 earnings to grow in line with reported net income.
  - Improving quality of earnings

Endesa's investment plan in 2005 - 2009

€ bn	2004	2005	2005-09
Spain and Portugal	**1.6**	**2.4**	**10.3**
New capacity	0.5	1.0	4.6
Maintenance capex	1.2	1.4	5.7
European Business	**0.5**	**0.4**	**1.8**
New capacity	0.4	0.3	1.4
Maintenance capex	0.1	0.1	0.4
Latam Business	**0.4**	**0.5**	**2.5**
New capacity	0.1	0.1	0.5
Maintenance capex	0.3	0.4	2.0
Telecoms	**0.3**	**0.0**	**0**
TOTAL	**2.9**	**3.3**	**14.6**

Total Investment Plan 05-09: €14.6 bn (1)



(1) Investments net of subsidies, surrender and contributions in distribution business

Strong strategic positioning across all platforms, positive outlook going forward

Spain & Portugal

- Sustained leadership in all businesses
- Expected regulatory improvements:
  - Island remuneration
  - Distribution
- Hedged position, limited risk profile
  - Vertical integration
  - Balanced generation mix
  - Fuel contracts
- Growth opportunities
  - High growth markets
  - Renewables
  - Gas
  - Portugal

Europe

- Attractive markets and strong local partners
- Large efficiency improvements
- Promising growth prospects:
  - Site optionality
  - Gas access infrastructure
  - Boost in sales
  - Renewable projects

Latam

- Leader in 4 markets
- Economic recovery and sustained demand growth
- Expanded and more utilized asset base
- Increased operating excellence
- Recent tariff reviews
- Continued financial strength

Financial

- Debt hedged against interest rates
- Fx risk hedged via cash flow matching
- "A" rating for Endesa, Investment Grade for Enersis
- Self-financing policy for Enersis, Endesa Italia, Auna
- Continued financial strength

In summary

Strategy		Achievements
Distinctive platforms	+	Improved operating performance and quality of results
Renewed growth		Stronger financial position
Strong free cash flow generation		Strengthened position in all business lines

Execution of strategy to translate into shareholder value creation

Appendix

Spain and Portugal

Europe

Latam

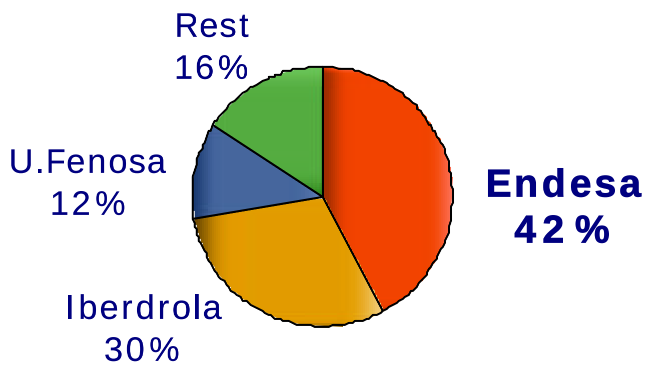
Financials

Solid business base (I): sustained leadership and balanced fuel mix

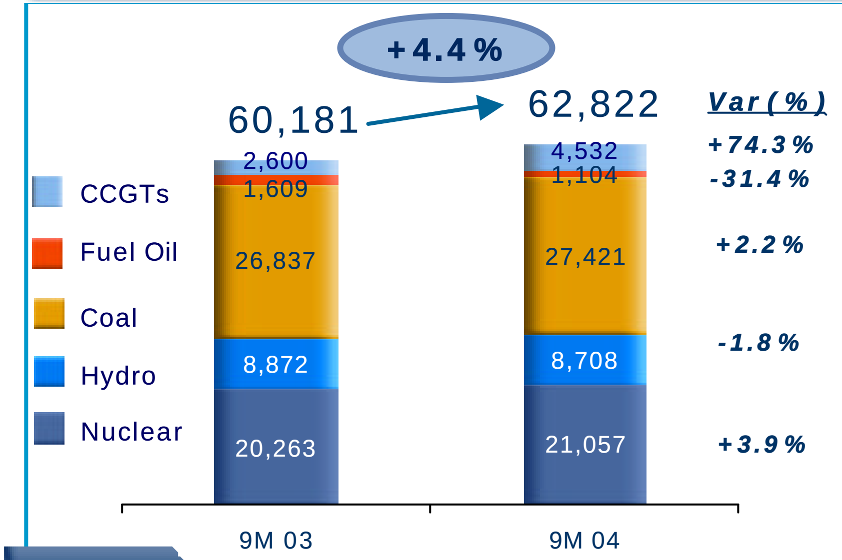
Spain and Portugal

Mainland Generation 9M04: Share in Ordinary Regime

Total Output: 148,331 GWh



Mainland Generation (GWh)



Unit fuel cost €/MWh	9M 03	9M 04
	11.8	12.6

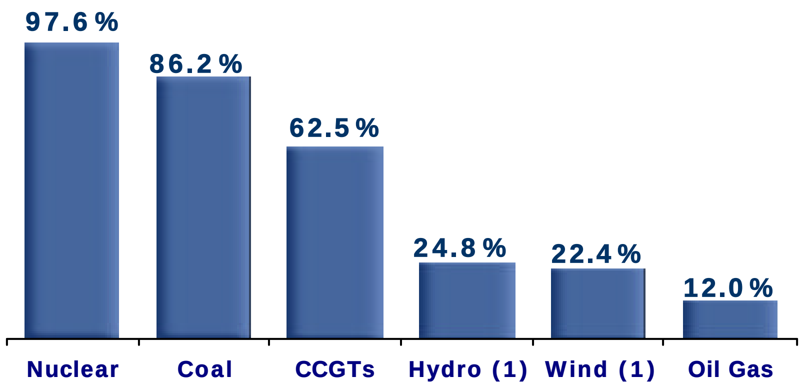
- Endesa's balanced mix continues to be a key contributor to ensuring the security of supply and competitiveness of the Spanish generation system
- Total industry coal generation accounted for 35% of 9M 04 demand

Strategic priorities in Generation: sustained leadership, vertical integration, balanced fuel mix

Solid business base (II): strong generation portfolio

Spain and Portugal

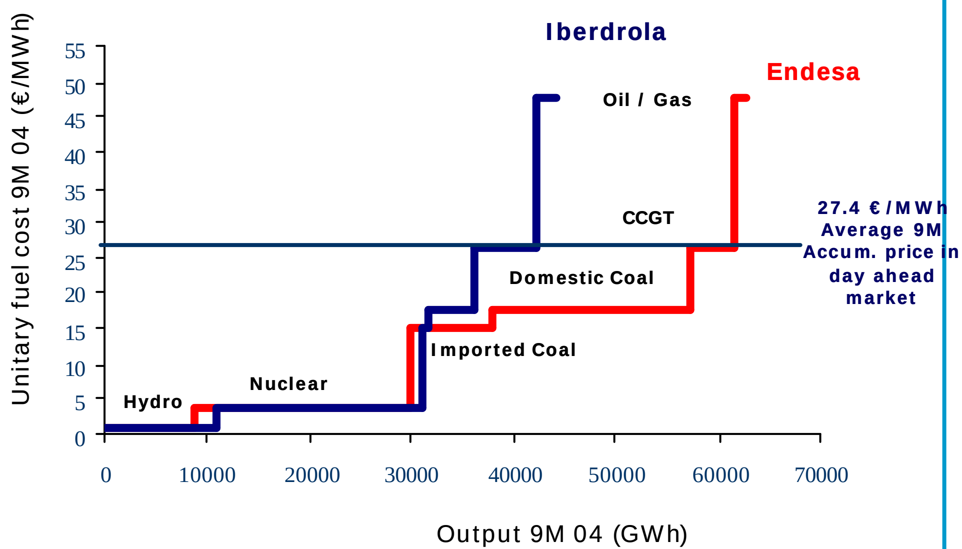
Endesa's mainland load factor 9M04



	Nuclear	Coal	CCGTs	Hydro (1)	Wind (1)	Oil Gas
MW	3,637	5,618	1,141	5,355	969	1,528

(1) Based on real generation / Installed Capacity

Generation Profile (accum. Sept 04)



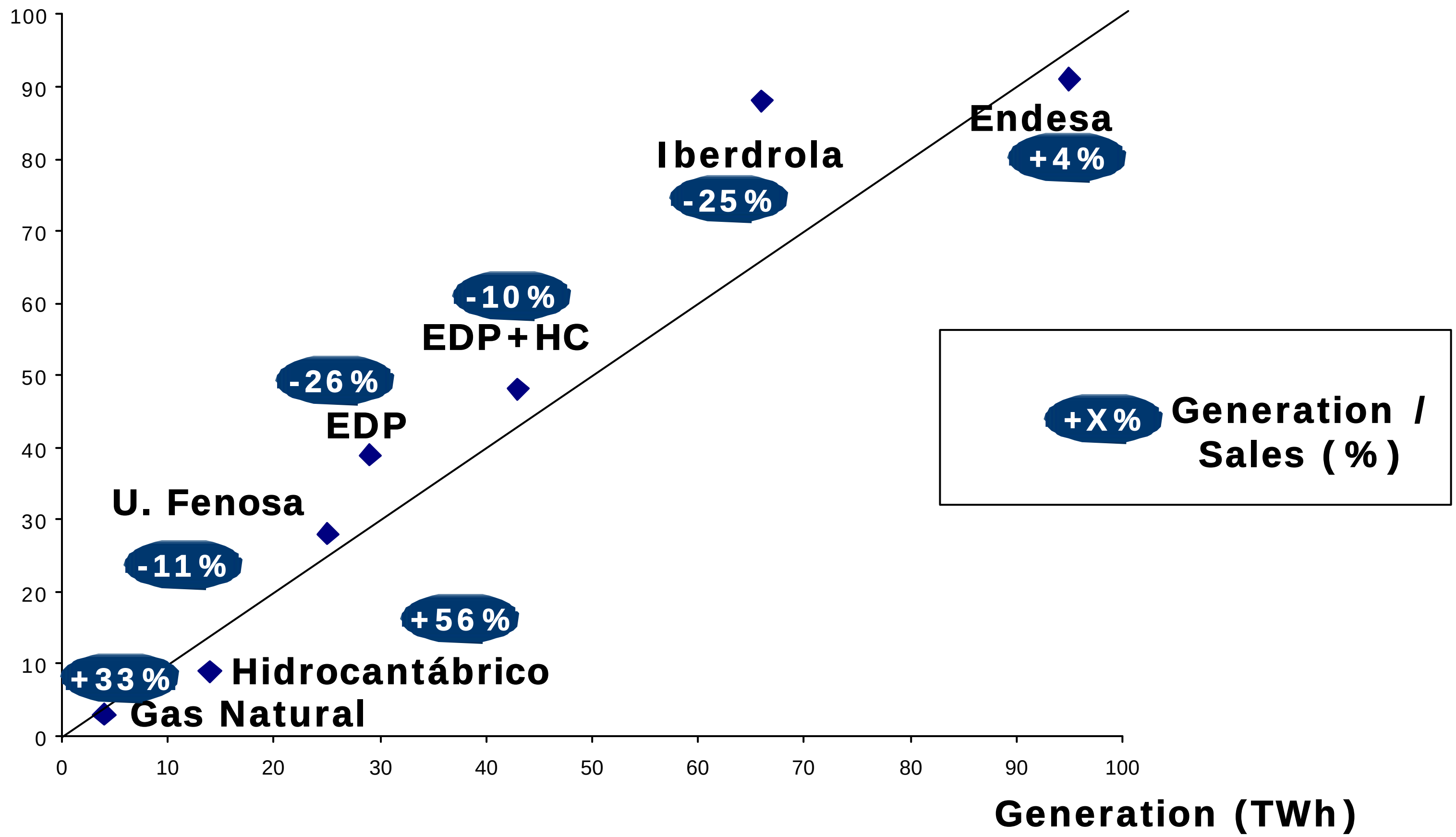
- **Balanced and stable generation mix with lower dependence on irregular hydro conditions**
- **Limited increase in unit fuel costs with stable hydro output compared to a 19% drop for the system as a whole**

(1) Pass-through of fuel costs in the islands

Solid business base (III): vertical integration

Spain and Portugal

Sales (TWh) **Generation / Sales position in Spain&Portugal 2003 (TWh)**

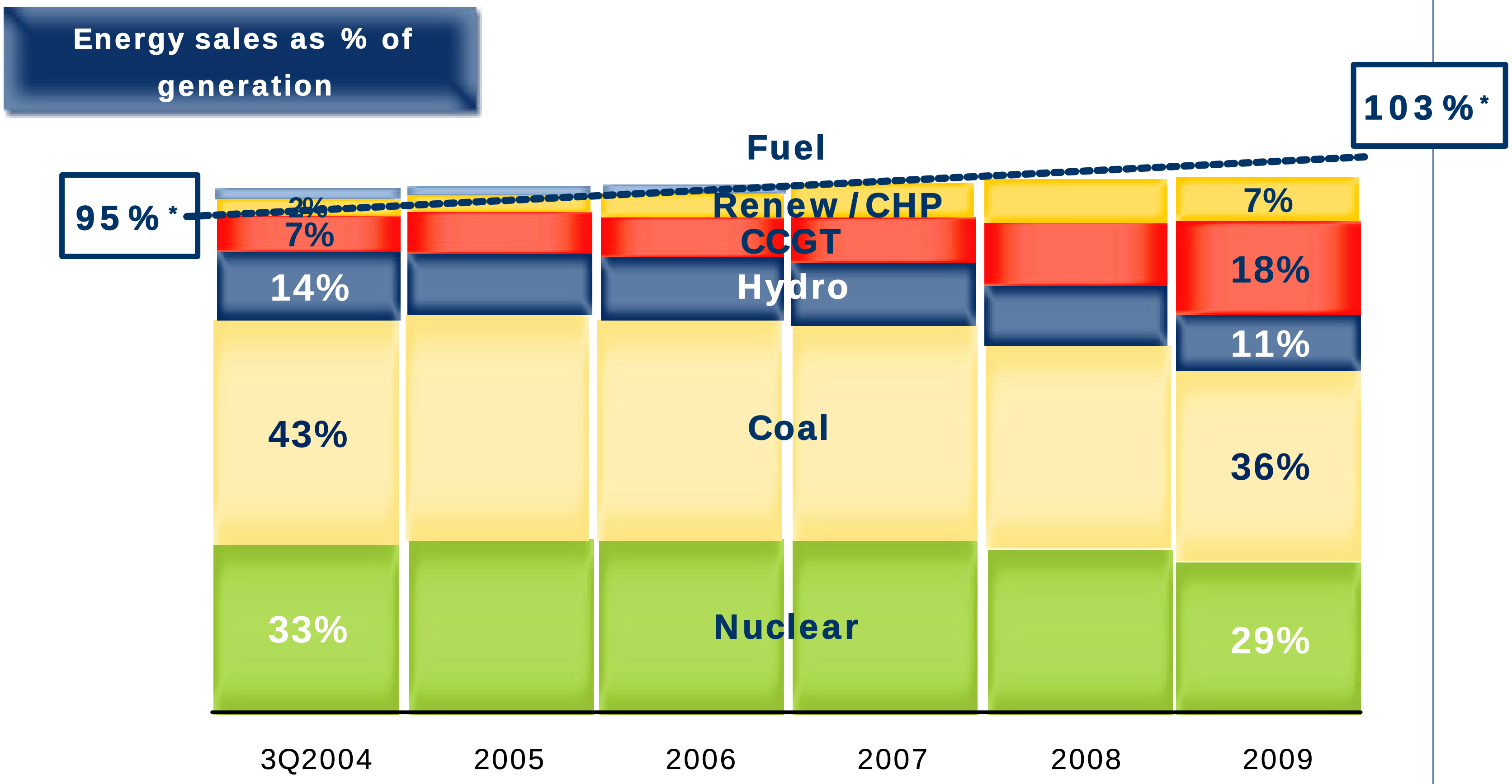


Endesa shows a more balanced energy position than competitors and its growth plans aim to keep vertical integration

Solid business base (IV): continued vertical integration

Spain and Portugal

Evolution of mainland capacity mix (% of total production)



(*) Includes energy purchases from third party special regime operators

Solid business base (V): hedged fuel costs

Spain and Portugal

Cost in €/MWh

Mainland

	2003 Mt	2003 Cost	2004 Mt	2004 % contracted	2004 Cost	2005 (3) Mt	2005 (3) % contracted	2005 (3) Cost
Imported Coal	8.27	13.91	9.15	100%	17.60	4.97	56%	21.16
Domestic Coal [1]	10.75	16.13	10.79	100%	15.86	7.48	73%	17.11
Gas *(bmc)*[2]	0.99	28.66	1.4	99%	25.83	1.56	48%	30.61

Islands

	2003 Mt	2004 Mt	2004 % Hedged	2005 (3) Mt	2005 (3) % Hedged
Imported Coal	1.13	1.33	100%	1.30	100%
Fuel	2.53	2.65	100%	2.84	100%

- Endesa globally manages its coal purchases - including requirements for Italy and France
- Islands pass-through and Italy and France commercially hedged with limited risk
- 50% of coal consumption in Spain not linked to international prices (own coal and domestic purchases)

(1) Net of premium. Own coal extracted amounted to 6.3 Mt in 2003
(2) Includes fixed and variable fee cost
(3) 2005 amounts contracted as of September

endesa

Solid business base (VI): diversified and flexible gas contracts

Spain and Portugal

	Destination Clauses	Consumption Restrictions	Volume Flexibility
GNC 3 bcma 2004-2018	CIF in Power Station	Generation only, covering short and medium term needs	High
Sonatrach 1 bcma 2004-2020	Mainland CIF	No	Medium
NLNG 1bcma 2006-2027	Spain and Portugal Market CIF	No	Medium
Rasgas 1 bcma 2005-2026	Spain and Portugal Market CIF	No	Medium

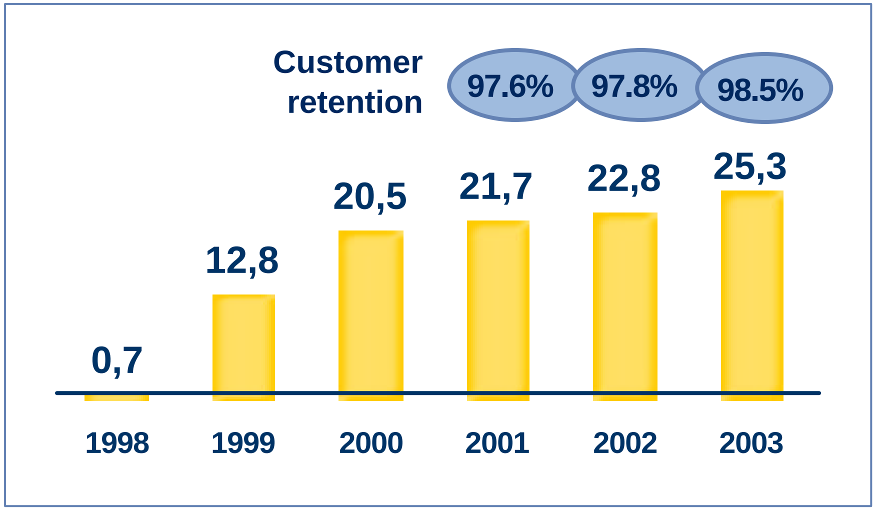
Gas Contracts

- Flexible take-or-pay and destination clauses
- 33% not indexed to oil products
- Most flexible are from long term contracts with Gas Natural

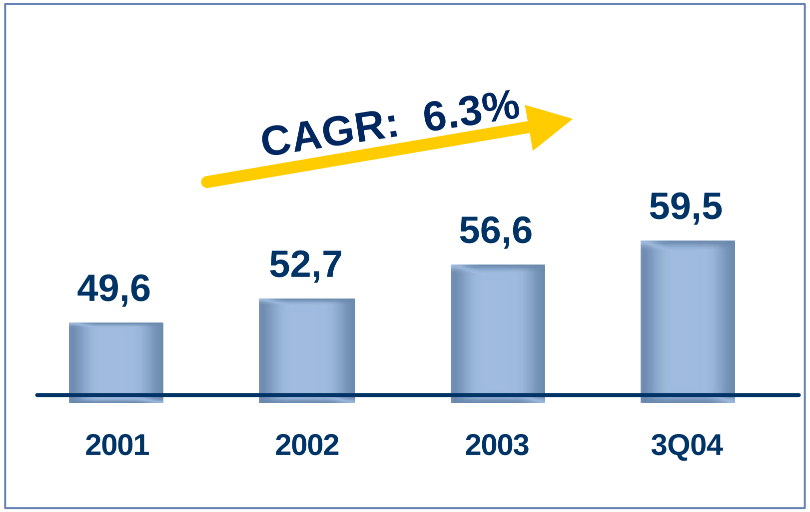
Solid business base (VII): growth in liberalized supply

Spain and Portugal

Evolution of sales (TWh)



Evolution of price to final customers (€/MWh)



Innovative offer of new products and services

Combined offers electricity / gas

Energy advisory services

Security systems

endesa

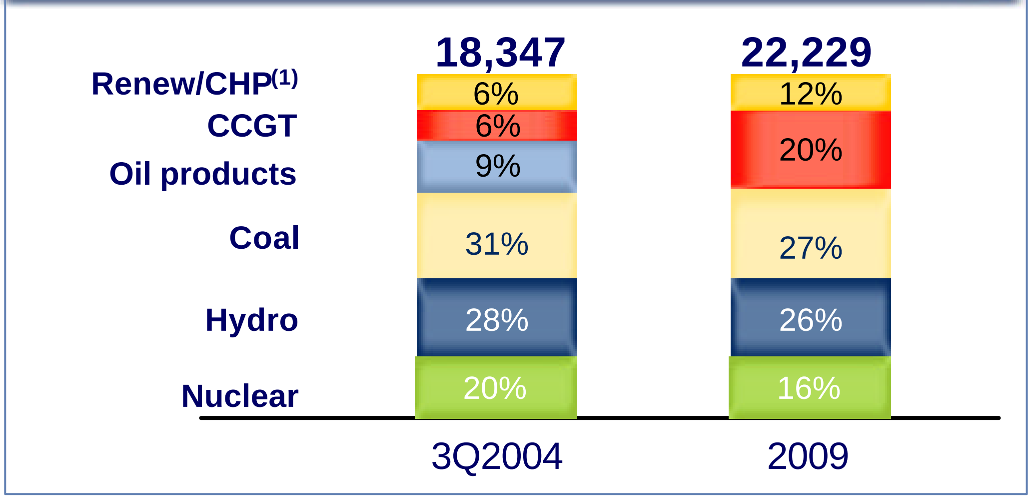
Growth potential (I): additional capacity to maintain vertical integration

Spain and Portugal

5,950 million investments

- 7,000 MW of new capacity in 2005-2009
  - 3,200 MW in CCGT
  - 1,300 MW in the islands
  - 2,100 MW in renewables
  - 400 MW pumping
- Repowering of 1,400 MW of lignite into imported coal (As Pontes)
- Closure of 1,700 MW of obsolete plant
- Additional site optionality
  - 1,200 MW CCGT

Mainland capacity mix (MW)

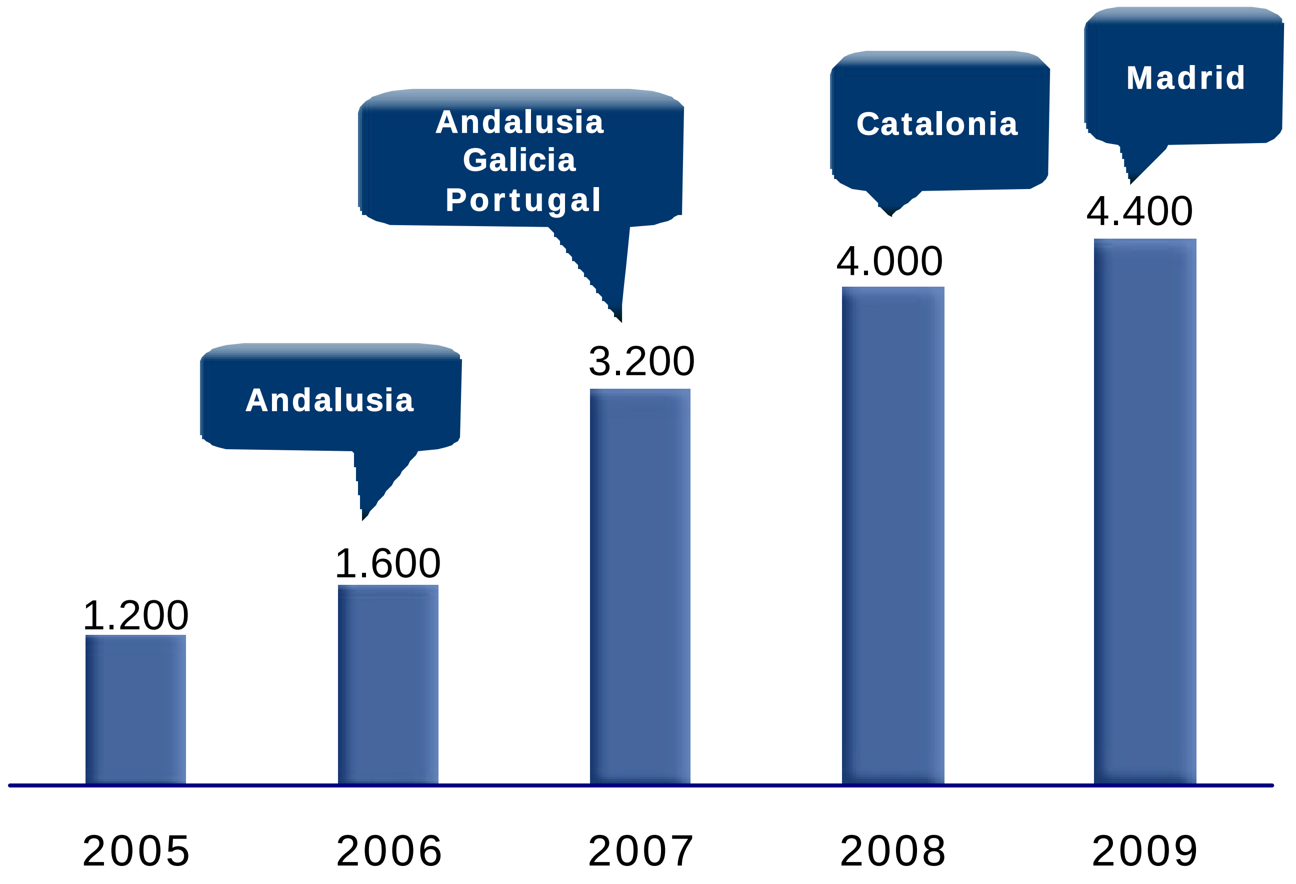


(1) For renewables and CHP, only the proportional stake of Endesa is computed: 1,096 MW in 3Q2004 (100% is 1,871), 2,357 MW in 2008 (100% is 3,770 MW)

Growth potential (II): CCGT investment plan in 2005 - 2009

Spain and Portugal

Mainland accumulated CCGT capacity 2005 – 2009 (MW)



Andalusia 800MW
- Guadaira
- Colón

Catalonia 800 MW
- Besós
- Foix

Galicia 800 MW
- Puentes

Madrid 400 MW

Portugal 400 MW
- Tejo
- Sines

Growth potential (III): Extrapeninsular capacity plan

MW accummulated

Balearic Islands

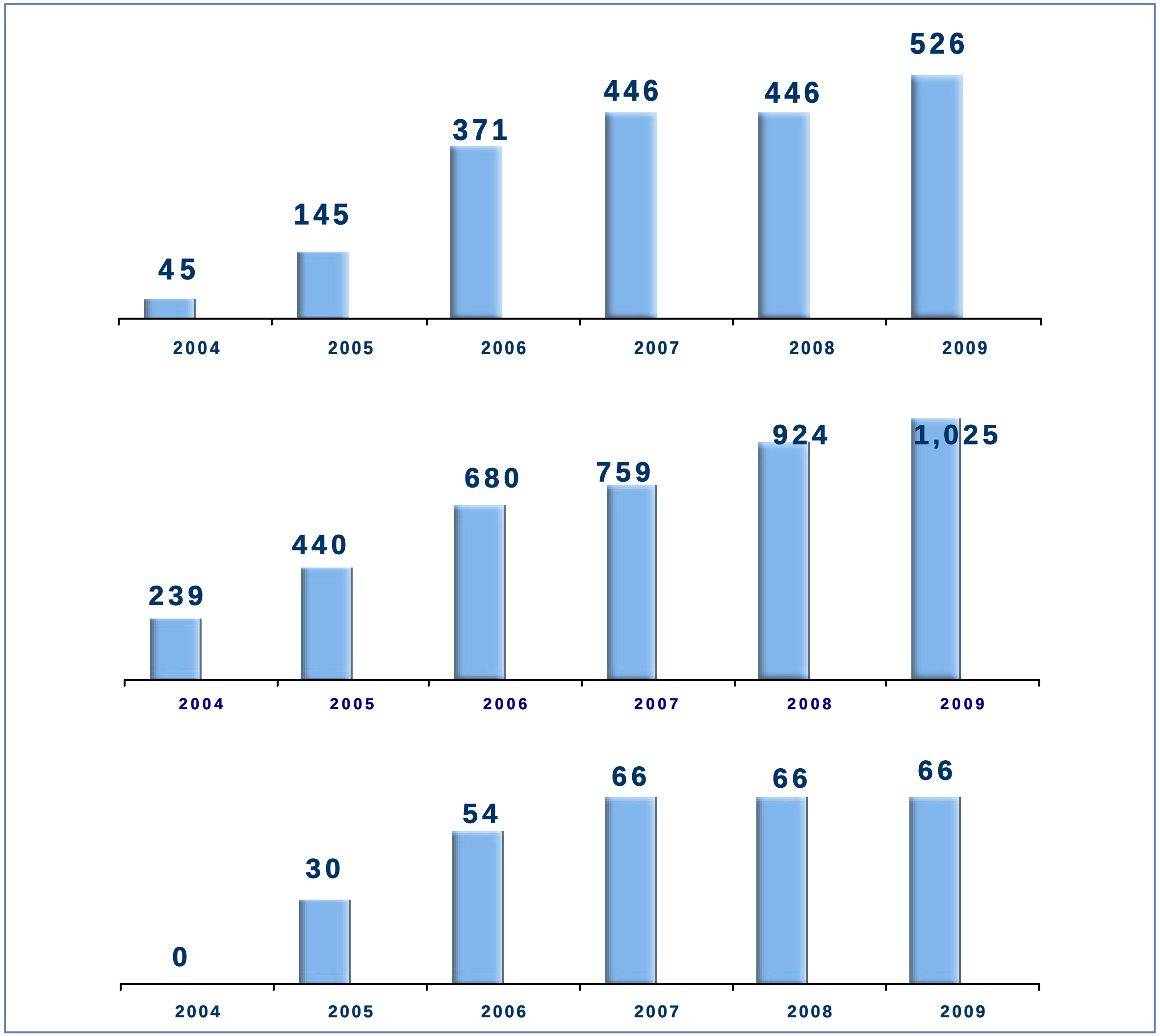
Installed capacity Year 2003: 1,507 MW

Canary Islands

Installed Capacity Year 2003: 1,871 MW

Ceuta and Melilla

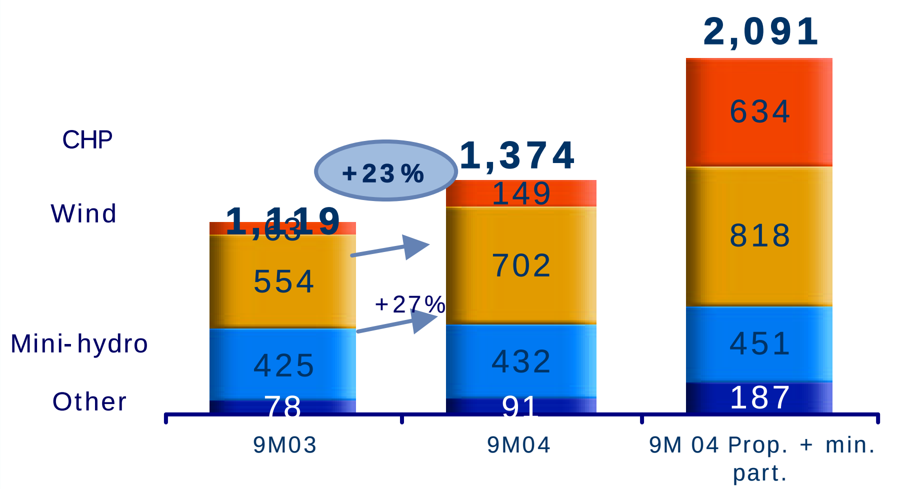
Installed Capacity Year 2003: 103 MW



Growth potential (IV): Strong growth in renewables

Spain and Portugal

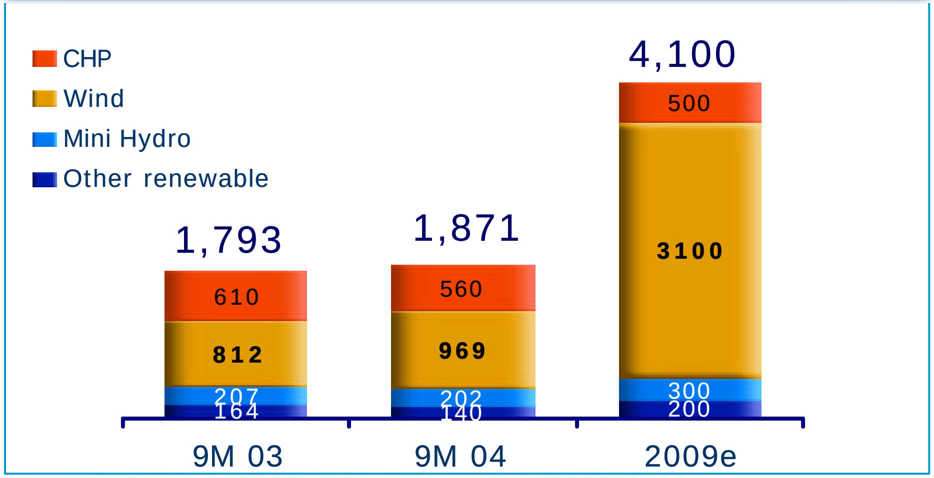
Renewable / CHP Generation (GWh)



ECYR Main Financial Data

€ M	9M 03	9M 04	%Chg
Gross margin	52	70	+34%
EBITDA	39	43	+11%
EBIT	19	21	+11%
Net Income	14	16	+14%

Gross* Renewable/CHP Capacity (MW)



Strategic priority: growth in renewables - capturing opportunities

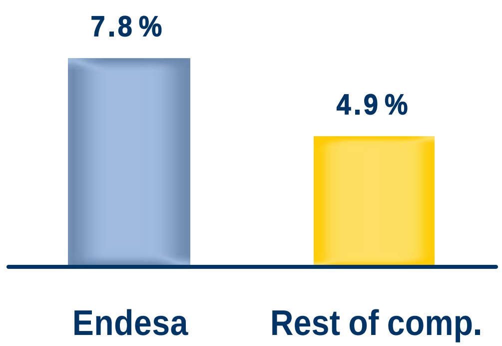
* 100% of the projects in which Endesa participates

endesa

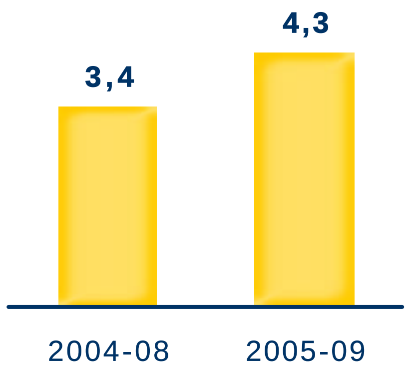
Growth potential (V): Endesa present in high growth regions

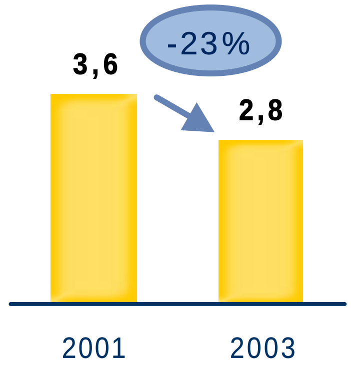
Spain and Portugal

Most dynamic markets (03/02 Growth)	Sustained investment in distribution (€bn)	Interruption Time (hours)



Net



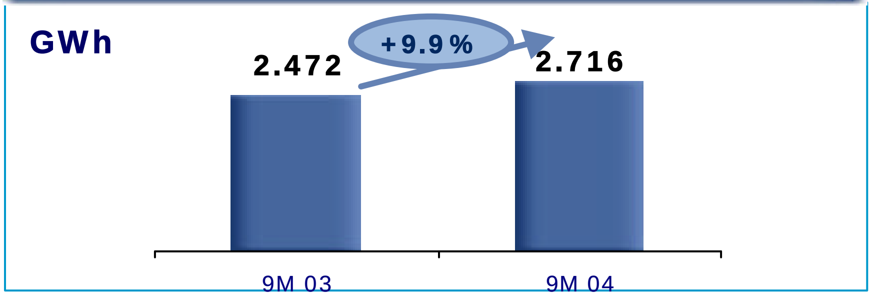


Endesa is focused in quality of service, expecting an improved regulatory outlook

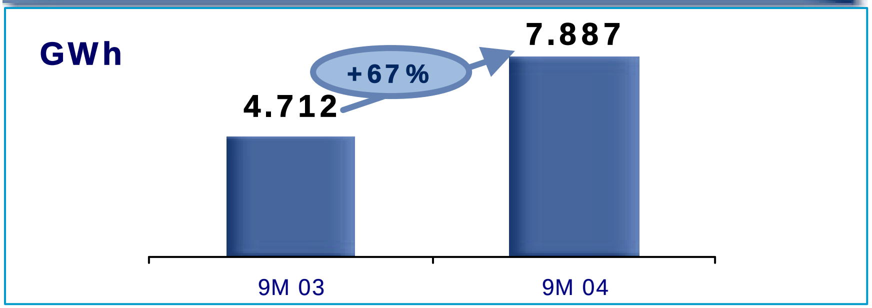
Growth potential (VI): gaining share in the gas market

Spain and Portugal

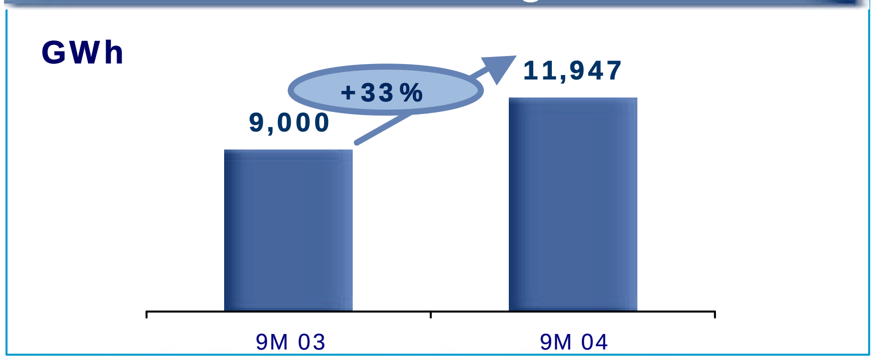
Net Sales to Regulated Market(1)



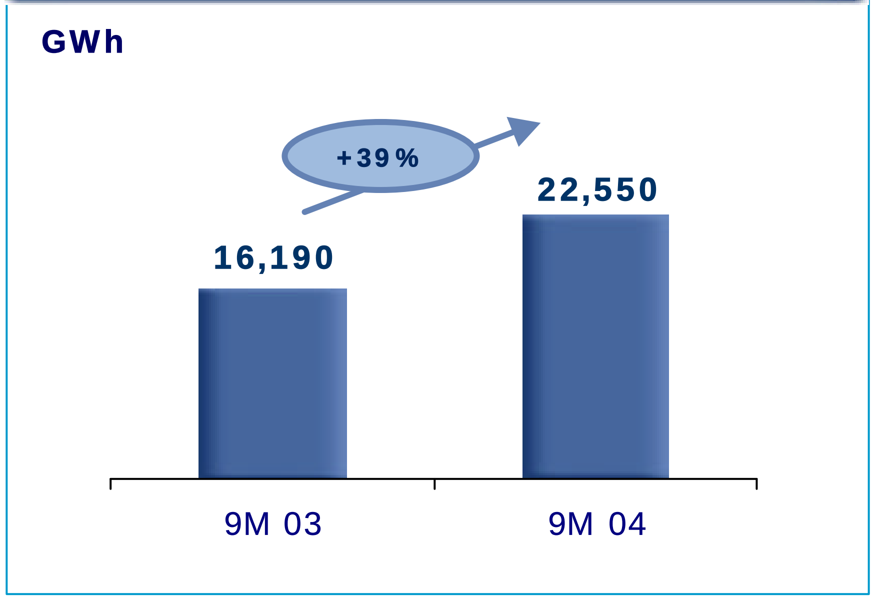
Sales to Liberalized Market:



Gas consumed in generation



Total Gas Supply:



- €33 M Gross Margin in Gas Sales
- 9.8% total market share in Gas

Strategic priority: Scale advantage vs. peers, diversifying sources and flexibility on key contracts

(1) *Including controlling stakes in non consolidated companies*

endesa

Growth potential (VII): best positioned Spanish utility in Portugal

Spain and Portugal

Changing environment

CMECs

- EU approval in September 2004 limiting the total amount to be recovered to ~9 bn €
- No expected impact for Tejo Energia

Merger EDP-GDP / Galp

- EU disapproval of the current merger stucture

MIBEL calendar

- Rescheduled start date of June 30, 2005

Endesa is the only Spanish utility that is present in all energy businesses in Portugal (€51 million[a] EBITDA in 2003)

Conventional generation

- 35% stake in Tejo (600MW)
  5,000 GWh production

Cogeneration and renewables

- 50% stake in Termica Portuguesa (JV with Sonae)
  100 MW installed capacity
  300 GWh production

Supply

- 50% stake in Sodesa (JV with SONAE)
  1,200 GWh sales, yoy growth: 470% (2003 vs. 2002)
- 30% market share in Portugal (second player in the liberalized market after EdP)

Gas distribution

- Stakes in Setgas (10%) and Portgas (12.5%)
  Total of 230,000 customers, 45% CAGR

Opportunities for growth

Conventional generation

- Option to build additional 800 MW
- Other sites under consideration

Cogeneration & renewables

- Participating in consortium for 800 MW auction

Others

- Possible EDP divestments forced by the EU

[a] Mainly 35% of Tejo; calculated by proportionate consolidation, though these businesses do not consolidate in Endesa´s accounts

Positioning on key regulatory issues (I): remuneration in islands

Spain and Portugal

	1998	2004 e	CAGR 03-99	2004 - 1998
Output GWh	8.646	14.202	8,6%	5.556
Installed capacity (MW)	2.739	3.532	4,3%	793
Fuel cost + renewables cost (M €)	231	657	19,0%	426
Estimated Compensation under RD 1747/03 M €	129	582	28,5%	453
Compensation in tariff (M €)	185	243	4,6%	58

- Under Royal Decree 1747/2003, ENDESA has booked €123 M in 9M04 revenues for higher generation costs, on top of € 243 M compensation in tariff
- Using conservative criteria, this amount has been admitted by the auditor as the minimum to be recognised
- Endesa is claiming a higher amount based on the law principles.
- €133 M has already been recognised as higher Islands costs for 2001-02 and is already being collected

endesa

Positioning on key regulatory issues (II): remuneration in islands

Spain and Portugal

Royal Decree 1747/2003 methodology for remuneration of generation

Generation assets	• To be remunerated based on audited book value with 10YBond +150 bp • Audited book values already sent to regulator
O&M cost	• Standardised values by technology • Calculations based on audited real O&M costs
Fuel cost	• 6-months pass-through based on fuel prices

Strategic priority: Implementation of current regulation to improve the return from the Island generation business

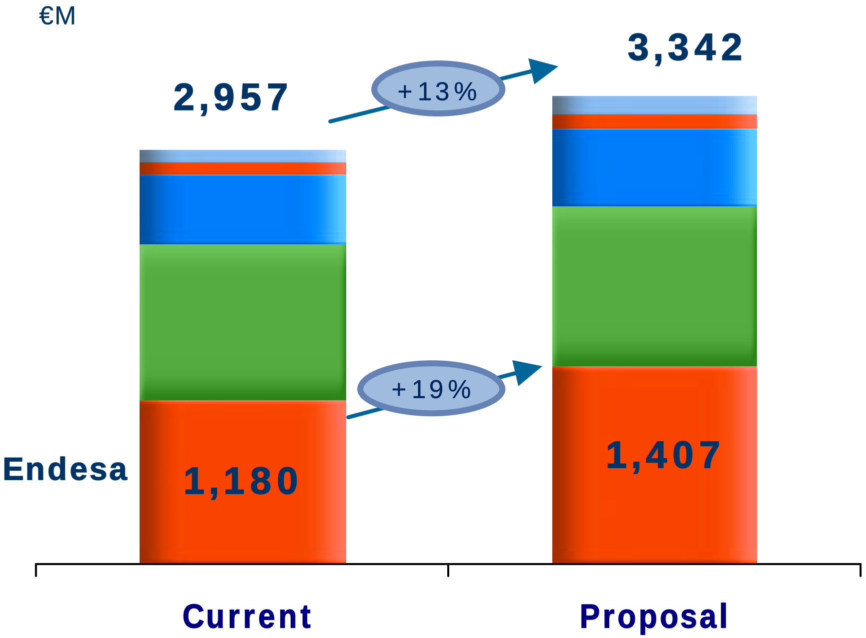
endesa

Positioning on key regulatory issues (III): remuneration in distribution

Spain and Portugal

Reasonable proposal is based on a fair remuneration of investments and recognition of regulated O&M costs

Proposal for Improvement of Distribution Remuneration (2002 Case)



- **MV grids (>36kv): Return on Investments:**
  - Standard costs of investment
  - Standard O&M costs
- **LV grids (<36kv): Remuneration based on "Reference Grid":**
  - Real CPI
  - Real demand growth for each company
  - Objective efficiency ratio
  - Revision every 4-5 years of "reference grid" and real

Strategic priority: Focus on quality of service, with an improved regulatory outlook

Positioning on key regulatory issues (IV): CO_2 allocation

Spain and Portugal

Mt CO_2	Industry proposal			Alternative Proposal	
MAINLAND	**Expected emissions (1)**	**Allocation**	**% of rights allocations vs. needs**	**Allocation**	**% of rights allocations vs. needs**
Endesa	36,8	34,1	93%	27,3	74%
Iberdrola	10,2	8,9	87%	15,5	152%
U.Fenosa	15,4	14,2	92%	12,3	80%
Hidrocantabrico (*)	12,7	11,9	94%	7,9	62%
Other	7,4	7,4	100%	11,9	161%
Total	**82,5**	**76,5**	**93%**	**74,9**	**91%**
ISLANDS	**11,5**	**11,5**	**100%**	**13,1**	**114%**
TOTAL SPAIN	**94,0**	**88,0**	**94%**	**88,0**	**94%**

(*) Includes Steel industry

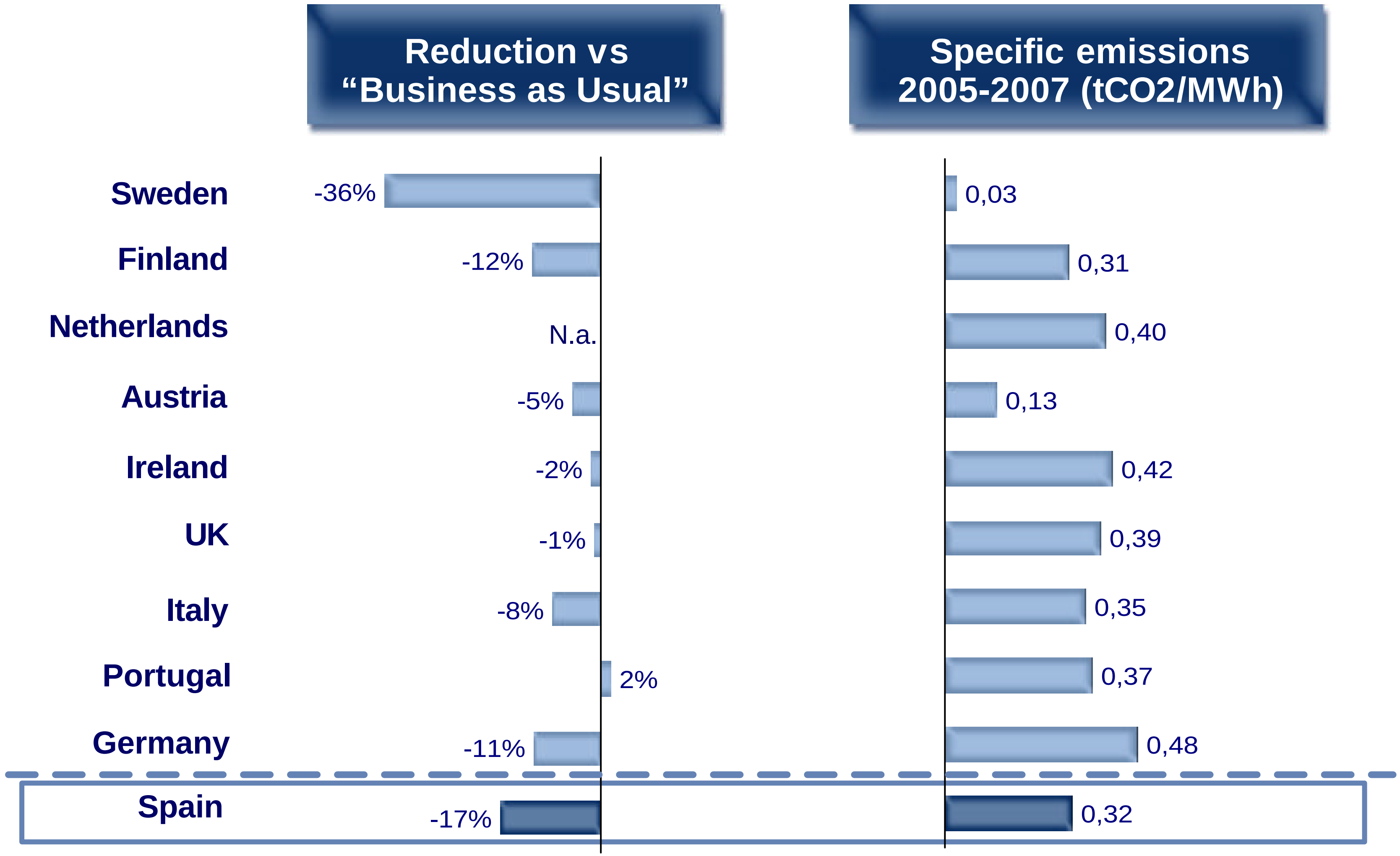
The Alternative Proposal does not allow a fair allocation and causes cross subsidies between affected companies

Strategic environmental priority: Continue reducing specific emissions through investments in generation, develop complementary projects and regulatory measures

(1) According to economic optimal

Positioning on key regulatory issues (V): CO2 effort greater than most European countries

Spain and Portugal



Positioning on key regulatory issues (VI): CTC Recovery Reflects Different Pool Prices per Agent

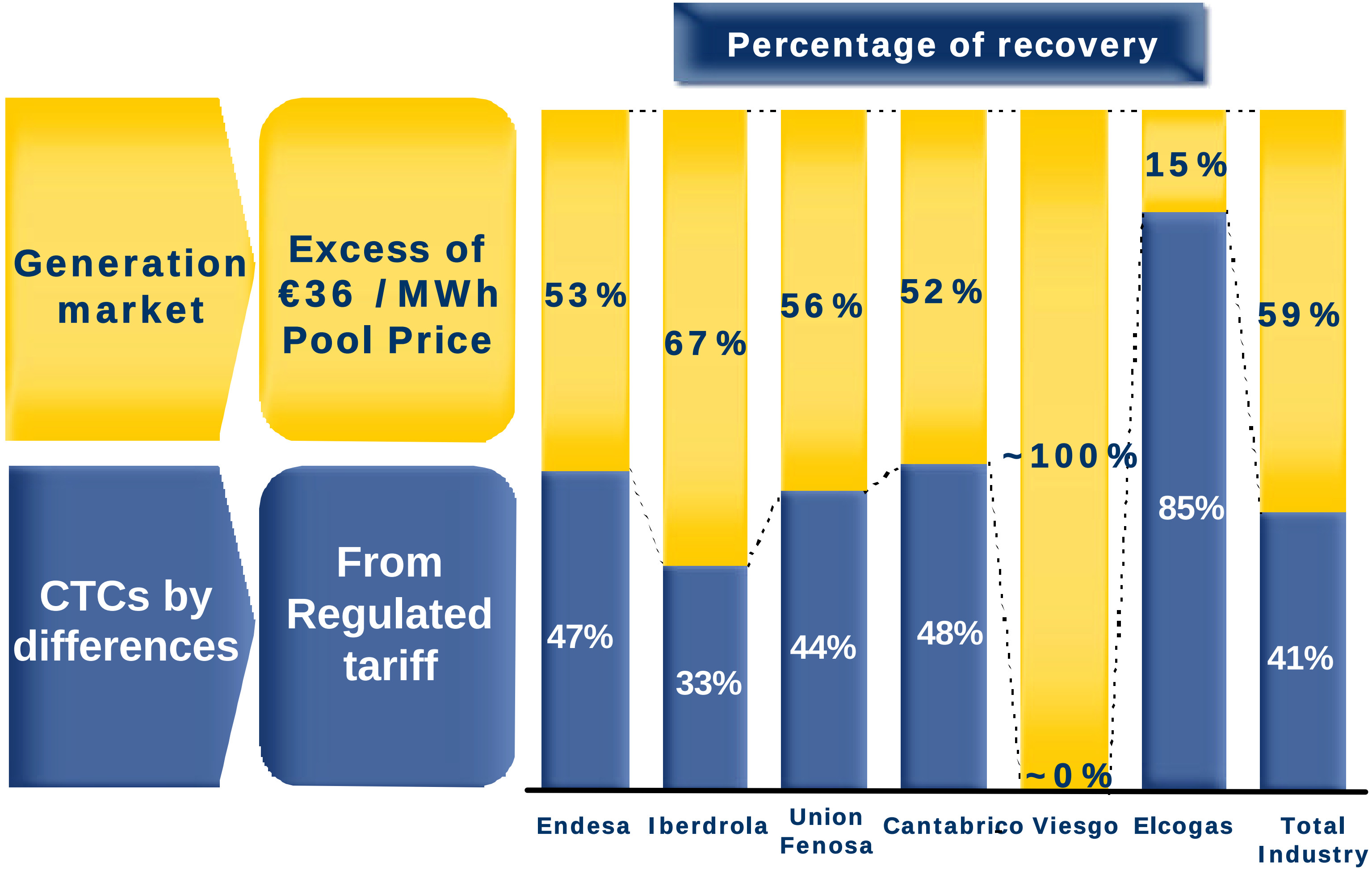
Spain and Portugal

	Average price 98-Sep.04 of power stations included for CTC calculation	Initial CTCs recovered at 12-31-03 (%)	Pending amounts at 12-31-03 (€M)
Viesgo	51,7	95%	15
IBERDROLA	40,3	66%	964
UNION FENOSA	38,1	49%	695
endesa	**36,6**	**49%**	**2,606**
HidroCantábrico	36,4	45%	330
ELCOGAS	34,8	32%	304

Positioning on key regulatory issues (VII): Two ways of recovering CTCs

Spain and Portugal

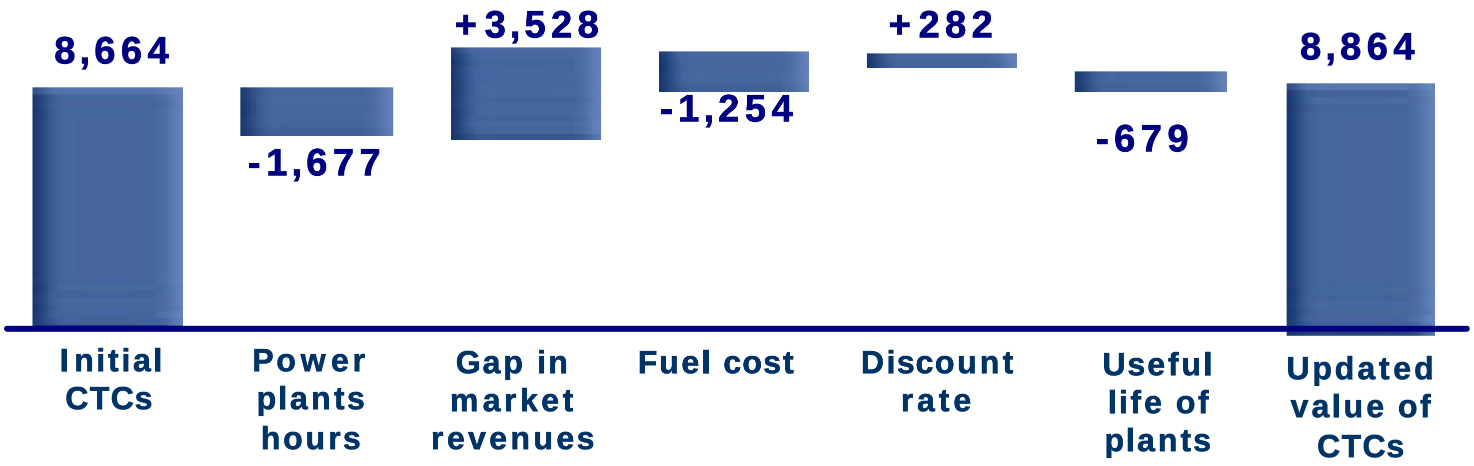
Dec 31st 2003



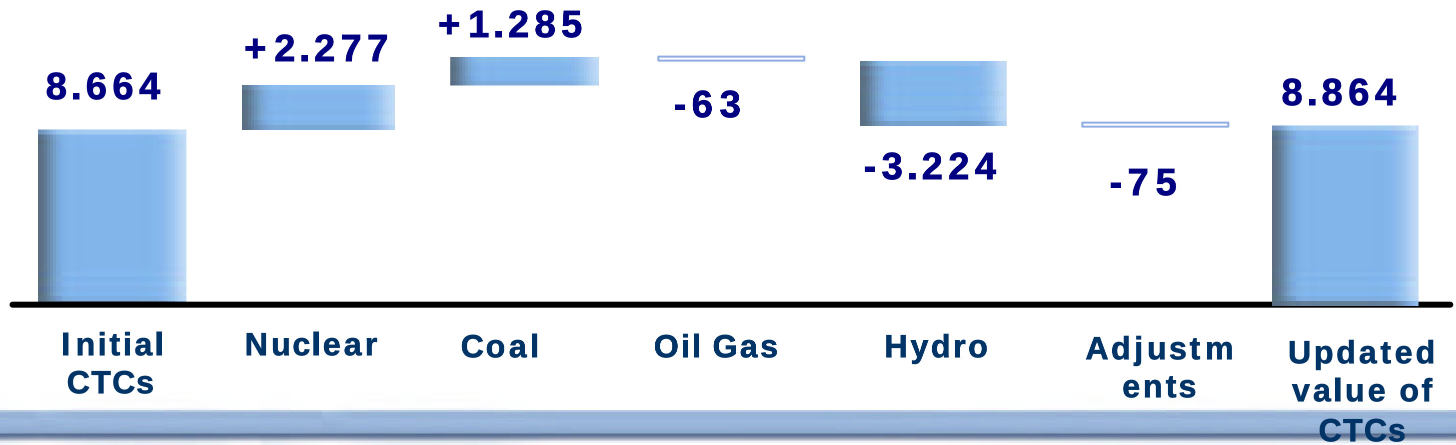
Positioning on key regulatory issues (VIII): CTC Recovery

Spain and Portugal

Change in total industry CTCs based on calculation parameters update. Million euros of 1997



Breakdown of change in total industry CTCs by technologies. Million euros of 1997

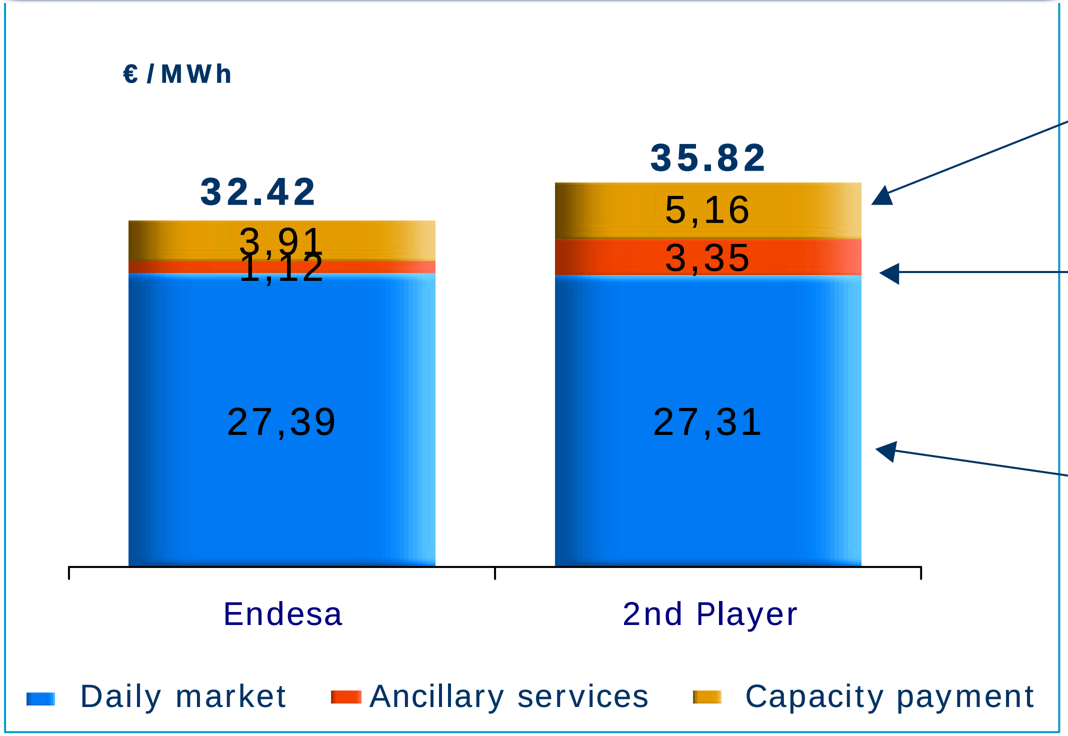


endesa

Positioning on key regulatory issues (IX): pool prices

Spain and Portugal

Pool price 9m 04



Capacity payment not reflecting contribution to security of supply

Differences in revenues from secondary markets

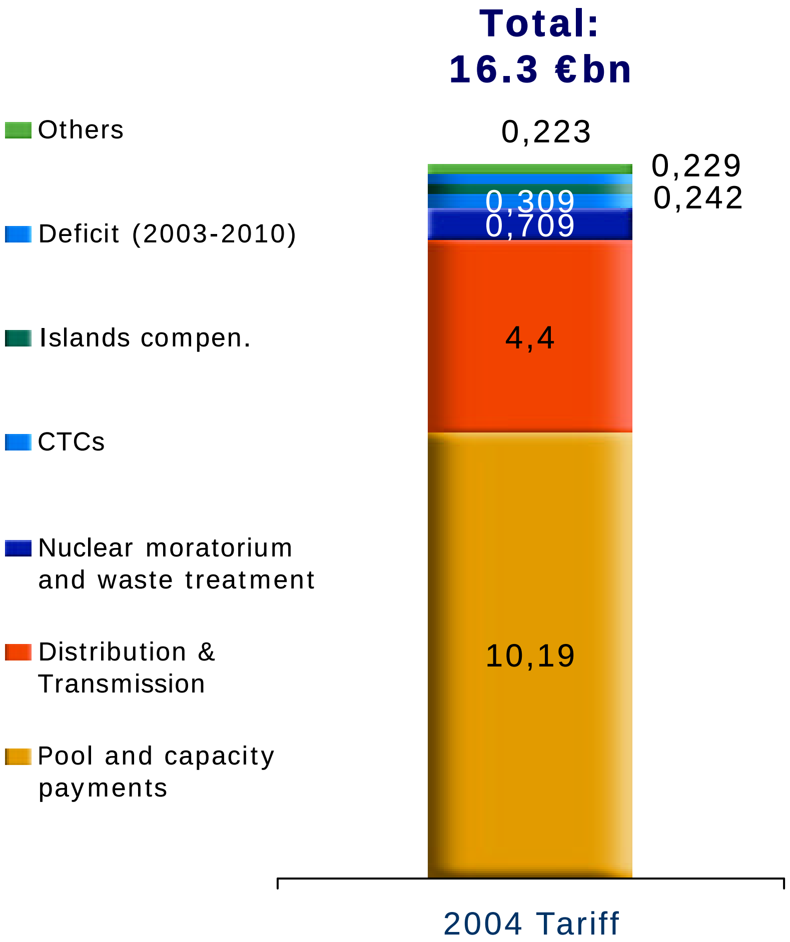
Prices in daily market in line with other players

Any change in the pool mechanism should lead to review secondary markets and capacity payments system

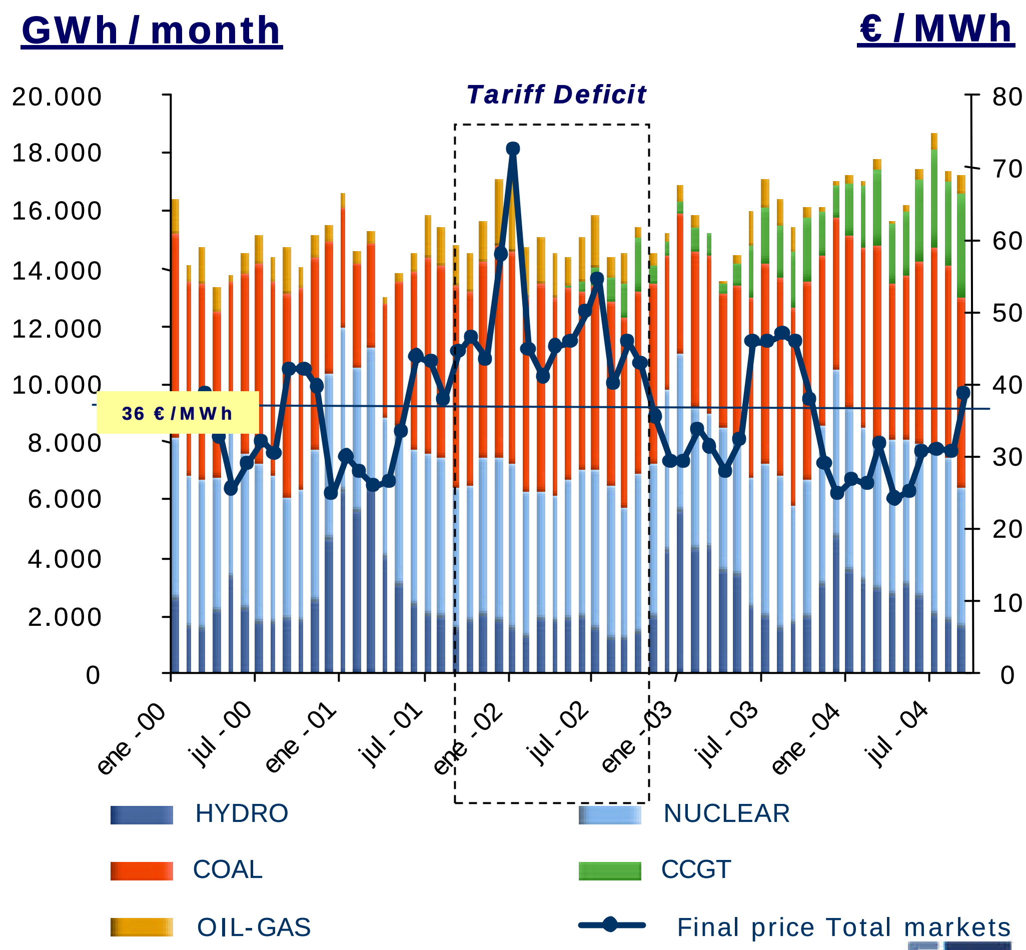
Positioning on key regulatory issues (X): 2004 electricity tariff breakdown

Spain and Portugal

2004 Tariff: Main components



Pool price and tariff deficit



endesa

Spain & Portugal investment plan 2005 - 2009

€ bn	2004	2005	04-08	05-09
Domestic Business (1)	**1.6**	**2.4**	**8.9**	**10.3**
New capacity mainland	0.1	0.3	1.5	1.8
New capacity islands	0.2	0.3	0.8	1.1
Maintenance Capex Generation	0.3	0.4	1.7	1.5
Renewables	0.2	0.3	1.3	1.4
Distribution capex	0.8	1.0	3.3	4.3
Others (2)	0.0	0.1	0.3	0.2

One additional CCGT and 400 MW pumping

Add 300 MW (vs 04-08) due to increasing demand

As Pontes transformation DeNox-DeSox (LCF Directive)

Same plan (2.100 MW mainly wind)

Better quality of supply and expected improvement in remuneration

(1) Investments net of subsidies, surrender and contributions in distribution business
(2) Mainly gas infrastructure, coal infrastructure and commercialization

Appendix

Spain and Portugal

Europe

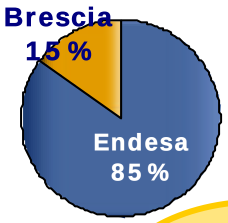
Latam

Financials

Endesa Italia's asset base

Endesa Europa

Shareholders Structure



(Sept-04 Figures)

Assets (€M)	Debt (€M)	Equity (€M)
4,569	1,382	2,493

5,860 MW Installed Capacity
17.9 TW produced in 2003

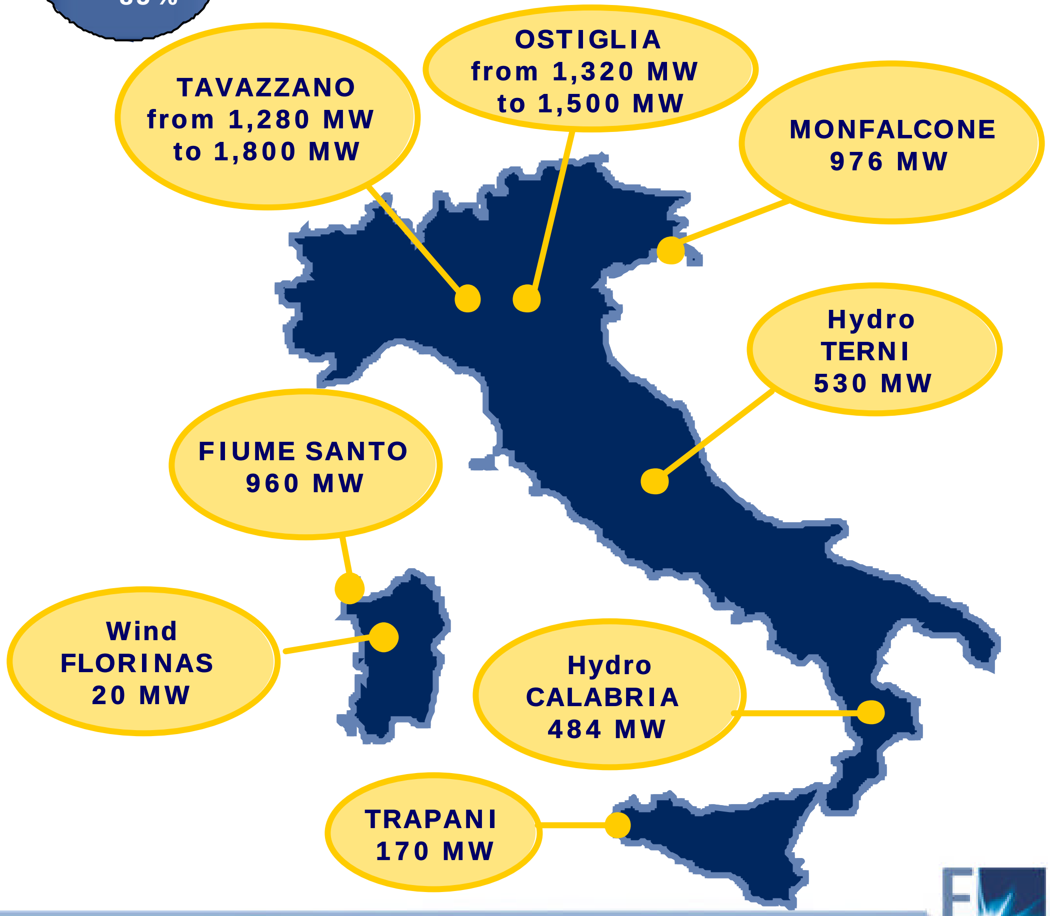
Balanced Mix (18% Hydro, 17% Coal, 14% CCGT, 51% Fuel)

Capacity 100% available

6 new CCGT in 2005
Ostiglia-Tavazzano

Coal conversion of Fiume Santo
(640 MW)

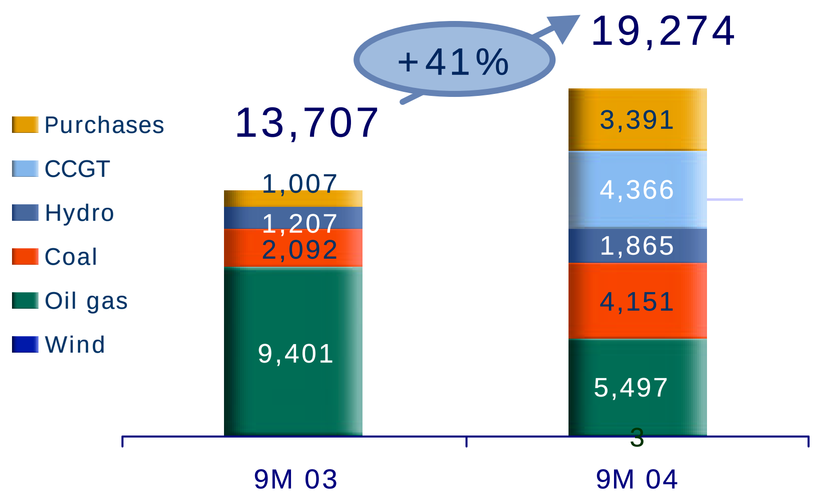
Sites with optionality



Endesa Italia: improved mix and boost in sales

Endesa Europa

Energy Sales (GWh)



Unit fuel cost (€/MWh)	39.9 → 35.0

- Revenues + 45% boosted by 41% increase in energy sold despite no increase in average price due to change in generation mix (> based load generation)
- Delibera 20 appealed. If ultimately cancelled, EBIT will increase €30 million, already collected but not booked

Repowering improved fuel mix, with 12.3% reduction in unit fuel cost despite a 15% increase in oil price in €

endesa

Overview of SNET

Endesa Europa

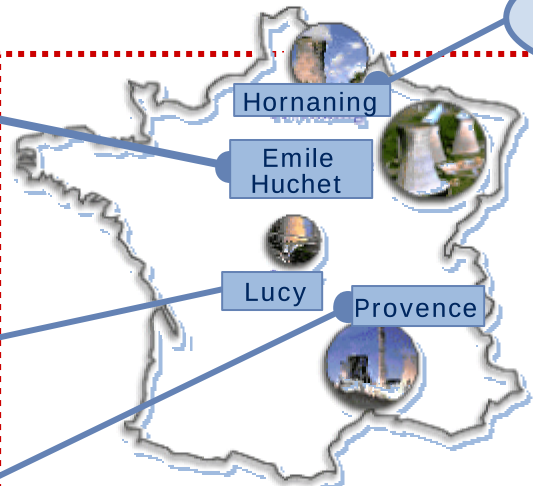
- **Emile Huchet 3:** Coal 125 MW
- **Emile Huchet 4: CFBB*** 125 MW
- **Emile Huchet 5:** (Coal-gas) 345 MW
- **Emile Huchet 6:** Coal 618 MW

Lucy: Coal 270 MW

Provence 4: CFBB* 250 MW

Provence 5: Coal 618 MW

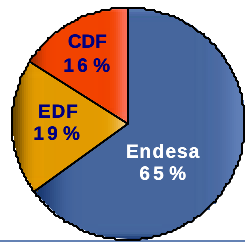
Hornaing: Coal 253 MW



France: 2 ,604 MW + **Poland: 330 MW****

- Total Gross Installed Capacity: 2,604 MW (2.5 % of the French system)
- Total workforce: 1,373

Shareholders Structure



Assets (€M)	Equity (€M)	Debt (€M)
1,445	615	-294

(Sept-04 Figures)

(*) Circulating Fluidised Bed Boiler

endesa

SNET: consolidating position

Endesa Europa

Contract Mgt.	• Snet - EDF (90% Capacity - 2009) • Minimises deviation costs (€21.3M in 2003) • Sales management of available capacity (10%)
Fuels	• Optimisation together with Endesa and Endesa Italia (>12M Ton/year) • Optimisation of the fuel mix
Fixed Costs	• Control of overheads • 20% reduction in fixed costs in 5 years. (2003 --> €162 M)
Investment	• Desox / Denox in EH6 and P5 for €156 M - Awarded with 20% savings over original plan • Investment in unit consumption and fuel switching

Efficiency improvements leaving scope for EBITDA of €200M by end of EDF contract in 2009

endesa

SNET: developing expansion plan

Endesa Europa

Key Aspects

- Participation in future privatisations and/or asset sales
- Develop new capacity in appropriate sites for supplying the local market and exchanges (Spain, Italy, Germany)
- Commercial growth
- Implementation of renewable energy plan
- Consolidation of position in Poland, a possible springboard for future opportunities in central Europe

Potential Sites

Potential for new capacity (based on CCGT)

Emile Huchet	1,200 MW
Gardanne	800 MW
Lucy	800 MW
Hornaing	800 MW

Renewable Energy Plan

Development in accordance with profitability criteria

- Portfolio of wind projects under development: 57 MW
- Other potential projects: 108 MW

endesa

Europe investment plan 2005-2009

€ bn	2004	2005	04-08	05-09
European Business	**0.5**	**0.4**	**1.4**	**1.8**
New capacity Italy	0.2	0.2	0.8	0.9
Renewables	0.02	0.1	-	0.5
Maintenance Capex Italy	0.05	0.05	0.2	0.2
Maintenance Capex Snet	0.05	0.05	0.2	0.2
Acquisition 35% of Snet	0,14	-	0.1	-

Two additional CCGT´s and LNG infraestructure

>400 MW additional mainly wind (350 MW in Italy and 55 MW France)

Appendix

Spain and Portugal

Europe

Latam

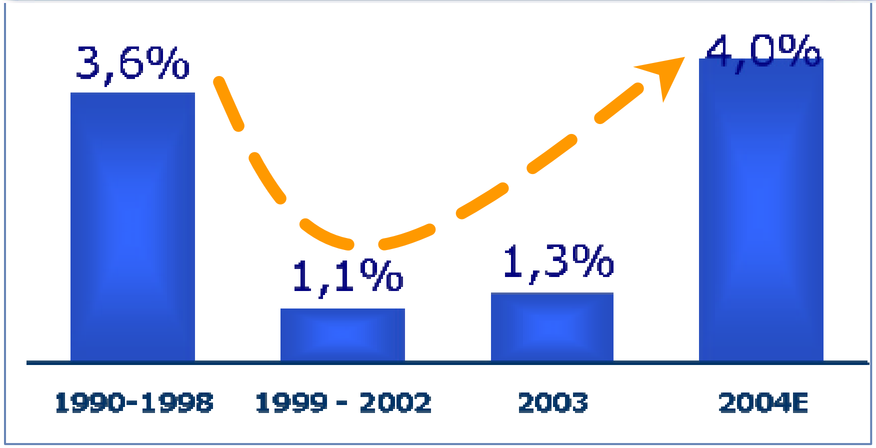
Financials

endesa

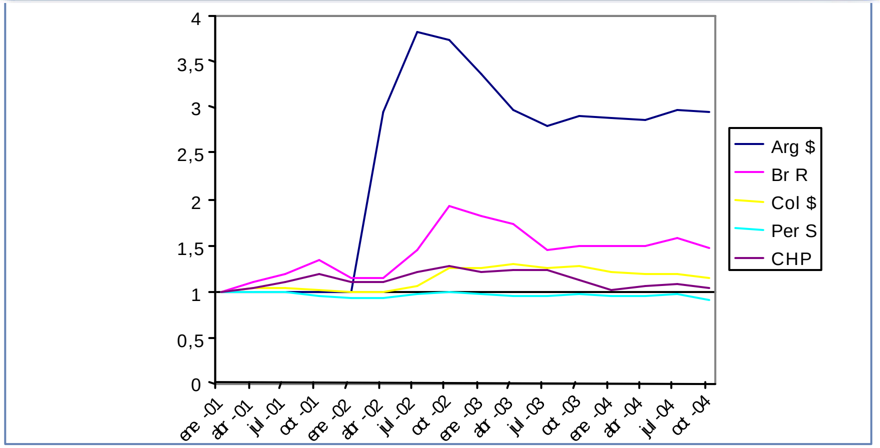
Capture growth (I): macroeconomic recovery in the region

Endesa Latin America

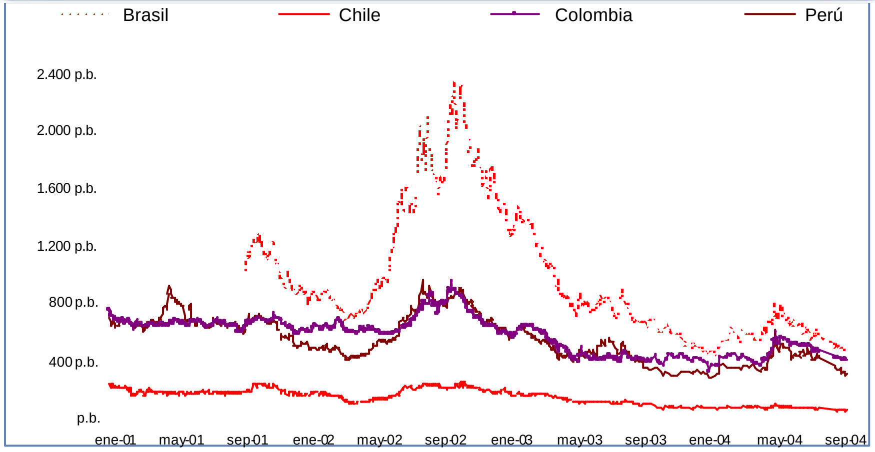
Annual real GDP growth in Latam



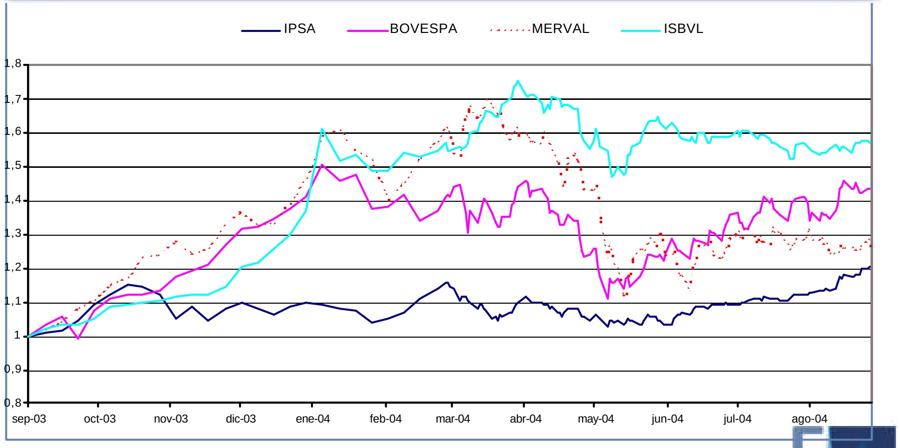
Exchange rate evolution 2001 - 2004



Debt spreads in Latam



Equity markets indices

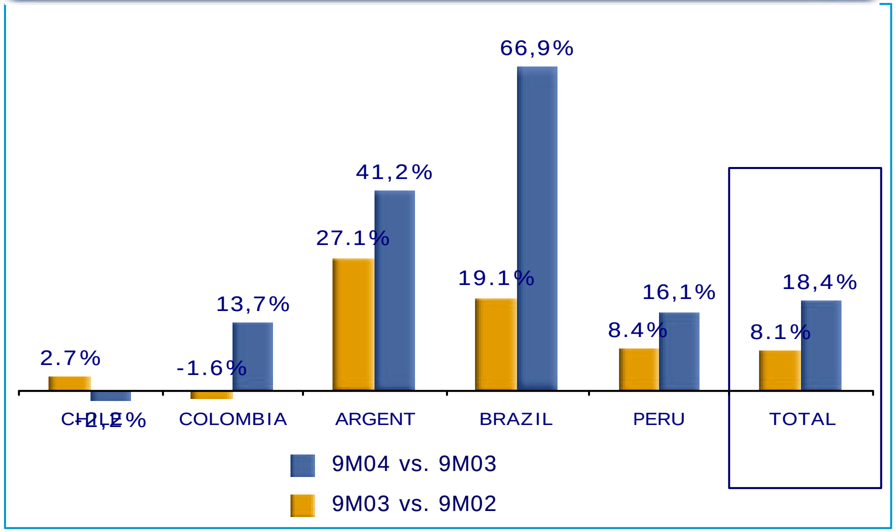


endesa

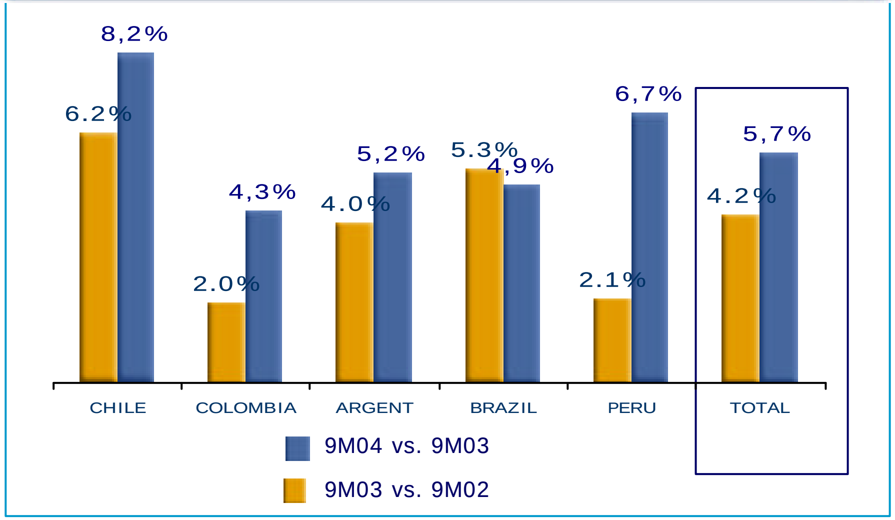
Capture growth (II): sustained recovery in electricity demand

Endesa Latin America

Energy Generation (%)



Energy sales: Distribution business (%)



- Higher production to meet demand due to new capacity
- Brazil: Fortaleza CCGT came on stream in December 2003
- Chile: Canutillar sale in 2003

- Return to historical long-term growth trend (+4.5% p.a. 1990-2000)

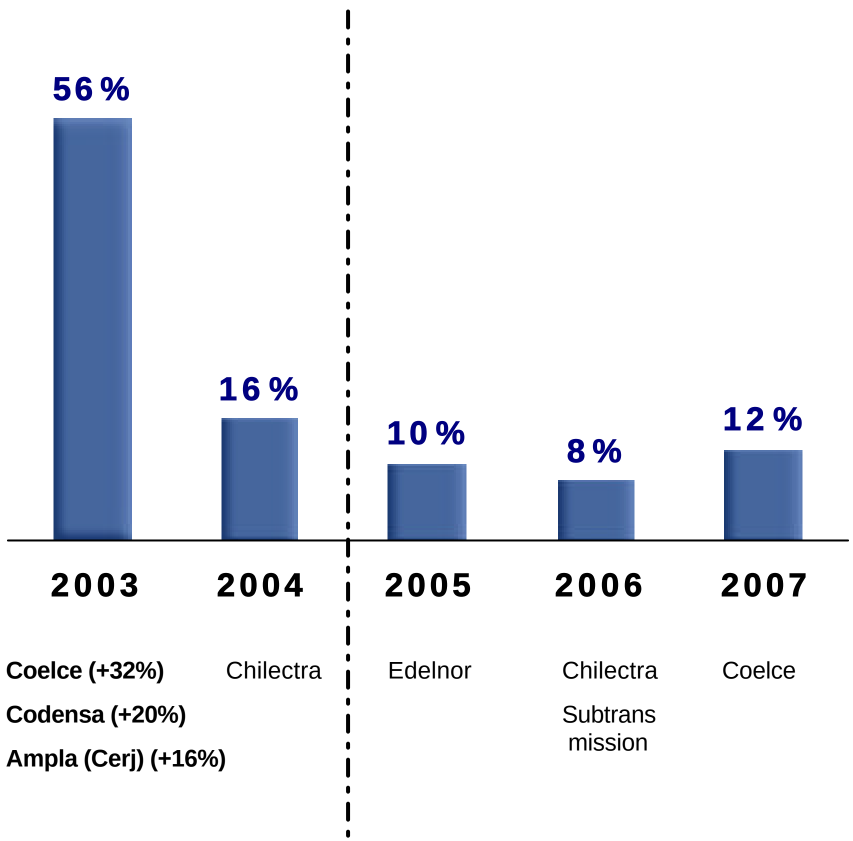
(*) 2003 shows recovery from 2002 rationing in Brazil. 2004 reflects unfavourable weather conditions for CERJ.

endesa

Reduce risk profile (I): focus on management of regulatory changes

Endesa Latin America

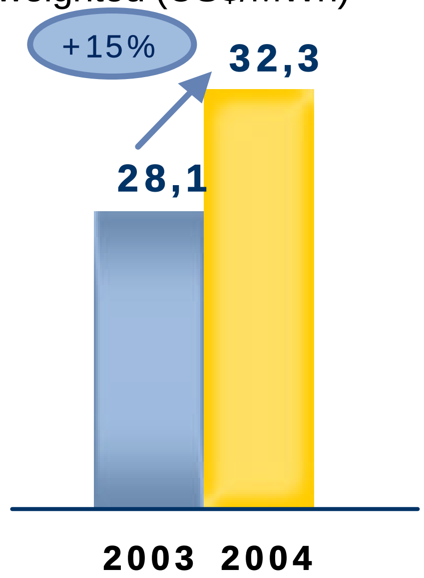
% EBITDA Distribution subject to tariff negotiation



Regulated prices

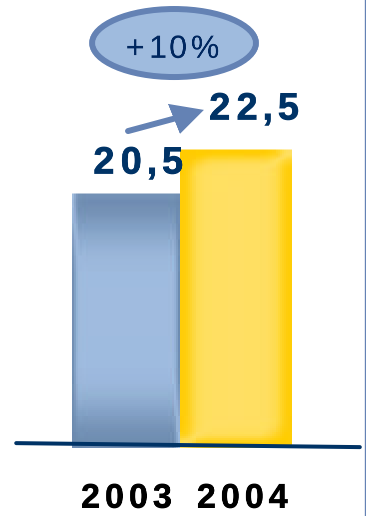
Generation Prices

Regulated mon. price weighted (US$/MWh)



VAD Distribution

Weighted (US$/MWh)

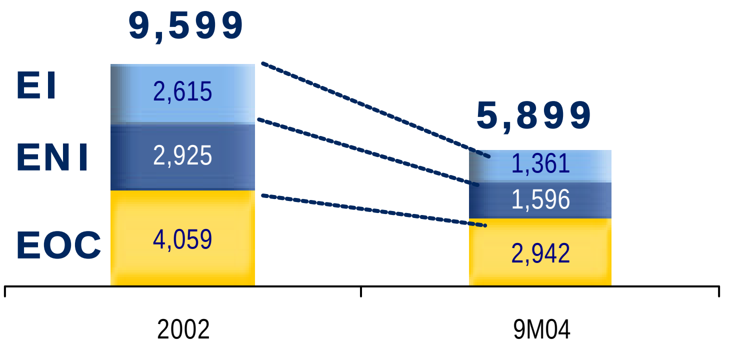


Reduce risk profile (II): maintaining financial strength

Endesa Latin America

Total Latam business debt

(€ million)

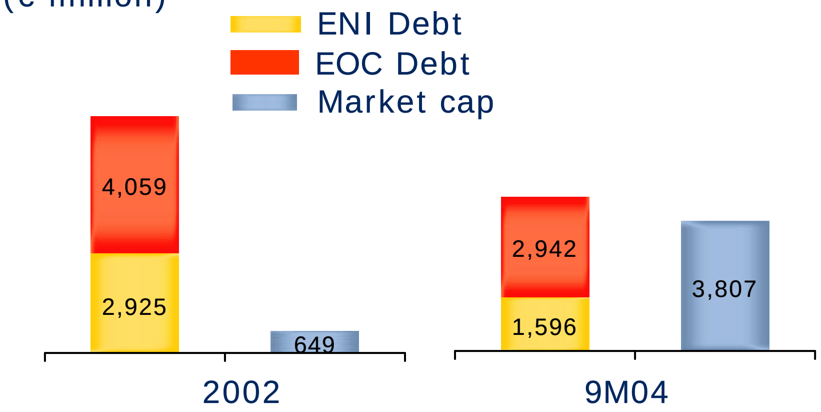


ENI & EOC Ratings

	Long Term	Outlook
Moodys	Ba2 ↑	Stable
S&P	BBB-	Stable
Fitch	BBB-	Stable

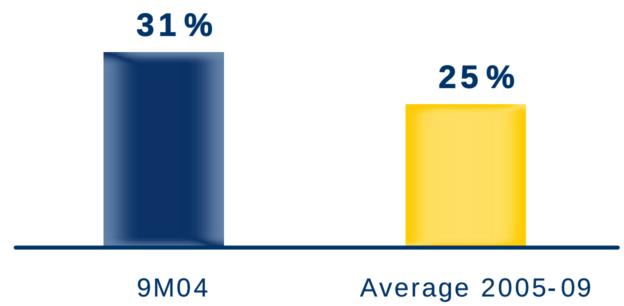
Enersis: a more balanced capital structure

(€ million)



Endesa Internacional Financial Goals

Investments/EBITDA



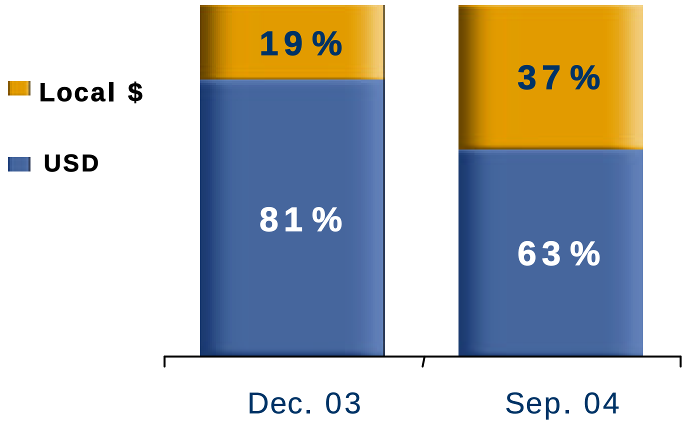
(1) Including US$ 3,947 M maturing in 2003

endesa

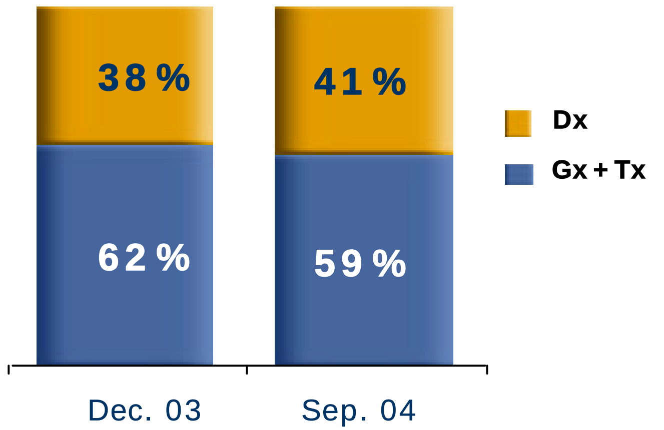
Reduce risk profile (III): cash flow hedge

Endesa Latin America

Endesa Latam Debt structure by currency



Endesa Latam EBIT by business lines



Hedging policiy adapted to IFRS

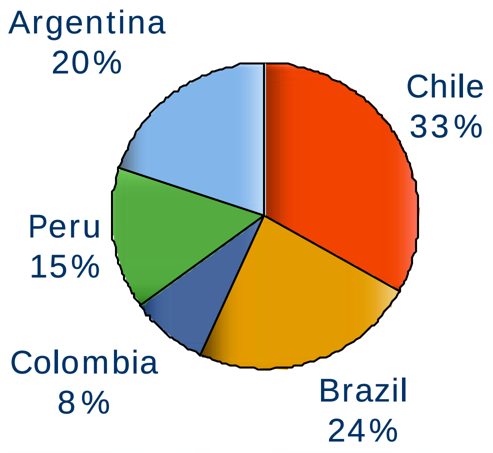
- Debt in US$ to finance assets that produce revenues in dollars, or indexed to the dollar, are considered debt hedges
- Exchange differences from this debt, both positive and negative, recorded against equity
- Taken to the P&L as the dollar revenues it covers are obtained
- ENI converted US$ 700 million of debt in Unidades de Fomento (Chilean pesos indexed to inflation)

Latam investment plan 2005 - 2009

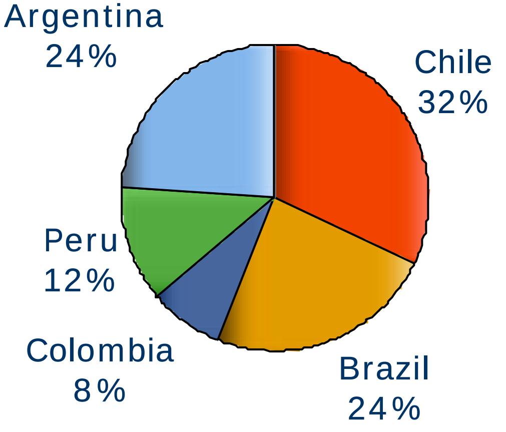
Endesa Latin America

€ bn	2004	2005	04-08	05-09
Latam Business	**0.4**	**0.5**	**2.4**	**2.5**
New capacity	0.1	0.1	0.5	0.5
Maintenenace capex generation	0.1	0.1	1.9	0.5
Maintenenace capex distribution	0.2	0.3		1.5

Latam investment plan 2004–2008 by country: € 2.4 bn



Latam investment plan 2005–2009 by country: € 2.5 bn



endesa

Appendix

Spain and Portugal

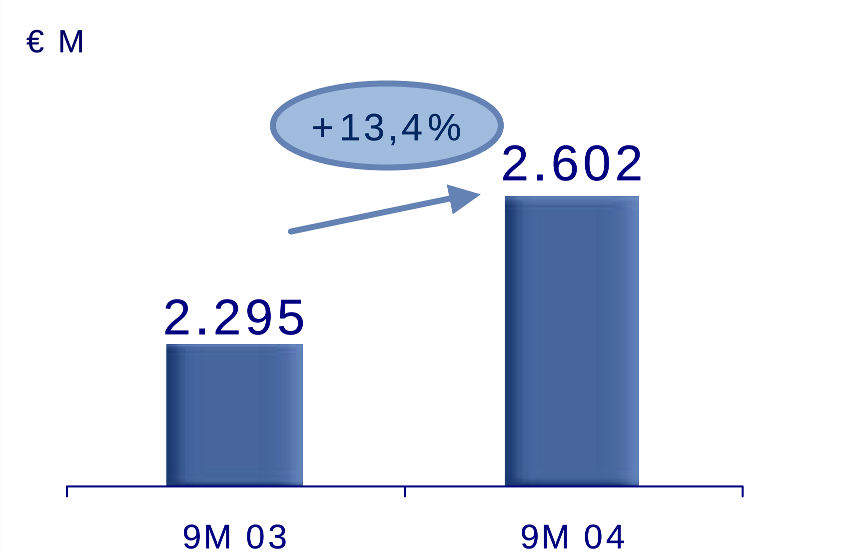
Europe

Latam

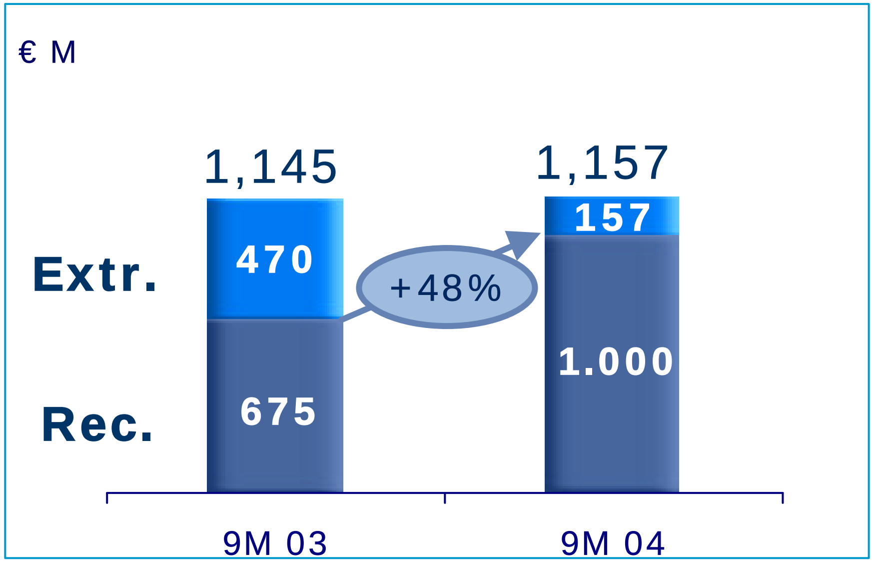
Financials

9M 2004 consolidated results

EBIT



Net Income



- **All ENDESA's businesses recorded positive net income in the first nine months of 2004.**
- **They also recorded strong growth in EBIT, 7.5% for the Spanish electricity business in Spain and Portugal, 90.2% for the rest of Europe and 9.2% for Latin American.**
- **Stripping out extraordinaries, net income rose 48.2% from the same period last year**

9M 04 Spain and Portugal Results

€M	9M03	9M04	% Change
Revenues	7,891	8,104	+2.7%
EBITDA	2,075	2,240	+8.0%
EBIT	1,313	1,412	+7.5%
Net Financial Expenses	-388	-384	-1.0%
Ordinary Income	973	1,025	+5.3%
Net Extraordinaries	557	62	-88.9%
Net Income	1,104	808	-26.8 % (1)

(1) Income net of extraordinaries increased by € 165 M, +27.4%

9M 04 European Results

€M	9M03	9M04 (1)	% Change
Revenues	1,389	1,789	+28.8%
EBITDA	257	429	+66.9%
EBIT	174	331	+90.2%
Net Financial Expenses	-33	-36	+9.1%
Ordinary Income	85	218	+156.5%
Net Extraordinaries	-1	36	-
Net Income	29	123 (2)	+324.1%

(1) Full consolidation of Snet from September 1st, 2004
(2) €14 M Financial result from Tejo transferred to Spain and Portugal unit

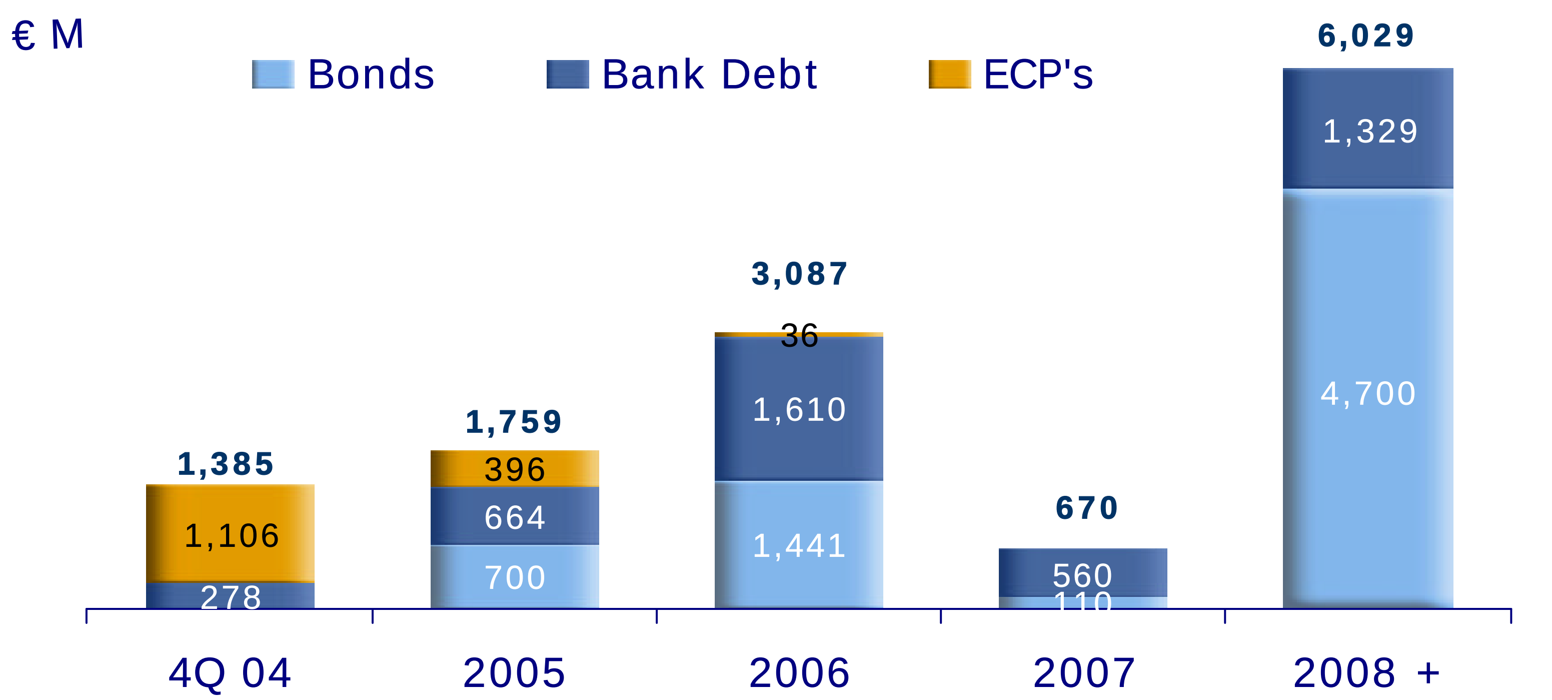
9M 04 Endesa Latin America Results

€M	9M03	9M04	% Change
Revenues	2,598	2,973	+14.4%
EBITDA	1,103	1,173	+6.3%
EBIT(1)	791	864	+9.2%
Net Financial Expenses	-454	-380	-16.3%
Ordinary Income	530	506	-4.5%
Net FX	208	-23	-111.1%
Net Extraordinaries	-28	0	+100.0%
Net Income(2)	48	114	+137,5%

(1) EBIT in US$ increase by 20%. (2) Argentinean assets fully provisioned.

Endesa Spain debt maturity (1)

Total outstanding gross debt € 12,930 M as of Sept 04

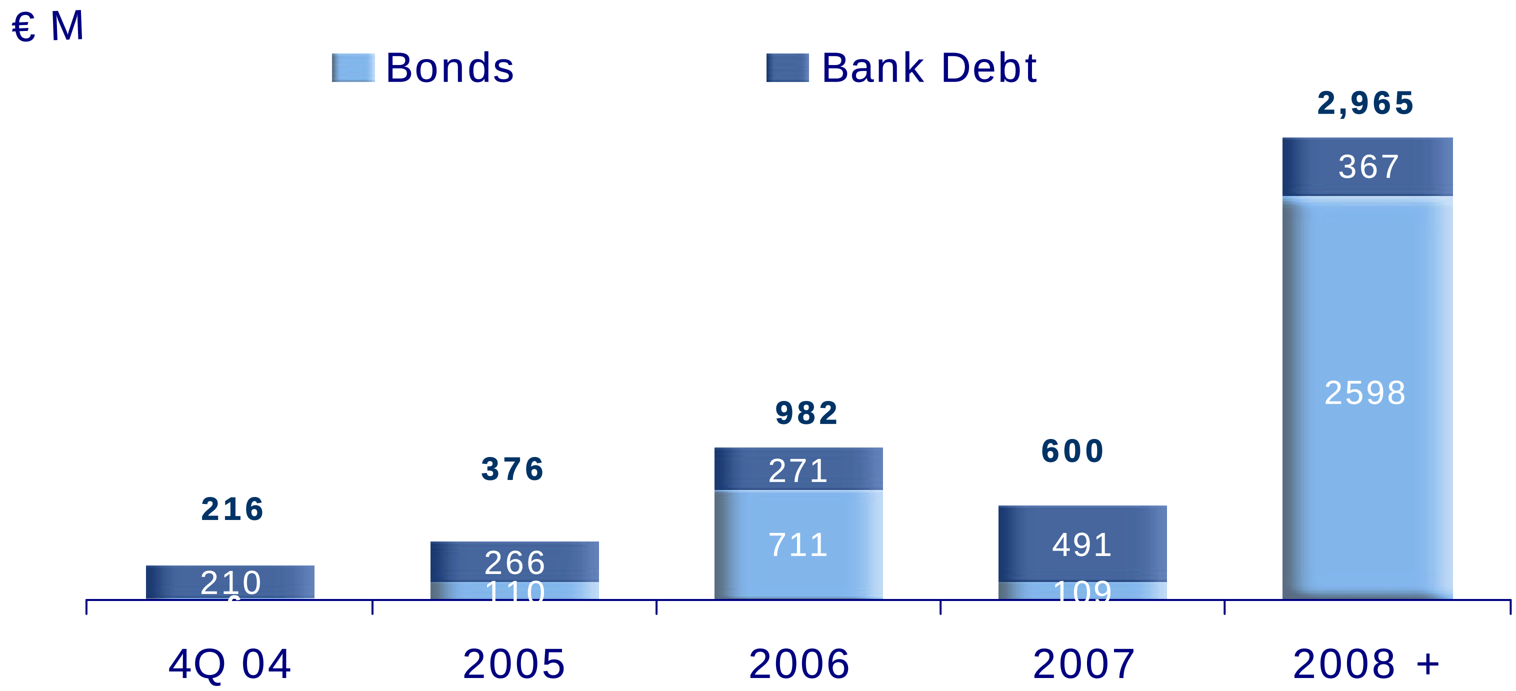


Cash: € 312.2 M

(1) Endesa's debt ex-Enersis

Enersis debt maturity

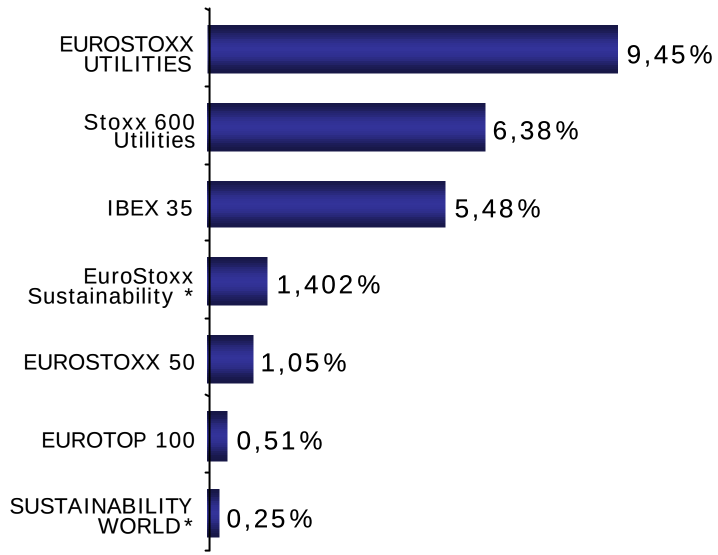
Total outstanding gross debt € 5,138 M as of Sept 04



Cash: € 599.9 M

Well balanced shareholder base and a solid presence in stock indexes

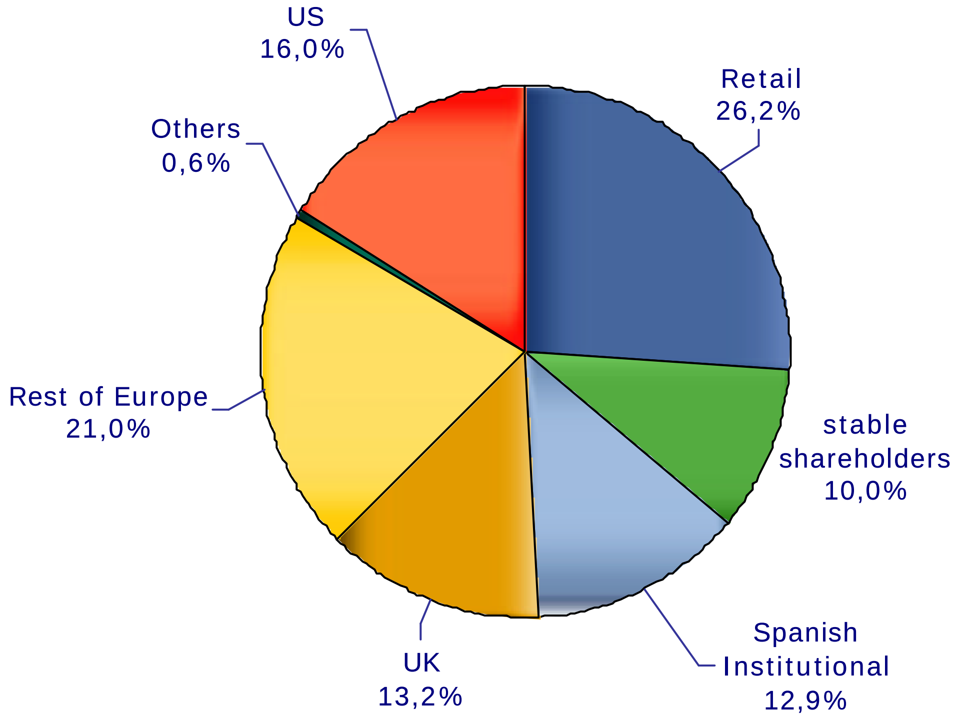
Endesa's weight* in Main Indexes



* As of October 2004

	9/30/04 (1)	9/30/03 (2)	Change
Share Price (€)	15.33	13.27	+15.5%
PER	11.82	10.71	+10.4%
EV/EBITDA	7.61	7.91	-3.8%
P/BVPS	1.81	1.63	+10.9%
Dividend Yield	4.83%	5.30%	-0.47 p.p.

Breakdown of shareholders base

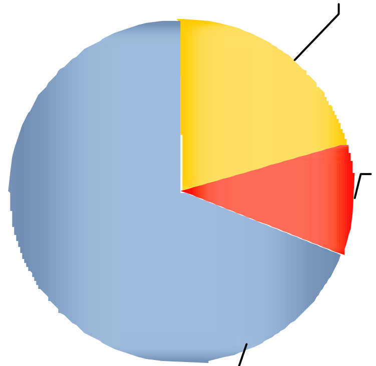


- 51% International Institutional Investors
- 26% Spanish retail
- 64% total Institutional investors

Endesa's investment plan in 2005 - 2009

€ bn	2004	2005	2004-08	2005-09
Spain and Portugal	**1.7**	**2.4**	**8.9**	**10.3**
New capacity	0.5	1.0	3.9	4.6
Maintenance capex	1.2	1.4	5.0	5.7
European Business	**0.5**	**0.5**	**1.4**	**1.8**
New capacity	0.4	0.4	1.0	1.4
Maintenance capex	0.1	0.1	0.4	0.4
Latam Business	**0.5**	**0.5**	**2.4**	**2.5**
New capacity	0.2	0.1	0.5	0.5
Maintenance capex	0.3	0.4	1.9	2.0
Telecoms	**0.3**	**0.0**	**0,4**	**0**
TOTAL	**3.0**	**3.4**	**13.1**	**14.6**

Total Investment Plan 05-09: €14.6 bn (1)



(1) Investments net of subsidies, surrender and contributions in distribution business