Distinctive Platforms for Renewed Growth

endesa

Barcelona, June 3rd 2004

Endesa: A story of consolidated leadership

1983-1991
Becoming Spain's #1 utility

Leader across the value chain

1992-2001
Extending reach beyond Iberia

Consolidated leadership through liberalization, entry in Portugal

Leader in Latam countries, largest private utility in region

Sizeable positions in Italy and France

2002-2003
Financial strengthening

€8 bn debt reduction from 2001 to 2003

Healthy leverage at D/E = 1.25

<u>2004-2008</u>

Renewed Growth to Broaden our Leadership

endesa

Distinctive platforms for renewed growth

A Reliable Leader with Strong Growth Prospects

- Balanced portfolio in each country & business
- Diversified geographical mix; brighter Latam outlook, crisis overcome
- Solid balance sheet following financial strengthening; hedged exposures
- Stable, predictable cash flows

- #1 in Iberia in Generation, Distribution and Supply
- #1 in Latam and in Generation and Distribution in each of 4 countries (Chile, Argentina, Peru, Colombia)
- Only Iberian utility with sizeable European presence

- Substantial organic growth in our markets (3-8%)
- Ample optionality for additional investment opportunities beyond current plans in most businesses
- Telecoms upside potential
- Large free cash flows to fund growth

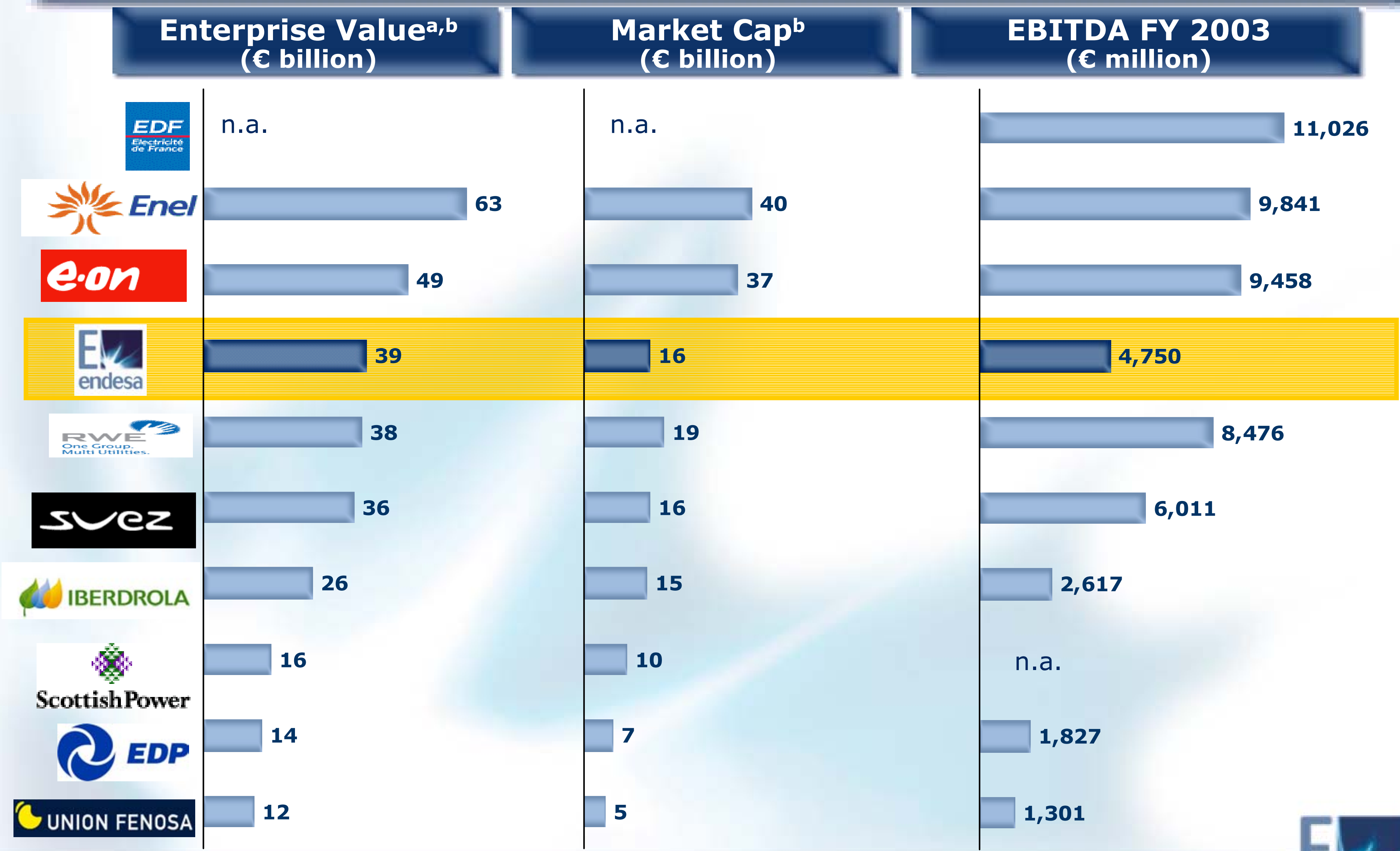
Renewed growth to broaden our leadership

endesa

Distinctive Platforms

Renewed Growth
to Broaden our Leadership

Endesa: A top 5 European utility



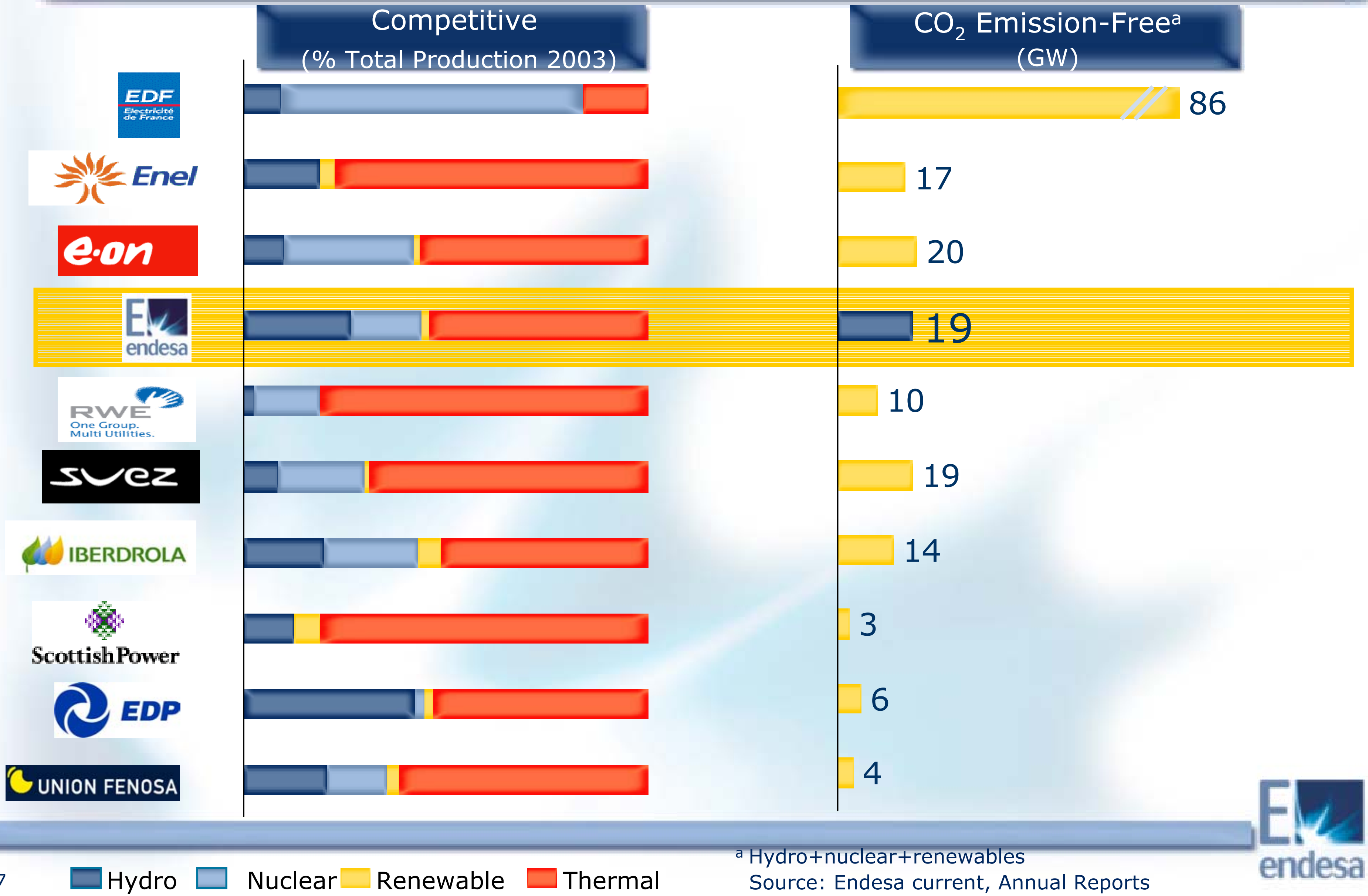
[a]Market Cap + Minority Interest + Financial Debt 31/03/04 [b]31/03/04 Source: Bloomberg, Annual Reports

Endesa: A top 5 European utility

	Capacity (GW)	Production[a] (TWh)	Electricity Customers (million)	Sales[a] (TWh)
EDF Electricité de France	123	592	42	485
Enel	46	149	30	152
e·on	54	243	22	388
endesa	48	170	21	161
RWE One Group. Multi Utilities.	44	230	22	255
suez	46	244	9	213
IBERDROLA	23	74	17	111
ScottishPower	15	81	5	142
EDP	11	47	9	76
UNION FENOSA	9	35	8	48

[a] FY2003 Source: Endesa current, Annual Reports

Endesa: Competitive and environmentally friendly global generation mix



[a] Hydro+nuclear+renewables
Source: Endesa current, Annual Reports

Endesa: A large and diversified business base

	Iberia	Europe	Latam
Capacity 2003 *(MW)*	22,888	8,834 [(a)]	13,333
GWh 2003 – Production	95,211	26,946 (a)	46,480
GWh 2003 – Customer Sales	90,855	10,697 (a)	49,526
EBITDA 2003 *(€ bn)*	2,824	384	1,484
Assets Dec. 2003 *(€ bn)*	23,246	5,217	14,993
	50-55%	15-20%	30-35%

Diversified geographies, sizeable business in each
Balanced portfolio in every region (and country)

Note: Iberia includes Spain and Portugal

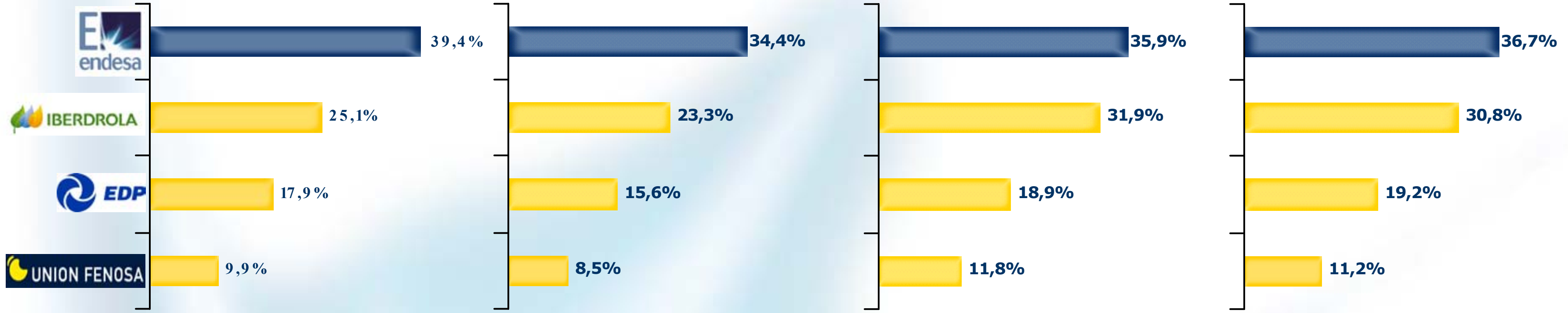
[(a)] Includes 100% of SNET

Leader in Iberia across the value chain

Generation → **Distribution** → **Supply**

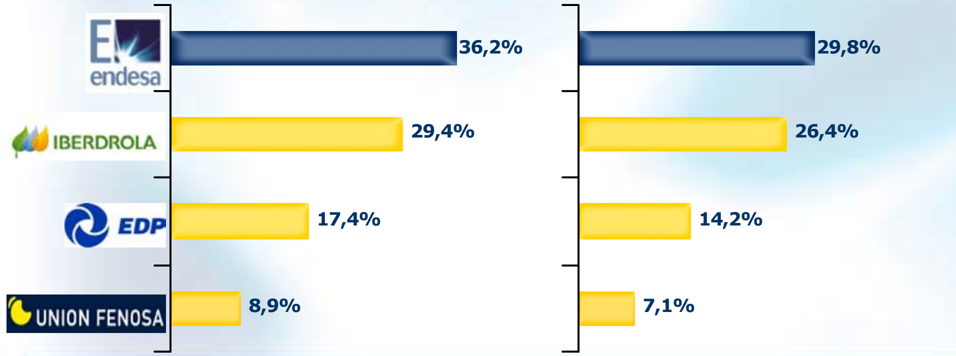
Market Share GWh 2003

Exc. Renewables/CHP | Inc. Renewables/CHP | Regulated | Regulated + Liberalised



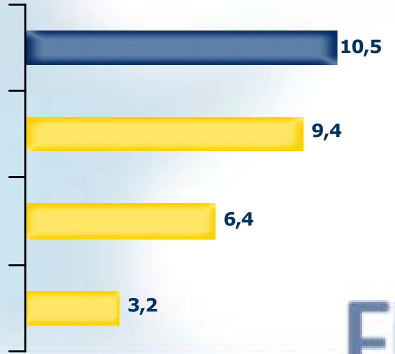
Market Share MW 03

Exc. Renewables/CHP | Inc. Renewables/CHP



Customers 03 (millions)

Regulated + Liberalised

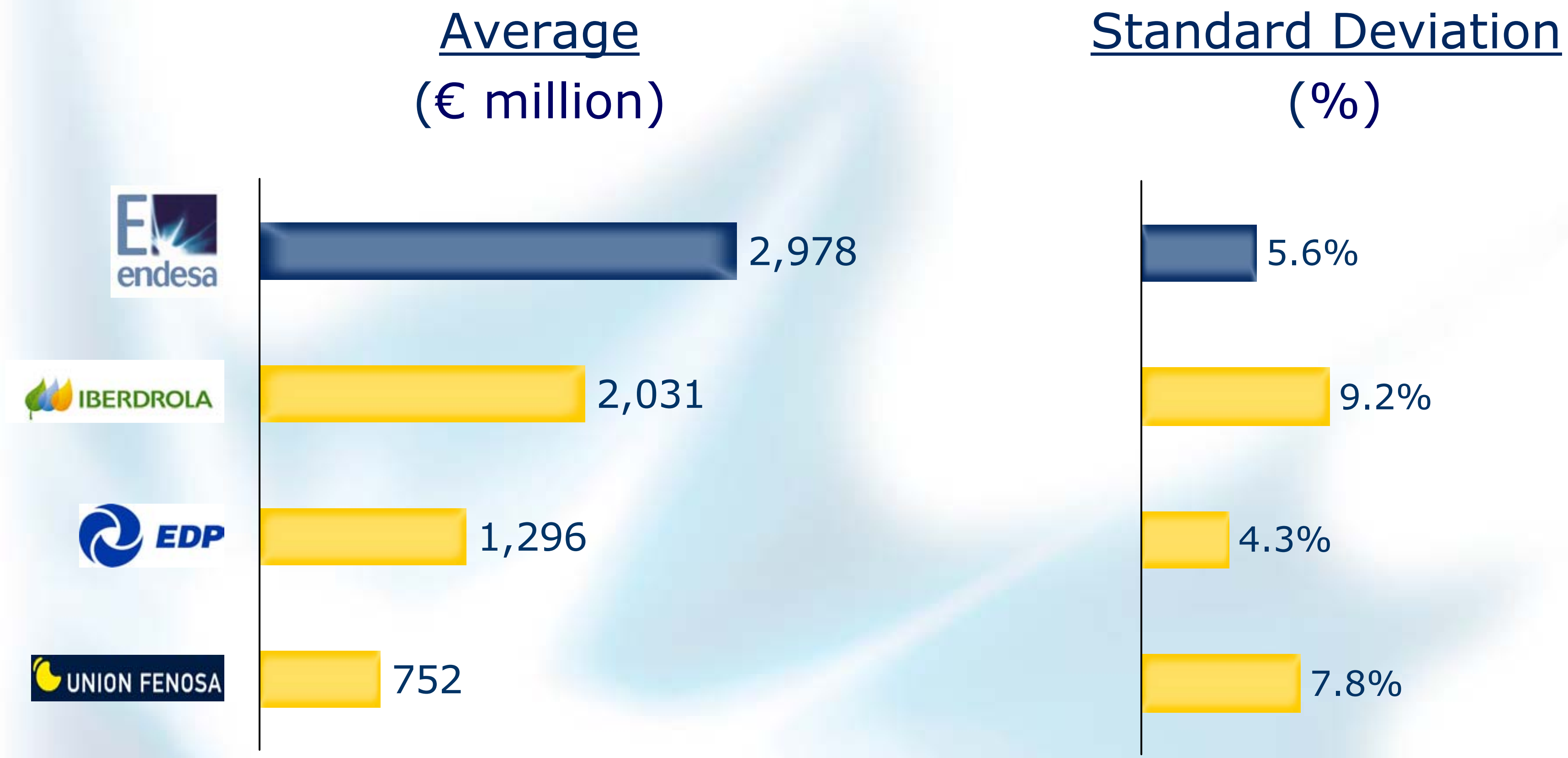


Note: Hydro generation level in 2003 was slightly above average

Source: CNE, Annual Reports

Best portfolio with high margins and low volatility

EBITDA Iberia
2000-2003



Source: Annual Reports

The only Iberian player with a sizeable position in Europe

EBITDA Rest Of Europe 2003 (€ million)

endesa	384 [b]
IBERDROLA	0
EDP	0
UNION FENOSA	~0

France:

65% in Snet[a]

- Partnership with Gaz de France
- 2,604 MW
- 5,633 GWh sales to liberalised customers

Poland:

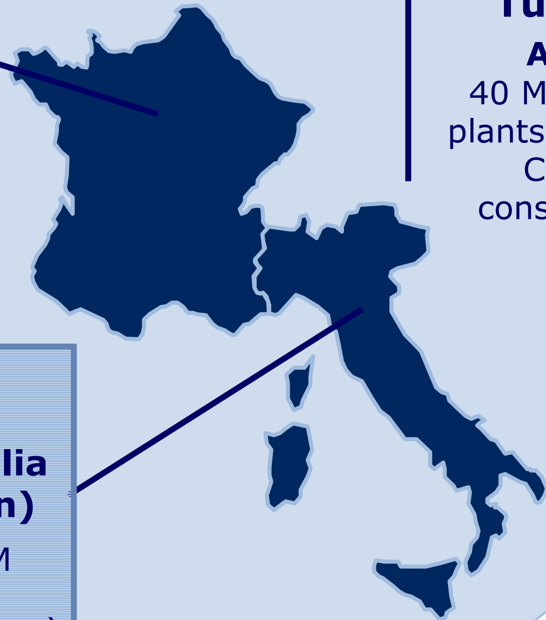
Bialystok

330 MW CHP

Turkey:

Altek

40 MW hydro plants + 80 MW CHP in construction



Italy:

85% in Endesa Italia (former Elettrogen)

- 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

a Pending approval from French Privatization Committee
b Does not include Snet EBITDA 2003 for €128 M

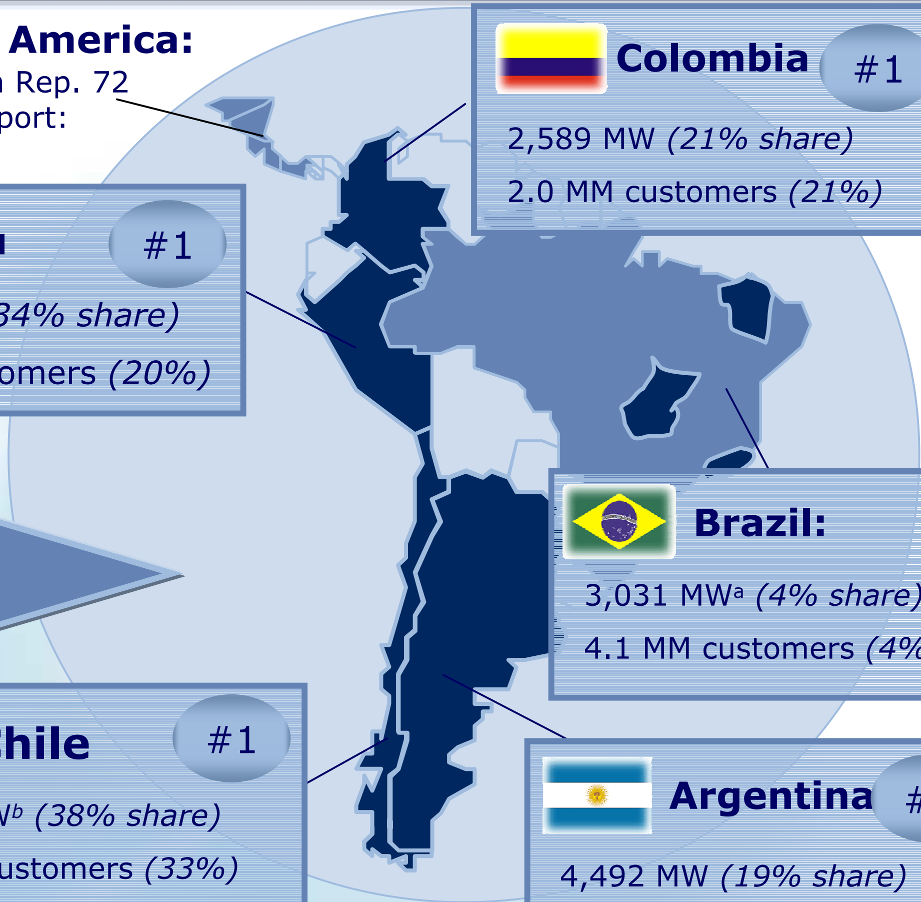
Source: Annual Reports

endesa

Leader in 4 Latin American markets

EBITDA Latam 2003 (€ million)

Endesa	1.484
Iberdrola	246
EDP	187
Union Fenosa	~330



Central America:
Dominican Rep. 72 MW Transport: 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)

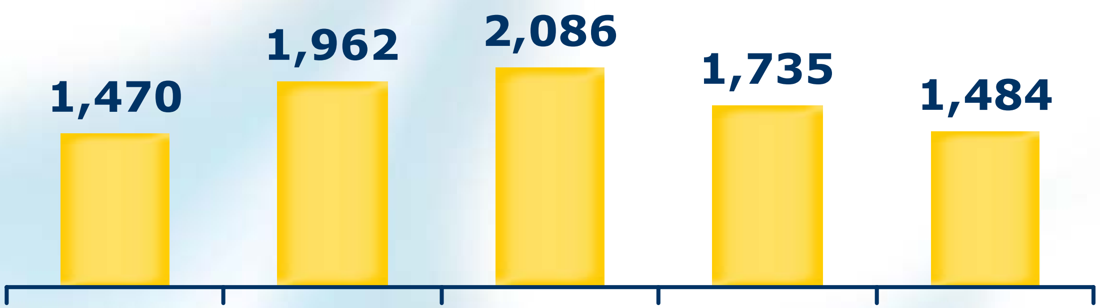
[b] Including Ralco

Source: Annual Reports

Resilient business in past crisis, improved financial position to benefit from cycle upturn

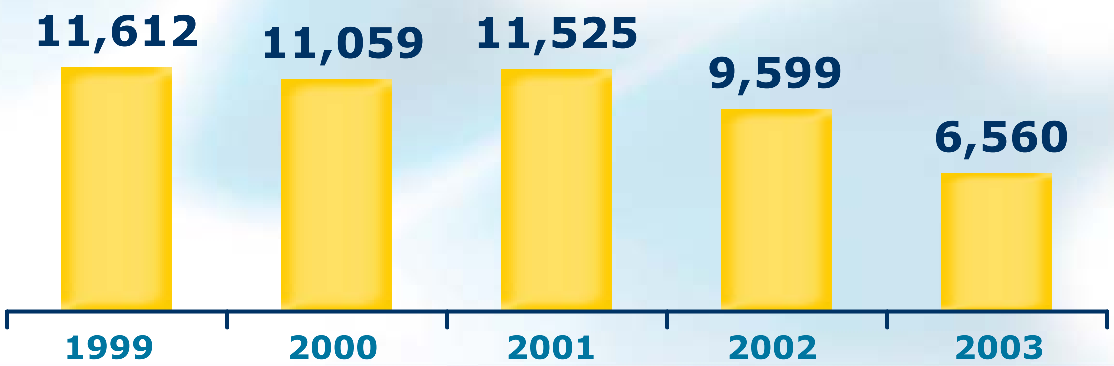
							CAGR
Crisis Environment	Real GDP Growth[a]	-1.6%	+3.0%	+0.7%	0.0%	+3.3%	+1.7%
	Exchange rate vs. €[a]	-11.1%	+9.0%	-7.8%	-23.6%	-18.4%	-11.0%

EBITDA (€ million)



+0.2%

Debt cut by almost 50% (€ million)



-13.3%

[a] Average for Chile, Argentina, Brazil, Colombia and Peru, weighted by Endesa's asset values. Source: EIU

endesa

Strong performance in telecoms holdings with significant upside

auna

CAGR 01-03

- 8.2 million mobile customers — +25%
- 0.7 million cable customers — +56%
- Best 3rd mobile operator in Europe
- EBITDA 2003 = €923 million — +167%
- Net Income positive
- Self-financing

SMARTCOM pcs

CAGR 01-03

- 1.2 million mobile customers — +39%
- EBITDA 2003 = €25 million — +139[b]%
- Net Income 2003 = € -34 million; break-even expected in 2004

Potential market value[a] = € 2.5 – 4.0 bn

[a] Based on recent valuations by financial analysts

[b] 2002-2003

Company's best practices aligned with market requirements

Investors

- Independence:
  - Diversified investor base
  - No reference shareholder >5.1%
- Transparency:
  - Listings in NY and Madrid
  - Additional listing of subsidiaries in NY, Santiago, Sao Paolo, Buenos Aires, Lima

Governance

- Leading company in Spain according to the ISS Corporate Governance Ranking (90% outperformance vs 1,785 non-US companies ranked)
- Leader in the Dow Jones World Sustainability Index "Electric Utilities" in 2002 y 2003. Best in Class" rating of Storebrand SRI

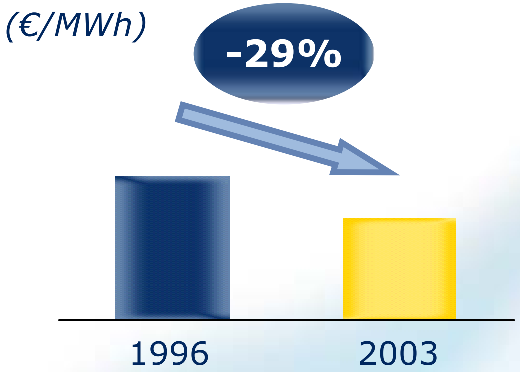
Management

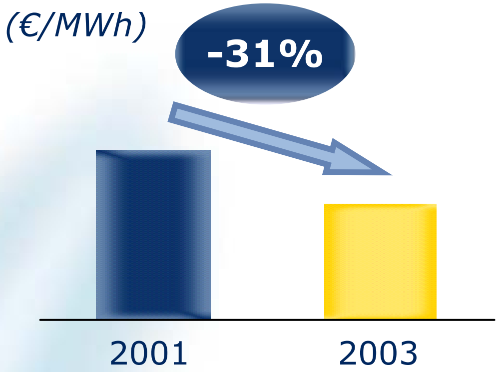
- Proven capabilities:
  - Efficiency improvements
  - International skills
  - M&A/Consolidation experience

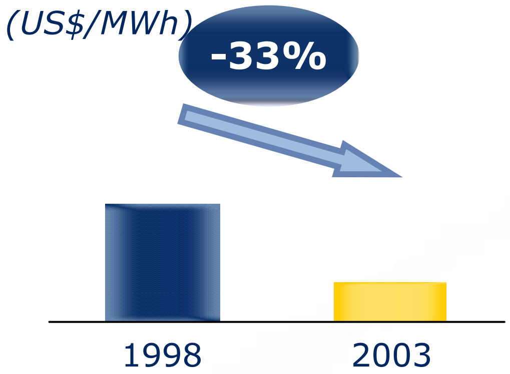
Proven track record in achieving excellence in operations

	Spain	Italy	Latam

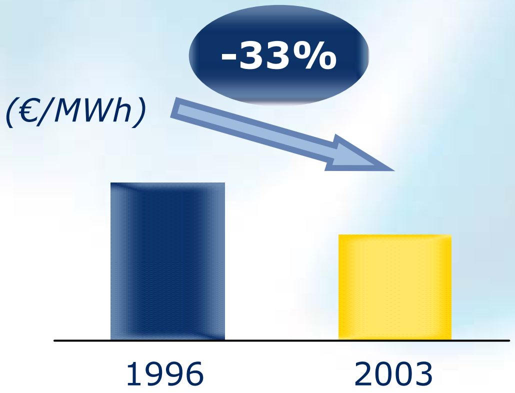
Total O&M Cost per MWh Produced

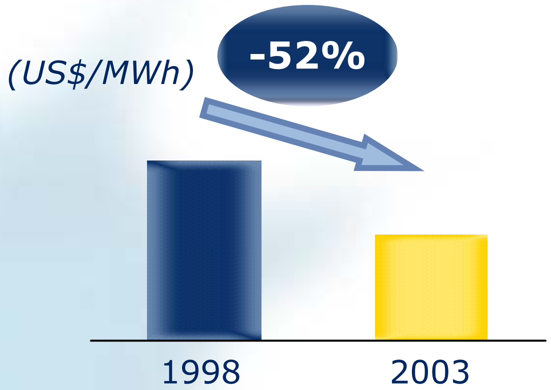






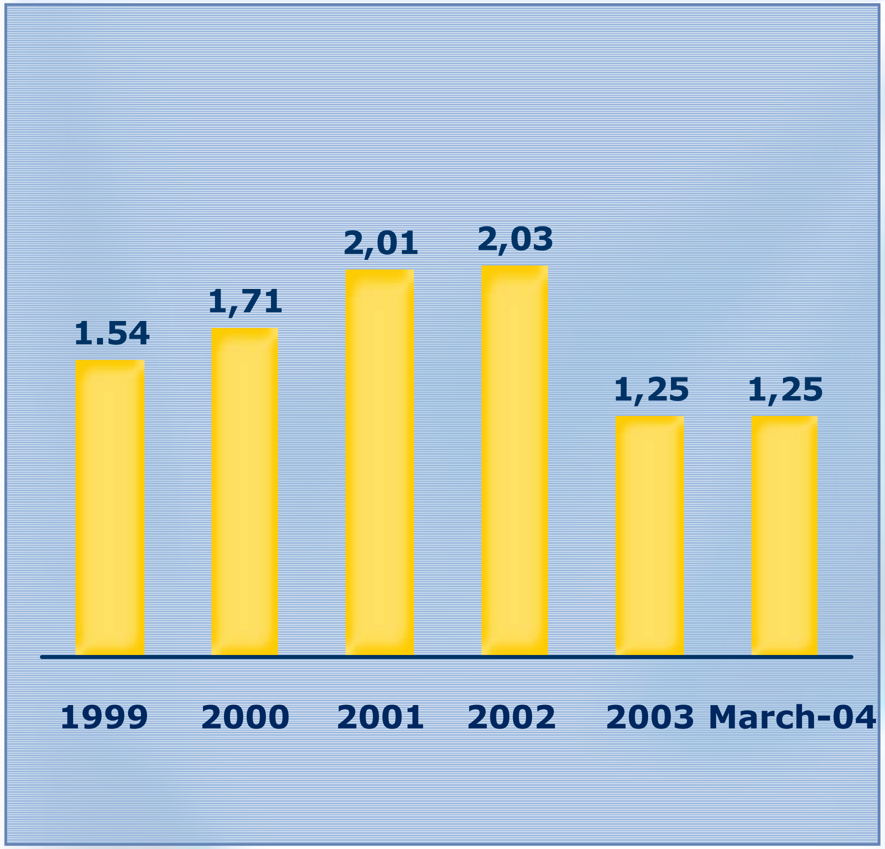
Total O&M Cost per MWh Distributed



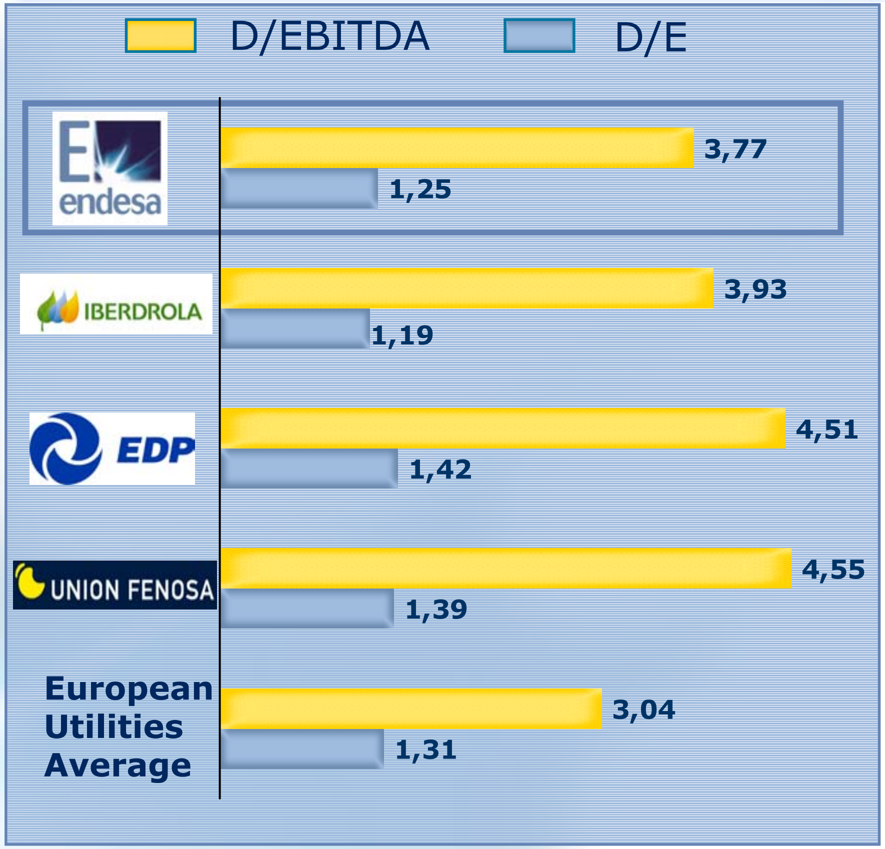


Sound balance sheet following successful debt reduction programme in 2001-2003

D/E Ratio[a]



Sector Comparison March-04[a]



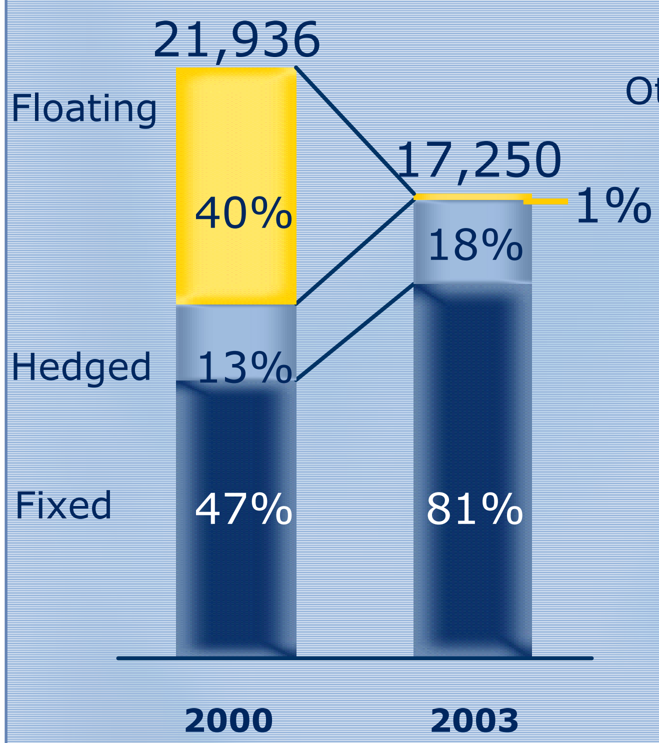
[a] Net Financial Debt / (Shareholders' Equity + Minorities + Preferred Stock)

Source: Bloomberg and Companies Data

Improved debt structure

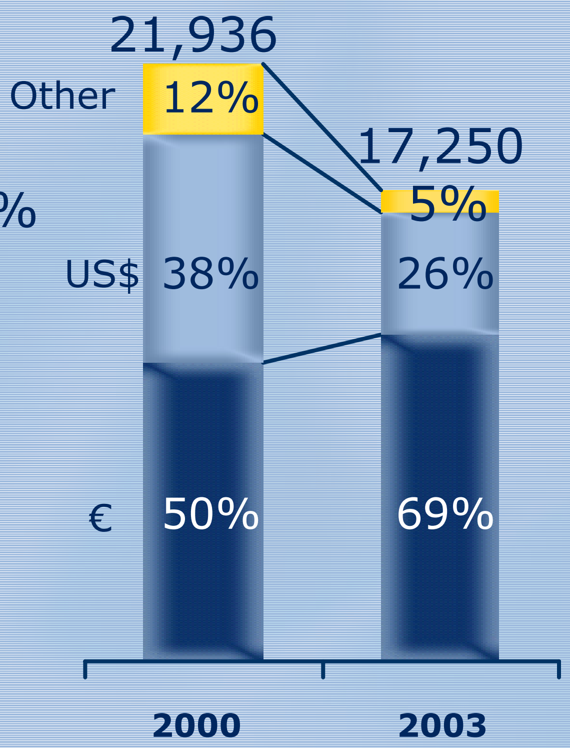
Interest-Rate Hedged

Net Financial Debt (€ million)



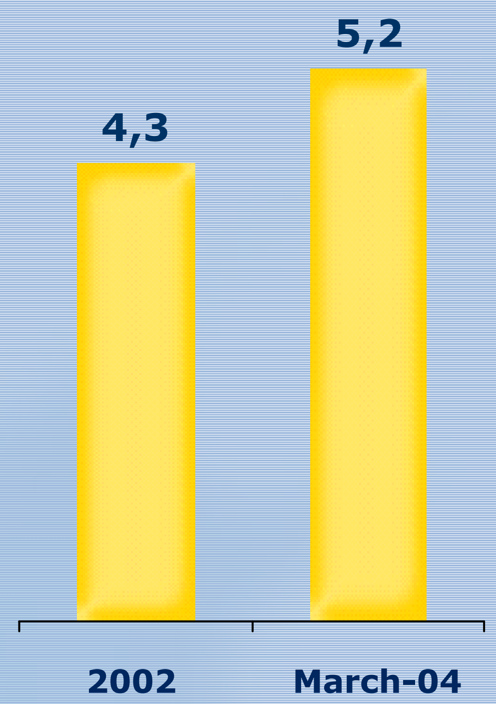
Better Currency Matching

Net Financial Debt (€ million)



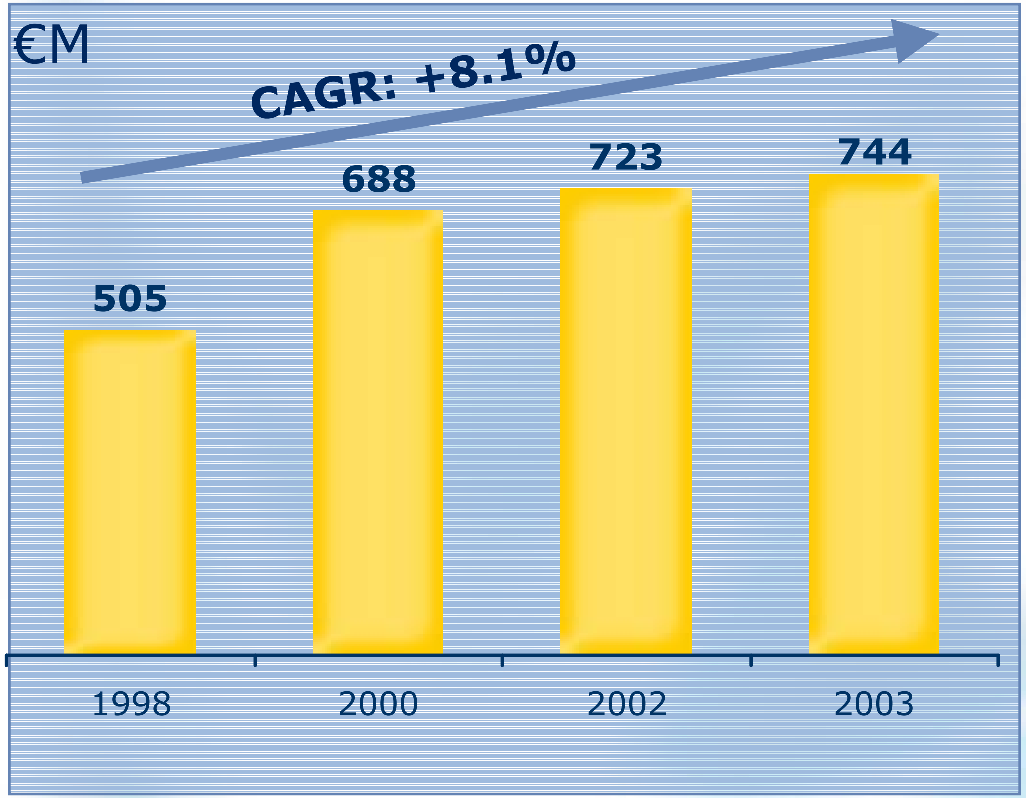
Longer and More Gradual Maturities

Average Maturity (years)

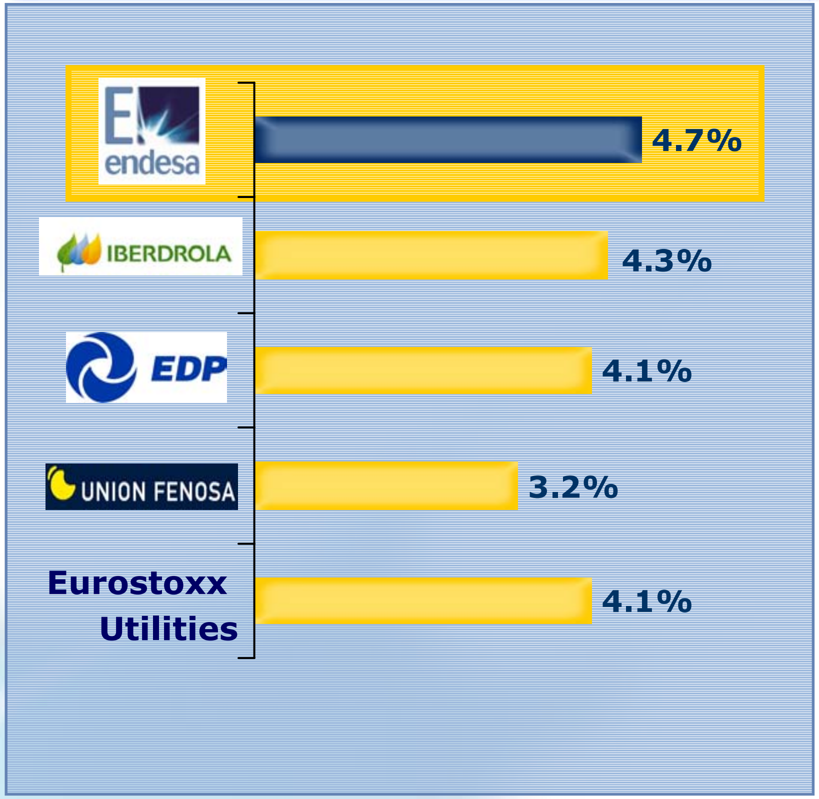


Focus on total return to shareholders

Dividend Growth



Dividend Yield[a]



Total Compound Return 1994-2003 = 10.7% p.a.

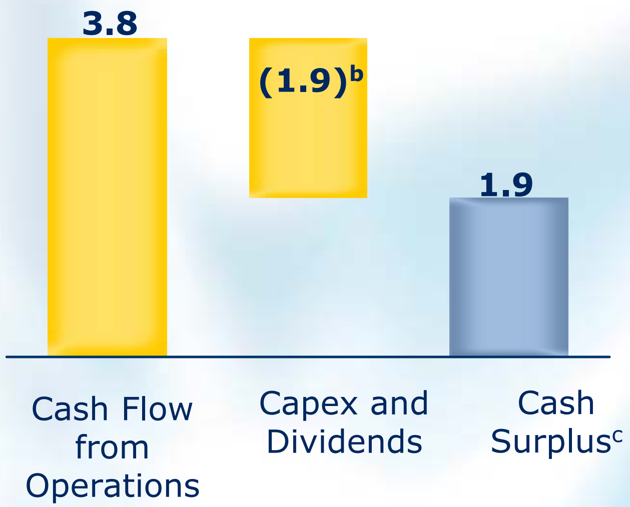
[a] As of 26/5/04

Source: Bloomberg

endesa

Free cash flows to fund growth opportunities

Large Cash Flow Generation 2003 (€ billion)



- Continued large cash flow from operations: €20.5 bn 2004-08 (market consensus[a])
- Fully funds investment plan (€13 bn) and growing dividend stream, while reducing leverage to 1,0 in 2007
- Potential divestments and releverage capacity could raise more than €10 bn if needed to fund additional growth opportunities

[a] Net Income + Depreciation. Based on estimates from all analysts projecting to 2008 (6 in total)
[b] Includes only recurrent Capex. [c] Includes 0.3 for commercial working capital + 0.4 for pension payments

endesa

Distinctive Platforms

Renewed Growth to Broaden our Leadership

Renewed growth to broaden our leadership

Capture potential of existing asset base	• High utilization rates • Improved operations / profitability • Regulatory management
Invest €13 bn 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 Iberia, 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

Renewed growth to broaden our leadership

- Capture potential of existing asset base
- Invest €13 bn in current businesses
- Exploit additional business and investment opportunities
- Sustain financial strength

	2003[a]	2008
Production (TWh)	170	222
Customers (Mill)	22	26
Gas (bcm)	10	17

[a] Includes 35% of Tejo and 100% of SNET output

Renewed growth to broaden our leadership

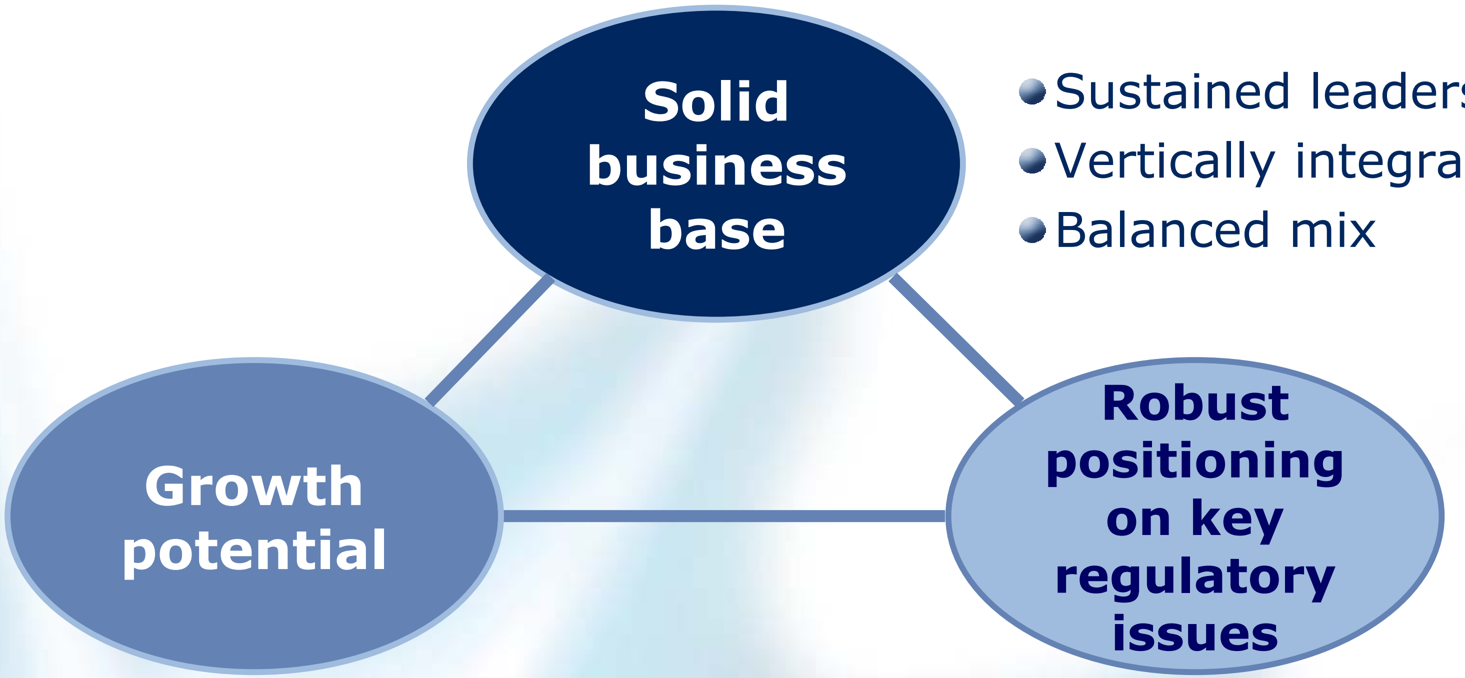
Iberia

Europe

Latam

Telecom

Renewed growth in Iberia



- Sustained leadership
- Vertically integrated
- Balanced mix

- High growth regions
- Islands
- Gas
- Renewables
- Portugal

- Kyoto / ETS
- CTCs
- Regulatory model

Investment plan 2004-2008 in the Iberian market: €9bn

	2003 (€M)	Plan 2004-2008 (€Bn)
Generation	**626**	**5.5**
Mainland[b]	248	3.0
Island	291	1.2
Special regime	87	1.3
Distribution[a]	**557**	**3.4**
Other	**45**	**0.1**
Total investments	**1,228**	**9.0**

Endesa is the leading investor in basic infrastructure in the Iberian energy market

[a] Net investments in distribution. Gross investments: €781 million in 2003, €4.4 bn 2004-2008. Includes gas investments

[b] Not including Portugal

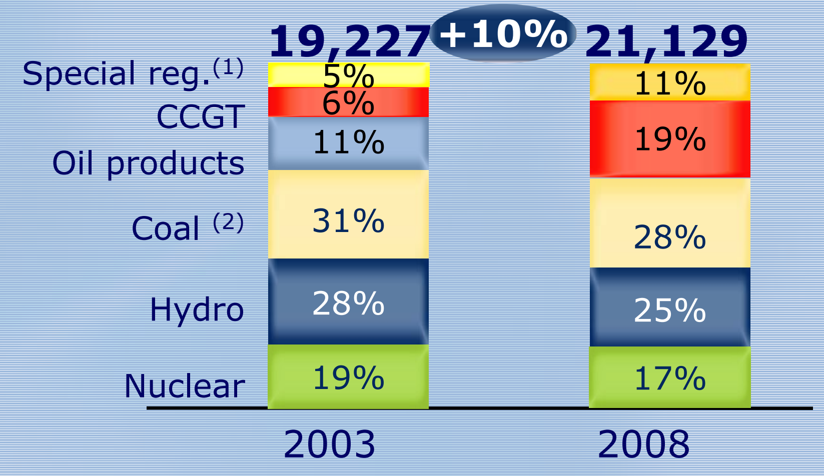
Growth in generation focused on preserving a balanced portfolio

€5,500 million investments

- 5,800 MW of new capacity in 2004-2008
  - 2,800 MW in CCGT
  - 929 MW in the islands
  - 2,089 MW in renewables
- Repowering of 1,400 MW of lignite into imported coal (As Pontes)
- Closure of 2,319 MW of obsolete plants
- Additional site optionality
  - 400 MW pump storage
  - 1,200 MW CCGT

	2003	2008	
Output (GWh)	95,210	110,000	+16%
Total capacity (MW)	22,804	25,635	+12%
Islands capac. (MW)	3,577	4,506	+26%

Mainland capacity mix (MW)

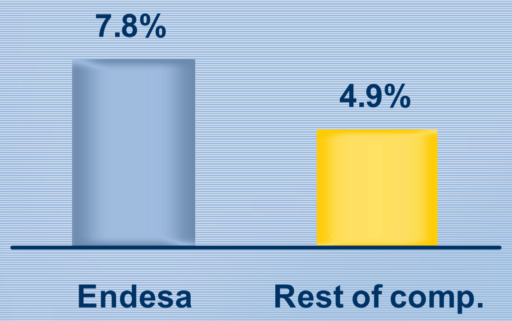


(1) For renewables and CHP, only the proportional stake of Endesa is computed: 936 MW in 2003 (100% is 1,751), 2,357 MW in 2008 (100% is 3,770 MW)

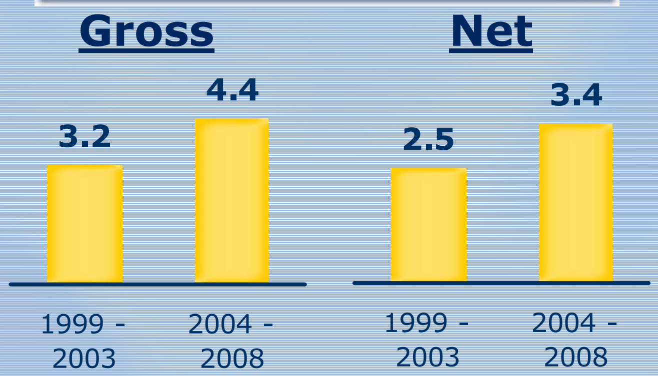
(2) Includes 210 MW from Tejo

Focus on quality of service in distribution with an improved regulatory outlook

Most dynamic markets
(03/02 Growth)



Sustained investment
(€bn)



- Already achieving improved customer loyalty and quality perception
- Regulation to reflect investment efforts
  - Adequate investment incentives (reasonable returns)
  - Recognition of quality improvements

Upside potential in distribution as Endesa´s commitment is recognized

There is currently limited relation between remuneration and actual facts in distribution (1)

	IBERDROLA	endesa	
Investments 2000-2002 (M€)	1,224	1,683	+37.5%
Net assets (M€)	3,977	5,190	+30.5%
Remuneration (share)	37%	40%	+8.1%

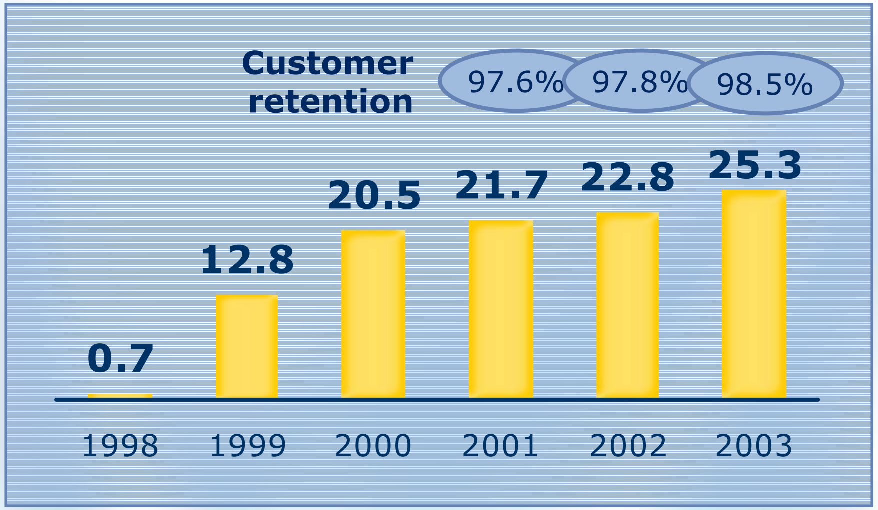
New remuneration model should be linked to the reality of the business

- Asset-base for current remuneration, based on accounting figures
- O&M costs based on actual facilities (km of lines, MVA of transforming capacity, etc.)
- Remuneration growth linked to actual investments and actual market growths
- Grid losses related to technical reality of each distribution area

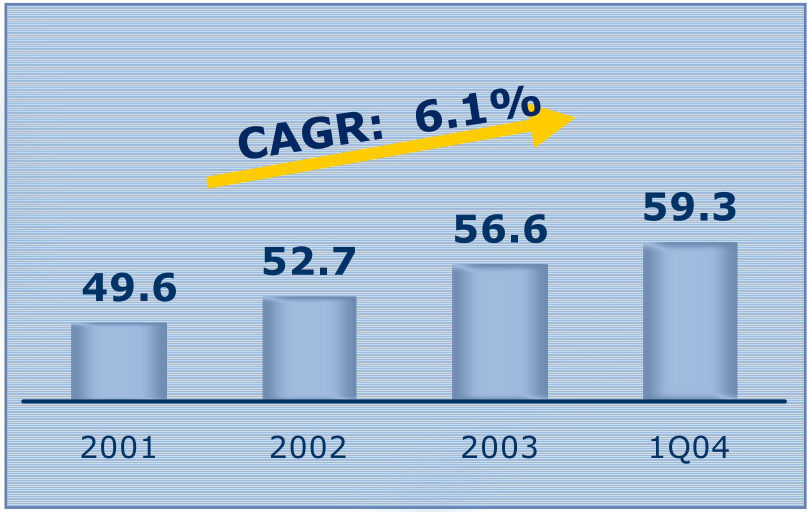
(1) Only mainland distribution activity

Growth in liberalized supply while concentrating on profitability and expanded customer offering

Evolution of sales (TWh)[1]



Evolution of price to final customers (€/MWh)



Innovative offer of new products and services

Energy advisory services

Offer of equipment and installations

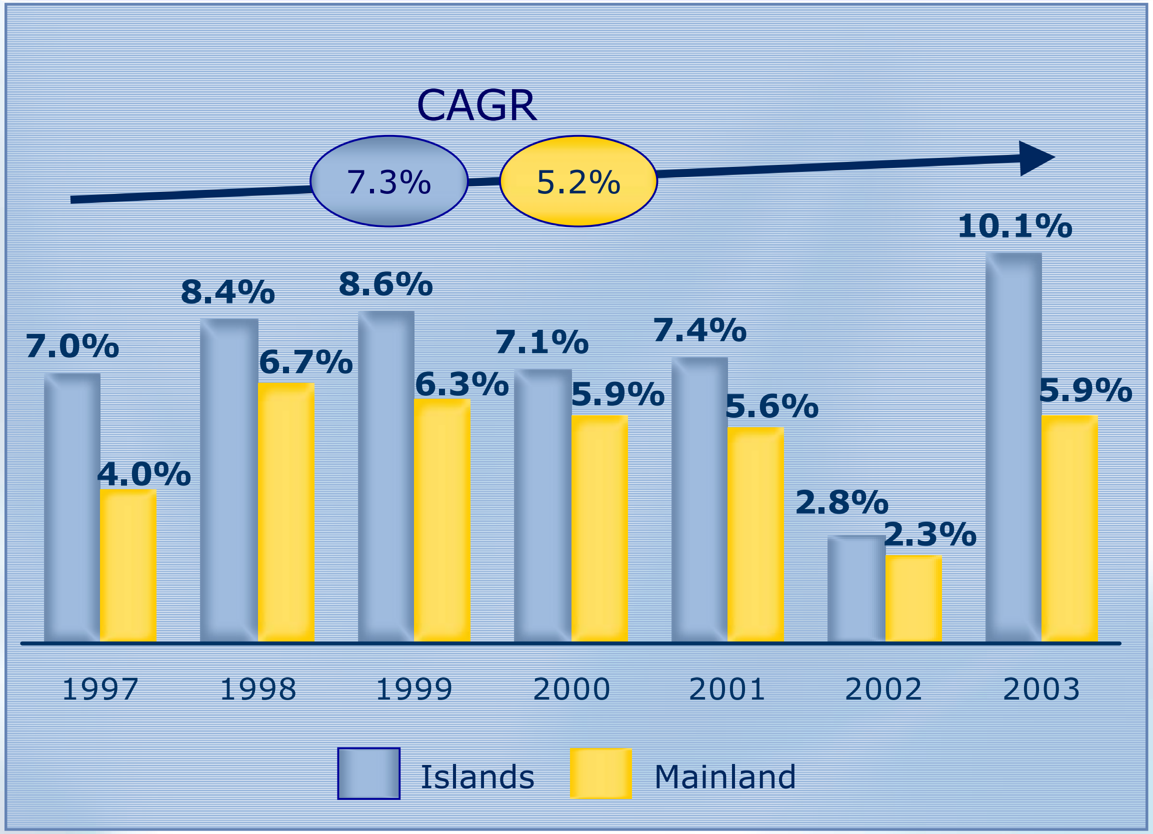
Home services

[1] Includes sales to liberalised customers in Portugal

endesa

Growth potential in safe and newly regulated island revenues

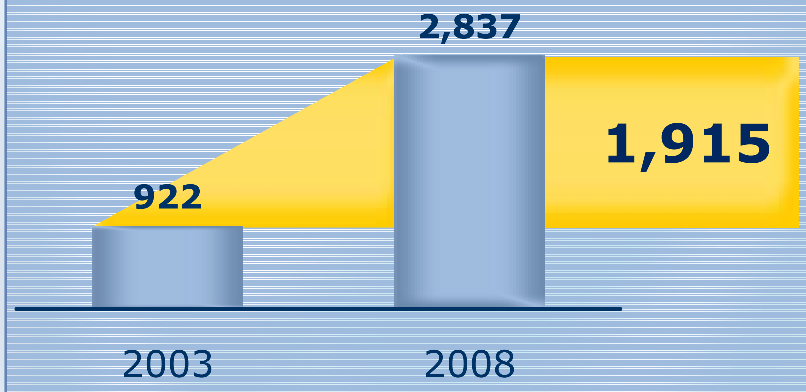
Demand growth well above rest of Spain



- €425 million EBITDA in 2003 (€391 million in 2002) in a regulated business
- New regulation framework (RD1747/2003) offers broader cost recognition
- Significant upside potential derived from this new regulation
- Fuel savings from gas supply to the largest islands

Growth beyond overall market development in renewables

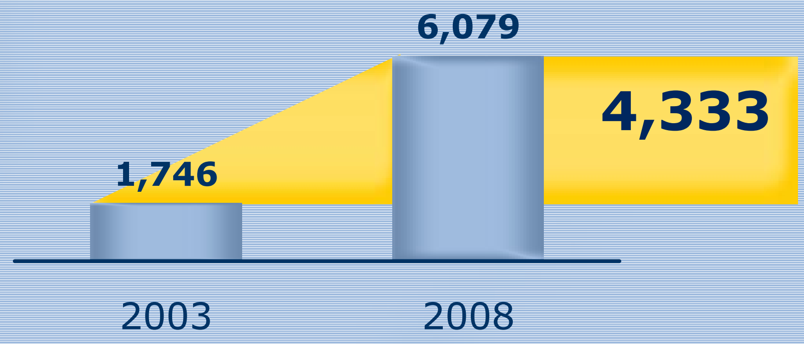
Wind capacity (MW)



Spanish Market Share:

15% 26%

Wind generation (GWh)



15% 27%

- New RD provides regulatory certainty
- Other renewables (mini-hydro and incineration plants) 185 MW

Growth along the entire gas value chain

Sourcing	Access infrastructure	Distribution	Supply
• 6 bcm growing to 11 in 2008 • Scale advantage vs. peers • Diversified sources • Flexibility on key contracts	• Shareholder in Reganosa (21%), Sagunto (20%), Gascan (74%) and Medgaz (12%), all under development to ensure sector needs are properly covered	• Endesa Gas • 275,000 customers • EBITDA of € 28 million in 2003	• 8.8 TWh/yr of gas contracted to final customers (5% market share) • € 3 million margin in 2003 • Focusing on value segments given tough competitive dynamics

Growth in Portugal: best positioned Spanish utility

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)
  4,176 GWh production
- Optionality to build additional 800 MW
- Other sites under consideration

Cogeneration and renewables

- 50% stake in Termica Portuguesa (JV with Sonae)
  100 MW installed capacity
  300 GWh production
- Participating in consortium for 800 MW auction

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)

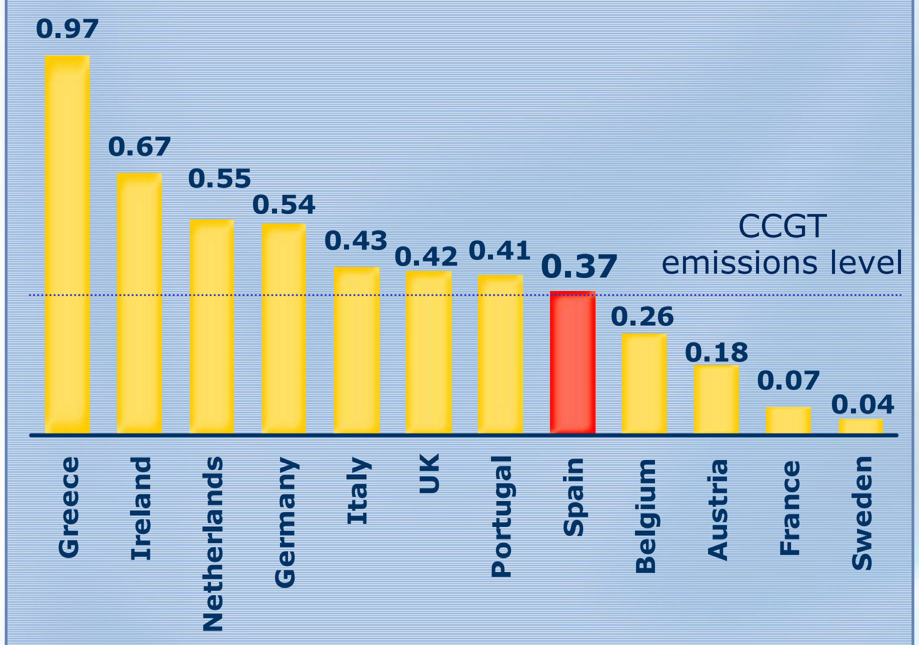
Gas distribution

- Stakes in Setgas (10%) and Portgas (12.5%)
  Total of 221,000 customers, 45% CAGR

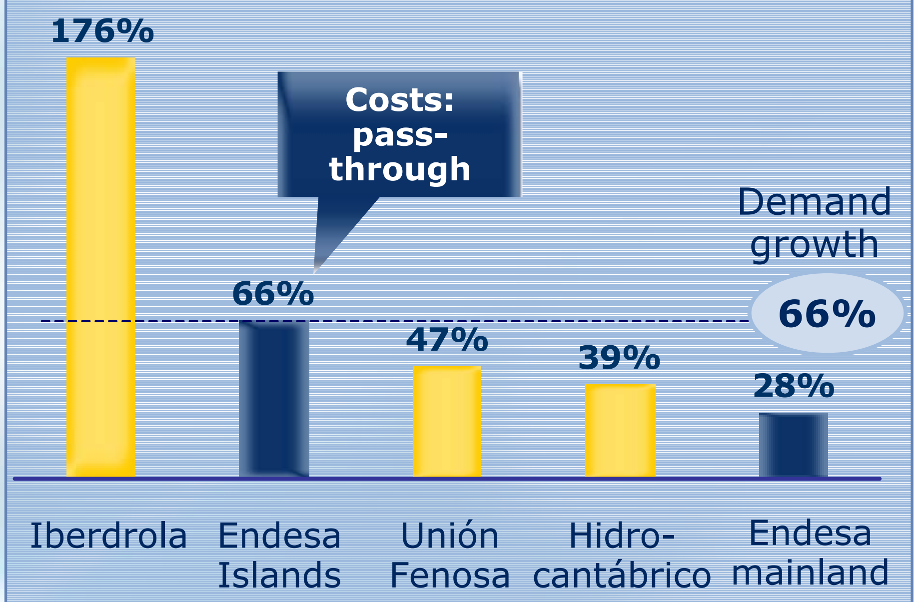
[a] Mainly 35% of Tejo; calculated by proportionate consolidation, though these businesses do not consolidate in Endesa´s accounts

Robust positioning on GHG emissions

Spanish electricity sector is low-emitting today (2001, tCO_2/MWh)



Endesa's emission growth is lowest in the period 1990-2002



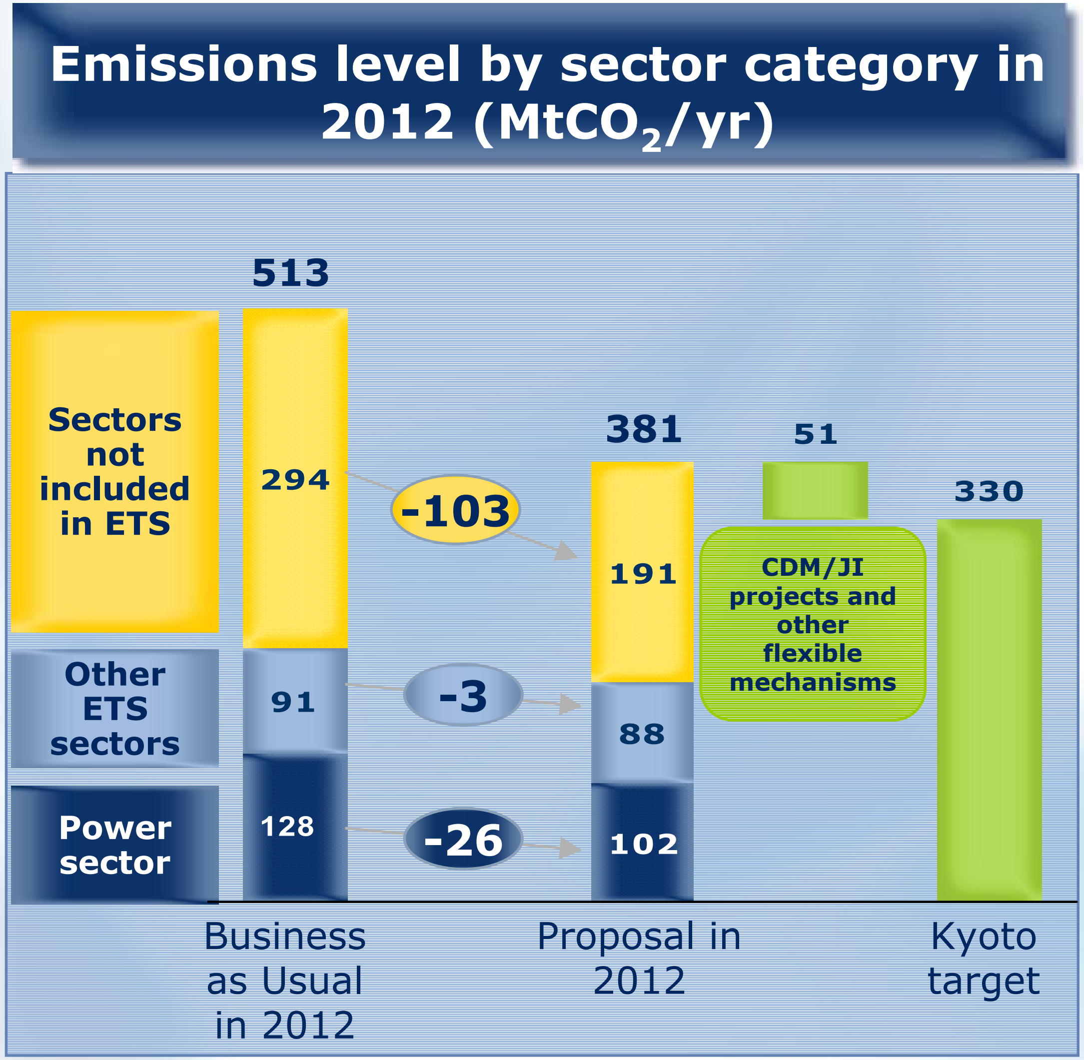
Strategic plan addresses Kyoto

Investments in generation	• 2,800 MW CCGT • 2,100 MW Renewables • Improvements in coal, 1,400 MW Puentes transformation • Closure of less efficient thermal plant (2,557 MW)	**-35% reduction in specific emissions (2007 vs. 1990)**
Complementary projects	• 5 CDM projects, leveraging Latam presence • World Bank Carbon Fund (CDCF)	**Additional certificates (CER units)**
Regulatory measures	• Sector-wide proposal, responsible answer to sector's challenges • Broad acceptance by industry associations (CEOE)	**Kyoto compliance**

Our NAP proposal is aligned with government´s priorities

NAP proposal by majority of sector	Stated priorities of new government
Allocation of 97 Mt CO_2/yr in 05 - 07 • Cover demand growth at minimum cost • Allowances to rest of sectors sufficient to allow for expected growth (81 MtCO_2/yr) **Historical allocation criteria** • Only objective measure • Consistent with technology b-marks • Applied in all published NAPs **Offering to the regulator the possibility of an optimal management of the emission rights ("pooling")** • Prevent speculation and wind-fall profits • Protect consumer interest and price tensions • Secure industrial competitiveness in Spain	• Commitment to compliance with Kyoto • Minimize cost of compliance and prevent de-location of industries • Involve all sectors (not only the ones affected by Directive), and specifically transport sector • Exploit flexible mechanisms: CDM, JI, and pooling • Minimize price of energy input for industries and consumers • Ensure security of supply and quality of service • Prevent the effect of volatility of fuel prices • Promotion of renewable energy

Our NAP proposal is consistent with the overall Kyoto target for Spain

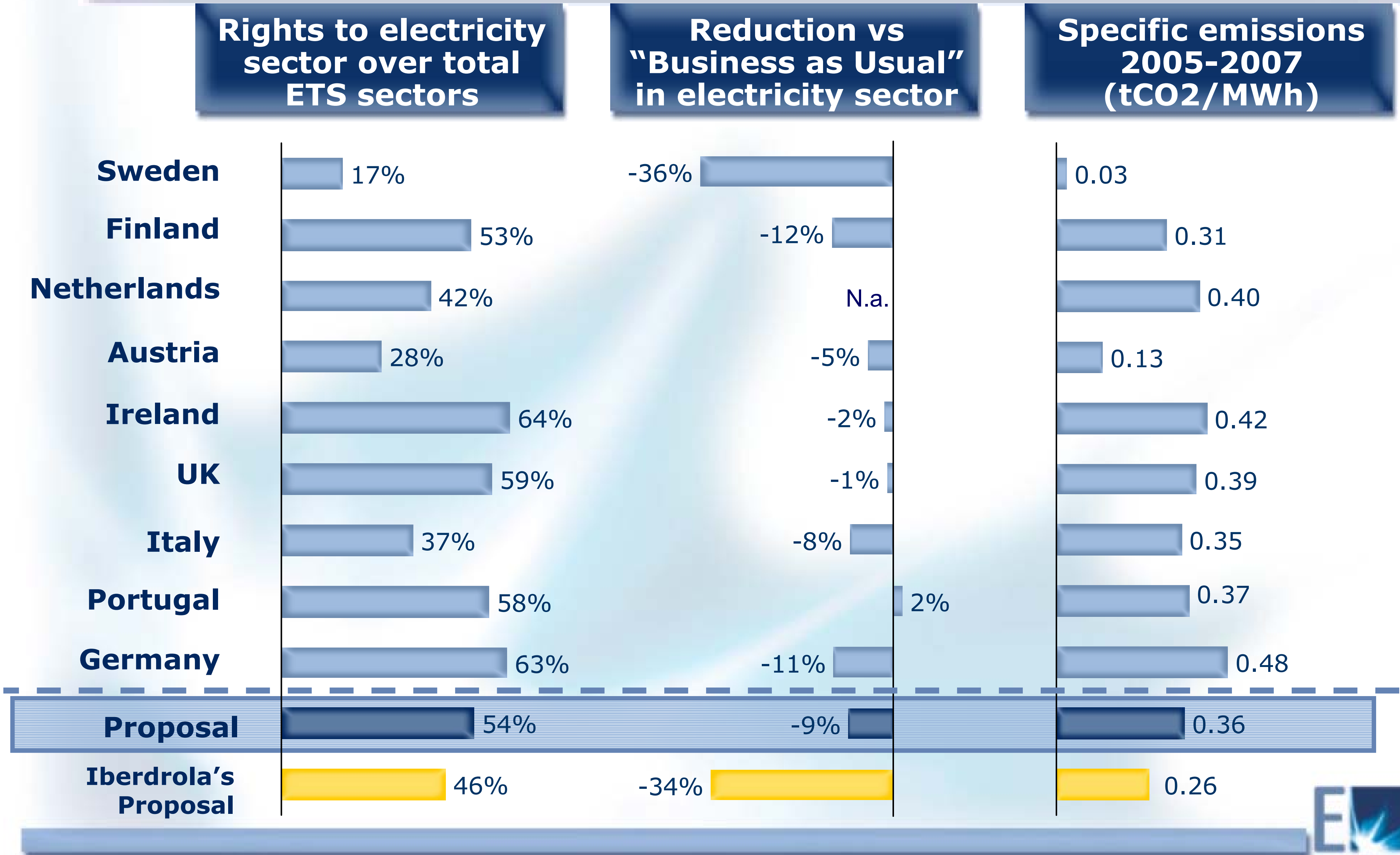


- Efforts required to non-ETS sectors, calculated according to Spanish strategy for climate change. New government has stated that even stricter measures should be applied to these sectors
- Electricity is the only ETS sector that makes a significant effort
- CDM/JI credits in line with other countries (Netherlands, Italy, Portugal, Ireland). New government has stated that CDM/JI opportunities should be exploited to the maximum extent

NAP proposal for total emissions of ETS sectors is consistent with published NAPs (even more restrictive)

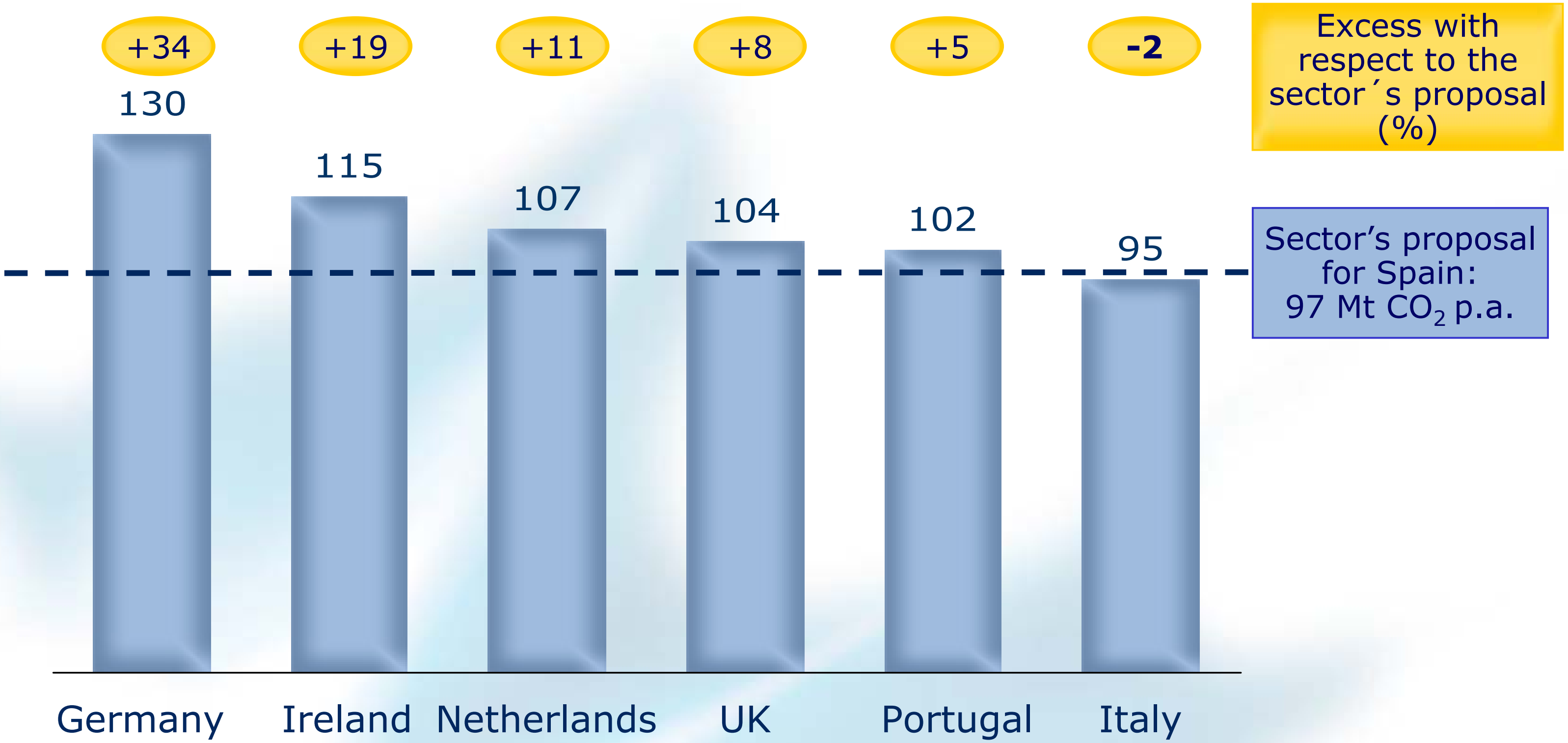
	Allocation criteria	Emissions growth in NAP (2005-2007) vs historical reference	Emissions reduction vs "Business as Usual"
Sweden	Historical 1998-2001	18.5%	-10.0%
Finland	Historical 1998-2002	10.3%	-3.8%
Netherlands	Historical 2000-2002	N.a.	0.0%
Austria	Historical 1998-2001	9.0%	-8.6%
Ireland	Historical 2002-2003	7.6%	-2.0%
UK	Historical 1998-2003	-3.2%	-0.7%
Italy	Historical and emissions projections	8.8%	-2.9%
Portugal	Historical 1998-2001	6.7%	-1.5%
Germany	Historical 1998-2001	-0.4%	-2.3%
Proposal	Historical	1.2%	-6.4%
Iberdrola's Proposal	Production projection	-15.4%	-20.6%

NAP proposal for electricity sector is consistent with published NAPs (even more restrictive)



The proposal is significantly lower than those of other european countries

Resulting Allocations for Spanish Electricity Sector Using NAP Draft Proposals (2005-2007, $MtCO_2$/yr)



Other countries, like Germany and Italy, are considering in their planning new coal or orimulsion plants

Source: NAP drafts; Eurostat, MINECO and BCG analysis

endesa

In summary: The proposal from the majority of the sector is a responsible answer to the sector challenges

Majority of Sector's proposal	Iberdrola's proposal
• Minimum total cost, and no impact on power prices or tariffs to final consumers • Protection of Spanish industry competitiveness • Fuel mix diversification and security of supply • Aligned with NAP drafts published for other EU countries, including Portugal	• 15% (€2.0 bn) increase in prices to final consumers, due to wholesale prices increase • Speculation with allowances prices, and "windfall profits" • Reliance in a single fuel, and coal plant closures, threatening security of supply • No relation with EC guidelines or with other published NAP drafts
Contributing to competitiveness of the power sector and the rest of the industry, and ensuring environmental leadership in Europe	Speculation, windfall profits, and no attention to consumers or to the public interest

CTC regulation and recovery are fully supported by Spanish and European Union regulation

CTC are approved by Spanish Electricity Law (54/97). No revision is established in the Law for the recognized volumes, except for the deduction of market revenues above 36 €/MWh

CTC have been reviewed and approved by the European Commission:
"Therefore, the Commission considers that the sums of technology CTC do not overestimate the reality of the sums invested by the companies, and considers that the assessment of a lump sum adopted by the Spanish Law is supported by the calculations facility by facility provided by the Spanish authorities"

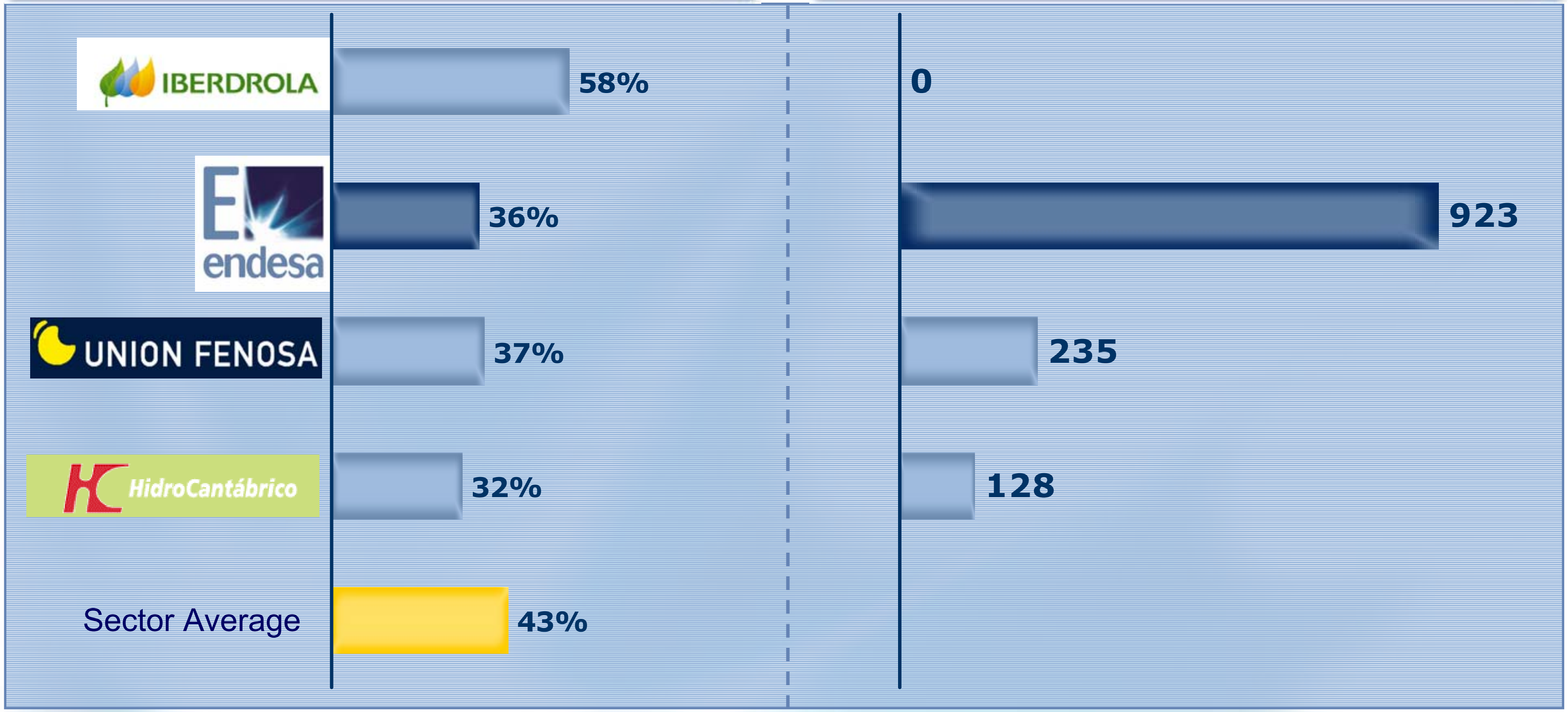
As recently as December 2003, the CNE has stated:
"There has been no excess in the collection of CTC by the sector"
"When a company, or the sector as a whole, approach the collection of the recognized ammount [of CTC], specific measures should be adopted to prevent that the recognized amounts may be surpassed"

The most serious current distortion in the collection of CTC, that should be corrected, is the different pace of recovery among the different companies

Recovery rates of CTCs have differed significantly across the sector

CTC Recovery 1998-2003 (% of initial amount[a])

Amounts required to balance the recoveries (Dic03, € million)



A revision of CTC recovery is required, in order to balance the different rates of recovery

(a) The percentage of pending CTC has been calculated as the relation between pending amounts as of 31.12.2003 and the initial CTC amounts. The percentage of recovered CTC is the complement to 100%.

The Government`s criteria for the energy sector

"Our efforts will pursue the following objectives: security and quality of supply, competition in order to reduce the cost of energy, and environmental protection" (...) "But bearing in mind that the first objective is to ensure security and quality of supply"

"The main objective is to guarantee security and quality of supply. This requires a diversified mix, in which coal must play a role. (...)"

"We will foster energy infrastructure planning to make sure demand growth is covered by private investments"

"Kyoto targets need to be met in a sustainable manner and without affecting the competitiveness of the sectors included in the Directive" (...) "We will try to ensure that the NAP does not penalize those industries which have already reduced emissions"

"The burdens assumed by some companies in the sector in the past (when there was greater State participation) were different. This needs to be taken into account"

Renewed growth to broaden our leadership

Iberia

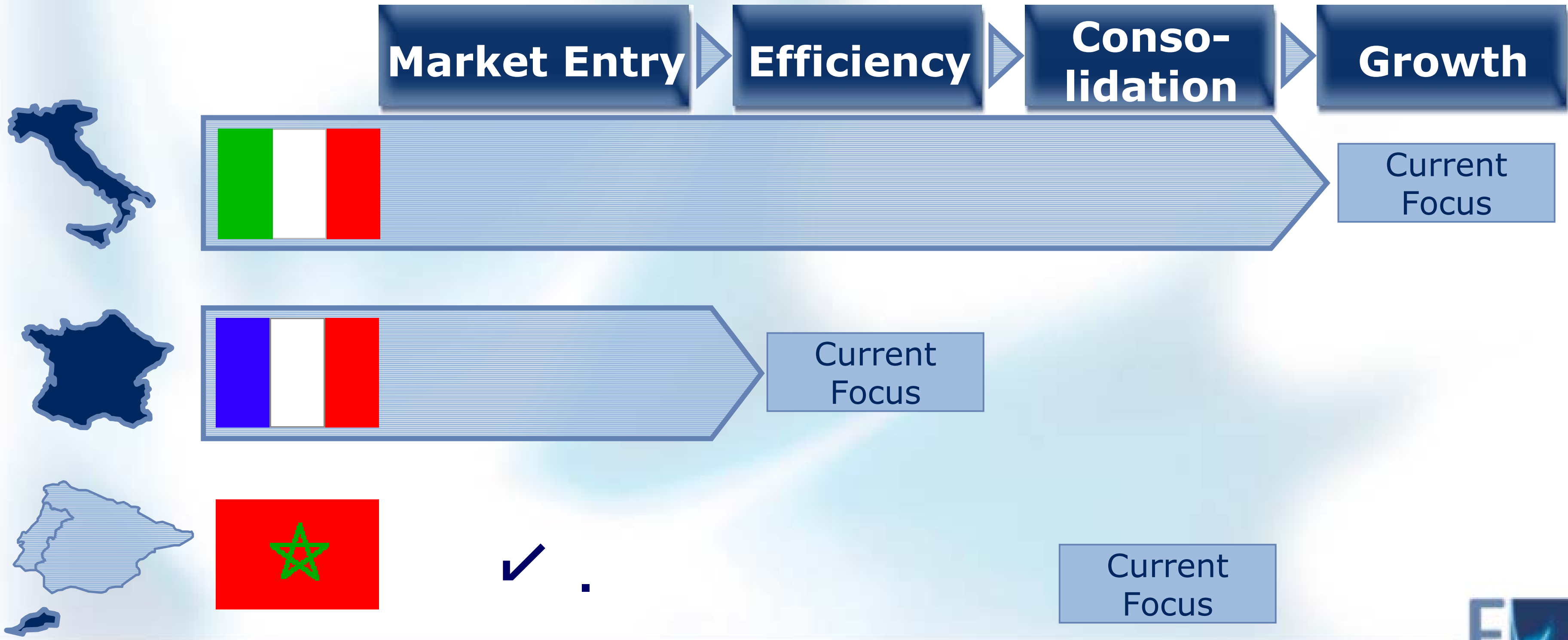
Europe

Latam

Telecom

Developing key positions in Europe

- Focus on attractive markets (large incumbent, gradual liberalization process)
- Already achieving outstanding results
- Guaranteeing access to future opportunities
- Investments 04 – 08: €1,400 million
- Phased approach to entry

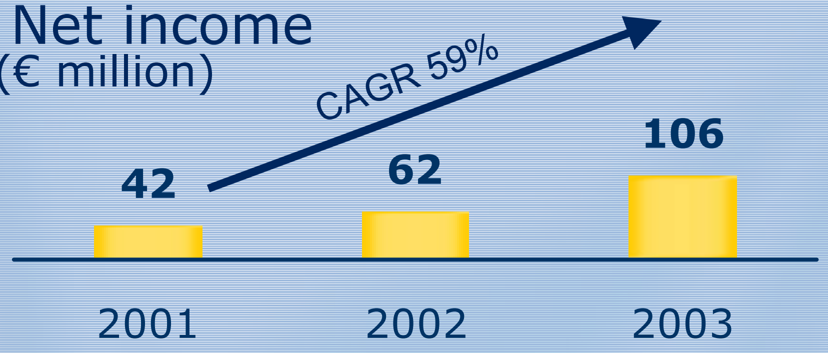


endesa

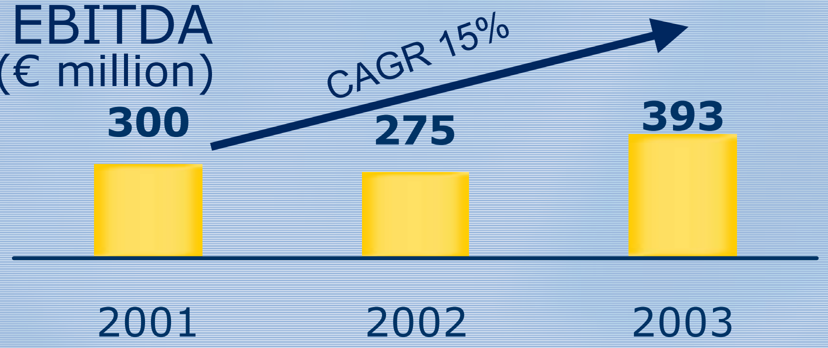
Renewed growth in Italy

Today… Efficiency + Consolidation

Net income
(€ million)



EBITDA
(€ million)



- Results above business plan

…Future Growth

- Complete repowering (3,300 MW in total)
- Invest in renewables:
  - Florinas: 20MW
  - Additional developments (134MW)
- Ensure a competitive gas procurement for the long term
- Site optionality for new CCGTs (2,400 MW) to cope with tight capacity environment
- Increase share in liberalised market (Ergon)

endesa

Setting the basis in France

Initial focus after take-over	Potential future developments
Efficiency	**Consolidation + Growth**
Reach a high level of operating efficiency guaranteeing the competitiveness in the French market	Develop Snet on the basis of a profitable growth

Key issues

- Improvement of the contribution margin
  - Deviation programs
  - Fuel mix
- Cost control
- Cash management

Key issues

- Environment adaptation (600 MW groups)
- Development of a capacity plan:
  - Optionality to build up to 3,600 MW CCGT´s in own sites
  - Wind projects: 57 MW underway, 108 MW potential
- Commercial development

endesa

Renewed growth to broaden our leadership

Iberia

Europe

Latam

Telecom

Latin America: Capturing growth while reducing risk profile...

Capture growth

1. High demand growth in our markets
2. Increased operating excellence (cost reduction)
3. Expanded and more utilized asset base

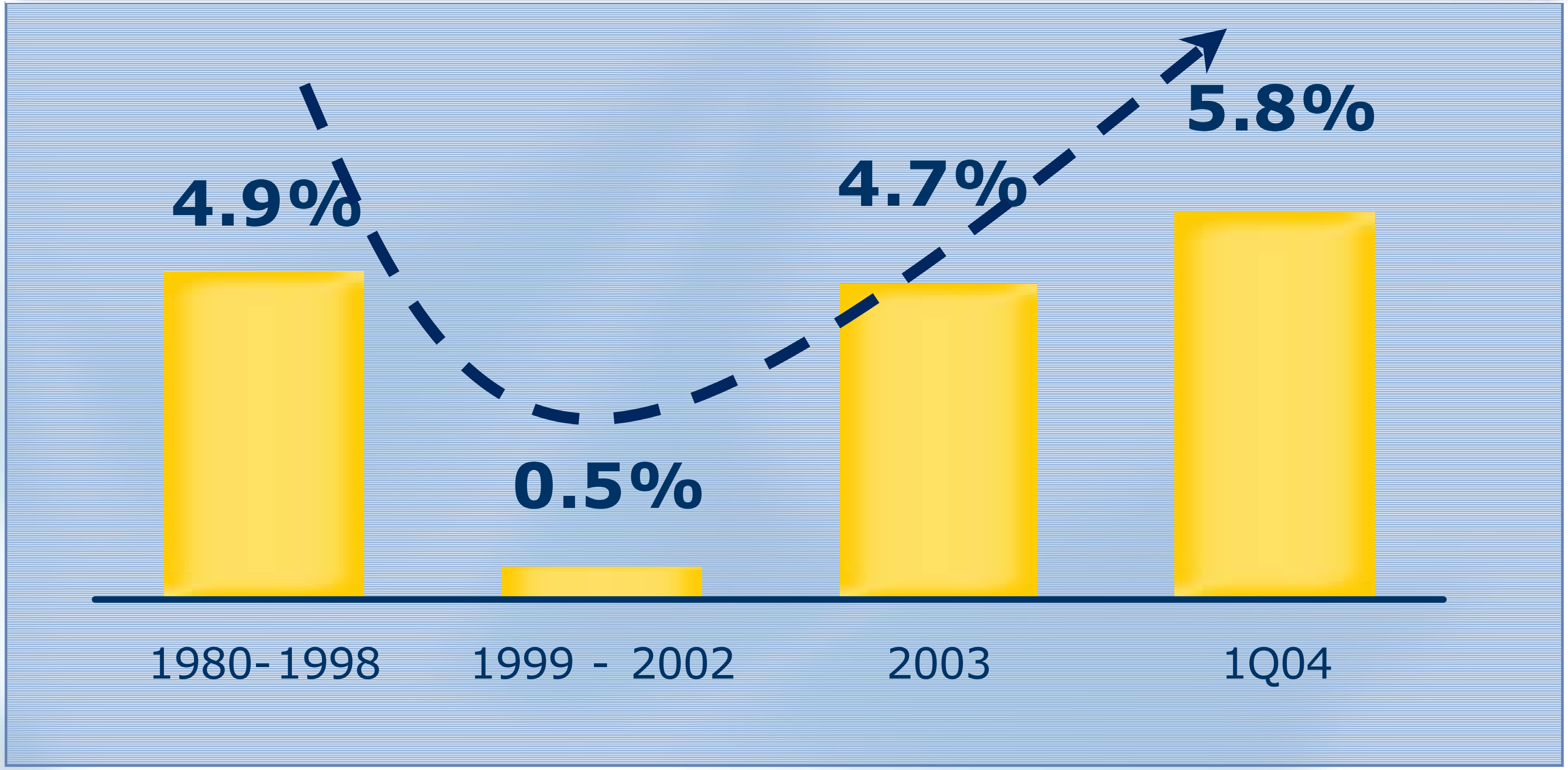
Guarantee an attractive and sustainable position in Latin America

Reduce risk profile

4. Management of regulatory issues
5. Financial strength
6. Portfolio management

Recovery of growth path in Latin American countries

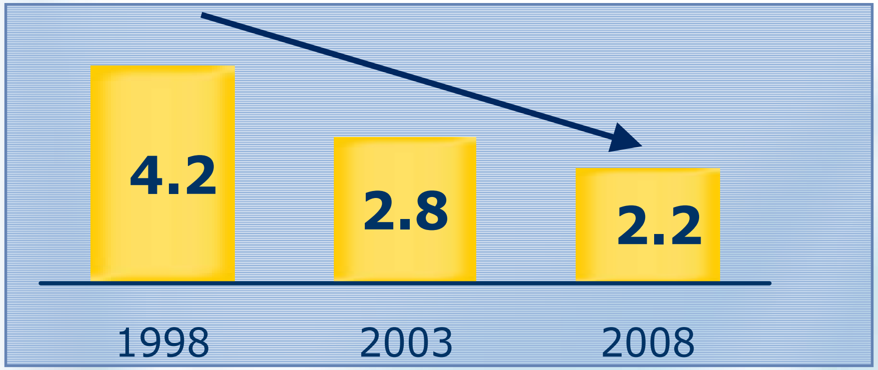
Growth in electricity demand in countries with Endesa's presence*



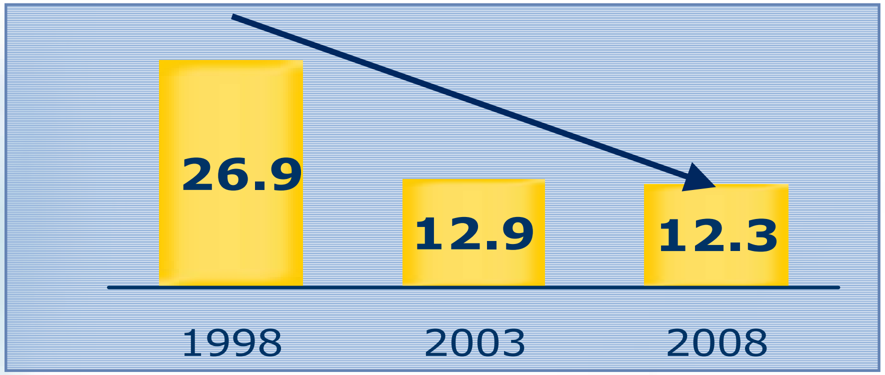
* EBITDA Weighted

2 Strong focus on operational excellence

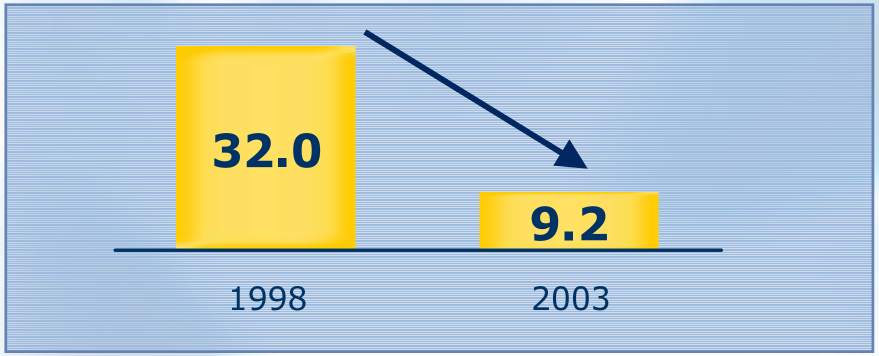
Generation
(O&M USD/ MWh)



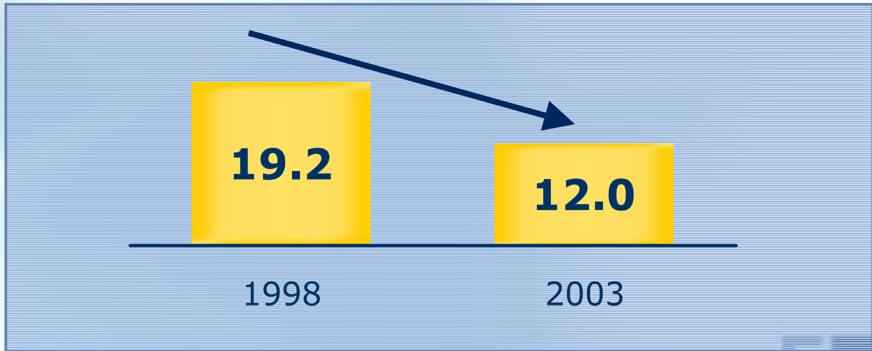
Distribution [a]
(O&M and Capex USD/ MWh)



Yearly Outage Frequency (Installed Capacity)



Yearly Outage Time (Installed Capacity)

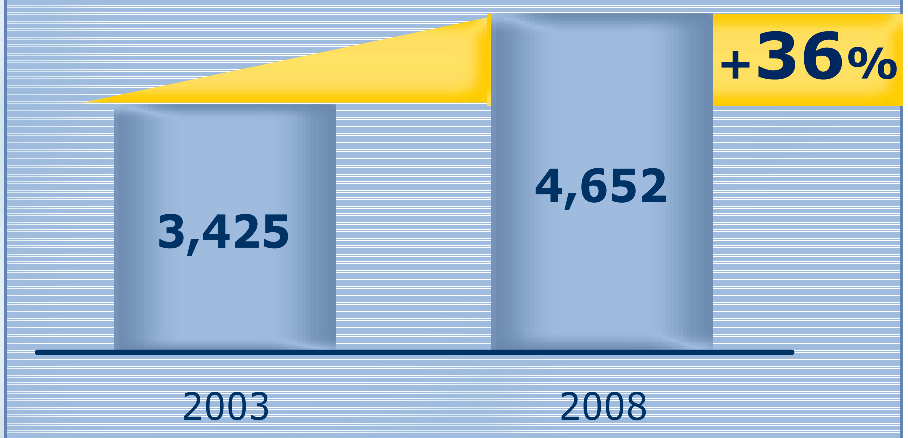


[a] Capex to increase from 4.4 to 5.1 US$/Mwh from 2003 to 2008. O&M cost ot be reduced from 8.5 to 7.2 US$/MWh

3 Expanded and more utilized generation asset base

New Capacity (MW)

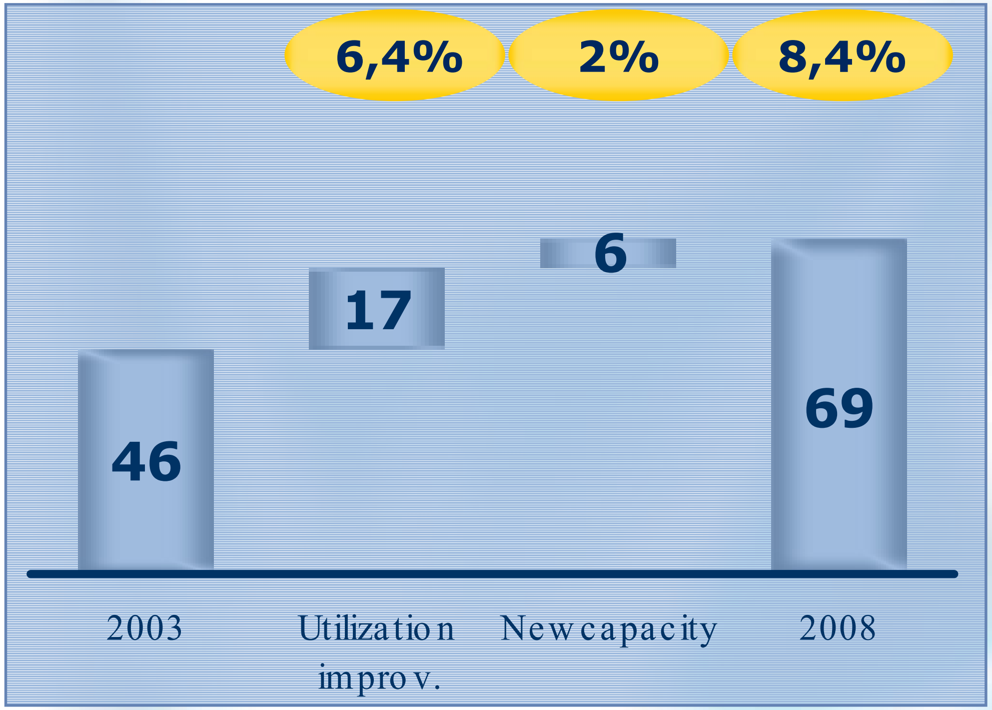
Improving Utilization (h/year)



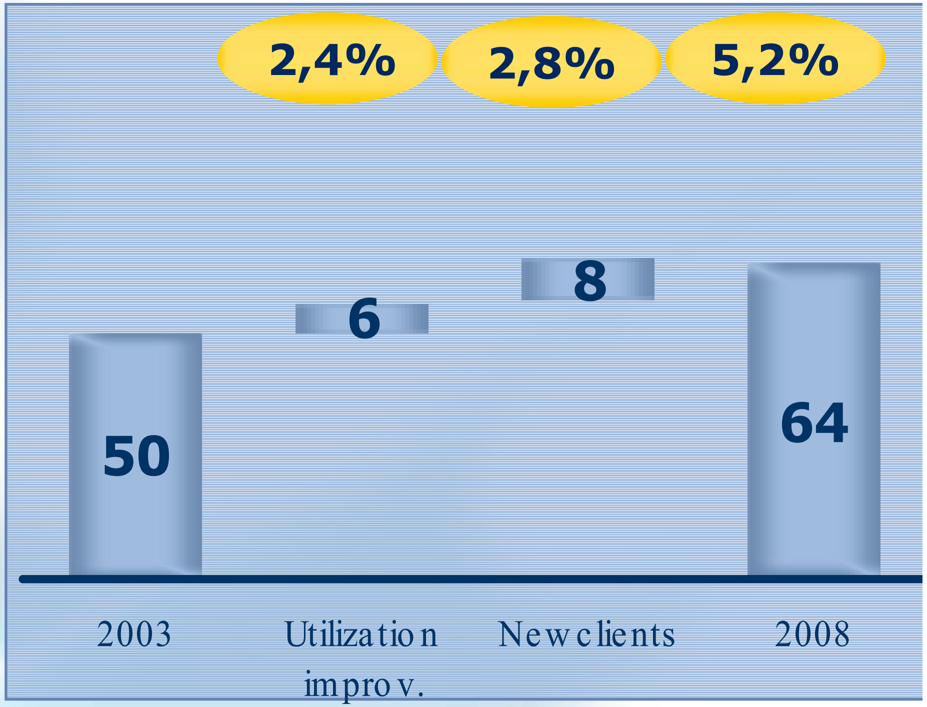
Capturing growth:

1 + 2 + 3

TWh Produced (Genco)



TWh Sold (Disco)



Planned investments 2004-2008

(€ million)

	Generation	Distribution	Others	Total
Chile	486	284	22	**792**
Peru	249	109	_	**358**
Argentina	139	337	1	**477**
Brazil	37	528	5	**570**
Colombia	28	169	_	**197**
Total	**939**	**1,427**	**28**	**2,394**

endesa

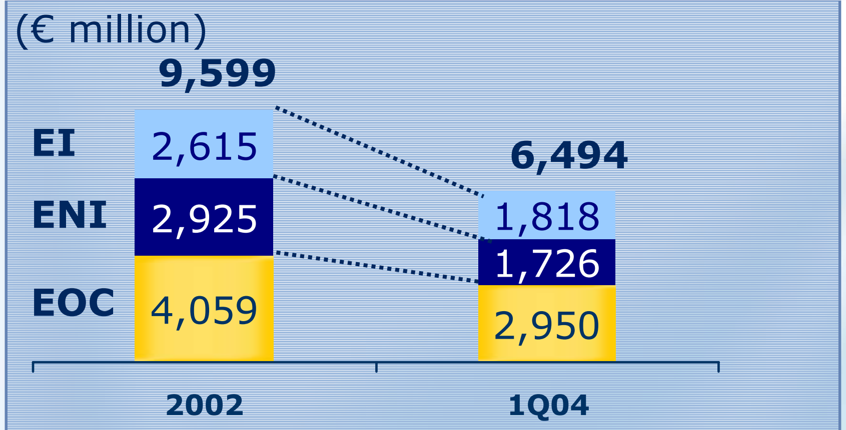
4 Management of regulatory issues

Chile	• Chilectra Tariff resetting- Nov 2004 • Managing the gas supply crisis
Peru	• Edelnor tariff resetting- Nov 2005 • Generation Prices (wholesale prices)
Colombia	• Commercialization charges in Distribution Sector- Codensa • New Methodology to fix capacity charges through 2006
Argentina	• Electricity imports from Brazil through Cien • New model of wholesale electricity market • Renegotiation of Concession Contracts
Brazil	• Electricity Sector New Model

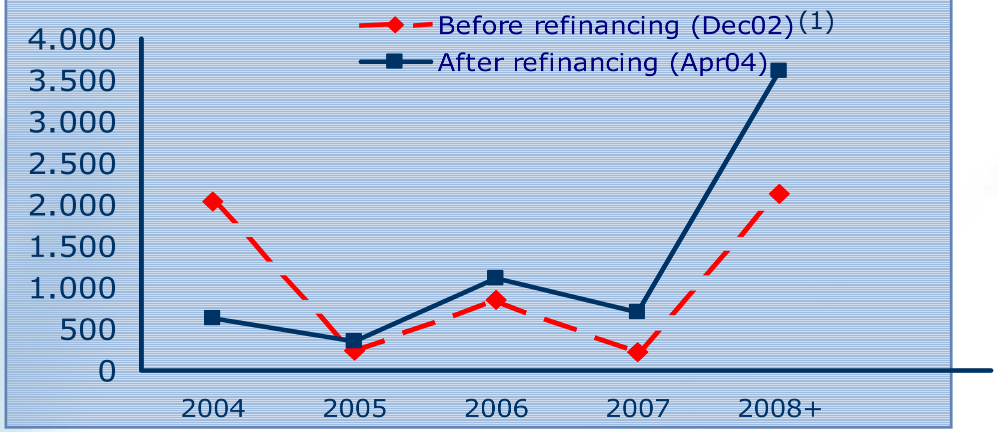
endesa

5 Maintaining financial strength following successful refinancing programme

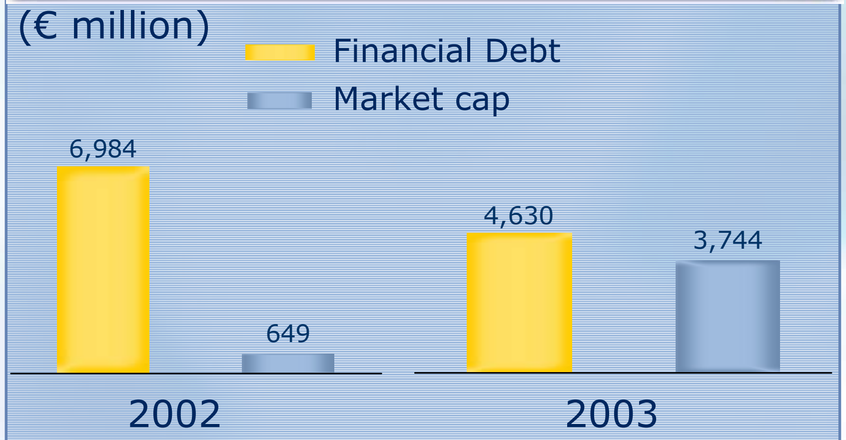
Total Latam business debt



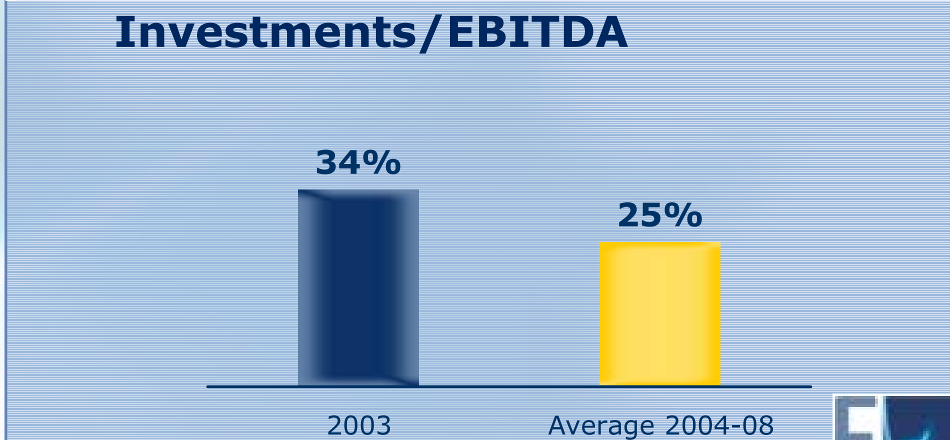
Enersis Debt Profile (Maturities, US$ million)



Enersis: a more balanced capital structure



Endesa Internacional Financial Goals



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

6 Portfolio management: Introducing local partners where desirable

		Control	Industrial	Institution Public Adm	Financial
Argentina	Generation	Yes	☑	☑	
	Distribution	Yes	☑		
Brazil	Generation	Yes			
	Distribution	Yes	☑	☑	☑
Chile	Generation	Yes			☑
	Distribution	Yes			☑
Colombia	Generation	Yes		☑	☑
	Distribution	Yes		☑	
Peru	Generation	Yes		☑	☑
	Distribution	Yes			☑
Siepac		NO		☑	
CEPM		NO	☑		

endesa

Renewed growth to broaden our leadership

Iberia

Europe

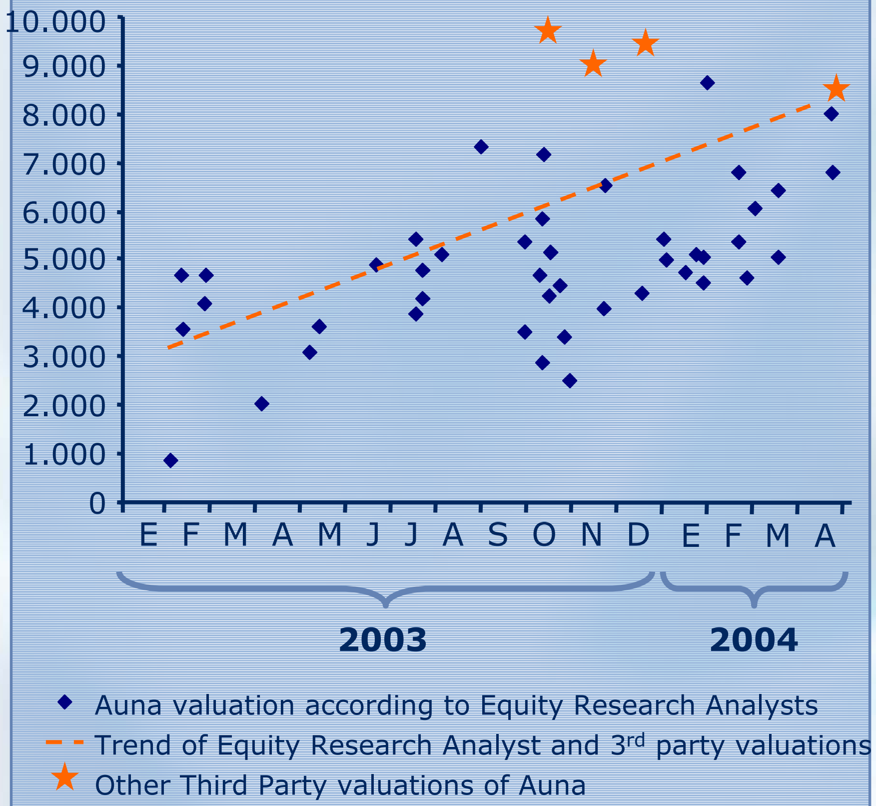
Latam

Telecom

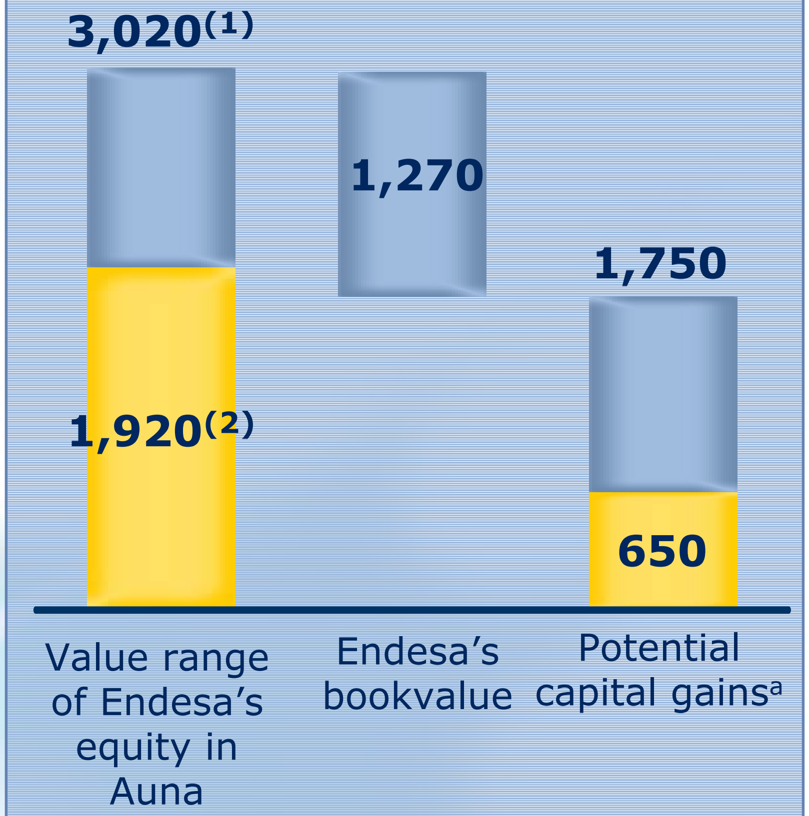
endesa

Telecoms: Ready to extract value in Auna

Increasing valuation of Auna (Equity Value, € 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

Smartcom: Strong performance and attractive valuation

Improved Growth Prospects

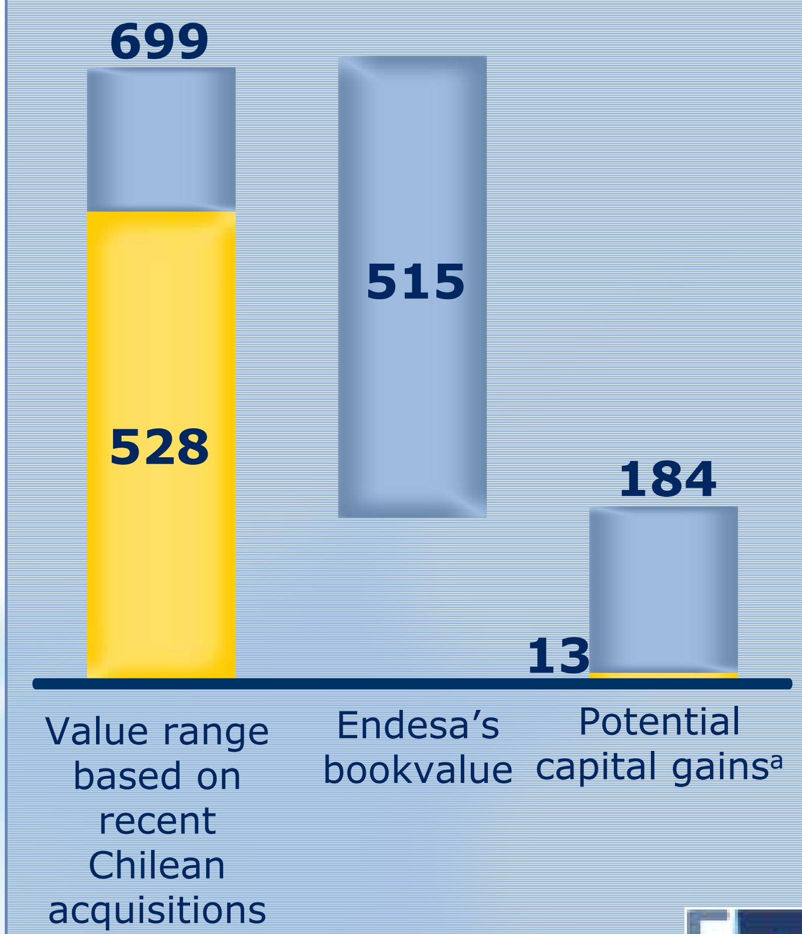
- Market share: 20/25%
- Reduced SAC
- Increased ARPU

Recent Acquisitions Offer Atractive Valuations…

CTC and Bell South acquisition (multiples)

- Clients: 550 US$/client
- Revenues: x 2.4/3.1
- EBITDA: x 11.3(*)

Estimated current capital gains ($million)



(*) EBITDA 1Q 2004 annualised
a Pre-tax

In summary

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

Distinctive Platforms for Renewed Growth

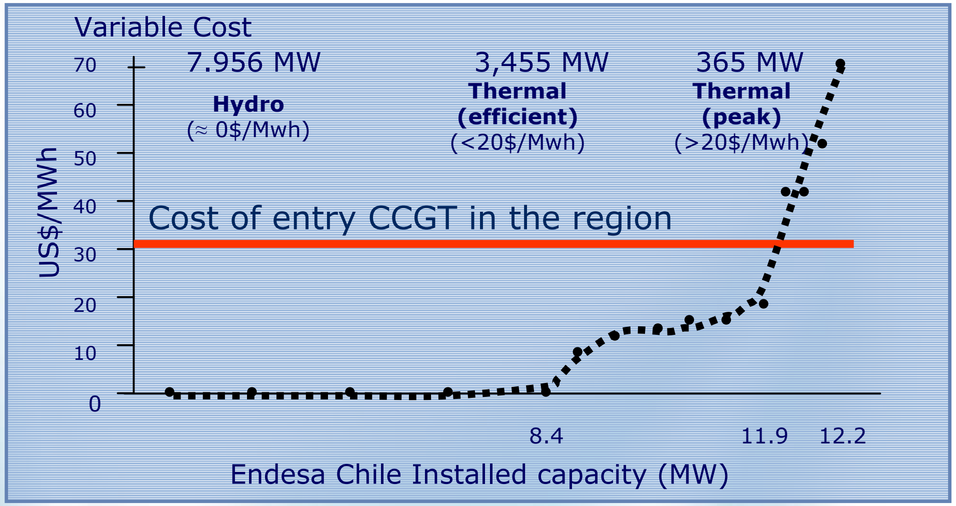
endesa

Back-up

Barcelona, June 3rd 2004

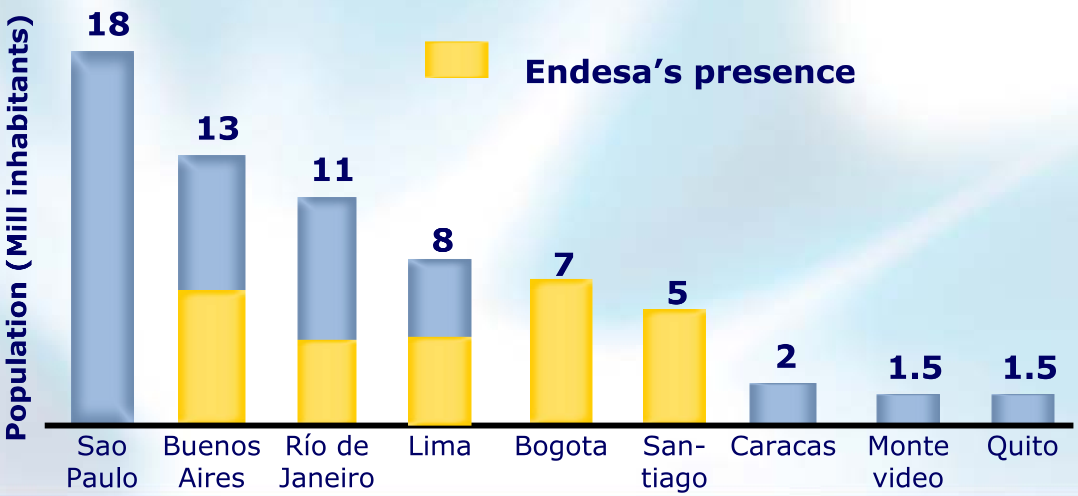
High quality asset base

Generation



97% of our capacity have costs below the marginal cost of development for a new entrant

Distribution



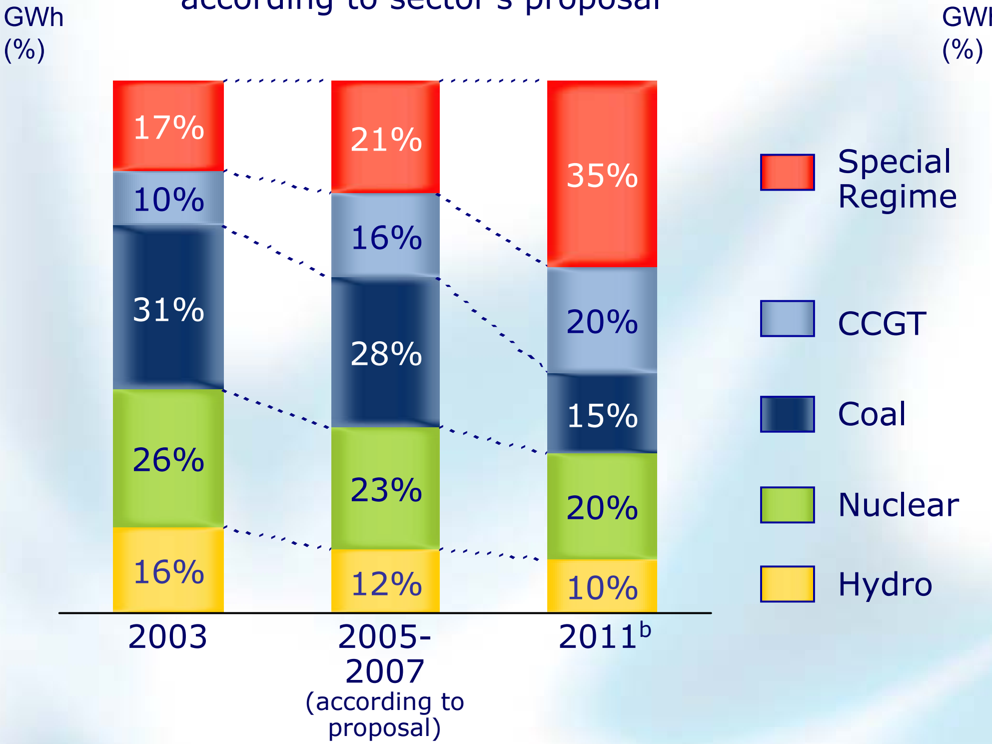
Our Distribution business serves 5 out of the 6 largest metropolitan areas in South America

endesa

The proposal guarantees a riskless energy sourcing

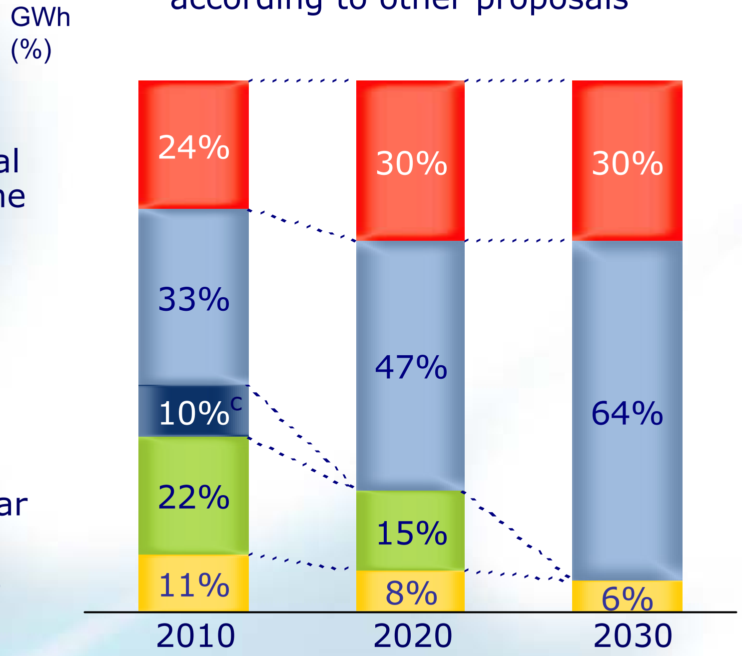
Coherent with Government's Planning

Expected evolution of generation mix according to sector's proposal



Spanish Mix Requires Coal Generation

Expected evolution of generation mix according to other proposals[a]

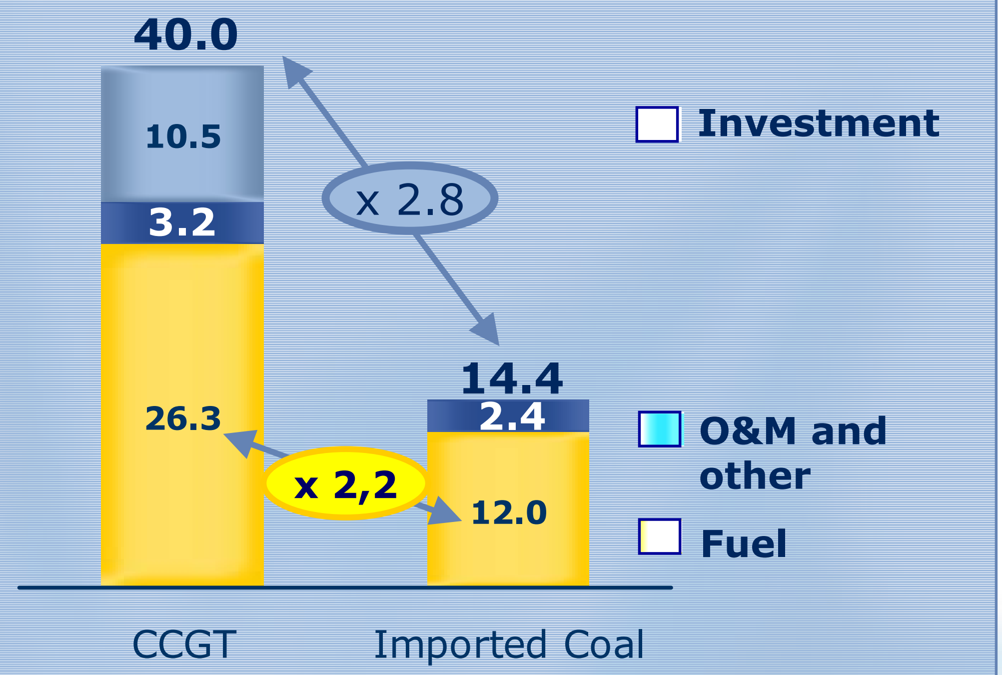


"Domestic coal (...) together with imported coal will, at least, represent 15% of total electricity generation at the end of the period (2011)"[b]

a Iberdrola's response to the CEOE questionnaire b Infrastructure Plan. Supporting text for the Renewables RD. C Excluding imported coal

Alternative Proposal Undermines Competitiveness

Generation Costs (€/MWh)



Additional Investments

- 5,700 MW of CCGT that would not be necessary if coal plants were not to be closed
- Closure costs of fully operational plants
- Significant impact on coal mining activities

Unnecessary investments in excess of € 6 bn (€4 bn in the electricity sector)

The closure of coal plants (as a consequence of low allocations) would imply additional operating costs of € 400 million p.a. and additional (unnecessary) investments of € 6 bn

Production costs would increase by € 1,300 million

(1) Imported Coal

endesa

Alternative Proposal Departs from All Submitted NAPs And European Commission Guidelines

"The total quantity of allowances to be allocated to covered installations is not more than would be necessary"

"If benchmarks are used to determine allocations per installation for energy activities, the Commission recommends to group installations by input fuels, and to apply separate input-derived benchmarks"

Not a single NAP has used production based allocation for the power sector, simply because it is against the Directive and the European Commission Guidelines

Gas crisis in ARGENTINA
Situation up to May, 2004

GAS Crisis

- Gas deficit due to a lack of investment in extraction and transport (Frozen prices).
- Agreement with gas producers in order to develop investments (May) and recover prices gradually up to international prices (2004 –2006).
- Temporary gas supply restrictions (2004) to Chile.
- National Energy Plan: Electricity importation from Brazil, gas from Bolivia, fuel from Venezuela, energy saving program, development of gas and electricity transport network.

Power Generation

- Proposal of Wholesale Electricity Market Temporal Readaptation (April).
- Gradual price recovery (2004-2006) based on market segmentation. Public generation and hydropower generation to supply small users. Rest supplied with thermal generation.
- Private power plant investments just for maintenance.

Distribution

- Different CIADI arbitral processes initiated.
- Deadtime for concession contract renegotiation up to December 2004.

Forward Looking Statements:

Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the United States Private Securities Litigation Reform Act of 1995. The U.S. Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This presentation contains certain forward-looking statements regarding: anticipated financial and operating results and statistics that are subject to risks and uncertainties. Forward-looking statements could include, but are not limited to, information regarding: estimated future earnings, costs, EBITDA and debt, leverage and other ratios; anticipated increases market share; expected increases in demand for gas and gas sourcing; operational efficiencies; management strategy and goals; tariffs and pricing structure; estimated evolution of electricity prices; estimated capital expenditures and other investments; expected asset disposals and acquisitions; estimated increases in capacity, output and sales and changes in their mix; repowering of capacity; estimated number of clients; anticipated work force levels, estimated reduction of specific CO_2 emissions, potential impact of the IAS implementation on our financial statements and macroeconomic conditions.

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

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

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

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

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

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

endesa

Distinctive Platforms for Renewed Growth

endesa

Barcelona, June 3rd 2004