

The Endesa acquisition: a story of value creation

London

December 12, 2007

Agenda

- **Transaction rationale**
- Synergies
- Conclusions

Transaction rationale

- Strong contribution to operating and financial growth
- Business diversification and wider global footprint improves risks/return profile
- Creation of a global leader in renewable energies
- Strong potential for synergies, savings and cross-transfer of best practices
- EPS accretion from year one

A story of value creation

Endesa platform 1/2

- Opportunity to leverage on Endesa's leading positions in complementary markets to Acciona and Enel
- Very promising prospects based on sound fundamentals:
 - ✓ solid economic growth
 - ✓ strong electricity demand growth (>3%)
 - ✓ strong presence in the mid stream gas activities
 - ✓ limited capacity reserve margin
 - ✓ expected increasing wholesale prices
 - ✓ balanced generation mix

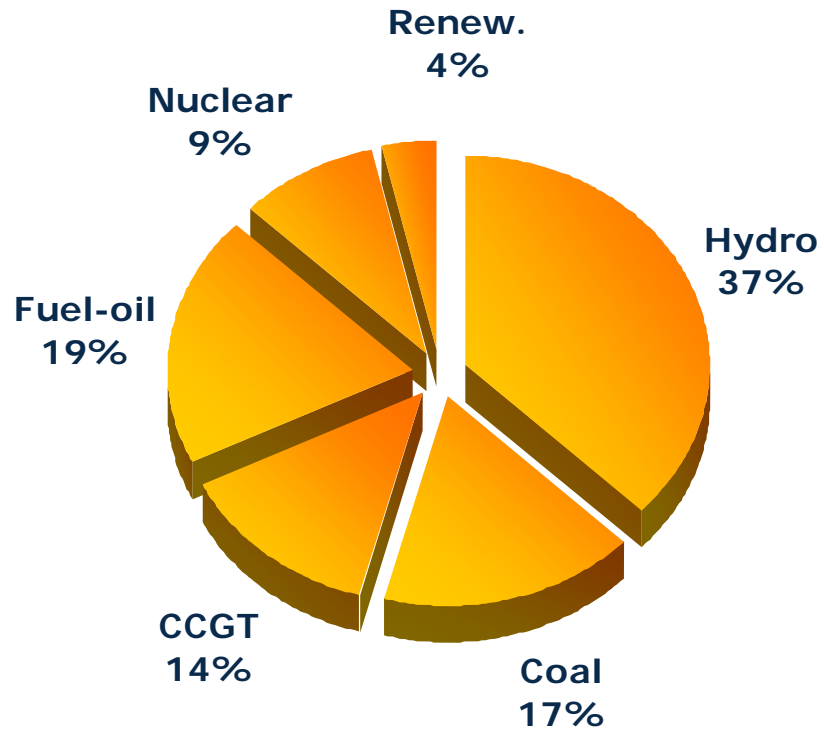
Endesa platform 2/2

- Solid operating and financial performance from a diversified portfolio
- Efficiencies ahead of current Business Plan
- Iberia:
 - ✓ Leadership in liberalized market
 - ✓ Competitive fuel cost
 - ✓ Growth in line with current Business Plan
- Latam
 - ✓ Strong operating growth based on sound demand fundamentals
 - ✓ Regulatory improvements
 - ✓ Performance in line with current Business Plan
- Strong cash flow generation and financial capacity to accelerate growth

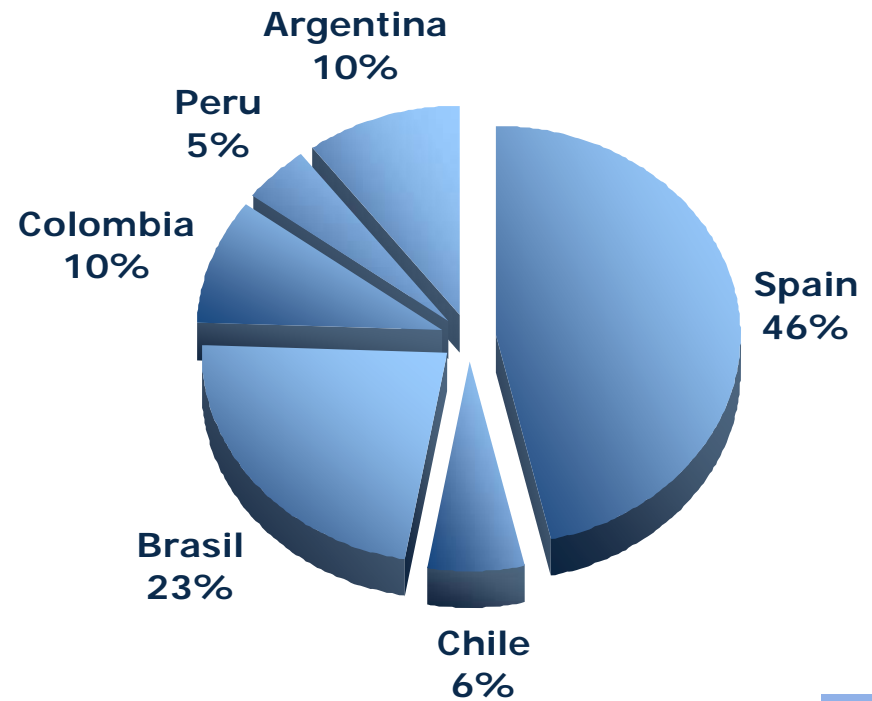
Endesa: Strong cash flow generation thanks to diversification

A balanced capacity mix...

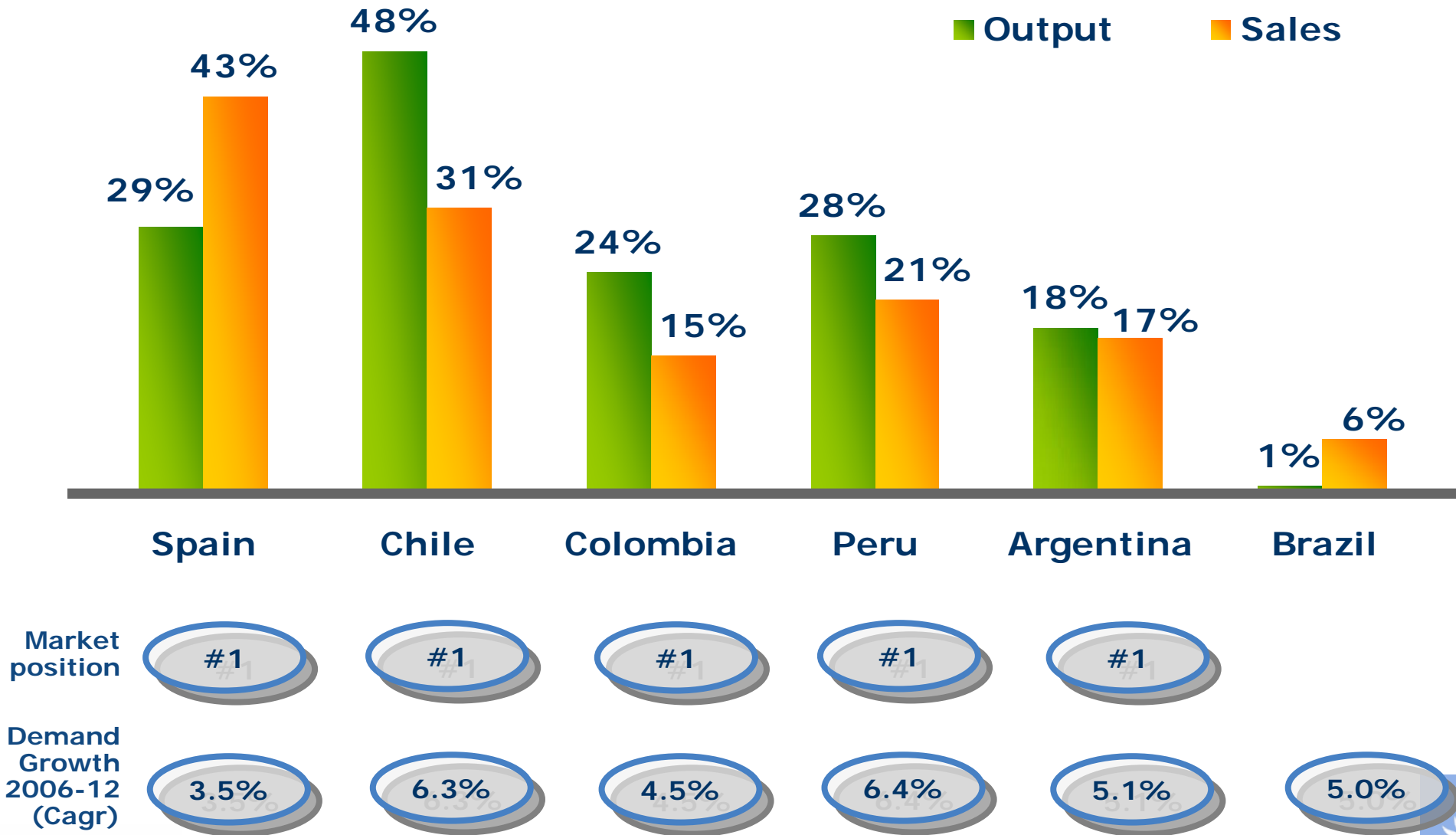
37.6 GW



...to serve 21.6 million customers



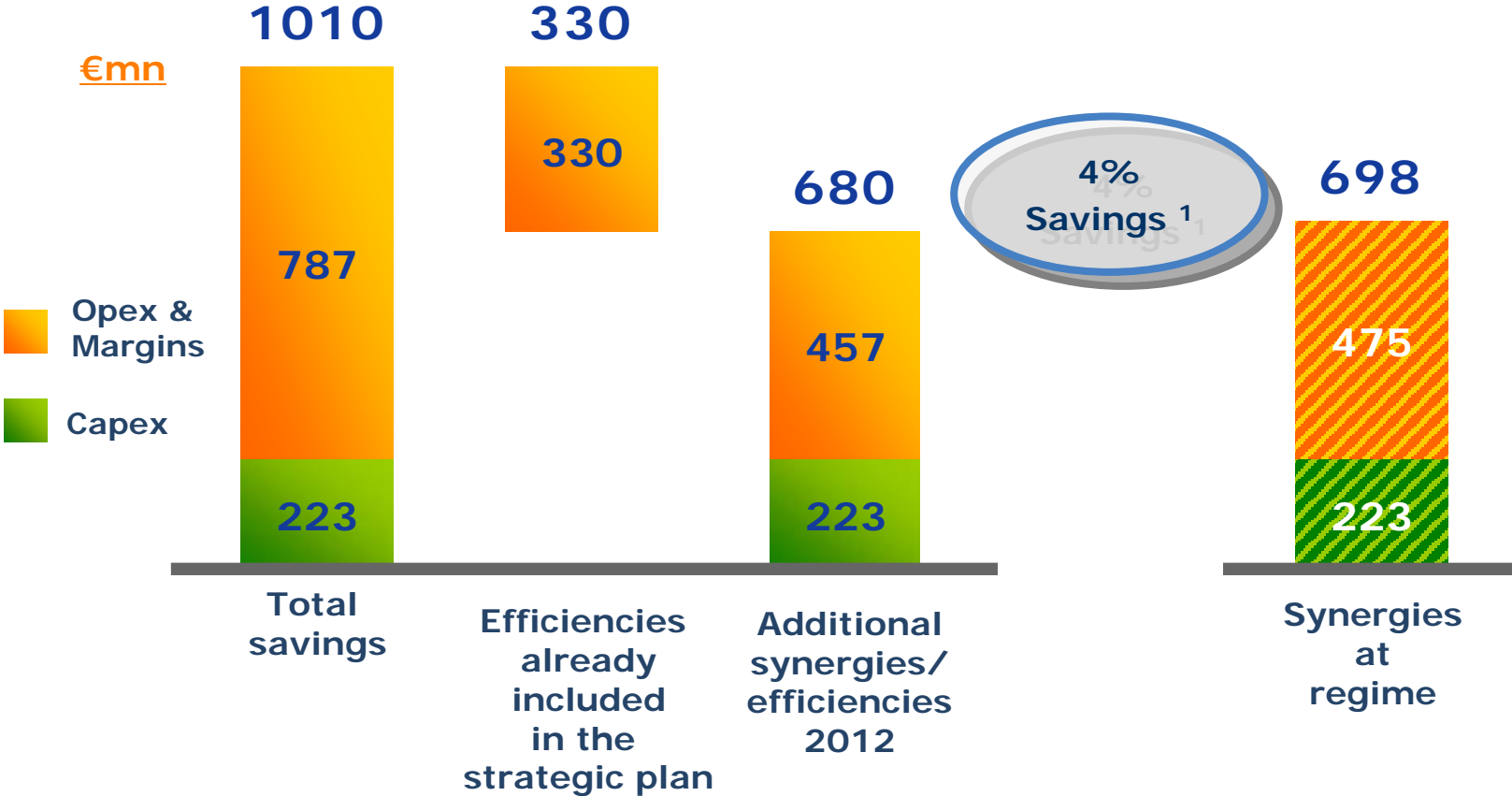
Endesa: Leading position in high growth markets



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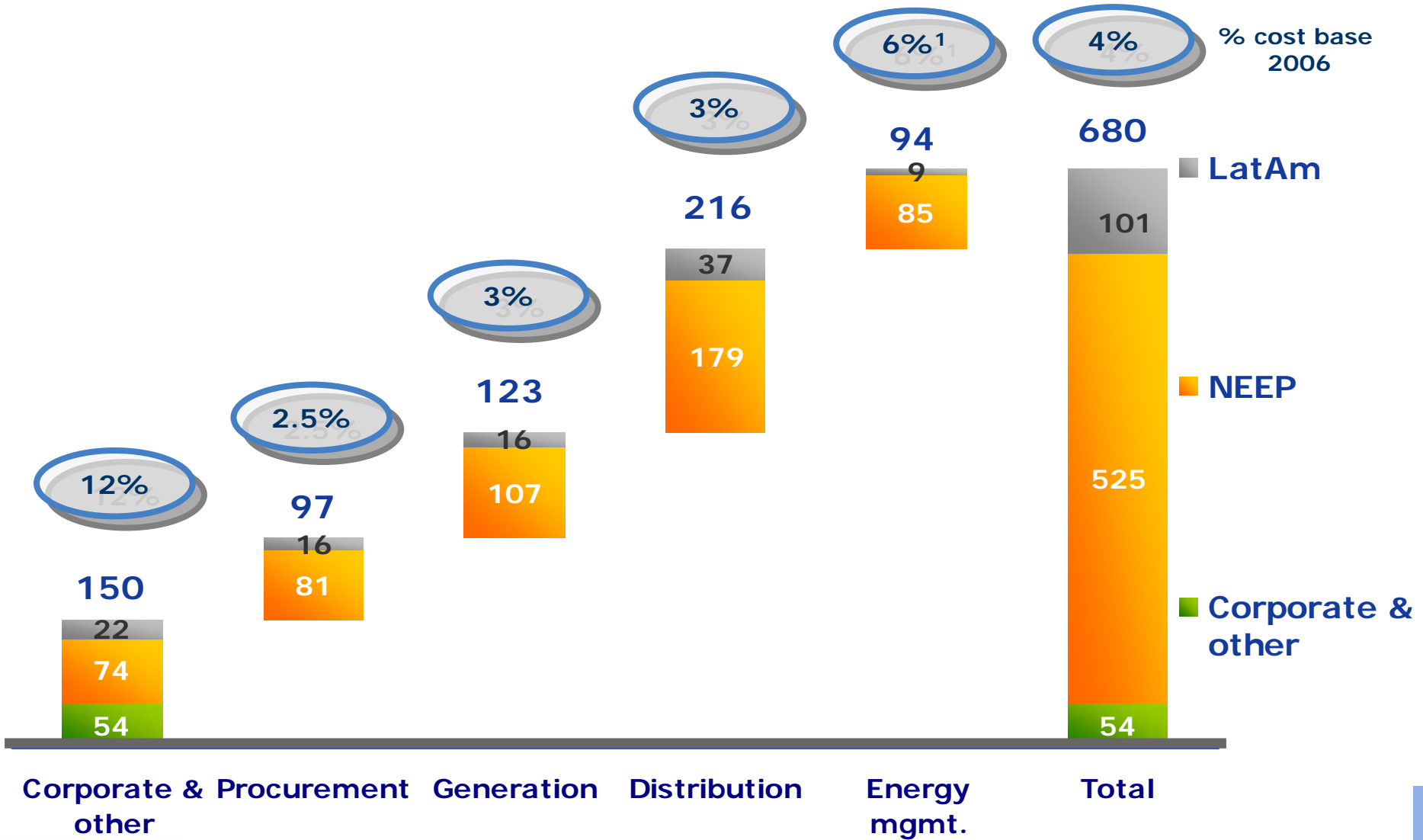
Synergies by category



further possible upside under investigation

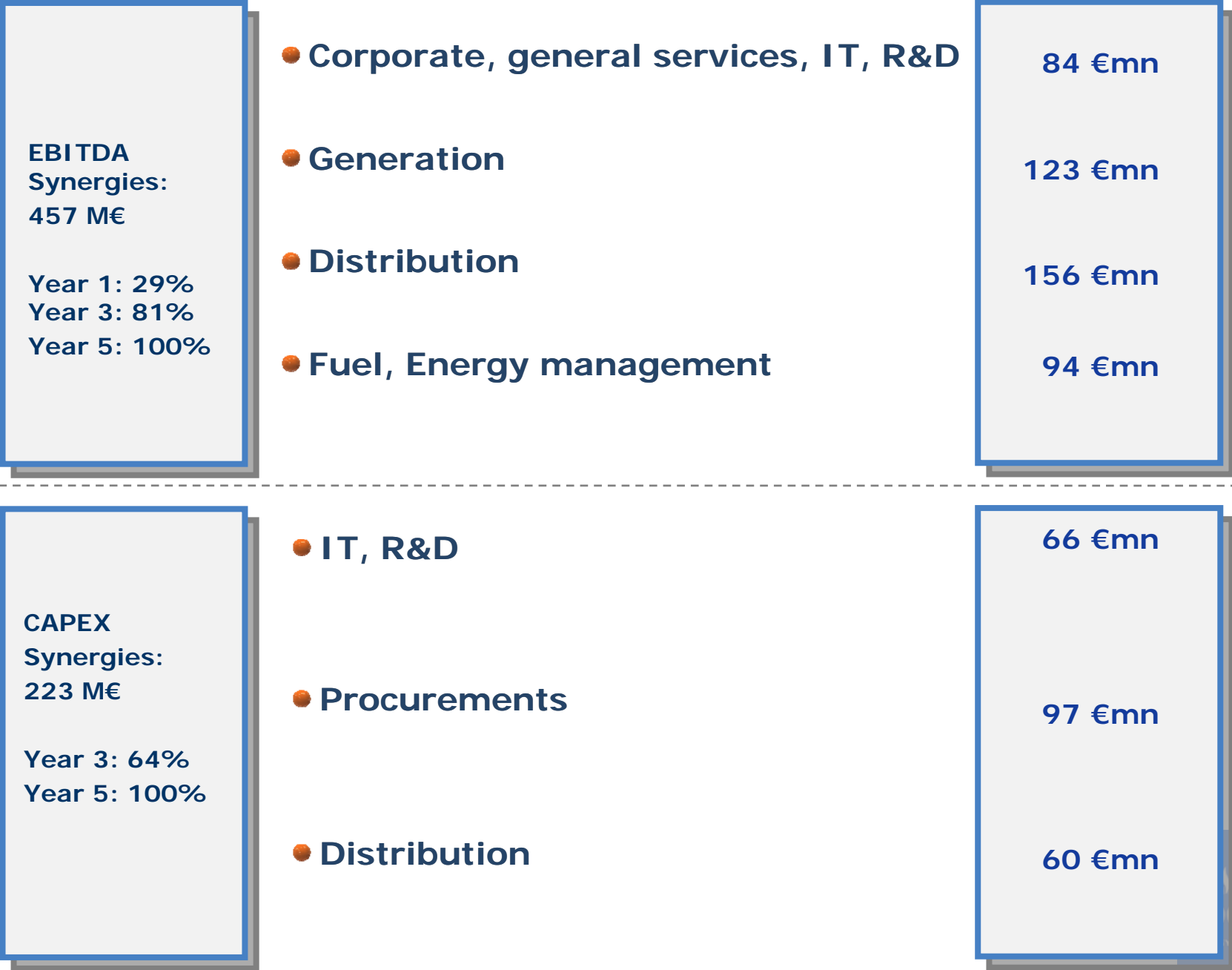
(1) Over 2006 total cost base, excluding Europe

Annual savings of €mn 680 by 2012



(1) It only refers to fuel procurement

Synergy levers



Potential upside under analysis ¹

Potential upsides not in current synergies



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Conclusions

- Synergy Plan approved
- Detailed implementation of Synergy Plan initiated
- Potential upside to Synergy Plan under analysis
- Asset disposal process on execution phase
- Renewable energies combination with Acciona Energía initiated
- New Endesa Business Plan by 1Q 2008
- Endesa's current financial capacity further enhanced post asset disposal to accelerate growth