



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



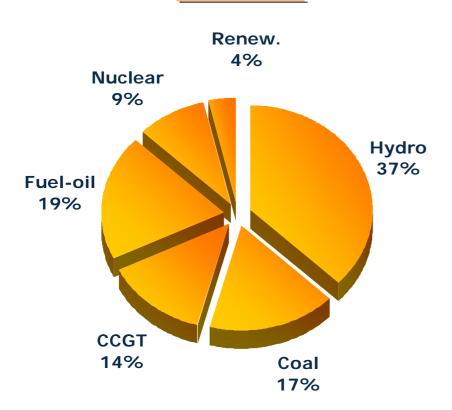


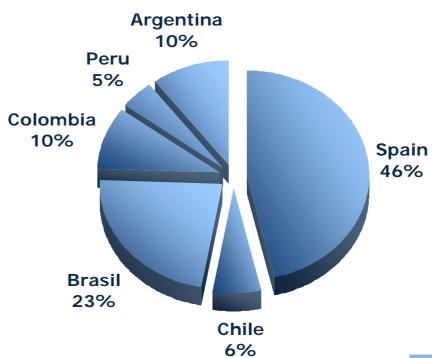
Endesa: Strong cash flow generation thanks to diversification

A balanced capacity mix...

...to serve 21.6 million customers

37.6 GW

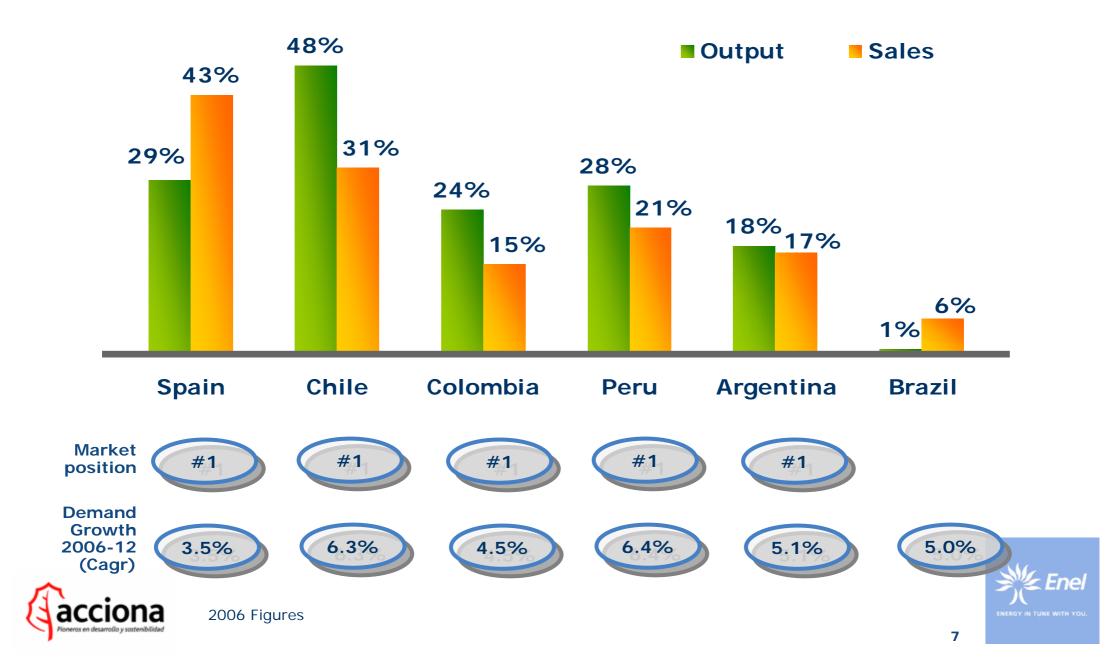








Endesa: Leading position in high growth markets



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Synergies by category

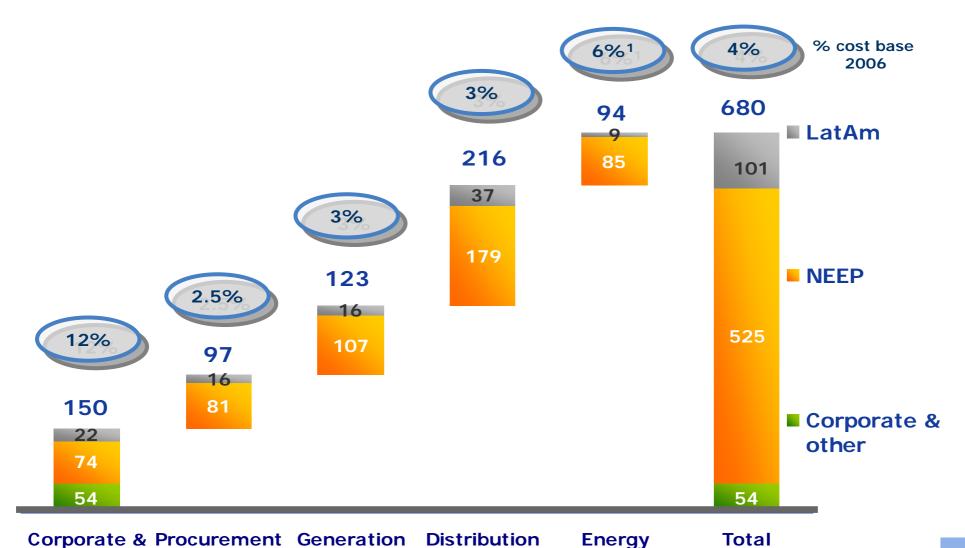


further possible upside under investigation





Annual savings of €mn 680 by 2012



mgmt.



other

(1) It only refers to fuel procurement

Synergy levers

EBITDA Synergies: 457 M€

Year 1: 29% Year 3: 81% Year 5: 100% Corporate, general services, IT, R&D

Generation

Distribution

Fuel, Energy management

84 €mn

123 €mn

156 €mn

94 €mn

CAPEX

Synergies: 223 M€

Year 3: 64%

Year 5: 100%

IT, R&D

Procurements

Distribution

66 €mn

97 €mn

60 €mn



≰ Enel

Potential upside under analysis 1

Potential upsides not in current synergies

Corporate, IT, R&D:

Centralization of services procurement (vg. Maintenance)

Further integration of operations and applications

Procurement

Further potential from enlargement of procurement base

Generation

O&M optimization

Distribution

Performance improvement and best practice sharing in LatAm

Energy mgmt.

Growth of trading activities in Europe

Joint upstream projects development

Other

Optimization of Engineering and EPC activities





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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



