

Creating a leading, fully integrated global energy company



September 2005

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Investors in ordinary shares of Endesa, S.A. should not subscribe for any securities referred to herein except on the basis of the final approved and published offer document that will contain information equivalent to that of a prospectus pursuant to Directive 2003/71/EC and Regulation (EC) No. 809/2004. Investors and security holders may obtain a free copy of such final offer document (once it is approved and published) at the registered offices of Gas Natural, Endesa, the CNMV or the Spanish Stock Exchanges.

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These materials may contain forward-looking statements based on management's current expectations or beliefs. These forward-looking statements relate to, among other things:

- management strategies;
- synergies and cost savings;
- integration of the businesses;
- market position;
- expected gas and electricity mix and volume increases;
- planned asset disposals and capital expenditures;
- net debt levels and EBITDA and earnings per share growth;
- dividend policy; and
- timing and benefits of the offer and the combined company.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, the natural gas and electricity industries and economic conditions; the ability to integrate the businesses; obtaining any applicable governmental approvals and complying with any conditions related thereto; costs relating to the offer and the integration; litigation; and the effects of competition.

Forward-looking statements may be identified by words such as "believes," "expects," "anticipates," "projects," "intends," "should," "seeks," "estimates," "future" or similar expressions.

These statements reflect our current expectations. In light of the many risks and uncertainties surrounding these industries and the offer, you should understand that we cannot assure you that the forward-looking statements contained in these materials will be realized. You are cautioned not to put undue reliance on any forward-looking information.

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Agenda



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Transaction benefits

Combined company position

Financial overview

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Creating a leading, fully integrated global energy company

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A transforming transaction to accelerate profitable growth



**Global leading integrated gas and power company
with strong energy management capabilities**

**Complementary, high-quality asset
positions in fast growing markets**

**Client-focused multinational leader
with over 30 million customer accounts**

Transaction details



The tender offer envisages two simultaneous processes in Spain and the US

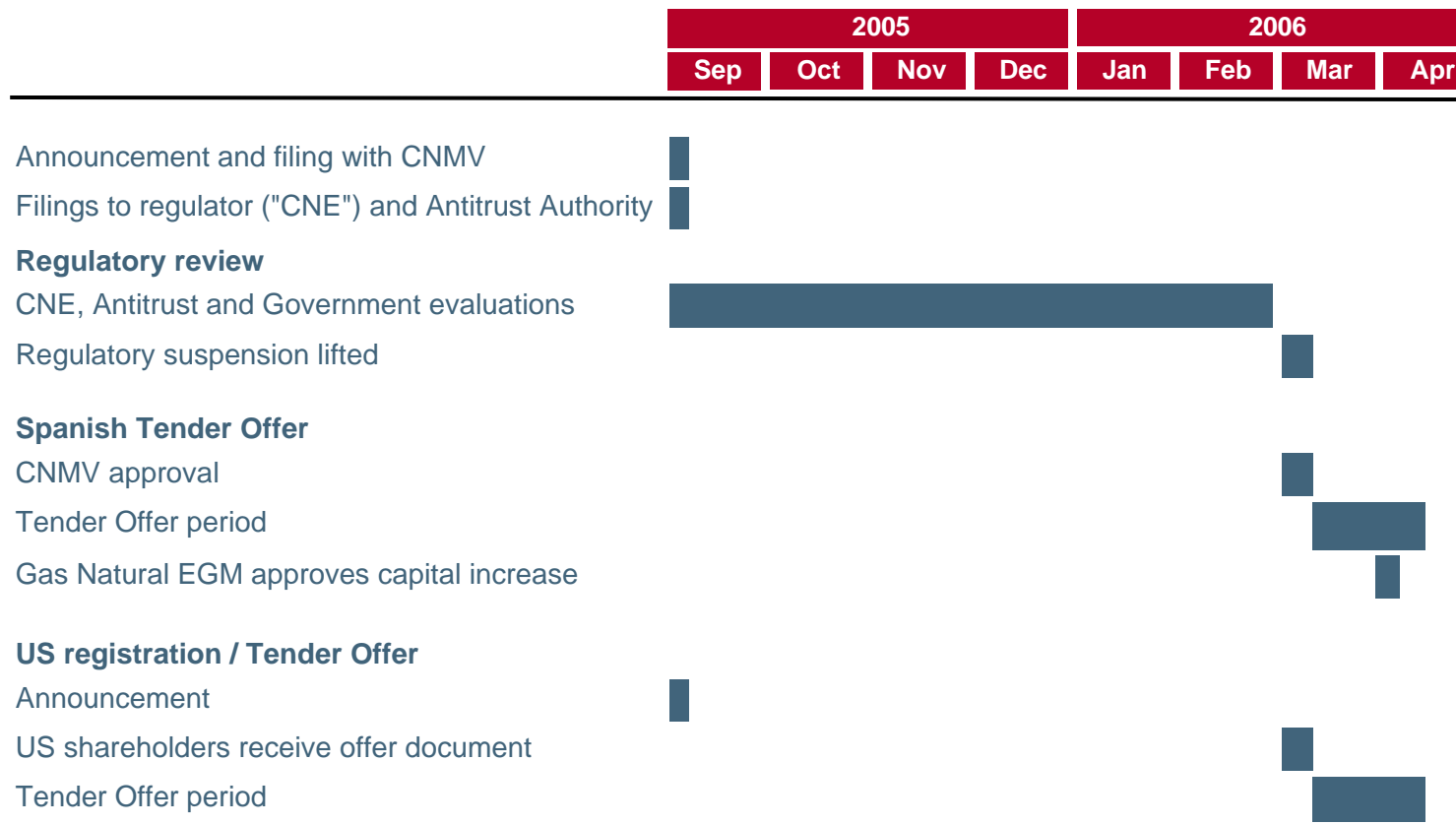
- Tender offer for 100% of the share capital of Endesa by Gas Natural
 - Offer consideration: 65.5% in shares and 34.5% cash
 - €7.34 in cash and 0.569 Gas Natural shares for each Endesa share
- Tender offer implies a value of €21.30¹ for each Endesa share, or a premium of
 - 14.8% to Endesa's closing price the day before the offer
 - 19.4% to Endesa's average price over the last 6 months
- The offer is conditioned on reaching a minimum 75% of Endesa and on the removal of existing limitations in the by-laws of Endesa (e.g. the 10% voting right limit)

Endesa's shareholders will benefit from an enhanced strategic positioning while immediately receiving a premium for their shares

Note:

¹ Based on Gas Natural's share price of €24.53 as of 02 September 2005 (last closing, pre-announcement)

Expected transaction timetable



Complementary core skills and asset positions



Gas Natural

- Flexible and competitive gas sourcing on global basis
 - Access to equity gas, with partnership with Repsol YPF
- Successful CCGT build-up strategy
- Strong LNG management capabilities
- Unique track record in gas distribution build-out and operation
- Highly customer-focused business

Endesa

- Long-standing track record in operating generation assets
- Early mover into high growth markets
 - Proactive expansion into LatAm has established Endesa as leader
 - Successful track record in Italy, including repowering plants
- Strong electricity distribution operator

A leading global integrated utility, with a unique gas position

Transaction fully in line with Gas Natural's commitment to shareholders



Gas Natural's objectives

**LEADING INTERNATIONAL ENERGY GROUP
ACROSS GAS VALUE CHAIN**

CLEAR STRATEGIC PRIORITIES

- Gas supply with equity gas position
- Electricity business
- Gas distribution
- Multi-product offer in Spain

Impact of transaction

✓ Joint leading position in key international growth markets with more than 30 million customer connections in 11 countries

- ✓ Additional growth opportunities in LNG markets
- ✓ New Group becomes a market leader in power generation
- ✓ Overlapping gas and electricity in key distribution areas
- ✓ Enhanced multi-product opportunities in liberalised markets, especially dual fuel

**Expected solid and profitable growth,
with diversified EBITDA and flexible financial structure**

Note: Data presented post proposed disposals

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Key transaction benefits



**Creates a leading world class integrated gas and power company,
with a customer-oriented business model**

Strong and balanced positions in high growth markets

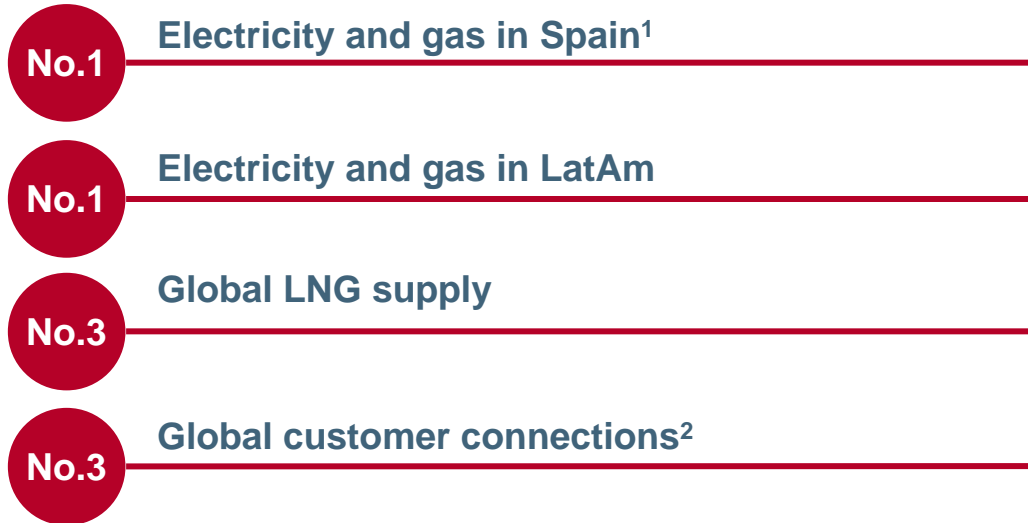
**Addresses regulatory concerns, making the Spanish energy sector
more competitive**

Significant synergy potential

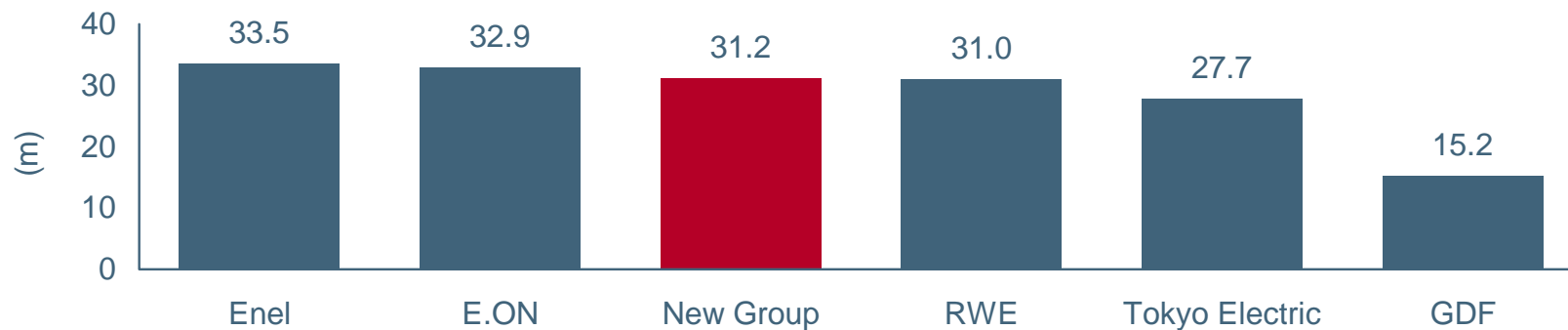
A global leader in the energy sector



Combined market positions



Global utilities – ranking by customer connections²

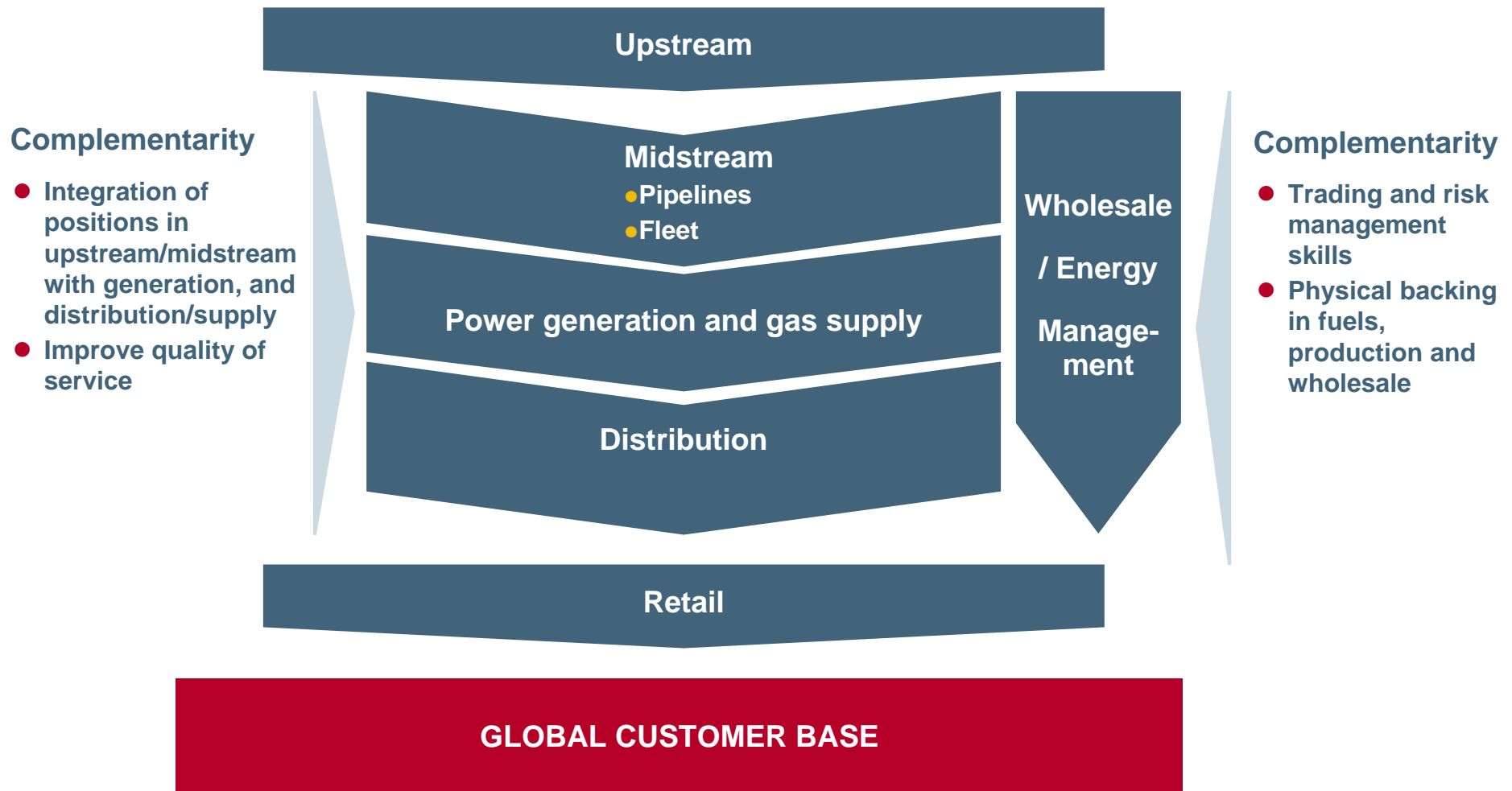


Note:

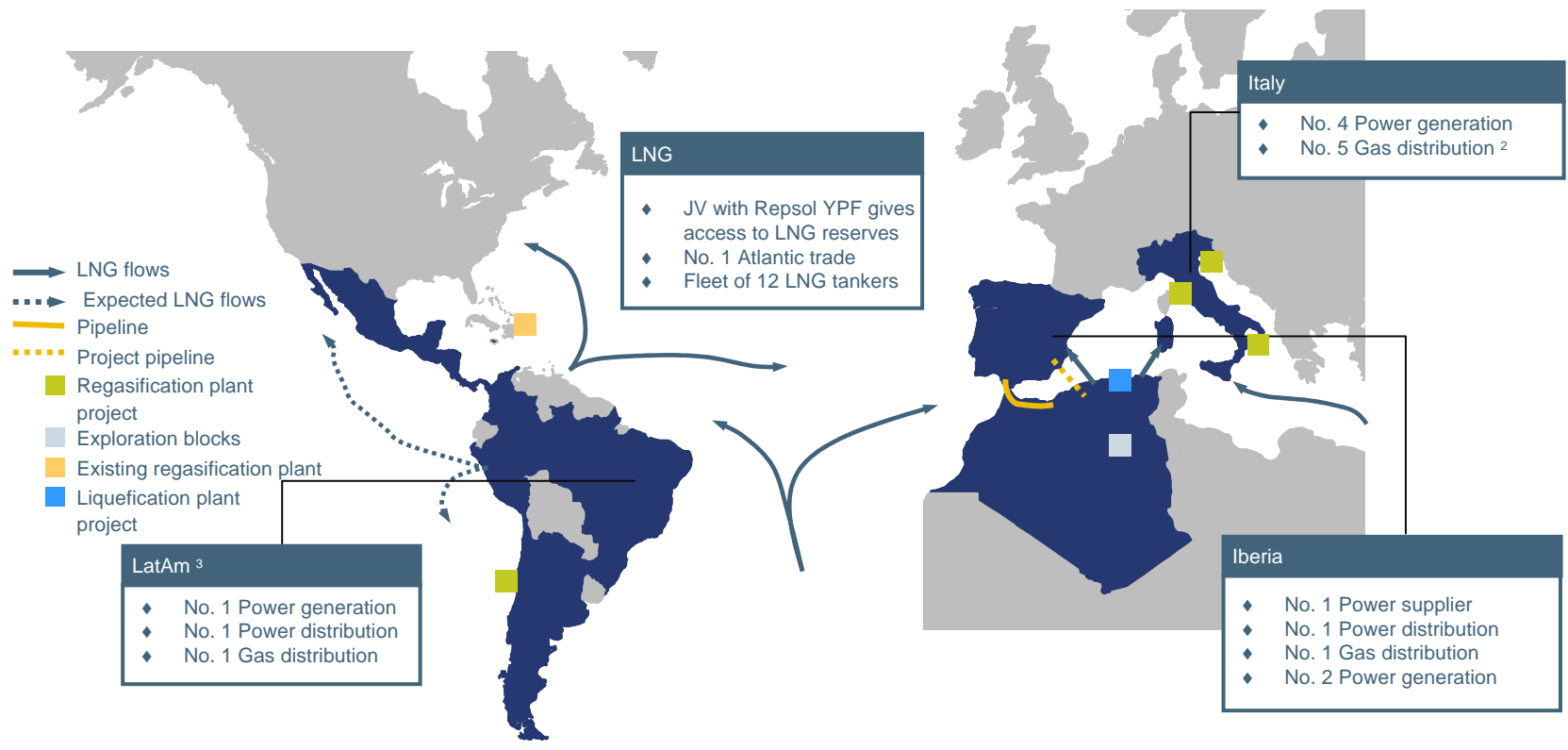
1 By customers, post proposed disposals

2 Post proposed disposals; listed companies only, presented on consolidated basis; includes only gas and electricity customers; Source: Company estimates

An integrated, customer-oriented business model



Strong and balanced positions in high growth markets ¹

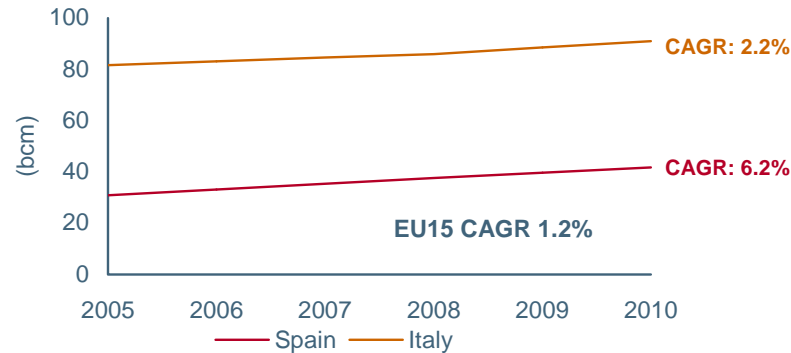


Notes:
 1 Data presented post proposed disposals
 2 Excluding municipal utilities
 3 Excluding state-owned companies
 Source: Company estimates

A leader in top growth markets

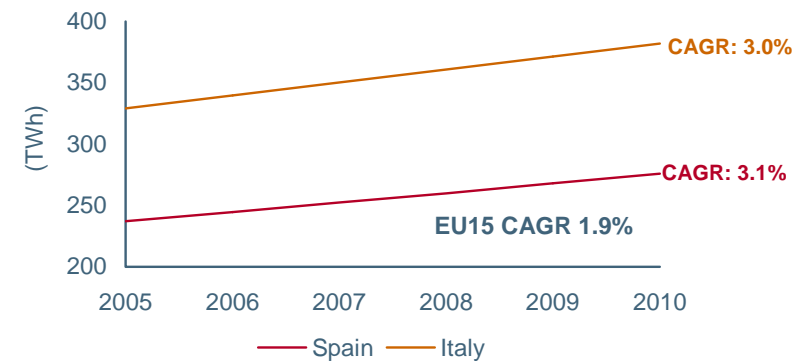


European gas



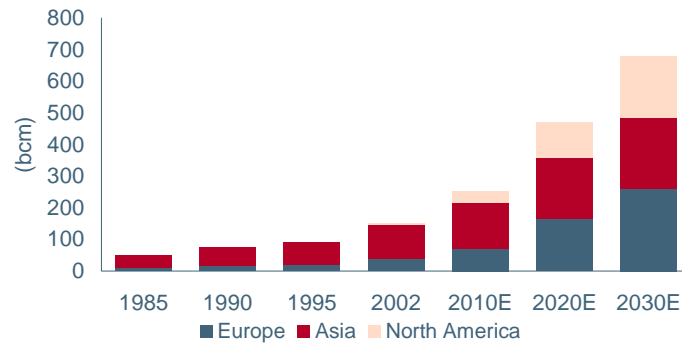
Source: European Commission, European Energy and Transport—Trends to 2030

European electricity



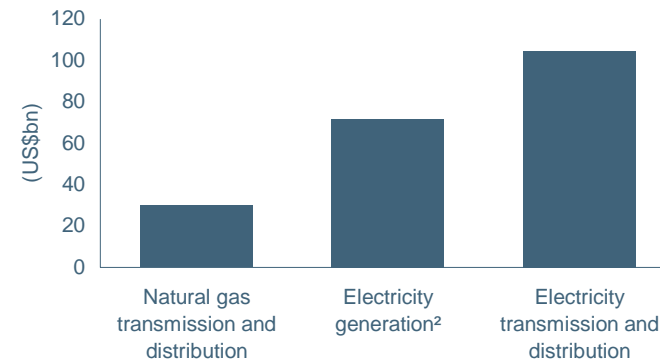
Source: European Commission, European Energy and Transport—Trends to 2030

Global LNG growth



Source: Company estimates

LatAm energy investments requirements ¹



Notes:

¹ On cumulative basis; 2003-12

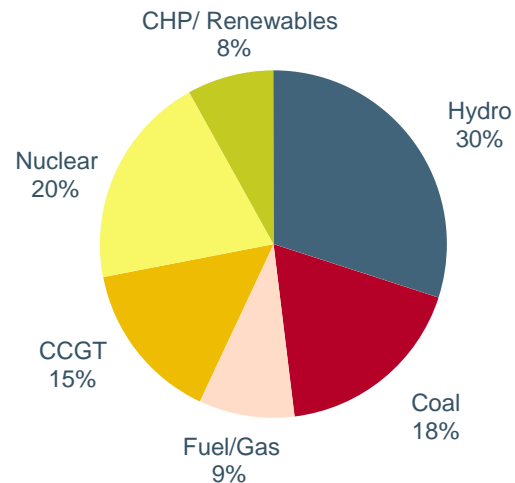
² Equivalent to 90 GW of new capacity (39% Brazil, 44% Mexico, 17% Other countries)

Source: EIA, Platts, Brazilian Government and Company estimates

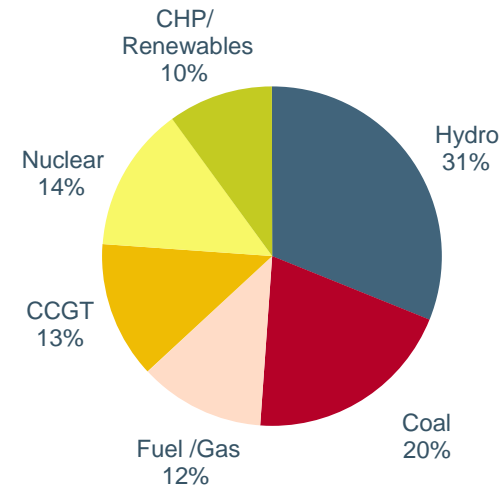
Restructuring of the Spanish power sector ¹



Gas Natural/Endesa generation mix



Spanish market generation mix ²



Proposed asset sales will strengthen gas and electricity competition in Spain

New Group's generation mix in line with Spanish market

Combined company will provide better quality of service in both gas and electricity

Notes:

1 Pro-forma data presented post proposed disposals; mainland only; presented on equity share basis; based on 2004 installed capacity

2 Includes Endesa, Gas Natural, Iberdrola, HC, Union Fenosa, and Viesgo

Source: Company estimates

Planned asset disposals and agreement with Iberdrola



Generation in Spain

- Certain generation assets

Gas distribution

- \approx 1.25 million customer accounts

Electricity distribution

- Certain distribution assets

International

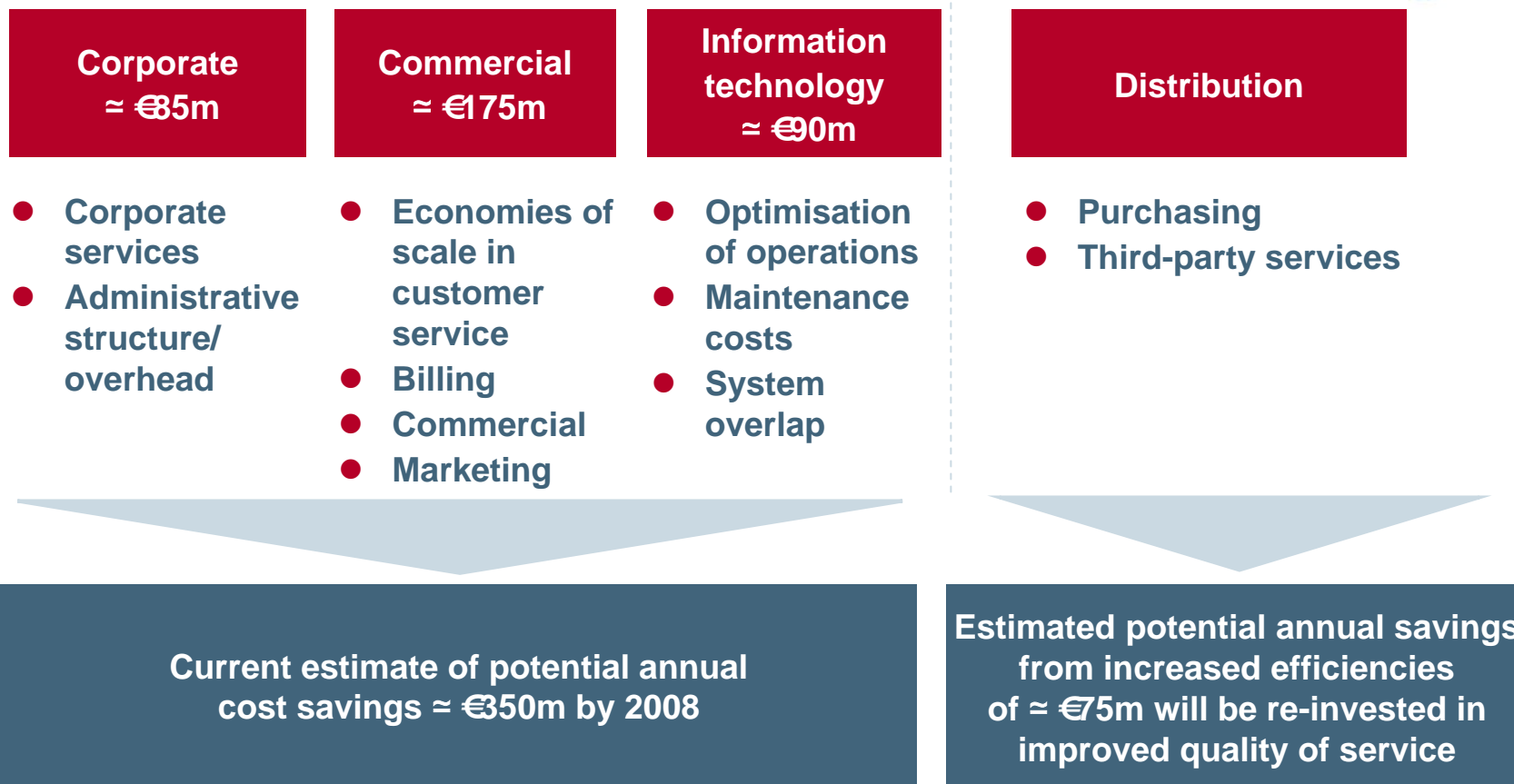
- Endesa's interest in SNET
- Certain Italian generation assets of Endesa

Divestitures in Spain to comply with regulatory and antitrust requirements

International divestitures of activities with no strategic fit

Agreement with Iberdrola expected to allow fast disposal

Significant synergy potential



- Additional savings of ≈ €30m in LatAm have been estimated on a preliminary basis, but have not been included
- Potential revenue synergies have not been included

Creating a leading, fully integrated global energy company

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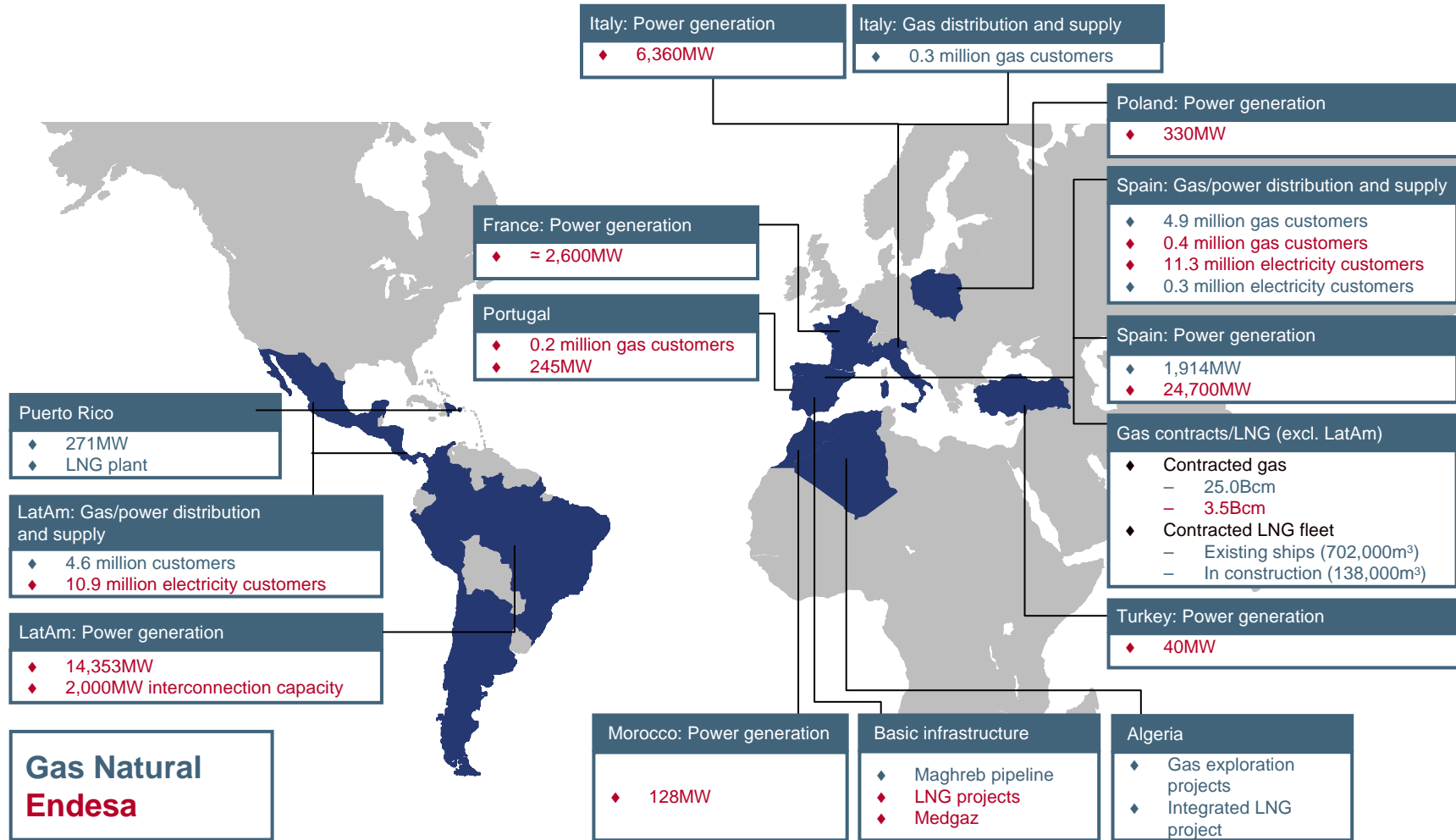
Transaction benefits

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A global leader in energy



Note: Capacity presented on attributable capacity basis; customers accounted for on a consolidated basis; information presented before proposed asset disposals

Source: Annual reports and Company estimates

Gas: benefits from increased scale, flexibility and diversity



Better positioned to pursue equity gas opportunities

- Partnership with Repsol YPF
 - Integrated project in Algeria (Gassi Touil)
- Exploration block (Gassi Chergui)
- Well diversified and flexible procurement position including 15% targeted equity gas

Optimisation of procurement portfolio

- Stronger market position vis-à-vis suppliers
 - Additional 3-5 bcm/yr expected to be contracted by Endesa by 2009 ¹
- Gas Natural supply to Endesa (3 bcm) becomes flexible supply

Enhanced LNG position

- Better trading/arbitrage potential, including flexibility in natural gas
- Opportunity in Italian market for LNG regas terminal
- Optimise use of LNG fleet capacity
- Potential for additional supply flexibility

Greater diversification and flexibility of demand

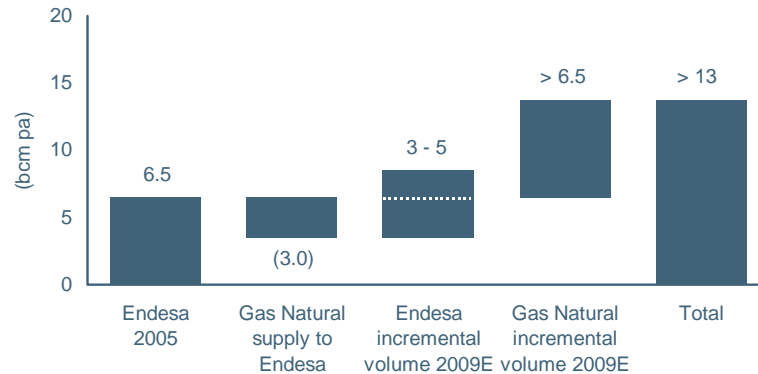
Note:

1 Endesa presentation 8 July 2005

Gas procurement position



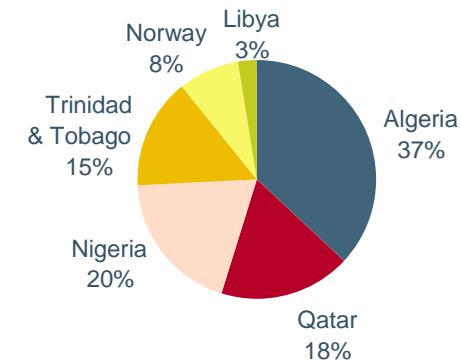
Estimated incremental contracted volumes



Note: In addition to Gas Natural's volumes as of 2005; excludes LatAm; Data presented post proposed disposals

Source: Company estimates

Estimated supply sources



Note: As of 2008; Data presented post proposed disposals
Source: Company estimates

Expected Endesa European short position of 3 - 5 bcm per year from 2008/09

Gas Natural supply to Endesa (3 bcm) becomes flexible supply

New Group expected to have a well diversified and flexible procurement position including 15% targeted equity gas

Power in Spain: benefits from optimal portfolio



Optimisation of generation and fuel position

- Commodity mix (coal / gas / CO₂ / hydro)
- Twin 800 MW CCGT plants sharing site with Endesa (San Roque, Besos)

Balance between production and consumption

- Endesa is short in generation
- Gas Natural contributes with 1,600 MW of CCGT + Cartagena (1,200 MW) CCGT project expected on line in 1Q 2006
- Further build-out of CCGT will maintain balanced position

Spanish market leader

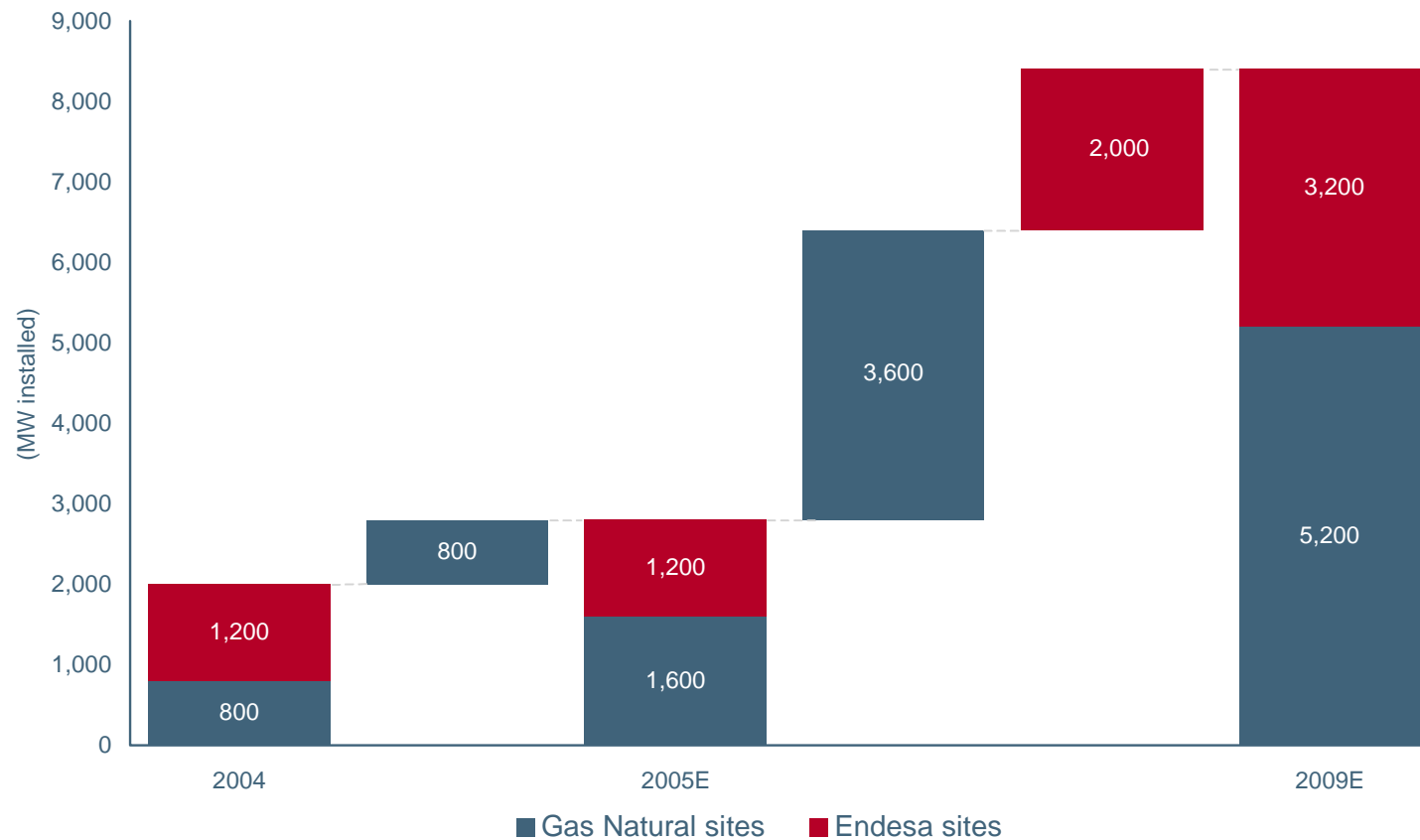
- A leader in CCGT with competitive gas supply
- Combined position in renewables creates platform for further expansion in Spanish market
 - In line with regulatory targets (*Plan de Energías Renovables 2005 - 2010*)

Note: Data presented post proposed disposals

Evolution of CCGT portfolio



Combined entity will become a market leader in gas-fired generation with expected CCGT capacity of 8,400MW by 2009



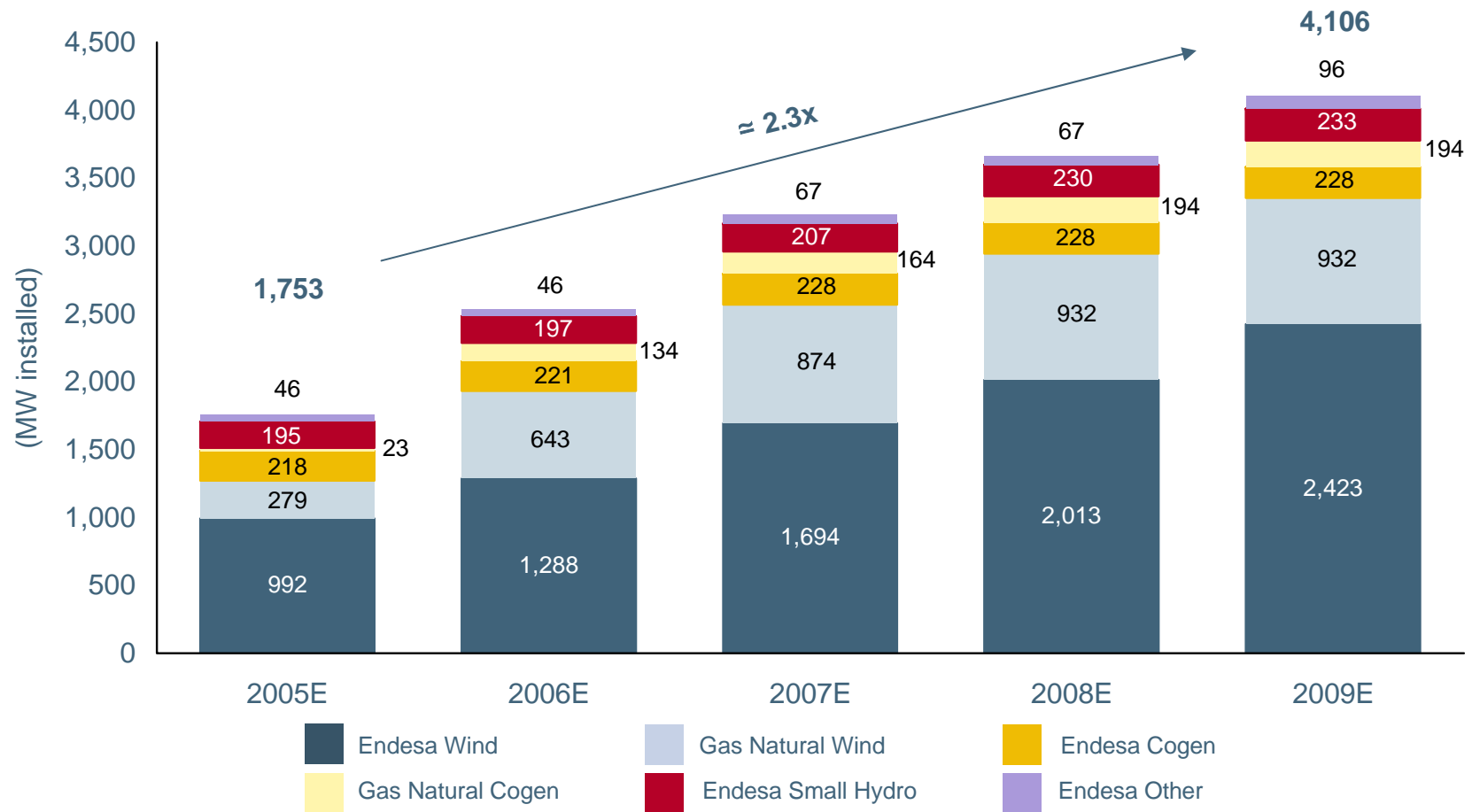
Note: Data presented post proposed disposals

Source: Company estimates

Evolution of renewables portfolio



Strong renewables platform for expansion

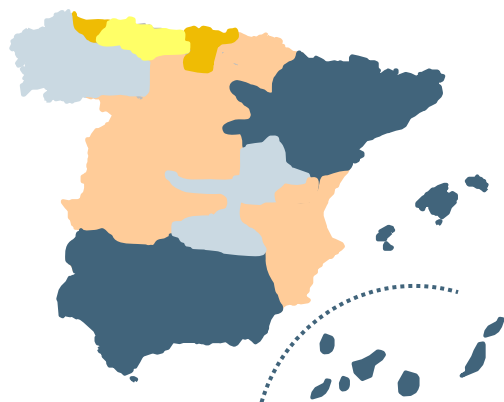


Note: Data presented post proposed disposals
 Source: Company estimates

Regulated businesses: strong commitment to invest ¹



Electricity distribution



■ Endesa ■ Iberdrola ■ Viesgo ■ Edp / HC
■ Union Fenosa

Source: Unesa, Company estimates

Gas distribution



■ Endesa ■ Gas Natural
■ Edp / HC / NaturCorp

Significant capex needs in regulated gas provide for high growth potential in stable regulatory environment; customer connections are expected to grow from 5.0m as of H1 2005 to 6.5m at end 2009

Strong focus on efficiency and quality of service in electricity and gas distribution

Proposed transfer to final customers of benefits from optimisation of procurement costs and operating and financial synergies, through reinvestment in quality of service improvements

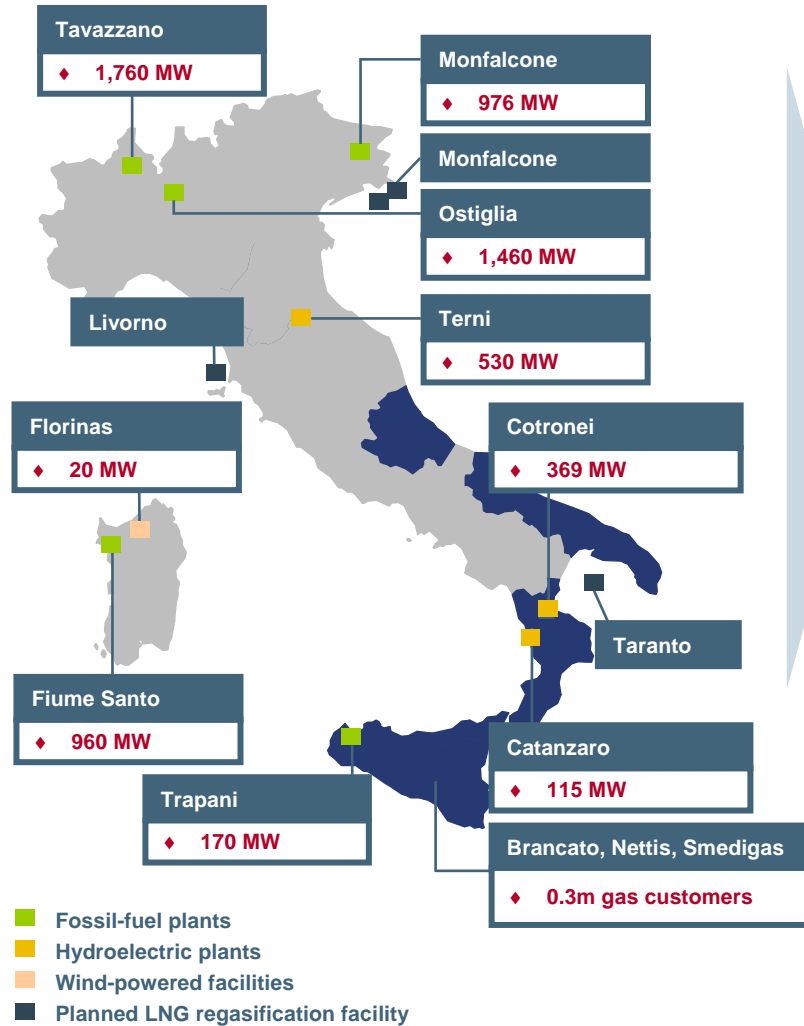
Note:

¹ Before proposed disposals

Italy: well placed to increase market share



Favourably positioned for electricity and gas convergence growth



- Endesa proactive mover into liberalising generation market through acquisition of Enel genco
- Repowering and greenfield CCGT projects pursued with the aim of increasing output
- Gas Natural has established a portfolio of gas customers through targeted acquisitions, with the objective to achieve 700,000 customers by 2009
- Both Gas Natural and Endesa are planning LNG regas facilities

New Group should be favourably placed to take advantage of gas and power opportunities across the value chain

Note: Installed capacity presented on a consolidated basis, before proposed disposals
 Source: Company estimates

LatAm: leading positions in key growth markets



- Combined LatAm business with leadership positions in gas and power in key growth markets
- New Group will distribute power or gas in Buenos Aires, Bogotá, Santiago de Chile, Lima, Rio de Janeiro, São Paulo, Monterrey, and Mexico DF
- Well placed to benefit from increases in demand, prices for generation and distribution volumes and tariffs
- Continued commitment to invest for organic growth in selected target markets

Enhanced opportunities from combined Gas Natural and Endesa positions and skills

Note: Customers accounted for on a consolidated basis, capacity presented on an attributable capacity basis; map only shows selected assets

Source: Company estimates

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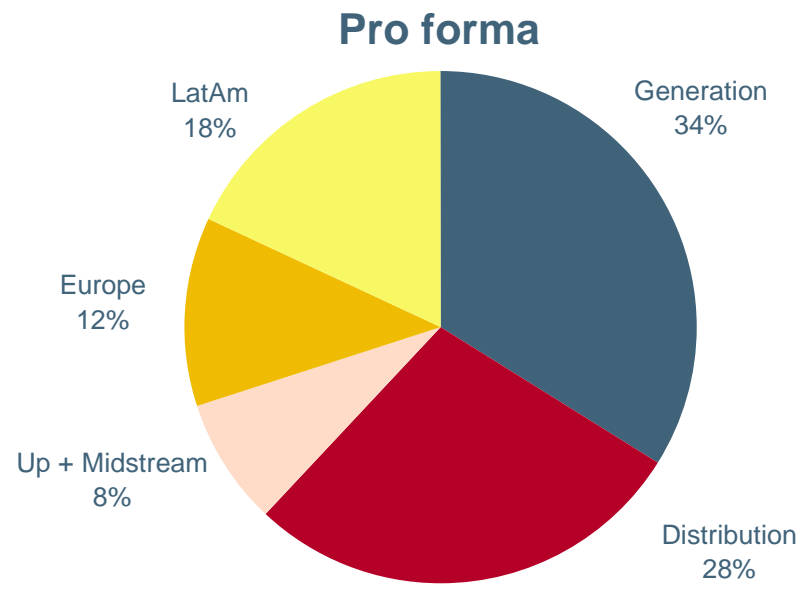
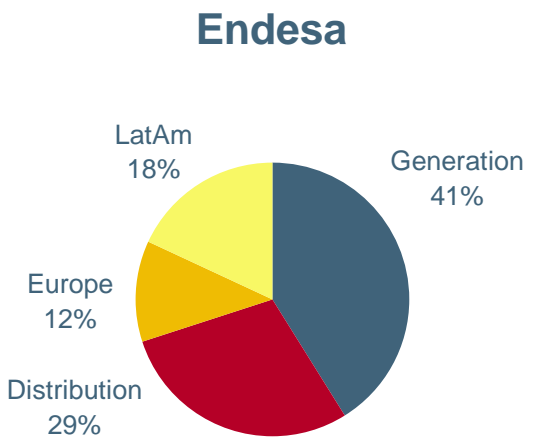
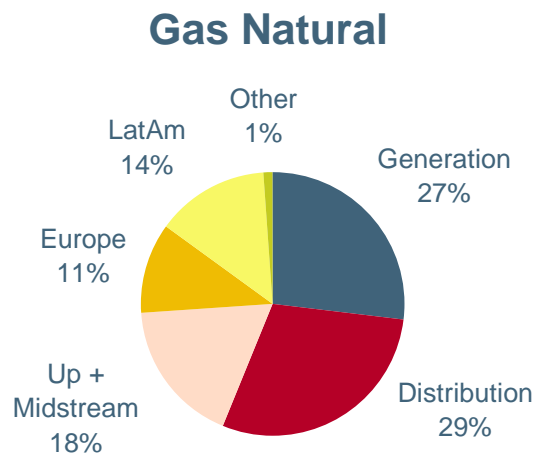
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Capital expenditure plan 2006–2009



Plan to invest ≈ €17bn in organic growth until 2009



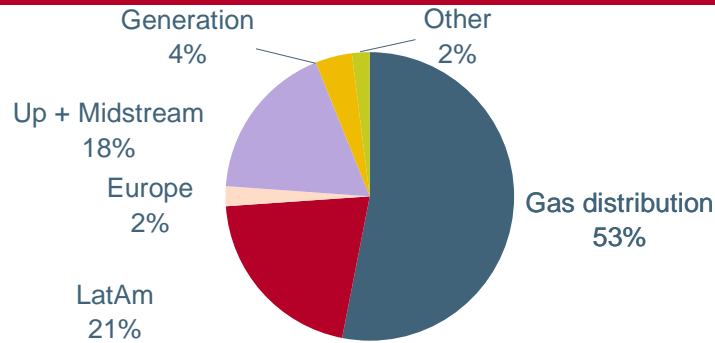
- Heavy emphasis on quality of service in regulated business
- Exploiting energy needs in Spain while optimising asset portfolio
- Continue gas power integration and management in Europe and LatAm
- Leverage on access to equity gas and world LNG trade
- Build an integrated gas and electricity position in Italy

Source: Company estimates

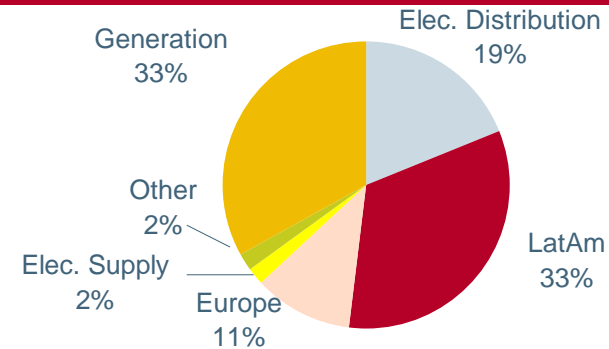
Diversification of EBITDA¹



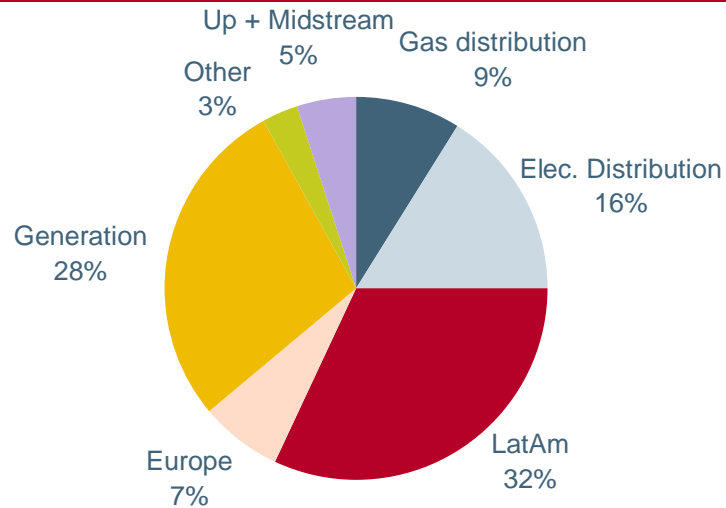
Gas Natural - €1.4bn²



Endesa - €4.9bn²



New Group pro-forma 2009E³



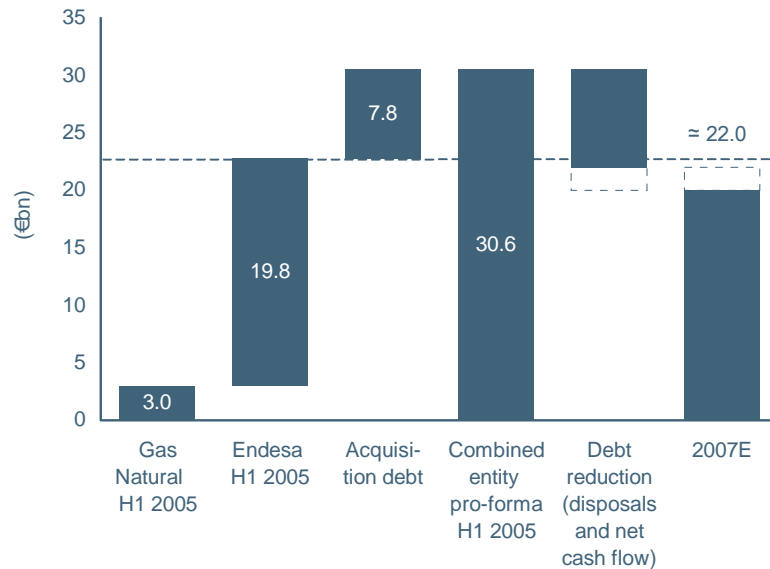
Notes:

- 1 EBITDA 2004A. EBITDA is not a measure under Spanish GAAP or IFRS. Please refer to the audited financial statements of Gas Natural and Endesa for historical information in accordance with Spanish GAAP
 - 2 Gas Natural and Endesa's 2004 EBITDA calculated using Spanish GAAP figures
 - 3 Pro-forma 2009E Gas Natural/Endesa's EBITDA calculated using IFRS figures
- Source: Company estimates

Financial structure



Net debt



Source: Company estimates

Planned asset disposals 2006-07

- An agreement has been signed with Iberdrola for most of the disposals
- The agreement with Iberdrola provides confidence to reduce the execution risk of disposal plan

Objective of “A” rating

Ability to invest in core regulated and non-regulated activities unaffected by transaction

Agreement with Iberdrola expected to result in fast disposal

Expected earnings and dividends accretion^{1,2}

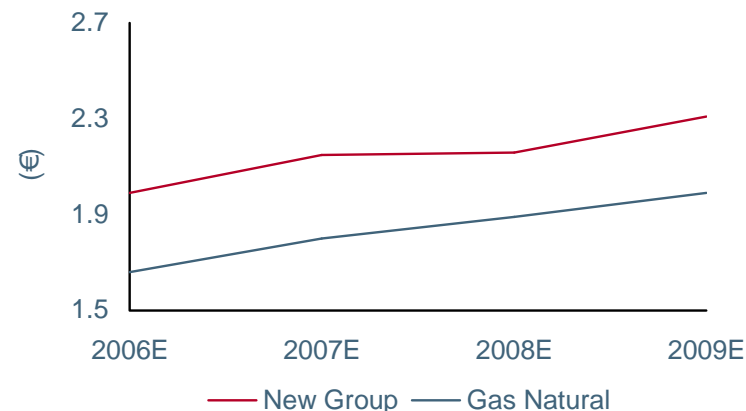


Earnings

Expected EPS impact

- Expected significant EPS accretion from year one

Expected EPS evolution³



Dividends

- Shareholders expected to benefit from dividends accretion due to
 - Expected earnings accretion³
 - Expected dividend growth in line with net income growth
 - Maintain dividend payout target of 52-55% by 2008

Positive impact expected for shareholders of New Group

Notes:

- 1 New Group will have the discretion to change its dividend policy at any time, and shareholders may not receive the amounts indicated above
- 2 Before extraordinary items
- 3 Company estimates based on IBES EPS projections of €1.66 (2006) and €1.62 (2007), and a long-term growth rate of 7.2% used for 2008 and 2009 for Endesa. Based on IBES EPS projections of €1.66 (2006) and €1.80 (2007), and a long-term growth rate of 5.0% used for 2008 and 2009 for Gas Natural; after planned disposals

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Positioning as leading integrated gas and electricity company



Strategic priorities

Gas & Power

- Full integration along gas chain
- Benefits from increased scale, flexibility and diversity in the gas chain
- Benefits from optimal generation portfolio
- Increased opportunities to optimise between gas and electricity
- Enhanced commodity mix (gas / coal / CO₂ / hydro)

Regulated business

- Efficiency improvement / focus on quality of service
- Investment in growth areas

Supply

- Strong customer focus
- Multi product offering

Strong energy management capabilities

International market leadership in key growth markets with presence in 11 countries

Source: Company estimates

Value creation for shareholders



Creating a fully integrated energy company...

Leader in key growth markets in Europe and LatAm ...

... with an improved gas position and more balanced generation portfolio ...

... together with expected synergies from the combination ...

... and our proven track record of profitable growth ...

... enhanced cash flow generation through a clear and focused management vision

Value creation for shareholders

- Expected EPS and CEPS accretion
- Attractive dividend policy

... with a solid financial position,
to pursue growth opportunities in global markets