2004 Financial Results

endesa

Member of Dow Jones Sustainability Indexes 05

February 14th 2005

2004: Solid Results supported by a diversified business portfolio

Strengthened position in all business lines

- Spain: Reinforce of leadership
  - 42% share in Generation
  - 43% share in Distribution
- Europe: Consolidation of Endesa's position
- Latin America: Generation expanded, tariff reviews, demand recovery

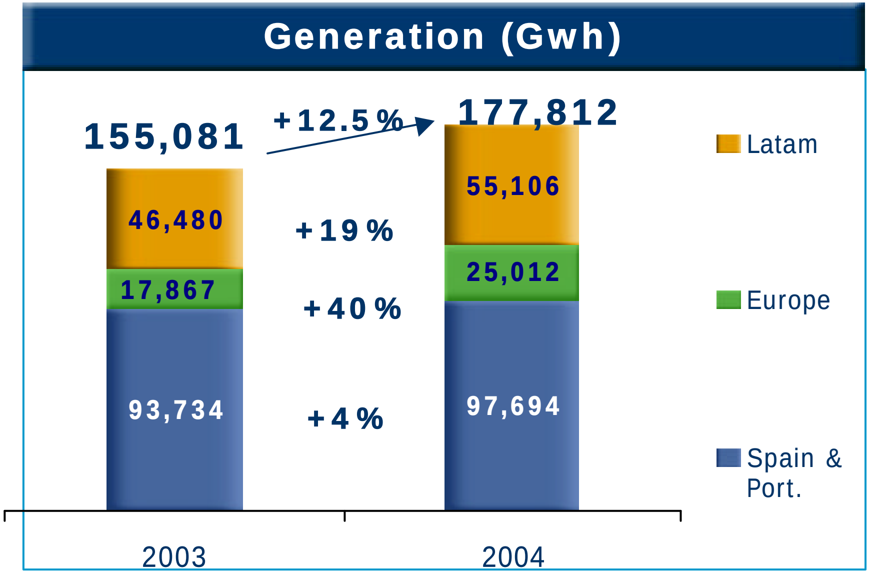
Improved performance and quality of results

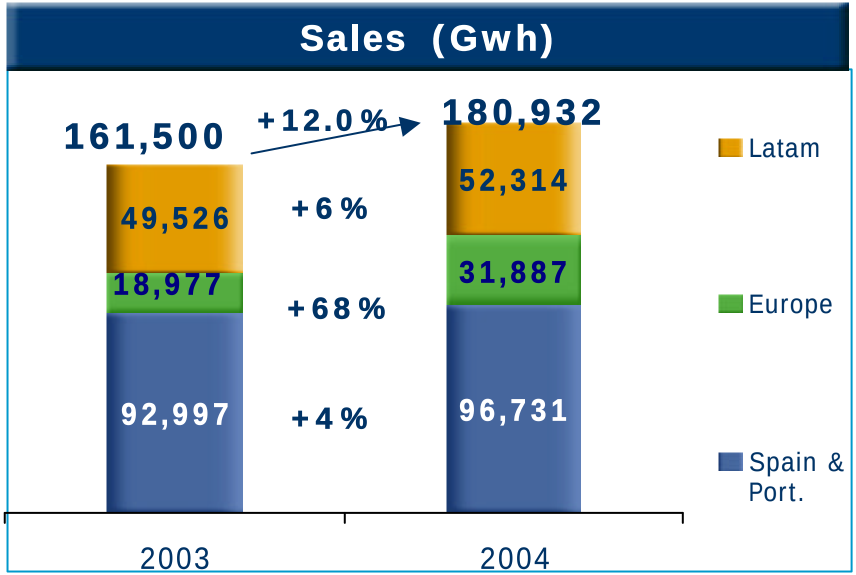
- Net Income +5.1% (€1.4 bn)
- Dividend +5% (proposed)
- Lower contribution from extraordinaries

Stronger financial position

- Debt reduction continues (-€745 M in 2004)
- Net financial expenses reduced by 7.3%
- Leverage reduced to 1.08x

Strengthened position in all business lines





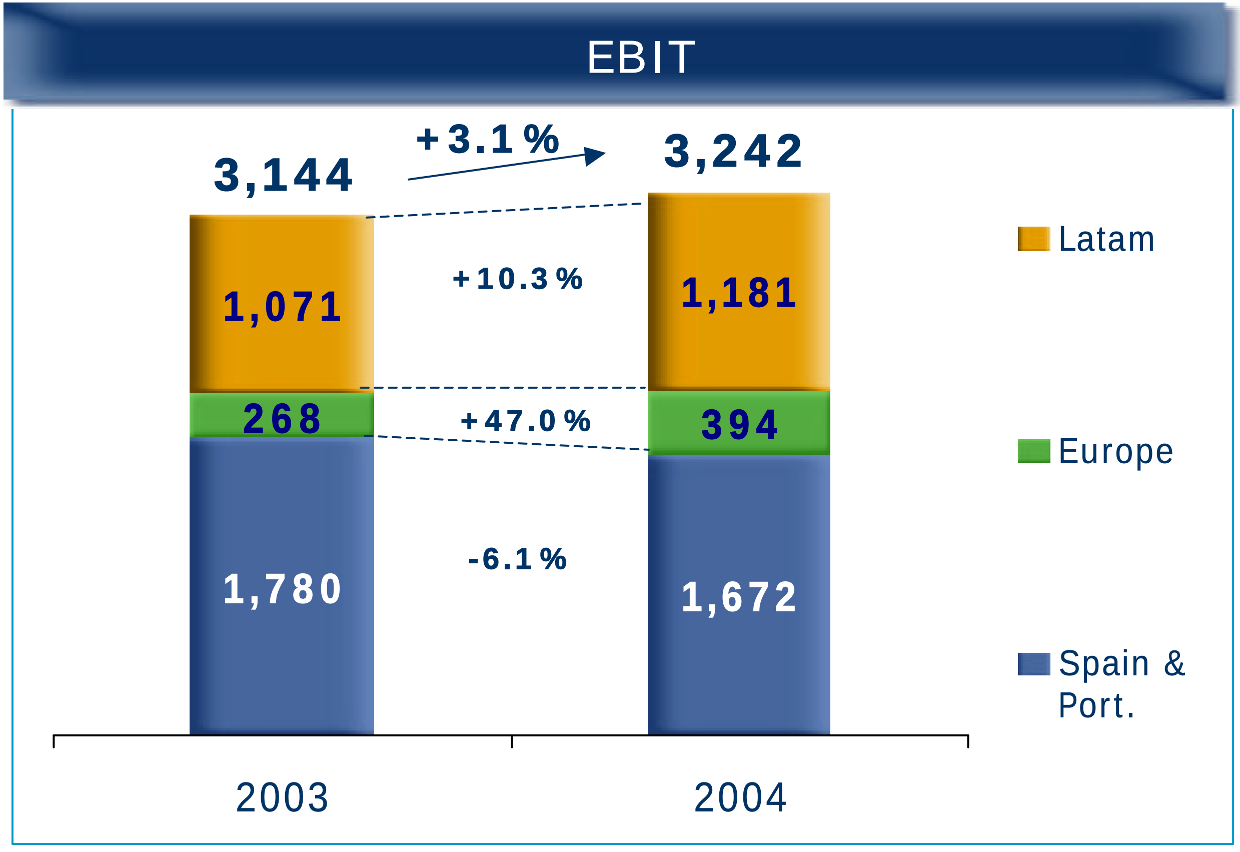
2004 Consolidated Results

€M	2003	2004	% Change
Revenues	16,239	17,642	+8.6%
EBITDA	4,750	4,885	+2.8%
EBIT	3,144	3,242	+3.1%
Net Financial Expenses	-1,223	-1,134	-7.3%
Net FX	383	8	-97.9%
Net Extraordinary	277	146	-47.3%
Net Income	1,312	1,379	+5.1%
Net Financial Debt	17,250	16,505	-4.3%

Improved performance and quality of results

Diversified portfolio delivers steady growth

€M



2004 Results:

Spain and Portugal

2004 Spain and Portugal Results

€M	2003	2004	% Change
Revenues	10,574	11,061	+4.6%
EBITDA	2,824	2,726	-3.5%
EBIT	1,780	1,672	-6.1%
Net Financial Expenses	-516	-494	-4.3%
Net Extraordinaries	380	-131	-134.5%
Net Income	1,207	871	-27.8 %

Recurrent Net Income up by 15%

endesa

Strong Growth in Generation and Sales

Generation
+4.2% to 97.7 TWh(1)

- Mainland: +3.9% 84.5 TWh
- Islands: +6.1% 13.2 TWh
- Renewable/CHP: +15.1% 1.8 TWh

Sales
+4% to 96.7 TWh

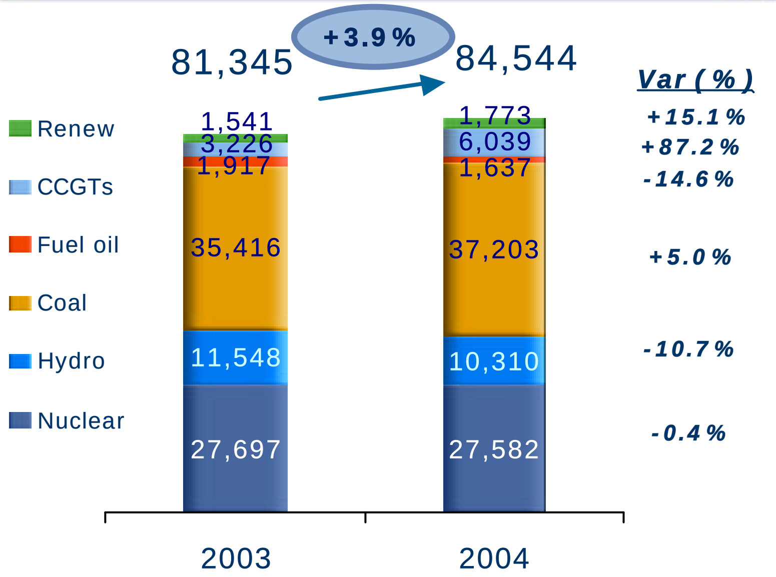
- Regulated: -2.9% 65.8 TWh
- Liberalized: +22.4% 31.0 TWh

(1) Not including generation share in Portugal

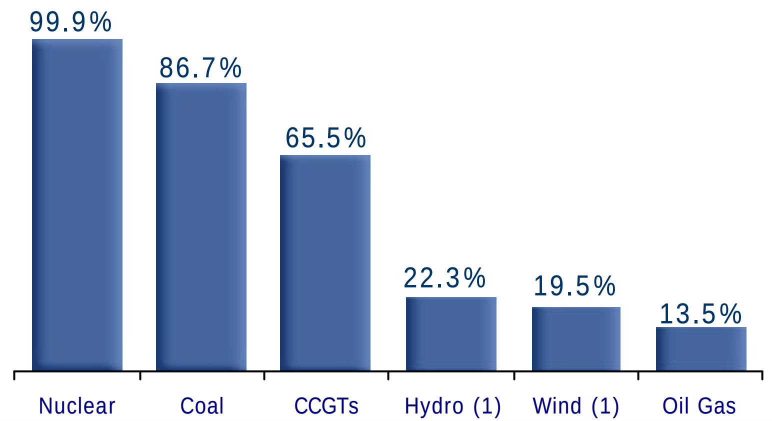
Output Reflects Strong Generation Portfolio

Spain and Portugal

Endesa Mainland Generation (GWh)



Endesa's mainland utilization factor 2004



	Nuclear	Coal	CCGTs	Hydro (1)	Wind (1)	Oil Gas
Availability factor (%)	90.0	91.4	93.6	n.a.	n.a.	96.3

(1) Based on real generation / Installed Capacity

Rest of techonologies: gross generation / Avaliable capacity

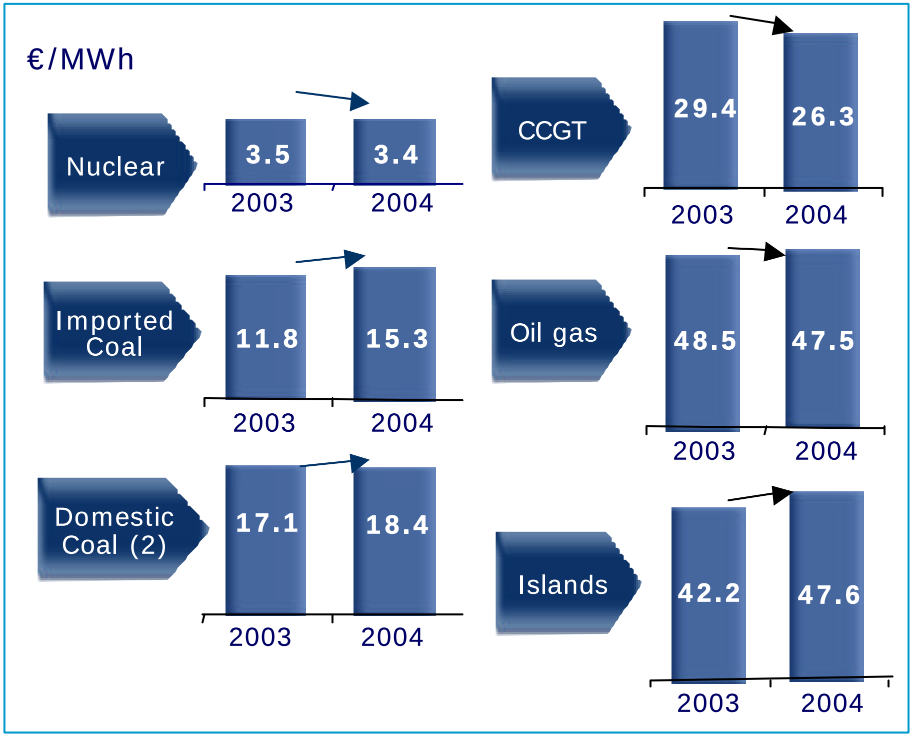
Balanced and stable generation mix with lower dependence on irregular hydro

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

Higher Fuel Prices and Output in Procurement Costs

Spain and Portugal

Breakdown of unit fuel costs by technology in 2004



14.1% Increase in unit fuel costs from €15.7/MWh to €17.9/MWh

+

4% Increase in generation output

18.2% Increase in fuel costs in 2004 (1)

+€243 M

(1) Increase in raw materials in domestic business excluding gas purchases for supply
(2) Net of coal premium. Gross increase from 19.8 €/MWh to 21.3 €/MWh

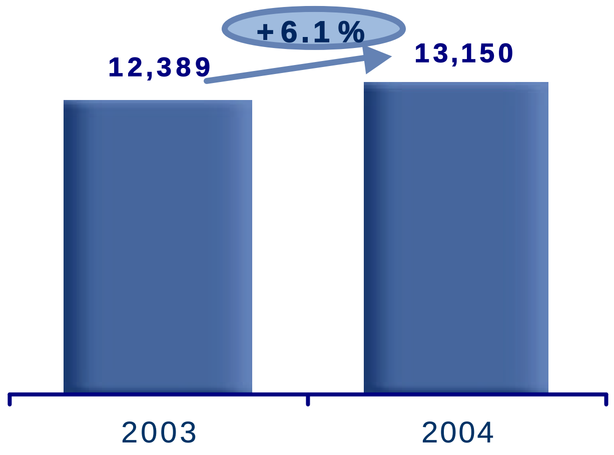
endesa

Islands Operations in 2004

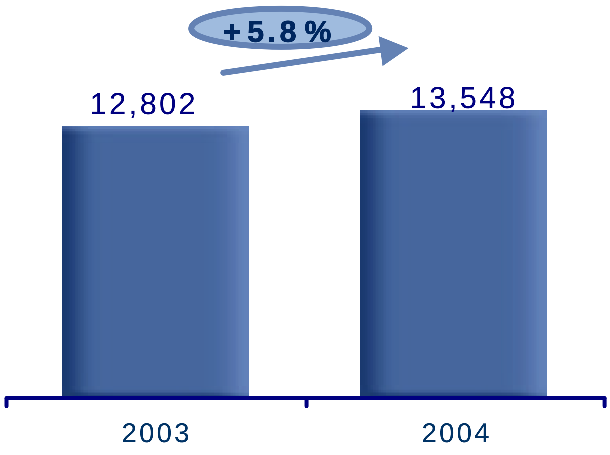
Spain and Portugal

- Under Royal Decree 1747/2003, ENDESA has booked €122 M in 2004 revenues for higher generation costs in the Islands.
- New regulation (MO) for islands remuneration expected to be announced in 1Q 05
- 240 MW higher capacity in the islands

Generation (GWh)



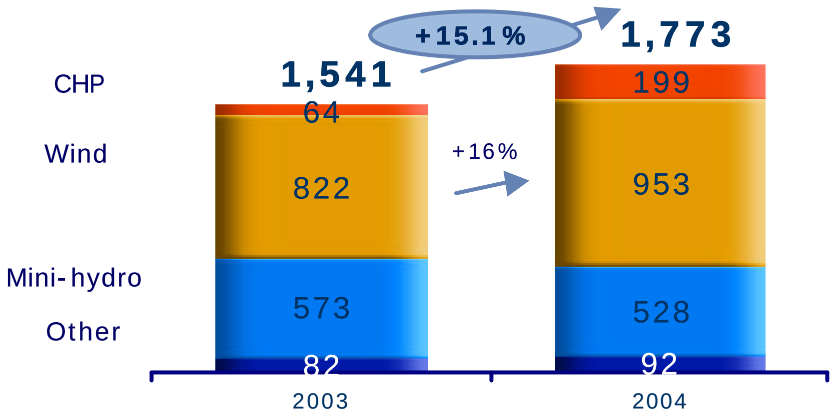
Demand Growth (GWh)



Renewables/CHP: Strong growth in wind generation

Spain and Portugal

Renewable/CHP Generation (GWh)



ECYR Main Financial Data

€ M	2004	2003	% Chg
EBITDA	63	55	+15%
EBIT	32	27	+19%
Net Income	26	16	+63%

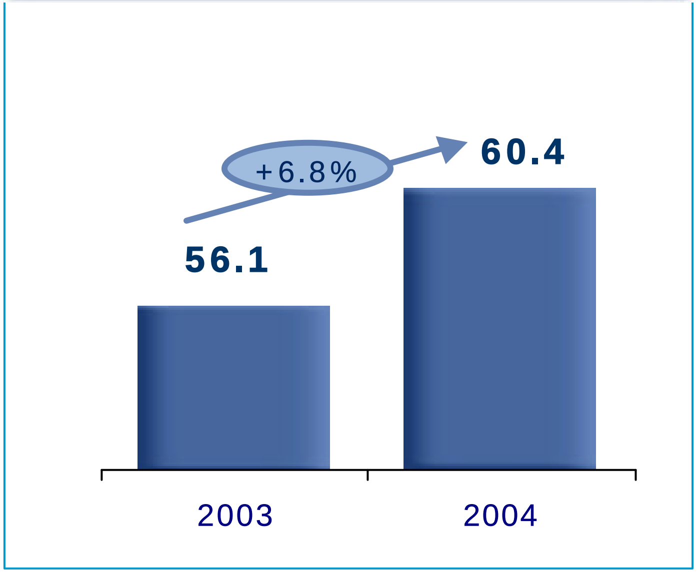
New Wind Capacity in 2004: 201 MW
Total Wind Capacity: 1,123 MW
Total investment: € 180 M

Strategic priority: growth in renewables - capturing opportunities

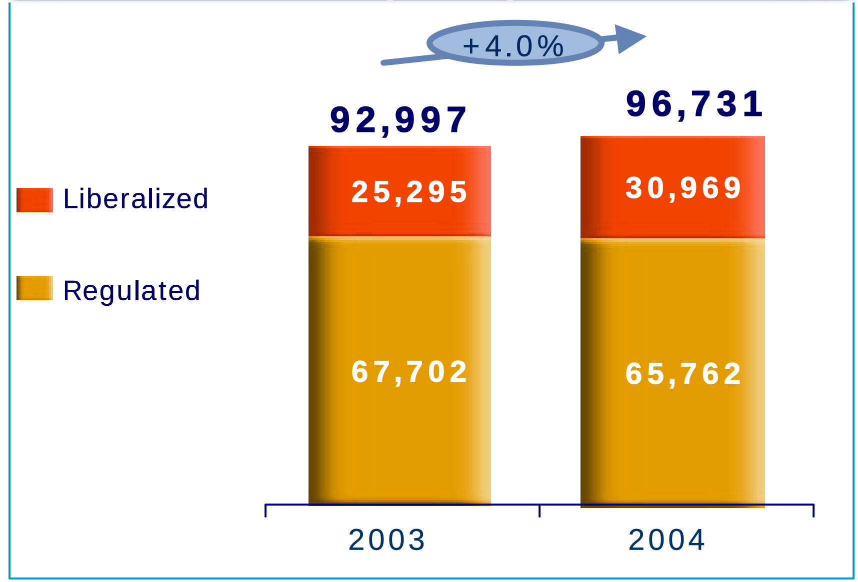
Supply: higher prices and sales

Spain and Portugal

Price to liberalized customers (€/MWh)



Total sales to final customers (GWh)



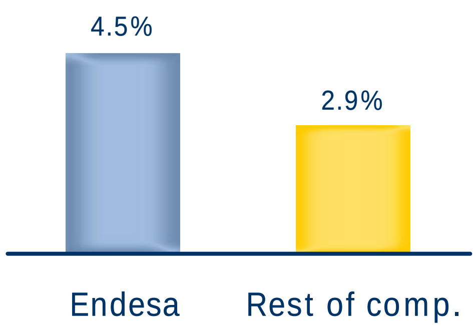
- ENDESA´s market share (regulated+liberalized): 41.5%, maintaining leadership position
- 90.5% retention rate in the domestic market. 553,711 liberalized customers.
- Total demand growth in mainland +5.3%

Strategic priority: Growth in liberalised supply while concentrating on profitability and expanding our customer offering

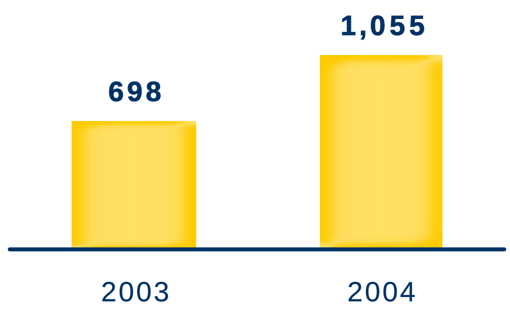
Distribution: Endesa present in high growth regions

Spain and Portugal

Most dynamic markets (04/03 Growth)

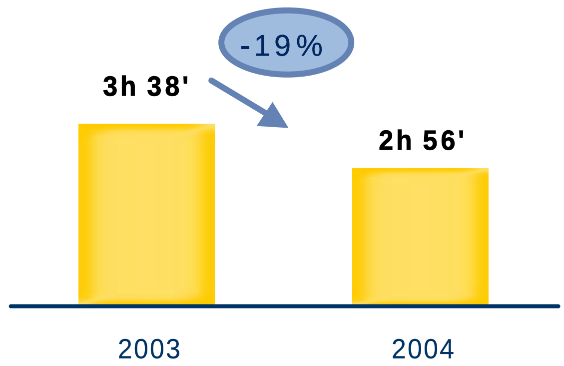


Sustained investment in distribution (€M) [1]



% Invest. Over Deprec.	**193%**	**288%**

Interruption Time (hours)[2]



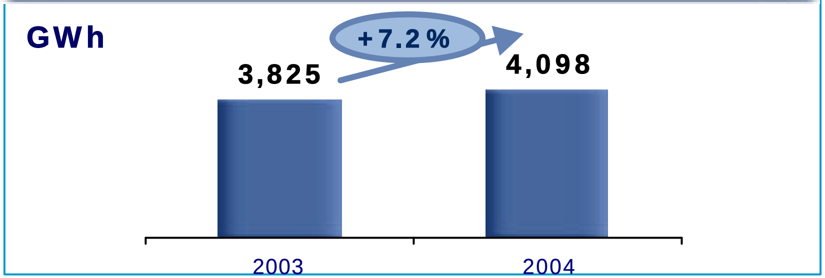
Strategic priority: Focus on quality of service, expecting an improved regulatory treatment

(1) *Gross investment*
(2) *Including Islands markets*

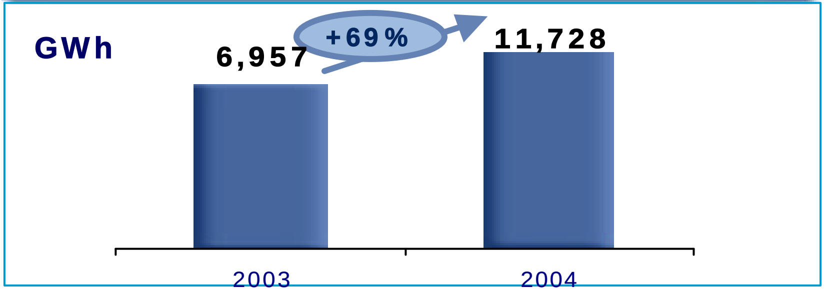
Gas: Gaining Share in the Gas Market

Spain and Portugal

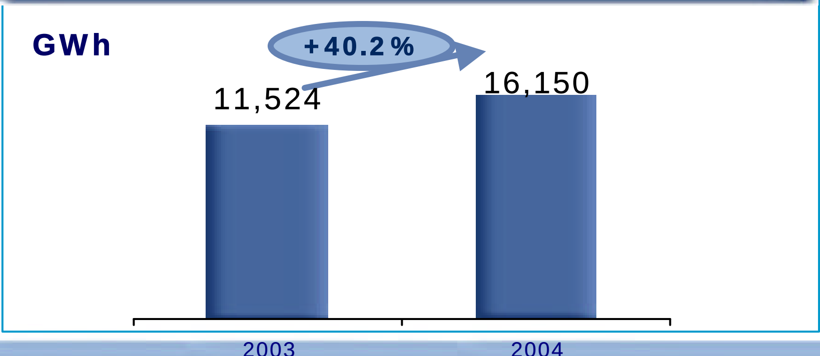
Net Sales to Regulated Market(1)



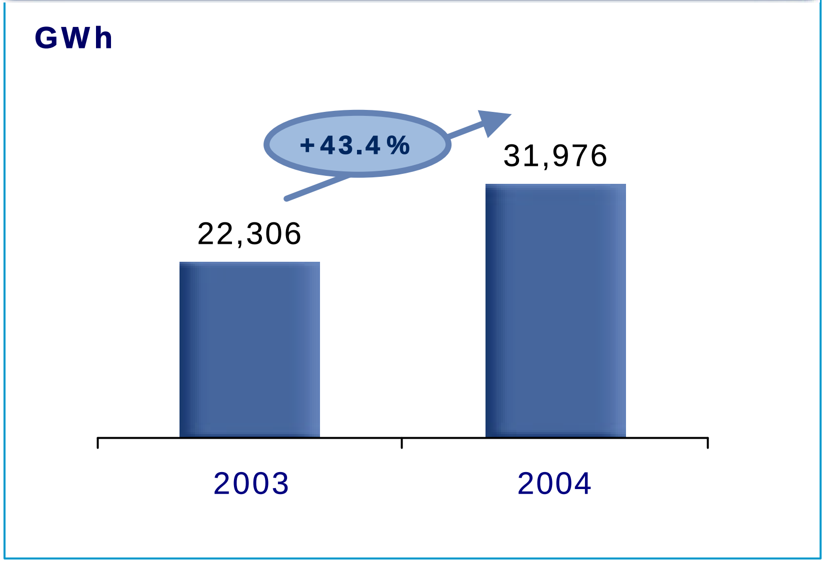
Sales to Liberalized Market:



Gas consumed in generation



Total Gas Supply:



- 5.9% total market share in Gas sales (+1.7 pp). Overall share in gas 10%
- Higher gas supply increased gas procurement cost by €130 M

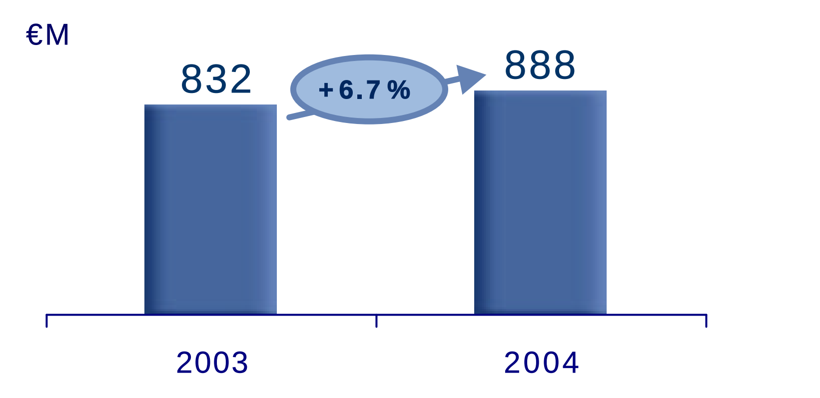
Strategic priority: Scale advantage vs. peers, diversifying sources and flexibility on key contracts

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

2004 Fixed Operating Expenses

Spain and Portugal

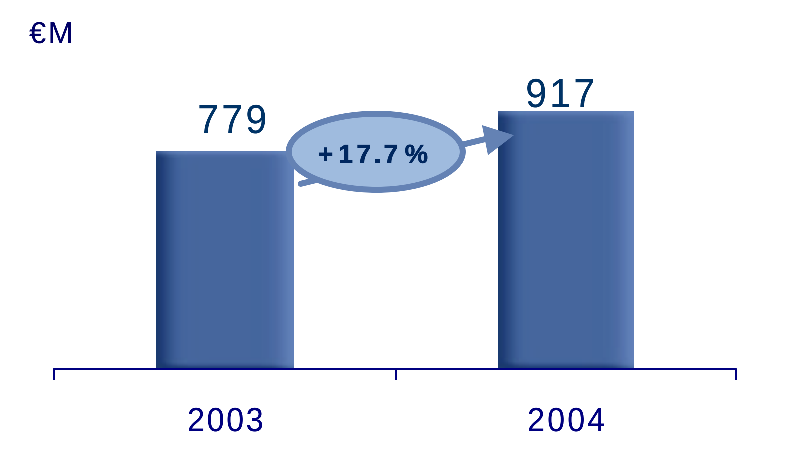
Personnel Expenses



Increase in personnel costs

- Salary rise for year 2004 and difference in the CPI for 2003
- Impact of renewables/CHP reallocation: €6 M

Fixed Operating Expenses



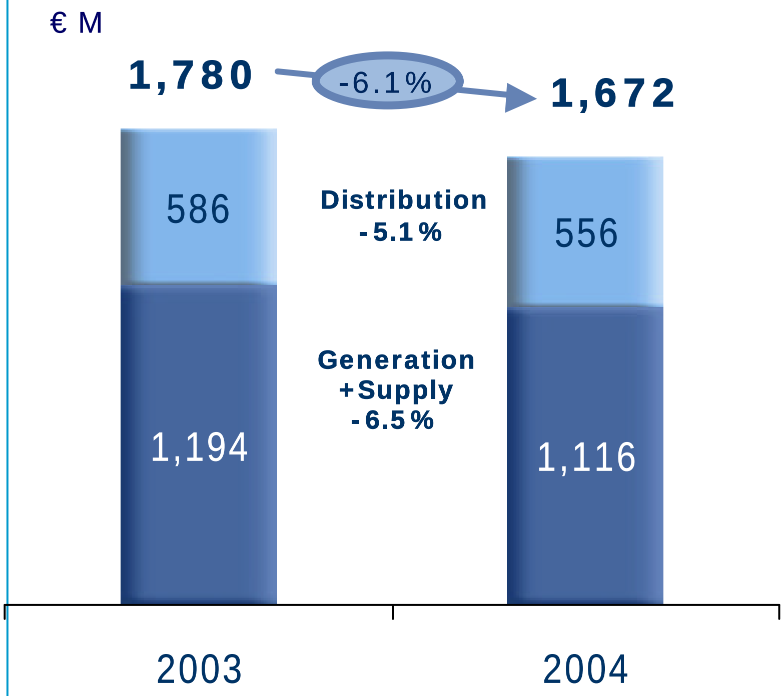
Increase in other operating expenses

•Higher maintenance expenses due to the Quality of Supply improvement	+€53 M
•Increase in taxes	+€21 M
•Commercial costs from liberalization	+15 M
•Renewable/CHP	+€16 M
•Other fixed costs	+€33 M

2004 Spain and Portugal EBIT

7.9% increase in net revenues limits impact of 25% higher procurement costs

EBIT by Business



Domestic EBIT -6.1%

- €471M increase in net revenues(1) from:
  - Generation output +4.2%
  - Tariff increase +1.7%
  - Average price in liberalised market +6.8%
  - Conservative accounting of island compensation
- That limits impact of:
  - €382 M higher procurement cost
  - €194 M increase in fixed costs

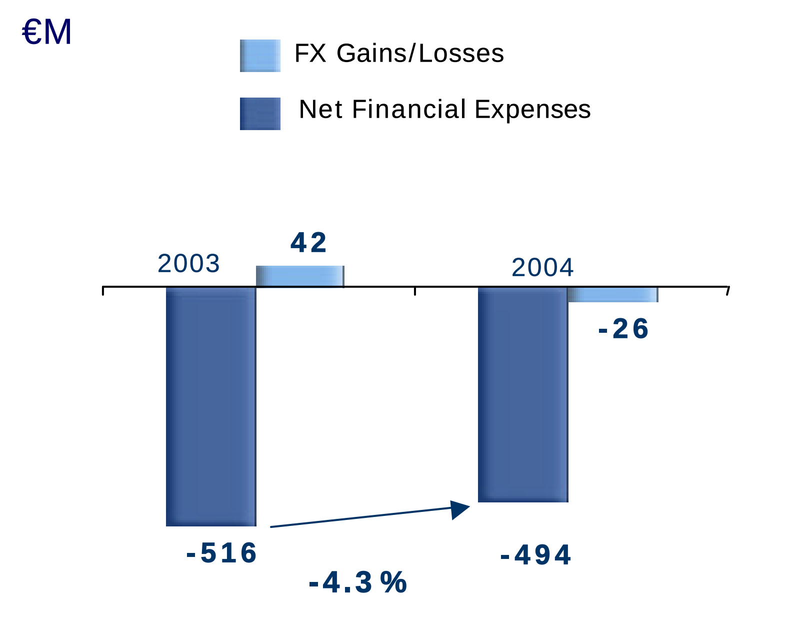
(1) Revenues (-) energy purchases (-) energy transmission and other external costs

Lower Financial Expenses and Improvement in Quality of Earnings

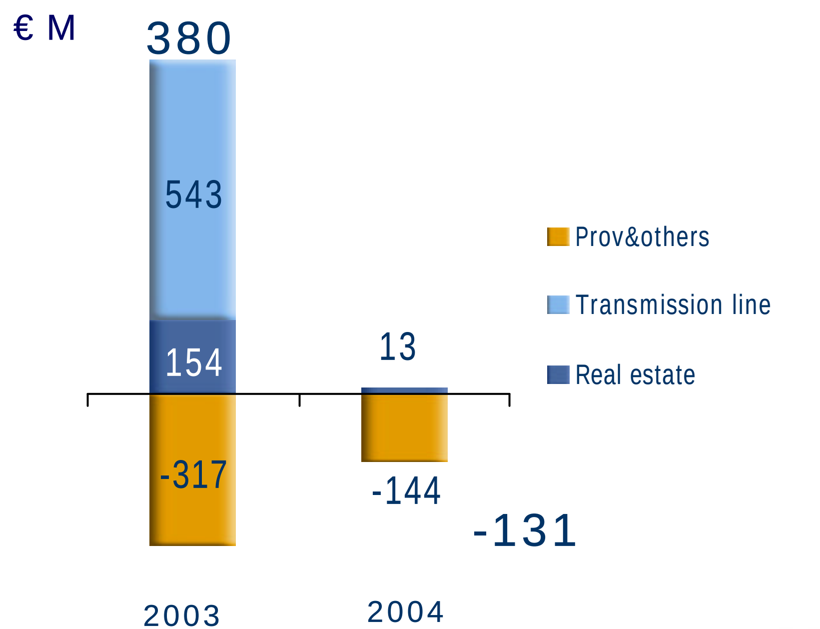
Spain and Portugal

	2003	2004
Total Net Extraordinaries before Taxes	+ €380 M	- €131 M
Extraordinary / PBT	22.4%	-12.5%

Net Financial Expenses and FX



Extraordinary Results



2004 Results:

Endesa Europa

2004: Delivering Growth and Consolidating Business Platform

Endesa Europa

Operating parameters

Generation: + 40% to 25 TW
Sales: + 68% to 32TWh

Italy: increasing share in an outperforming business to 85%

Increased asset base in Italy:

- 800 MW CCGT repowering in Tavazzano
- 20 MW wind farm in Sardinia. First wind assets acquisition

- 200 MW wind agreement with Gamesa
- 91 MW wind farm in Sicily acquisition agreement
- 2 CCGT in Scandale (800MW) with ASM Brescia

Entry in French market materialized: SNET full consolidation to 65%

2004 European Results

Endesa Europa

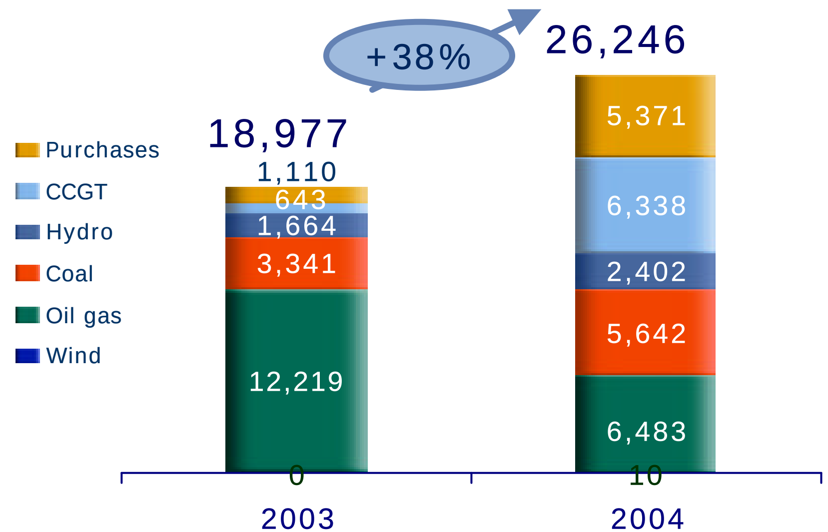
€M	2003	2004 (1)	% Change
Revenues	1,973	2,559	+29.7%
EBITDA	384	557	+45.1%
EBIT	268	394	+47.0%
Net Financial Expenses	-48	-74	+54.2%
Net Extraordinaries	-4	41	1,125%
Net Income	52 (2)	145	+178.9%

(1) Full consolidation of Snet from September 1st, 2004
(2) Including €17 M Equity Income of Portuguese assets transferred in 2004 to Spain and Portugal business

Italy: Improved Mix and Boost in Sales

Endesa Europa

Energy Sales (GWh)



Unit fuel cost (€/MWh)	35.6 → 31.6

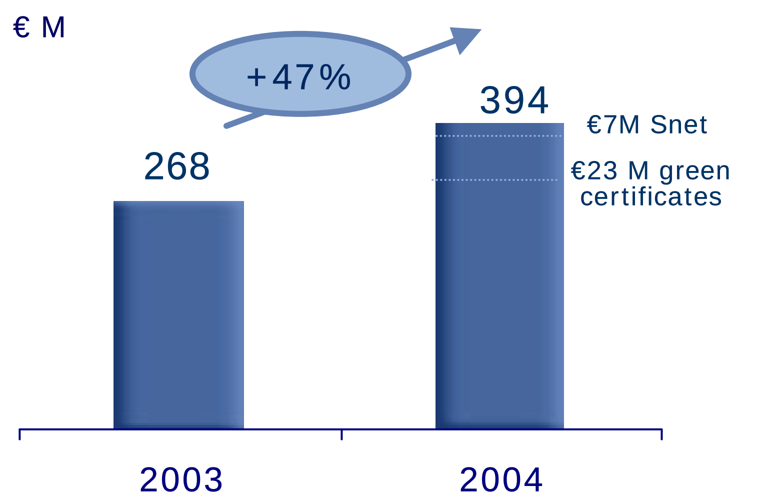
- Revenues + 34% boosted by 38% increase in energy sales
- Delibera 20 appealed. €30 million, already collected but not booked as revenues.

Repowering improved fuel mix, with 11.2% reduction in unit fuel cost despite a 21% increase in oil price in €

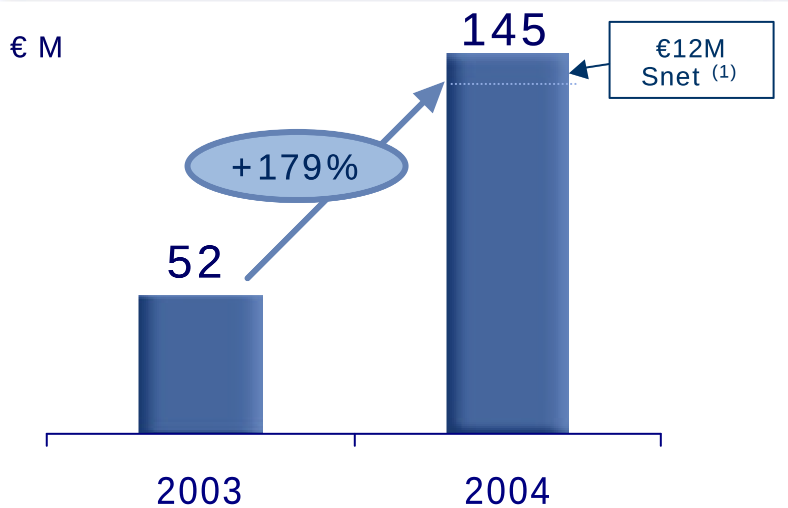
European EBIT: Strong Operating Performance

Endesa Europa

EBIT



Net Income



(1) Before 2004, Equity accounted

- Full consolidation of 65% of Snet from September 1st, 2004
- Reversal of provision for workforce reduction: €38 M (Net after minorities €22 M)

Recent Developments set Basis for Future Growth

€169 million stranded costs approved by EU to ENDESA Italia

Sale of stake in the Moroccan Lydec for €26 M. Net capital gains of €12 M

Sale of 5.3% of Endesa Italia to ASM Brescia for € 159 M.
Net capital gain of € 24 M
36.4% higher price than one paid by ENDESA

Strategic Priority in Europe: Focus on attractive markets guaranteeing access to future opportunities

2004 Results:

Endesa Latin America

Latin America: Main Drivers in 2004

Endesa Latin America

Generation +18.6% to 55.1 TWh	- Endesa Fortaleza (310 MW) and Ralco (690 MW) on stream. - EBIT +22.3% (+34.3% in USD)
Disco Sales +5.6% to 52.3 TWh	- Strong GDP and electricity demand growth > 5% in 2004 - Tariff Reviews for Ampla, Coelce, Codensa and Chilectra - EBIT +16.1% (+27.3% in USD)
Stronger financial position	- Debt reduced by €1,107 M in 04 (16.9%) - Lower net financial expenses in €89M (15.2%) - Improved rating

Strong growth in generation and energy sales

2004 Endesa Latin America Results

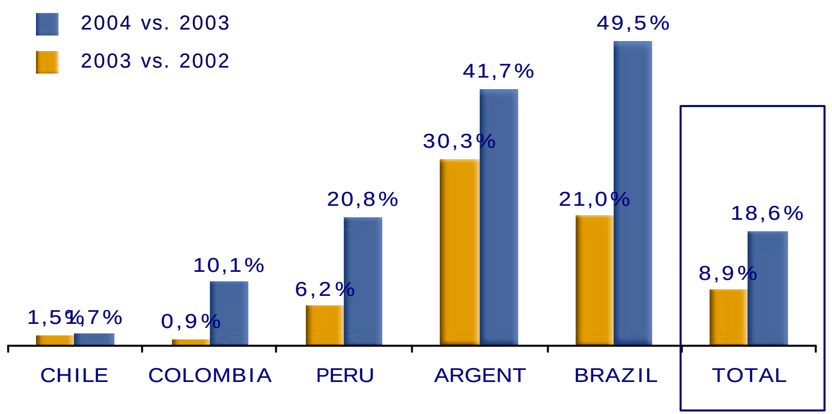
€M	2003	2004	% Change
Revenues	3,545	4,017	+13.3%
EBITDA	1,484	1,600	+7.8%
EBIT(1)	1,071	1,181	+10.3%
Net Financial Expenses	-586	-497	-15.2%
Net FX	276	-32	-111.6%
Net Extraordinaries	-100	108	+208.0%
Net Income (2)	84	270	+221.4%

(1) EBIT in US$ increase by 21.1% (2) Net Income without extraordinary results increased by 114%

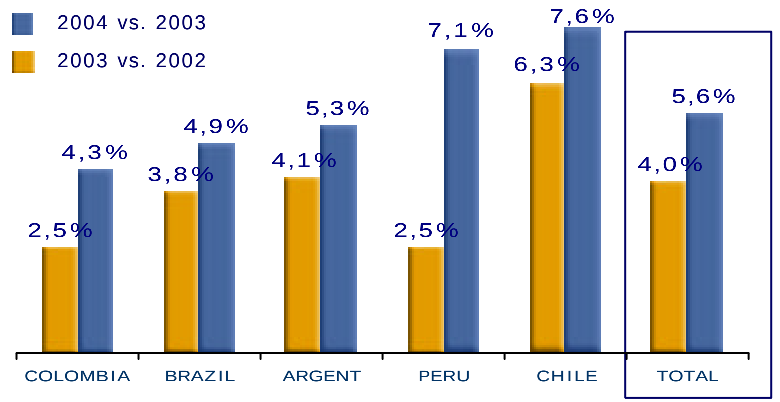
Latin America: New Generation Plants and Demand Recovery

Endesa Latin America

Energy Generation (%)



Energy sales: Distribution business (%)

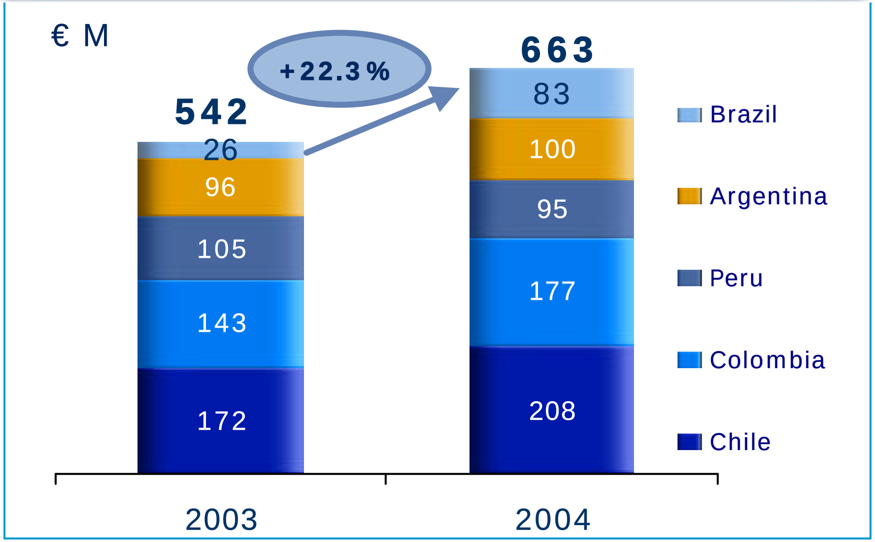


- Higher production to meet demand
- Brazil: Fortaleza CCGT operating since December 2003
- Chile: Ralco entry in September 04 offsets Canutillar sale
- New capacity in the pipeline (Etevensa gas conversion in Sep-04, CCGT in May-06)

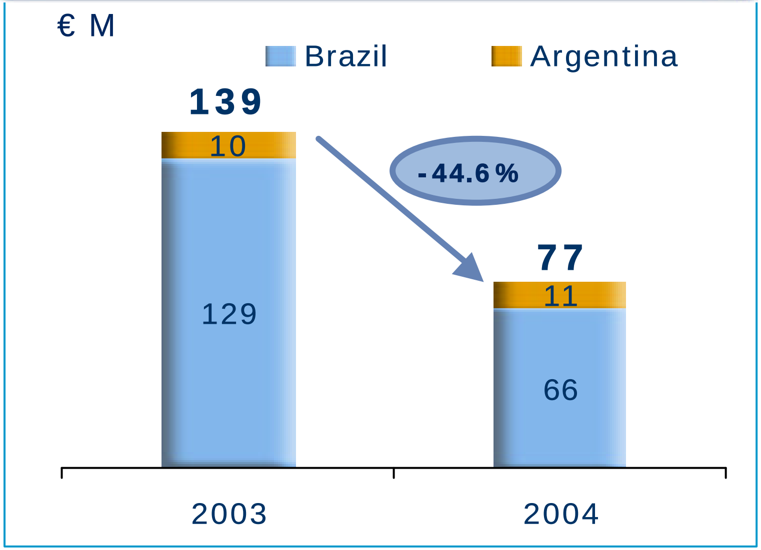
- Above historical long-term growth trend (+4.5% p.a. 1990-2000)

Generation EBIT +22%
Transmission EBIT -45%

EBIT - Generation



EBIT - Transmission

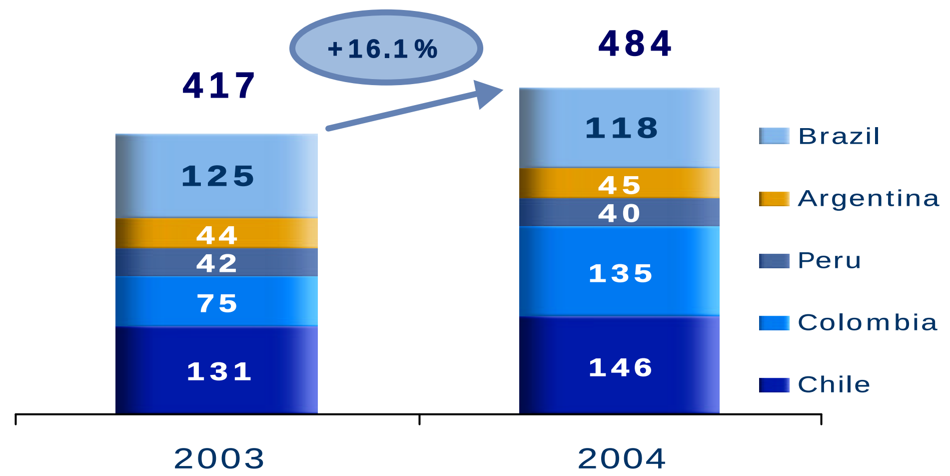


- EBIT +34.3% in USD
- EBIT boosted by 18.6% increase in output and wholesale prices (+5.6% growth in sales)
- Argentinean & Peruvian genco affected by higher fuel costs due to adverse hydro conditions

- EBIT – 38.9% in US$
- CIEN contribution dropped by €63 M due mainly to US$ depreciation and renegotiation of contract with Copel

Distribution EBIT +16%

EBIT - Distribution

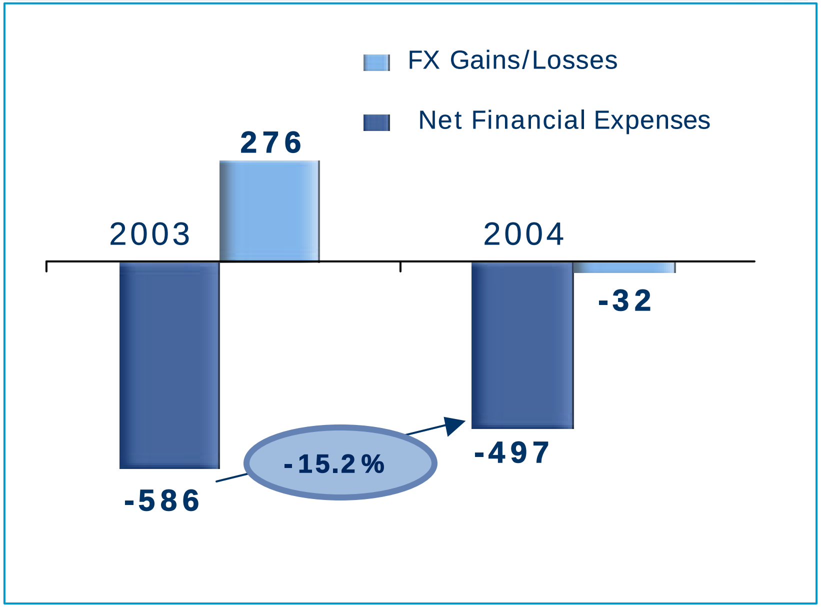


- EBIT +27.3% in US$
- Distribution business boosted by 5.6% higher sales and tariff increases.
- Colombia: Increase due to higher sales and tariff review.
- Brazil: Coelce affected by a temporary pass-through lag effect in energy purchases from Fortaleza, offsetting tariff increases. Ampla up (+€24M) despite same temporary pass-through lag effect.

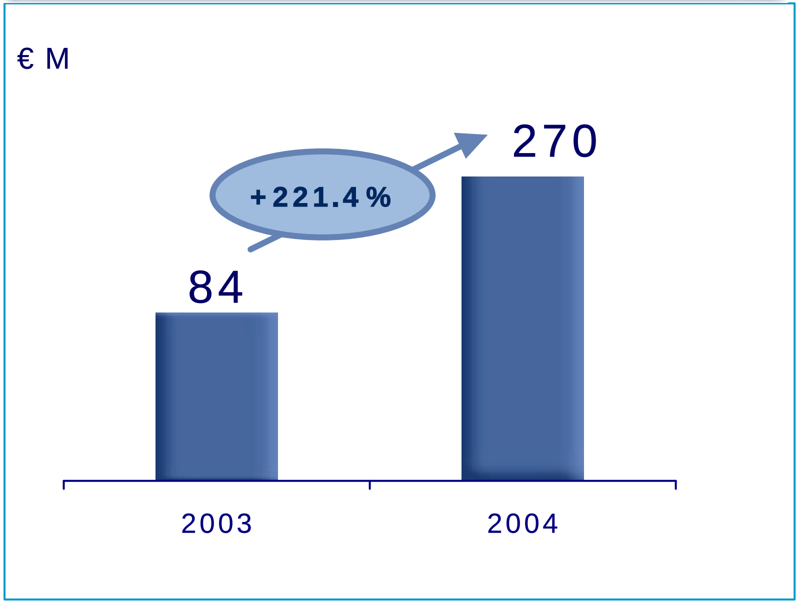
Financial Results & Net Income

Endesa Latin America

Net Financial Expenses and FX



Net Income



- Substantial decrease in Financial Expenses due to debt reduction
- Less volatility in FX through the hedge between debt currencies and cash flows.

- Substantial growth in net income of +221% to €270 M (+114% to €180 M not considering extraordinary results).

Strategic Priority: Guarantee an attractive and sustainable position in Latin America, capturing organic growth and reducing risk profile

2004 Results:

Telecoms

Telecoms: Positive Contribution from both Auna and Smartcom

€ M

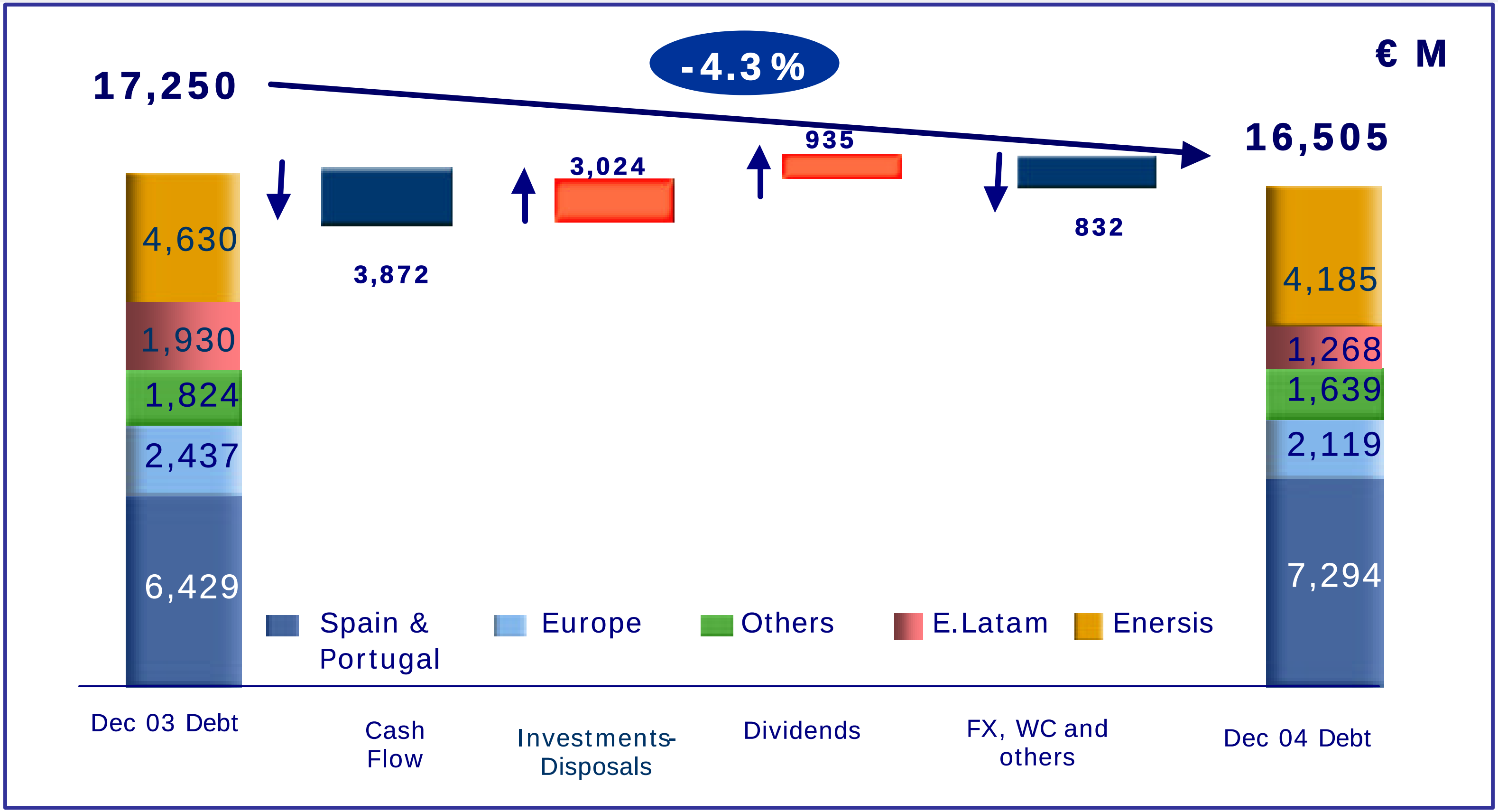
	2003	2004	% Var.
Grupo auna			
Revenues	**3,815**	**4,243**	**+11%**
EBITDA	**923**	**1,140**	**+24%**
Equity Income Contrib. to Endesa (32.7%)	**-16**	**10**	**n.a.**
amena			
Revenues	2,669	3,133	+17%
EBITDA	769	1,001	+30%
Customers ('000)	8,161	9,275	+14%
auna TLC			
Revenues	1,049	1,160	+11%
EBITDA	124	160	+29%
Customers ('000)	666	880	+32%

SMARTCOM	2003	2004	% Var.
Revenues	171	181	6%
EBITDA	25	35	41%
Equity Income Contrib. to Endesa (100%)	-34	10	n.a.
Customers ('000)	1,169	1,539	32%

2004 Results:

Financial Review

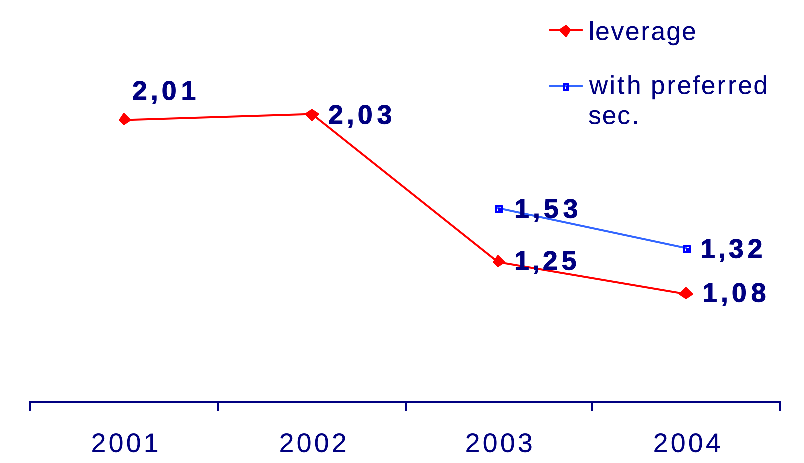
Lower Consolidated Debt Driven by Higher Cash Surplus and FX



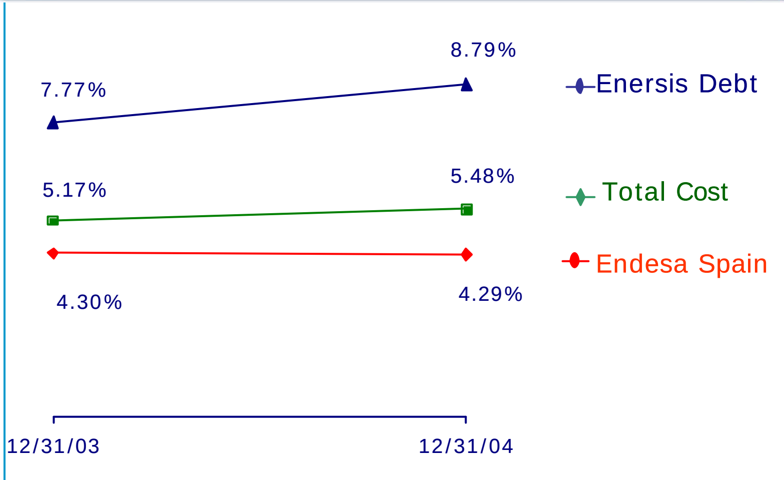
- Debt was reduced in Latin American and European business by 17% and 13%
- 34% Total reduction from peak

Leverage and Cost of Debt

Evolution of leverage



Cost of Debt

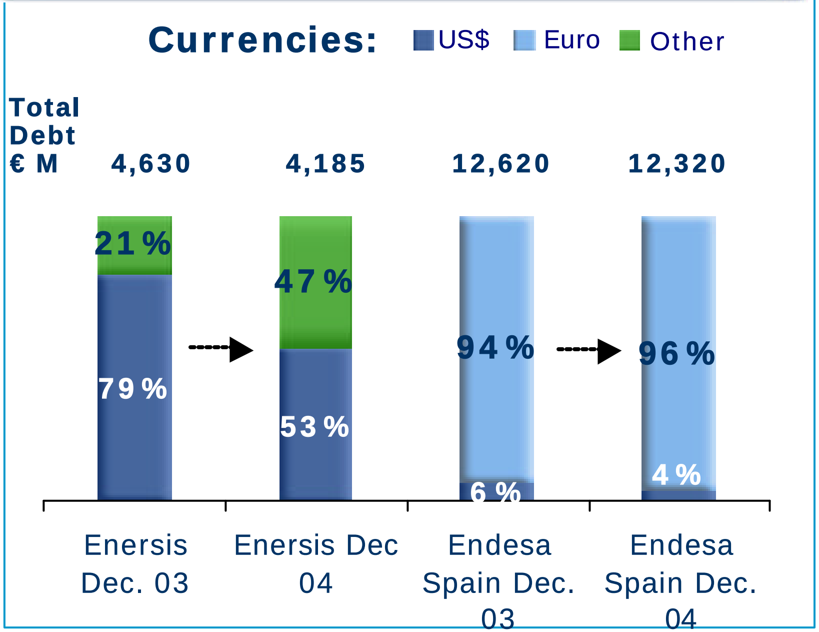


Financial strategic drivers

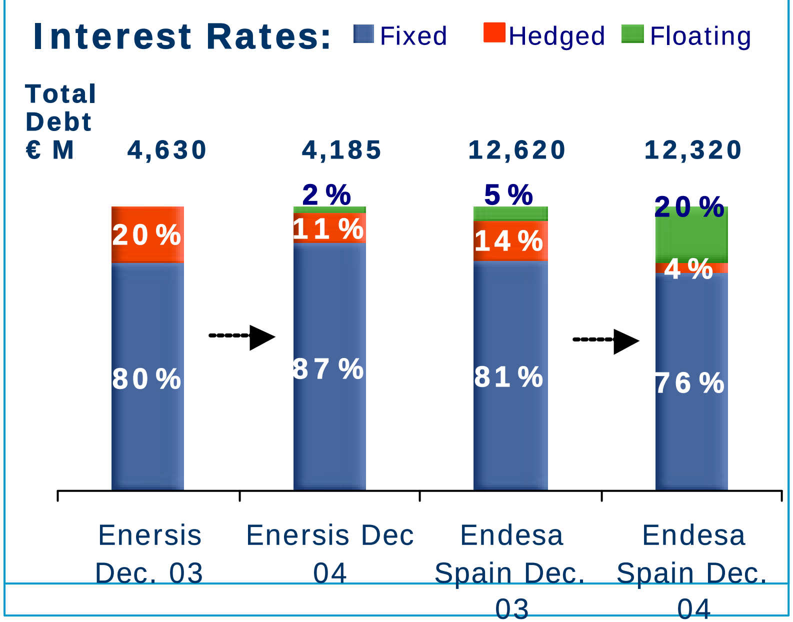
- Improved Rating
- Higher cost of debt in LatAm due to:
  - Increase in local currencies debt and in fixed debt
  - Renegotiations fees
- EBITDA Interest cover 4.9x up from 4.6 as of year 2003

Debt structure: currency and interest rate hedge

Hedging FX risk

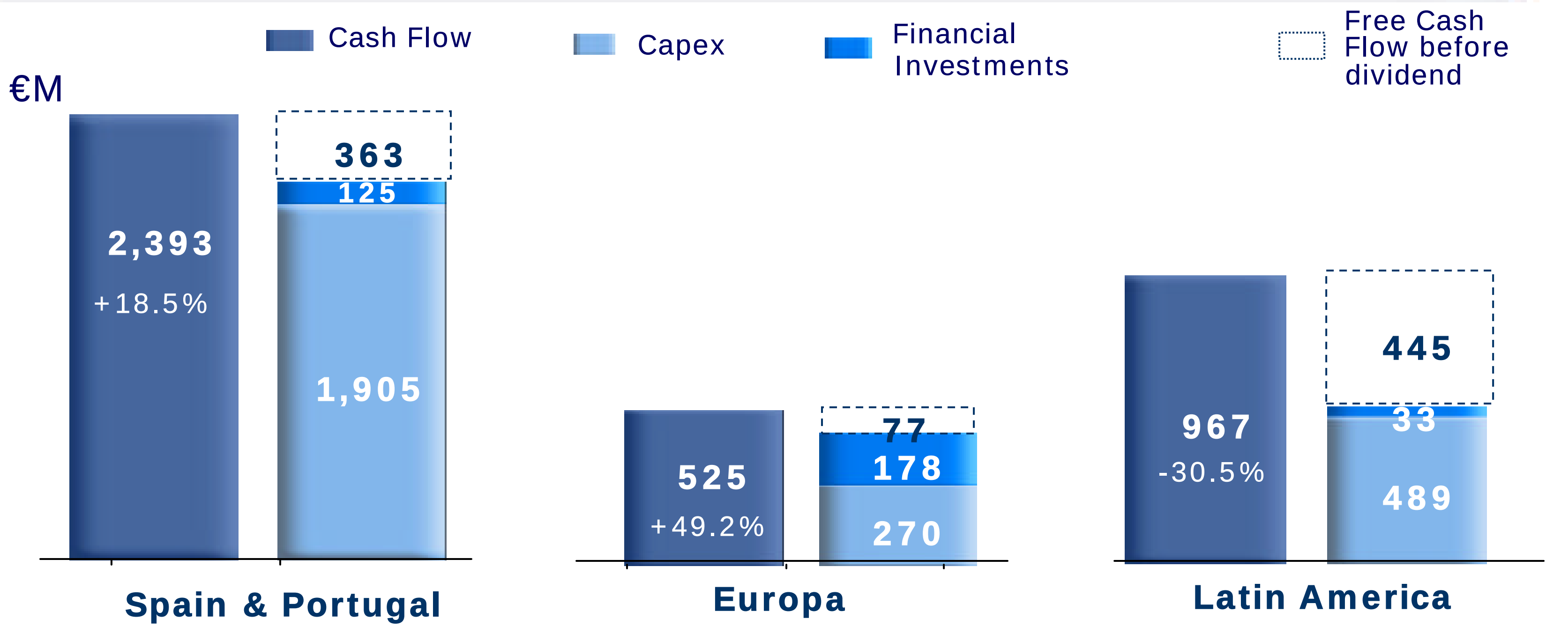


Debt protected against Interest Rate



- Cash flow hedge strategy links debt currencies and revenues
- Liquidity of ENDESA in Spain of €4,046 M (€2,732 M undrawn credit lines) covering maturities for next 17 months.
- Liquidity of Enersis of €695 M, covering debt maturities for the next 17 months

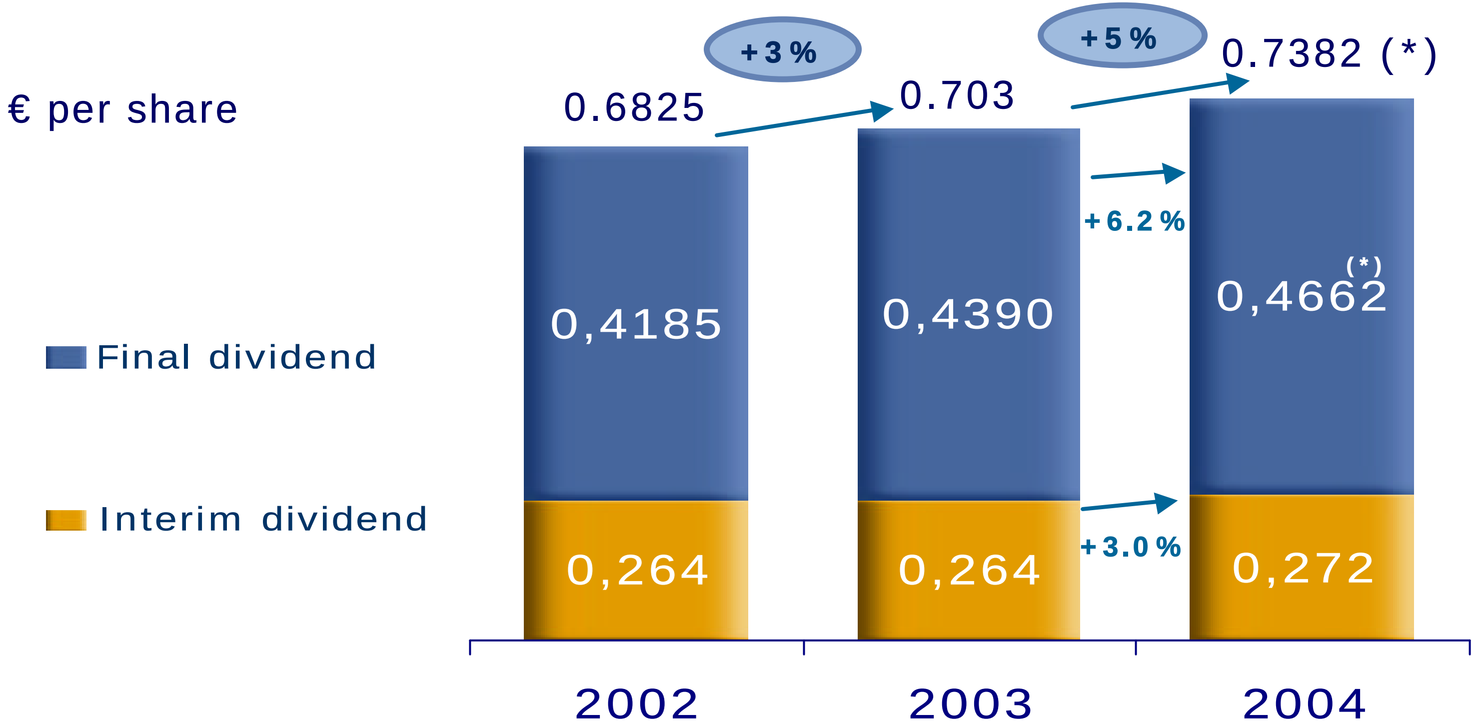
Cash Flow and Investments



- **Financial investments (€785 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 €374 M:** sale of 11.64% stake in Aguas de Barcelona, NETCO Redes shareholding, Senda Ambiental and Enditel subsidiaries

endesa

2004 Final dividend announced



- Final dividend up to €0.4662 per share, +6.2%. To be paid on July 1st, 2005.
- 2004 Pay-out at 56.7% (estimated)
- Total dividend growth in line with FY Net Income growth

(*) To be approved by the AGM

2005: Expected Developments in Regulation

Islands	Completion of new regulation
Distribution	New Remuneration Model to be implemented in 2006
White Paper	Wholesale market review
Pool operation	Implementation of 2004 RD

Summary

Overall positive evolution in 2004, due to balance business portfolio despite weak 4th quarter in Spain

Solid growth in generation and energy sales in all businesses

Improved quality of results and sound financial position

Dividend: Sustainable increase

Outlook for the future

Sustain our #1 position in the Iberian Peninsula

Exploit European growth opportunities associated with our current platforms

Leverage Latinamerican recovery to significantly increase the region contribution to the Company's results

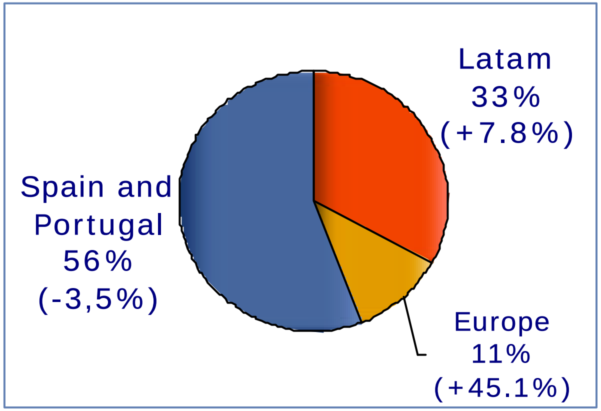
Capture Telecoms upside

Positive outlook for growth in earnings and dividends

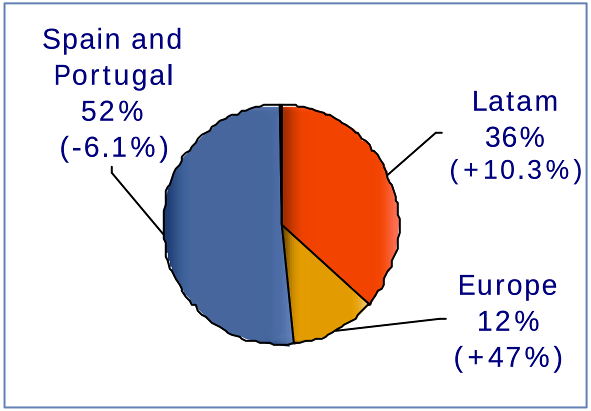
Appendix

Diversified portfolio delivers steady growth

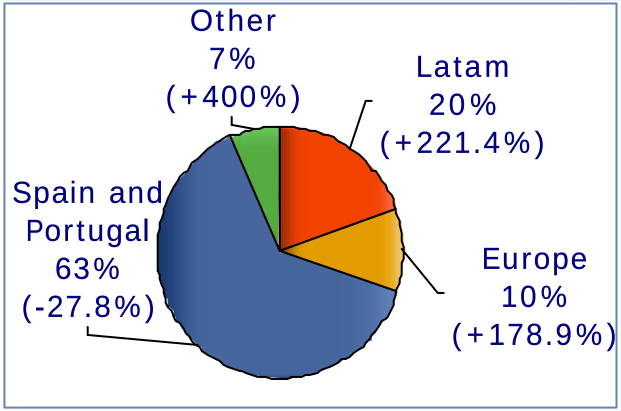
EBITDA: €4,885 M, +2.8%



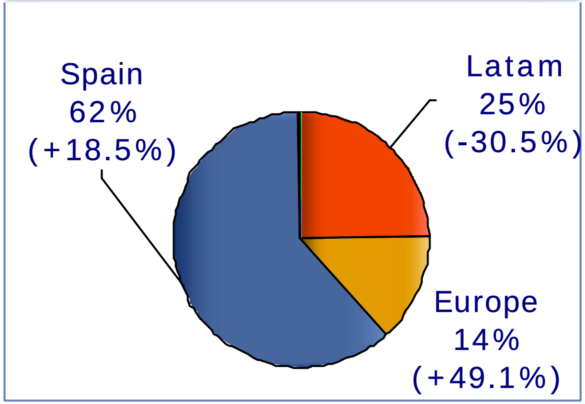
EBIT: €3,242 M, +3.1%



Net Income: €1,379 M, +5.1%



Cash Flow: €3,872 M, +1.5%

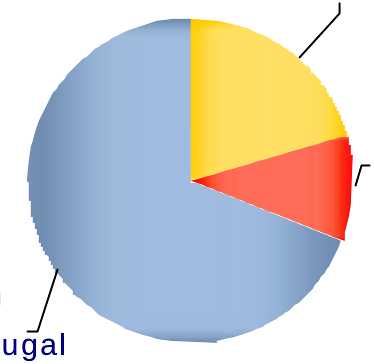


Note figures in brackets explain variations between FY04 and FY03

5-year Investment Plan

€ bn	2005	2005-09
Spain and Portugal	**2.4**	**10.3**
New capacity	1.0	4.6
Maintenance capex	1.4	5.7
European Business	**0.5**	**1.8**
New capacity	0.4	1.4
Maintenance capex	0.1	0.4
Latam Business	**0.5**	**2.5**
New capacity	0.1	0.5
Maintenance capex	0.4	2.0
Telecoms	**0.0**	**0**
TOTAL	**3.4**	**14.6**

Total Investment Plan: €14.6 bn (1)



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

Fuel Contracted In Current Scenario of High Commodities Prices

Cost in €/MWh

Mainland

	2004 Mt	2004 % contracted	2004 Cost	2005 (3) Mt	2005 (3) % contracted	2005 (3) Cost
Imported Coal	9.42	100%	15.30	9.21	72%	20.6
Domestic Coal [1]	10.96	100%	18.21	10.20	100%	19.6
Gas *(bmc)*[2]	1.36	100%	26.31	1.39	59%	27.6

Islands

	2004 Mt	2004 % contracted	2005 (3) Mt	2005 (3) % contracted
Imported Coal	1.40	100%	1.30	57%
Fuel	2.64	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 December

Definitive CO_2 allocation for 2005-07

Mt CO_2/year

MAINLAND	Expected emissions (1)	Allocation	% of rights allocations vs. needs	Proposal Allocation
Endesa	36,8	27,7	75%	34,1
Iberdrola	10,2	12,4	121%	8,9
U.Fenosa	15,4	12,5	81%	14,2
Hidrocantabrico	12,7	10,4	82%	11,9
Other	7,4	13,6	184%	7,4
Total	**82,5**	**76,5**	**93%**	**76,5**
ISLANDS	**11,5**	**11,5**	**100%**	**11,5**
TOTAL SPAIN	**94,0**	**88,0**	**94%**	**88,0**

The NAP for Individual Generation Facilities Includes some of ENDESA'S Allegations

This Allocation Endorses ENDESA'S Strategic Plan for Future Generation Investments

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

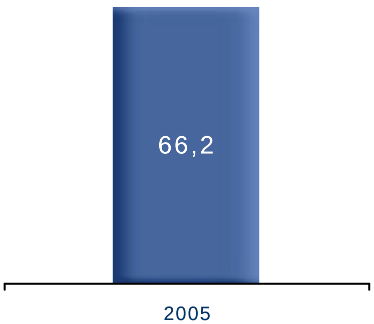
(1) According to economic optimal

CO2 allocation: Coal generation will remain competitive

under expected fuel and emission rights prices

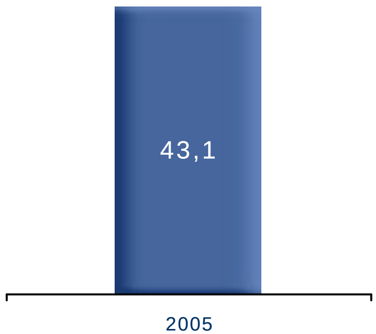
Coal Price [a]

$/t



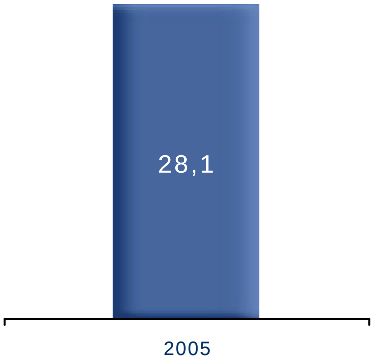
Oil Price [b]

$/ barrel



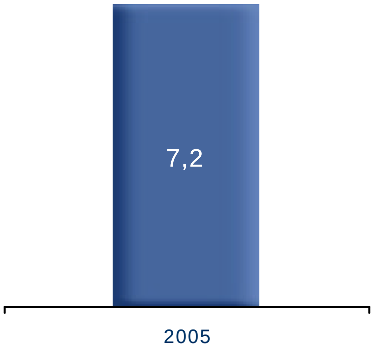
Gas Price [c]

€/MWh

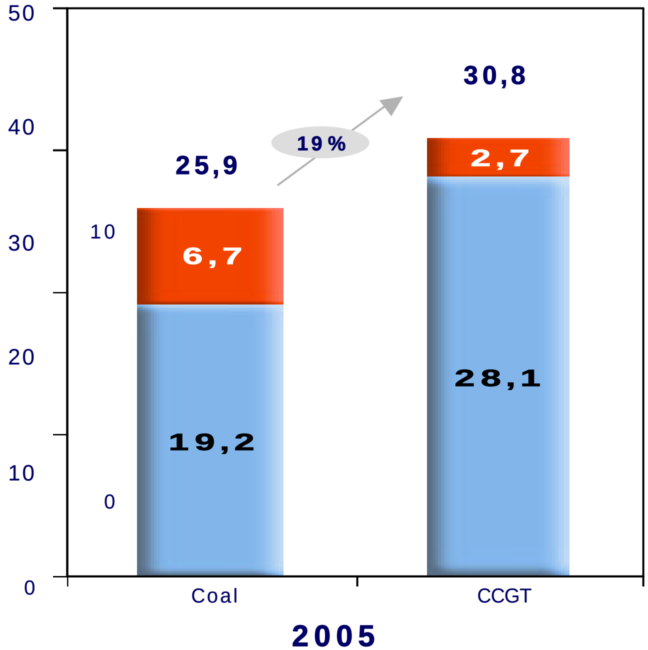


Emission Rights Price [d]

€/CO_2t



Variable Generation Cost (€/MWh)



Sources:

a) TSF API # 2 (09-02-04)

b) Morgan Stanley Brent Marks (09-02-04)

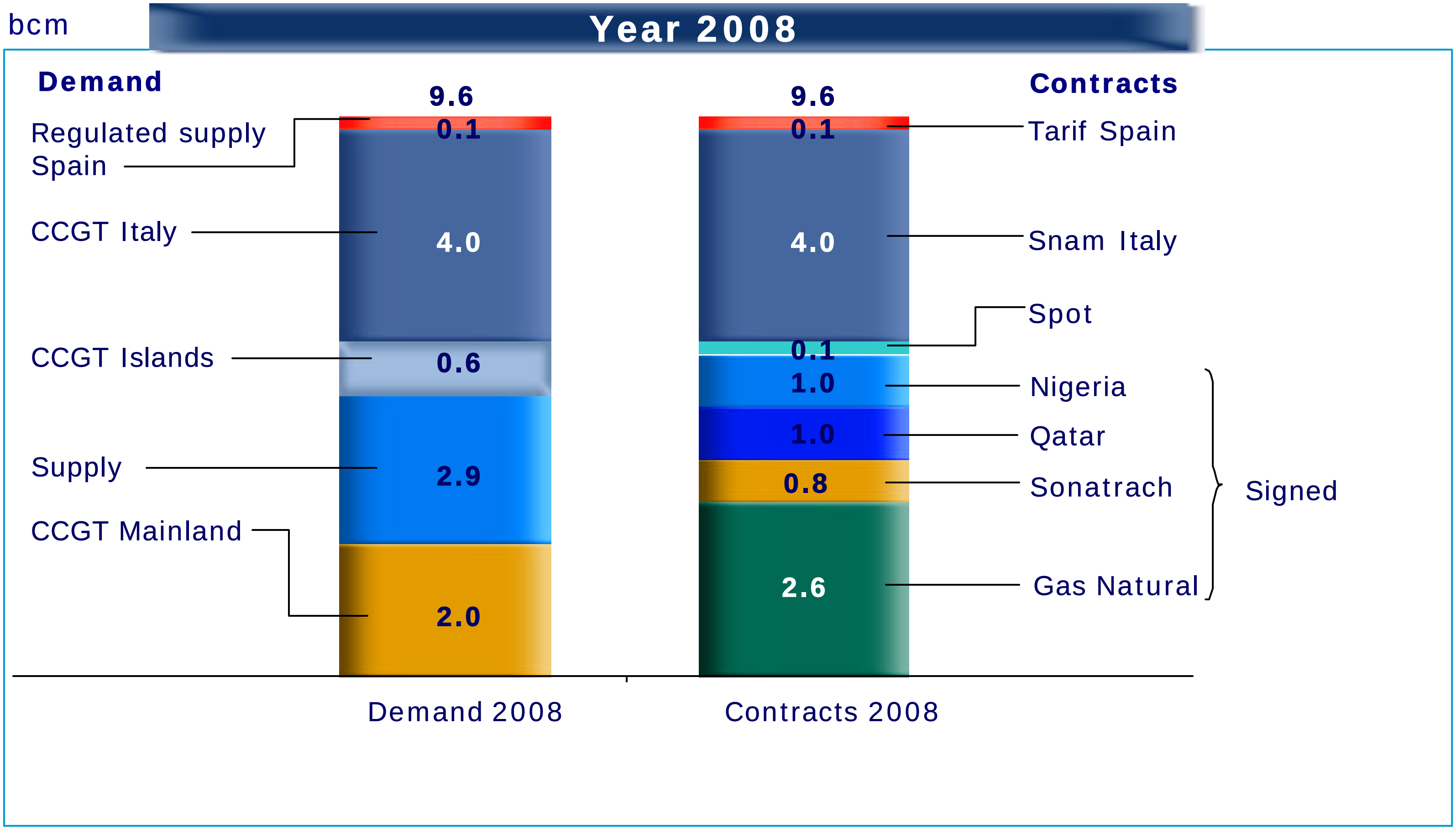
c) Oil indexation formula of gas contracts and TPA cost for a CCGT

d) Point Carbon (09-02-04)

Gas: Building a Flexible and Sufficient Sourcing Portfolio

Spain

Gm³ - bcm



Strategy in gas contracts based on diversification of sourcing and flexible conditions

Endesa's agenda for applying IAS

- **Retrospective communication** of IAS figures to the market before AGM:
  - Quarterly P&L for 2004,
  - BS year-end 2003 - 2004,
  - Quarterly Changes in Net Equity for 2004

✓ **Full transition** to financial reporting using IAS:

1Q 05

- **Guidance** to the investment community

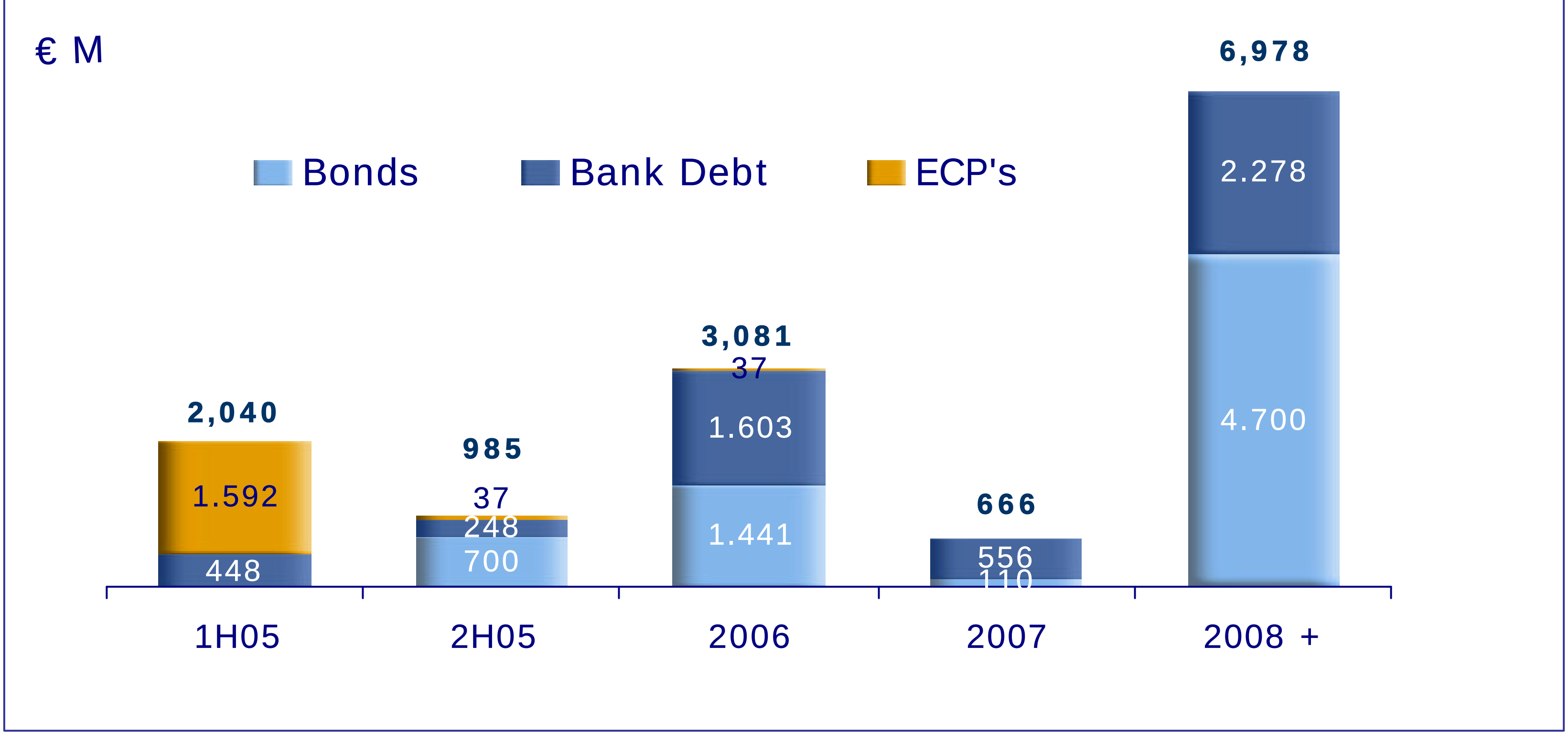
Guidance was provided at analysts' presentation on June 3rd 2004 available on Endesa's website

CTC Recovery Reflects Different Pool Prices per Agent

	Average price 98-03 of power stations included for CTC calculation	Initial CTCs recovered at 12-31-04 (%)	Pending amounts at 12-31-04 (€M)
Viesgo	51,7	100%	0
IBERDROLA	40,3	69%	907
UNION FENOSA	38,1	51%	680
endesa	36,6	50%	2,550
HidroCantábrico	36,4	48%	322
ELCOGAS	34,8	44%	255

Endesa Spain Debt Maturity (1)

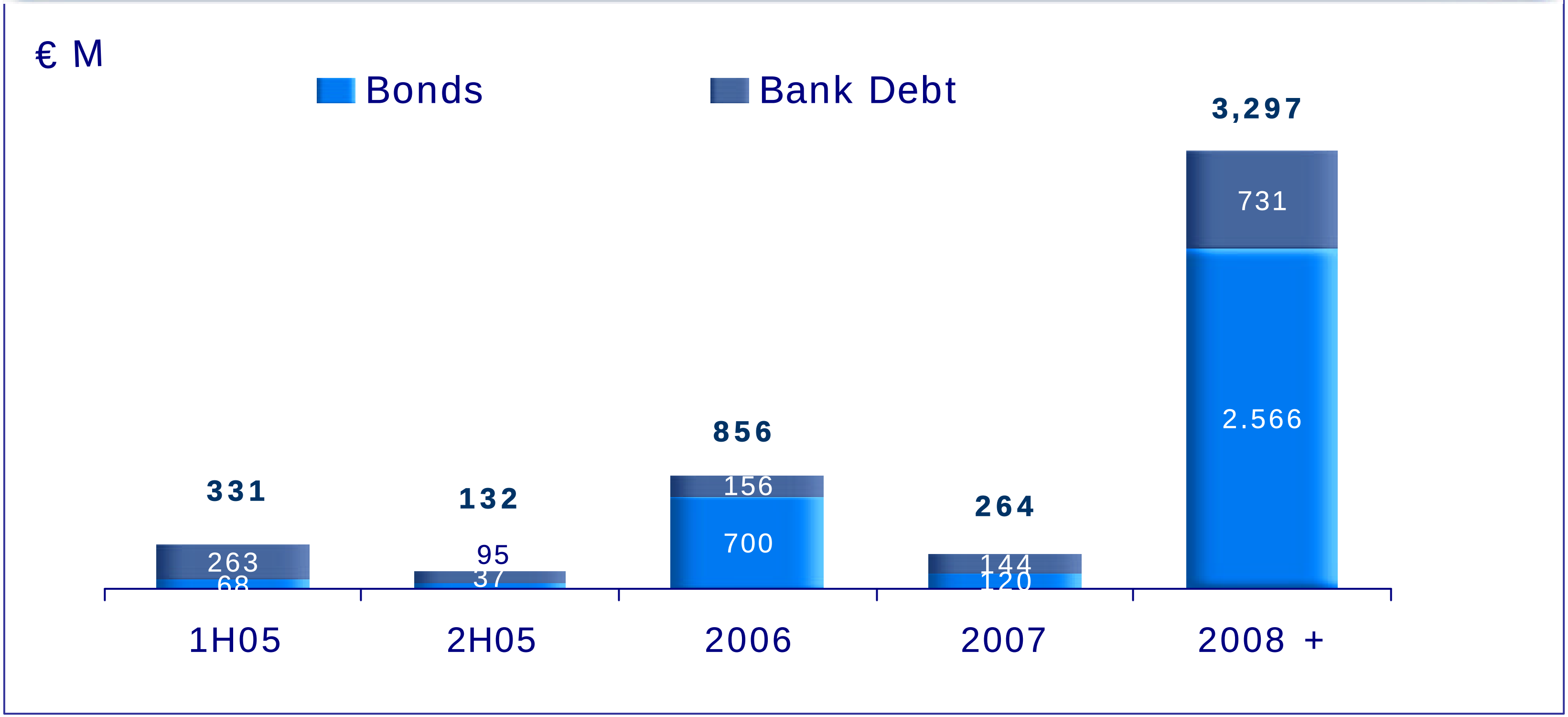
Total outstanding gross debt € 13,750 M as of Dec 04



(1) Endesa's debt ex-Enersis

Enersis Debt Maturity

Total outstanding gross debt € 4,880 M as of Dec 04



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; anticipated increases in wind and CCGTs generation and market share; expected increases in demand for gas and gas sourcing; management strategy and goals; estimated cost reductions; tariffs and pricing structure; estimated capital expenditures and other investments; expected asset disposals; estimated increases in capacity and output and changes in capacity mix; repowering of capacity 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. Any delays in or failure to obtain necessary regulatory approvals, including environmental to construct new facilities; shortages or changes in the price of equipment, materials or labor; opposition of political and ethnic groups; adverse changes in the political and regulatory environment in the countries where we and our related companies operate; adverse weather conditions, which may delay the completion of power plants or substations, or natural disasters, accidents or other unforeseen events; and the inability to obtain financing at rates that are satisfactory to us.

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

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.

2004
Financial Results

February 14th 2005