2002 First Half Results

July 23rd, 2002

The Quarter at a Glance

- **Domestic Business:**
  - Tariff shortfall continues. Still negatively affected by higher fuel costs.
  - Continuing reduction of Personnel Expenses
- **Europe:**
  - Performing according to plan, results affected by seasonality in remuneration.
- **Latin America:**
  - Strong improvement in EBIT mainly driven by generation in Chile and distribution in Brazil, despite devaluation in local currencies.
- **Financial aspects**:
  - Debt reduced by Eur 1,460 million in the quarter

Highlights for 1H2002

Euro million

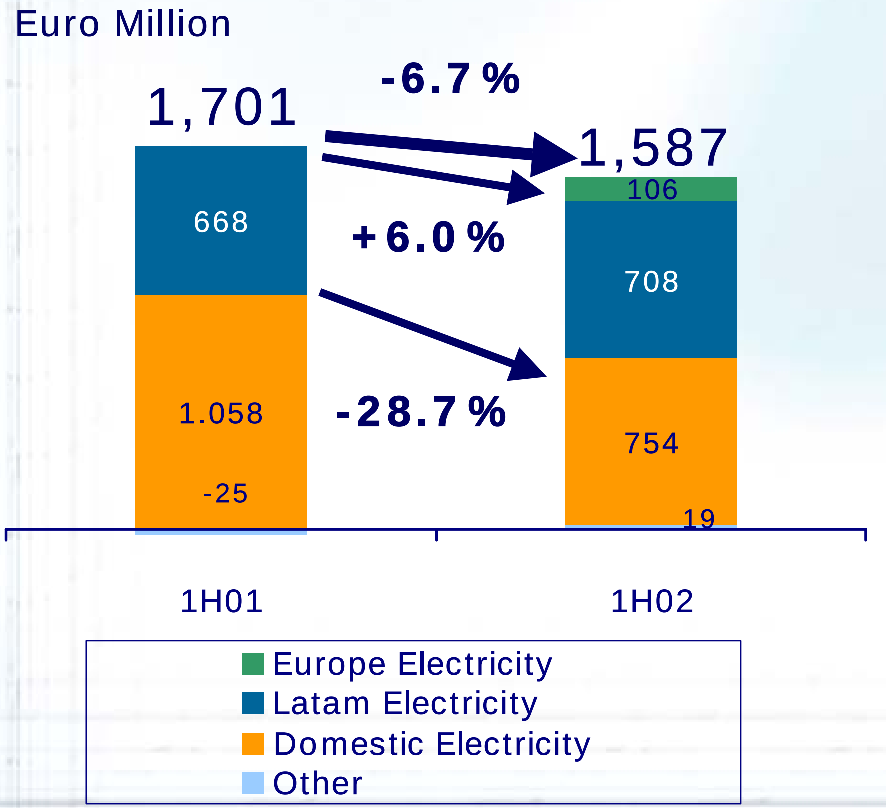
CONSOLIDATED RESULTS	1H 2002	1H 2001	Change (%)
Revenues	8,496	7,601	+11.8%
EBITDA	2,460	2,598	-5.3%
EBIT	1,587	1,701	-6.7%
Net Income	837	757	+10.6%
EPS	0.79	0.71	+10.6%
Employees	26,456	27,952	-5.4%

BREAKDOWN BY LINE OF BUSINESS	DOMESTIC ELECTR.	EUROPE ELECTR.	LATAM ELECTR.	OTHER BUSINESSES
Sales	5,217	774	2,123	107
EBIT	754	106	708	19
Ordinary Income	537	42	-419	-136
Net Income	1,170	10	-265	-78
Employees	13,630	1,312	10,955	559

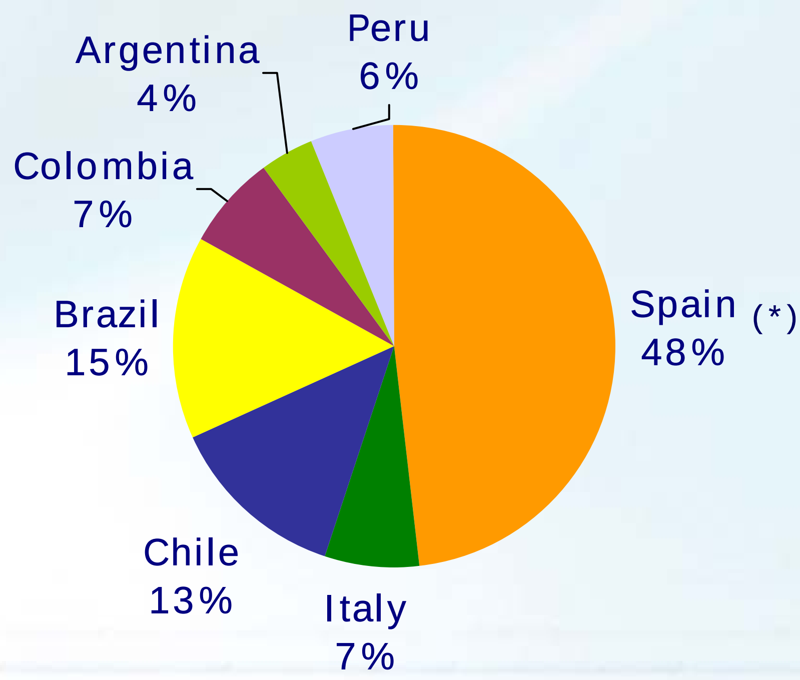
Consolidated EBIT 1H2002

- 6.7% EBIT decrease (-2% in 2Q) from lower domestic EBIT due to tariff shortfall, higher fuel cost and sale of Viesgo. Partially offset by good performance in Latin America.
- Domestic EBIT represents 48% of total EBIT, 66% proportionally consolidated.

EBIT BY DIVISION

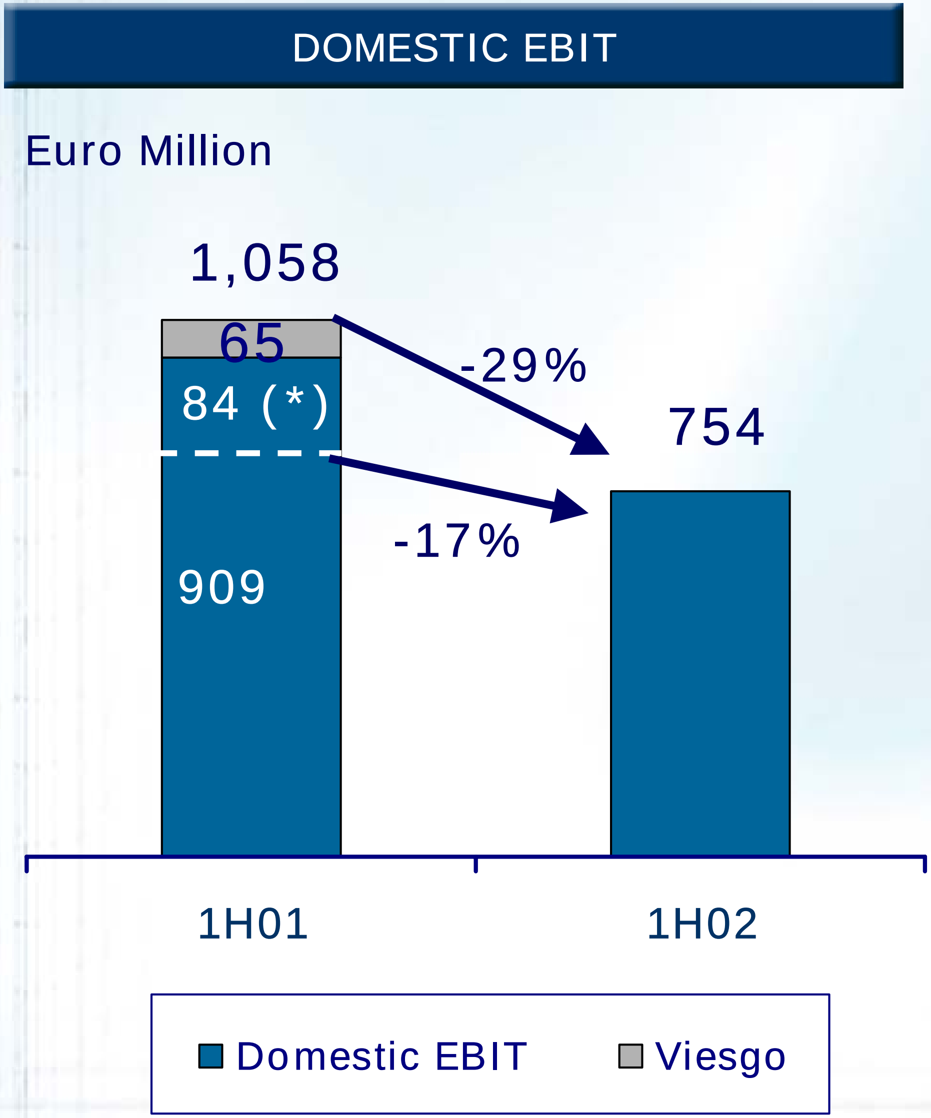


EBIT BY COUNTRY (%)



(*) 66% Proportionally consolidated

Domestic Business EBIT 1H2002

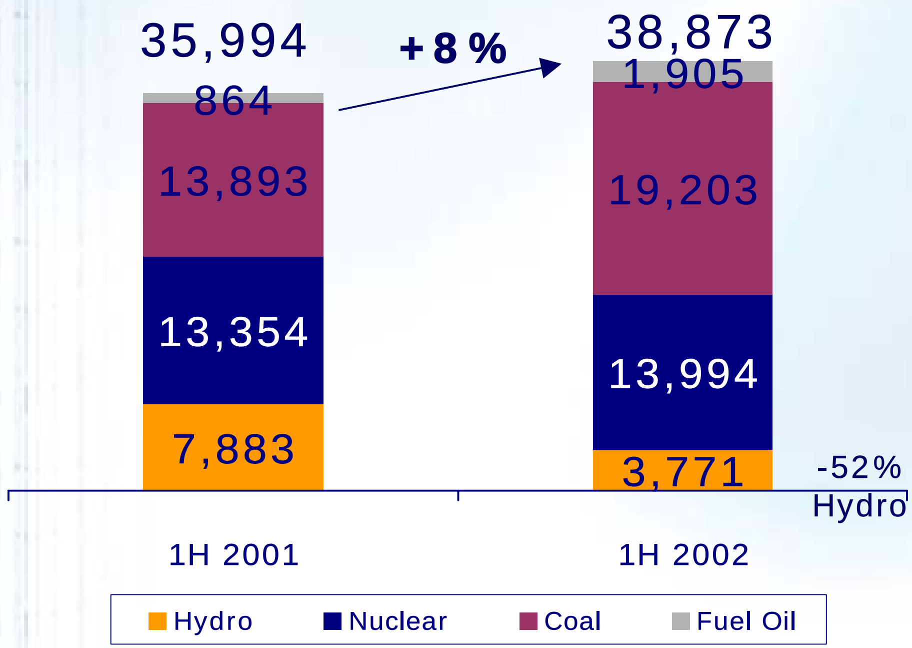


- Domestic EBIT -29%.
- Underlying EBIT -17%, adjusted for the sale of Viesgo (Eur 65M), island compensation (Eur 50 M) and re-settlements (Eur 34 M)

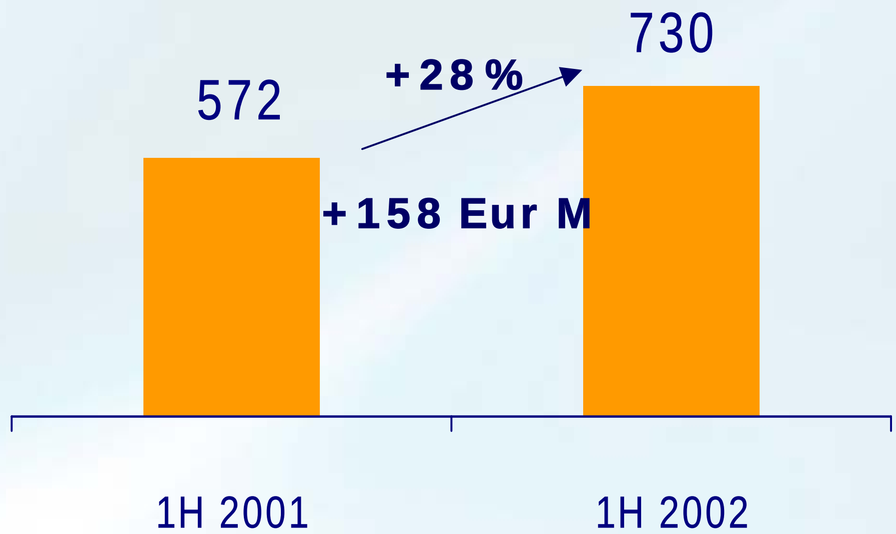
(*) Islands compensations +previous years tariff re-settlements

Domestic Business: Lower hydro has resulted in higher fuel costs but improved Endesa´s relative position in the industry

GENERATION MIX (GWh)



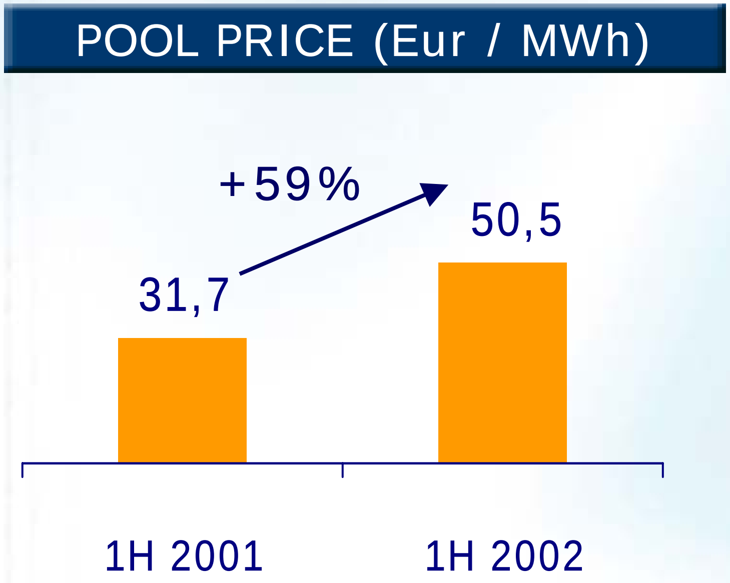
FUEL COST (Eur Million)

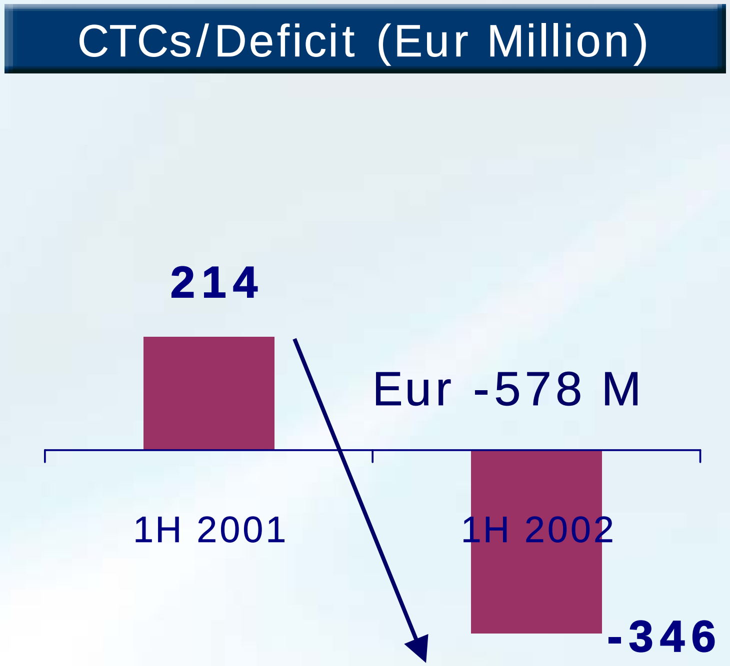


Note: 1H 2001 Data excluding Viesgo

- Endesa is the least affected company in the industry by the change in hydro conditions
    - Endesa has increase its market share in the hydro generation from 27% to 37%
    - Endesa's share in Oil&Gas generation down from 28% to 20%
- Endesa has the highest generation margin in the industry in 1H02

Domestic Business: Tariff cap has prevented ENDESA from fully reflecting higher pool prices in revenues





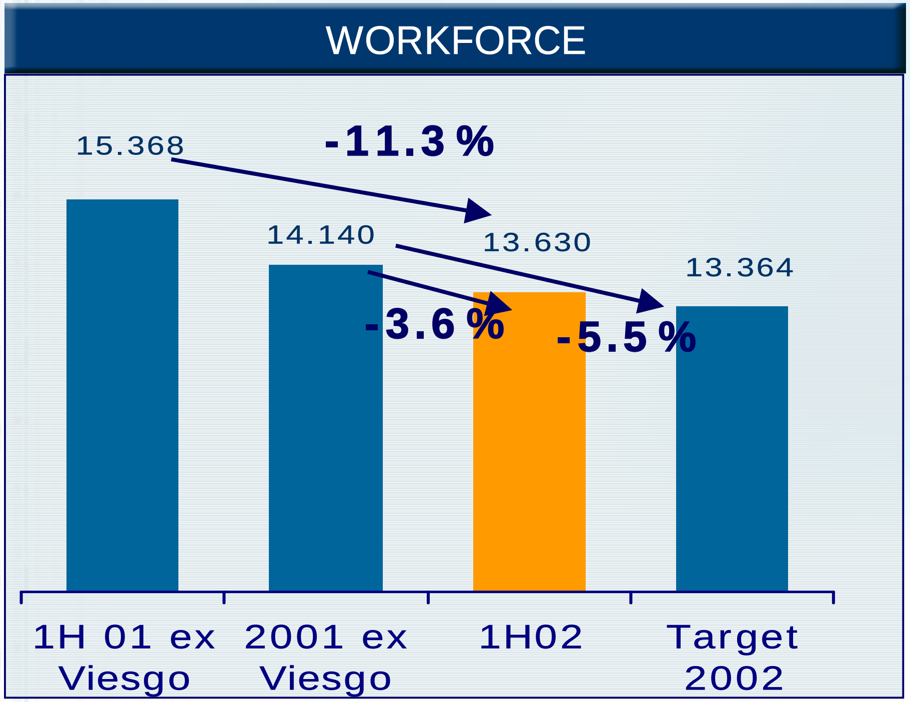
- Eur 824 M higher generation revenues partially offset by Eur 588 M lower CTCs

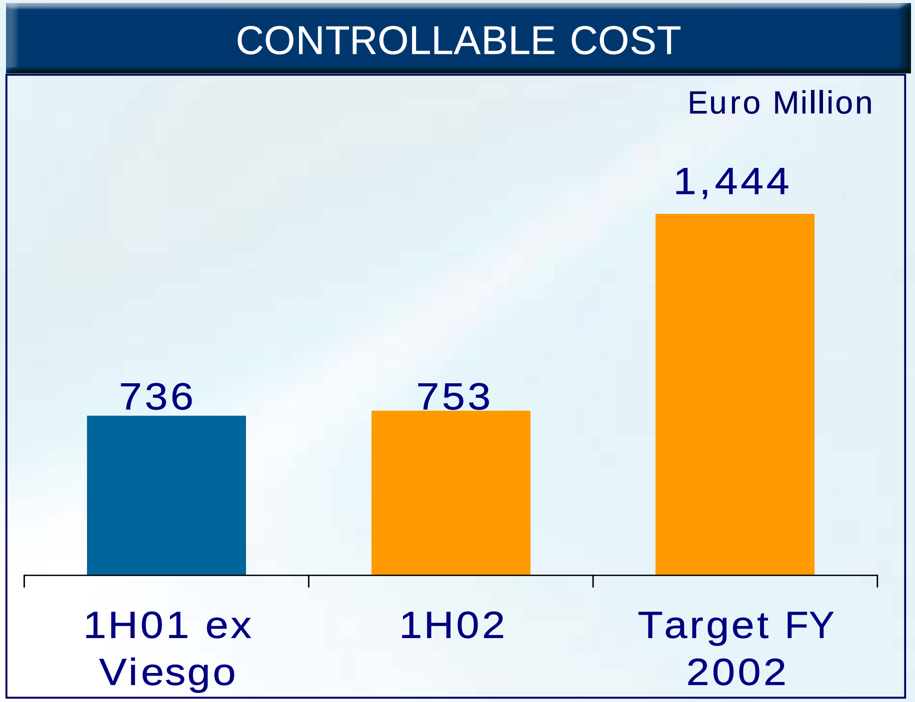
Note: 1H 2001 Data excluding Viesgo

Domestic Business
Controllable Cost Reduction 1H2002

- Personnel Expenses down by 2.6%, -5.3% in 2Q2002
- Headcount –11.3% YoY ex Viesgo

- Controllable costs in line with plan
- -1.1% in real terms

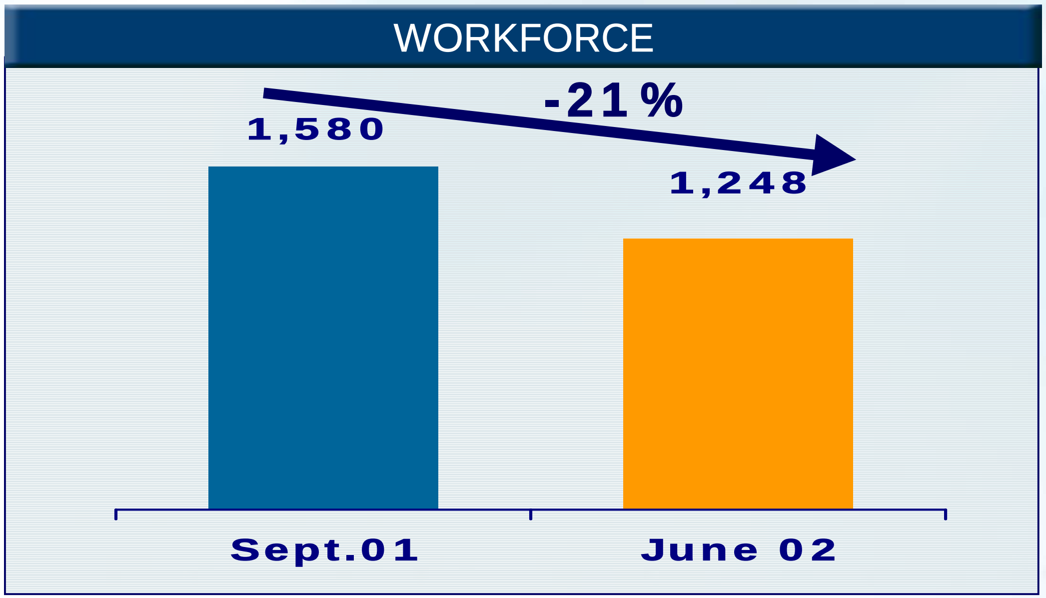




- Generation & Supply EBIT ex-Viesgo decreased by 21% to Eur 441 M, negatively affected after Eur 158 M higher fuel cost and negative CTCs.

Endesa Italia:
Performance continues in line with business plan

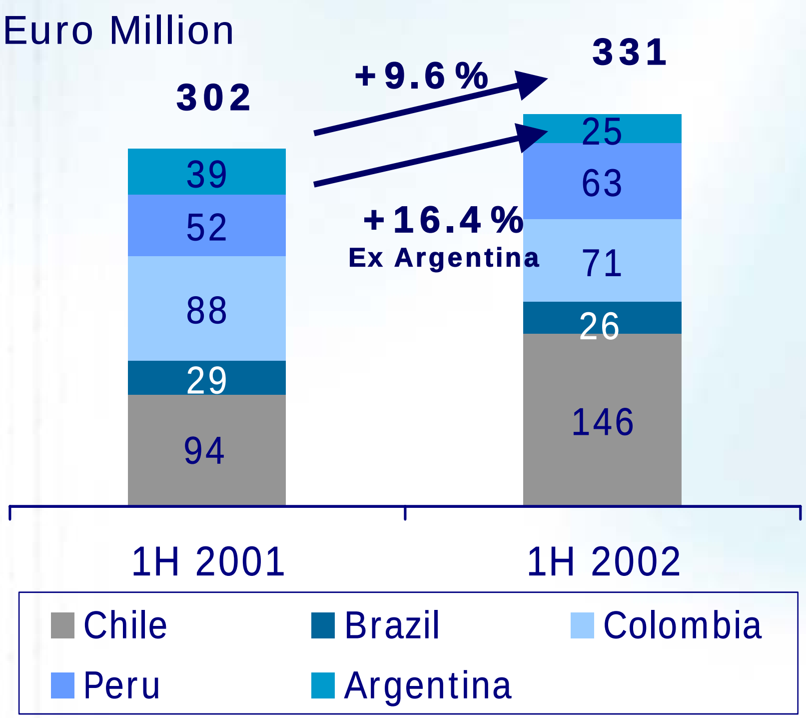
- 1H02 EBIT: Eur 106 M affected by seasonality in revenues and lower hydro
- Repowering of Tavazzano authorized with an increase of 320MW over initial plan
- Hydro penalty: Eur 10 Million
- Total output: 9,107 GWh, +21%



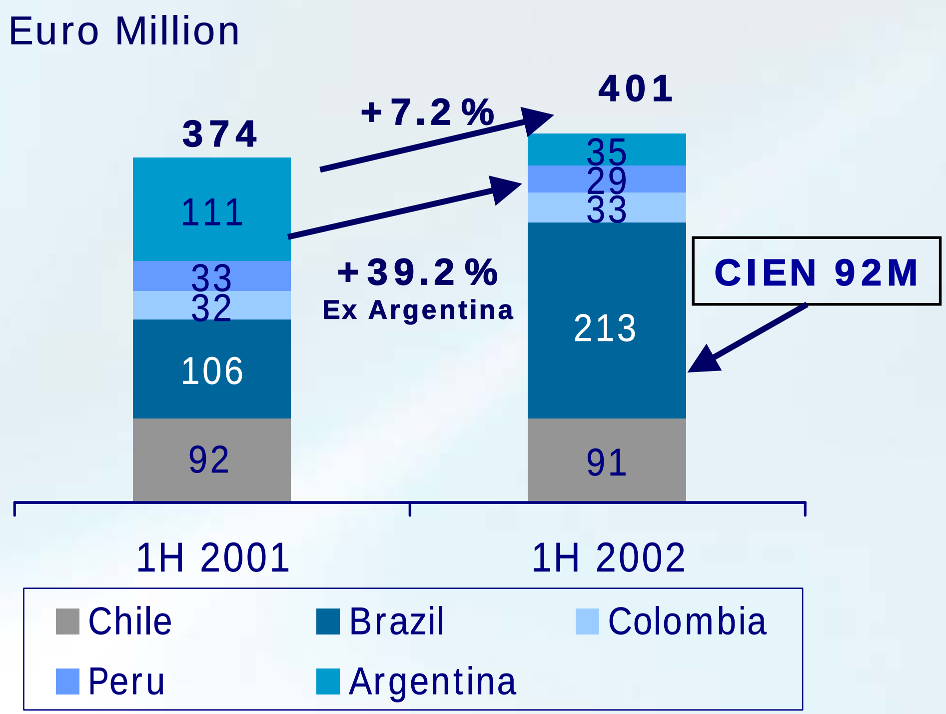
Workforce reduction by 21% since takeover to 1,248

Latin America: EBIT Breakdown 1H 2002

EBIT – GENERATION



EBIT – DISTRIBUTION

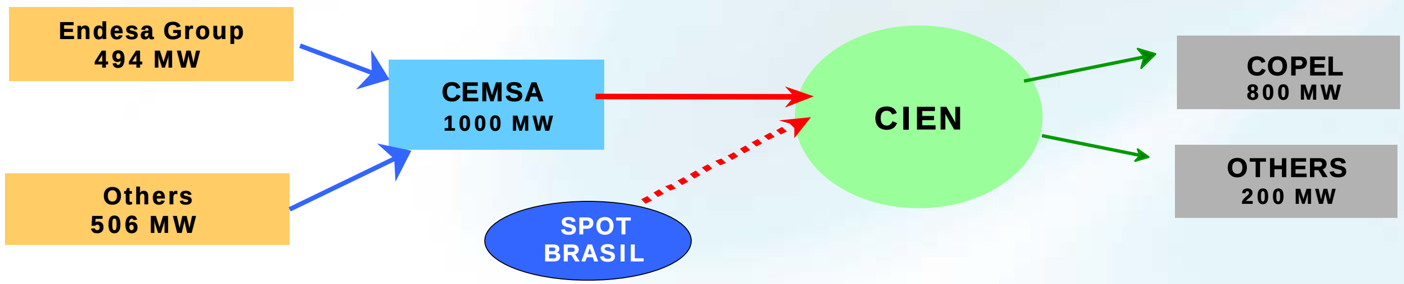


Total EBIT +6% to Eur 708 M
+25% ex Argentina
+31% adjusted ex devaluations

Latin America
Brazil: CIEN fully operational in 1H02

- CIEN: 2,100 MW electricity interconnection Brazil-Argentina in US$ (equivalent to 67% of Endesa's thermal capacity in Argentina)
- Line II became operational under "take or pay" basis

CIEN II: Scheme of second 1,000 MW business



Line 2 operates with a take or pay contract. COPEL always buys energy and capacity to CIEN, and CIEN arbitrates how to supply contracts according to Brazil spot price level.

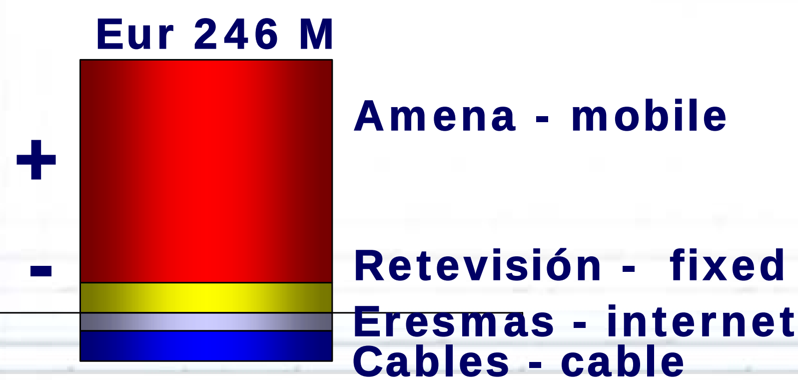
Endesa's unique portfolio in the region allows to balance country risks and take advantage of price differences.

Telecommunications: Financial Performance in 1H 2002

- **AUNA:**
  - AUNA reached Eur 246 M EBITDA, exceeding its business plan
  - AMENA's net income of Eur 42 M up from Eur 76 M loss in 1H 01. Clients up by 33% to 5.8 million
- **SmartCom:**
  - EBITDA Euro – 0.74 M vs Eur – 13.7 M
  - Clients: 720,000, increased by 88% over 1H01

- **Latest events:**
  - Sale of Eresmas ISP
  - Closure of Quiero TV broadcasts as of June 30
  - Merger of fixed telephony and cables
  - Other sales in the pipeline will reduce equity contribution from shareholders

AUNA 1H02 EBITDA Breakdown



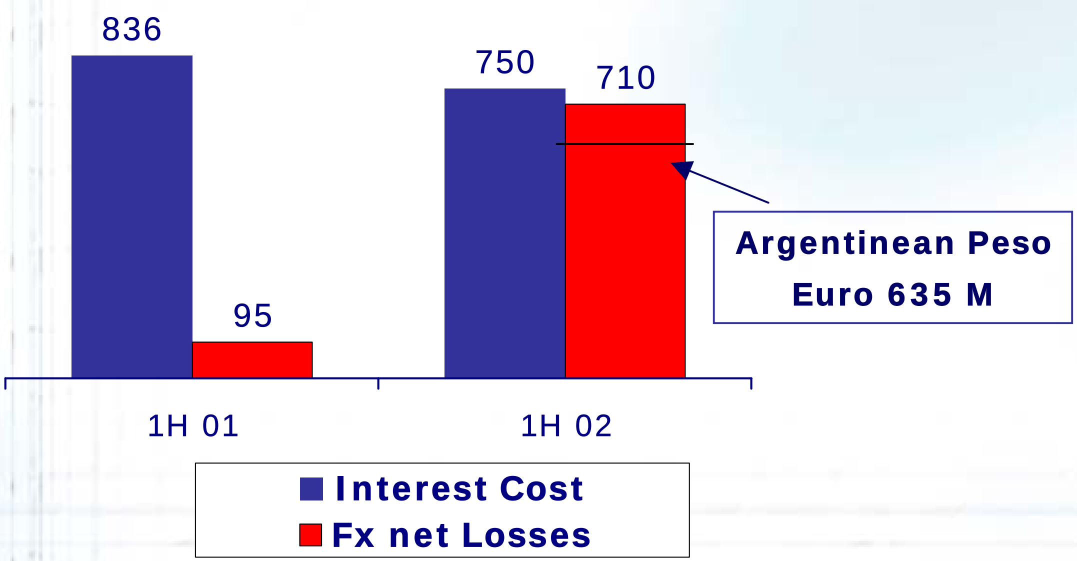
AUNA Results

Eur Mill	1H 01	1H 02
Revenues	1,018	1,465
EBITDA	-31	246

Financial results:
Lower cost of debt but strong impact of FX losses

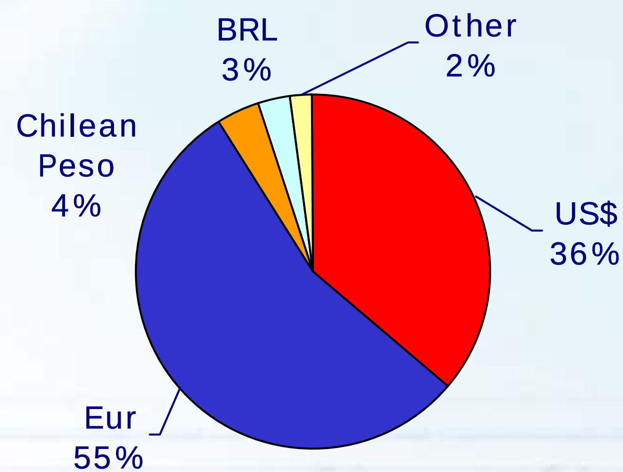
- Financial expenses down by 10% as cost of debt was reduced from 6.2% to 5.1%.
- Lower impact from FX losses in 2Q2002
- Gross FX losses of Eur 969 M against US$ 1.1 M debt in Brazil and Argentina

Interest cost & FX net losses



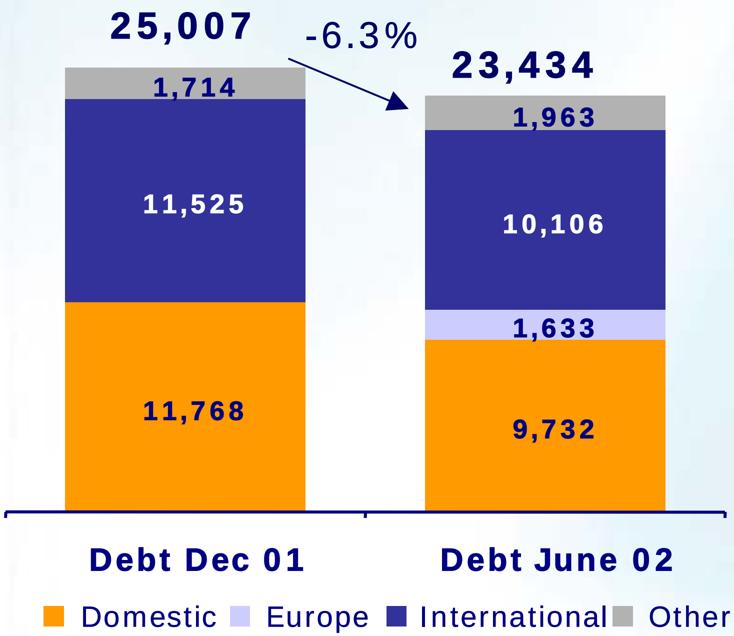
Breakdown by currencies

Total Debt: Eur 23.4 Mill

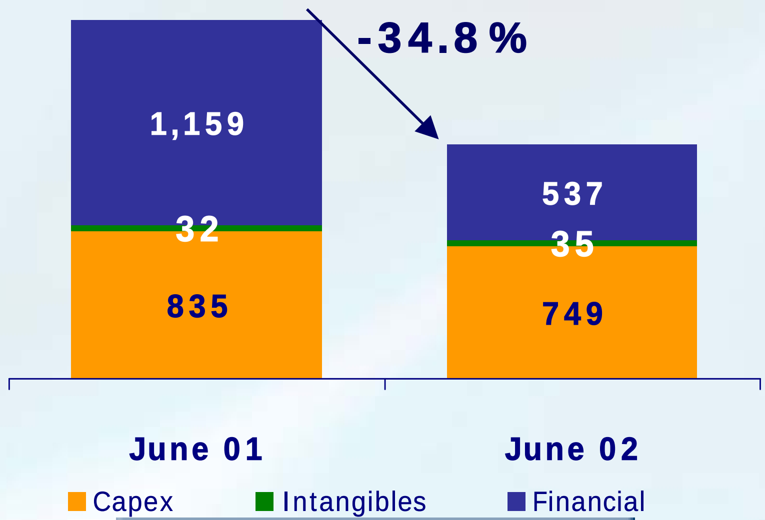


1H2002 reduction of debt level

Debt (Eur M)



Investments (Eur M)



Debt / EBITDA

	Dec.01	June 02
Spain	4.1	3.8
Latin America	5.5	5.2
Europe	-	5.0
TOTAL	5.0	4.8

- **Cash Flow > Capex + Dividend payment**

1H02 Financial Operations

- **Main financing operations in 2Q 02:**
  - MTN Eur 1 Bn, 7.3 years average maturity
  - New lines of credit = Eur 330 M long-term

- **Financial Flexibility:**
  - Total unused lines of credit: Eur 2.7 Bn, average maturity 5yr (12.5 bp-20 bp)
  - CP average outstanding balance = Eur 2.2 Bn fully backed up by available lines of credit

Impact of Argentinean devaluation in 1H02

1.7 to 3.81 AR$ per US$ devaluation in 1H02

Gross FX impact	Eur (635) M
Net FX impact after minorities	Eur (134) M
In Reserves	Eur (140) M
Additional Provision against Net Income	Eur (210) M

Exposure to Argentina June '02

	M Euro	% total ELE
Net Exposure [1]	158	
Provision	210	
Assets *	459	1.2 %
EBIT *	21	1.8 %
Net Income	-261	
US$ debt with 3rd parties	749	3.2 %

**proportionally consolidated*
(1) Equity + Intercompany loans

Currently the total direct or indirect investment in Argentina is fully provisioned

Impact of Brazilian devaluation in 1H02

2.32 to 2.84 BRL per US$ devaluation in 1H02

Gross FX impact	Eur (69) M
Net FX impact after minorities	Eur (31) M
In Reserves	Eur (70) M

Exposure to Brazil June '02

	M Euro	% total ELE
Net Exposure	667	
Assets *	1,490	5.1%
EBIT *	141	12.3%
Net Income	-53	
Debt with 3rd parties	792	3.4%

** proportionally consolidated*

55% of Debt with third parties denominated in Reals

Debt in dollars mainly financing CIEN, mostly revenues in dollars

Others

- Total net extraordinary results amounted to Eur 666 M
    - Domestic Eur 873 M gain: Eur 1,066 gross capital gain from Viesgo
    - Latin America: Provision for Argentina Eur 210 M
- Taxes: Effective tax rate of 17.4%:
    - 17.0% domestic tax rate due to new tax for capital gain
    - Latin America: tax credit Eur 73 M
- Minorities: +Eur 291 M from Latin America as minorities accounted for 52% of loss

1H2002 results: conclusions

- Domestic business:
  - Industry margins negatively affected by the shortfall in tariff and higher fuel costs
  - Endesa relative position improved from better mix and margins
- Latin America: operational profitability improved which offsets the devaluation.
- Reduction of debt and financial expenses. Slowdown of impact from FX losses.
- Cost cutting continues to deliver
- 2002 outlook: domestic hydro comparison to improve along the year and limited downside from Argentina.

1H2002 Strategic Performance

ENDESA continues to work along the strategic plan:

- Proactive manage assets portfolio
- Continue organic growth in core business and markets
- Continue efficiency improvements
- Strengthening balance sheet

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 include, but are not limited to, information regarding: estimated future revenues, costs, EBITDA, earnings, leverage and other ratios, return on invested capital, return on equity and other financial targets; anticipated increases in demand and market share; implementation of cost control measures and the anticipated benefits thereof; anticipated work force levels; management strategy and goals; synergies; operational efficiencies; cost and tax savings; tariffs and pricing structure; estimated capital expenditures and other investments; expected asset disposals; estimated increases in capacity and output and changes in capacity mix; estimated increases in customers and consumption per customer; anticipated supply needs; 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.

2002 First Half Results

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