

9-Month 2003 Financial Results and Business Update

October 22nd 2003

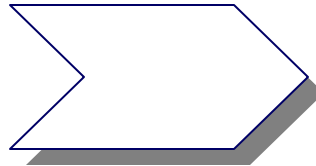


1. 9-Month 2003 Results

2. Strategy and Business Update

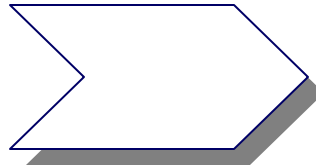
Results for 9-Month 2003: Delivering the objectives of the 2002-2006 Strategic Plan

Improving
operating
performance



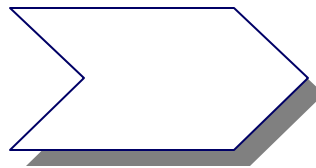
- Strong operating performance in Spain (+11.5%) and Europe (+83.2%)

Better quality
of earnings



- Ordinary income increased by 1,235M
- Net income: €1,145 M, +3.9%

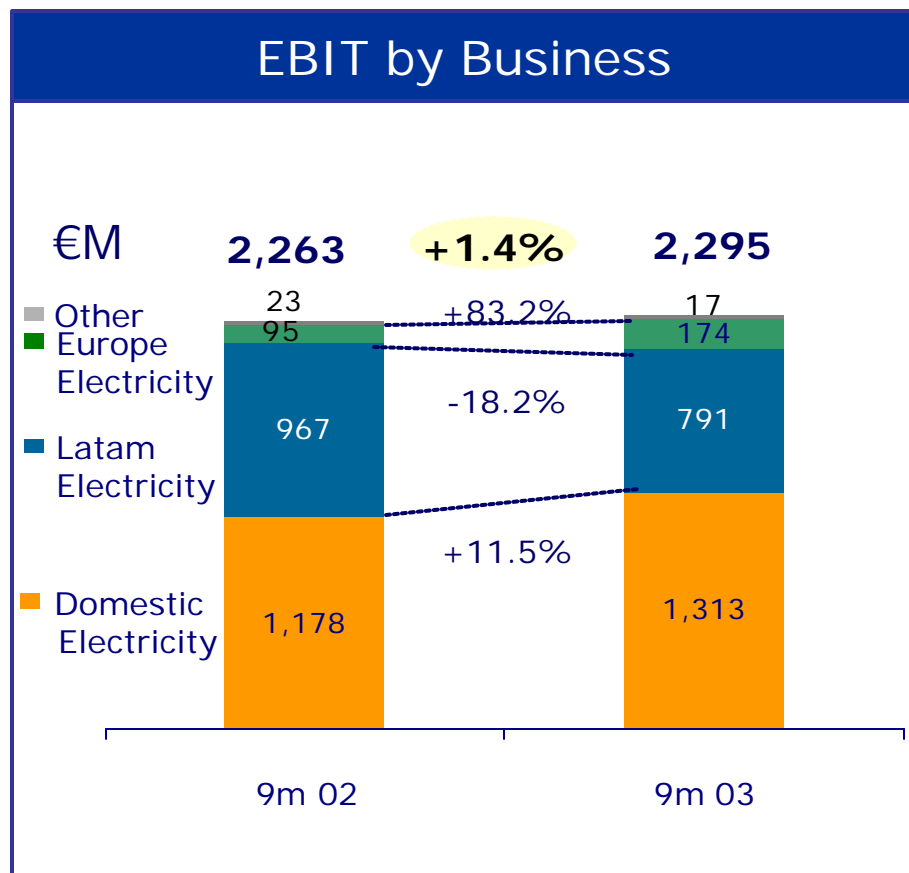
Much stronger
balance sheet
allowing focused
growth



- Leverage improved to 125% from 203% in 2002
- Total investments reduced by 34%
- Investments in Spain +10.5%

9-Month 2003 Consolidated EBIT

Positive evolution of Domestic and European EBIT offset currency impact on Latin American Business



- **Domestic Business: EBIT +11.5%**

- Reinforced leadership in the Domestic Business with stable results under any market condition

- **Europe: EBIT + 83.2%**

- Strong performance

- **Latin America: EBIT-18.2%**

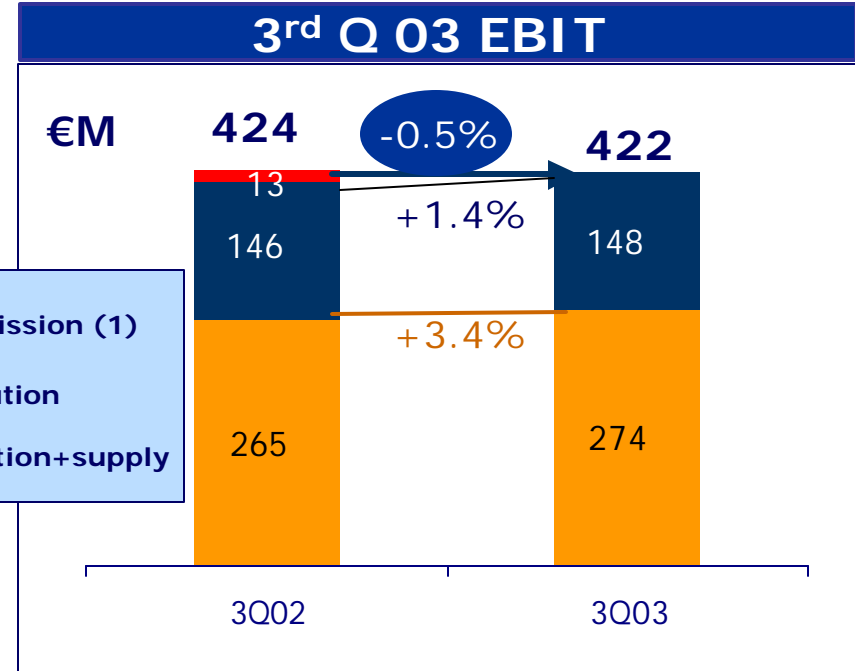
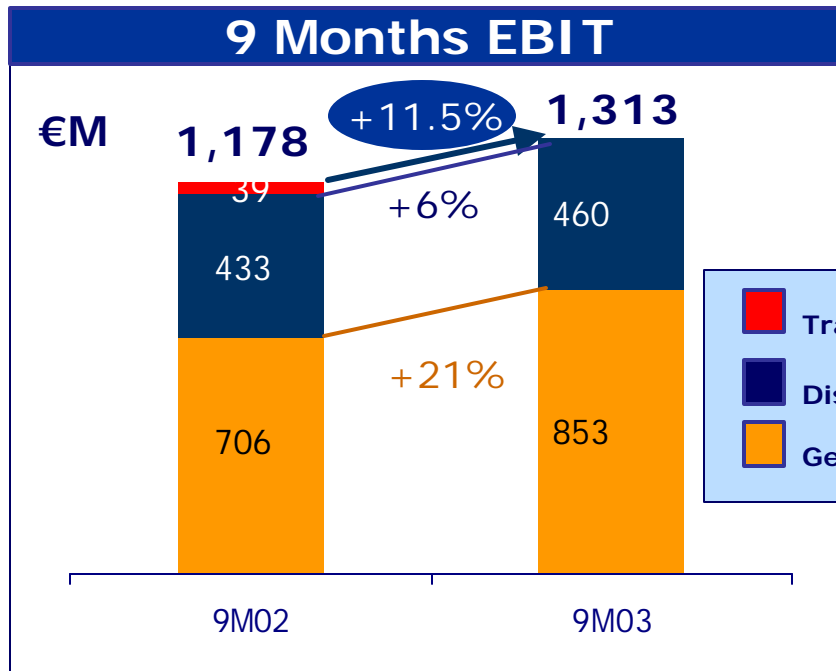
- Growth in local currencies and stable in US\$ but negatively affected by strong Euro

Domestic EBIT: Solid Performance

9M03 EBIT +11.5%, ex- HV grid sale effect +15.1%

9 Months: higher hydro

3 Q: strong demand resulted in higher fuel cost and tariff deficit ⁽²⁾



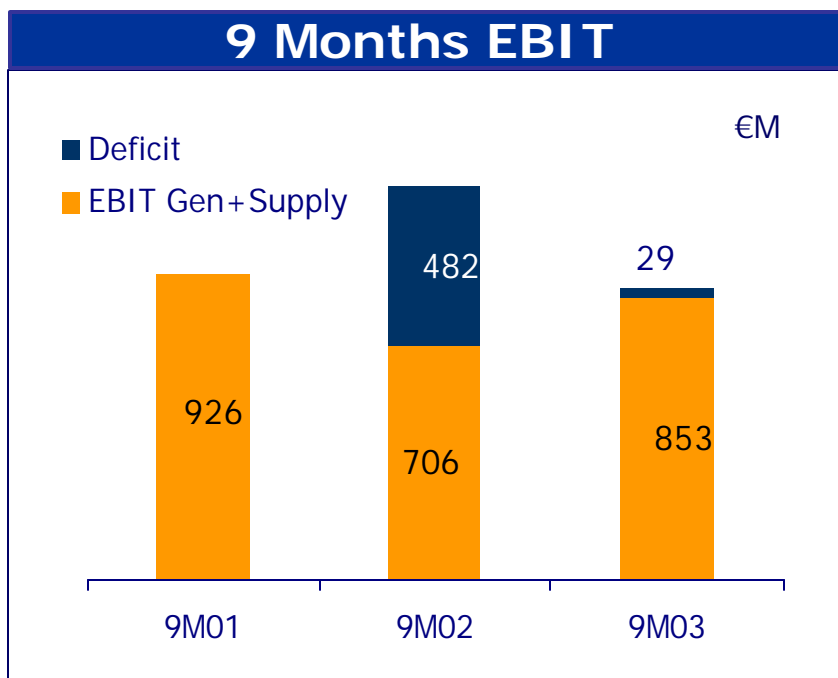
(1) Estimated contribution from grid asset in 9M 02

(2) In 9M03 tariff deficit amounts to €29 M for Endesa and is reflected in 9-Month revenues

- Gen+Supply: Very competitive and higher stability of Endesa's generation mix
- Distribution: Increase in regulated margins (+5.7%) offsets impact of HV sale
- Liberalised market: 5.9% higher price and 11.3% higher energy sold

Stable Generation + Supply EBIT in Any Market Condition

Spain



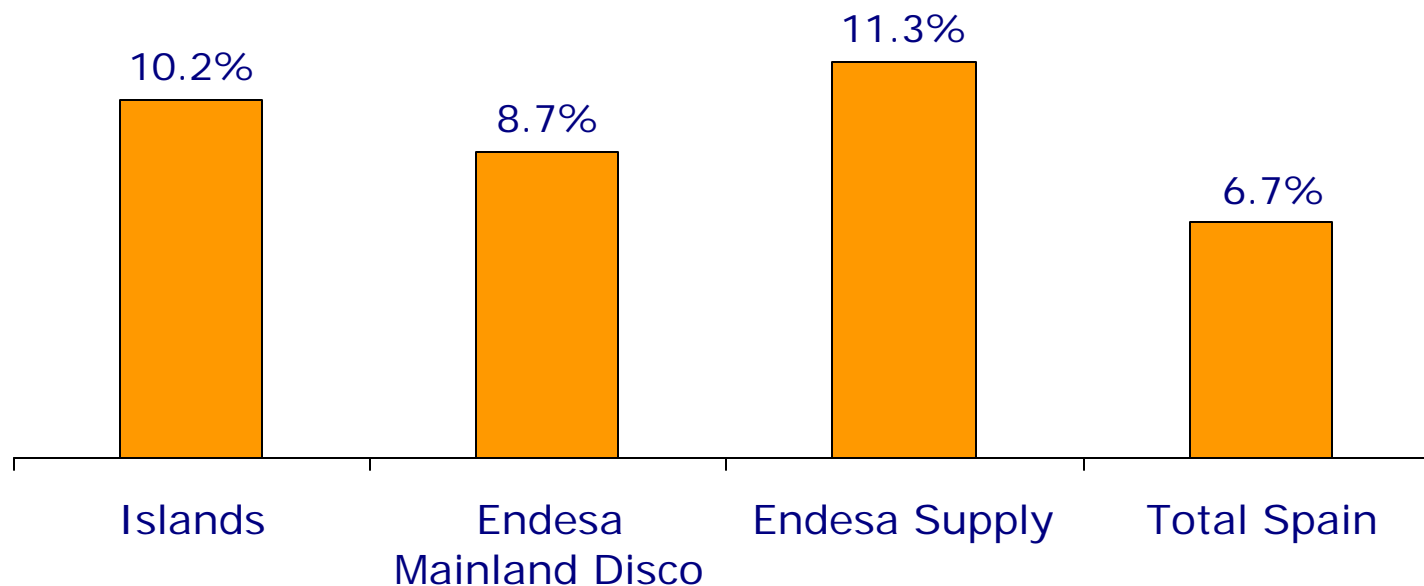
- Natural hedge against pool price and hydro volatility

- In a generation cost pass through and high pool prices scenario, Endesa is better positioned than rest of industry

Pool price (€/MWh)	34.9	48.3	37.7
Hydro cond.	Wet	Dry	Wet
Pool Market Share	42.9%	43.9%	42.5%

Long in generation in high pool prices scenario

Demand growth in GWh (9M03 vs 9M02)



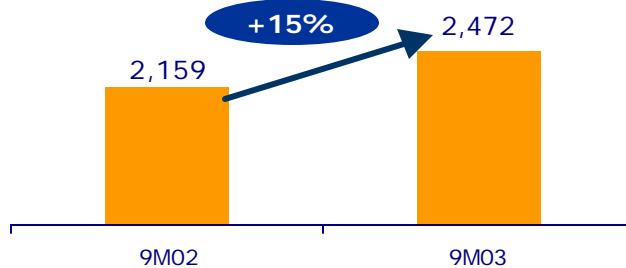
Endesa serves the most dynamic markets in Spain

Gas in Spain: Largest Electricity Player in the Gas Market

Spain

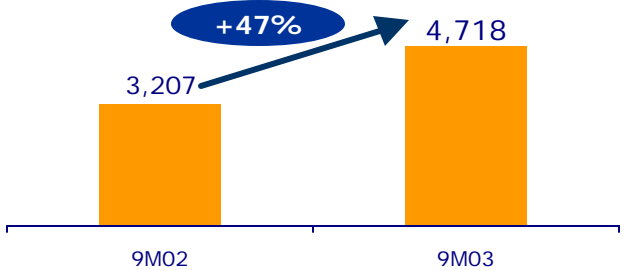
Sales to Regulated Market:

GWh



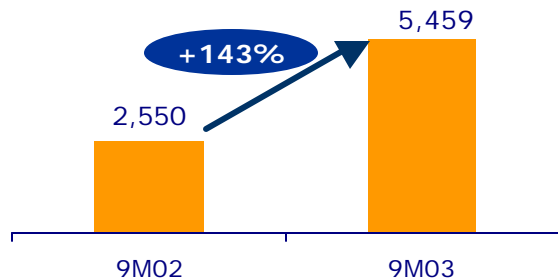
Sales to Liberalized Market:

GWh



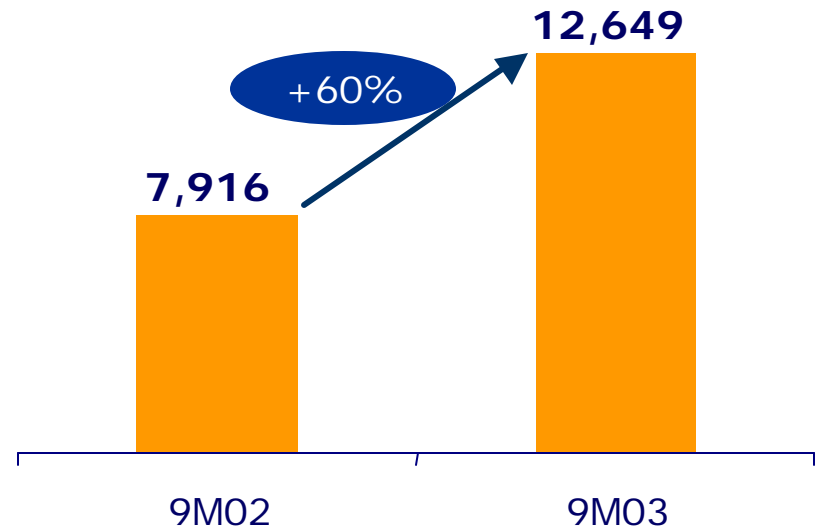
CCGT consumption:

GWh



Total Gas Supply:

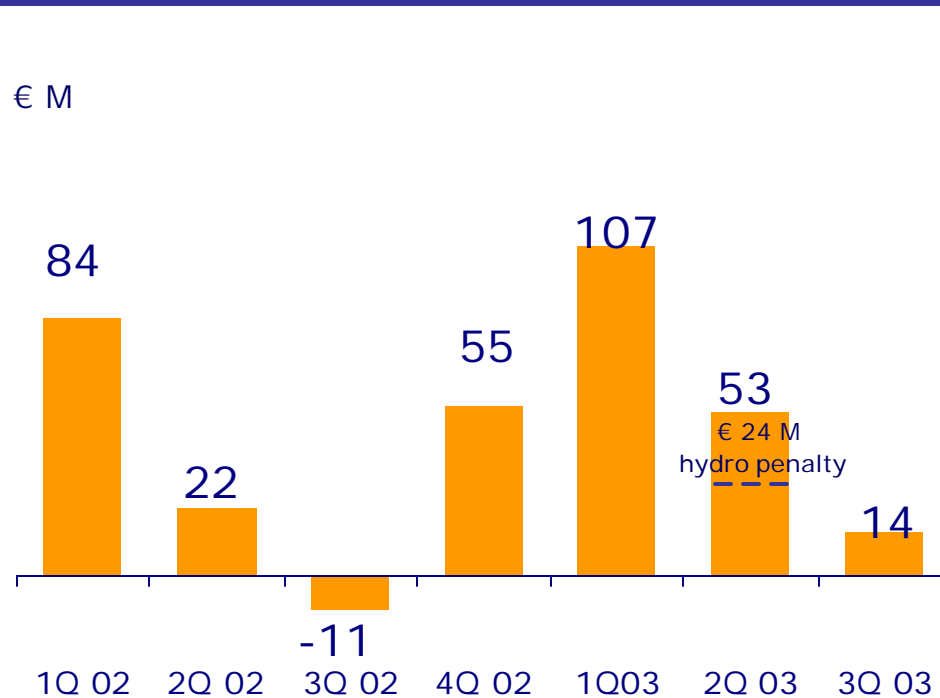
GWh



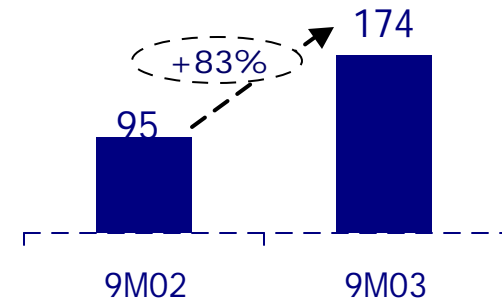
- 2007 objective (15% market share in supply) well on track

EBIT +83.2% to €174 M

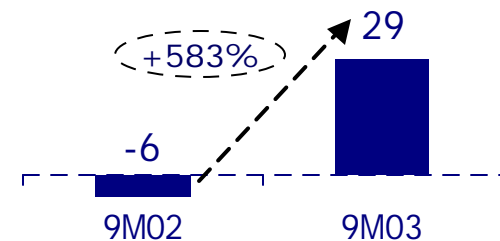
Quarterly EBIT evolution



EBIT

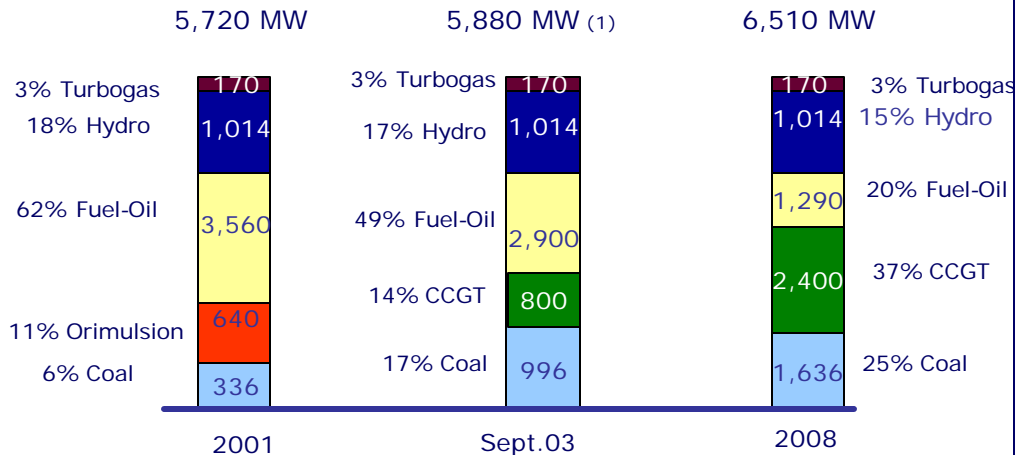


Net Income



- Increase in margins, lower costs and reversal of hydro penalty
- Higher electricity prices compensate higher fuel costs

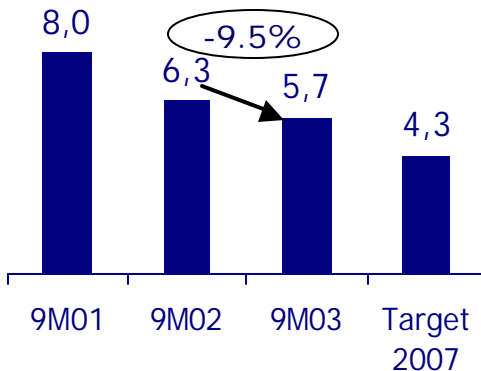
Installed Capacity in Italy



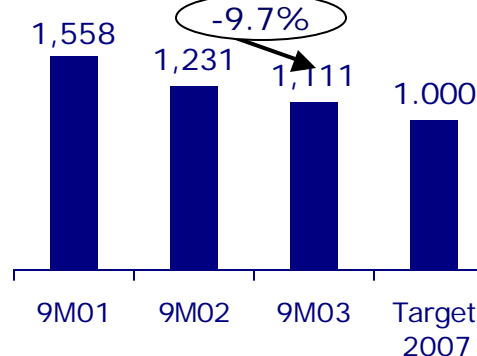
Repowering plan

- Continues according to plan: Ostiglia (800 MW) and Fiume Santo (320 MW) CCGTs started test period

O&M/MWh



Workforce



Efficiency plan

- Performing according to plan

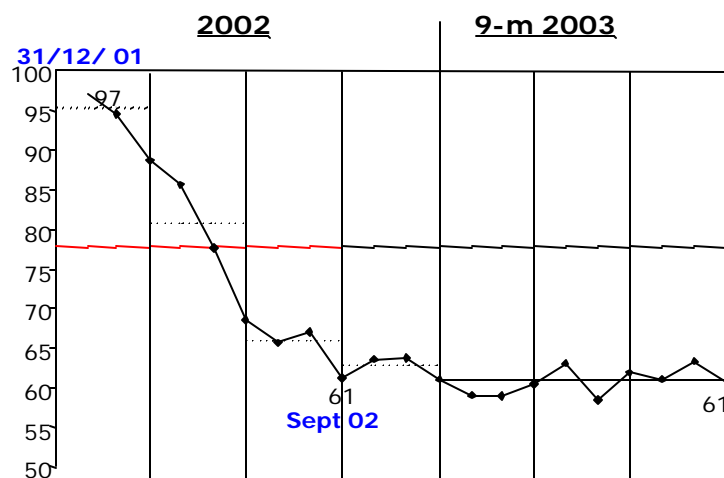
- Self-financed investment plan
- Dividend payment expected in 2003

Latam: Stabilized Situation with Clear Signs of Recovery

LatAm

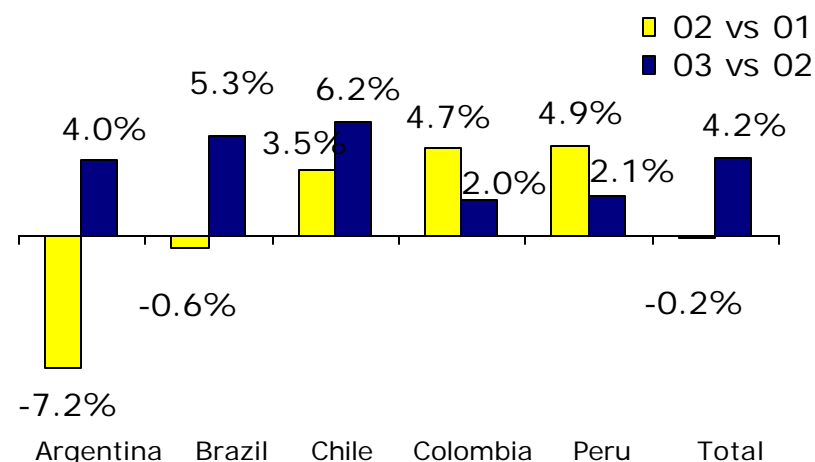
Currency Stabilization

Evolution on average exchange rate
(Index 100=31/12/01)



Strong recovery in electricity demand

Demand growth (%)



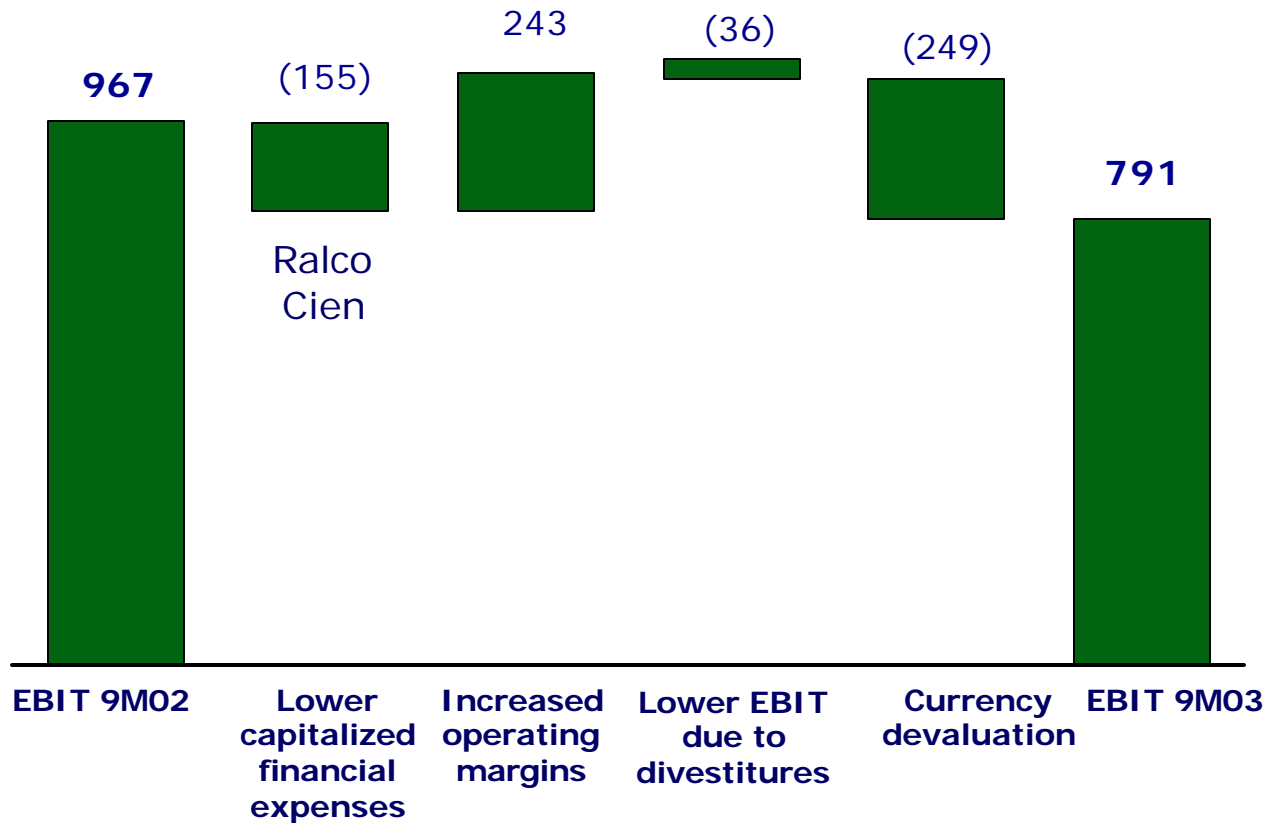
Tariff reviews & LT contracts update

- Renegotiation of distribution charges for Codensa (Colombia) with increases of ~38% for 2003-07
- Global increase in tariffs for Coelce (Brazilian distribution) of ~31% for next 4 years
- Cien-Copel contract agreement
- Chilean node price +1.5% in US\$=33.5 US\$/MWh

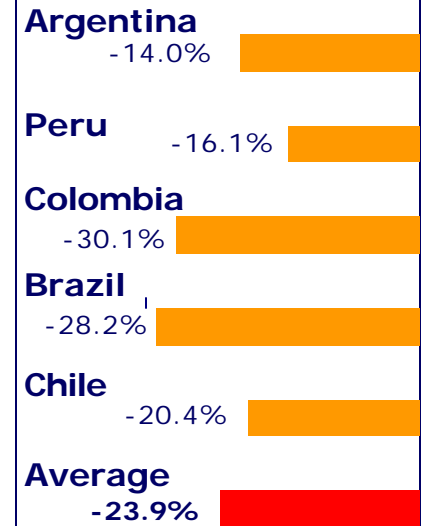
Latin America: Stable EBIT in US\$ but Affected by Strong Euro

LatAm

€ M

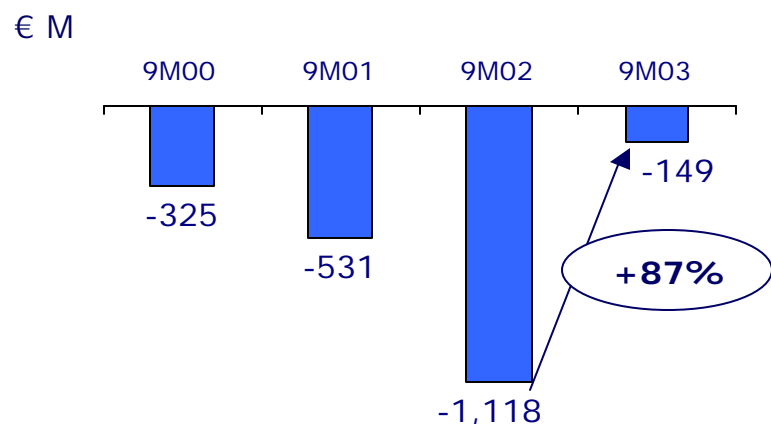


Average Exchange rate vs. Euro
9M03 / 9M02



- EBIT -18% after Local currency devaluation of -24%
- EBIT stable in US\$ -1.7%, and +7.5% in local currencies
- Improving quality of earnings: non cash items in EBIT from 17% to 1%

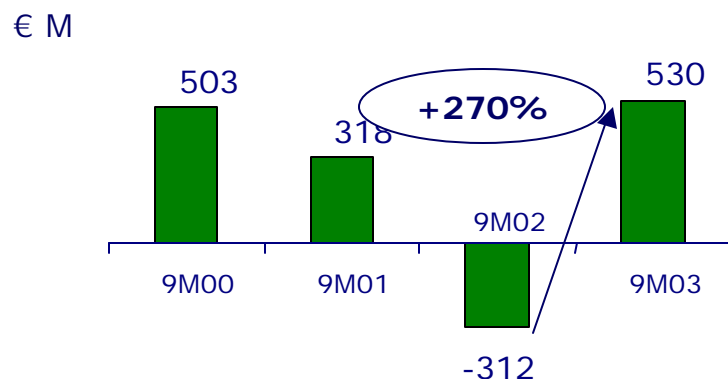
Financial result



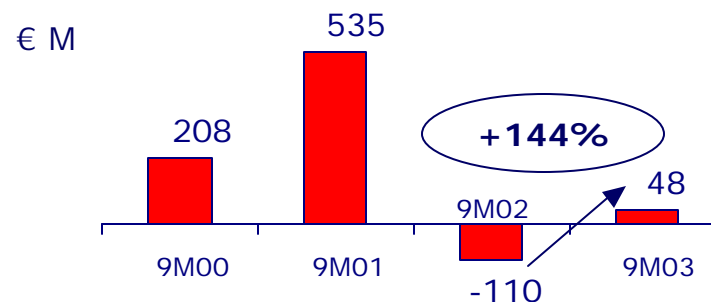
- Net financial results significantly improves thanks to positive FX gains

- Ordinary Income back to profit although not fully reflected in Net Income due to conservative provisions

Ordinary income



Net income



Divestment Plan completed (US\$ 760 M)

- Distribution valuation: US\$700/customer
- Hydro valuation: US\$ 1,000/KW

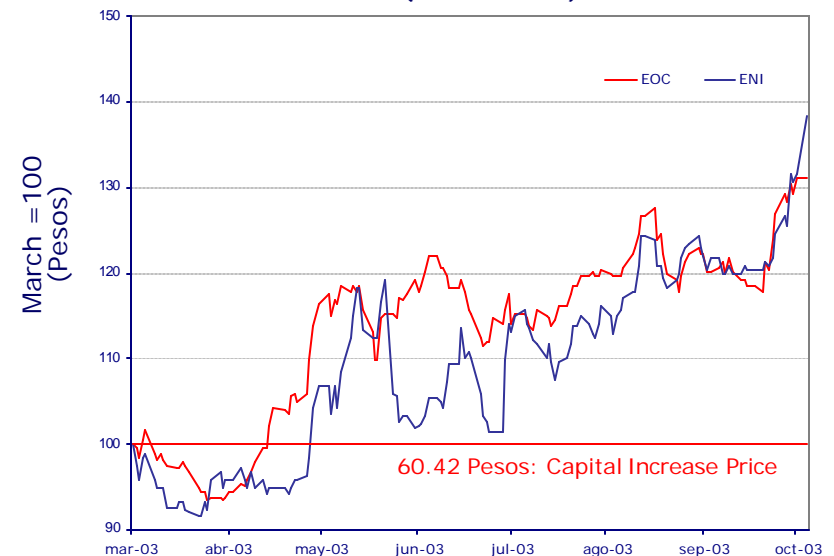
Successful capital increase US\$ 663 M cash
from minorities

US\$ 2.3 bn non-recourse debt refinanced

Yankee bond in ENDESA CHILE: US\$ 600 M

Positive impact on market sentiment

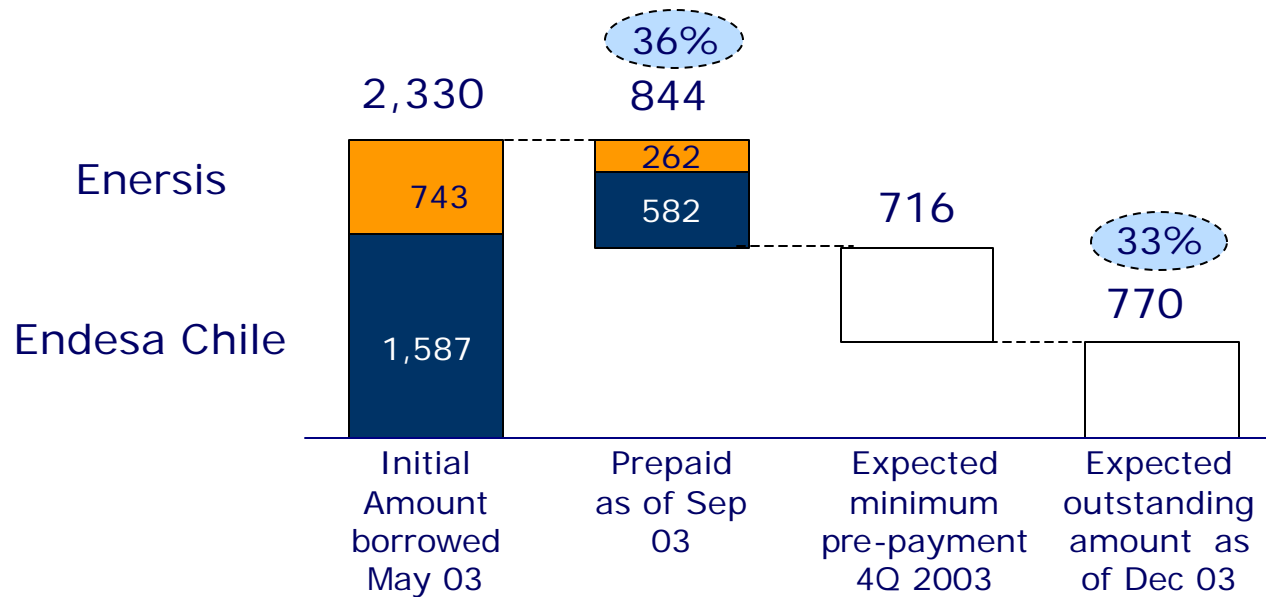
Enersis- Endesa Chile share price performance
(9 months)



Enersis and Endesa Chile: 36% Refinanced Debt Already Prepaid

LatAm

US\$ M



- New bond issues, loans and right issue in the pipeline US\$ 716 M
- Effect of partial pre-payment of loan:
 - ➔ Chilectra shares, no longer guaranteeing Enersis' debt
 - ➔ Fewer contractual restrictions in both companies
 - ➔ Extended debt maturities

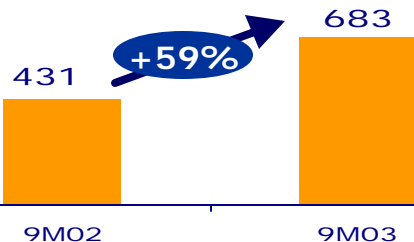
Telecoms: Strong Performance In 9-Month 2003 In Line With Plan

Telecoms

Equity income from Telecoms up by € 120 M

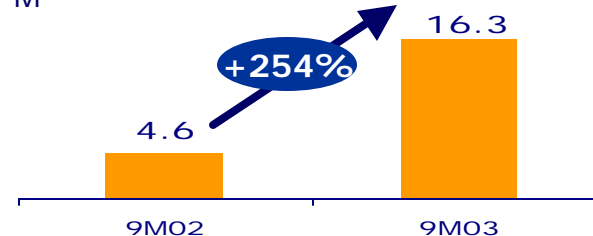
AUNA 9M 03 EBITDA

€ M



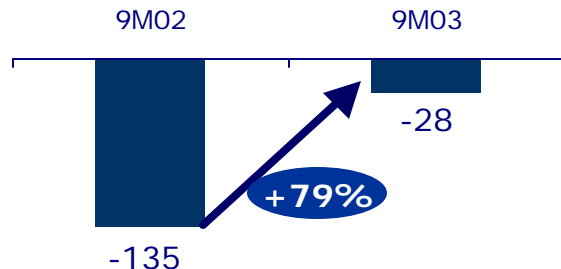
SMARTCOM 9M 03 EBITDA

€ M



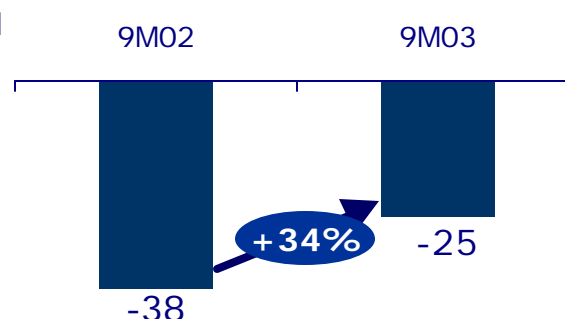
AUNA 9M 03 INCOME CONTRIBUTION

€ M



SMARTCOM 9M 03 INCOME CONTRIBUTION

€ M



- 7.7 M mobile customers (+28%)
- 620,000 cable customers (+42%)

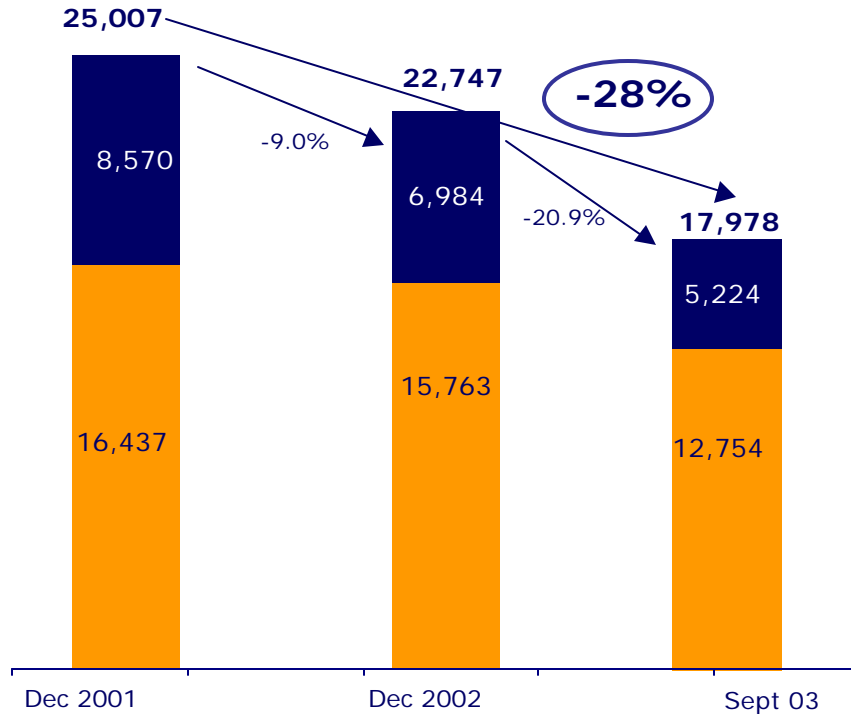
- 1.07 M customers (+33%)

Successful Debt And Leverage Reduction

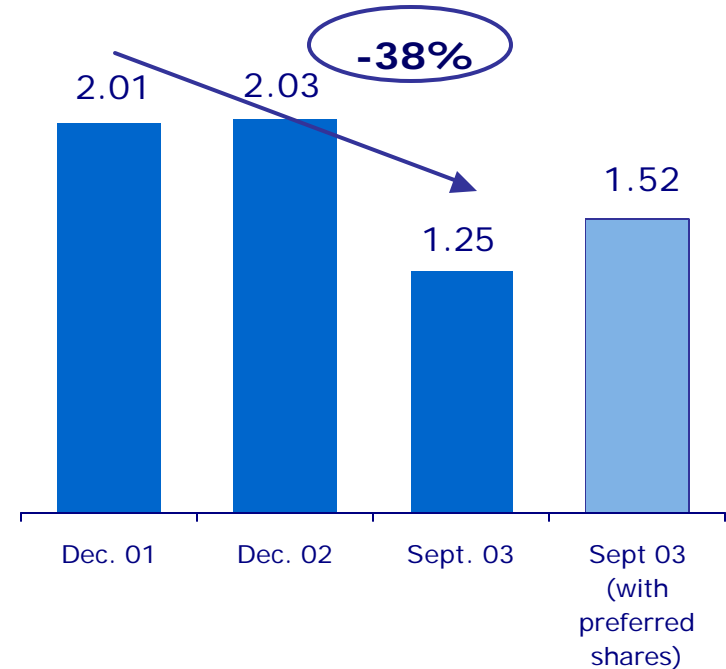
28% reduction in debt since Strategic Plan 02-06 was launched

Net Consolidated Financial Debt

€ M ■ Endesa debt ■ Enersis debt (non-recourse)



Leverage

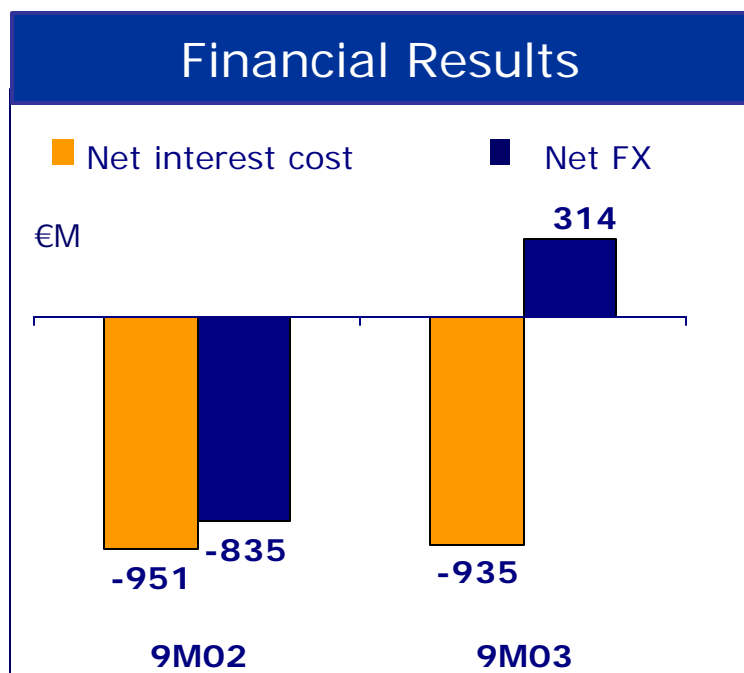


Net debt to equity + minorities

Leverage below average of US & European utilities

Strong Recovery Of Financial Results

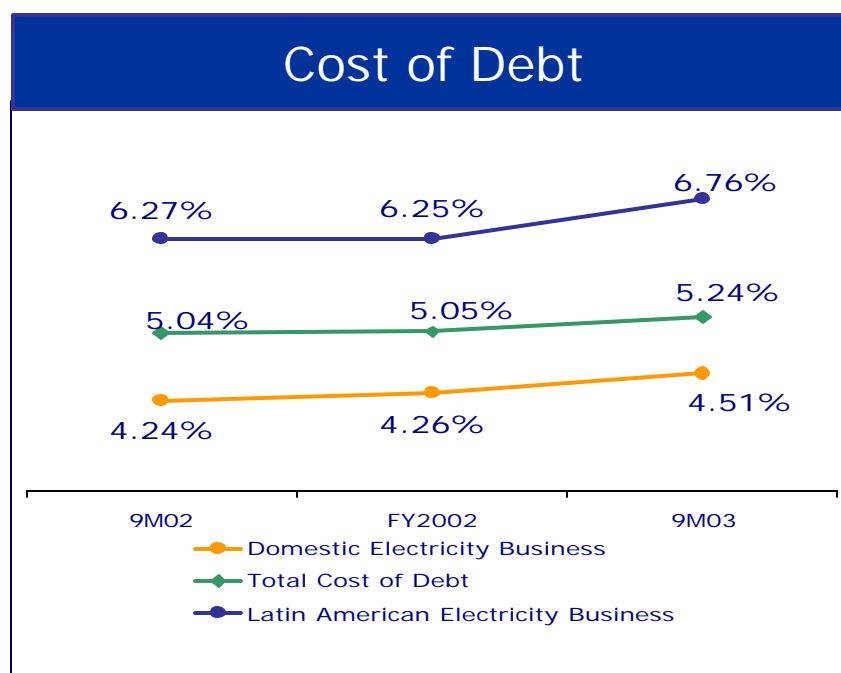
Complete turnaround of FX impact



FX gains mainly from:

- US\$ denominated debt cancels (€108 M)
- Arg\$/US\$ 15% appreciation (€79 M)
- Further provisions to keep Argentina at zero

Stable net interest cost after lower debt and stable cost of debt



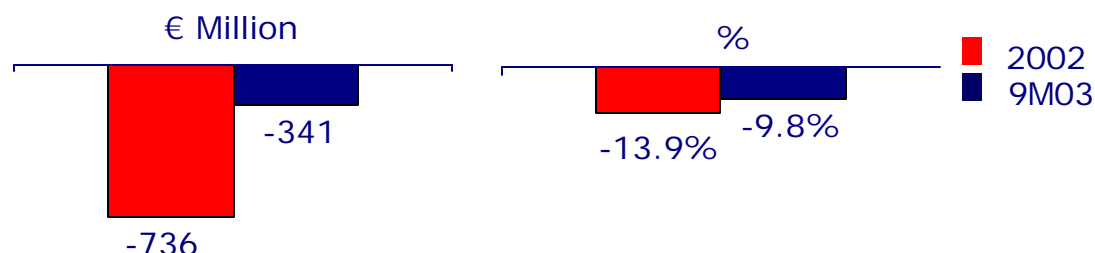
Average cost of debt has slightly increased to 5.24% due to:

- Extension of average debt maturity
- Higher weight of fixed and hedged debt

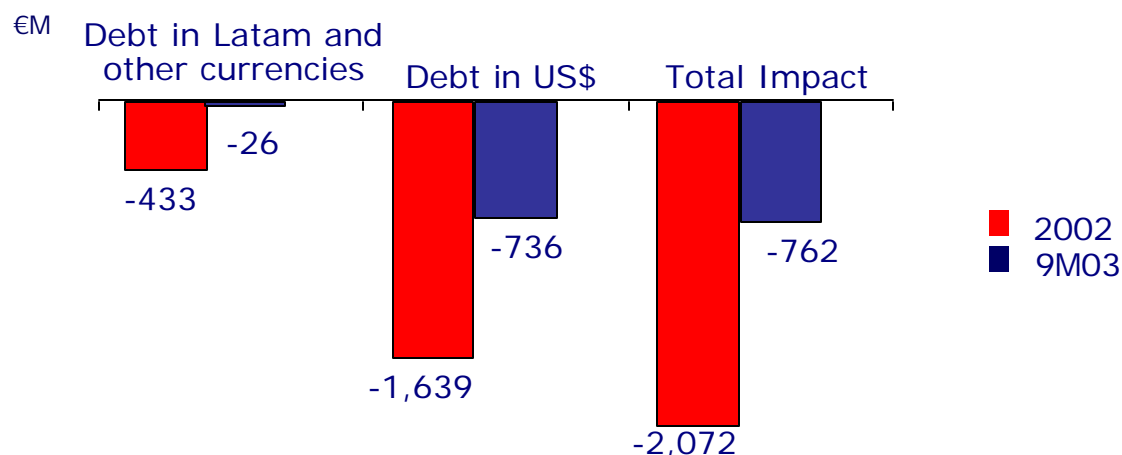
Strong Recovery Of Financial Results

FX hedge: Negative impact on EBITDA is offset with positive impact on debt

Depreciation impact on EBITDA

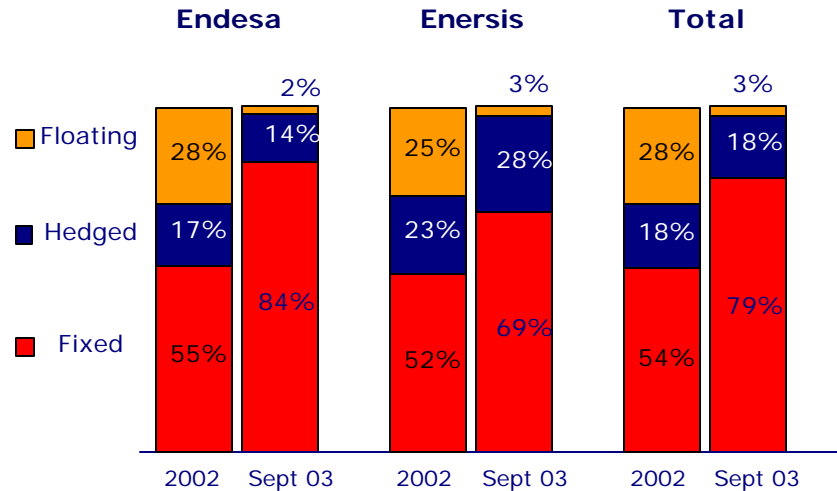


Debt reduction due to FX

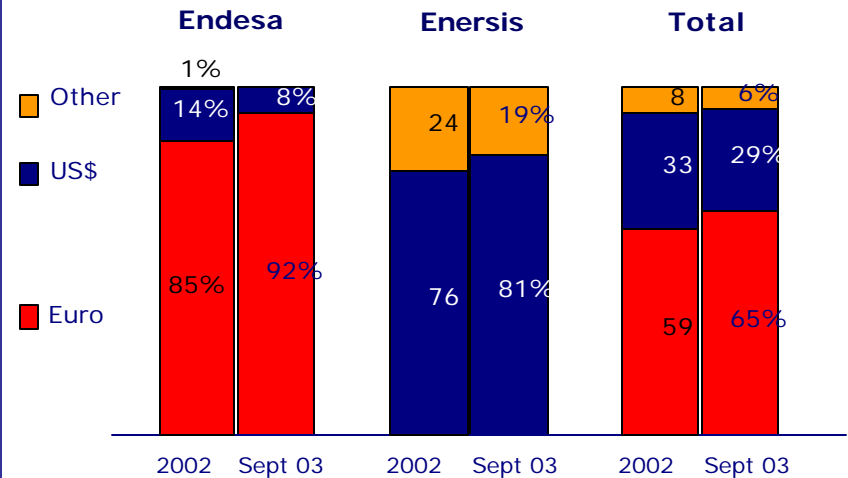


Debt: Proactive Management Of Financial Risk

Breakdown by interest rate



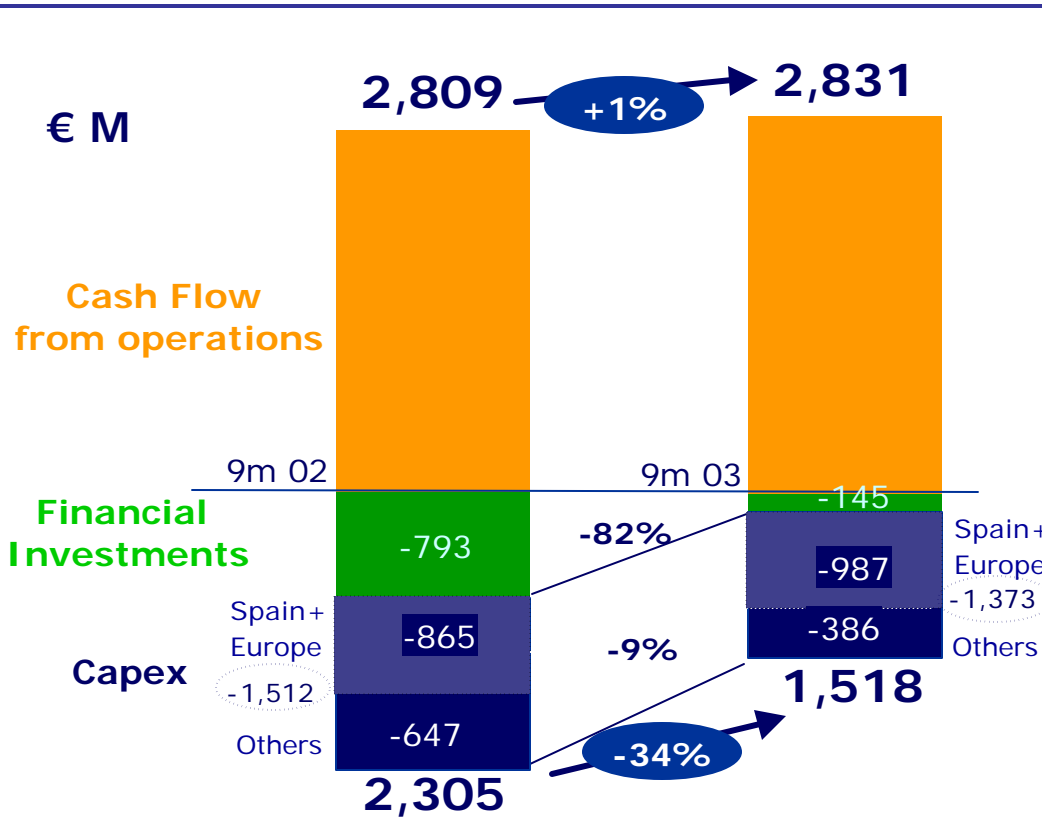
Breakdown by currency



- Stand by lines and liquidity currently exceeds debt maturities for more than 2 years
- Average life of debt extended to 5.18 from 4.60 years

Higher Cash Flow / Investment Coverage

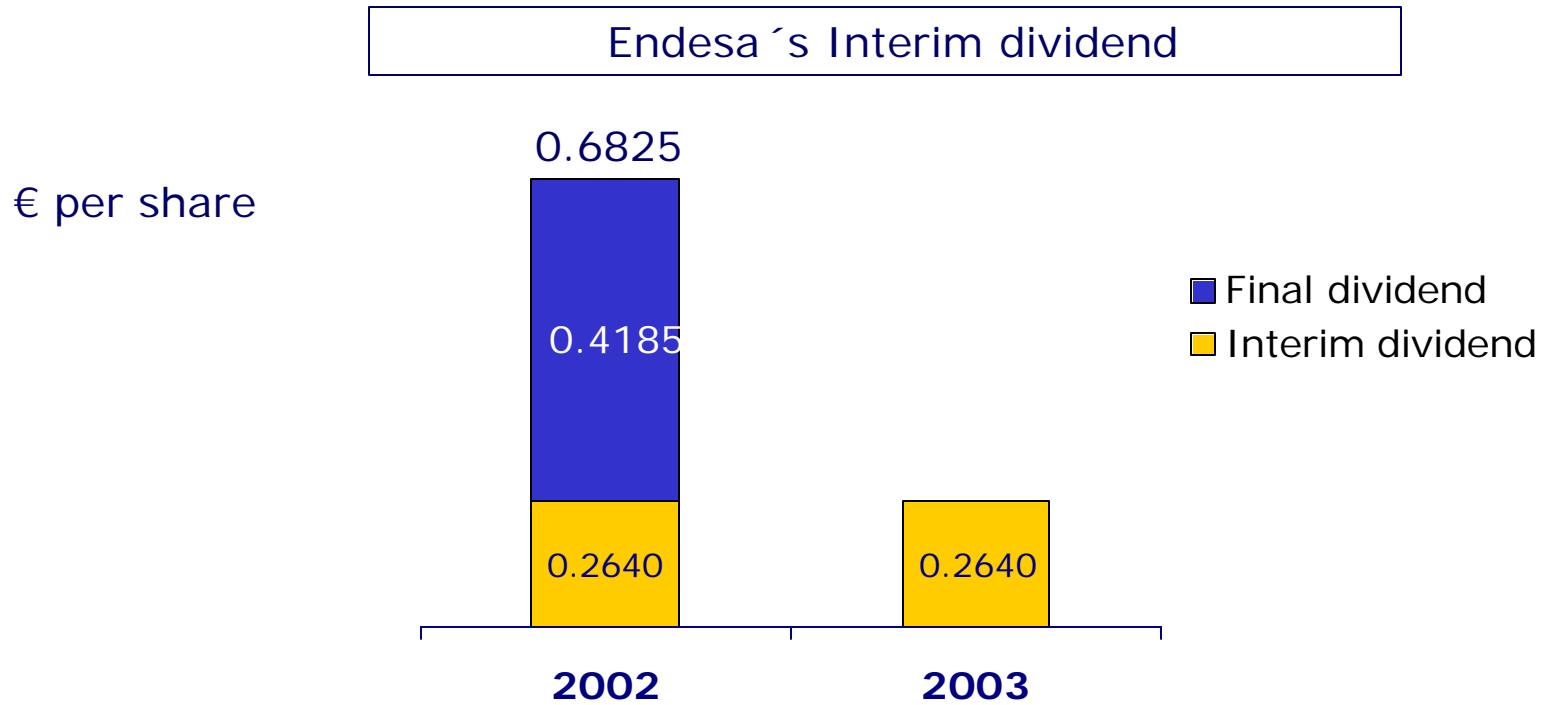
Cash position improved from lower investments



- €2,831 M cash flow covered €1,518 M investments, €809 M dividend payments and €341 M early retirements payments
- Investments increased in Spain by 10.5% focused on growth
- Total investment reduced by 34%
- Financial investments –82%

2003 Investments: aligned with Strategic Priorities

Interim Dividend Announced



- €0.264 per share interim dividend against 2003 earnings, same amount as in 2002
- To be paid in January 2, 2004
- Dividend yield: 5.0%

1. 9-Month 2003 Results

2. Strategy and Business Update

Endesa's Strategic Fundamentals

Operator in energy and related services focused on electricity

Portfolio characteristics

Leader of Spanish market, one of the most attractive in Europe

Advantaged presence in Europe, ready to exploit opportunities in adjacent markets

Growth platform with investments already made in Latam

Telecom

Solid and stable cash flow and a reinforced balanced sheet

Strategic thrust

Sustain leadership

Consolidate position

Capture growth and value

Maintain financial strength



Strategic Priorities

Sector outlook

- Solid market fundamentals and improved regulatory outlook ("strong results with limited volatility")

Latam

- Stabilized situation with clear signs of recovery ("upside potential")

Telecom

- Renewed confidence ("improved valuations")

Strategic priorities

- Address strong demand growth and environmental challenge with new capacity, maintaining balanced mix and vertical integration
- Capture growth in renewables as part of the mix
- Exploit links between gas and electricity
- Ensure best service to our customers
- Consolidate current privileged position in Mediterranean Europe

- Realise upside potential through organic growth
- Continue financial strengthening of Enersis

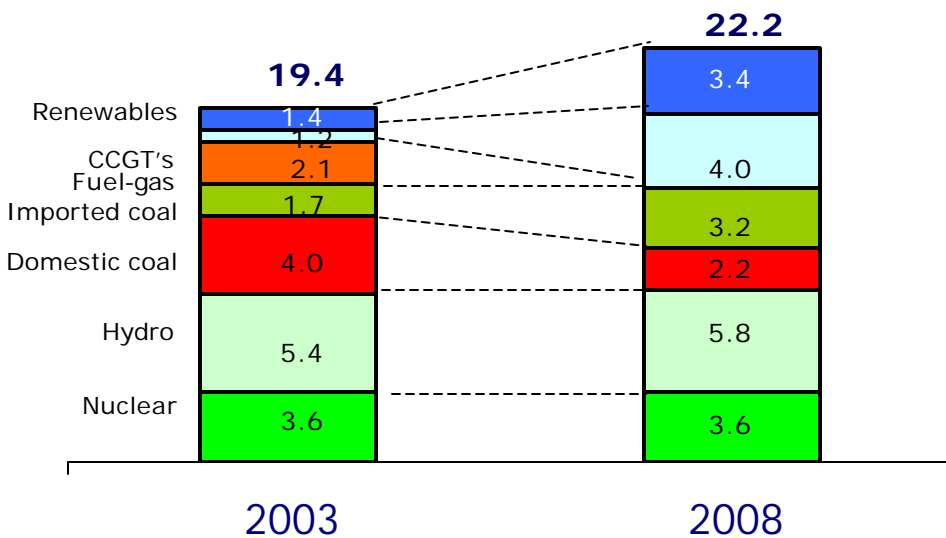
- Improve results with a positive contribution from 2004 onwards
- Ensure self-financing
- Extract value when market conditions approach optimal level

Capacity Plan: Addressing Strong Demand Growth With New Capacity

Spain

**Total new capacity 2004-2008: Mainland 6,600 MW
Islands 929 MW**

Mainland Installed Capacity (GW)



Capacity plan 2004-2008 highlights:

- Additional 2,800 MW CCGTs. Total CCGTs: 4,000 MW in 2008
- Renewables on stand alone basis: +2,000 MW
- Closure of 2,200 MW oil + 357 MW domestic coal
- 1,400 MW transformation of domestic to imported coal
- 400 MW pumping enlarged capacity

Efficient and balanced generation mix

- Maintain leadership in generation and energy sales
- Production volumes unaffected by hydro conditions
- Hedged position with own market (slightly long in generation)

Renewables Capturing Growth As Part Of Balanced Mix

Spain

Total industry

Total installed capacity (MW)*

+7,087 MW (CAGR +13%)

6,413

12%

23%

65%

2002

2008

Other
Mini-hydro

Wind

13,500

11%

13%

76%

- Maintaining 100% interest in ECYR.
- Expansion plan as announced in 2002-06 Strategic Plan

Endesa

Endesa's installed capacity (MW)

+2,216 MW (CAGR +19%)

1,184

11%

15%

74%

2002

2008

Other
Mini-hydro

Wind

3,400

6%

6%

86%

Endesa market
share:

17%

25%

* CNE estimates

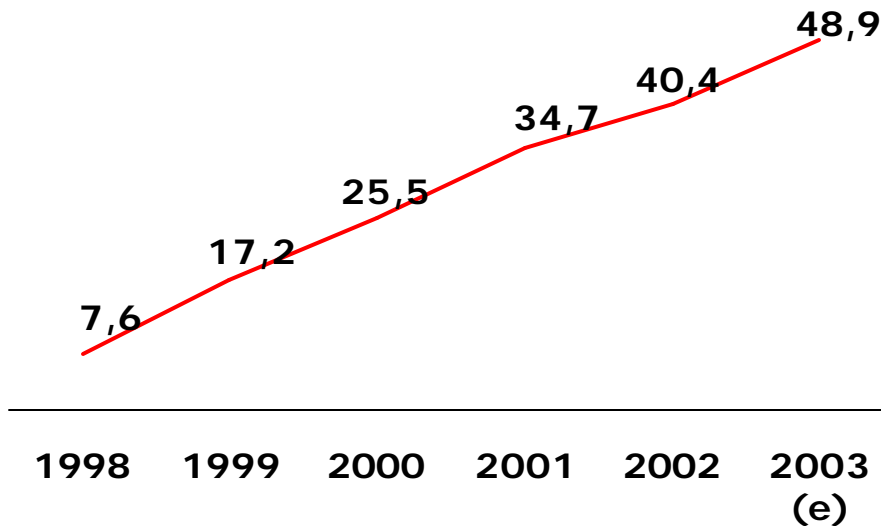
Island Capacity Plan: Ensure Security Of Supply

Spain

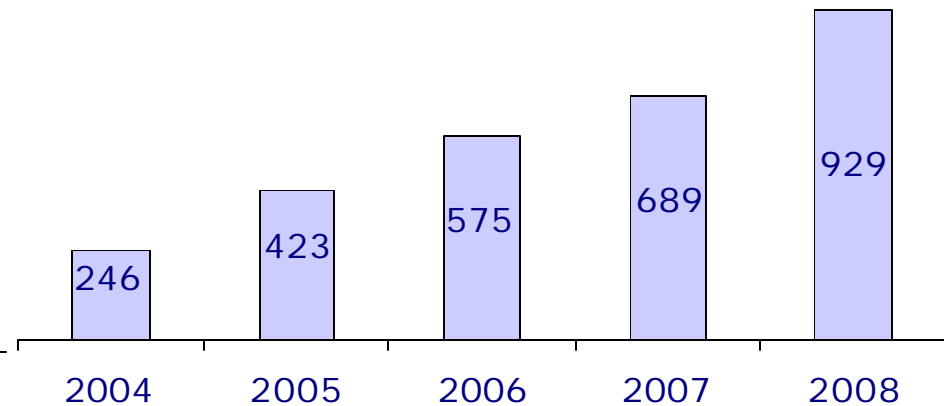
50% demand growth in the last 6 years

Capacity Plan for the Islands

Cumulative Islands Demand Increase (%)



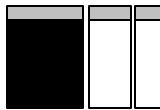
Cumulative new capacity (MW)



Island demand 2002: 11,238 GWh

Island capacity 2002: 3,061 MW

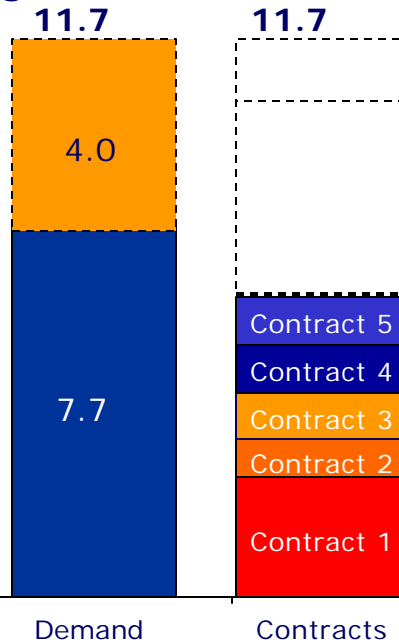
Gas: Exploiting Links Between Electricity And Gas Business



Spain

Endesa's gas sourcing in Europe (in Gm3-bcm)

Year 2008



Additional sourcing needs

Needs today secured through Snam

6 bcm contracted with significant flexibility

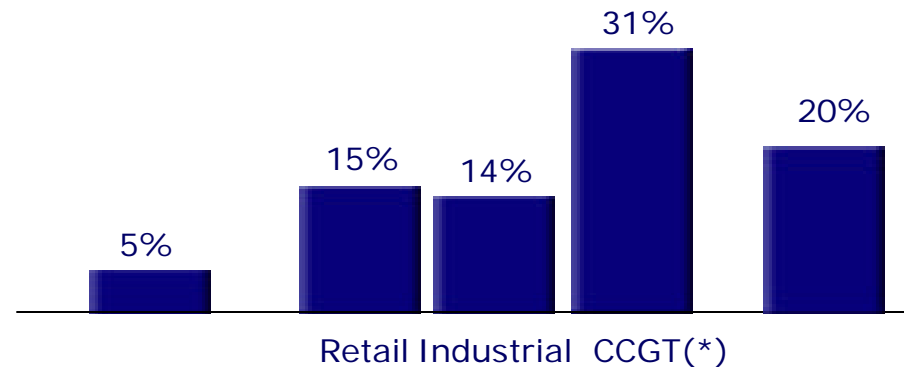
- Purchasing power given significant volumes
- Diversified sources of gas
- Commitments signed only when consumptions are secured
- Priority on flexible conditions

Gas market share objectives 2008

Regulated market

Liberalized market shares in 2008

Total



(*) Includes CCGT in the islands

20% market share objective for gas supply by 2008

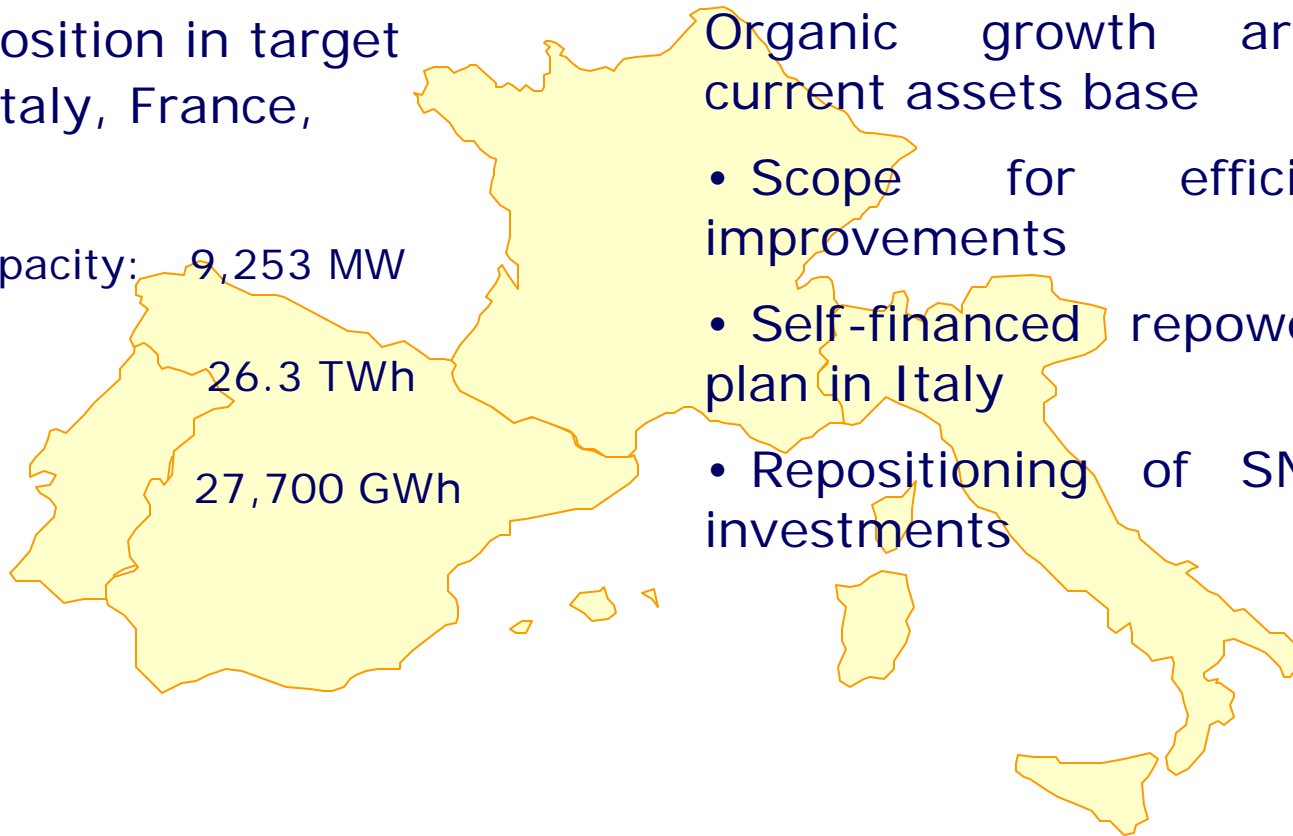
Europe: Consolidate Current Privileged Position in Adjacent Attractive Markets

Europe

Current portfolio

Attractive position in target countries (Italy, France, Portugal)

- Installed Capacity: 9,253 MW
- Generation: 26.3 TWh
- Supply: 27,700 GWh



Endesa's priorities

Organic growth around current assets base

- Scope for efficiency improvements
- Self-financed repowering plan in Italy
- Repositioning of SNET's investments

Strategic Priorities

Sector outlook

- Solid market fundamentals and improved regulatory outlook ("strong results with limited volatility")

Latam

- Stabilized situation with clear signs of recovery ("upside potential")

Telecom

- Renewed confidence ("improved valuations")

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- Address strong demand growth and environmental challenge with new capacity, maintaining balanced mix and vertical integration
- Capture growth in renewables as part of the mix
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The Environmental challenge

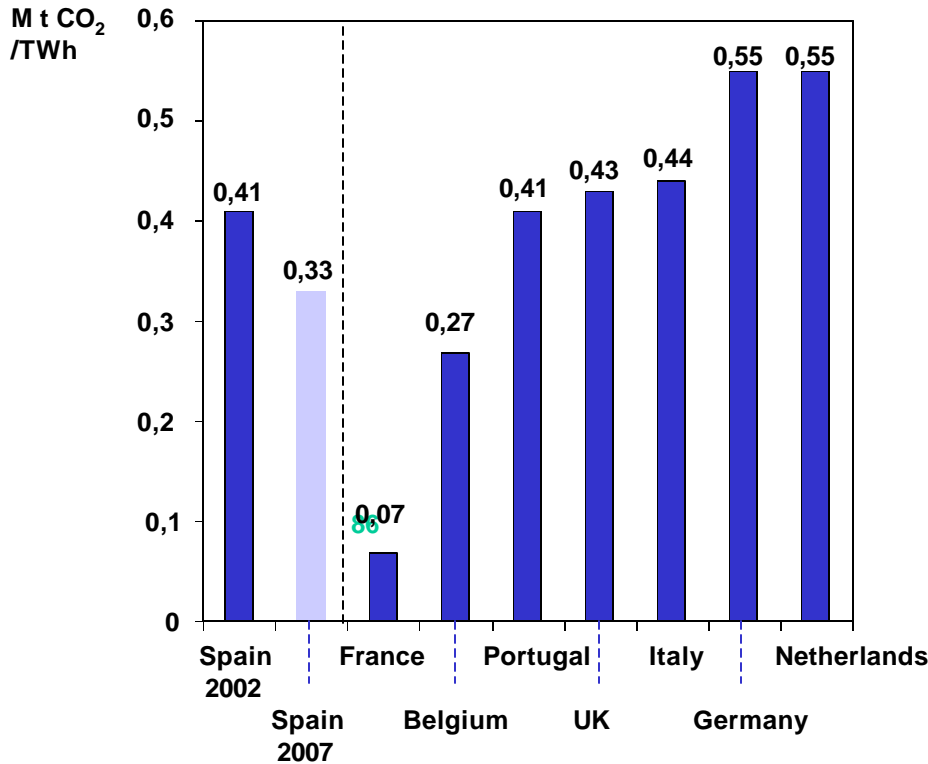
- ✓ Implementation of EU Emission Directive to balance economic growth and emissions targets
- ✓ "Spanish Government needs to find a solution to CO2 emissions increase, associated with the country's economic development and its convergence with the EU" (CEOE – Spanish employers association)
- ✓ Emissions of Spanish electricity industry compare well with those of EU and will be reduced further
- ✓ Coal will remain a key element in Spain's generation mix

Environmental challenge demands a fair, flexible, and cost-effective plan from the regulator , minimizing impact on current industry competitiveness

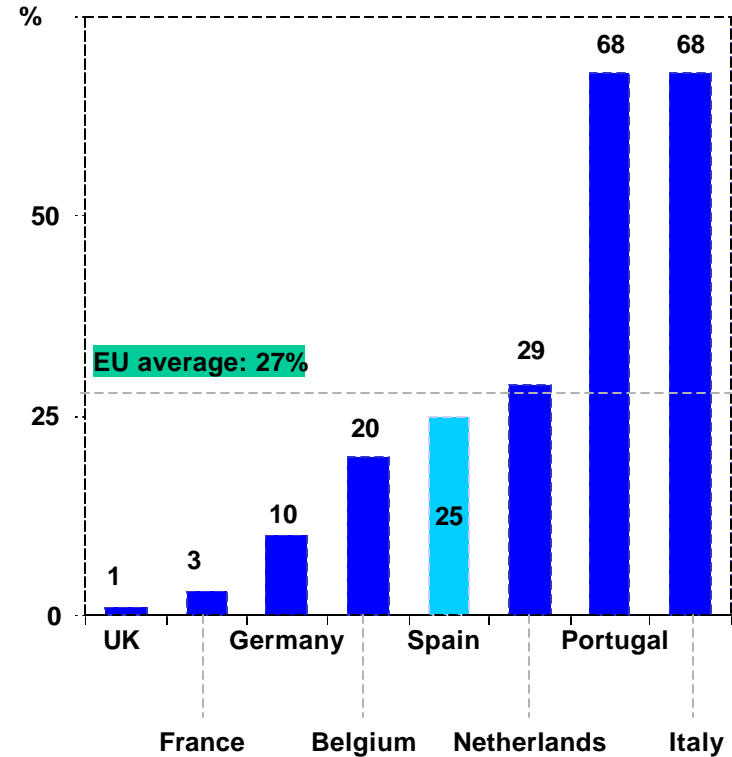
Endesa is well positioned and has a flexible strategy

Emissions of Spanish electricity industry compare well with EU

Specific emissions (2001)



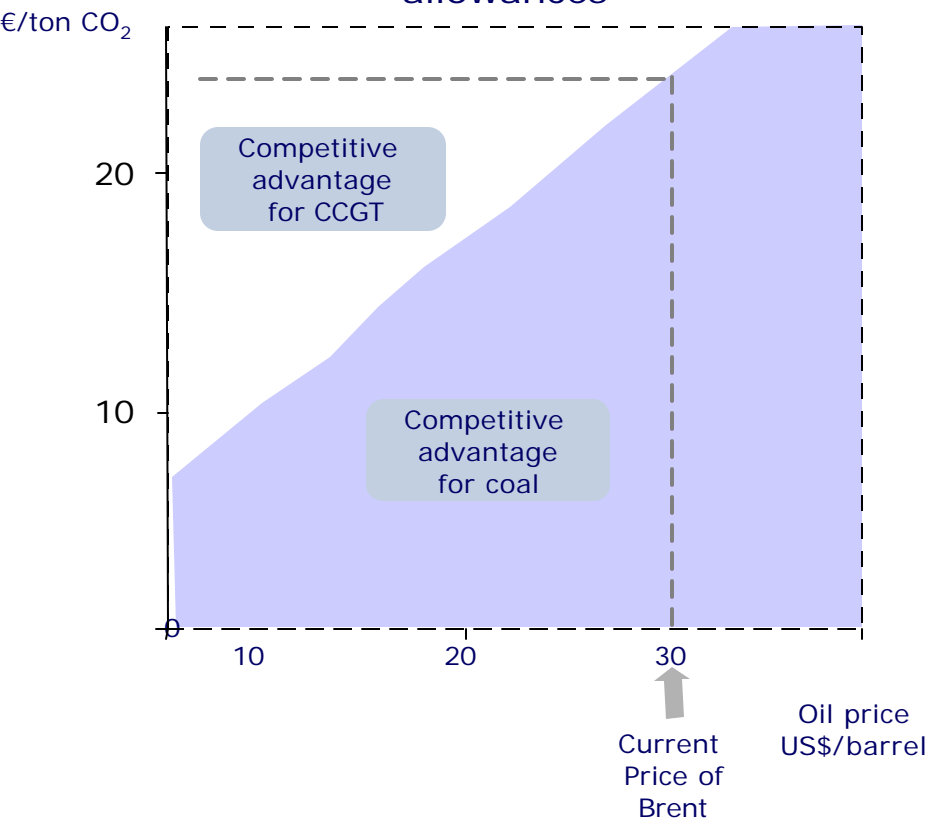
Generation share with non indigenous sources



Spanish electricity industry is already well positioned, and will improve further. The implementation of Emissions Directive should not affect Spanish energy dependence

Coal Expected To Retain Its Share In Domestic Generation Market

Coal vs CCGT variable cost depending on the cost of CO₂ allowances



Coal remains competitive in most foreseeable range of CO₂ prices

- The replacement of coal generation would significantly increase Spanish energy bill
- Weight of coal generation in Spain in line with EU average
- Further coal reduction would increase dependency on foreign energy sources.
- High coal contribution to meet demand: 82% coal capacity factor in 9 months 2003
- Reserve margin to remain tight in coming years

Spanish plan for emissions will need to be fair, flexible, and cost effective

Conflicting objectives of Spanish regulator

- ✓ Economic convergence with EU, and competitiveness of Spanish industry (included electricity sector) vs. other countries
- ✓ Minimum cost for the electricity industry, in order to minimize impact on consumer prices
- ✓ Security of supply, ensuring the availability of existing generation capacity to satisfy demand growth
- ✓ Long term plan to comply with Kyoto protocol and EU Directive by year 2012



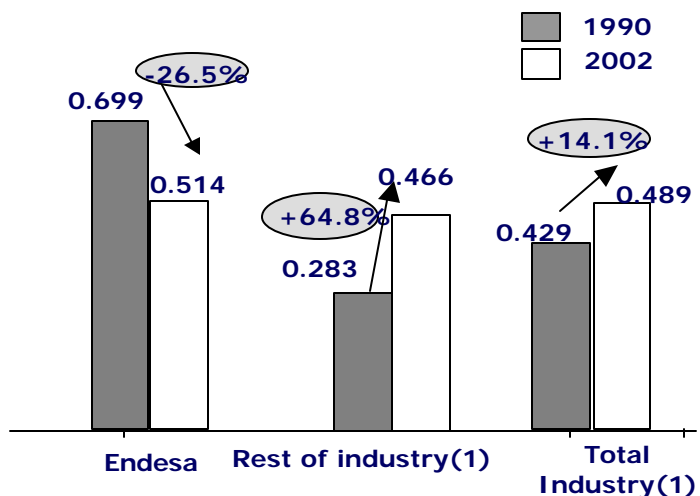
The Spanish plan for the electricity industry will take into account historical asset base and will not risk security of supply and economic efficiency

Endesa, and the electricity industry as a whole, is already designing a long term strategy (aiming to 2012) to help the Spanish commitment with emissions reduction, with maximum cost effectiveness

Endesa's Environmental Position: Clear Improvement plan

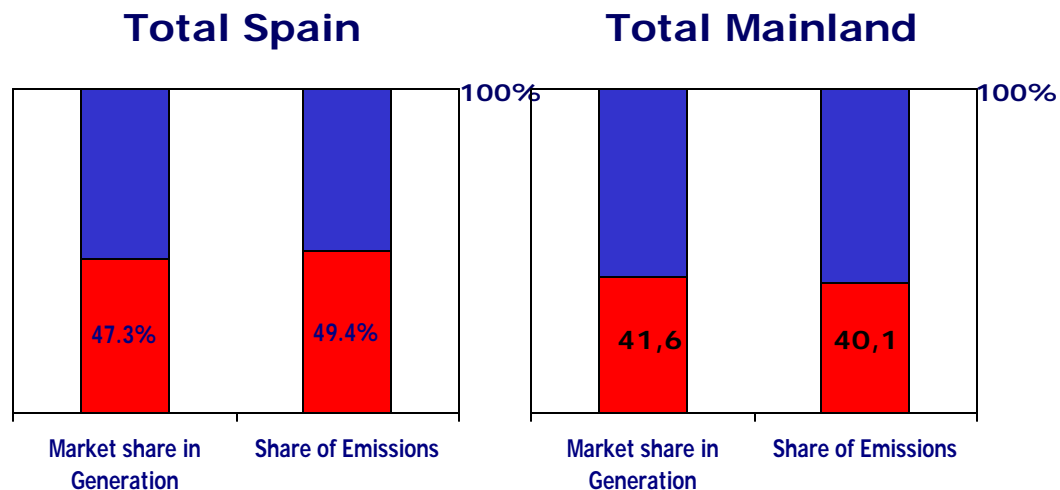
- Endesa has reduced its specific emissions since 1990
- Current share in industry emissions is in line with generation market share
- Endesa's environmental plan will result in 35% reduction in specific emissions (1990-2007)

Evolution of specific emission 1990
2002 (Tn CO₂ / MWh)

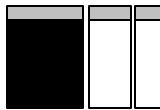


(1) Without cogeneration and renewables

Endesa's share in 2002



Endesa's Response: A Flexible Strategy Compatible with Security of Supply



Spain

Robust capacity plan

- Diversified and balanced generation mix
- Flexible and modular capacity plan that can be adapted to different emission scenarios
- Improved emission efficiency by:
 - Improvements on coal efficiency
 - Investments on CCGTs and renewables
- Closure of less efficient thermal plants
- 35% lower specific emissions (2007 vs. 1990)

Complementary projects

- Investment on emission reduction measures
- Development of own CDM projects
- Participation in carbon funds of World Bank
- Pilot in emissions trading

Regulatory discussions

- Ensure fair treatment to all players
- Contribute to reach a solution combining environmental needs and security of supply

- 9 Month results confirm **solid positive trend** in all business lines
- Continuous **improvement of financial position** providing flexibility to address strategic challenges
- **Focus on strategic priorities:**
 - Maintaining leadership in Spain
 - Consolidating European presence
 - Optimizing existing growth platforms (Latam, Telecom)

Appendix

October 2003

Highlights For 9-Month 2003 Consolidated Results

€M	9M 2003	9M 2002	Change (%)
Net Revenues ⁽¹⁾	7,422	7,395	+0.4%
EBITDA	3,475	3,596	-3.4%
EBIT	2,295	2,263	+1.4%
Ordinary Income	1,548	313	+394.6%
Net Income	1,145	1,102	+3.9%
EPS	1.08	1.04	+3.8%
Cash Flow	2,831	2,809	+0.8%
Financial Debt	17,978	23,862	-24.7%
Employees	26,641	26,354	+1.1%

(1) Sales – energy purchases

Highlights For 9-Month 2003

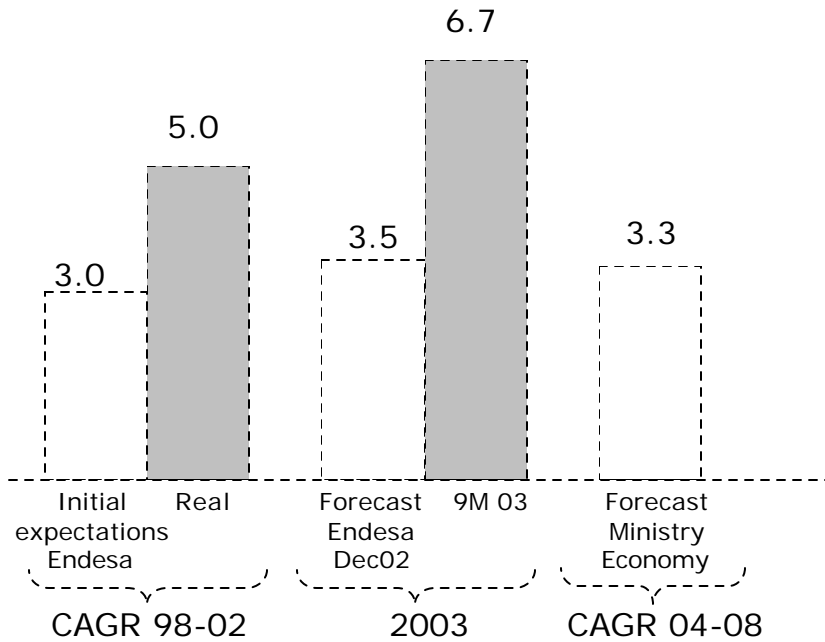
Consolidated Results – Breakdown By Line Of Business

€M	Domestic Electr.	Europe Electr.	LatAm Electr.	Other Businesses
Net Revenues ⁽¹⁾	4,633	821	1,851	117
EBITDA	2,075	257	1,103	40
EBIT	1,313	174	791	17
Ordinary Income	973	85	530	-40
Net Income	1,104	29	48	-36
Cash Flow	1,480	233	1,061	57
Financial Debt	7,196	1,735	7,239	1,808
Employees	13,573	1,156	11,719	193

(1) Sales – energy purchases

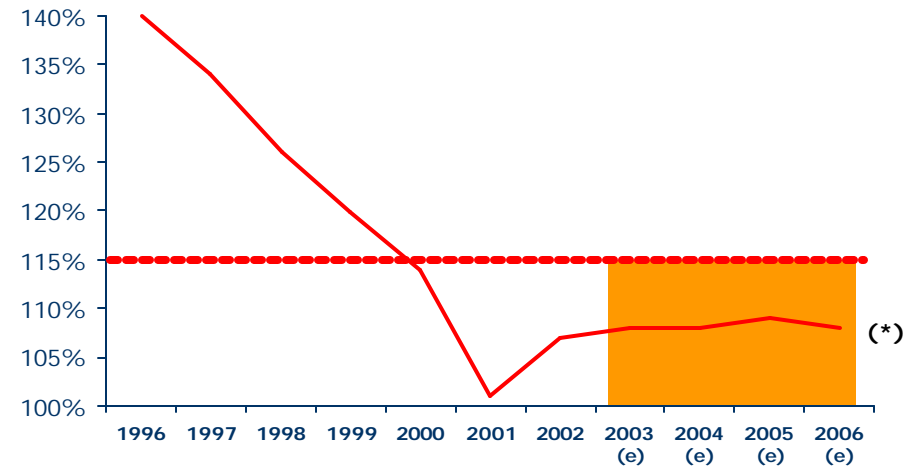
Spain: Solid Market Fundamentals

Demand growth (%)



Demand growth exceeding expectations

Evolution of reserve margin (%)



Reserve margin to remain tight in the coming years

(*) Source: REE

- Change in tariff trend and stable regulatory framework until 2010
- Tariff deficit securitization well advanced
- A more objective and clearer regulation for the Islands
- Emission rights allocation not to distort competition nor jeopardize security of supply; limited short term impact

Regulator concerned about security and
quality of supply

Distribution & Supply: Ensure Best Service To Our Customers

Outlook

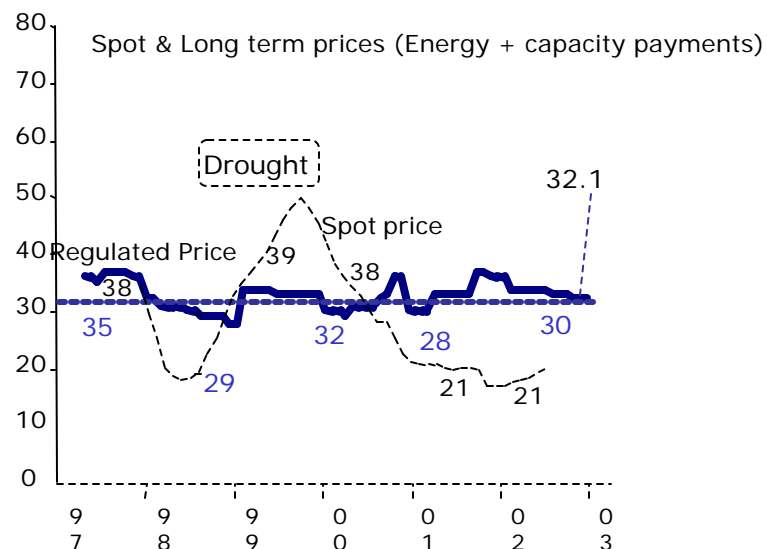
- Customer values quality of service above any other variable
- Regulator is concerned about security of supply because of recent blackouts
- It is foreseeable an improvement on distribution remuneration

Endesa's priorities

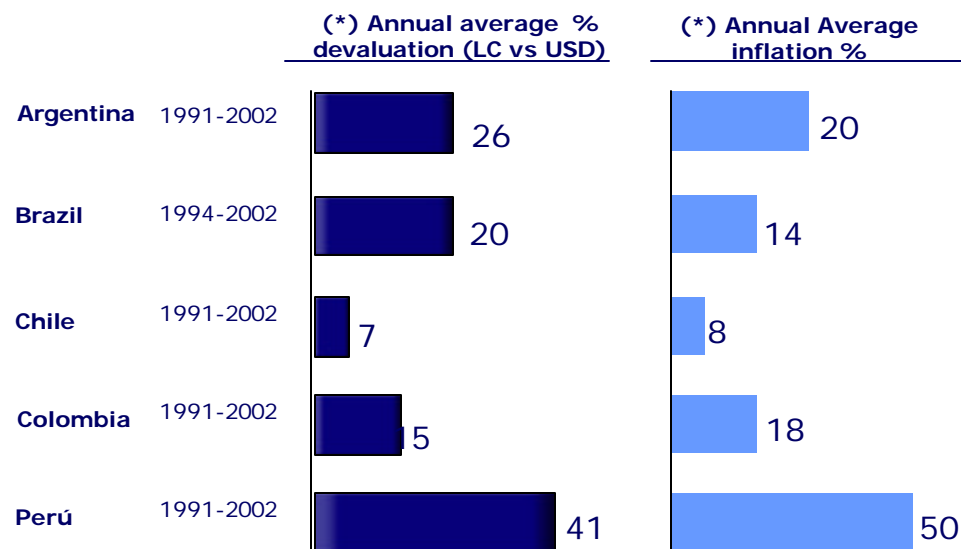
- Ensuring quality of supply
 - 50% improvement in uncontrollable unavailability
 - Client attention
- Compelling dual offering gas-electricity
- Profitable retention of liberalised market

Latam: Achieve Growth Target Materializing Upside Potential

Chile-SIC



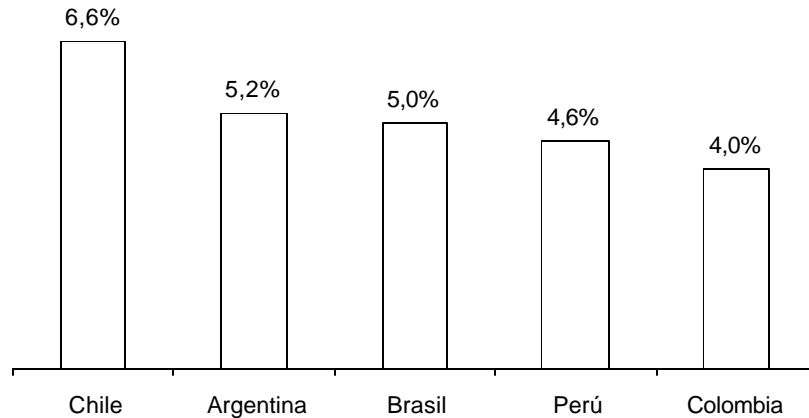
Long term generation prices
stable in USD



Linkage of distribution tariffs to inflation
offsets the impact of devaluation

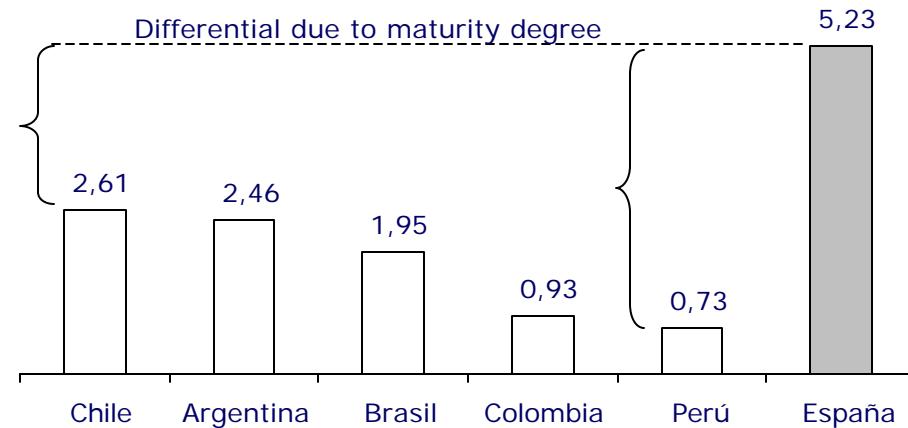
Latam: Materialize Upside Potential through Organic Growth

Expected growth GDP per capita (CAGR 03/07)



Source: EIU

Electricity consumption per capita (000 KWh, 2001)



Source: Energy Information Administration

Endesa's priorities in Latam

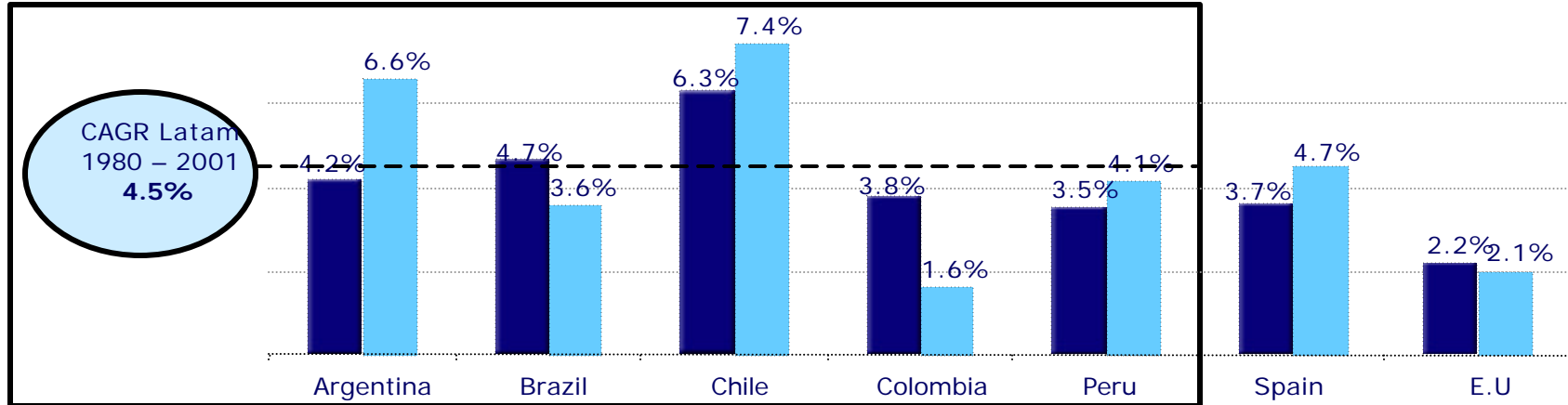
- Fully use assets in order to take advantage of the growth potential
- Continue operational and efficiency gains

Latam: Achieve growth target materializing upside potential

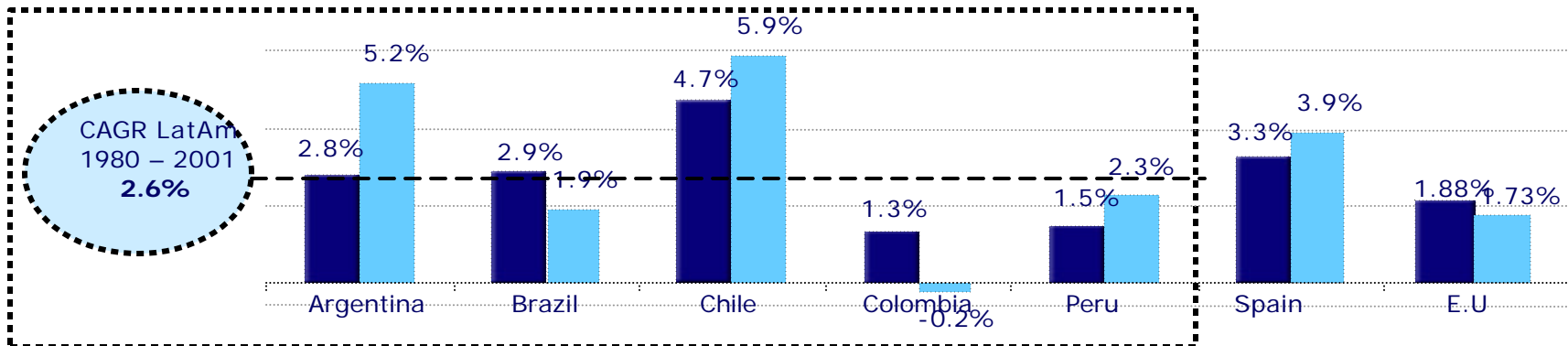
Historical growth of electricity markets in LatAm

Growth electricity demand: LatAm vs Spain / E.U (1980 – 2001)

■ CAGR 1980-2001 Source: EIA
■ CAGR 1990-2001



Growth electricity demand per capita: LatAm vs Spain / E.U. (1980 – 2001)

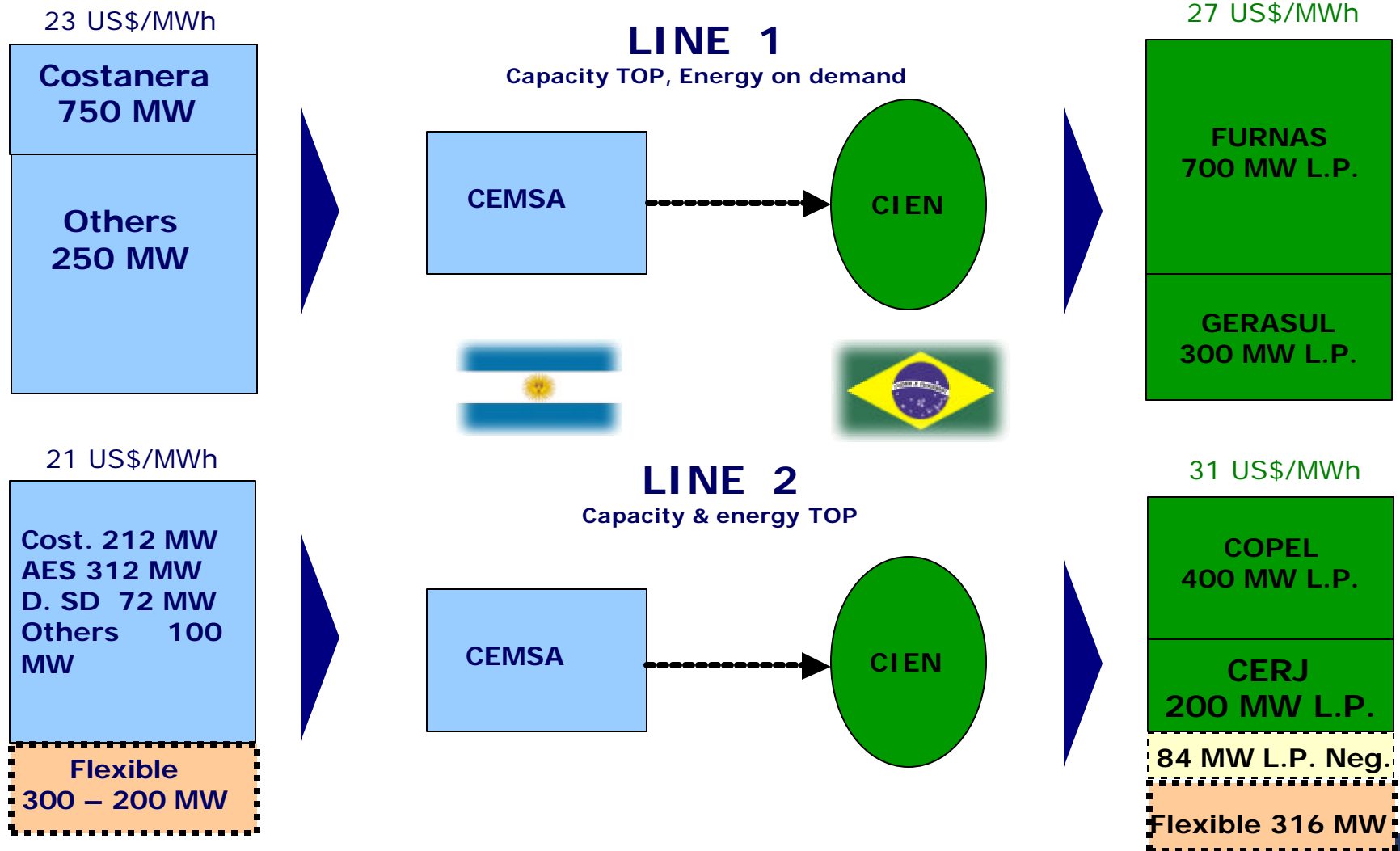


Electricity
Demand
per capita
2001
kWh/year

Argentina	Brazil	Chile	Colombia	Peru
2,460	1,950	2,610	930	730

LatAm	Spain	E.U
1,690	5,230	6,241

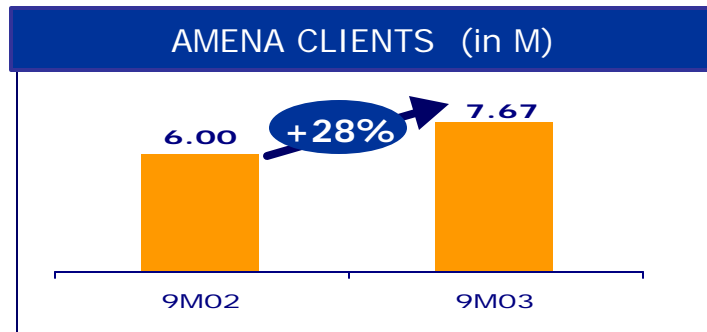
Interconnection: New agreement among Generators- CIEN-COPEL



9-month 2003 Telecoms: Outstanding Operating Performance

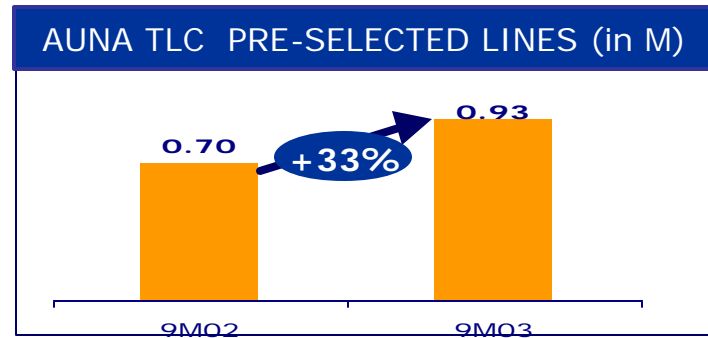
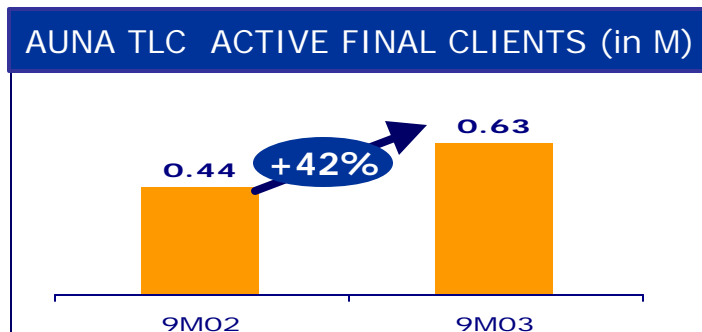
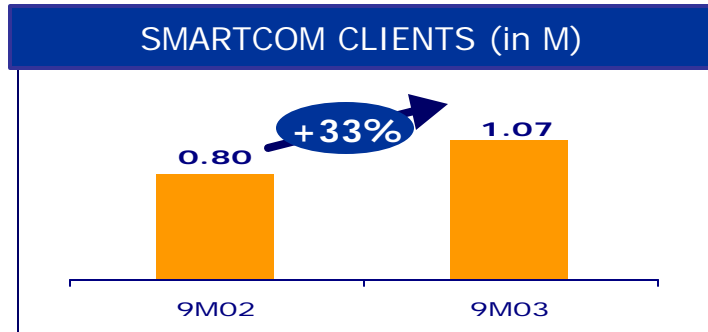
AUNA:

- AMENA customers up 28% to 7,666,758
- 619,592 cable customers, 42% higher than in September 2002
- 928,227 pre-selected lines, a 33% increase with respect to September 2002



SmartCom:

- 1,069,025 clients, + 33%. 16% market share



Priorities To Maintain A Sound Financial Position

- Improve leverage
- Rating policy: "A" for Endesa and "investment grade" for Enersis
- Improve quality of results
- Sustainable dividend policy

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 tax.

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.

9-Month 2003 Financial Results and Business Update

October 22nd 2003

