Project Erasmo

Management Presentation

15 February 2008

Dow Jones Sustainability Indexes
Member 2007/08

Overview of the Transaction

Endesa Europa: A Track-record of Outperformance

An Ongoing Business with Growth Momentum

Conclusions

Endesa Europa Management Team

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Strategy, Development and Regulation

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General Manager
Endesa Italia

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General Manager
Endesa France

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General Manager
Endesa Hellas

(*) Today's Speakers.

Organizational Charts
Endesa Italia - Endesa France

Endesa Italia

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Production

Antonio HAYA
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Institutional Affairs

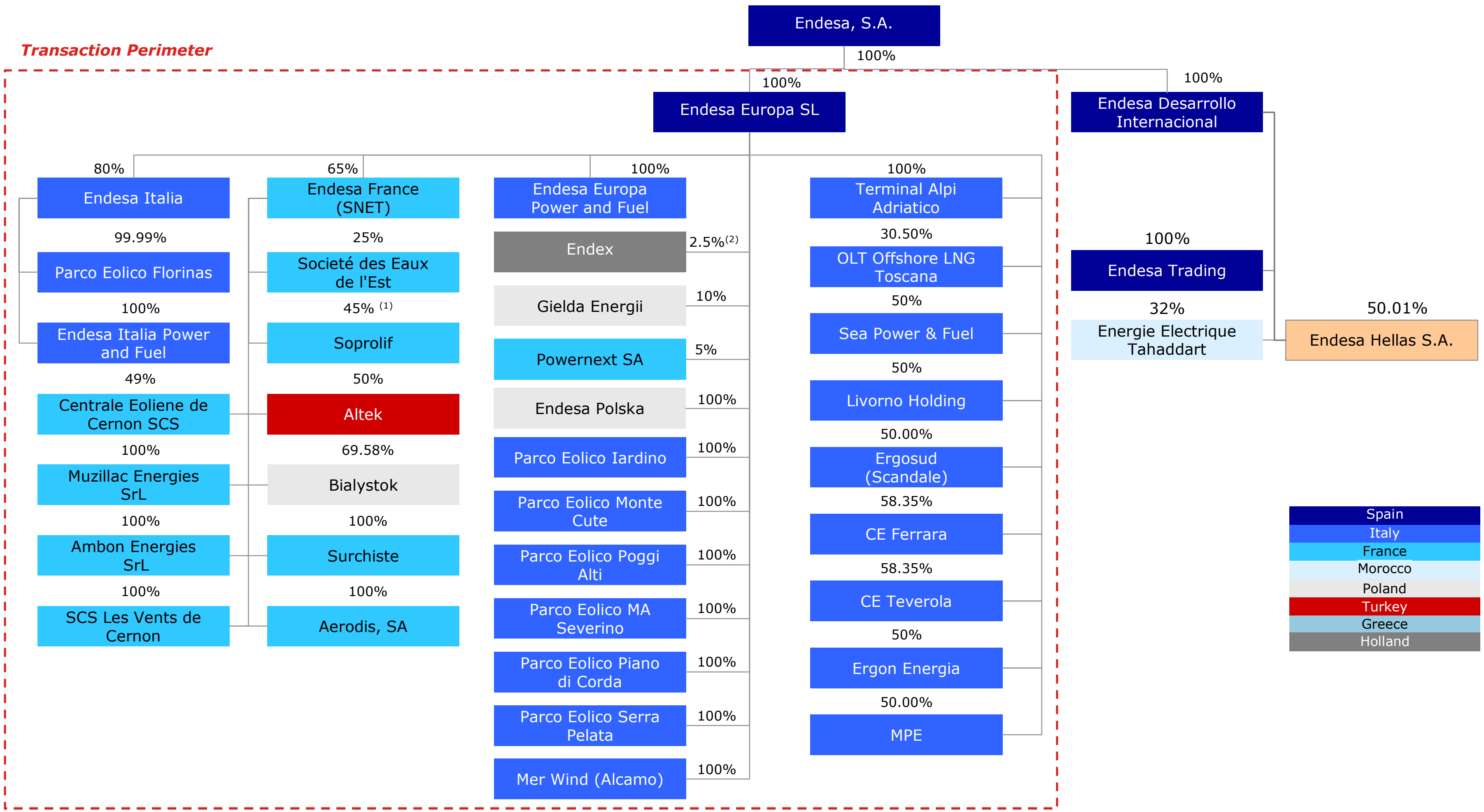
Pauline Gaget
Legal Department

Denis REITER
Human Resources

Laurent THABUSOT
Engineering

(1) Option to return to Endesa.

Corporate Structure - Transaction Perimeter

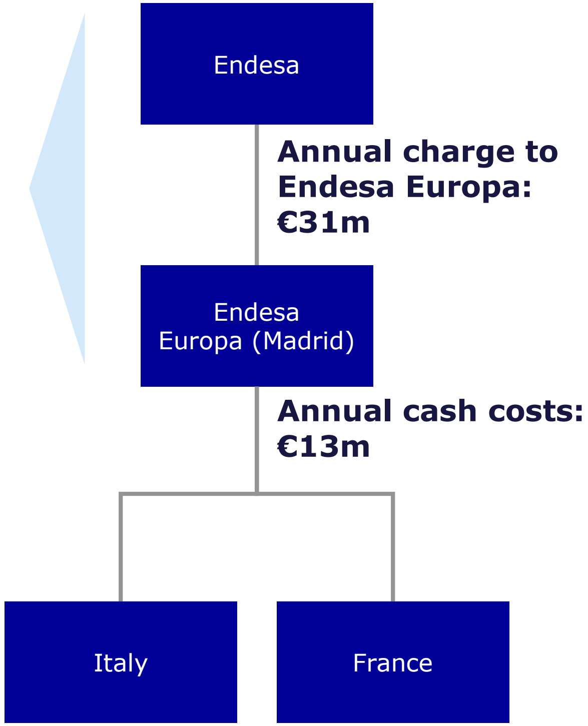


Date: 31/12/2007.
(1) From January 1, 2008 Endesa Europe will consolidate 100% of Soprolif, according to the purchase agreement signed in December 2007 in which EDF will sell its 55% to Endesa France.
(2) 1.25% owned by Endesa Europa and 1.25% by Endesa S.A.

Areas Excluded from Perimeter

Corporate Overheads

Excluded from projections /perimeter



Carved out Assets Do not Have an Impact on EBITDA Comparisons

Endesa Trading	▪ Trading activities in Endesa Europa will continue in the future as a majority of them are associated with the physical assets and most contracts remain with the business ▪ Endesa Trading includes the personnel in the Madrid trading room and some outstanding contracts
Energie Electrique Tahaddart	▪ Consolidated by the equity method
Endesa Hellas	▪ Operations have only started in 2007

Endesa Europa Pro-Forma EBITDA 2007

		(€m)
	EBITDA to be Reported	1,121
+	Corporate Charges	31
+	Endesa Europa (Madrid) Structure	13
–	Endesa Europa Trading Outside Italy and France	8
	Transaction Perimeter Consolidated EBITDA	**1,157**
+	Ergon + MPE (Proportional)	7
+	Soprolif (Proportional)	6
+	Altek (Proportional)	6
	Total Pro Forma EBITDA	**1,176**

Presence in Four of the Seven Largest European Countries …

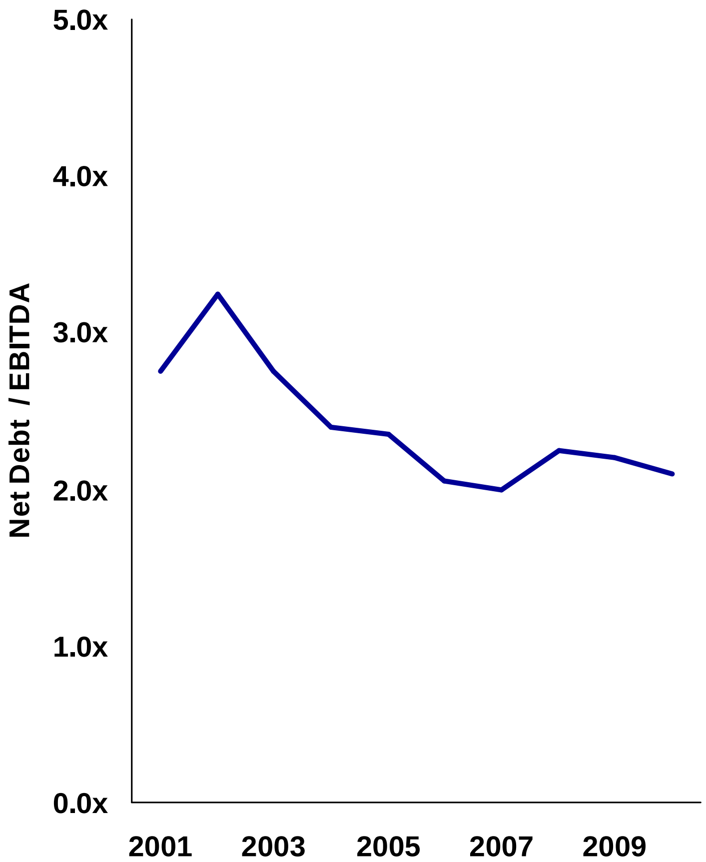
Largest Markets in Europe / Presence

Country	Generation TWh 2006	endesa europa	Additional Endesa Assets	e.on	e.on + Acquisitions
Germany	636			✓	✓
France	571	✓			✓
UK	399			✓	✓
Italy	315	✓			✓
Spain	303		✓		✓
Turkey	176	✓			✓
Poland	162	✓			✓

Source: BP Statistics Databook.

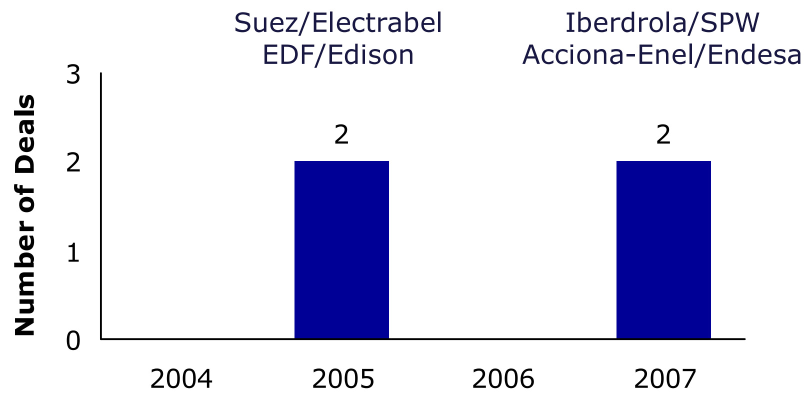
… in a Context with Very Few Opportunities, which Historically Closed with Multiples in the 10.5-12x Range

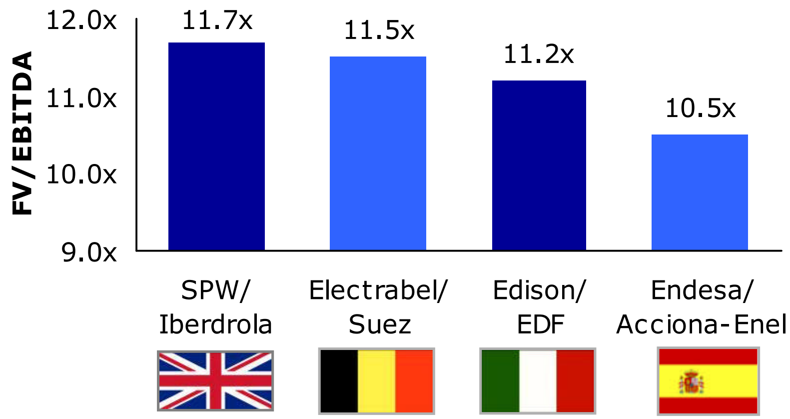
Low Leverage of the Sector



Source: Investment Research.

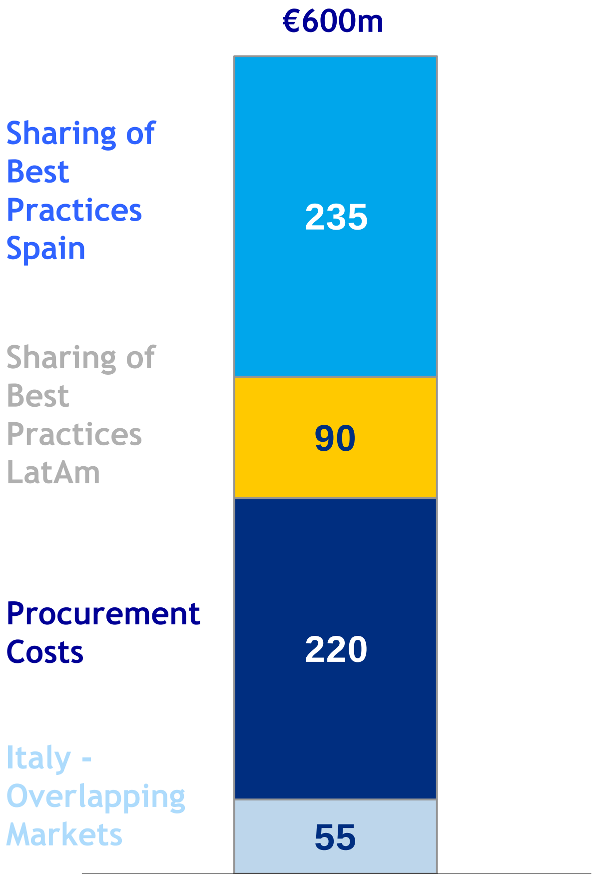
European Power Transactions > €5bn





With Yearly Synergy Potential for E.ON above €150m

E.ON Announced Synergies



Endesa Europe Estimated Synergies for E.ON

Synergies E.ON - Endesa Italia

- Gas Sales / Supply
  - Optimization of 2 bcm (Dalmine Energia 1.5 bcm + 0.5bcm E.ON Rhurgas)
  - Savings gas storage Endesa Italia
- Energy Sales
  - Integration Dalmine - MpE
- Engineering and Procurement savings
- Energy Trading

> €70m

Synergies E.ON - Endesa France

- Gas savings for new CCGT
  - Utilizing E.ON dedicated capacity in Germany
- Gas Sales / Supply
  - Joint gas / electricity sales through Endesa France network
- Engineering and Procurement savings
- Energy Trading

>€40m

Other Synergies E.ON Group

- Transfer of best practices
- Big E.ON European industrial accounts
- Optimisation of capacity plan

>€40m

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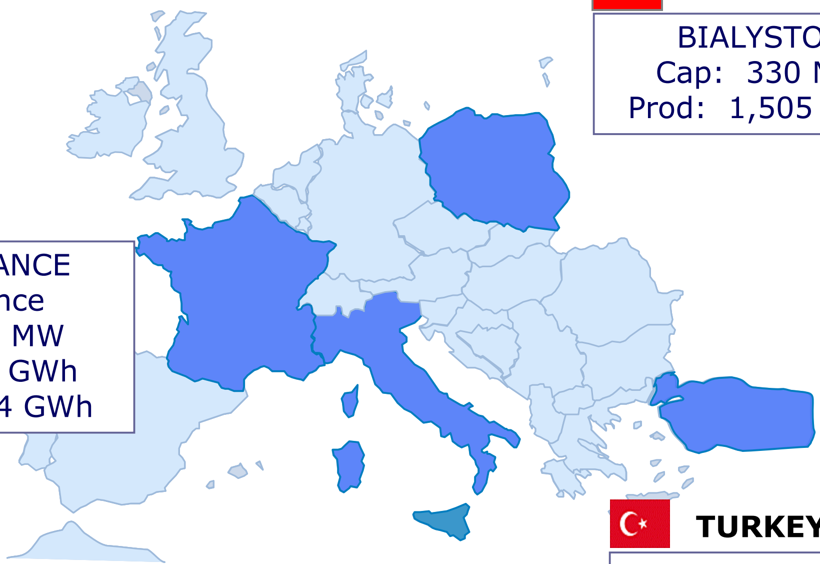
An Ongoing Business with Growth Momentum

Conclusions

Endesa Europa is an Ongoing Business with a Strong Momentum, and a Solid and Efficient Asset Base



POLAND

BIALYSTOK
Cap: 330 MW
Prod: 1,505 GWh

FRANCE

ENDESA FRANCE
3 in France
Cap: 2,487 MW
Prod: 7,768 GWh
Sales: 18,414 GWh

ITALY

ENDESA ITALIA
3 in Italy
Cap: 7,156 MW
Prod: 24,109 GWh
Sales: 32,583 GWh

TURKEY

ALTEK
Cap: 120 MW

Installed Capacity: 10 GW

Sales: 53 TWh

Employees: 2,147

Note: figures for 2007.

Italy and France Have Attractive and Solid Fundamentals …

Italy

- High structural costs (generation mix composition, gas and environment costs)
- Concentrated competitive environment will continue to create barriers to entry
- Continued demand growth
- Structural Transmission constraints between regions
- Prices expected to be sustained at current levels

France

- Concentrated competitive environment will continue to create barriers to entry
- Access to main European markets
- Peak power needs
- Very liquid markets

… and the Presence in Poland and Turkey Provides Unique Access to Future Growth Opportunities

Poland

- 7th Largest Market in Europe
- Expected demand growth of 4–5% p.a.
- Strategic Location (Germany, gas)
- High investment needs in capacity (1 GW p.a. from 2010 onwards)
- Announced privatisations

Turkey

- 6th Largest Market in Europe
- Expected demand growth of 8% p.a.
- Expected privatisations for one third of the installed capacity (10-15 GW)
- Several Distributors for sale

Endesa has a Valuable Network of Partners Throughout Europe

Italy

Merloni

- Partner in MPE Energia
- Largest electrical / domestic devices manufacturing group in Italy (Group Indesit)

IRIDE

- Italian Municipal Utility of Genova and Torino
- Major shareholder (together with Endesa) in OLT Livorno

Golar LNG

- Leading LNG tanker manufacturer
- Major shareholder in OLT Livorno

FOSTER WHEELER

- Leading producer of engineering equipment
- Major shareholder of Teverola and Ferrara

France

Sorégies

- Municipal utility in Poitiers with 130,000 electricity and gas clients
- Tolling agreements and stake swaps

Poland

- Polish market operator
- 10% capital stake owned by Endesa Europa

Turkey

ALARKO ŞİRKETLER TOPLULUĞU

- One of the main Turkish industrial groups
- Partner in Altek

Since its Acquisition, Endesa Strategy for Italy has been Focused on …

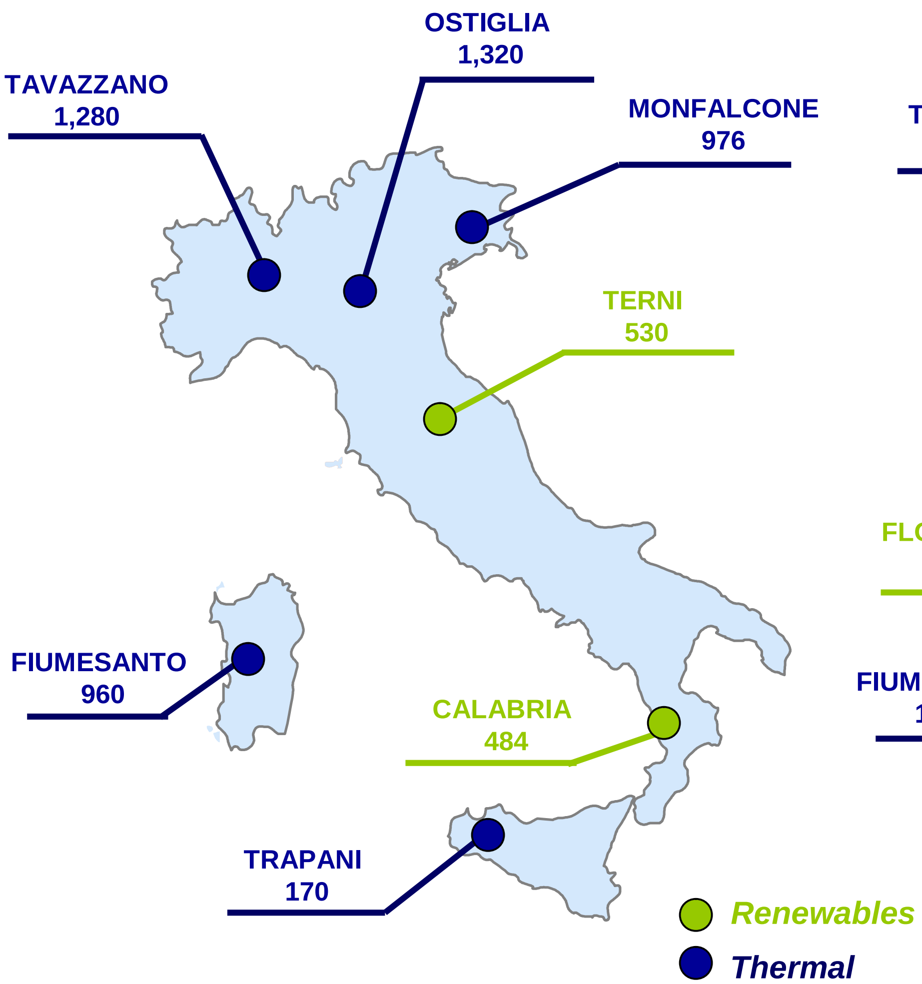
Italy

2001–2007 Strategy

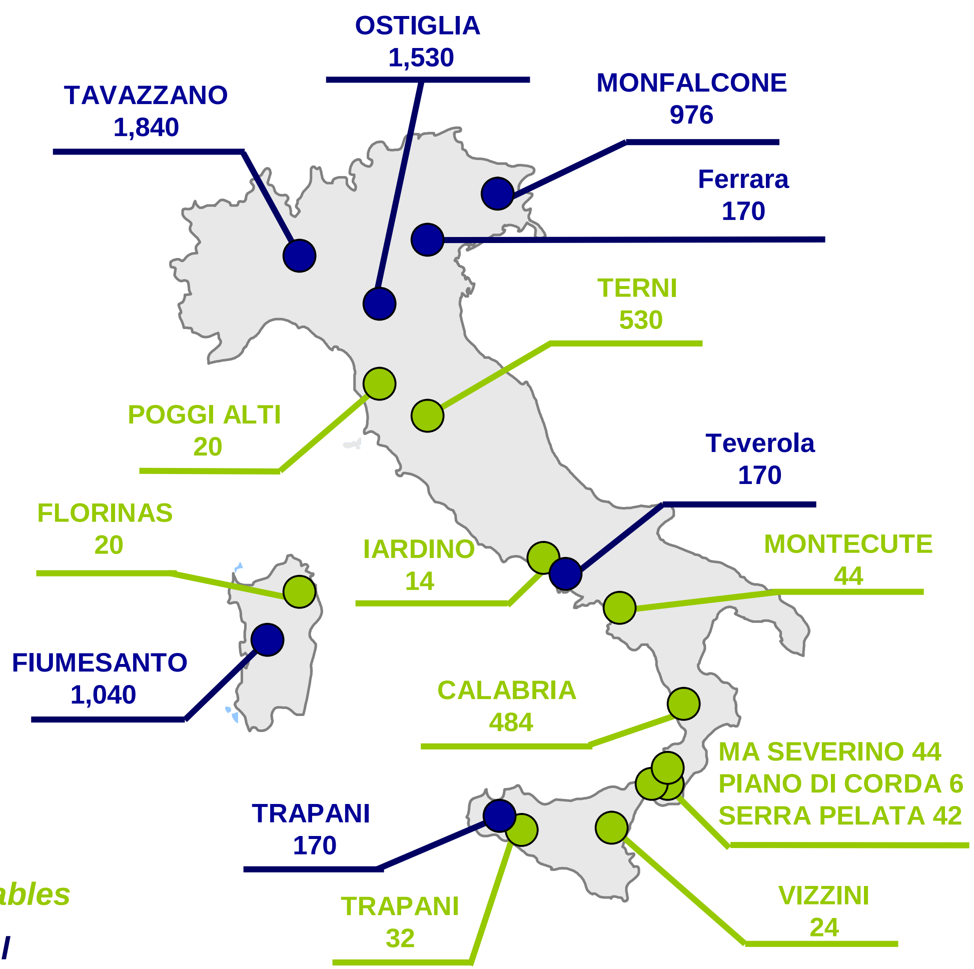
- Growth and improvement of generation mix and optimisation of plant efficiency
  - Repowering of Fiumesanto, Ostiglia and Tavazzano
  - Acquisition of Teverola and Ferrara
  - Construction of Scandale CCGT
  - Development of Renewables portfolio
- Fixed cost reduction
- Development of complementary businesses to the value chain
  - Gas sourcing
  - Electricity Supply

... Growing the Asset Base, and ...

5,720 MW (2001)

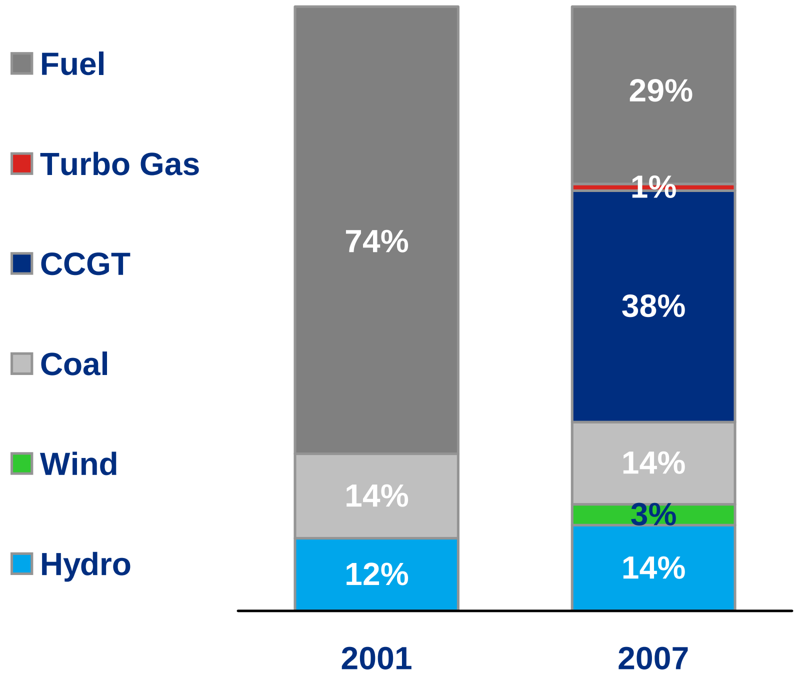


7,156 MW (Dec. 2007)



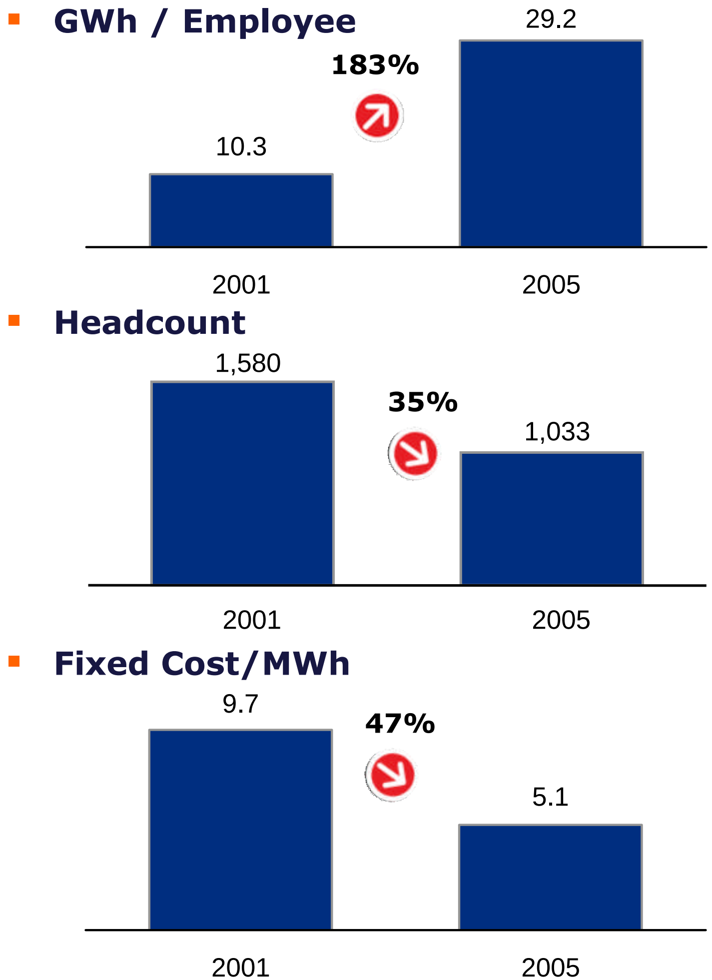
... Turning it into a Solid and Efficient Business

Achieved Repowering in Italy



MW	5,720	7,156

Efficiency Improvements



In France, the Portfolio has been Transformed …

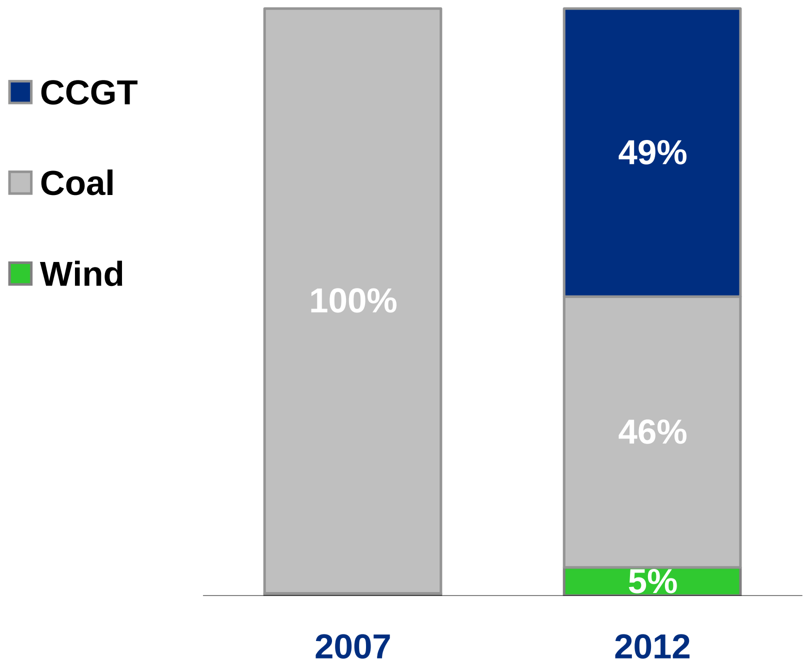
France

2004–2007 Strategy

- Improvement in the profitability of EDF's contract
  - Improvement of the availability of the coal plants
  - Fuel cost optimisation
- Fixed cost reduction
- Launching of Industrial Plan
  - CCGTs construction (3,010 MW)
  - Wind parks development (294MW)
- Development of complementary businesses to the value chain

... Through the Improvement of the Contract with EDF and the Launch of an Industrial Plan in CCGT and Wind

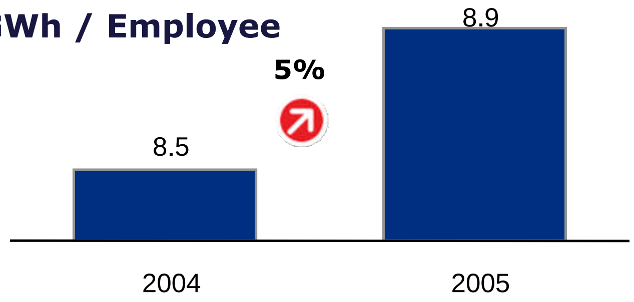
Industrial Plan in France



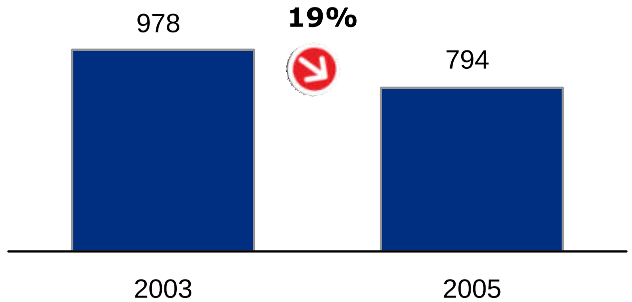
MW	2,807	6,132

Efficiency Improvements

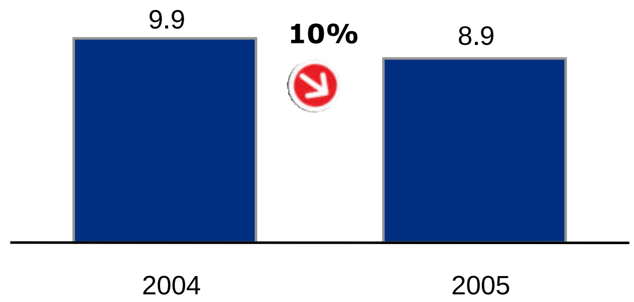
- **GWh / Employee**



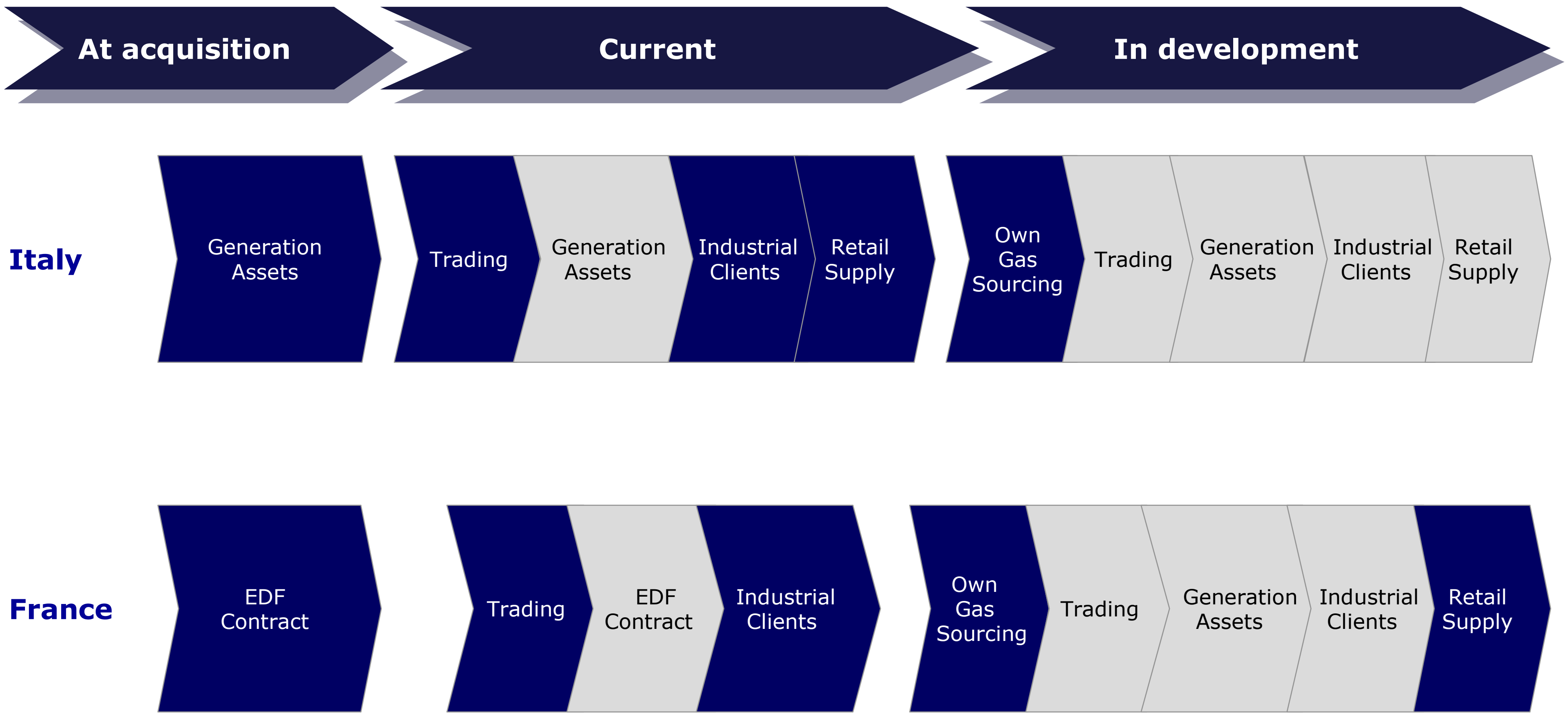
- **Headcount in France**



- **Fixed Cost/MWh**

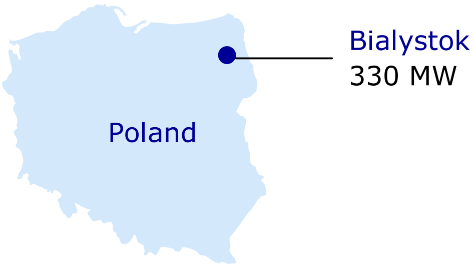


In addition, Italy and France have Begun to Expand into other Parts of the Value Chain in order to Achieve Stable Margins



In Poland, Bialystok Plant has Been Optimised, while in Turkey Altek has Increased its Capacity

Poland

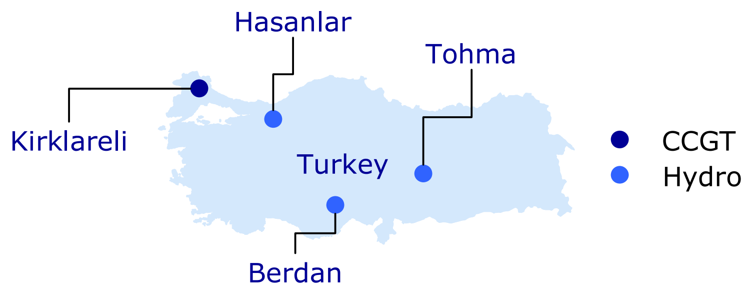


- Automation of the plant
- Reconfigure of a boiler to produce biomass
- Efficiency plan

- >50% workforce reduction (from 483 to 209 employees)
- 80% increase of sales per employee (from 4.0 to 7.2 GWh/employee)
- First dividend distributions from Bialystok

2007 EBITDA = €14m

Turkey



- Start of the Kirklareli CCGT (80 MW)
- Proactive regulatory management of the market tariffs

- Capacity increase of 80 MW
- First profits achieved in 2007

2007 EBITDA = €6m
(proportional)

In the Last Two Years, Endesa has Continued to Develop an Integrated Portfolio in Italy …

Finished repowering of Tavazzano 6 (400 MW)

Start of construction of Scandale (405MW)

Teverola and Ferrara acquisition (340 MW)

Authorisations and EPC for Livorno Regasification

Agreement with Merloni for the supply of Retail market

Agreement with Gamesa for 240 MW of wind capacity

Sardinia region agreement for the development of infrastructure

- Access to Galsi Pipeline
- Gas Distribution
- New CCGT
- Regasification Terminal

… as well as in France

1st wind park inauguration in Leaucourt (2007)

Authorisations to build 3,010 MW of CCGTs (Industrial Plan)

Contract with the Bordeaux port authority for LNG Regas Project (4+4 bcm) signed in 2006

Start of construction of 800MW CCGT Emile Huchet by Siemens

Endesa has Outperformed its Publicly Stated Targets Established at the Date of the Acquisitions, and …

endesa Italia

	Committed (1)	Accomplished by 2006
Reported EBITDA 06 (M€)	635	916
ROIC 06	10.6%	15%
Reduction in Workforce 05	290	547
Stranded Cost Recognition (M€)	135	169
Workforce/MW in 07	0.22	0.15

- Endesa Italia has far exceeded the targets it set for 2006

endesa france

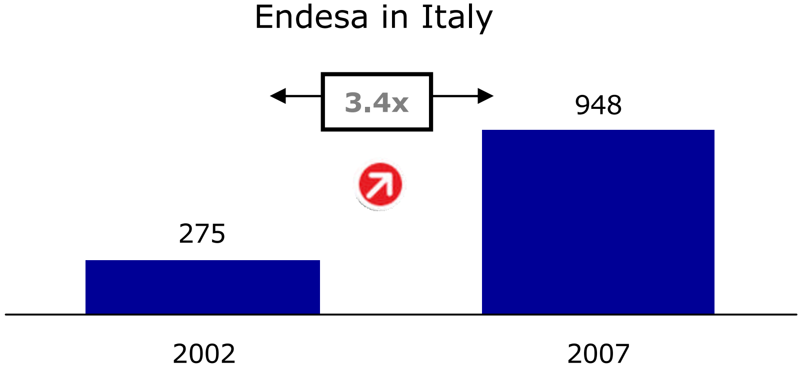
	Committed (2)	Accomplished by 2006
Reported EBITDA 09 (M€)	200	196
Net Income 09 (m€)	60	65
Reduction in Fixed Cost 09	20%	20%
Dividend Distribution	From 2005	75M€

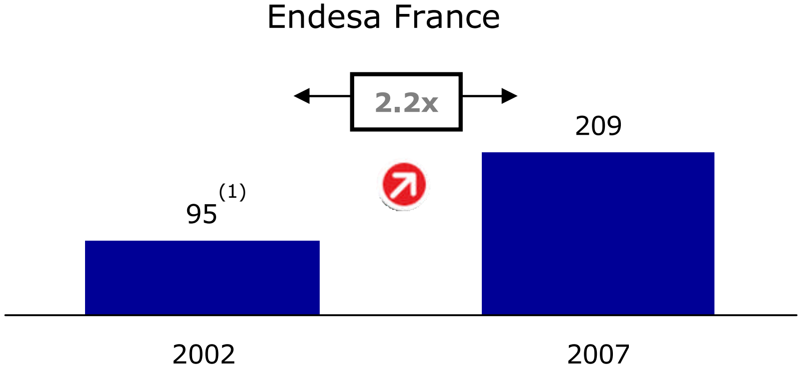
- By 2006, Endesa France had met its 2009 targets

(1) July 24, 2001 "Elettrogen Presentation to analysts".
(2) 13 September 2001 – "Acquisition 35% additional of SNET".

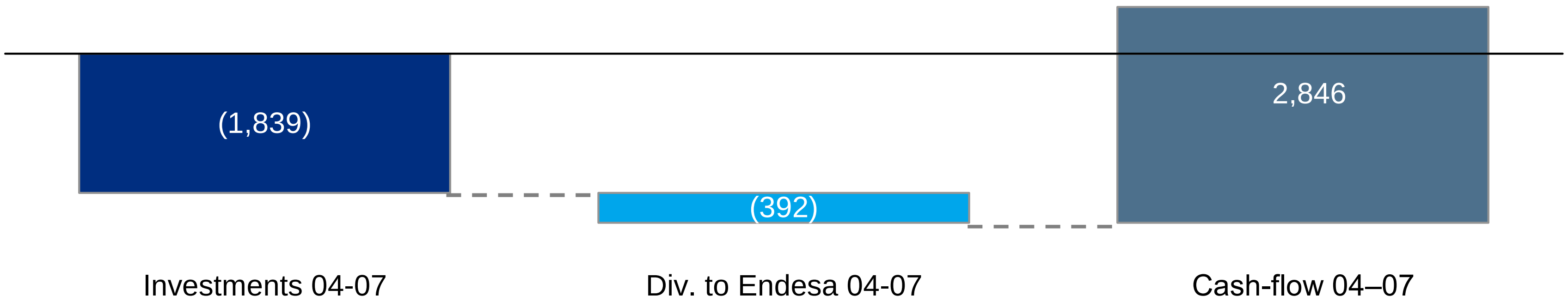
... High Growth has been Achieved While Generating Cash

EBITDA (€m)





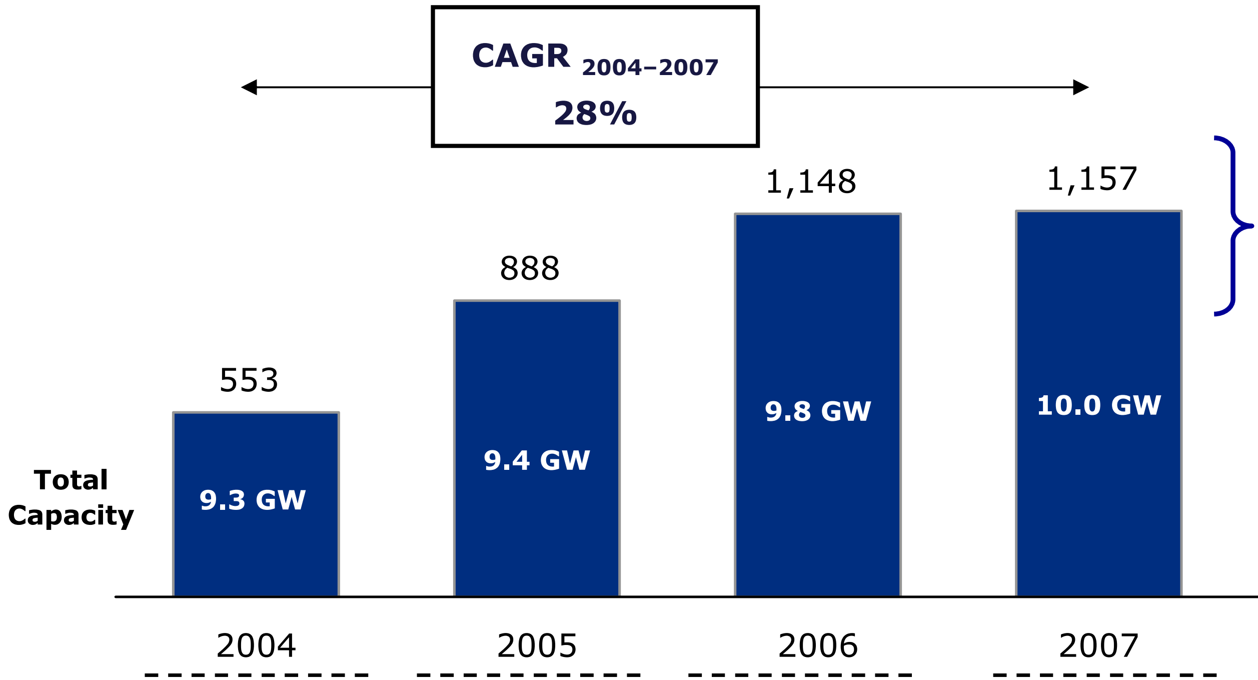
Endesa Europe Cash Flow (€m)



(1) 100% EBITDA .

Endesa has been Able to Maintain a High Growth Level, which…

EBITDA (€m)



Low 2006-2007 EBITDA growth

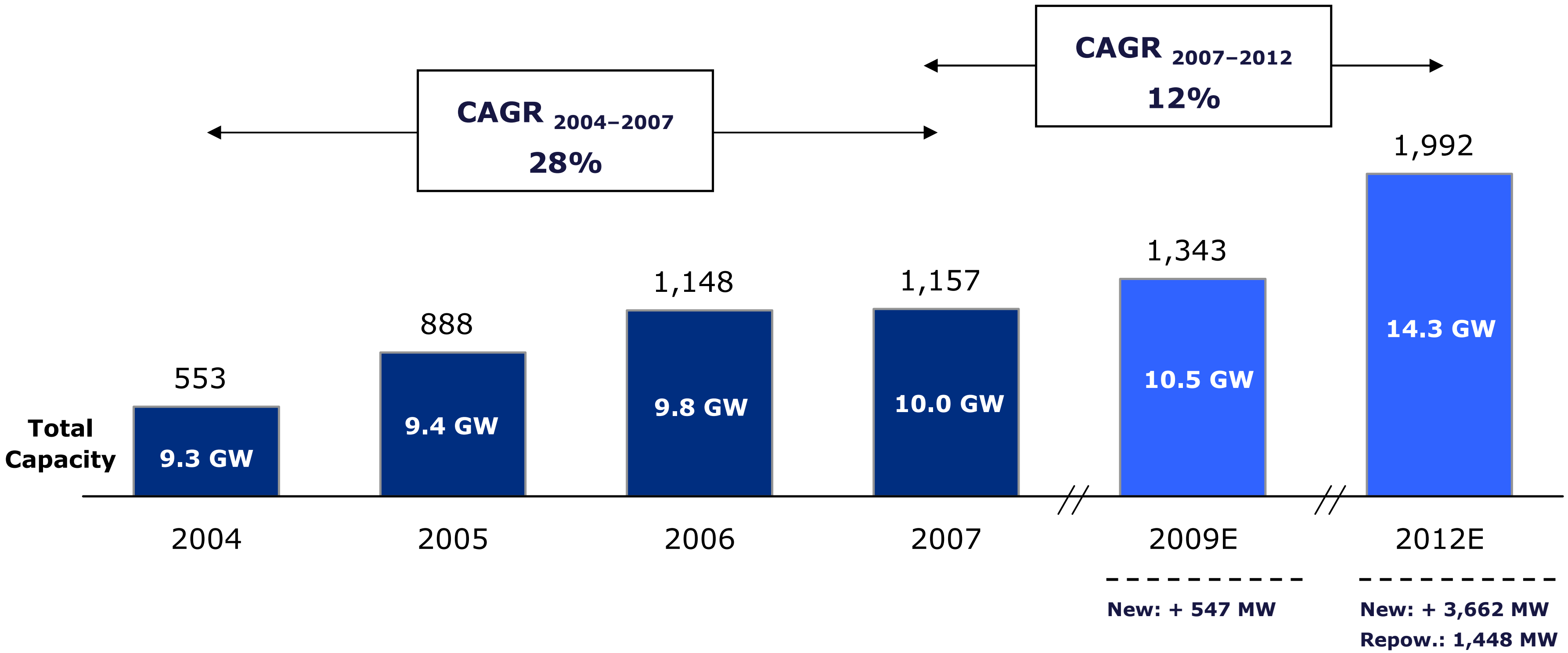
- Low hydro year
- No significant capacity increases

2004	2005	2006	2007
New: +20 MW	**New: + 80 MW**	**New: + 378 MW**	**New: + 199 MW** ***(wind: most part installed during the last months of the year)***
Repow.:+ 800 MW	**Repow.:+ 800 MW**		

Note : 2004-2007 EBITDA are pro-forma for the assets included in the transaction. Historical Endesa Trading operations as part of the perimeter correspond to €15 million, €36 million and €30 million in 2005, 2006 and 2007 respectively.

… Supports the Projected Growth in the Coming Years

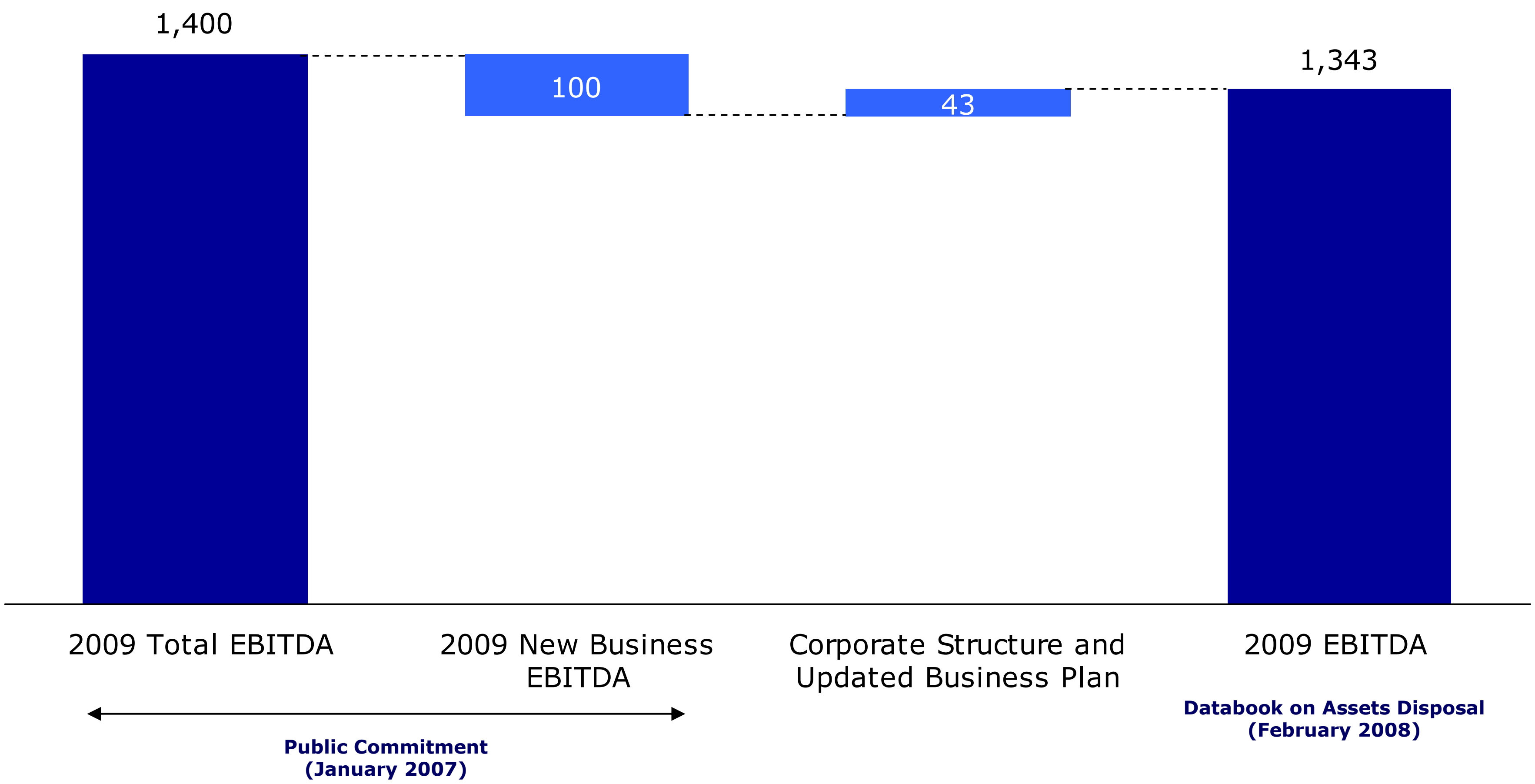
EBITDA (€m)



Note 1 : 2004-2007 EBITDA are pro-forma for the assets included in the transaction. Historical Endesa Trading operations as part of the perimeter correspond to €15 million, €36 million and €30 million in 2005, 2006 and 2007 respectively.
Note 2 : Altek EBITDA proportionally consolidated from 2008 onwards.

Updated Business Plan is Consistent with the Latest Projections Announced

EBITDA (€m)



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Endesa Europa: A Track-record of Outperformance

An Ongoing Business with Growth Momentum - Italy

Conclusions

Italy Market Expectations for 2008-2012

Terna expects demand to continue to grow

2008	2009	2010	2011	2012
2,80%	2,80%	2,98%	2,52%	2,46%

Source: Terna.

Capacity needs

- Endesa market model assumes net additional capacity from competitors of around 6 GW
- Endesa is in a unique position with options to increase its capacity by either replacing its existing plants or expanding the capacity in its current sites

Electricity prices will be current levels

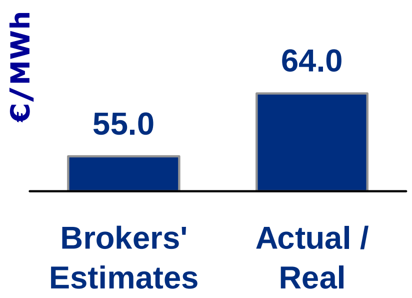
- 2008 market contracts established around €76/MWh
- Brokers' estimates close to the 2008 market levels
- Higher green certificate needs
- New entry prices above €85/MWh

High barriers to entry

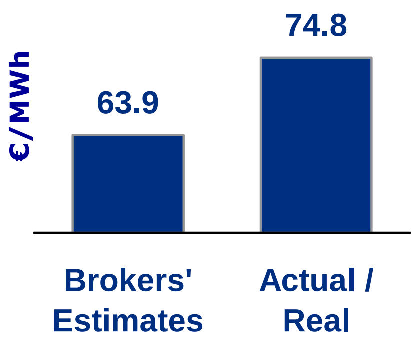
- The competitive context will continue to be focused in 4 to 5 players
- Authorisation process remains lengthy and difficult

Italian Prices have Exceeded Expectations for many Years…

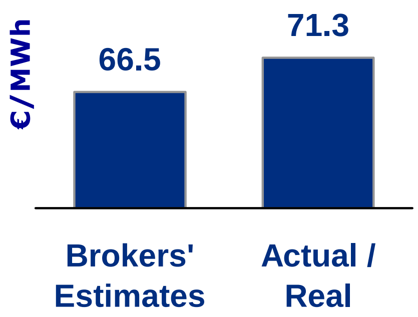
2005



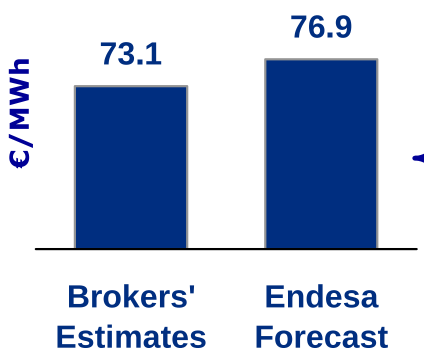
2006



2007



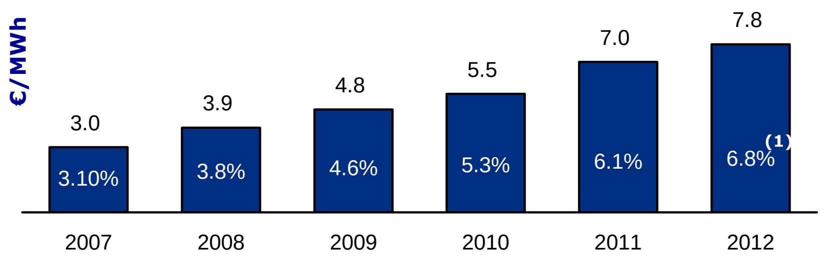
2008E



- Bilateral contracts of Endesa Italy pricing around €75–77/MWh
- Italian Market: *Tradition Financial Services (Feb.08)* reports a baseload price for 2008 of €74/MWh (bid) vs. €80/MWh (ask)
- Italian baseload forward prices (average December 07): €76/MWh
- New entry price above €85/MWh

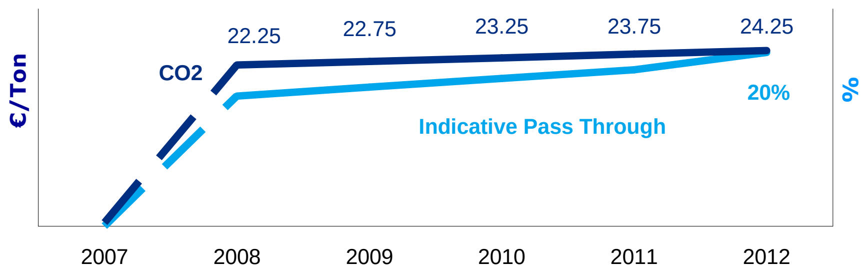
… and Expected to be Sustained Around Current Levels

Higher Green Certificate Requirements



(1) CV requirements as % of previous year production.

Increased Pass Through of CO2 Costs



Supported by the Market Structure

- **Continued oligopoly market structure, with limited impact of new entrants on PUN prices**
- **No major developments in gas electricity infrastructure**

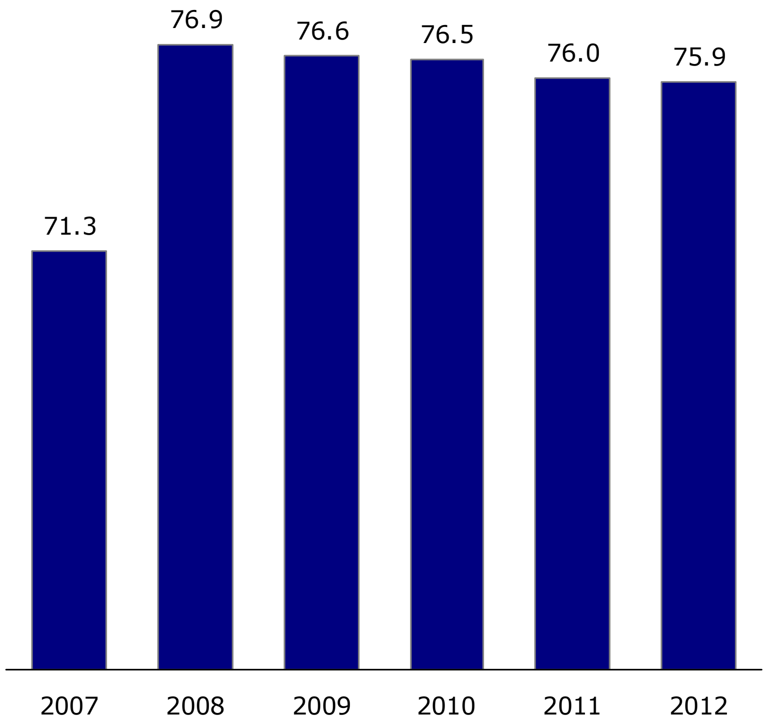
PUN €/MWh Forecasts

2008 vs 2007 increase

- Higher fuel costs
- Higher CO2 prices and deficit
- Higher CV requirements

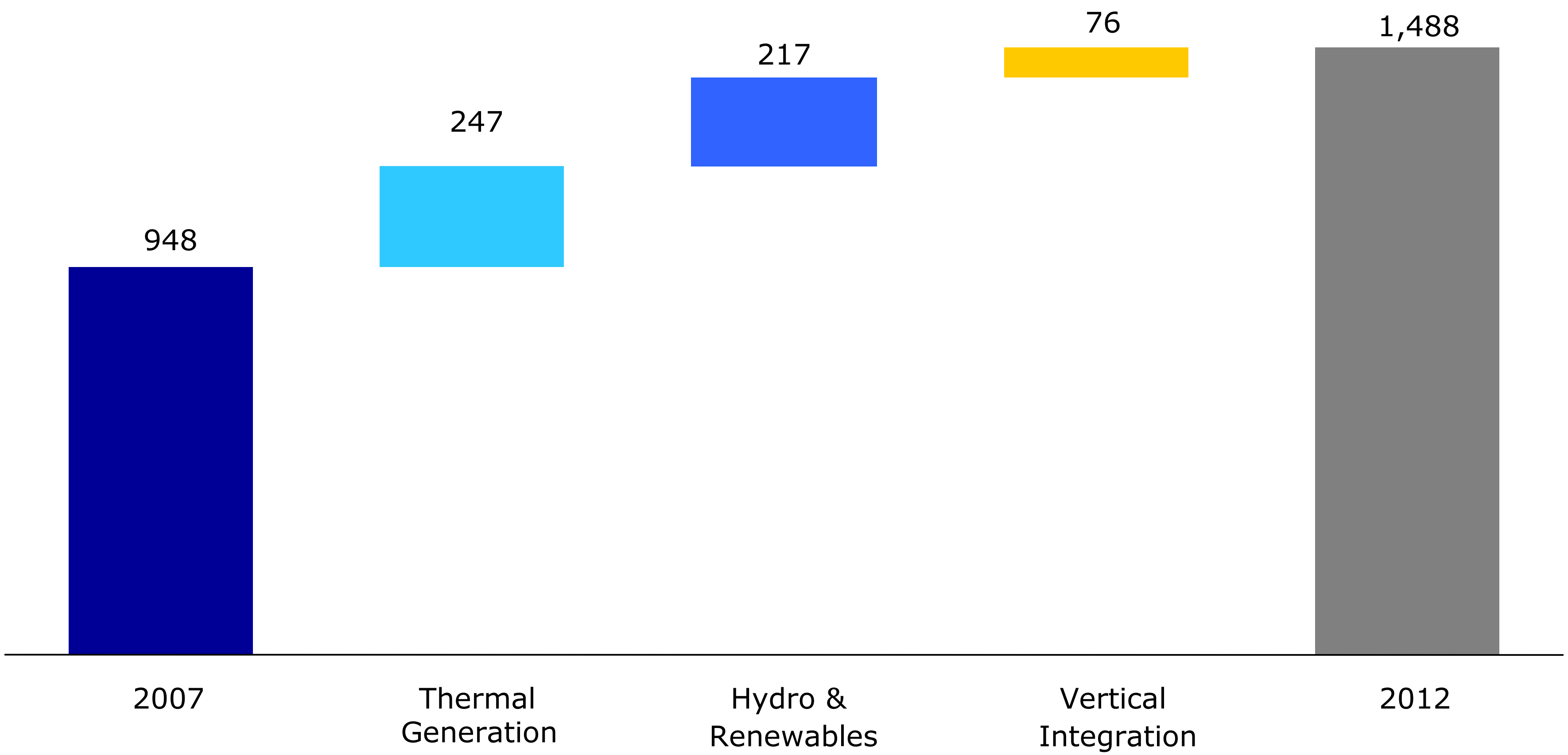
2012 vs 2008 decrease

- €1/MWh absolut
- ~€6/MWh excluding impact of CV and CO2



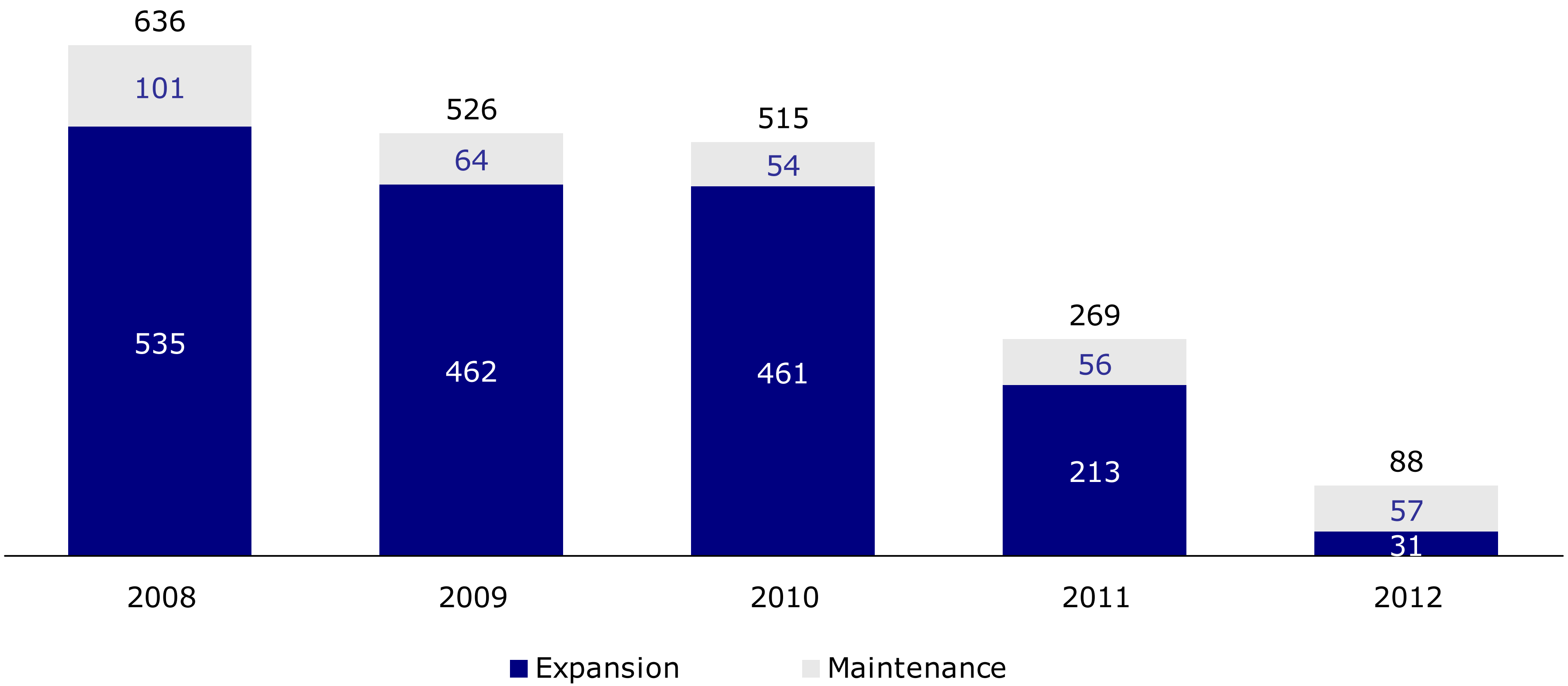
The Objective in Italy is to Increase EBITDA by €540m…

EBITDA (€m)



… Through An Investment Plan of €2.0bn in Projects Already Authorised …

Investments (€m)



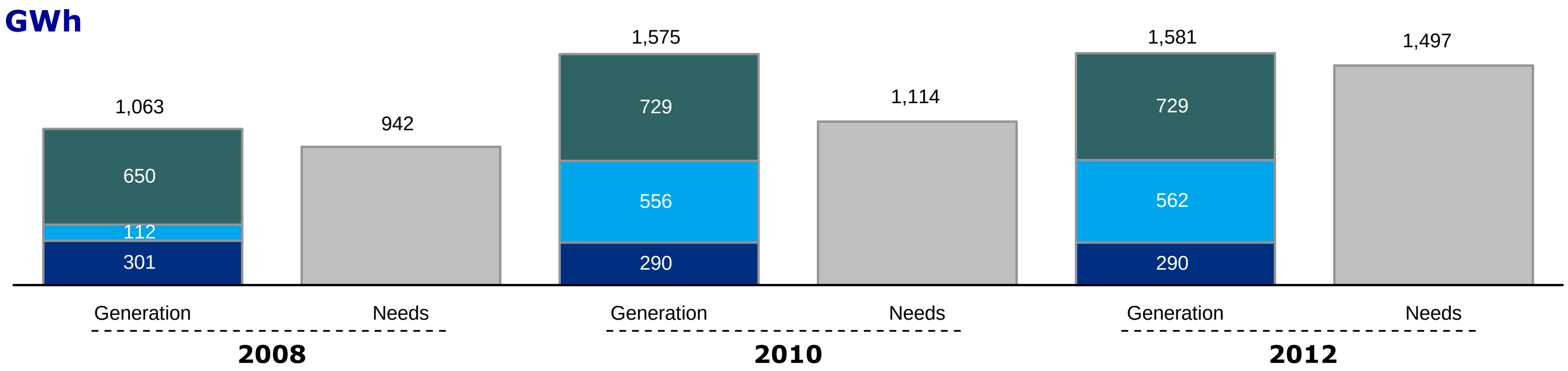
Thermal Generation: Increase Capacity and Repowering of Inefficient Plants

	Plant	Capacity	Description
Increase in Capacity	**Scandale** **CCGT**	**405 MW** 3,263 GWh_{2012}	**Combined Cogeneration Gas Cycle** (Exempt from green certificates requirements) ▪ Location: Calabria (Southern Italy enjoys high zonal prices) ▪ Capex: €220 M (of which part has already been invested) ▪ Authorised and under construction ▪ Start in 2009
Increase in Capacity	**Tavazzano 9** CCGT	**420 MW** 1,835 GWh_{2012}	**Combined Cycle** ▪ Site with existing infrastructure (location and connections) ▪ Capex: €260 M ▪ Authorization obtained (in the absence of AIA). EPC contracted ▪ Start in 2010
Repowering	**Monfalcone** CCGT	**800 MW** 3,547 GWh_{2012}	**Combined Cycle** ▪ Site with an existing infrastructure (location and connections) ▪ Capex: €330 M ▪ Authorization obtained (in the absence of AIA) ▪ Start in 2010
Repowering	**Ostiglia tg1-2** Turbo Gas	**228 MW** 576 GWh_{2012}	**Two Turbo Gas groups** ▪ Site with an existing infrastructure (location and connections) ▪ Capex: €160 M ▪ Preliminary authorization (waiting for VIA and AIA) ▪ Start in 2011
Repowering	**Fiumesanto 5** Supercritical Coal	**410 MW** 2,816 GWh_{2012}	**Supercritical Carbon Technology** ▪ Site with an existing infrastructure (location and connections) ▪ Located in Sardinia, with high insular prices ▪ Capex: €460 M ▪ Preliminary authorization (waiting for VIA and AIA), within the framework agreement with Region Sardinia ▪ Start in 2012

$EBITDA_{12\text{ vs. }07}$ = €247m

Note: EBITDA increase between 2012 and 2007 includes EBITDA changes associated with new thermal capacity, repowerings, evolution in rest of current portfolio and reduction in other regulatory revenues

Development of Renewable Capacity and Self Supply of Green Certificates



Biomass

- **290 GWh of Green Certificates in 2012 (coal-fired combustion FO 3-4 and MF 1-2)**
  290 GWh x 114.1 €/MWh = €33m

EBITDA$_{12\ vs.\ 07}$ = €20m

Hydro

- **Upgrade of 13 plants in the Terni Nucleus- 637 MW**
- **562 GWh of CVs in 2012**
  562 GWh x 114.1 €/MWh=€64m
- **Return to average hydro year: €49m**

EBITDA$_{12\ vs.\ 07}$ = €113m

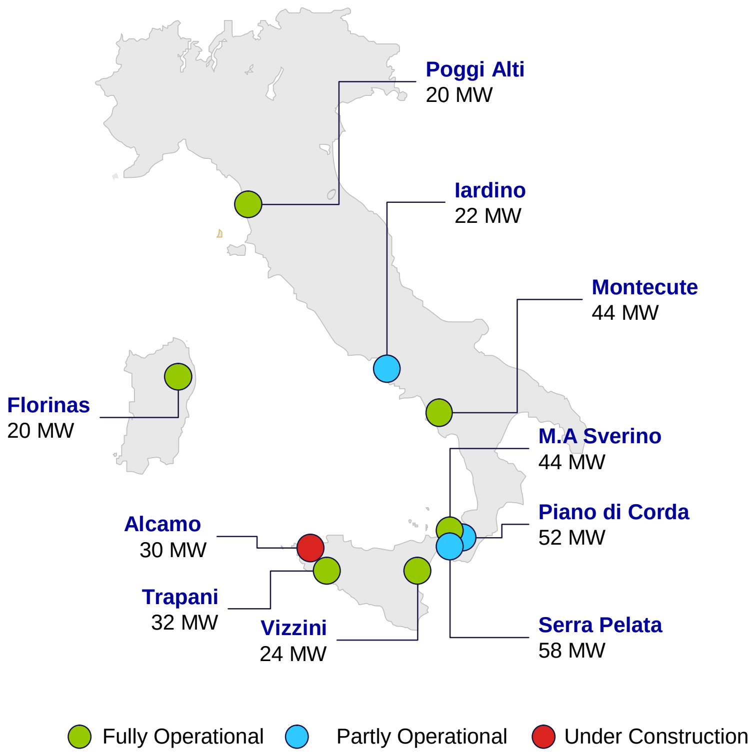
Wind Farms

- **729 GWh of Green Certificates from wind output in 2012**
- **From 246 MW in 2007 to 346 MW in 2012**
- **EBITDA increase of €69m during 2008**

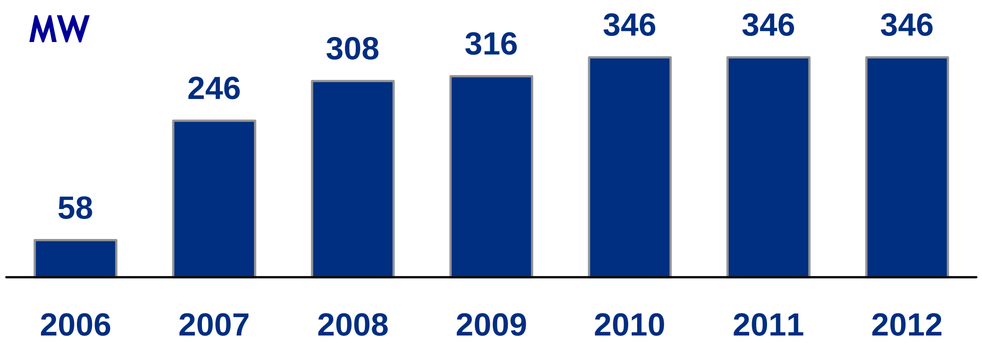
EBITDA$_{12\ vs.\ 07}$ = €84m

High Value of a Wind Portfolio Already in Operation

Location



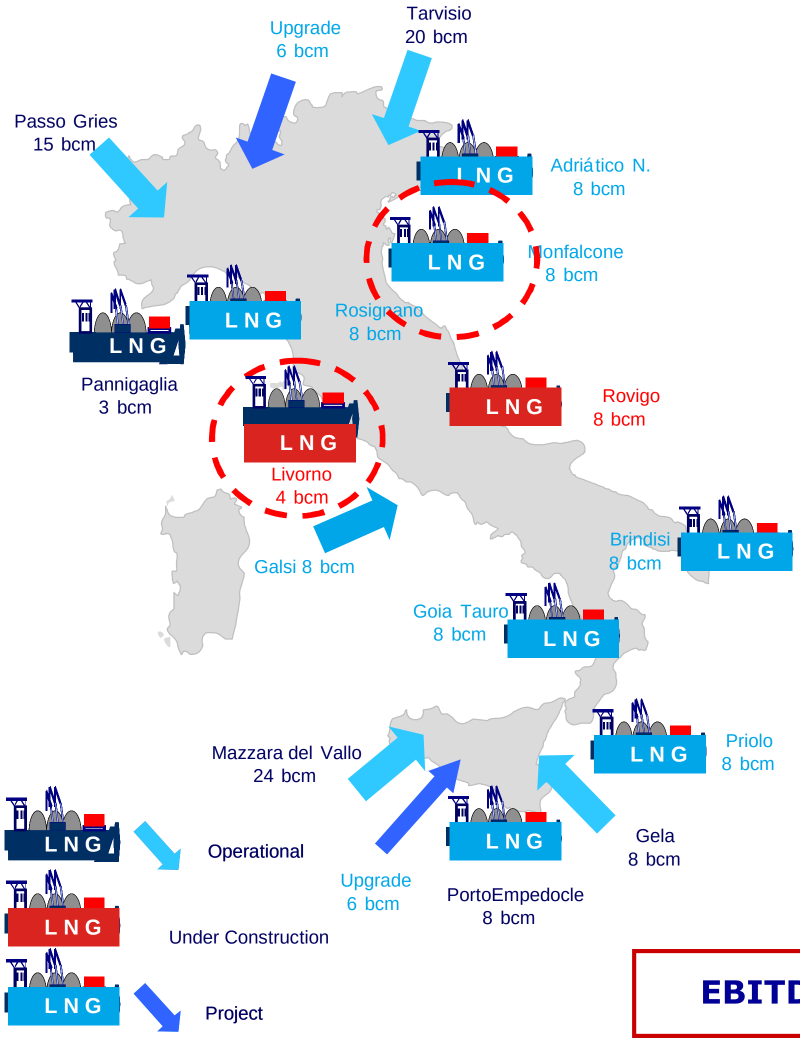
Portfolio Development



- Most part of the portfolio installed during the last months of 2007
- Production over 2,100h/year
- Wind Farm Alcamo (30MW) with the necessary authorisations to enter operation in 2010
- Potential to incorporate further developments before 2012
- Precedent of IPR / Trinergy > €2.8m/MW

Higher Vertical Integration, Both in the Sourcing of Gas, Obtaining More Favourable Prices, …

Gas Infrastructure in Italy

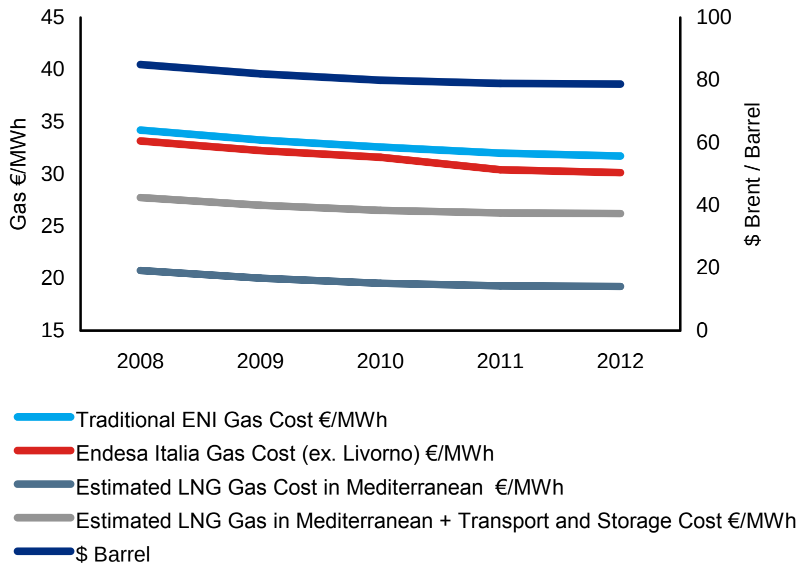


OLT Offshore LNG Toscana

- (FRSU) converted floating storage and regasification unit to be located 12 miles offshore Tuscany's coast
- Connected to the mainland through an offshore gas pipeline constructed and operated by Snam ReteGas

Gas Sourcing in Italy – ENI Discount

- Medium-term Gas contract to be signed with ENI



$\text{EBITDA}_{12\text{ vs. }07}$ = €50m

… and in Integrating Final Customers, Including Retail

Endesa Italia
Sales
30.6 TWh

- **Partners 4.8 TWh**
  - **Endesa Europa** 3.8 TWh → PANEUROPEAN Clients>20GWh
  - **ASM Brescia** 1.0 TWh → Brescia Province
- **Commercial Entities 13.6 TWh**
  - **ERGON** 10.3 TWh → Industrial Clients Consumption 1-20 GWh
  - **MPE (Retail)** 3.3 TWh → Retail and Small and Medium Businesses Consumption <1GWh
- ~~**CfD's AU (1) 6.8 TWh**~~
- **POOL 5.4 TWh**

Endesa Europa Wind
0.1 TWh
→ **POOL 0.1 TWh**

Retail Strategy

Following the liberalisation of the residential market and the progressive cessation of the AU, Endesa focused on:

- JV with Merloni
- 90k customers at end 2007
- 2008 is the key year of customers switching
- Marketing strategy already under implementation
- 1.25m customers targeted by 2010

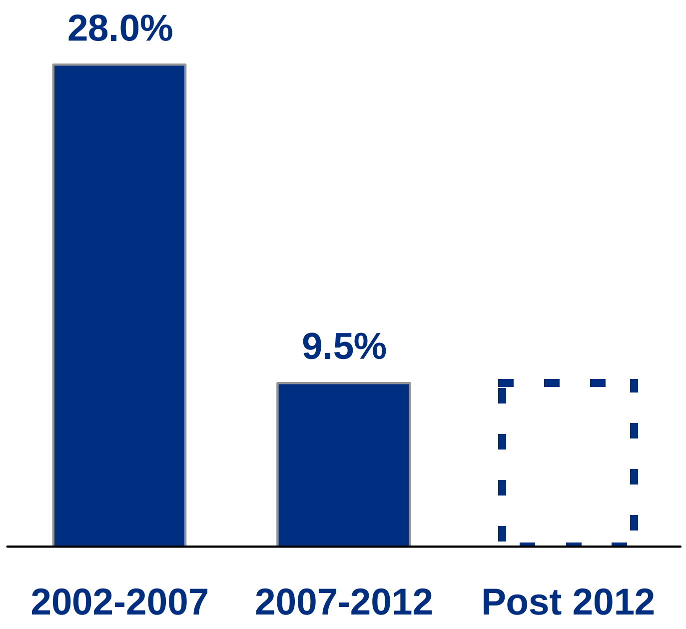
(1) AU - Acquirente Unico.

Note: 2007 commercial strategy.

$\text{EBITDA}_{12\text{ vs. }07}$ = €26m

Also from 2012, Endesa has Plans to Further Increase Capacity …

EBITDA CAGR



Well Defined Development Portfolio

- Fiumesanto 6: 420MW CCGT
- Tavazzano 10: 420MW CCGT
- Trapani 3: 420MW CCGT
- 150MW of Wind developments
- Scandale 3: 450MW CCGT
- Scandale 4: 450MW CCGT
- Monfalcone Regasification: 50% of 8 bcm project
- Supply and distribution of Gas in Sardinia

… In Locations Where Endesa Already has Plants in Operation, which is a Clear Competitive Advantage

Fiumesanto 6 CCGT 420 MW	▪ Entry date: 2014 ▪ Available space for the construction of the plant. The arrival of gas to Sardinia allows for the construction of 420 MW CCGT and the development of the transport/gas distribution network between South-North of the Island ▪ Connection to the network of 400 kV and 225 kV ▪ Only plant in the north of the island and allows to offset the congestions that occur in the energy transport from the south to the north as a result of the overcapacity in the south ▪ Cooling system will use seawater and will take advantage of the existing infrastructures
Tavazzano 10 CCGT 420 MW	▪ Entry date: 2017 ▪ TZ 9 already contemplates future expansion to TZ 10; necessary spaces already planned ▪ 400 kV Terna station is at the same site and has the capacity for the evacuation of electricity ▪ Refrigeration through cooling towers in a manner that minimizes the consumption of water from the Muzza channel ▪ Pipeline has the available capacity for the new power
Trapani 3 CCGT 420 MW	▪ Entry date: 2017 ▪ Available space for the construction of the plant (cease Trapani turbo groups) ▪ Gas supply ensured through expansion of the current pipeline, while "evacuation" of electricity is guaranteed with the release of capacity from the existing network ▪ The cooling system will use aero-condensators without the use of water
Wind 150 MW	▪ To have a balanced portfolio by 2014, Endesa plans to develop around 150 MW of wind to offset its future green certificate requirements
Scandale 3&4 2x450MW	▪ Available space for the construction of two CCGT plants. Industrial area with ample demand ▪ The cooling system will use aero-condensators without the need for water ▪ Substation next to the site with sufficient capacity

Overview of the Transaction

Endesa Europa: A Track-record of Outperformance

An Ongoing Business with Growth Momentum - France

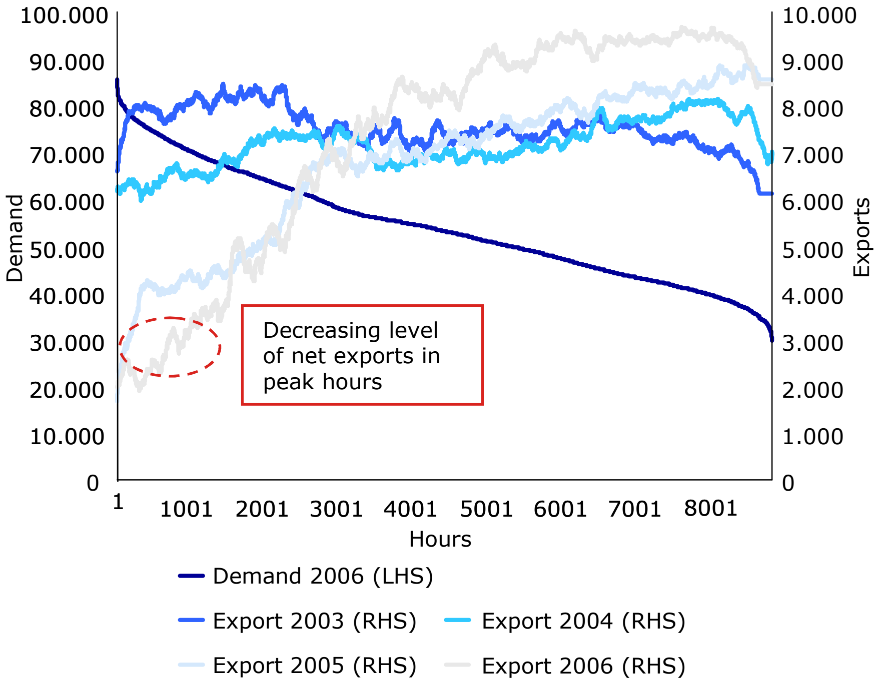
Conclusions

French Market Perspectives for 2008-2012

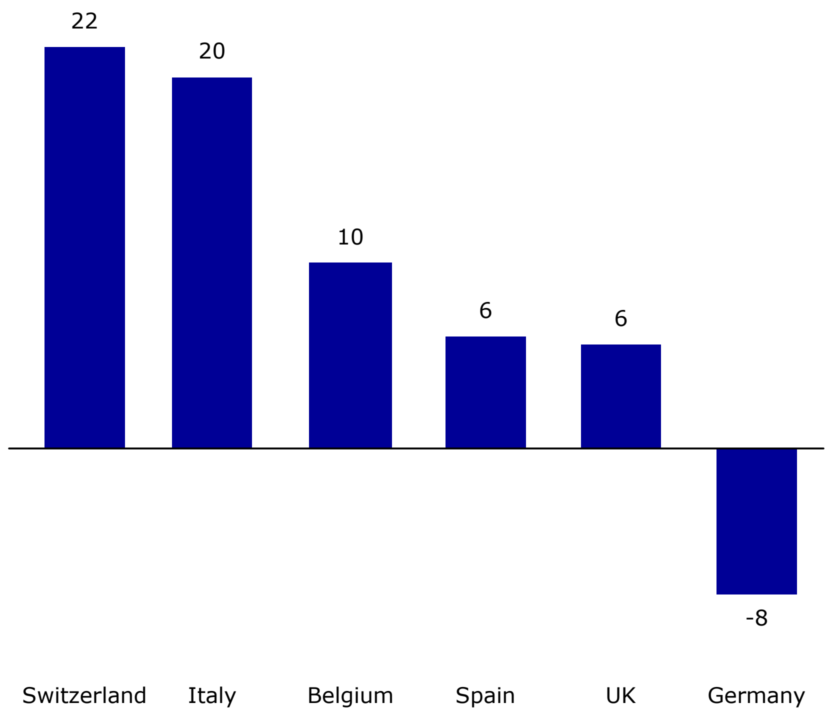
New Capacity Needs	**There is a need for new peak capacity in the coming years** ▪ Demand grows between 1.0-1.5% per annum, which implies a need for new capacity of approximately 1,500 MW per year ▪ Hydro potential is exhausted ▪ Conventional thermal capacity is reduced by 10GW in the next 10 years
Attractive Prices for the Development of CCGTs	**There is a signal for an attractive price for CCGTs operating in peak hours** ▪ Spark-spreads at peak hours have risen in recent years and these margins are expected to be maintained in the forthcoming years ▪ This price signal is sufficient to achieve adequate returns for the investment in this new generation capacity
High Barriers to Entry	**The competitive landscape will continue to be focused in 3 players** ▪ Dominance by EdF ▪ The other players, though very active in the development of cogeneration projects, biomass and wind, do not have a significant individual installed capacity ▪ Additionally, only the major players in the market have announced plans to build new capacity (mostly CCGTs)

Over Time France Will Need Mid-Merit and Peak Capacity

Demand vs. Net Exports



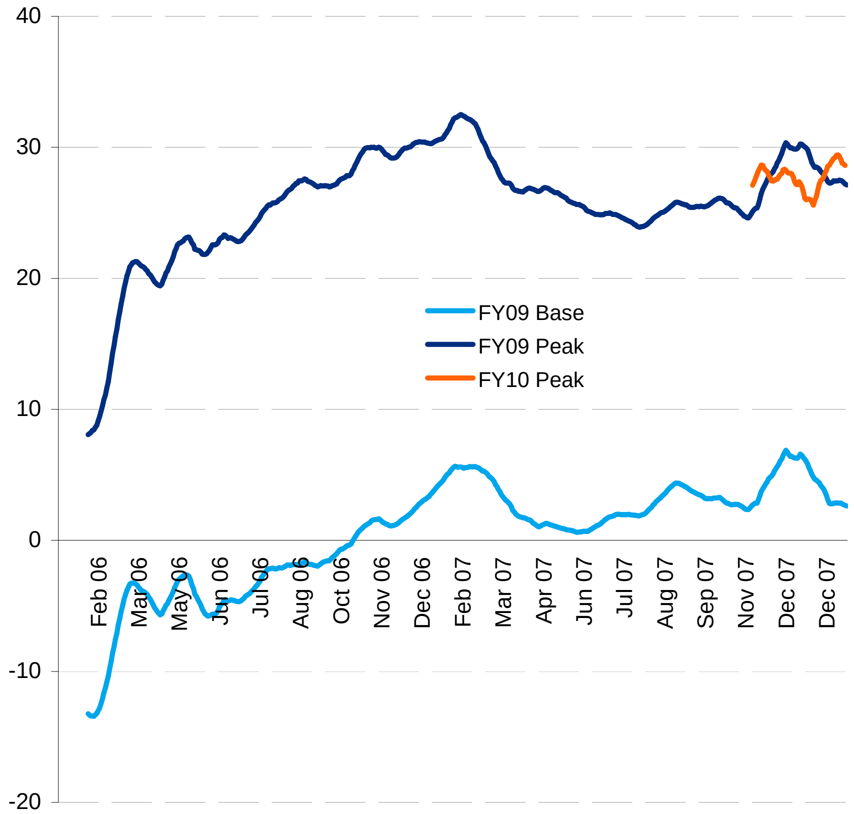
Net Electricity Exports in 2007 (TWh)



- During the last years exports have reduced considerably in peak hours, reflecting the reducing reserve margin
- The German trade balance has shifted to net imports

There is a Market Signal for an Attractive Price for CCGTs Operating in Peak Hours

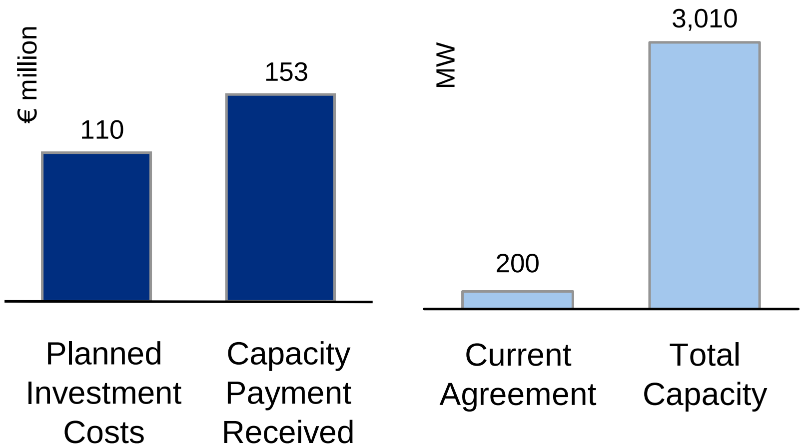
CCGT Spark Spread (€/MWh)



Emile Huchet CCGT Tolling Agreement

Soregies Agreement

- 200 MW tolling agreement out of the 860 MW planned installed capacity for Emile Huchet
- Payment recognising an attractive return on investment
- Excludes value from energy management and terminal value

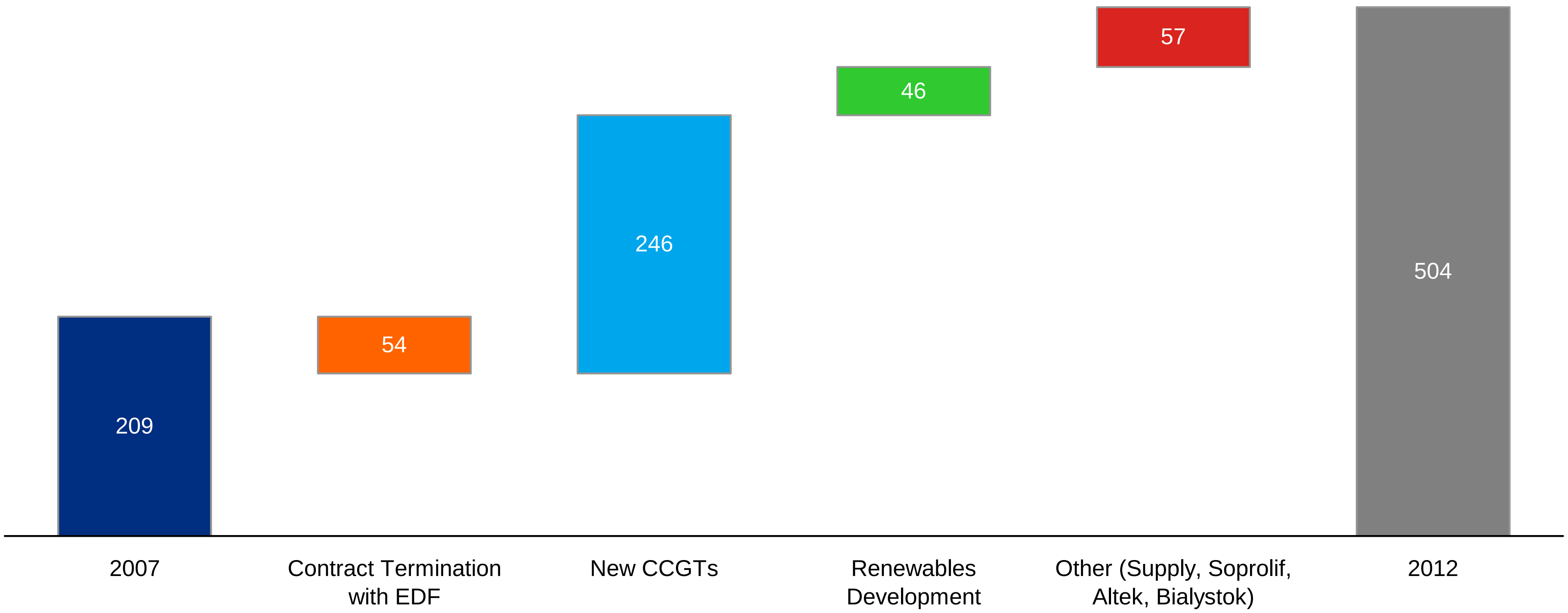


Return on investment 200 MW = €43m

Return on investment for 3,010 MW = ?

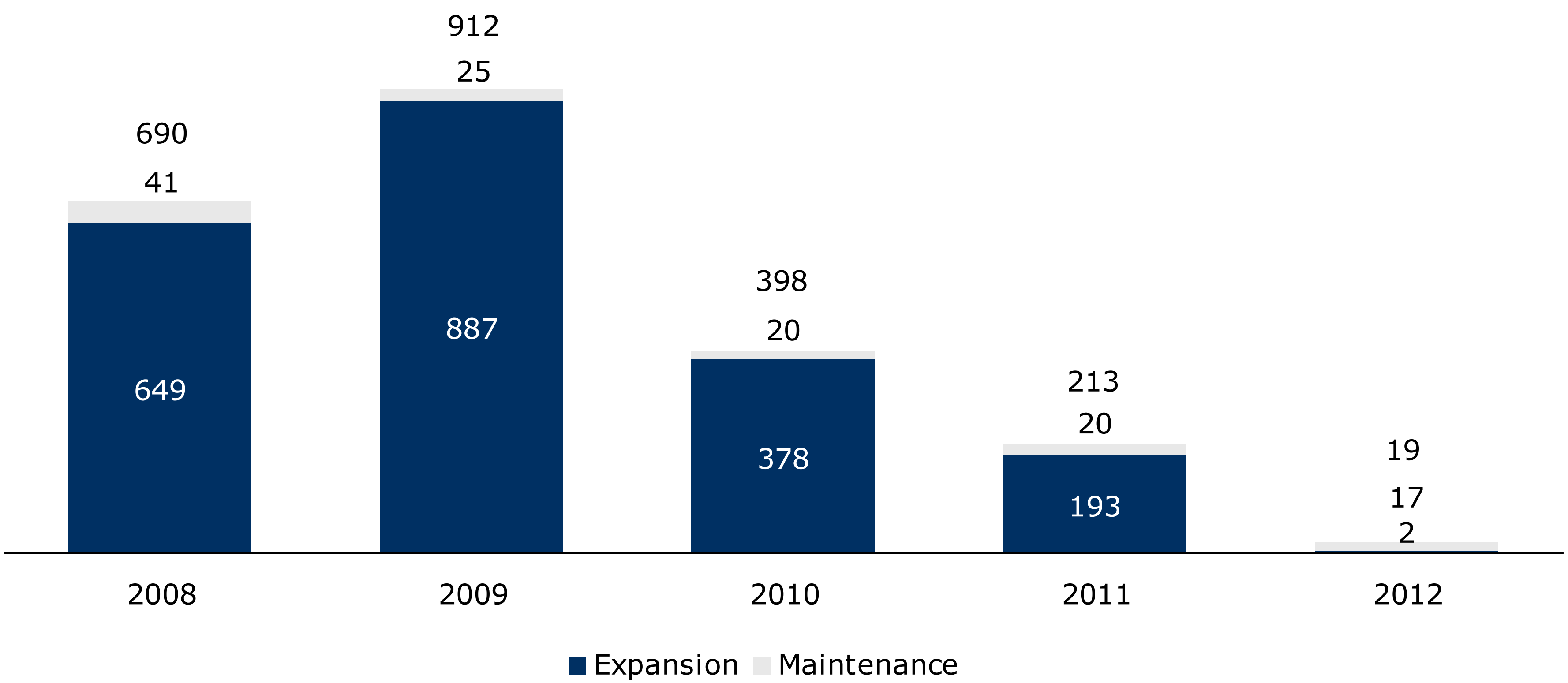
Endesa France Target is to Increase EBITDA by €295m…

EBITDA (€m)



… Through an Investment Plan of €2.2bn in Projects Already Authorised

Investments (€m)

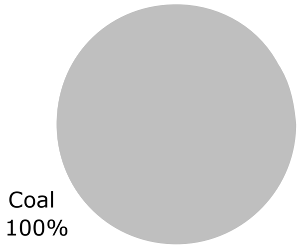


Endesa France Strategic Plan for 2008-2012

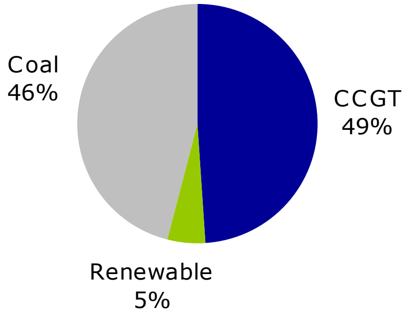
		Capex 08-12 (M€)	Capacity (MW)	Period	Δ EBITDA 12 vs. 07 (M€)
Manage the capacity "exiting" the EDF Contract	▪ Limit the impact of the EDF contract reduction, by positioning the "liberated" energy from the coal plants in the open market ▪ Small investments in coal plants (De- SOX - De-NOX and expansion of the operating life)	43	NA	2008–2012	(54)
New CCGTs	Construction of CCGTs				
	▪ CCGT Emile Huchet	396	860	2010	73
	▪ CCGT Hornaing	262	430	2010	38
	▪ CCGT Lucy	272	430	2011	35
	▪ CCGT Provence	272	430	2011	35
	▪ CCGT Lacq	472	860	2011	66
Renewables	Construction of Wind Parks	380	284	08–12	46
Other	Supply, Soprolif, Altek, Bialystok	0	NA	2008–2012	57
Total		**2,097**	**3,294**		**295**

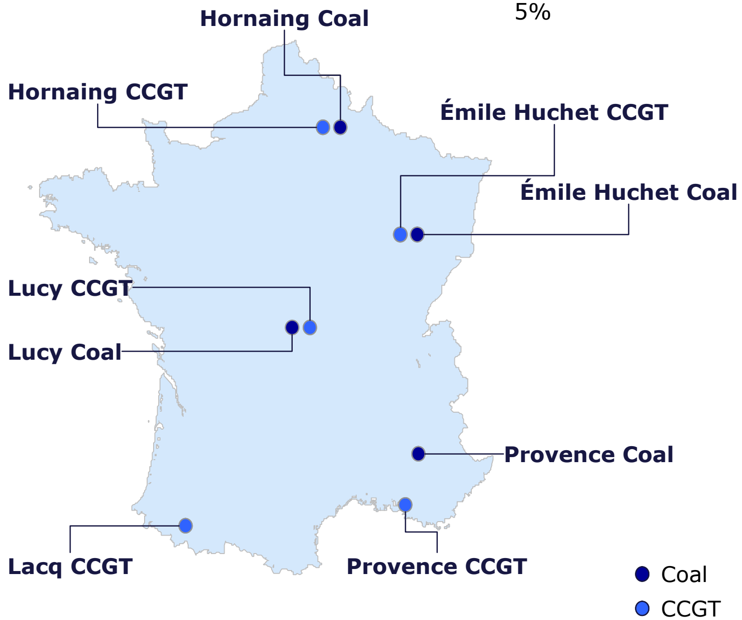
Industrial Plan: Construction of 3,010 MW of CCGTs Entering in Operation in 2010-2011 …

Generation Mix 2007 (2,817 MW)



Generation Mix 2012E (6,132 MW)



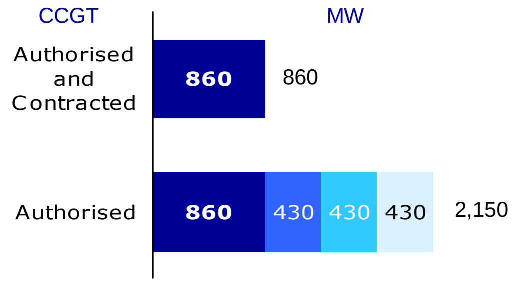


(1) Final stage of authorisation process

Detailed Overview

	Type	Capacity 2007 (MW)	Capacity 2012 (MW)
EH4	Coal-CFB	125	125
Eh5	Coal	343	343
EH6	Coal	618	618
EH7	CCGT	0	430
EH8	CCGT	0	430
Emile Huchet		1,086	1,946
HO3	Coal	253	253
HO4	CCGT	0	430
Hornaing		253	683
LU3	Coal	270	270
LU4	CCGT	0	430
Lucy		270	700
PR4	Coal-CFB	250	250
PR5	Coal	618	639
PR6	CCGT	0	430
Provence (Gardanne)		868	1,319
Lacq1	CCGT	0	430
Lacq2	CCGT	0	430
Lacq		0	860
Renewables	Wind	10	294
Bialystok	Coal	330	330
Total		**2,817**	**6,132**

Status of CCGT Planned Capacity in France

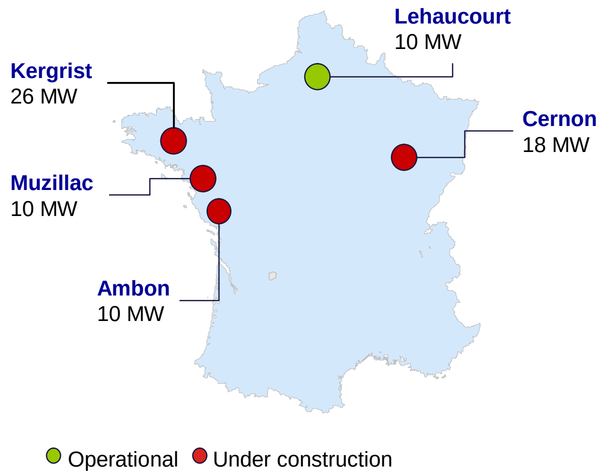


- Emile Huchet: 2x430

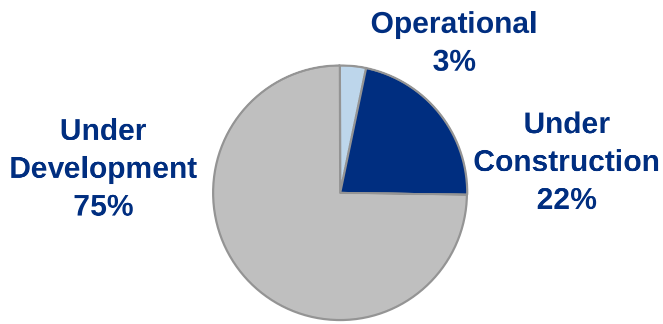
- Lacq: 860
- Lucy: 430
- Provence(1): 430
- Hornaing: 430

A Well Defined and Attractive Wind Portfolio

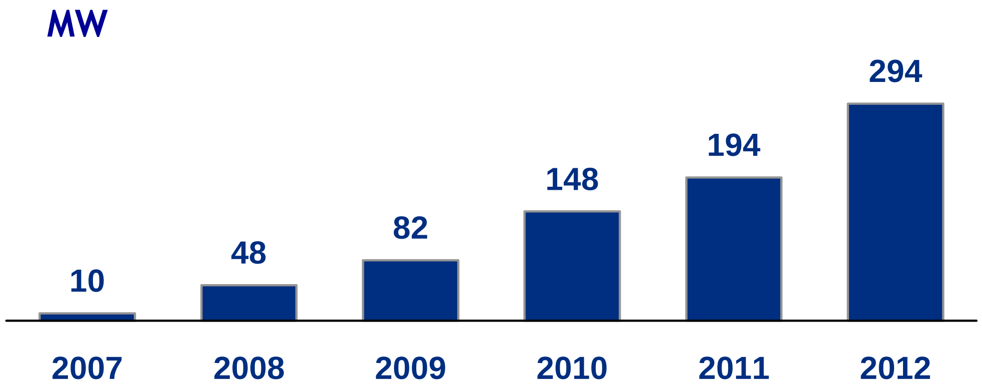
Geographic Overview



Capacity by Stage of Development



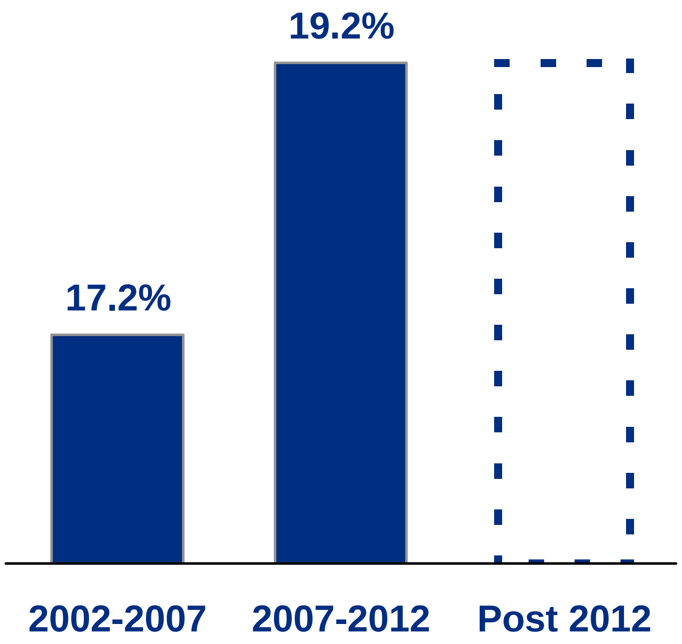
Portfolio Development



- Precedents of Suez / LCDV (November 07) and Sorgenia / SFE (December 07) have been €7.3m/MW and €3.4m/MW respectively

Also from 2012, Endesa has Plans to Increase Capacity …

EBITDA CAGR



Key Identified Growth Opportunities

- **New CCGTs**
  - **Lacq 3: 450 MW**
  - **Lacq 4: 450 MW**
  - **Emile Huchet 9: 450 MW**
  - **Emile Huchet 10: 450 MW**
- **Emile Huchet 700 MW super-critical coal plant**
- **Le Havre: clean coal 700MW**
- **Bordeaux LNG regasification plant**

… with Sites at High Stages of Development

Lacq
3 & 4
CCGT
2 x 450 MW

- Available space for the construction of two CCGT plants
- According to RTE studies a substation near the new project sites has sufficient capacity for 400 kV/225 kV
- High pressure gas pipeline at 3km from the project site
- Sufficient water and properly dimensioned supply structure for the new capacity
- Industrial area with ample demand for the new plants

Emile Huchet
9&10 CCGT
2 x 450 MW

- Available space for the construction of two CCGT plants
- According to RTE studies a substation near the new project sites has sufficient capacity for 400 kV/225 kV
- Industrial area with ample demand for the new plants
- Current gas pipeline under construction and with the space for the new Emile Huchet 9 & 10 CCGT plants
- Sufficient water as a result of the production cease at Emile Huchet 4 & 5

Emile Huchet
Supercr. Coal
700 MW

- 700 MW (efficiency: 48%) with an estimated Capex of €1.000m
- Available space once Emile Huchet 4 ceases operation
- This site is near the 400kV substation of Saint Avold

Le Havre
Clean Coal
700 MW

- 20 Ha Site Next to the Le Havre Port
- Agreement with RTE for the construction of the 400 kV (2,5 km) line
- Finish the feasibility study of the project, working on the preliminary project and on the environmental impact
- Working on the selection of the CO_2 captation ready technology. The authorization dossier includes a proposal
- Communication with the city of Le Havre and the rest of near cities
- Objective of include the project under the scope of the European Union

LNG Terminal
Bordeaux

- 20ha reserved on the Verdon sur Mer site (contract signed with the Bordeaux Port Authority on 23rd November 2006)
- Investment estimate: €500–600 million
- Capacity: 4 + 4 BCM
- Pre-feasibility study contract awarded to SOFREGAZ (December 2007)
- On-going discussion with 4 gas companies for possible cooperation (Confidentiality agreement signed December 2007)

Overview of the Transaction

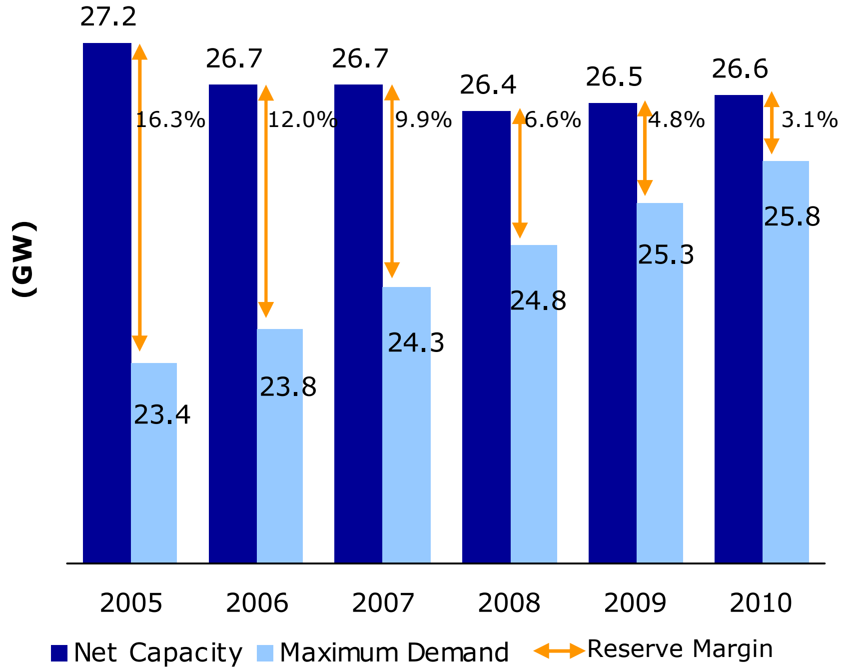
Endesa Europa: A Track-record of Outperforming Targets

An Ongoing Business with Growth Momentum – Poland & Turkey

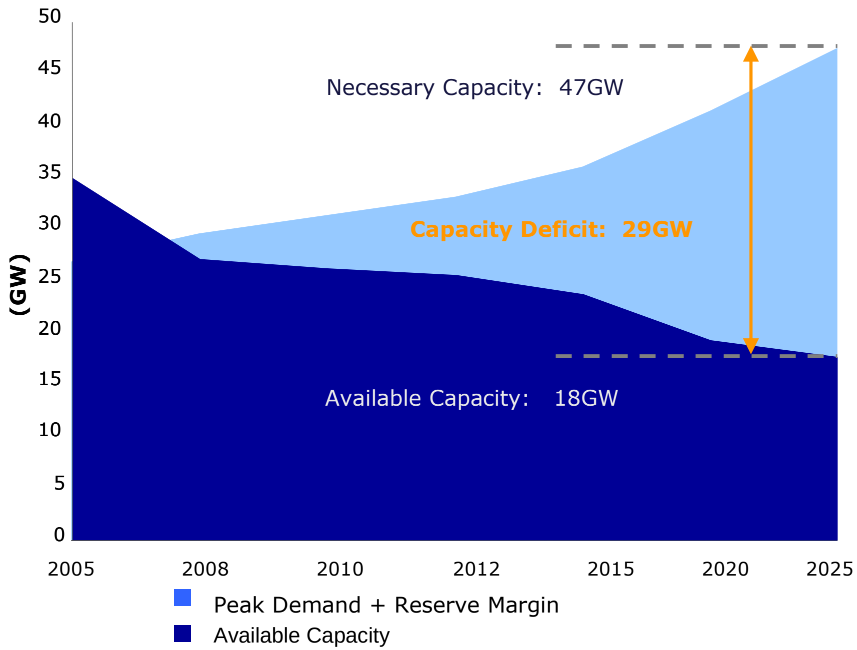
Conclusions

Poland, a Market of Good Investment Opportunities Due to the Strong Need for New Capacity and Announced Privatisations

Reduction in the Reserve Margin



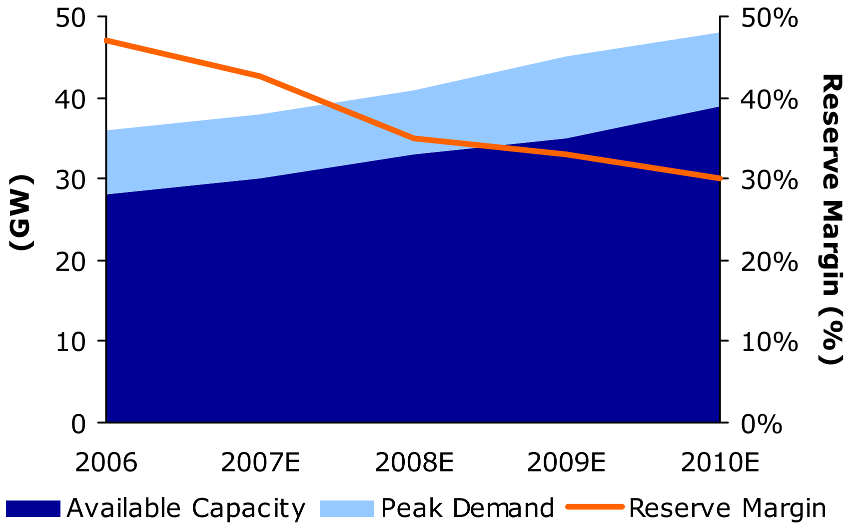
Need for Heavy Investment



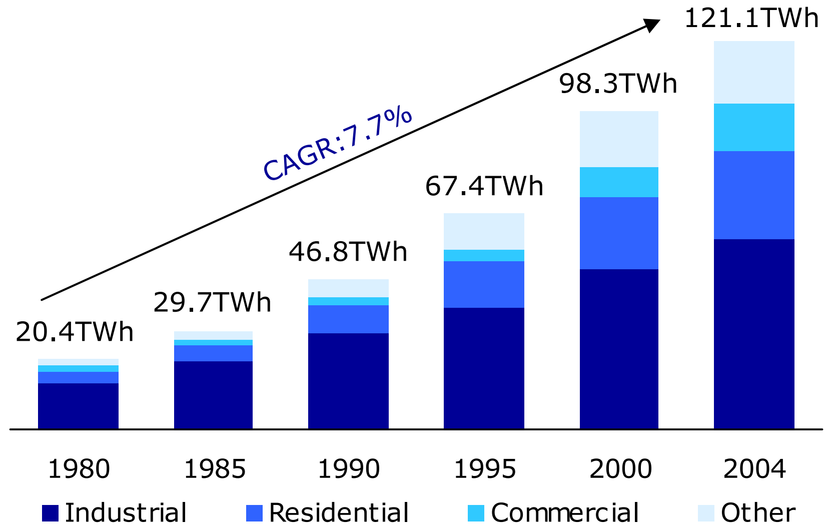
The new government has expressed its intention to consolidate the major public companies into four groups and privatize them in the short term (subject to decision if they sell shares through IPO and / or direct private placement to investors)

Turkey has a Strong Growth Potential and Opportunities are Linked to the Already Announced Privatisations of Generation and Distribution Assets

Reserve Margin



Electricity Consumption



- **Altek:** New 80MW CCGT to come online in 2009
- **Distribution Privatization:** Process launched in November 2006 it is now on-hold but it is expected to re-start in mid-year 2008
- **Generation Privatization:** Total of 12,000 MW Thermal and 3,700 MW Hydro will be privatized in 2009
- **Projects Afsin Elbistan:** Auctions of two generating projects of at least 1,200 MW each, including the associated lignite mines

Overview of the Transaction

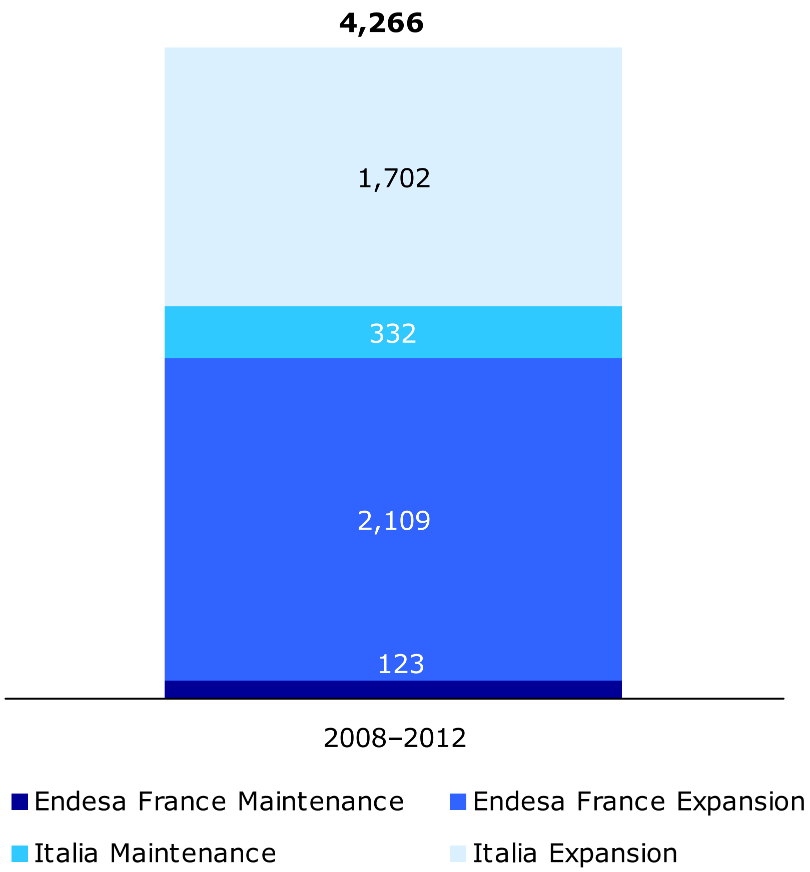
Endesa Europa: A Track-record of Outperformance

An Ongoing Business with Growth Momentum – Strategic Plan Summary

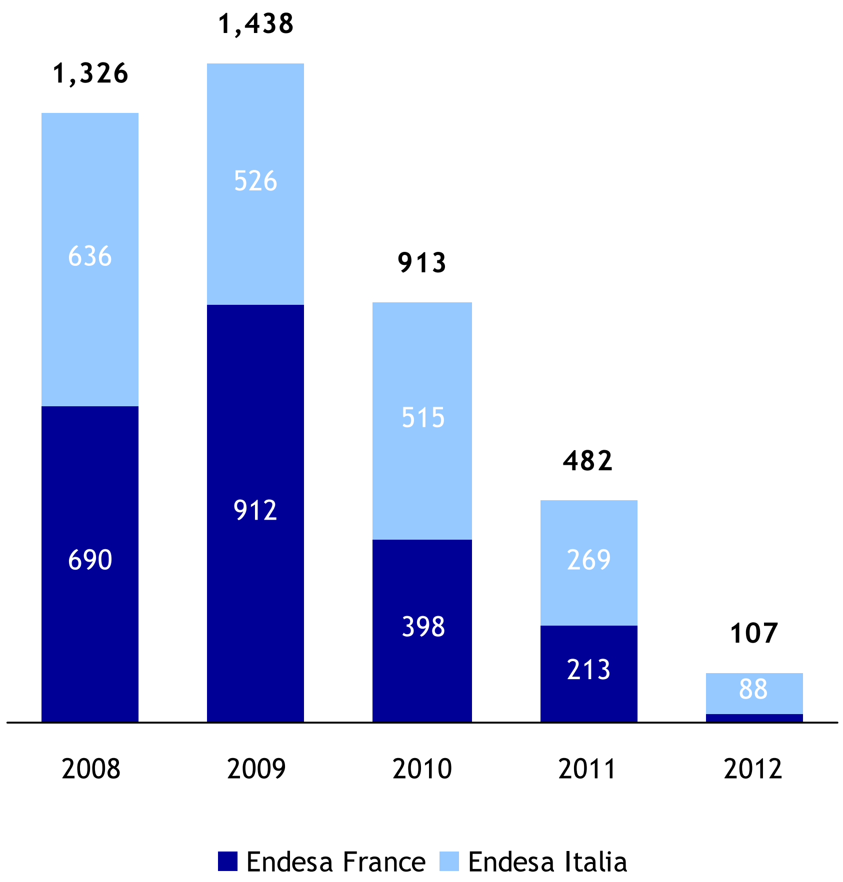
Conclusions

Investment Forecasts 2008-2012

Total

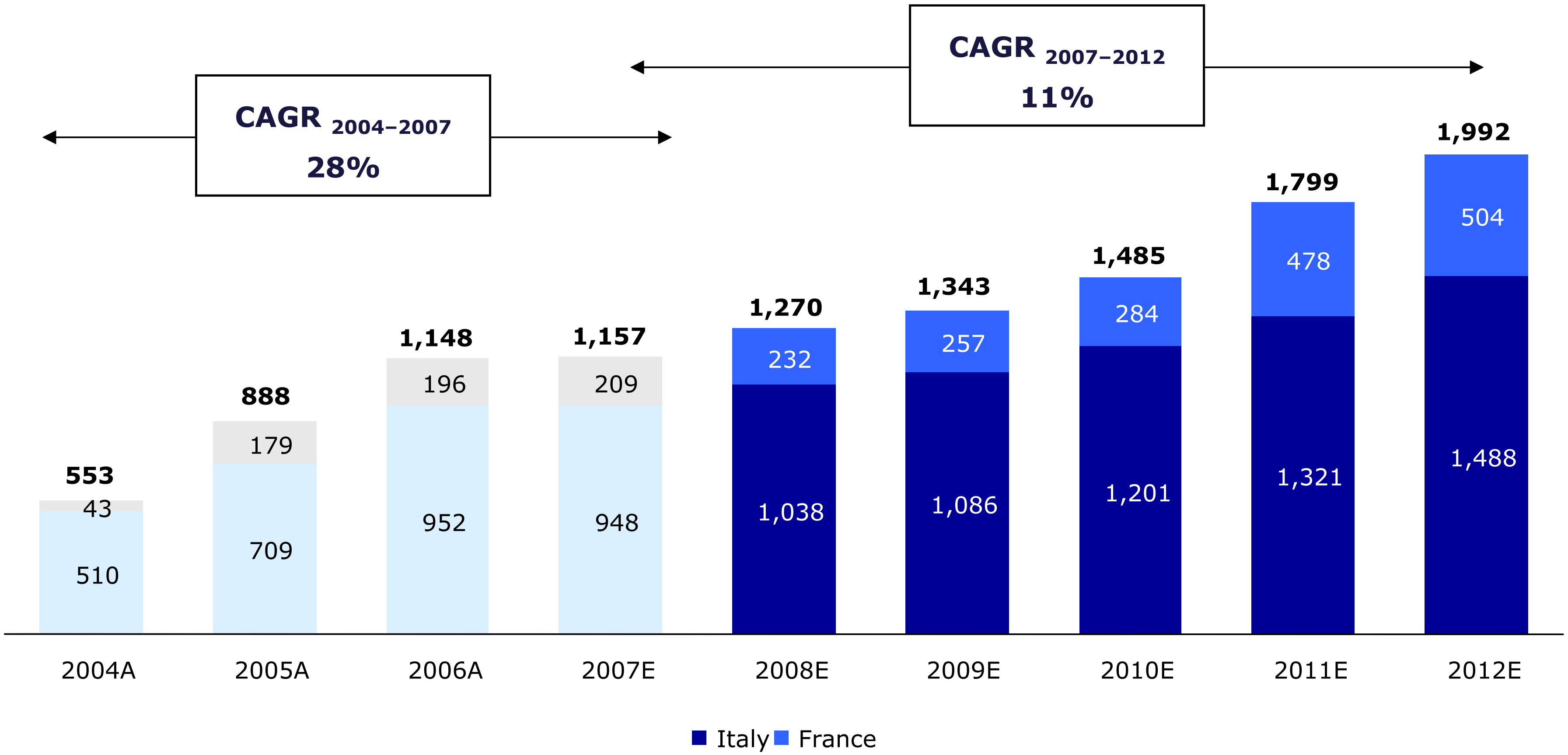


Yearly (€m)



EBITDA Forecasts 2008-2012

Endesa Europa EBITDA (€m)



Notes: 2004-2007 EBITDA are pro-forma for the assets included in the transaction.
Historical Endesa Trading operations as part of the perimeter represent €15 million, €36 million and 30 million respectively.
Altek EBITDA is proportionally consolidated from 2008 onwards.

Overview of the Transaction

Endesa Europa: A Track-record of Outperformance

An Ongoing Business with Growth Momentum – Strategic Plan Summary

Conclusions

Endesa Europa is a Company with Strong Momentum with a High Fundamental and Strategic Value

Endesa Europe: A Unique Investment Opportunity ...

- In a context of high electricity prices in Europe
- In a context of lack of capacity in Europe
- In an environment of limited investment opportunities with critical mass
- Being located in the most attractive markets in Europe by size, structure, interconnection and future opportunities for growth
- With a credible strategic plan, accomplished so far, confirmed and with a solid ground for future growth

Endesa Europa has a Solid Valuation Case: Attractive Ongoing Business with Growth Momentum and Upsides

Solid Current Business	▪ €1,176 of 2007 pro-forma EBITDA ▪ Unique positions in four of the largest markets in Europe ▪ Attractive acquisition for Europe's leading utilities
+	
Large Renewables Portfolio	▪ 256MW of Wind in operation at end 2007(08 EBITDA of €115m), 640MW by 2012 ▪ €447m Renewables EBITDA (Wind, Hydro, Biomass) in 2012 (22% of total EBITDA)
+	
New Thermal Capacity Already Authorised	▪ 5.2GW of new capacity authorised to come online by 2012 ▪ Pole position in development of 3.0GW of French CCGTs
+	
Additional Opportunities	▪ Projects post 2012 already under review ▪ Opportunities from presence in four of the largest 7 markets in Europe
+	
Synergies	▪ E.ON overlap / proximity to deliver over €150m in annual synergies

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