



**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2017**

**ENDESA, S.A.
AND
SUBSIDIARIES**

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2017 AND 31 DECEMBER 2016

Million Euros

(*) Unaudited

ASSETS	30.06.17 (*)	31.12.16	Change	
Non-current assets	25,458	25,529	(71)	-0.3%
Property, plant and equipment	21,674	21,891	(217)	-1.0%
Investment property	20	20		0.0%
Intangible assets	1,166	1,172	(6)	-0.5%
Goodwill	459	300	159	53.0%
Investments accounted for using the equity method	212	208	4	1.9%
Non-current financial assets	706	714	(8)	-1.1%
Deferred tax assets	1,221	1,224	(3)	-0.2%
Current assets	5,439	5,435	4	0.1%
Inventories	1,118	1,202	(84)	-7.0%
Trade and other receivables	3,240	3,452	(212)	-6.1%
Current financial assets	630	363	267	73.6%
Cash and cash equivalents	451	418	33	7.9%
Non-current assets held for sale and discontinued operations				n/a
TOTAL ASSETS	30,897	30,964	(67)	-0.2%

EQUITY AND LIABILITIES	30.06.17 (*)	31.12.16	Change	
Equity	9,035	9,088	(53)	-0.6%
Of the Parent Company	8,894	8,952	(58)	-0.6%
Of non-controlling interests	141	136	5	3.7%
Non-current liabilities	14,697	14,355	342	2.4%
Deferred income	4,691	4,712	(21)	-0.4%
Non-current provisions	3,567	3,718	(151)	-4.1%
Non-current interest-bearing loans and borrowings	4,748	4,223	525	12.4%
Other non-current liabilities	617	601	16	2.7%
Deferred tax liabilities	1,074	1,101	(27)	-2.5%
Current liabilities	7,165	7,521	(356)	-4.7%
Current interest-bearing loans and borrowings	1,326	1,144	182	15.9%
Current provisions	315	567	(252)	-44.4%
Trade payables and other current liabilities	5,524	5,810	(286)	-4.9%
Liabilities directly associated with non-current assets classified as held for sale and discontinued operations				n/a
TOTAL EQUITY AND LIABILITIES	30,897	30,964	(67)	-0.2%

ENDESA S.A. AND SUBSIDIARIES

**CONSOLIDATED INCOME STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2017 AND 2016**

Million Euros

(Unaudited)

	<u>30.06.17</u>	<u>30.06.16</u>	<u>Change</u>	
INCOME	10,004	9,203	801	8.7%
Revenue	9,792	8,837	955	10.8%
Other operating revenues	212	366	(154)	-42.1%
PROCUREMENTS AND SERVICES	7,380	6,367	1,013	15.9%
Power purchased	2,566	1,935	631	32.6%
Cost of fuel consumed	1,056	621	435	70.0%
Transmission costs	2,832	2,950	(118)	-4.0%
Other variable procurements and services	926	861	65	7.5%
CONTRIBUTION MARGIN	2,624	2,836	(212)	-7.5%
Self-constructed assets	79	51	28	54.9%
Personnel expenses	451	432	19	4.4%
Other fixed operating expenses	647	589	58	9.8%
GROSS PROFIT FROM OPERATIONS (EBITDA)	1,605	1,866	(261)	-14.0%
Depreciation and amortisation, and impairment losses	704	676	28	4.1%
PROFIT FROM OPERATIONS (EBIT)	901	1,190	(289)	-24.3%
NET FINANCIAL PROFIT/(LOSS)	(59)	(101)	42	-41.6%
Financial income	34	32	2	6.3%
Financial expense	(94)	(133)	39	-29.3%
Net exchange differences	1		1	n/a
Net profit/(loss) of companies accounted for using the equity method	10	(38)	48	-126.3%
Gains/(losses) from other investments	1		1	n/a
Gains/(losses) on disposal of assets	(5)	(10)	5	-50.0%
PROFIT/(LOSS) BEFORE TAX	848	1,041	(193)	-18.5%
Income Tax Expense	190	245	(55)	-22.4%
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	658	796	(138)	-17.3%
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS				n/a
PROFIT FOR THE PERIOD	658	796	(138)	-17.3%
Parent Company	653	796	(143)	-18.0%
Non-controlling interests	5		5	n/a

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2017 AND 2016

Million Euros

(Unaudited)

	<u>30.06.17</u>	<u>30.06.16</u>
Profit before Tax	848	1,041
Adjustments for:	677	699
Depreciation and amortisation, and impairment losses	704	676
Other adjustments (net)	(27)	23
Changes in working capital	(687)	(69)
Other cash flows from/(used in) operating activities:	(163)	(201)
Interest received	29	18
Dividends received	4	3
Interest paid	(74)	(63)
Income tax paid	7	36
Other receipts from and payments for operating activities	(129)	(195)
Net cash flows from operating activities	675	1,470
Acquisitions of property, plant and equipment and intangible assets	(593)	(529)
Proceeds from sale of property, plant and equipment and intangible assets	5	4
Purchase of investments in Group companies	(1)	
Proceeds from sale of investments in Group companies	16	114
Purchase of other investments	(85)	(127)
Proceeds from sale of other investments	21	24
Cash flows from changes in the consolidation scope		
Grants and other deferred income	29	39
Net cash flows used in investing activities	(608)	(475)
Cash flows from equity Instruments		
Proceeds from borrowings, non-current	1,047	105
Repayment of borrowings, non-current	(498)	(2)
Net cash flows used in current borrowings	159	(346)
Dividends of the Parent Company paid	(741)	(424)
Payments to non-controlling interests	(1)	
Net cash flows used in financing activities	(34)	(667)
Total net cash flows	33	328
Effect of exchange rate fluctuations on cash and cash equivalents		
Net increase/(decrease) in cash and cash equivalents	33	328
Cash and cash equivalents at beginning of period	418	346
Cash and cash equivalents at end of period	451	674

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2017 AND 2016

Million Euros

(Unaudited)

	30.06.17			30.06.16		
	Of the Parent Company	Of Non-Controlling Interests	Total	Of the Parent Company	Of Non-Controlling Interests	Total
PROFIT FOR THE PERIOD	653	5	658	796		796
OTHER COMPREHENSIVE INCOME:						
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	16		16	26		26
Items that can be reclassified to profit or loss:	16		16	26		26
From revaluation/(reversal of revaluation) of property, plant and equipment and intangible assets						
From measurement of financial instruments						
Available-for-sale financial assets						
Other income/(expenses)						
Cash flow hedges	21		21	43		43
Translation differences	(1)		(1)			
Companies accounted for using the equity method	2		2	(6)		(6)
Other income and expenses recognised directly in equity						
Tax effect	(6)		(6)	(11)		(11)
Items not to be reclassified to profit or loss in subsequent periods:						
From actuarial gains and losses and other adjustments						
Tax effect						
AMOUNTS TRANSFERRED TO INCOME STATEMENT AND/OR INVESTMENTS	(57)		(57)	17		17
From measurement of financial instruments						
Available-for-sale financial assets						
Other income/(expenses)						
Cash flow hedges	(76)		(76)	19		19
Translation differences						
Companies accounted for using the equity method	(1)		(1)	3		3
Other income and expenses recognised directly in equity						
Tax effect	20		20	(5)		(5)
TOTAL COMPREHENSIVE INCOME	612	5	617	839		839

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2017

Million Euros

(Unaudited)

	Share Capital	Share premium, Reserves and interim dividend	Treasury shares and own equity instruments	Profit for the period	Other equity instruments	Valuation adjustments	Non- Controlling Interests	Total equity
BALANCE AT 1 JANUARY 2017	1,271	6,308		1,411		(38)	136	9,088
Adjustments due to changes in accounting policies								
Correction of errors								
ADJUSTED BALANCE AT 1 JANUARY 2017	1,271	6,308		1,411		(38)	136	9,088
TOTAL COMPREHENSIVE INCOME				653		(41)	5	617
TRANSACTIONS WITH SHAREHOLDERS OR OWNERS		(670)						(670)
Capital increases/(reductions)								
Conversion of liabilities into equity								
Dividends paid		(670)						(670)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners								
OTHER CHANGES IN EQUITY		1,411		(1,411)				
Share-based payments								
Transfers between equity items		1,411		(1,411)				
Other changes								
BALANCE AT 30 JUNE 2017	1,271	7,049		653		(79)	141	9,035

ENDESA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2016

Million Euros

(Unaudited)

	Share Capital	Share premium, Reserves and interim dividend	Treasury shares and own equity instruments	Profit for the period	Other equity instruments	Valuation adjustments	Non- Controlling Interests	Total equity
BALANCE AT 1 JANUARY 2016	1,271	6,799		1,086		(120)	3	9,039
Adjustments due to changes in accounting policies								
Correction of errors								
ADJUSTED BALANCE AT 1 JANUARY 2016	1,271	6,799		1,086		(120)	3	9,039
TOTAL COMPREHENSIVE INCOME				796		43		839
TRANSACTIONS WITH SHAREHOLDERS OR OWNERS		(663)						(663)
Capital increases/(reductions)								
Conversion of liabilities into equity								
Dividends paid		(663)						(663)
Transactions with treasury shares or own equity instruments (net)								
Increases/(reductions) due to business combinations								
Other transactions with shareholders and owners								
OTHER CHANGES IN EQUITY		1,086		(1,086)				
Share-based payments								
Transfers between equity items		1,086		(1,086)				
Other changes								
BALANCE AT 30 JUNE 2016	1,271	7,222		796		(77)	3	9,215

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

Million Euros

(Unaudited)

	Generation and Supply	Distribution	Structure	Consolidation Adjustments and Eliminations	Total
	<u>30.06.17</u>	<u>30.06.17</u>	<u>30.06.17</u>	<u>30.06.17</u>	<u>30.06.17</u>
ASSETS					
Non-current assets	13,150	13,010	25,831	(26,533)	25,458
Property, plant and equipment	9,802	11,804	69	(1)	21,674
Investment property		3	17		20
Intangible assets	872	153	142	(1)	1,166
Goodwill	379	76	4		459
Investments accounted for using the equity method	190	22			212
Non-current financial assets	1,265	554	25,439	(26,552)	706
Deferred tax assets	642	398	160	21	1,221
Current assets	4,332	1,426	2,524	(2,843)	5,439
Inventories	1,039	79			1,118
Trade and other receivables	2,755	1,058	697	(1,270)	3,240
Current financial assets	347	265	1,591	(1,573)	630
Cash and cash equivalents	191	24	236		451
Non-current assets held for sale and discontinued operations					
TOTAL ASSETS	17,482	14,436	28,355	(29,376)	30,897
EQUITY AND LIABILITIES					
Equity	5,082	1,951	16,809	(14,807)	9,035
Of the Parent Company	4,944	1,946	16,811	(14,807)	8,894
Of non-controlling interests	138	5	(2)		141
Non-current liabilities	8,459	10,081	7,898	(11,741)	14,697
Deferred income	48	4,669		(26)	4,691
Non-current provisions	1,961	1,107	393	106	3,567
Non-current interest-bearing loans and borrowings	5,602	3,521	7,442	(11,817)	4,748
Other non-current liabilities	172	441	10	(6)	617
Deferred tax liabilities	676	343	53	2	1,074
Current liabilities	3,941	2,404	3,648	(2,828)	7,165
Current interest-bearing loans and borrowings	407	5	2,477	(1,563)	1,326
Current provisions	200	61	55	(1)	315
Trade payables and other current liabilities	3,334	2,338	1,116	(1,264)	5,524
Liabilities directly associated with non-current assets classified as held for sale and discontinued operations					
TOTAL EQUITY AND LIABILITIES	17,482	14,436	28,355	(29,376)	30,897

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2016

Million Euros

	Generation and Supply	Distribution	Structure	Consolidation Adjustments and Eliminations	Total
	<u>31.12.16</u>	<u>31.12.16</u>	<u>31.12.16</u>	<u>31.12.16</u>	<u>31.12.16</u>
ASSETS					
Non-current assets	13,566	12,922	25,421	(26,380)	25,529
Property, plant and equipment	10,073	11,809	11	(2)	21,891
Investment property		3	17		20
Intangible assets	901	150	121		1,172
Goodwill	298	2			300
Investments accounted for using the equity method	186	22			208
Non-current financial assets	1,480	528	25,105	(26,399)	714
Deferred tax assets	628	408	167	21	1,224
Current assets	4,080	1,219	2,726	(2,590)	5,435
Inventories	1,154	48			1,202
Trade and other receivables	2,680	888	1,135	(1,251)	3,452
Current financial assets	68	276	1,358	(1,339)	363
Cash and cash equivalents	178	7	233		418
Non-current assets held for sale and discontinued operations					
TOTAL ASSETS	17,646	14,141	28,147	(28,970)	30,964
EQUITY AND LIABILITIES					
Equity	4,858	1,619	17,423	(14,812)	9,088
Of the Parent Company	4,725	1,615	17,425	(14,813)	8,952
Of non-controlling interests	133	4	(2)	1	136
Non-current liabilities	8,015	10,467	7,454	(11,581)	14,355
Deferred income	50	4,689		(27)	4,712
Non-current provisions	2,071	1,135	406	106	3,718
Non-current interest-bearing loans and borrowings	5,028	3,862	6,986	(11,653)	4,223
Other non-current liabilities	166	434	10	(9)	601
Deferred tax liabilities	700	347	52	2	1,101
Current liabilities	4,773	2,055	3,270	(2,577)	7,521
Current interest-bearing loans and borrowings	429	5	2,048	(1,338)	1,144
Current provisions	440	69	58		567
Trade payables and other current liabilities	3,904	1,981	1,164	(1,239)	5,810
Liabilities directly associated with non-current assets classified as held for sale and discontinued operations					
TOTAL EQUITY AND LIABILITIES	17,646	14,141	28,147	(28,970)	30,964

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

Million Euros

(Unaudited)

	Generation and Supply	Distribution	Structure	Consolidation Adjustments and Eliminations	Total
	<u>30.06.17</u>	<u>30.06.17</u>	<u>30.06.17</u>	<u>30.06.17</u>	<u>30.06.17</u>
INCOME	8,818	1,290	261	(365)	10,004
Revenue	8,718	1,157	251	(334)	9,792
Other operating revenues	100	133	10	(31)	212
PROCUREMENTS AND SERVICES	7,363	66	38	(87)	7,380
Power purchased	2,566				2,566
Cost of fuel consumed	1,056				1,056
Transmission costs	2,833			(1)	2,832
Other variable procurements and services	908	66	38	(86)	926
CONTRIBUTION MARGIN	1,455	1,224	223	(278)	2,624
Self-constructed assets	11	60	8		79
Personnel expenses	236	133	90	(8)	451
Other fixed operating expenses	532	215	168	(268)	647
GROSS PROFIT FROM OPERATIONS (EBITDA)	698	936	(27)	(2)	1,605
Depreciation and amortisation, and impairment losses	407	269	28		704
PROFIT FROM OPERATIONS (EBIT)	291	667	(55)	(2)	901
NET FINANCIAL PROFIT/(LOSS)	(50)	(46)	34	3	(59)
Financial income	28	7	214	(215)	34
Financial expense	(97)	(53)	(162)	218	(94)
Net exchange differences	19		(18)		1
Net profit/(loss) of companies accounted for using the equity method	7	3			10
Gains/(losses) from other investments	1		349	(349)	1
Gains/(losses) on disposal of assets	(14)	5	4		(5)
PROFIT/(LOSS) BEFORE TAX	235	629	332	(348)	848
Income Tax Expense	43	153	(4)	(2)	190
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	192	476	336	(346)	658
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS					
PROFIT FOR THE PERIOD	192	476	336	(346)	658
Parent Company	187	476	336	(346)	653
Non-controlling interests	5				5

ENDESA S.A. AND SUBSIDIARIES

BREAKDOWN CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

Million Euros

(Unaudited)

	Generation and Supply	Distribution	Structure	Consolidation Adjustments and Eliminations	Total
	<u>30.06.16</u>	<u>30.06.16</u>	<u>30.06.16</u>	<u>30.06.16</u>	<u>30.06.16</u>
INCOME	8,004	1,289	143	(233)	9,203
Revenue	7,775	1,132	107	(177)	8,837
Other operating revenues	229	157	36	(56)	366
PROCUREMENTS AND SERVICES	6,352	62	63	(110)	6,367
Power purchased	1,935				1,935
Cost of fuel consumed	621				621
Transmission costs	2,952			(2)	2,950
Other variable procurements and services	844	62	63	(108)	861
CONTRIBUTION MARGIN	1,652	1,227	80	(123)	2,836
Self-constructed assets	1	49	1		51
Personnel expenses	228	131	82	(9)	432
Other fixed operating expenses	451	193	39	(94)	589
GROSS PROFIT FROM OPERATIONS (EBITDA)	974	952	(40)	(20)	1,866
Depreciation and amortisation, and impairment losses	338	328	11	(1)	676
PROFIT FROM OPERATIONS (EBIT)	636	624	(51)	(19)	1,190
NET FINANCIAL PROFIT/(LOSS)	(80)	(67)	46		(101)
Financial income	22	2	158	(150)	32
Financial expense	(102)	(69)	(112)	150	(133)
Net exchange differences					
Net profit/(loss) of companies accounted for using the equity method	(46)	2	6		(38)
Gains/(losses) from other investments			421	(421)	
Gains/(losses) on disposal of assets	(11)	1	94	(94)	(10)
PROFIT/(LOSS) BEFORE TAX	499	560	516	(534)	1,041
Income Tax Expense	108	133	2	2	245
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	391	427	514	(536)	796
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS					
PROFIT FOR THE PERIOD	391	427	514	(536)	796
Parent Company	391	427	514	(536)	796
Non-controlling interests					