



Enel Chile

Generation & Distribution of Electricity

As of December, 2016



Sector Overview

Enel Chile

Looking Forward

Enel Chile – Sector overview

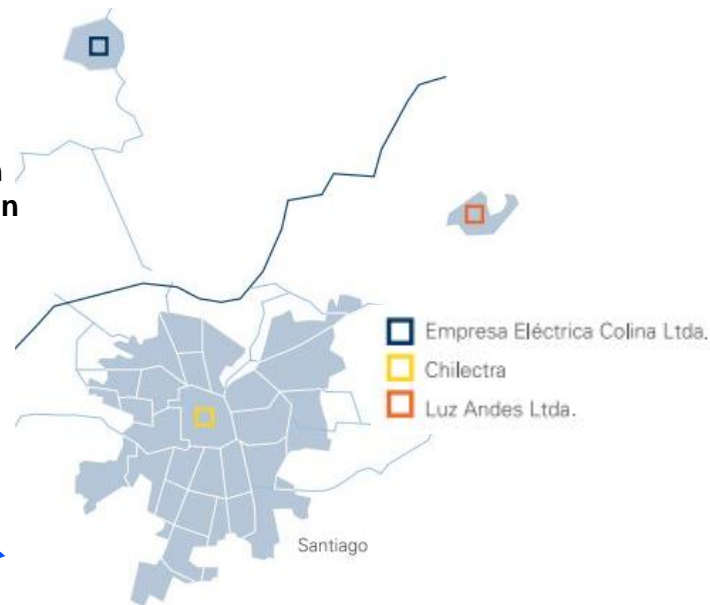
Most relevant player in both generation and distribution business



56% of installed capacity corresponds to renewable resources



Largest distribution company in the main electricity system



Total Installed Capacity	: 6.3 GW
Market Share 2016E	: 33%
Generation 2016E	: 18.4 TWh
Energy sales 2016E	: 22.3 TWh

Clients	: 1.8 million
Concession period	: No deadline
Energy 2016E	: 15.9 TWh
Energy losses 2016E	: 5.3%

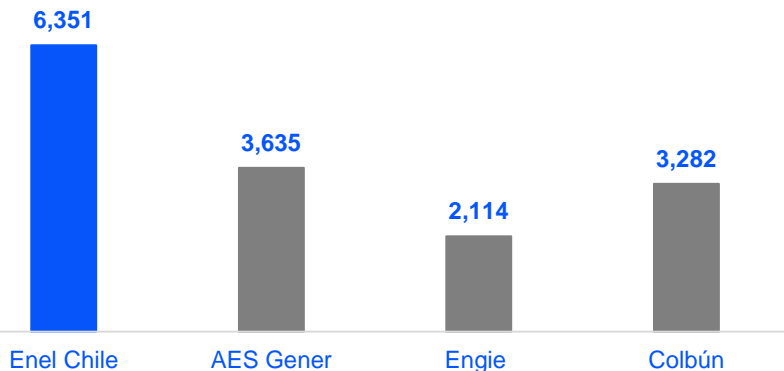
Enel Chile – Sector overview

Sector overview – Leading position



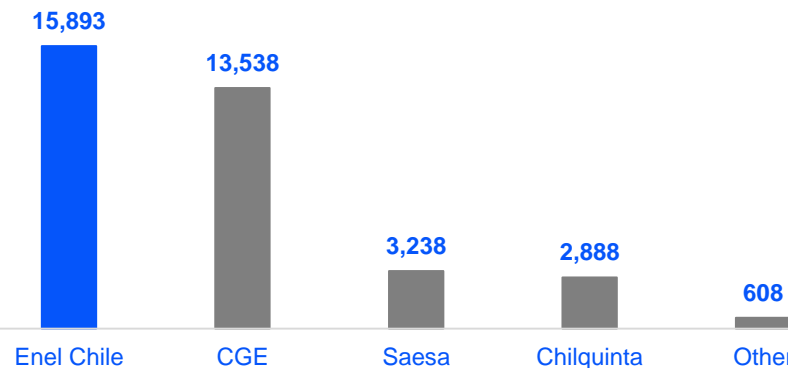
Generation business¹

Installed Capacity (MW)



Distribution business²

Physical sales (GWh)



**Main player in terms of installed capacity in Chile
with a market share of over 30%**

**Main distributor in terms of energy sales in Chile
with a market share of over 40%**

1. Note: Consider only the Chilean capacity as of June 30th, 2016.
2. Figures as of December 31th, 2015.

Enel Chile

Agenda



Sector Overview

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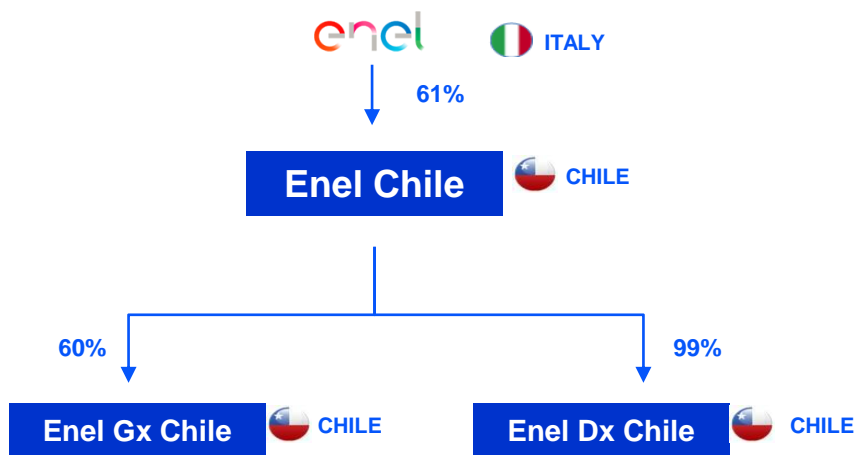
Looking Forward

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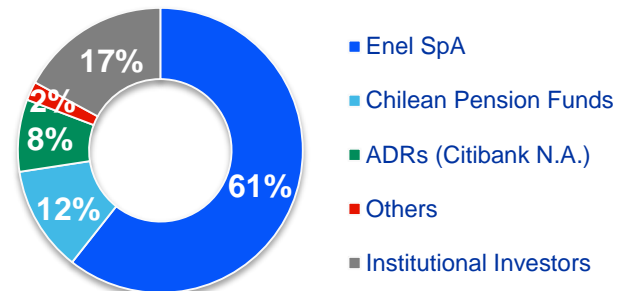
Organization Structure – Stable shareholders base



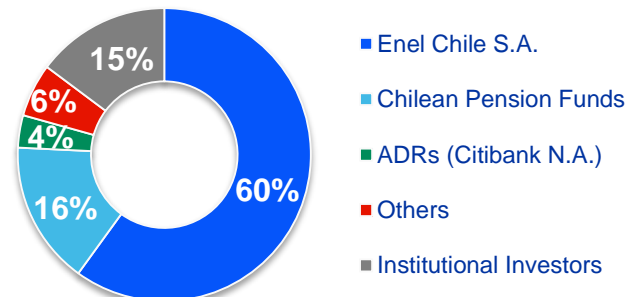
Organization



Enel Chile Shareholders¹



Enel Generación Chile Shareholders¹



1. Data as of September 30th, 2016

Enel Chile

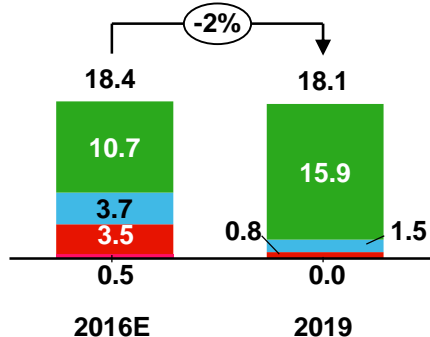
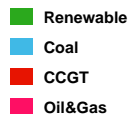
Main industrial KPIs



Generation & Trading

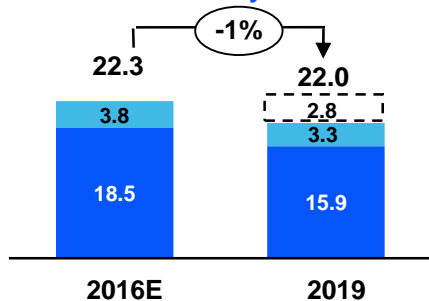
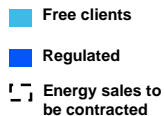
Production

TWh



Electricity Sales

TWh

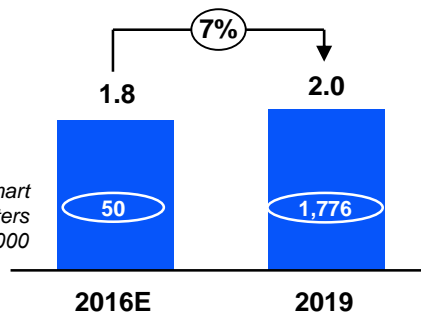


Networks

Clients served

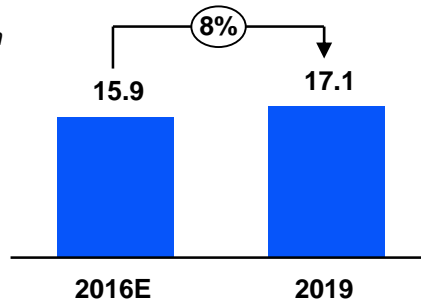
#mn

Smart Meters '000



Electricity distributed

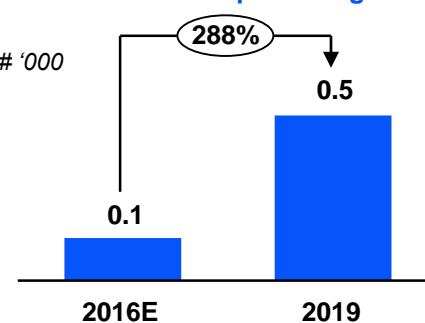
TWh



Retail

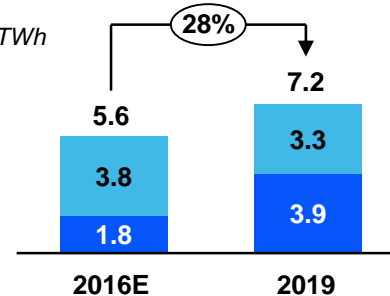
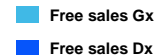
Free clients power & gas

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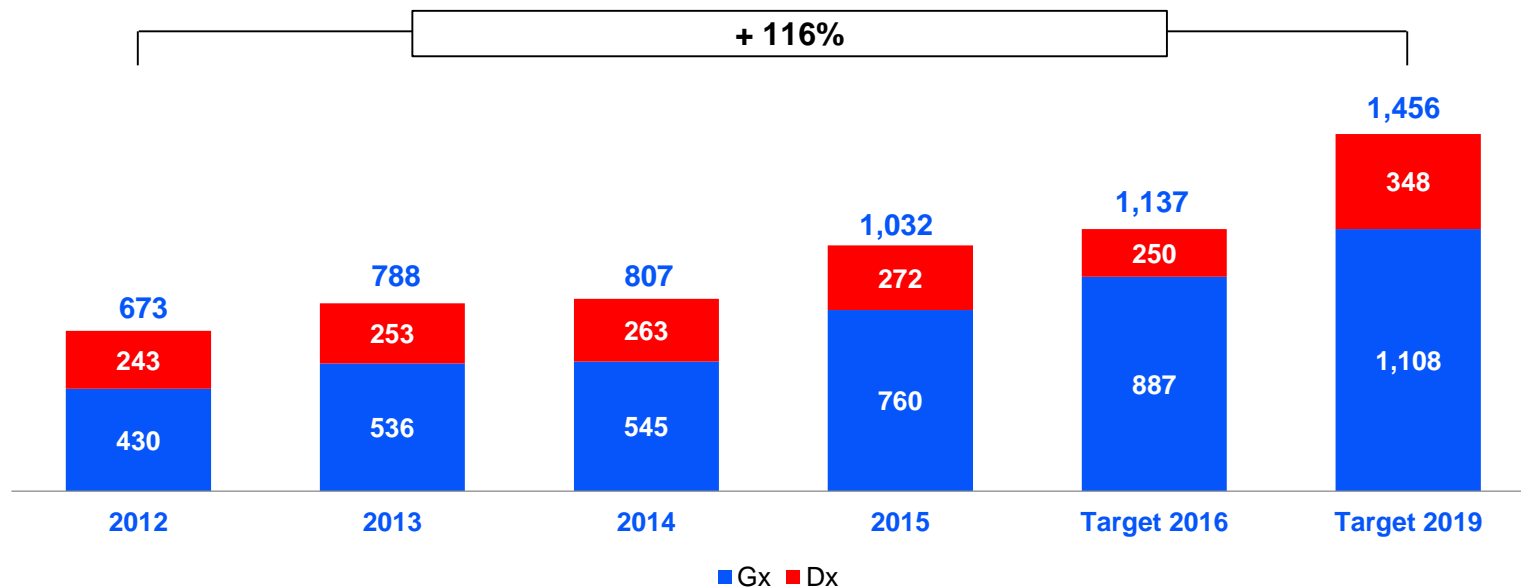
Electricity sales in free market

TWh



Enel Chile

EBITDA breakdown by business (US\$ mn)



Improved performance driven by generation business

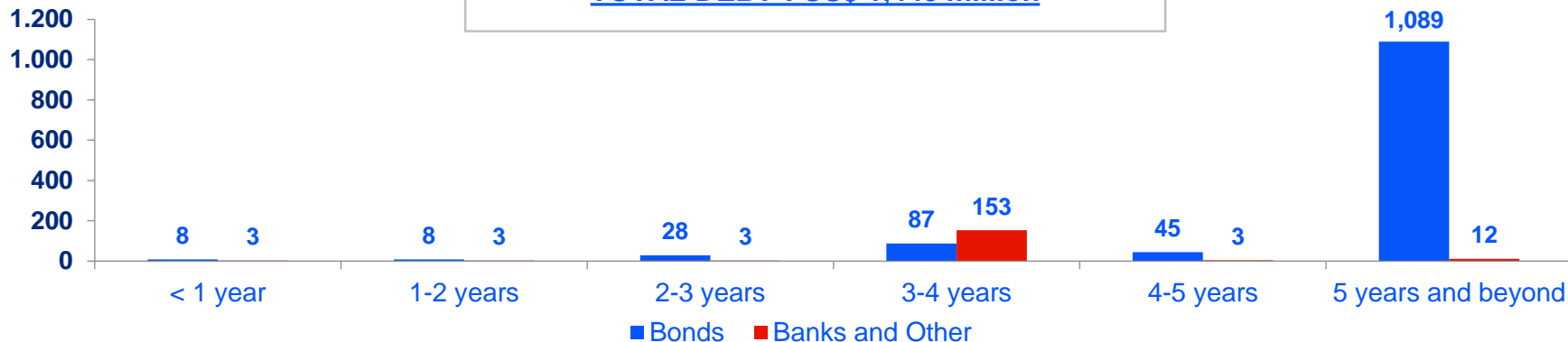
1. Referential average exchange rate was 680.08 Ch\$/US\$ as of September 30th, 2016.

Enel Chile

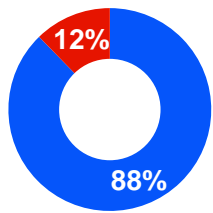
Healthy debt maturity profile



TOTAL DEBT¹: US\$ 1,443 million

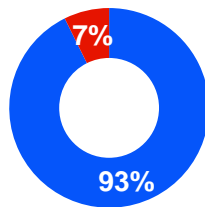


By Type¹



■ Bonds ■ Others

By Currency¹



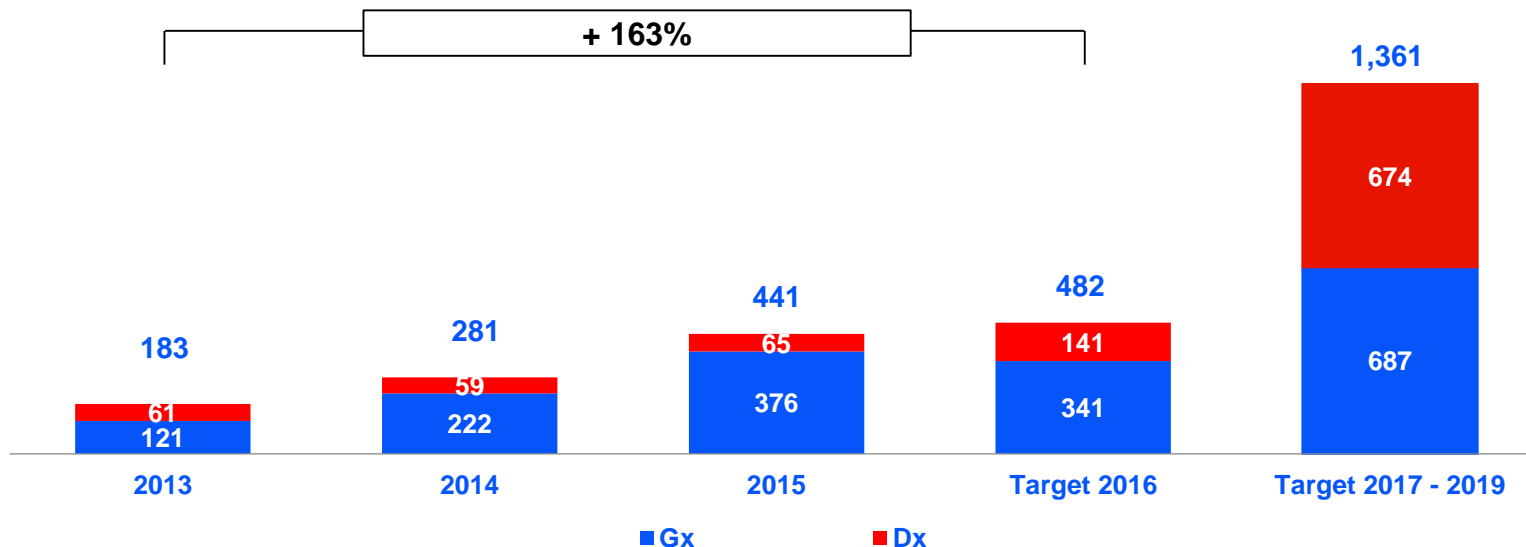
■ USD ■ UF + CLP

- **Cash:** US\$ 335 MM
- **Committed Credit Lines:** US\$ 364 MM
- **Average life of debt:** 10 years

1. Note: Data as of September 30th, 2016. Includes arrangements and other consolidation adjustments.

Enel Chile

Capital expenditures driven by generation business (US\$ mn)



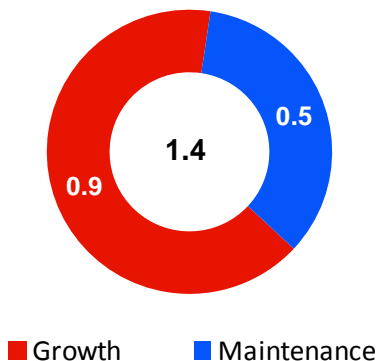
Los Cóndores will add 150 MW of installed capacity to the SIC.
As of September 2016, the level of completion reached 38% with a total investment of US\$ 233 million.

Enel Chile

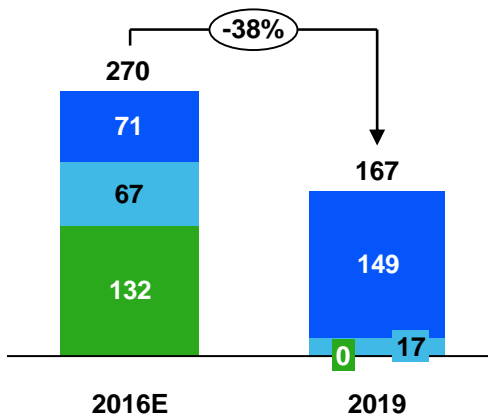
Industrial growth 2017-2019



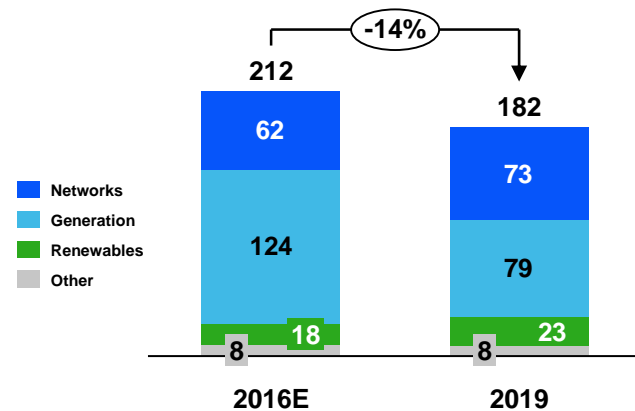
Total Capex 2017-2019 (US\$bn)



Growth Capex by business (US\$m)



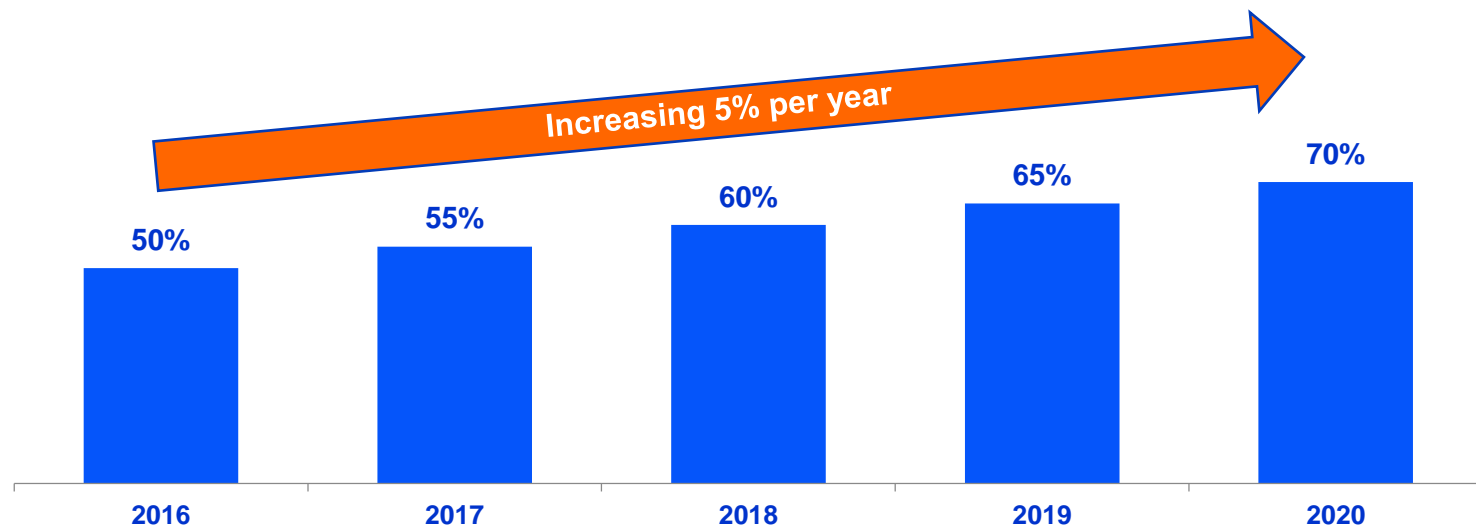
Maintenance Capex by business (US\$m)



Confirmed the development of efficient and profitable projects in networks

Enel Chile

Dividend pay-out ratio will increase to 70% in 2020

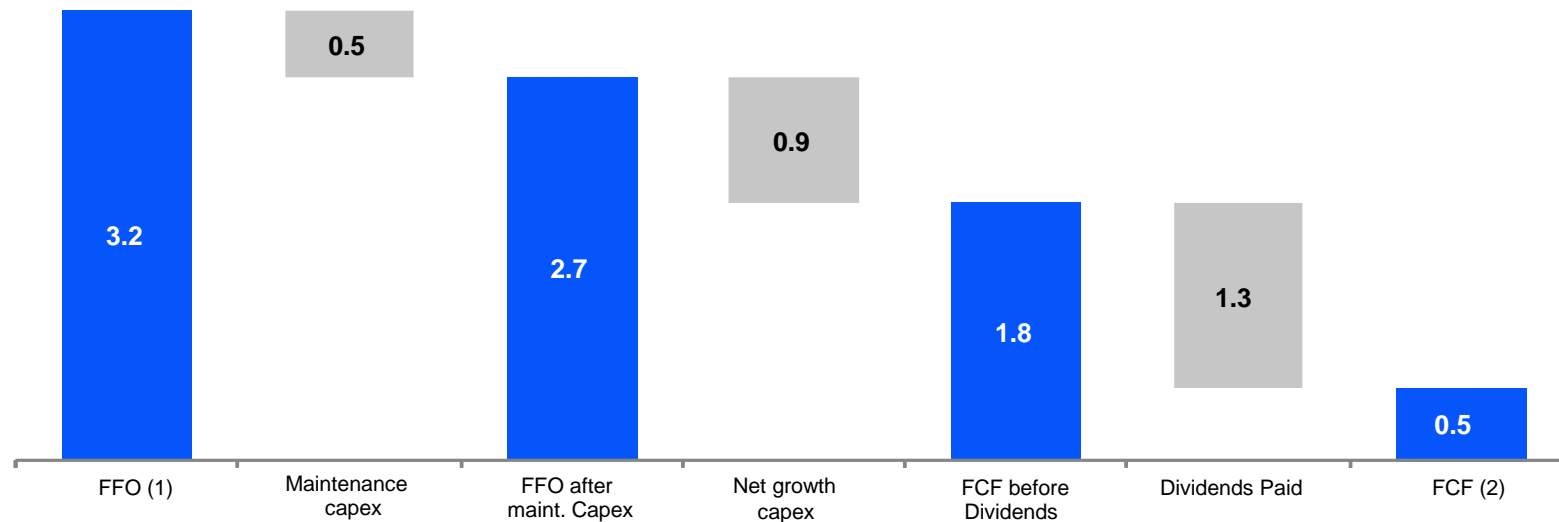


- Enel Chile will paid US\$ 1.3 bn in dividends for the period 2017 – 2019.
- Enel Chile paid on May 24th its first definitive dividend of Ch\$ 2.09 per share¹.
- Enel Chile proforma dividend 2015 was Ch\$ 2.57 per share.

1. Note: As of March 1, 2016, Enersis Americas Spin-Off became effective.

Enel Chile

2017-19 Cash flow generation (US\$bn)



Strong cash flow generation with a growing dividend payout ratio

(1) After taxes.

(2) Before extraordinary operations.

Enel Chile

Agenda



Sector Overview

Enel Chile

Looking Forward

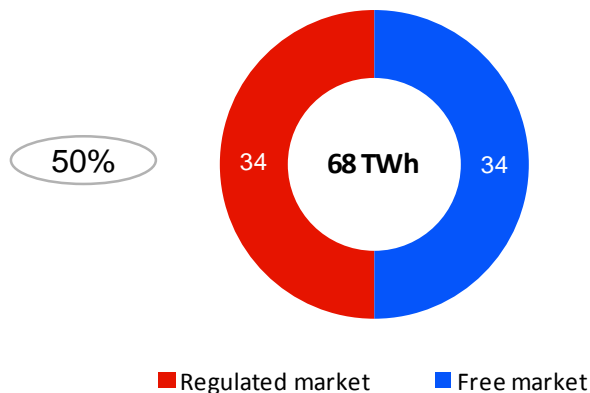
Enel Chile – Looking forward

Regulatory scenario: Supply market liberalization

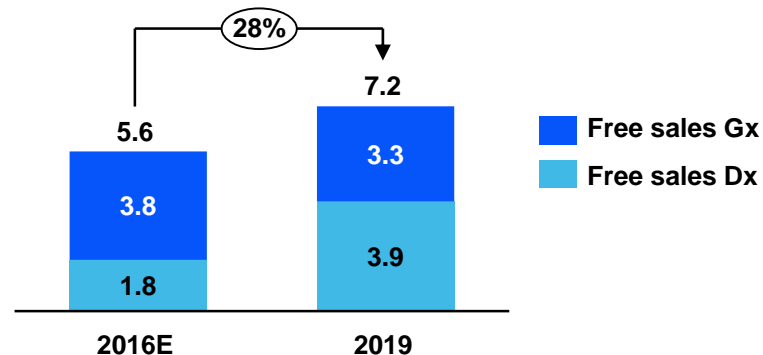


2016 Total Chilean Free market sales (TWh)

(% of Total)



Enel Free market sales evolution (TWh)



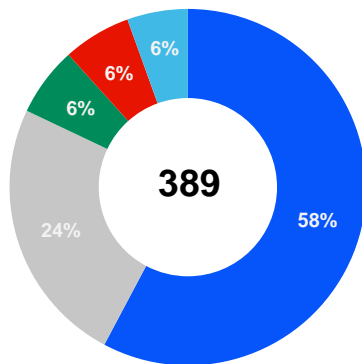
Market share expected to increase significantly
Growth driven by an aggressive commercial strategy on the free market
High potential from further market liberalization

Enel Chile – Looking forward

Margin breakdown by business Distribution + Retail

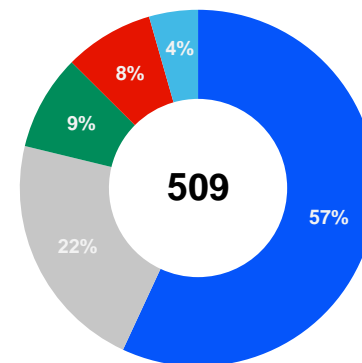


2016E: US\$ 389 mn



- Dx regulated
- Subtransmission
- Free Market Dx
- VAS without electric grids relocation
- Electric grids relocation

2019: US\$ 509 mn



Important growth in all segments related to the energy distribution

Enel Chile – Looking forward

Others business for the future (PSVA's – Future projects)



Public Lighting¹

Energy efficiencies

Electric Transportation

Distributed Generation



- Presence outside our concession area.
- 137 thousand new public lighting points estimated in 2017-2019.

- 45% market share in full electric business.
- 108 thousand new connections in 2017-2019

- 20 electric buses in 2017.
- 1,500 new electric buses estimated in 2018-2021.

- Initiatives within and outside our concession area are already being prospected.
- Over 2,000 projects of distributed generation estimated between 2017-2019.

Important growth from future opportunities as a consequence of the new market context

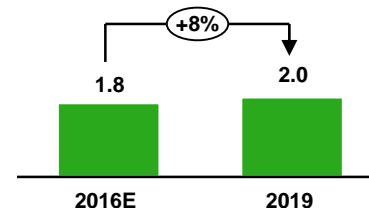
Enel Chile – Looking forward

Regulatory scenario: Networks

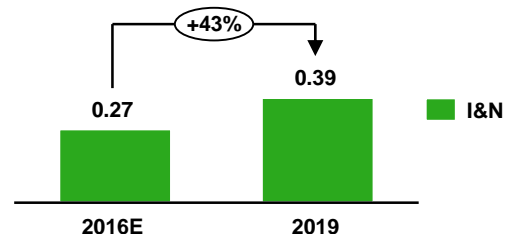


	Chile
1 2016 WACC real pre tax	10%
2 Remuneration scheme	CAPEX/OPEX Remuneration on "efficient company" model
3 Regulatory cycle	4 years
4 Next regulatory cycle	2017 - 2020

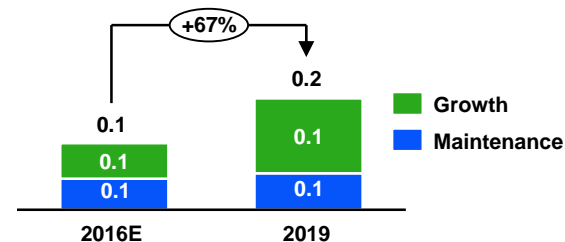
Customers (mn)



EBITDA (US\$bn)



Capex (US\$bn)



Stable distribution regulatory framework in the next years

Enel Chile – Looking forward

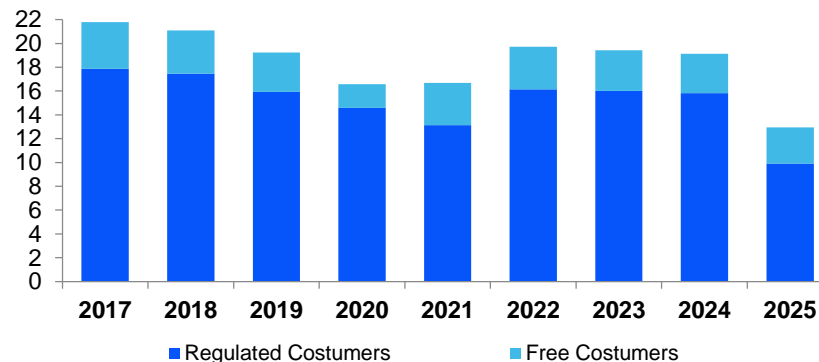
Sales scenario: Generation



Regulatory Scenario

General framework	Auctions for 15, 20 and 30 years
Remuneration scheme	Income based on contributions during peak demand and recognition of dual generation for gas turbines
Regulated guaranteed pass through	Recalculated monthly
Spot market price	Spot market with audited costs
National Regulatory Authority	SEC
Concessions	Unlimited

Contracted sales (TWh)

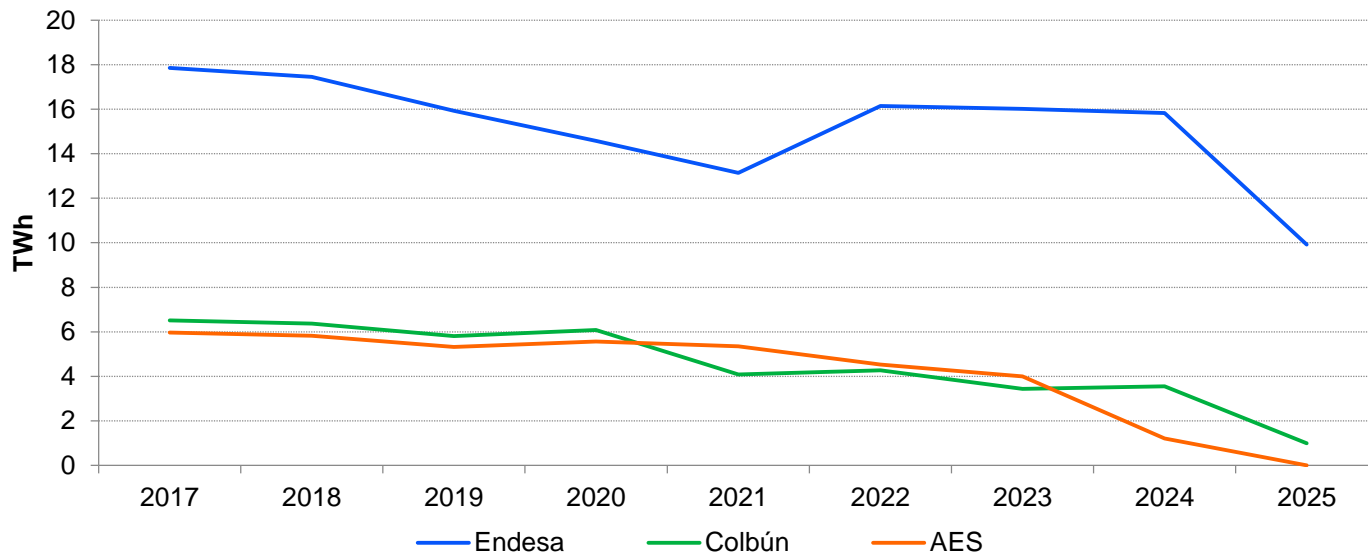


Most of our production is covered with contracts until 2025 with prices around US\$ 80-90/MWh.

Active position in free clients to capture all market opportunities leveraging on portfolio flexibility

Enel Chile – Looking forward

Sales to regulated costumers



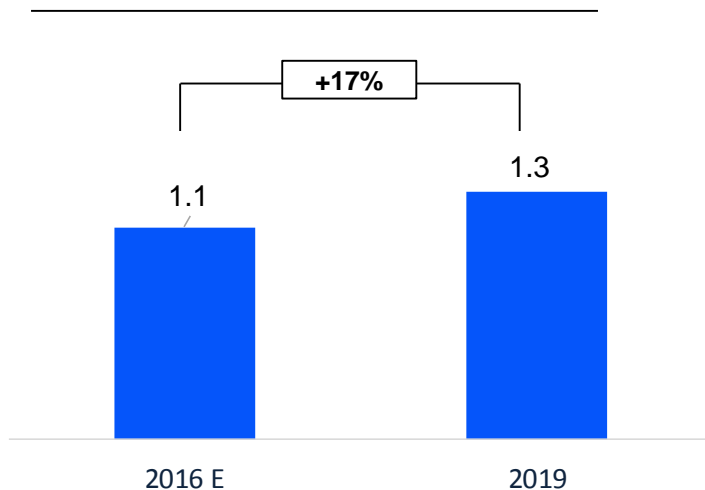
Enel Generation Chile has a competitive positions towards its peer, since it will have a higher amount of contracts with regulated clients in 2025 compared to other important players in the Chilean market.

Enel Chile – Looking forward

Margin improvement: Generation



Gross Margin (US\$bn)



Drivers

Hydrology	Normalization of hydrology since 2018, favor an increase in hydro production, improving margin
Additional capacity	Commercial operations of Los Cóndores starting by the end of 2018, increasing our production in 600 GWh/year approx.
Sale price	Contractual position allows to defend margins when spot prices fall down
Assets Mix	Diversified generation mix mitigates hydrology risk

Enel Chile – Looking forward

Efficiencies: New 2019 target saving



(US\$m)	2016E	2019 OLD	2019 NEW	(New vs Old)
OPEX	42	90	94	+4%
Gx	34	50	53	+6%
Dx	8	40	41	+3%
SG&A	6	10	18	+80%
Total	48	100	112	+12%

Improving efficiency 2019 targets

Note: Efficiency values with homogeneous costs 2014 TC (USD : 1,33 USD/Euro) and inflation, net of non recurrent and perimeter effect

Gx

Develop a strategy of “sustainable” growth in line with the communities needs focusing on small-middle sized projects

Robust long term contract portfolio perfectly hedges production capability

Dx

Aggressive commercial strategy boosting the business beyond regulated market

Positioning as the most innovative company in the Region, contributing to implement the concept of “smart cities”.

Diversifying its EBITDA breakdown with an emphasis on new services, exploiting a rich customer base.

Strong presence in all market segments

Stable growth in all businesses

Further progress expected in structure simplification

Confirmed dividend policy, increasing by 5% every year reaching 70% in 2020

Cost efficiency ahead of plan

Enel Chile

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