



Enel Chile 2016 results

March 1st, 2017



2016 proforma results*

Chilean highlights of the year



Enel Chile

- ✓ EBITDA increased 14%, amounting to 1.1 billion.
- ✓ Net Income attributable to shareholders increased 57%, amounting to 584 million.
- ✓ Important efficiencies accomplished.

Generation Business

- ✓ Revenues increased by 8%, amounting to 2.4 billion dollars.
- ✓ Higher operating margin of 15% or 150 million dollars.
- ✓ Higher thermo generation and gas sales enabled us to face poor hydrology.
- ✓ 8 TWh of new contracts (regulated and free clients), starting in 2021.
- ✓ Sale of 20% ownership in GNL Quintero, non core business.

Distribution Business

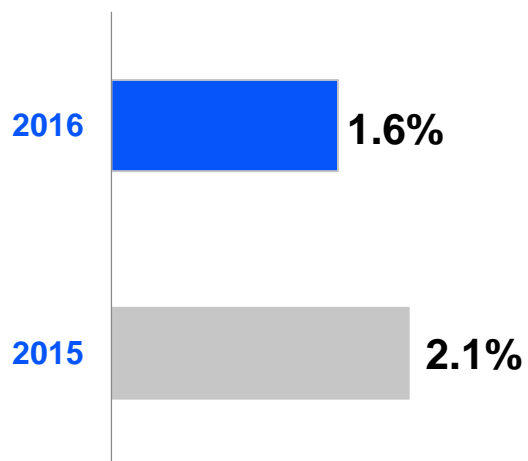
- ✓ Revenues increased by 5%, amounting to 1.9 billion dollars.
- ✓ Customers increased by more than 45 thousand to 1.8 million.
- ✓ Non-regulated businesses gross margin increased 12%.
- ✓ 1 TWh contracted with free clients starting in 2017.

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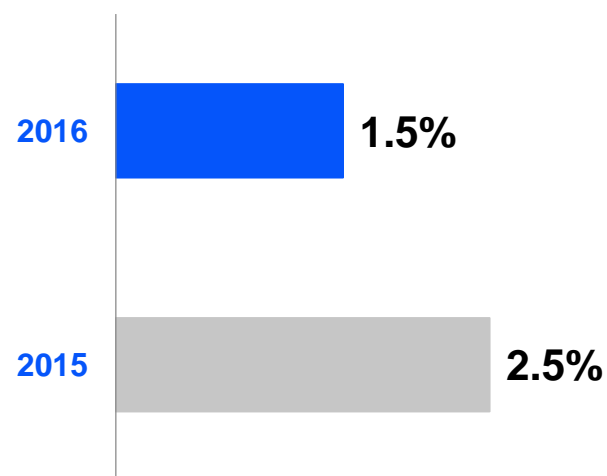
Market context in the period



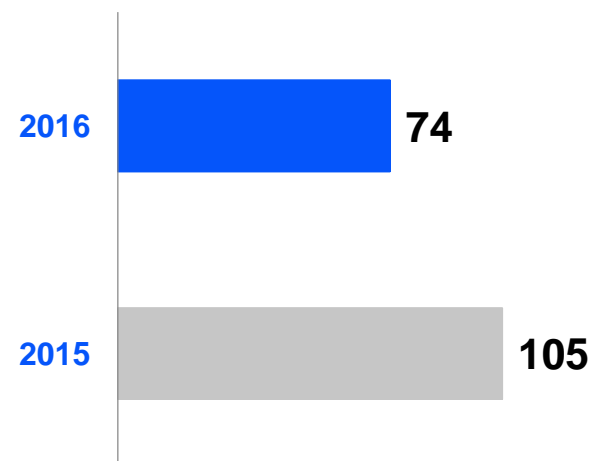
Annual GDP Growth (%)¹



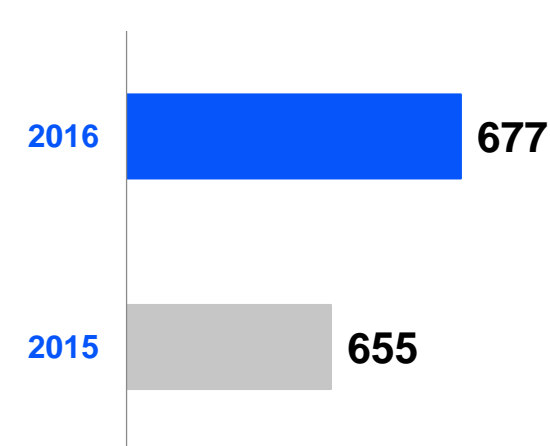
Chile Energy Demand Growth (%)



Average Spot Price (USD/MWh)



Average Exchange Rate CLP vs USD²



Slow down of the economy, demand and price reduction

1. Expected GDP for 2016. Source: Latin America Concensus Forecast as of January 2017.

2. Average exchange rate for the period. Source: internal

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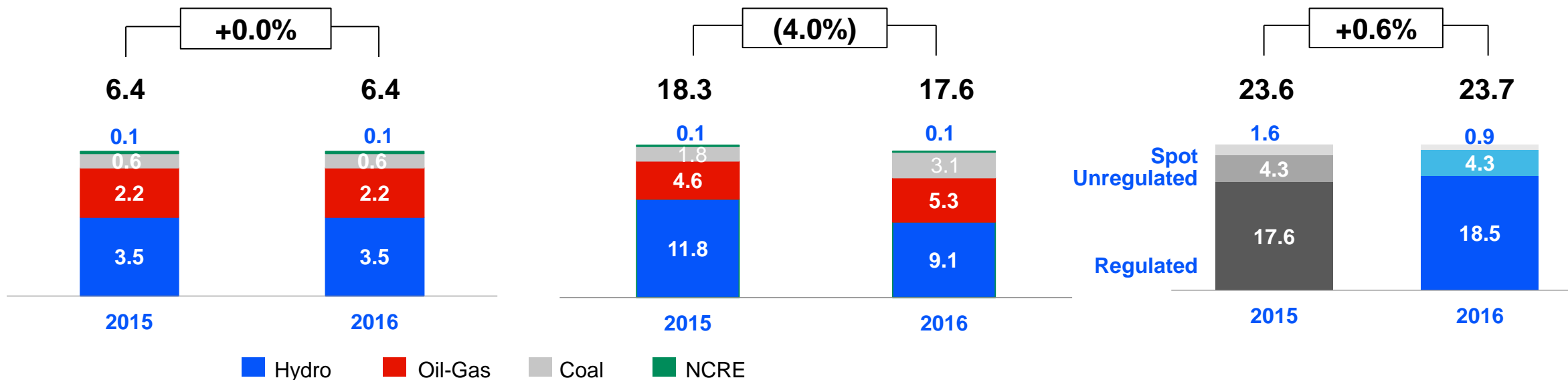
Generation business – Operating highlights



Installed capacity: 6.4 GW

Net production: 17.6 TWh

Energy Sales: 23.7 TWh



Leveraging on thermal capacity to offset lower water availability

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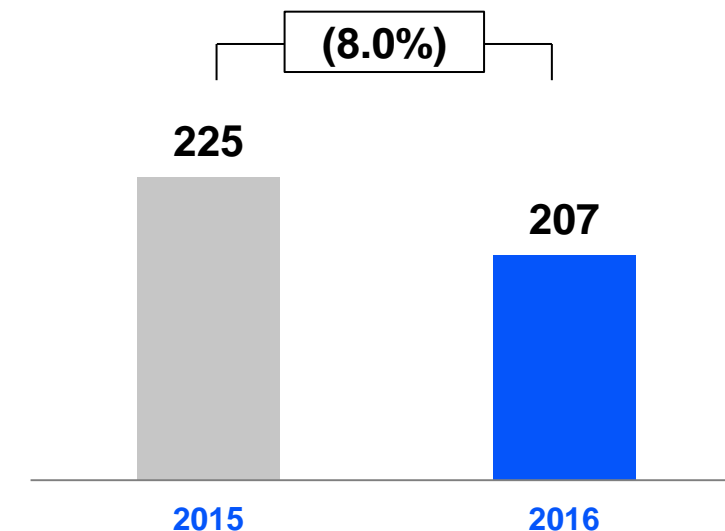
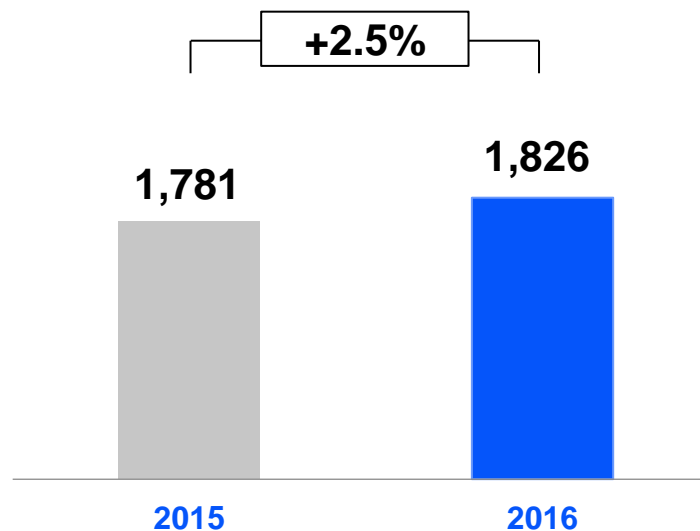
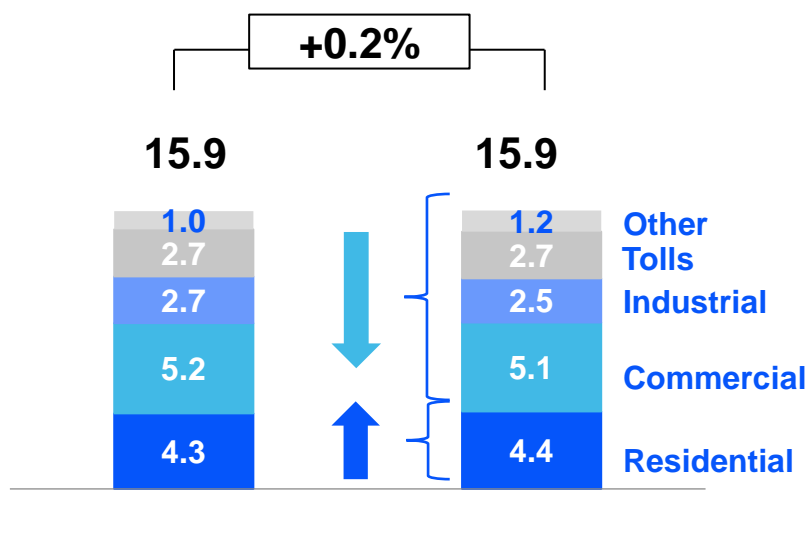
Distribution business - Operating highlights



Electricity Distributed: 15.9 TWh

Number of customers: 1.8 mn

SAIDI¹: 207 minutes



Growth of residential clients compensated by a decrease in commercial customers

1. SAIDI: System Average Interruption Duration Index

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Financial highlights (constant US\$ mn¹)



Financial Statements Proforma

	2015	2016	Δ YoY
Revenues	3,545	3,756	5.9%
Contribution Margin	1,355	1,544	13.9%
EBITDA	998	1,133	13.5%
EBIT	777	880	13.3%
Net Financial Income	(145)	(35)	(75.9%)
Related Company Results	43	191	346.7%
Taxes	(162)	(175)	8.1%
Group Net Income	513	861	68.0%
Attributable net income	372	584	57.0%
Gross Capex	416	405	(2.6%)
Net Debt ²	1,071	906	(3.5%)

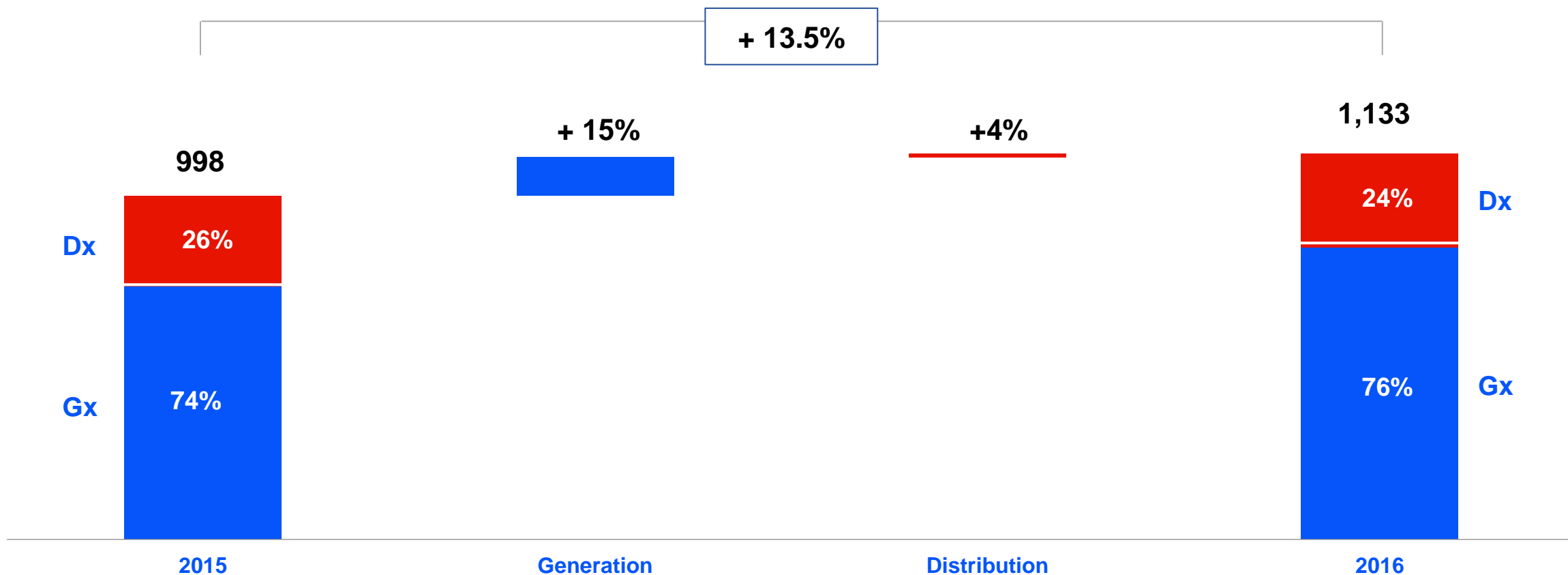
Financial Statements reported to SVS, last 10 months

	2016
Revenues	3,157
Contribution Margin	1,295
EBITDA	927
EBIT	676
Net Financial Income	(26)
Related Company Results	189
Taxes	(147)
Group Net Income	691
Attributable net income	469
Gross Capex	366
Net Debt ²	906

1. Comparisons between periods in the Financial Statements Proforma are made using the average exchange rate for the period 676.67 CLP/USD, and for the Balance Sheet using the closing exchange rate 669.47 CLP/USD.
 2. Net Debt refers to financial debt: * Only for information purpose;

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EBITDA by business (US\$ mn)¹

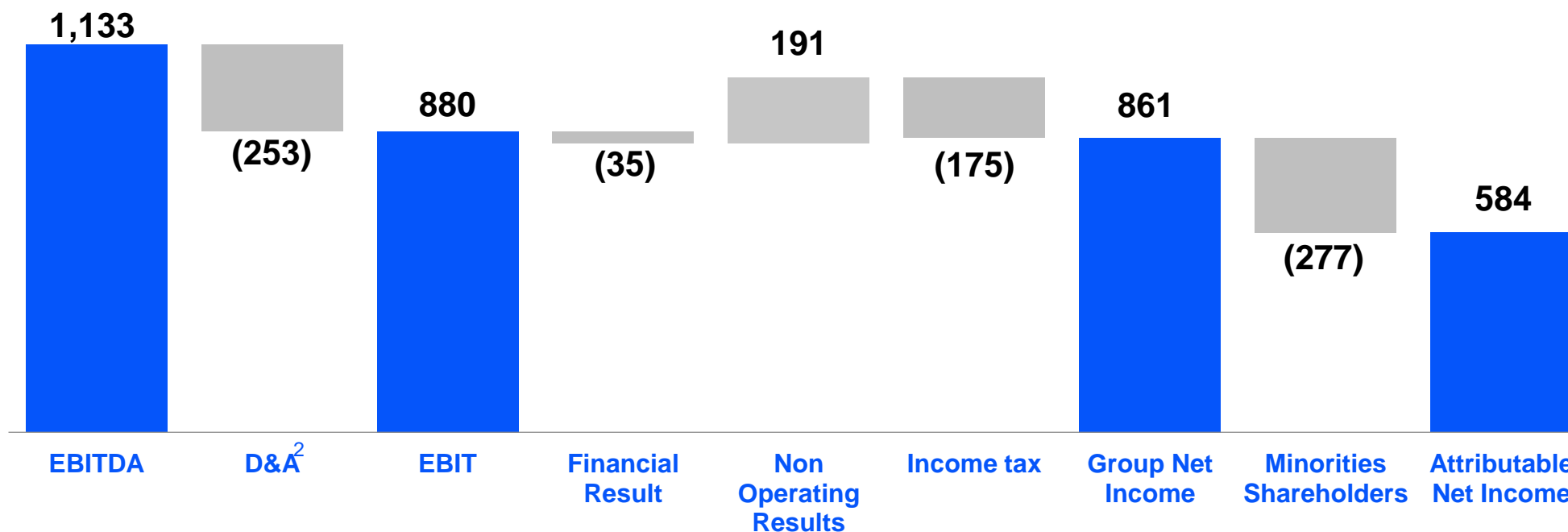


¹ Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 676.67 CLP/USD.

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EBITDA to Net Income (constant US\$ mn¹)



2015 (US\$ mn)

998

(222)

777

(145)

43

(162)

513

(141)

372

Change

+13.5%

+14.1%

+13.3%

(75.9%)

+346.7%

+8.1%

+68.0%

+97.1%

+57.0%

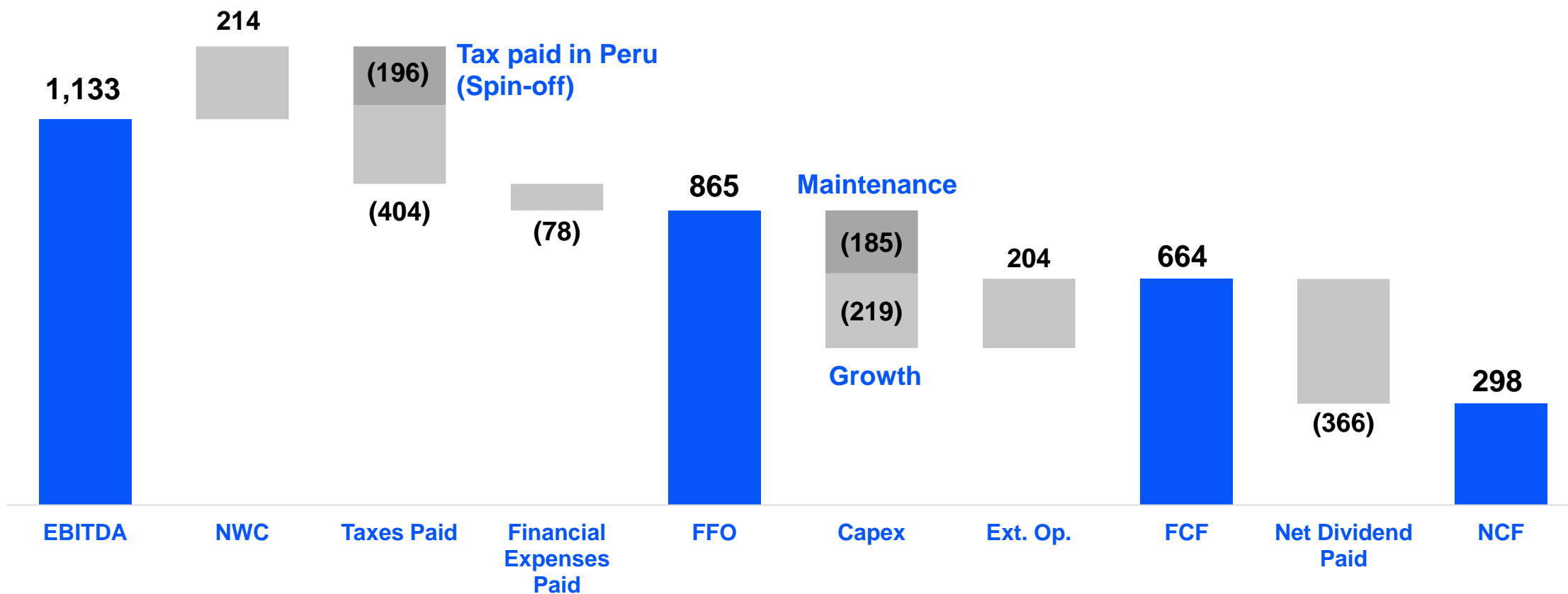
1. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 676.67 CLP/USD.

2. Consider Depreciation, Amortization and Impairment profit (impairment's reversal).

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Free cash flow (US\$ mn) ¹



Tax paid in Peru (Spin-off)

Maintenance

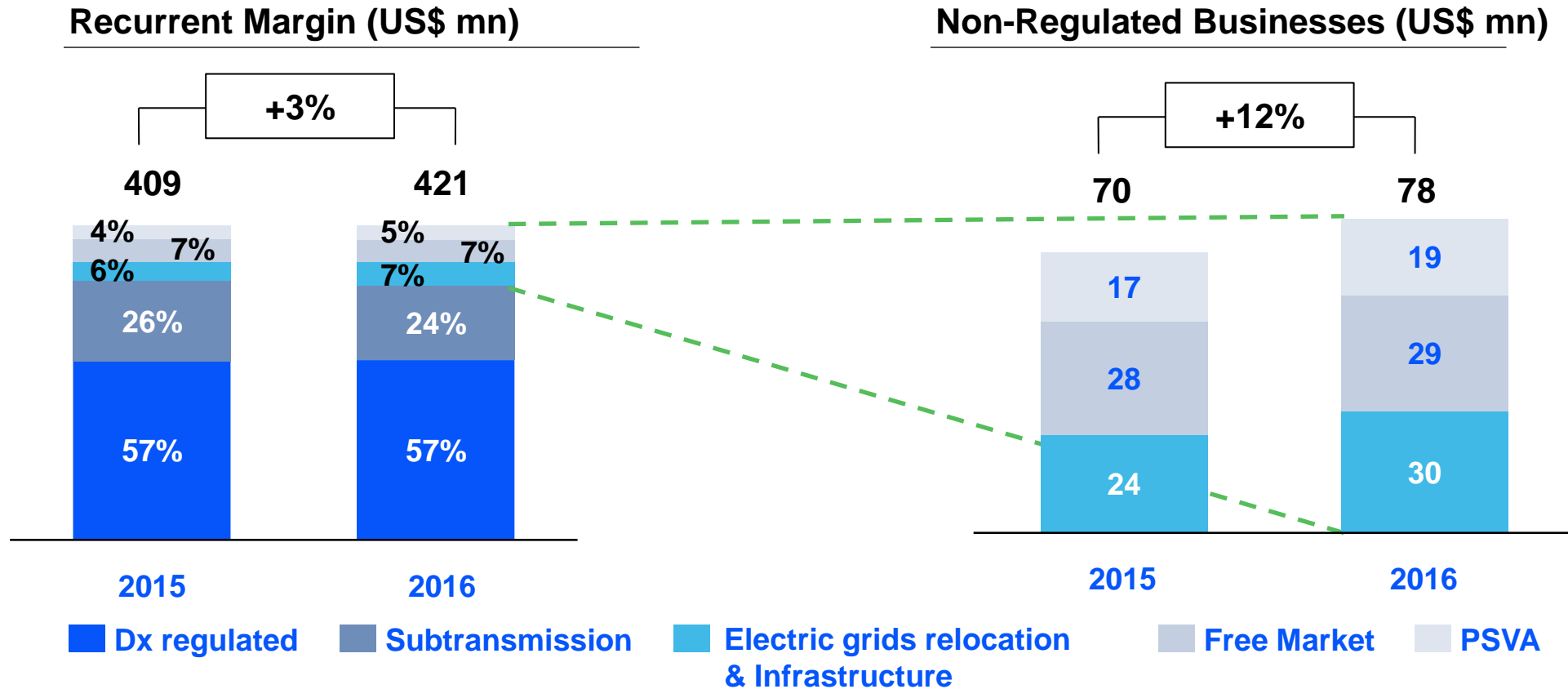
Growth

1. Comparisons between periods in the Financial Income Statements are made using average exchange rate for the period 676.67 CLP/USD.
 2. Net of 94 US\$ mn paid by Enel Dx to Enel Chile in January 2016 as an extraordinary dividend.

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Recurrent Margin breakdown by business Dx + Retail (US\$ mn)



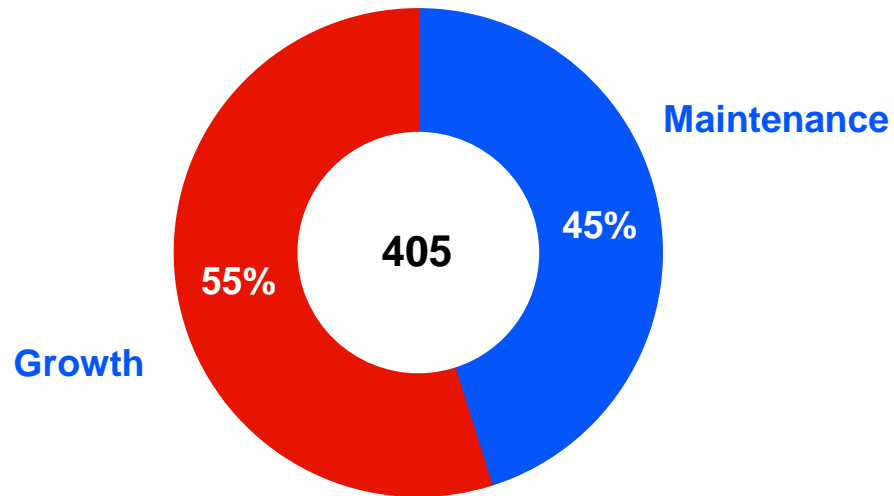
Growth in recurrent margin, mainly driven by non-regulated businesses

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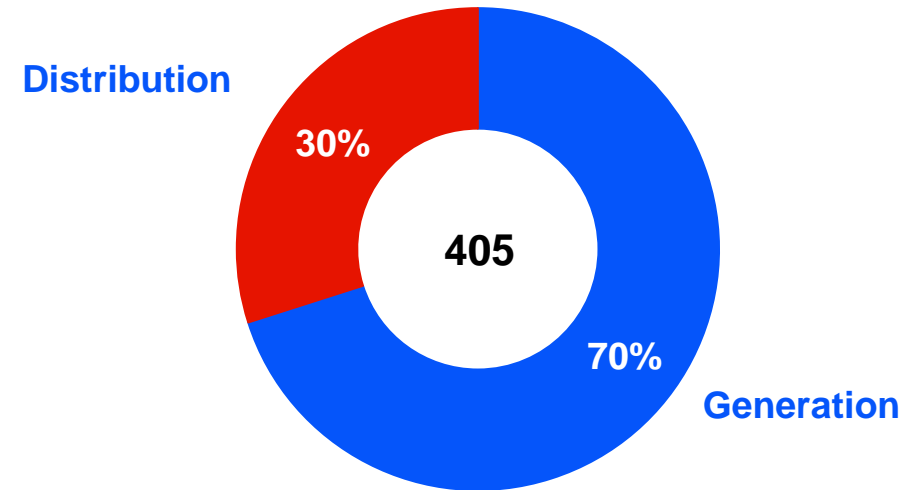
Gross Capex¹ (US\$ mn)



By activity



By business



Los Cóndores will add 150 MW to the SIC

1. Gross of contributions and connections fees, accrued capex during 2016, including FX conversion effects.

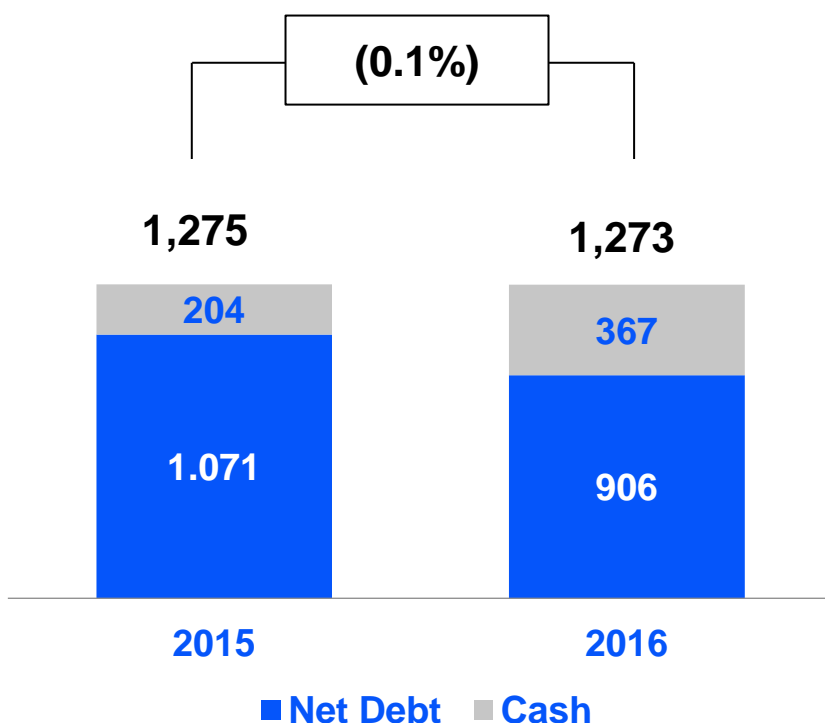
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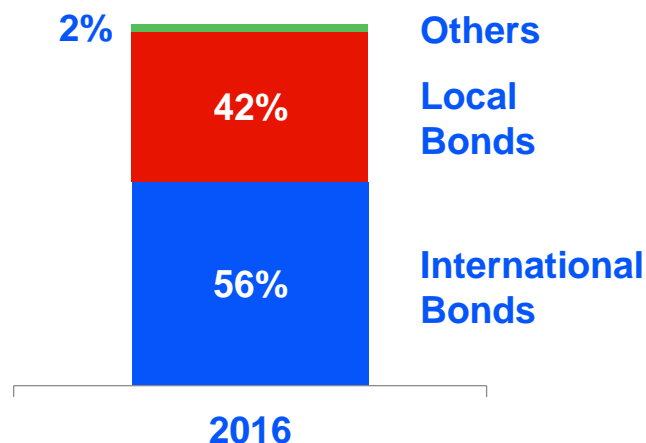
Gross² and Net Debt²



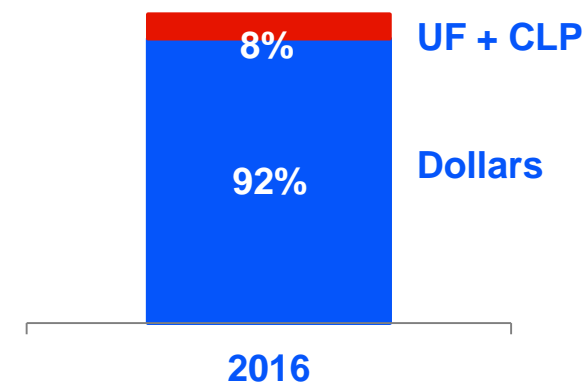
Gross and Net Debt (US\$ mn)



Gross Debt by type



Gross Debt by currency



Liquidity breakdown;

- Cash: US\$ 367 MM
- Committed Credit Lines: US\$ 512 MM
- Average life of debt: 11 years

1. Debt in UF and CLP its converted to US Dollars using the 2016 closing exchange rate 669.47 CLP/USD.

2. Financial debt includes financial expenses, derivatives and other consolidation adjustments.

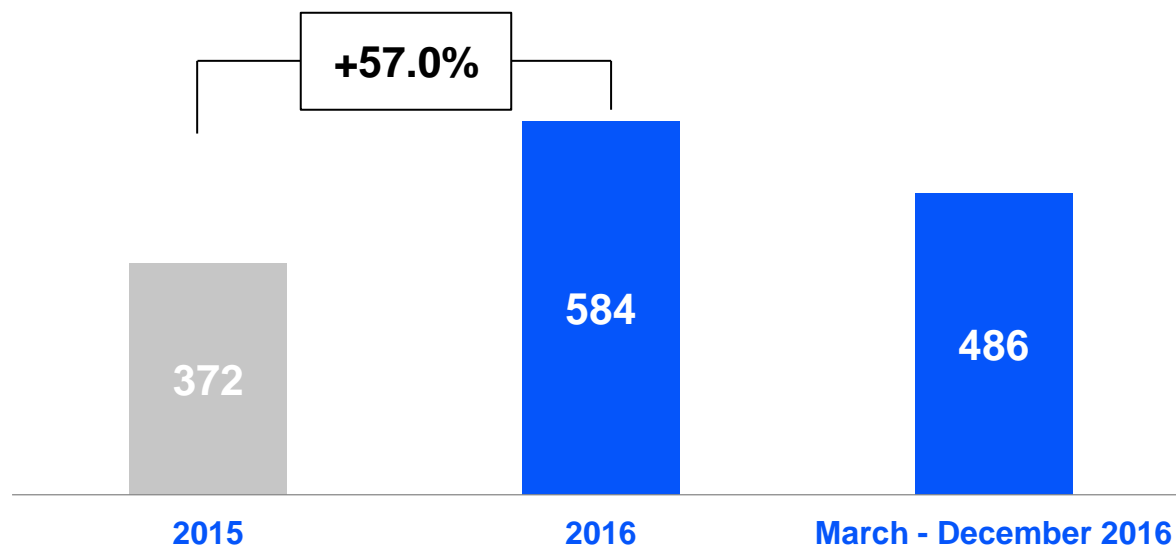
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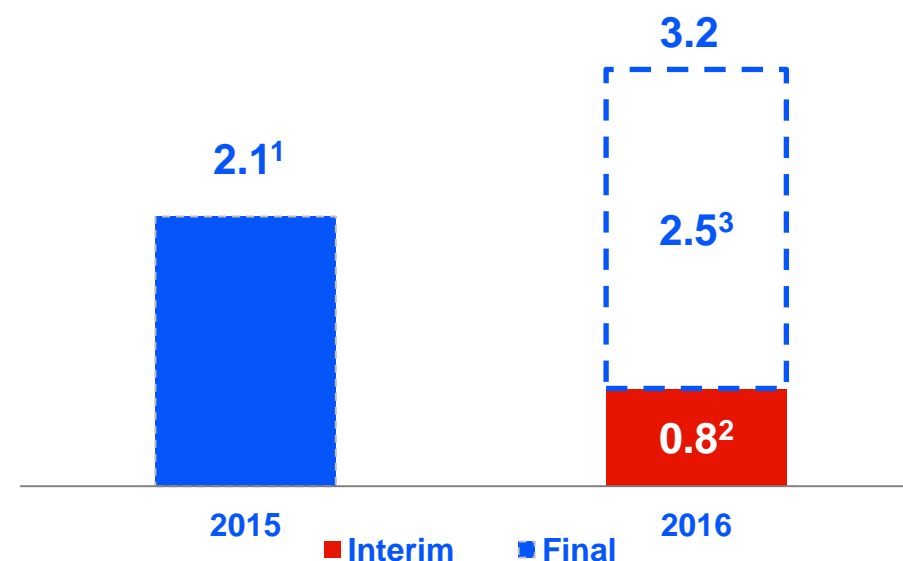
Dividend distribution



Attributable Net Income (US\$m)



Dividend to be paid (Ch\$ per share)



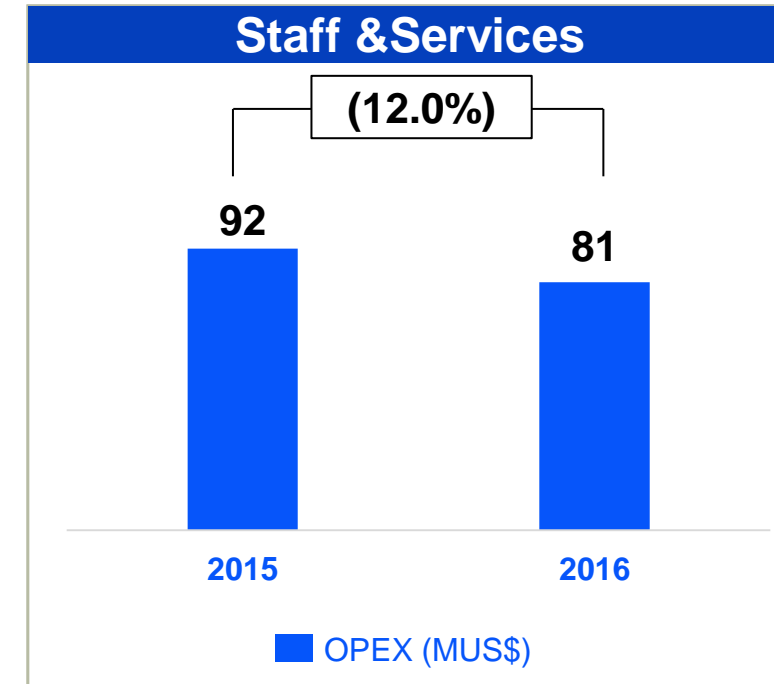
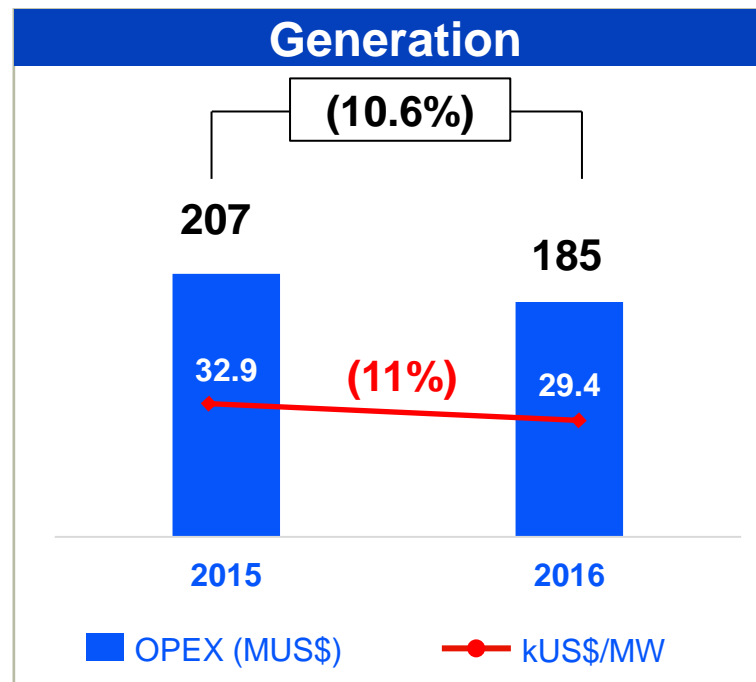
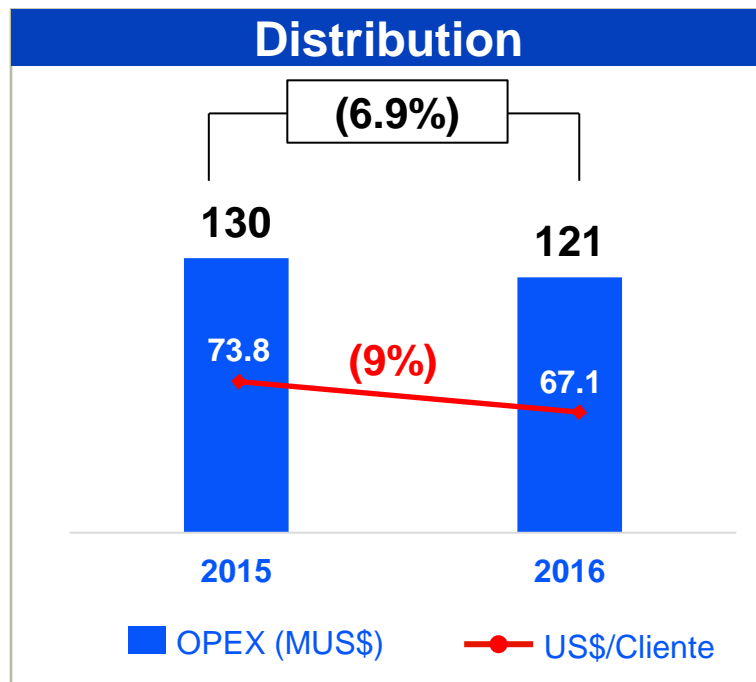
Pay out will increase from actual 50% by 5% every year until 2019.

1. On 2015, Enel Chile only paid a final dividend. Enel Chile's interim dividend of Ch\$ 0.47 was paid by Enel Americas before the Spin-off.
2. Interim dividend paid by Enel Chile on January 27th, 2017.
3. Final dividend must be approved by Annual Shareholders Meeting on April 2017.

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Efficiencies (US\$ mn)

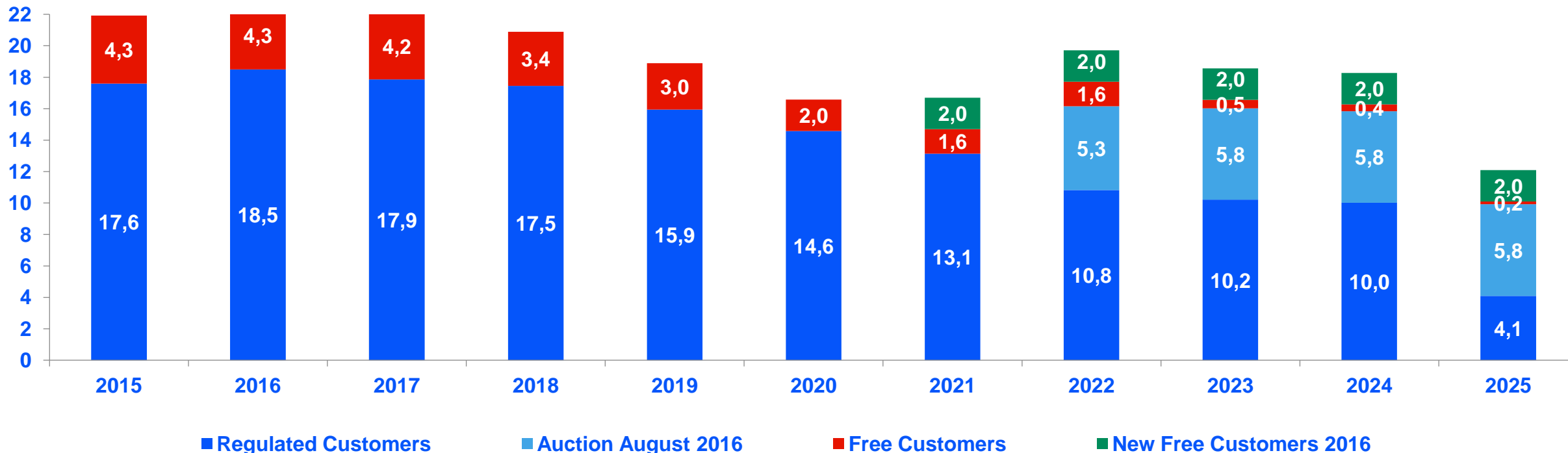


10% unitary cost reduction

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Looking forward – Contracted sales (TWh)



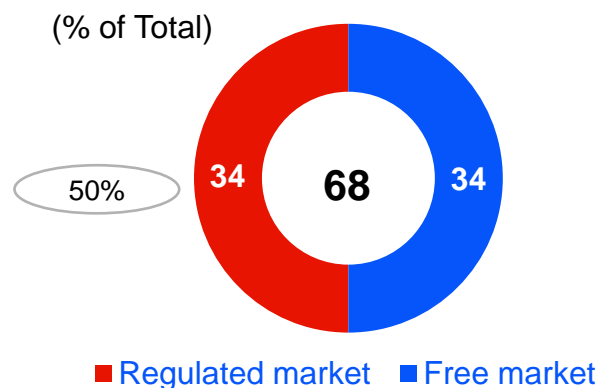
**Most of our production is covered with contracts until 2025 (US\$ 80-90/MWh).
Active position in free clients to capture all market opportunities leveraging on portfolio flexibility.**

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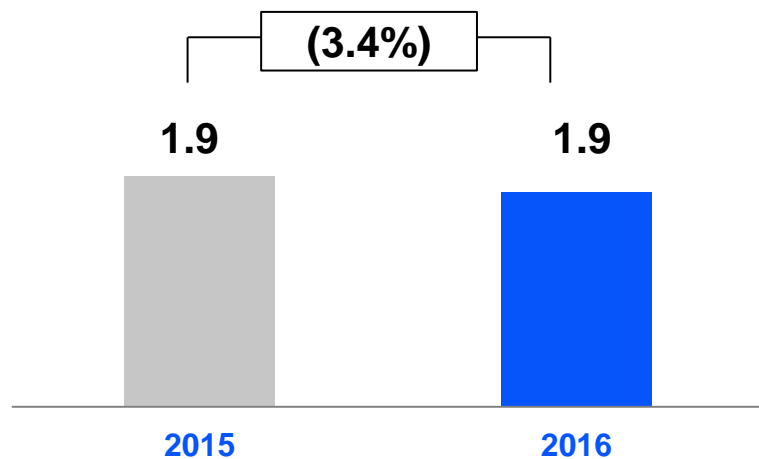
Looking forward - Supply market liberalization



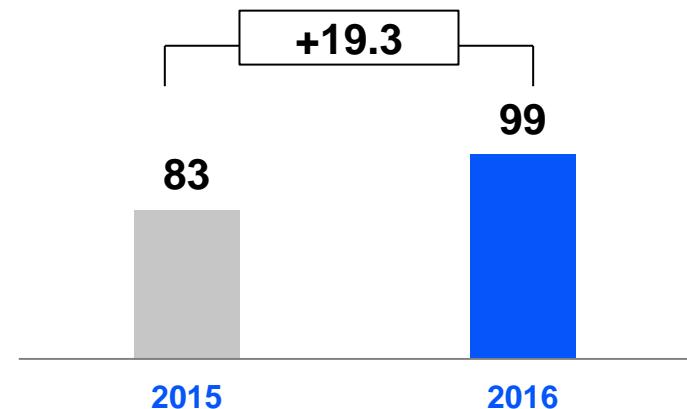
2016 Total Chilean Free market sales (TWh)



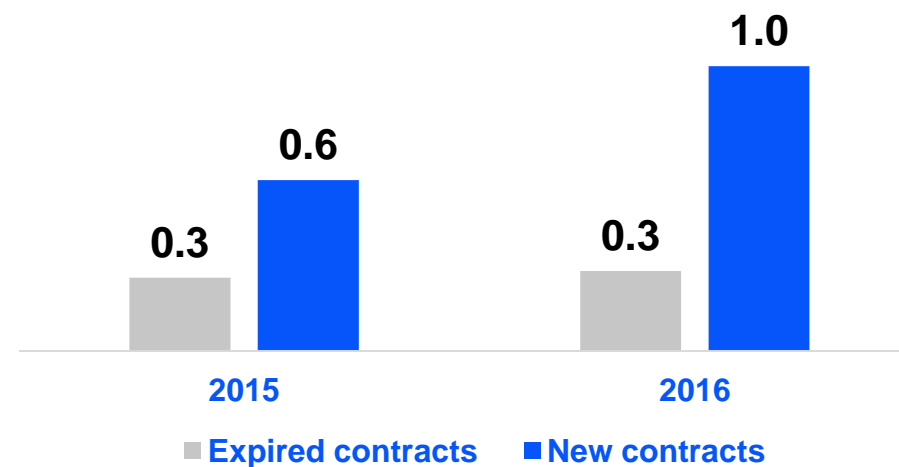
Enel Dx free market sales evolution (TWh)



Enel Dx number of clients



Enel Dx free market energy contracts (TWh)



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Looking forward - Other business (PSVA's & Future projects)



Public Lighting



- ✓ Presence outside our concession area.
- ✓ During 2016, construction bids were won for 53.500 luminaries, some of which also included maintenance.
- ✓ 137 thousand new public lighting points estimated in 2017-2019.

Energy efficiencies



- ✓ In 2016, approximately 49,000 apartments were connected, of which 300 full electric.
- ✓ 108 thousand new connections in 2017-2019.

Distributed Generation



- ✓ Initiatives within and outside our concession area are already being prospected.
- ✓ During 2016 a total of 36 residential projects (85 Kwp) and 2 medium projects were installed (160 Kwp).
- ✓ Over 2,000 projects of distributed generation estimated between 2017-2019.

Electric Transportation



- ✓ First electric bus on public transport in Santiago. In addition, 4 electric taxis are in operation.
- ✓ 5 electric buses in operation in 2017.
- ✓ Over 300 new electric buses estimated in 2017-2019.
- ✓ The Electric Mobility Employees Plan was launched, 30 vehicles were assigned.
- ✓ Strong involvement in the process of definition of terms and context for the new tender for public transportation service of Santiago.

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

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Closing remarks



Results in line with 2016 targets

Solid EBITDA growth in Generation business

Stable EBITDA in Distribution with an important contribution from non regulated activities

Strong increase in Net Income also due to the contribution of the sale of GNL Quintero

Solid positioning against new market scenario

Significant efficiencies accomplished

2016 Results

IR Team



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