

Friday, December 11th 2009

Endesa Chile

Business platform and solid prospects

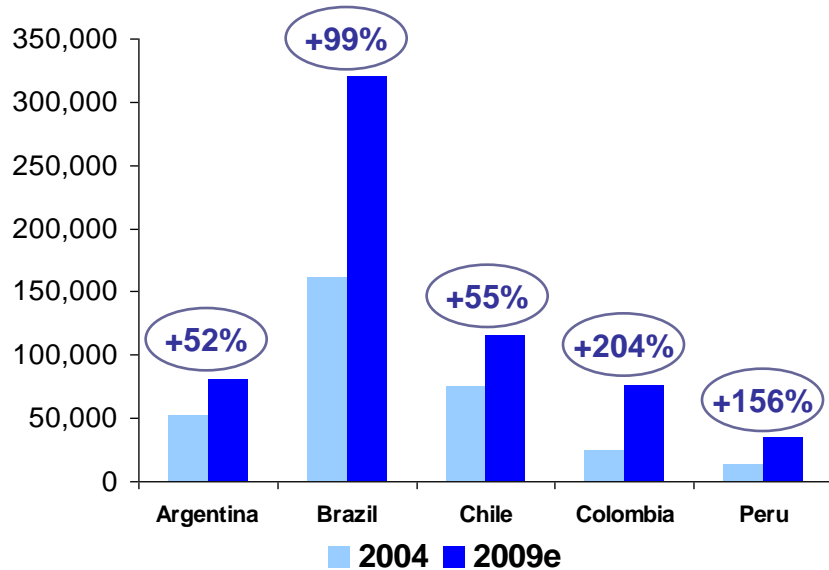


- **Endesa Chile's macroeconomic environment**
- **Endesa Chile has consolidated a unique business platform in Latin America**
- **Our business offers solid prospects, with stable and visible cash flows**
- **Going forward, we will capture the best profitable and sustainable growth opportunities**

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The increase in FDI flows into the region reflect confidence among international investors

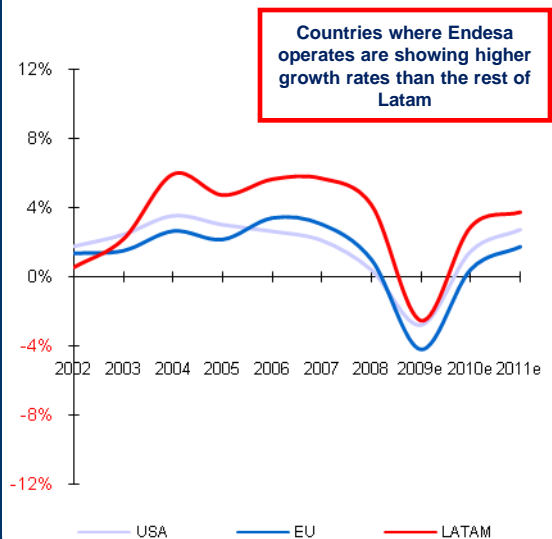
Gross FDI stock (in million USD)



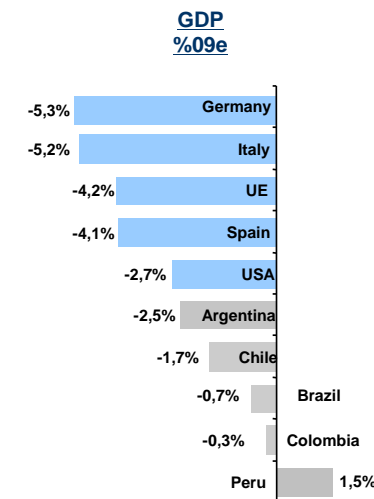
- Economic and business growth
- Reduction in public debt
- Development of internal credit market
- Positive current account balance
- Contained inflation
- Lower country risk
- Higher expectations for recovery from the crisis

Sound fundamentals mean that Latin American economies are able to recover more rapidly

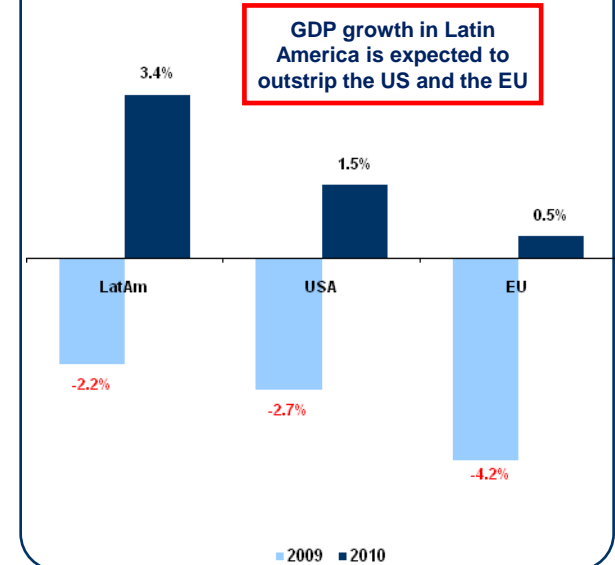
GDP growth rates



Latin-American economies have responded well to the crisis...



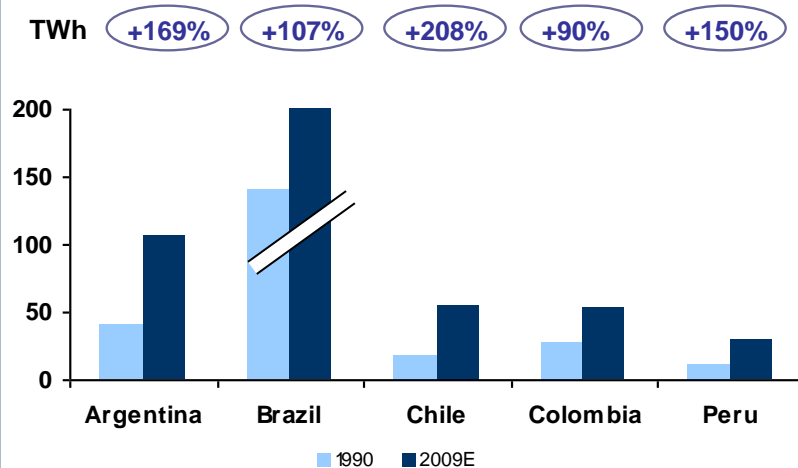
GDP growth estimates



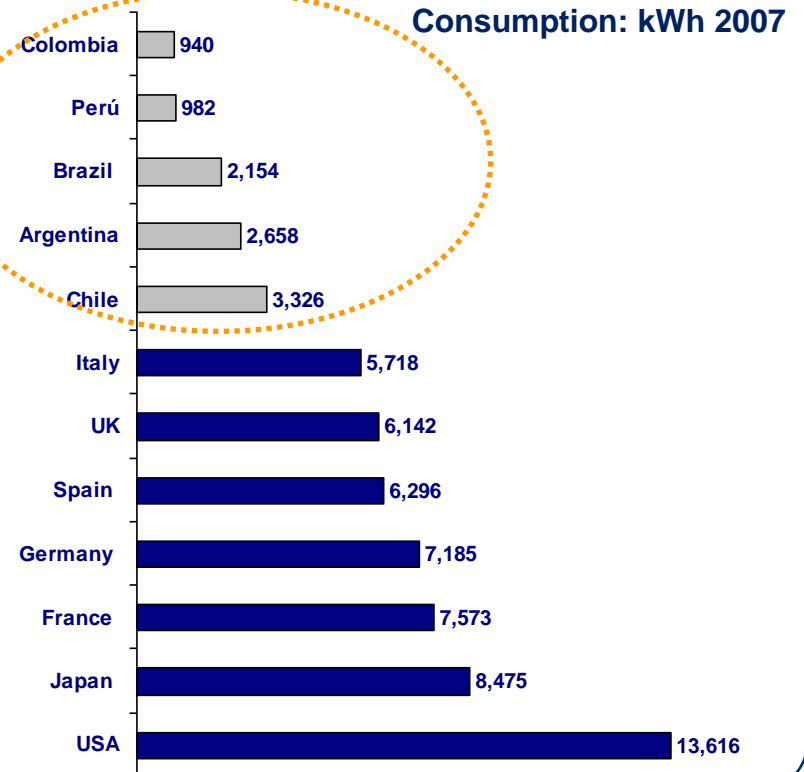
- Latin America has sustained GDP growth of around 4.5% over the past few years.
- Latam economies are expected to contract in 2009, but the impact of the crisis will be less severe than in other regions and recovery will be faster.

Electricity demand has a great growth potential

Electricity demand growth (1990-2009)

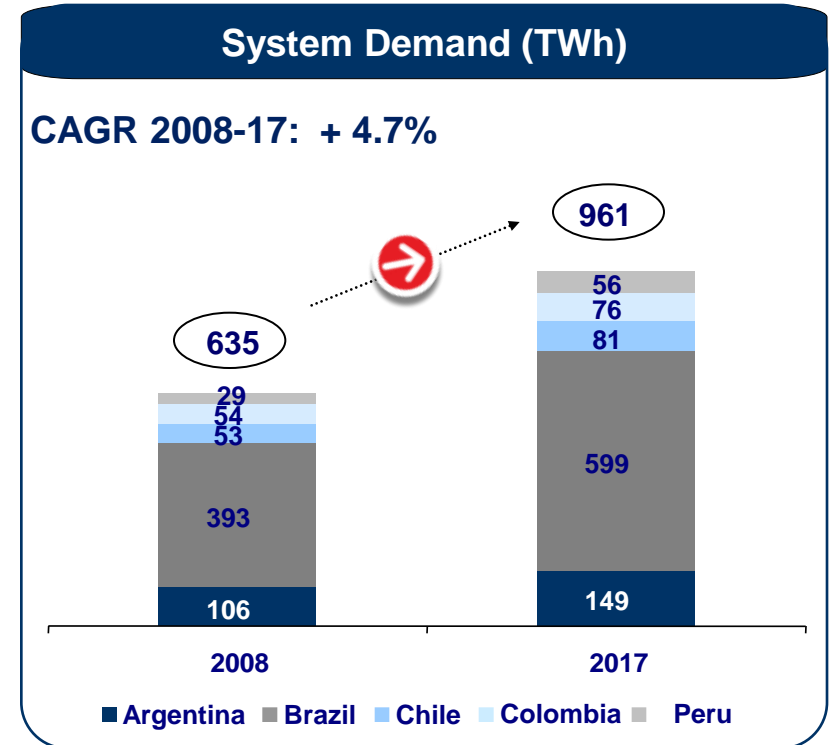
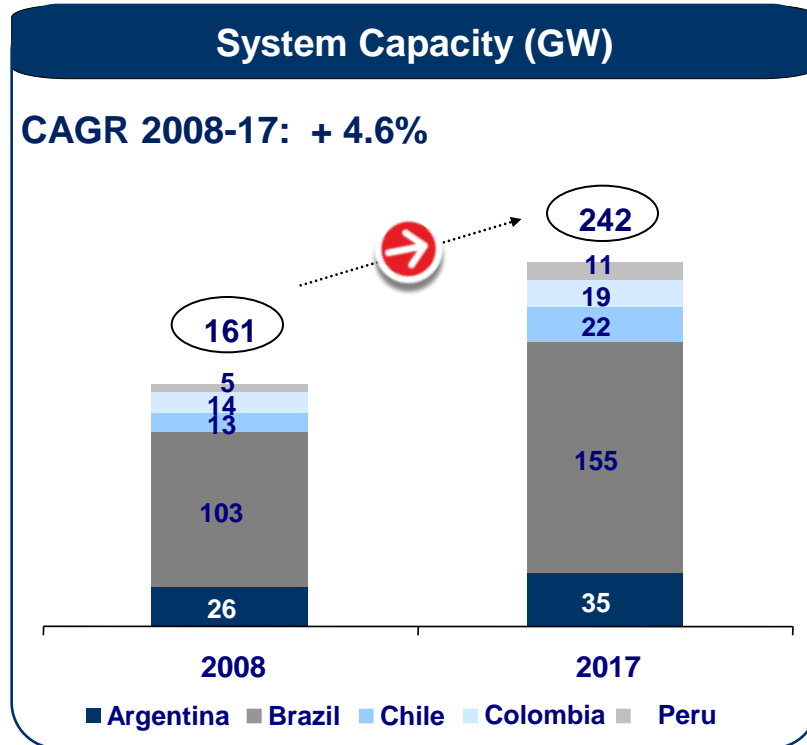


Per capita power consumption



- Despite the growth in electricity demand in the region over the last 20 years, per capita power consumption in the countries where Endesa operates remains very low

Latin America will provide scope for organic growth of our business



In generation, we will participate in the market's growth when project returns will be attractive again

In distribution, the expected growth in demand will enable us to continue undertaking profitable investments

Endesa Chile is well positioned to benefit from the future growth in the region

Lower country risk as a consequence of political and economic stability

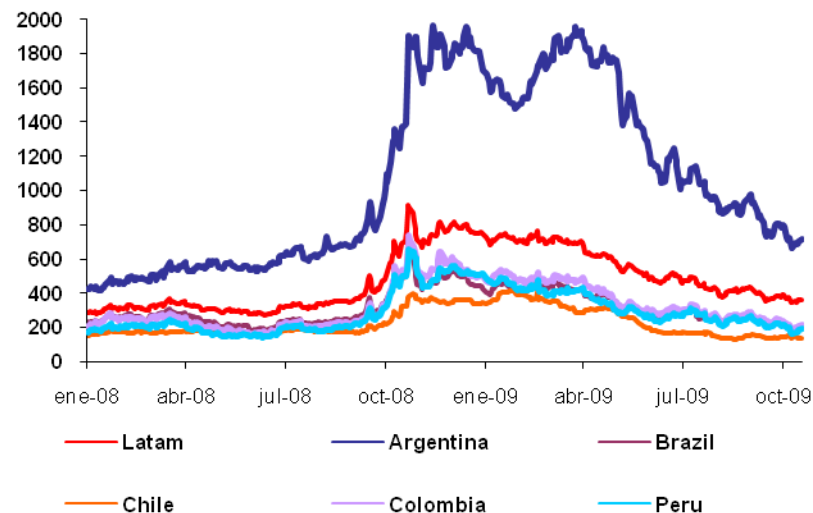
Credit risk Government debt

	Moody's	S&P
Chile	A1	A+
Brazil	Baa3	BBB-
Peru	Ba1	BBB-
Colombia	Ba1	BB+
Argentina	B3	B-

Investment grade Non-investment grade

Rating agencies recognise the improvement in credit quality, with upgrades for the ratings of Peru, Colombia and Brazil

Country risk (EMBI bp)



Rating evolution

STANDARD
& POOR'S

2005	B-	BB-	A	BB	BB
2006	B+	BB	A	BB	BB+
2007	B+	BB+	A+	BB+	BB+
2008	B-	BBB-	A+	BB+	BBB-
2009	B-	BBB-	A+	BB+	BBB-

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Endesa Chile has consolidated a unique business platform in Latin America

Endesa is leader in four of the five Latin American countries where it has operations

 **Colombia** #1

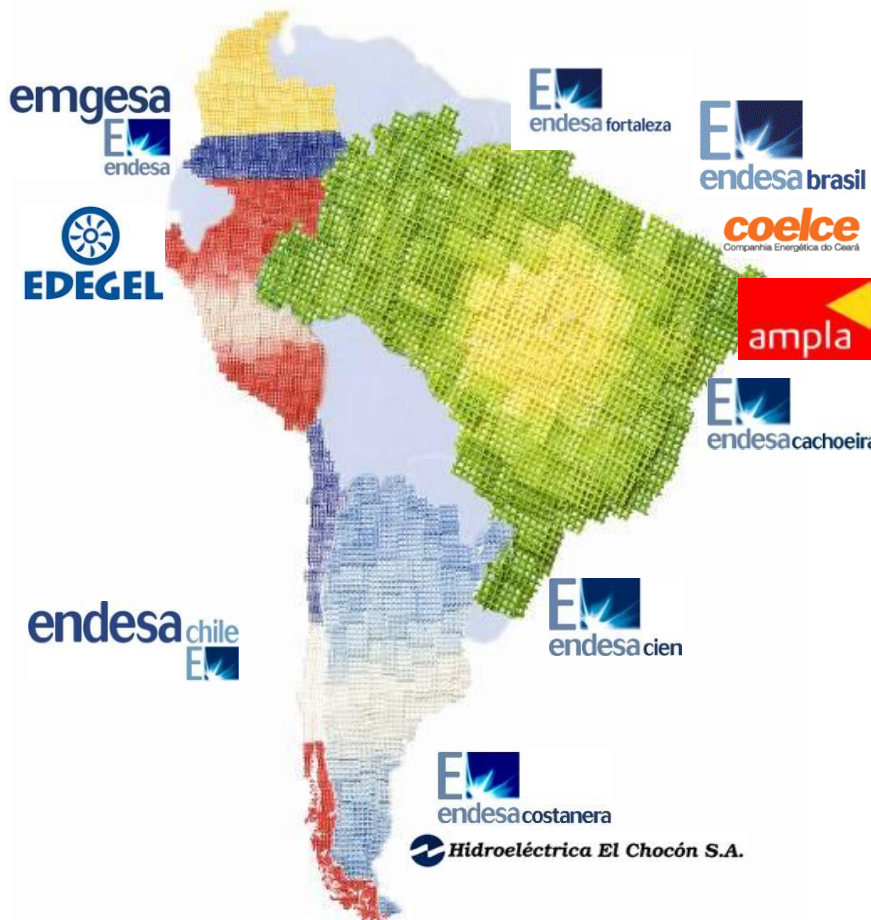
2,895 MW
21% market share
Output 9M09: 9,922 GWh


 **Peru** #1

1,661 MW
28% market share
Output 9M09: 6,029 GWh

 **Chile** #1

5,540 MW
38% market share
Output 9M09: 16,068 GWh



 **Brazil:**

987 MW
1% market share in generation
Output 9M09: 2,445 GWh

5.4 million customers
5% market share in distribution

 **Argentina** #1

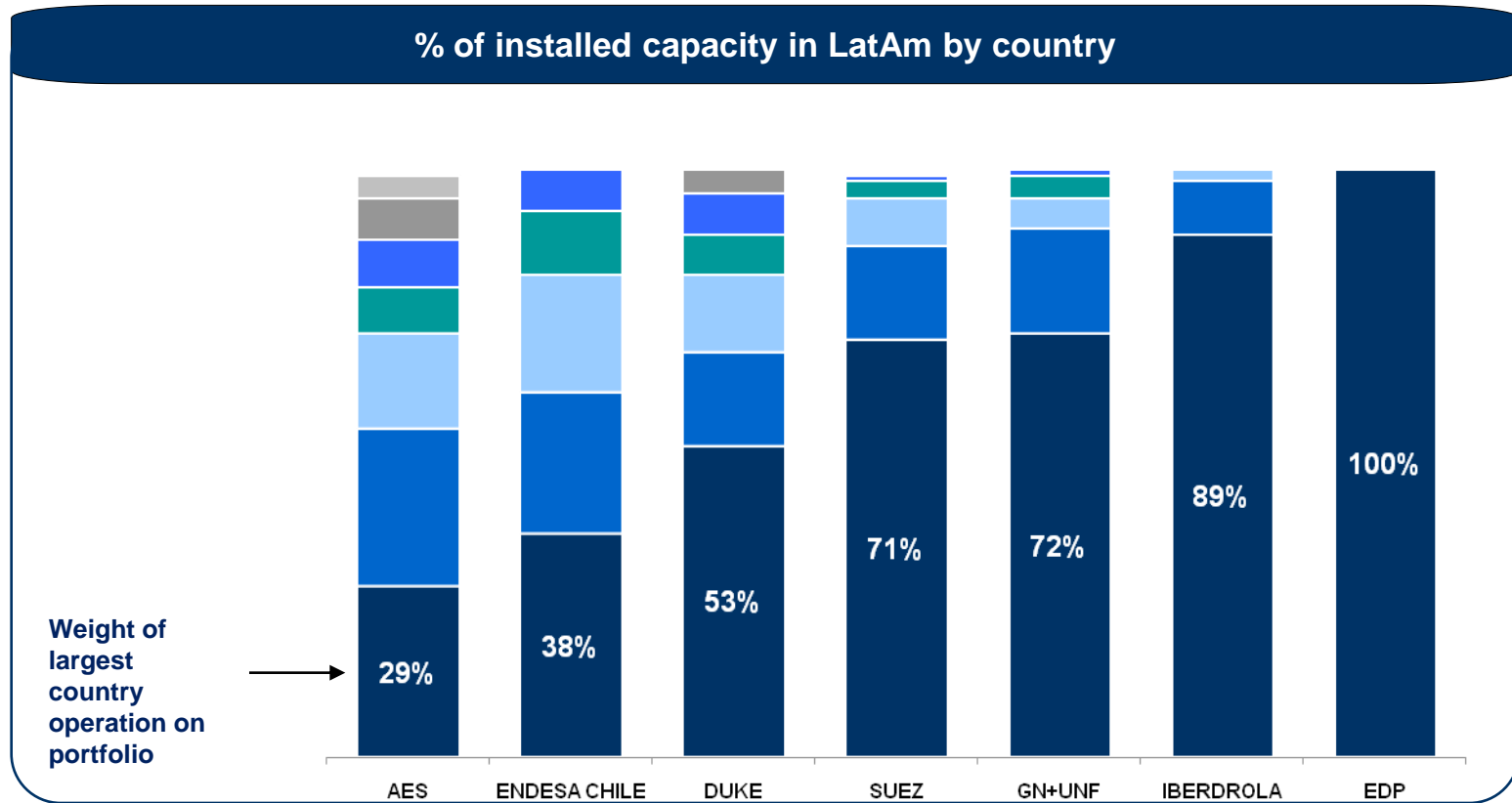
3,652 MW
14% market share
Output 9M09: 9,343 GWh

Total Generation

Installed consolidated capacity:	13,748 MW
(including Brazil):	14,734 MW
Consolidated Energy sales:	44,688 GWh

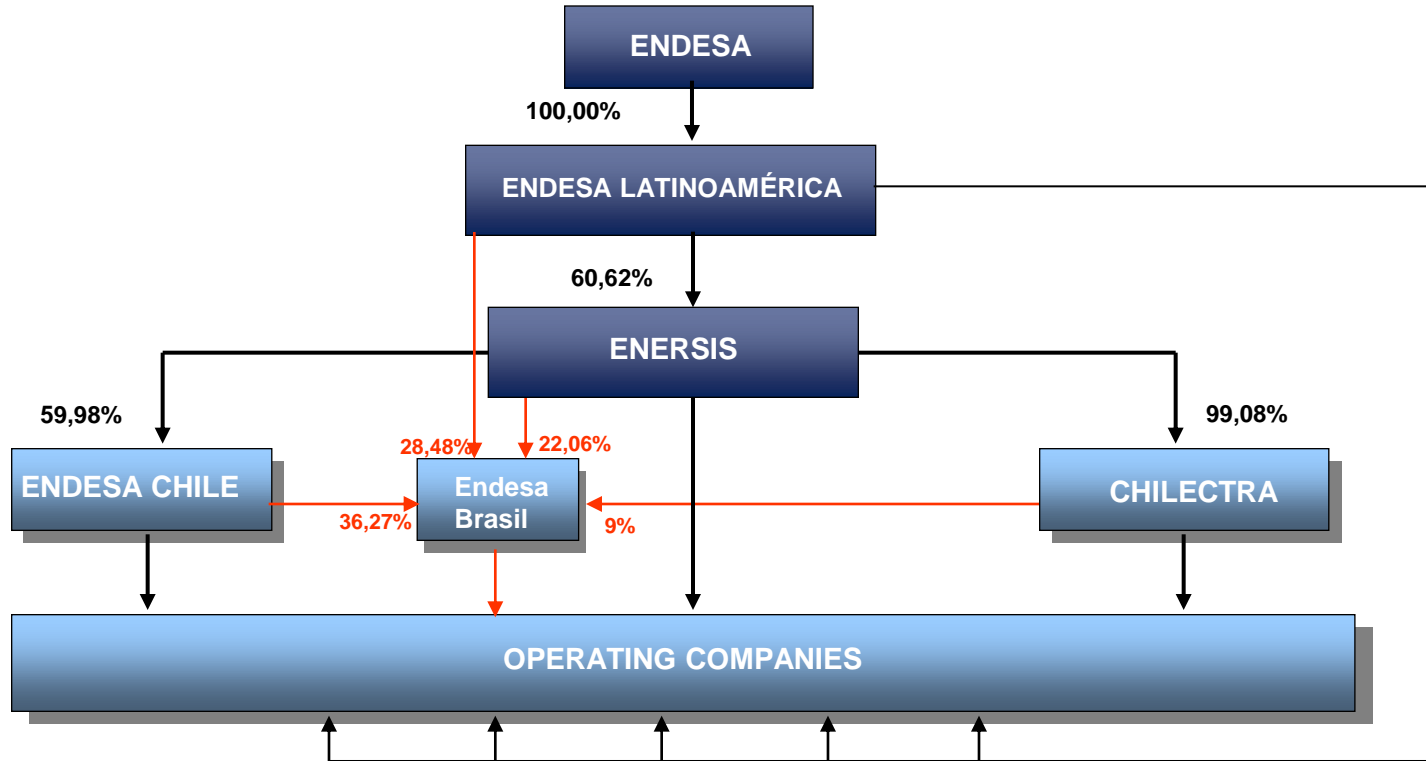
Endesa Chile has consolidated a unique business platform in Latin America

Our geographical diversification allows to reduce the risk of exposure to an individual market



- Together with AES, Endesa Chile has the most widely diversified generation portfolio in LatAm
- None of the countries in which Endesa Chile operates accounts for more than 38% of its total installed capacity in LatAm

Corporate structure: Enersis, holding vehicle for Latin America

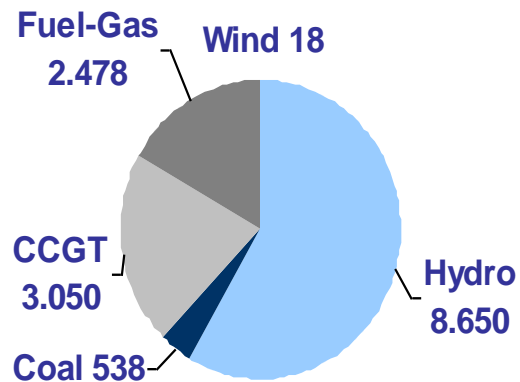


**Operating Companies
(% Endesa Chile stake)**

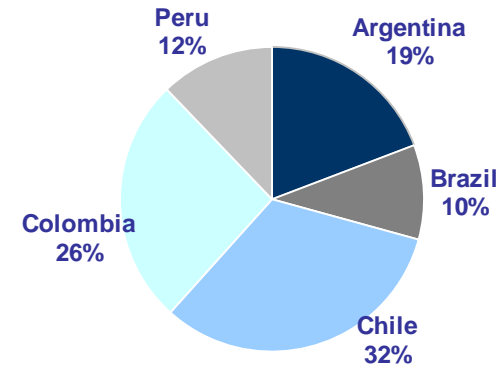
San Isidro (100.0%)	Endesa Brasil (37.65%)	Emgesa (31,4%)	Edegel (22.7%)	Chocón (23.8%)
Pangue (94.99%)	Ampla			Costanera (25.4%)
Pehuente (92.6%)	Coelce			
Celta (100.0%)	Cachoeira			
Endesa Eco (100.0%)	Fortaleza			
Canela (75.%)	Cien			

Endesa has developed a unique asset portfolio in the region

Generation installed capacity 9M09
14,734 MW

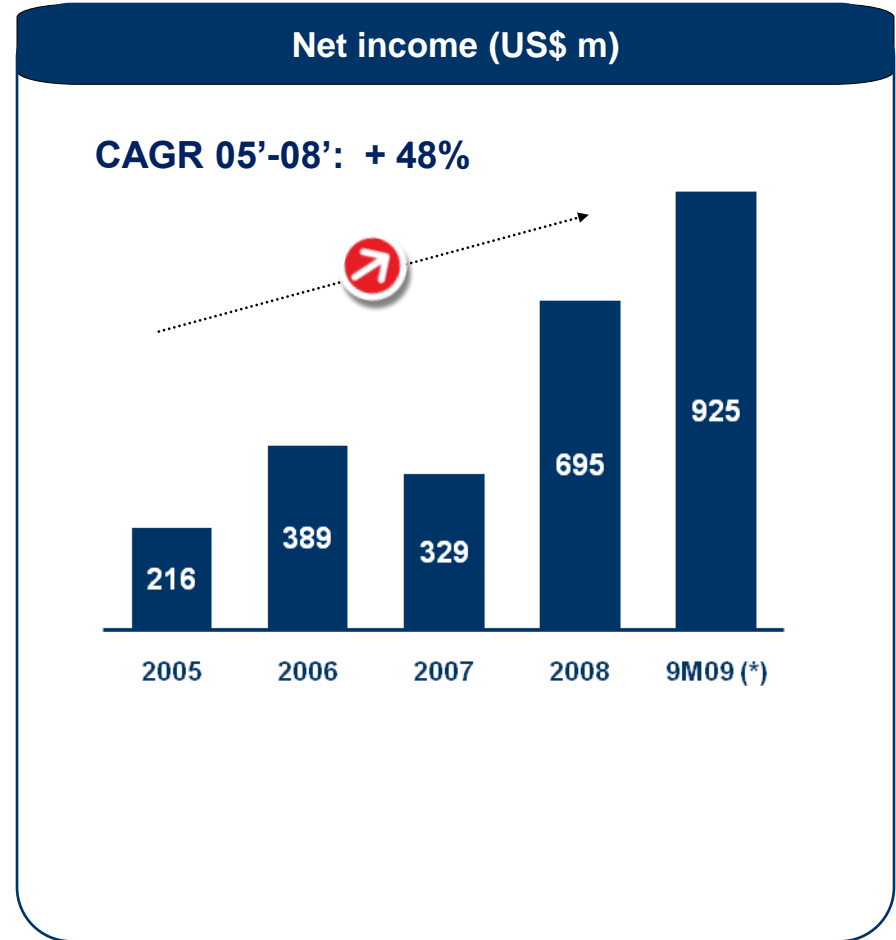
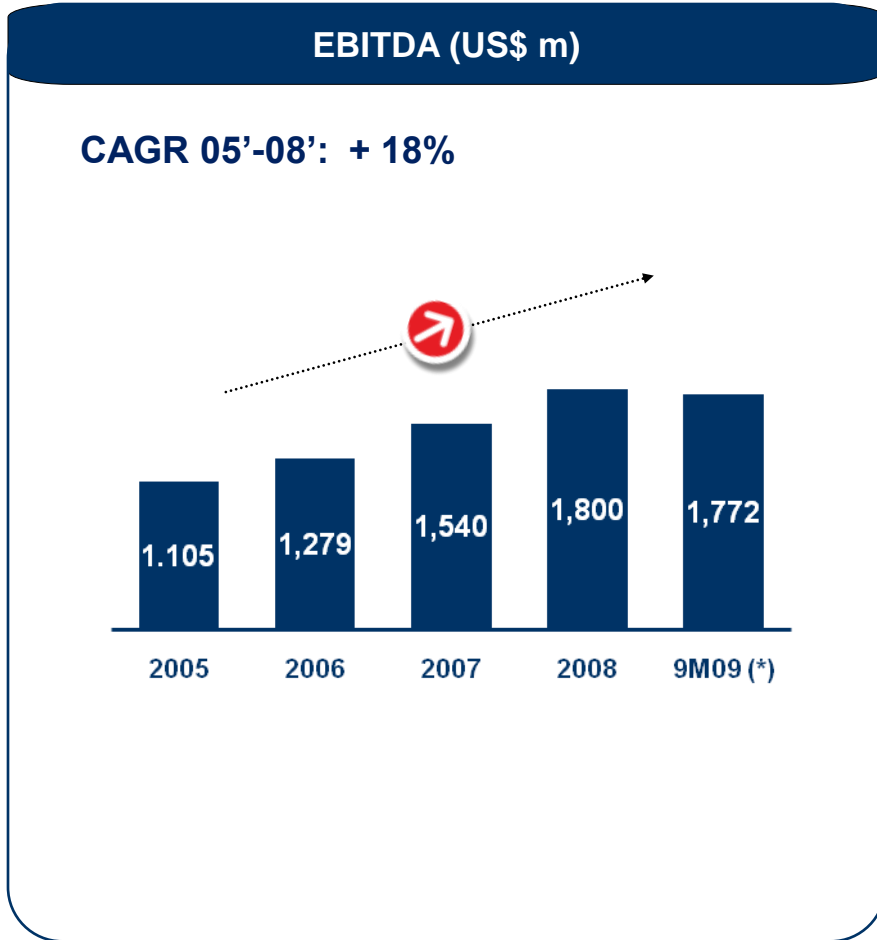


Generation sales 9M09
49,786 GWh



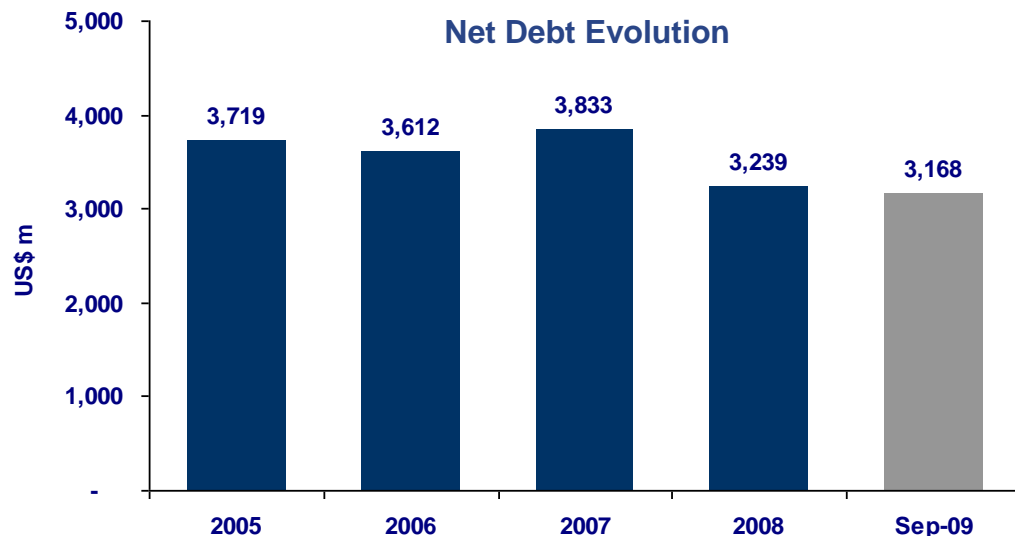
- 59% of Endesa Chile's capacity in Latin America is hydroelectric
- The bulk of our capacity has lower costs than those of a new entrant

Recurrent growth of Endesa Chile's financials

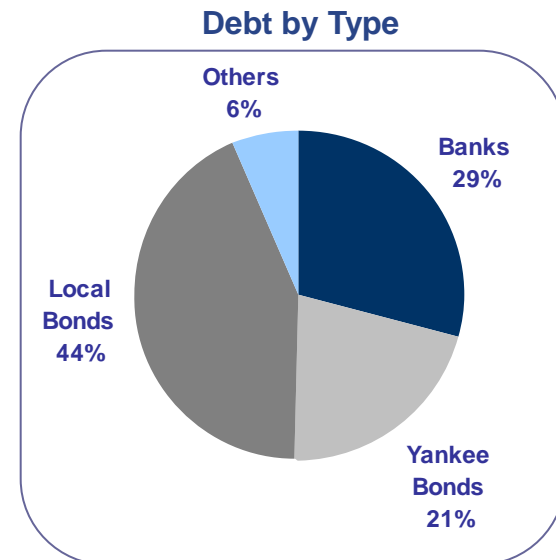


(*) Data as of September 2009

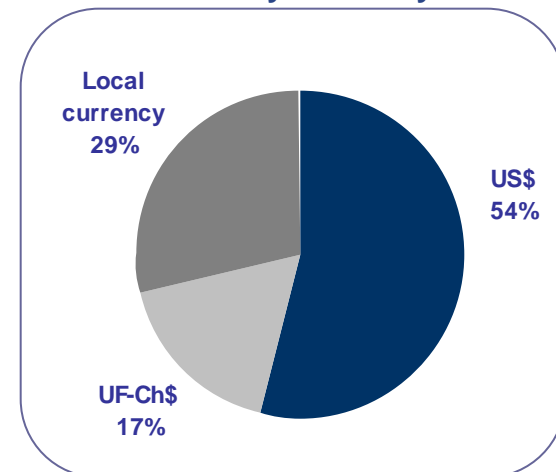
Strong financial position



Consolidated figures in US\$ million as of Sept 2009 and in historical dollars.

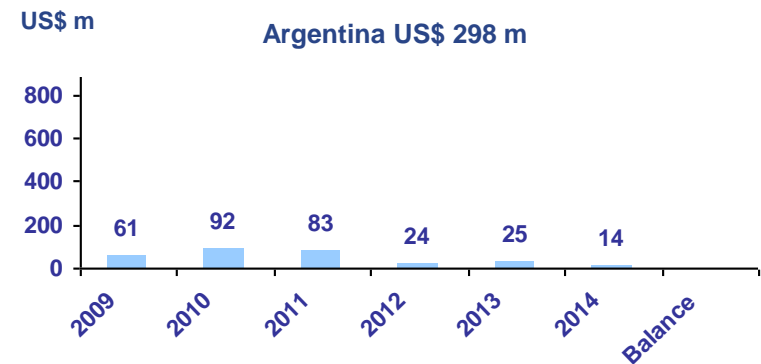
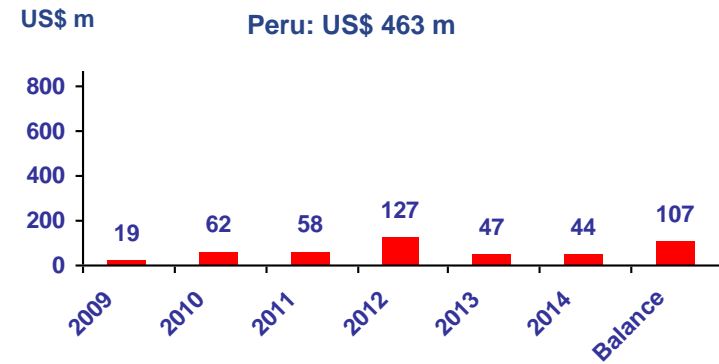
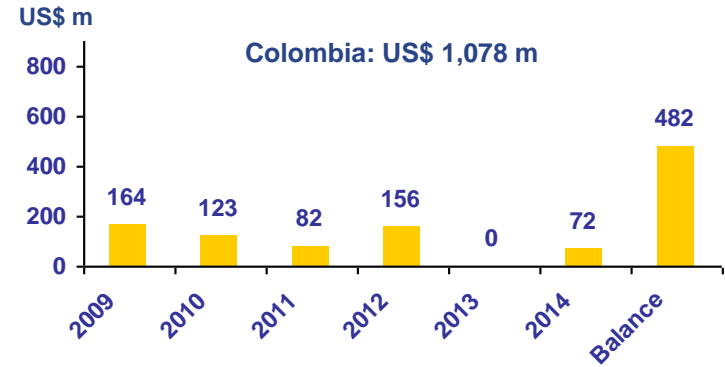
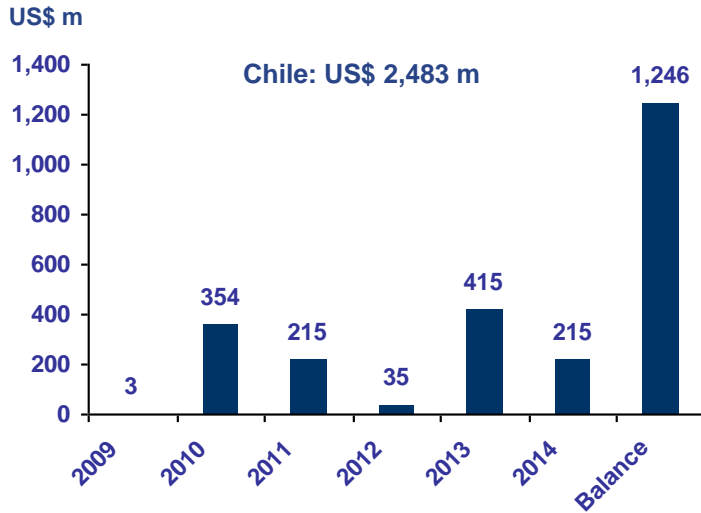


Debt by Currency

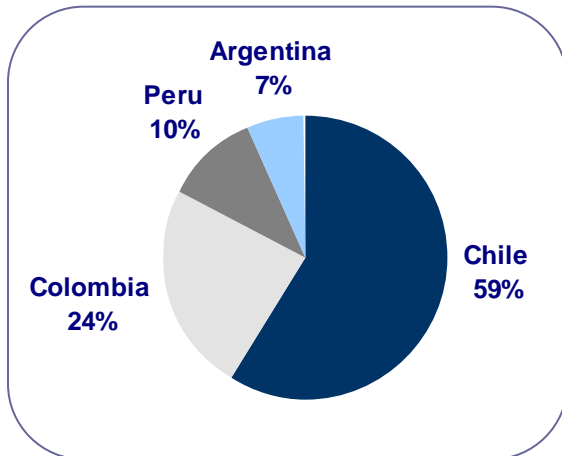


- ✓ As of Sept 2009, total liquidity position in Chile reached nearly US\$ 1 billion, including cash and cash equivalents and committed credit lines.
- ✓ Liquidity position enhanced with successful 20-year US\$ 340 million local bond issuance in Dec-08, reflecting the confidence in the company by the local market.
- ✓ At this moment, Endesa Chile has ring-fenced its Yankee Bonds' cross default clauses only related to Endesa Chile and its Chilean subsidiaries.

Comfortable debt maturity profile

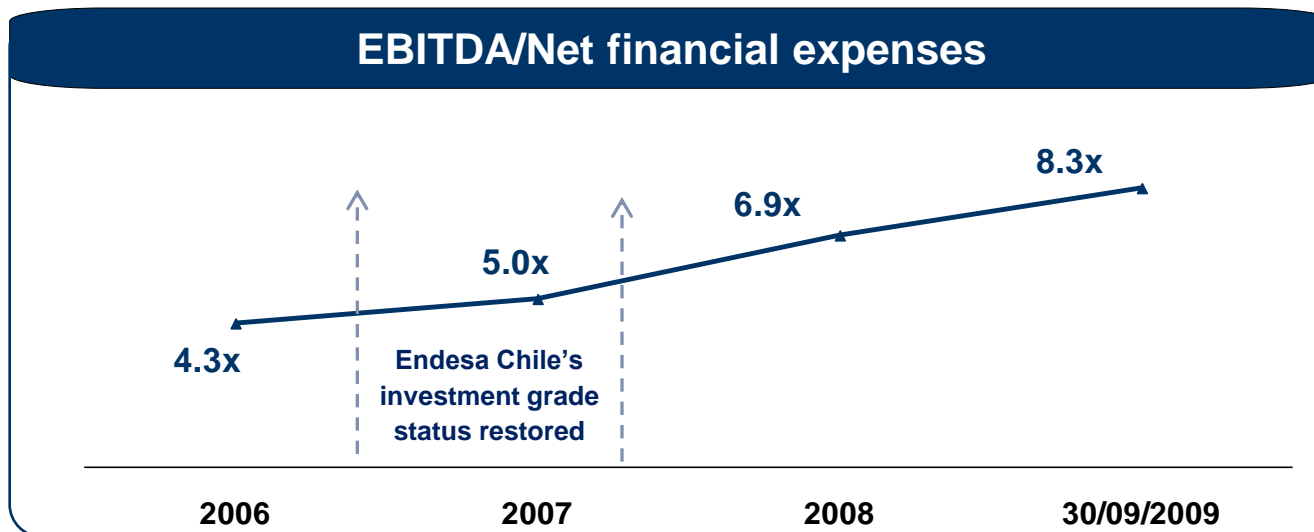
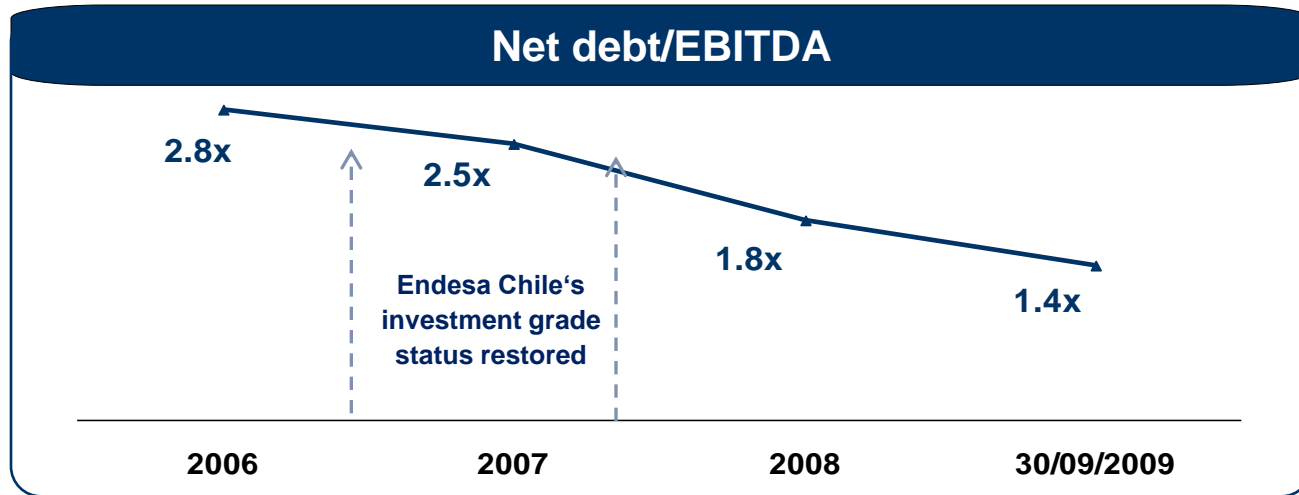


Financial Debt by Country

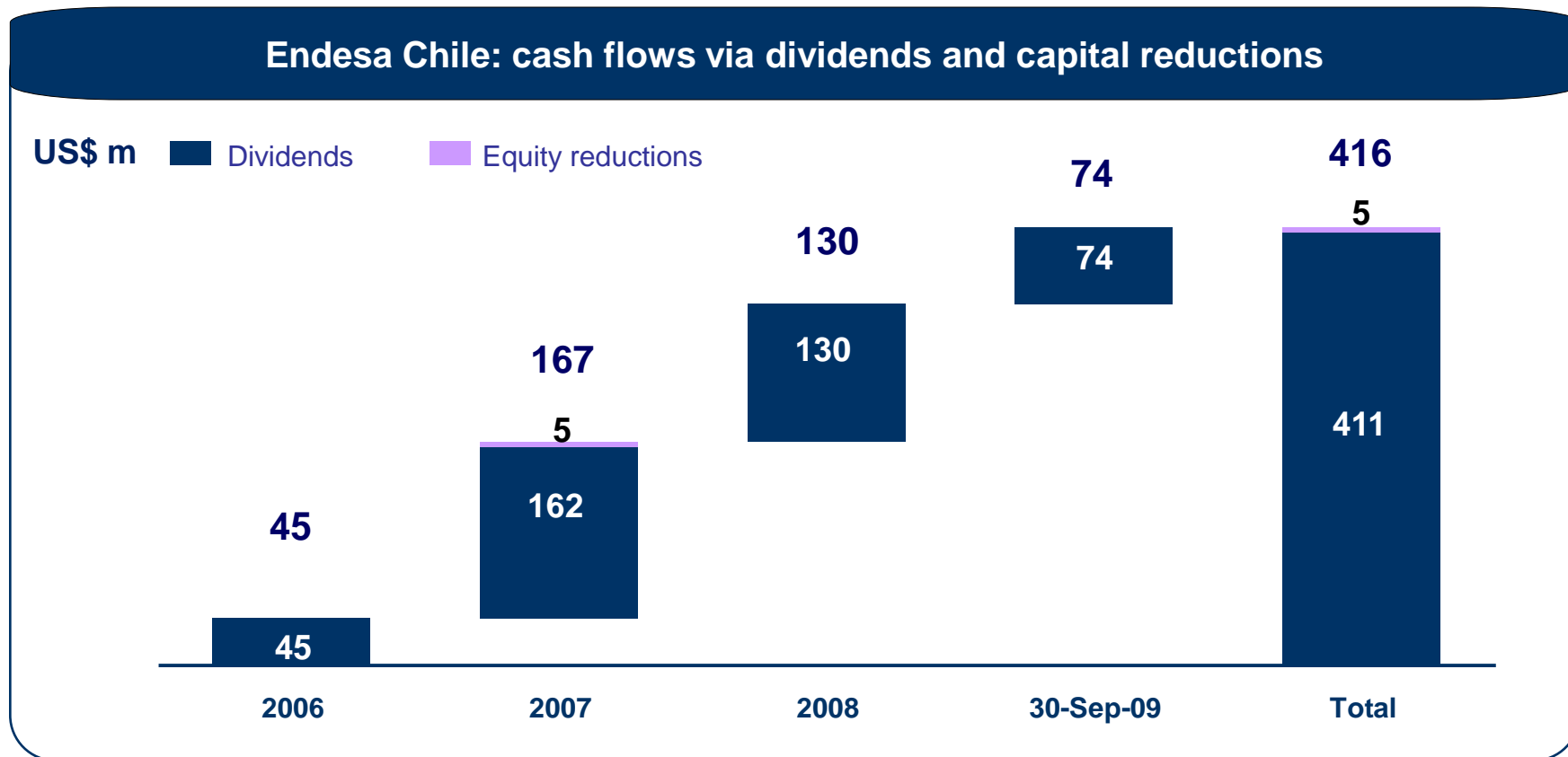


All figures as of September 2009

Solid financial ratios...



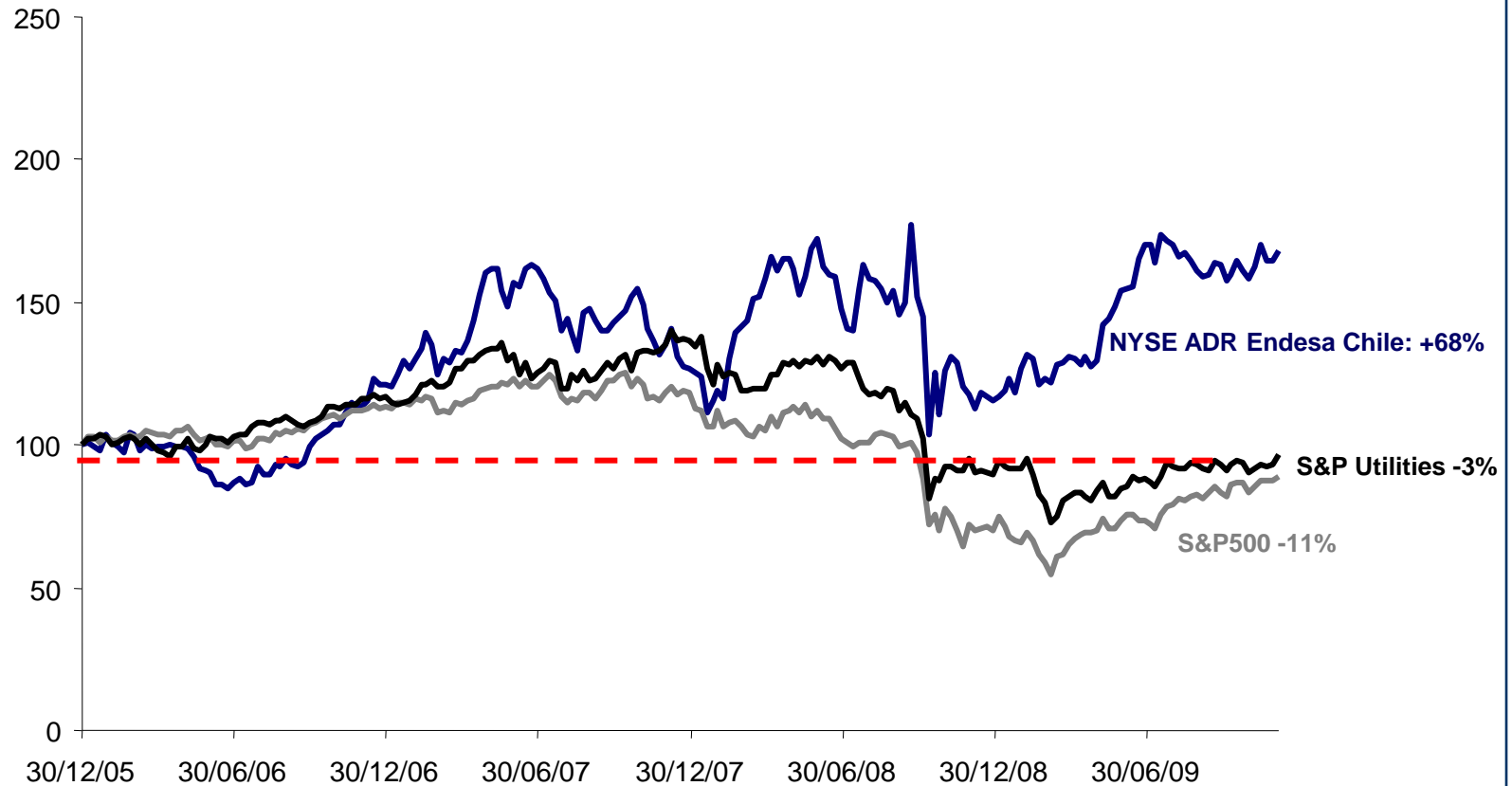
Attractive shareholder remuneration, cash flow received by Endesa Chile



- Endesa Chile has received ~US\$ 416m since 2006 mostly from foreign subsidiaries.







Good share price performance by listed subsidiaries

Endesa Chile share price performance





ADR Endesa Chile: +68% (2006 – 4 dec 2009)

Summary of consolidated results

Ch\$ Millions	FY 2008 (a)	Jan-Sept 2008 (b)	Jan-Sept 2009 (b)	% Var.		Jan-Sept US\$ m
Revenues	2,492	1,818	1,879	5%		3,414
Operating income	893	576	829	44%		1,506
Operating margin	36%	32%	44%	-		44%
Ebitda	1,146	721	975	35%		1,772
Net income (c)	443	316	509	61%		925
Physical sales (GWh)	55,735	42,442	44,688	5%		-

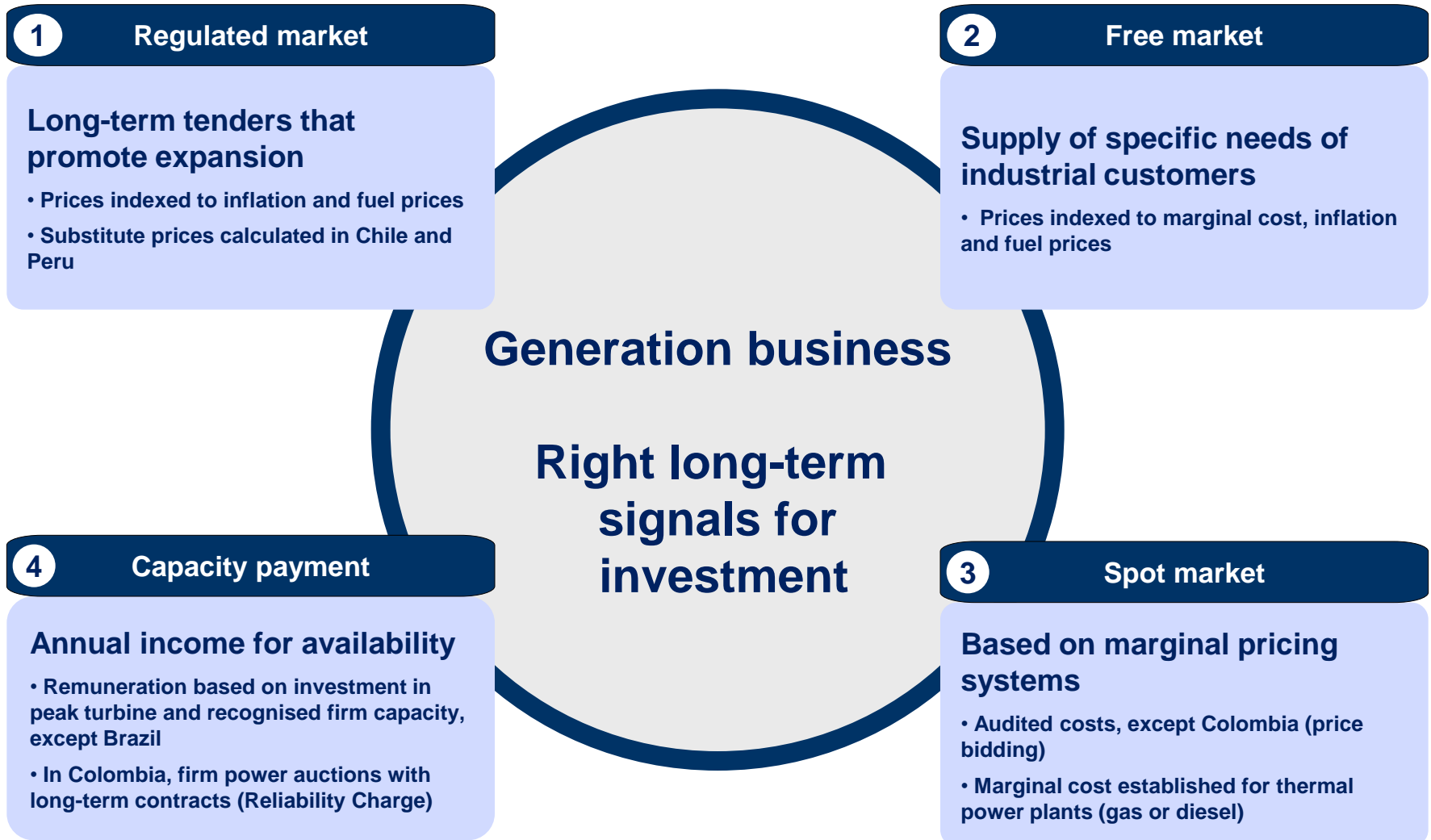
Main effects: better production mix, lower generation costs, and higher sales in the spot market

- a) 2008 figures under Chilean accounting rules
- b) Jan – Sept 2009/2008 under IFRS (International Financial Reporting Standards)
- c) Attributable to stockholders of the parent company (Endesa Chile)

		
Installed capacity (GW)	14.7	37%
Assets (US\$ m)	11,839	14%
Generation output (TWh)	41.4	39%
EBITDA (US\$ m)	1,772	21%
Net income (US\$ m)	925	21%

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Stable regulatory frameworks in generation with long-term signals for investment



In short, important regulatory changes have been undertaken by governments to guarantee security of supply and expansion

Catalysts



Highly dependent on hydro energy sources




Highly dependent on hydro energy sources
Lack of investment in new capacity
Price volatility




High demand growth (9%)
Lack of investment in new capacity




Lack of Argentinean gas
Highly dependent on hydro energy sources
Investment needs for Gx and Tx




Economic crisis
Lack of gas and electricity infrastructure



Main Changes (2003-2008)

- (2006) "Reliability charge" based on tenders of firm energy contracts, up to 20 years.

- (2003) "New Model" for the electricity sector, tenders up to 15 years (thermal) and 30 years (hydro).

- 2006-2008 "New law": Tenders up to 20 years

- (2004) "Short law I": *Expert panel*

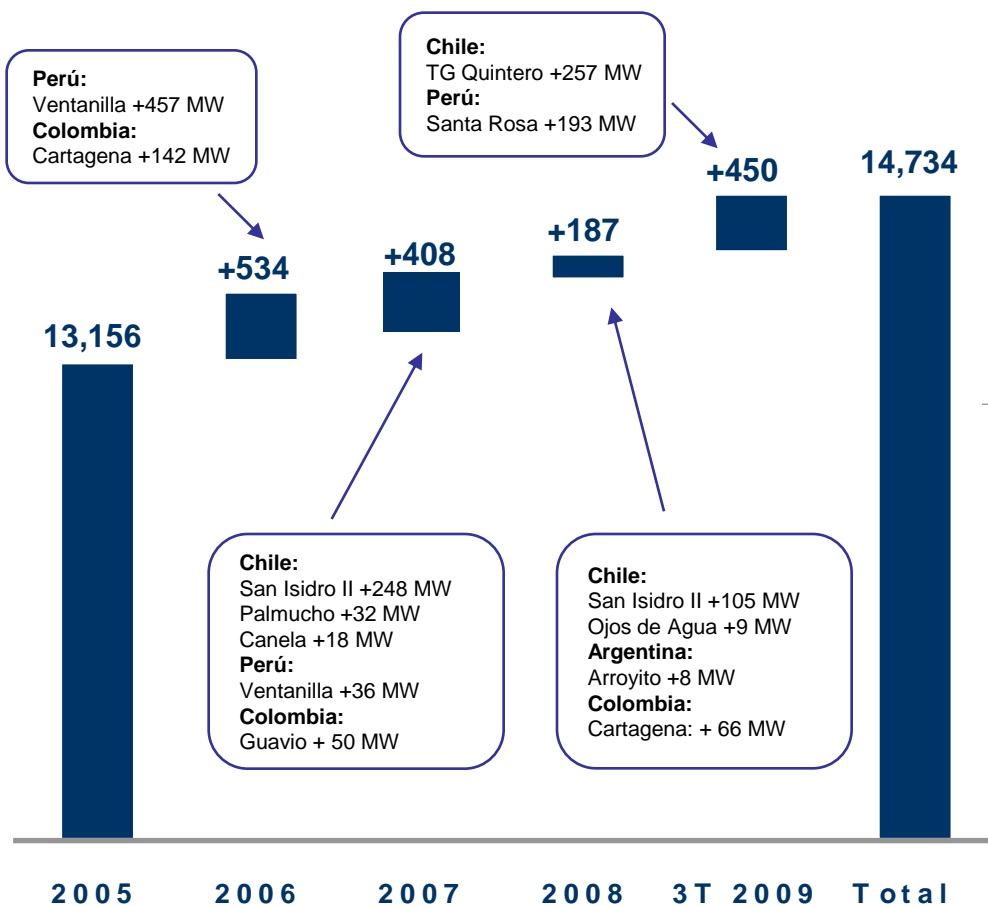
- (2005) "Short law II": Tenders up to 15 years

- (2004) Resolution 1.427/04 *FONINVEMEM*

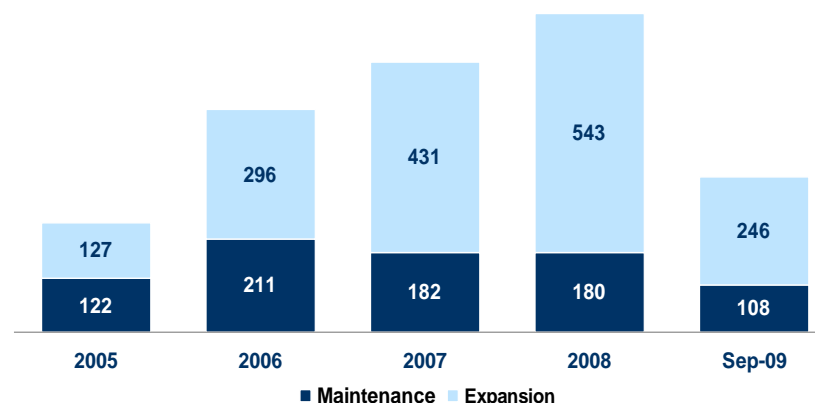
- (2006) Resolution 1.281/06, *Energía Plus* and *Gas Plus*

Maintain leadership through organic growth

New 1,578 MW in the last four years



Annual capex in generation (US\$ m)



- A significant part devoted to expansion.
- Maintenance capex able to extend the useful life of plants.

Careful commercial policy to reduce volatility of margins

Risk variables affecting margins

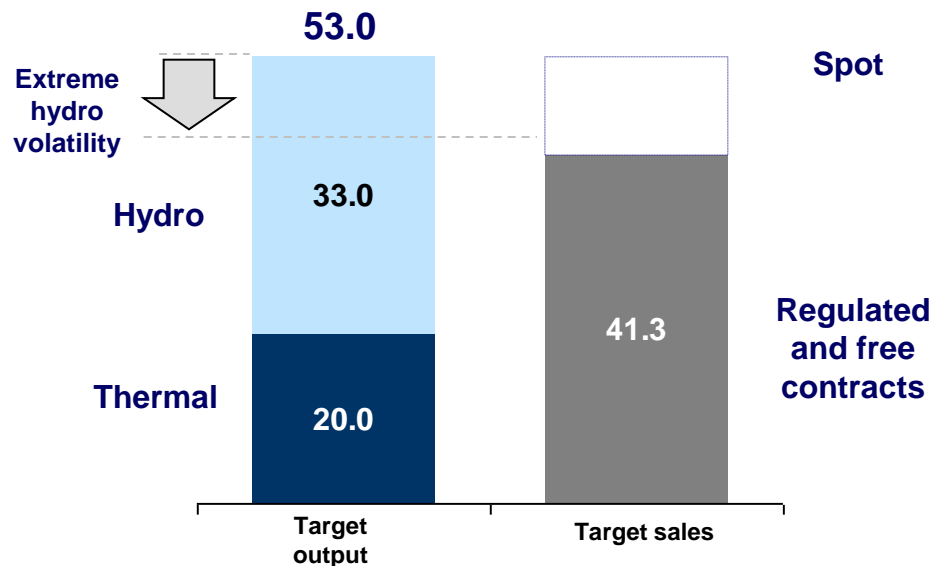
- Hydrology
- Demand growth
- Fuel prices
- Exchange rates
- Inflation

Commercial policy

▪ Our gross margin will be at least 90% of the expected margin in normal conditions¹, even in the case of:

- Driest hydrology of historical levels
- Increases in fuel prices
- Lower growth in demand...

Target output and sales in 2009 (TWh)



(1) With 95% probability (MaR)

* Target output represents consolidated net production of electricity.

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Maintain our leadership position in Chile, Colombia and Peru

Achieve efficiencies and set best practice standards

Implementation of regulatory agreements in Argentina

Maintain our leadership position in Chile, Colombia and Peru

Start-up 9M 09

- Peru: Santa Rosa open-cycle gas plant (193 MW)
- Chile: Quintero open-cycle gas plant (257 MW)
- Chile: Quintero regasification plant: 20% stake and 33% access to gas (from mid-2010 full capacity: 9.5M m3/day)

Projects under construction

- Chile: Bocamina II coal-fired plant (370 MW). Scheduled commissioning 4Q 10
- Chile: Canela II wind farm (60 MW). Slated to come on stream in 4Q 09

Project pipeline

- Colombia: Quimbo hydro plant (400 MW)
- Chile: Aysén hydro plants (2,750 MW)

Projects under study

- Chile: Los Cóndores hydro plant (150 MW)
- Chile: Neltume hydro plant (473 MW)
- Chile: Punta Alcalde coal plant (740 MW)
- Peru: Curibamba hydro plant (163 MW)

Water rights, MW

- In addition to the project portfolio, we have water rights in Chile equivalent to approximately 2,800 MW

Generation

O&M optimization plan

- Power plant availability improvement
- LTSA optimization
- O&M resources allocation depending upon its profitability
- Stock optimization

Fuel procurement

- LNG purchases optimization
- Coal purchases synergies
- Joint purchases Endesa - Enel

Fixed cost reduction plan

- Function centralization
- Remote control reinforcement of power plants
- Contracts renegotiation
- Operational efficiency

Improvement of synergies and efficiency targets

Implementation of regulatory agreements in Argentina

We have high quality assets

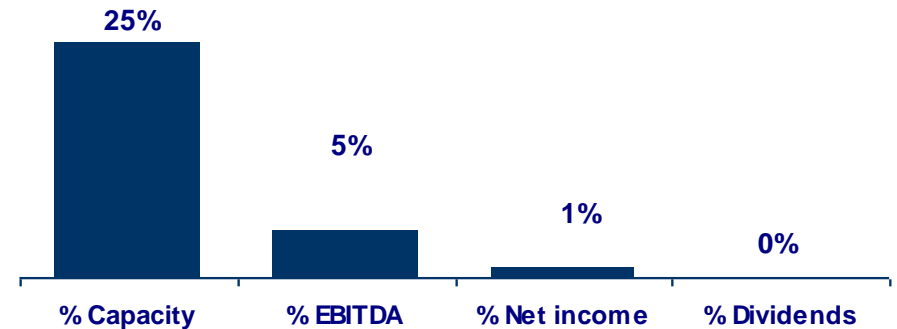
- 3,652 MW installed capacity
 - 1,328 MW hydro
 - 2,324 MW thermal

Risks are limited:

- No cross default risk to the rest of the group's debt
- The book value of Argentina at Endesa Chile is US\$ 172 m

Argentina's contribution to Endesa

Chile business in 9M09



Our assets in Argentina have significant value upside if the market recovers

Excellent and unique business platform

- Strong presence in the region
- Optimal country and business diversification
- Solid and rooted presence
- Proven ability to manage the business
- Sound financial position

Profitable growth potential:

- Positive structural evolution
- Great growth potential in the region
- Favourable position and capabilities to leverage on growth
- Synergies and efficiency plan
- Argentina upside

Greater value