



endesa chile



September 2008



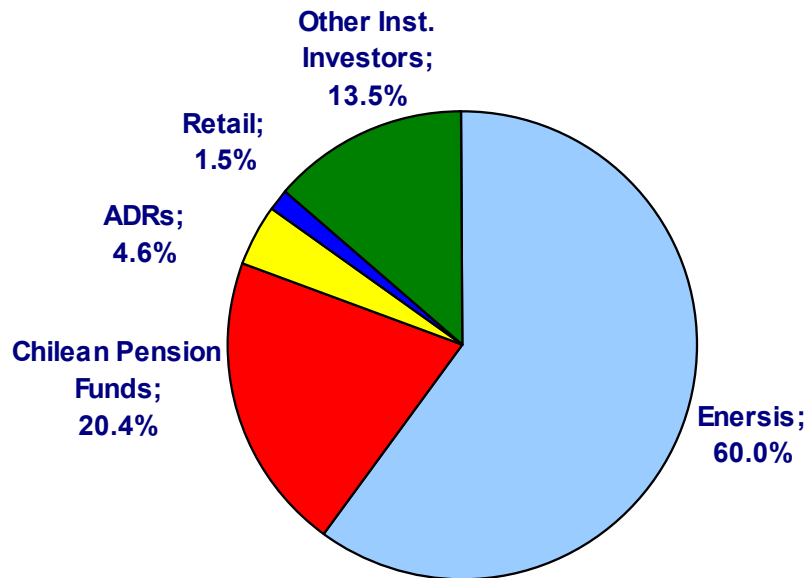
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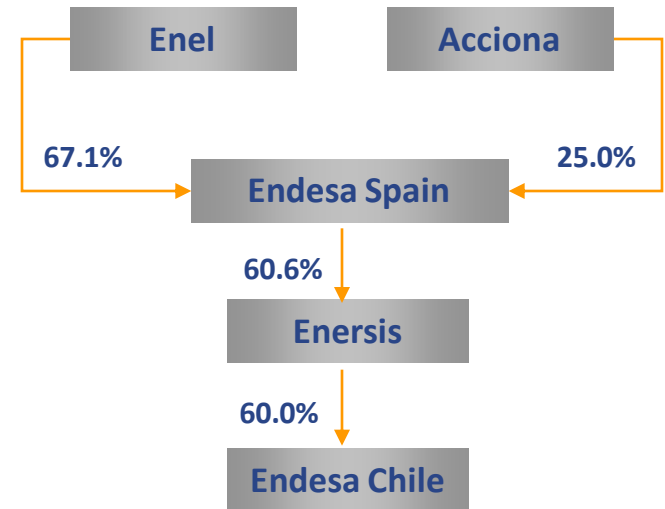


Endesa Chile – one of the largest electricity generators in Latin America

Our Shareholders



As of September 2008





Important Presence in 5 countries

Emgesa

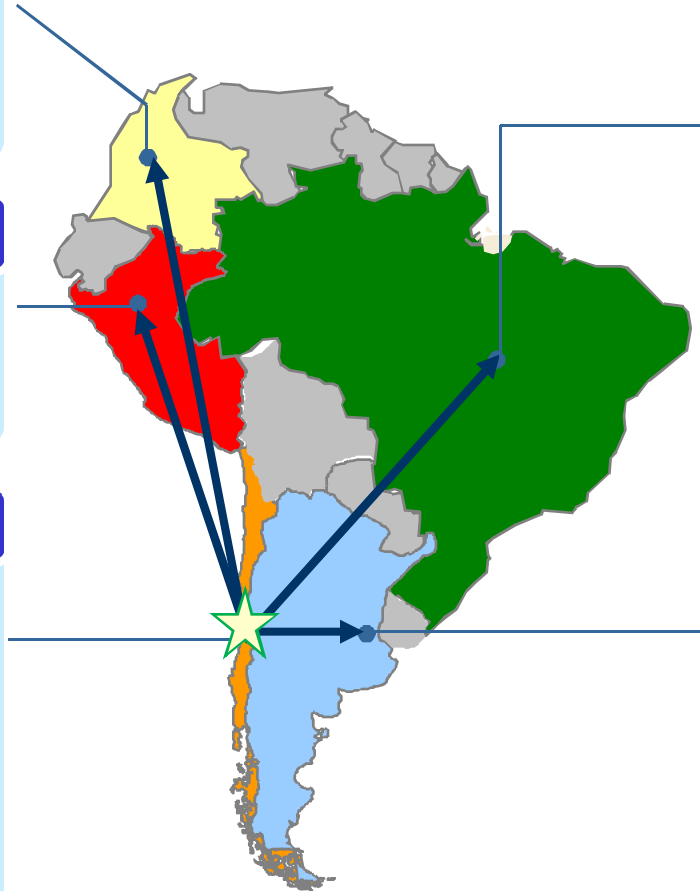
- Installed Cap. : 2,895 MW
- Hydro Cap.: 85%
- 22% market share
- 11 power plants

Edegel

- Installed Cap. : 1,467 MW
- Hydro Cap. : 51%
- 31% market share
- 9 power plants

Chile

- Installed Cap. : 4,893 MW
- Endesa Chile: 2,786 MW
- Pangué: 467 MW
- Pehuenche: 699 MW
- San Isidro I&II: 732 MW
- Celta: 182 MW
- Endesa Eco: 27 MW
- Hydro Cap. : 71%
- 37% market share
- 26 power plants



Endesa Brasil Affiliate

- Cachoeira (Gx): 665 MW
- Fortaleza (Gx): 322 MW
- Ampla (Dx): 2.4 m clients
- Coelce (Dx): 2.8 m clients
- Cien (Tx): 2,100 MW

Argentina

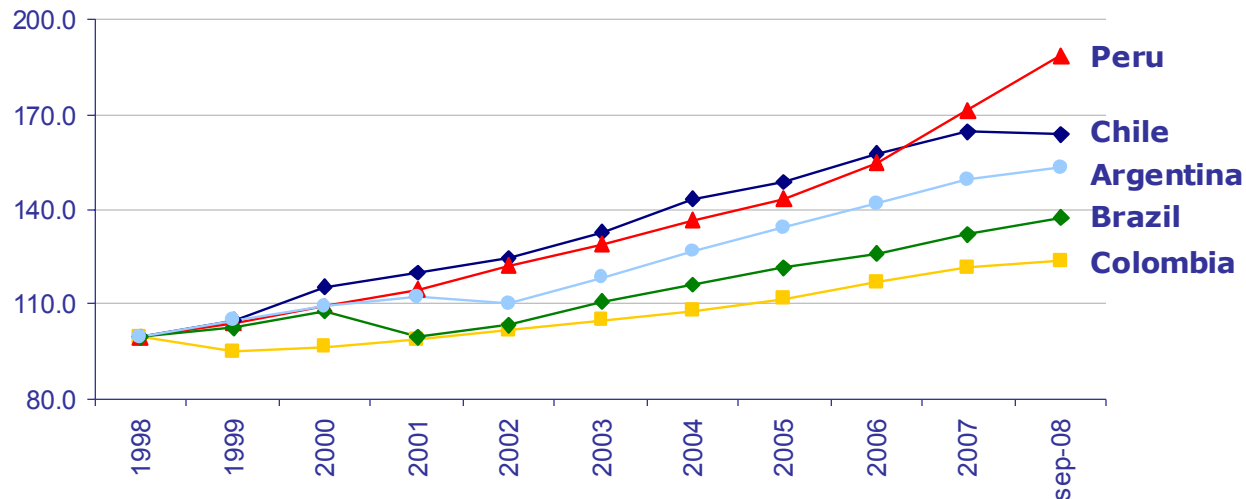
- Installed Cap. : 3,644 MW
- Costanera: 2,324 MW
- El Chocón: 1,320 MW
- Hydro Cap. : 36%
- 10% market share
- 5 power plants

Total Consolidated: 12,899 MW
Number of Power Plants: 51
Hydro: 61,9%
Thermal: 38,0%
Wind: 0,1%



Investment Opportunities ... room to grow

Opportunities: Improvement in Latam regulations contribute to meet strong growing electricity demand.



1998: base 100%

Electricity Demand Jan-Sep08 vs. Jan-Sep07

- » Peru: 10.4%
- » Chile: -0.7%
- » Argentina: 2.7%
- » Brazil: 4.0%
- » Colombia: 2.2%



Coming forth against challenging energy environment

(US\$ m)	FY07	3Q07 *	3Q08 *	Δ %
Revenues	3,476	2,485	3,138	26.3%
Oper. Costs	2,252	1,674	2,016	20.4%
Oper. Result	1,149	754	1,066	41.4%
EBITDA	1,540	1,043	1,372	31.5%
Non-op. Result	(418)	(283)	(104)	63.1%
Net income	387	244	538	120.5%
Sales (GWh)	55,225	41,163	41,165	0.0%
Tot. Assets	10,842	10,648	10,934	2.7%

- Higher thermal generation mostly in Chile and Peru, using diesel instead of natural gas.

- US\$ 262 m and US\$28 m increase of fuel costs in Chile and Peru, respectively as of Sep08.

- US\$ 82 m of higher equity gains from related companies, mainly Endesa Brasil.
- US\$42 m of gains owed to conversion of foreign operations into Chilean GAAP mainly due to the devaluation of the Colombian peso against the US dollar between Jan-Sep 2008 vs. same period of 2007.

- US\$ 40 m increase in losses from exchange rate differences due to the depreciation of the Chilean peso.

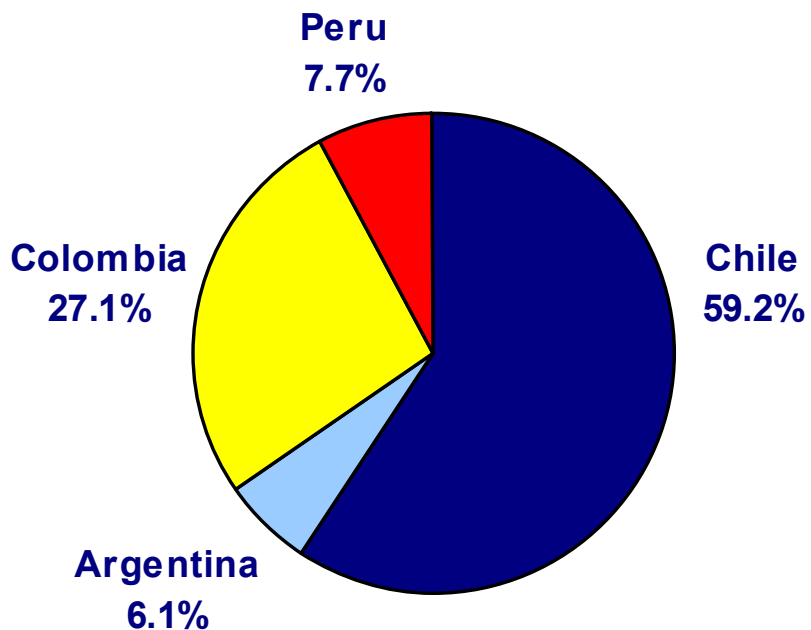
Physical sales increased in all countries where we operate, except in Argentina, due to El Chocón, which decreased physical sales by 1,578 GWh.

* For the period January – September



Well diversified EBITDA throughout the Region

EBITDA - As of Sept 2008



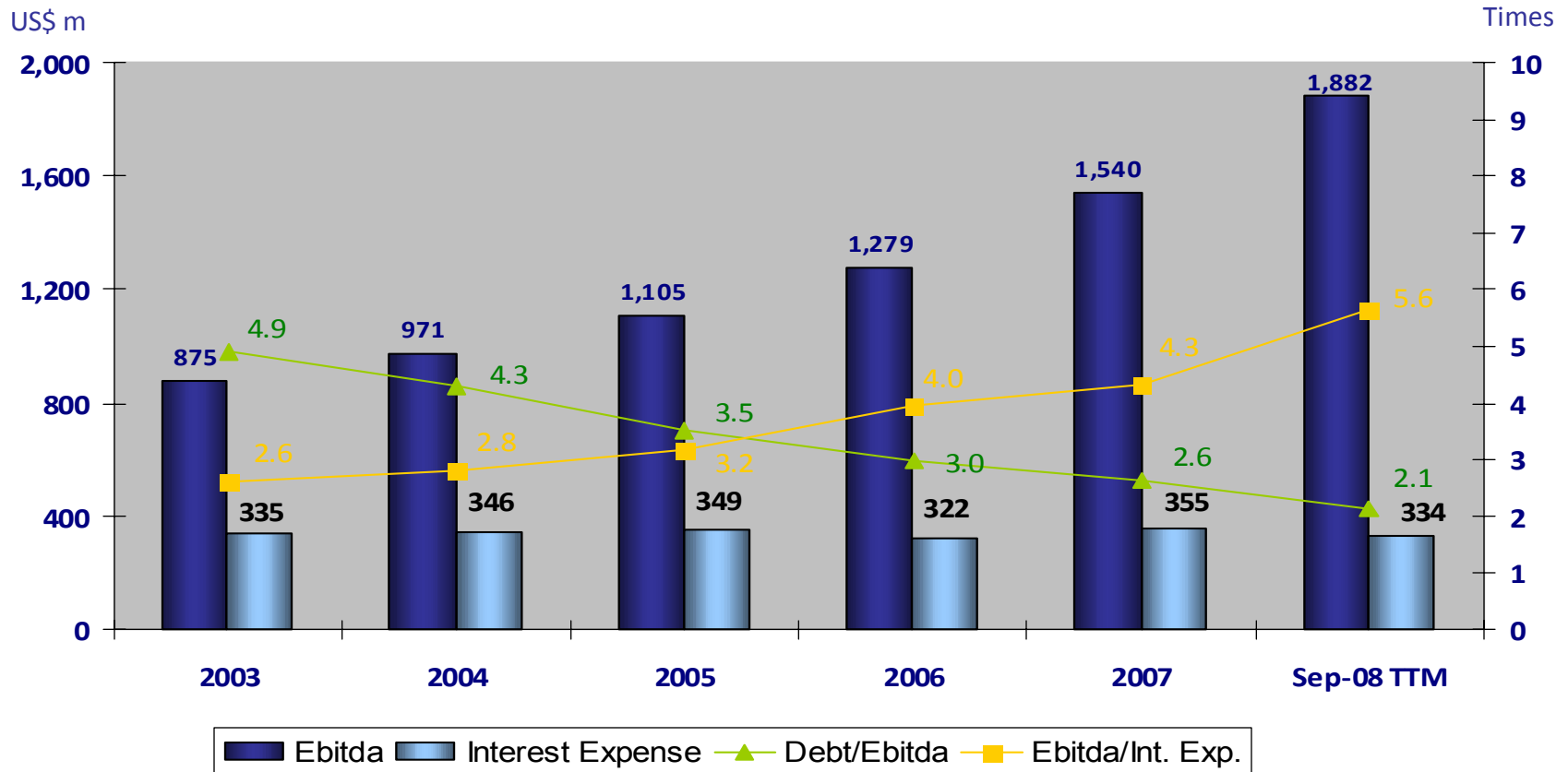
EBITDA by Country (US\$ million)

	Sep-07	Sep-08	Var.%
Chile	539	812	51%
Argentina	97	83	-14%
Colombia	284	372	31%
Peru	124	106	-15%
Total	1,043	1,372	31%

Figures expressed in US\$ as of Sep 2008.



Solid Financial Ratios



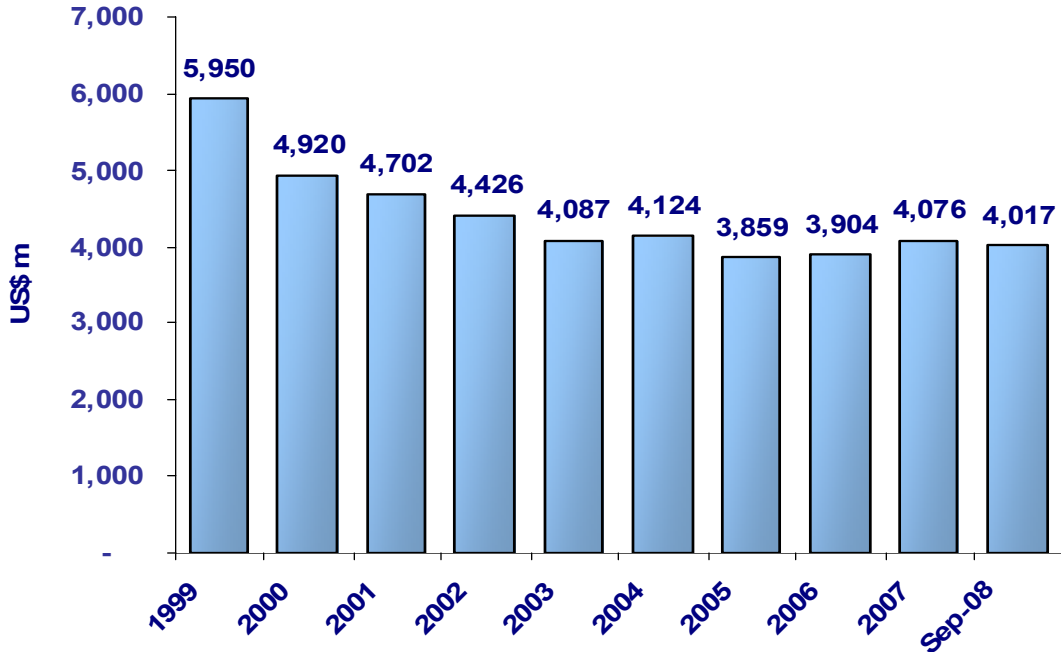
As of September 2008 and in Historical Dollars

EBITDA growth → 16.5% over the past 5 years

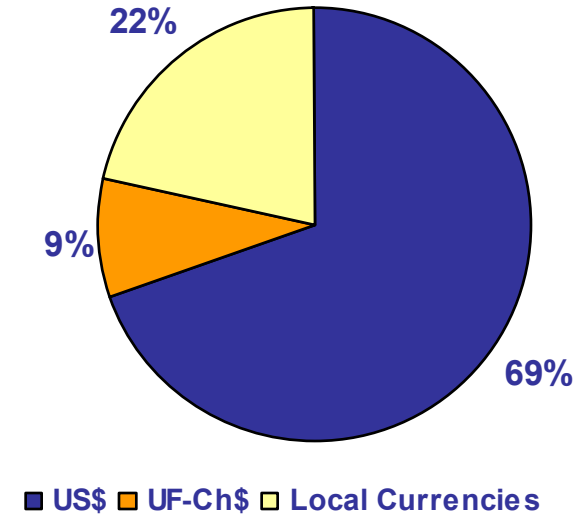


Recognition of strong financial position

Financial Debt Evolution



Financial Debt by Currency



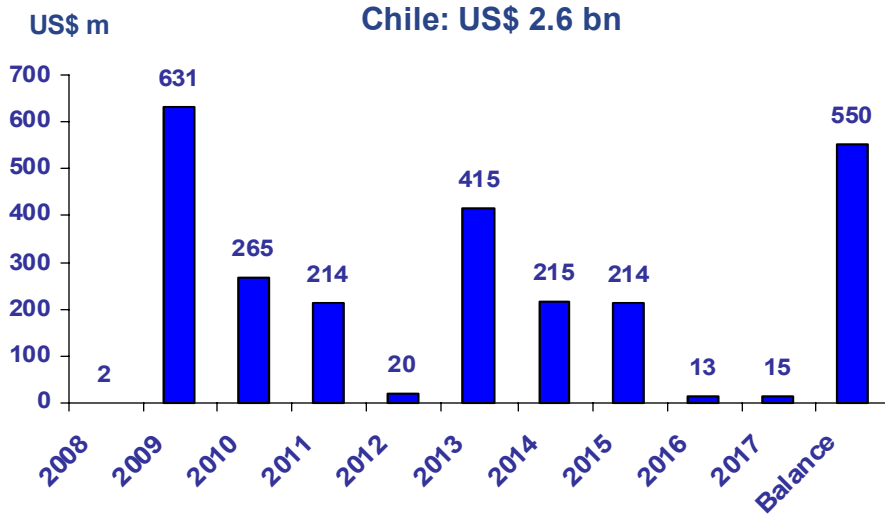
Consolidated figures as of September 2008 and in Historical Dollars

Investment grade by rating agencies

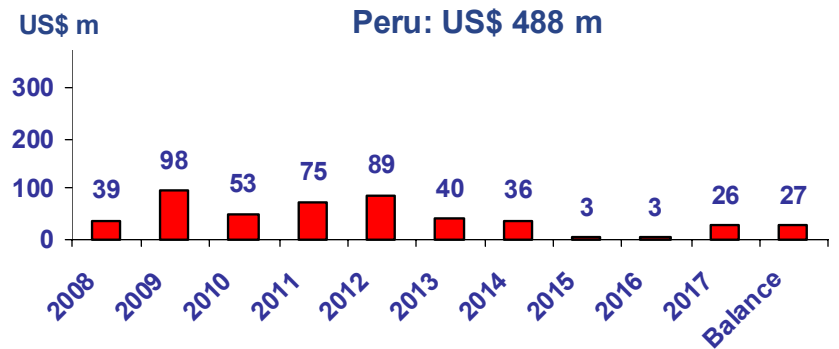
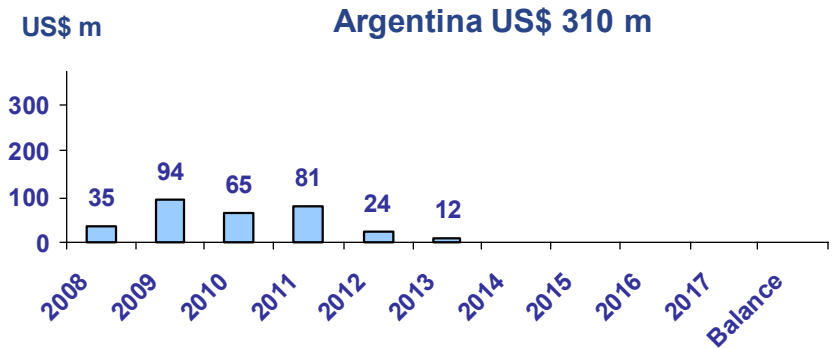
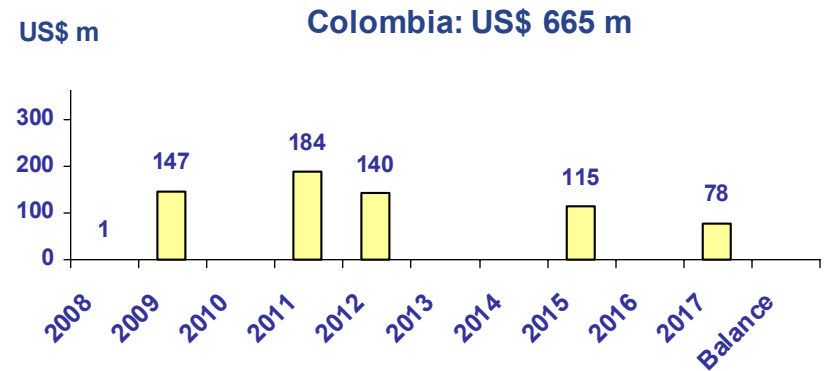
- » S&P: BBB with Stable outlook
- » Fitch: BBB with Stable outlook
- » Moody's: Baa3 with Stable outlook



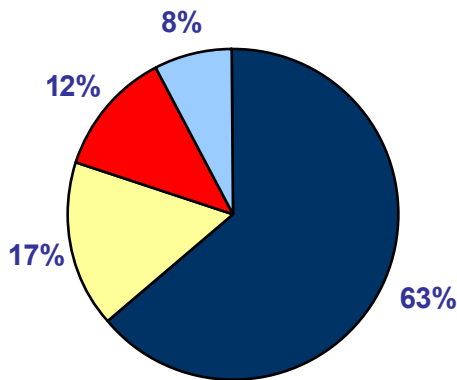
Comfortable debt maturity profile



2009: Includes put option of a US\$ 220 m YB maturing in 2037



Financial Debt by Country



■ Chile ■ Colombia ■ Peru ■ Argentina

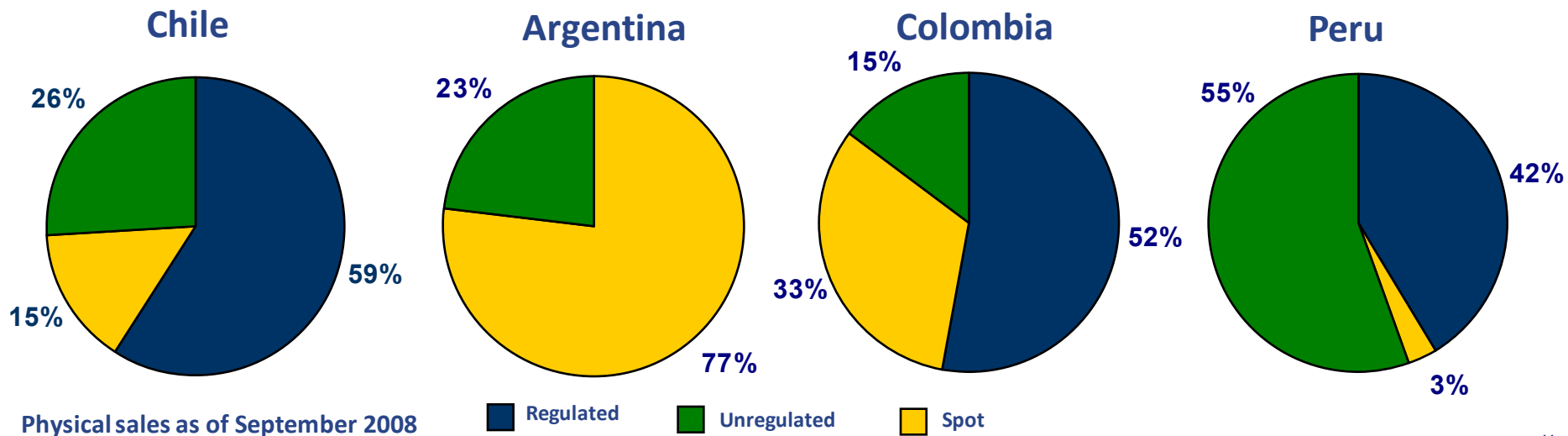


Conservative commercial policy

- » Hydrology risk
- » Exchange rate risk
- » Electricity demand growth
- » Portfolio of generation assets
- » Evolution of fuel prices



Minimize variation of margin



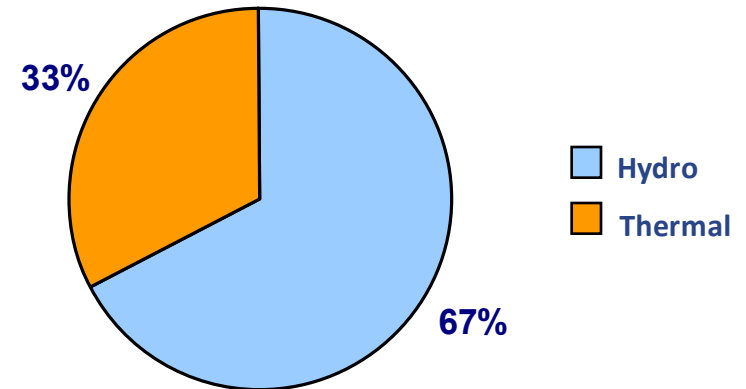


Chile: largest electricity generator

(US\$ m)	3Q07	3Q08	Δ %
Revenues	1,304	1,799	37.9%
Oper. Costs	875	1,105	26.3%
Oper. Result	402	666	65.7%
Sales (GWh)	14,286	14,605	2.2%
Reg. P. (US\$/MWh)	73	115	57.5%
Spot P. (US\$/MWh)	208	229	10.1%

Figures expressed in real terms, except for average prices (historical terms)

Gen. Mix as of September 2008



- ✓ Stable regulatory framework, makes “economic sense” for generation companies to invest in new capacity.
- ✓ Decreasing trend of generation costs due to good hydro conditions since May 2008.
- ✓ During September 2008, average spot price in the SIC reached US\$ 131/MWh.
- ✓ New node price set in Oct-08, increasing from US\$ 114.71/MWh to US\$ 119.31 (in Alto Jahuel node).
- ✓ Hydro energy is Chile’s potential source.
- ✓ Strengthen renewable energy (wind and mini-hydro).
- ✓ Solid balance sheet and liquidity to face upcoming debt maturities and investment plan.

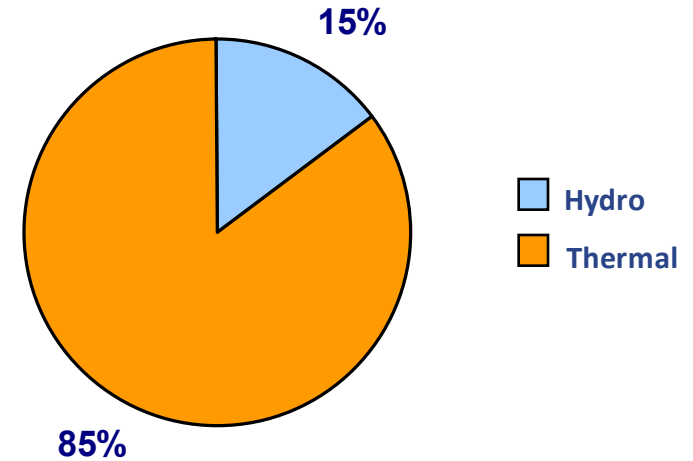


Argentina: leading privately-owned electricity generator

(US\$ m)	3Q07	3Q08	Δ %
Revenues	439	456	4.0%
Oper. Costs	391	428	9.6%
Oper. Result	42	21	(49.6%)
Sales (GWh)	9,264	7,898	(14.7%)
Reg. P. (A\$/MWh)	50	55	10%
Spot P. (A\$/MWh)	75	87	16%

Figures expressed in real terms, except for prices (historical terms)

Gen. Mix as of September 2008



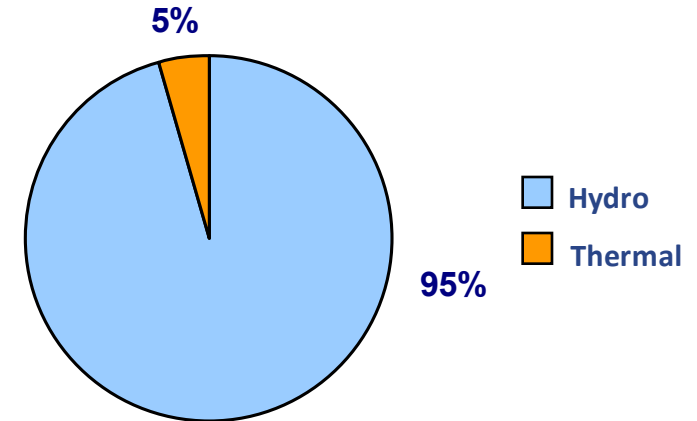
- ✓ Capacity constraint of the Argentine electricity system.
- ✓ Hydrology conditions and water levels started to improve during September 2008
- ✓ Increasing trend of average spot price due to use of fuel at higher costs (diesel).
- ✓ We consider our operations in Argentina to be low leveraged.
- ✓ Positive signals for distribution tariffs during the past year.
- ✓ Waiting for changes in generation tariffs.



Colombia: leading privately-owned electricity generator

(US\$ m)	3Q07	3Q08	Δ %
Revenues	486	602	23.9%
Oper. Costs	245	271	10.7%
Oper. Result	234	322	38.1%
Sales (GWh)	11,676	12,362	5.9%
Dist. P. (Col\$/kWh)	79	92	16.5%
Spot P. (Col\$/MWh)	86	85	(1.2%)

Gen. Mix as of September 2008



Figures expressed in real terms, except for average prices (historical terms)

Highlights

- ✓ Stable, transparent and market-oriented regulatory framework.
- ✓ Depreciation of Col\$ against the US\$ during Jan-Sep 2008 vs. same period in 2007.
- ✓ Emgesa studying to expand new installed capacity, of which the hydroelectric project, El Quimbo, was awarded to Emgesa for reliability charge.
- ✓ Better hydrology conditions during 2008 vs. 2007.
- ✓ Spot price is sensitive to changes in hydrology condition and commodity prices (natural gas, coal and diesel).

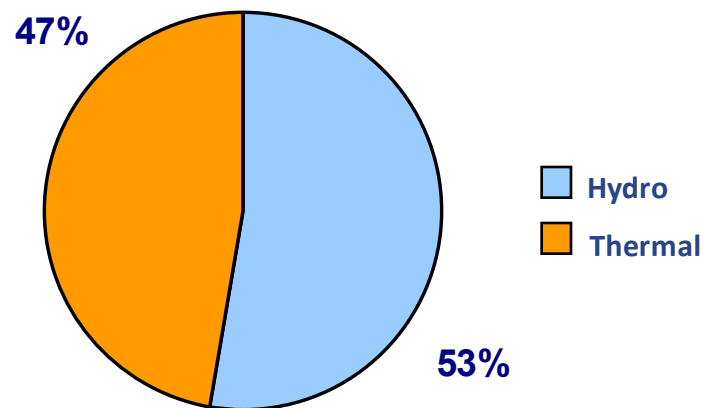


Peru: largest privately-owned electricity generator

(US\$ m)	3Q07	3Q08	Δ %
Revenues	255	281	9.9%
Oper. Costs	165	213	29.0%
Oper. Result	75	55	(27.0%)
Sales (GWh)	5,937	6,300	6.0%
Reg. P. (US\$/MWh)	37	41	10.8%
Spot P. (US\$/MWh)	37	98	164.9%

Figures expressed in real terms, except for average prices (historical terms)

Gen. Mix as of September 2008



Highlights

- ✓ Regulatory framework similar to Chile.
- ✓ Lower hydrology conditions during period Jan-Sep 2008 compared to same period in 2007.
- ✓ Country characterized by its abundance of natural gas resources.
- ✓ CAMISEA with capacity constraint due to increasing demand of gas and maintenance of pipeline.
- ✓ Combined cycles fueled by natural gas are operating at 70% of their capacity.
- ✓ The 30% of remaining capacity is burning diesel.
- ✓ Increasing trend of average spot price during 2008 compared to 2007.



Strengths and opportunities to invest

Region Electric Industry → growing

- Stable cash flows
- Growing demand
- Positive changes in regulation

Endesa Chile → in good shape

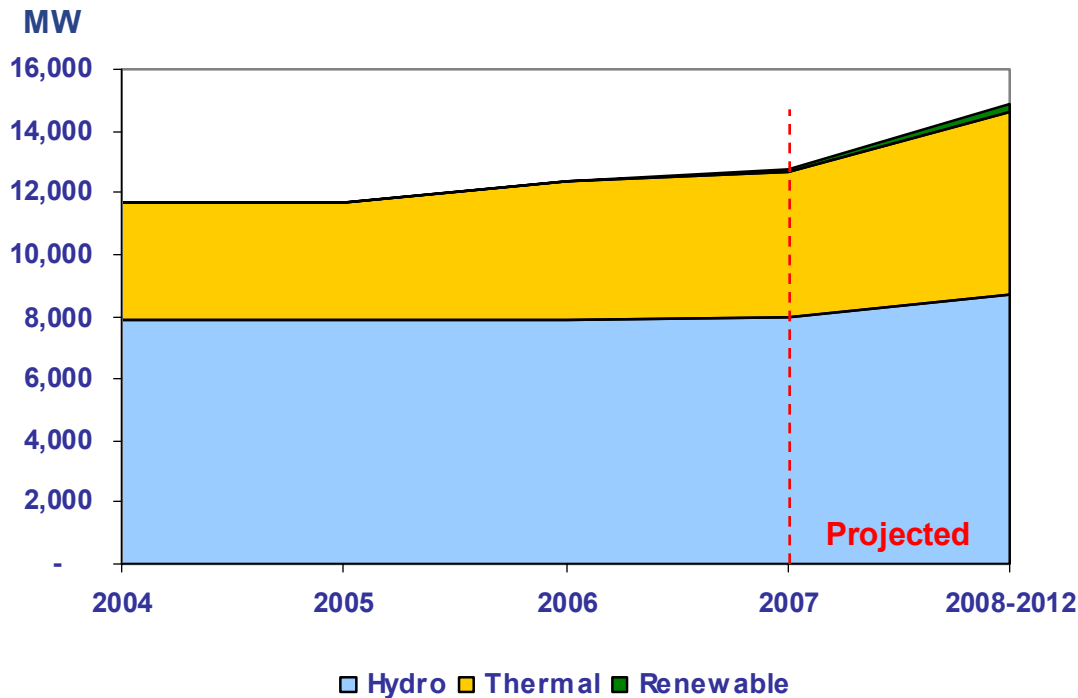
- Attractive portfolio of Gx assets
- Diversified energy resources (water, gas, coal, diesel, wind)
- Flexible commercial policy
- Financial capacity → healthy balance sheet and ratios
- Operational capacity → best practices (ISO 9000, OHSAS)
- Know-how and vast experience



**Investment
Opportunities**



Our future ... based on growth



- ✓ Near 2,000 MW of new capacity in the next 5 years
- ✓ Almost half of new capacity is already under construction
- ✓ Total Investment of approximately US\$ 3.5 billion in the next 5 years

- ✓ Generation assets are mostly hydro-based → company's competitive advantage
- ✓ Increase of renewable energy: expansion of the Canela wind farm plant and other mini hydro plants currently under study.
- ✓ The equity investment in the LNG terminal and in HidroAysén, as well as studies of other hydro projects in Chile and abroad, are part of the projects included under Total Investment.



Contributing with more generation capacity

Start-up during 2007



San Isidro II
248 MW
Chile



Palmucho
32 MW
Chile



Canela
18 MW
Chile

2008 - 2009



San Isidro II
105 MW
Chile



Taltal
120 MW
Chile



Quintero
250 MW
Chile



Ojos de Agua
9 MW
Chile



Canela II
60 MW
Chile



LNG Plant
9.5 million m3/d
Chile (Fast-track)

2010, onwards



Santa Rosa
188 MW
Peru



Los Cóndores
150 MW
Chile



Bocamina II
370 MW
Chile



Neltume
473 MW
Chile



El Quimbo
400 MW
Colombia



HidroAysén
2,750 MW
Chile



Choshuenco
128 MW
Chile





Aware of our environment and corporate social responsibility

Awards and Certifications

- » ISO 14001 standards: as of March 2008, 95.9% of installed capacity certified
- » OHSAS 18001 standards: as of December 2007, 96.1% of installed capacity certified
- » Important prizes:
 - » 2007: **1st place in Chile of companies committed to sustainability, corporate governance, ethics, transparency and social responsibility** by Management & Excellence S.A. (M&E) and the Latin Finance magazine
 - » 2007: **Social Responsibility, Business and Technological Innovation prize** by the International Committee of Large Electrical Networks, Cigré
 - » 2008: **Highest rating of AAA+ for the Sustainability Report 2007** by Global Reporting Initiative (GRI). The United Nations Global Compact placed this document in its “notable” category.





Conclusions

- ✓ **Multinational private electricity generator with leading market positions in most countries where we operate.**
- ✓ **Efficient assets distributed within South America**
- ✓ **Project portfolio adds value to Endesa Chile**
- ✓ **Excellent reputation and high level of technical standards**
- ✓ **Through its vast experience, the Company has gained the confidence of investors and authorities.**
 - **Commitment with regulatory authorities**
 - **Commitment with the environment**
 - **Corporate governance best practices**
- ✓ **Solid balance sheet and liquidity; stable cash flow to face upcoming challenges**



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