

endesa chile

December 2008

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NYSE

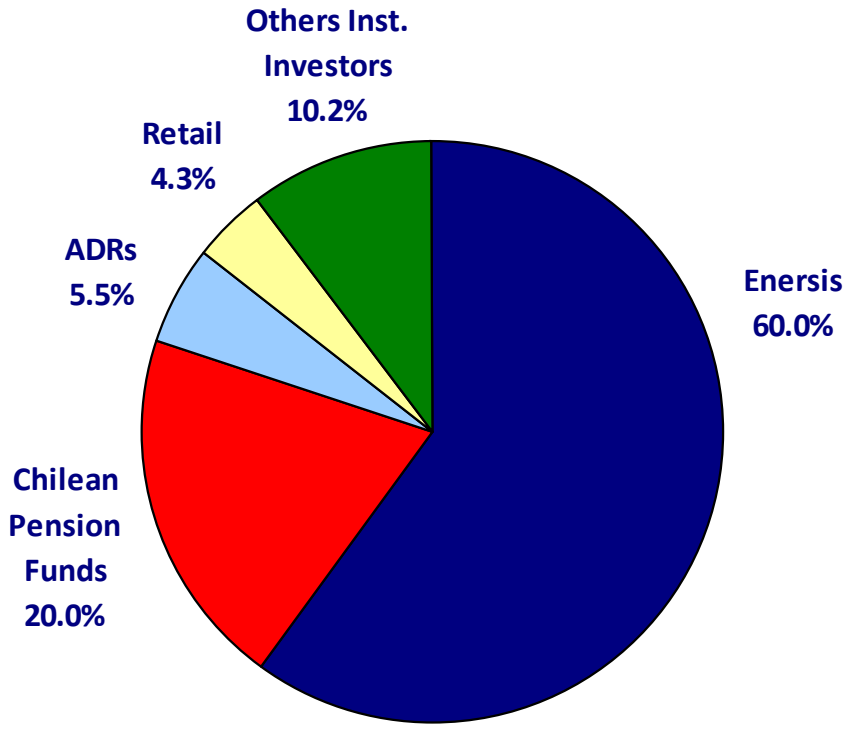
sam 2009 silver class

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Endesa Chile – one of the largest electricity generators in Latam

Our Shareholders



As of December 2008

Important Presence in 5 countries

Emgesa

- Installed Cap. : 2,895 MW
- Hydro Cap.: 85%
- 21% market share
- 11 power plants

Edegel

- Installed Cap. : 1,467 MW
- Hydro Cap. : 51%
- 29% market share
- 9 power plants

Chile

- Installed Cap. : 4,893 MW

Endesa Chile:	2,786 MW
Pangue:	467 MW
Pehuenche:	699 MW
San Isidro I&II:	732 MW
Celta:	182 MW
Endesa Eco:	27 MW

- Hydro Cap. : 71%
- 36% 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. : 3,652 MW

Costanera: 2,324 MW
El Chocón: 1,328 MW

- Hydro Cap. : 36%
- 14% market share
- 5 power plants

Total Consolidated: 12,907 MW

Number of Power Plants: 51

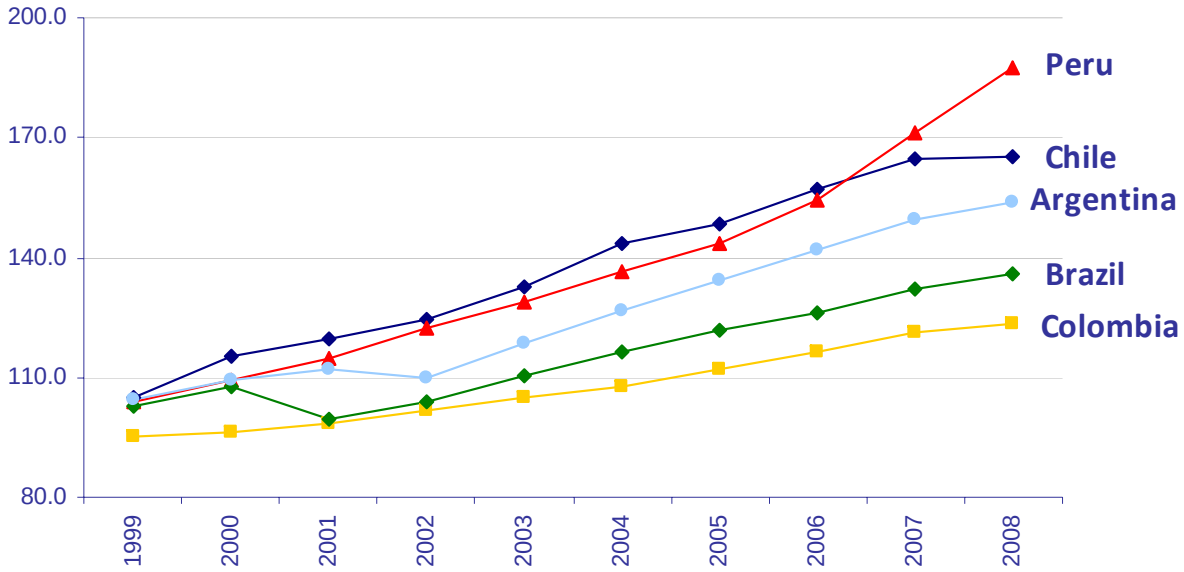
Hydro: 61,9%

Thermal: 38,0%

Wind: 0,1%

Figures as of December 2008

Opportunities: Improvement in Latam regulations contribute to meet long-term electricity demand.



1999: base 100%

Electricity Demand
Year 2008 vs. Year 2007

- **Peru:** 9.5%
- **Chile:** 0.3%
- **Argentina:** 2.9%
- **Brazil:** 2.8%
- **Colombia:** 1.9%

Contributing with more generation capacity

Start-up during 2008



San Isidro II
105 MW (total: 353 MW)
Chile



Taltal
120 MW (dual tech.)
Chile



Ojos de Agua
9 MW
Chile

2009



Canela II
60 MW
Chile



LNG Plant
9.5 millonsm3/d
Chile (Fast-track)



Quintero
250 MW
Chile

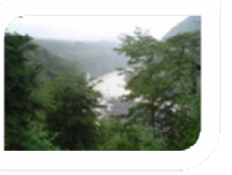
2010, onwards



Bocamina II
370 MW
Chile



Los Cóndores
150 MW
Chile



Neltume
473 MW
Chile



HidroAysén
2,750 MW
Chile



Santa Rosa
188 MW
Peru



El Quimbo
400 MW
Colombia

Coming forth against challenging energy environment

(US$ million)	2007	2008	Δ %
Revenues	2,955	3,914	32.5%
Operating Costs	1,914	2,434	27.1%
Operating Result	977	1,404	43.7%
EBITDA	1,309	1,800	37.5%
Non-operating Result	(355)	(133)	62.5%
Net income	329	695	111.2%
Total Assets	9,218	11,222	21.7%
Physical Sales (GWh)	55,225	55,735	0.9%

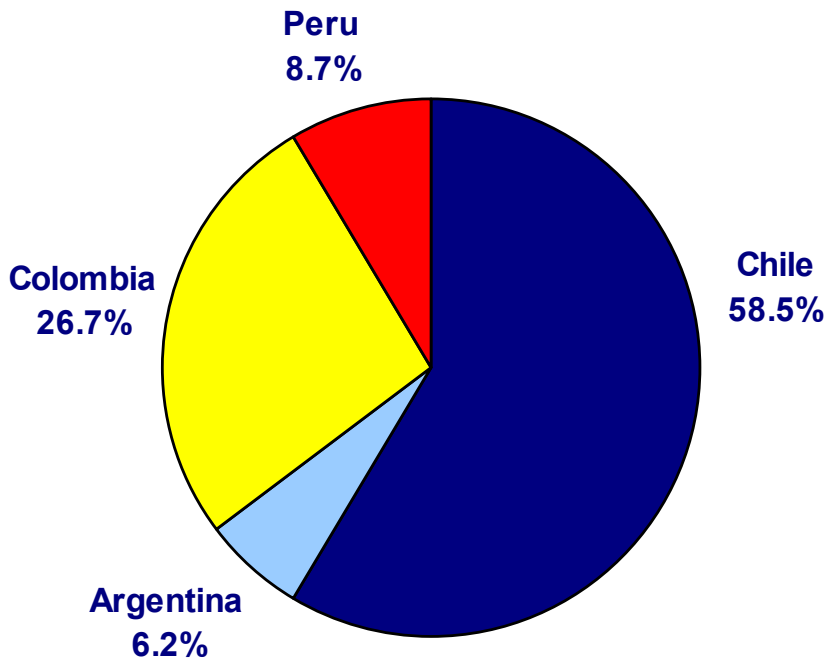
- Higher thermal generation mostly in Chile and Peru, using diesel instead of natural gas.
- Increase of fuel costs by US$ 227 m in Chile, US$72 m in Argentina and US$46 m in Peru as of Dec-08.

- US$ 113 m of higher equity gains from related companies, mainly Endesa Brasil.
- US$62 m of net results regarding the conversion of foreign operations into Chilean GAAP mainly due to the devaluation of the Colombian peso against the US dollar between 2008 and 2007.
- US$ 48 m loss 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 physical sales decreased by 1,402 GWh.

Well diversified EBITDA throughout the Region

EBITDA - As of December 2008

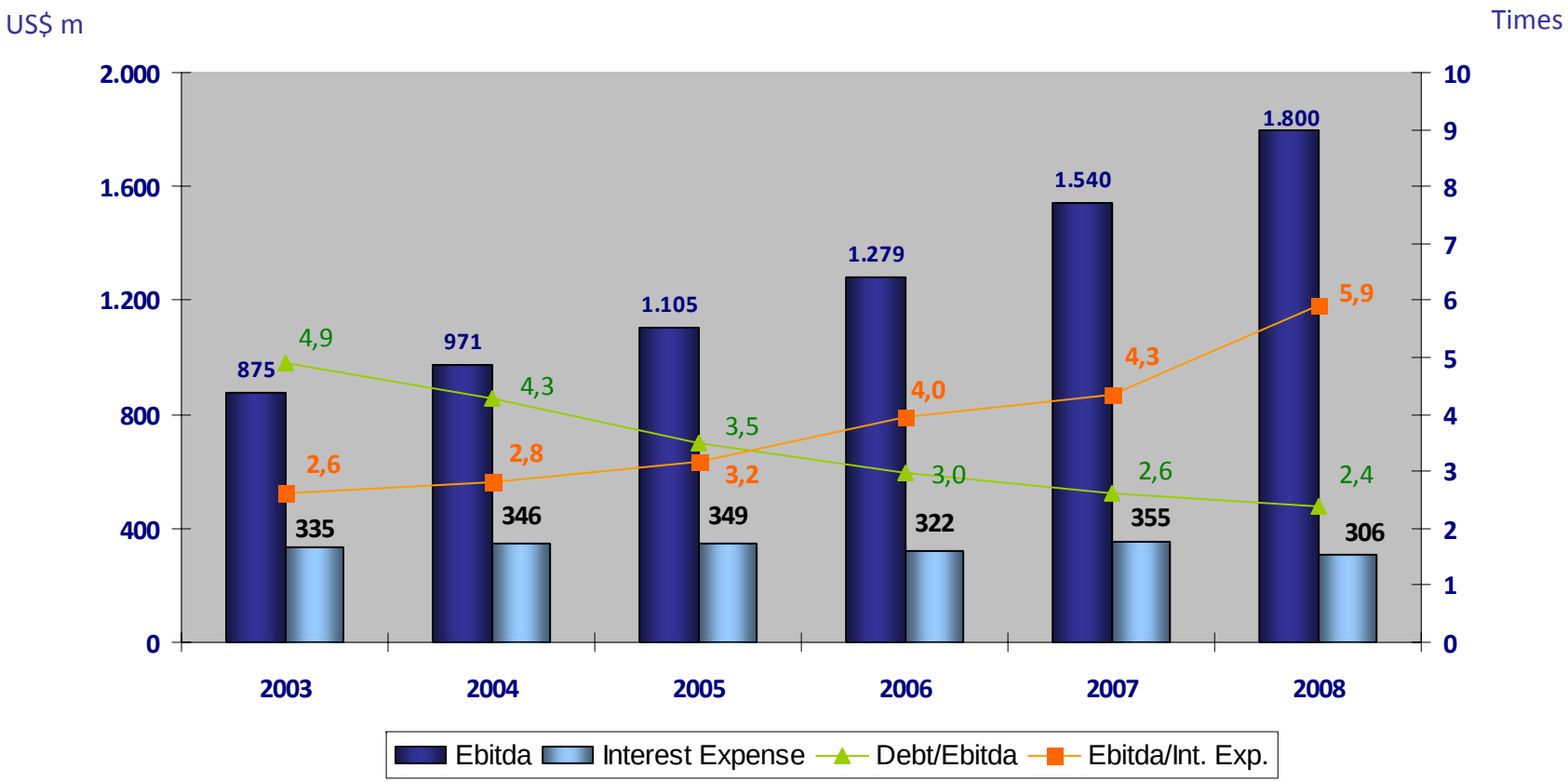


EBITDA by Country (*US$ million*)

	Dec-07	Dec-08	Var.%
Chile	739	1,053	42%
Argentina	107	111	4%
Colombia	329	480	46%
Peru	134	156	16%
Total	1,309	1,800	38%

Figures expressed in US$ as of December 2008.

Solid Financial Ratios

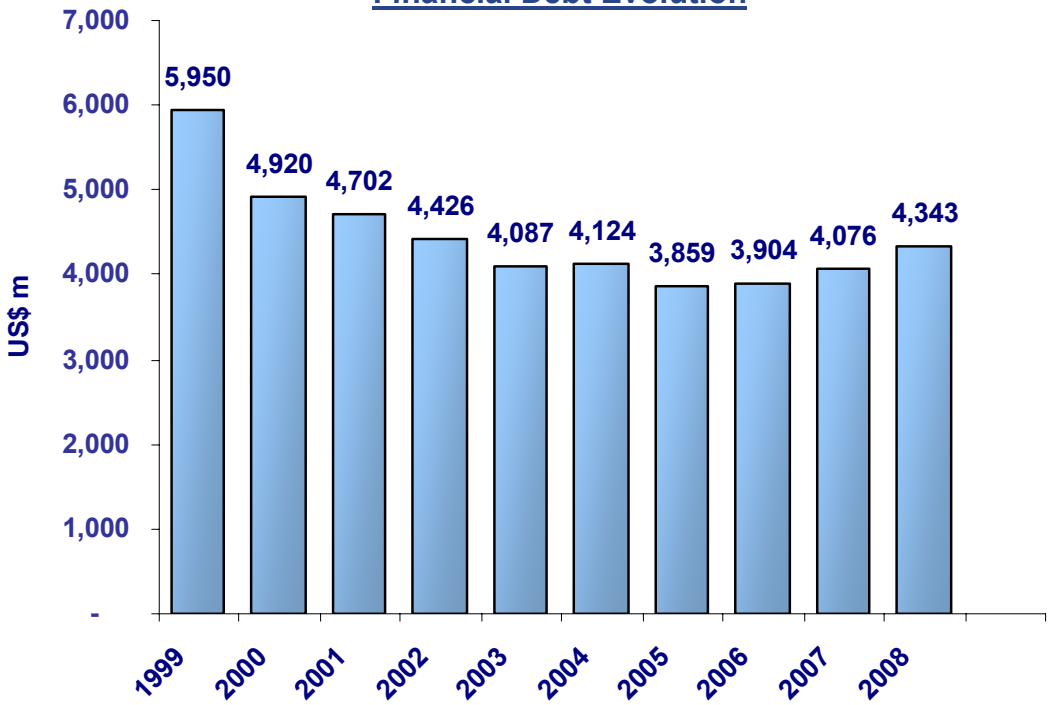


As of December 2008 and in Historical Dollars

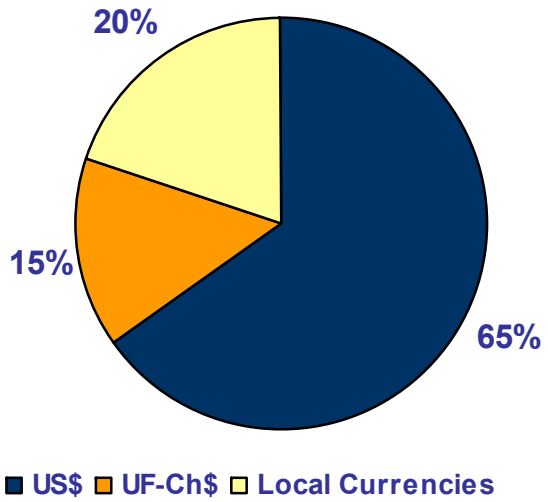
EBITDA growth → 15.5% over the past 5 years

Recognition of strong financial position

Financial Debt Evolution



Financial Debt by Currency



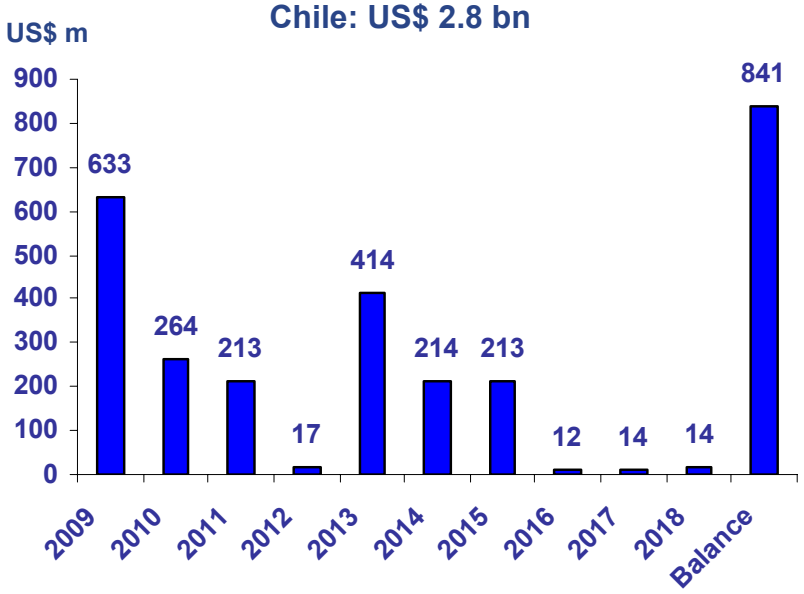
Consolidated figures as of December 2008 and in Historical Dollars

Investment grade by rating agencies

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

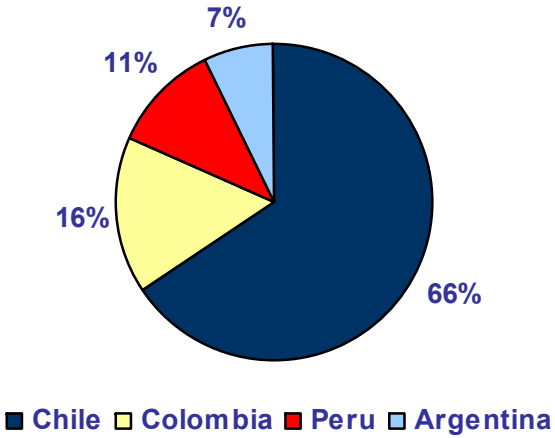
Comfortable debt maturity profile

Chile: US$ 2.8 bn

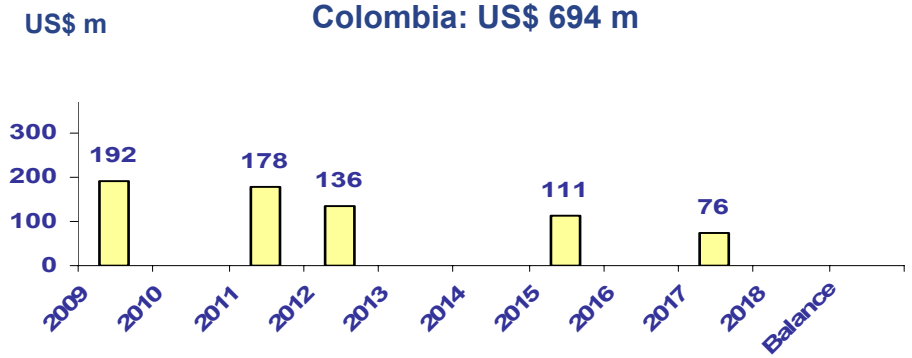


2009: Includes put option of a US$ 220 m YB maturing in 2037

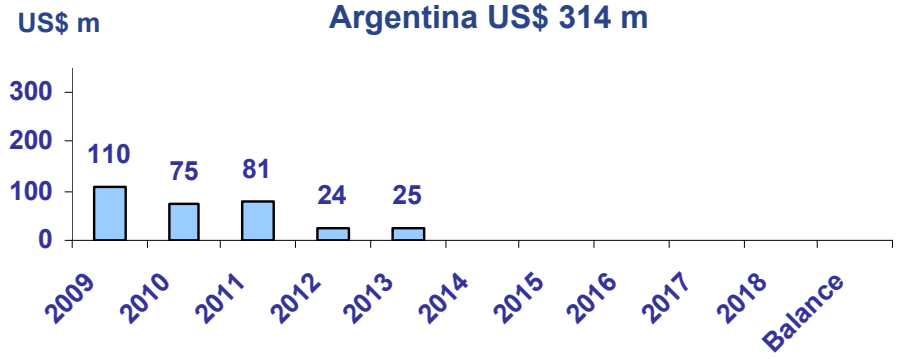
Financial Debt by Country



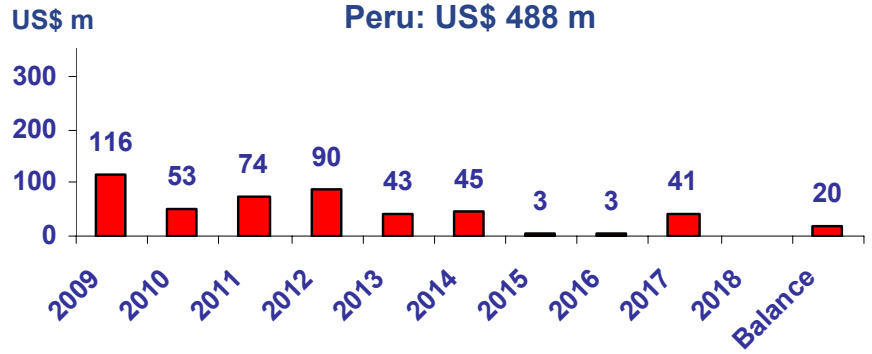
Colombia: US$ 694 m



Argentina US$ 314 m



Peru: US$ 488 m



Figures as of December 2008

Liquidity Position of Endesa Chile as of December 2008

Liquidity Sources

+ Liquid

- Liquid

1.	Cash & cash equivalents	US$ 808 million
2.	Revolving III	US$ 200 million
3.	Revolving IV (T&R)	US$ 200 million
4.	Local credit lines	US$ 200 million
	Total	**US$ 1.4 billion**

- ✓ **Cash position enhanced by the recent local bond issuance for a total amount of US$ 340 million.**
- ✓ **Although the company's current liquidity sources are sufficient to face financing requirements for 2009, it is prudent to maintain them available for future needs.**

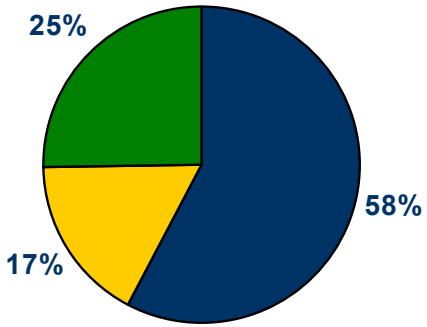
Conservative commercial policy

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

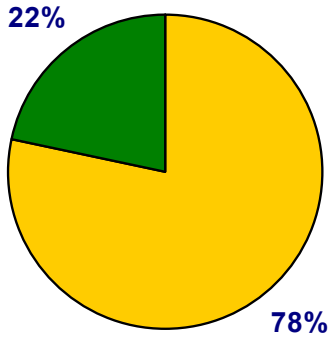
Minimize variation of margin

Physical sales as of December 2008

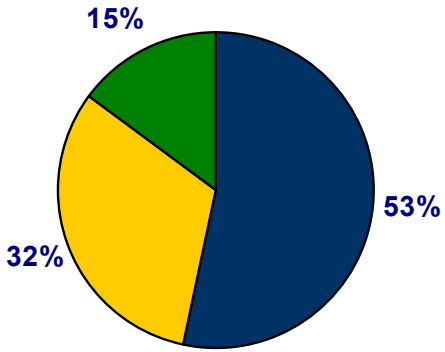
Chile



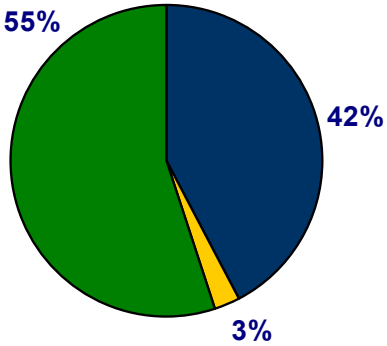
Argentina



Colombia



Peru



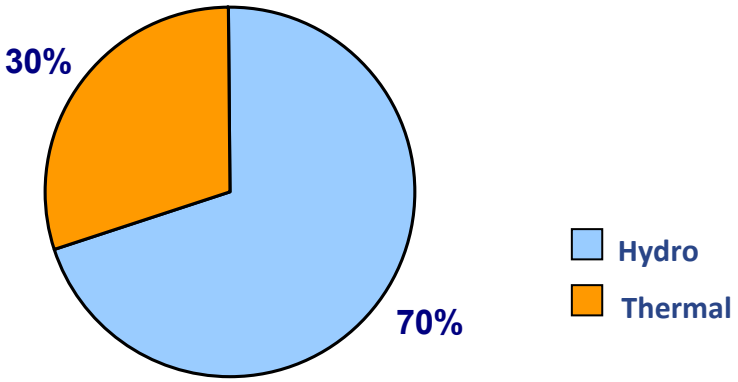
Regulated Unregulated Spot

Chile: largest electricity generator

(US$ m)	2007	2008	Δ %
Revenues	1,622	2,138	31.8%
Oper. Costs	1,019	1,236	21.3%
Oper. Result	572	865	51.4%
Sales (GWh)	19,212	19,808	3.1%
Reg. P. (US$/MWh)	81	113	39.5%
Spot P. (US$/MWh)	172	207	20.3%

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

Gen. Mix as of December 2008



Highlights

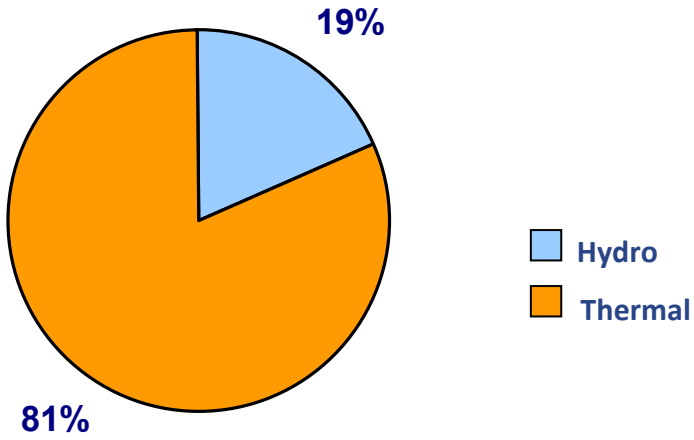
- ✓ Stable regulatory framework, makes "economic sense" for generation companies to invest in new capacity.
- ✓ Decreasing trend of generation costs due to good hydro conditions during 2H 2008.
- ✓ Average spot price during 2008 reached US$ 207/MWh in the SIC, 20% YoY.
- ✓ Current final regulated price set adjusted at US$120/MWh (in Alto Jahuel node), 13% lower than Oct-08.
- ✓ 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)	2007	2008	Δ %
Revenues	453	555	22.3%
Oper. Costs	403	517	28.2%
Oper. Result	44	28	(35.3%)
Sales (GWh)	12,406	11,098	(10.5%)
Reg. P. (A$/MWh)	55	57	4%
Spot P. (A$/MWh)	75	87	16%

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

Gen. Mix as of December 2008



Highlights

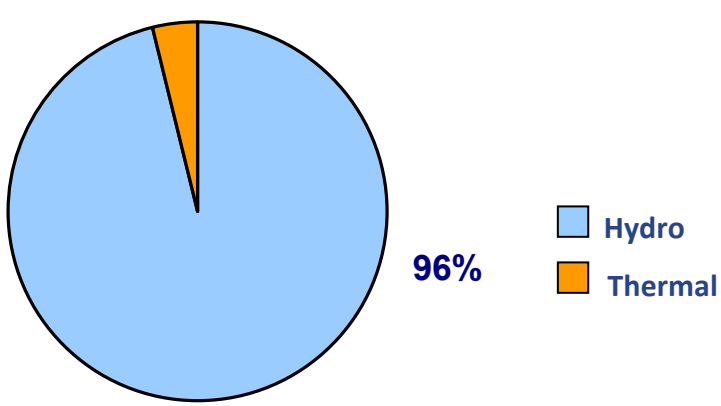
- ✓ Capacity constraint of the Argentine electricity system.
- ✓ Hydrology conditions and water levels at good levels as of December 2008.
- ✓ Increasing trend of average spot price due to use of fuel at higher costs (diesel).
- ✓ We consider our operations in Argentina to be low leveraged.
- ✓ Positive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

Colombia: leading privately-owned electricity generator

(US$ m)	2007	2008	Δ %
Revenues	544	775	42.4%
Oper. Costs	261	351	34.2%
Oper. Result	274	413	50.7%
Sales (GWh)	15,613	16,368	4.8%
Dist. P. (Col$/kWh)	80	93	16.8%
Spot P. (Col$/kWh)	84	87	3.6%

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

Gen. Mix as of December 2008



Highlights

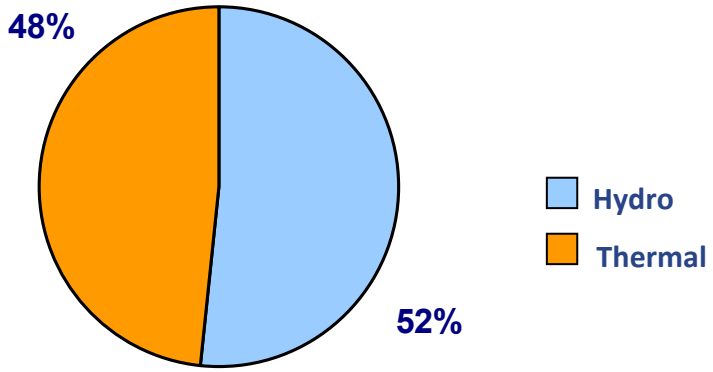
- ✓ Stable, transparent and market-oriented regulatory framework.
- ✓ Better hydrology conditions during 2008 vs. 2007.
- ✓ Emgesa studying to expand new installed capacity, of which the hydroelectric project, El Quimbo, was awarded to Emgesa for reliability charge.
- ✓ Spot price is sensitive to changes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

Peru: largest privately-owned electricity generator

(US$ m)	2007	2008	Δ %
Revenues	286	388	35.6%
Oper. Costs	192	285	48.2%
Oper. Result	79	85	8.5%
Sales (GWh)	7,994	8,461	5.8%
Reg. P. (US$/MWh)	38	42	10.5%
Spot P. (US$/MWh)	37	90	146.5%

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

Gen. Mix as of December 2008



Highlights

- ✓ Regulatory framework similar to Chile.
- ✓ Lower hydrology conditions during 2008 compared to 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 in the long-term
- 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

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.
- 2008: Distinction of "Silver Class" in evaluation of corporate sustainability Sustainability Asset Management (SAM) together with PricewaterhouseCoopers.

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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