

# endesachileirpresentation

AS OF DECEMBER 31st, 2009

## Who is Endesa Chile?

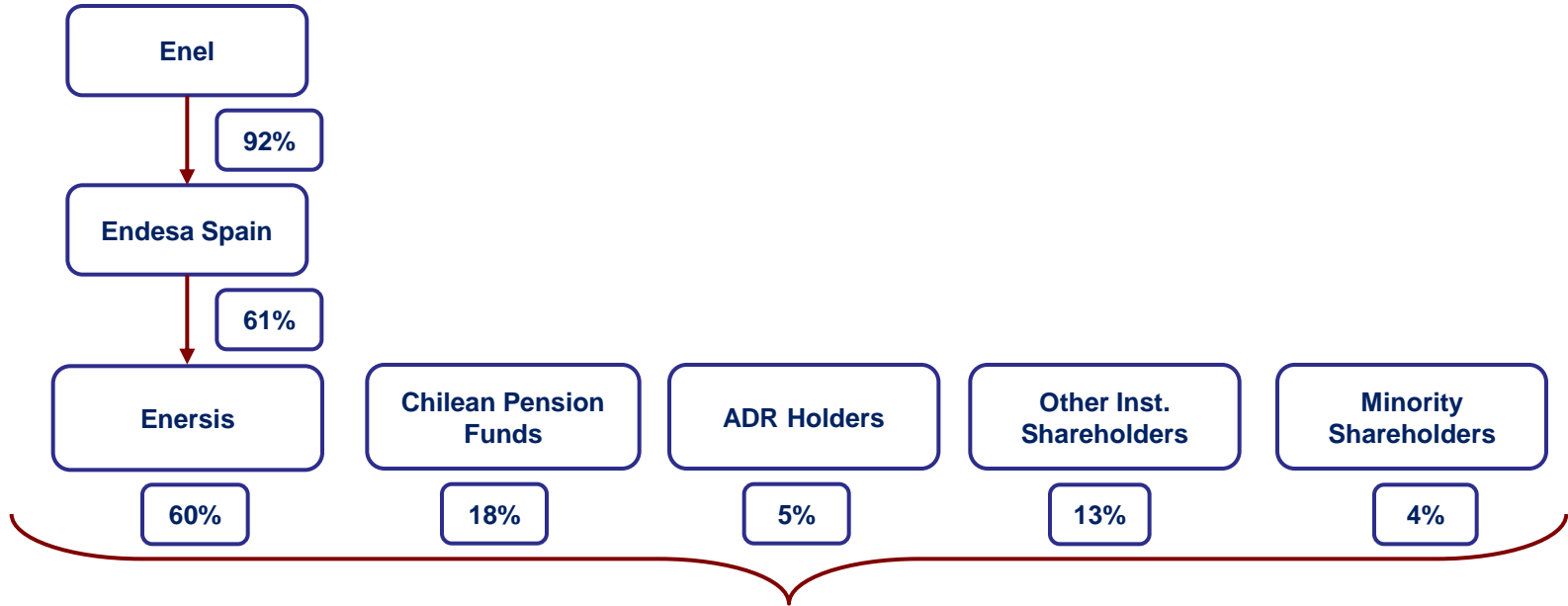
Operational aspects

Financial aspects

Where are we heading to?

Conclusions

- ✓ **Multinational electricity generator, based in Chile, with leading market positions in most of the countries where it operates**
- ✓ **Large portfolio of generation assets distributed within South America**
- ✓ **Efficient investment portfolio adds value to Endesa Chile**
- ✓ **Excellent reputation and high level of technical standards**
- ✓ **Vast experience, with 65 years of history**
- ✓ **Committed with regulatory authorities, the environment and Corporate Governance best practices**
- ✓ **Part of an important worldwide electricity group (Enel, ENDESA, S.A., Enersis)**



## ENDESA CHILE



 **Colombia**

#1

2,895 MW  
21% market share  
Output 2009: 12,674 GWh

 **Peru**

#1

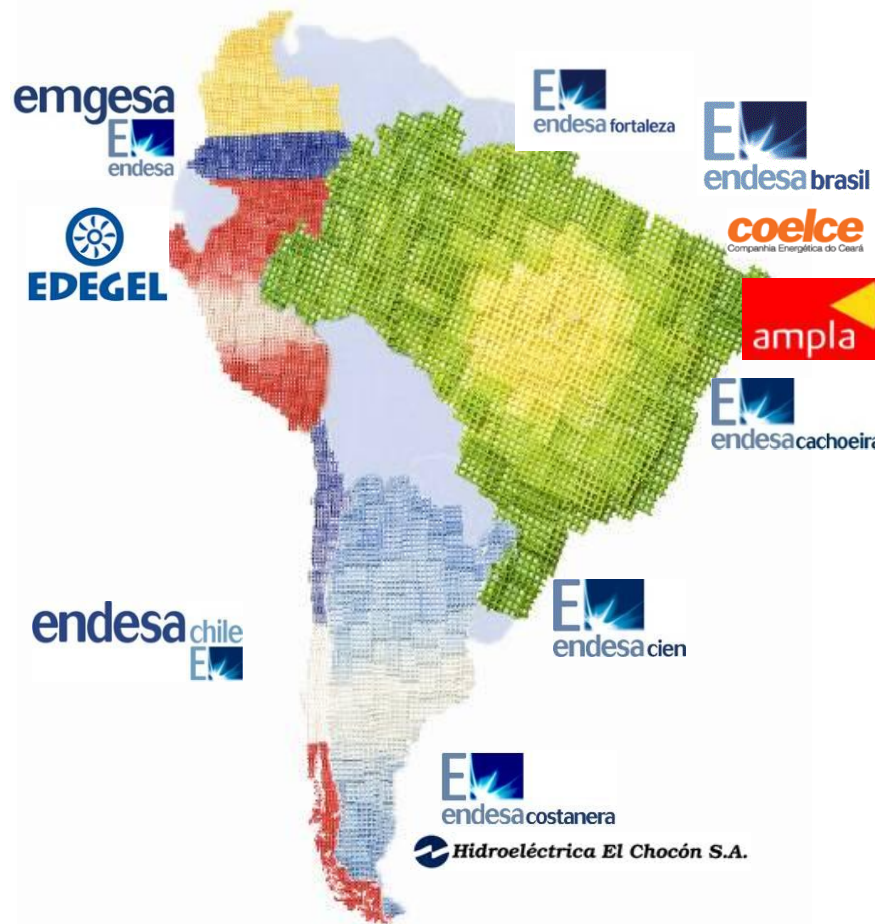
1,667 MW  
29% market share  
Output 2009: 8,163 GWh


 **Chile**

#1

5,650 MW  
37% market share  
Output 2009: 22,239 GWh

Data as of December 2009  
Market shares based on installed capacity



 **Brazil:**

987 MW  
1% market share in generation  
Output 2009: 3,319 GWh

5.5 million customers  
5% market share in distribution

 **Argentina**

#1

3,652 MW  
14% market share  
Output 2009: 11,955 GWh

## Total Generation

Consolidated installed capacity:	13,864 MW
(including Brazil):	14,851 MW
Consolidated energy sales:	59,859 GWh

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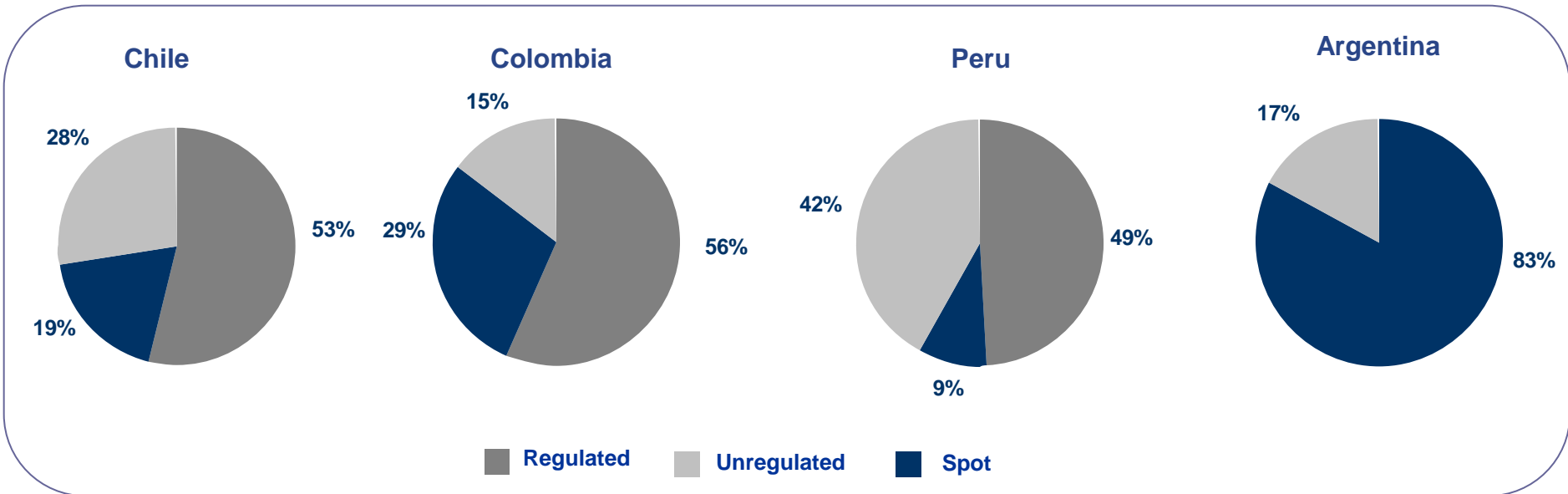
Conclusions

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



**Minimize margin variation**

Physical sales as of Dec. 2009



Ch\$ Million	FY 2008 (a)	FY 2009 (a)	% Var.		FY 2009 US\$ m
Revenues	2,536	2,419	-4.6%		4,322
Operating income	874	1,017	16.3%		1,817
Operating margin	34%	42%	-		-
Ebitda	1,061	1,257	18.5%		2,246
Net income (b)	433	627	44.8%		1,120
Physical sales (GWh)	57,458	59,859	4.2%		-

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

a) 2008 and 2009 figures under IFRS (International Financial Reporting Standards)

b) Attributable to stockholders of the parent company (Endesa Chile)

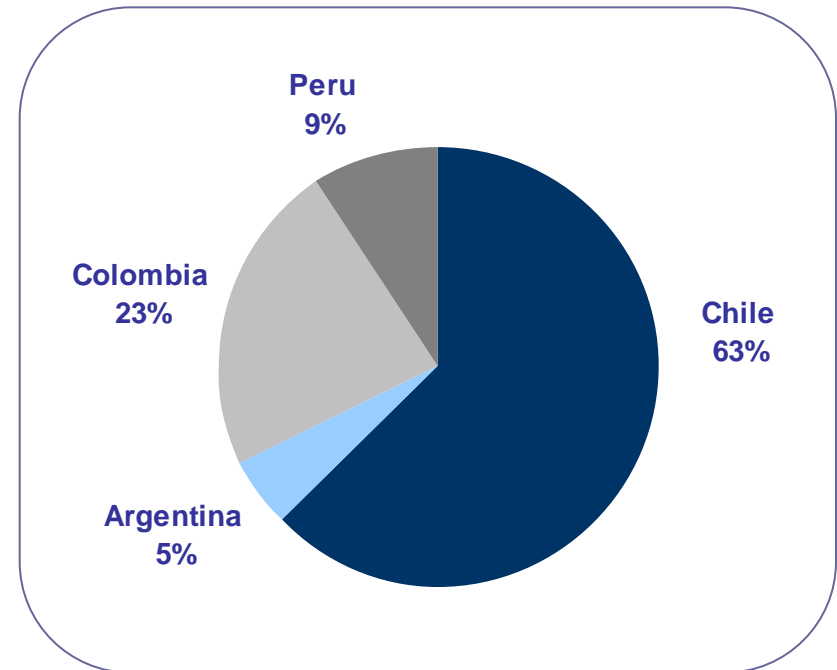


**EBITDA by Country**  
*Generation Business*




	Dec-08 Ch\$ bn	Dec-09 Ch\$ bn	Dec-09 US\$ m	Var.% YoY
Chile	664	780	1,394	18%
Argentina	58	66	117	13%
Colombia	247	287	513	16%
Peru	88	114	204	30%
<b>Total</b>	<b>1,057</b>	<b>1,247</b>	<b>2,229</b>	<b>18%</b>

This Ebitda differs from consolidated Ebitda as it only considers the generation business.

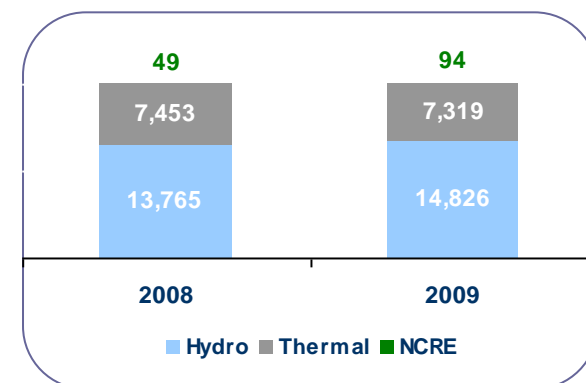
As of Dec. 2009






 **Chile**

<i>Ch\$ Million</i>	Dec. 2008	Dec. 2009	Var. %		Dec. 2009 US\$ m
Ebitda	664	780	17.6%		1,394
Ebitda margin	41%	57%	-		-
Physical sales (GWh)	21,532	22,327	3.7%		-

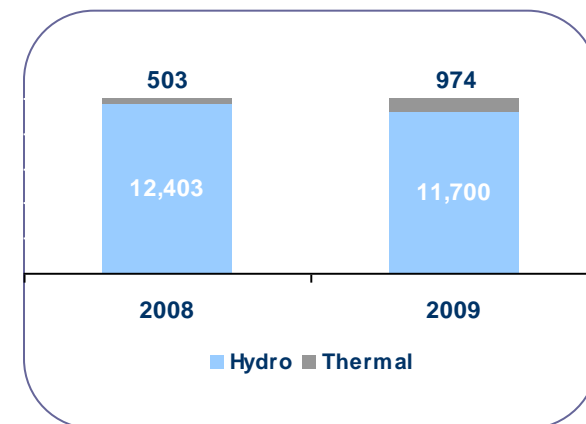
Gen. mix 2009 vs. 2008



 **Colombia**

<i>Ch\$ Million</i>	Dec. 2008	Dec. 2009	Var. %		Dec. 2009 US\$ m
Ebitda	247	287	16.1%		513
Ebitda margin	62%	57%	-		-
Physical sales (GWh)	16,368	16,806	2.7%		-

Gen. mix 2009 vs. 2008

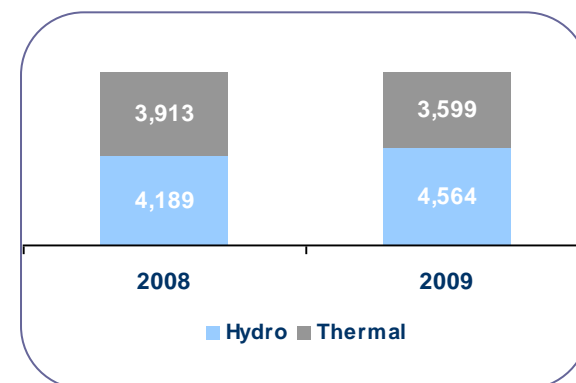




### Peru

<i>Ch\$ Million</i>	Dec. 2008	Dec. 2009	Var. %		Dec. 2009 US\$ m
Ebitda	88	114	29.8%	↗	204
Ebitda margin	42%	53%	-	↗	-
Physical sales (GWh)	8,461	8,321	-1.7%	↘	-

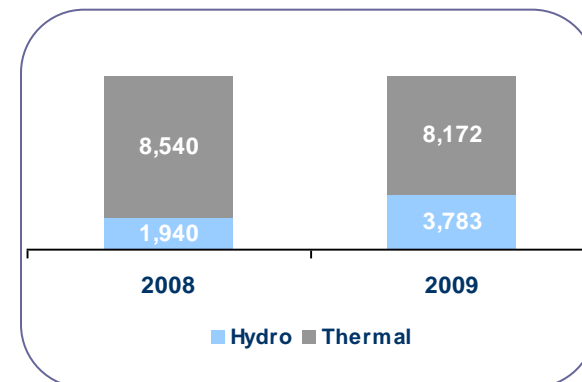
Gen. mix 2009 vs. 2008



### Argentina

<i>Ch\$ Million</i>	Dec. 2008	Dec. 2009	Var. %		Dec. 2009 US\$ m
Ebitda	58	66	13.2%	↗	117
Ebitda margin	20%	22%	-	↗	-
Physical sales (GWh)	11,098	12,405	11.8%	↗	-

Gen. mix 2009 vs. 2008



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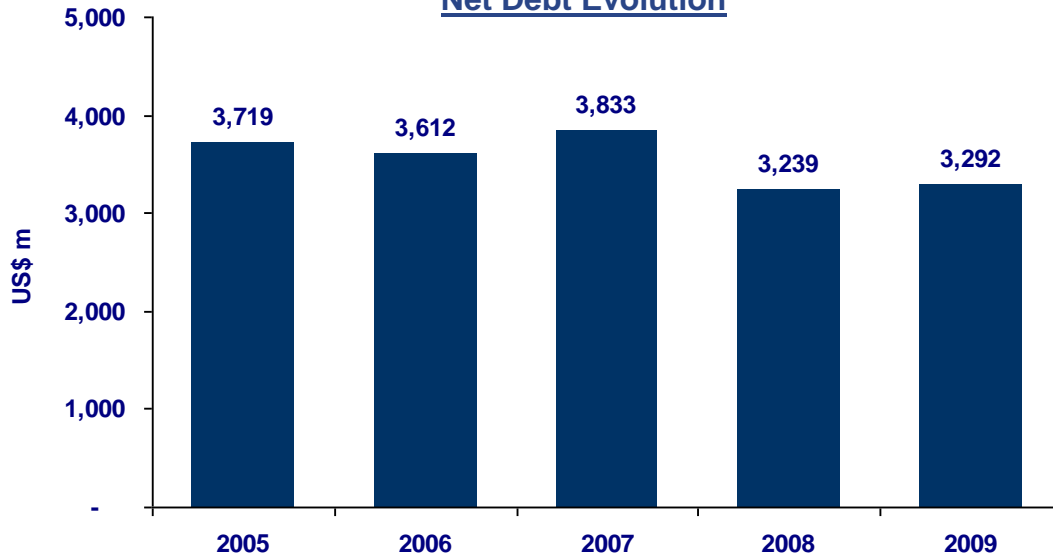
Operational aspects

Financial aspects

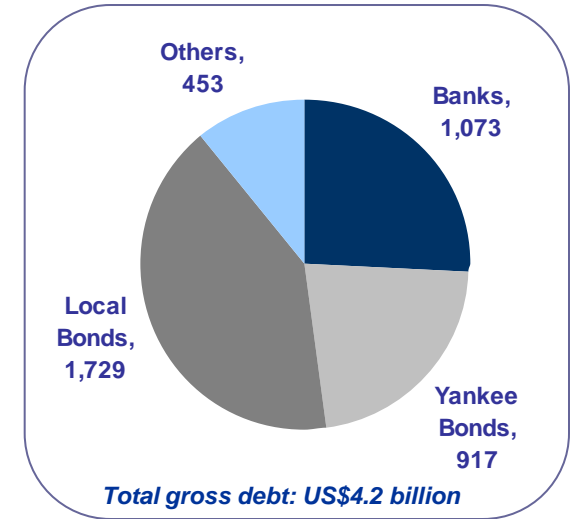
Where are we heading to?

Conclusions

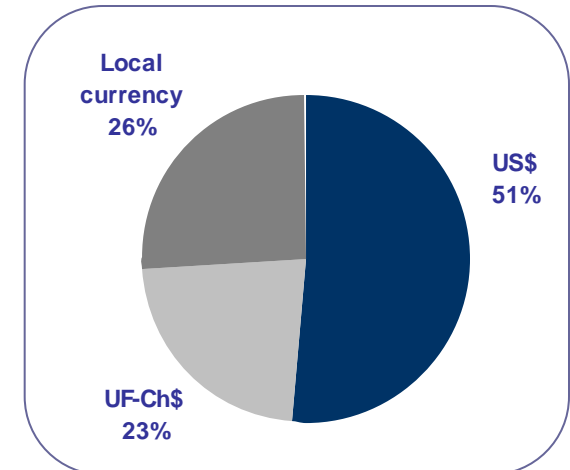
Net Debt Evolution



Debt by Type



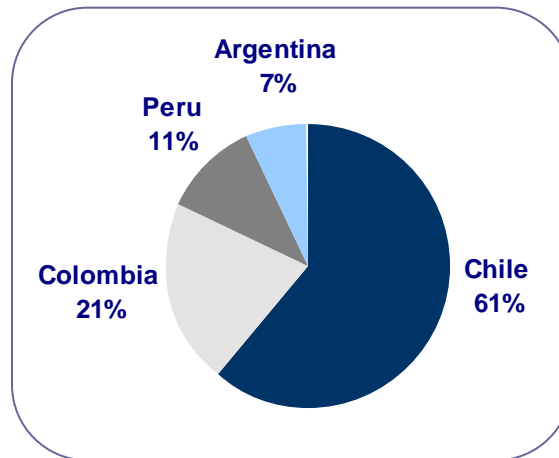
Debt by Currency



- ✓ As of Dec. 2009, total liquidity position in Chile reached nearly US\$ 700 million, 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 and the subscription of a US\$ 100 million local revolving facility in Dec-09.
- ✓ Endesa Chile has ring-fenced its Yankee Bonds' and Local Bonds'; cross default clauses only referenced to Endesa Chile and its Chilean subsidiaries.

(US\$ million)	2010	2011	2012	2013	2014	Balance	TOTAL
Chile	351	216	38	416	216	1,303	2,539
Argentina	102	102	39	25	28		295
Perú	72	58	130	48	45	109	462
Colombia	78	117	149		69	461	876
<b>TOTAL</b>	<b>603</b>	<b>493</b>	<b>355</b>	<b>488</b>	<b>358</b>	<b>1,874</b>	<b>4,172</b>

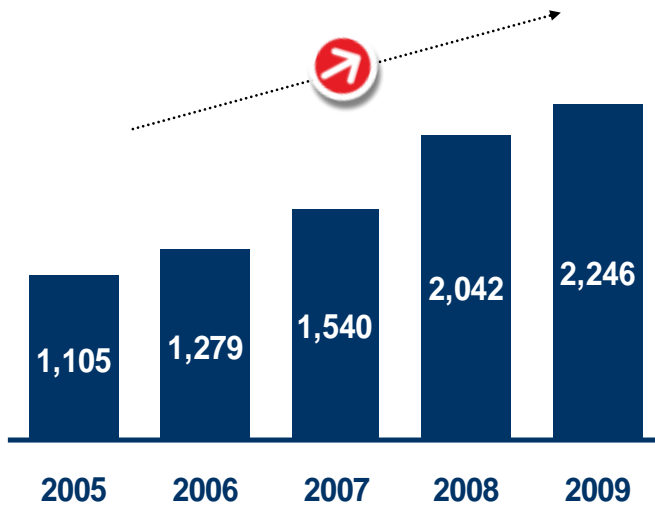
Financial Debt by Country



Figures as of Dec. 2009.

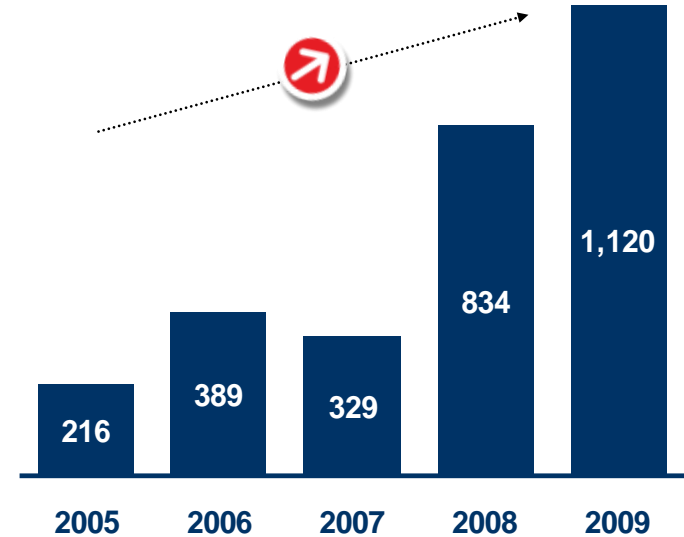
EBITDA (US\$ m)

CAGR 05'-09': + 19%

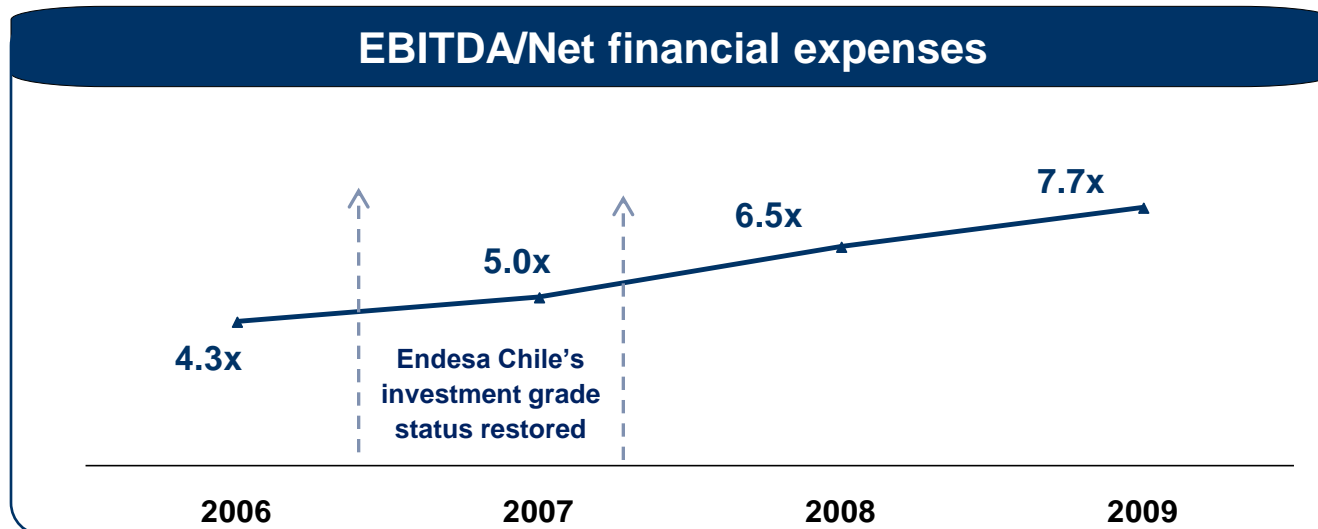
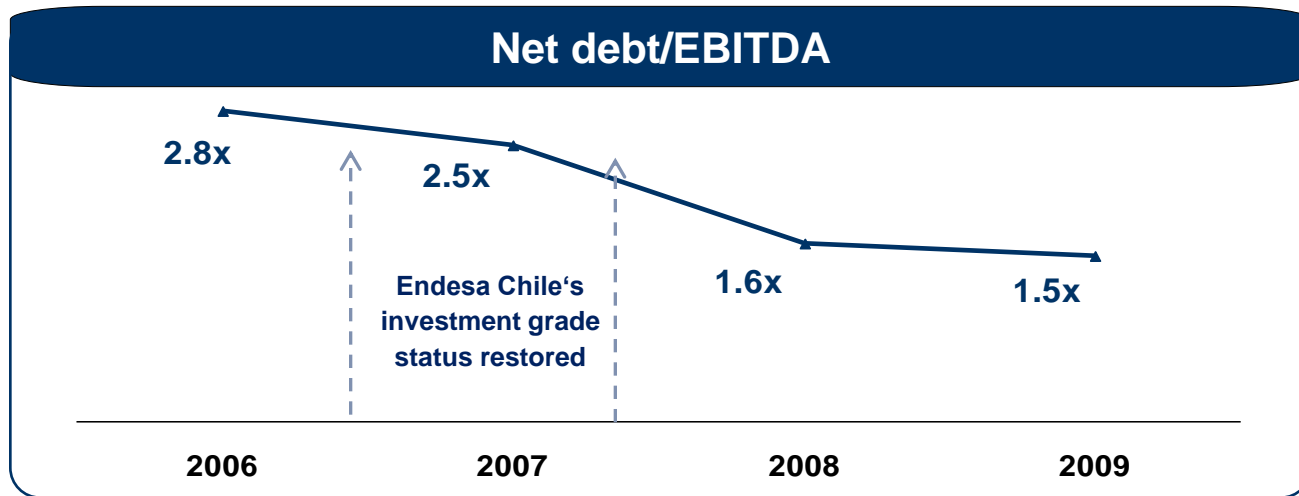


Net income (US\$ m)

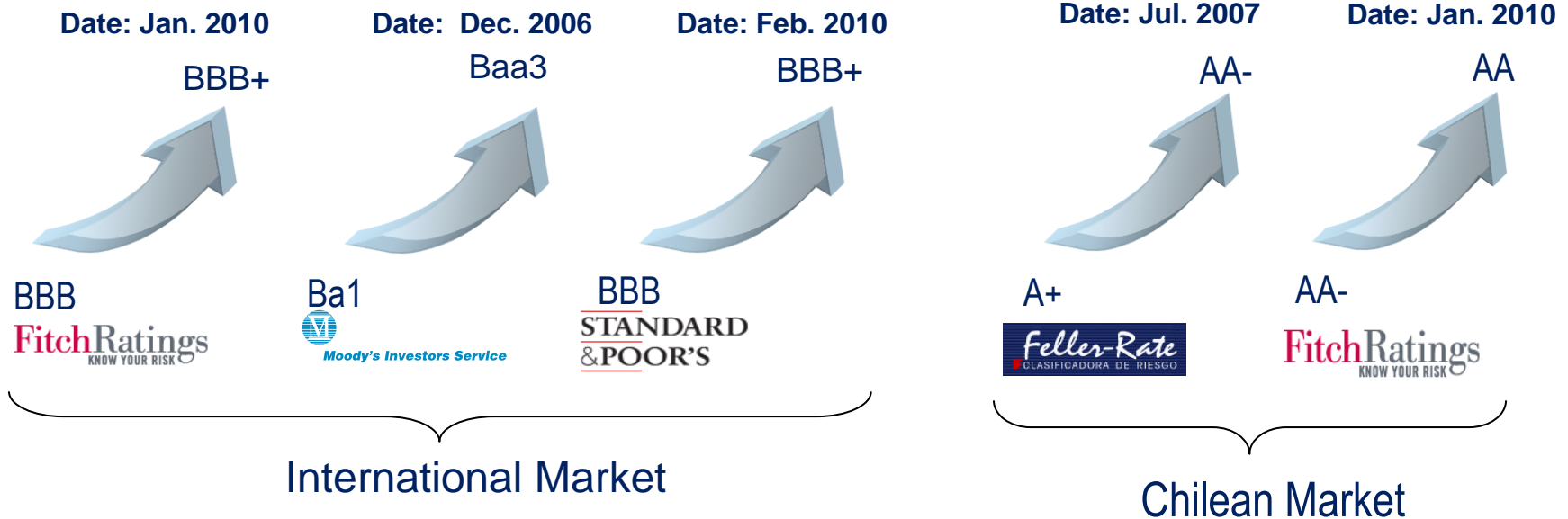
CAGR 05'-09': + 51%



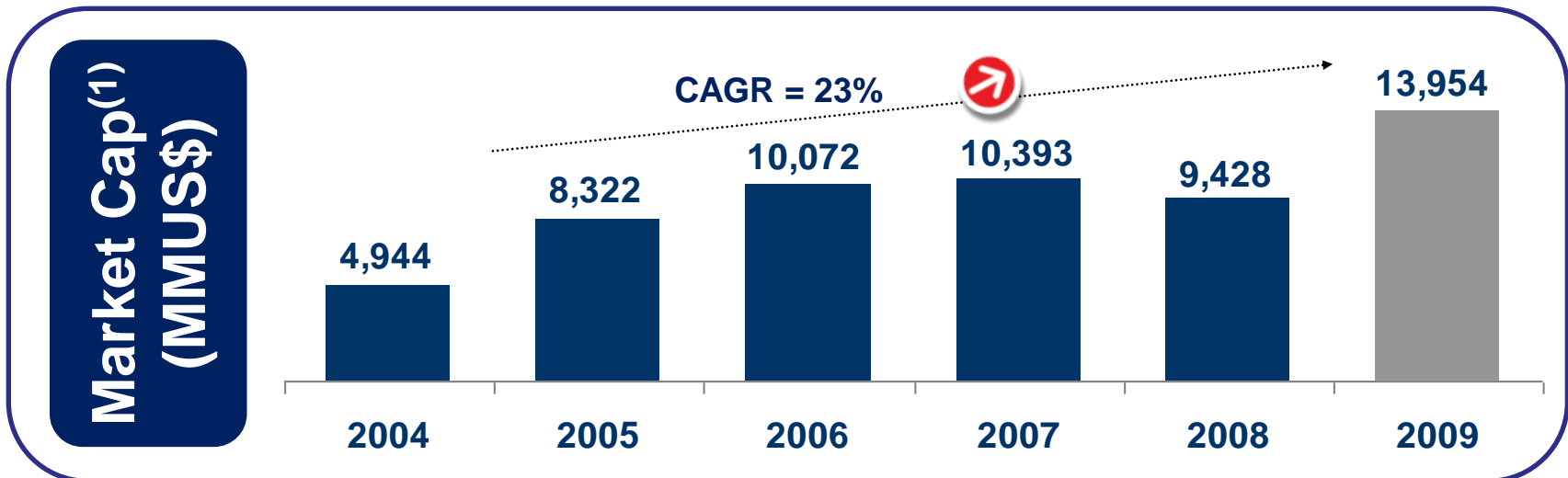
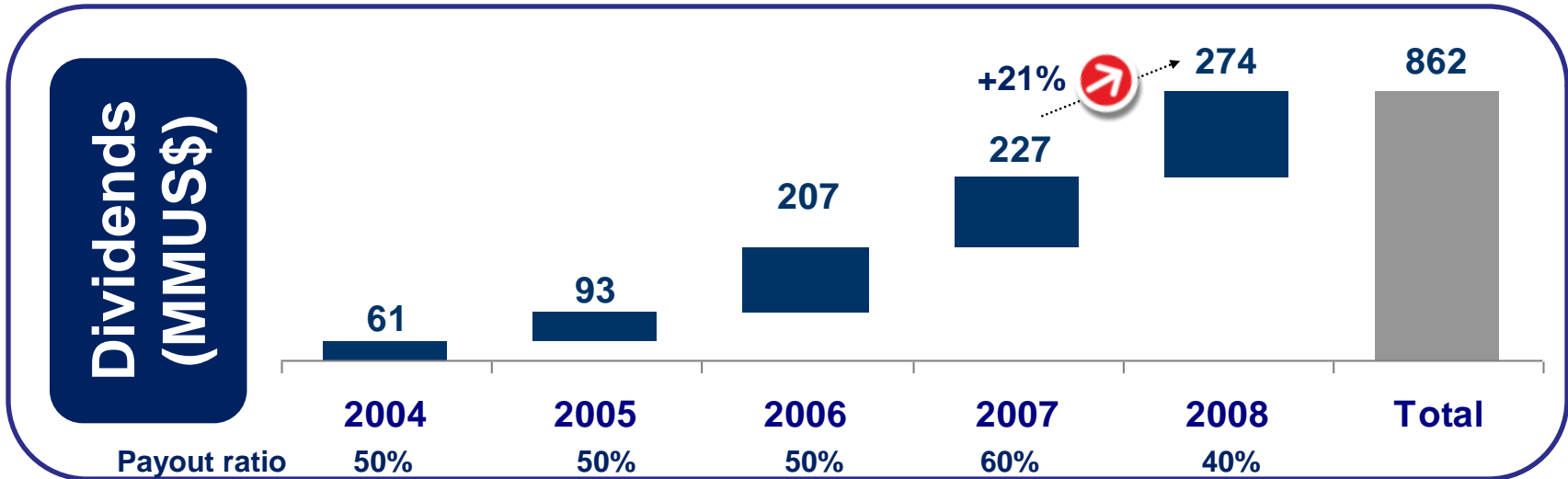
(\*) Data as of December 2009







- Ratings based upon:**
- Well diversified and efficient assets and leadership in the four countries where the company operates
  - Transparent and favorable regulatory framework in Chile
  - Solid financials, good cash flow generation and prudent financial management
  - Conservative commercial policy



Values calculated in dollars at the end of each period. <sup>(1)</sup>Source: Bloomberg

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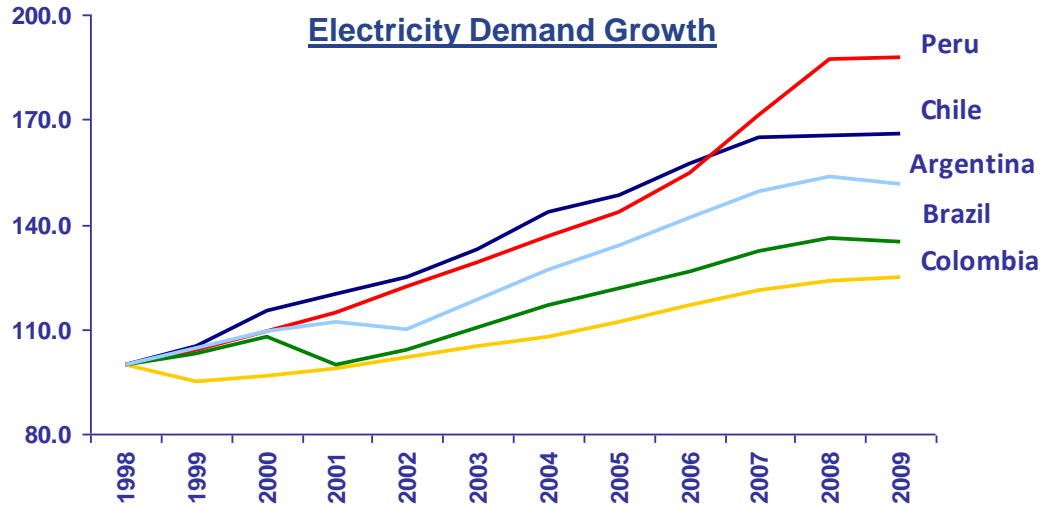
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Percentage (%)



1998: base 100%

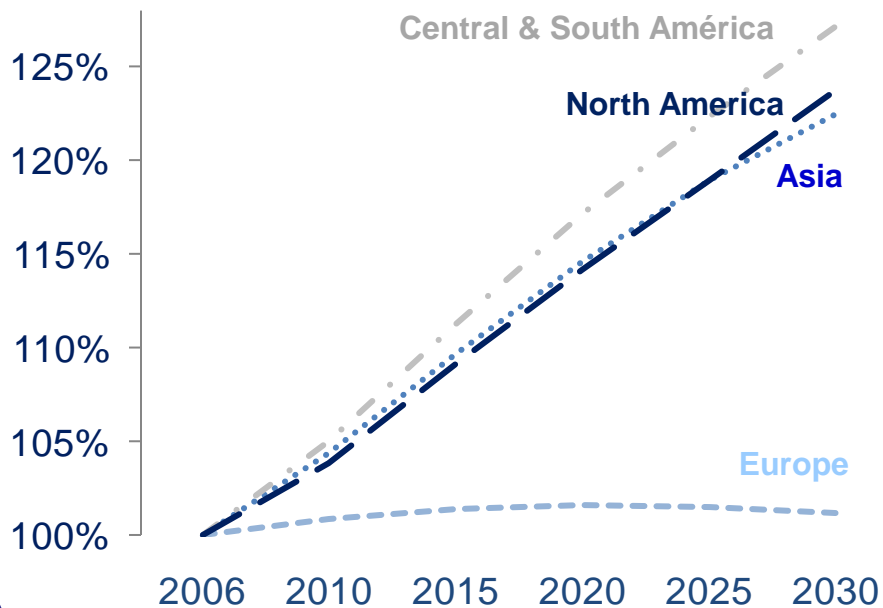
### Electricity Demand (CAGR past 10 years)

- » **Peru:** 6.8%
- » **Chile:** 5.2%
- » **Argentina:** 4.2%
- » **Brazil:** 3.1%
- » **Colombia:** 3.1%

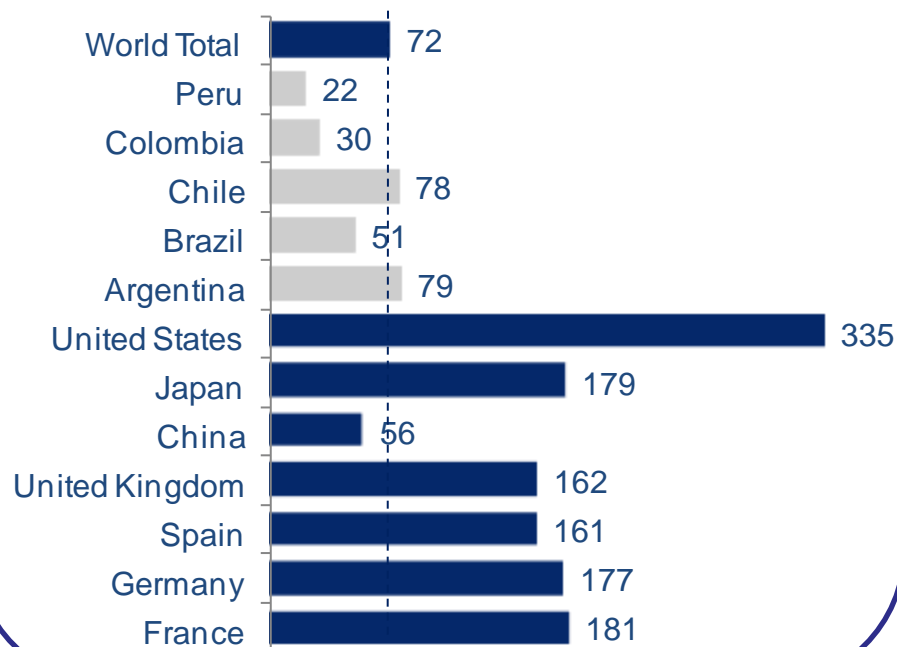
### Considerations

- ✓ **Endesa Chile is a long-term player in every market where it participates.**
- ✓ **There is still room for growth in the region.**
- ✓ **The electricity industry has to be ready to face the recovery of electricity demand.**
- ✓ **Regulations incentive investments to meet long-term electricity demand.**

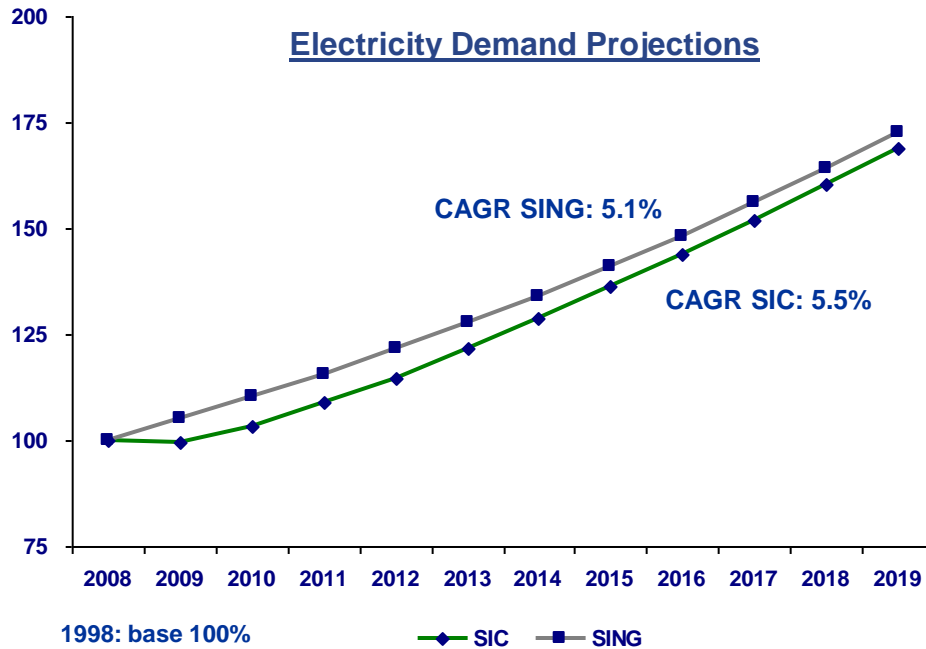
In terms of population<sup>(1)</sup>



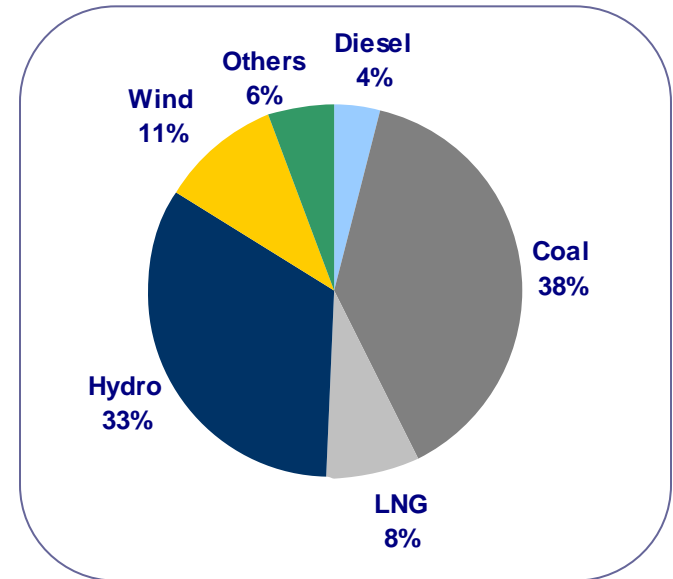
In terms of consumption<sup>(2)</sup>



<sup>(1)</sup>Source: Energy Information Administration 2009; <sup>(2)</sup>Energy Information Administration, MM BTU p/p



\* Source: Oct09 Node Price Report of Chilean National Energy Commission (CNE)  
 SIC: Central Interconnected System; SING: Northern Interconnected System

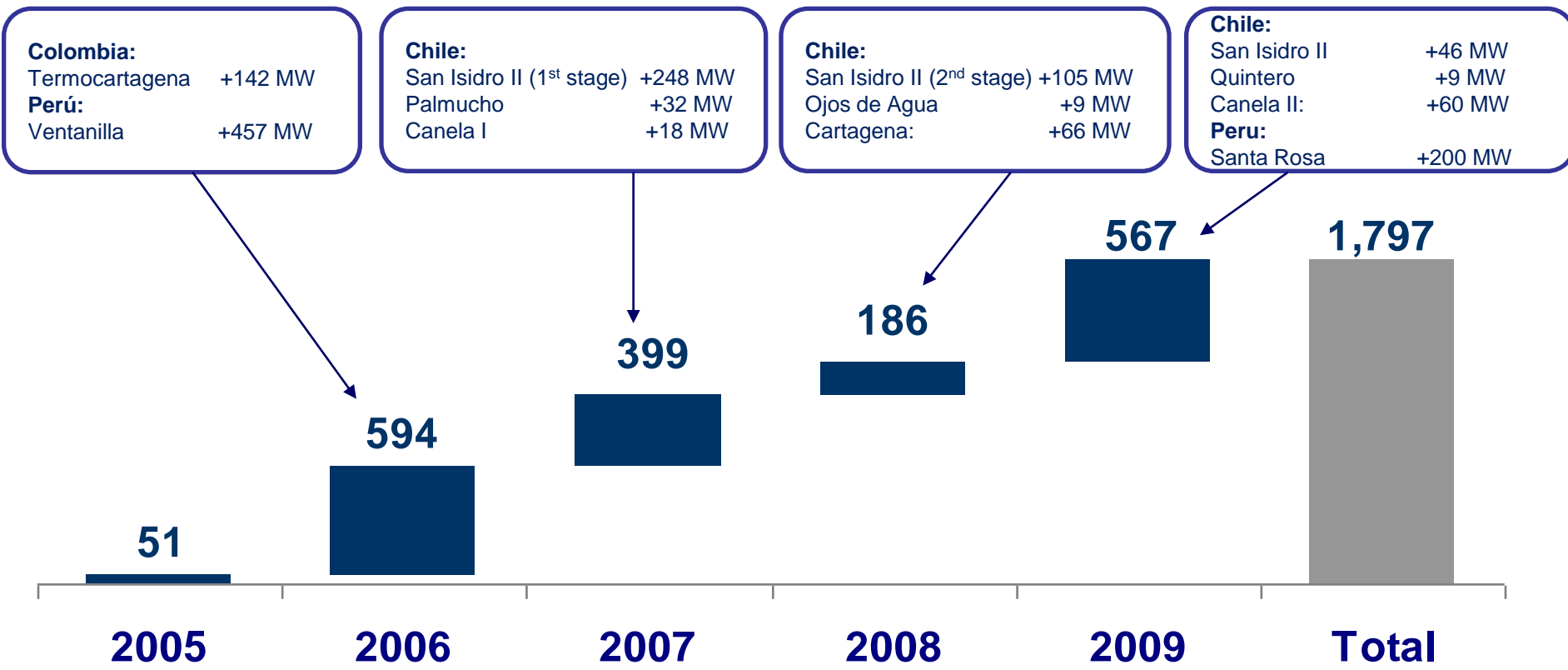


- ✓ 9,400 MW of new capacity during next 10 years.
- ✓ 3,300 MW are already under construction.

### Starting in 2010 ...

- ✓ Prices awarded from previous bidding processes will apply for distribution companies.
- ✓ New prices are indexed to inflation and fuel prices. They will mark long-term energy prices.
- ✓ Locking a price for blocks of energy through long-term contracts, between 10-15 years.

Important contribution to growing demand



Amounts are in MW.

1.8 GW of new installed capacity added in the last 5 years



### Wind Farm Canela II, Chile

- » Installed capacity: 60 MW
- » Estimated investment: US\$ 150 million
- » Start-up was in Dec. 2009



### Bocamina II, Coal-steam power plant, Chile

- » Installed capacity: 370 MW
- » Estimated investment: US\$ 750 million
- » Estimated start-up date: 2nd half of 2010



### Quintero Thermal power plant, Chile

- » 257 MW on open cycle with diesel (dual)
- » Estimated investment: US\$ 140 million
- » Start-up completed in Sep. 2009



### Liquefied Natural Gas Project, Chile

- » British Gas supplies the LNG
- » Endesa Chile has 20% interest
- » Start-up was in Sep. 2009 (Fast Track)



### Santa Rosa, NG Combined Cycle, Peru

- » Installed capacity: 193 MW
- » Estimated investment: US\$ 90 million
- » Start-up was in Sep. 2009



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**Asset Base**

- » Large and Efficient portfolio of assets
- » Excellence in operations
- » Strongly committed to sustainability



**Conservative Policies**

- » Commercial policy
- » Solid financial position and healthy balance sheet
- » Liquidity



**Know-how**

- » Ability to develop our own projects
- » Know-how and vast experience
- » Demand and regulation



**Prepared to face upcoming challenges with efficient assets**

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