Endesa Chile 9M2011 Results

endesa chile

Una empresa del Grupo Enersis

Highlights in 9M2011

- **Growth in electricity demand (+3,7%) in the region**
- **Growth in sales volumes (+2.0%) primarily in Peru and Argentina**
- **Growth in energy purchases (+13.6%) primarily in Chile**
- **Growth in fuel costs (+4.7%) primarily in Argentina**
- **One-off net worth tax in Colombia (MMUS$84)**
- **Better margins in generation in Peru and Colombia**
- **Growth in related companies result (+33.5%) Endesa Brasil and LNG**

Results affected by the drought in Chile and taxes in Colombia

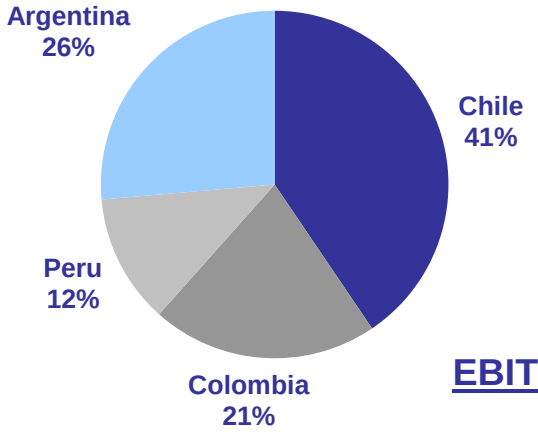
Million US$	9M 2010	9M 2011	Change	Th US$* 9M2011
Revenues	3,899	3,803	-2.4%	3,803,056
Gross margin	1,925	1,742	-9.5%	1,741,759
EBITDA	1,660	1,401	-15.6%	1,400,686
EBIT	1,341	1,119	-16.6%	1,118,713
Net financial expenses	(195)	(213)	9.5%	(213,188)
Net income	977	782	-19.9%	782,262
Net attributable to shareholders	741	586	-20.9%	586,078

*US$ 1 equals Ch$ 474.35 corresponding to the average exchange rate for the period.

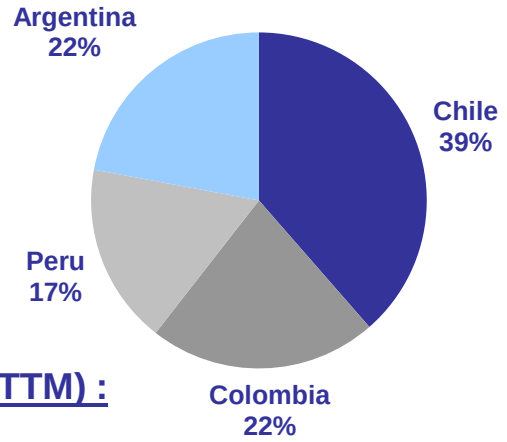
- **Higher physical sales in Argentina and Peru**
- **Higher costs primarily as a consequence of the drought in Chile and higher fuel cost in Argentina**
- **One time effect of Colombian equity tax (US$ 84 million)**
- **Negative exchange effect during the period**

EBITDA Generation

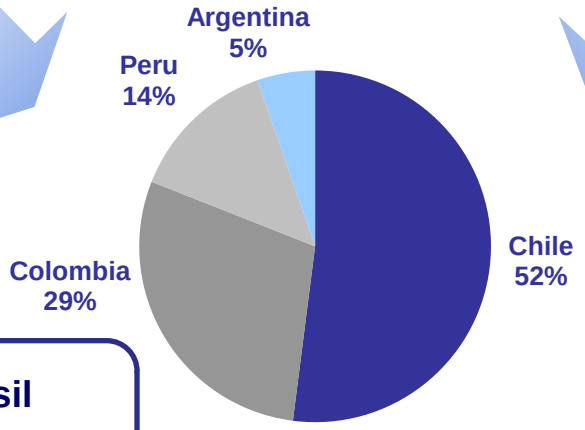
Total Installed Capacity: 13,845 MW



Total Generation (TTM) : 52,163 GWh



EBITDA September 2011 (TTM) : US$ 1,997 million



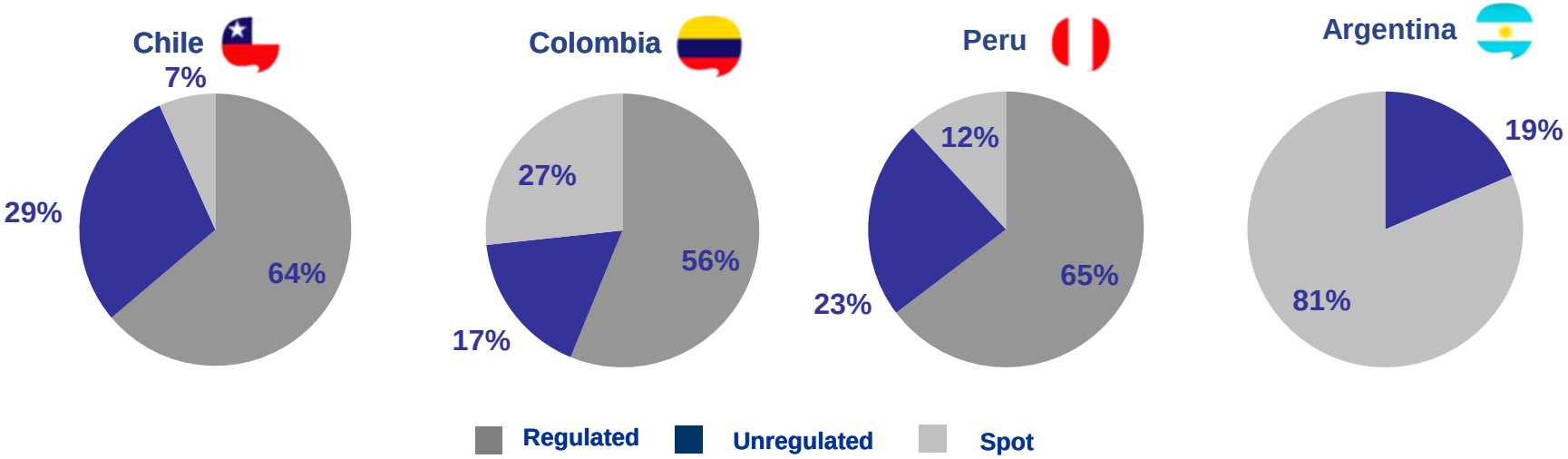
Affiliate Company: Endesa Brasil

Endesa Chile ownership: 38.9%

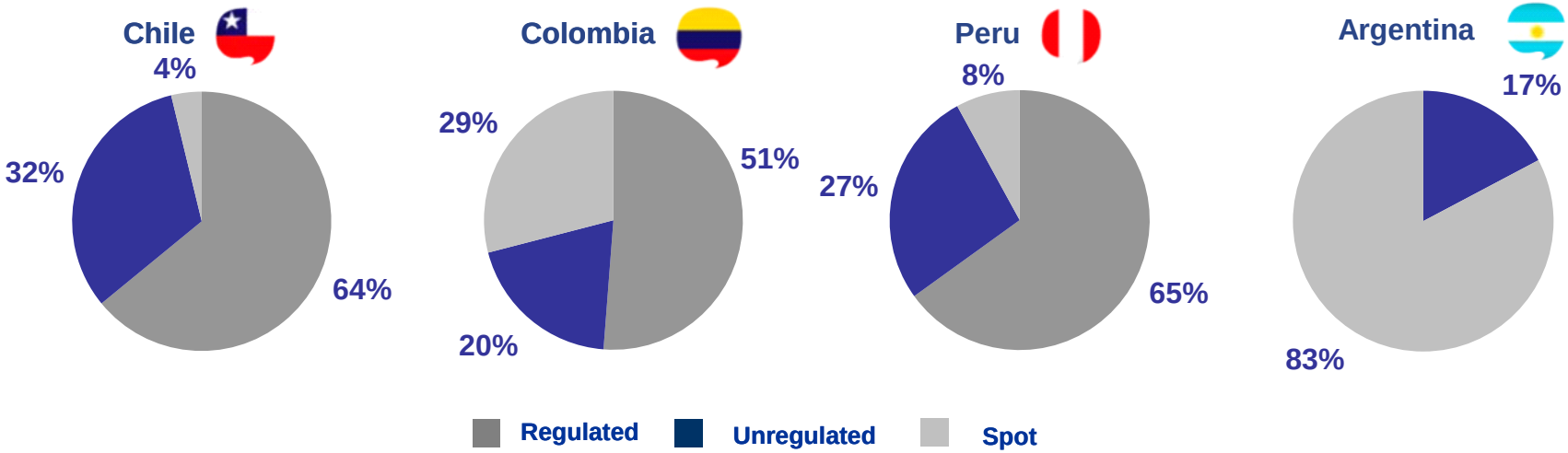
Net Attributable Income (TTM): US$ 229 million

Conservative Commercial Policy

Physical Sales as of September 2010



Physical Sales as of September 2011

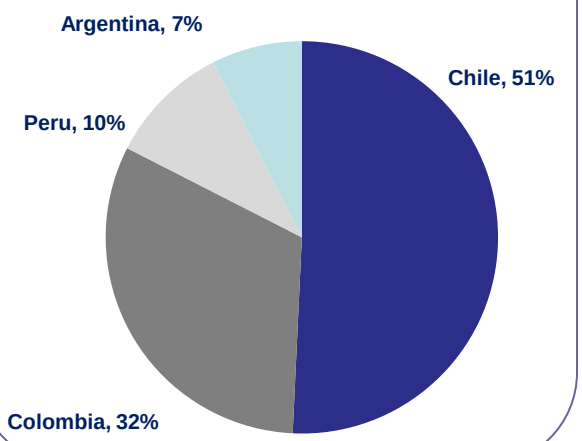


Strong Financial Position

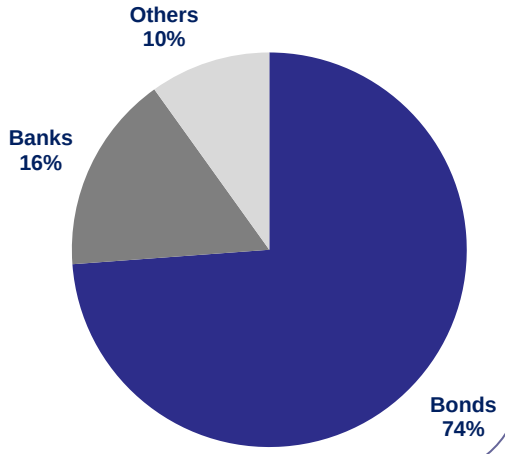
(Million US$)	9M10	9M11	Change	Change %
Gross Debt	3,917	4,005	88	2.2%
Cash	702	540.0	(116)	-43.6%
Net Debt	3,214	3,465	277	10.4%
Leverage (x)	0.94	0.93	(0.01)	-1.1%
Financial Expenses Coverage (x)	7.9	6.0	(1.90)	-24.1%

* EBITDA / (Financial expenses + Income (Loss) for indexed assets and liabilities + Foreign currency exchange differences, net)

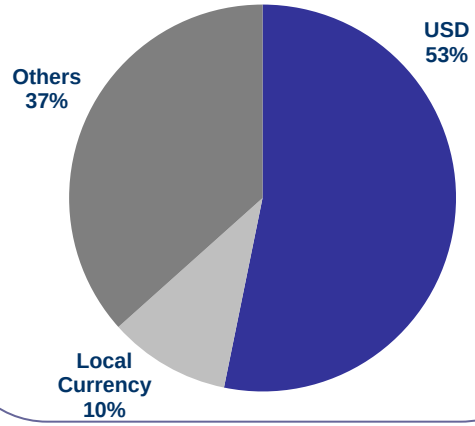
Debt by Country



Debt by Type



Debt by Currency



Analysis by country – Argentina

Installed Capacity: 3,652 MW
Market Share: 13%

EL CHOCON

El Chocón: 1,328 MW

Hydro 1,328 MW

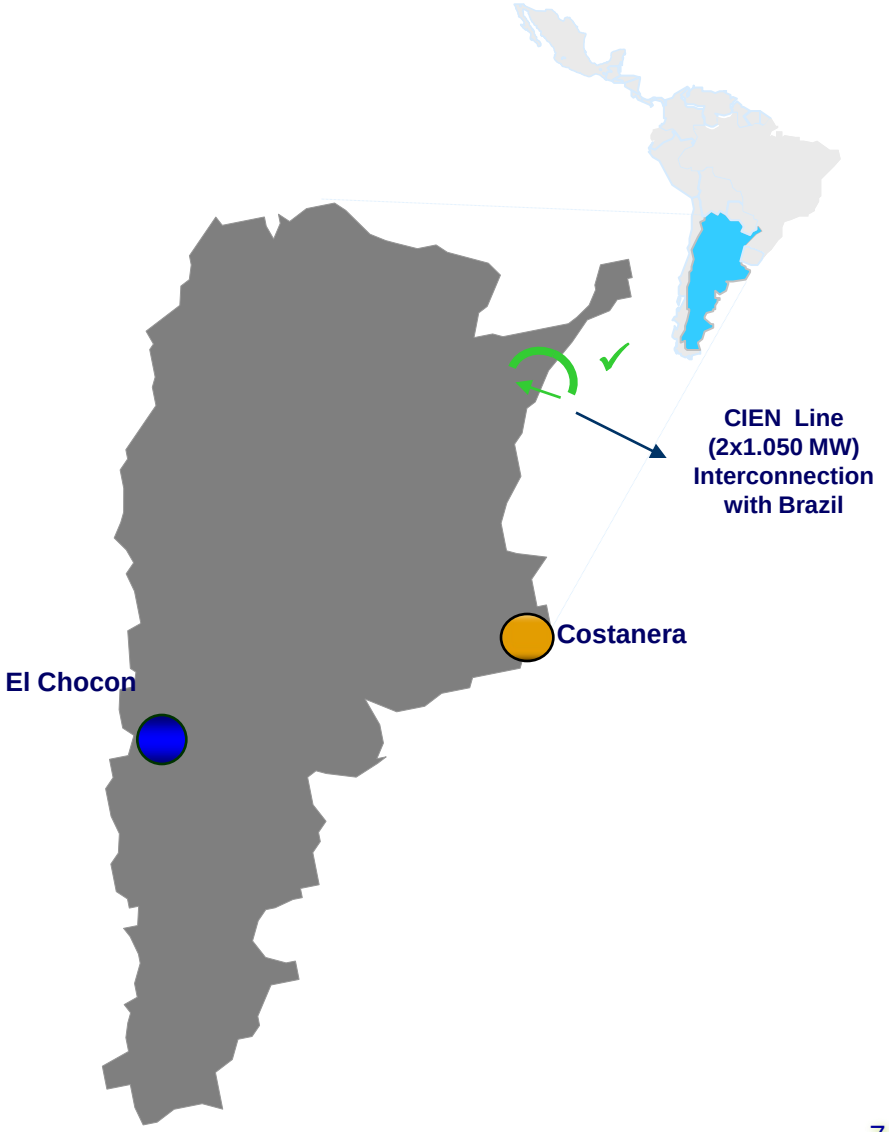
Million US$	9M 2010	9M 2011	Change
Revenues	96	73	**-23.5%**
EBITDA	61	39	**-35.5%**
EBITDA Margin	63.7%	53.7%	**-15.7%**
Physical Sales	2,646	2,079	**-21.4%**

COSTANERA

Costanera: 2,324 MW

Thermal 2,324 MW

Million US$	9M 2010	9M 2011	Change
Revenues	533	647	**21.4%**
EBITDA	40	42	**3.7%**
EBITDA Margin	7.6%	6.5%	**-14.6%**
Physical Sales	5,957	7,158	**20.2%**



Analysis by country – Colombia

Installed Capacity: 2,914 MW
Market Share: 20%

EMGESA

Guavio: 1.213 MW

Betania: 541 MW

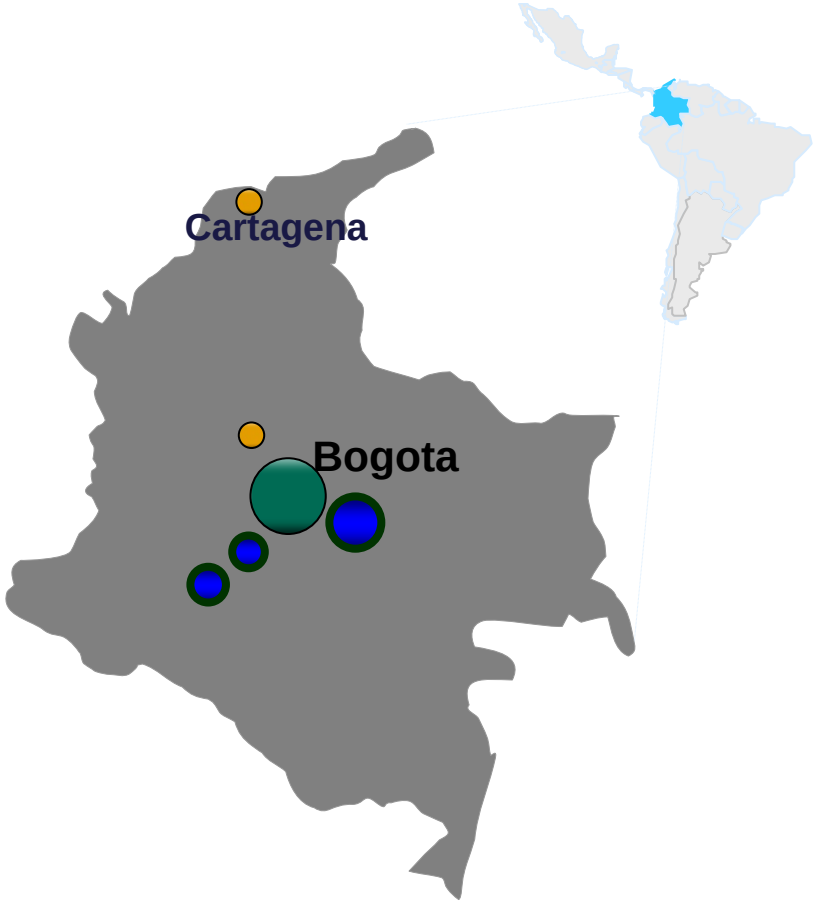
Río Bogotá: 717 MW

85% Hydro
2,471 MW

Cartagena: 208 MW

Termozipa: 236 MW

15% Thermal
444 MW



Million US$	9M 2010	9M 2011	Change
Revenues	823	771	**-6.2%**
EBITDA	473	423	**-10.6%**
EBITDA Margin	57.5%	54.8%	**-4.7%**
Physical Sales	11,200	11,041	**-1.4%**

Analysis by country – Peru

Installed Capacity: 1,668 MW
Market Share: 26%

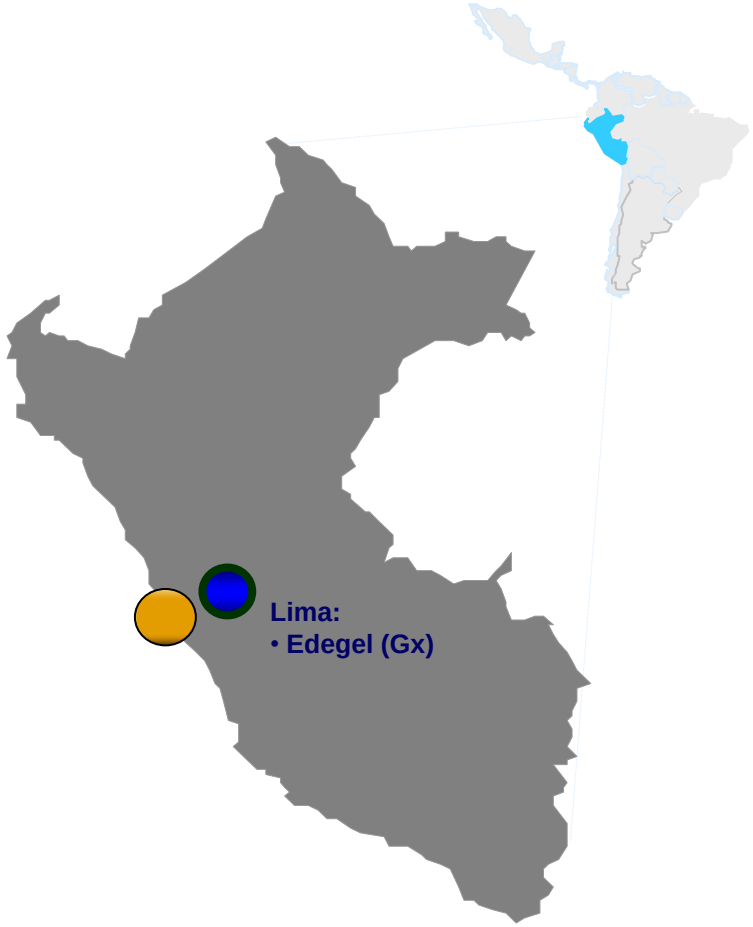
EDEGEL

Cuenca Río Rímac: 553 MW
Yanango: 43 MW
Chimay: 151 MW

Hydro 747 MW

Ventanilla: 492 MW
Santa Rosa: 429 MW

Thermal 921 MW



Million US$	9M 2010	9M 2011	Change
Revenues	340	368	**8.2%**
EBITDA	178	223	**25.4%**
EBITDA Margin	52.3%	60.7%	**16.0%**
Physical Sales	6,349	7,021	**10.6%**

Analysis by country – Chile

Installed Capacity: 5,611 MW
Market Share: 34%

ENDESA CHILE

Los Molles:	18 MW
Rapel-Sauzal:	466 MW
Maule:	884 MW
Laja:	940 MW
Ralco-Pangue:	1,157 MW

Hydro 3,465 MW

Tarapacá-G.Atacama:	572 MW
D. Almagro–Taltal:	269 MW
Huasco:	64 MW
San Isidro 1 y 2:	778 MW
Bocamina:	128 MW
TG Quintero:	257 MW

Thermal 2,068 MW

Canela:	18 MW
Canela II:	60 MW

Wind 78 MW

Million US$	9M 2010	9M 2011	Change
Revenues	2,076	1,915	**-7.8%**
EBITDA	895	660	**-25.8%**
EBITDA Margin	43.1%	34.5%	**-19.6%**
Physical Sales	16,005	15,697	**-1.9%**

Analysis by country - Brazil

Installed Capacity: 987 MW
Market Share: 1%

CACHOEIRA

Cachoeira: 665 MW

Hydro 665 MW

Million US$	9M 2010	9M 2011	Change
Revenues	183	191	**4.4%**
EBITDA	131	141	**7.2%**
EBITDA Margin	71.8%	73.8%	**2.7%**
Physical Sales	2,947	2,849	**-3.3%**

FORTALEZA

Fortaleza: 322 MW

Thermal 322 MW

Million US$	9M 2010	9M 2011	Change
Revenues	232	209	**-9.9%**
EBITDA	108	97	**-10.2%**
EBITDA Margin	46.5%	46.3%	**-0.4%**
Physical Sales	2,210	2,012	**-8.9%**

CIEN: Transmission Brazil-Argentina Interconnection

Two 500 Km lines
Total interconnection capacity: 2,100 MW

Million $	9M 2010	9M 2011	Change
Revenues	97.9	81.9	**-16.4%**
EBITDA	78.5	117.2	**49.4%**
EBITDA Margin	80.1%	143.1%	**78.6%**

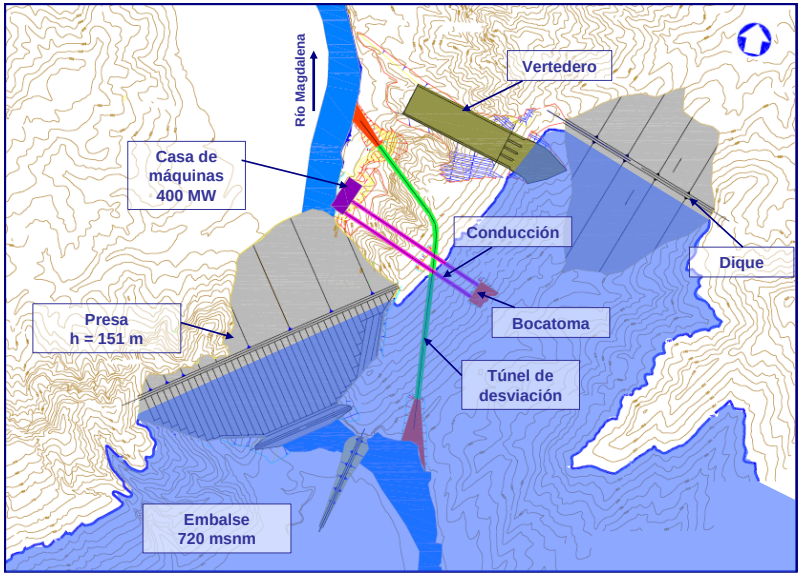
Projects Under Construction

BOCAMINA II

- ✓ Location: Next to the existing coal-fired plant Bocamina I in Bío-Bío Region
- ✓ Installed capacity: 370 MW
- ✓ Estimated Investment: US$ 841 Million*.
- ✓ Fuel type: Imported coal
- ✓ February 2010 earthquake damaged some parts of the construction
- ✓ Estimated start-up: March 30, 2012

EL QUIMBO

- ✓ Location: Huila Department, upstream of Emgesa's Betania plant
- ✓ Installed capacity: 400 MW
- ✓ Estimated investment: US$ 837 Million.
- ✓ In 2009 the environmental license and building permissions were granted
- ✓ Estimated start-up: December 2014



* US$ 1 equals Ch$ 474.35 corresponding to the average exchange rate for the period

Projects Under Study

Los Condores, hydro power plant
✓ Installed capacity:
150 MW

Neltume, hydro run-of-the-river plant
✓ Installed capacity:
490 MW

Piruquina, mini-hydro run-of-the-river plant
✓ Installed capacity:
7.6 MW

Choshuenco, hydro power plant
✓ Installed capacity:
128 MW

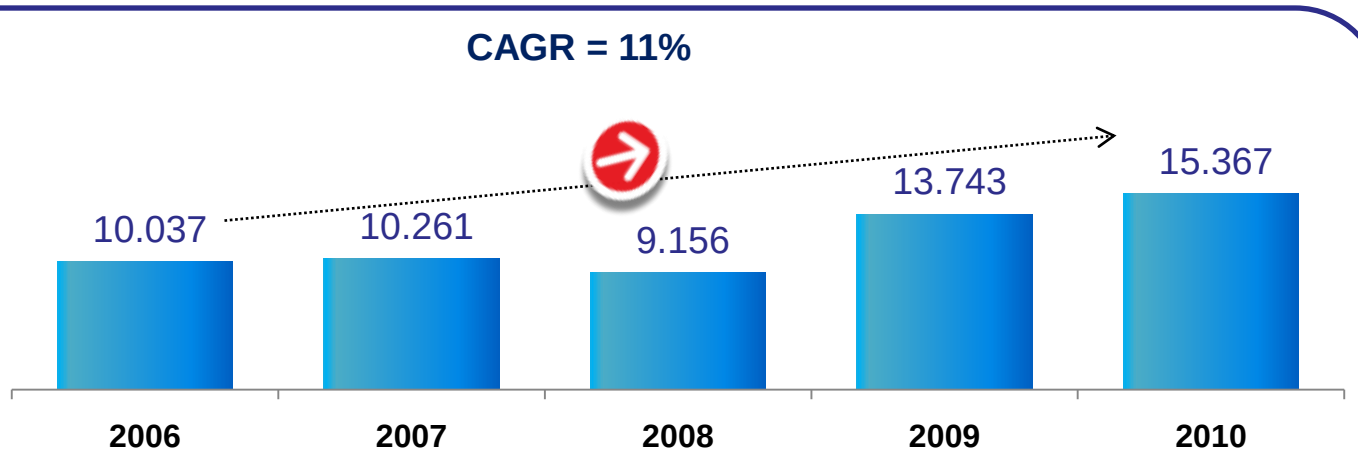
Punta Alcalde, coal-steam power plant
✓ Installed capacity:
740 MW

Curibamba, hydro power plant
✓ Installed capacity:
188 MW

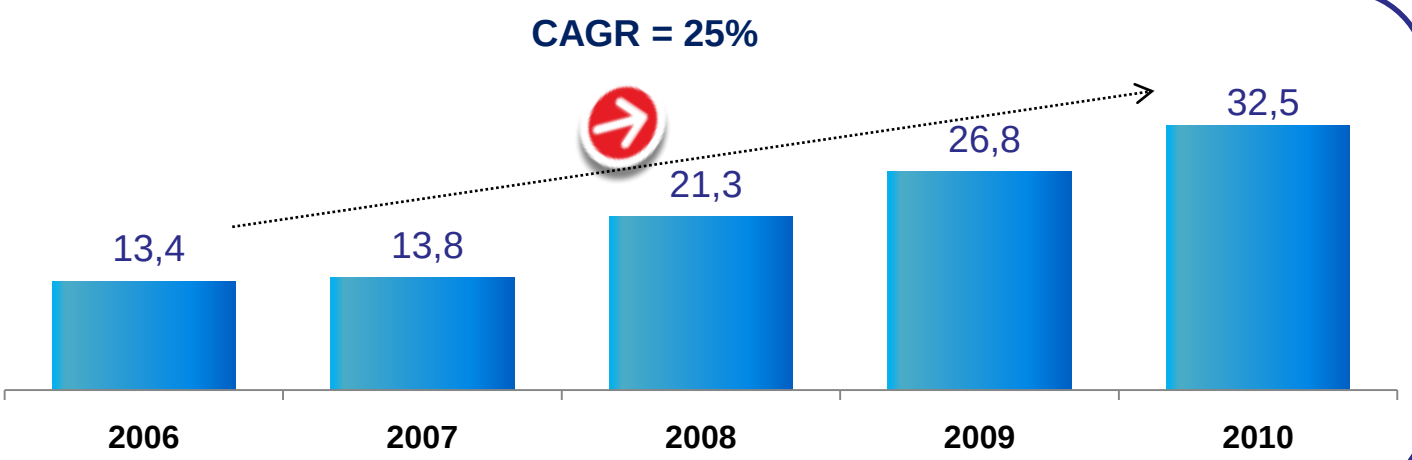
Hydroaysen, hydro power plant
✓ Installed capacity:
✓ 2,750 MW

Market Value and Dividends

Market Value (US$ m)



Dividends (Ch$ x share)



Conclusions 9M2011

1. Diversified portfolio
2. Difficult electric situation in Chile
3. Revenues and Margin stability
4. Non-recurrent accounting effect

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EXHIBITS

Ownership Structure

Enel
LA ENERGÍA QUE TE ESCUCHA.

92%

endesa

61%

enersis	Chilean Pension Funds	ADR Holders	Other Inst. Shareholders	Minority Shareholders
60%	15%	4%	17%	4%

endesa chile
Una empresa del Grupo Enersis

Pehuenche 92%	San Isidro 100%	Emgesa 27%	Edegel 62%	Costanera 70%	Endesa Brasil 39%
Pangue 95%	Endesa Eco 100%			El Chocón 65%	Ampla Coelce Fortaleza CDSA CIEN
Celta 100%	Canela 75%				
GasAtacama 50%					

A unique portfolio in LATAM's Generation business

Colombia

No. 2

2,914 MW inst. capacity

20% market share

Brazil

987 MW inst. capacity

1% market share in generation

Peru

No. 1

1,668 MW inst. capacity

26% market share

Argentina

No. 1

3,652 MW inst. capacity

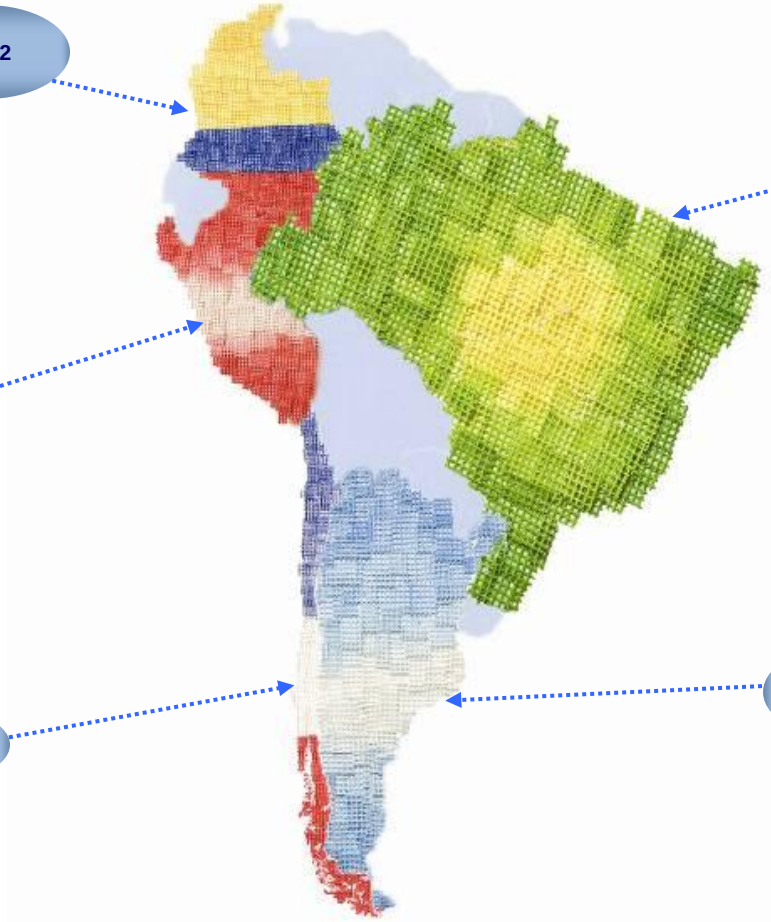
13% market share

Chile

No. 1

5,611 MW inst. capacity

34% market share



Consolidated installed capacity:	13,846 MW
Capacity including Brazil:	14,832 MW
Consolidated energy sales 2010:	56,641 GWh
Cons. energy sales September 2011:	42,995 GWh

Market shares based on installed capacity
Figures as of September 2011

Customers Installed Capacity, Output

MW as of 9M 2011

Installed Capacity

	Chile	Brazil	Peru	Colombia	Argentina	Total
Total	**5,611**	**987**	**1,668**	**2,914**	**3,652**	**14,832**
Hydro	3,456	665	746	2,471	1,328	8,666
Nuclear	0	0	0	0	0	0
Coal	286	0	0	236	0	522
Oil-Gas	1,782	322	922	208	2,324	5,557
CHP / Renewables	87	0	0	0	0	87

GWh as of 9M 2011

Chg. Vs. 9M 2010

Output

	Chile		Brazil		Peru		Colombia		Argentina		Total	
Total	**14,497**	**-6.0%**	**2,386**	**-33.9%**	**7,306**	**9.0%**	**8,566**	**0.5%**	**12,555**	**5.0%**	**45,310**	**-2.0%**
Hydro	7,692	-13.8%	2,019	-18.9%	3,476	3.0%	8,196	6.4%	1,703	-28.9%	23,086	-7.2%
Nuclear	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Coal	1,322	39.6%	0	0.0%	0	0.0%	205	-67.8%	0	0.0%	1,527	-3.5%
Oil-Gas	5,360	-1.3%	367	-67.3%	3,830	15.1%	165	-10.3%	10,852	13.5%	20,574	4.8%
CHP / Renewables	124	-6.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	124	-6.1%

Comfortable Debt Profile

Financial Debt

Million US$	2011	2012	2013	2014	2015	2016	Balance	TOTAL
Chile	9.9	80.6	420.4	194.6	220.6	16.7	1,089.7	2,032.5
Argentina	53.7	86.9	53.8	53.3	35.2	-	17.1	300.1
Perú	20.4	59.9	50.7	49.8	33.7	57.4	128.5	400.4
Colombia	161.9	159.3	-	74.0	130.5	-	746.7	1,272.4
TOTAL	246.0	386.6	524.9	371.7	420.1	74.1	1,982.0	4,005.4

Credit Risk Ratings Recognition

Date: Jan. 2010

BBB+

BBB

FitchRatings
KNOW YOUR RISK

Date: Apr. 2011

Baa2

Baa3

Moody's
INVESTORS SERVICE

Date: Feb. 2010

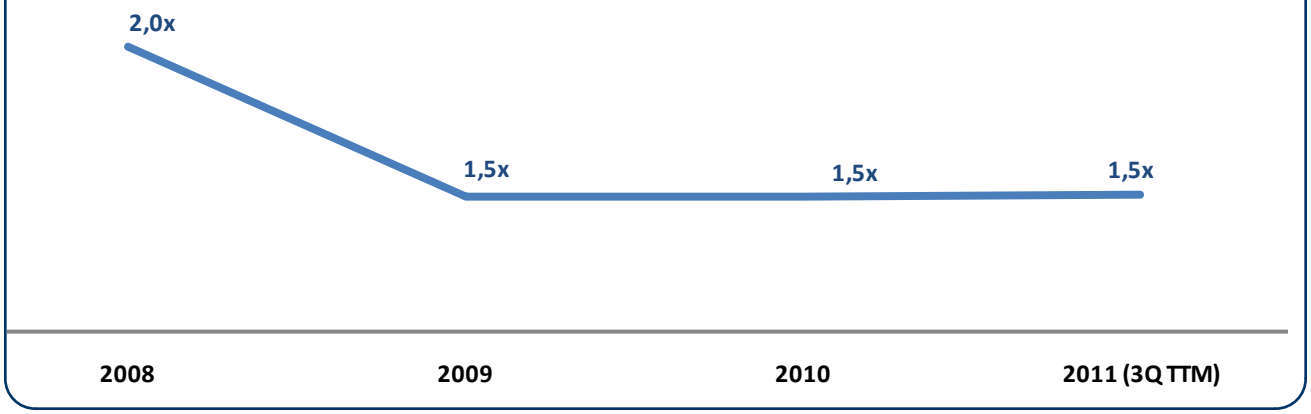
BBB+

BBB

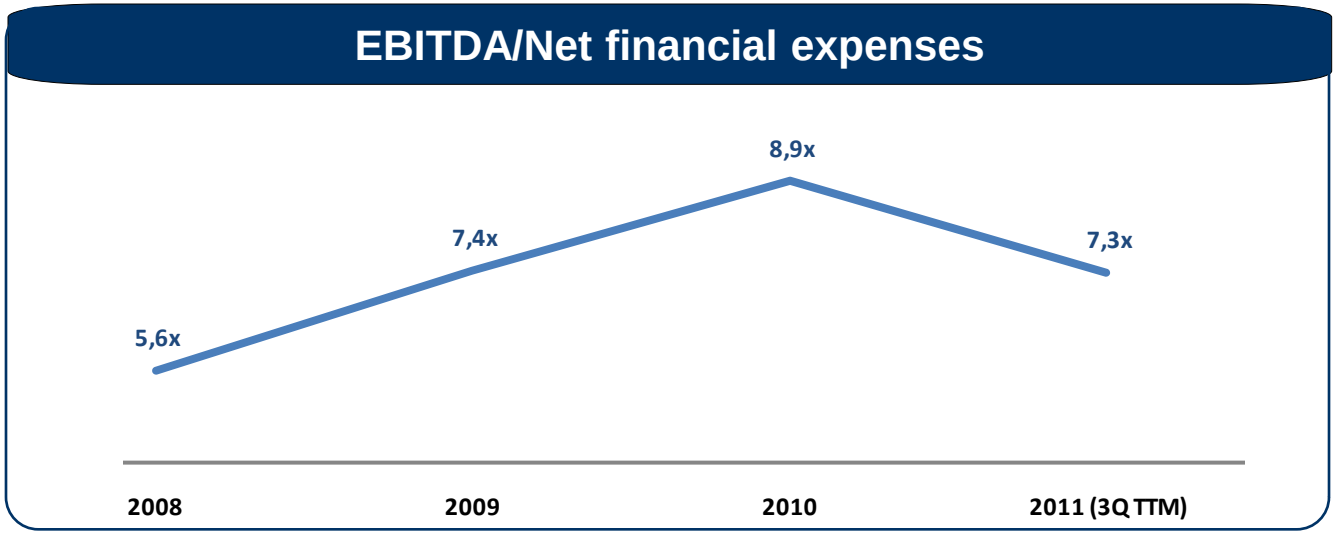
STANDARD
&POOR'S

Strong Financial Ratios

Net debt/EBITDA



EBITDA/Net financial expenses



Integrated risk management capability

Risk variables affecting margins

- Rainfall
- Growth in demand
- Fuel prices
- Exchange rates
- Inflation

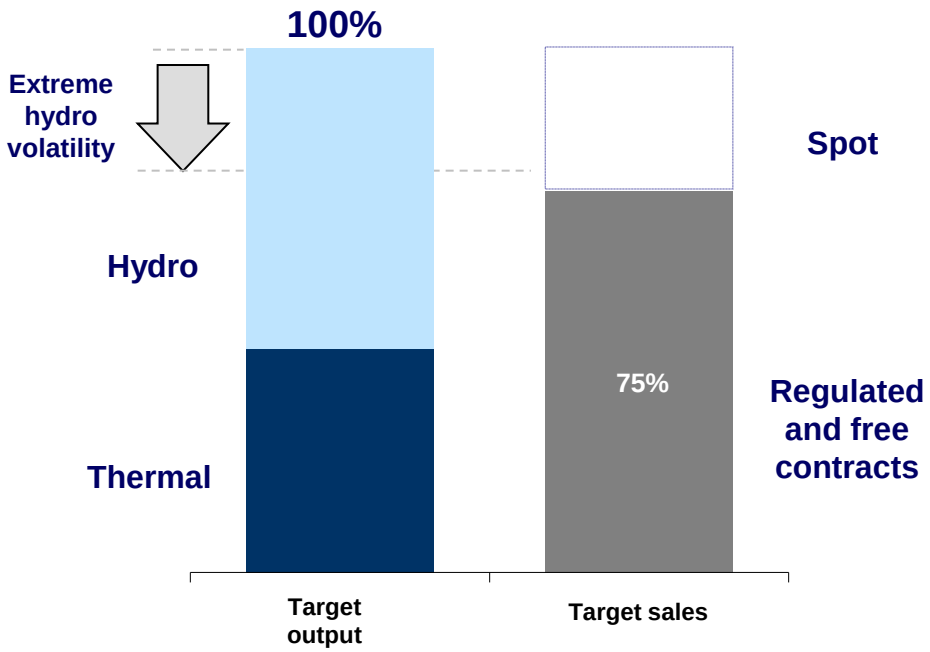
Risk limit

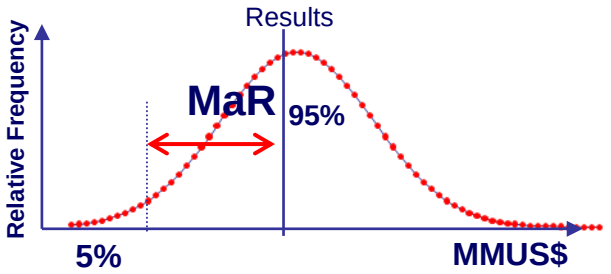
Real margin ≥ 0.9x expected margin

Our aim is to ensure a 95% reliability with a margin of at least 90% of budget even in the following scenarios:

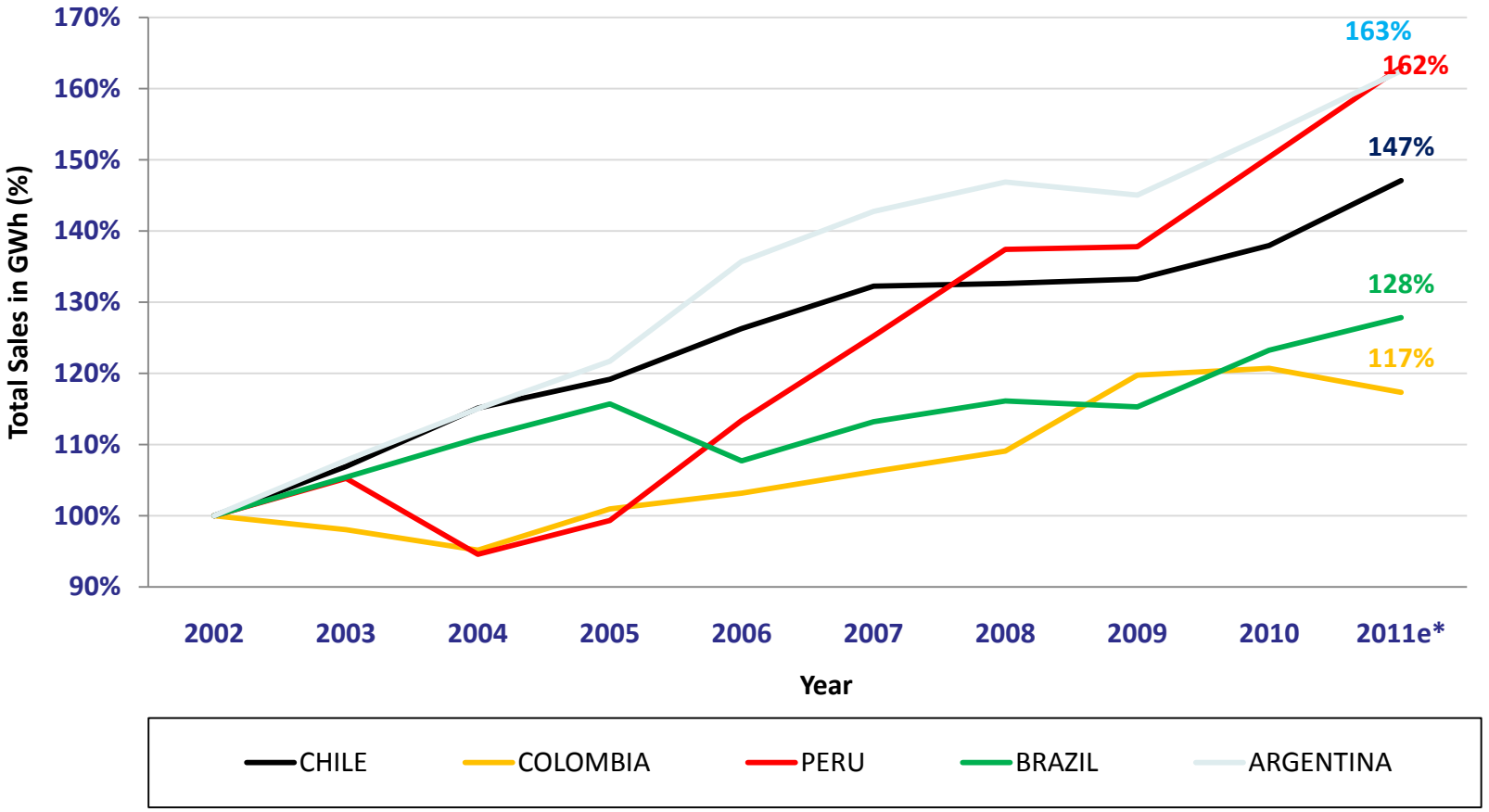
- Lower rainfall than historical levels
- Increases in fuel prices
- Lower growth in demand

Target output and sales in future years





Historic electricity demand growth



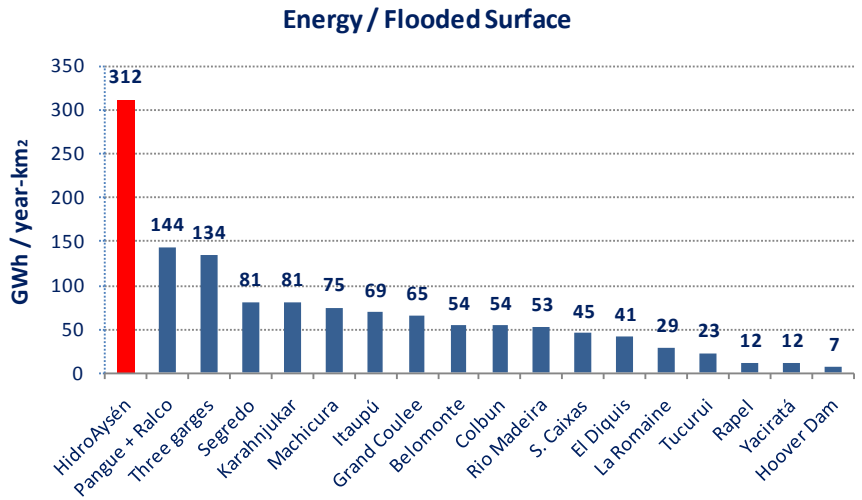
*: Estimated growth using 9M2011 data

HidroAysén

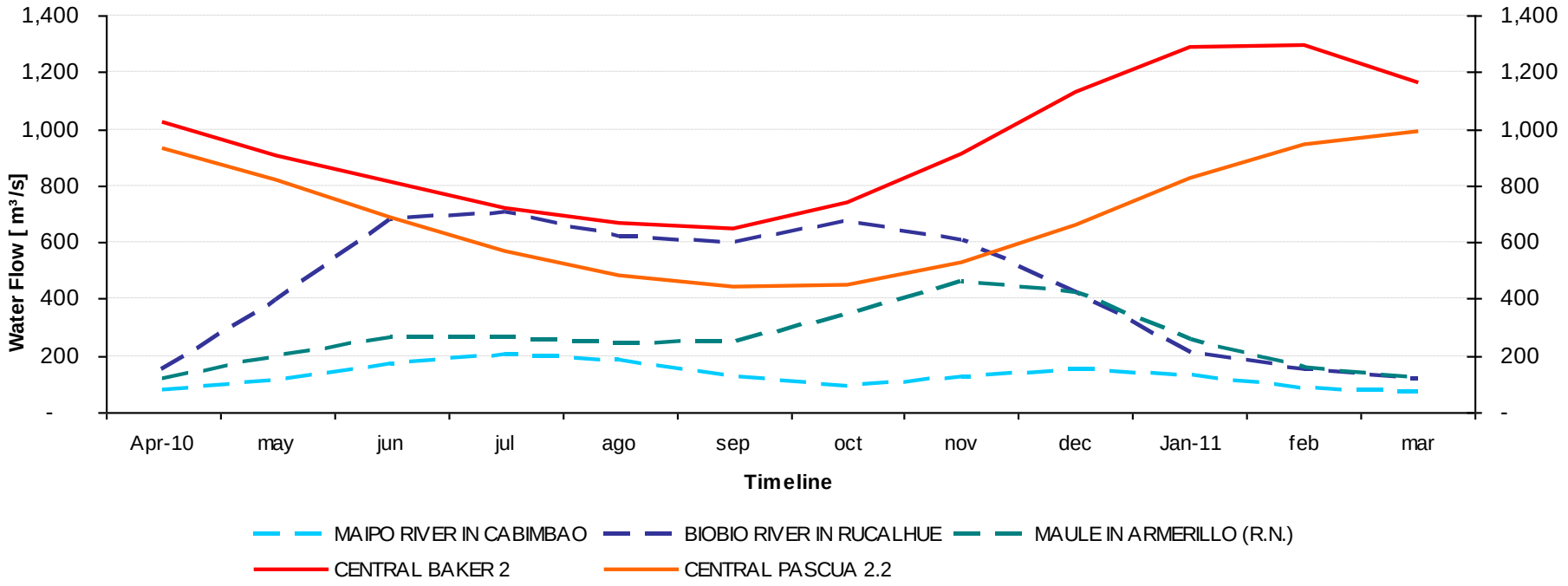
- ✓ One of the most efficient hydroelectric projects in the world.
- ✓ Renewable resources
- ✓ Average load factor 77%

- ✓Installed capacity: 2,750 MW.
- ✓Endesa Chile's owns 51% and Colbún 49%.
- ✓CO2 emissions: Reduction of 16.2 million tons/year

- ✓May 9, 2011: EIA was approved.
- ✓June 2011: Pto Montt Court of Appeals issued an injunction, leaving the resolution in state of abeyance.
- ✓October 2011: The Court ruled in favor of HidroAysén, rejecting all seven protection requirements presented on June.
- ✓The Commission is preparing the Environmental Impact Study of the Aysén Transmission System, projected to be filled into the Environmental Impact System on March 2012.



Seasonal Streaming from Hidroaysen and SIC rivers



Seasonal Variability		
SIC	:	23%
SIC + Hidroaysen	:	9%

Annual Variability		
SIC	:	21%
SIC + Hidroaysen	:	12%

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