2nd Corporate Debt Investor Trip

Itaú BBA

Buenos Aires, October 2011

Presenter

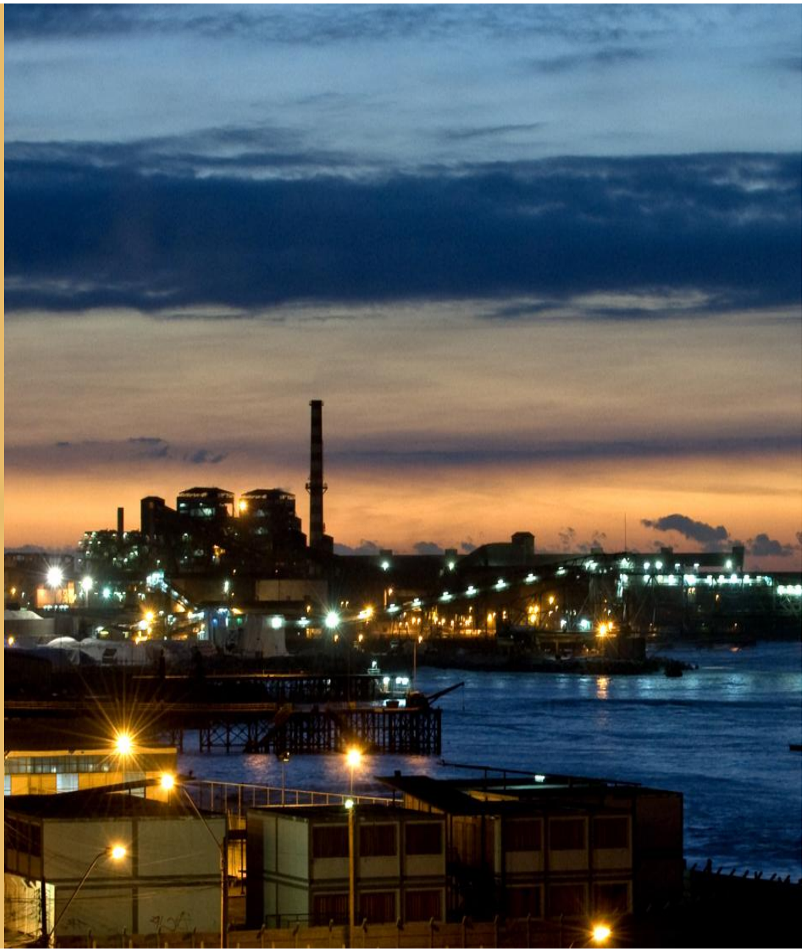
Bernardita infante, CFO

Agenda

Chilean electricity sector overview

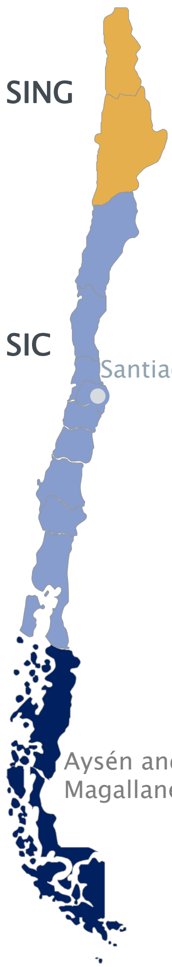
Company overview

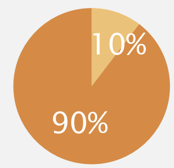
Financial profile

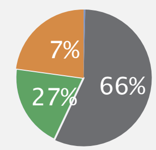


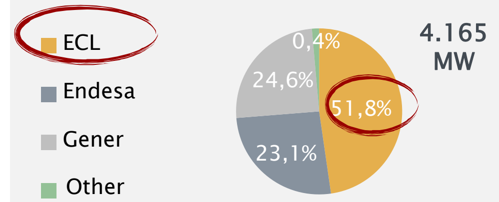
Structure of Chile's energy sector

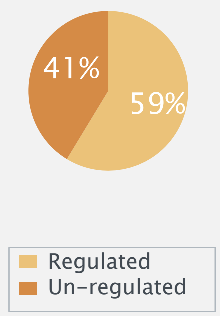
	Market share	Expected growth (2011-2017)[1]	Clients	Generation by fuel type[2]	Main players (% of installed capacity)
SING	25% capacity 26% demand	6.0%			4.165 MW
SIC	74 % capacity 73% demand	6.1%			12.352 [3] MW
Aysén and Magallanes	1% capacity 1% demand				

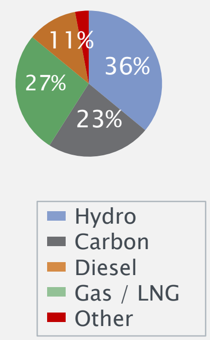


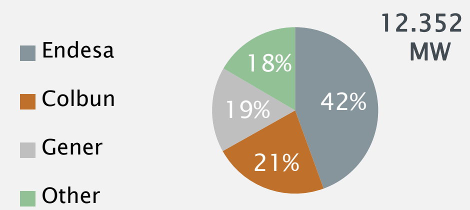












SING highlights

- Close to 100% of installed capacity based on coal, diesel and gas (including LNG). No exposure to hydrology
- Unregulated clients (mainly mining co's) represent over 90% of total demand
- 6.0% expected CAGR in physical sales for 2011-2017

Source: CNE, CDEC-SIC, CDEC-SING, E.CL

[1] Based on CNE ('National Energy Commission') projections in the 'Informe Técnico Preliminar Precio Nudo SING/SIC ' report dated April 2011; [2] Based on gross generation;

[3] Does not include projects under construction during 2011.

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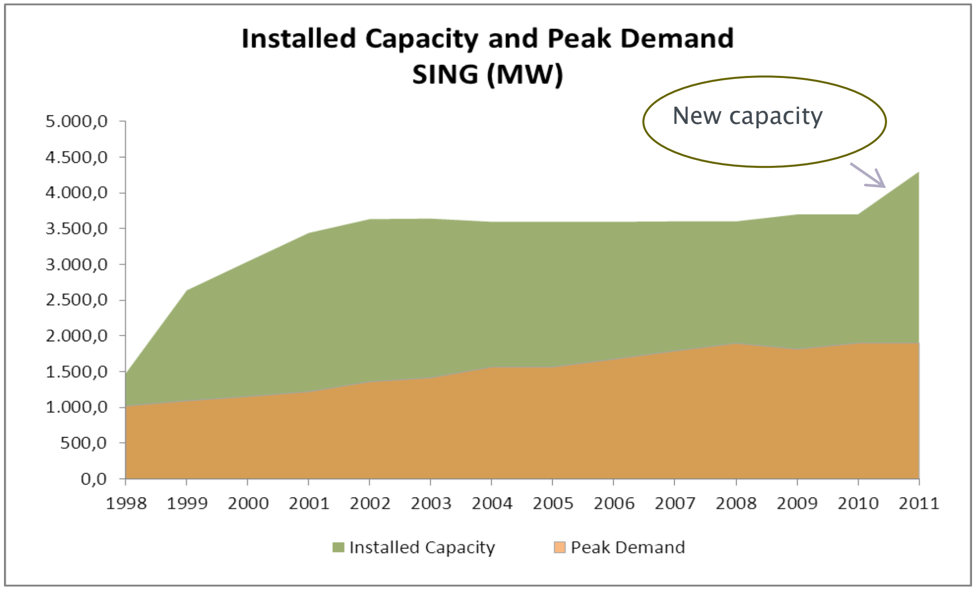
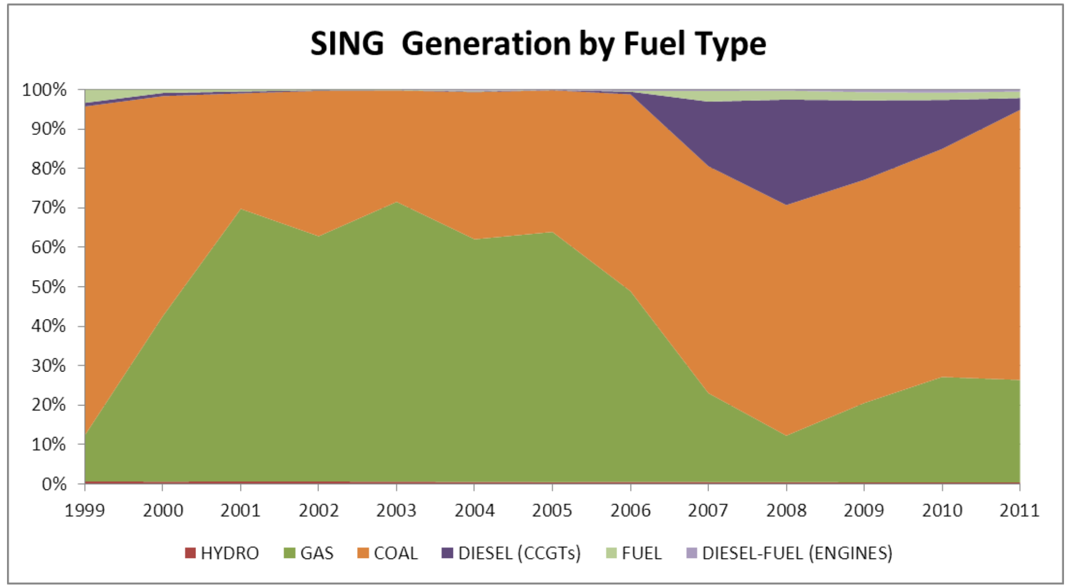
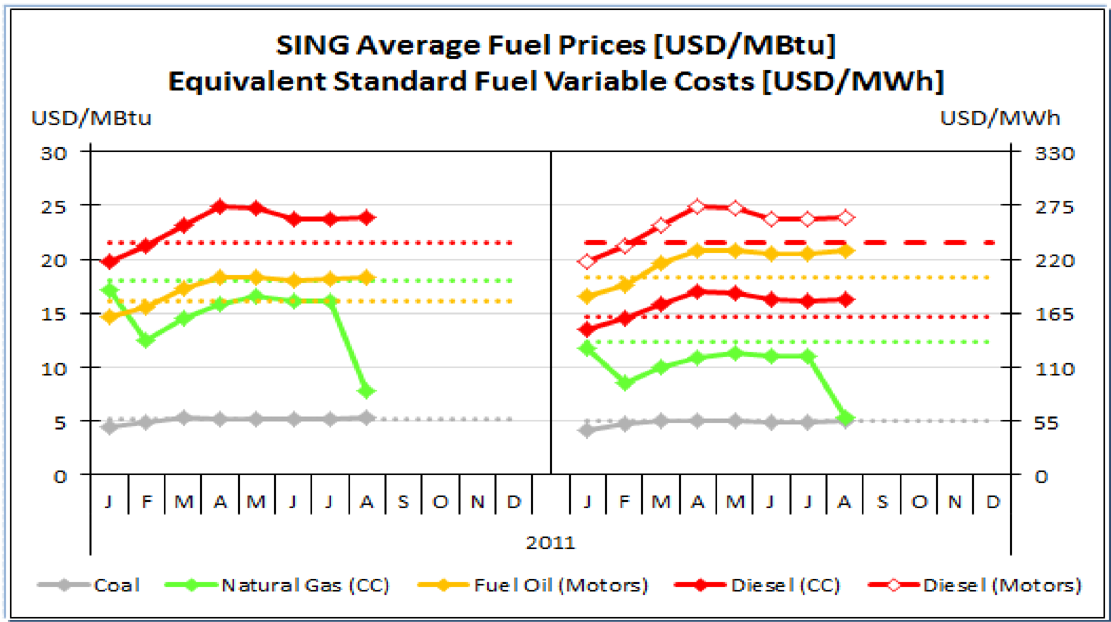
Evolution of Power Generation, Prices and Demand in the SING





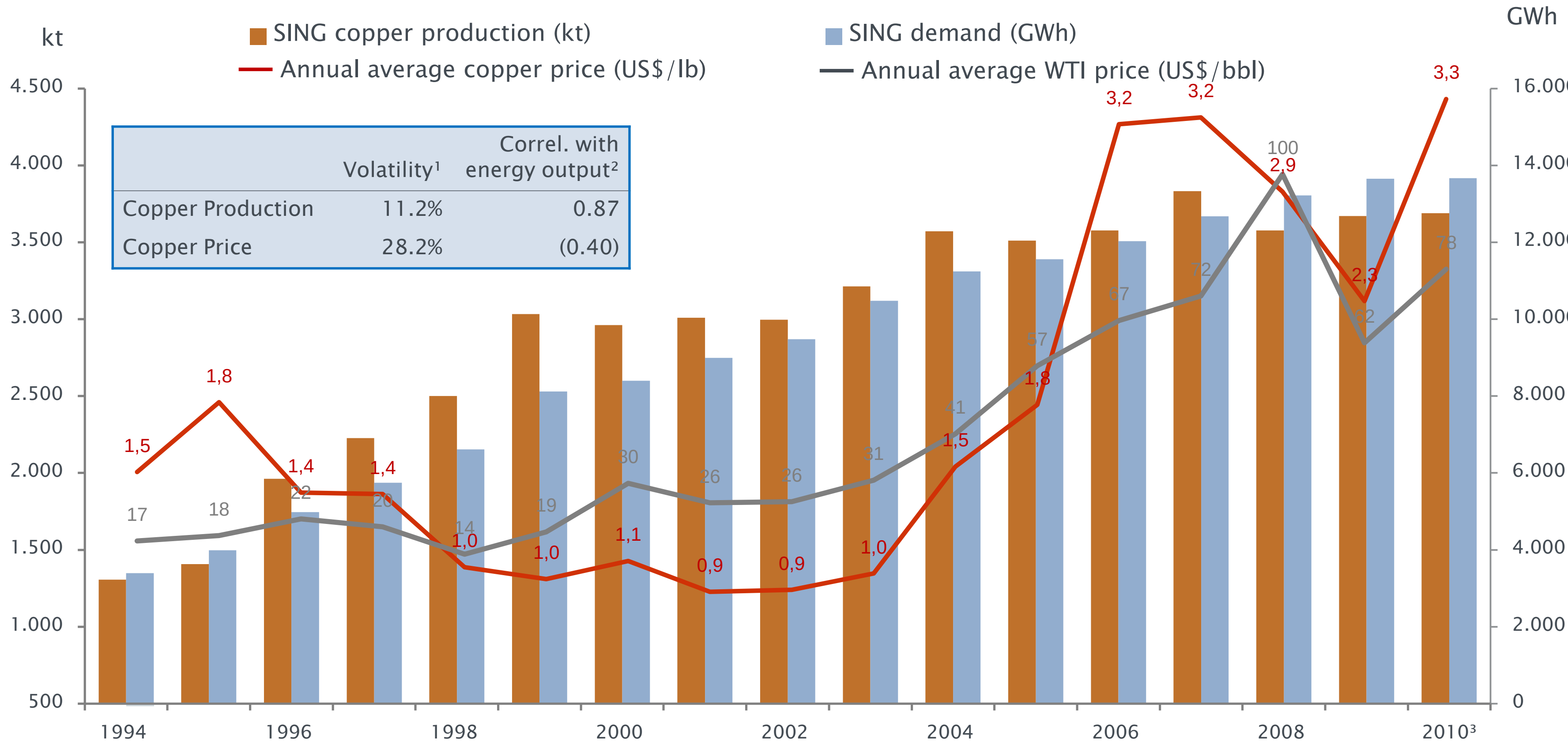


Source: CDEC- SING / CNE

Exposure to mining sector growth

- Chile is a global, low-cost copper producer
- Low correlation between copper prices and SING demand for electricity.

SING copper production (kt), SING Generation (GWh) and commodity prices (US$/lb, bbl)



	Volatility¹	Correl. with energy output²
Copper Production	11.2%	0.87
Copper Price	28.2%	(0.40)

Source: Cochilco, CNE, Bloomberg
¹ Measured as the standard deviation of the annual changes; ² Calculated as the correlation of the annual changes; ³ Annualized September 2010 data

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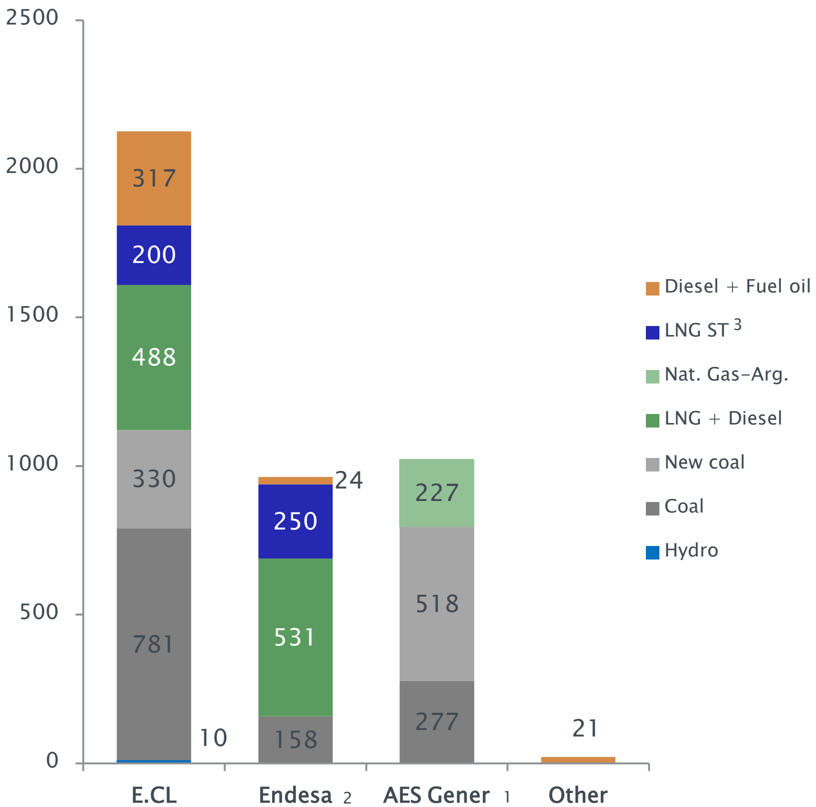
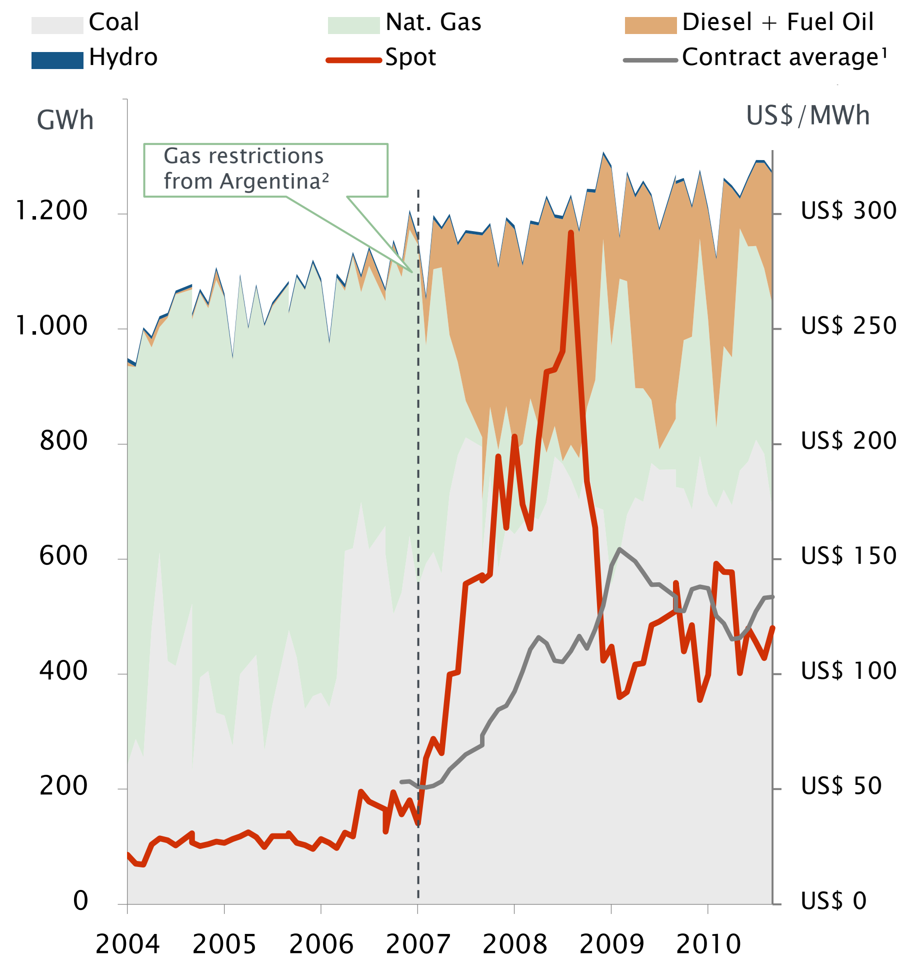
SING: installed capacity and generation mix

Gross installed capacity by technology – 2011 (MW)



Source: CDEC-SING
(1) AES Gener has an additional 416MW of capacity from the gas turbine in its 643MW CCGT in Salta, Argentina, which is currently unavailable for dispatch to the SING.
(2) Includes 182MW from 100% Endesa-owned Celta, and 781MW from Gas Atacama CCGTs (50% Endesa/50% Southern Cross).
(3) LNG supply arrangement between mining companies, GNL Mejillones, E.CL, and Gas Atacama in place from 05-2010 through 07-2012.

Monthly generation (GWh) and energy prices (US$/MWh)



Source: CNE, CDEC
[1]Average of contracted energy prices as published by the CNE
[2]Gas restrictions started in 2004, but were more strictly enforced starting in 2007

Investment highlights: Attractive industry

ATRACTIVE INDUSTRY

- Mature, 100% privatized market
- Stable, investor friendly regulatory framework
- Strong industry growth prospects

Current Challenges:

- New regulation on emissions from thermoelectric plants ➔ stricter limits on particulate matter and gas emissions:

Limits for existing plants:

- PM = 50 mg/Nm^3 ~ Dec 2013
- SOx = 400 mg/Nm^3 ~ Jun 2015 (saturated zones; e.g., Tocopilla)
- NOx = 500 mg/Nm^3 ~ Jun 2016 (unsaturated zones; e.g., Mejillones)

- Law Nr. 20,257 on Non-Conventional Renewable Energy ("ERNC" Law)

Action / Effects:

- Focus on environmental / social responsibility
- Investing to comply with new emission requirements
  - Est. US$164 MM CAPEX in 2011-2015
- Ongoing studies for the potential development renewable power sources
- Environmental approval for additional 2 x 350MW coal capacity in place
- Availability to sell LNG-based generation
- New discussion about 20/20

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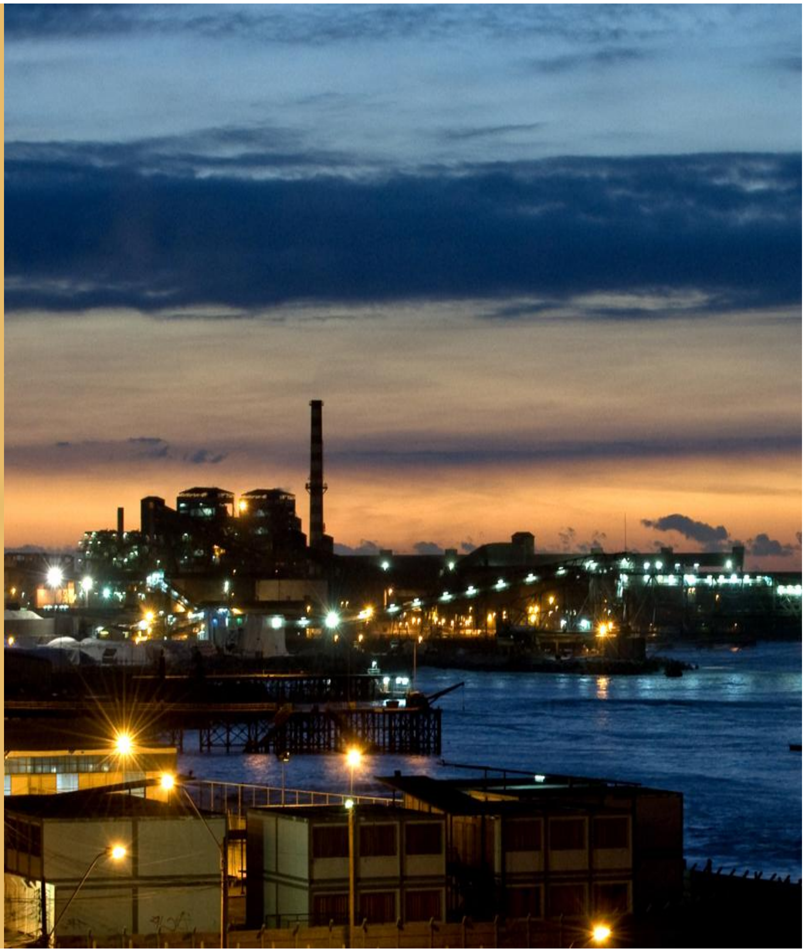
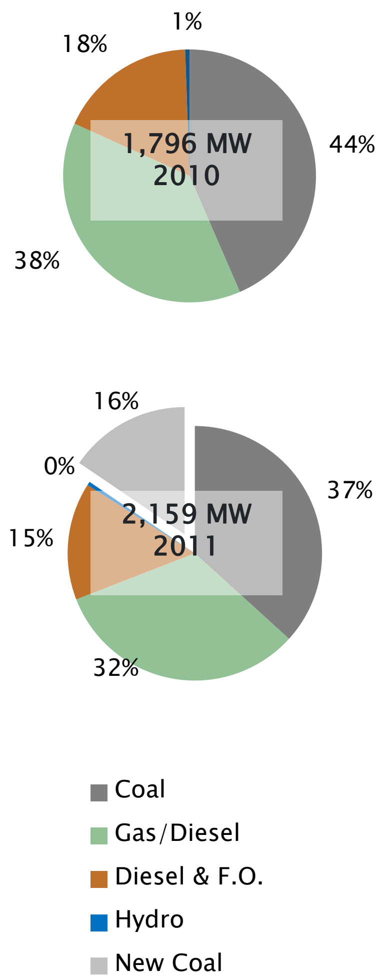
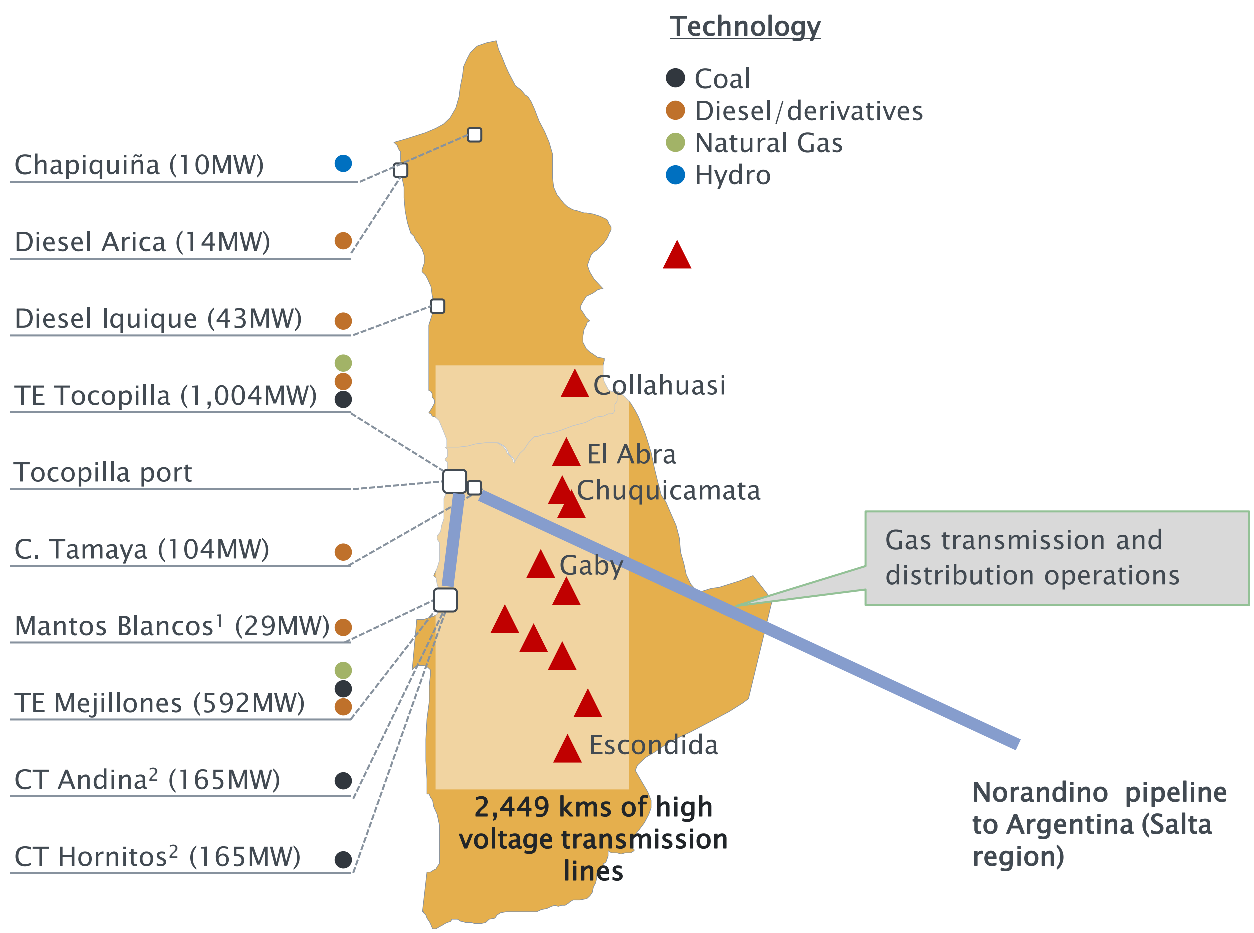


Largest electricity generator in Chile's mining dominated northern grid (~ 50% market share)

Installed capacity



E.CL assets



[1] Owned by a mining company but operated by ECL; [2] Commercial operations commenced in 2011.

History and recent developments

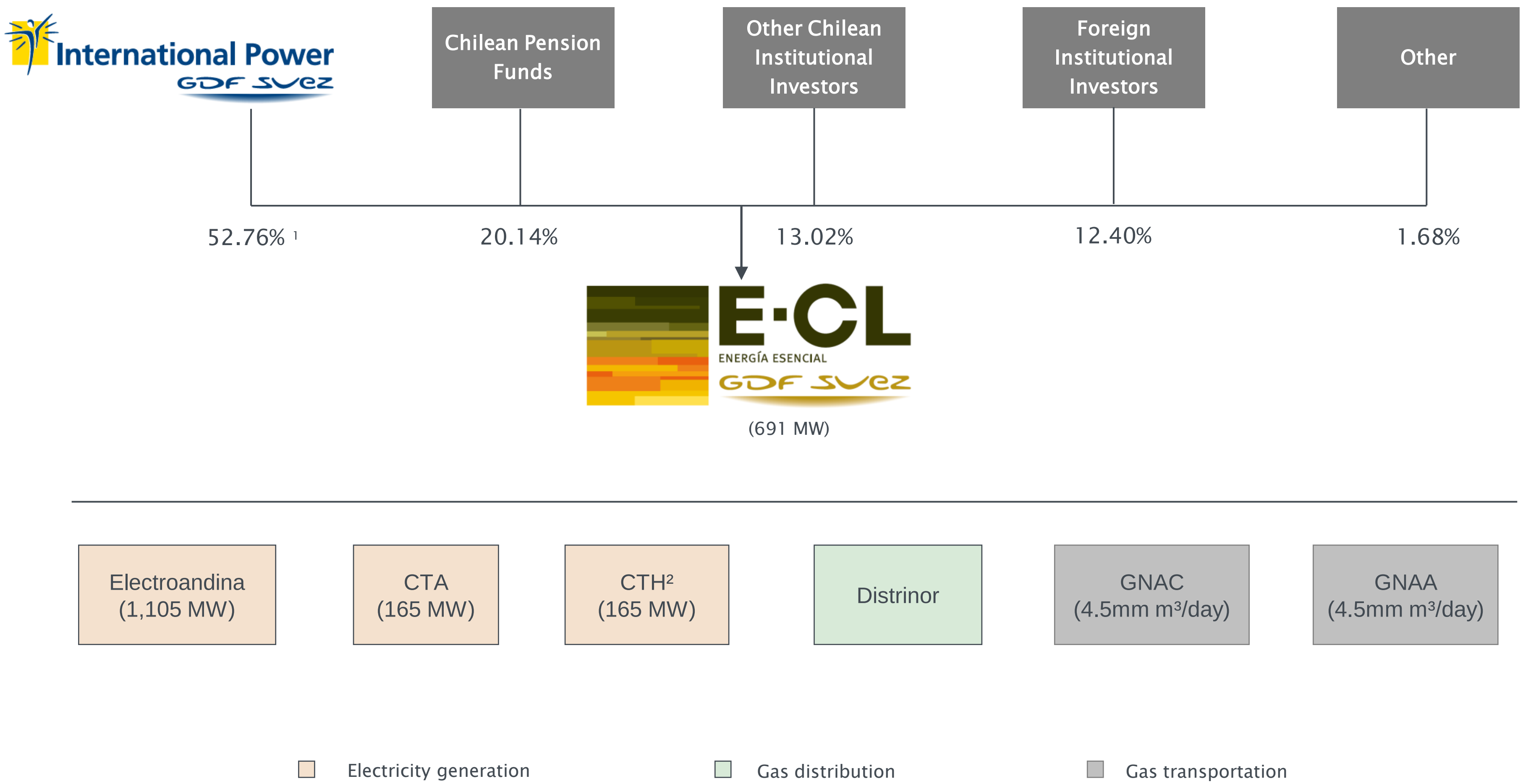
1913	1981	1993	1996	2002	2009
Electroandina is founded as an electricity generation plant for Chuquicamata (Codelco)	**Edelnor is created** as spin-off of Endesa's assets in northern Chile	Edelnor is privatized. **Southern Electric** acquires control.	**Tractebel (now IPR GDF Suez) acquires 1/3 ownership in Electroandina.** Codelco retains 2/3s.	Edelnor files for Chapter 11. **GDF Suez & Codelco acquire 82%**	**GDF Suez & Codelco merge** their electricity generation and gas transportation assets in northern Chile under E.CL (ex-Edelnor)

2011

International Power (U.K.) & GDF Suez Energy International combine their assets giving origin to the new International Power, a company with 66GW of installed capacity, 70% controlled by GDF Suez.

Codelco sells its 40% stake in E.CL in a public auction in the Bolsa de Comercio de Santiago for approximately US$ 1 billion.

New ownership structure

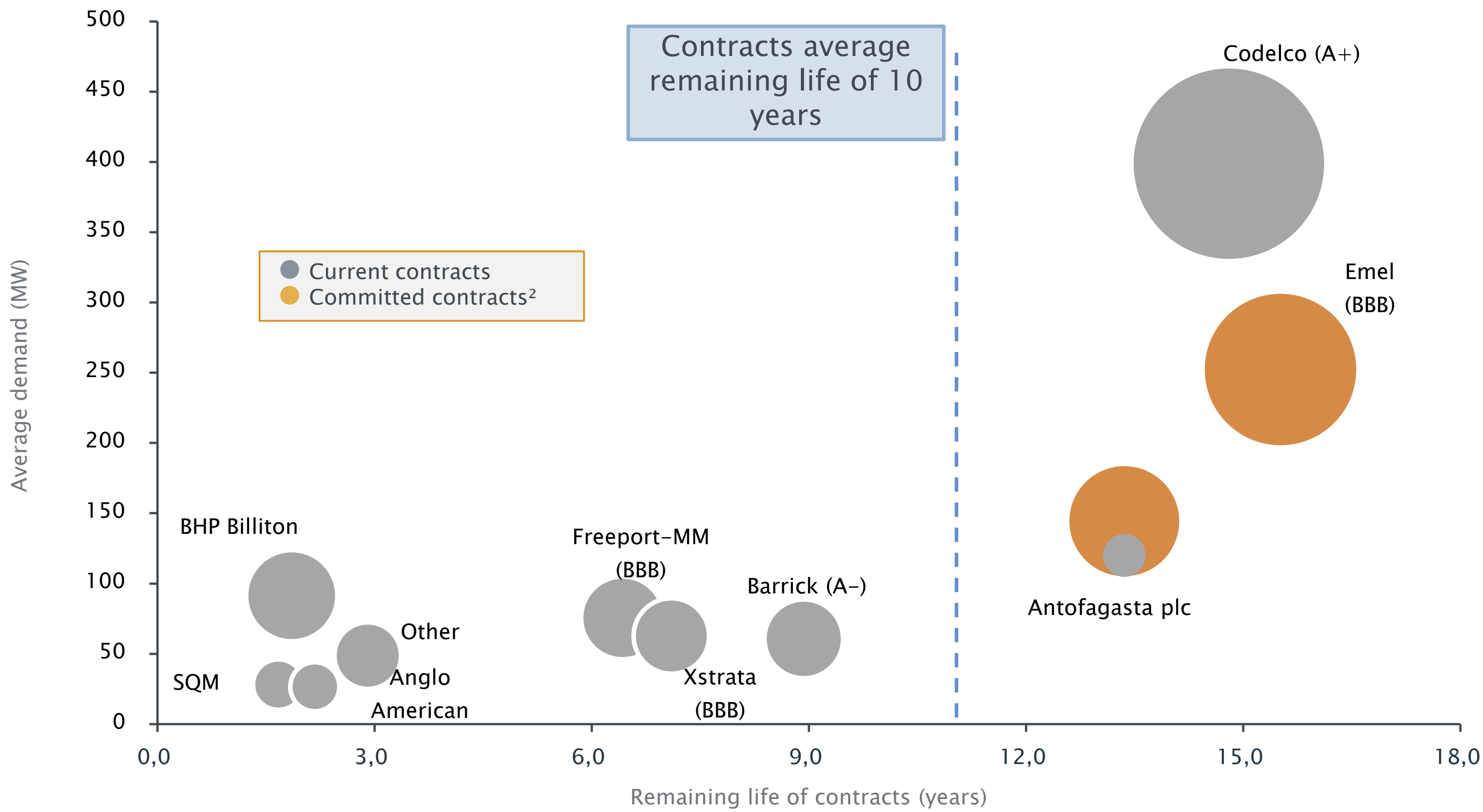


[1] Considers the 0.7% equity reduction due to retirement of treasury stock acquired by E.CL from shareholders that exercised their dissenter's rights in relation to the December 2009 merger.

[2] 60% owned by E.CL, with the remaining 40% owned by Inversiones Punta de Rieles (Antofagasta Railway PLC).

Long-term contracts with creditworthy customers

Average demand[1] (MW) and remaining life (years) of current contracts



[1] Average demand based on 2010 energy consumption except for (a) Esperanza (Antofagasta plc) estimated using an 85% load factor over 150MW of contracted capacity and (b) Emel, calculated using average contracted energy over the life of the contract

[2] Contract with Esperanza (started in 2011) and Emel (starting in 2012)

Driver’s of E-CL ´s commercial policy

- Long- term contracts , reducing exposure to the volatility of spot market prices
- Tariff index to fuel prices, that mitigate the risk of potential cost increases.
- Define optimal level of contractual obligations, taking into account our generation capacity by type of fuel.

Investment highlights: Exposure to mining sector growth

Potential future mining projects in the SING

Company	Proyect	Capacity Demand–MW	Full Capacity–yr
Antofagasta Minerals	Esperanza	130MW	**Apr–2011**
Antofagasta Minerals	Antucoya	45MW	**2014**
Codelco	Ministro Hales	80MW	**2015**
BHP	Escondida OGP	80MW	**2015**
Collahuasi	Collahuasi expansion Phase I–II	50–170MW	**2015–2018**
Quadra FNX Mining	Sierra Gorda	190MW	**2015**
Teck	Quebrada Blanca Hip.	210MW	**2016**
International PBX Ventures	Copaquire	80MW	**2017**

Current challenges:

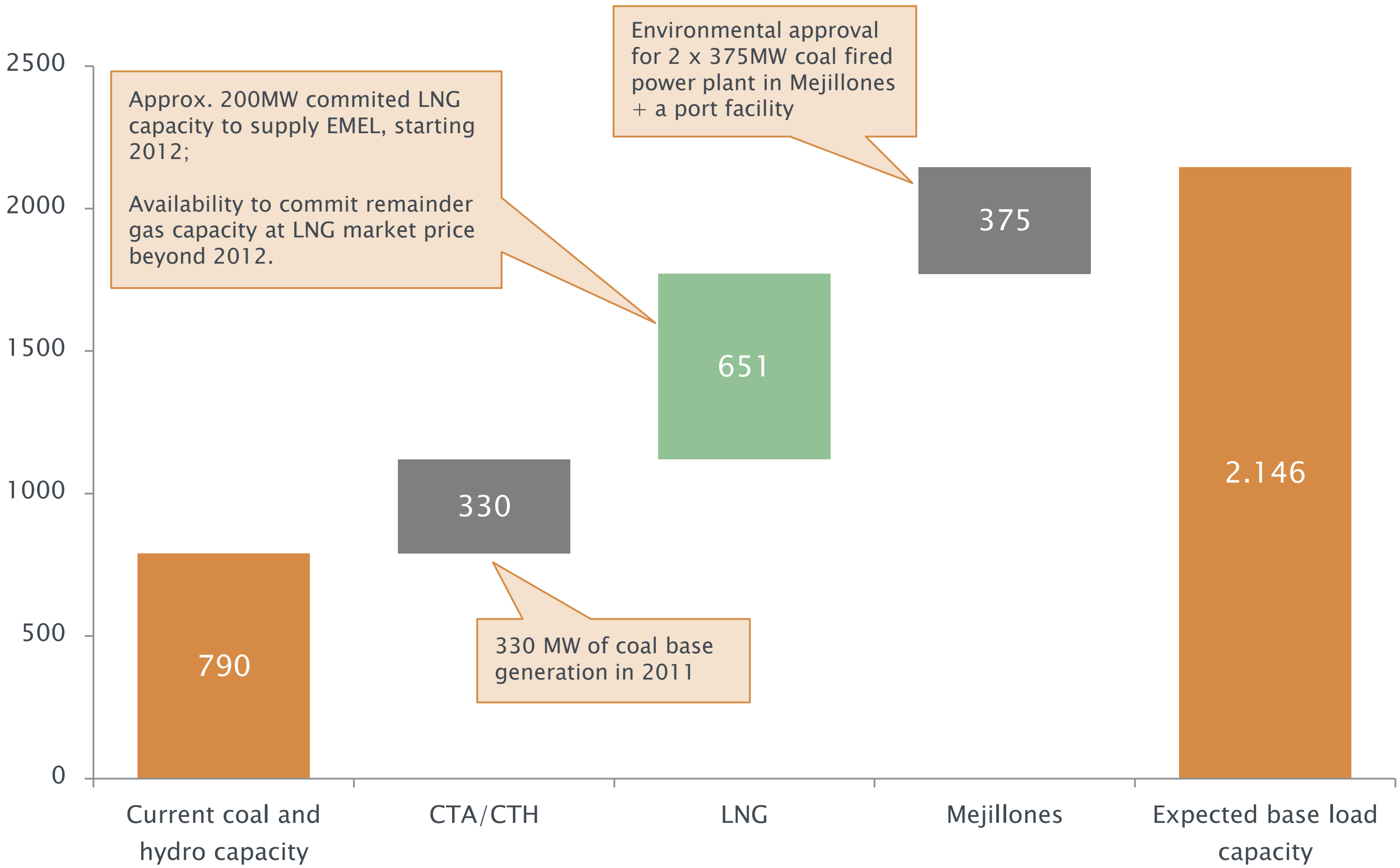
- Growth could be slower in near term: Large investments in green-field copper projects take time to structure;
- Significant electricity demand growth expected for 2015/2016 will require new capacity (and/or use of existing CCGTs) for at least **800MW**:
  - Quadra FNX's Sierra Gorda;
  - Teck's Quebrada Blanca;
  - Collahuasi's Phases I & II.

Action / Effects:

- ✓ Ongoing development of new 375MW coal plant and other projects: Subject to sign PPA for at least 50%
- ✓ Capitalize on near-term growth:
  - 135MW of new demand from Minera Esperanza starting 2011;
  - 200MW under EMEL contract starting 2012.

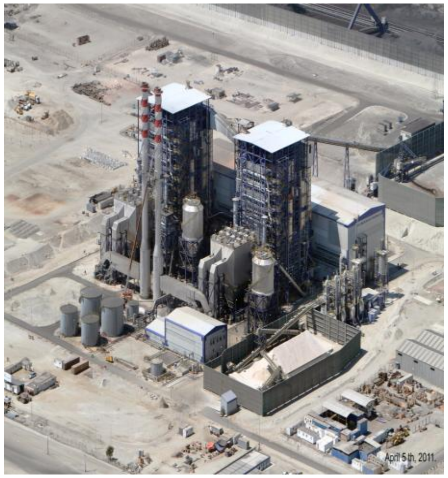
Investment highlights: Attractive expansion plan

Current and expected base capacity (MW)



New plants during 2011…already in commercial operations

Central Termoeléctrica Andina ("CTA")

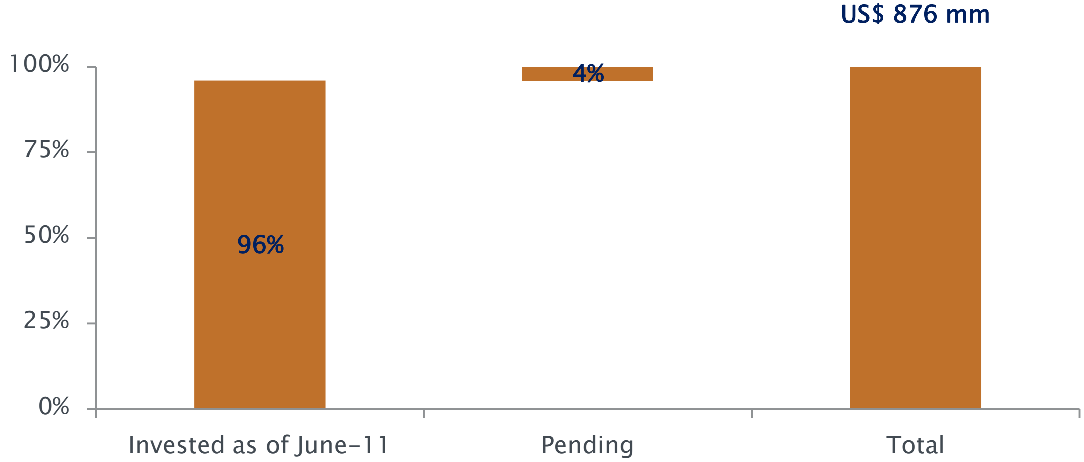


Characteristics	
Gross capacity	165 MW
Location	Mejillones
Total capex (inc. contingencies)	US$496mm
COD	July 15, 2011
Contract	Codelco: 150MW / 21 years
Ownership	100%

Central Termoeléctrica Hornitos ("CTH")

Characteristics	
Gross capacity	165 MW
Location	Mejillones
Total capex (inc. contingencies)	US$380mm
COD	Aug 5, 2011
Contract	Esperanza: 150MW / 15 years
Ownership	60%

CTA and CTH Capex breakdown (USD m, %)




April 5 th, 2011.

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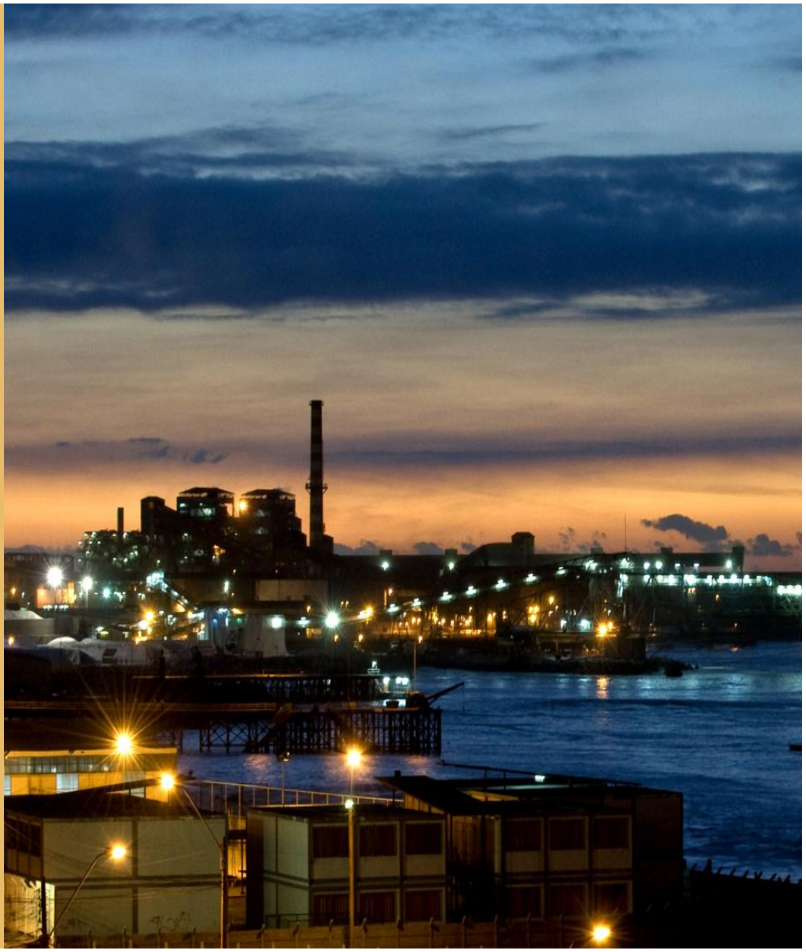


E.CL: Financial Results

USD millones	FY 10	1H10	1H11	Var. H%
Revenues	1.121	519	633	22%
Operating income	240	119	110	(7%)
Operating margin	21%	23%	17%	–
EBITDA	340	167	161	(4%)
Net income	200	79	84	6%
Energy sales (GWh)	7.335	3.554	3.704	4%

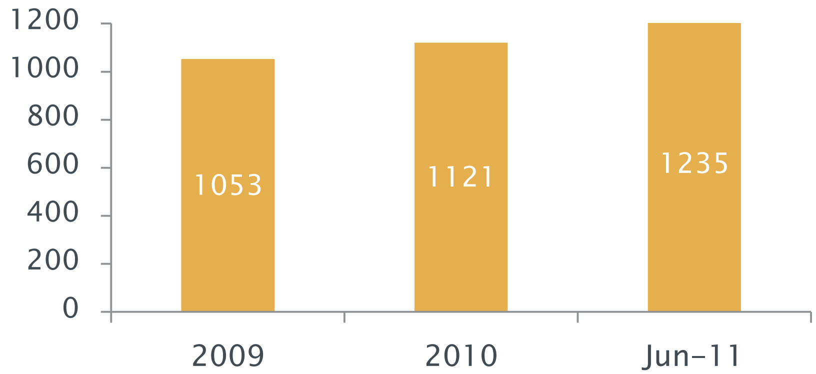
- **2011:** Adjustment period to new supply reality in the SING: 840MW of new efficient coal capacity (approx. 40% of average system output) under commissioning/testing in 1H and fully operational by 3Q;
  - New capacity will displace higher-cost less-efficient generation, pushing marginal energy costs downward;
  - Marginal energy costs averaged US$175MWh YTD June 30, 2011.

✓**July 15, 2011** CTA commenced commercial operations with Codelco PPA in place

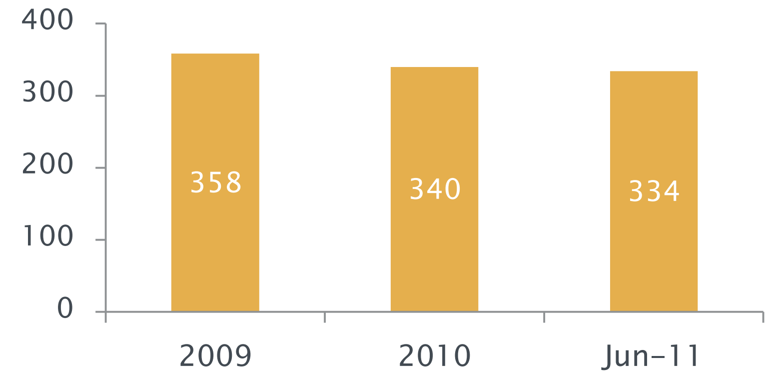
✓**April 2011** CTH's PPA with Minera Esperanza commenced.

Strong financial profile…

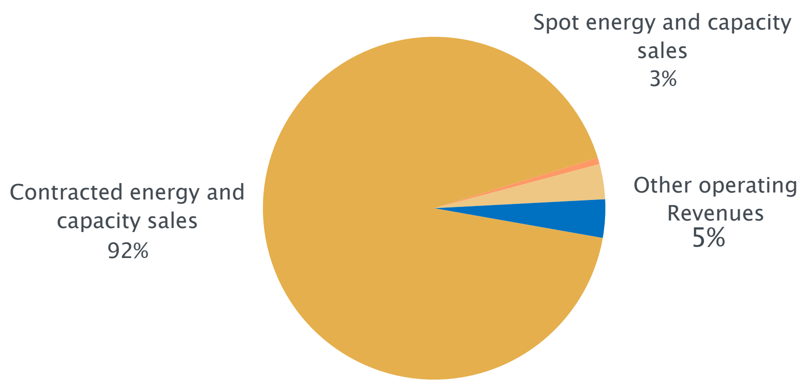
Sales (USD million)



EBITDA (USD million) and EBITDA margin (%)

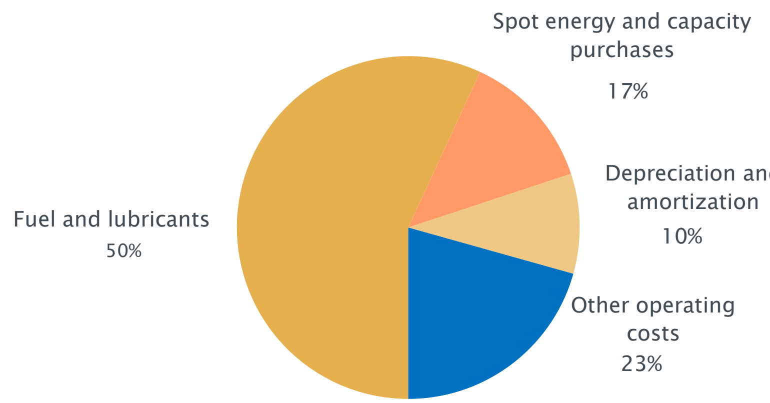


Sales breakdown (Jun 2011)



Total = USD 633 million

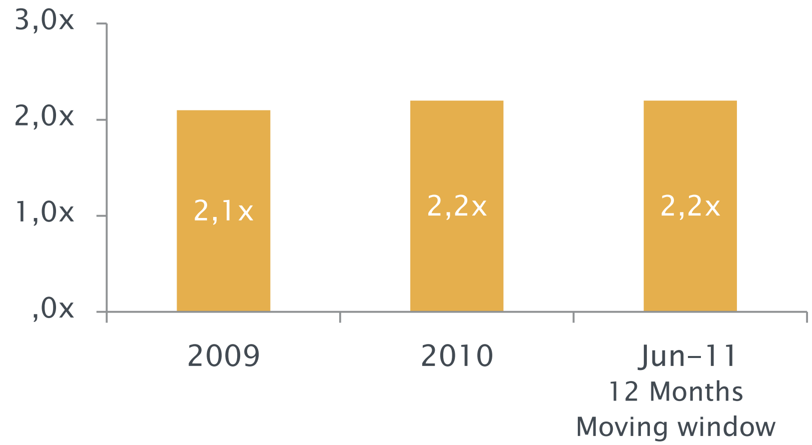
Costs breakdown (Jun 2011)



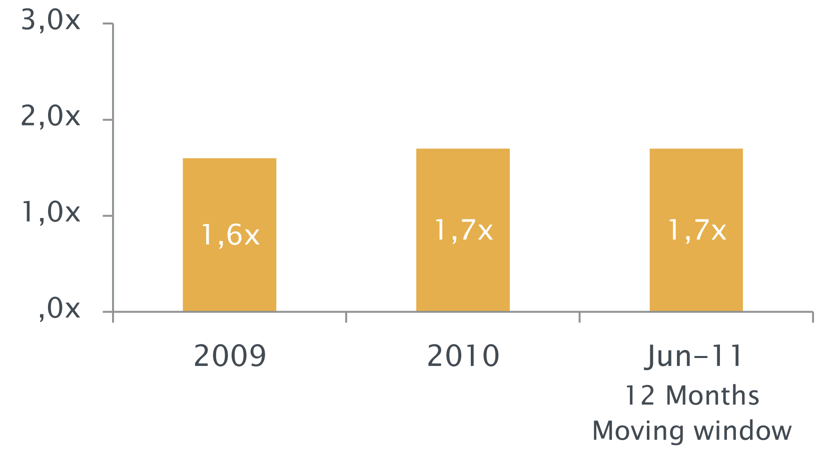
Total = USD 523 million

...coupled with a conservative debt structure

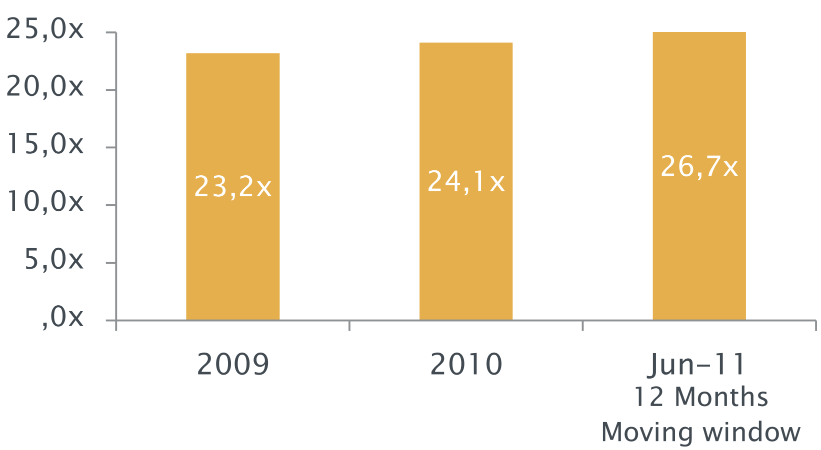
Total debt/EBITDA



Net debt/EBITDA



EBITDA/Interest expenses



Credit ratings

- Investment grade international ratings by S&P and Fitch:
  - S&P: BBB- (Stable Outlook)
  - Fitch: BBB- (Stable Outlook)
- Investment grade local ratings by Fitch, Feller and ICR
  - Feller: A (Stable Outlook)
  - Fitch: A (Stable Outlook)
  - ICR: A (Stable Outlook)

Contractual Obligations as of June 30, 2011

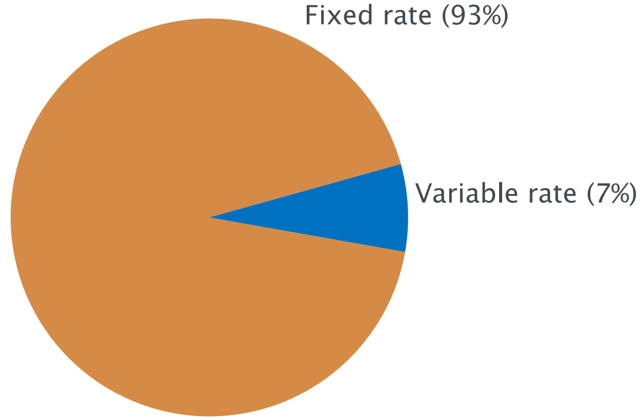
Payment due by period

USD m	Total	<1 Year	1-3 years	3-5 years	More than 5 years
Bank debt	**335.9**	55.8	16.6	22.6	240.9
Bonds (144 A/Reg S Notes)	**400.0**				400.0
Accrued interest	**13.8**	13.8			
Total....................	**749.7**	**69.6**	**16.6**	**22.6**	**640.9**

Bank debt:
- Santander: USD 50.0 million (paid on July 6, 2011)
- IFC/KfW: USD 285.9 million (CTA project financing)

Bond: USD 400 million, 10-year, 144-A/Reg.S notes

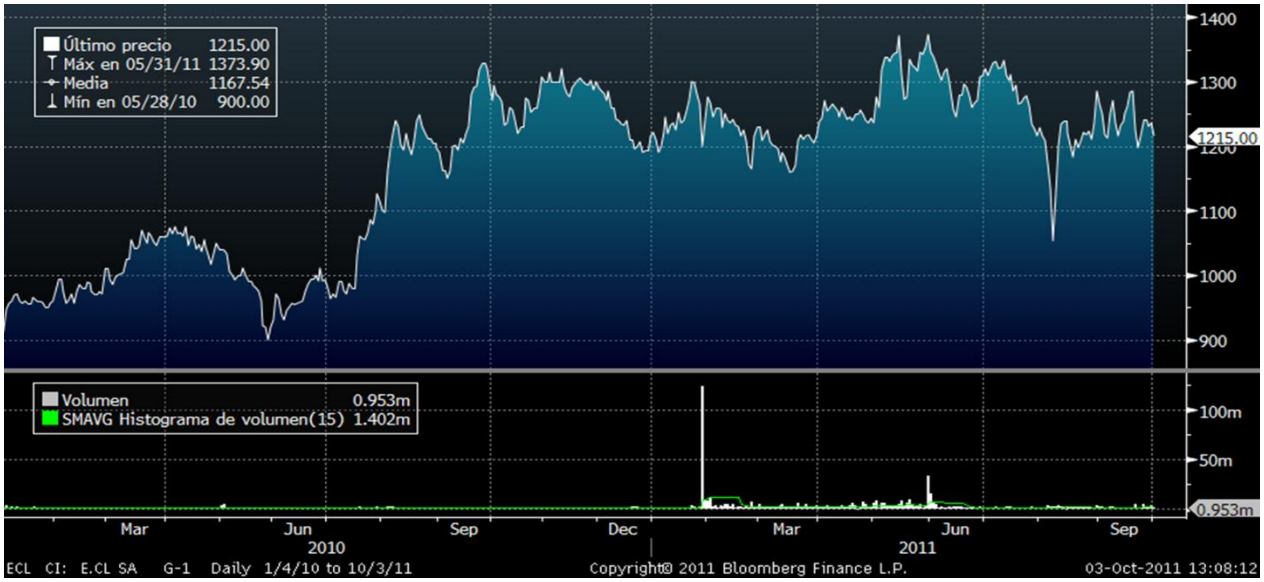
Debt breakdown by rate type (only principal amounts)



Total Principal = USD 735.9 million

- ✓ Low Debt
- ✓ Conservative maturity profile
- ✓ Access to different sources of financing

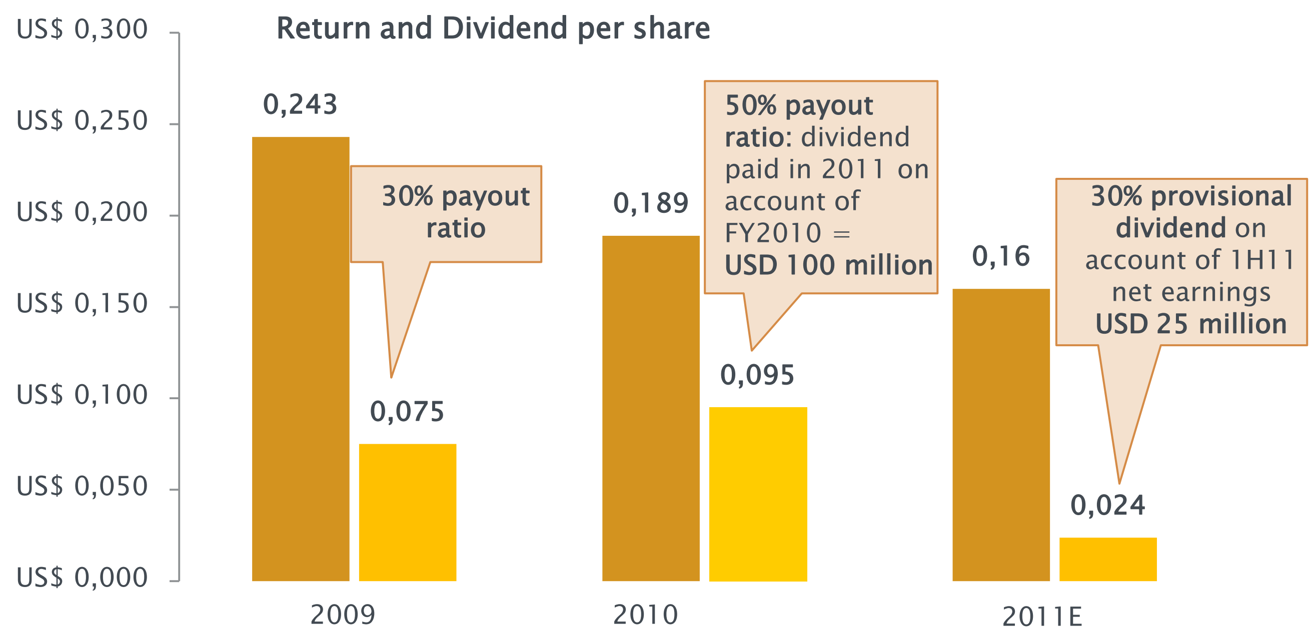
An attractive shareholder return



E.CL Share (as of 10/03/2011):

- Market Cap: USD 2.456 bn
- Price: CH$ 1,215

Source: Bloomberg



Note: EPS 2011 anualizado

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