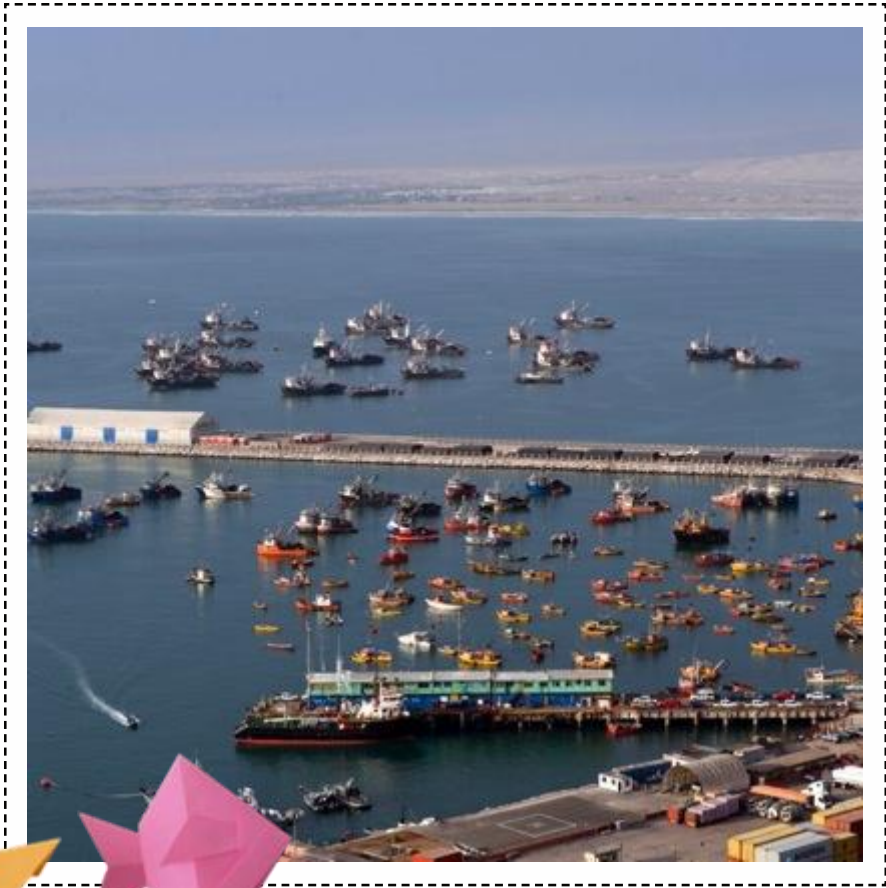


August 2012

## Desayuno Santander





01

## Company and Industry Update

Corporate Strategy and Finance

Projects Under Development

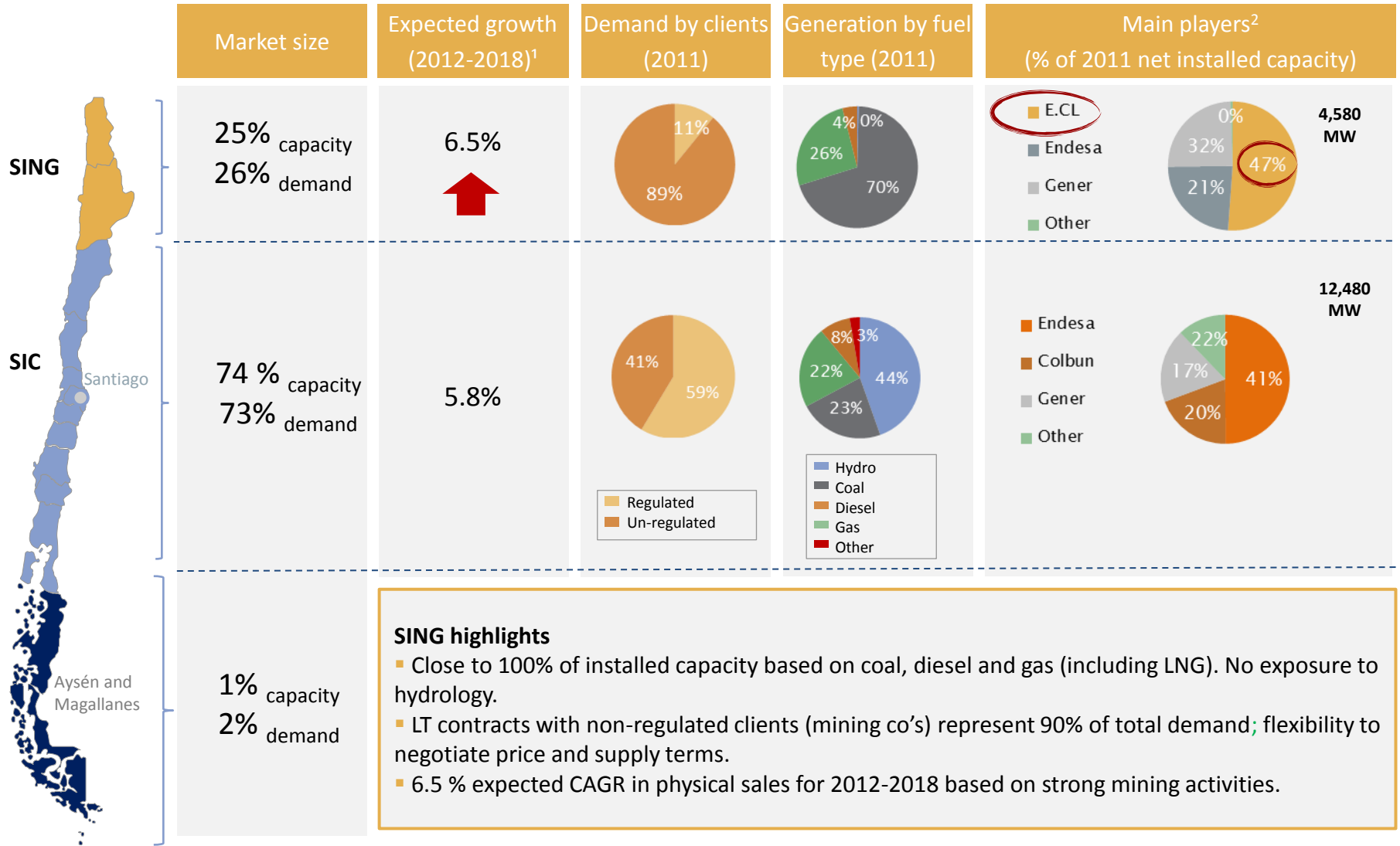




Industry overview

Mature and stable energy sector with investor friendly regulatory framework

Structure of Chile's energy sector



Source: CNE

<sup>1</sup> Expected sales growth based on projection by the Comisión Nacional de Energía ("CNE") as per the Informe Técnico Definitivo Precio Nudo SING/SIC – October 2011

<sup>2</sup> SING: Endesa includes 100% of Gas Atacama and Celta, SIC: Endesa includes 100% of Pangue and Pehuenche, Gener includes 100% of Guacolda, Ventanas and Santiago.



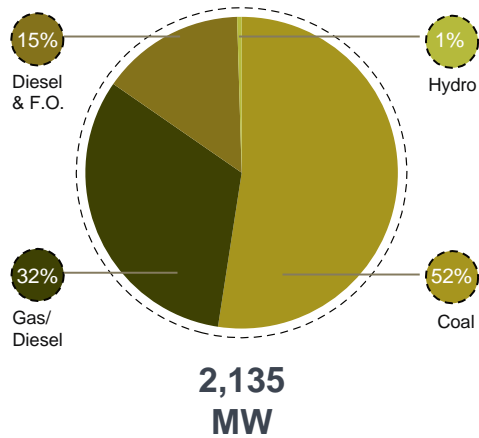


## Company overview

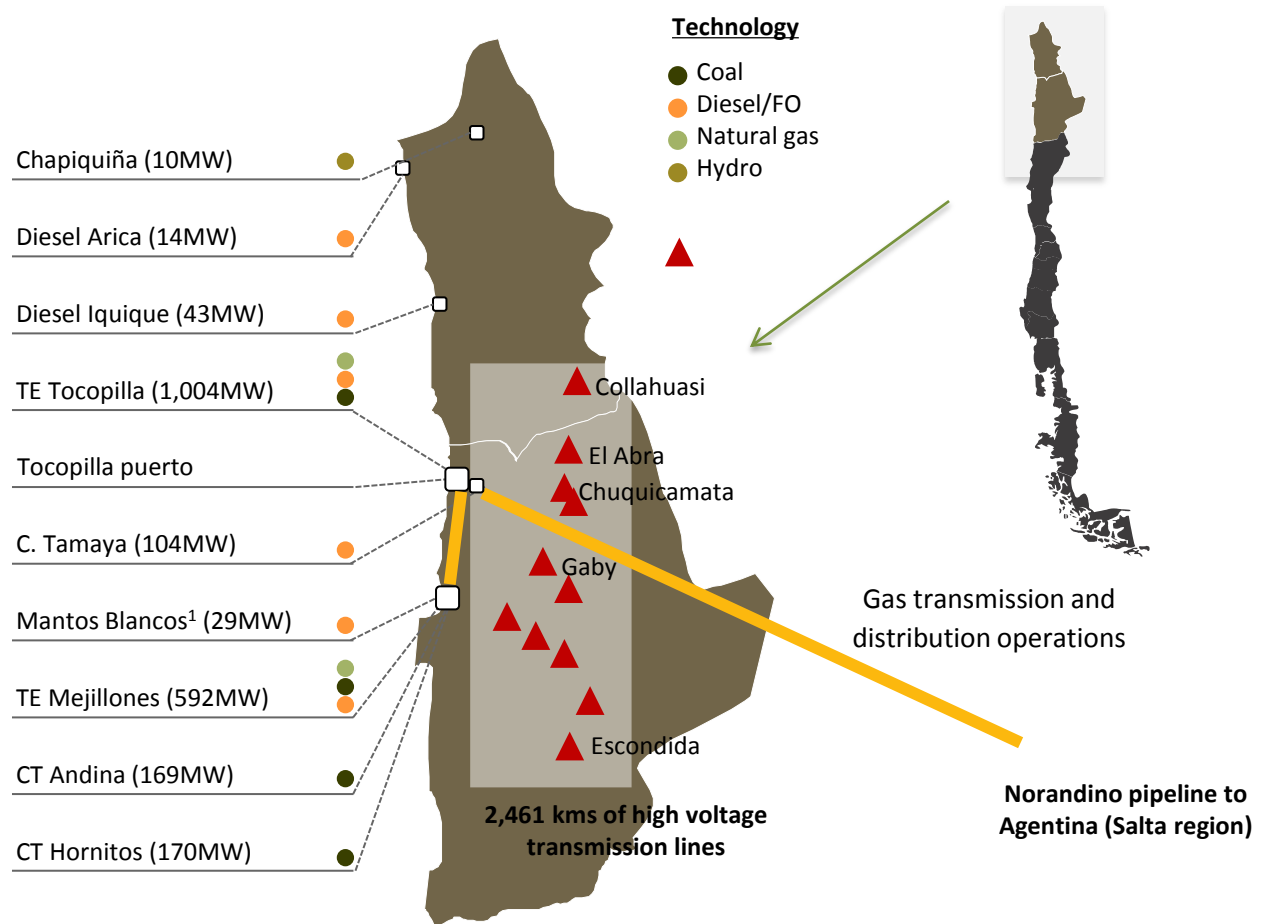
Largest electricity supplier in Chile's northern grid (SING)

Installed Capacity  
(~ 50% market share)

### Installed capacity



### E.CL assets

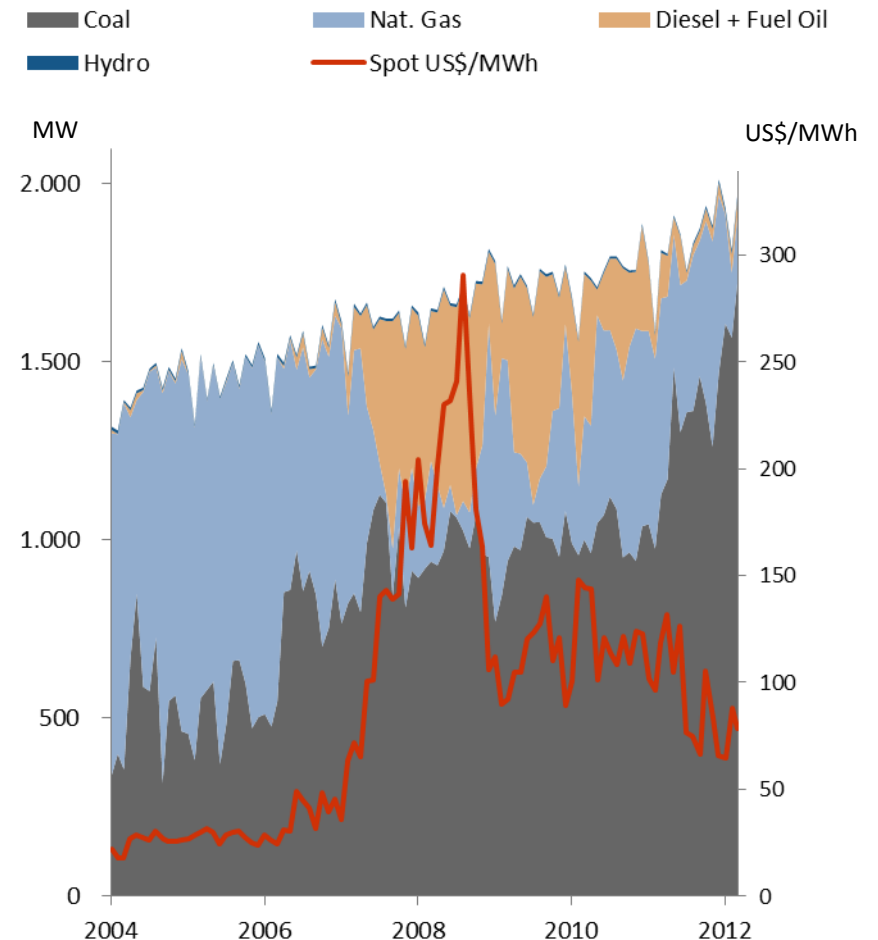
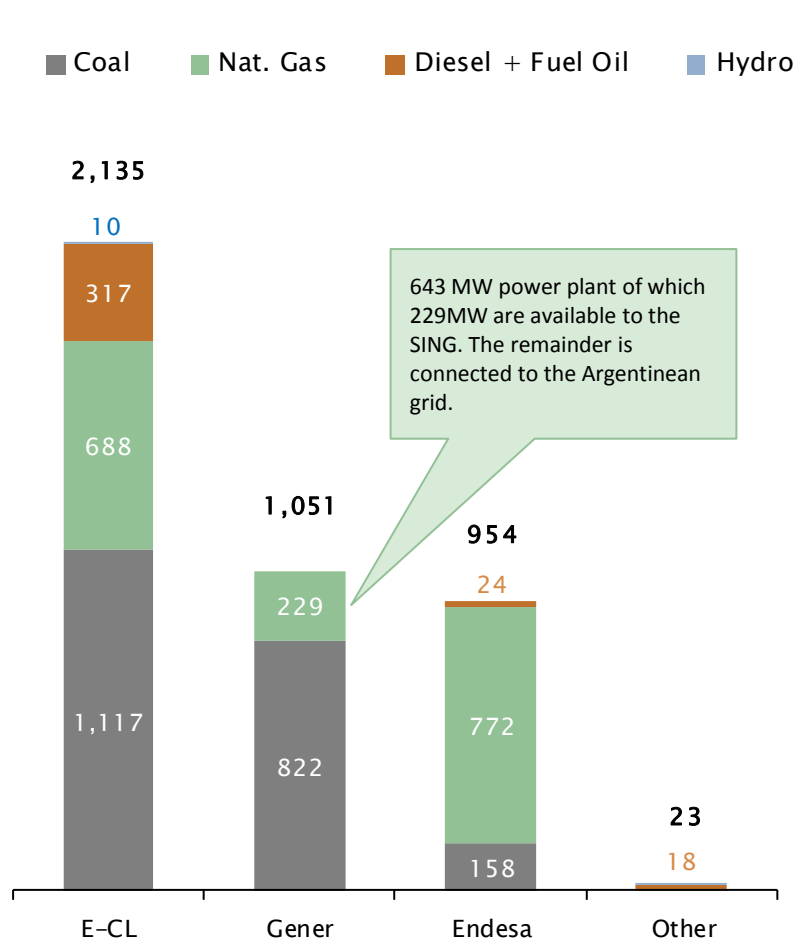




# SING: installed capacity and generation mix

Gross installed capacity by technology - 2011 (MW)

Average capacity (MW) and energy prices (US\$/MWh)



Source: CNE



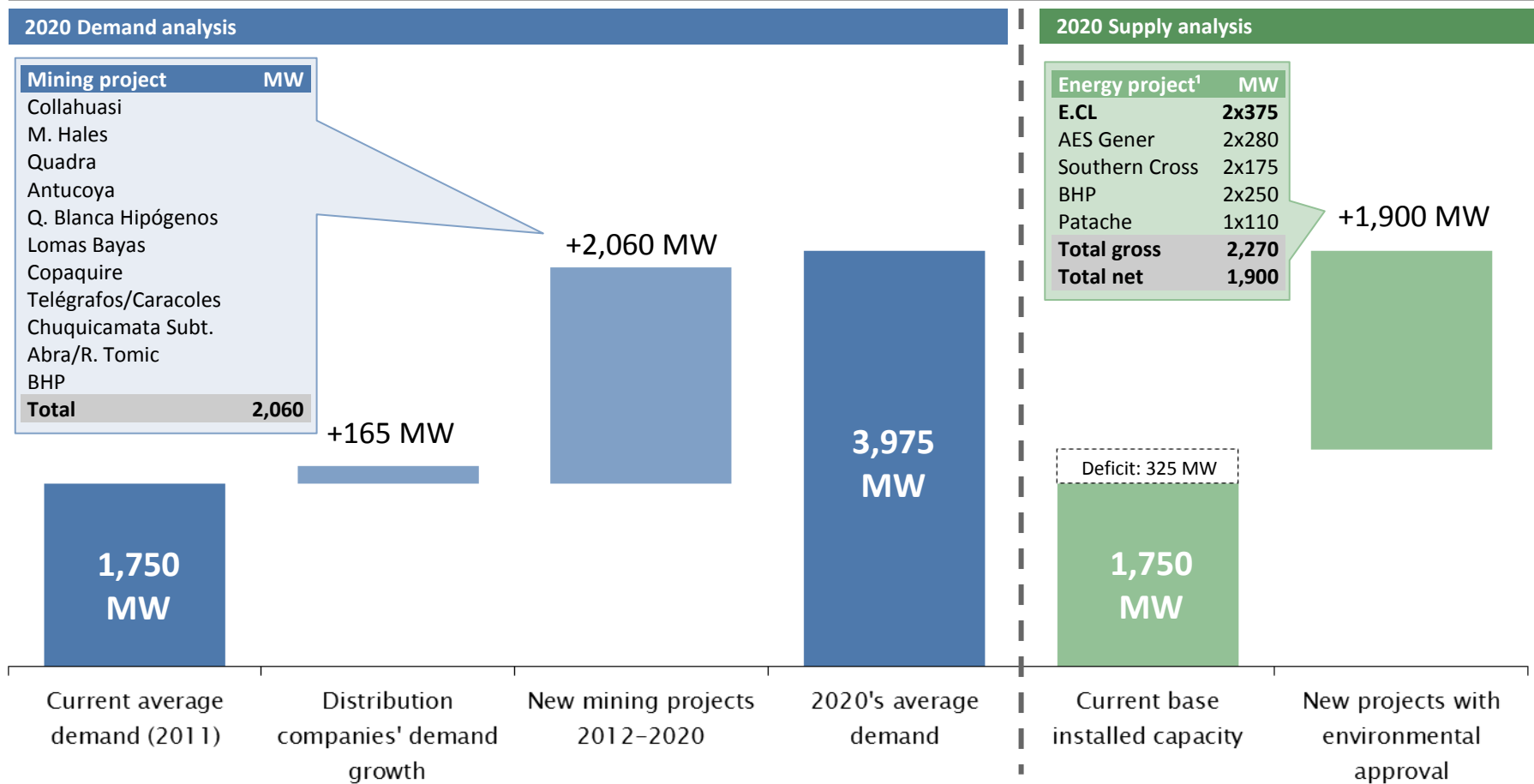
Source: CNE, CDEC-SING



Industry overview

Energy demand in the SING is directly linked to mining output expansion

Estimated 2011-2020 average demand growth in the SING and coal-fired energy supply analysis (average net capacity MW)



Source: E.CL

<sup>1</sup> Only considers coal and gas environmentally approved projects. Renewable energy projects are not considered.

- More than US\$ 29 billion in investments only considering copper mining projects in the SING (Cochilco, Dec-2011).
- The total current coal capacity in the SING is fully contracted by existing demand.
- Even if every coal and gas environmentally approved SING energy project is carried out, there could be a 325 MW deficit in base capacity.

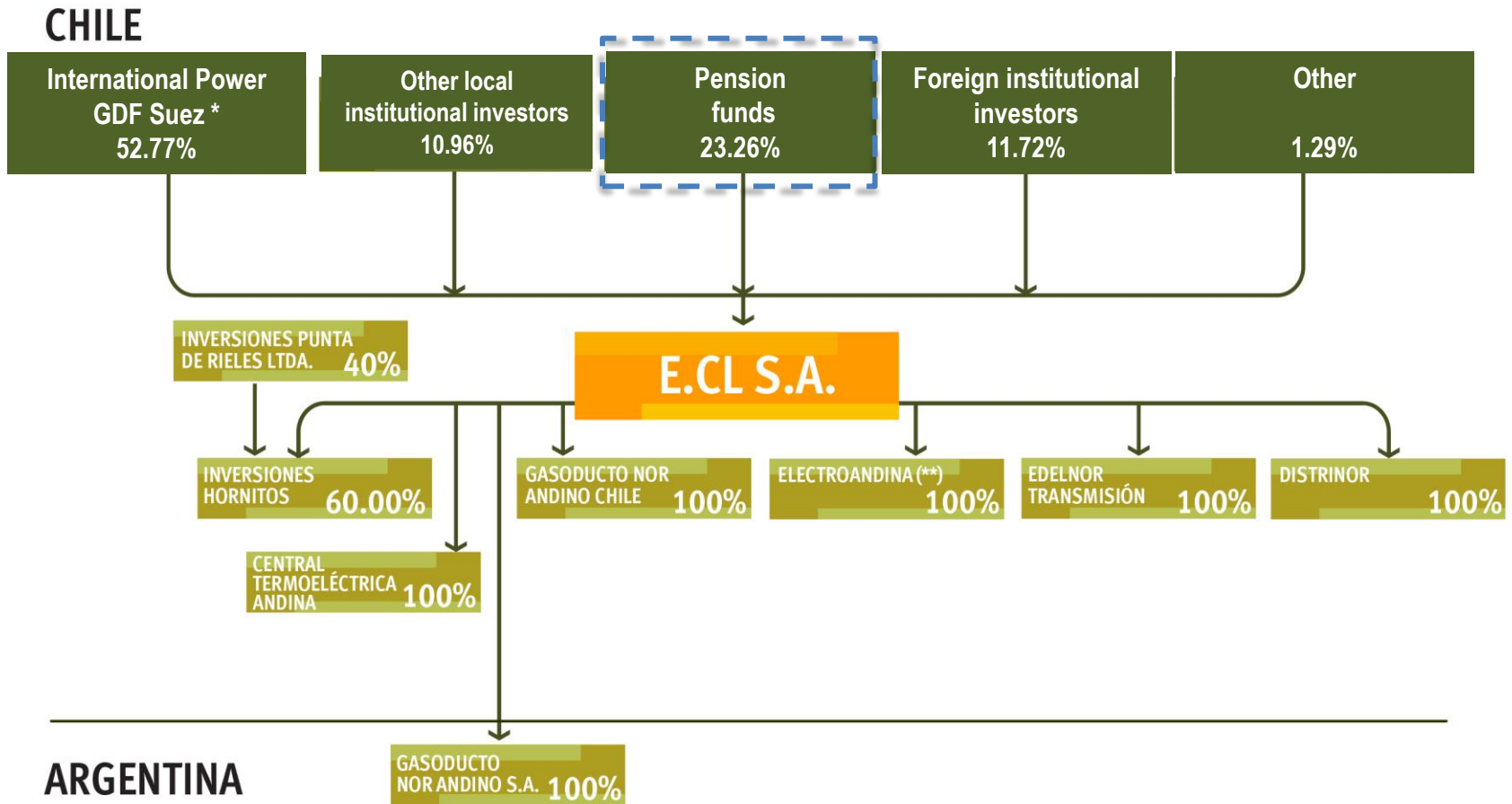




Company overview

One of the most traded shares in the Santiago Stock Exchange

Ownership structure



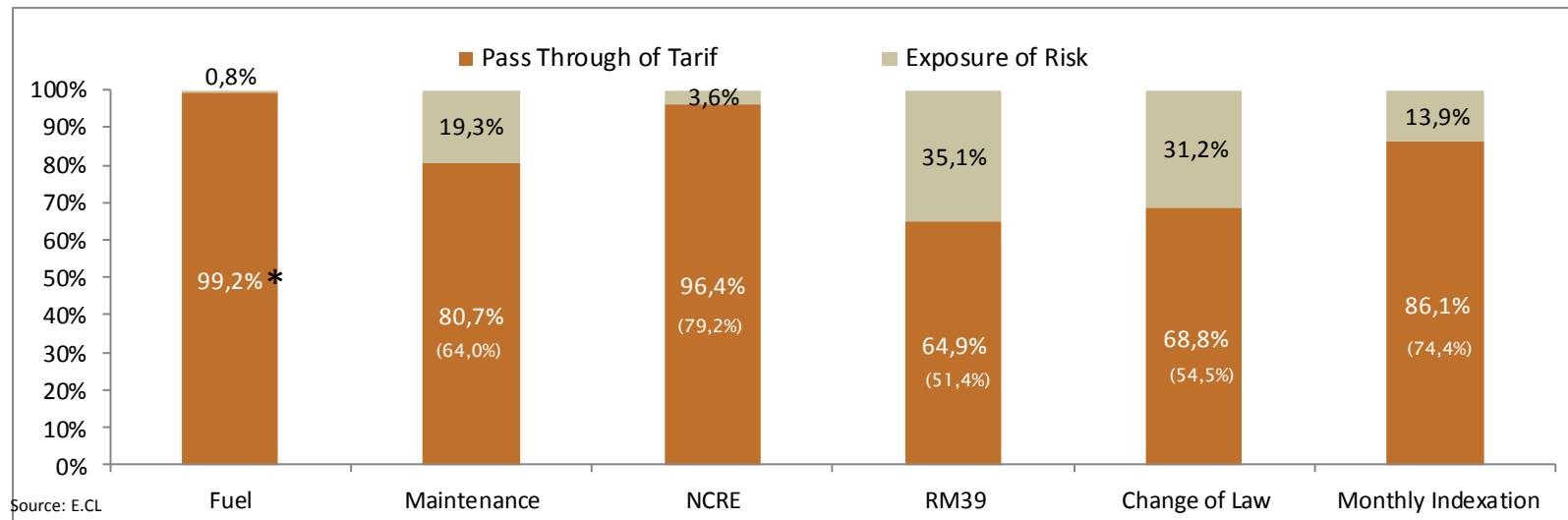
(\*) Indirect ownership through GDF Suez Energy Andino S.A. and Inversiones Mejillones S.A.

(\*\*)After its division and merger with E.CL at the end of 2011, Electroandina kept port assets only



## Contracts pass – through main costs

Pass through of PPA risks (based on contracted energy and capacity)



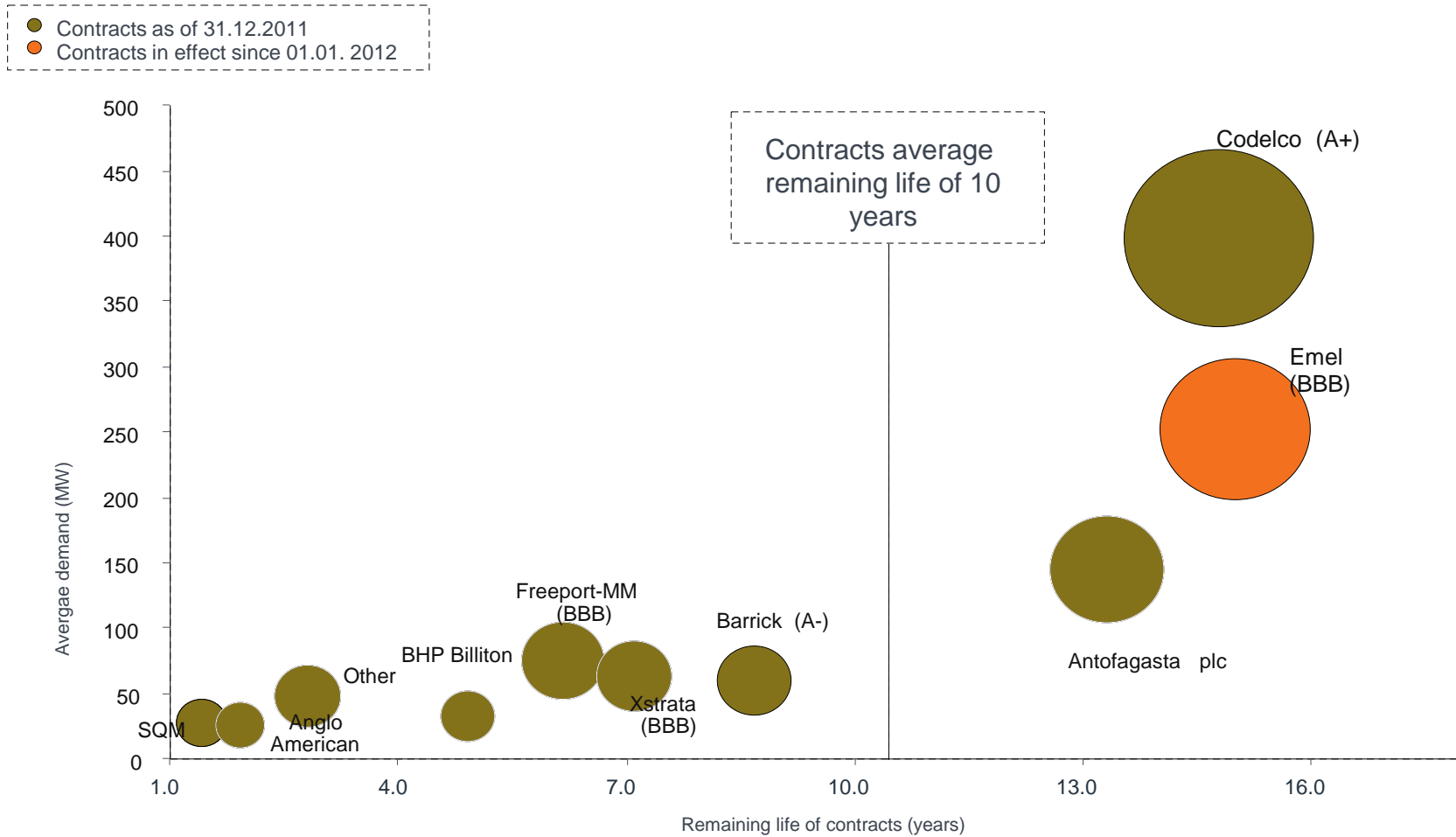
- E.CL's leading position and the system's growing energy requirements has allowed E.CL to include pass-through clauses in most of its contracts significantly reducing its gross margin volatility.
- Long-term PPAs indexed mainly to coal and LNG. Smaller % indexed to fuel oil #6, diesel, CPI and SING marginal cost.
- PPA indexation tends to match E.CL's generation capacity.





## Long – term contracts with creditworthy clients

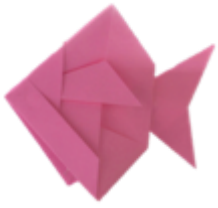
Average demand (MW) and remaining life (years) of current contracts



Source: E.CL

<sup>1</sup> Average demands estimated based on January-December 2011 energy consumption

<sup>2</sup> Contract with Esperanza started in 2011 and Emel started in 2012



# Agenda

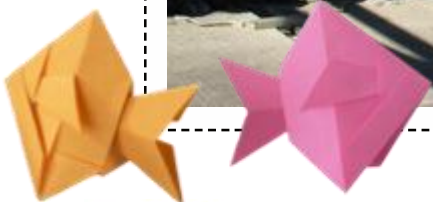


02

Company and Industry Update

**Corporate Strategy and Finance**

Projects Under Development





Financial results

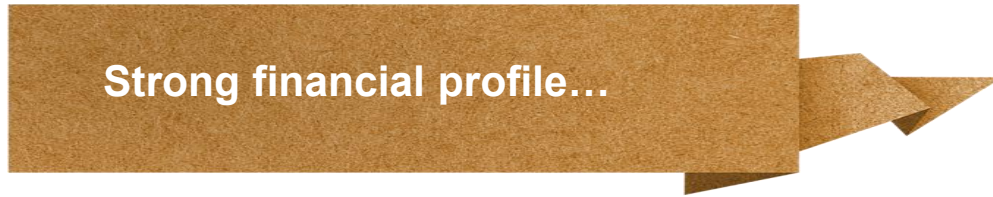
During 2012 E.ON confirmed its leadership in terms of electricity generation and sales in the SING system

US\$ millions	1H11	1H12	Var %
Operating revenues	632.8	573.6	(9%)
Operating income	109.5	72.9	(33%)
EBITDA	161.0	135.2	(16%)
Total non operating results	(1.1)	(17.2)	(1409%)
Net income	84.1	46.6	(45%)
Energy sales (GWh)	3,704	4,472	21%
Net Generation(GWh)	3,267	4,300	32%

- ✓ Energy and capacity revenues decreased compared to the first half of 2011 due to a combination of increased physical sales with lower average realized tariffs.
- ✓ EBITDA decreased 16% due to the drop in average realized monomic tariffs of unregulated clients, owing to a cheaper fuel mix used in generation, and lower tariffs charged to regulated clients resulting from low Henry Hub prices
- ✓ Gross generation increased as a result of the contribution of the new coal-fired power plants, CTA and CTH and good performance of our generation plants compared to our competition.
- ✓ Non-operating results affected by interest on CTA project finance which ceased to be capitalized.



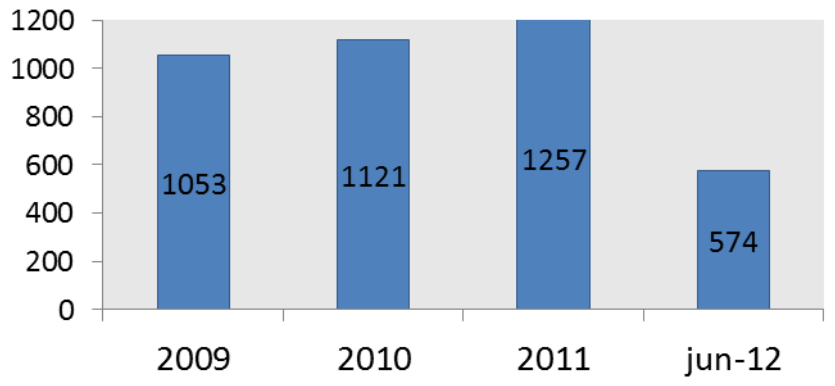
## Financial results



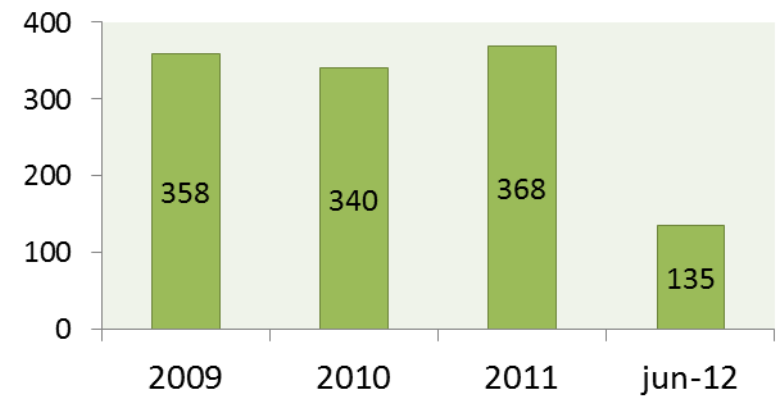
Strong financial profile...

### Main financial indicators

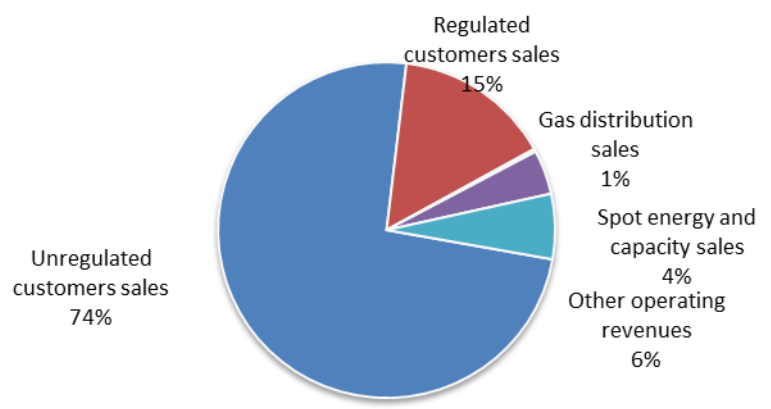
Sales (USD million)



EBITDA (USD million)

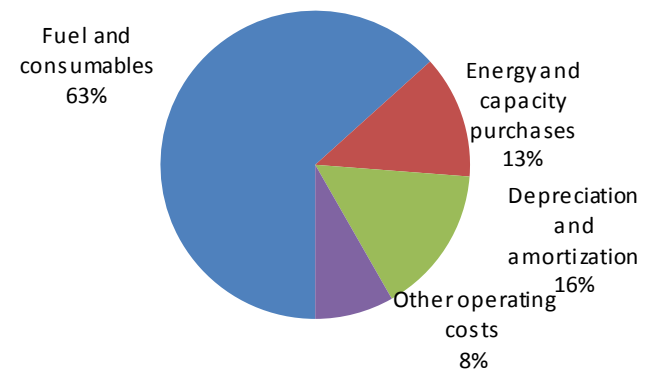


Sales breakdown (June 2012)



Total = USD 573.6 million

Costs breakdown (June 2012)



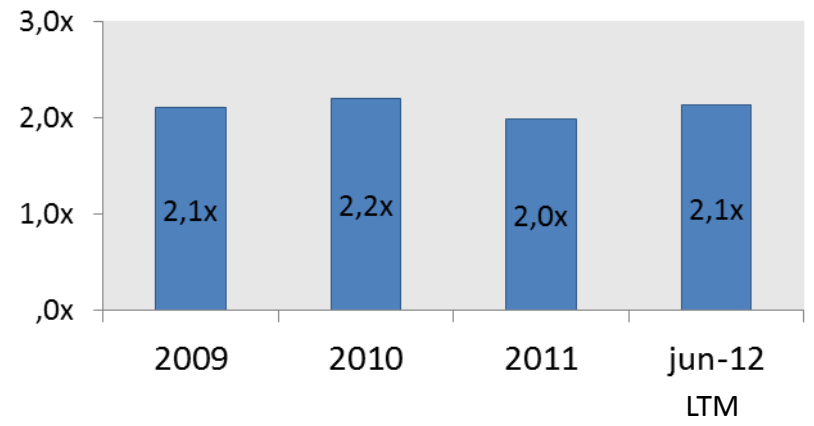
Total = USD 500.6 million



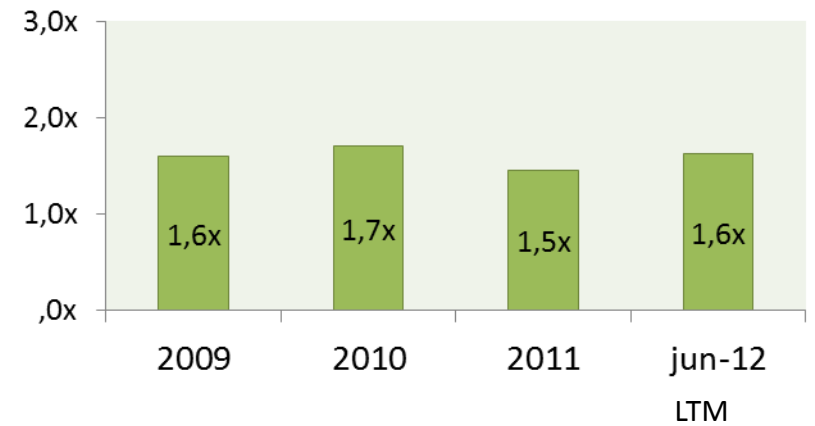
## Financial results

Coupled with a conservative debt structure

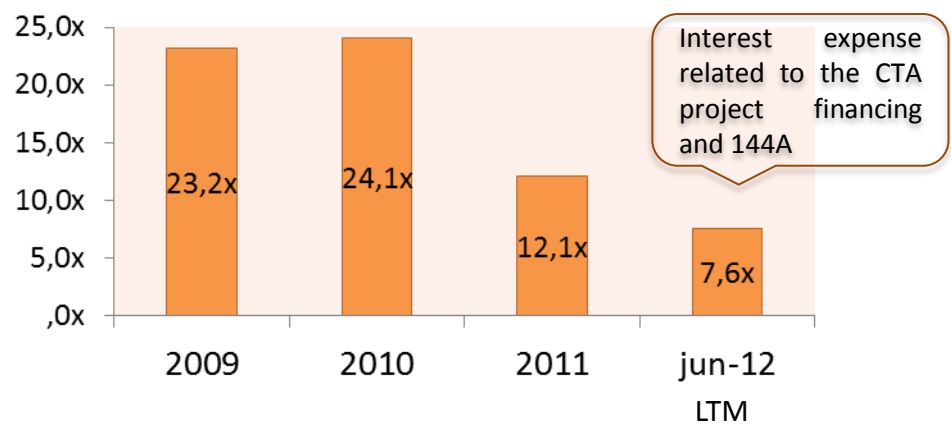
### Total debt/EBITDA



### Net debt/EBITDA



### EBITDA/Interest expenses



## Credit ratings

- S&P and Fitch international investment-grade ratings :
  - S&P: BBB- (Stable Outlook)
  - Fitch: BBB- (**Positive** Outlook)
- Local investment-grade ratings by Fitch, Feller and ICR
  - Feller: A (Stable Outlook)
  - Fitch: A (**Positive** Outlook)
  - ICR: A (Stable Outlook)





## Financial results

## Shareholder return

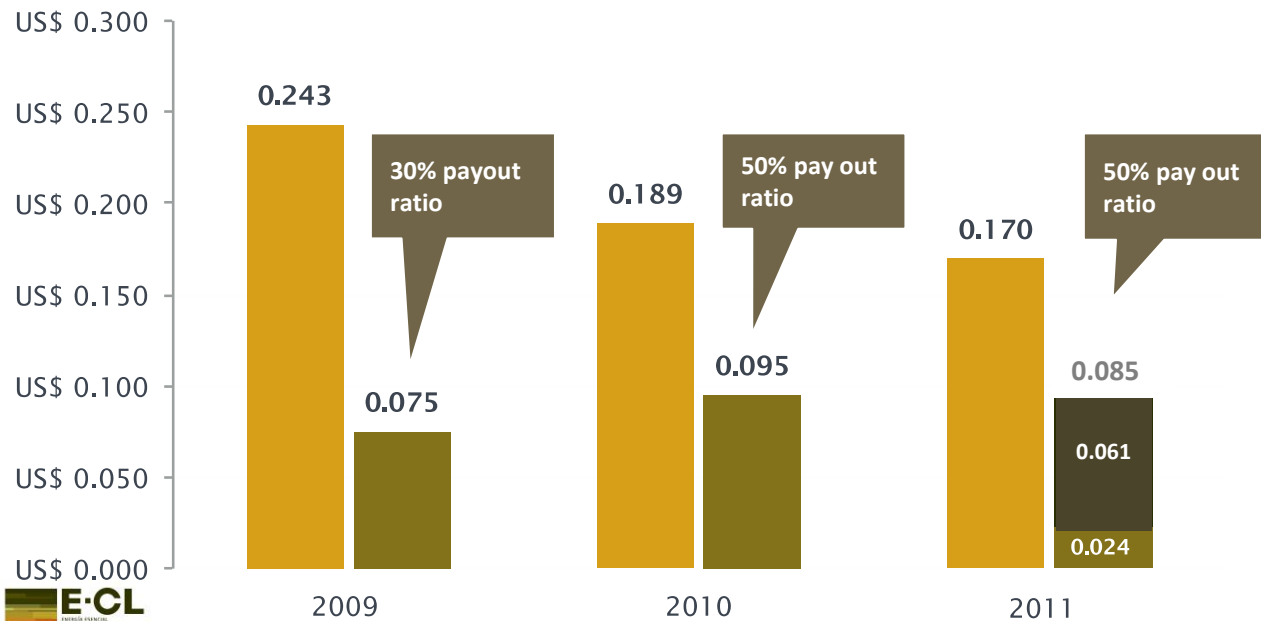
### E.CL Share (as of August 10, 2012):

- Market Cap: US\$ 2.50 bn
- Price: CH\$ 1,146

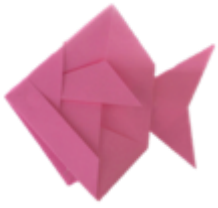
Source: Bloomberg



### Return and Dividend per share







## Agenda



Company and Industry Update

Corporate Strategy and Finance

 **Projects Under Development**



Projects under development

E.CL is embarked on an investment program to reduce particle matter and gas emissions in order to meet stricter environmental standards

## New regulation on particle matter and gas emissions by thermoelectric plants






- ✓ Stricter particle-matter and gas emission requirements were approved by Chilean authorities in 2011
- ✓ Investing to comply with new emission requirements: Est. US\$170 MM CAPEX in 2011–2015
- ✓ The works include the installation of desulfurization and oxide-reduction systems in Units 1 and 2 in Mejillones and Units 12, 13, 14 and 15 of the Tocopilla plant.



Projects under development

## Maintenance overview

		Año 2012											
Empresa		Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre
<b>E-CL CTT</b>													
Unidad	Días												
U10	20				15-May		03-Jun						
U11	20					15-Jun		04-Jul					
U12	35			01-Apr		05-May							
U13	35					13-Jun			17-Jul				
U14	35												
U15	35								26-Aug		23-Sep		
U16	42+5	28-Jan		09-Mar			07-Jul		11-Jul				
PT2													
PT3													
TG1									12-Sep			21-Oct	
TG2						20-Jun		29-Jul					
TG3								01-Aug		09-Sep			
<b>E-CL CTM</b>													
Unidad	Días	15-Jan											
CTM1	5+15		15-Jan							08-Oct		22-Oct	
CTM2	35						13-Jul		16-Aug				
CTM3	5										01-Nov	05-Nov	
PT													
<b>E-CL CTA-CTH</b>													
Unidad	Días												
CTA	15										01-Nov		15-Nov
CTH	20							01-Sep		20-Sep			

 Mantenimiento Programado  
 Overhaul  
 Proyecto Black Fox





Projects under development

E.CL is committed to continued environmental improvement

Development of non-conventional renewable energy (NCRE)



Solar power project studies



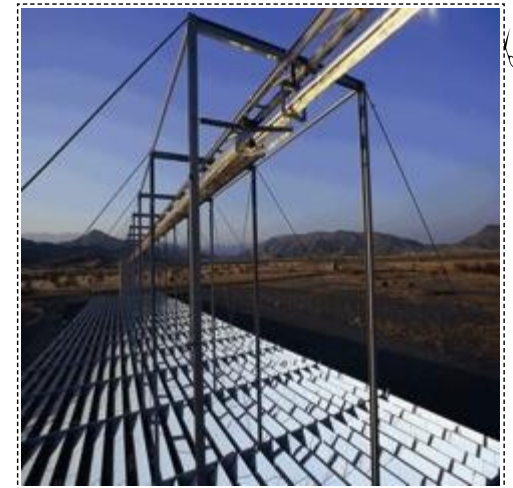
Second-generation fuels from microalgae



Calama wind-farm project (100 MW)



Use of biomass in coal-fired units



Steam for injection in coal-fired units' cycles generated from solar power



Projects under development

## Potential acquisition of GDF Suez's NCRE assets in the SIC: Eólica Monte Redondo ("EMR")

### Eólica Monte Redondo



- ✓ EMR owns a wind farm with 24 aerogenerators with total capacity of 48 MW in the SIC.
- ✓ EMR owns a 34 MW hydro plant under construction in the SIC.



Projects under development

Our plan includes new investments to meet the increased power demand in the north of Chile

## Infraestructura Energética Mejillones:



- ✓ The Infraestructura Energética Mejillones project consists of up to two coal-fired power plants, each with gross capacity of 375 MW, and a new port facility.
- ✓ The closing of PPAs is the key item that will trigger the decision to build one or two of these units.

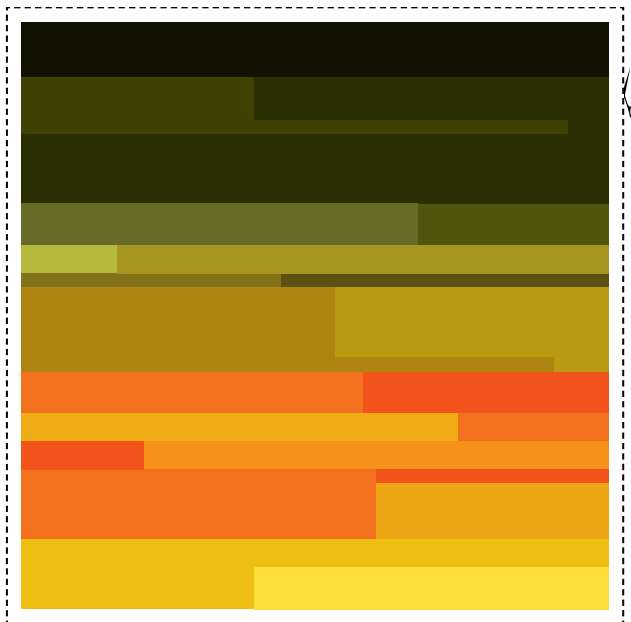
### Infraestructura Energética Mejillones description

Characteristics	
Gross capacity (IEM1 & IEM2)	2 x 375 MW
Net capacity <sup>1</sup>	2 x 320 MW
Availability (yearly dispatch)	90%
Location	Mejillones
Associated infrastructure	Mechanized port (Capesize carriers)
IEM1's transmission line	New 170 km 220kV, 350 MVA
IEM2's transmission line	Upgrade of E.CL's current Chacaya-Crucero 220 kV

Source: E.CL

<sup>1</sup> Own consumption of 31 MW and 7% of spinning reserve.





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