

07 | 25 | 2013

enersis 1H 2013 results

Highlights

Average demand¹ growth in LatAm reaches +3.5% improving the trend vs 1Q13

The GAP of hydro generation caused by the persistence of droughts in the region was faced through the entrance of the new thermal plant Bocamina II in Chile² (+1.2 TWh) and higher CCGT production in Brazil and Peru

Overall EBITDA increased³ by 16.2% or 333 US\$m, mainly thanks to better regulatory terms recognition on past distribution costs in Argentina

Endesa Spain's in-kind contribution in capital increase already contributing since 2Q13

Attributable Net Income increased by 98% during first half 2013 compared to first half 2012

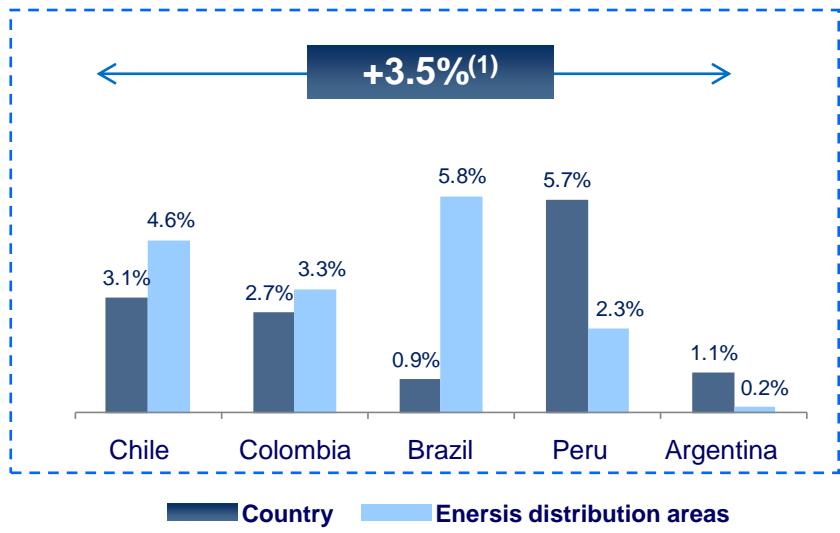
1. Country demand. Weighted by production

2. Coal fired plant, 350 MW installed capacity.

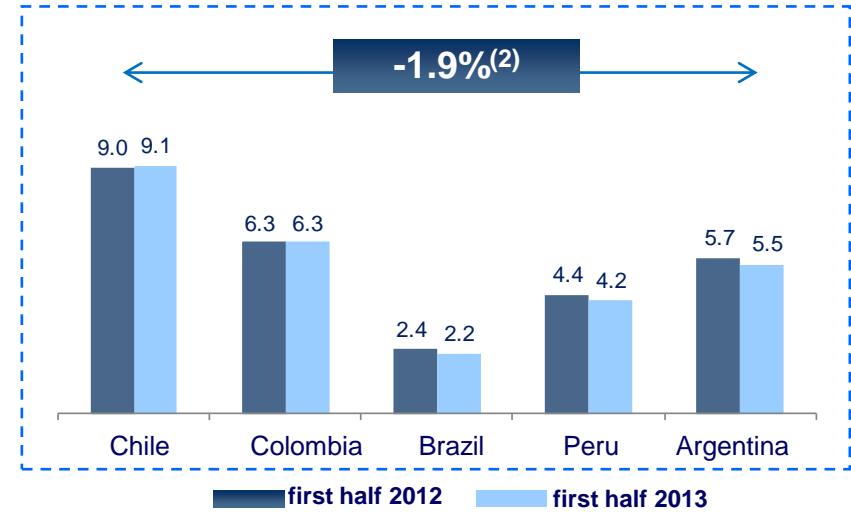
3. Percentage variation is based on Chilean Pesos

Business context in 1H 2013

Demand (%)



Generation Output (TWh)



(1) Average growth weighted by production
Electricity sales in distribution consider tolls and unbilled consumption

(2) Average

Average spot prices (US\$/MWh)



Financial highlights¹

Ch\$ Million	1H 2013	1H 2012	Change	Th US\$ 1H 2013
Revenues	3,157,601	3,251,304	-2.9%	6,596
EBITDA	1,087,175	935,698	16.2%	2,271
EBIT	865,630	704,427	22.9%	1,808
Group Income	562,306	388,715	44.7%	1,175
Group Net Ordinary Income	322,356	162,621	98.2%	673
Net Debt	2,432,439	2,770,711 ⁽²⁾	-12.2%	4,796

¹ Since under IFRS, Enersis has adopted the Chilean Peso as the functional currency. Comparisons between periods have been only made under Ch\$.

Referential average exchange rate 478.71 CLP/USD for the cumulative period as of June 30, 2013 and 507.16 CLP/USD for net debt calculation as of June 30, 2013.

² Net debt as of Dec. 31, 2012.

From EBIT to net income¹

Ch\$ Million	1H 2013	1H 2012	Change	Th US\$ 1H 2013
EBIT	865,630	704,427	22.9%	1,808
Net Financial Charges	-63,464	-162,089	-60.8%	-133
Interest Charges	-205,410	-233,494	-12.0%	-429
Other	141,946	89,322	58.9%	297
Net Income from Equity Investments	10,396	16,249	-36.0%	22
EBT	818,586	560,375	46.1%	1,710
Income Tax	-256,280	-171,660	49.3%	-535
Net Income (Continuing operations)	562,306	388,715	44.7%	1,175
Minorities	239,950	226,094	6.1%	501
Group Net Income	322,356	162,621	98.2%	673

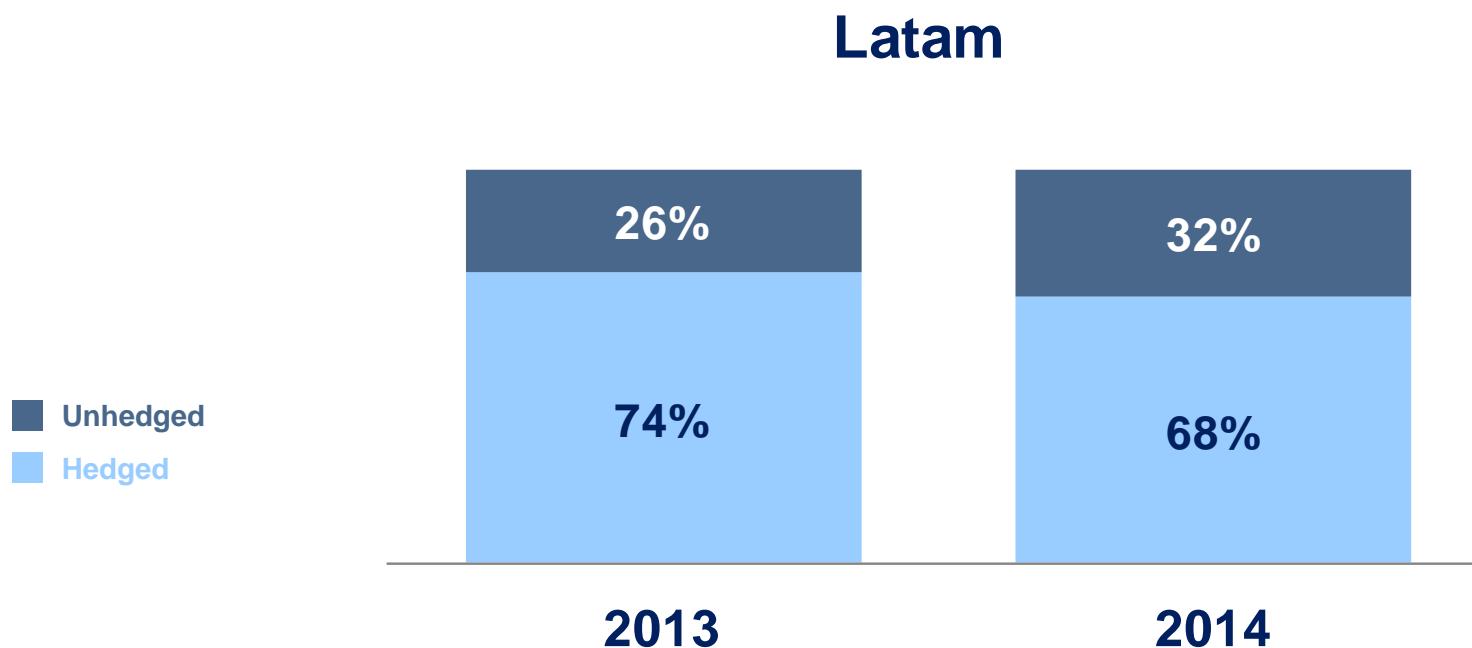
¹ Since under IFRS, Enersis has adopted the Chilean Peso as the functional currency. Comparisons between periods have been only made under Ch\$.

Referential average exchange rate 478.71 CLP/USD for the cumulative period as of June 30, 2013

² Net Financial Expenses correspond to Net Financial Income discounted of Foreign Currency Exchange Differences.

Focus on forward electricity sales

Level of total production hedge (%)



**Overall hedge in estimated output equals to ~ 74% in 2013 and ~ 68% in 2014
35% and 19% of generation sold through contracts > 5 and 10 yrs respectively**

Regulation update: Latam (I)

Argentina

- Dx: MMC recognition from May 2007 to February 2013:
 - Increase of EBITDA and net income levels. No significant cash flow impact
 - Resolution SE N° 250/13 (May 7th, 2013) authorized a compensation to Edesur of positive credit concerning MMC with:
 - Debt arising from the application of PUREE
 - Debt with CAMMESA
 - Exceeds credits to fund the trust (*Fideicomiso*) constituted by ENRE Resolution N° 347 from November 23, 2012
- Gx: regulatory remuneration based on “Cost Plus” scheme. To be booked retroactively as of Feb 2013, when law is enforced

Brazil

- The concession non-renewal in Gx resulted in involuntary exposure of distributors;
- Ministry of Energy called “A-0” was unsuccessful
- Most of the involuntary exposure has been covered by CDE (National Treasury).

Regulation update: Latam (II)

Chile

- Congress agreement on projects of non-conventional renewable and electrical concessions
 - The goal of 20% of total production to be generated from renewable sources as of 2025 applies to new contracts and exclusive auctions for non-conventional renewables.
 - Improvement of Electrical Concessions Law.
- Bill presented by the Government encourages SIC-SING interconnection

Peru

- Edelnor tariff review progress according to schedule. To be published next November

Colombia

- Dx: Regulator (CREG) issued resolution defining criteria for next tariff review (2014-2018):
 - WACC according to current methodology
 - RAB Review

Chile

Generation output Distribution sales⁽¹⁾



- **Gx:** Despite lower hydrology, energy output remained stable vs 2012 thanks to Bocamina II plant
- **Dx:** Strong demand supported by residential & commercial customers and new real estate projects

Gx EBITDA Dx EBITDA



- **Gx:** lower fuel costs and energy purchases, coupled with a better production mix. 2012 contains a positive one-off effect linked to CMPC settlement
- **Dx:** higher sales volume and additional service income, partially offset by lower VAD.

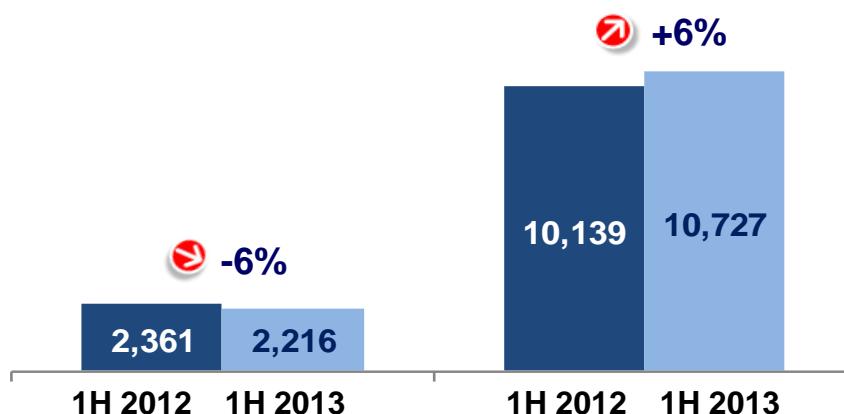
Total EBITDA Ch\$MM 175,389 (+6.9%)

(1) Tolls and unbilled consumption included. (2) Includes Holding expenses.

Brazil

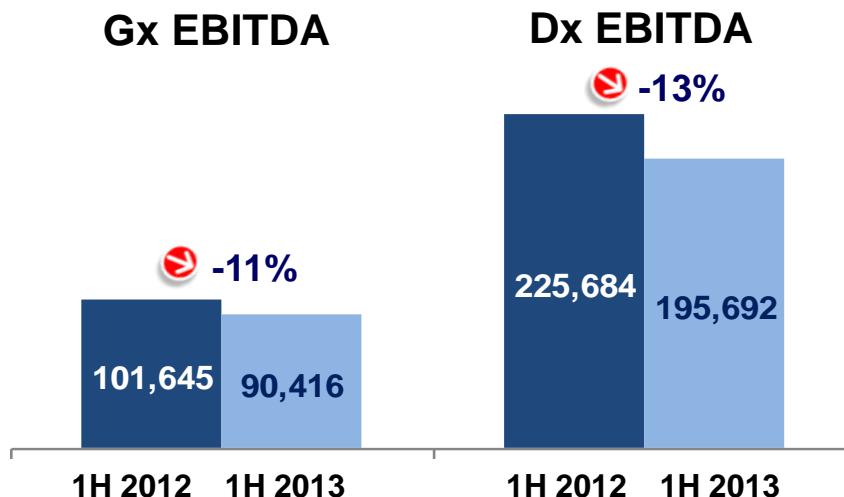
Generation output Distribution sales⁽¹⁾

GWh



- **Gx:** Worse hydro conditions due to drought impacted Cachoeira, partly offset by thermal dispatch from Fortaleza.
- **Dx:** Strong demand linked to weather conditions

Ch\$MM



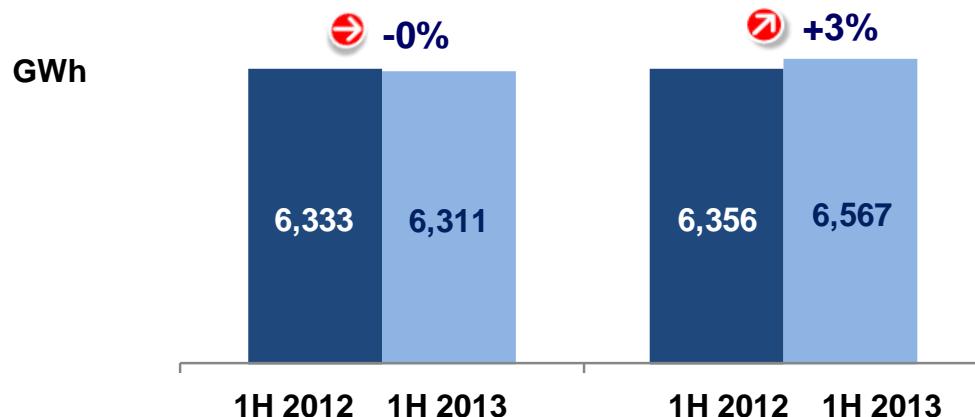
- **Gx:** higher fuel costs and energy purchases in Fortaleza partly compensated by higher thermal generation. Lower sales volume from Cachoeira.
- **Dx:** higher energy costs in Ampla and Coelce due to drought (to be recovered in annual tariff adjustments). Negative impact of Coelce's tariff revision.

Total EBITDA⁽²⁾ Ch\$MM 284,010 (-12.5%)

(1) Tolls and unbilled consumption included. (2) Includes Holding expenses.

Colombia

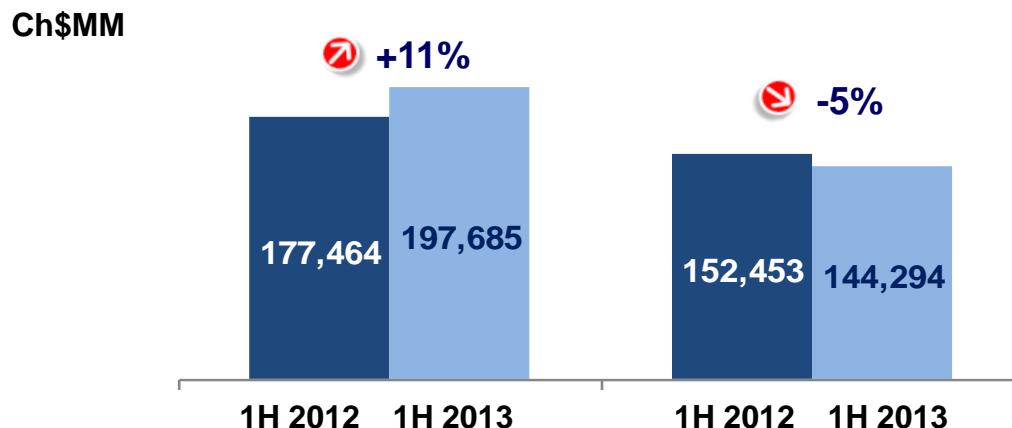
Generation output Distribution sales⁽¹⁾



- **Gx:** Lower hydro conditions compensated by higher thermal generation from coal-fired plants.
- **Dx:** Stable demand in line with country dynamics

Gx EBITDA

Dx EBITDA



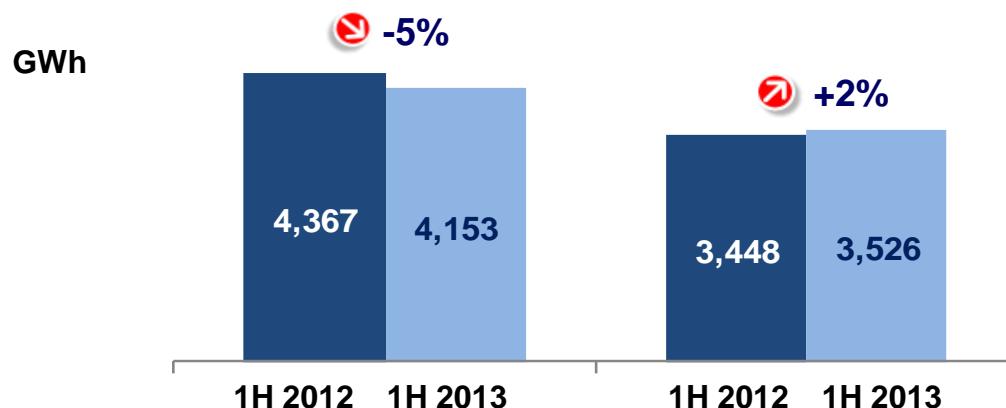
- **Gx:** higher energy prices and sales volume, partially offset by increases in energy purchases and fuel costs
- **Dx:** lower sales prices and fixed costs, partially compensated by higher sales volume and other services

Total EBITDA Ch\$MM 342,031 (+3.7%)

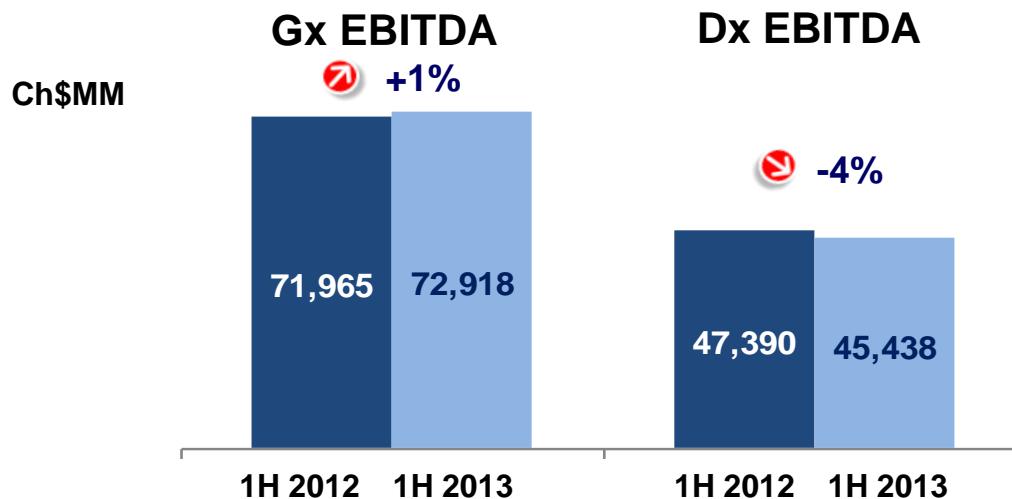
(1) Tolls and unbilled consumption included

Peru

Generation output Distribution sales⁽¹⁾



- **Gx:** Lower thermal dispatch, partially offset by recovery of Ventanilla
- **Dx:** Lower energy sales due to slowdown in manufacture activity in Lima area



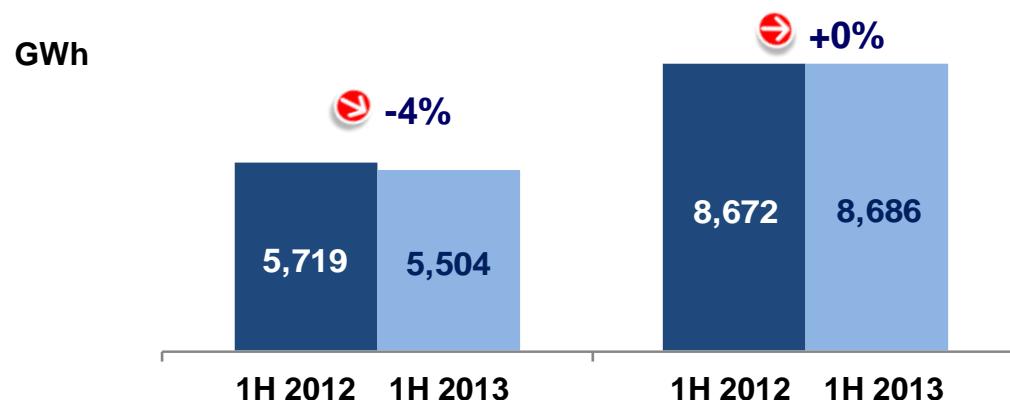
- **Gx:** lower fuel costs due to lower thermal dispatch, partly offset by lower sales
- **Dx:** lower average price and fixed costs

Total EBITDA Ch\$MM 117,990 (-1.1%)

(1) Tolls and unbilled consumption included

Argentina

Generation output Distribution sales⁽¹⁾

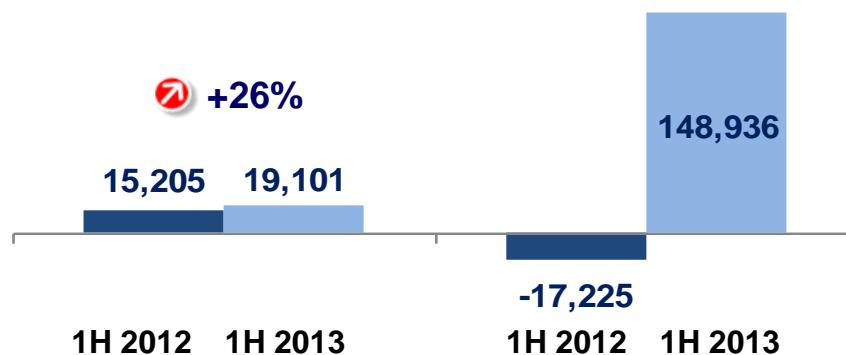


- **Gx:** Worse hydro conditions and lower thermal availability
- **Dx:** Lower demand due to slowdown in economic activity

Gx EBITDA

Dx EBITDA

Ch\$MM



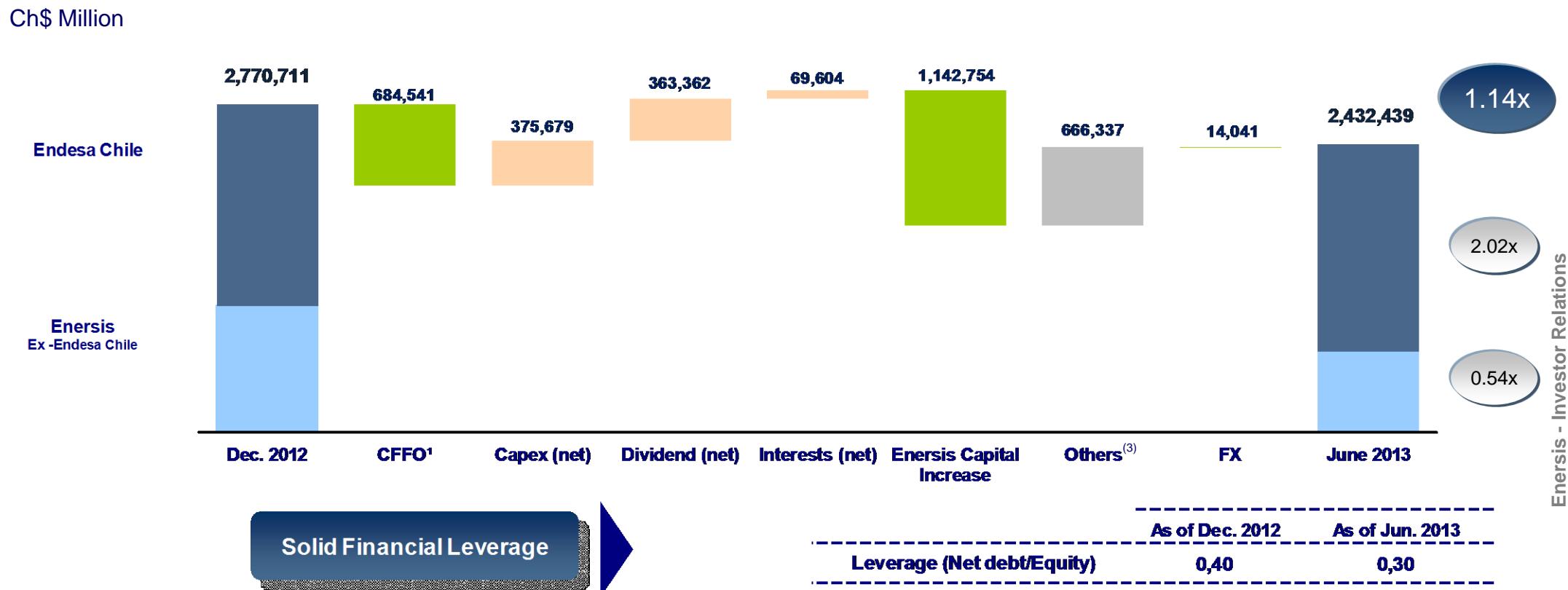
- **Gx:** higher margin due to new regulation and availability payments
- **Dx:** one-off effect due to Resolution 250/2013

Total EBITDA Ch\$MM 167,256

(1) Tolls and unbilled consumption included

A solid financial position

Net debt evolution in 1H 2013



- Enersis liquidity ex Endesa Chile covers 41 months of debt maturities including interest expenses
- Enersis liquidity covers 31 months of debt maturities including interest expenses

¹ Cash flow from operations.

³ Financial debt less cash divided by EBITDA TTM

³ Under IFRS, cash devoted to products with tenor over 90 days are not considered as "Cash and Equivalents"

Final Remarks

Consolidated results incorporate the effect of transferred assets from Endesa, S.A. for the capital increase and the higher financial income related thanks to the invested cash

Despite the persistent drought in Chile, the Group has obtained positive results mainly thanks to Bocamina II and the use of LNG

Recovery in electricity demand during the second quarter of the year with an important contribution of our main distribution companies

Results have been impacted by the positive one-time effect in Argentinean distribution business

annexes

Installed capacity

Installed Capacity



	Chile	Colombia	Brazil	Peru	Argentina	Total
Total	5,571	2,914	987	1,773	4,522	15,766
Hydro	3,456	2,471	665	746	1,328	8,666
Nuclear	0	0	0	0	0	0
Coal	636	236	0	0	0	872
Oil-Gas	1,392	208	322	1,027	3,194	6,142
CHP / Renewables	87	0	0	0	0	87

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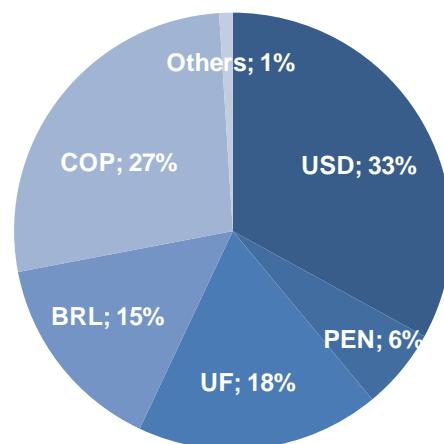
² The run-of-the-river mini hydro facility "Ojos de Agua" (9 MW of installed capacity), located in Chile, is considered as Renewable. In the slide per country, it is considered under "Hydro" output

Energis: financial debt maturity calendar

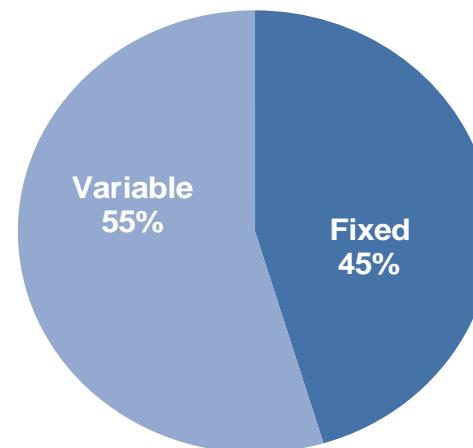
Debt by Country

Ch\$ million	2013	2014	2015	2016	2017	Balance	TOTAL
Chile	204,094	376,988	113,923	226,914	9,310	471,844	1,403,072
Argentina	129,376	86,756	9,541	4,922	-	-	230,594
Peru	18,475	61,532	47,464	50,552	45,388	149,932	373,343
Brazil	75,573	78,055	65,923	100,936	100,109	120,795	541,391
Colombia	42,329	102,973	76,420	48,814	158,318	531,900	960,754
TOTAL	478,071	706,303	313,271	432,137	313,124	1,274,472	3,517,378

Debt by Currency¹



Debt by Interest Rate



- **Total debt ² as of June 2013:** Ch\$ 3,517,378 million (US\$ 6,935 million)
- **Debt structure:** Debt in currency in which operating cash flow is generated

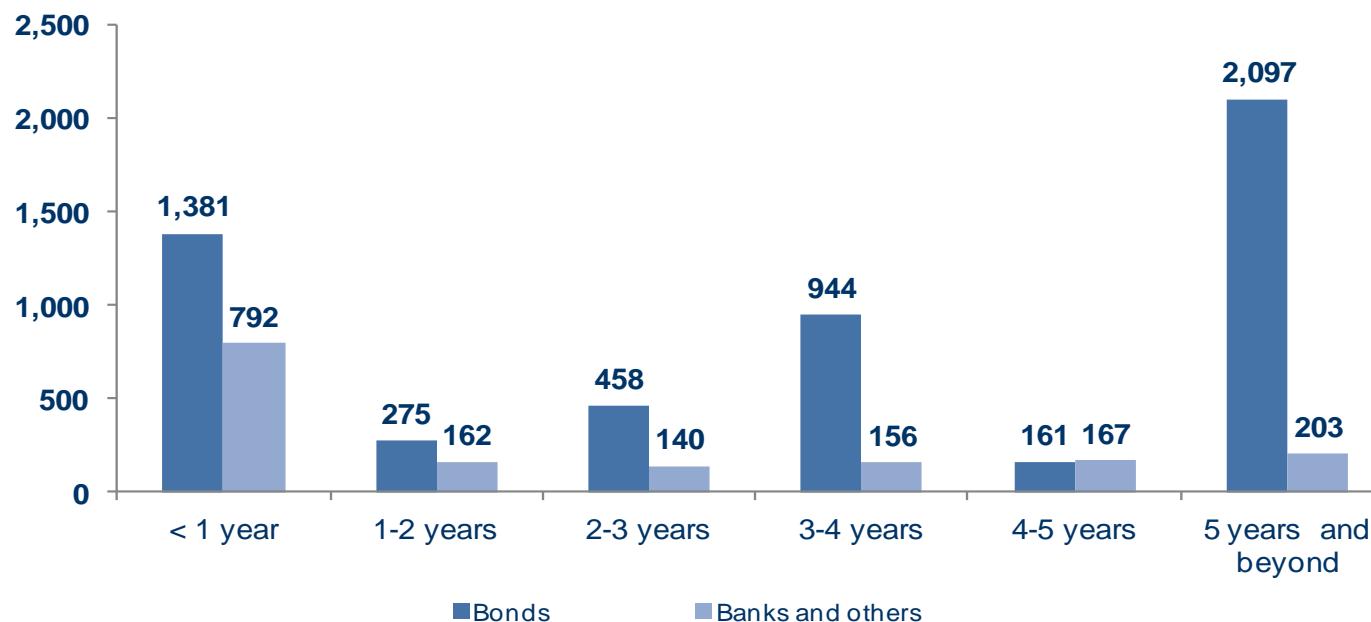
¹ COP: Colombian Peso; PEN; Peruvian Soles; BRL; Brazilian Reais; UF: Chilean inflation-indexed, peso-denominated monetary unit ; USD: US dollar; Others: ArgentineaPeso

² US\$ 1 equals to \$507.16 using the end of the period exchange rate.

Enersis: financial debt maturity calendar

Debt maturity profile outstanding as of June 30, 2013

US\$ million



- **Liquidity: US\$ 4,023 million**
- **Average life of debt: 5.0 years**

US\$ 2,298 million in cash

US\$ 769 million in committed credit lines (available)

US\$ 956 million non-committed credit lines (available)

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