

Enersis Net Income up 49% In The First Nine Months Of 2015

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Operational

highlights

- Power production reached 44,944 GWh, a similar level to that posted in the first nine months of 2014.
- Energy sales from the distribution segment reached 59,011 GWh, a 2.2% increase compared to the same period in 2014 that is mainly due to higher sales in Peru and Argentina.
- The number of distribution customers grew to 15.1 million, an increase of over 449,000 new customers in 12 months.

Financial

highlights

- Revenues reached 5,685,378 million CLP in the first nine months of 2015, a 9.1% increase on the same period of the previous year which is mainly due to higher energy sales in generation and distribution.
- Enersis' EBITDA in the first nine months of 2015 stood at 1,636,989 million CLP, a 7.6% increase on the corresponding period of 2014. These results are mainly attributable to the improved performance of the Chilean generation segment and of the distribution segment in Argentina.
- As a result of the above, EBIT grew by 9.6% to 1,251,783 million CLP in the first nine months of 2015.
- Net income attributable to Enersis shareholders increased to 405,425 million CLP in the first nine months of 2015, up from the 272,132 million CLP posted in the same period of 2014. This growth is mainly attributable to the improved performance of Chilean generation and Argentina's distribution segments, as well as to the increase in revenues and lower financial charges posted in the period.
- As a result of the increase in net income, profit per share reached 8.26 CLP, 49% more than in the same period of last year.
- Company's net financial charges decreased by 53.8% compared with the first nine months of 2014, mainly due to higher financial income from distribution business in Brazil arising from tariff indexation to inflation and lower financial costs in Argentina partly as a result of lower debt.
- During the first nine months of the year Enersis invested 787,878 million CLP, a 20% increase with respect to the same period of last year.

In the first nine months of 2015, net income attributable to Enersis shareholders increased to 405,425 million CLP, up 49% from the 272,132 million CLP posted in the corresponding period of 2014. This growth is mainly attributable to the improved operating performance of the Chilean generation segment and of the distribution segment in Argentina, as well as by the good financial results brought about by higher revenues and lower

financial charges. As a result of the increase in net income, profit per share reached 8.26 CLP, 49% more than the same period last year.

“Enersis posted solid results in spite of the challenging macroeconomic environment in Latin America, which continues to suffer from a slow down in economic growth and a strong depreciation of certain currencies,” said General Manager of Enersis Luca D’Agnese. “Our results however reflect an improved performance of the generation business in Chile and of the distribution business in Argentina. We keenly await the start of commercial operations at the 400 MW El Quimbo hydro plant in Colombia in the coming weeks, which will be another positive operational development for the group.”

Enersis Group companies generated 44,944 GWh in the first nine months of 2015, in line with the 45,107 GWh generated in the same period of 2014. In turn, energy sales from the distribution segment increased by 2.2% compared with the first nine months of 2014, reaching 59,011 GWh, a rise that is mainly due to higher sales in Peru and Argentina.

The number of distribution customers grew to 15.1 million as of September 30th, 2015, an increase of over 449,000 new customers in the past 12 months.

Revenues stood at 5,685,378 million CLP, an increase of 9.1% compared to the first nine months of 2014. The increase in revenues was mainly attributable to the 6.1% rise in energy sales, which reached 4,813,619 million CLP. This increase in energy sales has offset the 8.8% rise in costs of supplies and services, which closed the period at 3,187,684 million CLP, mainly attributable to the 21.6% rise in fuel consumption, which reached 460,468 million CLP, due to the increase in thermal generation in Chile, and to the 7.1% increase in energy purchases.

Enersis’ EBITDA stood at 1,636,989 million CLP in the first nine months of the year, a 7.6% growth compared to the same period in 2014. This improved performance is mainly attributable to the 17.1% rise in EBITDA from the distribution business, which closed the period at 704,762 million CLP. Generation business EBITDA increased by 38,357 million CLP to 976,151 million CLP, 4.1% more than in the same period of 2014.

The distribution segment’s rise in EBITDA was mainly due to the recognition of 257,331 million CLP in Argentina as a result of Resolution No. 32/2015, by which Argentina’s government approved a temporary increase in local subsidiary EDESUR’s revenues to cover the payment of energy purchased from the electricity market, of wages and supply of goods and services.

In the generation segment the rise in EBITDA was mainly attributable to the increase in Chilean generation EBITDA of 122,603 million CLP, 61.4% more than in the same period of last year. This increase was due to higher average energy prices and increased energy sales as a result of the re-start of operations at Bocamina I and II together with the effects of consolidating 100% of Gas Atacama during the entire period. This improved performance has offset the drop in EBITDA from Brazil and Colombia, which was mainly related to the foreign exchange rate effect that led to a depreciation against the Chilean peso by 17.4% in Brazilian reais and 16.1% in Colombian pesos, in comparison with the corresponding period of 2014.

As a result of all of the above, Enersis' EBIT stood at 1,251,783 million CLP, a 9.6% rise with respect to the same period in 2014.

The company's net financial charges were 142,839 million CLP, a decrease of 53.8% compared with the corresponding period of 2014, mainly due to higher financial income from distribution business in Brazil arising from tariff indexation to inflation and lower financial costs in Argentina partly as a result of lower debt in that country.

During the first nine months of the year Enersis invested 787,878 million CLP, a 20% increase with respect to the same period of last year. Investments on growth mainly addressed the already completed Colombian hydropower plant El Quimbo, the environmental improvements on the Chilean coal-fired plant Bocamina II, the start of construction work at Chilean hydro plant Los Cóndores, and higher investments in the Brazilian distribution business.