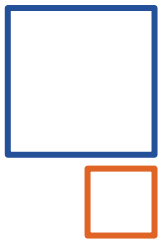


# FY 2014 results

January 30, 2015

**enersis**





# Agenda

- **Opening remarks**

- FY 2014 results
- Closing remarks
- *Exhibits*



# Opening remarks

## **EBITDA target for 2014 achieved**

Surpassing 4 bn USD

## **Decoupling of LatAm operations completed**

Since October 23<sup>rd</sup> Enersis has been directly held by Enel Group

## **New Group organization finalized**

Key top Management appointed

## **Delivery of new capacity on going and use of funds**

400 MW Hydro Colombia, 150 MW Hydro Chile and Coelce, Edegel and GAT minorities buy back



## Highlights of the period

### **Better operational results in the 4<sup>th</sup> quarter of 2014**

Higher hydro generation in Chile, better prices in Colombia and Brazilian regulation

### **Write-downs of HidroAysén and Punta Alcalde Projects**

Negative impact on consolidated net income of 83 mn USD

### **Agreement with Tecnimont regarding Bocamina II**

With no impact in EBITDA or net income

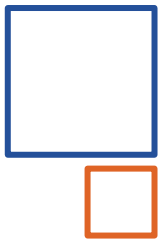
### **Debt renegotiation in Argentina**

Positive impact in net financial expenses of 148 mn USD

### **Re-organization process on going**

Sale of non core real-estate assets. Positive net income of 31 mn USD

**3.7bn USD of operating cash flow during 2014**



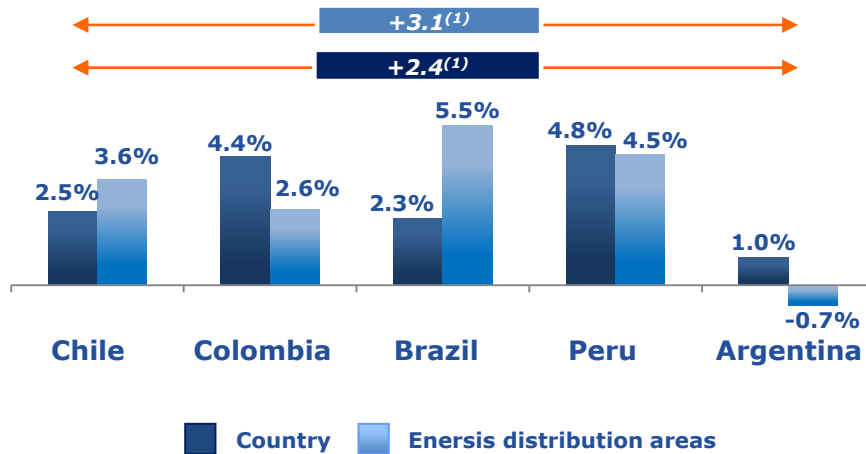
# Agenda

- Opening remarks
- **FY 2014 results**
- Closing remarks
- *Exhibits*

# Consolidated results FY 2014

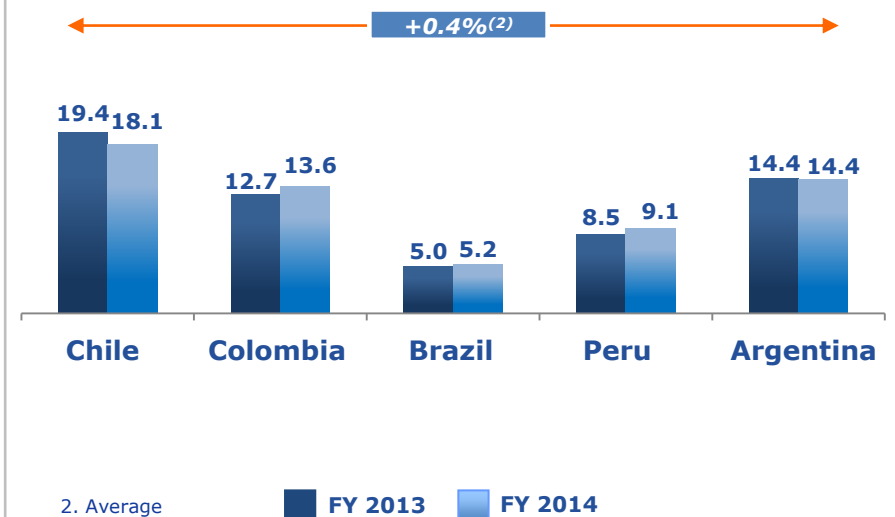
## Business context in FY 2014

### Electricity demand (%)



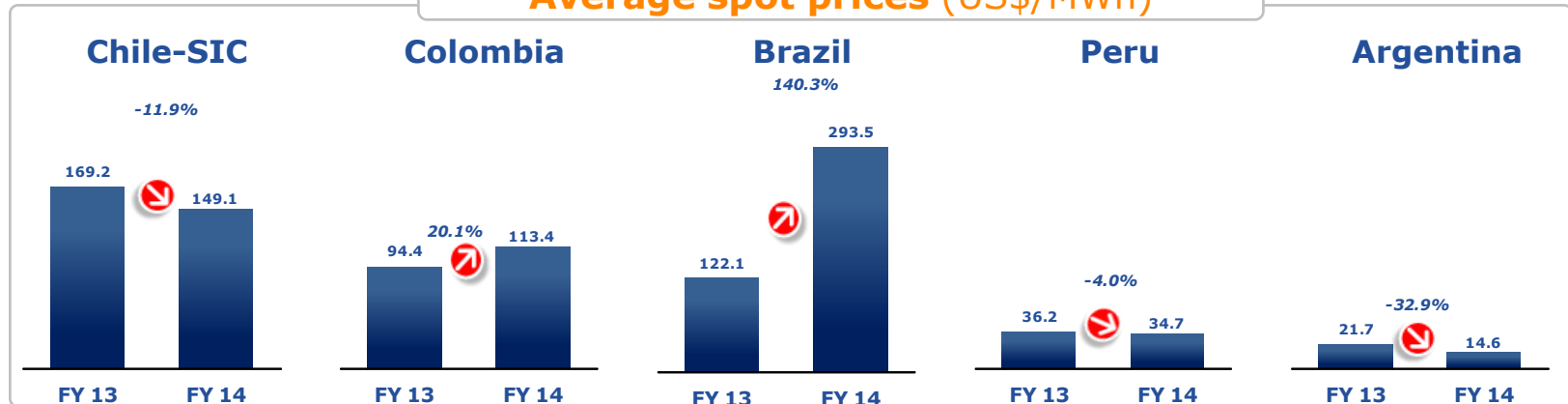
1. Average growth weighted by TWh (not adjusted)

### Generation Output (TWh)



2. Average

### Average spot prices (US\$/MWh)



# Consolidated results FY 2014

## Financial highlights

<b>Ch\$ Million<sup>(1)</sup></b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>Change (%)</b>	<b>FY 2014 Mn US\$</b>
<b>Revenues</b>	7,253,876	6,264,446	<b>15.8%</b>	12,717
<b>Costs</b>	-4,953,856	-4,012,956	<b>23.4%</b>	-8,685
<b>EBITDA</b>	2,300,020	2,251,489	<b>2.2%</b>	4,032
<b>EBIT</b>	1,769,325	1,741,138	<b>1.6%</b>	3,102
<b>Net income</b>	1,029,470	1,113,401	<b>-7.5%</b>	1,805
<b>Attributable to shareholders of Enersis</b>	610,158	658,514	<b>-7.3%</b>	1,070
<b>Net Debt<sup>(2)</sup></b>	1,915,179	1,338,757	<b>43.1%</b>	3,156

- Under IFRS, Enersis has adopted the Chilean peso as the functional currency. Comparisons between periods are made using Chilean pesos. The average exchange rate for the period January – December 2014 was 570.4 CLP/USD, and the exchange rate as of December 31, 2014 was 606.75 CLP/USD.
- Cash and Cash Equivalents considers in addition "Other current financial assets" ("Inversiones mantenidas hasta el vencimiento" + "Activos financieros a valor razonable con cambio en resultados"), linked to investments in financial instruments with maturity greater than 90 days. Refer to Note 8 of the financial statements for further disclosure.

# Consolidated results FY 2014

## From EBIT to net income

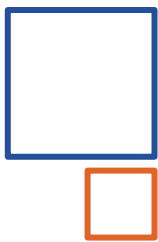
Ch\$ Million <sup>(1)</sup>	FY 2014	FY2013	Change (%)	FY 2014 Mn US\$
<b>EBIT</b>	1,769,325	1,741,138	<b>1.6%</b>	3,102
<b>Net Financial Expense</b>	-263,162	-168,029	<b>56.6%</b>	-461
Interest Expense	-255,823	-228,936	<b>11.7%</b>	-448
Other	-7,339	60,907	<b>-112.0%</b>	-13
<b>Net Income from Equity Investments</b>	-51,853	25,289	<b>-305.0%</b>	-91
<b>EBT</b>	<b>1,526,079</b>	<b>1,617,569</b>	<b>-5.7%</b>	<b>2,675</b>
<b>Income Tax</b>	-496,609	-504,168	<b>-1.5%</b>	-871
<b>Net Income</b>	<b>1,029,470</b>	<b>1,113,401</b>	<b>-7.5%</b>	<b>1,805</b>
<b>Attributable to non-controlling interests</b>	419,312	454,887	<b>-7.8%</b>	735
<b>Attributable to shareholders of Enersis</b>	610,158	658,514	<b>-7.3%</b>	1,070
<b>EPS</b>	12.43	13.41 <sup>(2)</sup>	<b>-7.3%</b>	0.022

1 Under IFRS, Enersis has adopted the Chilean peso as the functional currency. Comparisons between periods are made using Chilean pesos.

The average exchange rate for the period January – December 2014 was 570.40 CLP/USD, and the exchange rate as of December 31, 2014 was 606.75 CLP/USD

2 Considering the amount of shares as of December 31, 2013 (49,092,772,762).





# Consolidated results FY 2014

## Regulation update

### Chile

- **Tax Reform**
- **New Law that reforms energy auctions of distribution companies**
  - ✓ Approved on January 6, 2015. Improves condition for bidders, increases contract duration and promotes competition.

### Colombia

- **Tax Reform:**
  - ✓ Wealth-tax on liquid net worth of 1.15% going down to 0.4% until 2019.
  - ✓ Fairness-tax increase from 9% to 18%.
  - ✓ Postpone existing financial transaction-tax of 0.4% until 2018.
- **Dx:**
  - ✓ Regulatory Authority (CREG) postponed the publication of the remuneration methodology for the second quarter 2015. WACC has not been defined yet.

### Peru

- **Tax Reform**
  - ✓ Progressive lower income tax from 30% to 26% in 2019.
  - ✓ Progressive higher tax on dividends from 4.1 % to 9.3% in 2019.

# Consolidated results FY 2014

## Regulation update

### Brazil

- **CVA's implementation "conta de Variação de Valores de Itens da Parcela A":**
  - ✓ From Dec. 14 over-run costs in distribution to be recovered are accounted in the capital resulting in a 4<sup>th</sup> quarter impact of +280 mn USD
  - ✓ This is a non-cash item to be recovered during 2015 and 2016
- **"Tariffs Flags":**
  - ✓ From January 1<sup>st</sup>, over-run costs tariffs for distribution companies, can be adjusted on a monthly basis, not only once per year.
- **New methodology for spot price calculation:**
  - ✓ On November 25, ANEEL approved the new spot price's (PLD) upper and lower limits:
    - ✓ Reduced the upper limit from 822.83 to 388.48 R\$/MWh and increased the lower limit from 15.62 to 30.26 R\$/MWh.
- **4<sup>th</sup> tariff cycle:** ANEEL postponed the publication to year 2015.

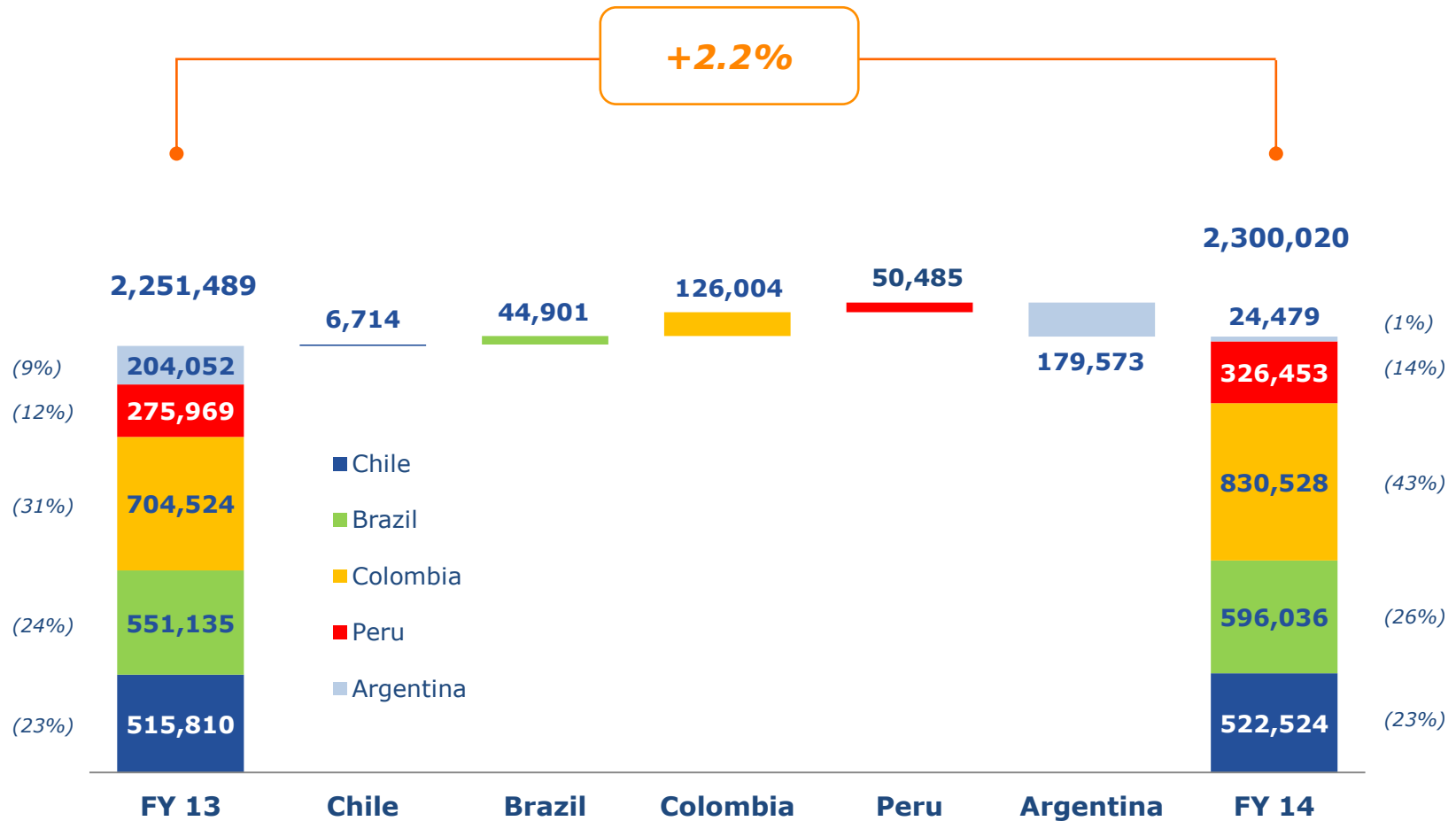
### Argentina

- **MMC<sup>1</sup> cost recognition in Edesur (Distribution): + 253 mn USD in 2014**
  - ✓ June 24<sup>th</sup>, to cover costs Oct 2013 – Mar 2014: 83 mn USD
  - ✓ October 9<sup>th</sup>, to cover costs Apr 2014 – Aug 2014: 91 mn USD
  - ✓ December 18<sup>th</sup>, to cover costs Sep 2014- Dec 2014: 79 mn USD

1 MMC stands for "Mecanismo de Monitoreo de Costos".

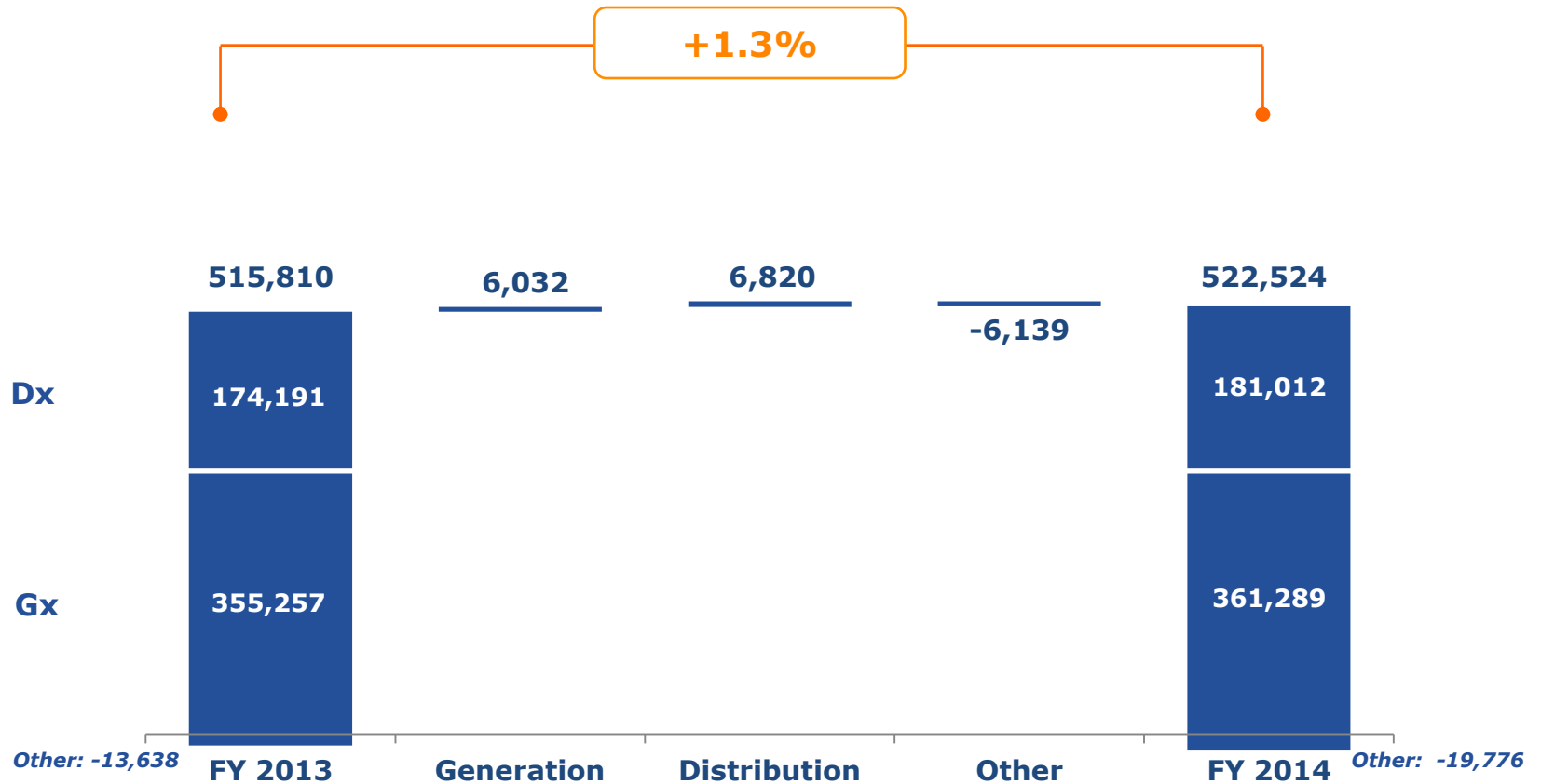
# Consolidated results FY 2014

## EBITDA evolution (Ch\$ Million)



# Consolidated results FY 2014

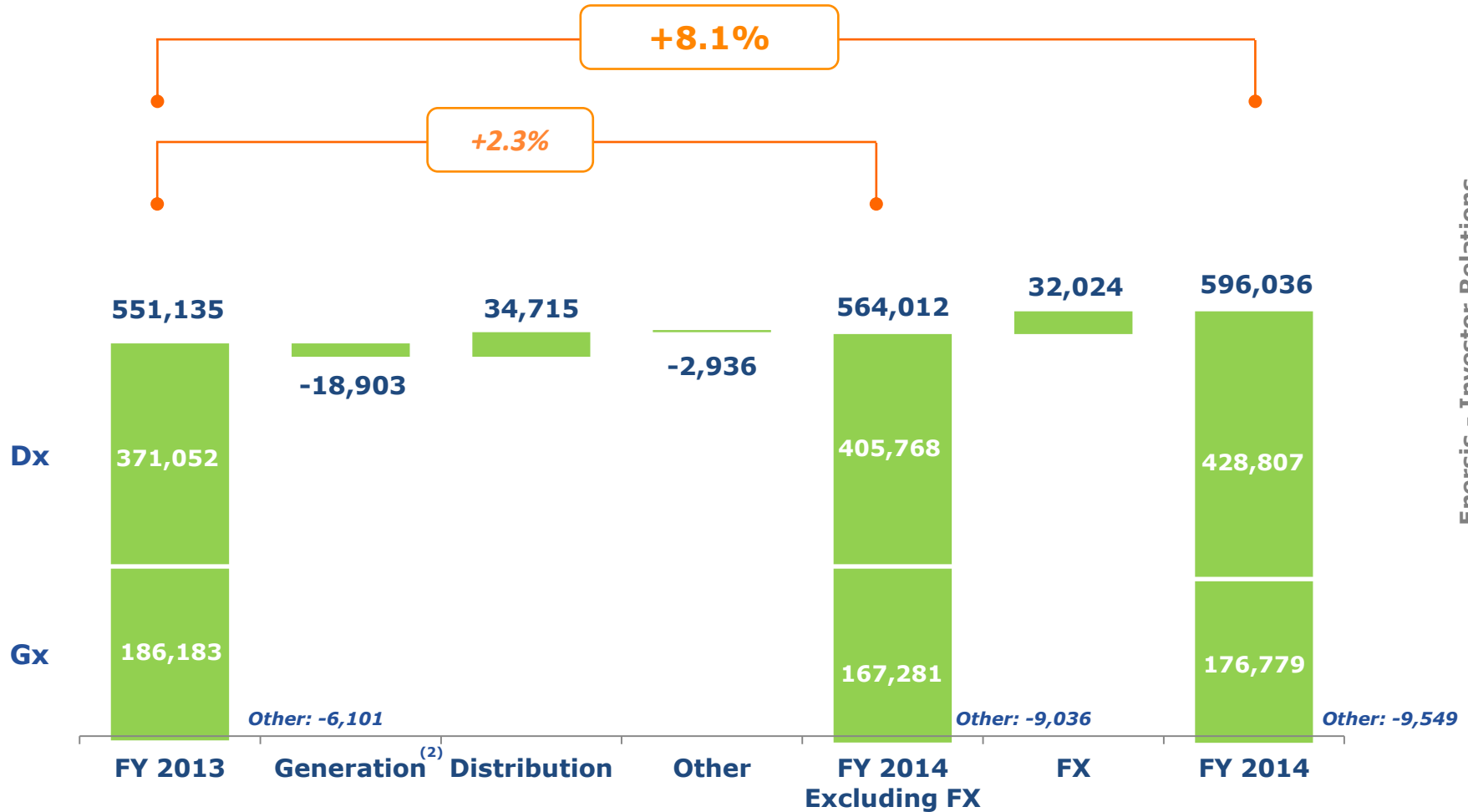
## EBITDA<sup>(1)</sup> – Chile evolution (Ch\$ Million)



1. EBITDA considered "Others", related to holding and services: ICT, Túnel El Melón and Inmobiliaria Manso de Velasco

# Consolidated results FY 2014

## EBITDA<sup>(1)</sup> – Brazil evolution (Ch\$ Million)

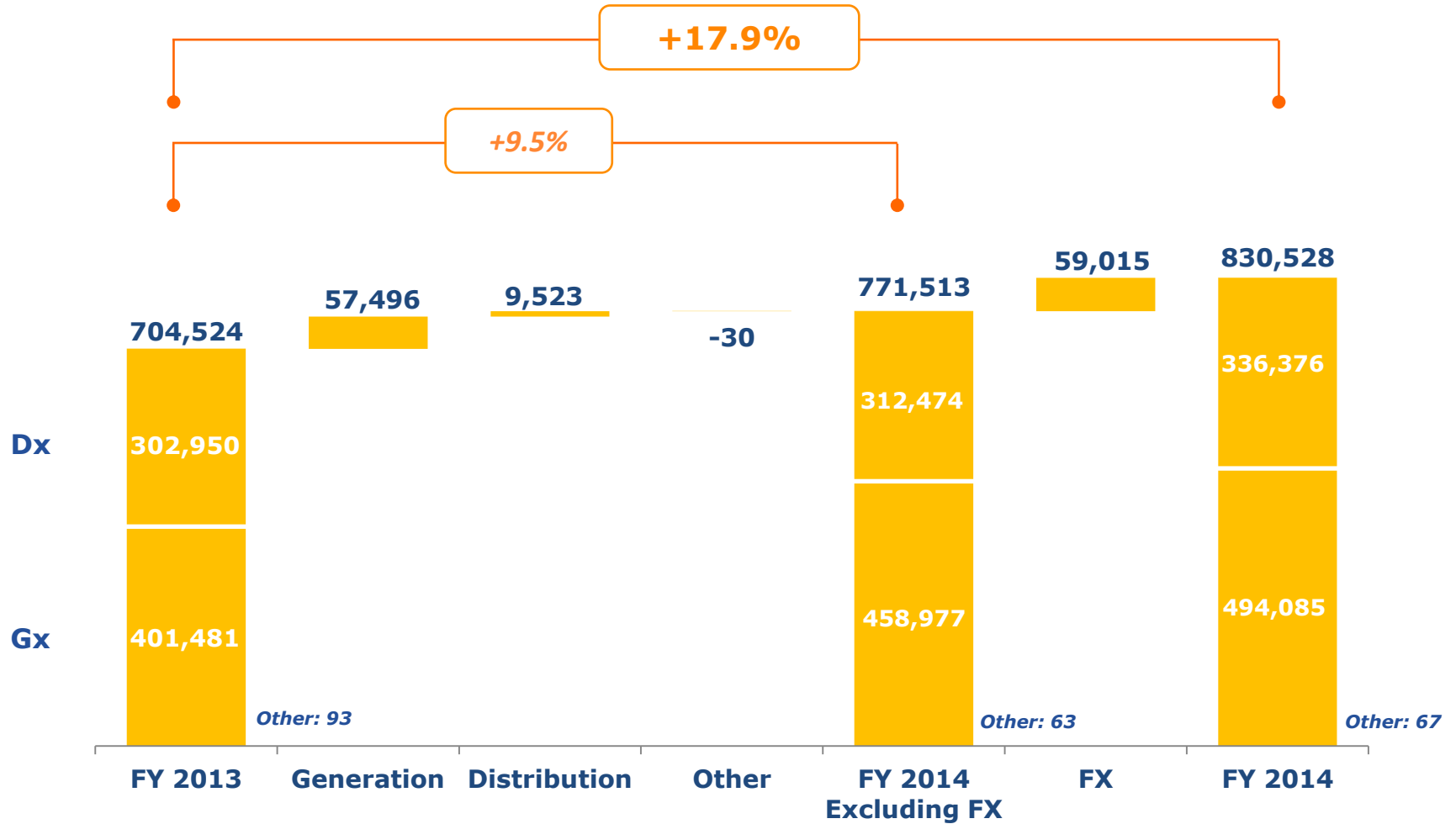


1 EBITDA considered "Others", related to holding and services. The effect of converting the financial statements from Brazilian reais to Chilean pesos in both periods was a 5.7% increase in Chilean peso, considering the base exchange rate registered in FY 2014.

2 Includes CIEN.

# Consolidated results FY 2014

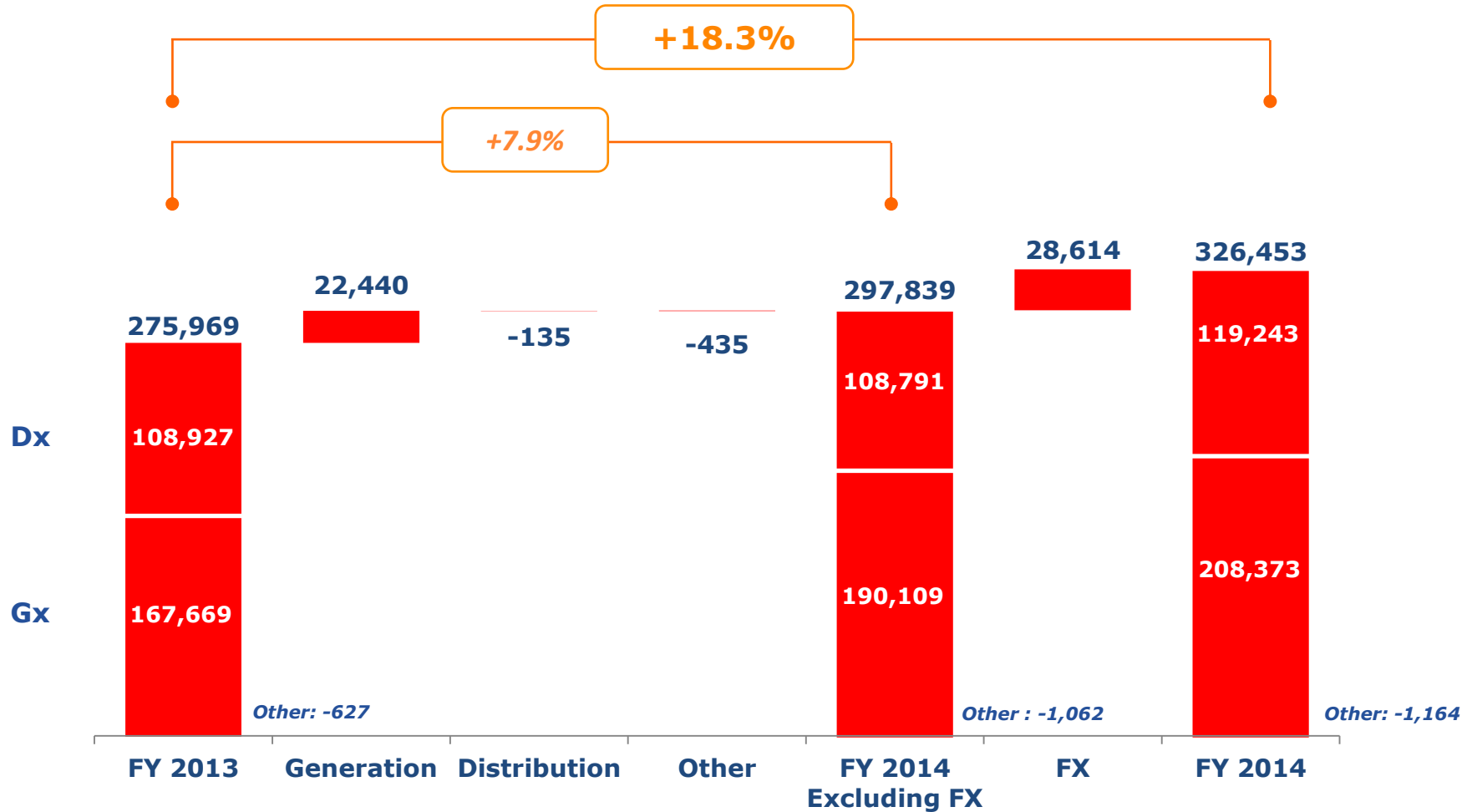
## EBITDA<sup>(1)</sup> – Colombia evolution (Ch\$ Million)



1 EBITDA considered "Others", related to holding and services. The effect of converting the financial statements from Colombian pesos to Chilean pesos in both periods resulted in a 7.6% increase in Chilean peso, considering the base exchange rate registered in FY 2014.

# Consolidated results FY 2014

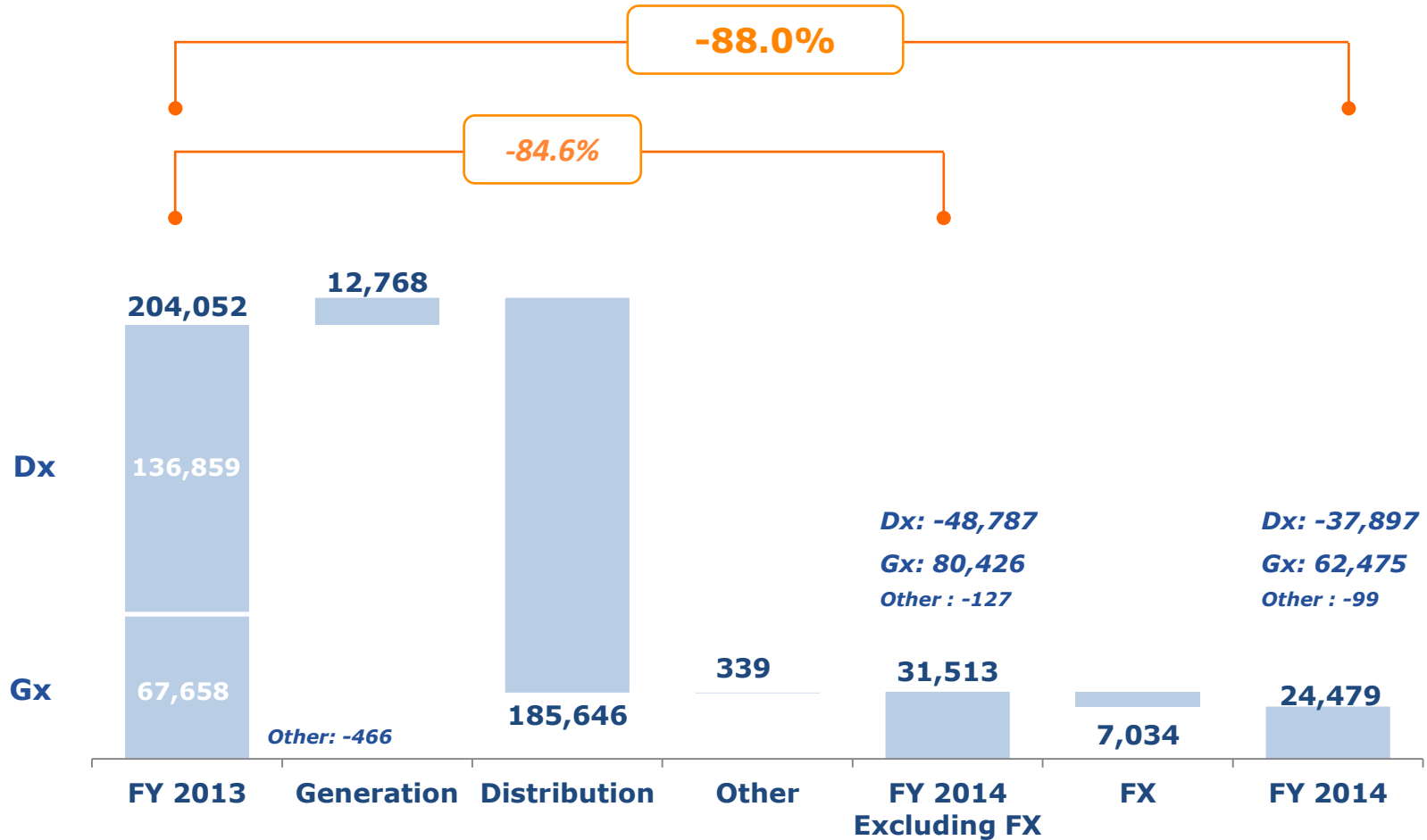
## EBITDA<sup>(1)</sup> – Peru evolution (Ch\$ Million)



1 EBITDA considered "Others", related to holding and services. The effect of converting the financial statements from Peruvian soles to Chilean pesos in both periods resulted in a 9.6% increase in Chilean peso, considering the base exchange rate registered in FY 2014.

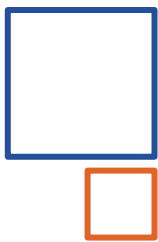
# Consolidated results FY 2014

## EBITDA<sup>(1)</sup> – Argentina evolution (Ch\$ Million)



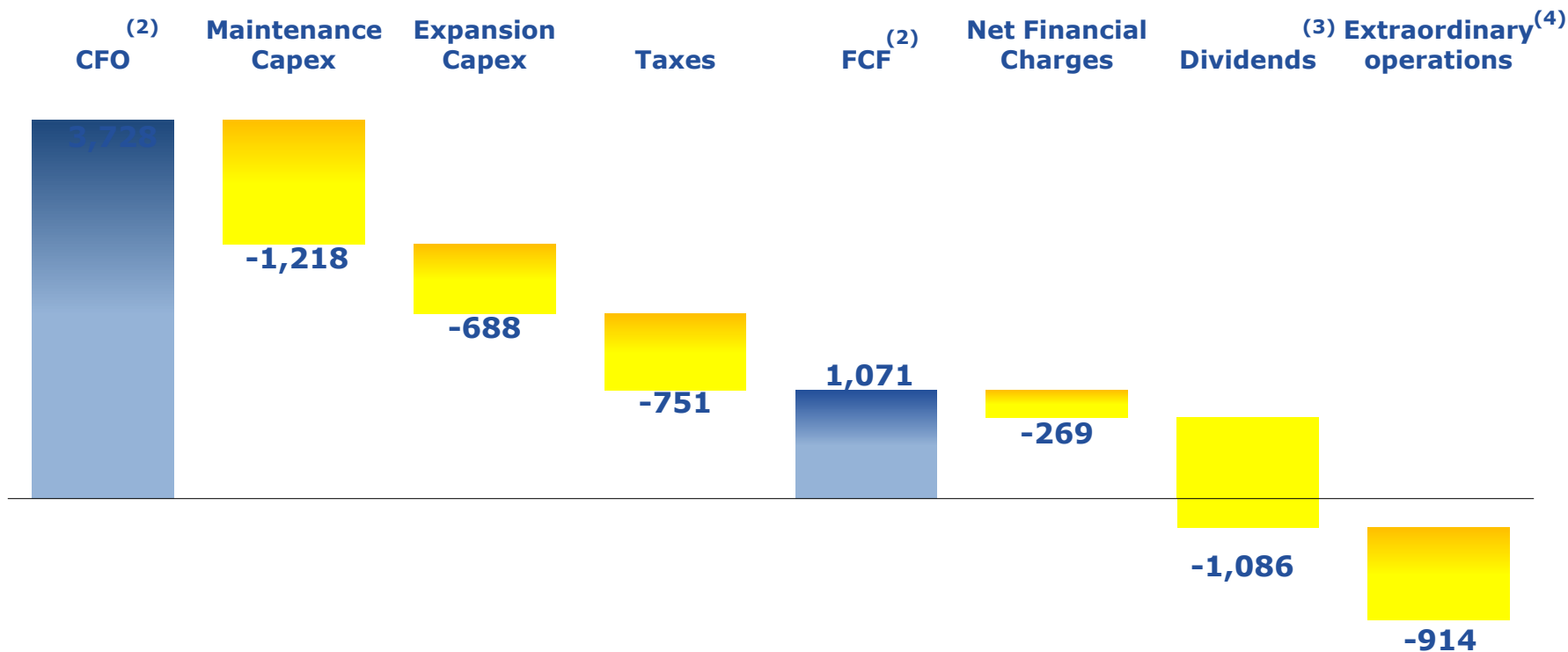
1 EBITDA considered "Others", related to holding and services. The effect of converting the financial statements from Argentine pesos to Chilean pesos in both periods led to a 22.3% decrease in Chilean pesos, considering the base exchange rate registered in FY 2014.



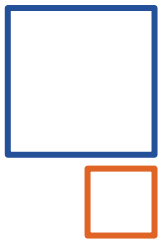


# Consolidated results FY 2014

## Cash flow (US\$ Million)<sup>(1)</sup>



1. The average exchange rate for the period January – December 2014 was 570.40 CLP/USD.
2. CFO stands for “Cash Flow From Operations”, as described in the financial statements, section “*Estado de Flujos de Efectivos Consolidados*”. FCF stands for “Free Cash Flow”.
3. Dividend considers cash outflow from Enersis S.A., out of which dividends paid from Enersis S.A. to its direct shareholders amount to MMCLP\$ 329,256 (577 mn USD).
4. “Extraordinary operations” consider the acquisition of shareholdings in related or controlled companies made by Enersis Group during 2014.



# Agenda

- Opening remarks
- FY 2014 results
- **Closing remarks**
- *Exhibits*



## Closing remarks

**Good diversification of technologies and geographies delivered solid results in generation**

**Distribution business supported by stable regulatory frameworks responsive to the sector needs**

**387,000 new clients in Distribution plus an average electricity demand growth of more than 3%**

**Extra-ordinary operations related with the use of funds on execution**

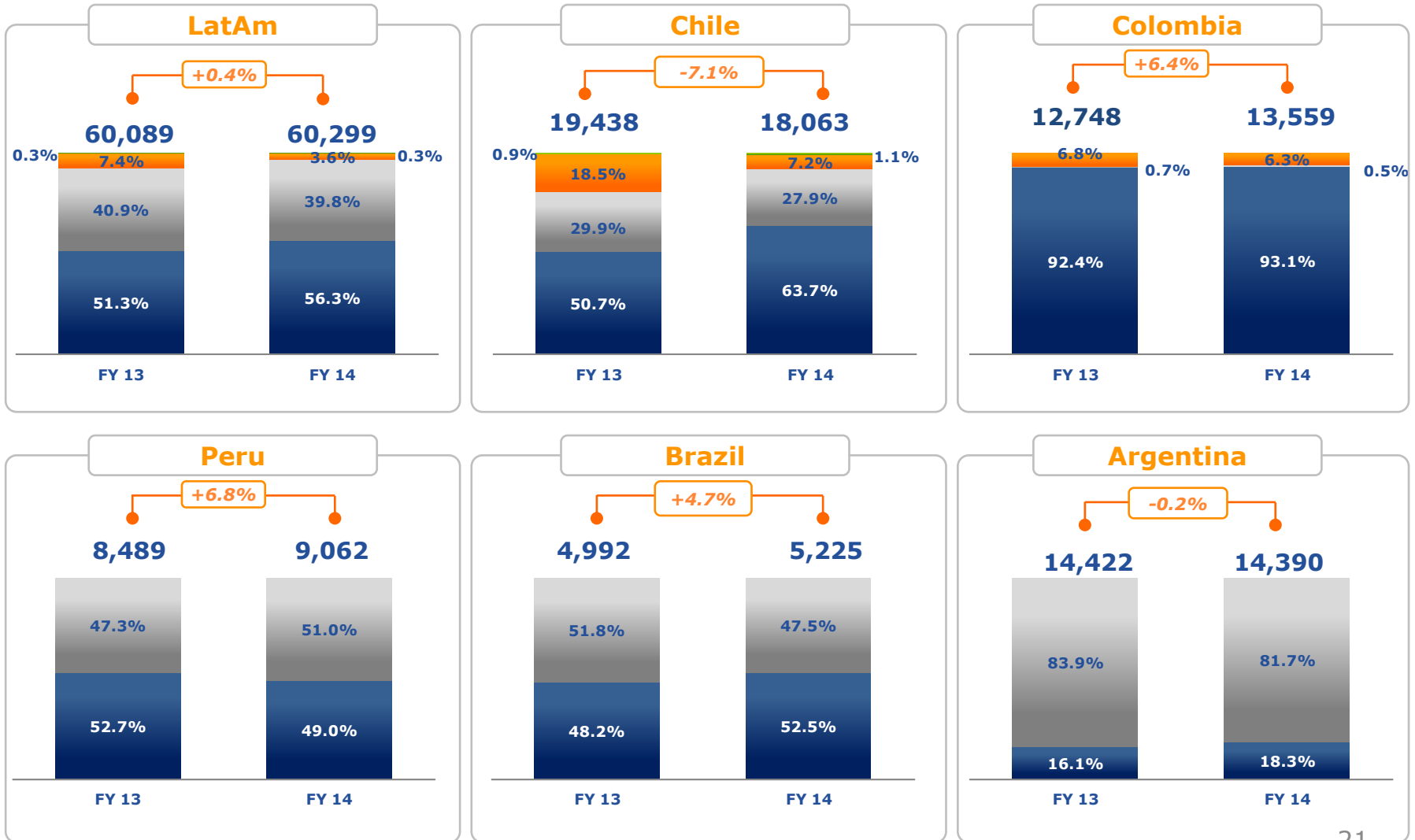
# Exhibits

**enersis**

# Operating exhibits FY 2014

## Production mix (GWh)

■ Hydro ■ Oil-gas ■ Coal ■ NCRE



# Operating exhibits FY 2014

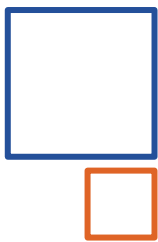
FY 2014 Net installed capacity: Breakdown by source and geography

MW	Hydro	Oil-Gas	Coal	NCRE	Total
Chile	3,456	2,173	636	87	<b>6,351</b>
Colombia	2,615	208	236	0	<b>3,059</b>
Peru	755	1,194	0	0	<b>1,949</b>
Brazil	665	322	0	0	<b>987</b>
Argentina	1,328	3,194	0	0	<b>4,522</b>
<b>Total</b>	<b>8,819</b>	<b>7,090</b>	<b>872</b>	<b>87</b>	<b>16,868</b>

# Operating exhibits FY 2014

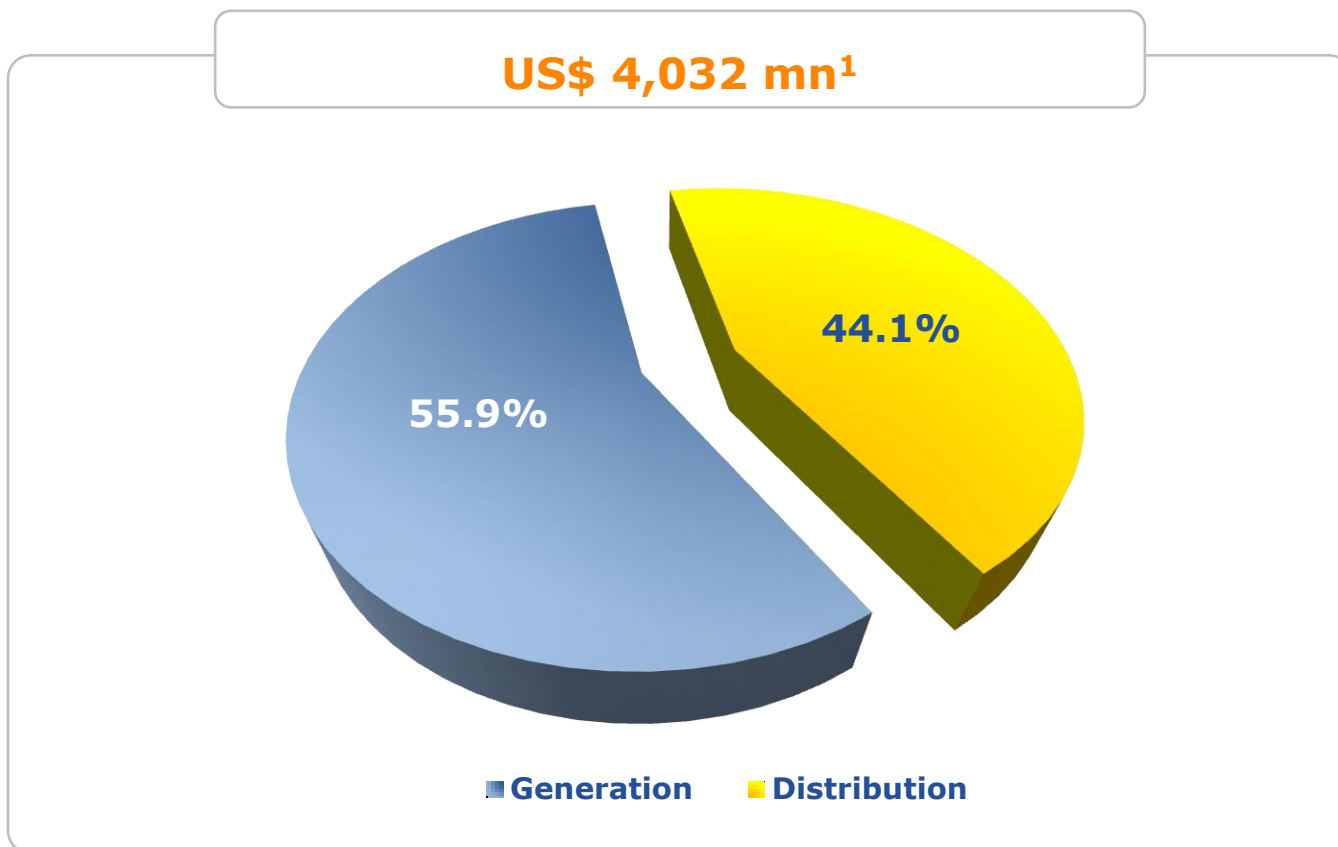
FY 2014 total net production: Breakdown by source and geography

<b>GWh</b>	<b>Hydro</b>	<b>Oil-Gas</b>	<b>Coal</b>	<b>NCRE</b>	<b>Total</b>
Chile	11,512	5,046	1,298	206	<b>18,063</b>
Colombia	12,627	74	859	0	<b>13,559</b>
Peru	4,439	4,623	0	0	<b>9,062</b>
Brazil	2,741	2,484	0	0	<b>5,225</b>
Argentina	2,632	11,758	0	0	<b>14,390</b>
<b>Total</b>	<b>33,951</b>	<b>23,985</b>	<b>2,157</b>	<b>206</b>	<b>60,299</b>



# Operating exhibits FY 2014

EBITDA: generation/distribution businesses

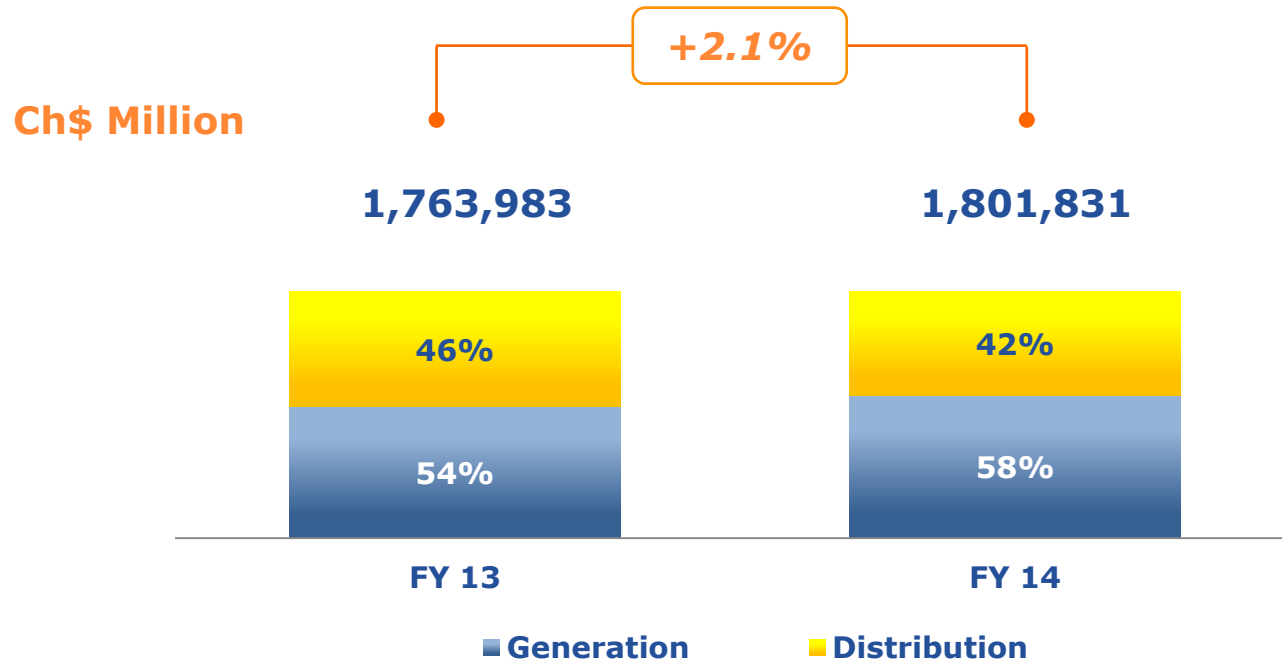


<sup>1</sup> Using the average exchange rate for the period January – December 2014 of 570.40 CLP/USD.

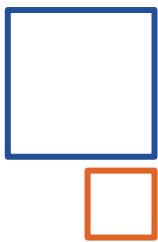


# Operating exhibits FY 2014

## <sup>(1)</sup> EBIT by business

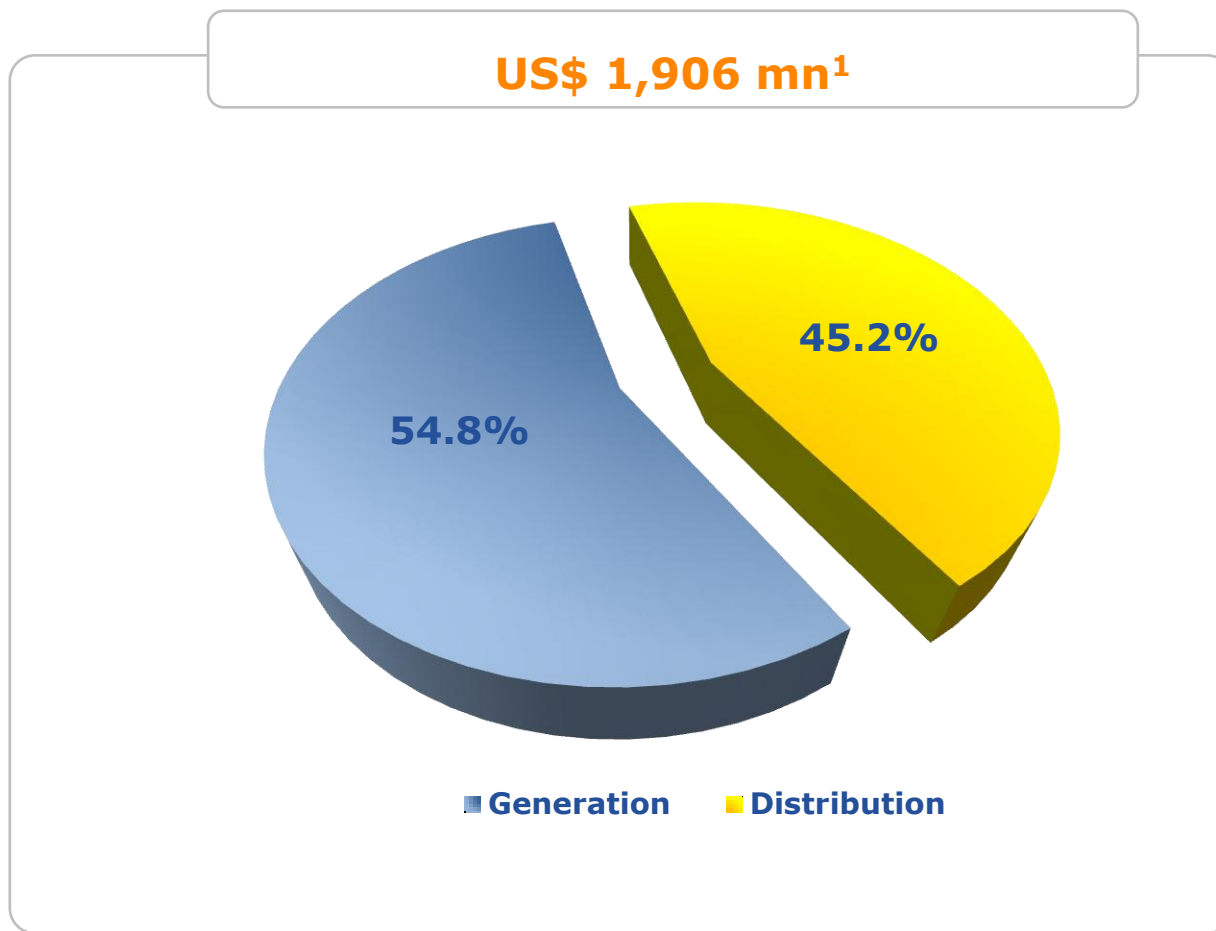


1 EBIT by business does not include holding companies or services

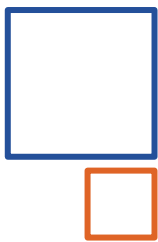


# Operating exhibits FY 2014

## CAPEX by business



<sup>1</sup> The average exchange rate for the period January – December 2014 of 570.40 CLP/USD. CAPEX relates to effective investments made in the period, according to the “Estado de Flujos de Efectivos Consolidados” section of the Financial Statements.



# Operating exhibits FY 2014

## Balance Sheet

<b>Ch\$ Million</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>Change (%)</b>	<b>FY 2014 Mn US\$ <sup>(1)</sup></b>
<b>Net Debt</b>	1,915,179	1,338,757	<b>43.1%</b>	3,156
<b>Shareholder's equity</b>	6,201,976	6,168,554	<b>0.5%</b>	10,222
<b>Net capital employed <sup>(2)</sup></b>	8,117,155	7,507,312	<b>8.1%</b>	13,378

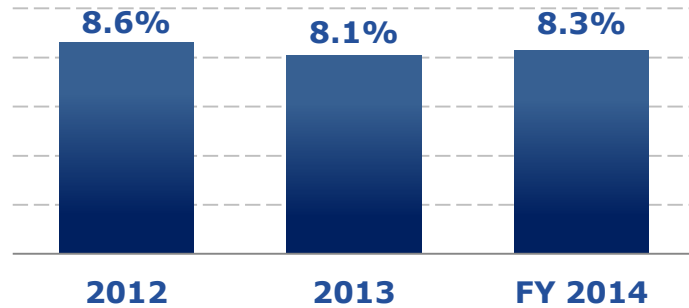
1. The exchange rate as of December 31, 2014 was 606.75 CLP/USD.

2. Net capital employed is the sum of Net Debt and Shareholder's Equity.

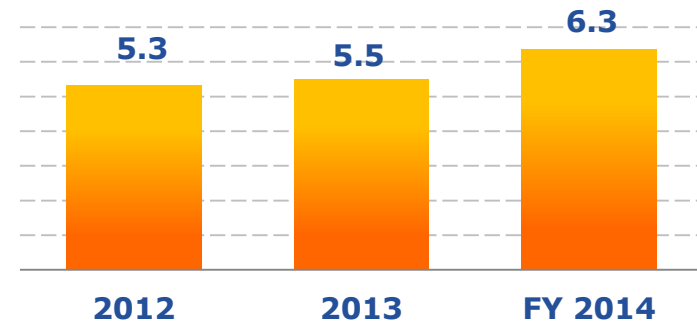
# Operating exhibits FY 2014

## Financial debt

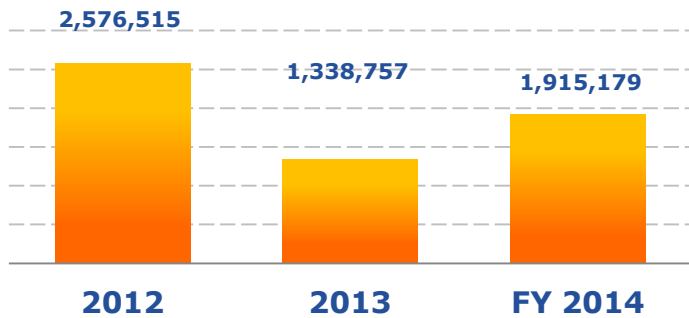
Average cost of gross debt



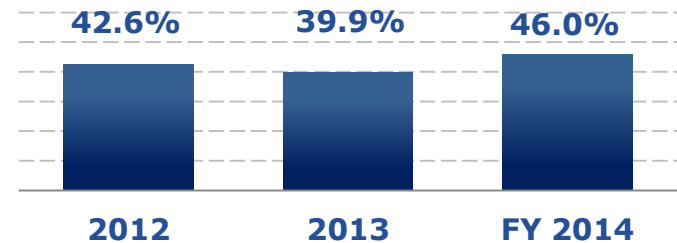
Average residual maturity (years)



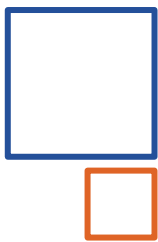
Net debt (CLP\$ MM)<sup>(1)</sup>



Fixed + hedged / Total gross debt



1 Net debt considers "Other current financial assets" ("Inversiones mantenidas hasta el vencimiento" + "Activos financieros a valor razonable con cambio en resultados"), linked to investments in financial instruments with maturity over 90 days. Refer to Note 8 of the financial statements for further disclosure.



# Operating exhibits FY 2014

## Liquidity analysis

<b>US\$ Million</b>	<b>Amount</b>	<b>Outstanding</b>	<b>Available</b>
<b>Committed credit lines</b>	808	0	808
<b>Cash and cash equivalents<sup>(1)</sup></b>	2,960	n.a.	2,960
<b>Uncommitted lines</b>	789	1	788
<b>Total liquidity</b>	<b>4,557</b>	<b>1</b>	<b>4,556</b>

1 Cash and cash equivalents considers in addition "Other current financial assets" ("Inversiones mantenidas hasta el vencimiento" + "Activos financieros a valor razonable con cambio en resultados"), linked to investments in financial instruments with maturity greater than 90 days. Refer to Note 8 of the financial statements for further disclosure.

# Operating exhibits FY 2014

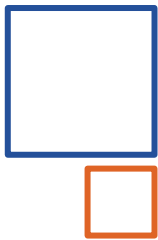
## Debt structure

- **Average debt maturity:** 6.3 years
- **Average cost of gross debt:** 8.3%
- **Fixed+Hedged/Total gross debt:** 46.0%
- **Rating:**
  - Standard & Poor's<sup>(1)</sup>: BBB+ / AA, Stable
  - Moody's: BBB+, Stable
  - Fitch Ratings<sup>(1)</sup>: Baa2 / AA, Stable

Ch\$ Million	Dec. 2013	Dec. 2014	Change (%)
<b>Long-term</b>	2,790,249	3,289,098	<b>17.9%</b>
<b>Short-term</b>	906,675	421,806	<b>-53.5%</b>
<b>Cash</b>	2,358,167	1,795,725	<b>-23.9%</b>
<b>Net debt</b>	1,338,757	1,915,179	<b>43.1%</b>

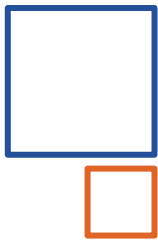
1 International / Local

2 Cash and cash equivalent considers in addition "Other current financial assets" ("Inversiones mantenidas hasta el vencimiento" + "Activos financieros a valor razonable con cambio en resultados"), linked to investments in financial instruments with maturity over 90 days. Refer to Note 8 of the financial statements for further disclosure.



# Disclaimer

This presentation contains statements that could constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this announcement and include statements regarding the intent, belief or current expectations of Enersis and its management with respect to, among other things: (1) Enersis' business plans; (2) Enersis' cost-reduction plans; (3) trends affecting Enersis' financial condition or results of operations, including market trends in the electricity sector in Chile or elsewhere; (4) supervision and regulation of the electricity sector in Chile or elsewhere; and (5) the future effect of any changes in the laws and regulations applicable to Enersis or its subsidiaries. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of various factors. These factors include a decline in the equity capital markets of the United States or Chile, an increase in the market rates of interest in the United States or elsewhere, adverse decisions by government regulators in Chile or elsewhere and other factors described in Enersis' Annual Report and Form 20-F. Readers are cautioned not to place undue reliance on those forward-looking statements, which state only as of their dates. Enersis undertakes no obligation to release publicly the result of any revisions to these forward-looking statements.

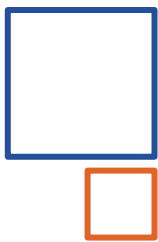


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**[www.enersis.cl](http://www.enersis.cl) (Investor Relations)**





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