



# Tenemos la energía

para el desarrollo de Chile  
GRUPO CGE

Andean Conference  
Larraín Vial 2013

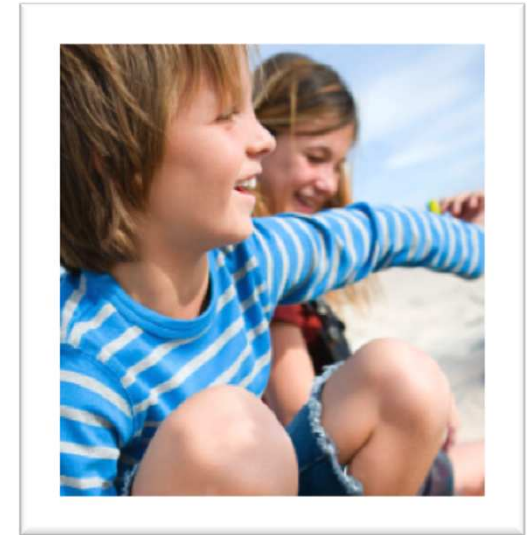




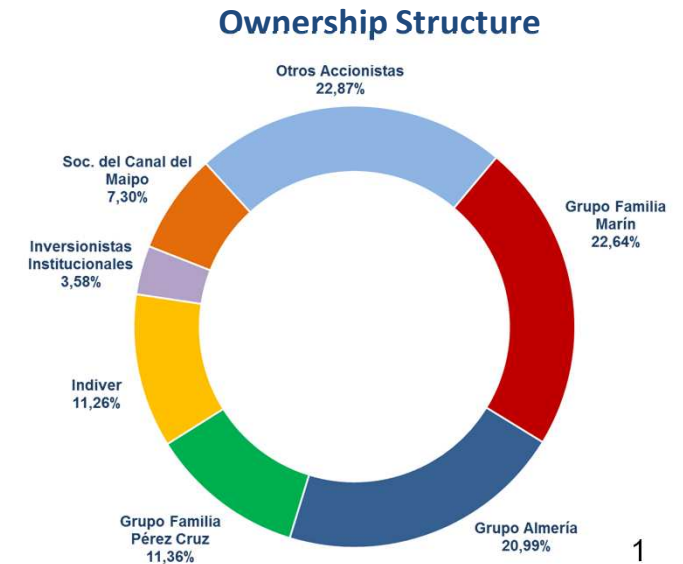
## CGE Group– A leading company in the Energy Sector...



- EBITDA mainly comes from Chile, in regulated utilities (electricity distribution and transmission) or utility like businesses (natural gas and LPG distribution)
- Largest utility in Chile in terms of households served and geographic coverage
  - over 2.5 million households in electricity and over 500 thousand in gas sector
  - 14 regions across the country
- Market Cap over MMUS\$ 2.600 as of March 11<sup>th</sup> 2013
- Financial Profile



MM US\$	2012	2011
Operating Revenues	4.855	4.439
EBITDA	738	464
Operating Income	524	268
Net Income	183	(27)
Assets	8.116	7.208
Net Financial Debt	2.823	3.182
Ebitda 12M / Gross Fixed Assets	10,43%	7,62%

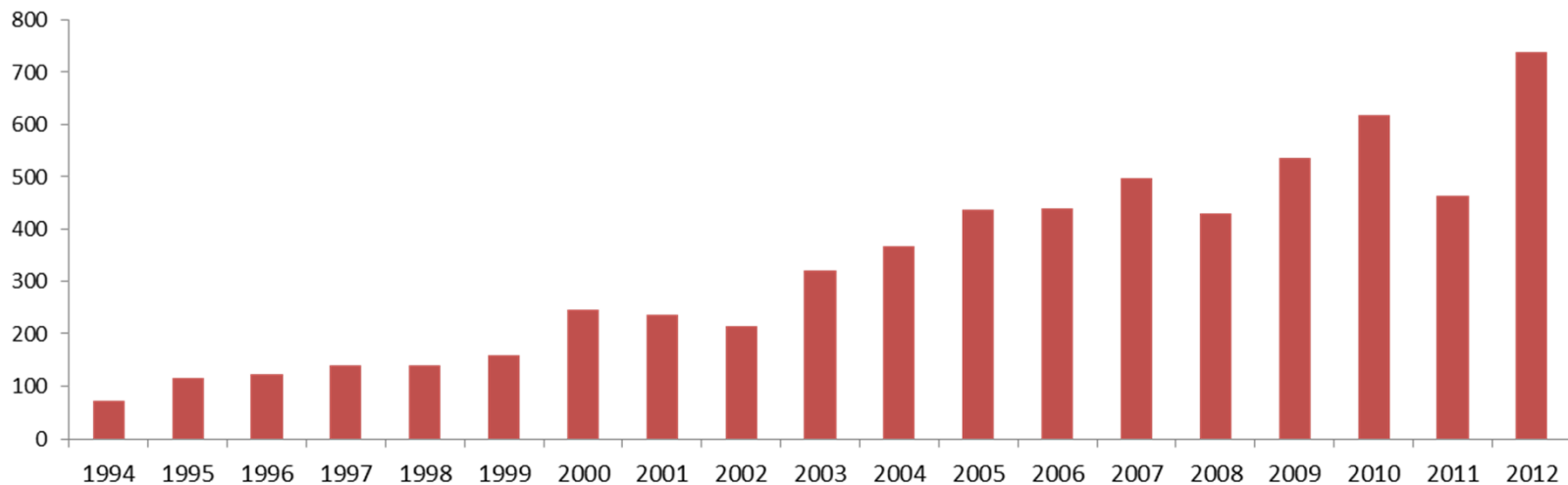




### Assets evolution (MMUS\$)



### Ebitda evolution (MUS\$)



CGE Group- A unique portfolio of assets...



Electricity Distribution in Chile

Electricity Sub Transmission

Electricity Generation

Services (USC)

LPG & Natural Gas

Electricity & Gas Distribution in Argentina

LPG Distribution in Colombia



2.487.666 customers  
Present in 13 regions  
12.338 GWH of sales



3.586 Km lines  
7.324 MVA transformation capacity



470 MW of projects in various stages



557.510 customers in Natural Gas  
27% of market share in LPG  
Participation in GNL terminal



25% of market share, with interesting development perspectives

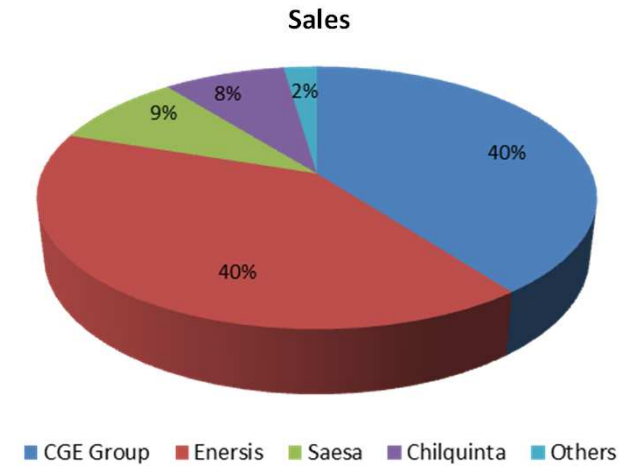
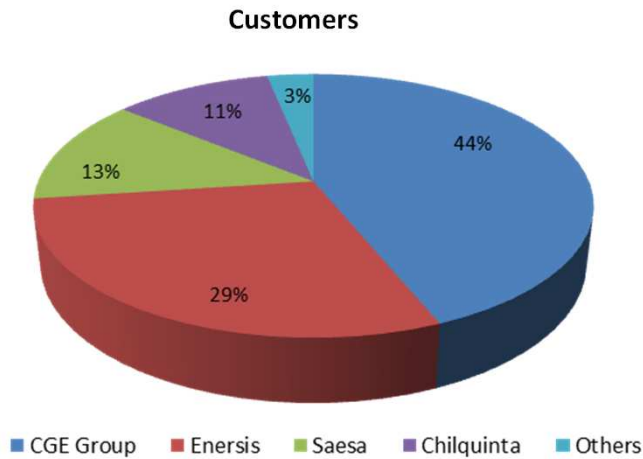
...with a privileged position to take advantage of the potential growth in the country's energy requirements.



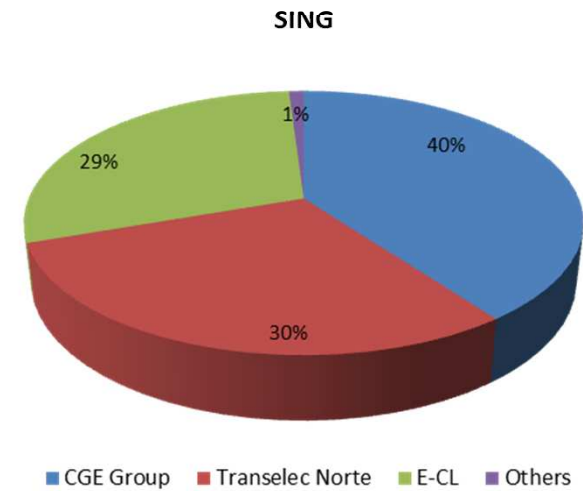
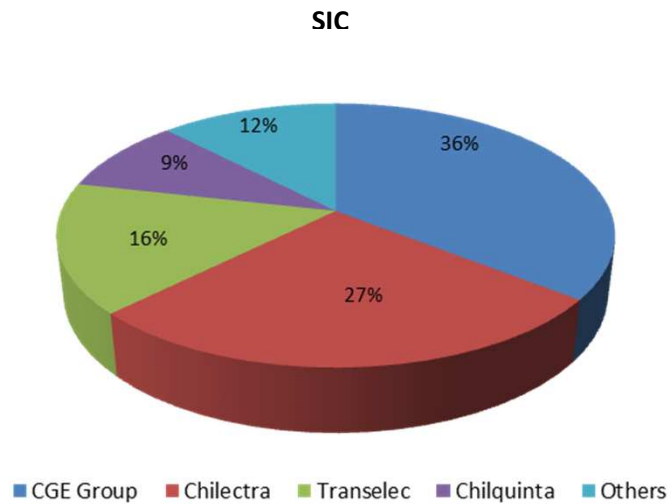
## CGE Group – A major player in the strategic markets in which it participates



Electricity  
Distribution



Electricity  
SubTransmission



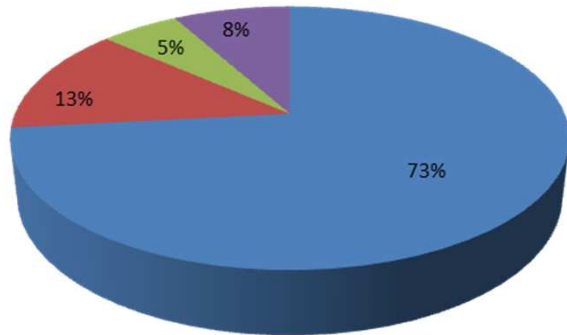


# CGE Group – A major player in strategic markets in which it participates



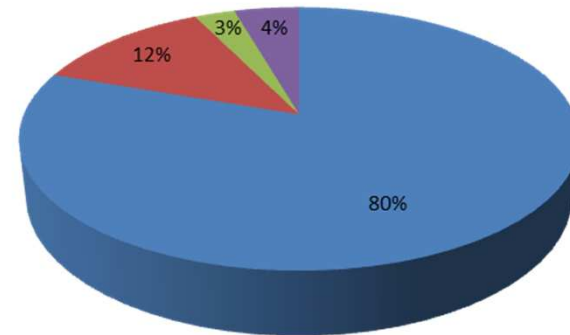
Natural Gas

### Customers



■ Metrogas ■ Gas Galpo ■ Gas Sur ■ Gasco Magallanes

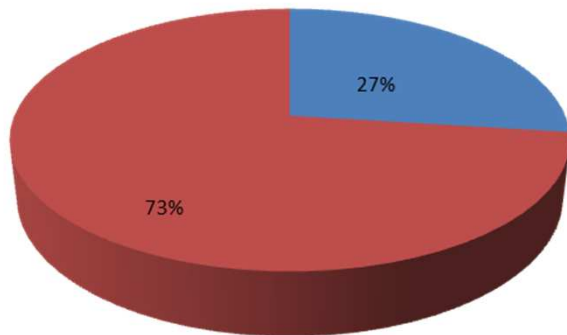
### Sales



■ Metrogas ■ Gas Galpo ■ Gas Sur ■ Gasco Magallanes

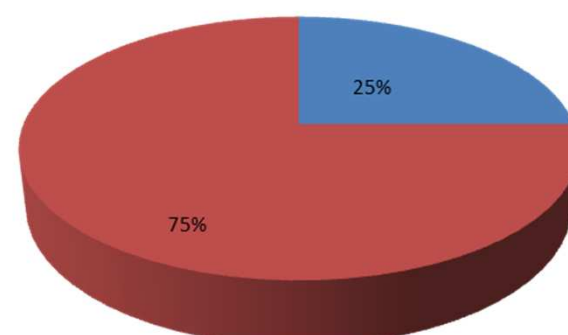
LPG

### Market Share in Chile



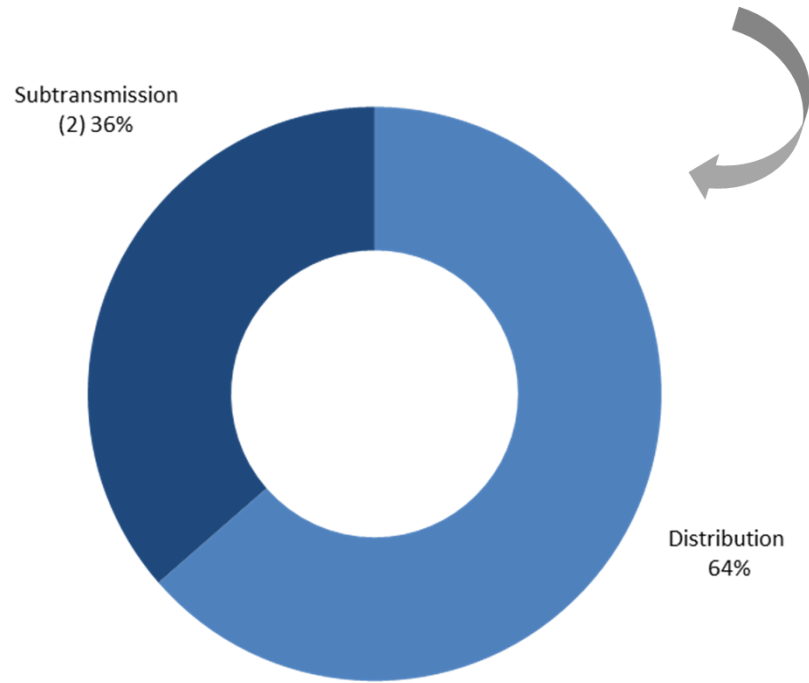
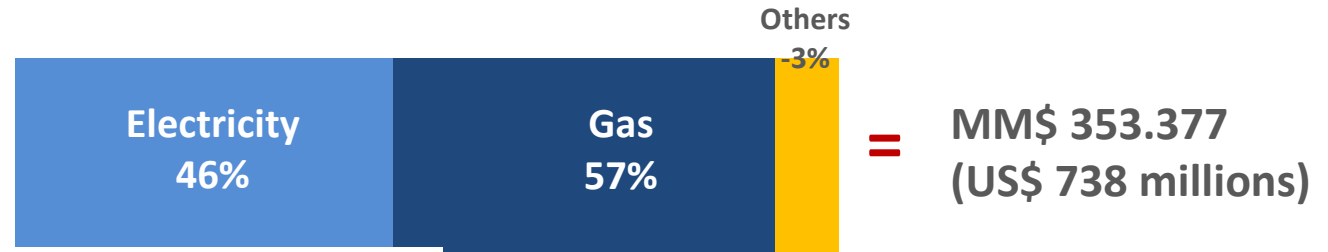
■ Grupo Gasco ■ Others

### Market Share in Colombia

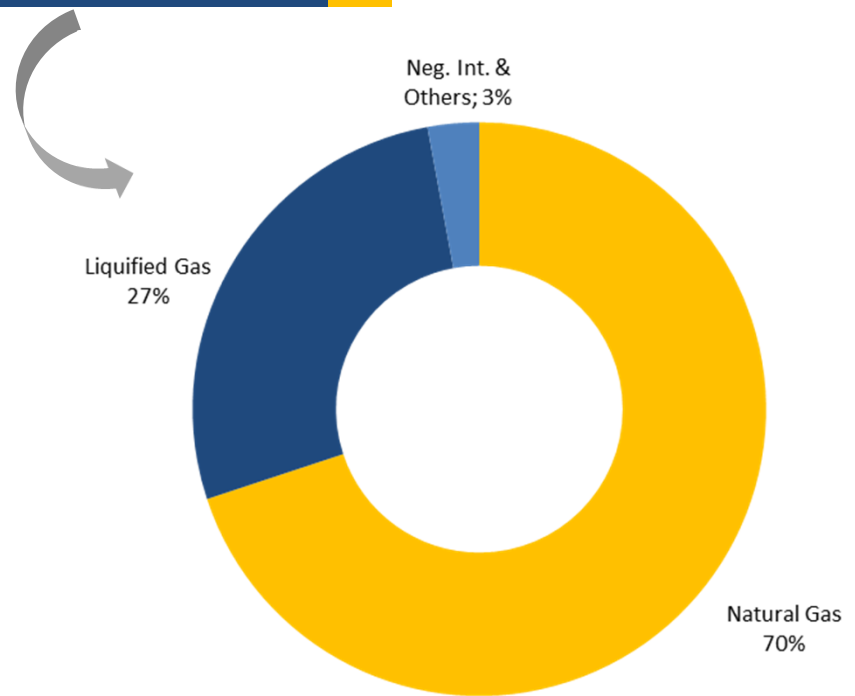


■ Grupo Gasco ■ Others





Ebitda Electricity Sector as of Dic-12  
MM\$ 161.210 (US\$ 337 millions)



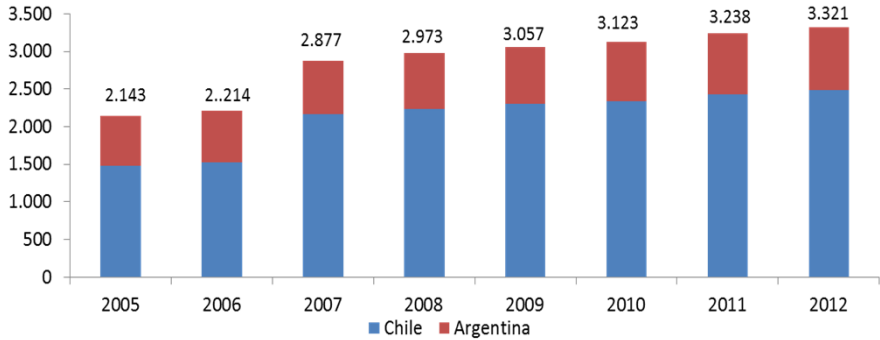
Ebitda Gas Sector as of Dic-12  
MM\$ 202.695 (US\$ 424 millions)

(1) EBITDA: Operating Results + Depreciation + Amortization  
(2) Sub Transmission corresponds to TRANSNET + TRANSEMEL

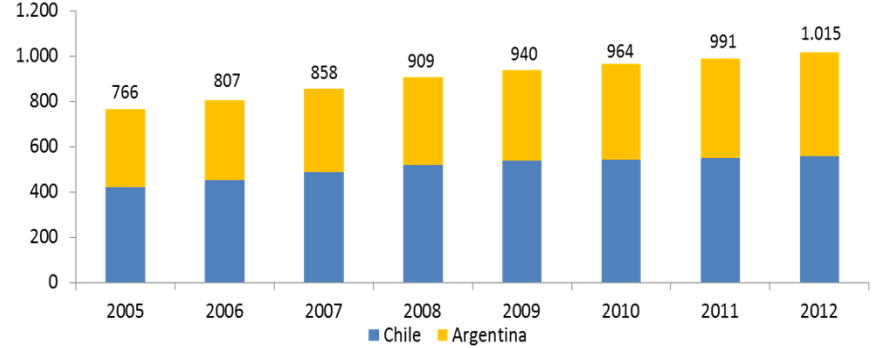


### Number of customers Evolution

#### Electricity Distribution

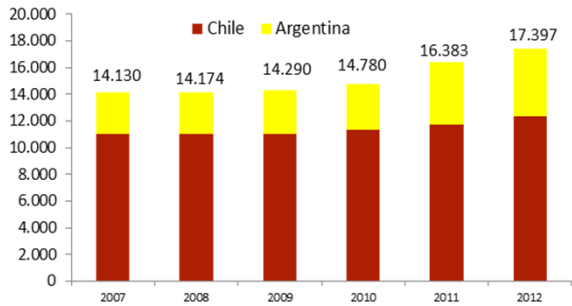


#### Natural Gas Distribution

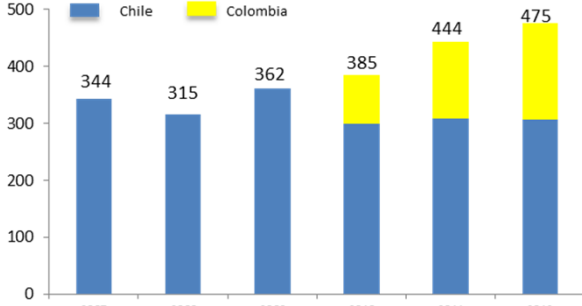


### Physical Sales Evolution

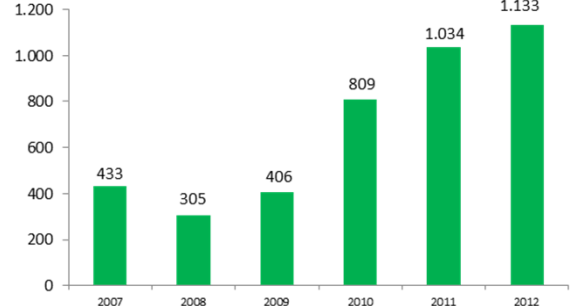
#### Electricity Distribution (GWh)



#### LPG (M Ton)



#### Metrogas Physical Sales (MMm3)







... With a stable and long-term market in Chile...



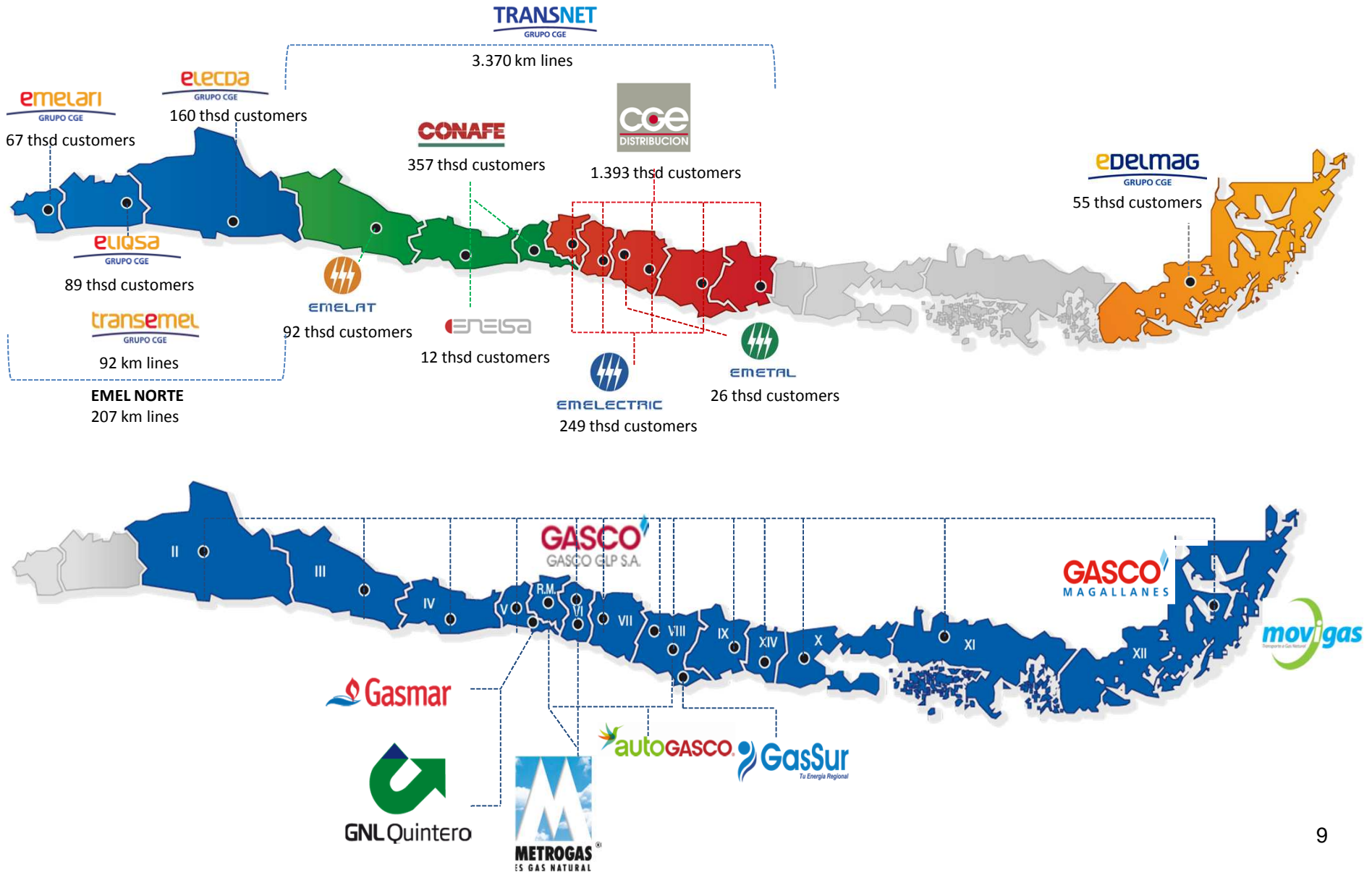
<b>Electricity Distribution and Subtransmission</b>
Stable regulatory framework, with some adjustments in the past few years
Regulated tariffs based on simulated companies adapted to actual sales and considering efficiency criteria, with a pass through of generation costs to the end user
Tariff considers operational expenses and return on investment defined by law
Non expiring concessions
Clear mechanism for conflict resolution
Drivers of Growth linked to economic development

<b>Natural Gas and LPG Distribution</b>
Competitive market, with price freedom (within a defined regulatory framework of profitability for natural gas distribution*)
Natural gas distribution requires a concession, which is granted by the authority in a non expiring basis
World-class technical regulation
Neat Industry with very low informality
Drivers of growth linked to economic development

\* After tax Ebitda over Replacement Value of Operational Assets, over the useful life of the investment, cannot be higher than the industry WACC (determined by and independent study) plus 5% per year



... where CGE Group is a key player in the energy infrastructure...





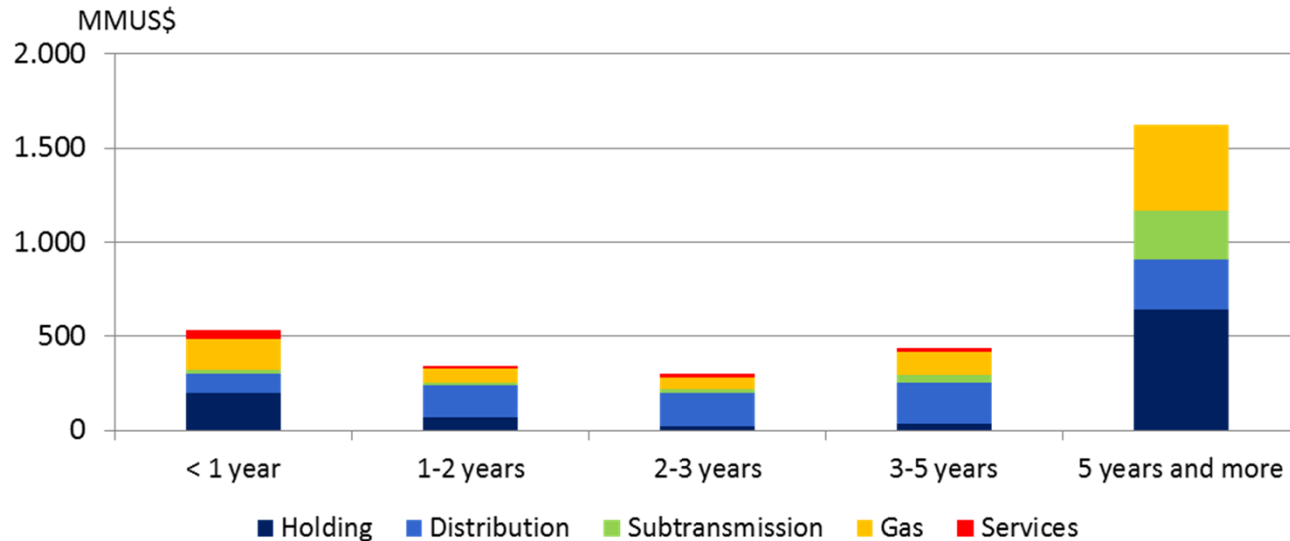
### Debt to Equity structure according the nature and tenor of the Group Business

- Mostly in Long Term
- Mostly in UF

### Holding and subsidiaries hold financial debt

- Holding to finance the acquisitions or business development
- Subsidiaries to Finance Capex and organic growth

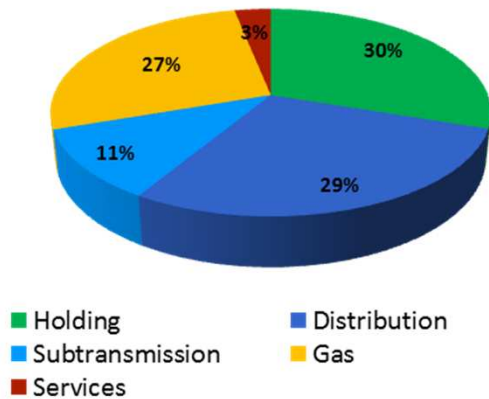
### Bonds coupons and continued investment structure require to hold short-term debt



Note: Debt graphs do not include coverage liabilities nor liabilities over LPG containers

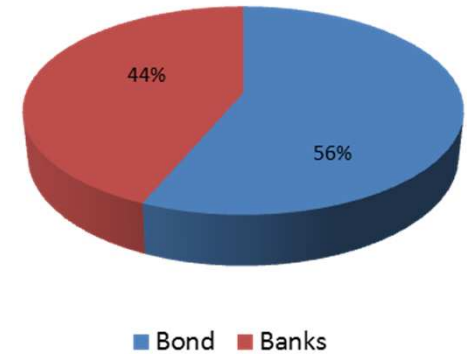


Debt by Business Sector

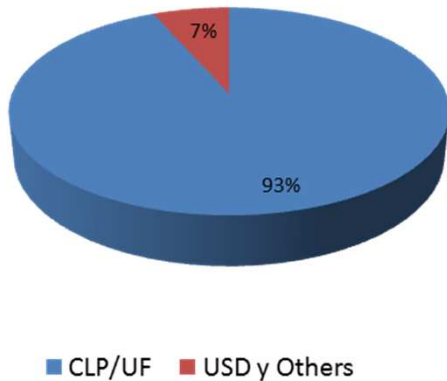


- Diversified debt in different companies
- Currency in line with business' revenues
- Mostly in long term, with an average term of amortization of 7,32 years and a Duration of 5,76 years
- Current proportion of Bonds under long-term goal
- Maintaining a 85% variable rate bank debt allows flexibility

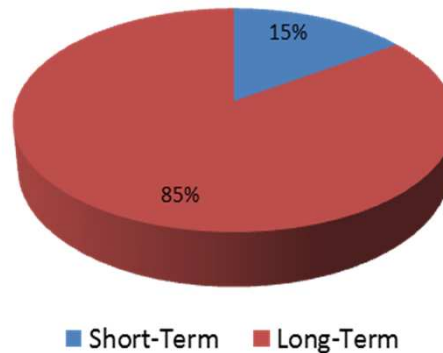
Debt by Type of Instrument



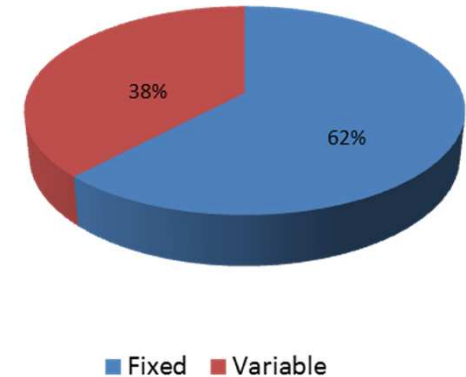
Debt by Currency



Debt by Tenor



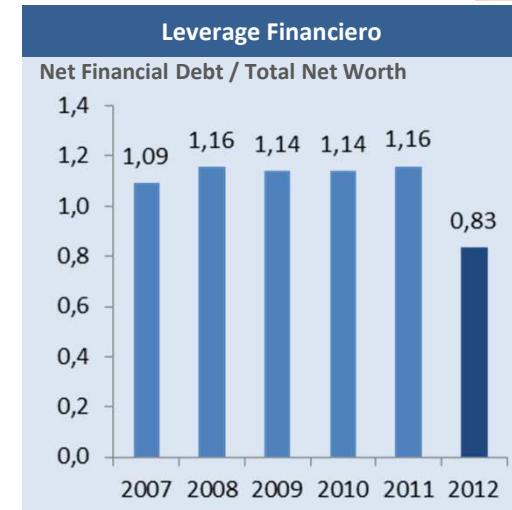
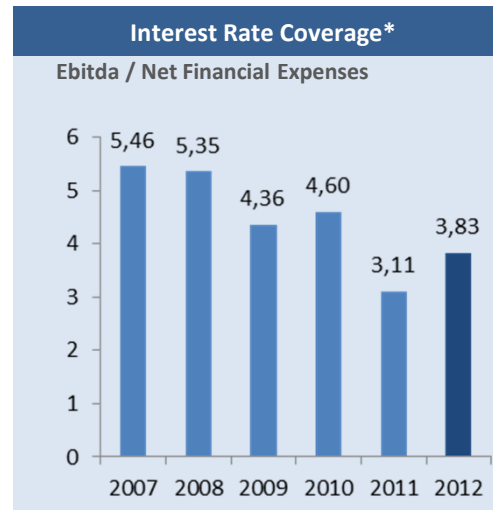
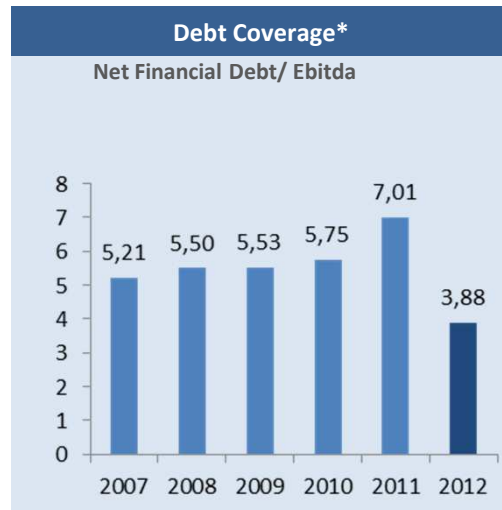
Debt by Interest Rate



Note: Debt graphs do not include coverage liabilities nor liabilities over LPG containers



## Financial ratios – CGE Consolidated



Net Financial Debt= Liabilities to banks+ Obligations with the public (bonds and commercial papers) – Cash and cash equivalents

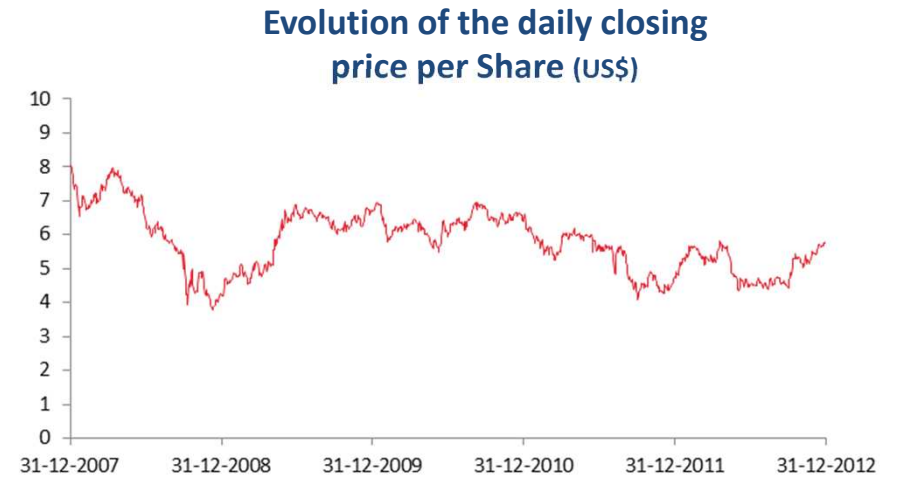
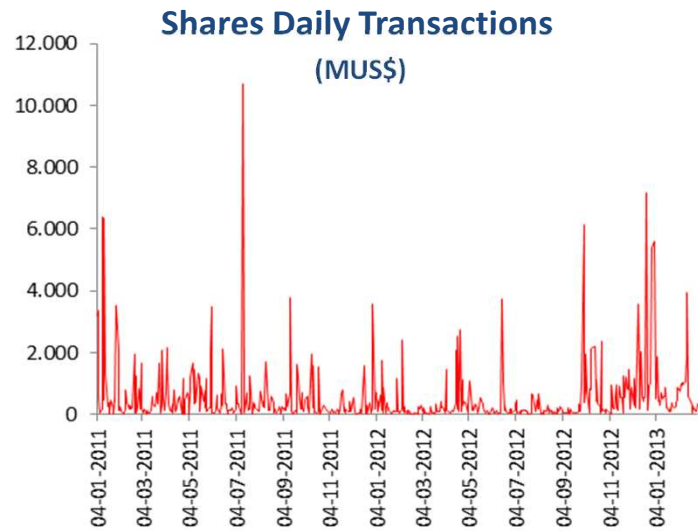
\*Ebitda 2011 does not include Ibener

## Risk Classification

Company	Fitch	Feller-Rate	Humphreys
CGE	A+	A+	-
CGE Distribución	A+	AA-	-
CONAFE	A+	AA-	-
Transnet	A+	AA-	-
Edelmag	-	AA+	-
Gasco	A+	-	AA-
Metrogas	-	A+	AA-



## Analysis of CGE's Shares





### **Main Focus CGE Group**

- Continuing the implementation of operational efficiency and cost reduction plans
- Strengthen synergies between distribution companies
- Redesign of functions in areas of core business support

### **Distribution**

- Continuing the reduction of accounts receivable and levels of sale losses
- Excellence in customer service

### **Subtransmission**

- Implementation of large investment plan in SIC

### **Natural Gas**

- Continue with the densification of natural gas network. Use surplus for spot sale to electricity generation companies

### **LPG**

- Maintain market share in Chile and consolidate operations in Colombia, promoting organic growth





for further information....

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