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IMTrust

Chilean Market Daily Report

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Market Summary

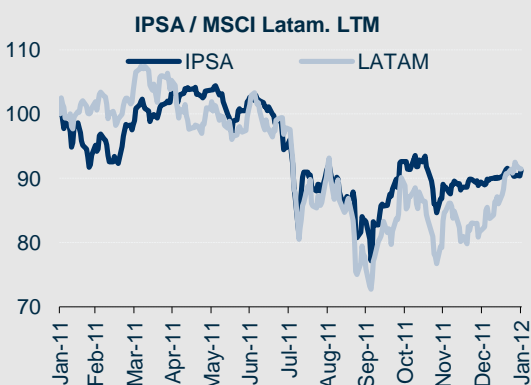
The IPSA index rose 0.51% in line with international markets, closing at 4,338.4 points. Traded volume was below normal at MUS\$ 158, led by BSantander at MUS\$ 24, followed by Entel at MUS\$ 24 and Falabella at MUS\$ 22. Retail sector was the best performer by rising 2.05%, influenced by Hites (+4.79%), Falabella (+3.35%) and Cencosud (+1.82%), followed by Commodities (+0.99%) led by Copec (+1.55%) and CMPC (+1.49%). The top losing sector was Banks, which fell 1.50%, led by BSantander (-4.13%). Finally, the Chilean Peso weakened 0.15% against the US Dollar, closing at 481.3.

E-CL 4Q11 Results; EBITDA in line and Net Income above market expectations (E-CL: HOLD; T.P.:\$1.490)

- Revenues grew 6.3% YoY as a result of an extraordinary payment of MUS\$63.2 as other operational income due to the collection of an economic compensation for the delay in the construction of CTA and CTH (recently inaugurated coal fired plants). The latter was offset by lower average sales prices during this period.
- Physical sales remained flat between both periods (0% YoY). However, it had some changes in its composition, with higher sales in the spot market (189% YoY) offset by lower energy sales to unregulated clients (-4%). For the long term we believe that this trend should revert and E-CL should become a net buyer in the spot market after its contract with Emel (Electricity Distribution Company of the SING), which starts in 2012.
- Generation during the period fell 3% as a result of a decrease in Gas thermo generation, replaced by new coal fired installed capacity.
- Operational costs decreased 7% YoY due to lower purchases at the spot market as well as lower fuel consumption.
- EBITDA increased 41.8% due to the above.
- Net Income increased 44.9% due to higher operational results.

E-CL's results during this period confirm our view over the company as a stable cash flow generation with limited growth. Excluding non recurrent income in operational results, during 4Q EBITDA would have grown only 3% YoY and Net Income would have declined close to 20%. We see 2012 as a challenge for the company, with higher energy input in the SING due to CTA-CTH increasing supply but raising its contracted responsibilities with its new commitment with Emel, adding exposure to the spot market. Moreover, future negotiations about LNG import prices would be the key for margins finally becoming more attractive and possible growing operational results. We maintain a HOLD recommendation for the company, with a positive outlook over the company but already incorporated in its current price.

E-CL (MUS\$)	4Q11	4Q10	Growth (%)	Accum. 2011	Accum. 2010	Growth (%)	E-CL	LTM Dec. 2011	2012E
Revenue	339	319	6,3%	1,257	1,121	12,1%	P/U	16,0x	14,2x
Op. Income	97	62	56,7%	255	240	6,1%	EV/EBITDA	8,9x	9,5x
EBITDA	126	89	41,8%	368	337	9,2%	P/BV	1,7x	1,7x
Net Income	75	52	44,9%	179	200	-10,8%	Div. Yield	4,5%	4,2%
EBITDA Mg.	37,3%	27,9%		29,3%	30,1%				
Neto Mg.	22,0%	16,2%		14,2%	17,9%				



IPSA	4,338.4	0.51%
IGPA	20,721.2	0.49%
MSCI Latam	4,166.8	0.44%
Mexico (IPC)	37,711.2	0.00%
Brazil (Bovespa)	64,593.1	0.04%
Peru	22,686.7	1.41%
Colombia	1,642.7	0.53%

CLP / US\$	481.3	-0.15%
CLP / UF	22,421.3	0.02%
Euro / CLP	634.1	-0.28%
Euro / US\$	1.32	0.26%
Brazilian Real	1.72	0.18%
Peruvian New Sol	2.69	0.00%
Colombian Peso	1,793.8	0.00%

Copper (US\$ cents/lb)	380.5	0.63%
Pulp (US\$/MT)	831.1	-0.23%
Molybdenum (US\$/lb)	14.1	0.86%
WTI (US\$/bbl)	96.4	-1.28%
Brent (US\$/bbl)	112.2	0.16%
Sugar (US\$/MT)	630.8	0.16%

TOP GAINERS

	Ch\$	Ch.%
FALABELLA	\$ 4,407.8	3.35%
SONDA	\$ 1,385.0	2.26%
CCU	\$ 6,483.1	2.14%
CENCOSUD	\$ 2,944.8	1.82%
ENDESA	\$ 789.4	1.79%

TOP LOSERS

	Ch\$	Ch.%
BSANTANDER	\$ 36.7	-4.13%
MOLYMET	\$ 7,331.3	-2.11%
IANSAS	\$ 39.2	-1.68%
COLBUN	\$ 127.8	-1.11%
AQUACHILE	\$ 406.0	-0.98%

VOLUME LEADERS

	US\$ Th.	Ch.%
BSANTANDER	24,694.7	-4.13%
ENTEL	23,985.7	1.71%
FALABELLA	22,223.6	3.35%
QUINENCO	18,859.2	1.46%
CENCOSUD	10,236.8	1.82%

Andina and Kopolar announced the signing of a non-binding MOU to merge

In the material fact, it said that the merger would be performed through a capital increase of Andina, whereas each Kopolar shareholder will receive 0.33269 new shares of Andina-A and Andina-B. The MOU is non-binding, but both parties have set March 15th as the maximum date to sign the binding MOU. Nothing has been released on the expected synergies. The companies informed that the merger will take place right after paying dividends to their respective shareholders. The merged company will sell over 640 MUC annually and will be present in Brazil, Argentina, Paraguay and Chile (Metropolitan, 2nd, 3rd, 4th, 11th, 12th Region, Cachapoal province and San Antonio city).

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