

# Latin American Power 2009 Outlook: Favorably Position to Weather Difficult Times

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Fitch Ratings-Chicago-29 January 2009: Today, Fitch Ratings issued its 2009 Latin American Power Outlook. The special report highlights the issuers' favorably position to weather difficult times due to the financial and liquidity improvement over the last several years. This year, Latin American issuers will likely face tough times funding projects in light of the current credit conditions. 'Over the last several years, companies in the sector have significantly improved their liquidity position by considerably reducing leverage and strengthening their debt profile', said Daniel Kastholm, Managing Director in Fitch's Latin America Corporates Group. 'However, the Latin American electric power sector is not completely immune to the worldwide economic challenges faced today' said Mr. Kastholm. The ability to fund new projects in light of the current credit conditions will likely prove challenging over the course of 2009. Politics will continue to play a role in the electricity sector. Issuers that reside in countries with progressive regulatory frameworks are better equipped to weather both the natural gas crisis and the widespread market volatility. Colombia, Chile and Brazil are some of the best examples of countries with regulatory frameworks that balance the needs of consumers and utilities, which allow utility companies to pass increased generation costs to end users and have tariff structures that reflect increases in operating cost structures. The report provides snapshots of the electricity sector in certain countries such as Argentina, Brazil, Chile and Colombia in light of the current credit conditions and energy prices. Argentina is expected to continue facing difficulties meeting its natural gas export obligations during 2009. Brazil utilities' improved liquidity position will help these companies withstand the recent credit crisis, the expected economic slowdown and the Brazilian real devaluation. Chilean power sector is expected to perform better in 2009 compared with the previous year and most companies will have some flexibility to revise their capital expenditures plans. The full report 'Latin American Power 2009' can be accessed on the Fitch Ratings web site '[www.fitchratings.com](http://www.fitchratings.com).' Contact: Lucas Aristizabal +1-312-368-3260 Daniel R. Kastholm +1-312-368-2070 - Chicago. Media Relations: Tyrene Frederick-Mack: New York - +1 212-908-0540 - [tyrene.frederick-mack@fitchratings.com](mailto:tyrene.frederick-mack@fitchratings.com). Fitch's rating definitions and the terms of use of such ratings are available on the agency's public site, '[www.fitchratings.com](http://www.fitchratings.com)'. Published ratings, criteria and methodologies are available from this site, at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance and other relevant policies and procedures are also available from the 'Code of Conduct' section of this site.