

Latam Reorganization

November 6th, 2015

enersis

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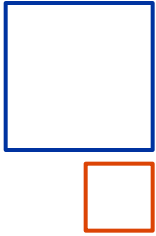
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Agenda

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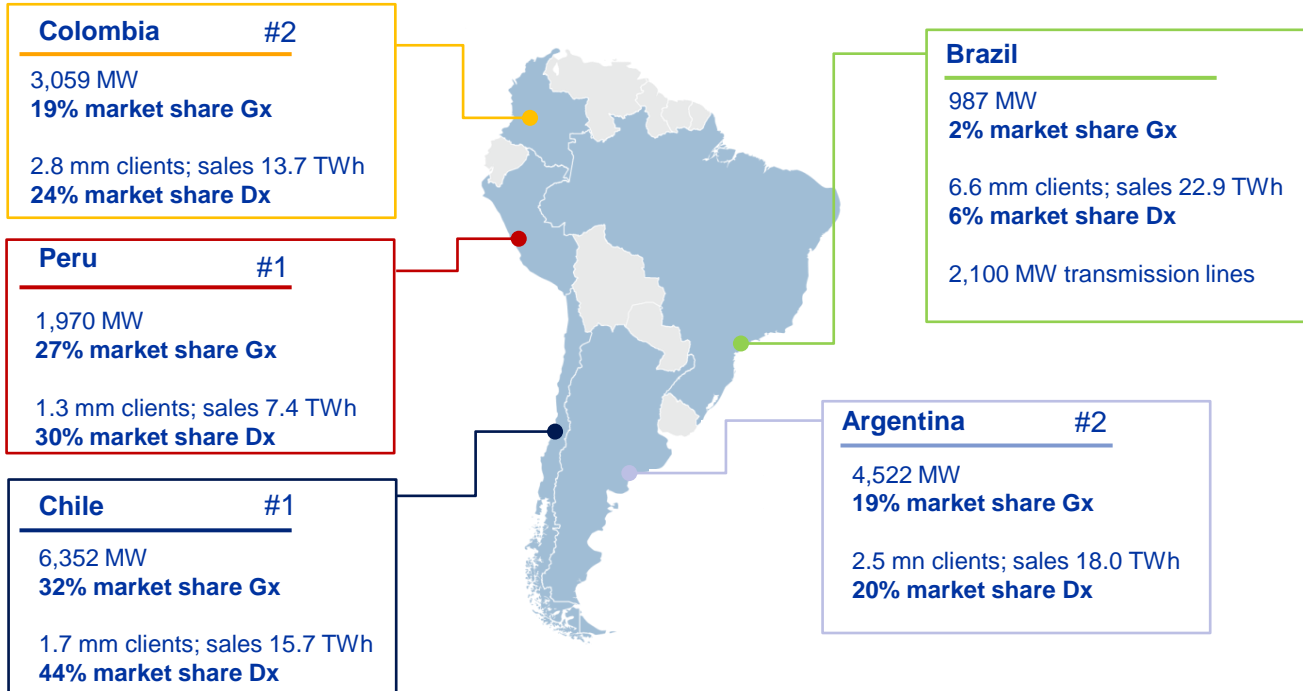
Reorganization highlights and rationale

Process overview

Closing remarks

Reorganization highlights and rationale

Energis is the leading power company in Latam



Total generation
Capacity: 16,888 MW
Energy sales: 69.2 TWh

Total distribution
Clients: 14.8 mm
Energy sales: 77.6 TWh

Revenues: US\$12.7 bn
EBITDA: US\$4.0 bn
Net Income: US\$1.1 bn

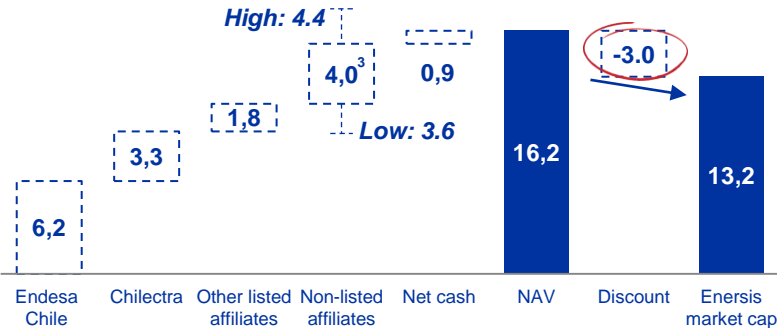
Note:
FY 2014 figures using yearly average FX rate of 570.4 Ch\$/US\$

Reorganization highlights and rationale

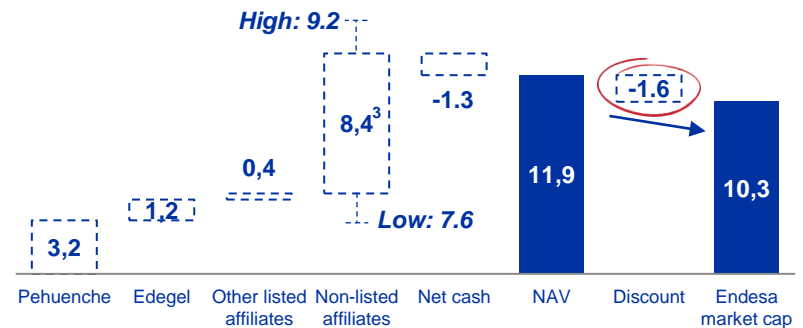
Complex corporate structure results in undervaluation

Net assets value vs. current market cap (US\$ bn)¹

Energis²



Endesa



Market value of listed companies



Estimated value of non-listed companies



Net cash/debt at holding level



NAV

Based on market values and financial advisors valuations, Energis and Endesa are trading at a ~US\$3.0 and US\$1.6 bn discount to NAV

Note:

1. Market values as of November 3rd, 2015
2. Values adjusted by Energis' ownership stake with out considering participations through Endesa or Chilectra

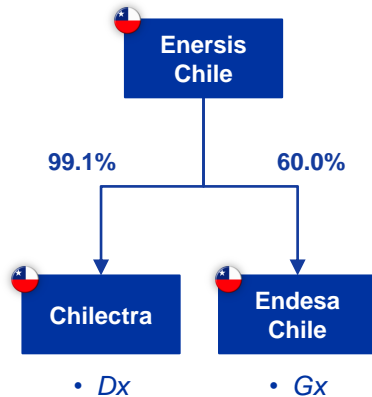
3. Based on brokers valuation

Reorganization highlights and rationale

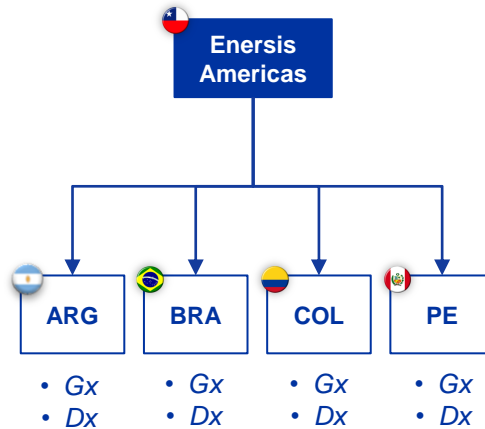
The proposed reorganization will generate value for all shareholders

Country-based model

Pure Chilean group



Latam investment vehicle



1 Tailored approaches

- ✓ Chile: stable cash flow, selective investments and structure cost-base control
- ✓ Americas: growth opportunities (organic and M&A) and efficiencies

2 Structure simplification

- ✓ Leakage reduction
- ✓ Strategic interest alignment
- ✓ Efficient decision making

3 Key strategy pillars

- ✓ Operational efficiencies
- ✓ Industrial growth
- ✓ Shareholder remuneration

Reorganization highlights and rationale

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1 Tailored approaches: distinctive industrial opportunities

Energis Chile



Generation

- Market approaching maturity
- Steady growth in energy demand
- Long term energy contracts indexed to US\$
- Difficulties in developing sizeable projects (environmental and social concerns)

Distribution & retail

- Stable regulation (+30 yr history)
- Consolidated infrastructure with low level of technical losses
- Potential for growth given higher receptivity to value-added services

Stable cash flow, selective investments and structure cost-base control

Energis Americas



- Developing markets
- Significant growth potential in energy demand
- Higher local currency exposure and shorter period of contracts
- Wider range of greenfield projects

- Regulatory framework experiencing more frequent changes
- Infrastructure update needs with significant level of technical losses
- Clients are receptive to more basic services

Growth opportunities (organic and M&A) and efficiencies

Reorganization highlights and rationale

1 Tailored approaches: pure Chilean integrated player



Generation business

#1 Installed capacity of 6,351 MW – 32% market share

#1 11,512 GWh of hydroelectric generation – 17% market share

27 power plants across SIC (central) and SING (northern) networks

21,156 GWh/year generated energy

Short term upside potential from Bocamina II restart and normalization of hydrology

Distribution business

#1 43% market share – sole distributor player in Santiago (more than double avg. consumption per client vs. rest of country)

#1 Lowest level of energy losses

Solid customer base with c. 1.8 mm clients

One of the lowest cash costs in the industry

Leader in public lighting

Potential upside from value-added services

Reorganization highlights and rationale

1 Tailored approaches: Latam growth platform



Note:
FY 2014 figures using yearly average FX rate of 570.4 Ch\$/US\$

Reorganization highlights and rationale

2 Structure simplification: consolidation of Americas holdings

| Main Operating Subsidiaries | | |
|-----------------------------|--|----|
| Ampla | | Dx |
| Coelce | | Dx |
| Cachoeira | | Gx |
| Cien | | Tx |
| Fortaleza | | Gx |
| Emgesa | | Gx |
| Codensa | | Dx |
| Endesa Costanera | | Gx |
| Hid. el Chocón | | Gx |
| Edesur | | Dx |
| Edelnor | | Dx |
| Edegel | | Gx |
| Piura | | Gx |

| Current economic interest | | |
|---------------------------|--------------------|-----------|
| Enersis | Endesa | Chilectra |
| 92.0% | 17.4% | 36.7% |
| 64.9% | 21.9% | 6.6% |
| 84.2% | 37.0% | 11.2% |
| 84.4% | 37.1% | 11.3% |
| 84.4% | 37.1% | 11.3% |
| 37.7% ¹ | 26.9% ¹ | - |
| 48.4% ¹ | - | 9.4% |
| 45.4% | 75.7% | - |
| 39.2% | 65.4% | - |
| 71.6% | 0.5% | 34% |
| 75.5% | - | 15.6% |
| 58.6% | 62.5% | - |
| 96.5% | - | - |

| Post-transaction Enersis Americas |
|-----------------------------------|
| 99.3% |
| 73.7% |
| 99.1% |
| 99.3% |
| 99.3% |
| 48.5% |
| 48.5% |
| 75.7% |
| 65.4% |
| 72.1% |
| 75.7% |
| 83.6% |
| 96.5% |

Leakage
(Minority interests)

Lack of Visibility
(Affiliates not consolidated)

Net income consolidation will increase from 52% to 64%²

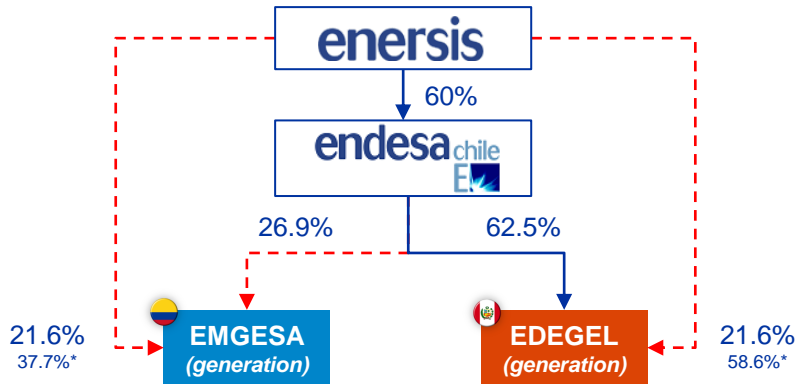
Note:
1. Owns less than 50% but consolidates
2. Based on projected 2016 net income

Reorganization highlights and rationale

2 Structure simplification: interest alignment

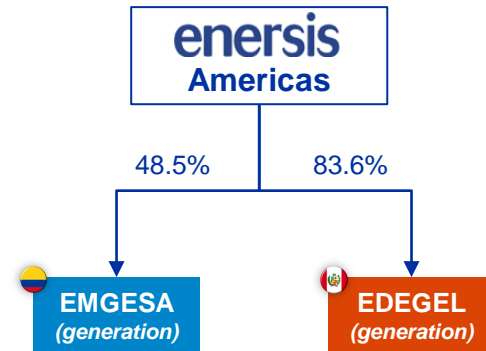
Emgesa and Edegel example

- Investment in generation in Peru and Colombia through 2 vehicles (e.g. recent acquisition of the 21% stake in Edegel by Enersis)



Post reorganization

- Ownerships stakes combined under one single controlling entity

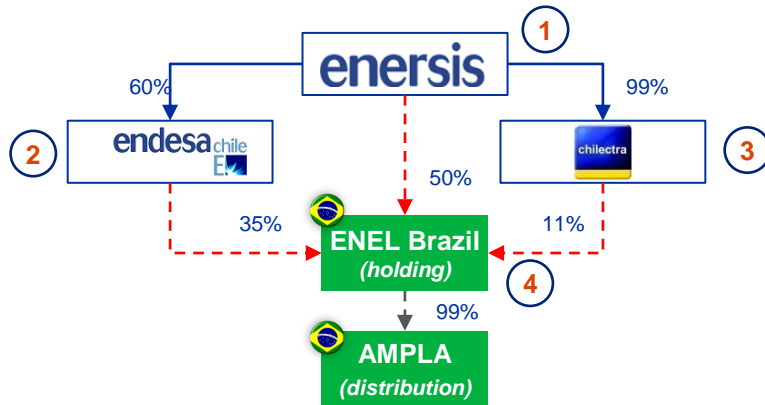


Reorganization highlights and rationale

2 Structure simplification: more effective decision making process

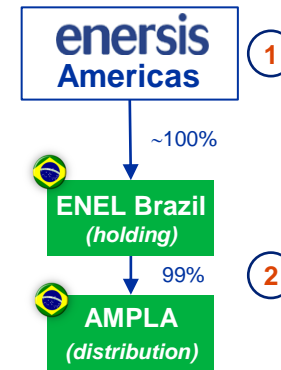
Ampla example

- Multiple decision layers resulting in inefficient organization



Post reorganization

- Streamlined decision process concentrated in one vehicle



Reorganization highlights and rationale

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3 Key strategy pillars: operational efficiencies

Actions (2016-2019)

Target savings 2019

| | Actions (2016-2019) | energis chile | energis Americas |
|-----------------------------|--|------------------|---------------------|
| | | US\$ MM | US\$ MM |
| OPEX¹ | Gx: reduce US\$/MW by ~ 15% ² in Chile and Americas Dx: reduce US\$/client by ~ 36% ² in Chile and Americas | 90 | 220 |
| SG&A¹ | Overhead reduction by ~ 14% ² in Chile and Americas | 10 | 42 |
| Cash pooling | Savings on better cash allocation | - | 15 |
| Tax | Acceleration of utilization of tax credits in Enersis Americas | - | 50 |
| Total | | 100 | 327 |

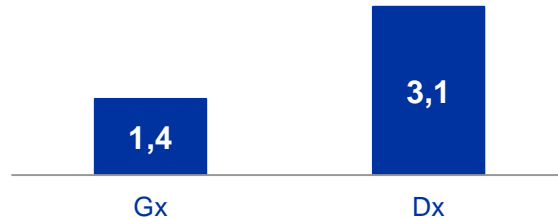
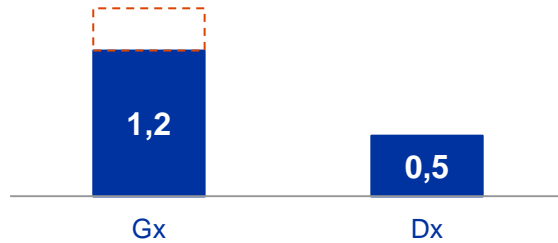
Note:

1. Comparison 2019 with homogeneous FX 2015
2. Reduction of Chile's and Americas' average

Reorganization highlights and rationale

3 Key strategy pillars: industrial growth – new capex approach

Investments 2016 – 2019 (US\$ bn)



Highlights

- ✓ Optimization of maintenance capex (yearly average -21% vs 2015)
- ✓ Los Condores hydro project (US\$ 500 mm)
- ✓ Investment optionality linked to biddings

- ✓ Optimization of maintenance capex (yearly average -20% vs 2015)
- ✓ Increased quality in distribution
- ✓ Hydro (Brazil)
- ✓ Thermal (Peru)

Reorganization highlights and rationale

energis

3 Key strategy pillars: financial targets

Energis Chile (US\$ Bn)

| | 2016 | 2017 | 2019 | CAGR '16-'19 |
|---------------|------|------|------|--------------|
| EBITDA | 1.2 | 1.4 | 1.6 | 11% |
| EBITDA Margin | 33% | 38% | 39% | |
| Net Income | 0.5 | 0.6 | 0.7 | 11% |

Energis Americas (US\$ Bn) – post merger

| | 2016 | 2017 | 2019 | CAGR '16-'19 |
|---------------|------|------|------|--------------|
| EBITDA | 2.4 | 2.8 | 3.3 | 11% |
| EBITDA Margin | 33% | 36% | 37% | |
| Net Income | 0.6 | 0.9 | 1.1 | 22% |

New business plan guidelines are subject to the final execution of the reorganization process

Reorganization highlights and rationale

3 Key strategy pillars: improving shareholders returns

Earnings growth

- ✓ Revenue growth
- ✓ Opex efficiencies
- ✓ SG&A efficiencies
- ✓ Tax optimization

Capital efficiencies

- ✓ Maintenance capex reductions
- ✓ Cash management

Dividend policy

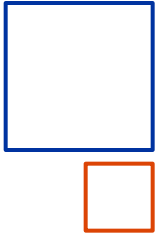
Chile
Base case payout increase gradually from 50% to 70% in 2020

Americas
~ 50% payout

Additional growth coming from optional projects in Chile, M&A and minority acquisition in Americas

Flexibility on usage of excess cash flow

Proposed dividend policy subject to the final execution of the reorganization process



Agenda



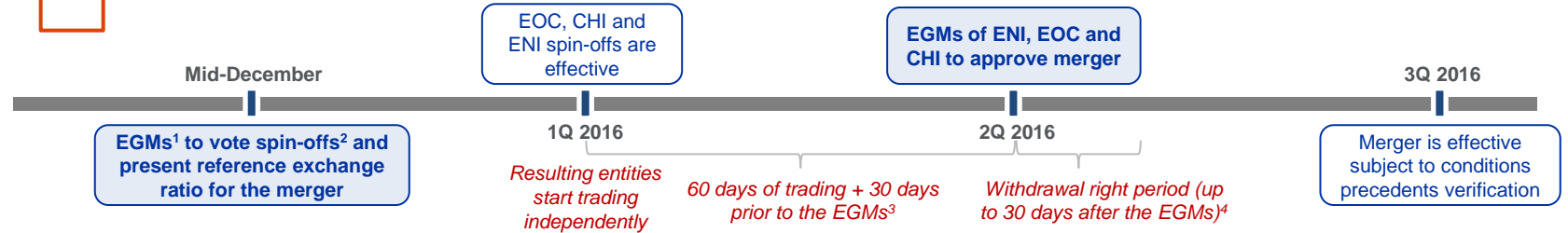
Reorganization highlights and rationale

Process overview

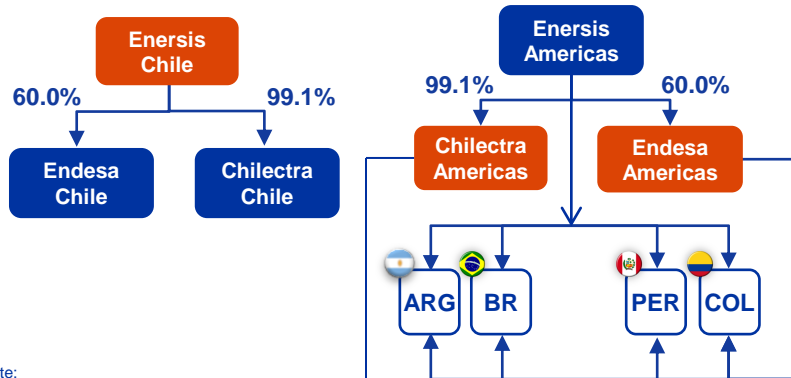
Closing remarks

Process overview

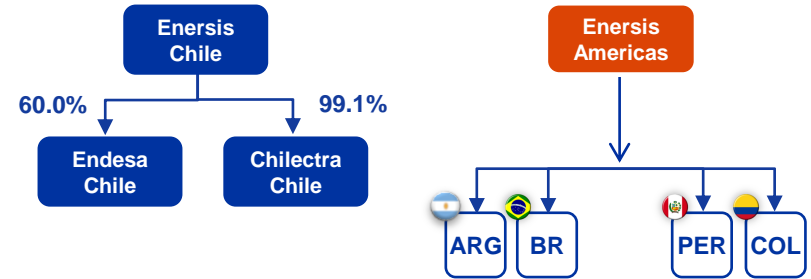
Overview of reorganization key steps



1 Enersis, EOC and Chilectra spin-offs

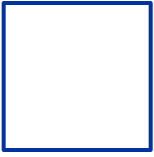


2 Merger of Enersis Americas, Endesa Americas and Chilectra Americas



Note:

1. EGMs of Enersis, Endesa Chile and Chilectra
2. Spin-offs approved on the basis of the pro-forma balance sheets as of September 30th, 2015
3. Exercise price of withdrawal right equal to the weighted average price of the 60 trading days preceding the 30th trading day prior to the EGM; except Chilectra that will be at book value
4. Dissenting/absent shareholders may exercise their withdrawal rights up to 30 days after the EGM and sell their shares to the Company



Process overview

Transparent process set on arm's length steps



Transaction analysis + valuation reference

Valuation reference

BoDs' advisors

Independent advisors

Financial appraisers

Support BoDs on the analysis of the reorganization

Support Committees in the assessment of the corporate interest of the reorganization

Provide an independent analysis



Independent Directors Committees' Opinions

BoDs decide to proceed with the reorganization



IMTrust

Rafael Malla

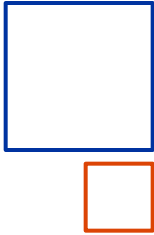


Tyndall Group

Colin Becker



Mario Torres



Process overview

Enerjis Americas' merger reference exchange ratios

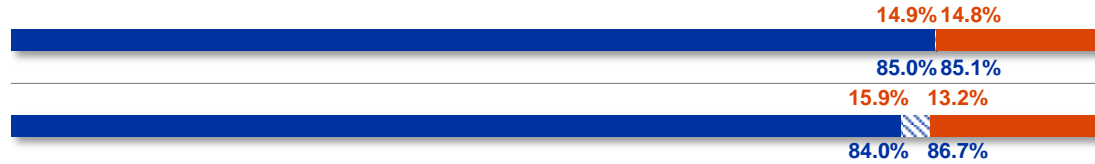


Ownership structure post transaction of the combined entity¹



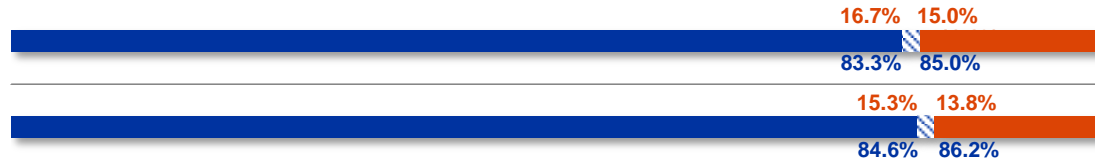
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Tyndall Group

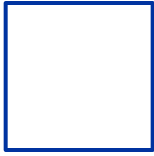
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Note:
1. Chilectra minorities ownership is not included



Process overview

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Main conditions for the reorganization set by the BoDs



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endesa^{chile}
E

Key BoD Conditions

- Resulting stake of Endesa Minorities in Enersis Americas: reference range 13.2% - 15.9%
- Limit to withdrawal right: ENI 6.73% and EOC 7.72%
- Cancellation of shares coming from the exercise of the withdrawal right
- Avoid the potential conflict of interest between Endesa Chile and EGP
- Confirm the commitment of maintaining Enersis Chile and Enersis Americas as unique investment vehicles of Enel Group in the region

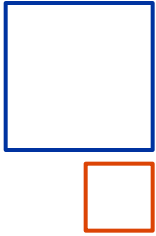
Key BoD Conditions

- Resulting stake of Endesa Minorities in Enersis Americas: reference range 15.5% - 16.7%
- Limit to withdrawal right: Endesa Americas 7.72%
- Cancellation of shares coming from the exercise of the withdrawal right

Minority shareholders' conditions

- Mitigate potential conflicts of interest between Endesa Chile and EGP keeping Endesa Chile as the main vehicle for growth in generation
- Tax indemnity for Endesa Chile in case the merger is not completed
- Additional mitigation measures for not executing the merger or having a different exchange ratio from the reference
- Price of withdrawal right set with a fixed formula
- Changes in bylaws to promote investments and distribute excess cash

Both BoDs have declared the reorganization to be in the interest of the companies if key conditions are met



Agenda



Reorganization highlights and rationale

Process overview

Closing remarks

Closing remarks

Benefits

- ✓ Tailored focus on specific countries' requirements
- ✓ More effective decision making process
- ✓ Increased assets visibility
- ✓ Operational efficiencies
- ✓ New capex approach
- ✓ Enhanced shareholders remuneration

Process

- ✓ Arm's length steps
- ✓ Transparency
- ✓ Following market regulator's requirements