

Latam Reorganization

November 6th, 2015

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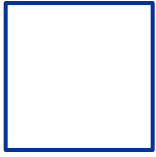
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Agenda

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Reorganization highlights and rationale

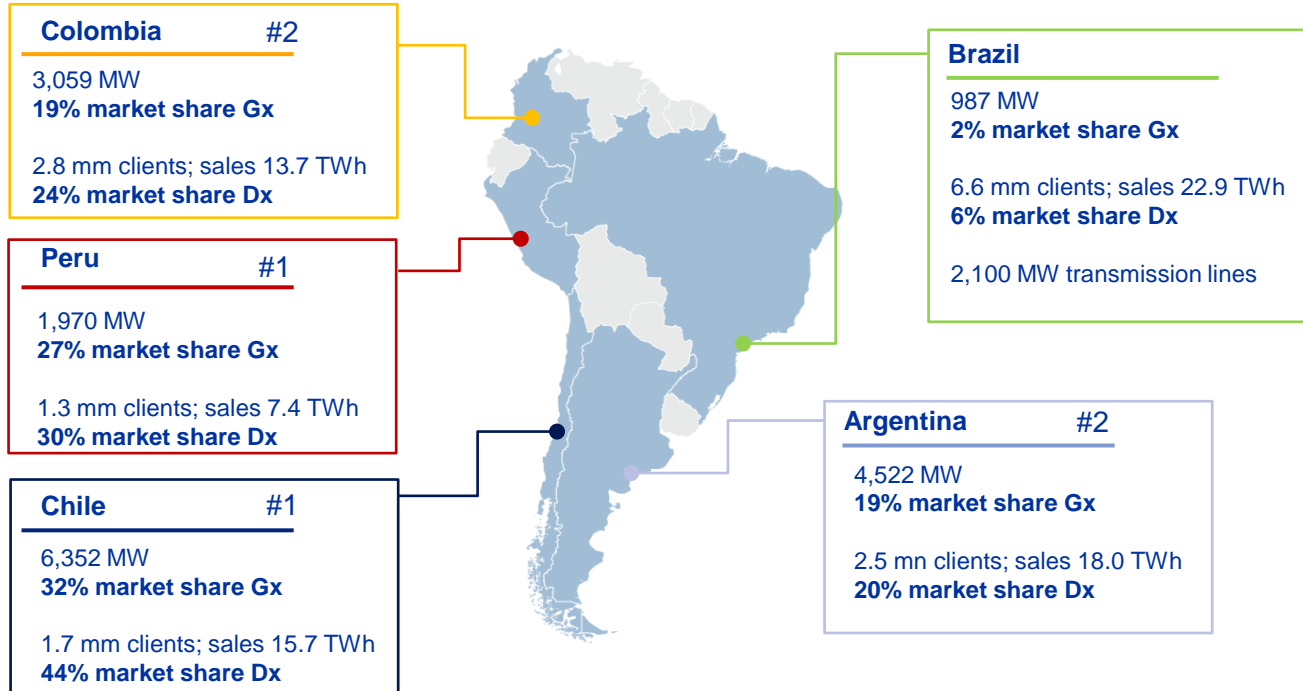
Process overview

Closing remarks

Reorganization highlights and rationale

Enersis is the leading power company in Latam

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

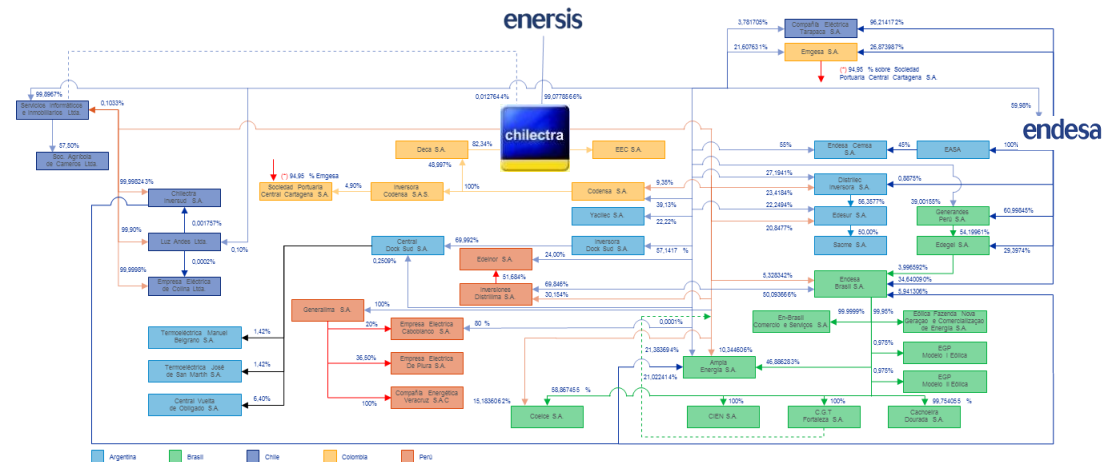
Total generation
Capacity: 16,888 MW
Energy sales: 69.2 TWh

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

Reorganization highlights and rationale

Enersis complex corporate structure needs to be improved



More efficient decision making process
and leaner cost structure

Key actions



Simplify corporate structure



Align strategic interests



Set a new industrial strategy and
management focus

A change in the corporate structure is required to implement an effective strategy in the current challenging environment

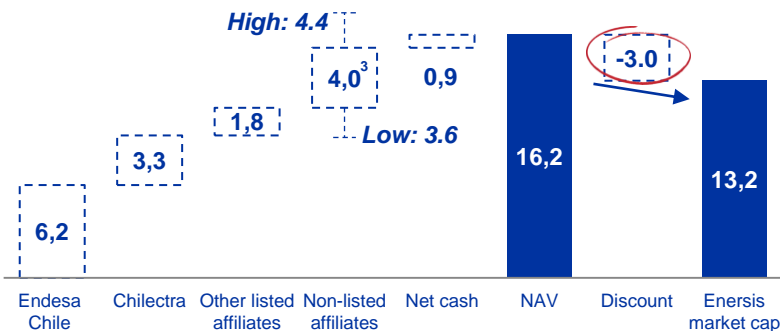
Reorganization highlights and rationale

Complex corporate structure results in undervaluation

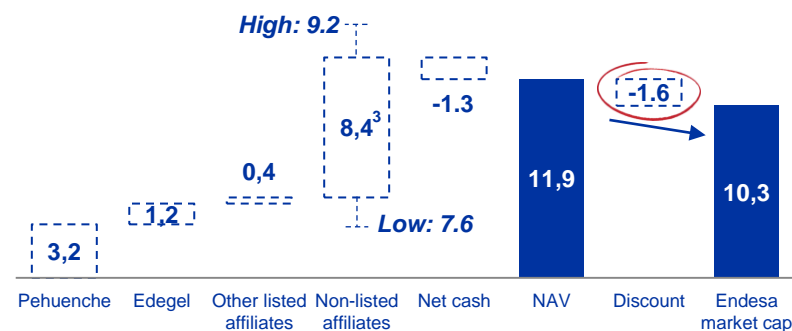
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Net assets value vs. current market cap (US\$ bn)¹

Energis²



Endesa



Market value of listed companies



Estimated value of non-listed companies



Net cash/debt at holding level



NAV

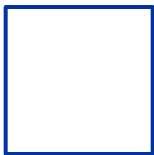
Based on market values and financial advisors valuations, Energis and Endesa are trading at a ~US\$3.0 and US\$1.6 bn discount to NAV

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



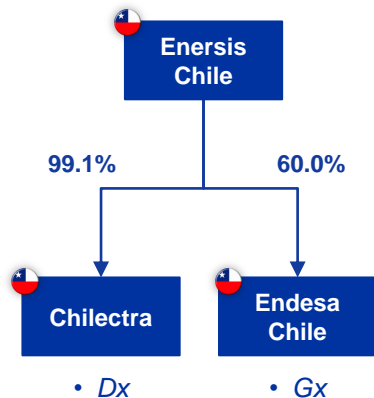
Reorganization highlights and rationale

The proposed reorganization will generate value for all shareholders

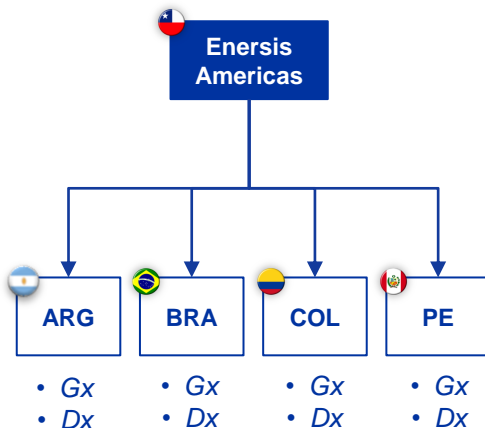
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Country-based model

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

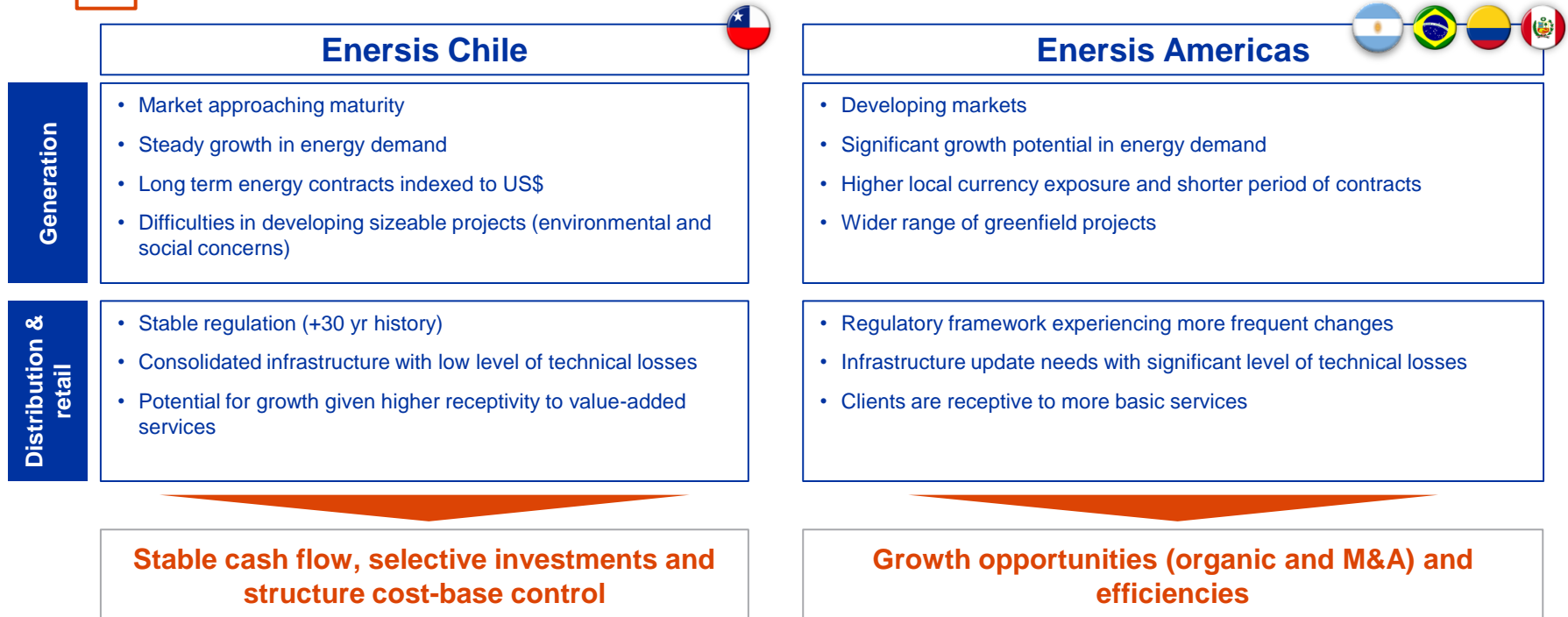
3 Key strategy pillars

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

Reorganization highlights and rationale

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1 Tailored approaches: distinctive industrial opportunities



Reorganization highlights and rationale

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1 Tailored approaches: pure Chilean integrated player



Generation business



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



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



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



Lowest level of energy losses

Solid customer base with c. 1.8 mm clients

One of the lowest cash costs in the industry

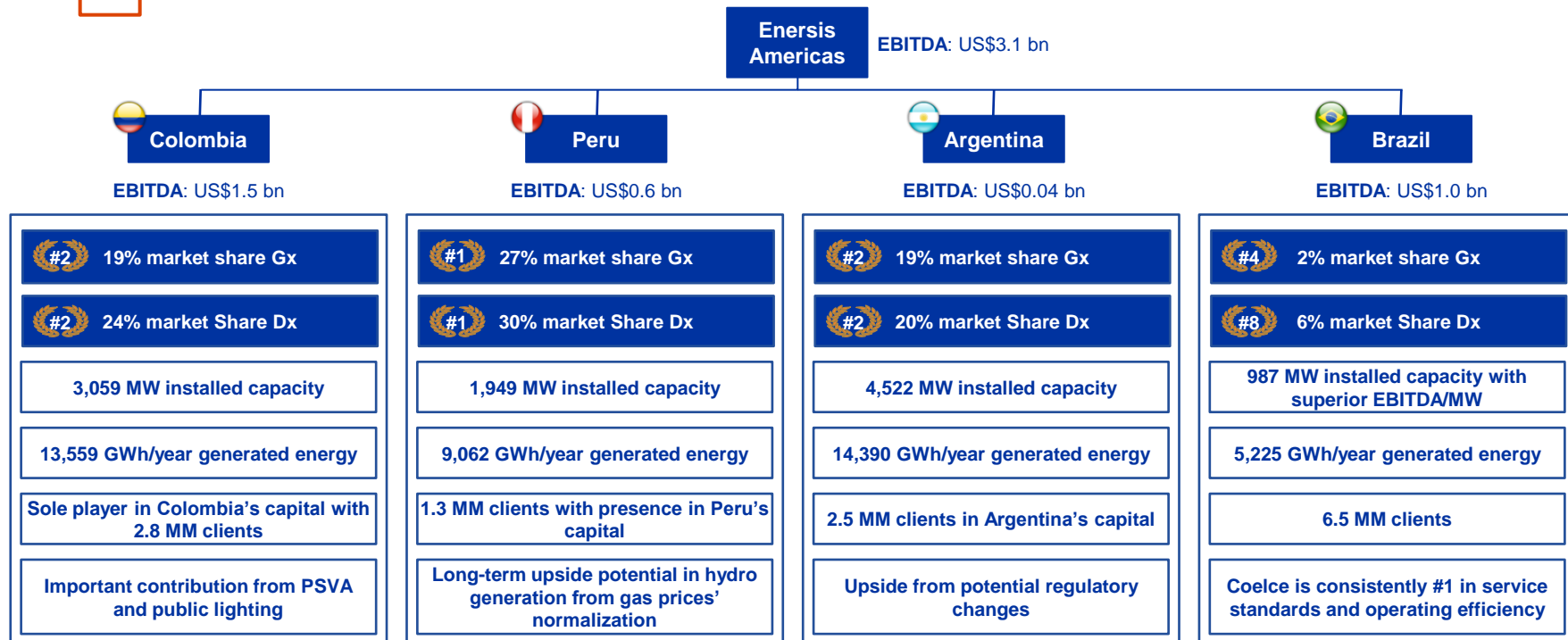
Leader in public lighting

Potential upside from value-added services

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1 Tailored approaches: Latam growth platform



Reorganization highlights and rationale

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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		
Energis	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 Energis 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

 Not controlling stakes

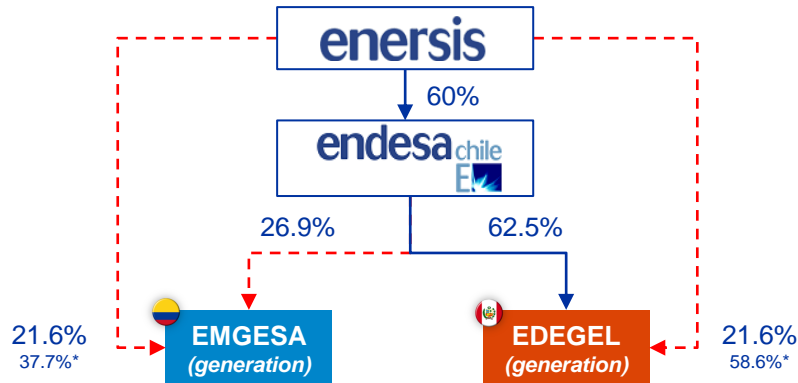
Reorganization highlights and rationale

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2 Structure simplification: interest alignment

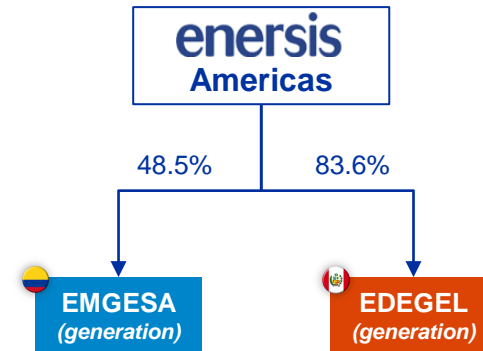
Emgesa and Edegel example

- 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



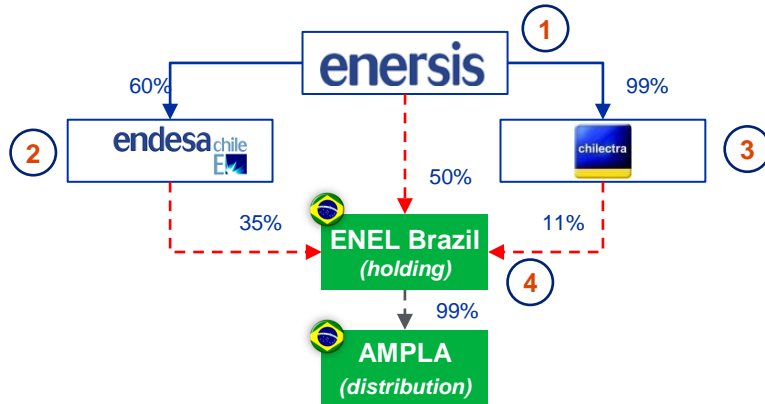
Reorganization highlights and rationale

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2 Structure simplification: more effective decision making process

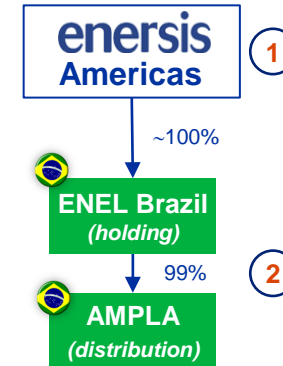
Ampla example

- Multiple decision layers resulting in inefficient organization



Post reorganization

- Streamlined decision process concentrated in one vehicle



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3 Key strategy pillars: operational efficiencies

Actions (2016-2019)

Target savings 2019

		enersis chile US\$ MM	enersis Americas US\$ MM
OPEX ¹	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&A ¹	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

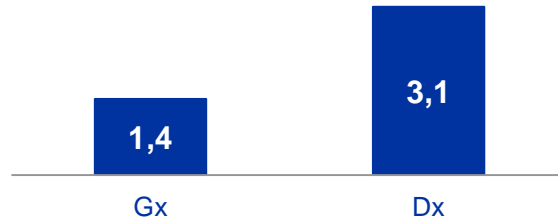
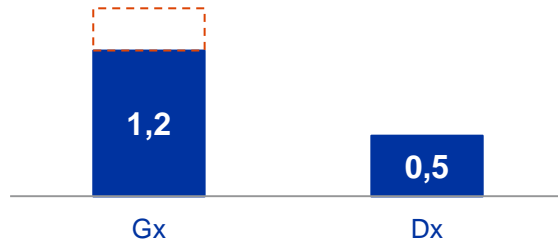
2. Reduction of Chile's and Americas' average

Reorganization highlights and rationale

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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

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3 Key strategy pillars: financial targets

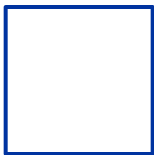
Energis Chile (US\$ Bn)

	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



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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

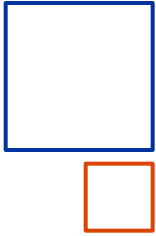
Chile
Base case payout increase gradually from 50% to 70% in 2020

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



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Reorganization highlights and rationale

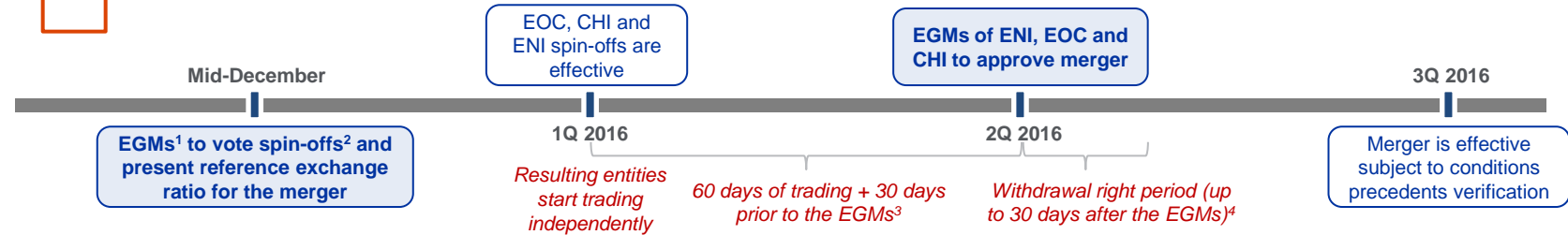
Process overview

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Process overview

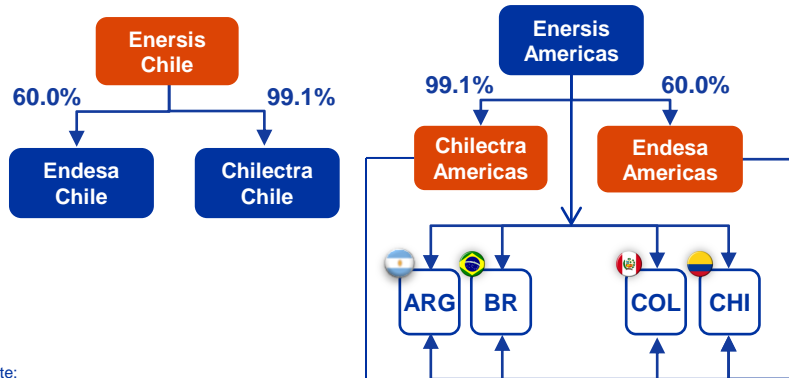
Overview of reorganization key steps

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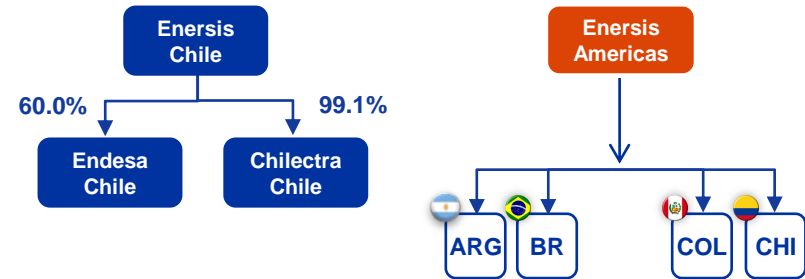
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Enersis, EOC and Chilectra spin-offs



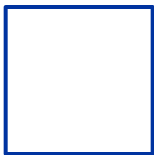
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Merger of Enersis Americas, Endesa Americas and Chilectra Americas



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

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Transaction analysis + valuation reference

BoDs' advisors

Support BoDs on the analysis of the reorganization

Bank of America
Merrill Lynch

Independent advisors

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

IMTrust

Valuation reference

Financial appraisers

Provide an independent analysis

Rafael Malla



Independent Directors Committees' Opinions

BoDs decide to proceed with the reorganization

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endesa
chile
E

Deutsche Bank

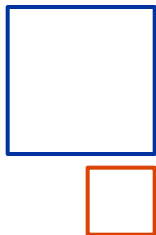


Tyndall Group

Colin Becker



Mario Torres



Process overview

Enersis Americas' merger reference exchange ratios

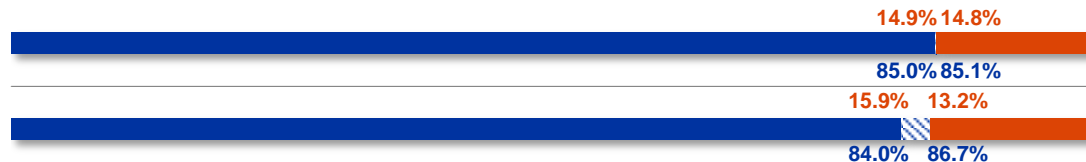
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Ownership structure post transaction of the combined entity¹

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IMTrust

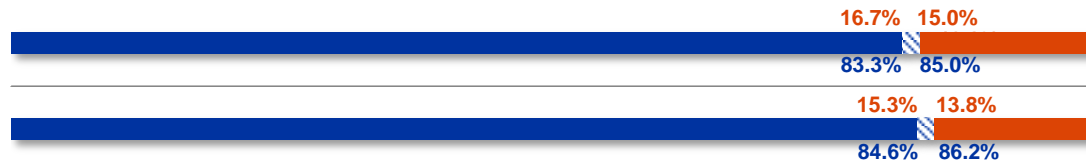
Rafael Malla



endesa chile E

Tyndall Group

Colin Becker



chilectra

Mario Torres

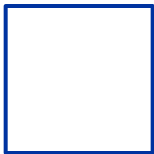


Note:

1. Chilectra minorities ownership is not included

■ Enersis Shareholders

■ Endesa Minorities



Process overview

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Main conditions for the reorganization set by the BoDs



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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

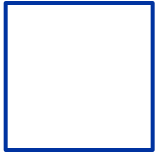
Key BoD Conditions

- 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



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Reorganization highlights and rationale

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Closing remarks

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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