

Project Carter II

Valuation Summary

November 5th, 2015



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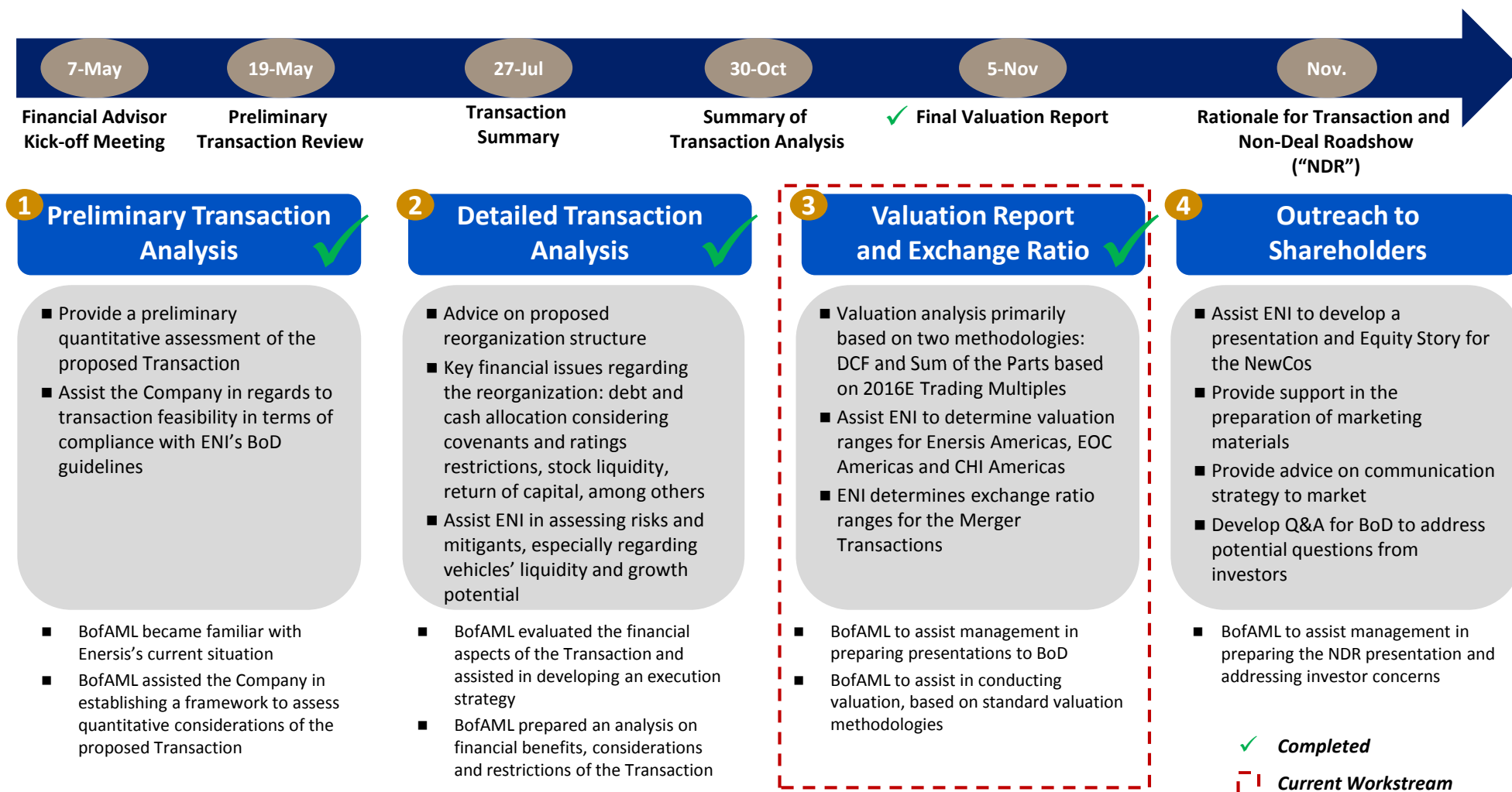
Summary Transaction Overview and BofAML Mandate

- On April 22, 2015, the Board of Directors of Enel (Enersis' controlling shareholder) proposed that the Board of Directors of Enersis ("ENI" or the "Company"), Endesa Chile ("EOC") and Chilectra ("CHI") explore the possibility of a restructuring plan to streamline ENI's corporate structure
 - The transaction aims to separate Enersis' power generation and distribution businesses in Chile (the "Chilean Assets") from those in other LatAm countries (the "Americas Assets"), and will be executed in two main steps (collectively, the "Transaction"):
 - Spin-off of (i) ENI's Chilean Assets into a new listed company (such new company, "Enersis Chile", and ENI after such spin-off is referred to as "Enersis Americas" or "ENI Americas") and (ii) EOC's and CHI's Americas Assets into new listed companies (such new companies, "EOC Americas" and "CHI Americas", respectively, and together with Enersis Chile, the "NewCos" or the "Spin-Offs")
 - Once the NewCos are created, EOC Americas and CHI Americas will each contribute all of its assets into Enersis Americas (or the "Combined Entity"), in exchange for shares in Enersis Americas (the "Merger Transactions")
 - The reorganization intends to eliminate overlaps, cross ownerships and duplications, all of which impede the full valuation of the associated assets, reduce visibility of the businesses, and make the current enterprise-wide decision-making process unnecessarily complex
- BofAML was hired by the BoD of ENI to:
 - Assist the Company and its BoD in establishing a framework to assess certain quantitative considerations in connection with the Transaction. BofAML presented an initial assessment to the BoD on July 27, 2015 and a follow-up analysis to the BoD's Independent Committee on August 5, 2015
 - Prepare a Valuation Report to support the Board's Analysis of the Merger Transactions
- To date, BofAML has entered into a Non-Disclosure Agreement, signed an Engagement Letter, gained access to the Company's financial information, and had several meetings with ENI's management team and its BoD
- BofAML appointed Cleary Gottlieb as external legal counsel in connection with the issuance of this Valuation Report
- This Summary details the main conclusions of the Valuation Report presented to the BoD, including the following topics:
 - Valuation of Enersis Americas, EOC Americas and CHI Americas, considering different standard methodologies
 - Resulting range of exchange ratios proposed for the Merger Transaction

Valuation Summary

Introduction (cont'd.)

Transaction Workstreams



Valuation Summary

Valuation Methodologies

Summary Overview

Discounted Cash Flow ("DCF") Analysis

- **Most adequate and relevant methodology to reflect future prospects for the business**
 - Performed on an individual company basis to reflect country and business risks and dynamics
 - Analysis based on 2015-2020 projections and assumptions to extend projections for later years for specific subsidiaries. In all cases, projections provided by the Company
- Terminal value estimated as a growth perpetuity applied on a normalized unlevered cash flow
- Mid-year convention is used
- Valuation date: June 30, 2015

Sum of the Parts ("SOTP") based on 2016E Trading Multiples

- Market-based valuation on an individual company basis relying on comparables trading multiples
- We have determined the most relevant comparables for each individual company that represents an Americas asset, and performed a SOTP valuation based on 2016E EV / EBITDA Multiples and the Company's 2016 projections
- EV Adjustments as of: June 30, 2015

Contribution Analysis: Net Income

- Based on historical financials and projections⁽¹⁾
- Determine Net Income contribution from each Company / shareholder to the Combined Entity
- Analysis presents limitations given it does not account for the different valuations associated with each country or business segment (Gx and Dx), based on factors such as macro performance and regulatory risks
- Methodology used for control purposes only

Valuation Summary

Summary Valuation (in US\$ mm)

Midpoint Values

			DCF Analysis				SOTP based on 2016E Trading Multiples			
Enersis Americas Subsidiaries	Country	Business	Total Equity Value	Equity Value ⁽¹⁾			Total Equity Value	Equity Value ⁽¹⁾		
				to ENI AMRS	to EOC AMRS	to CHI AMRS		to ENI AMRS	to EOC AMRS	to CHI AMRS
<u>Operating Companies</u>										
Emgesa	Colombia	Gx	\$4,543	\$1,714	\$1,221	\$0	\$3,357	\$1,266	\$902	\$0
Codensa	Colombia	Dx	2,927	1,416	0	274	2,500	1,210	0	234
Edegel	Peru	Gx	1,951	1,143	1,218	0	1,843	1,080	1,151	0
Edelnor	Peru	Dx	1,442	1,089	0	225	1,197	904	0	187
Coelce	Brazil	Dx	578	375	126	38	869	564	190	58
Ampla	Brazil	Dx	293	270	51	107	197	181	34	72
Fortaleza	Brazil	Gx	388	328	144	44	504	425	187	57
Cachoeira	Brazil	Gx	464	390	172	52	594	500	220	67
CIEN	Brazil	Tx	275	232	102	31	303	255	112	34
Chocon	Argentina	Gx	511	200	334	0	397	156	260	0
Pratil ⁽²⁾	Brazil	Other	187	158	69	21	187	158	69	21
Costanera	Argentina	Gx	78	35	59	0	248	113	188	0
Docksud	Argentina	Gx	214	86	0	0	207	83	0	0
Edesur	Argentina	Dx	228	163	1	77	455	326	2	155
Piura ⁽²⁾	Peru	Gx	123	118	0	0	123	118	0	0
Others ⁽³⁾	n.m.	n.m.	247	34	157	(3)	247	34	157	(3)
<u>Holding Companies</u>										
Enersis Americas IND	Chile	HoldCo	814	814	0	0	814	814	0	0
Endesa Americas IND	Chile	HoldCo	6	3	6	0	6	3	6	0
Chilectra Americas	Chile	HoldCo	(9)	(6)	(9)	0	(9)	0	0	0
Endesa Brasil	Brazil	HoldCo	151	128	56	17	151	128	56	17
Total				\$8,690	\$3,707	\$884		\$8,319	\$3,535	\$898

Sources: Company projections, Company filings and Factset as of October 21st, 2015

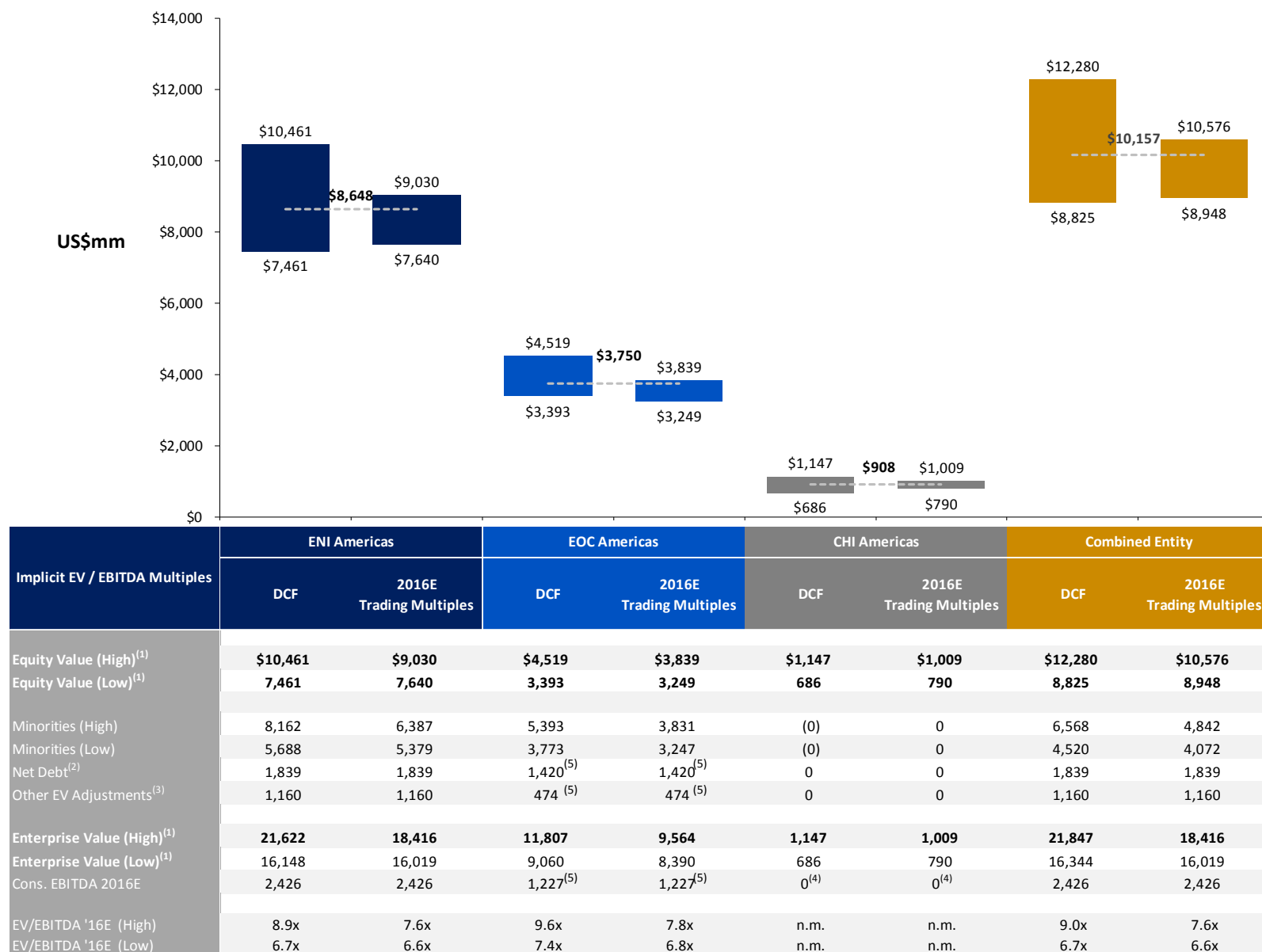
(1) Equity Value by Company calculated as Total Equity Value times the proportional economic participation that EOC, ENI and CHI have in each subsidiary

(2) For Pratil and Piura, the Trading Multiples valuation is deemed non-meaningful and therefore the DCF valuation is considered for both valuation methodologies

(3) Includes operating and holding companies such as: EEC, Sociedad Portuaria, Chinango, Generalima, Caboblanco, CTM, Tesa, Cemsa, Distrilec, Southern Cone, Hidroinvest

Valuation Summary

Summary Valuation – Excluding Transaction Costs



Sources: Company projections, Company filings and Factset as of October 21, 2015

(1) For DCF, ranges consider variations in both WACC and Perpetuity Growth (+/-0.75% and +/- 0.2%, respectively for high and low valuations). In the case of Multiple Valuations a range of +/- 0.5x is considered

(2) Consolidated Net Debt as provided by the Company as of June 30, 2015

(3) Other EV Adjustments as provided by the Company as of June 30, 2015. Includes provisions, financial derivatives, other financial assets and liabilities, dividend receivables and payables

(4) CHI Americas does not record EBITDA since it only owns minority stakes in subsidiaries, which are accounted for under the equity method

(5) Incorporates proportional Net Debt, Other EV Adjustments and EBITDA from Brazilian subsidiaries, which are accounted for under the equity method and therefore are not reflected in reported EBITDA

Valuation Summary

Summary Valuation – Excluding Transaction Costs (cont'd)

We have performed a series of sensitivity analysis to our DCF valuation, considering the following scenarios:

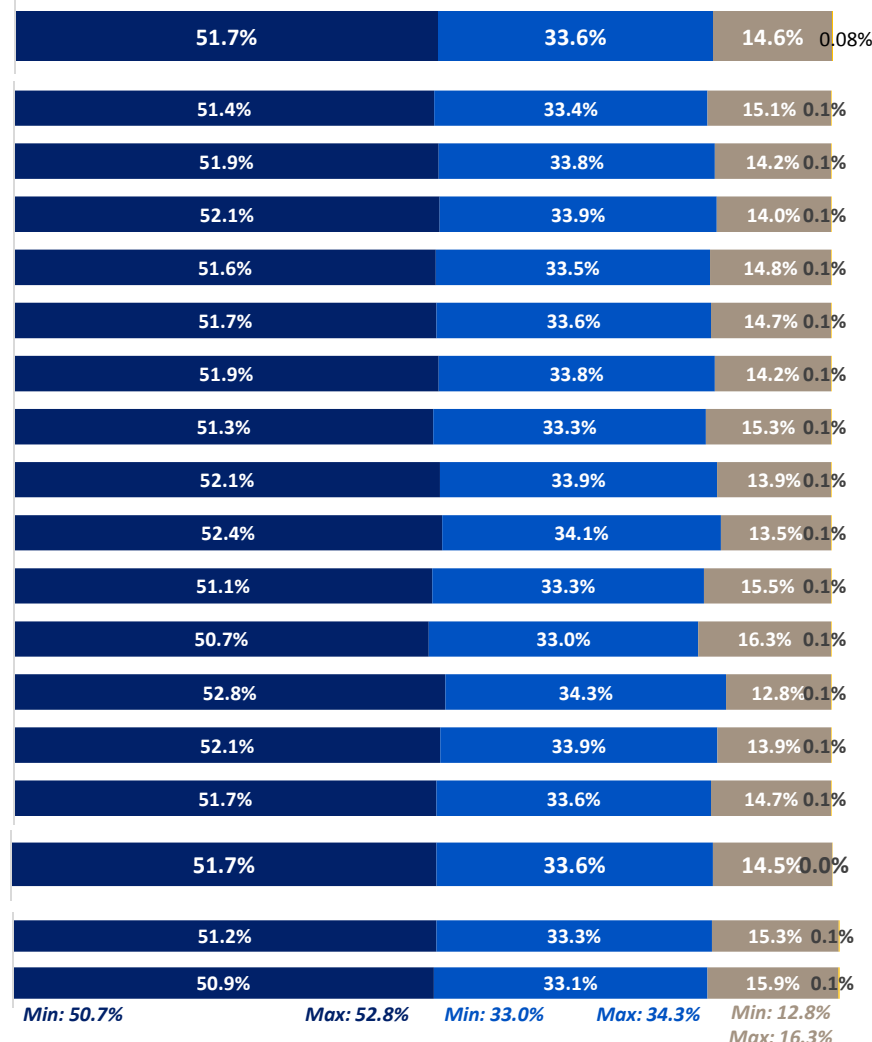
- High and low valuations for the main assets (in terms of equity value) where ENI owns a higher stake than EOC and viceversa
- All Gx and Dx assets at their high or low valuations, to account for their respective risks which include hidrology (Gx) and regulatory changes (Dx)
 - We have also analyzed a combination at high valuations for Gx and low valuations for Dx
- Argentina assets valued at zero, due to regulatory uncertainty and macro risk
- A 30% discount to our midpoint DCF valuation for Brazilian assets, due to uncertainty in the short/medium-term outlook for the country

DCF Base Case Valuation (Midpoint)

DCF	Emgesa ⁽¹⁾	High
		Low
	Codensa ⁽²⁾	High
		Low
	Edegel ⁽³⁾	High
		Low
	All Gx Companies ⁽⁴⁾	High
		Low
	All Dx Companies ⁽⁵⁾	High
		Low
	Gx High & Dx Low ⁽⁶⁾	
	Gx Low & Dx High ⁽⁷⁾	
	No Value for Argentina ⁽⁸⁾	
	30% Disc. on Brazil Value ⁽⁹⁾	

2016E Trading Multiples Valuation (Midpoint)

Contribution Analysis ⁽¹⁰⁾	LTM2015
	Average '13 – LTM '15



Ownership of ENI Americas by



Note: For all footnotes from #1 to #9, ranges for the highest and the lowest valuations consider variations in both WACC and Perpetuity Growth (+/-0.75% and +/- 0.2%, respectively)

(1) Assumes the lowest and highest DCF valuation for Emgesa and midpoint valuation for all other companies

(2) Assumes the lowest and highest DCF valuation for Codensa and midpoint valuation for all other companies

(3) Assumes the lowest and highest DCF valuation for Edegel and midpoint valuation for all other companies

(4) Assumes the lowest and highest DCF valuation for all Gx companies and midpoint valuation for all other companies

(5) Assumes the lowest and highest DCF valuation for all Dx companies and midpoint valuation for all other companies

(6) Assumes the highest DCF valuation for Gx companies and the lowest DCF valuation for Dx Companies. Midpoint valuation for holdings

(7) Assumes the lowest DCF valuation for Gx companies and the highest DCF valuation for Dx Companies. Midpoint valuation for holdings

(8) Assumes no value from Argentina subsidiaries and midpoint valuation for all other companies

(9) Applies a 30% discount over midpoint Brazil subsidiaries' value and midpoint valuation for all other companies

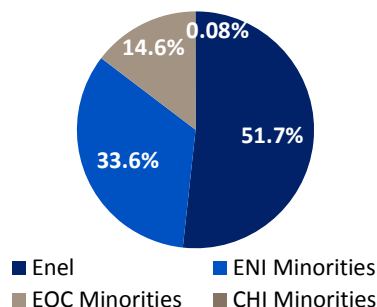
(10) Based on Pro-forma historical figures for ENI Americas, EOC Americas and Chilletra Americas provided by ENI's Management

Valuation Summary

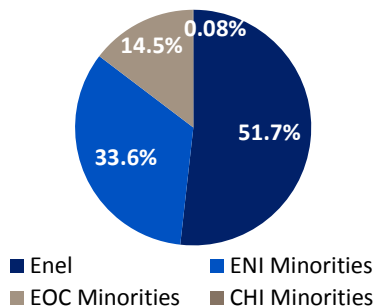
Transaction Costs Impact

Pre Transaction Costs

DCF Valuation – Midpoint



Multiple Valuation – Midpoint



Transaction Costs

There are \$223mm in transaction costs that could be allocated among the shareholders of the Combined Entity

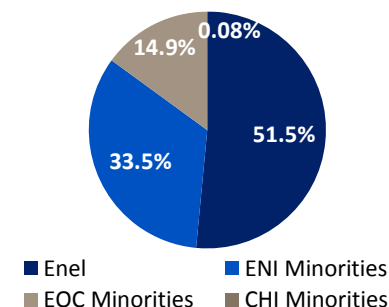
Allocation based on the resulting ownership

		Allocation based				
		Expenses by Subsidiary		Ownership of Combined Entity		Value Transfer
		\$mm	%	\$mm	%	\$mm
Tax, Advisory and Other Costs	Enel	94	42%	115	52%	(21)
	ENI Minorities	61	28%	75	34%	(14)
	EOC Minorities	67	30%	32	15%	34
	CHI Minorities	0	0%	0	0%	0
	Total	223	100%		100%	0

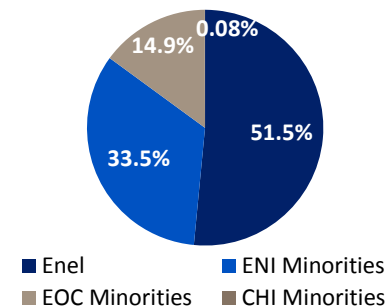
US\$m	Description	NPV Calculation Methodology
Tax Costs NPV: (192mm)	<ul style="list-style-type: none"> One-off tax costs to be incurred in Peru and Argentina by Endesa Chile and Chilectra, and tax cost related to badwill arising from the merger of CHI Americas into Enersis Americas 	<ul style="list-style-type: none"> Tax cost basis for Peru and Argentina subsidiaries provided by Enersis Management BofAML valuations for Peru and Argentina subsidiaries are considered for the capital gains tax calculation Badwill effect already considered in the annual tax benefit figures provided by the Company
Transaction Advisory and Other Costs NPV: (31mm)	<ul style="list-style-type: none"> One-off costs related to Transaction execution, including financial advisory fees, legal counsel fees, IR expenses, and PR expenses, on an after-tax basis 	<ul style="list-style-type: none"> Provided by Enersis Management

Post Transaction Costs

DCF Valuation – Midpoint



Multiple Valuation – Midpoint

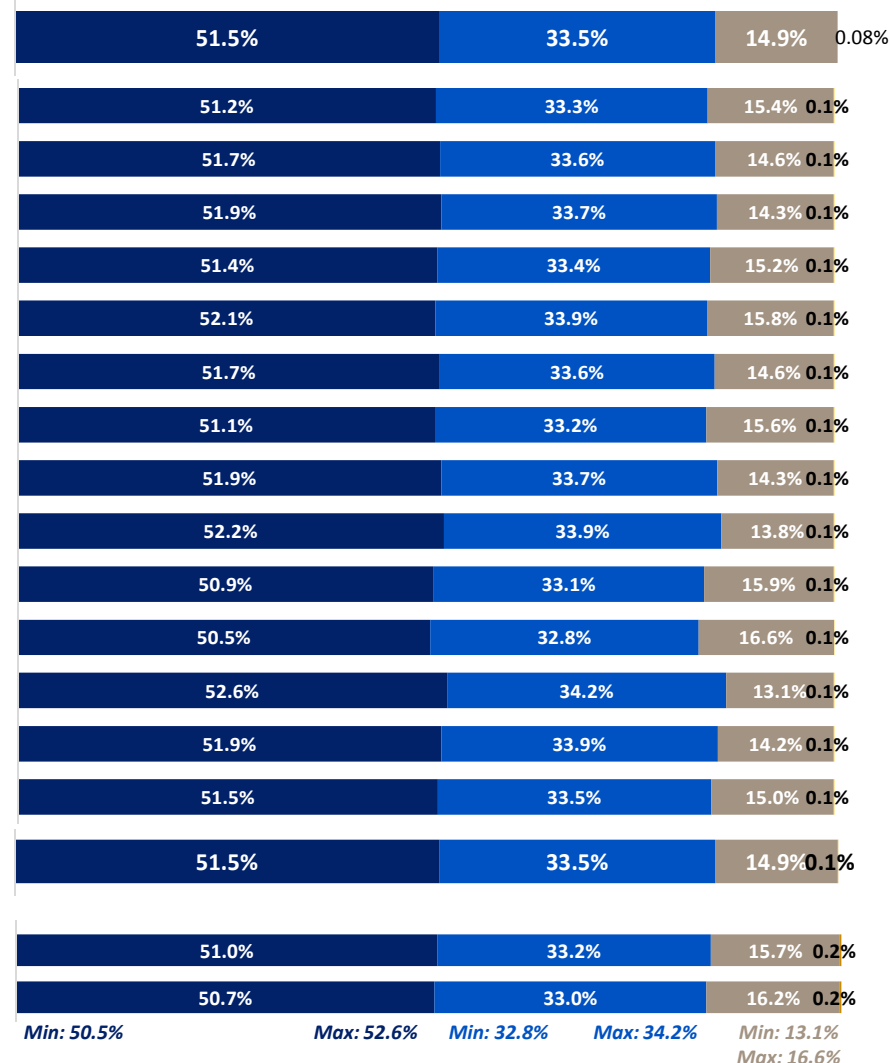


Valuation Summary

Summary Valuation – Including Transaction Costs

- Including tax, advisory and other costs, ENI's ownership stake is reduced by **0.2%-0.3%** while EOC's ownership is increased by the same percentage
- Indicative ownership ranges in the Combined Entity according to the DCF valuation ranges would be:
 - ENI Americas: 83.7% to 87.0%
 - Enel: 50.5% to 52.6%
 - ENI Minorities: 33.0% - 34.3%
 - EOC Minorities: 12.8% to 16.3%
 - CHI Minorities: 0.03% to 0.1%

DCF Base Case Valuation (Midpoint)		
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		Low
2016E Trading Multiples Valuation (Midpoint)		
Contribution Analysis ⁽¹⁰⁾	LTM2015	
	Average '13 – LTM '15	



Ownership of ENI Americas by

- Enel
- ENI Minorities
- EOC Minorities
- CHI Minorities

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- (9) Applies a 30% discount over midpoint Brazil subsidiaries' value and midpoint valuation for all other companies
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