



**HECHO ESENCIAL  
ENERSIS S.A.  
Inscripción Registro de Valores N°175**

Santiago, 06 de noviembre de 2015.  
Ger. Gen. N° 114/2015.

Señor  
Carlos Pavez Tolosa  
Superintendente de Valores y Seguros  
Superintendencia de Valores y Seguros  
Alameda N°1449

**Presente**

**Ref.: Comunica HECHO ESENCIAL**

De mi consideración:

En cumplimiento de lo previsto en los artículos 9 y 10 de la Ley N°18.045 sobre Mercado de Valores y de lo establecido en la Norma de Carácter General N°30 de esa Superintendencia, debidamente facultado y en representación de Enersis S.A., vengo en informar en carácter de hecho esencial que con fecha de hoy el Gerente General de Enersis S.A., don Luca D'Agnese, realizará la presentación adjunta a analistas e inversionistas del mercado, a fin de mantenerles oportunamente informados de la operación de reorganización societaria del Grupo Enersis sobre la cual se pronunciaron los Directorios de Enersis S.A. y de sus filiales Endesa Chile y Chilectra S.A. en el día de ayer según consta de sus respectivos hechos esenciales divulgados también el día de ayer.

En particular, dicha presentación incluye información relevante sobre inversiones futuras y targets financieros del Grupo Enersis sujetos al éxito de la operación de reorganización societaria antes referida. Para el periodo 2016-19 se estiman inversiones acumuladas por un total de 1,7 bn USD en Chile y de 4,5 bn USD en Perú, Colombia, Brasil y Argentina por un total de 6,2 bn USD. De la misma manera, se presenta la siguiente información financiera, referida a la eventual operación de reorganización societaria:

	ENERSIS CHILE - FINANCIAL TARGETS					ENERSIS AMERICAS (POST MERGER) - FINANCIAL TARGETS			
(In bn USD)	2016	2017	2019	CAGR (16-19')	(In bn USD)	2016	2017	2019	CAGR (16-19')
EBITDA	1,2	1,4	1,6	11%	EBITDA	2,4	2,8	3,3	11%
Ebitda Margin	33%	38%	39%		Ebitda Margin	33%	36%	37%	
NET INCOME	0,5	0,6	0,7	11%	NET INCOME	0,4	0,8	1	31%

Copia de dichas presentaciones también se encuentran disponibles en la página web de Enersis S.A. ([www.enersis.cl](http://www.enersis.cl)) y respecto de esta información, deben tenerse presentes las prevenciones señaladas en dicha presentación.

Le saluda atentamente a Usted,

**Luca D'Agnese  
Gerente General**

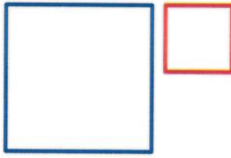
c.c. Fiscalía Nacional Económica  
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Comisión Clasificadora de Riesgos.

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# Latam Reorganization

November 6<sup>th</sup>, 2015

**enersis**



# Important Legal Information



This presentation does not constitute an offer to sell any securities and is not soliciting an offer to buy any securities in any jurisdiction.

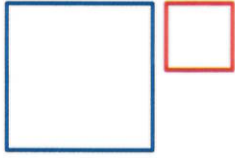
This presentation contains certain "forward-looking statements" regarding anticipated financial and operating results and statistics and other future events relating to Enersis S.A. These statements are not guarantees of future performance and are subject to material risks, uncertainties, changes and other factors which may be beyond Enersis's control or may be difficult to predict. These statements may constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. The inclusion of these forward-looking statements should not be regarded as an indication that Enersis or any other person considers such projections to be material or to be a reliable prediction of actual future results. These forward-looking statements are subjective in many respects and there can be no assurance that they will be realized or that actual results will not be significantly higher or lower than described. As a result, the inclusion of any forward-looking statements in this presentation should not be relied on as necessarily predictive of actual future events. The projections and other forward-looking statements were based on numerous variables and assumptions that are inherently uncertain. Actual results may differ materially from those projected as a result of such risks and uncertainties. In addition, the financial projections do not necessarily reflect revised prospects, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the projections were prepared.

Forward looking statements include, but are not limited to, information regarding: Enersis' business plans, trends affecting Enersis' financial condition or results of operations including market trends in the electricity sector in Chile or elsewhere, supervision and regulation of the electricity sector in Chile or elsewhere, and the future effect of any changes in the laws and regulations applicable to Enersis' or its affiliates.

The principal assumptions underlying these forecasts and targets relate to: Economic and Industry Conditions, Commercial Factors, Political/Governmental Factors, Operating Factors, and Competitive Factors.

The following important factors, in addition to those discussed elsewhere in this presentation, could cause actual financial and operating results and statistics to differ materially from those expressed in our forward-looking statements, including but not limited to: changes or developments regarding the applicable regulations (which may affect the investment plan of Enersis regarding the regulated activities), legal restrictions applicable to the implementation of the dividends policy, environmental regulations and other legal issues; price of electricity, price and supply of raw materials; interest rates or exchange rates; availability of fuel; ability to maintain relationship with suppliers, customers and consumer and user protection groups; changes in climate conditions; widespread adoption energy efficiency measures; inherent risks in the construction of new power generation and distribution facilities; changes in general economic, political, administrative and business conditions; operating hazards and risks; tax risks; loss of senior management and key personnel; insufficiency of insurance coverage or increase of insurance costs; failure of systems and information technology and processing; inability to access the capital markets to refinance its debt and finance its capital expenditures; and other factors that could adversely affect the business and financial results of the Company

No assurance can be given that the forward-looking statements in this document will be realized. Readers are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date of this presentation. Our independent registered public accounting firm has not audited, examined or compiled the forward-looking statements and, accordingly, does not provide any assurance with respect to such statements. Neither Enersis nor any of its affiliates intends, nor undertakes any obligation, to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



## Agenda

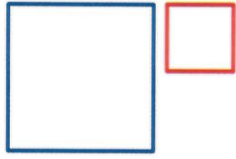


### Reorganization highlights and rationale

### Process overview

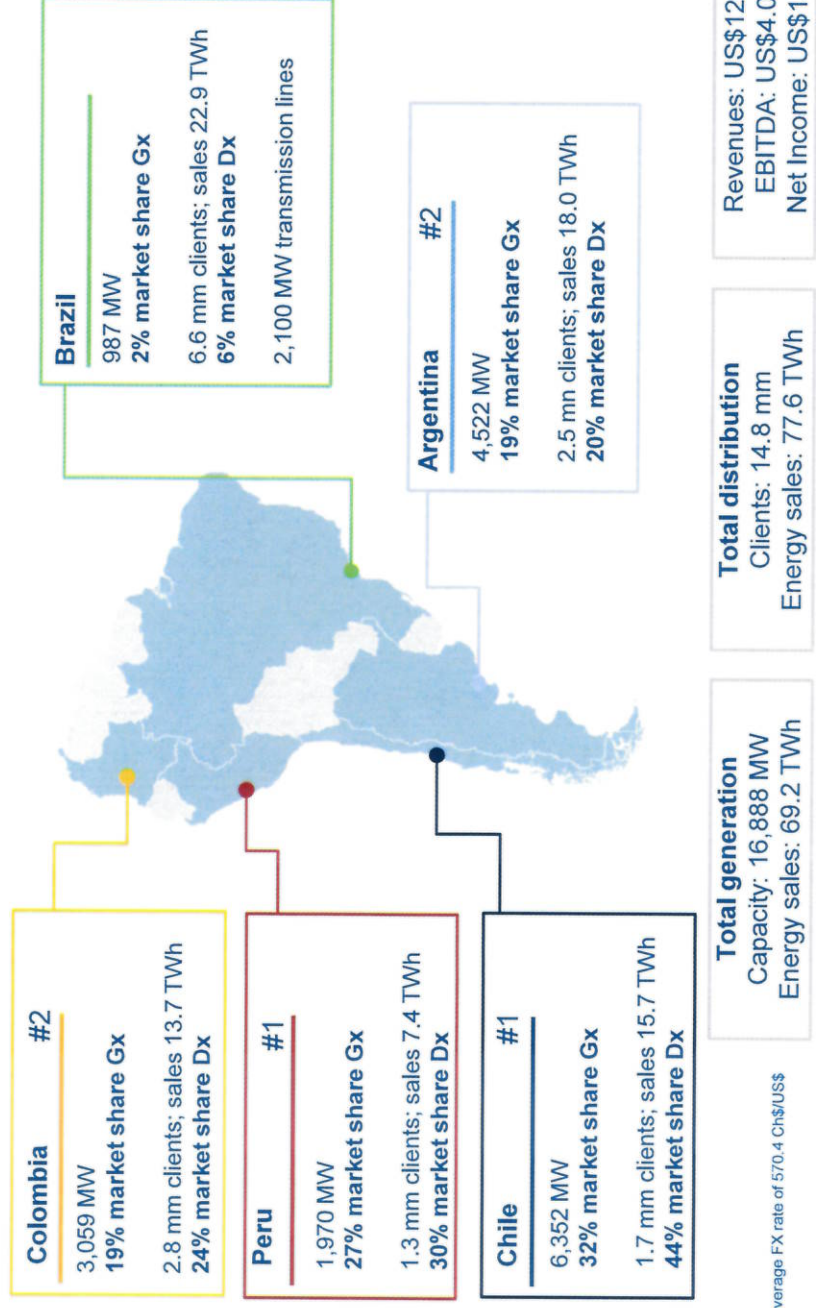
### Closing remarks



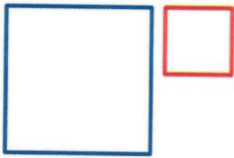


# Reorganization highlights and rationale

## Energis is the leading power company in Latam

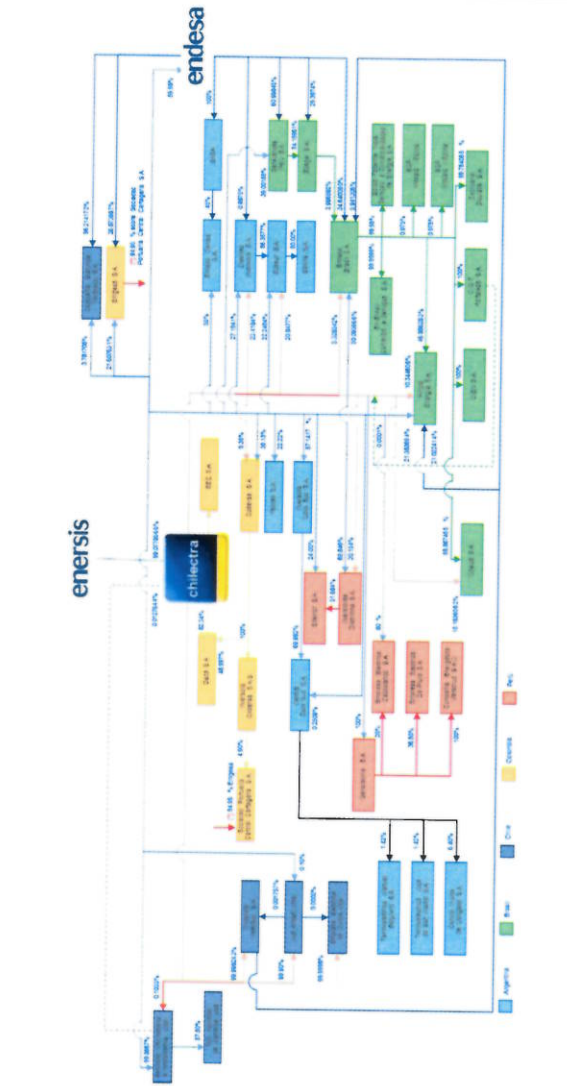


Note:  
FY 2014 figures using yearly average FX rate of 570.4 Ch\$/US\$



# Reorganization highlights and rationale

## Energis complex corporate structure needs to be improved

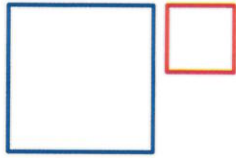


More efficient decision making process and leaner cost structure

### Key actions

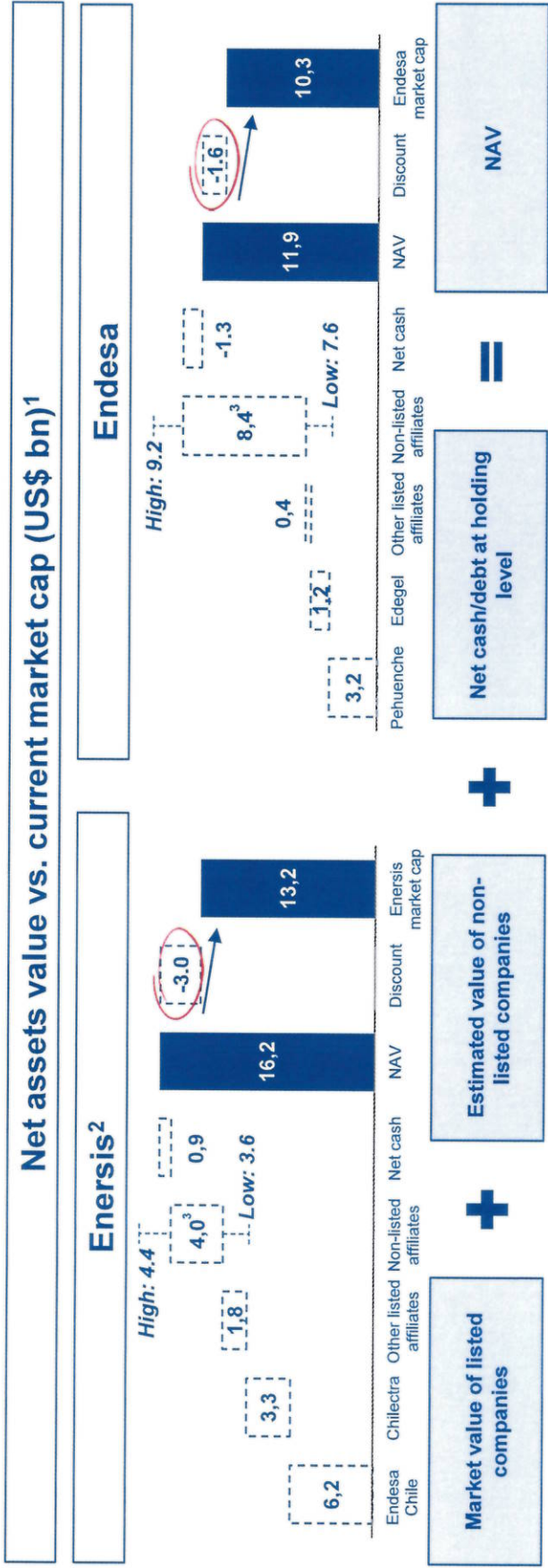
- ✓ Simplify corporate structure
- ✓ Align strategic interests
- ✓ Set a new industrial strategy and management focus

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



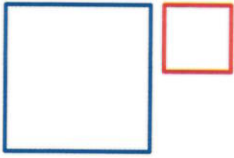
# Reorganization highlights and rationale

## Complex corporate structure results in undervaluation



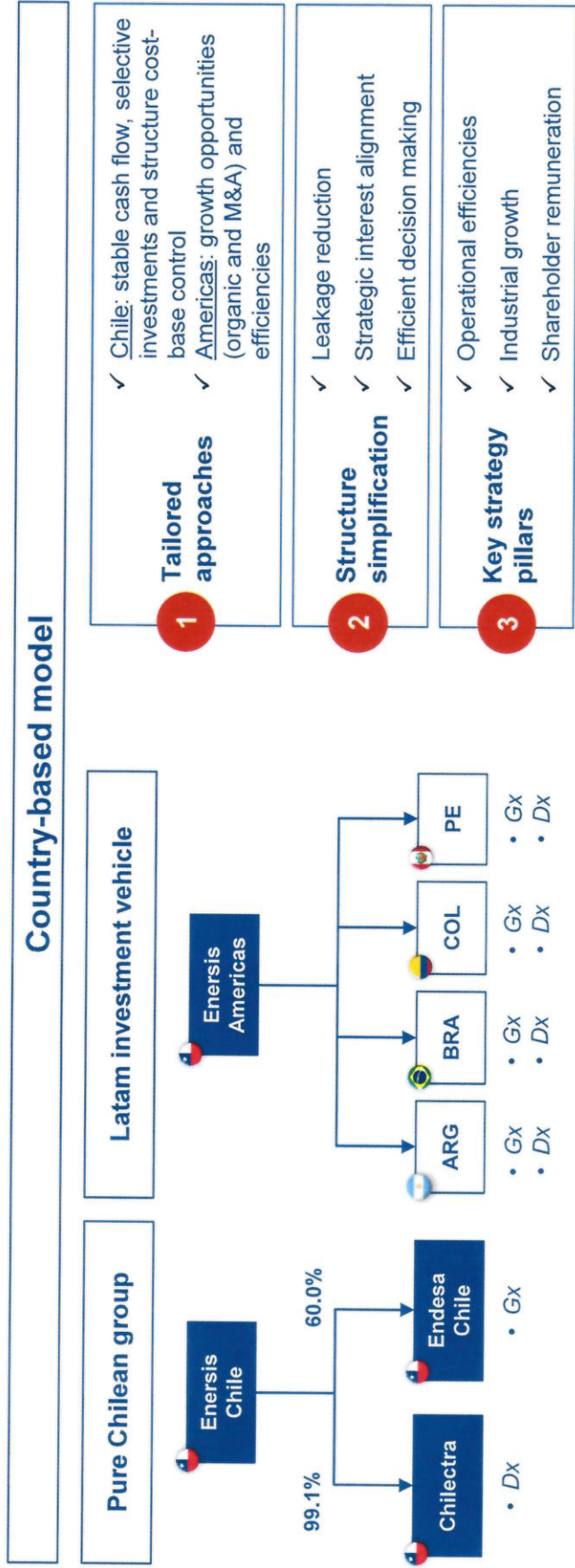
**Based on market values and financial advisors valuations, Energis and Endesa are trading at a ~US\$3.0 and US\$1.6 bn discount to NAV**

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







# Reorganization highlights and rationale



## 1 Tailored approaches: distinctive industrial opportunities



### Enerjis Chile

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

Generation



### Enerjis Americas

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

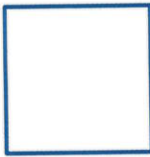
Distribution & retail

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

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

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

**Growth opportunities (organic and M&A) and efficiencies**



# Reorganization highlights and rationale

## 1 Tailored approaches: pure Chilean integrated player



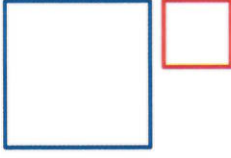
### Generation business

- #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

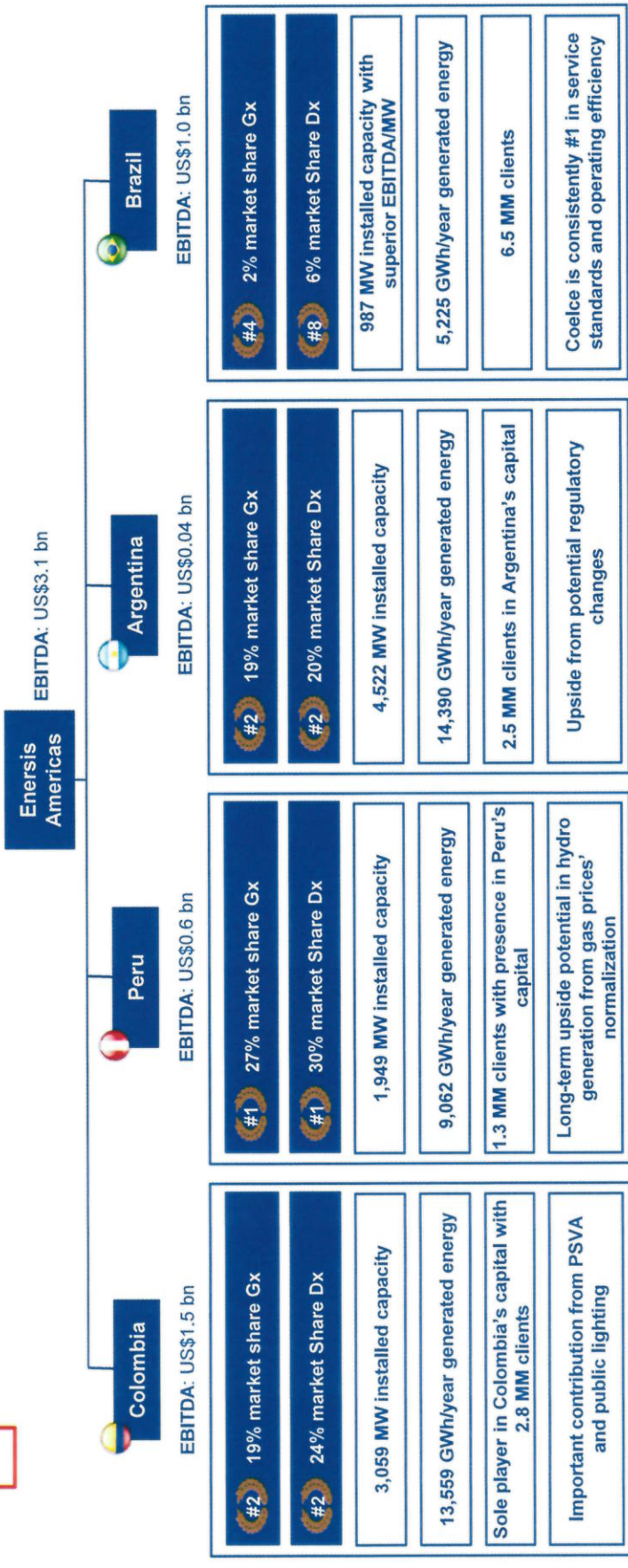
- #1 43% market share – sole distributor player in Santiago (more than double avg. consumption per client vs. rest of country)
- #1 Lowest level of energy losses
- Solid customer base with c. 1.8 mm clients
- One of the lowest cash costs in the industry
- Leader in public lighting
- Potential upside from value-added services

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



# 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		Chilectra
Enersis	Endesa	
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% <sup>1</sup>	26.9% <sup>1</sup>	-
48.4% <sup>1</sup>	-	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%

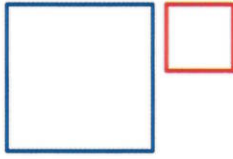
Leakage (Minority interests)

Lack of Visibility (Affiliates not consolidated)

**Net income consolidation will increase from 52% to 64%<sup>2</sup>**

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





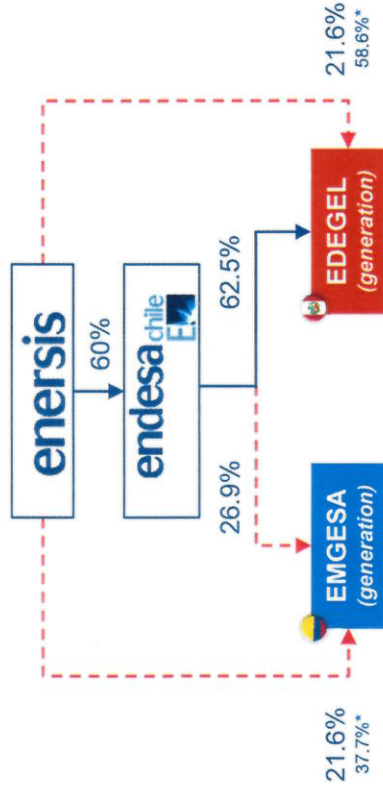
# Reorganization highlights and rationale



## 2 Structure simplification: interest alignment

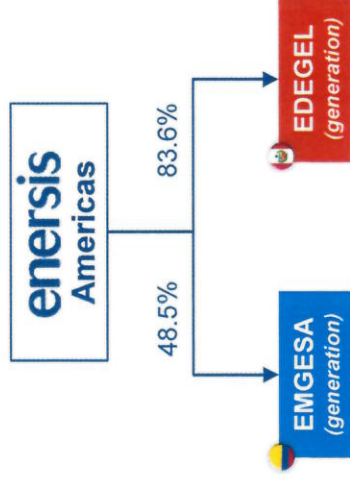
### Emgesa and Edegel example

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

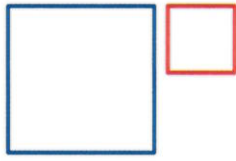


### Post reorganization

- Ownerships stakes combined under one single controlling entity



--- Non-controlling stake    — Controlling stake    \* Direct + Indirect ownership stake



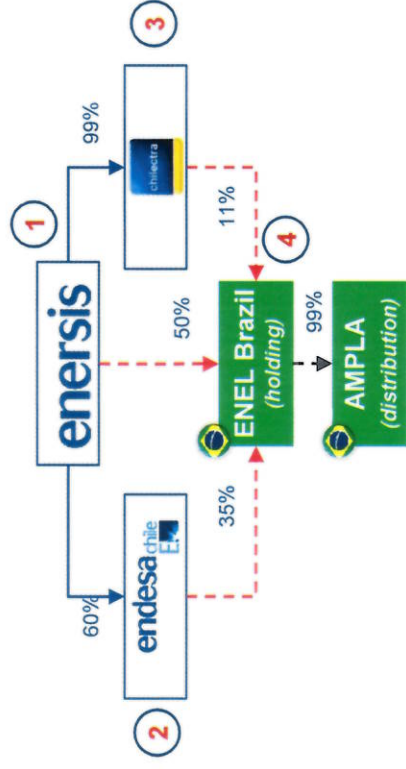
# Reorganization highlights and rationale

- 2 Structure simplification: more effective decision making process

energis

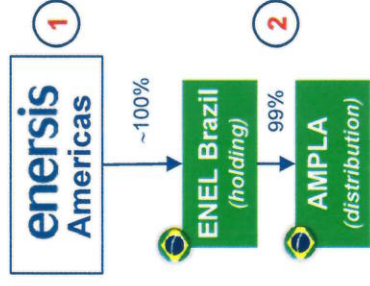
## Ampla example

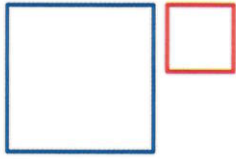
- Multiple decision layers resulting in inefficient organization



## Post reorganization

- Streamlined decision process concentrated in one vehicle





## Reorganization highlights and rationale

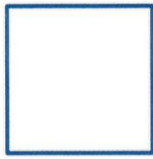
### 3 Key strategy pillars: operational efficiencies



	Actions (2016-2019)	Target savings 2019
		enersis Americas US\$ MM
		enersis Chile US\$ MM
		US\$ MM
OPEX <sup>1</sup>	Gx: reduce US\$/MW by ~15% <sup>2</sup> in Chile and Americas Dx: reduce US\$/client by ~36% <sup>2</sup> in Chile and Americas	220
SG&A <sup>1</sup>	Overhead reduction by ~14% <sup>2</sup> in Chile and Americas	42
Cash pooling	Savings on better cash allocation	15
Tax	Acceleration of utilization of tax credits in Enersis Americas	50
<b>Total</b>		<b>327</b>

Note:

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



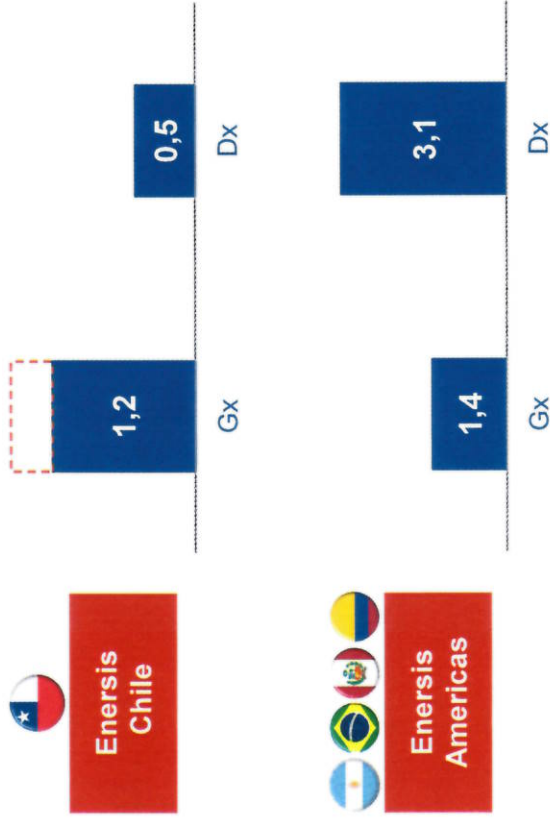
# Reorganization highlights and rationale



## 3 Key strategy pillars: industrial growth – new capex approach



Investments 2016 – 2019 (US\$ bn)

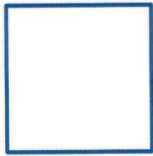


Highlights

- ✓ 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

**3** Key strategy pillars: financial targets



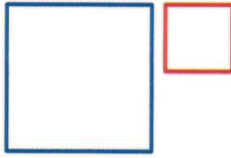
**Energis Chile (US\$ Bn)**

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

**Energis Americas (US\$ Bn) – post merger**

	2016	2017	2019	CAGR '16-'19
<b>EBITDA</b>	2.4	2.8	3.3	11%
<b>EBITDA Margin</b>	33%	36%	37%	11%
<b>Net Income</b>	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

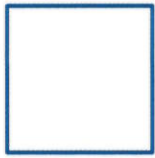


Additional growth coming from optional projects in Chile, M&A and minority acquisition in Americas



Flexibility on usage of excess cash flow

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



# Agenda



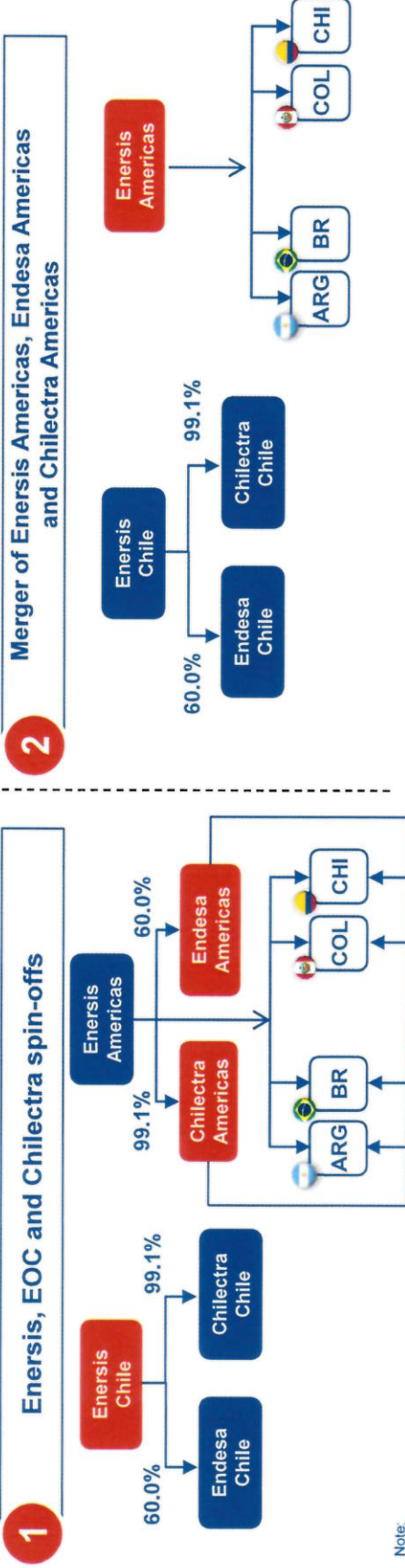
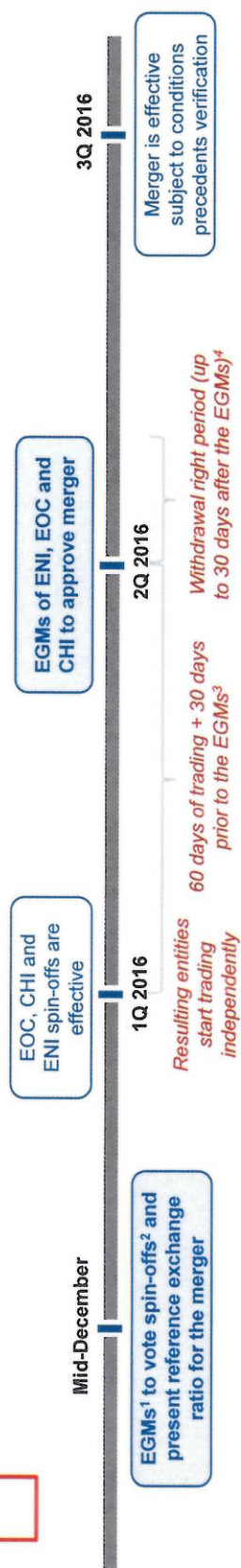
Reorganization highlights and rationale

**Process overview**

Closing remarks

# Process overview

## Overview of reorganization key steps



Note:

- EGMs of Enersis, Endesa Chile and Chilectra
- Spin-offs approved on the basis of the pro-forma balance sheets as of September 30<sup>th</sup>, 2015
- Exercise price of withdrawal right equal to the weighted average price of the 60 trading days preceding the 30<sup>th</sup> trading day prior to the EGM, except Chilectra that will be at book value
- 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

##### BoDs' advisors

Support BoDs on the analysis of the reorganization



enersis



##### Independent advisors

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

IMTrust

Tyndall Group

#### Valuation reference

##### Financial appraisers

Provide an independent analysis

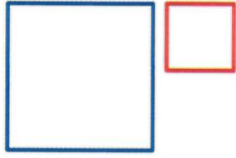
Rafael Malla

Colin Becker

Mario Torres

Independent Directors Committees' Opinions

BoDs decide to proceed with the reorganization

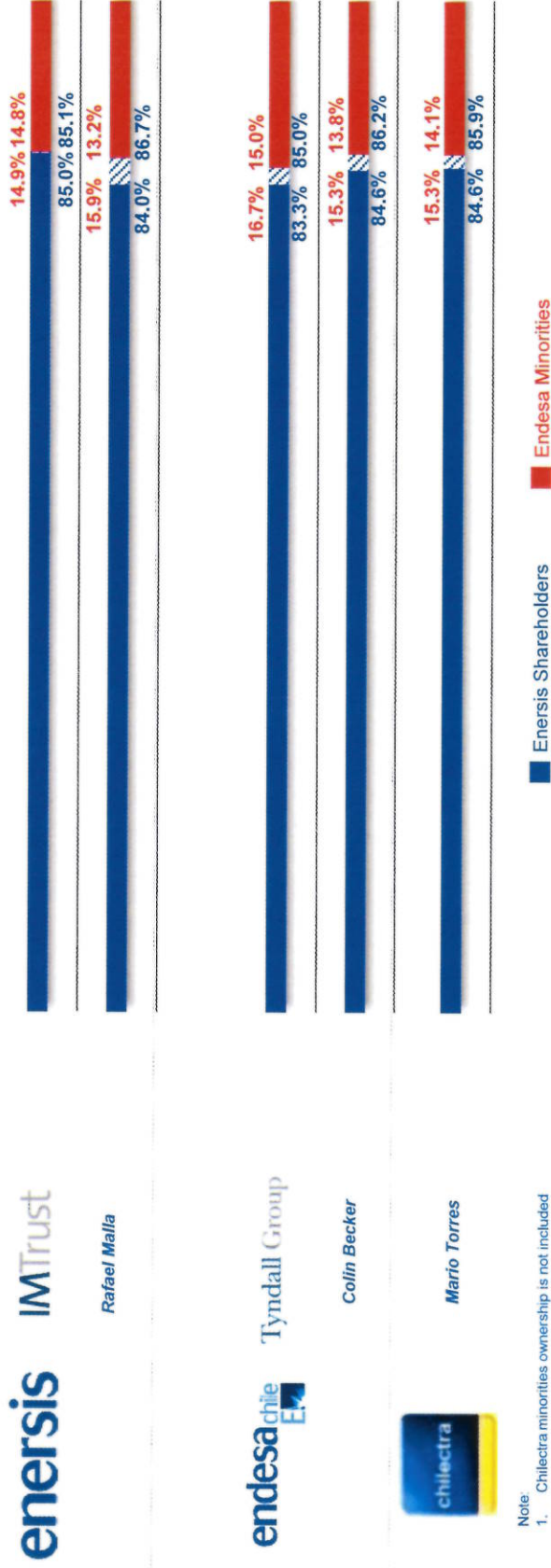


## Process overview

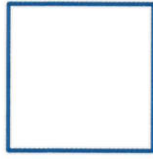
# Enersis Americas' merger reference exchange ratios



### Ownership structure post transaction of the combined entity<sup>1</sup>



Note:  
1. Chilectra minorities ownership is not included



## Process overview



## Main conditions for the reorganization set by the BoDs



**enersis**

**endesa**<sup>chile</sup>  
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

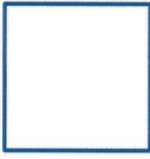


Reorganization highlights and rationale

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