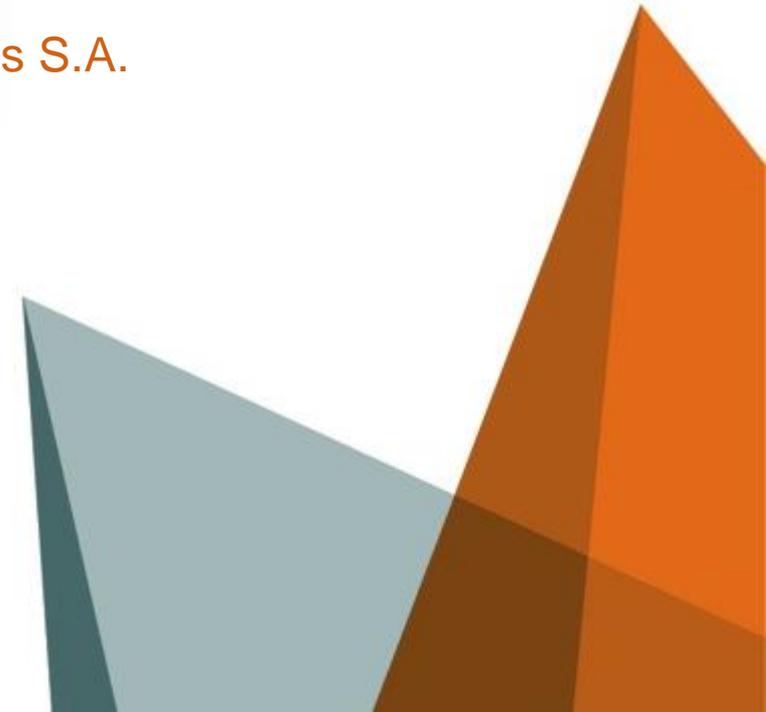


Independent Appraisal Report

Prepared for the Committee of Directors of Enersis S.A.



Disclaimer of Responsibility

IMTrust



Disclaimer: The English version of this report is a free translation from the original report prepared in Spanish. It was prepared for the convenience of the reader. This translation has not been reviewed or approved by IM Trust.

This document (hereinafter the “Report”) has been prepared by IM Trust Asesorías Financieras S.A. (hereinafter “IM Trust”) as an independent appraiser for the Committee of Directors of Enersis S.A., for the effects stipulated on article 147 of Chilean Law 18.046.

The recommendations and conclusions in this Report constitute the best estimation or opinion of IM Trust with respect to the Proposed Operation (as such term is defined herein) at the time this report was issued, considering the methodology used to that end, the information that was made available, and the projections, estimates, and assumptions that were the basis thereof. The conclusions in this Report might change if other background or information were available or other valuation criteria are used. IM Trust will not have any obligation to report such changes or when the opinions or information contained in the document change.

To prepare this Report only information submitted by Enersis S.A. itself and public information available was used, none of which has been confirmed independently by IM Trust and, therefore it does not have any liability whatsoever with respect thereto or for any of the conclusions that might be derived from any false, erroneous, or incomplete information.

Likewise, the conclusions in the Report may be based on assumptions that might be subject to significant economic and market uncertainties and contingencies, such as forecasts, estimates, and evaluations, whose occurrence can be difficult to predict and many of them might even be outside of the scope of the respective company, such that there is no certainty whatsoever on the degree of achievement of such assumptions. Under no circumstance may the use or incorporation of such forecasts, or estimates be deemed a representation, guarantee, or prediction by IM Trust with respect to the occurrence thereof, or that of the assumptions underlying them.

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EXECUTIVE SUMMARY

1

BACKGROUND AND PROPOSED OPERATION

1a

Background (1/2)

- Enersis S.A. (hereinafter "Enersis", "ENI" or the "Company") began the steps required by the relevant laws and other regulations, in order to inform to an eventual and future Extraordinary Shareholders Meeting (hereinafter "ESM") regarding the Proposed Operation (as such term is defined herein)
- In summary, the Proposed Operation consists of (i) the purchase by Enersis of the Credits (as such term is defined herein) that Endesa Latinoamérica S.A. (hereinafter "ELA"), a shareholder of Enersis, has in Central Dock Sud SA ("CDS"), an Argentine power generation company controlled by Inversora Dock Sud SA ("IDS"), an Argentine holding company subsidiary of Enersis, (ii) the conversion to Argentine pesos of the Credits at the official exchange rate as of December 31, 2013⁽¹⁾ (together with the conversion to Argentine pesos of the rest of the credits from CDS held by the other shareholders of CDS), (iii) the condonation of the interests of the Credits (simultaneously to the condonation of the interests, redemption differential and all other fees associated with the rest of the credits from CDS held by the other shareholders of CDS), (iv) the capitalization of the remaining principal of the Credits (net to the repayment referred to in (v) below) by Enersis in IDS and CDS (simultaneously to the capitalization of the rest of the credits in IDS and CDS by the other shareholders of both companies), (v) the partial repayment of the Credits to be made by CDS in favor of Enersis, and (vi) an eventual capital reduction of CDS (proportional among its shareholders) if required under the Corporations Law of Argentina after the capitalizations aforementioned
- Enersis is currently the main shareholder in IDS (with a 57% stake), which in turn is the main shareholder in CDS (with a 70% stake), resulting in Enersis having an indirect participation of 40% in CDS. Enersis acquired these shares from ELA as a result of the capital increase of Enersis, executed in the first quarter of 2013 (hereinafter the "Enersis Capital Increase"), whereby only shares, and not any other kind of assets, were contributed by ELA. In that line, the Credits were not transferred to Enersis as a consequence of the Enersis Capital Increase
- It should be noted that for purposes of the Enersis Capital Increase, Endesa, S.A. (main shareholder directly and indirectly of Enersis through ELA, a subsidiary of Endesa, S.A.), on its behalf and on Enel SpA behalf (its main shareholder), committed to Enersis⁽²⁾ that the Company would be its only investment vehicle in South America (except for Enel Green Power SpA), stating that such commitment was a key objective of the Enersis Capital Increase
 - Without limiting the foregoing, as stated by Enersis, the Company has no commitment to purchase the Credits and / or participate in the Proposed Operation

(1) Exchange rate USDAR as of December 31, 2013 of 6.521

(2) This commitment is set forth in the Prospectus Supplement issued by Enersis in respect of the Enersis Capital Increase

Background (2/2)

IMTrust



- The Proposed Operation is based on (i) the need to capitalize the credits that the shareholders of CDS have in the company in order to reconstitute its equity (which has been negative since 2013) and therefore avoid a potential dissolution of CDS (and consequently the dissolution of IDS), as set forth in the Argentine legislation, and (ii) the commitment of Endesa S.A. to keep Enersis as its only investment vehicle in South America (as explained in the previous paragraph)
- Given the nature of the Proposed Operation, the Board of Directors and the Committee of Directors of Enersis have agreed to comply with the provisions stated in Title XVI of the Law No. 18,046 of Chile, and submit all phases of the Proposed Operation, as a whole, to the treatment referred to in those provisions for this kind of transactions between related parties⁽¹⁾
- To comply with the article 147 of Law No. 18,046 of Chile, the Board of Directors of Enersis has stated that only one of its members is an uninvolved director in respect of the the Proposed Operation, thus it shall submit the Proposed Operation to the consideration and voting of the ESM
- Pursuant to Title XVI of the Law No. 18,046 of Chile, and especially pursuant to Article 147, the Board of Directors of Enersis must appoint at least one independent appraiser "to inform the shareholders with respect of the terms of the transaction, its effects and its potential impact on the company", considering that "the independent appraisers must also make a statement on the points that the Committee of Directors, if applicable, had expressly asked to be evaluated"
- Furthermore, the Committee of Directors is empowered by the aforementioned Article 147 to designate by itself an additional independent appraiser. Based on that, in the meeting held on July 30, 2014, the Committee of Directors of Enersis agreed to hire IM Trust Asesorías Financieras S.A. (hereinafter "IM Trust") as the independent appraiser for the purposes indicated before

(1) Pursuant to Article 147 of the Law No. 18,046 of Chile when the absolute majority of the Board of Directors shall refrain from voting in a decision regarding a related party operation, the operation must be approved by the unanimous vote of the uninvolved Directors or by the Extraordinary Shareholders' Meeting with the agreement of two thirds of the shares with voting rights

Scope of the Independent Appraisal

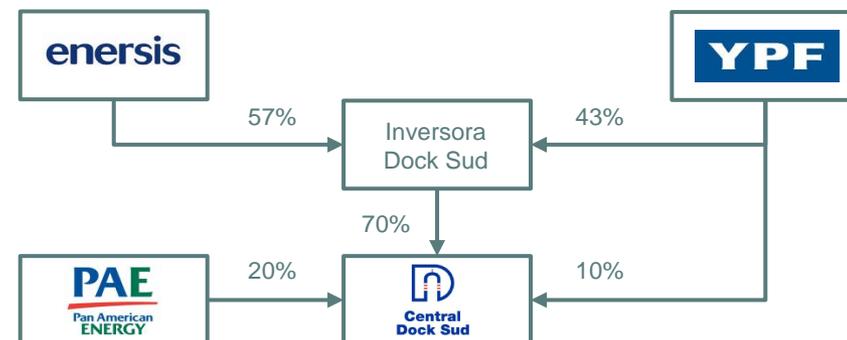
- Pursuant to the request of Enersis and in accordance with the requirements of Article 147 of the Law No. 18,046 of Chile, IM Trust prepared this Report (hereinafter the "Report" or the "Independent Appraisal") containing the following elements, among others:
 - A description of the Proposed Operation
 - An estimate of the market value of the Credits for Enersis
 - An analysis of the effects and potential impact of the Proposed Operation for Enersis, including whether the Proposed Operation contributes to the social interest of the Company
- As part of the analysis, IM Trust has included in the Report the following:
 - An estimation of the market value range of the Credits for Enersis in the context of the Proposed Operation
 - An analysis of the marginal impacts in Enersis of dismissing the Proposed Operation and the strategic rationale for Enersis of the Proposed Operation, in order to estimate whether it contributes to the social interest of Enersis
- It must be stressed that since it was not requested by Enersis, and its beyond the scope of this appraisal, the Report excludes:
 - An analysis of the advantages and disadvantages of alternative structures to the Proposed Operation, under which the transaction might be executed
 - An analysis or advice to Enersis regarding a negotiating approach in respect to the Proposed Operation, or the impacts and effects that the Proposed Operation might have for ELA and/or other shareholders of IDS or CDS
 - An analysis about the technical, commercial, legal and/or other nature feasibilities for the execution of the Proposed Operation
 - An analysis of possible regulatory and/or political implications that may affect Enersis after the execution or dismissal of the Proposed Operation

Description of the Proposed Operation (1/5)

Background

- Enersis is currently a shareholder of IDS, which in turn is the controlling shareholder of CDS. Both companies are domiciled in Argentina and have shareholders from outside the Enersis Group: companies related to the economic groups YPF and Pan American Energy (hereinafter "PAE")
- IDS is a holding company that owns shares of CDS, while CDS is a power generator company with its operations in Argentina
 - CDS has a thermal plant located in Buenos Aires with an installed capacity of 870 MW, consisting of an ALSTOM combined cycle of 798 MW, which came into operation in 2001, and two gas turbines with a net capacity of 72 MW in aggregate, which came into operation in 1990
- As a consequence of the problems in the power generation sector in Argentina for the last years, CDS has been reporting accumulative losses in the last years which, after a series of capital reductions to overcome them, have caused that CDS shows a negative equity of ARS 382 million (USD 59 million⁽¹⁾) as of December 31, 2013⁽²⁾. A similar situation is affecting IDS, reporting a negative equity of ARS 101 million (USD 15 million⁽¹⁾) as of December 31, 2013⁽²⁾
- According to the Argentine legislation⁽³⁾, it is our understanding that CDS needs to reconstitute its equity as an alternative to obligatory dissolution and liquidation of its assets. IDS is facing a similar situation

Ownership Structure of CDS⁽⁴⁾



CDS' Thermal Plant



- CDS' thermal plant is an important asset in the Argentine power generation system, representing a 3.8% of the country's generation in 2013⁽⁵⁾. CDS' combined cycle is one of the most efficient of the system showing an availability of nearly 90%⁽⁵⁾ and a load factor of nearly 70%⁽⁶⁾

(1) Using the official exchange rate of 6.521 USDARS as of December 31, 2013

(2) 2013 figures according to the preliminary CDS Financial Statements provided by the Company, which are still subject to the approval of the shareholders of CDS

(3) Law N° 19,550, "Ley de Sociedades Comerciales" of Argentina

(4) The "Employee Stock Ownership Plan" (*Programa de Propiedad Participada* or "PPP") has a participation in CDS of 0.01%. This plan was created in 1991 under The State Reform Law ("*Ley de Reforma del Estado*") reserving the 10% of the equity shares of the public companies to its employees

(5) Source: Cammesa and the Company

(6) Average 2011-2013; source: the Company

Description of the Proposed Operation (2/5)

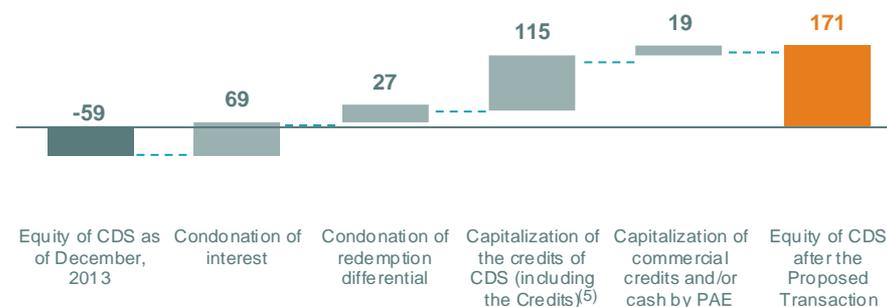
The Capitalization Agreement

- In order to reconstitute the equity of CDS (and IDS), the shareholders of these companies have agreed to make a capital increase of CDS (hereinafter the "Capitalization Agreement"), in which the various creditors of CDS (all of them companies of the economic groups that are shareholders of CDS) shall contribute the credits in foreign currency that they have with CDS
- The credits shall be converted into Argentine pesos and then contributed by all the creditors on equal terms at face value, after being converted into Argentine pesos⁽¹⁾
- Prior to the capitalization of the credits, all the holders of those credits shall make a condonation in favor of CDS of all the interests, fees and redemption differentials⁽²⁾ that have accrued, that should have been accrued, or that will accrue in the future
- Product of the contributions of the credits, shareholders will receive shares issued by IDS and CDS, respectively, in proportion to the credits contributions made by each shareholder
- In order to keep almost unchanged the current participations of the shareholders groups in CDS, it has been agreed that: (i) PAE will contribute an additional ARS 125.0 million either in commercial credits and/or in cash, and (ii) with that funds, CDS will amortize ARS 88.1 million in favor of the credits that ELA owns today (to be acquired by Enersis as set forth herein), such amount shall not be capitalized in CDS or IDS

CDS Outstanding Indebtedness as of December 31, 2013⁽³⁾

USD million ⁽³⁾	YPF	PAE	ELA	ENI	Total
Shareholders Loan	18.2	9.1	18.2	0.0	45.5
Principal	13.6	6.8	13.6		34.0
Interest	4.6	2.3	4.6		11.5
Structured Debt	64.1	0.0	83.8	0.0	147.9
Principal	38.9		51.8		90.7
Interest	25.2		32.0		57.2
Subordinated Debt⁽⁴⁾ (IDS)	1.7	0.0	0.0	2.2	3.9
Principal	1.7			2.2	3.9
Interest	0.0			0.0	0.0
Preferred Shares⁽⁴⁾ (IDS)	16.3	0.0	0.0	21.6	37.9
Principal	4.8			6.4	11.2
Interest	11.5			15.2	26.7
Commercial Credits	0.0	19.2	0.0	0.0	19.2
Total	100.3	28.3	102.0	23.8	254.4

CDS's Capitalization Sequence According to the Capitalization Agreement (USD million)⁽³⁾



(1) The credits will be converted to Argentine pesos using the official exchange rate of 6.521 USDARS as of December 31, 2013

(2) The condonation of the redemption differentials involves the elimination of the preference of the preferred shares of the company (except in case of liquidation of CDS), consisting in its re-adjustability

(3) Figures shown in USD using the official exchange rate of 6.521 USDARS at December 31, 2013

(4) The amount assigned corresponds to the credits to be capitalize in CDS indirectly through IDS

(5) The amount is net of the partial repayment in cash of ARS 88.1 million

Description of the Proposed Operation

(3/5)

The Proposed Operation

- As shown on the previous page, Enersis does not have any direct credits with CDS, but its parent company ELA does. ELA is not a direct shareholder of CDS or IDS
- Having said that, under the Capitalization Agreement and based on the commitment of Endesa, SA to centralize their investments in South America through Enersis, it is proposed that ELA will sell and give its credits with CDS to Enersis, being the latter, along with the other shareholders creditors of IDS and CDS, the entity that shall contribute the credits in favor of CDS and IDS, in order to reconstitute the capital of both companies
- The outstanding credits that ELA owns with CDS (to be acquired by Enersis) (hereinafter the "Credits") add to a total of USD 65.4 million of principal and USD 36.6 million of interests (USD 102.0 million in total) as of 31 December 2013:
 - Shareholders loan: USD 13.6 million of principal and USD 4.6 million of interests (to be condoned)
 - Structured loan: USD 51.8 million of principal and USD 32.0 million of interests (to be condoned)
- In line with the above, the proposed operation (hereinafter the "Proposed Operation") would consist in the following:

Capitalization Agreement

Purchase of the Credits by Enersis and pesification

Condonation of interests and other concepts

Capitalization of the credits of CDS

Repayment of ARS 88.1 million over the Credits

- Reception of the accepted offer by the group of shareholders of CDS and IDS, and execution of the Capitalization Agreement by the group of shareholders of CDS and IDS
- Acquisition of the Credits by Enersis at a "market value" to be determined by the Shareholders Meeting of Enersis
 - Once the Credits are acquired, they are converted into Argentine pesos using the official exchange rate of 6.521 USDARS as of December 31, 2013 (along with the conversion to Argentine pesos of the other debts of CDS)
- Condonation of the interests of the Credits (together with the condonation of the interests, redemption differentials and commissions over the other credits of CDS)
- Capitalization of the Credits in favor of IDS/CDS (net of the repayment of ARS 88.1 million) along with the capitalization of the other debts of CDS⁽¹⁾⁽²⁾
 - The capitalization of the Credits would represent a 29.24% stake of the capital of CDS after the operation (see next page)
- Repayment of ARS 88.1 million by CDS to Enersis for the partial repayment of the Credits with funds coming from the capitalization of PAE⁽³⁾

(1) The capitalization will be done at the face value of the debts converted into Argentine pesos at the official exchange rate of 6.521 USDARS in effect as of December 31, 2013

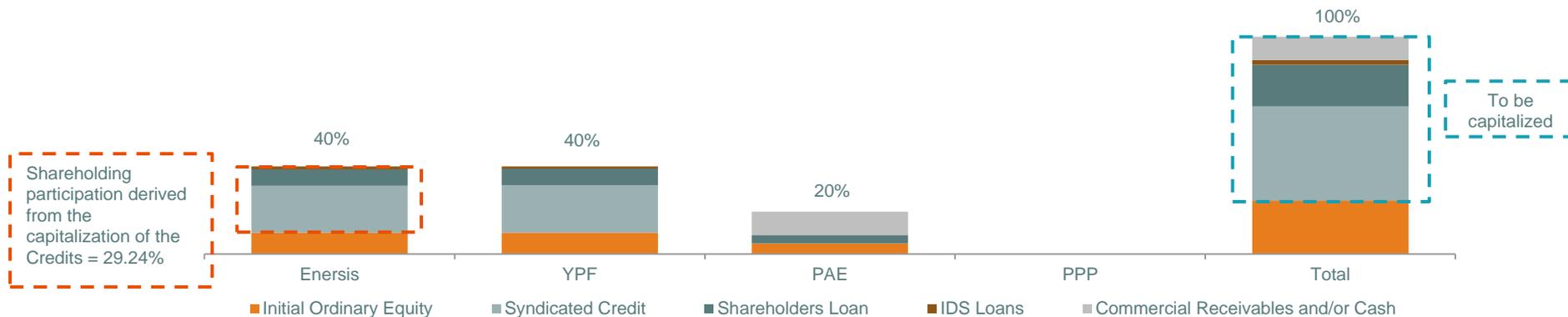
(2) Eventually, in order to comply with the Argentine Law and if required by the circumstances, once the capital of CDS and IDS is reconstituted, the companies might be subject to a capital reduction (proportional among its shareholders). The capital reduction shall occur to the extent that the accumulated losses exceed 50% of their respective capital

(3) Once the Capitalization Agreement is in force, CDS shall make available ARS 20 million in favor of Enersis, being the balance payable immediately to Enersis once the capitalization has been completed

Description of the Proposed Operation (4/5)

- As a consequence of the Proposed Operation, the capitalization as per group of shareholders and capitalized credits is as follows:

Shareholding Participations in CDS



Shareholding participation on CDS derived from the capitalization of the Credits would represent 29.24% of the reconstituted equity of CDS (directly and indirectly) after the Proposed Operation

(Direct and indirect participation on CDS derived from the capitalization of the Credits / total participation of CDS post Proposed Operation) = 29,24%

Summarized Structure of the Proposed Operation With Respect to the Credits

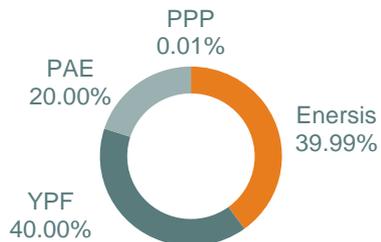
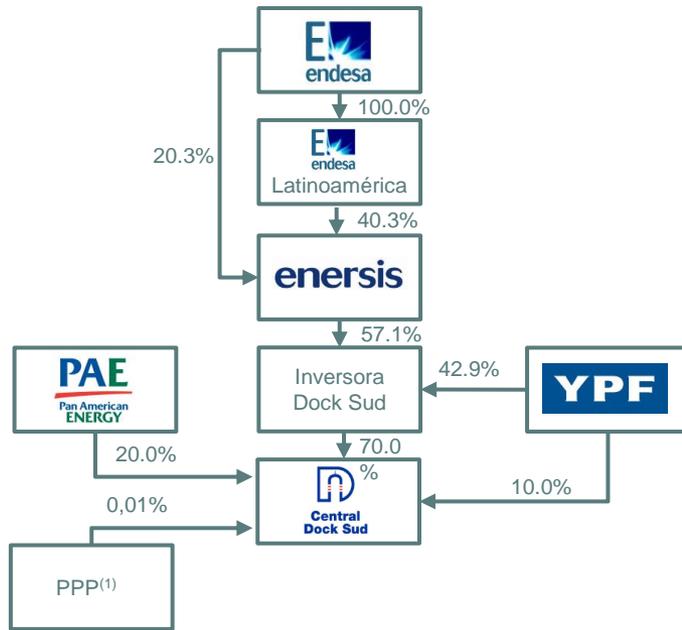


(1) A portion of the Credits' capitalization is executed through IDS

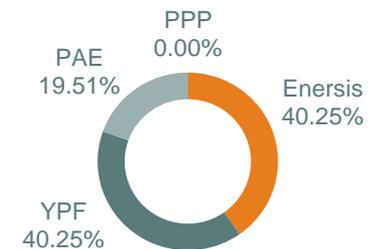
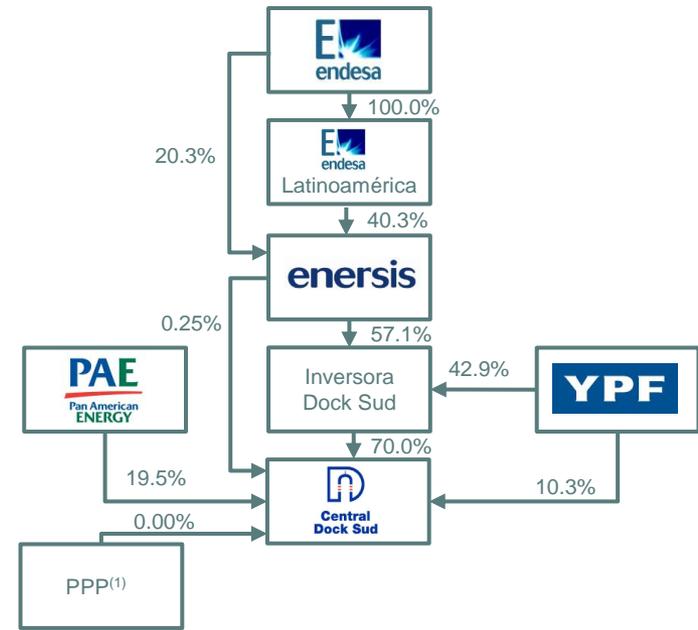
(2) Previous to the capitalization of the Credits, interests over the Credits shall be condoned in favor of CDS; The capitalization entails tributary impacts that are analyzed later in this Report

Description of the Proposed Operation (5/5)

CDS' Ownership Structure Before the Proposed Operation



CDS' Ownership Structure After the Proposed Operation



(1) "Employee Stock Ownership Plan" (Programa de Propiedad Participada or "PPP")

GENERAL ASSUMPTIONS AND METHODOLOGY USED

1b

1. Enersis provided a pendrive containing the following information:

- Copy of a descriptive presentation of the Proposed Operation
- Detail of CDS' credits as of December 31, 2013, including copies of credits' contracts and detail of the principal and interest amounts as of that date
- IDS and CDS Financial Statements (hereinafter "FS") as of the last available dates: draft of the audited FS as of December 31, 2013, and audited FS as of December 31, 2012, and December 31, 2011, and unaudited figures as of June 30, 2014
- Minutes with the accounting and tributary impact of the Proposed Operation
- Legal background: (i) CDS and IDS' shareholders agreement, (ii) CDS and IDS' shares registry, and (iii) the Capitalization Agreement
- CDS' financial forecasts for the 2014-2023 period, including a cash flow forecast until 2027⁽¹⁾, which, according to Enersis:
 - Were prepared based on the forecast used to approve Enersis' 2014 budget
 - Are known by Enersis' Board of Directors, which formally only approves the 2014 forecast, becoming the Company's budget

2. Meetings and visits with management and technical staff of Enersis and CDS

- A meeting with CDS' management team, and a visit to the facilities of CDS in Argentina
- Work meetings with Enersis' management team
- A meeting with Mr. Rafael Fernández and Mr. Hernán Somerville, Directors and members of the Committee of Directors of the Company
- IM Trust asked questions to Enersis, which together with the questions asked by the independent appraiser designated by Enersis' Board of Directors, were answered by the Company through email

3. Public information available in the market: financial and market information services, analyst reports, etc.

- It is worth noting that the analysis performed by IM Trust did not include a due diligence of Enersis, CDS, IDS or the Credits. With respect to accounting, legal, tax and regulatory matters, Enersis was asked for its best estimate, opinion or forecast regarding the impacts of the Proposed Operation on Enersis, CDS and/or IDS. These estimates, opinions or forecasts have not been independently verified by experts other than Enersis' or by IM Trust
- Additionally, it is important to mention that Enersis is listed on the Santiago Stock Exchange and on the New York Stock Exchange (NYSE), and therefore it is supervised by national and international regulatory authorities, among them, the SVS and the Securities and Exchange Commission (SEC)

(1) Forecast initially provided were complemented by Enersis in a new version delivered on August 18, 2014

General Considerations for the Independent Appraisal

- Given the information provided by Enersis and the opinions contained in the answers to IM Trust, we have assumed the following in respect of the Proposed Operation:
 - It complies with the Chilean and Argentine legislation, and does not violate any norm in any jurisdiction applicable to Enersis, ELA, IDS, CDS and/or any of the other counterparties to the Capitalization Agreement and the Proposed Operation
 - The value of the Credits is determined by the structure of the Proposed Operation. All parties involved in the Proposed Operation timely comply with their obligations established in the Capitalization Agreement and the Proposed Operation, and there is no risk of execution of the Proposed Operation as expected by Enersis
 - In respect to CDS' payment of ARS 88.1 million in favor of the Credits, there is no limitation or restriction for Enersis to receive, convert to foreign currency⁽¹⁾ and repatriate such funds out of Argentina in a timely manner
 - None of the parties involved in the Proposed Operation, and especially the companies that are part of PAE, shall have any benefit from or interest on the Proposed Operation, other than the benefits and interests arising from (i) its condition of IDS or CDS' shareholder, or (ii) the Capitalization Agreement
 - There is no commitment by Enersis to acquire the Credits and/or to participate in the Proposed Operation
 - The fact that Enersis participates or not in the Proposed Operation does not affect Endesa, S.A. and Enel S.p.A.'s commitment to maintain Enersis as their only investment vehicle in South America (except for Enel Green Power S.p.A.) as a result of the Enersis' Capital Increase
 - Does not affect or violate any agreements with partners, suppliers, customers, or any other counterparties of Enersis or any of its related companies
 - Does not result in accounting or tax effects that could negatively impact Enersis' results, beyond those considered in this Report, based on the information provided by Enersis
 - Does not generate new contingencies for Enersis, IDS and/or CDS
 - Does not generate losses or negatively affect political and economic rights, which are not part of the Proposed Operation
 - The fact that Enersis participates or not in the Proposed Operation does not generate an obligation to Enersis to make future capital contributions in IDS and/or CDS
 - The fact that Enersis participates or not in the Proposed Operation does not generate an economic and/or political effect on other operations of Enersis in Argentina or in any other country
 - Does not affect or violate agreements in loan contracts or creditors of Enersis and/or its subsidiaries
 - The Proposed Operation is independent and is not conditioned in any aspect to the Enersis Capital Increase, by which the Company acquired IDS' shares from ELA

(1) It is considered that the ARS 88.1 million are converted at the official exchange rate USDARS, which is then sensitized according to the "contado con liquidación" USDARS exchange rate, the exchange rate used in financial operations

Methodology of Analysis

- Below is a summary of the main points analyzed for determining the conclusions included in this Report:

Valuation of the Credits for Enersis

Valuation of CDS

What is the value of CDS at which a shareholder of Enersis would be attracted to increase its exposure in the company?

- Three discounted cash flow (“DCF”) valuation scenarios were considered: Base, Conservative and Optimistic. Sensitivities of certain variables were included (remuneration scheme, investment horizon, discount rate and exchange rate)
- For referential purposes, the following valuations were performed: (i) trading multiples valuation for comparable companies and (ii) implicit valuation from the capital contribution to be effected by PAE in favor of CDS under the Capitalization Agreement

Additional Considerations on the Value of the Credits for Enersis

What is the impact of the Proposed Operation on Enersis’ financial and cash position?

- The cash repayment of ARS 88.1 million that Enersis, as the new owner of the Credits, would be entitled to collect from CDS, and that would not be subject to capitalization in IDS or CDS
- Potential tributary impact generated by the Proposed Operation on Enersis, either directly or indirectly through IDS and/or CDS, affecting Enersis’ cash flows

Context of the Proposed Operation to Enersis

Impacts of Dismissing the Proposed Operation for Enersis

Is there any direct impact to Enersis coming from Enersis dismissing the Proposed Operation?

- Two possible scenarios and their main effects on Enersis have been considered:
 - CDS and IDS’ liquidation (considering that Enersis is a direct and indirect shareholder of both companies)
 - A hypothetic capitalization of CDS without Enersis’ participation, which could have a dilutive effect on Enersis’ ownership in IDS and CDS

Strategic Considerations for Enersis

Does the Proposed Operation makes sense for Enersis from a strategic point of view? Are there some potential scenarios in which the Proposed Operation may provide an incremental value for Enersis?

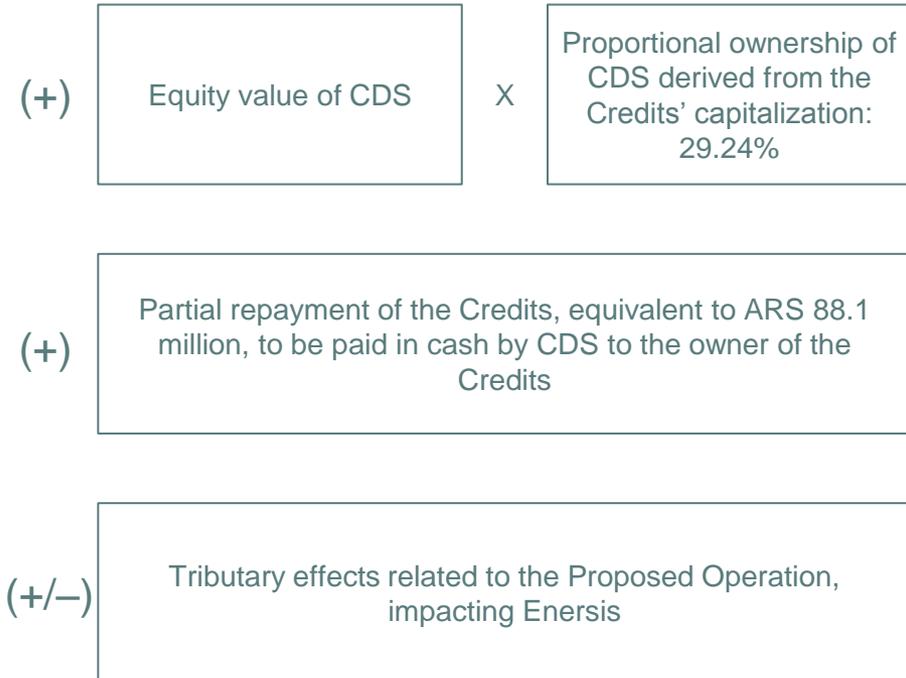
- Enersis’ positioning as one of the main participants in the Argentine power sector
- Potential improvement of the economic conditions in the Argentine power generator sector for private agents
- Possible re-valuation of CDS’ assets in the medium term under optimistic scenarios

Valuation Scheme of the Credits for Enersis

- The figure on the right shows the scheme used to determine the value of the Credits for Enersis
- The scheme comes from the assumption that the Credits are acquired under the terms of the Capitalization Agreement and the Proposed Operation. In this regard, when assessing the value of the Credits for Enersis, it is understood that:
 - The acquisition of the Credits is subject to what has been established in the Capitalization Agreement and the Proposed Operation, and
 - The Proposed Operation is executed in its entirety and in a timely fashion, with no execution risk
- As shown in the scheme, the value of the Credits for Enersis is composed by:
 - **29.24% of the equity value of CDS:** According to the Capitalization Agreement, the capitalization of the principal value of the Credits would represent a 29.24% of CDS' equity after the Proposed Operation is executed
 - **ARS 88.1 million payable to Enersis:** According to the Capitalization Agreement, Enersis shall collect from CDS a cash payment of ARS 88.1 million, corresponding to a partial repayment of the Credits, amount that shall not be subject of capitalization
 - **Tributary effects:** The Proposed Operation would generate tributary effects impacting Enersis' results, which shall be discounted from the value of the Credits

Valuation Scheme of the Credits for Enersis

VALUE OF THE CREDITS FOR ENERSIS

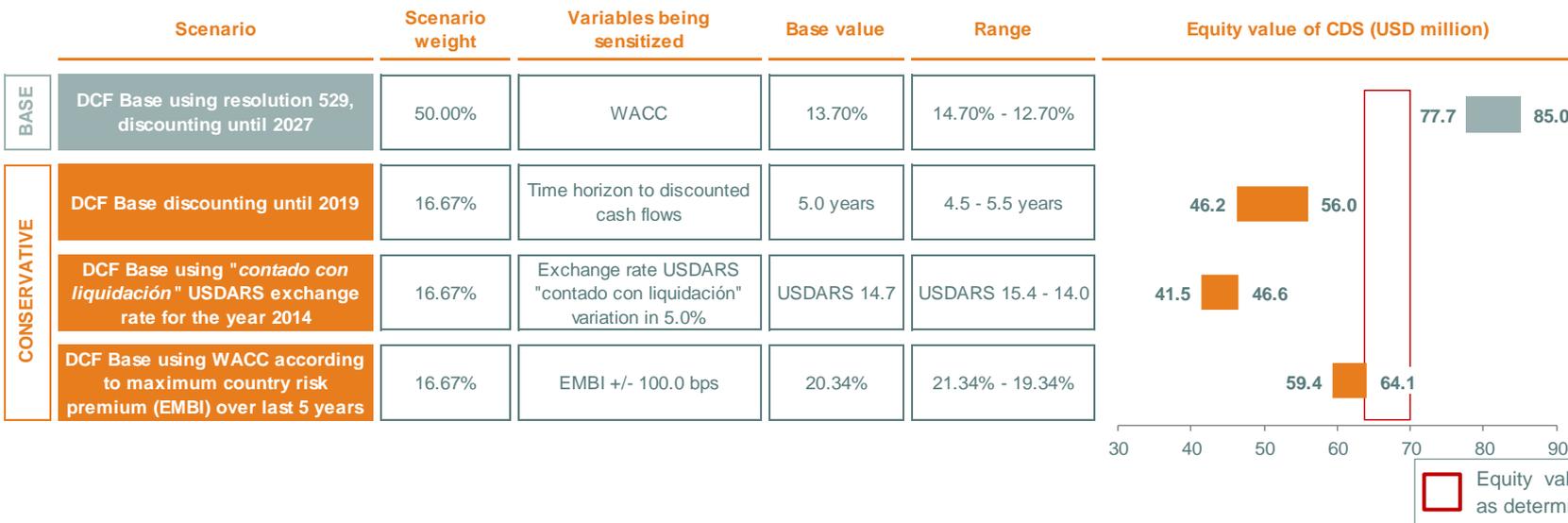


RESULTS AND CONCLUSIONS

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Valuation of CDS

Equity Value Estimation



- To estimate the equity value range of CDS, only the Base and Conservative scenarios were considered, leaving aside the Optimistic scenario and the Referential Valuation

According to the weight applied for each scenario, the equity value of CDS would be in a range between **USD 63.4 and 70.3 million**

- We consider this range to be consistent with a market value of CDS' equity as of the date hereof if CDS were to trade in a stock exchange or be open to the entry of investors

Implied valuation multiples of CDS

Equity value of CDS (USD million) ⁽¹⁾	63.4	66.8	70.3
Enterprise value of CDS (USD million)	51.3	54.7	58.2
EV/ Revenues 2013 ⁽²⁾	0.44 x	0.47 x	0.50 x
EV/ EBITDA 2013 ⁽³⁾	2.63 x	2.81 x	2.99 x
EV/ Installed capacity (USD thousands) ⁽⁴⁾	58.9	62.9	66.9

(1) Considers cash and cash equivalent of CDS as of June, 2014, according to the information provided by the Company, plus the cash generated after the Proposed Operation, corresponding to the differential between ARS 125.0 million and ARS 88.1 million

(2) Enterprise value over revenues for the last twelve months as of December, 2013

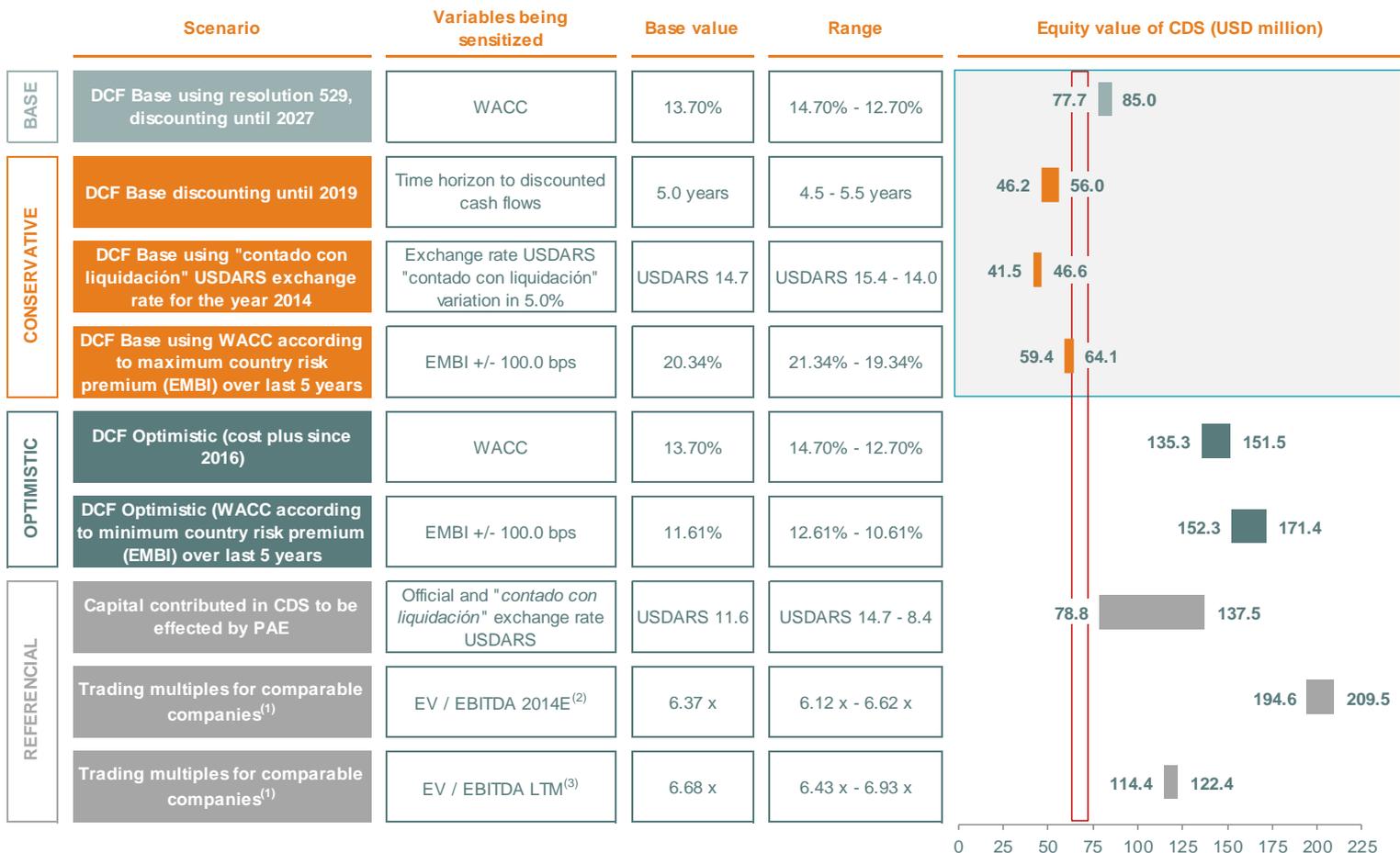
(3) Enterprise value over EBITDA for the last twelve months as of December, 2013

(4) Enterprise value over installed capacity as of December, 2013, the latter corresponding to 870 MW

Valuation of CDS

Sensitization of CDS' Equity Value

- For referential purposes, the following figure shows a sensitization of CDS' equity value considering the different scenarios assessed:



(1) Trading multiples for comparable companies related with the power sector in Argentina. Refer to appendices for further detail. Source: Capital IQ and IM Trust
 (2) EV / EBITDA expected for the year 2014
 (3) LTM: last twelve months as of June, 2014

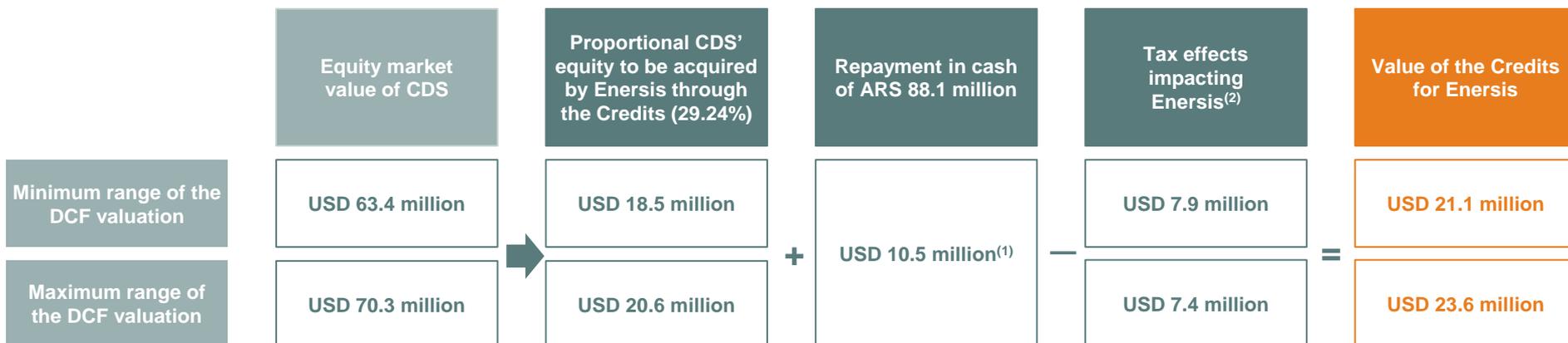
Scenarios considered for determining CDS valuation

Range of CDS' equity value, as determined by IM Trust, between USD 63.4 and 70.3 million

Valuation of the Credits

Estimation of the Value of the Credits for Enersis

- The value of the Credits for Enersis is determined based on the following calculations:



- Based on the above calculations, the market value of the Credits for Enersis would be in a range between **USD 21.1 and 23.6 million**

- If the repayment in cash of ARS 88.1 million were to be converted using the “*contado con liquidación*” USDARS exchange rate⁽³⁾, the market value of the Credits for Enersis would be between **USD 15.4 and 18.0 million**

(1) According to the official exchange rate USDARS as of September 26, 2014, of 8.42

(2) Based on information provided by the Company, corresponds to a tax imposed in Chile of 21.0% over the capital gain generated between the principal value of the Credits to be capitalized (net from the partial repayment in cash of ARS 88.1 million), corresponding to USD 51.9 million according to the official exchange rate USDARS of 6.521 as of December 31, 2013, and the acquisition value of the Credits excluding the repayment in cash of ARS 88.1 million; plus an annual tax imposed in Argentina, corresponding to a 0.5% over the principal value of the Credits to be capitalize (net from the partial repayment of ARS 88.1 million). The latter tax was discounted up to the year 2027 at a WACC in USD of 8.29%, corresponding to Enersis' estimated discount rate, as determined by IM Trust

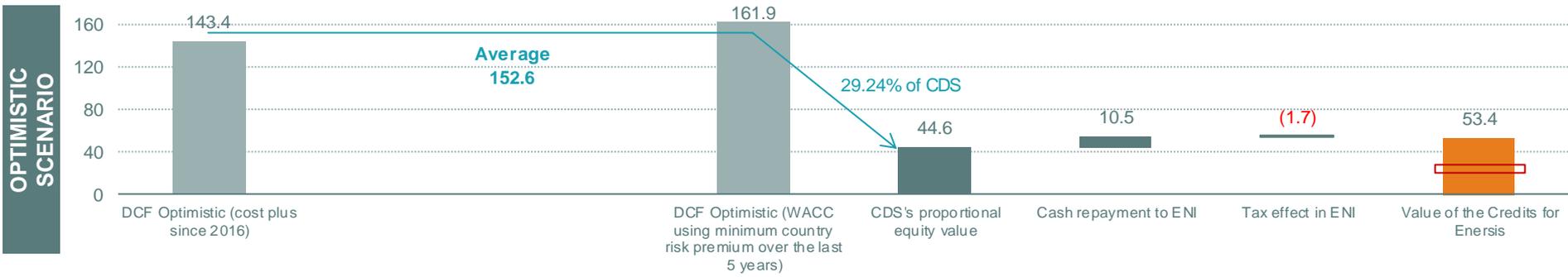
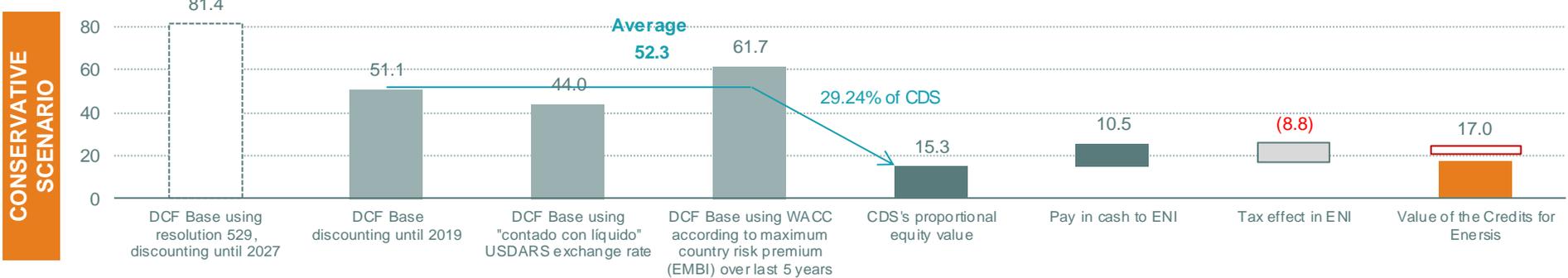
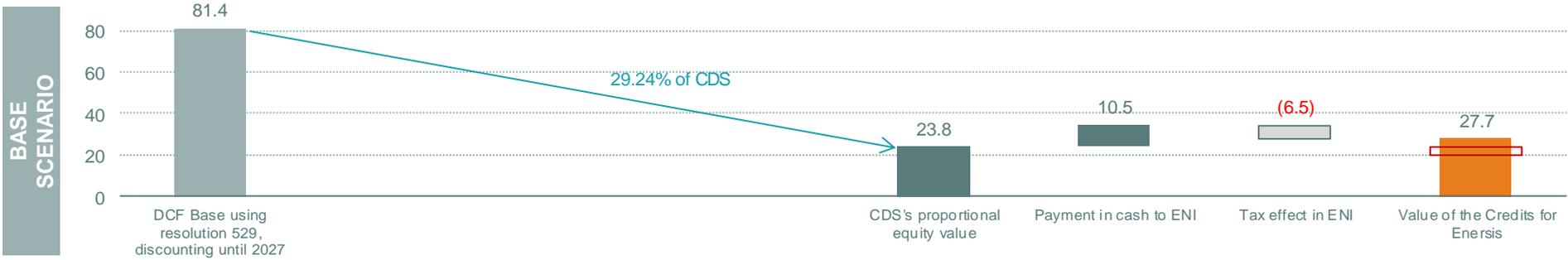
(3) “*Contado con liquidación*” USDARS exchange rate of 14.69, as of September 26, 2014

Valuation of the Credits

Sensitization of the Value of the Credits for Enersis

Range of the value of the Credits for Enersis as determined by IM Trust: between USD 21.1 and 23.6 million

- For referential purposes, below is a sensitization of the value of the Credits for Enersis based in the different analyzed scenarios



Context of the Proposed Transaction to Enersis

- In order to assess whether the Proposed Operation contributes to the corporate interest of Enersis, in addition to the analysis performed regarding the value of the Credits for Enersis, the following has been considered: (i) possible impacts of dismissing the Proposed Operation for Enersis, and (ii) the strategic considerations of the Proposed Operation for Enersis
- The main conclusions over the matters described above are as follows:

Impacts of Dismissing the Proposed Operation for Enersis

- Two possible alternative scenarios are identified that could arise from dismissing the Proposed Operation:
 - i. **CDS liquidation:** the main impact to Enersis, in addition to the dissolution of CDS, would be to report a positive accounting result of ~ USD 41 million, in respect of which no tax effect would be generated for the Company
 - ii. **The reconstitution of CDS' capital through a capitalization process in which Enersis would not participate:** the main impact to Enersis would be the dilution of its equity participation in IDS, which could significantly affect Enersis' intervention in the control and main corporate decisions of IDS and CDS
 - In a hypothetical scenario in which ELA directly capitalizes the Credits in CDS, or sells the Credits to a third party who then capitalizes them in CDS, under the same terms and conditions as the Capitalization Agreement, Enersis could see reduced its indirect stake in CDS to 11%

Strategic Considerations for Enersis

- Enersis is a major player in the Argentine power market, and hence its decision to participate in the Proposed Operation should be analyzed based on its comprehensive strategy for its operations in Argentina
- The recent measures that have been implemented in the Argentine power sector could provide a more favorable regulatory environment for the sector, based on a transition to a cost plus approach, which could positively affect future results of power generation companies operating in Argentina
- CDS' power plant is an important asset for the Argentine power generation system whereby, with an improvement in the regulatory and market environment, the assets of CDS could re-value significantly
 - Based on the optimistic scenario analyzed in this Report, the equity value of CDS could be up to 130% higher than the value range determined in this Report, and the value of the Credits could be up to 141% higher than the value determined in this Report

Conclusions of the Report

- The objective of this Report is to evaluate the Proposed Operation under two basic criteria:
 1. Estimate the market value of the Credits to be acquired by Enersis from ELA
 2. Estimate whether the Proposed Operation contributes to the corporate interest of Enersis
- We estimate that the market value of the Credits for Enersis is in the range of USD 21.1 to 23.6 million⁽¹⁾
 - The value range is derived from an estimate of the equity value of CDS of between USD 63.4 and 70.3 million consistent with the current market, macroeconomic and regulatory environment in Argentina
 - The valuation also considers the tax impacts generated by the Proposal Operation in Enersis as a consequence of the capitalization of the Credits
 - The valuation of the Credits assumes that all the steps of the Proposal Operation are timely executed
- We estimate that the Proposed Operation contributes to the corporate interest of Enersis considering the following:
 - The impact of eventually dismissing the Proposed Operation could have neutral or negative consequences for Enersis:
 - In the event of liquidation of CDS and IDS, assuming a residual value of zero, a positive accounting profit of approximately USD 41 million would be reported by the Company, not having an effect on the cash position of Enersis
 - In the event of capitalization of CDS and IDS without the participation of Enersis, a dilution of Enersis in CDS would occur, which could significantly affect Enersis' intervention in the control and main corporate decisions of IDS and CDS
 - On the other hand, the Proposed Operation would make a strategic sense for Enersis if the following is considered:
 - Enersis has a relevant presence in the Argentine energy sector, which goes beyond its participation in CDS, thus the decision to participate or dismiss the Proposed Operation should be analyzed based on its comprehensive strategy for its operations in Argentina (it should be noted that through the Proposed Operation, Enersis would be ratifying its participation in CDS, but not increasing it)
 - The recent measures that have been implemented in the Argentine power sector, based on a transition to a cost plus approach, could provide a more favorable regulatory environment for the sector, which could positively affect future results and reduce the risk for the power generation companies operating in Argentina, including CDS
 - The CDS plant is a technically efficient asset that operates normally and is important for the Argentine power generation system, whereby, with an improvement of the regulatory and market environment in the sector, the assets of CDS could re-value significantly
- Based on the foregoing, we conclude that in the event Enersis acquires the Credits at a price not higher than the value range indicated above, the Proposed Operation contributes to the corporate interest of the Company

(1) For determining the market value range of the Credits for Enersis it is considered that the repayment in cash for ARS 88.1 million is converted at the official exchange rate USDARS (8.42 as of September 26, 2014). If the cash repayment is to be converted at the "contado con liquidación" USDARS exchange rate (14.69 as of September 26, 2014), the market value of the credits for Enersis would be between USD 15.4 and 18.0 million

DESCRIPTION OF CENTRAL DOCK SUD

2

General Description

- Located in Avellaneda, Buenos Aires, CDS is a thermal plant with an installed capacity of 870 MW, consisting of a combined cycle and two gas turbines
- As of June, 2014, CDS has 2.8% of the total installed capacity of the country and a 4.5% of the total thermal installed capacity⁽¹⁾

Location



Main Assets

Combined cycle:

- **Components:** 2 gas turbines, recovery boiler, steam turbine, generators and transformers
- **Installed capacity:** 797.5 MW
- **Manufacturer:** ABB (actually Alstom)
- **Fuel:** Dual (gas / gas oil / biodiesel)
- **Starting year:** 2001

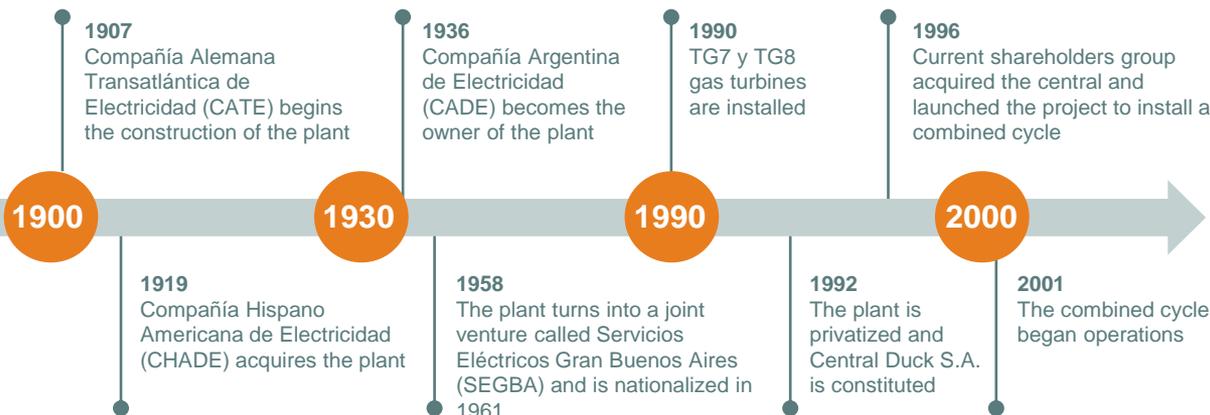
Gas turbine:

- **Components:** 2 gas turbines of open cycle
- **Installed capacity:** 72.0 MW
- **Manufacturer:** AEG Kanis and Alstom
- **Fuel:** Dual (gas / gas oil)
- **Starting year:** 1990

Others relevant:

- Storage tanks
- Treatment plant effluents
- Support systems

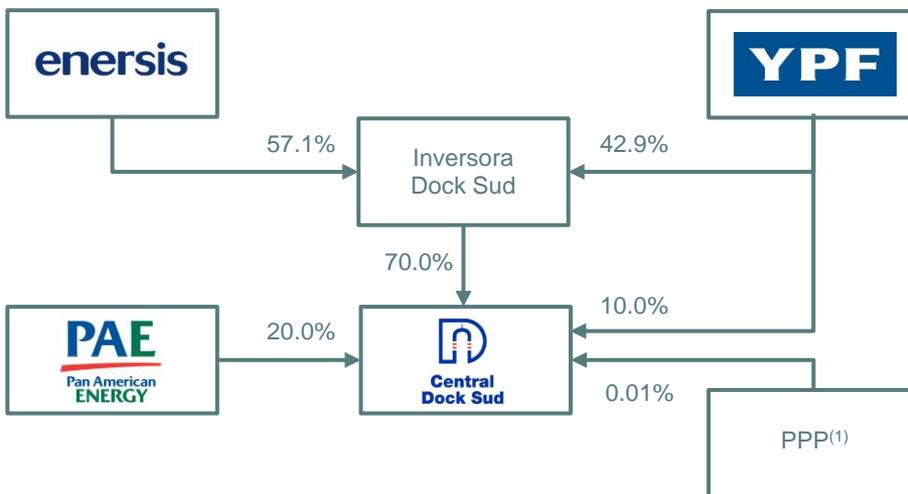
Relevant Events



(1) Source: Cammesa

Ownership and Operating Performance

Current Ownership Structure



Operating Facts (2)

	Asset ⁽³⁾	Unit	2011	2012	2013	June 2014
Generation	CC	GWh	5,140	3,909	4,834	2,448
	GT	GWh	12	24	67	29
Sale of power	CC	GW-hrp ⁽⁴⁾	3,272	2,278	2,845	1,389
	GT	GW-hrp ⁽⁴⁾	98	157	193	66
Load factor	CC	%	76%	58%	71%	72%
	GT	%	2%	4%	11%	9%
Availability	CC	%	94%	82%	88%	91%
	GT	%	44%	64%	51%	45%

- In 2012, the generation fell mainly due to the major maintenance carried out on the combined cycle

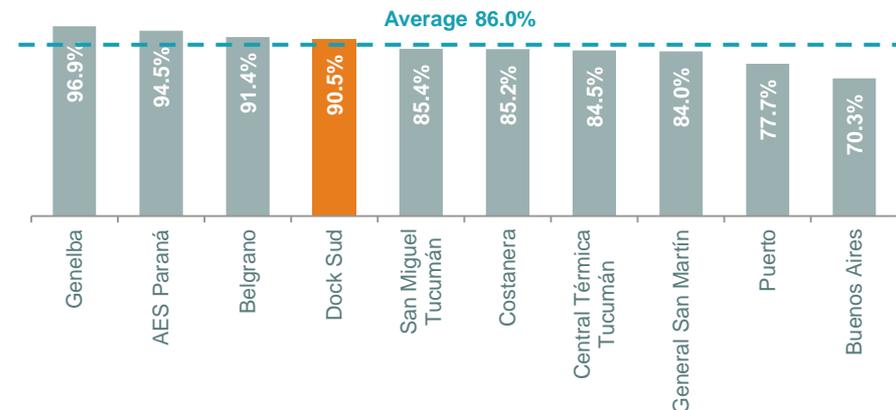
YPF

- Controlled by the Argentine government
- Largest hydrocarbons producer in Argentina, with over 35% market share of oil and gas

Pan American Energy ("PAE")

- Dedicated to hydrocarbons exploration and production, with operations in Argentina, Bolivia, Chile and Uruguay
- Second largest oil and gas producer in Argentina
- Its partners are British Petroleum (60% ownership), the Bulgheroni family (20%) and the Chinese company CNOOC (20%)

Average Combined Cycle Availability (2010 - 2012)⁽²⁾



(1) "Programa de Propiedad Participada" (ownership program)

(2) Source: the Company

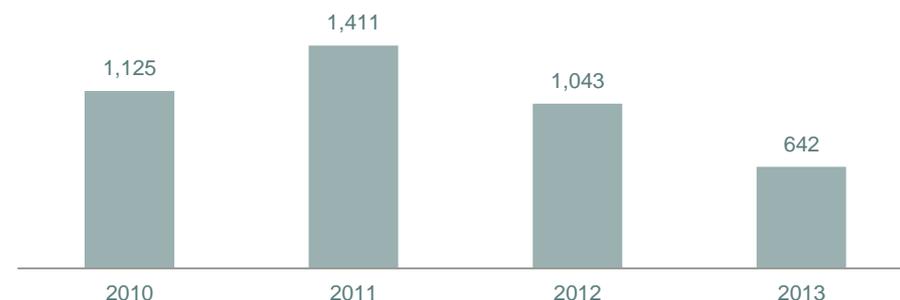
(3) CC: combined cycle / GT: gas turbine

(4) GWh-hrp: GWh generated in hour of capacity remuneration

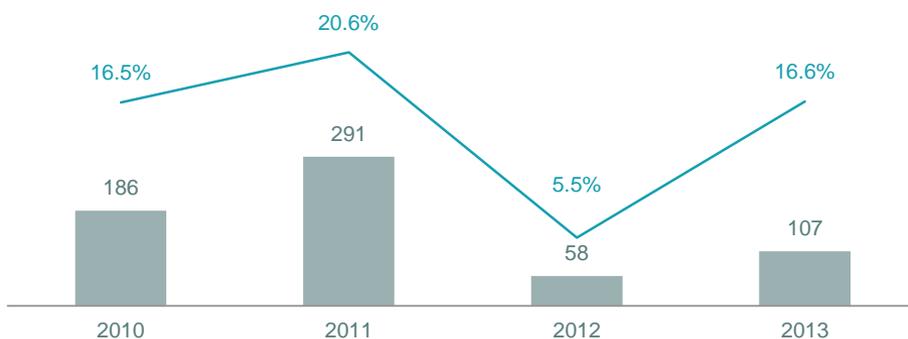
Financial Summary⁽¹⁾

- EBITDA for the year 2013 improved mainly due to the new remuneration scheme, associated with the implementation of resolution 95
- Net income after tax for the year 2013 is largely explained by a non operating income, which is composed by 81% by financial expenses
 - After the Propose Operation, the financial expenses would not apply, as CDS would have capitalized the total of its credits

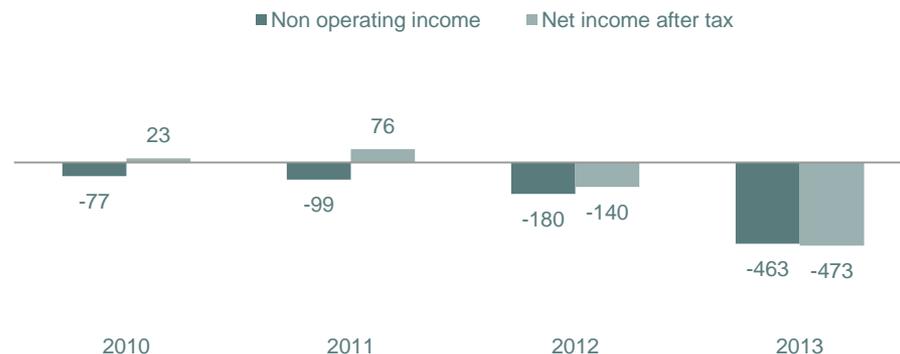
Revenues (ARS million)



EBITDA (ARS million) and EBITDA Margin⁽²⁾ (%)



Non Operating Income⁽³⁾ (ARS million) and Net Income After Tax (ARS million)



(1) Source: the Company. Figures as of 2013, according to CDS preliminary Financial Statement provided by the Company, which are still subject to approval by CDS's shareholder meeting

(2) Revenues – Operating Costs – Selling expenses + Depreciation

(3) Financial results + Other income / (expense) + Effect of preferred shares to be redeemed

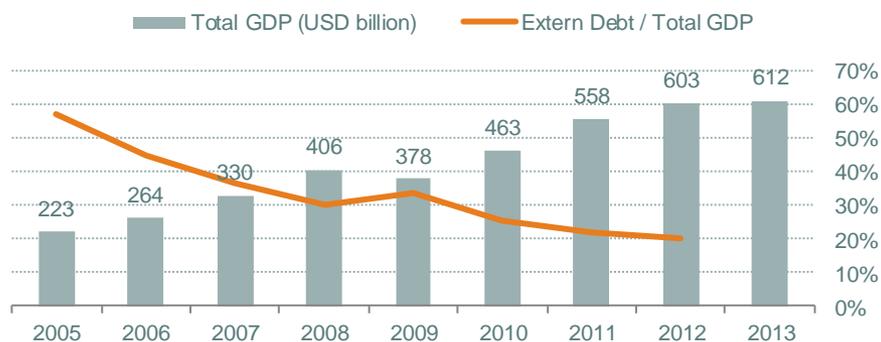
DESCRIPTION OF THE POWER GENERATION SECTOR IN ARGENTINA

3

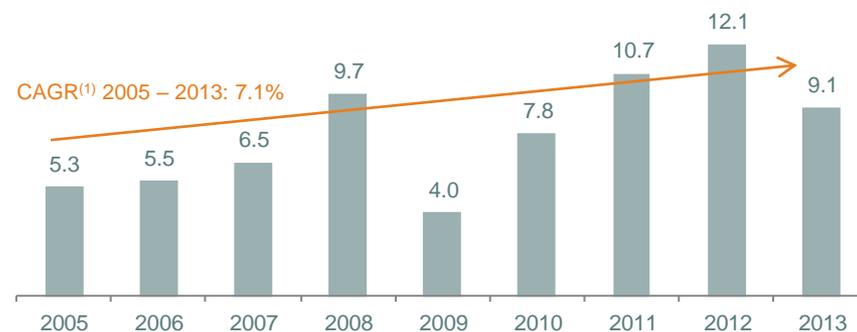
Overview of Argentina

- Country with 41.5 million inhabitants (almost 13 million in Buenos Aires), with demographic potential and natural resources
- In 2015 there are presidential elections and legislative partial renovations

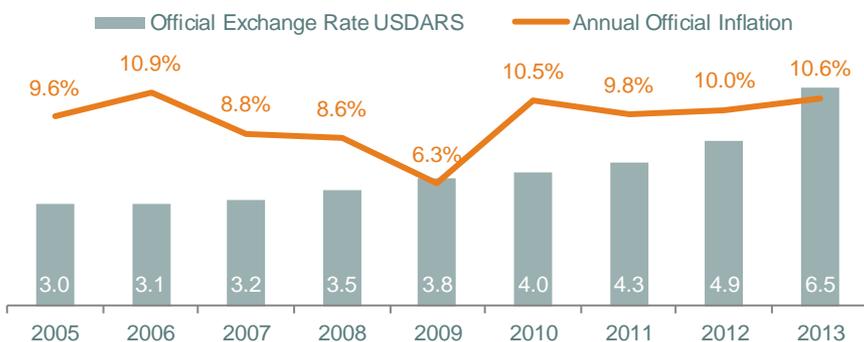
Total GDP (USD billion) and External Debt / Total GDP (%)



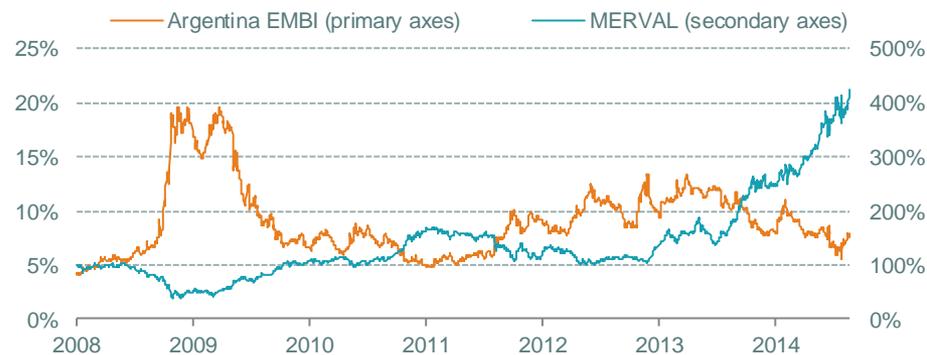
Foreign Investment (USD billion)



Argentina Annual Inflation and Official Exchange Rate USDARS



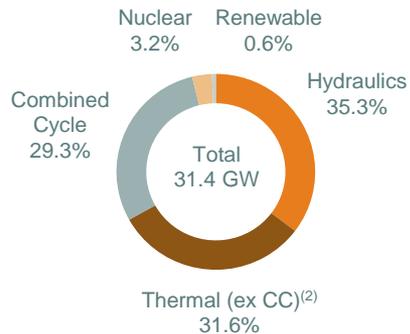
EMBI⁽²⁾ and Merval Index



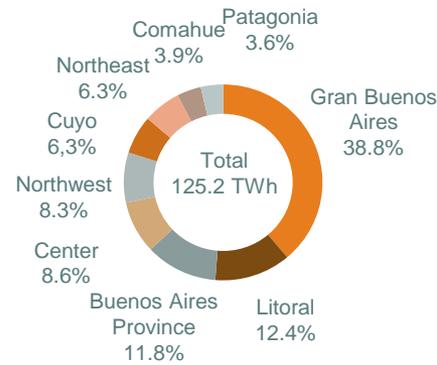
(1) CAGR: Compound annual growth rate
 (2) EMBI: Emerging Markets Bonds Index
 Source: World Bank and Bloomberg

Description of the Argentine Power Sector

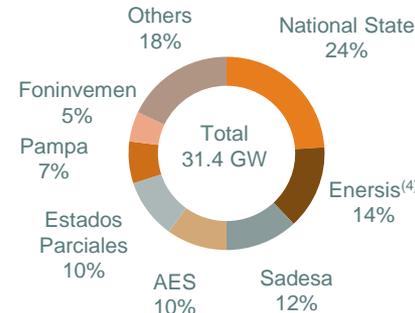
Installed Capacity by Type as of June, 2014⁽¹⁾



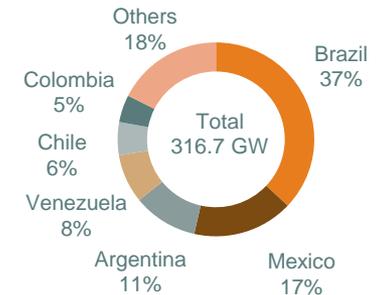
Demand by Zone, 2013⁽¹⁾



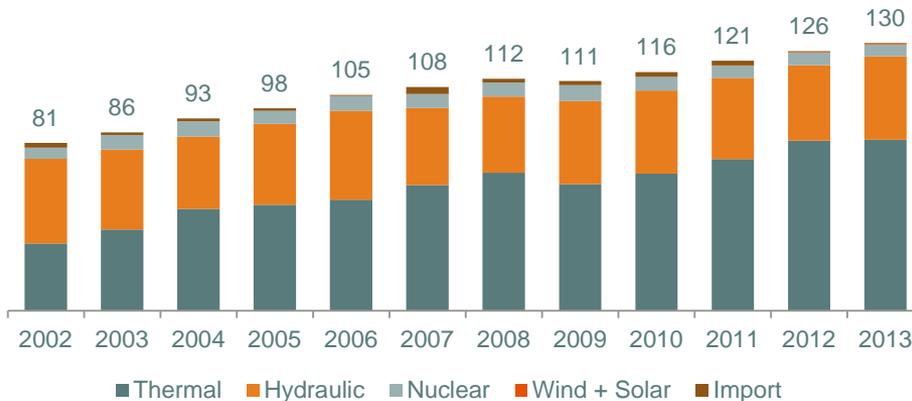
Installed Capacity by Group as of June, 2014⁽³⁾



Installed Capacity by Latin America Country, 2011⁽⁵⁾



Power Generation by Type (TWh)⁽¹⁾



Electric Connection in Argentina

Transmission

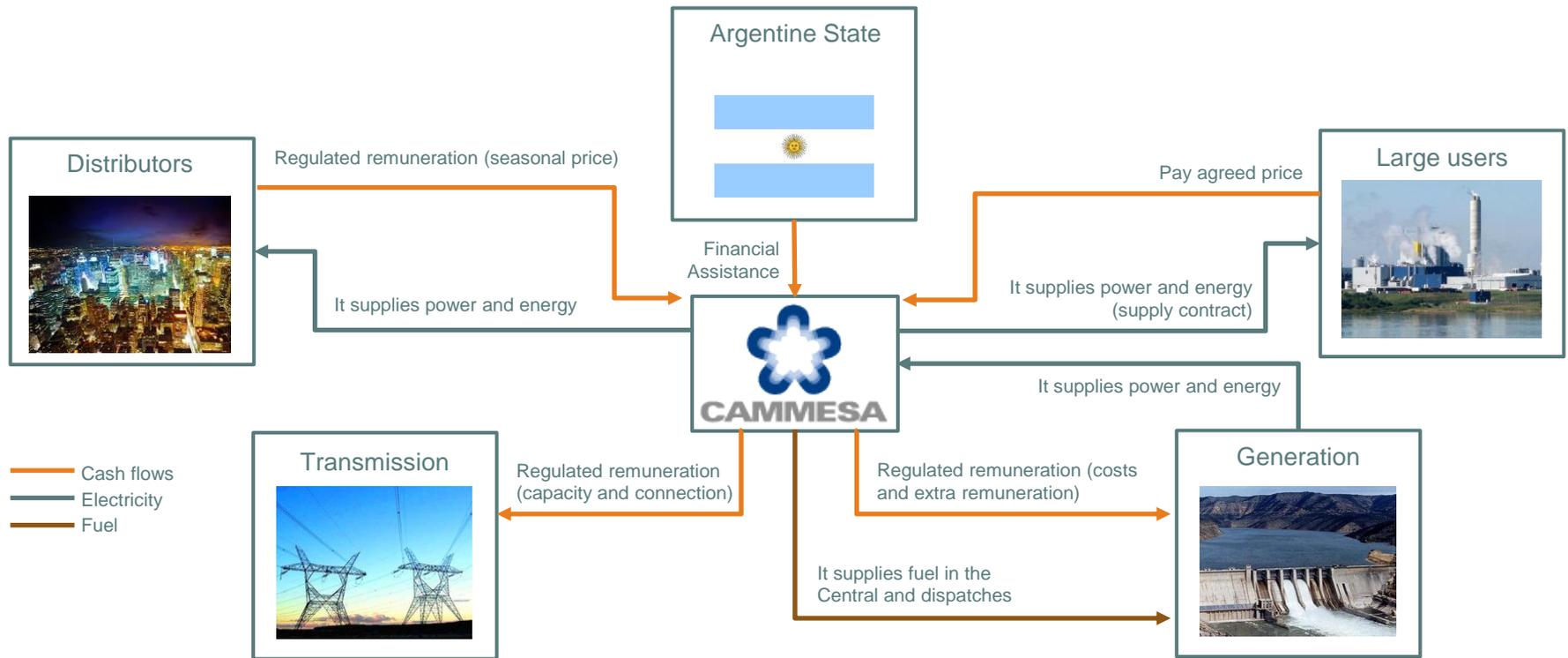
- The power transmission in Argentina is mainly done through the network of *Sistema Argentino de Interconexión* (SADI), which consists of approximately 28,000 km of high voltage lines, that cover most of the Argentine territory
- The system is operated by 11 companies, which are grouped in the *Asociación de Transportistas de Energía Eléctrica de la República Argentina* (ATEERA)

Distribution

- Power distribution in Argentina is mainly carried out by the *Asociación de Distribuidores de Energía Eléctrica de la República Argentina* (ADEERA)
- ADEERA groups 44 companies, which operate 76% of the total electricity consumed in Argentina

(1) Source: Cammesa
 (2) Others thermal plants include turbo steam, gas turbine and diesel engine
 (3) Source: the Company
 (4) Includes CDS, which has 2.8% of the total
 (5) Source: *Organización Latinoamericana de Energía* (OLADE)

Operation Scheme of the Argentine Power Market⁽¹⁾



- Cammesa is the sole buyer and seller, unless authorized outside contracts
- The Energy Department (“*Secretaría de Energía*”), under the Ministry of Federal Planning, Public Investment and Services (“*Ministerio de Planificación Federal, Inversión Pública y Servicios*”), is responsible for setting government energy policies
- The National Regulatory Authority for Electricity (“*Ente Nacional Regulador de la Electricidad*”) is an independent agency within the Department of Energy responsible for regulating and monitoring the electrical activity of the companies of the sector

(1) Source: Cammesa

Evolution of the Regulatory Framework

Marginalist market model

- In 1992 were implemented market reforms that evolved the electricity industry from a state model to a marginal market model
- Incentive to private participation
- Vertical segmentation: generation, transmission and distribution
- Competition in generation and free access
- Remunerations reflect efficient costs

1992

Intervened marginalist model

- After the crisis in Argentina in 2002, the Economic Emergency Law was established
 - The pesification of the remunerations of electricity generation was established, affecting the indexation of the remunerations to prices in foreign currencies
 - This caused a tariff deficit in the sector
- The incentive to invest in new assets for electricity generation was affected

2002

Transition model to average cost model or "cost plus"

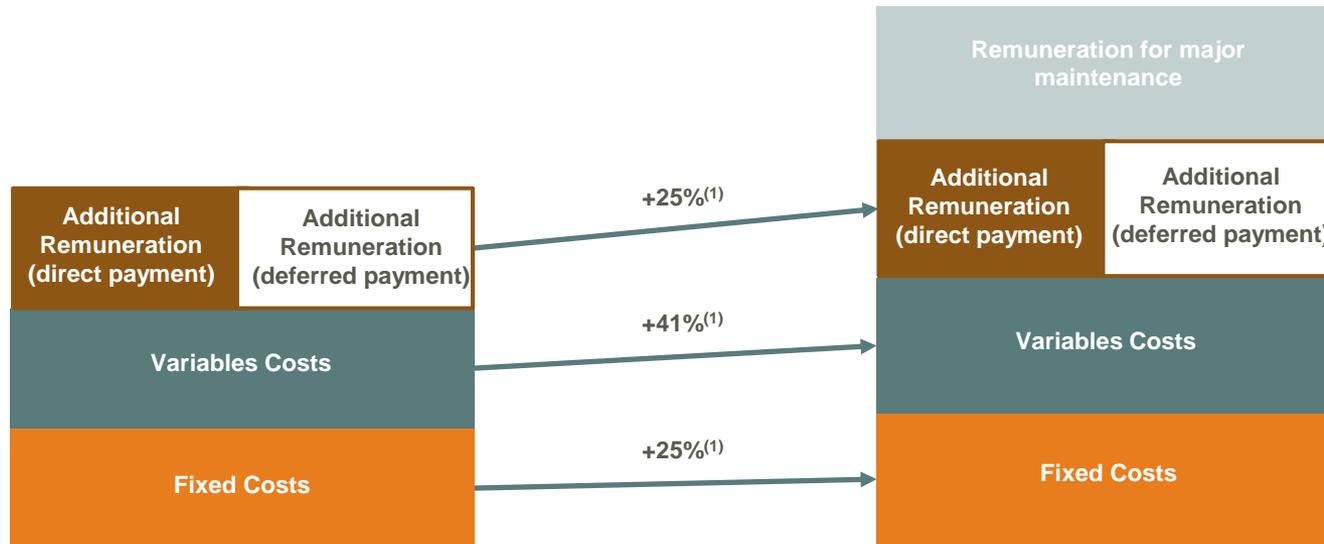
- In 2013 a change in the remuneration of the electricity generation companies was established, leaving the marginal model and creating an average cost model through resolution 95
 - The generation starts being remunerated by fixed costs, variable costs and by an additional remuneration
- In 2014, the resolution 529 is established
 - It upgrades the remunerations of the resolution 95, and incorporates a new remuneration to compensate higher costs in scheduled maintenance
 - This is the remuneration scheme that is in force as of today

2013

Generation Remuneration Scheme

Resolution 95
(Came into effect in February, 2013)

Resolution 529
(Came into effect in February, 2014)



- Remuneration for fixed, variables and additional costs in regulation 529 updates the remunerations of resolution 95 and also includes additional payment for major scheduled maintenance (MAPRO)
- The deferred payment is made to a trust to finance new generation projects that, once in operation, the deferred payment is transferred to the generation company considering a return on capital

(1) The remuneration increase is based on the tariff category applicable to a combined cycle with the characteristics of CDS'

ANALYSIS PERFORMED

4

VALUATION OF THE CREDITS FOR ENERSIS

4a

VALUATION OF THE CREDITS FOR ENERSIS

i. Scheme of Valuation

4a

Valuation Scheme of the Credits for Enersis

- The figure on the right shows the scheme used to determine the value of the Credits for Enersis
- The scheme comes from the assumption that the Credits are acquired under the terms of the Capitalization Agreement and the Proposed Operation. In this regard, when assessing the value of the Credits for Enersis, it is understood that:
 - The acquisition of the Credits is subject to what has been established in the Capitalization Agreement and the Proposed Operation, and
 - The Proposed Operation is executed in its entirety and in a timely fashion, with no execution risk
- As shown in the scheme, the value of the Credits for Enersis is composed by:
 - 29.24% of the equity value of CDS:** According to the Capitalization Agreement, the capitalization of the principal value of the Credits would represent a 29.24% of CDS' equity after the Proposed Operation is executed
 - ARS 88.1 million payable to Enersis:** According to the Capitalization Agreement, Enersis shall collect from CDS a cash payment of ARS 88.1 million, corresponding to a partial repayment of the Credits, amount that shall not be subject of capitalization
 - Tributary effects:** The Proposed Operation would generate tributary effects impacting Enersis' results, which shall be discounted from the value of the Credits

Valuation Scheme of the Credits for Enersis

VALUE OF THE CREDITS FOR ENERSIS

(+)

Equity value of CDS

X

Proportional ownership of CDS derived from the Credits' capitalization: 29.24%

(+)

Partial repayment of the Credits, equivalent to ARS 88.1 million, to be paid in cash by CDS to the owner of the Credits

(+/-)

Tributary effects related to the Proposed Operation, impacting Enersis

VALUATION OF THE CREDITS FOR ENERSIS

ii. Valuation of Central Dock Sud

4a

Discounted Cash Flow (DCF)

Defined Scenarios

- Three scenarios for the valuation of CDS were defined, all valued through DCF
 1. **Base Scenario:** based on DCF Base (see next page)
 2. **Conservative Scenario:** based on conservative sensitivities from DCF Base
 3. **Optimistic Scenario:** based on DCF Optimistic (see next page) and a optimistic sensitivity of it
- For these scenarios, the results of the following DCF analysis were considered:

Base Scenario

1. DCF Base, according to the projection criteria described on the next page

Conservative Scenario

- Three sensitivities of DCF Base were performed:
 1. Discounted cash flows only to the year 2019
 2. “*Contado con liquidación*” exchange rate USDARS for 2014⁽¹⁾. For the following years, the exchange rate is adjusted according to the difference between Argentine and American inflation
 3. Cost of capital considering the maximum EMBI over the last 5 years⁽²⁾ for the country risk premium of Argentina

Optimistic Scenario

1. DCF Optimistic, according to the projections criteria described on the next page
2. Additionally, a sensitivity of DCF Optimistic was performed:
 - Cost of capital considering the minimum EMBI over the last 5 years⁽³⁾ for the country risk premium of Argentina

(1) “*Contado con liquidación*” exchange rate USDARS as of September 26, 2014, corresponding to 14.69

(2) Maximum EMBI (Emerging Markets Bonds Index) over the last 5 years, equivalent to 13.48% as of November 26, 2012. Source: Bloomberg

(3) Minimum EMBI over the last 5 years, equivalent to 4.75% as of January 18, 2011. Source: Bloomberg

Discounted Cash Flow (DCF)

Projections Criteria According to Defined Scenarios

- The following are the main criteria projections for the FCD Base and FCD Optimistic, and their sensitivities by scenario

	DCF Base		DCF Optimistic
	Base Scenario	Conservative Scenario	Optimistic Scenario
Applied Remuneration	<ul style="list-style-type: none"> Resolution 529⁽¹⁾, based on remunerations adjusted annually according Argentine annual inflation 		<ul style="list-style-type: none"> Resolution 95⁽²⁾ until 2015 and Cost Plus⁽³⁾ since 2016 onwards. Remunerations adjusted according to Argentine annual inflation
Macroeconomic Assumptions	<ul style="list-style-type: none"> Argentine inflation projected by Bloomberg (2014 to 2016) and IM Trust (2017 onward) Exchange rate USDARS according the difference between Argentine and American inflation 		<ul style="list-style-type: none"> Argentine inflation and exchange rate USDARS according forecast provided by the Company
Investment Horizon and Terminal Value	<ul style="list-style-type: none"> Until 2027 (useful life of CDS' assets) Terminal value: USD 10.3 million, corresponding to the plant's land 	<ul style="list-style-type: none"> Until 2027 (useful life of CDS' assets) and sensitizing to 5 years of forecast Terminal value: USD 10.3 million, corresponding to the plant's land 	<ul style="list-style-type: none"> Until 2027 (useful life of CDS' assets) Terminal value: USD 10.3 million, corresponding to the plant's land
Cost of Capital (WACC)	<ul style="list-style-type: none"> WACC in USD of 13.70% 	<ul style="list-style-type: none"> WACC in USD of 13.70% and sensitizing to WACC with maximum EMBI, equivalent to 20.34% 	<ul style="list-style-type: none"> WACC in USD of 13.70% and sensitizing to WACC with minimum EMBI, equivalent to 11.61%
Fixed and Variable Costs	<ul style="list-style-type: none"> According to information provided by the Company and indexed to Argentine annual inflation as appropriate 		<ul style="list-style-type: none"> According to information provided by the Company
Capital Expenditures (Capex)	<ul style="list-style-type: none"> According to information provided by the Company 		
Working Capital Requirements	<ul style="list-style-type: none"> According to information provided by the Company, adjusted by trusts and higher planned maintenance (MAPRO) revenues 		<ul style="list-style-type: none"> According to information provided by the Company
Trust Revenues	<ul style="list-style-type: none"> Revenues by FONINVEMEN (Belgrano CTMB and San Martín CTSM) and VOSA (Central Vuelta of Obligado), according to the payment schedule informed by the Company 		

(1) Resolution published by the Secretary of Energy on May 23, 2014, in the Official Gazette, in which the new remunerations for electrical generators were approved, retroactive to February, 2014

(2) Resolution published by the Secretary of Energy on March 22, 2013 in the Official Gazette, in which the new remunerations for electrical generators were approved, retroactive to February, 2013

(3) The remuneration scheme called Cost Plus is taken for what has been informed by the Company, considering that there is no formal regulation of its terms and conditions, or its eventual date of implementation

Discounted Cash Flow (DCF) Valuation Methodology and Cost of Capital

DCF Valuation Methodology

- DCF Base and Optimistic were valued through the following methodology:

(+) Revenues	EBITDA
(-) Costs	
(-) SGA (ex D&A) ⁽¹⁾	
(-) Tax on Operating Income	
(-) Capital Expenditures (Capex)	
(-) Working Capital Requirement	
Free Cash Flow	
Discounted by Cost of Capital (WACC)	
Enterprise Value (EV)	
(-) Net Financial Debt ⁽²⁾	
Equity Value	

Cost of Capital (WACC)

		Source
Risk free rate USD to 20 years	2.99%	Bloomberg
EMBI Argentina	6.84%	Bloomberg and IM Trust
Corporate Tax in Argentina	35.00%	KPMG
Asset Beta	0.55	Bloomberg and IM Trust
Debt / Equity	0.00%	IM Trust
Equity Beta	0.55	
Market Risk Premium	7.00%	IM Trust
Equity Risk Premium	3.87%	
Cost of Equity	13.70%	
WACC	13.70%	

- Currency:** Dollar (USD)
- Asset Beta:** sample of 28 local and international comparable power generation companies to CDS. It was determined as the linear regression between the monthly variation in the last 5 years of the price per share of each company in local currency and the main stock index of the country where it trades
- Debt / Equity:** after the execution of the Proposed Operation, CDS would not take on new debt

(1) SGA: selling general and administrative expenses; D&A: depreciation and amortization

(2) As CDS would not have financial debt after the capitalization of the Credits, only cash as of June, 2014, is considered, according to information provided by the Company, plus the cash generated in connection to the Proposed Operation, corresponding to the differential between ARS 125.0 million and ARS 88.1 million

Referential Valuation of CDS

- Additionally, a referential valuation (hereinafter “Referential Valuation”) of CDS was performed, using the following methodologies:

Referential Valuation

1. Implicit valuation based on the capital contribution to be effected by PAE under the Capitalization Agreement
 - PAE would contribute to CDS, ARS 125 million in commercial credits and/or cash, in exchange for 10.79% of CDS’ ownership. This implies a CDS’ total equity value of ARS 1,158 million
 - To convert the valuation to USD, official and “*contado con liquidación*” exchange rate USDARS were sensitized
2. Trading multiple valuation of comparable companies
 - Companies related to the energy sector in Argentina, that have its operations mainly in that country
 - The median of the multiples EV / EBITDA 2014⁽¹⁾ and EV / EBITDA LTM⁽²⁾, among the comparable companies⁽³⁾ were considered, using a value range of in +/- 0.25 times
 - EV / EBITDA 2014E: defined range between 6.12 and 6.62 times
 - EV / EBITDA LTM: defined range between 6.43 and 6.93 times

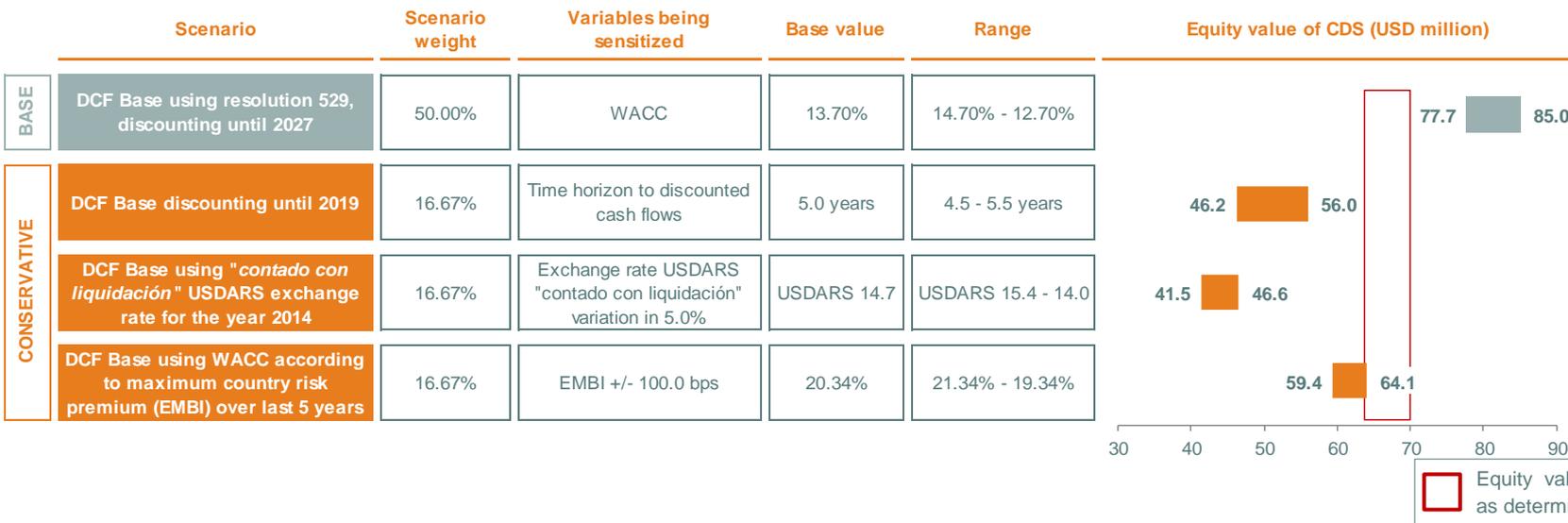
(1) Enterprise value / expected EBITDA for the year 2014

(2) Enterprise value / last twelve month EBITDA as of June, 2014

(3) For more detail, see appendix

Valuation of CDS

Equity Value Estimation



- To estimate the equity value range of CDS, only the Base and Conservative scenarios were considered, leaving aside the Optimistic scenario and the Referential Valuation

According to the weight applied for each scenario, the equity value of CDS would be in a range between **USD 63.4 and 70.3 million**

- We consider this range to be consistent with a market value of CDS' equity as of the date hereof if CDS were to trade in a stock exchange or be open to the entry of investors

Implied valuation multiples of CDS

Equity value of CDS (USD million) ⁽¹⁾	63.4	66.8	70.3
Enterprise value of CDS (USD million)	51.3	54.7	58.2
EV/ Revenues 2013 ⁽²⁾	0.44 x	0.47 x	0.50 x
EV/ EBITDA 2013 ⁽³⁾	2.63 x	2.81 x	2.99 x
EV/ Installed capacity (USD thousands) ⁽⁴⁾	58.9	62.9	66.9

(1) Considers cash and cash equivalent of CDS as of June, 2014, according to the information provided by the Company, plus the cash generated after the Proposed Operation, corresponding to the differential between ARS 125.0 million and ARS 88.1 million

(2) Enterprise value over revenues for the last twelve months as of December, 2013

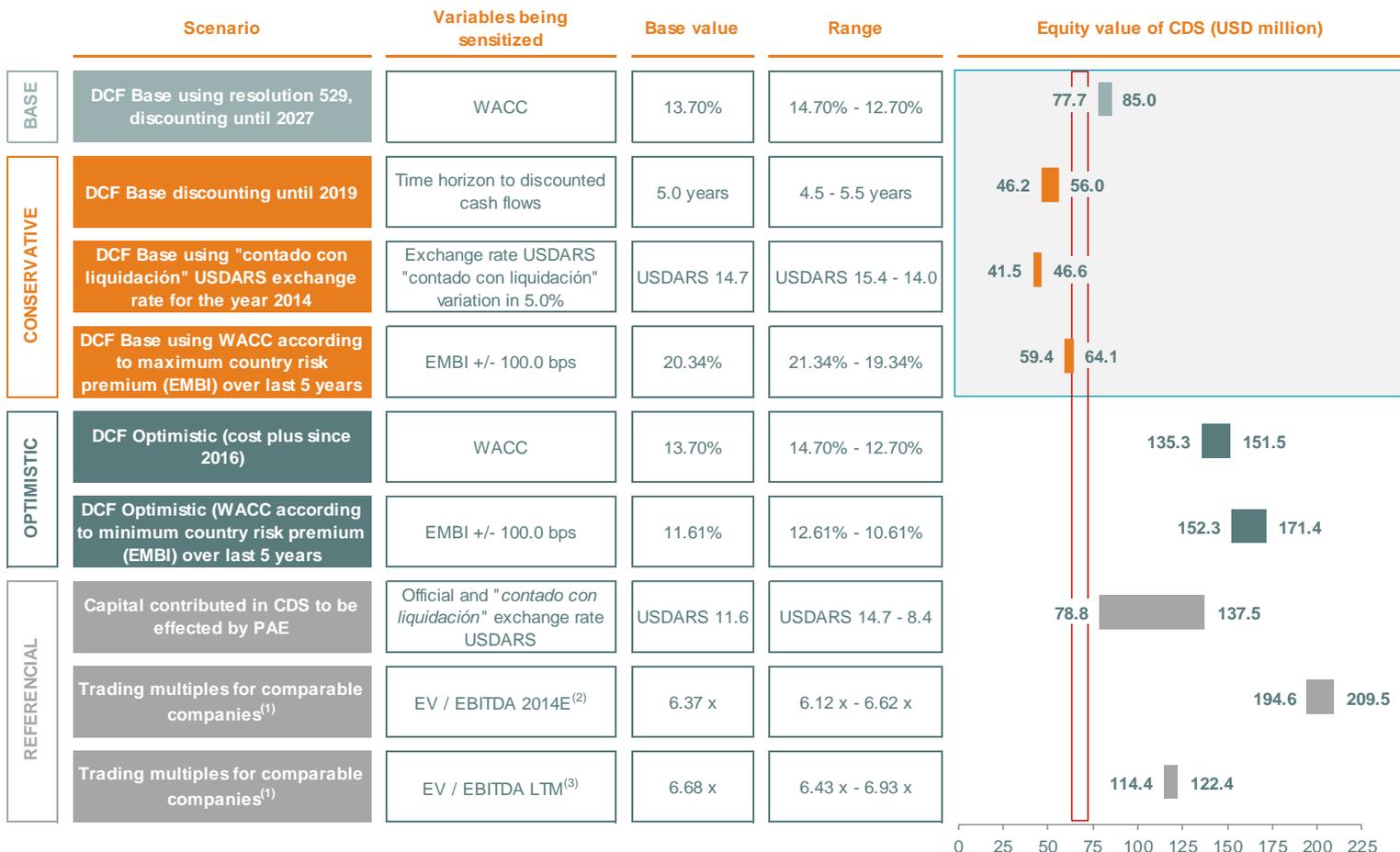
(3) Enterprise value over EBITDA for the last twelve months as of December, 2013

(4) Enterprise value over installed capacity as of December, 2013, the latter corresponding to 870 MW

Valuation of CDS

Sensitization of CDS' Equity Value

- For referential purposes, the following figure shows a sensitization of CDS' equity value considering the different scenarios assessed:



□ Scenarios considered for determining CDS valuation
□ Range of CDS' equity value, as determined by IM Trust, between USD 63.4 and 70.3 million

(1) Trading multiples for comparable companies related with the power sector in Argentina. Refer to appendices for further detail. Source: Capital IQ and IM Trust
 (2) EV / EBITDA expected for the year 2014
 (3) LTM: last twelve months as of June, 2014

VALUATION OF THE CREDITS FOR ENERSIS

iii. Additional Considerations

4a

Additional Considerations that Affect the Valuation of the Credits

- Based on the information provided by Enersis regarding the Proposed Operation, the following cash flows movements have been identified as a result of the Proposed Operation and that would have an impact on the results of Enersis, therefore they must be considered in determining the market value of the credits. These considerations are:

Partial Repayment of the Credits (ARS 88.1 million)

- According to the Capitalization Agreement, upon purchasing the Credits, Enersis becomes entitled to receive a partial repayment for the Credits by CDS, equivalent to ARS 88.1 million and, which shall not be subject to capitalization
- This payment arises as an adjustment mechanism by which, post-capitalization, the shares of the different shareholder groups in CDS remain substantially the same: Enersis, ~ 40%; YPF, ~ 40%; PAE ~ 20%; the funds would come from PAE through the capitalization of cash and/or commercial loans in CDS
- The repayment to Enersis would be made in cash and in Argentine pesos at the time of the capitalization of the Credits
- For purposes of this Report, as reported by Enersis, it is assumed that the payment (i) will be made freely and timely available to Enersis, (ii) could be converted to USD at the official exchange rate and (iii) could be transferred abroad without restrictions or limitations
- **In summary, it is assumed in this Report that the ARS 88.1 million (USD 10.5 million ⁽¹⁾) would mean a positive cash income for Enersis, and therefore should be considered within the market of the Credits**

Tributary Impact of the Proposed Operation

- Based on the information provided by Enersis, we understand that the only impacts that can reasonably be expected to generate cash flows impacts on the results of Enersis as per the Proposed Operation , would be:
 - **Capital gain on the capitalization of the Credits (taxed in Chile):** $21.0\%^{(2)} \times [(\text{nominal value of the principal of the Credits} - \text{Partial repayment of the Credits}) - (\text{acquisition value of the principal of the Credits by Enersis} - \text{partial repayment of the Credits})]$
 - **Annual tax for capital increase (taxed in Argentina) Tax:** $0.5\% \times [\text{nominal value of the principal of the Credits (net of the partial repayment of the ARS 88.1 million)}]^{(3)}$
- Based on the information provided by Enersis, we understand that there are no other tax effects arising as a result of the Proposed Operation and which are reasonably expected to have an impact on the cash flows of Enersis
- **In this sense, the above tax effects shall be discounted from the value of the Credits for Enersis**

(1) According to the official exchange rate of USDARS 8.42 as of September 26, 2014

(2) The tax rate of first category in Chile assuming the enactment of the tax reform; understanding that to a certain group of shareholders of Enersis the comprehensive applicable rate could be 35%

(3) Payment Period from 2014 to 2027

VALUATION OF THE CREDITS FOR ENERSIS

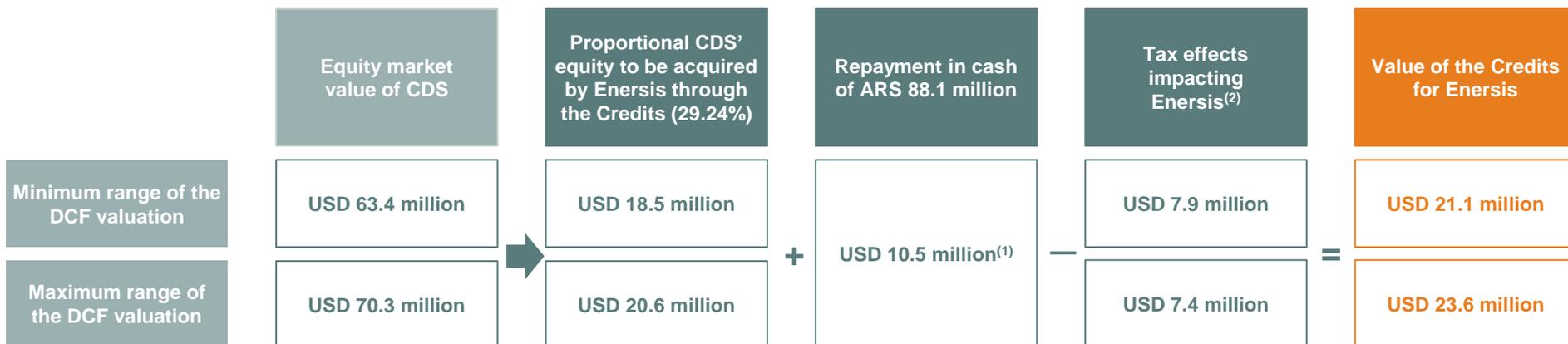
iv. Summary of Valuation of the Credits for Enersis

4a

Valuation of the Credits

Estimation of the Value of the Credits for Enersis

- The value of the Credits for Enersis is determined based on the following calculations:



- Based on the above calculations, the market value of the Credits for Enersis would be in a range between **USD 21.1 and 23.6 million**

- If the repayment in cash of ARS 88.1 million were to be converted using the “*contado con liquidación*” USDARS exchange rate⁽³⁾, the market value of the Credits for Enersis would be between **USD 15.4 and 18.0 million**

(1) According to the official exchange rate USDARS as of September 26, 2014, of 8.42

(2) Based on information provided by the Company, corresponds to a tax imposed in Chile of 21.0% over the capital gain generated between the principal value of the Credits to be capitalized (net from the partial repayment in cash of ARS 88.1 million), corresponding to USD 51.9 million according to the official exchange rate USDARS of 6.521 as of December 31, 2013, and the acquisition value of the Credits excluding the repayment in cash of ARS 88.1 million; plus an annual tax imposed in Argentina, corresponding to a 0.5% over the principal value of the Credits to be capitalize (net from the partial repayment of ARS 88.1 million). The latter tax was discounted up to the year 2027 at a WACC in USD of 8.29%, corresponding to Enersis' estimated discount rate, as determined by IM Trust

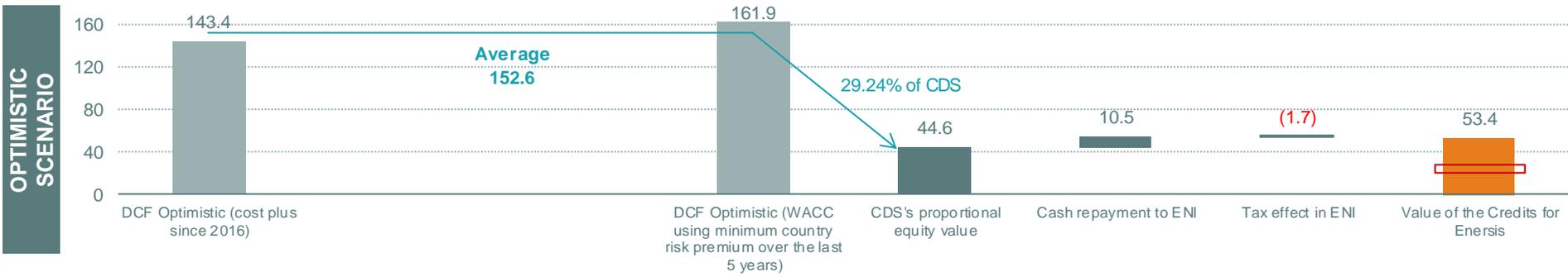
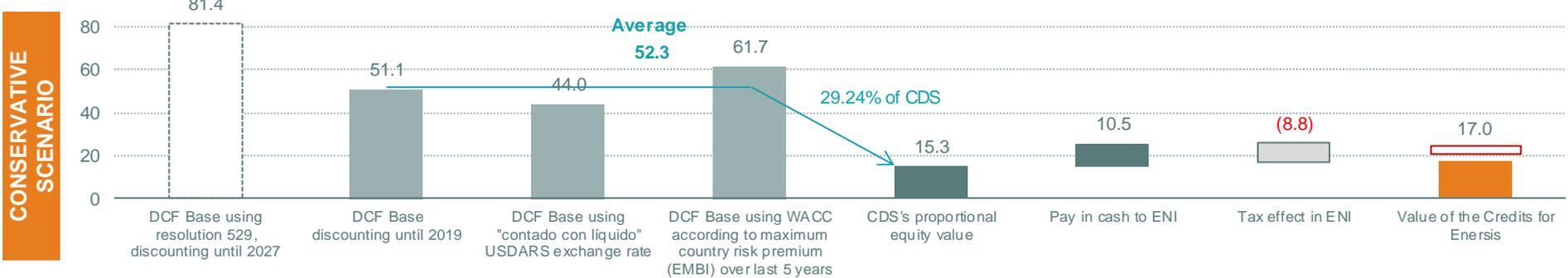
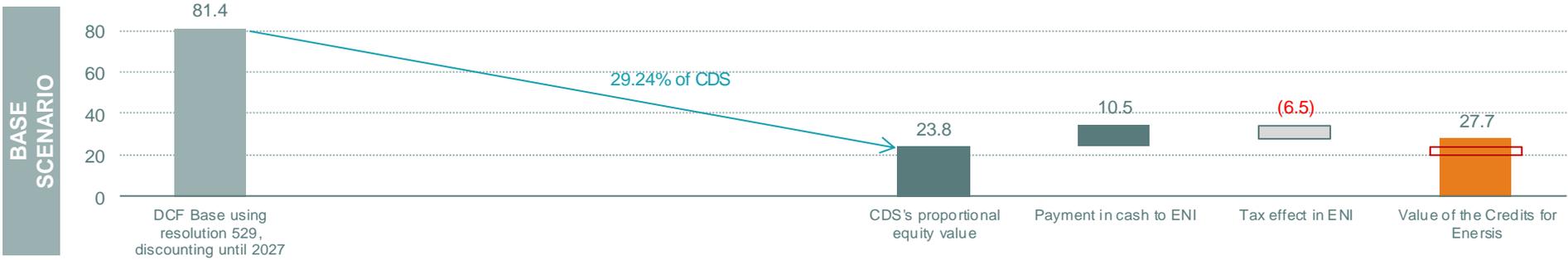
(3) “*Contado con liquidación*” USDARS exchange rate of 14.69, as of September 26, 2014

Valuation of the Credits

Sensitization of the Value of the Credits for Enersis

Range of the value of the Credits for Enersis as determined by IM Trust: between USD 21.1 and 23.6 million

- For referential purposes, below is a sensitization of the value of the Credits for Enersis based in the different analyzed scenarios



CONTEXT OF THE PROPOSED OPERATION FOR ENERSIS

4b

CONTEXT OF THE PROPOSED OPERATION FOR ENERSIS

- i. **Impacts of Dismissing the Proposed Operation for Enersis**

4b

Impacts of Dismissing the Proposed Operation for Enersis

- Under the understanding that Enersis has no obligation or commitment to participate in the Proposed Operation, to determine whether the Proposed Operation contributes to the corporate interest of Enersis it should also be considered any alternative scenarios to the Company that may arise by an eventual decision of Enersis of not participating in the Proposed Operation
- From the information reviewed, two possible scenarios are identified:
 - The liquidation of CDS under the assumption that no alternative agreement is reached between the shareholders of CDS to restore its financial position, or
 - The reconstitution of CDS' capital through a capitalization process in which Enersis would not participate
- The main impacts that both scenarios could have on Enersis, are as follows:

CDS Liquidation

- Enersis is currently an indirect shareholder of a 40% of CDS
- As of December 31, 2013⁽¹⁾, CDS has liabilities for ARS 1,783 million (USD 273 million ⁽²⁾), a negative equity of ARS 382 million (USD 59 million⁽²⁾) and a book value of property in use of ARS 647 million (USD 99 million ⁽²⁾)
- Considering the balance sheet of CDS and the limited information about the liquidity of their assets, it is assumed a value of zero for its residual liquidation for CDS shareholders
- **Under this assumption, in a scenario of liquidation of CDS and IDS, the Company believes that Enersis would have to register a positive accounting profit of ~ \$ 41 million⁽³⁾**

Capitalization of CDS without the Participation of Enersis

- Given such scenario, the indirect interest of 40% in Enersis CDS could be diluted to an amount that will depend on the terms of the hypothetical capitalization
- In line with the possible dilution of their interest in CDS, Enersis could see reduced its position to interfere in the main corporate decisions of IDS and CDS
- **In a hypothetical scenario in which ELA directly capitalizes the Credits of CDS and other terms and conditions of the Capitalization Agreement remain the same, Enersis could see reduced its indirect participation in CDS to an 11%**

(1) 2013 figures according to the preliminary financial statements of CDS handed by the Company, still subject to approval by the shareholders of CDS

(2) USDARS official exchange rate of 6.521 as of December 31, 2013

(3) We understand that this amount arises from the disposal of equity value of CDS / IDS (negative ~ USD 34 million) and the reversal for conversion differences (negative ~ USD 7 million))

CONTEXT OF THE PROPOSED OPERATION FOR ENERSIS

ii. Strategic Considerations of the Proposed Operation for Enersis

4b

Positioning of Enersis in Argentina

- Enersis is a relevant player in the Argentinean electricity market, with an important role in the generation and distribution activities
 - In generation, has a 14.4% of the Argentinean installed capacity⁽¹⁾, through Hidroeléctrica El Chocón, Endesa Costanera y CDS
 - In distribution, 2013 Enersis sales in Argentina represented a 14.5% of the total electricity distribution sales in the country⁽¹⁾, through its subsidiary Edesur, which supplies the south of Buenos Aires
- Currently, Enersis is an indirect shareholder of CDS with ~ 40% of ownership
 - With the Proposed Operation, Enersis would be keeping the same ownership within the framework of an operation (coordinated with all CDS shareholders) to restore CDS's equity
- Additionally, Argentinean operations represent 8.8% of Enersis total 2013 EBITDA⁽²⁾
- As part of this context, Enersis's specific decision whether to participate or reject the Proposed Operation should consider the Company's comprehensive strategy regarding its operations in Argentina

Enersis Market Share in Argentina's Generation Installed Capacity as of June 2014⁽¹⁾



- Total installed capacity in Argentina:** 31,427 MW
- ENI's installed capacity in Argentina:** 4,522 MW
 - Hidroeléctrica El Chocón: 1,328 MW
 - Endesa Costanera: 2,324 MW
 - CDS: 870 MW

Enersis Market Share in Argentina's Electricity Sales 2013⁽¹⁾



- Total electricity sales in Argentina:** 125,220 GWh
- Edesur sales:** 18,137 GWh

Enersis EBITDA 2013 Breakdown by Country⁽³⁾



- Total Enersis 2013 EBITDA:** CLP 2,251 billion (USD 4,299 million⁽³⁾)
- Enersis EBITDA in Argentina:** CLP 201 billion (USD 384 million⁽³⁾)

(1) Source: Cammesa and Company's public documents

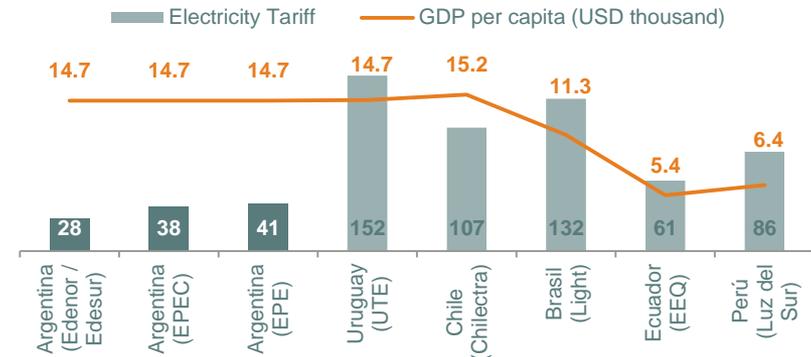
(2) Source: the Company

(3) Exchange Rate : USDCLP 523.76, as of December 31 of 2013. Source: Banco Central de Chile

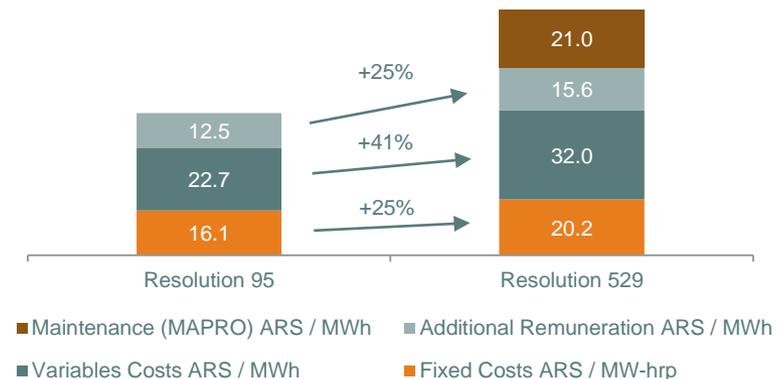
Potential Upside in the Power Generation Sector in Argentina

- In the 90s, the power generation sector in Argentina was ruled by a market based system, based on margin costs (“*sistema marginalista*”)
- During the 2000s, the crisis in Argentina had several consequences on the power generation sector in the country, including an intervention to the marginal system. Consequently, the profitability of companies of the sector plunged
- As a result of the government intervention, in 2012 Argentina had one of the lowest electricity price in the region (see figure, as a % of per capita GDP)
- Starting in year 2013, the system was replaced by one based on average cost for power generation, providing several additional revenues (resolution 95)
- One year later, the prices were upgraded, through the resolution 529, almost by the yearly inflation, including a new revenue source that was to compensate for higher maintenance costs (see figure)
- The recent measures that have been implemented in the Argentine power sector do not correspond to a market based marginal system (which currently operates in other countries in the region such as Chile, Peru and Colombia) it still could provide a more favorable regulatory environment for the sector, based on a transition to a cost plus approach, which could positively affect future results of power generation companies operating in Argentina

Per Capita GDP⁽¹⁾ (USD Th) y Electricity Price⁽²⁾ (m USD - KWh)



Price Increase for the Combined Cycle Between Resolution 95 and 529 ⁽³⁾



(1) Per capita GDP: World Bank, current dollars (2012)

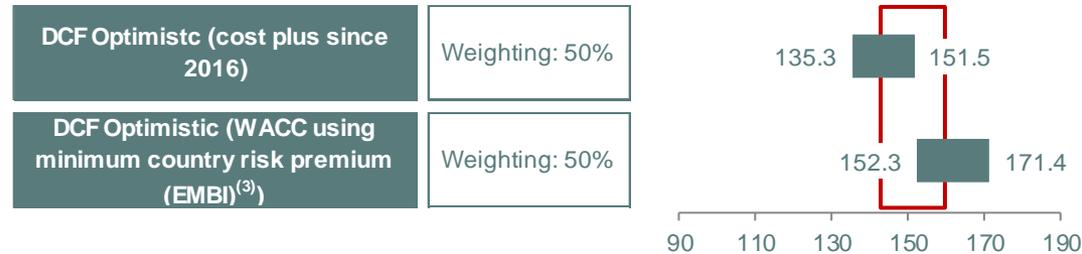
(2) Source: Montamat & Asociados with market data. Data as of 2012

(3) Source: the Company. The increase in the remuneration is based in the applicable price bracket to a combined cycle of similar characteristics to that of CDS

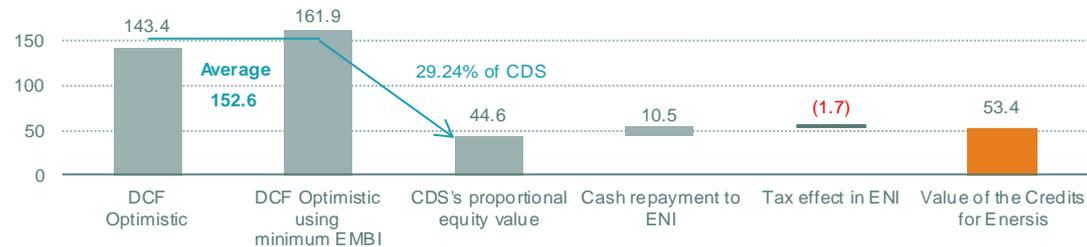
Possible Re-valuation of CDS Assets under Optimistic Scenarios

- CDS plant is located in the center of Buenos Aires, with half of its life still to operate (until year 2027)
- In the last 3 years, CDS has generated at least 3,900 GWh per year⁽¹⁾, and has presented an average target availability exceeding the average of the combined cycle power plants in Argentina⁽²⁾
- The tariff change dictated by the resolution 529 represents an improvement over the previous resolution, which has reflected an improvement in the financial results of CDS
- If in the medium term the current situation improves, there could be a possible re-valuation of the assets of CDS
- For reference, to reflect a potential upside of the assets, in the optimistic scenario analyzed (based on a more favorable compensation scheme according to Enersis estimations), the value of the assets of CDS would range between USD 143.8 and 161.5 million (between a 127% and 130% higher than the value range defined in this Report)
- In turn, the value of the Credits in this optimistic scenario would be in a range between USD 50.8 and 56.0 million (between 141% and 137% higher than the value range defined in this Report, respectively)

Equity Value of CDS in Optimistic Scenario (USD million)



Value of the Credits in Optimistic Scenario (USD million)



Evolution of the quarterly EBITDA of CDS (ARS million)



(1) Source: the Company

(2) The combined cycle of CDS has presented an average target availability between 2010 and 2012 of 90.5%. The average for the centrals for the same period is 84.8%. Source: Cammesa

(3) WACC considering as country risk the lowest EMBI of Argentina of the last 5 years

APPENDICES

5

Applicable Remunerations

Resolution 95 and 529

- The applicable remunerations of resolution 95 and 529 are as follow:

Remunerations by Fixed and Variable Costs and Higher Maintenance

Resolution	95	529
Starting year	February 2013	February 2014
Fixed costs remuneration		
ARS / MW-hrp		
Gas turbine (GT)	48.00	70.00
Steam turbine (ST)	44.00	59.40
Combined cycle (CC)	31.00	38.80
Hydroelectric (HI)	17.00	21.30
Variable costs remuneration		
ARS / MWh		
GT - ST natural gas	19.00	26.80
GT - ST liquid fuels	33.25	46.90
CC natural gas	19.00	26.80
CC liquid fuels	33.25	46.90
HI	17.00	21.30
Maintenance remuneration (MAPRO)		
ARS / MWh		
GT	-	24.00
ST	-	24.00
CC	-	21.00
HI	-	-

Additional Remunerations

Resolution	95	529
Starting year	February 2013	February 2014
Additional remuneration		
Trust		
ARS / MWh		
GT	3.75	4.70
ST	5.00	6.20
CC	5.00	6.20
HI	36.00	36.00
Direct payment to generators		
ARS / MWh		
GT	8.75	10.90
ST	7.50	9.40
CC	7.50	9.40
HI	54.00	54.00

Trading Multiples

Companies of the Argentine Power Sector

- For obtaining implicit trading multiples, a sample of companies listed on the stock exchange related to Argentine energy sector were used
- For the Referential Valuation the multiple EV / EBITDA 2014E⁽¹⁾ and EV / EBITDA LTM⁽²⁾ was used
 - Proposed range for multiple EV / EBITDA 2014E: between 6.12 and 6.62 times (6.37 times median +/- 0.25)
 - Proposed range for multiple EV / EBITDA UDM: between 6.43 and 6.93 times (6.68 times median +/- 0.25)

Company	Market Cap	Enterprise Value	Installed capacity	Daily traded volume	Daily traded volume LTM / Market Cap	EV / EBITDA			EV / Sales			EV / MW	P / Earnings			P / B
	USD m n	USD m n	MW	USD miles		LTM	2014E	2015E	LTM	2014E	2015E	USD m n	LTM	2014E	2015E	
Pampa Energía	975	1,358	2,217	660	0.07%	5.6 x	22.5 x	21.2 x	2.0 x	2.1 x	2.0 x	0.6 x	NA	NA	NA	3.9 x
Central Puerto	563	563	1,795	41	0.01%	15.2 x	NA	NA	6.3 x	NA	NA	0.3 x	14.2 x	NA	NA	3.3 x
Endesa Costanera	173	389	2,324	120	0.07%	5.2 x	NA	NA	2.8 x	NA	NA	0.2 x	NA	NA	NA	NA
Capex	198	426	672	4	0.00%	6.7 x	NA	NA	3.9 x	NA	NA	0.6 x	NA	NA	NA	1.6 x
Edenor	867	1,012	NA	535	0.06%	NA	NA	NA	2.4 x	2.2 x	2.0 x	-	NA	NA	NA	16.2 x
Transener	260	367	NA	139	0.05%	12.7 x	6.2 x	5.6 x	2.6 x	2.6 x	2.2 x	-	53.4 x	NA	29.1 x	4.6 x
YPF	25,385	29,514	800	2,448	0.01%	8.1 x	6.5 x	5.4 x	2.2 x	1.8 x	1.5 x	36.9 x	27.7 x	23.8 x	14.8 x	3.3 x
Petrobras Argentina	2,365	2,555	826	278	0.01%	4.8 x	3.7 x	3.1 x	1.2 x	1.0 x	0.8 x	3.1 x	14.1 x	10.4 x	11.3 x	1.6 x
Average						8.3x	9.8x	8.8x	2.9x	1.9x	1.7x	7.0x	27.3x	17.1x	18.4x	4.9x
Median						6.7x	6.4x	5.5x	2.5x	2.1x	2.0x	0.6x	20.9x	17.1x	14.8x	3.3x

(1) Multiple determined based on projected 2014 EBITDA of each company

(2) Multiple determined based on the EBITDA of each company in the last twelve months to June 2014

(3) Source: Capital IQ. Data as of September 26, 2014

Financial Summary of CDS

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Summarized Income Statement (ARS million)

	2010	2011	2012
Revenues	1,125	1,411	1,043
EBITDA ⁽¹⁾	186	291	58
% revenues	16.5%	20.6%	5.5%
EBIT ⁽²⁾	125	232	-10
% revenues	11.2%	16.5%	-0.9%
Non operating income ⁽³⁾	-77	-99	-180
Net income before tax	48	133	-189
Net income after tax	23	76	-140
% revenues	2.0%	5.4%	-13.4%

Summarized Balance Sheet (ARS million)

	2010	2011	2012
Cash and banks	33	35	4
Temporary investments	29	44	91
Sales credits	207	249	216
Other credits	48	37	31
Inventories	1	1	1
Current assets	318	365	344
Sales credits	107	223	299
Other credits	52	42	86
Properties	759	783	800
Permanent participations in societies	0	0	0
Non current assets	917	1,048	1,185
Total assets	1,235	1,413	1,528
Commercials	161	132	216
Banks and financials	587	674	1,033
Remunerations and social charges	5	7	9
Fiscal	33	33	6
Current liabilities	786	846	1,264
Banks and financials	215	190	0
Fiscal	9	61	63
Other debts	70	84	110
Non current liabilities	294	336	173
Total liabilities	1,080	1,182	1,437
Paid capital		356	356
Retained net income		-125	-265
Total equity	155	231	91
Total liabilities and equity	1,235	1,413	1,528

(1) Revenues – Operating costs – Selling expenses + Depreciation

(2) Revenues – Operating costs – Selling expenses

(3) Financial result + Others revenues / (expenses) + Rescue of Preferred Shares Effect

(4) Source: the Company. The financial statement for the year 2013 are not included as they have not been approved yet by the shareholders of CDS

Answers to Questions from Mr. Rafael Fernández M., Director of Enersis

Question N° 1

- I require to know whether, for purposes of determining the relevant market value for Enersis of the Credits that ELA has against CDS, you have evaluated the Shares Subscription Agreement in Enersis S.A. (*Contrato de Suscripción de Acciones en Enersis S.A.*), signed on March 2013 between Endesa, S.A. and Enersis, in relation to the prior existence of ELA's Credits against CDS
 - Answer: We have not evaluated the Shares Subscription Agreement in Enersis S.A. (*Contrato de Suscripción de Acciones en Enersis S.A.*) in relation to the prior existence of ELA's Credits against CDS, since we have considered that the Proposed Operation and the relevant market value of the Credits are independent of such agreement and of Enersis' Capital Increase

Question N° 2

- I require to know whether, for purposes of determining the relevant market value for Enersis of the Credits that ELA has against CDS, you have evaluated the Shares Subscription Agreement in Enersis S.A. (*Contrato de Suscripción de Acciones en Enersis S.A.*), signed on March 2013 between Endesa, S.A. and Enersis, in relation to clause 6.4.d) of such agreement and the pledge of the shares of Central Dock Sud, IDS' only asset
 - Answer: We have considered that the Proposed Operation and the relevant market value of the Credits are independent of the Shares Subscription Agreement in Enersis S.A. (*Contrato de Suscripción de Acciones en Enersis S.A.*), dated March 2013. In the event Enersis considers that is entitled to request compensation in relation to such agreement and in particular to clause 6.4.d), and decides to enforce such actions, in our opinion it would constitute a separate action to the Proposed Operation, not affecting the relevant market value of the Credits

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