

ENDESA AMÉRICAS S.A.

Independent Appraiser report on the merger between Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A.

August 5th, 2016

M\$ - Chilean pesos in thousands

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INDEPENDENT APPRAISER REPORT ON THE MERGER BY INCORPORATION BETWEEN ENERSIS AMÉRICAS S.A., ENDESA AMÉRICAS S.A. AND CHILECTRA AMÉRICAS S.A.

Santiago, August 5th, 2016

Directors and Shareholders
Endesa Américas S.A.

I Scope of the report

This independent Appraiser report is issued in connection with the proposed merger by incorporation of Endesa Américas S.A. and Chilectra Américas S.A. into Enersis Américas S.A., with the objective of:

- a) Obtaining an independent view on the reasonableness of the merged pro-forma balance sheet as at June 30th, 2016 that has been prepared by the Management of Enersis Américas S.A. and the adjustments made to reflect the capital increase based on the share exchange ratio determined by the Independent Appraiser, in compliance with Chile legislation.
- b) Determine the share exchange ratio of the shares of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. and the number of new shares to be issued by Enersis Américas S.A., which should be delivered in exchange for each of the shares of Endesa Américas S.A. and Chilectra Américas S.A. once the merger is consummated.

II Background information

The following documents have been used as a basis for the determining the merged pro-forma balance sheet as at June 30th, 2016, the share exchange ratio and the number of shares to be issued by Enersis Américas S.A. for the shares of Endesa Américas S.A. and Chilectra Américas S.A.:

- The essential facts of the merger communicated to the Superintendencia de Valores y Seguros (SVS) on May 6th, 2016 by Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A.
- Minutes from the board meetings (N° 07/2016) of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. held on May 6th, 2016.
- Minutes from the Extraordinary Shareholders' Meeting of Enersis Américas S.A. on December 18th, 2015.
- Minutes from the Extraordinary Shareholders' Meeting of Endesa Américas S.A. on December 18th, 2015.
- Minutes from the Extraordinary Shareholders' Meeting of Chilectra Américas S.A. on December 18th, 2015.
- Consolidated interim financial statements of Enersis Américas S.A. as at June 30th, 2016, audited by EY Chile.
- Consolidated interim financial statements of Endesa Américas S.A. as at June 30th, 2016, audited by EY Chile.

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- Consolidated interim financial statements of Chilectra Américas S.A. as at June 30th, 2016, audited by EY Chile.
- Spreadsheets with of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A., with consolidation adjustments and other adjustments made in order to generate the merged pro-forma balance sheet as at June 30th, 2016.
- Consolidation spreadsheets of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. and their respective subsidiaries.
- Share exchange ratio proposed by the Board of the Companies dated on November 24th, 2015, in accordance to the provisions of the fourth paragraph of Article No. 156 of the Regulation of Share Corporations and the corresponding provisions of the General Rule No. 30 issued by the Superintendence of Share Corporations and Insurance Companies (“SVS”). The Board of Directors of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. proposed a share exchange ratio of 2.8 shares of Enersis Américas for each share of Endesa Américas and 5.0 Enersis Américas shares for each share of Chilectra Américas.
- Valuation report of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A., prepared by PwC Chile.

III Criteria considered in determining the book equity value of the merged company

The Extraordinary Shareholders’ Meetings of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. will decide whether or not to approve the merger by incorporation of Endesa Américas S.A. and Chilectra Américas S.A. into Enersis Américas S.A. Should the merger be approved, all the assets, liabilities, rights and obligations of Endesa Américas S.A. and Chilectra Américas S.A. will be incorporated into Enersis Américas S.A., which will then become the legal and reporting entity of Endesa Américas S.A. and Chilectra Américas S.A.

In view of the aforementioned and as required for the purposes of the merger, I have reviewed the pro-forma balance sheet of Enersis Américas S.A. that has been prepared by Management assuming that the merger will be approved (Annex I) and which incorporates the assets, liabilities, rights and obligations of Endesa Américas S.A. and Chilectra Américas S.A. at their book values as at June 30th, 2016. The aforementioned pro-forma balance sheet is attached in Annex I and is based on the version prepared by Management, but includes an adjustment resulting from the difference between the share exchange ratio proposed by the Board and the share exchange ratio determined by the Independent Appraiser. The adjustment to the share exchange ratio does not impact Enersis Americas S.A.’s total merged shareholders’ equity.

The above is based on the interim financial statements of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. as at June 30th, 2016, audited by EY Chile, who issued an unqualified opinion on July 27th, 2016.

The consolidated financial statements of Enersis Americas S.A. as at June 30th, 2016 audited EY Chile, include all the assets and liabilities of Endesa Américas S.A. and Chilectra Américas S.A. at that date. The non-controlling interests in Endesa Américas S.A. and Chilectra Américas S.A. that does not belong to Enersis Américas S.A. is disclosed within shareholders’ equity as Minority Shareholders’ Interest.

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IV Pro-forma values of the merger at June 30th, 2016

In relation to the assets, liabilities and equity included in the pro-forma balance sheet of Enersis Américas S.A. (refer to Annex I), I am able to report that the value of these assets, liabilities and equity equate to the values included in the financial statements of the absorbed companies (Endesa Américas S.A. and Chilectra Américas S.A.) as at June 30th, 2016, audited by EY Chile, and include the appropriate consolidation and merger adjustments (see Annex I).

The interim consolidated balance sheets used in the preparation of the merged balance sheet pro-forma included in Annex I are the responsibility of the Companies' management.

The Independent Appraiser has carried the following procedures with regards to the merged pro-forma balance sheet:

- a) Verify the amounts of the assets, liabilities and equity included in the merged pro-forma balance sheet from each company involved in the merger, to the interim financial statements as at June 30th, 2016 audited by EY Chile.
- b) Verify the sum of the asset and liability values in the absorbed companies' financial statements as at June 30th, 2016, to the sum of assets and liabilities included in the pro-forma interim balance sheet.
- c) Verify that the necessary intercompany transactions and investments in the absorbed companies are eliminated and duly explained by Company's management in the notes of the pro-forma balance sheet.
- d) Verify that the non-controlling interests in Endesa Américas S.A. and Chilectra Américas S.A., are included in the minority shareholders' interest in Enersis Américas S.A.
- e) Ensure that the adjustments to the consolidated financial statements of Enersis Américas S.A. (resulting from the merger) to arrive at merged pro-forma balance sheet, are properly explained by the Company's management.

Based on the aforementioned, I am able to conclude that the financial information presented in Annexes III, IV and V, represent the entirety of the assets and liabilities of Endesa Américas S.A. and Chilectra Américas S.A. that are included in the merged pro-forma balance sheet of Enersis Américas S.A. (Annex I).

V Considerations regarding the share exchange ratio

The Board of Directors of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. held on November 24th, 2015 proposed a share exchange ratio of 2.8 shares of Enersis Américas for each share of Endesa Américas and 5.0 Enersis Américas shares for each share of Chilectra Américas.

To determine the share exchange ratio of the companies involved, I have used as a reference the results of the economic valuation of the equity of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. at June 30th, 2016, prepared by PwC Chile (see Annex VII), in addition to the information provided by the Management of each company that I considered relevant to the issuance of this report. The economic valuations of Chilectra Américas S.A. and Enersis Américas S.A. at June 30th, 2016 include the impact of a distribution of an extraordinary dividend to be paid by Chilectra Américas in 2016 for a total of CLP M 120,000, prior to the merger being legally consummated. The proposed dividend will be submitted by the Board of Directors for approval by the Chilectra Américas S.A.'s Extraordinary Shareholders' Meeting that is scheduled to analyse the merger. The proposed dividend is not reflected in the audited financial statements of Chilectra Américas S.A. and Enersis Américas at June 30th, 2016.

In consideration of the aforementioned dividend, the Companies' management informed us that the Board of Directors of Enersis Américas S.A. will propose a modified share exchange ratio to the Extraordinary Shareholders' Meeting of 4.0 Enersis Américas shares for each share of Chilectra Américas.

Based on the review of this Independent Appraiser in view of the abovementioned merger by incorporation, the share exchange ratios determined by me based on the Economic Valuation report of Enersis Américas, Endesa Américas and Chilectra Américas prepared by PwC Chile (Annex VI), are as follows:

- 2.5979 (two point five nine seven nine) shares of Enersis Américas S.A. for each share of Endesa Américas S.A.
- 3.2431 (three point two four three one) shares of Enersis Américas S.A. for each share of Chilectra Américas S.A.

Based on the share exchange ratio determined by this Independent Appraiser, the shares to be issued in exchange are as follows:

	Enersis Américas	Endesa Américas	Chilectra Américas
Controlling shareholder (Enel)	29,762,213,531	4,919,488,794	1,140,277,555
Minority shareholders	19,330,559,231	3,282,265,786	10,464,606
Total number of shares	49,092,772,762	8,201,754,580	1,150,742,161
Share exchange ratio for Enersis shares		2.5979	3.2431
Number of new Enersis Américas shares to be issued		8,527,100,484	33,937,653
Total number of new Enersis Américas shares to be issued	8,561,038,137		

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The above will require an increase in the number of shares and share capital based on the market value of the new shares to be issued by Enersis Américas, since each share of Endesa Américas S.A. and Chilectra Américas S.A. will be replaced by shares of Enersis Américas S.A. based on the share exchange ratio proposed at the Extraordinary Shareholders' Meeting.

This merger is subject to the terms of the resolutions adopted at the aforementioned Extraordinary Shareholders' Meeting of the companies, particularly with regard to compliance of the suspensive condition that refers to the right of withdrawal that could be exercised by the shareholders of Enersis Américas SA, Endesa Américas SA and Chilectra Américas S.A. as a result of the merger, limiting those withdrawals to 10.0%, 10.0% and 0.91% respectively, as well as to the extent that the right to withdraw of Enersis Américas S.A. does not lead to any shareholder exceeding the maximum concentration of 65% shareholding of Enersis Américas S.A. post-merger.

VI Legal, tax, and accounting considerations

The merger by incorporation of Enersis Américas S.A. RUT No. 94271000-3, (surviving company), Endesa Américas S.A., RUT No. 76536351-9 and Chilectra Américas S.A., RUT No. 76532379-7 (absorbed companies), will materialize and be perfected once approved by the respective Extraordinary Shareholders' Meetings to be held to analyze the merger and compliance of all formalities required by the relevant legal standards.

VII Conclusion

This Independent Appraiser declares that I have reviewed the reasonableness of the consolidated pro-forma balance sheet of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. as at June 30th, 2016, originally prepared by the Companies' management, in addition to the attestation report prepared by EY Chile (with respect to the consolidated balance sheet of Enersis Américas S.A. and its subsidiaries), and declare that the pro-forma balance sheet is consistent with the notes and with the accounting standards applied by Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A., detailed in the interim consolidated financial statements as at June 30th, 2016 for the purpose of this merger.

In the opinion of the Independent Appraiser:

- A share exchange ratio of 2.5979 shares of Enersis Américas S.A. for each share of Endesa Américas S.A. as outlined in Annex II, is a reasonable basis for determining the amount of new shares to be issued by Enersis Américas S.A. to those minority shareholders who do not exercise the right of withdrawal.
- An exchange ratio of 3.2431 shares of Enersis Américas S.A. for each share of Chilectra Américas S.A. as outlined in Annex II, is a reasonable basis for determining the amount of new shares to be issued by Enersis Américas S.A. to those minority shareholders who do not exercise the right of withdrawal.

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In my capacity as an Independent Appraiser, I have calculated the exchange ratio of shares of Endesa Américas S.A. and Chilectra Américas S.A. for each share of Enersis Américas S.A., based on the economic valuation of the companies performed by PwC Chile (Annexes II and VI, respectively).

For the information and consideration of the respective Boards of Directors and Shareholders of the companies, the consolidated balance sheet of the merger between Endesa Américas S.A. and Chilectra Américas S.A. into Enersis Américas S.A. as at June 30th, 2016 is included in Annex I (adjusted by the Independent Appraiser). Additionally, we have included the interim consolidated balance sheets of these companies, which were obtained from the interim consolidated financial statements of these companies, audited by EY Chile that are included in Annexes III, IV and V.

VIII Independent Appraiser declaration

The signing Independent Appraiser of this report declares that:

- i) According to Article No. 168 of the Regulation of Share Corporations, the Independent Appraiser is responsible for all the findings contained within this report; and
- ii) This report has been prepared in accordance with the provisions of Article No. 156 of the Regulation of Share Corporations; and
- iii) This report has been made available to the management of Endesa Américas S.A. before being sent to the board of directors.

This report is for the exclusive use and knowledge of management, the board of directors and shareholders of Endesa Américas S.A. and has been prepared with the aforementioned single objective and, therefore, should not be used for any other purpose without the express knowledge of the Independent Appraiser.



Colin S. Becker

Chilean Identification N° 14.583.193-8

ANNEX I

Pro-forma balance sheet resulting from the merger between Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. as at June 30th, 2016, as adjusted by the Independent Appraiser

The English version of this consolidated pro-forma balance sheet is provided solely for the convenience of non-Spanish readers as a free translation from the Spanish language original, which is the official and binding version.

ENERSIS AMERICAS S.A. AND ITS SUBSIDIARIES
Pro Forma Statement of Financial Position as of June 30, 2016

(In thousands of Chilean pesos)

Assets	Enersis Américas Consolidated Historical M\$ (1)	Less: Desconsolidation of Chilectra Américas, Endesa Américas and consolidation adjustments M\$ (2)	Enersis Américas Combined M\$ (3)	Chilectra Américas Consolidated M\$ (4)	Endesa Américas Consolidated M\$ (5)	Consolidation Adjustments M\$ (6)	Note	Enersis Américas Consolidated Historical M\$ (7)	Pro-Forma Adjustments M\$ (8)	Note	Pro Forma Enersis Américas Merged M\$ (9)
Current Assets											
Cash and equivalents	1,113,569,619	(133,223,343)	980,346,276	19,585,660	113,637,683	-		1,113,569,619	-		1,113,569,619
Other current financial assets	142,620,909	(3,351,615)	139,269,294	20,656	3,330,959	-		142,620,909	-		142,620,909
Other current non-financial assets	89,840,199	(8,182,421)	81,657,778	-	8,182,421	-		89,840,199	-		89,840,199
Trade and other current receivables	1,189,121,678	(228,346,902)	960,774,776	25,417	228,027,444	294,041	(i)	1,189,121,678	-		1,189,121,678
Account receivables from related parties	144,502,911	53,209,545	197,712,456	16,145,750	66,707,642	(136,062,937)	(i)	144,502,911	-		144,502,911
Inventories	75,897,505	(27,095,115)	48,802,390	-	27,095,115	-		75,897,505	-		75,897,505
Current tax assets	87,722,866	(3,044,045)	84,678,821	1,557,509	1,486,536	-		87,722,866	-		87,722,866
Current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners	2,843,275,687	(350,033,896)	2,493,241,791	37,334,992	448,467,800	(135,768,896)		2,843,275,687	-		2,843,275,687
TOTAL CURRENT ASSETS	2,843,275,687	(350,033,896)	2,493,241,791	37,334,992	448,467,800	(135,768,896)		2,843,275,687	-		2,843,275,687
NON-CURRENT ASSETS											
Other non-current financial assets	609,738,969	(1,491,012)	608,247,957	-	1,491,012	-		609,738,969	-		609,738,969
Other non-current non-financial assets	88,622,505	(1,130,895)	87,491,610	-	1,130,895	-		88,622,505	-		88,622,505
Trade and other non-current receivables	350,128,561	(218,201,571)	131,926,990	-	218,201,571	-		350,128,561	-		350,128,561
Non-current account receivables from related parties	270,698	-	270,698	-	-	-		270,698	-		270,698
Investments accounted for using the equity method	31,241,693	1,587,466,011	1,618,707,704	504,243,419	534,850,522	(2,626,559,952)	(ii)	31,241,693	-		31,241,693
Intangible assets other than goodwill	1,153,454,168	(31,531,661)	1,121,922,507	-	31,531,661	-		1,153,454,168	-		1,153,454,168
Goodwill	479,483,670	(264,848,570)	214,635,100	-	96,566,275	168,282,295	(iii)	479,483,670	-		479,483,670
Property, plant and equipment	5,024,807,458	(2,632,392,915)	2,392,414,543	-	2,632,392,915	-		5,024,807,458	-		5,024,807,458
Deferred tax assets	137,434,192	(15,792,255)	121,641,937	60,489	15,731,766	-		137,434,192	-		137,434,192
TOTAL NON-CURRENT ASSETS	7,875,181,914	(1,577,922,868)	6,297,259,046	504,303,908	3,531,896,617	(2,458,277,657)		7,875,181,914	-		7,875,181,914
TOTAL ASSETS	10,718,457,601	(1,927,956,764)	8,790,500,837	541,638,900	3,980,364,417	(2,594,046,553)		10,718,457,601	-		10,718,457,601

ENERSIS AMERICAS S.A. AND ITS SUBSIDIARIES
Pro Forma Statement of Financial Position as of June 30, 2016
(In thousands of Chilean pesos)

EQUITY AND LIABILITIES	Enersis Américas Consolidated Historical M\$	Less: Desconsolidation of Chilectra Américas, Endesa Américas and consolidation adjustments M\$	Enersis Américas Combined M\$	Chilectra Américas Consolidated M\$	Endesa Américas Consolidated M\$	Consolidation Adjustments M\$	Note	Enersis Américas Consolidated Historical M\$	Pro-Forma Adjustments M\$	Note	Pro Forma Enersis Américas Merged M\$
	(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)		(9)
CURRENT LIABILITIES											
Other current financial liabilities	819,420,506	(250,675,372)	568,745,134	389,761	250,285,611	-		819,420,506	-		819,420,506
Trade and other current payables	1,396,855,255	(268,343,809)	1,128,511,446	205,621	268,138,188	-		1,396,855,255	18,499,833	(a)	1,415,355,088
Accounts payable to related parties	40,131,196	70,221,572	110,352,768	549,710	59,695,554	(130,466,836)	(i)	40,131,196	-		40,131,196
Other current provisions	103,068,360	(41,732,172)	61,336,188	3,595	41,728,577	-		103,068,360	-		103,068,360
Current tax liabilities	68,867,984	(43,364,451)	25,503,533	-	43,364,451	-		68,867,984	-		68,867,984
Other current non-financial liabilities	35,420,253	(1,806,926)	33,613,327	-	1,806,926	-		35,420,253	-		35,420,253
Current liabilities other than liabilities included in disposal groups classified as held for sale	2,463,763,554	(535,701,158)	1,928,062,396	1,148,687	665,019,307	(130,466,836)		2,463,763,554	18,499,833		2,482,263,387
TOTAL CURRENT LIABILITIES	2,463,763,554	(535,701,158)	1,928,062,396	1,148,687	665,019,307	(130,466,836)		2,463,763,554	18,499,833		2,482,263,387
NON-CURRENT LIABILITIES											
Other non-current financial liabilities	1,964,388,249	(925,445,179)	1,038,943,070	-	925,445,179	-		1,964,388,249	-		1,964,388,249
Trade and other non-current payables	293,476,435	(35,396,432)	258,080,003	-	35,396,432	-		293,476,435	-		293,476,435
Non-current accounts payable to related parties	-	5,302,060	5,302,060	-	-	(5,302,060)	(i)	-	-		-
Other long-term provisions	237,782,799	(58,871,199)	178,911,600	-	58,871,199	-		237,782,799	-		237,782,799
Deferred tax liabilities	226,689,740	(150,982,120)	75,707,620	-	150,982,120	-		226,689,740	-		226,689,740
Non-current provisions for employee benefits	206,274,254	(22,515,863)	183,758,391	-	22,515,863	-		206,274,254	-		206,274,254
Other non-current non-financial liabilities	19,085,817	(17,730,977)	1,354,840	-	17,730,977	-		19,085,817	-		19,085,817
TOTAL NON-CURRENT LIABILITIES	2,947,697,294	(1,205,639,710)	1,742,057,584	-	1,210,941,770	(5,302,060)		2,947,697,294	-		2,947,697,294
TOTAL LIABILITIES	5,411,460,848	(1,741,340,868)	3,670,119,980	1,148,687	1,875,961,077	(135,768,896)		5,411,460,848	18,499,833		5,429,960,681
EQUITY											
Issued capital	3,575,339,010	-	3,575,339,010	137,790,702	778,936,764	(916,727,466)	(iv)	3,575,339,010	970,393,673	(b)	4,545,732,683
Retained earnings	2,148,192,728	-	2,148,192,728	530,028,911	1,329,144,560	(1,859,173,471)	(iv)	2,148,192,728	-		2,148,192,728
Share premium	-	-	-	212,082	120,497,065	(120,709,147)	(iv)	-	-		-
Other reserves	(1,976,890,178)	-	(1,976,890,178)	(127,541,482)	(946,124,191)	1,073,665,673	(iv)	(1,976,890,178)	(470,740,232)	(c)	(2,447,630,410)
Equity attributable to owners of parent	3,746,641,560	-	3,746,641,560	540,490,213	1,282,454,198	(1,822,944,411)		3,746,641,560	499,653,441		4,246,295,001
Non-controlling interests	1,560,355,193	(186,615,896)	1,373,739,297	-	821,949,142	(635,333,246)	(v)	1,560,355,193	(518,153,274)	(d)	1,042,201,919
TOTAL EQUITY	5,306,996,753	(186,615,896)	5,120,380,857	540,490,213	2,104,403,340	(2,458,277,657)		5,306,996,753	(18,499,833)		5,288,496,920
TOTAL EQUITY AND LIABILITIES	10,718,457,601	(1,927,956,764)	8,790,500,837	541,638,900	3,980,364,417	(2,594,046,553)		10,718,457,601	-		10,718,457,601

Below are presented an extraction of the notes to the consolidated pro-forma balance sheet that were provided by the management of Enersis Américas S.A.:

1. Historical Enersis Américas

Corresponds to consolidated historical, audited financial information of Enersis Américas S.A. and its subsidiaries as at June 30th, 2016.

2. Deconsolidation of Chilectra Américas and Endesa Américas and consolidation adjustments

Corresponds to deconsolidation of the Chilectra Américas S.A. and Endesa Américas S.A groups as at June 30th, 2016, including the related consolidation adjustments.

3. Enersis Américas combination

Represents the consolidation of Enersis Américas S.A. (parent company) with its subsidiaries and the following subgroups: Grupo Distrilima, Grupo Enel Brasil, Grupo Codensa, Grupo Dock Sud, Grupo Caboblanco, Edesur, Generalima, Cemsa and Compañía Eléctrica Veracruz S.A., recorded as investments in associate companies of Enersis Américas S.A. in the Chilectra Américas group, the Endesa Américas group, Grupo Generandes Perú and Grupo Emgesa, using the equity method.

4. Consolidation of Chilectra Américas

Corresponds to the consolidated financial information of Chilectra Américas S.A. and its subsidiaries as at June 30th, 2016, audited and presented to Superintendencia de Valores y Seguros (SVS).

5. Consolidation of Endesa Américas

Corresponds to the consolidated financial information of Endesa Américas S.A. and its subsidiaries as at June 30th, 2016, audited and presented to Superintendencia de Valores y Seguros (SVS).

6. Consolidation adjustments

- (i) Elimination of intercompany balances of Enersis Américas with Chilectra Américas S.A. and Endesa Américas S.A.;
- (ii) Elimination of investments accounted under the equity method, belonging to companies consolidated under Enersis Américas, reported by Chilectra Américas and Endesa Américas as at June 30th, 2016, as well as the elimination of investments in related companies recorded under the equity method, of Chilectra Américas, Endesa Américas, Generandes Perú and Emgesa;
- (iii) Reclassification of goodwill amounts belonging to companies consolidated under Enersis Américas, which have been recognized as part of the carrying amount of investments accounted for using the equity method in Chilectra Américas and Endesa Américas;
- (iv) Elimination of the consolidated equity of Chilectra Américas and Endesa Américas;
- (v) Recognition of the non-controlling interests of Enersis Américas in the consolidated equities of Chilectra Américas and Endesa Américas, neto of the non-controlling interests recorded directly in Enersis Américas.

7. Consolidation of Enersis Américas

Corresponds to consolidated historical financial information of Enersis Américas S.A. and its subsidiaries as at June 30th, 2016, audited and presented to Superintendencia de Valores y Seguros (SVS). (Please refer to Point N°1)

8. Merger adjustments

For the purposes of preparing the pro-forma consolidated financial statement of Enersis Américas S.A. as at June 30th, 2016, management has considered assumptions that have resulted in certain accounting adjustments in order to prepare the pro-forma financial information ("merger adjustments"), which have been reflected in the merged pro-forma balance sheet. Preparation of the pro-forma financial information is based on the current available information and also considers the use of certain estimations in determining the pro-forma adjustments. The management of Enersis Américas S.A. considers that both the assumptions and the estimates used to prepare the pro-forma financial information, provide a reasonable basis for presenting the significant impacts related to the merger.

The principal adjustments and assumptions determined by management are described below:

(a) Trade Accounts Payable and Other Current Accounts Payable

Corresponds to (potential) tax payable of "Enersis Américas" resulting from the transfer of investments that Chilectra Américas S.A. and Endesa Américas S.A. hold in Peru. Under the *Income Tax Law (Ley del Impuesto a la Renta)* in Peru, this tax would be payable because of the transfer of the Peruvian shares of Chilectra Américas S.A. and Endesa Américas S.A. to Enersis Américas S.A., and is calculated on the difference between the sale value and the acquisition cost of those shares.

Concepts		June 30th, 2016
Taxes payable due to transfer of investments - Peru	USD	27,971,986.21
Currency exchange ratio (\$/USD)		661.37
Tax payable due to increased taxable amount	CLPk	18,499,833

(b) Issued Capital

Represents an increase in the capital related to the shares that will be issued by Enersis Américas (at the relevant share exchange ratios) to Endesa Américas and Chilectra Américas at the time that the merger takes place. The amount of the capital increase has been determined based on an Enersis Américas share price of \$ 113.35 per share as at June 30th, 2016, which would be received by the shareholders of Endesa Américas and Chilectra Américas at the time the merger is consummated. The share exchange ratios determined by the Independent Appraiser are 2.5979 of Enersis Américas shares for each share of Endesa Américas and 3.2431 Enersis Américas shares for each share of Chilectra Américas.

Concepts		June 30th, 2016
N° of shares of minority interests in Endesa Américas		3,282,265,786
Share exchange ratio of Enersis-Endesa		2.5979
N° of new shares of Enersis Américas		8,527,100,484
N° of shares of minority interests in Chilectra Américas		10,464,606
Share exchange ratio of Enersis-Chilectra		3.2431
N° of new shares of Enersis Américas		33,937,653
N° of total shares to be issued by Enersis		8,561,038,137
Closing share price of Enersis Américas (\$/acc.)		113.35
Total capital increase	CLPk	970,393,673

(c) Other reserves

Represents the difference between the capital increase in Enersis Américas and the carrying amount of the non-controlling interests that will form a part of the share capital in equity attributable to the

owners of Enersis Americas after the merger has taken place. The difference between the market value of the consideration received or paid and the amount at which the non-controlling interests have been recognized in equity attributable to shareholders of Enersis Américas has been adjusted for.

The table below summarizes the merger adjustments that have been recorded as Other Reserves:

Concepts	CLPk
Pooling-of-interest interest reserve	(452,240,399)
Tax payable due to transfer of investments -Peru (a)	(18,499,833)
Other Reserves	(470,740,232)

(d) Non- controlling Interests participation

Represents the elimination of the carrying amount of non-controlling interests that will become direct shareholders of Enersis Américas once the merger has taken place.

Concepts	CLPk
Share capital of Endesa Américas – controlling interests	1,282,454,198
Share participation of Enersis Américas (%)	40.020%
N° of new shares of Enersis Américas	513,238,170
Share capital of Chilectra Américas – controlling interests	540,490,213
Share participation of Enersis Américas (%)	0.9094%
N° of new shares of Enersis Américas	4,915,104
Non-controlling Interest Participation - Enersis Américas	518,153,274

9. Enersis Américas merged pro-forma financial information

Contains the consolidated financial information of Enersis Américas S.A. and its subsidiaries assuming the merger with Chilectra Américas and Endesa Américas was effective as at June 30th, 2016.

ANNEX II
Share exchange ratio determined by the Independent Appraiser at June 30th,
2016

The estimated equity of Enersis Américas S.A., Chilectra Américas S.A. and Endesa Américas S.A. at June 30th, 2016, as set out in the valuation report prepared by PwC Chile, was used to determine the share exchange ratio of the issue of Enersis Américas S.A. shares to the minority shareholders of Endesa Américas S.A. and Chilectra Américas S.A., as a baseline estimate.

Based on information provided by Management, the results of the valuation of the companies as at June 30th, 2016 estimated by PwC Chile, and considering Enersis Américas S.A. has issued, subscribed and paid **49,092,772,762** shares, Endesa Américas S.A. **8,201,754,580** shares and Chilectra Américas S.A. **1,150,742,161** shares, and the analysis performed within this Independent Appraiser report, the share exchange ratio is as follows:

Share exchange ratio

Share exchange ratio		Enersis Américas	Endesa Américas	Chilectra Américas
Equity value	(CLP k)	3,850,306,414	2,515,487,718	440,579,968
Ownership of Endesa Américas (59.980931%)	(CLP k)	1,508,812,964		
Ownership of Chilectra Américas (99.090621%)	(CLP k)	436,573,427		
Total Equity	(CLP k)	5,795,692,805	2,515,487,718	440,579,968
N° Shares	(N°)	49,092,772,762	8,201,754,580	1,150,742,161
Share price	(CLP/share)	118.06	306.70	382.87
Share exchange ratio - shares Enersis Américas (1)			2.5979	3.2431

(1) Refers to the number of shares of Enersis Américas that should be delivered to the non-controlling shareholders of Endesa Américas and Chilectra Américas as a result of the merger.

Note that the amount of shares indicated above is for reference purposes, so as to comply with the rules of the Companies Act and its regulations. The amount may be subject to variations depending on whether the shareholders exercise their right of withdrawal.

Based on the issued, subscribed and paid shares of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. at June 30th, 2016, and the valuation performed by PwC Chile, I conclude that in the event of merger between the companies, it is reasonable to apply an exchange ratio of **2.5979** shares of Enersis Américas S.A. for each share of Endesa Américas S.A. and **3.2431** Enersis Américas S.A. shares for each share of Chilectra Américas S.A.

Based on the share exchange ratio estimated by this Independent Appraiser at June 30th, 2016 and considering that Enersis Américas S.A. absorbs Endesa Américas S.A. and Chilectra Américas S.A., the minority shareholders of Endesa Américas S.A. and Chilectra Américas S.A. have **3,282,265,786** shares and **10,464,606** shares, respectively, to exchange. The number of shares that will be held by the minority shareholders of the merged company amounts to **8,561,038,137**, as shown in the following table:

Share exchange ratio and shareholder participation of post-merger Enersis Americas

Merger of Enersis Américas with Endesa Américas and Chilectra Américas	N° of shares	% Participation
Share exchange ratio of Enersis / Endesa	2.59793114	
Non-controlling shareholders of Endesa Américas	3,282,265,786	
Issue of new share (former non-controlling shareholders Endesa Américas)	8,527,100,484	14.7902%
Share exchange ratio of Enersis / Chilectra	3.24308943	
Non-controlling shareholders of Chilectra Américas	10,464,606	
Issue of new share (former non-controlling shareholders Chilectra Américas)	33,937,653	0.0589%
Enersis Américas shareholders	49,092,772,762	85.1510%
Total shares in merged Enersis Américas	57,653,810,899	100%
Total issue of new shares	8,561,038,137	
Closing share price of Enersis Américas at 30-06-2016 (CLP/share)	113.35	
Capital increase in Enersis Américas (CLP k)	970,393,673	

The closing share price at June 30th, 2016 has been used as a baseline to determine the capital increase in Enersis Américas S.A. and the number of total shares to be issued. This capital increase is reflected in the balance sheet pro-forma included in Annex I.

Based on the aforementioned results and assuming that none of the minority shareholders of Endesa Américas S.A. and Chilectra Américas S.A. exercise their withdrawal option, the following table sets out the shares that Enersis Américas S.A. shareholders will hold in the event of a merger:

Shareholders	N° of shares	Participation
Enersis controlling shareholder (Enel)	29,762,213,531	51.6223%
Enersis non-controlling shareholders	19,330,559,231	33.5287%
New shareholders (former non-controlling shareholders Endesa Américas)	8,527,100,484	14.7902%
New shareholders (former non-controlling shareholders Chilectra Américas)	33,937,653	0.0589%
Enersis Américas post-merger	57,653,810,899	100.0000%

The following table sets out the range of share exchange ratio shares that Enersis Américas S.A., Endesa Américas S.A. and Chilectra S.A., based on the sensitivity analysis of estimated equity of the Companies at June 30th, 2016, as set out in the valuation report prepared by PwC Chile.

Economic Value

As at 30 June 2016

		Enersis Américas		Endesa Américas		Chilectra Américas	
		Min.	Max.	Min.	Max.	Min.	Max.
DCF	Equity Value (USD M)	8,361	9,225	3,756	3,846	571	774
	Share price (CLP/share)	113	124	303	310	328	445
	Share exchange ratio			2.6892	2.4954	2.9143	3.5801
Market Multiple	Equity Value (USD M)	8,173	8,756	3,490	3,705	606	703
	Share price (CLP/share)	110	118	281	299	349	404
	Share exchange ratio			2.5558	2.5328	3.1657	3.4265
Market Cap	Equity Value (USD M)	7,087	8,667	3,453	3,901	773	776
	Share price (CLP/share)	95	117	278	315	444	446
	Share exchange ratio			2.9161	2.6942	4.6502	3.8202
Propose of Board Director to shareholders				2.8		4.0	

ANNEX III
Consolidated financial statements of Enersis Américas S.A. at June 30th, 2016

The English version of this balance sheet is provided solely for the convenience of non-Spanish readers as a free translation from the Spanish language original, which is the official and binding version.

ENERSIS AMÉRICAS S.A. AND SUBSIDIARIES

Interim Consolidated Statements of Financial Position at June 30, 2016

(In thousands of Chilean pesos)

ASSETS	30-06-2016 M\$
CURRENT ASSETS	
Cash and cash equivalents	1,113,569,619
Other current financial assets	142,620,909
Other current non-financial assets	89,840,199
Trade and other current receivables	1,189,121,678
Current accounts receivable from related companies	144,502,911
Inventories	75,897,505
Current tax assets	87,722,866
Total current assets other than assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	2,843,275,687
Non-current assets or groups of assets for disposal classified as held for sale	-
Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	-
TOTAL CURRENT ASSETS	2,843,275,687
NON-CURRENT ASSETS	
Other non-current financial assets	609,738,969
Other non-current non-financial assets	88,622,505
Trade and other non-current receivables	350,128,561
Non-current accounts receivable from related companies	270,698
Investments accounted for using the equity method	31,241,693
Intangible assets other than goodwill	1,153,454,168
Goodwill	479,483,670
Property, plant and equipment	5,024,807,458
Investment property	-
Deferred tax assets	137,434,192
TOTAL NON-CURRENT ASSETS	7,875,181,914
TOTAL ASSETS	10,718,457,601

ENERSIS AMÉRICAS S.A. AND SUBSIDIARIES

Interim Consolidated Statements of Financial Position at June 30, 2016

(In thousands of Chilean pesos)

LIABILITIES AND EQUITY	30-06-2016 M\$
CURRENT LIABILITIES	
Other current financial liabilities	819,420,506
Trade and other current payables	1,396,855,255
Current accounts payable to related companies	40,131,196
Other current provisions	103,068,360
Current tax liabilities	68,867,984
Other current non-financial liabilities	35,420,253
Total current liabilities other than those associated with groups of assets for disposal classified as held for sale	2,463,763,554
Liabilities associated with groups of assets for disposal classified as held for sale	-
TOTAL CURRENT LIABILITIES	2,463,763,554
NON-CURRENT LIABILITIES	
Other non-current financial liabilities	1,964,388,249
Trade and other non-current payables	293,476,435
Other long-term provisions	237,782,799
Deferred tax liabilities	226,689,740
Non-current provisions for employee benefits	206,274,254
Other non-current non-financial liabilities	19,085,817
TOTAL NON-CURRENT LIABILITIES	2,947,697,294
TOTAL LIABILITIES	5,411,460,848
EQUITY	
Issued capital	3,575,339,010
Retained earnings	2,148,192,728
Other reserves	(1,976,890,178)
Equity attributable to shareholders of Enersis	3,746,641,560
Non-controlling interests	1,560,355,193
TOTAL EQUITY	5,306,996,753
TOTAL LIABILITIES AND EQUITY	10,718,457,601

ANNEX IV
Consolidated financial statements of Endesa Américas S.A. at June 30th, 2016

The English version of this balance sheet is provided solely for the convenience of non-Spanish readers as a free translation from the Spanish language original, which is the official and binding version.

ENDESAAMÉRICAS S.A. AND SUBSIDIARIES

Interim Consolidated Statements of Financial Position at June 30, 2016

(In thousands of Chilean pesos)

ASSETS	30-06-2016 M\$
CURRENT ASSETS	
Cash and cash equivalents	113,637,683
Other current financial assets	3,330,959
Other current non-financial assets	8,182,421
Trade and other current receivables	228,027,444
Current accounts receivable from related companies	66,707,642
Inventories	27,095,115
Current tax assets	1,486,536
TOTAL CURRENT ASSETS	448,467,800
NON-CURRENT ASSETS	
Other non-current financial assets	1,491,012
Other non-current non-financial assets	1,130,895
Trade and other non-current receivables	218,201,571
Investments accounted for using the equity method	534,850,522
Intangible assets other than goodwill	31,531,661
Goodwill	96,566,275
Property, plant and equipment	2,632,392,915
Deferred tax assets	15,731,766
TOTAL NON-CURRENT ASSETS	3,531,896,617
TOTAL ASSETS	3,980,364,417

ENDESA AMÉRICAS S.A. AND SUBSIDIARIES**Interim Consolidated Statements of Financial Position
at June 30, 2016****(In thousands of Chilean pesos)**

LIABILITIES AND EQUITY		30-06-2016 M\$
CURRENT LIABILITIES		
Other current financial liabilities		250,285,611
Trade and other current payables		268,138,188
Current accounts payable to related companies		59,695,554
Other current provisions		41,728,577
Current tax liabilities		43,364,451
Other current non-financial liabilities		1,806,926
TOTAL CURRENT LIABILITIES		665,019,307
NON-CURRENT LIABILITIES		
Other non-current financial liabilities		925,445,179
Trade and other non-current payables		35,396,432
Other long-term provisions		58,871,199
Deferred tax liabilities		150,982,120
Non-current provisions for employee benefits		22,515,863
Other non-current non-financial liabilities		17,730,977
TOTAL NON-CURRENT LIABILITIES		1,210,941,770
TOTAL LIABILITIES		1,875,961,077
EQUITY		
Issued capital		778,936,764
Retained earnings		1,329,144,560
Share premium		120,497,065
Other reserves		(946,124,191)
Equity attributable to shareholders of Enersis		1,282,454,198
Non-controlling interests		821,949,142
TOTAL EQUITY		2,104,403,340
TOTAL LIABILITIES AND EQUITY		3,980,364,417

ANNEX V
Consolidated financial statements of Chilectra Américas S.A. at June 30th, 2016

The English version of this balance sheet is provided solely for the convenience of non-Spanish readers as a free translation from the Spanish language original, which is the official and binding version.

CHILECTRAAMÉRICAS S.A. AND SUBSIDIARIES

Interim Consolidated Statements of Financial Position at June 30, 2016

(In thousands of Chilean pesos)

ASSETS	30-06-2016 M\$
CURRENT ASSETS	
Cash and cash equivalents	19,585,660
Other current financial assets	20,656
Trade and other current receivables	25,417
Current accounts receivable from related companies	16,145,750
Current tax assets	1,557,509
TOTAL CURRENT ASSETS	37,334,992
NON-CURRENT ASSETS	
Investments accounted for using the equity method	504,243,419
Deferred tax assets	60,489
TOTAL NON-CURRENT ASSETS	504,303,908
TOTAL ASSETS	541,638,900
LIABILITIES AND EQUITY	30-06-2016 M\$
CURRENT LIABILITIES	
Other current financial liabilities	389,761
Trade and other current payables	205,621
Current accounts payable to related companies	549,710
Other current provisions	3,595
TOTAL CURRENT LIABILITIES	1,148,687
TOTAL LIABILITIES	1,148,687
EQUITY	
Issued capital	137,790,702
Retained earnings	530,028,911
Share premium	212,082
Other reserves	(127,541,482)
Equity attributable to shareholders of Enersis	540,490,213
TOTAL EQUITY	540,490,213
TOTAL LIABILITIES AND EQUITY	541,638,900

ANNEX VI
Valuation report on Enersis Américas, Endesa Américas and Chilectra Américas
as at June 30th, 2016

Deals & Valuations

Endesa Américas S.A.

Economic Valuation Report

*Strictly private and
confidential*

July 27th, 2016



Please note that this report is a translation of the original report issued in Spanish. In the event of doubt of misinterpretation, the information as provided in the Spanish report will prevail.

DC3 - Highly confidential information

Important message to any person not authorised to have access to this report

Should any unauthorized person obtain access to and read this report, by reading this report such person accepts and agrees to the following terms:

1. The reader of this report understands that the work performed by PwC Chile was performed in accordance with instructions provided by our addressee client and was performed exclusively for our addressee client's sole benefit and use.
2. The reader of this report acknowledges that this report was prepared at the direction of our addressee client and may not include all procedures deemed necessary for the purposes of the reader.
3. This report is a translation of the original report issued in Spanish.
4. The reader agrees that PwC Chile, its partners, employees and agents neither owe nor accept any duty or responsibility to it, whether in contract or in tort (including without limitation, negligence and breach of statutory duty), and shall not be liable in respect of any loss, damage or expense of whatsoever nature which is caused by any use the reader may choose to make of this report, or which is otherwise consequent upon the gaining of access to the report. Further, the reader agrees that this report is not to be referred to or quoted, in whole or in part, in any prospectus, registration statement, offering circular, public filing, loan, other agreement or document and not to distribute the report without PwC Chile's prior written consent.

Santiago, July 27th, 2016
Chairman of the Board and Shareholders
Endesa Chile S.A.



Empresa Nacional de Electricidad S.A.
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“Endesa” or the “Compañía”)
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Economic Valuation Report for Enersis Américas, Endesa Américas and Chilectra Américas

We are pleased to submit our report on the economic valuation of Enersis Américas, Endesa Américas and Chilectra Américas (collectively referred to as “the Group” and “the Companies”) as of 30 June 2016, relating to the generation, transmission and distribution businesses developed and operated by the different companies of the Group outside of Chile.

This report has been prepared in accordance with our letter of engagement dated 28 April 2016 and the attached terms and conditions. This report has been prepared solely for the purposes stated herein and should not be relied upon for any other purpose. This economic valuation is based on the financial projections provided by Management, prepared on information generated from internal operating models, to which PwC Chile did not have access to. However, PwC Chile did have access to Management’s technical teams and were able to analyse these financial projections.

Events and circumstances frequently do not occur as expected, so there could be differences between projected and actual results and those differences may be material. Accordingly, we express no opinion as to how close the actual results achieved correspond to those projected by the Group’s management, and assume no responsibility or accept any obligations of compliance with the projected results.

Yours faithfully

PricewaterhouseCoopers Chile

A handwritten signature in blue ink, appearing to read 'Colin', is written over the PricewaterhouseCoopers Chile logo.

Colin S. Becker - Partner

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Executive summary

Executive summary		5
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Scope and process

Term	Description
Scope of work	<ul style="list-style-type: none"> - The Board of Directors of Endesa Chile S.A. contracted PricewaterhouseCoopers Chile to prepare an economic valuation of the equity of Enersis Américas, Endesa Américas and Chilectra Américas (collectively referred to as the “Group”) at 30 June 2016. This economic valuation refers to the Group's generation, transmission and distribution operations outside of Chile. - This economic valuation is based on the financial projections provided by Group's Management, based on information generated from internal operating models, to which PwC did not have access. However, was able to analyse these financial projections in meetings with the Companies' technical teams. - It has been specifically understood and agreed in the Service Agreement that the Independent Expert is not responsible for verifying the integrity and accuracy of the information provided by the Company or the publicly available information used in the analysis and conclusions in the Report. The Independent Expert does not assume any responsibility related to errors or omissions that may exist in the information provided, or the impact that these errors or omissions could have directly or indirectly on the analysis or the conclusions.
General limiting conditions	<ul style="list-style-type: none"> - The economic valuation was prepared based on information provided in a virtual dataroom and included: Historical financial information, Macroeconomic assumptions, Budget 2016, Capex, Business plans and Financial projections, and certain operating information on new generation plants, concession termination and renewals, generating capacity, energy sold and tariffs. - Management coordinated presentations on the financial projections, capex, tax implications and were available to respond to queries and provide additional information as required. - In preparing the economic valuation, PwC Chile has relied upon the completeness, accuracy and fair presentation of all the financial information, data, advice, opinions or representations obtained by it from public sources, the Board and Management, as well as other parties (collectively, the “Information”), some of which is detailed above. The economic valuation is conditional upon such completeness, accuracy and fair presentation of the Information. PwC Chile has not independently verified the completeness, accuracy and fair presentation of the Information. - The economic valuation has been prepared on the basis of economic, financial and general business conditions existing on or about the Valuation Date. Management has provided financial projections based on their best understanding of current and expected business conditions.

Scope and process

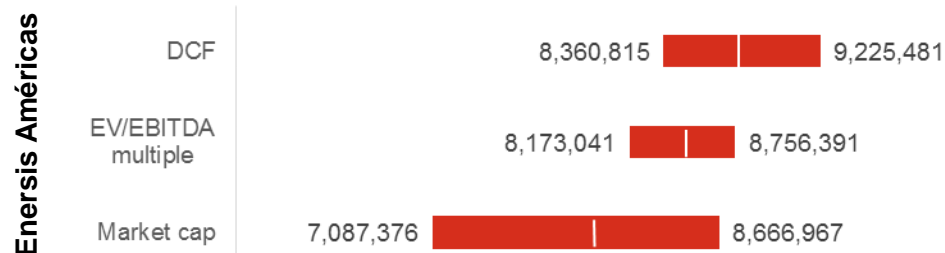
Term	Description
General limiting conditions (cont.)	<ul style="list-style-type: none"> - The Economic Valuation should be read in its entirety by the reader, as selecting and relying on only specific sections of the analyses or factors considered by PwC Chile could be misleading. Our Economic Valuation is based on the Transaction alone and does not refer to any activities subsequent to the Transaction. - PwC Chile's Economic Valuation is limited to the Transaction from a financial point of view and does not refer to the strategic merits of the Transaction. The Economic Valuation does not provide assurance that the best possible option for the Transaction was obtained. It represents an impartial expert judgment, not a statement of facts. - The Economic Valuation is prepared for the Board as one factor, among others, that the Board will consider in determining whether it deems the Transaction convenient. The Economic Valuation is not to be construed as a recommendation to Management, the Special Committee or the Board, as to how to vote on, or whether to proceed with the Transaction. - The Economic Valuation does not constitute a calculation, estimate or comprehensive valuation (also known as a valuation opinion) of the Group companies or its shares. - Nothing contained herein is to be construed as a legal interpretation, an opinion on any contract or document, or a recommendation to invest or divest. The individuals that prepared the Economic Valuation did so to the best of their knowledge, acting independently and objectively.
General aspects of the work	<ul style="list-style-type: none"> - The Group economic valuation is based on the sum of the corresponding investments in Generation, Transmission and Distribution operations in Peru, Colombia, Brazil and Argentina, under the DCF model and the unaudited financial statements at June 30th, 2016. - As instructed by the management of Chilectra Américas S.A. and Enersis Américas S.A., the economic valuation of these companies at 30 June 2016 also includes the impact of a distribution of an extraordinary dividend to be paid by Chilectra Américas in 2016 for a total of CLP M 120,000, before the merger is legally consummated. - The economic valuation is based on the operational cash flows from each of the operating companies controlled, either directly or indirectly by the Group. - The macroeconomic assumptions used in the financial projections include the relevant country's GDP, Inflation, Exchange rate and Commodity prices obtained from various sources (see section "Business overview and valuation results per country").

Scope and process

Term	Description
General aspects of the work (cont.)	<ul style="list-style-type: none"> - The financial projections consider periods that are consistent with the underlying concession periods and the operating capacity of each plant, and type of business in each market. - The financial projections related to the operations CIEN, Fortaleza, Cachoeira de Brasil and Chocón in Argentina, are projected to the end of the current concession periods that are expected not to be renewed. In the cases of CIEN and Cachoeira, the residual value is expected to be equivalent to the net book value of the assets at the end of the concession. - The financial projections related to Codensa include the E.E. Cundinamarca operations, as a result of the current merger of both companies that is expected will be completed by the end of 2016. - The financial projections only include those projects currently being developed or approved for start up or development during the projection period. All other potential projects are assumed to be net zero value projects. - The financial projections for each company are prepared in local currency. - In addition to the DCF method, a sample of comparable market multiples was obtained in order to corroborate values. These market multiples were obtained from MILA (Chile, Colombia y Peru) and Latam. - The EV/EBITDA multiple was selected to compare the DCF values. - The market cap values of Enersis Américas, Endesa Américas and Chilectra Américas were obtained in order to compare DCF values, considering that the share price began trading on the Santiago Stock Exchange in April 2016 for Endesa and Enersis, respectively, and in June 2016 for Chilectra Américas. - A sensitivity analysis has been prepared for the DCF valuation based on a maximum and minimum scenario through the adjustment of the growth and discount rates by business. For the maximum scenario a 0.2% increase was considered to the long-term growth rate for the distribution business in Colombia and Peru and for the distribution and transmission Business in Brazil. This sensitivity analysis also considers a 0.6% decrease in the local discount rate in the referred Business, as an improvement on the economic perspectives of those countries would normally imply a lower risk of the Business, thereby lower discount rates. For the minimum scenario, a 0.8% decrease in the long-term growth rate was considered for the distribution and transmission Business in Brazil, while holding unchanged the real long-term growth rate for Colombia and Peru of 0%. This decrease in the growth rate in Brazil relates to the actual high volatility in the growth of the economy. A 0.6% increase on the local discount rate in Brazil for the transmission Business and the distribution business in Brazil, Colombia and Peru were also considered in this scenario. - The sensitivity analysis was prepared considering an adjustment of +/- 0.2x to the EV/EBITDA multiples. Market cap sensitivity considers the change of the Group share price from the beginning of stock trading up until June 30th, 2016.

Economic value

Enersis Américas, Endesa Américas and Chilectra Américas

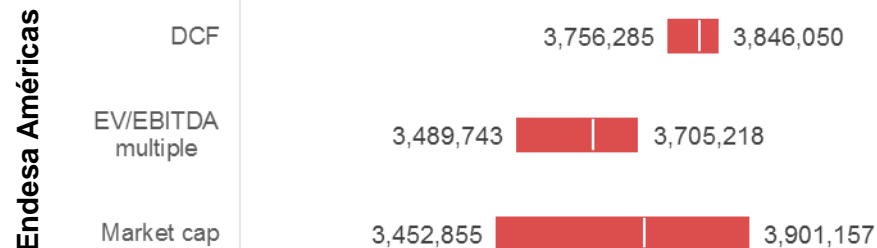


The charts to the left illustrate the economic valuation of Enersis Americas, Endesa Americas and Chilectra Americas based on the DCF, EV/EBITDA multiple and market cap methodologies, under the base scenario:

DCF: USD 8,763,163 k

EV/EBITDA multiple: USD 8,464,716 k

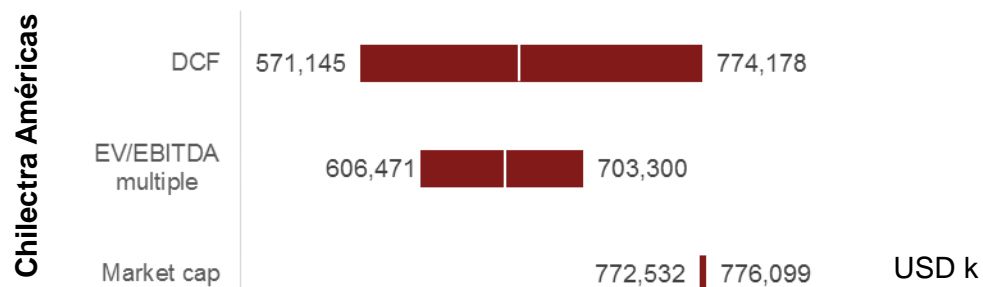
Market cap: USD 8,125,363 k



DCF: USD 3,803,450 k

EV/EBITDA multiple: USD 3,597,480 k

Market cap: USD 3,678,025 k



DCF: USD 666,163 k

EV/EBITDA multiple: USD 654,885 k

Market cap: USD 775,758 k

Economic value

Enersis Américas, Endesa Américas and Chilectra Américas

The table below sets out the economic valuation of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. (in USD and in Chile currency equivalent considering a FX rate of CLP 661.37/USD). The economic valuation includes the investments in Generation, Transmission and Distribution in Brazil, Argentina, Colombia and Peru.

<i>(USD in k)</i>	Enersis Americas	Endesa Americas	Chilectra Americas
Net cash ⁽¹⁾	1,244,981	61,663	(136,081)
Investments ⁽²⁾	7,730,653	3,644,030	822,203
Total Equity	8,975,634	3,705,693	686,123
Corporate cost adjustment ⁽³⁾	(308,492)	(34,243)	(36,960)
Other adjustments ⁽⁴⁾	96,020	132,000	17,000
Equity adjustments	(212,472)	97,757	(19,960)
Total adjusted equity	8,763,163	3,803,450	666,163
Total adjusted equity (CLP)	5,795,692,805	2,515,487,718	440,579,968

(1) Refers to cash & cash equivalent less financial debt as of 30 June 2016, as informed by Management. Cash & cash equivalents of Chilectra Américas consider CLP 120.000 M (equivalent to USD 181 M) in dividends to be distributed to its shareholders around September - October 2016.

(2) Refers to ownership interests that each company holds in Peru, Colombia, Brazil and Argentina. Enersis Americas investments includes Endesa Americas interests by USD 2,281,345 k (equivalent to 59.980931%) and Chilectra Americas interests by USD 660,105 k (equivalent to 99.090621%).

(3) Refers to NPV of projected corporate costs.

(4) Refers to economic compensation included in the share exchange ratio, for the incremental tax cost triggered in Peru. that will be borne by Enersis Americas and Chilectra Americas, as reported in the VDR and informed by Management. The amount corresponding to Enersis Americas relates to its investments in Endesa Americas (59.980931%) and Chilectra Americas (99.090621%).

Economic value

Enersis Américas, Endesa Américas and Chilectra Américas

The table below sets out the results of the economic valuation of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A. as at 30 June 2016, grouped by country:

(USD k)		Enersis Americas	Endesa Americas	Chilectra Americas
Country	Colombia	2,965,514	1,280,011	225,714
	Peru	2,662,747	1,581,512	218,905
	Brazil	2,053,707	730,547	372,061
	Argentina	48,687	51,960	5,524
Subtotal		7,730,653	3,644,030	822,203
Others	Net cash (1)	1,244,981	61,663	(136,081)
	Corporate costs allocation (2)	(308,492)	(34,243)	(36,960)
	Otros adjustments (3)	96,020	132,000	17,000
Total equity		8,763,163	3,803,450	666,163
Total equity (CLP k)		5,795,692,805	2,515,487,718	440,579,968

(1) Refers to cash & cash equivalent less financial debt as of 30 June 2016. Cash & cash equivalents of Chilectra Américas consider CLP 120.000 M (equivalent to USD 181 M) in dividends to be distributed to its shareholders around September - October 2016.

(2) Refers to NPV of projected corporate costs

(3) Refers to economic compensation included in the share exchange ratio, for the incremental tax cost triggered in Peru that will be borne by Endesa Americas and Chilectra Americas, as reported in the dataroom and informed by management. The amount corresponding to Enersis Américas relates to its investments in Endesa Américas (59.980931%) and Chilectra Américas (99.090621%).

Economic value (DCF)

Enersis Américas, Endesa Américas and Chilectra Américas

The table below sets out the results of the economic valuation of the investments of the Group per business line (Generation, Distribution, Transmission, and others), in USDk.

Company	Business line	WACC	Direct Investment		Endesa Americas (Direct and Indirect)		Chilectra Americas (Direct and Indirect)		Enersis Americas (Direct and Indirect)	
			Min	Max	Min	Max	Min	Max	Min	Max
Emgesa S.A.	Gx	10.94%	1,028,721	1,028,721	1,279,448	1,279,448	-	-	1,796,146	1,796,146
Codensa S.A.	Dx	10.27%	858,624	1,060,055	-	-	205,101	253,218	1,061,859	1,310,970
Sociedad Portuaria Central Cartagena S.A.	Other	9.88%	495	495	563	563	10	10	843	843
Colombia			1,887,839	2,089,271	1,280,011	1,280,011	205,111	253,228	2,858,848	3,107,959
Chinango S.A.C.	Gx	9.28%	66,861	66,861	197,555	197,555	-	-	185,357	185,357
Edegel S.A.	Gx	9.28%	468,272	468,272	1,383,600	1,383,600	-	-	1,298,168	1,298,168
Empresa Electrica De Piura S.A.	Gx	9.28%	201,729	201,729	-	-	-	-	201,729	201,729
Edelnor S.A.	Dx	8.67%	723,893	927,312	-	-	187,718	240,469	909,905	1,165,594
Inversiones Distrilima S.A.	Other	8.33%	20,304	20,304	-	-	8,766	8,766	28,990	28,990
Generandes Perú S.A.	Other	8.33%	228	228	357	357	-	-	442	442
Generalima S.A.	Other	8.33%	(78,733)	(78,733)	-	-	-	-	(78,733)	(78,733)
Empresa Electrica Caboblanco S.A.	Other	8.33%	8,212	8,212	-	-	-	-	8,212	8,212
Peru			1,410,768	1,614,187	1,581,512	1,581,512	196,484	249,234	2,554,070	2,809,760
Ampla Energia e Servicos S.A.	Dx	12.97%	162,622	270,747	62,555	104,146	131,673	219,220	330,618	550,441
Coelce S.A.	Dx	12.97%	373,249	464,231	180,645	224,678	54,820	68,182	535,923	666,557
C.G.T Fortaleza S.A.	Gx	13.71%	172,617	172,617	125,845	125,845	38,190	38,190	285,942	285,942
Cachoeira Dourada S.A.	Gx	13.71%	219,155	219,155	159,773	159,773	48,486	48,486	363,034	363,034
CIEN S.A.	Tx	12.57%	156,415	162,095	114,033	118,174	34,605	35,862	259,104	268,513
Enel Brasil S.A.	Holding	12.54%	(27,109)	(27,109)	(19,763)	(19,763)	(5,997)	(5,997)	(44,906)	(44,906)
En-Brasil Comercio e Serviços S.A.	Other	16.98%	82,696	82,696	60,295	60,295	18,291	18,291	136,986	136,986
Brazil			1,139,646	1,344,432	683,382	773,148	320,067	422,233	1,866,701	2,226,567
Hidroeléctrica El Chocón S.A.	Gx	25.86%	-	-	55,678	55,678	-	-	33,396	33,396
Southern Cone Power Argentina S.A.	Gx	25.86%	(0)	(0)	(13)	(13)	-	-	(8)	(8)
Endesa Costanera S.A.	Gx	25.86%	0	0	2,914	2,914	-	-	1,748	1,748
Endesa Cemsa S.A.	Other	29.51%	1,344	1,344	1,100	1,100	-	-	2,004	2,004
Central Dock Sud S.A.	Gx	25.86%	13,485	13,485	-	-	-	-	13,485	13,485
Edesur S.A.	Dx	24.88%	9,038	9,038	120	120	8,189	8,189	17,225	17,225
Yacilec S.A.	Tx	-	170	170	-	-	-	-	170	170
Transportadora de Energia del Mercosur S.A.	Tx	24.17%	(5,895)	(5,895)	(4,298)	(4,298)	(1,304)	(1,304)	(9,765)	(9,765)
Cía. de Transmisión del Mercosur S.A. (CTM)	Tx	24.17%	(6,076)	(6,076)	(4,430)	(4,430)	(1,344)	(1,344)	(10,065)	(10,065)
Distrilec S.A.	Holding	24.30%	(19)	(19)	(1)	(1)	(17)	(17)	(36)	(36)
Endesa Argentina S.A.	Other	24.30%	0	0	960	960	-	-	576	576
Hidroinvest S.A.	Other	24.30%	-	-	(70)	(70)	-	-	(42)	(42)
Argentina			12,047	12,047	51,960	51,960	5,524	5,524	48,687	48,687
Total			4,450,300	5,059,937	3,596,865	3,686,631	727,186	930,219	7,328,306	8,192,972

(1) For the Argentinian companies' valuation, only 50% of equity value has been assigned.

Results of the valuation

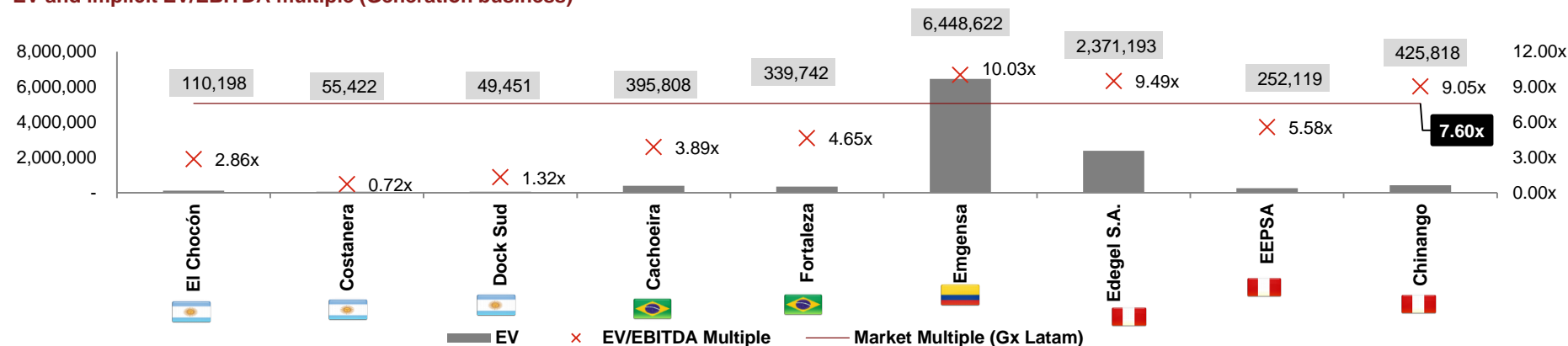
	Results of the valuation	13
3	Argentina	15
4	Brazil	30
5	Colombia	43
6	Peru	53

Economic valuation

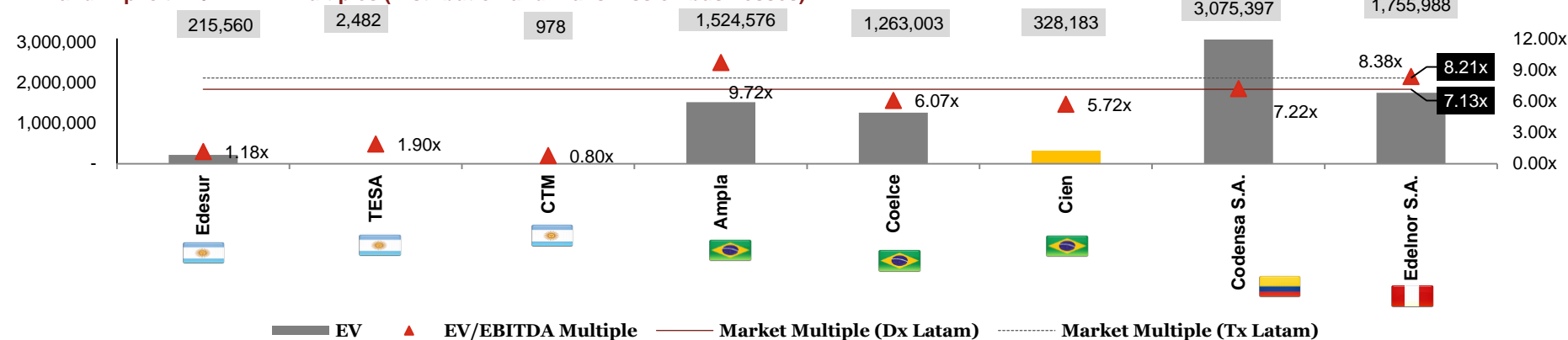
Enterprise Value of the companies by line of business

The following graphs show the enterprise value of companies operating in the generation, distribution and transmission businesses, based on the DCF model; the implied EV/EBITDA multiple and the comparative with the Latin America multiples (for more details, please refer to the description of each company).

EV and implicit EV/EBITDA multiple (Generation business)



EV and implicit EV/EBITDA multiples (Distribution and Transmission businesses)



Argentina

Economic valuation Argentina

The table below sets out the results of the economic valuation of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A.'s operations in Argentina as at 30 June 2016:

USD k

Country	Company	Line of business	Equity value	Equity value with 50% adjustment ⁽¹⁾	Direct Investment Enersis Américas	Investment Endesa Américas	Investment Chilectra Américas	Investment Enersis Américas
Argentina	Hidroeléctrica El Chocón S.A.	Gx	170,359	85,180	-	55,678	-	33,396
	Southern Cone Power Argentina S.A.	Gx	(27)	(13)	(0)	(13)	-	(8)
	Endesa Costanera S.A.	Gx	7,702	3,851	0	2,914	-	1,748
	Endesa Camsa S.A.	Gx	4,889	2,444	1,344	1,100	-	2,004
	Central Dock Sud S.A.	Gx	67,015	33,507	13,485	-	-	13,485
	Termoeléctrica Manuel Belgrano S.A.	Gx	-	-	-	-	-	-
	Termoeléctrica José de San Martín S.A.	Gx	-	-	-	-	-	-
	Central Vuelta de Obligado S.A.	Gx	-	-	-	-	-	-
	Edesur S.A.	Dx	48,106	24,053	9,038	120	8,189	17,225
	Yacilec S.A.	Tx	1,526	763	170	-	-	170
	Transportadora de Energía del Mercosur S.A. (Tesa)	Tx	(23,146)	(11,573)	(5,895)	(4,298)	(1,304)	(9,765)
	Cía. de Transmisión del Mercosur S.A. (CTM)	Tx	(23,857)	(11,929)	(6,076)	(4,430)	(1,344)	(10,065)
	Distrilec S.A.	Holding	(142)	(71)	(19)	(1)	(17)	(36)
	Inversora Dock Sud S.A.	Others	-	-	-	-	-	-
	Endesa Argentina S.A.	Others	1,920	960	0	960	-	576
	Sacme S.A.	Others	-	-	-	-	-	-
	Hidroinvest S.A.	Others	(145)	(73)	-	(70)	-	(42)
Total Argentina			254,200	127,100	12,047	51,960	5,524	48,687

(1) Considering the high degree of project uncertainty together with the serious economic challenges and currency restrictions, the resulting DCF in Argentina has been assigned a 50% discount for purposes of valuing the Group.

Description of the operations

Background

Economic perspectives

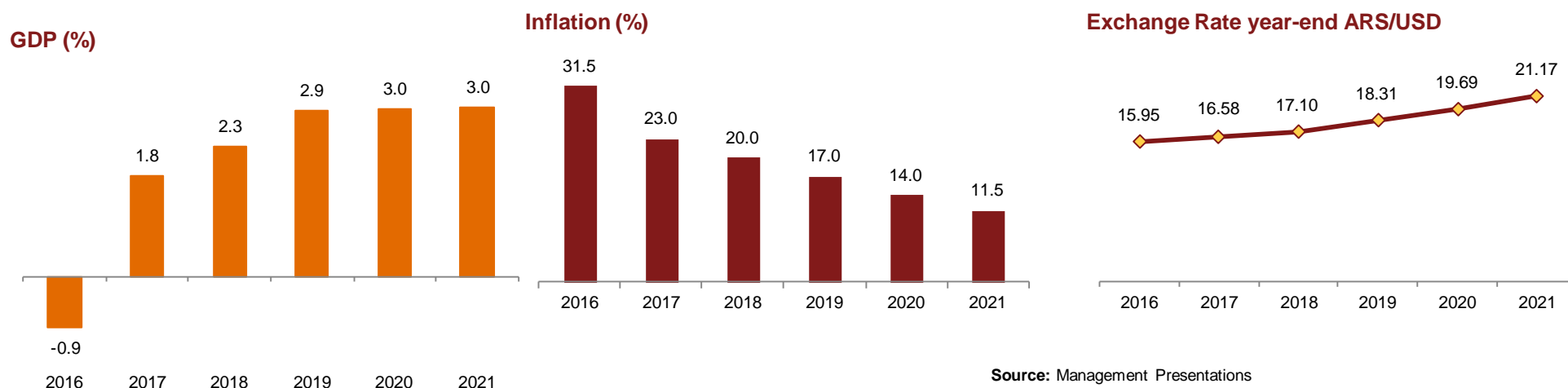
GDP growth projection for Argentina is -0.9% in FY16 and the expected annual average growth rate over the period 2017 – 2021 is 2.6%. Inflation is expected to be 31.5% in FY16, thereafter it is projected to decrease annually to 11.5% in FY21.

Energy Sector

In the Wholesale Electricity Market (MEM in Spanish) there are four categories of local agents (generators, transmitters, distributors and grand customers) and foreign agents (generation dealers and dealers on demand) whom are authorized to trade electricity and related products.

- The *generation business* is subject to a remuneration scheme based on average costs and obliges all energy generated to be delivered Compañía Administradora del Mercado Eléctrico Mayorista, S.A. (CAMMESA).
- The *transmission business* includes a number of companies that operate based on the concessions granted by the Federal Government grants.
- The *distribution business* operates through companies that are granted concessions and have the responsibility of delivering energy to the customers located in the concession area.

During December 2015, a national energy emergency was declared for a period of two years until December 2017. The Ministry of Energy has been instructed to implement measures in order to adjust the quality and security of the energy supply.



Description of the operations

Background

Current Regulatory Framework – Generation

According to the Resolution SEN N° 482/2015, all the generator agents of the MEM must be connected to the Sistema Nacional Interconectado (SIN) and are obliged to comply with the delivery order in order to generate and provide energy. All the energy is sold in the spot and future markets (*Mercado a Termino – MAT in Spanish*). Due to this resolution, the remuneration system of the generators that was in place since 2014 has now been updated.

The generation price is determined every 6 months by the Secretary of Energy (once the CAMMESA has made its spot price projections for the period under consideration) and any existing differences between the price and the real cost are compensated through a compensation fund.

Current Regulatory Framework – Distribution

Distribution companies have to supply all the electricity demand in the concession area exclusively at prices and conditions established by Regulation. Concessions' agreements include penalties in the event of a lack of supply.

Resolutions ENRE 6/2016 y 7/2016:

- Terminate the subsidies to the distribution business and designate new wholesale prices per consumption segment.
- Instruct the ENRE to increase the value added of distribution (VAD), set new tariffs with monthly payments. Create a Social Tariff and a Stimulation Plan for Consumption Savings (without affecting the VAD).
- Instruct the ENRE to conduct a comprehensive rate review (*RTI in Spanish*) in the period up until the end of 2016.

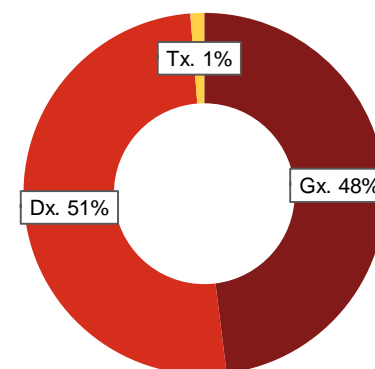
- The necessity to present an investments' plan (Resolutions ENRE 1/2016 y 2/2016).
- Fixed new rates with increases of between 250% and 500%, depending on the type of user and creation of a Social Tariff.

Financial performance Enersis Group

Total Group EBITDA from its operations in Argentina during FY15 amounted to ARS 2,352 million, 51% of which was from the Distribution business, 48% from the Generation business and 1% from the Transmission business.

The Group's distribution business has a presence in Argentina through Edesur, with total sales of 18,492 GWh and 2.5 million customers. The generation business operates through Hidroeléctrica El Chocón, Endesa Costanera and Central Dock Sud with a total installed capacity in hydropower and thermal power plants of 4,522 MW, during FY15.

EBITDA FY15 per business line



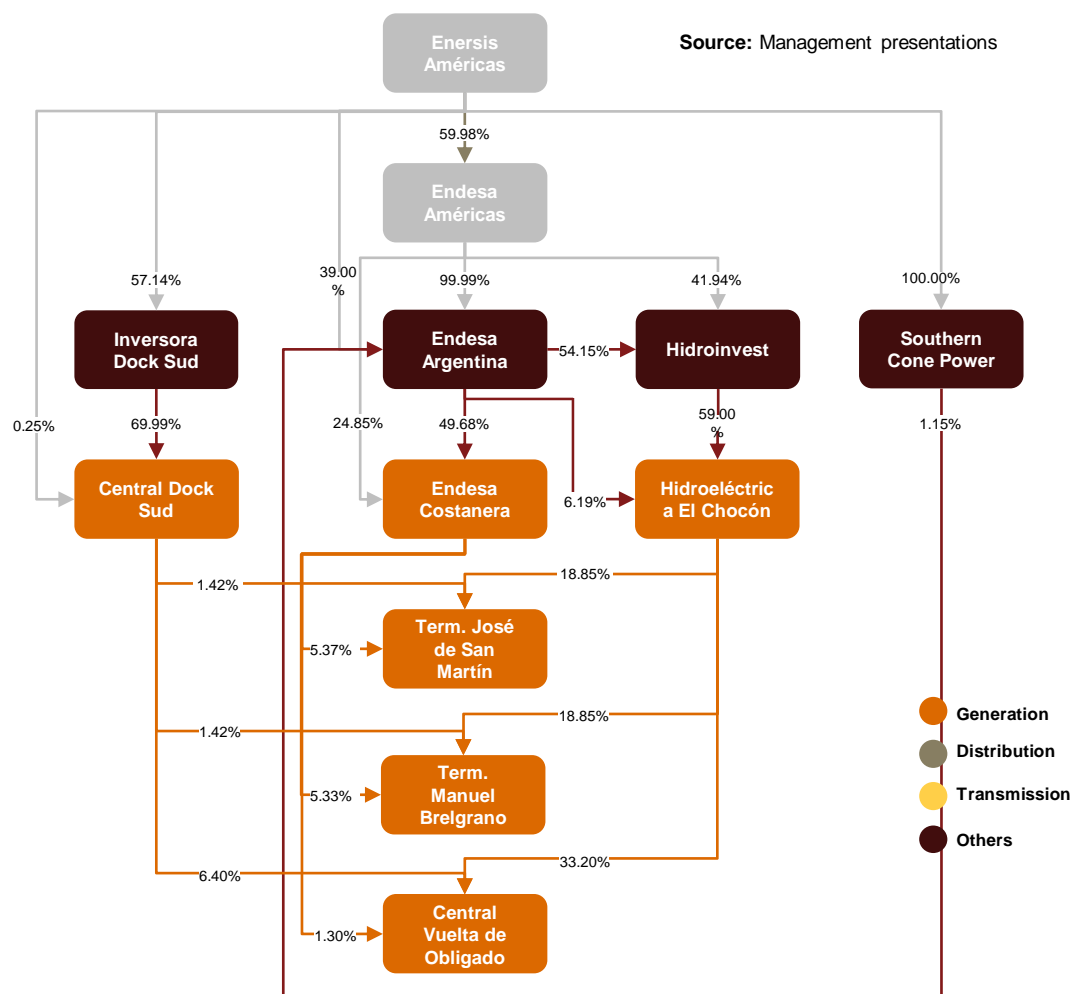
Source: PwC Analysis

Description of the operations

Generation Business

Ownership Structure

Source: Management presentations



The generation of electricity in Argentina is held through Endesa Costanera, Hidroeléctrica El Chocón and Central Dock Sud. These companies have a total installed capacity of 3,650 MW (representing 10.9% of market share).

Generation reached 11,406 GWh during FY15 (8.3% of total generation in Argentina).

Costanera and Chocón have ownership interests in companies that operate combined cycles through FONINVEMEN, and the project Vuelta de Obligado (VOSA), which are agreements with the Energy Secretary.

Installed Capacity (MW)	2014	2015
Endesa Costanera (combined cycle)	2,324	2,324
El Chocón (hydro)	1,328	1,328
Central Dock Sud	870	870
Total	4,522	4,522

Generation of Electrical Energy (GWh)	2014	2015
Endesa Costanera	6,972	8,167
El Chocón	2,632	3,239
Central Dock Sud	4,786	3,799
Total	14,390	15,205

Sales of Electrical Energy (GWh)	2014	2015
Endesa Costanera	7,051	8,168
El Chocón	3,391	3,801
Central Dock Sud	4,834	3,802
Total	15,276	15,771

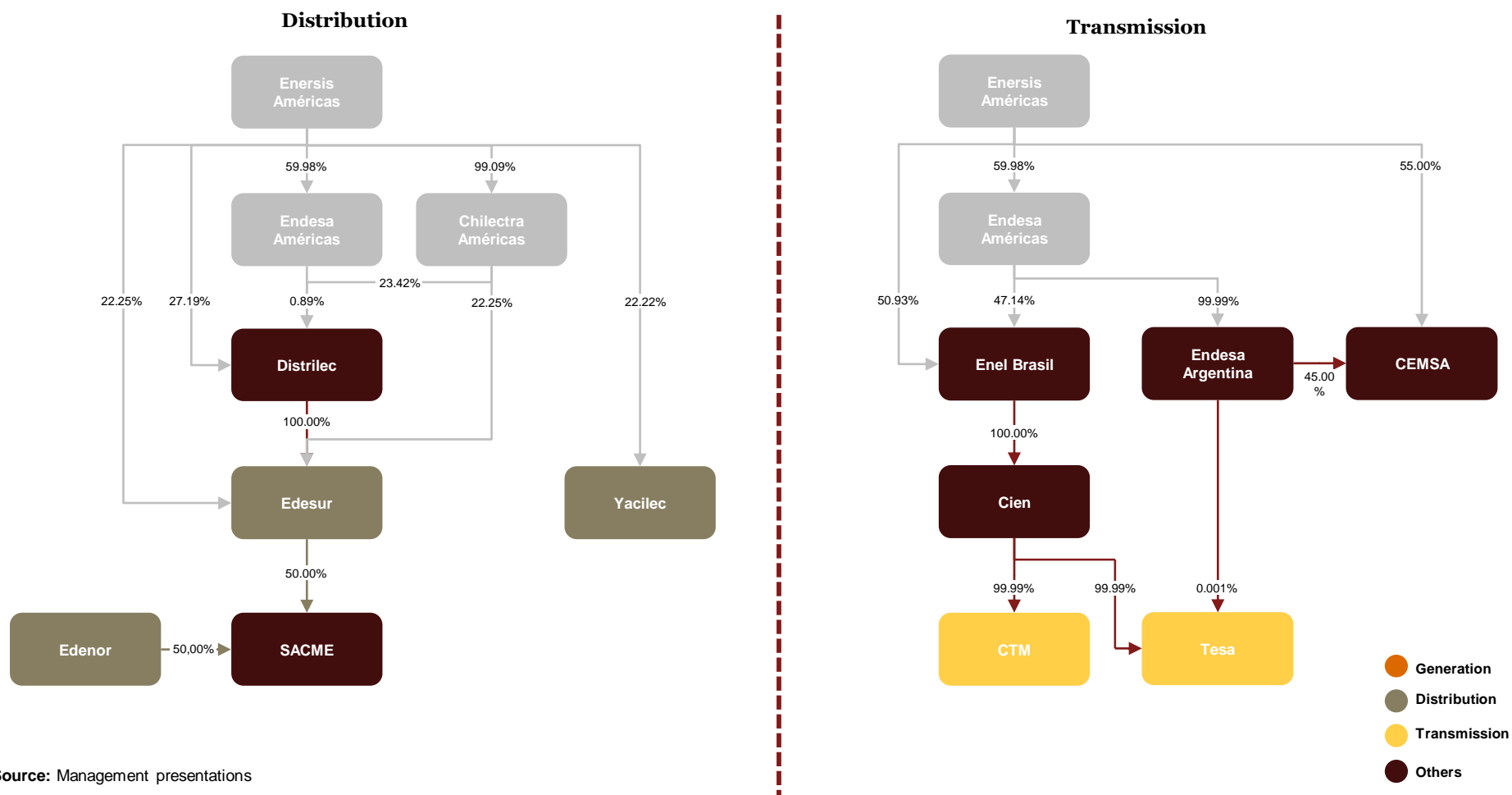
Source: Financial Statements FY14 and FY15

At present, the development of new projects is not being considered in Argentina.

Description of the operations

Distribution and Transmission Business

Ownership structure – Distribution and Transmission Business



Source: Management presentations

Description of the operations

Distribution and Transmission Business

Distribution Business

Edesur provides distribution and marketing services of electrical energy in the district of Buenos Aires and 12 additional districts of the Buenos Aires province, spanning 3,309 km², over a period of 95 years, starting on 31st August 1992.

Edesur customers amount to 2.5 million (15% of total customers in the country based on physical sales). It registered an energy losses index of 12.28% in FY15.

Operating Information	2014	2015
Electrical Energy Sales (GWh)	17,971	18,492
Total clients (k)	2,465	2,480
Annual rate of energy losses	10.76%	12.28%

Source: Company's Annual Reports FY14 and FY15

During the current year, the Edesur's receivables collectability amounted to 99.26%.

Transmission Business

For more information, please refer to the Operational background of the transmission business in Brazil.

Company overview

Hidroeléctrica El Chocón S.A.

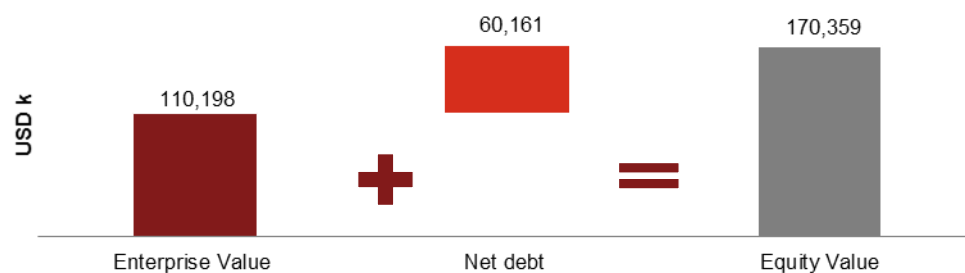


**Generation
Business**

ARG, k	FY2014	FY2015	6M2016
Operating revenues	429,394	565,035	341,273
% Gross Margin	72.1%	88.6%	89.0%
% EBITDA Margin	53.3%	72.0%	68.4%
% Net Income Margin	36.6%	272.0%	129.8%

ARG, k	30-jun-16
Total Net Debt	904,848
Total Net Debt, in USD	60,161

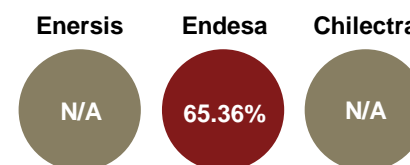
Equity Value



Exchange Rate ARS/USD 30-Jun-2016: 15.04

General information

Ownership



Operational background

Hidroeléctrica El Chocón S.A. (HECSA) generates hydro electrical energy (operates El Chocón and Arroyito, located on the Limay river).

The hydro electrical complex has a total installed capacity of 1,328 MW and includes El Chocón's plants that have an installed capacity of 1,200 MW (hydro electrical central with an artificial reservoir) and Arroyito that has an installed capacity of 128 MW. Both plants draw water from the Limay and Collón Curá rivers to generate the electricity.

Financial Assumptions

Description

Discount rate, nominal term, local currency	25.86%
Cash Flows Projection Period	2016 – 2023
End of concession	2023
Perpetual growth rate, g	N/A
CAGR % (5 years)	37.40%

Company overview

Endesa Costanera S.A.

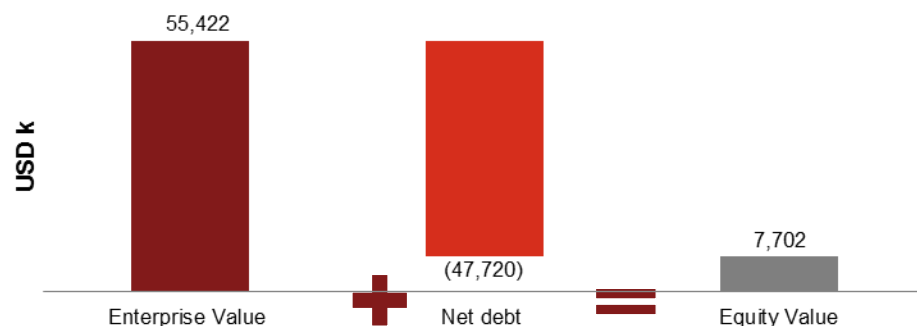


**Generation
Business**

ARG, k	FY2014	FY2015	6M2016
Operating revenues	1,070,066	1,424,523	943,748
% Gross Margin	91.0%	95.4%	95.0%
% EBITDA Margin	33.1%	37.7%	38.7%
% Net Income Margin	60.6%	-1.0%	-0.7%

ARG, k	30-Jun-16
Total Net Debt	(717,739)
Total Net Debt, in USD	(47,720)

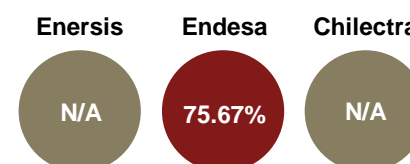
Equity Value



Exchange Rate ARS/USD 30-Jun-2016: 15.04

General information

Ownership



Operational background

This company is located in the city of Buenos Aires and owns 6 turbo vapor units for a total of 1,138 MW, which can be operated using natural gas and fuel oil. It also operates 2 combined cycles of 859 MW and 327 MW, respectively, with a total installed capacity of 2,324 MW.

During FY15 net generation amounted to 8,167 GWh and sold energy reached 8,168 GWh.

Financial Assumptions

Description	
Discount rate, nominal term, local currency	25.86%
Cash Flows Projection Period	2016 – 2023
End of concession	2023
Perpetual growth rate, g	N/A
CAGR % (5 years)	25.85%

Company overview

Central Dock Sud S.A.

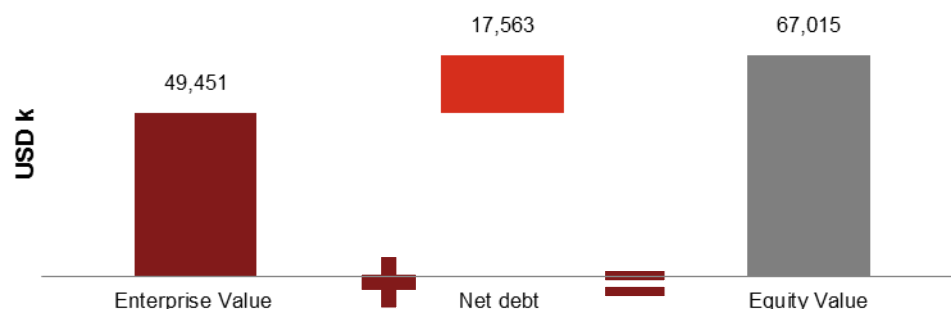


**Generation
Business**

ARG, k	FY2014	FY2015	6M2016
Operating revenues	876,704	988,171	1,154,905
% Gross Margin	43.2%	38.2%	26.8%
% EBITDA Margin	24.7%	20.7%	18.7%
% Net Income Margin	-39.2%	55.6%	13.3%

ARG, k	30-jun-16
Total Net Debt	264,160
Total Net Debt, in USD	17,563

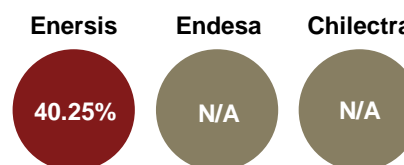
Equity Value



Exchange Rate ARS/USD 30-Jun-2016: 15.04

General information

Ownership



Operational background

Located in the neighborhood of Avellaneda, in the city of Buenos Aires, Dock Sud owns and operates two generating plants with a total capacity of 870 MW. Dock Sud's plant has four gas turbines and a steam turbine. Two of the gas turbines and the steam turbine include a combined cycle plant.

The energy generated by Dock Sud during 2015 was 3,799 GWh, contributing 2.8% to the system, while energy sales amounted 3,802 GWh, representing 2.9% of the country's total sales.

Financial Assumptions

Description

Discount rate, nominal term, local currency	25.86%
Cash Flows Projection Period	2016 – 2025
End of concession	2025
Perpetual growth rate, g	N/A
CAGR % (5 years)	11.98%

Company overview

Empresa Distribuidora Sur S.A. (Edesur)

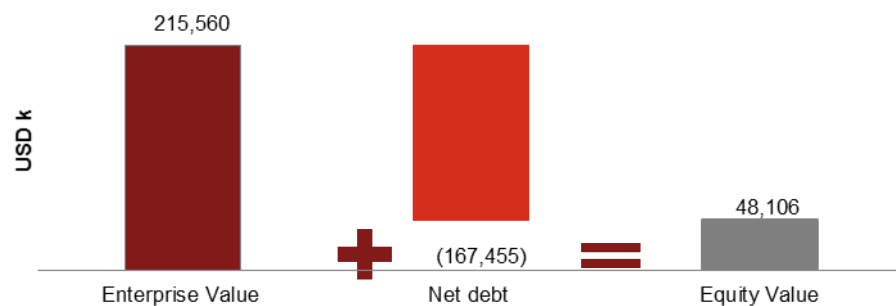


**Distribution
Business**

ARG, k	FY2014	FY2015	6M2016
Operating revenues	5,285,487	8,578,279	7,083,781
% Gross Margin	56.4%	74.0%	59.2%
% EBITDA Margin	-16.4%	13.9%	19.4%
% Net Income Margin	-23.1%	16.4%	-1.5%

ARG, k	30-jun-16
Total Net Debt	(2,518,601)
Total Net Debt, in USD	(167,455)

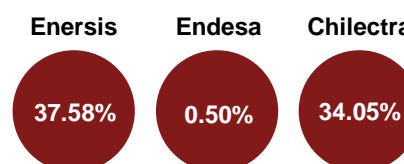
Equity Value



Exchange Rate ARS/USD 30-Jun-2016: 15.04

General information

Ownership



Operational background

Edesur distributes electrical energy in the region of Buenos Aires, including within two thirds of the city of Buenos Aires and twelve districts of the province of Buenos Aires, spanning 3,309 km², for a period of 95 years starting on 31 August 1992.

During 2015, Edesur delivered electrical energy to 2,479,559 customers, representing a 0.63% growth in comparison with the previous year. Energy sales amounted 18,492 GWh, representing a 2.9% growth in comparison with the previous year.

Financial Assumptions

Description

Discount rate, nominal term, local currency	24.88%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	11.50%
CAGR % (5 years)	44.15%

Company overview

Cía. de transmisión del Mercosur S.A. (CTM)

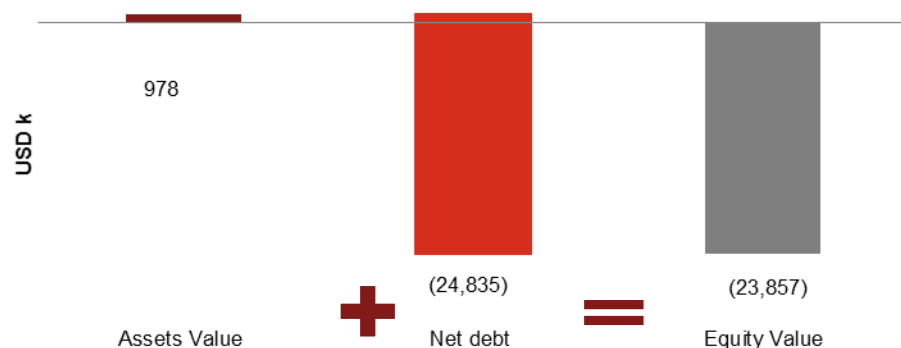


**Transmission
Business**

ARG, k	FY2014	FY2015	6M2016
Operating revenues	23,082	23,222	11,494
% Gross Margin	100.0%	100.0%	100.0%
% EBITDA Margin	72.1%	56.1%	64.6%
% Net Income Margin	-626.7%	-1082.6%	-709.5%

ARG, k	30-jun-16
Total Net Debt	(373,533)
Total Net Debt, in USD	(24,835)

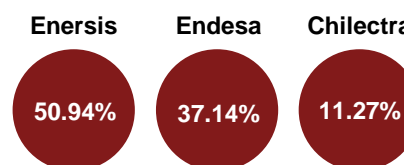
Equity Value



Exchange Rate ARS/USD 30-Jun-2016: 15.04

General information

Ownership



Operational background

An energy transmission Company (and subsidiary of CIEN S.A.) that connects the systems in Brazil and Argentina.

Financial Assumptions

Description	
Discount rate, nominal term, local currency	24.17%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	11.50%
CAGR % (5 years)	11.10%

Company overview

Transportadora de Energía del Mercosur S.A. (TESA)

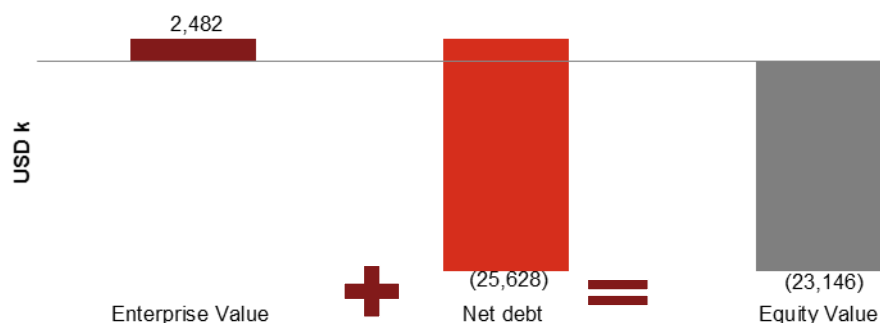


**Transmission
Business**

ARG, k	FY2014	FY2015	6M2016
Operating revenues	21,033	21,033	10,590
% Gross Margin	100.0%	100.0%	100.0%
% EBITDA Margin	82.0%	76.6%	54.9%
% Net Income Margin	-885.1%	-1392.7%	-805.7%

ARG, k	30-jun-16
Total Net Debt	(385,456)
Total Net Debt, in USD	(25,628)

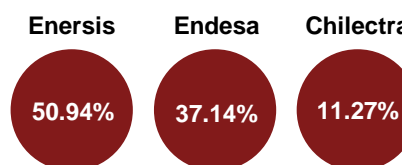
Equity Value



Exchange Rate ARS/USD 30-Jun-2016: 15.04

General information

Ownership



Operational background

An energy transmission Company (and subsidiary of CIEN S.A.) that connects the systems in Brazil and Argentina.

Financial Assumptions

Description	
Discount rate, nominal term, local currency	24.17%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	11.50%
CAGR % (5 years)	13.30%

Company overview

Endesa Cemsá S.A.



Others

ARG, k	FY2014	FY2015	6M2016
Operating revenues	18,229	32,056	21,831
% Gross Margin	84.1%	55.1%	91.2%
% EBITDA Margin	-62.7%	-53.2%	-4.2%
% Net Income Margin	-26.6%	-80.4%	-8.4%

ARG, k	30-jun-16
Total Net Debt	12,684
Total Net Debt, in USD	843

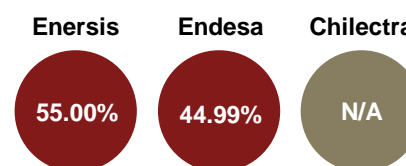
Equity Value



Exchange Rate ARS/USD 30-Jun-2016: 15.04

General information

Ownership



Operational background

The Company markets electric energy in local and foreign markets.

Financial Assumptions

Description

Discount rate, nominal term, local currency	29.51%
Cash Flows Projection Period	2016 - 2020
End of concession	N/A
Perpetual growth rate, g	11.50%
CAGR % (5 years)	41.16%

Other companies in Argentina

Based on the information provided in the dataroom and Management comments, the following Argentinian-based companies are not currently operating and do not hold significant assets (other than investments in other Group companies that are already included in the valuation) or liabilities:

Company	Sector	Description	Ownership (%)
Termoeléctrica Manuel Belgrano S.A. (a)	Gx	Part of government investment fund - FONINVEMEM.	Enersis (0.57%); Endesa (16.35%)
Termoeléctrica José de San Martín S.A. (a)	Gx	Part of government investment fund - FONINVEMEM.	Enersis (0.57%); Endesa (16.35%)
Central Vuelta de Obligado S.A. (a)	Gx	The construction of new thermal plant is awaiting approval.	Enersis (2.58%); Endesa (22.68%)
Endesa Argentina S.A. (b)	Others	Owns a minority interest in Hidroeléctrica El Chocón S.A.	Enersis (0.01%); Endesa (99.9%)
Inversora Dock Sud S.A. (a)	Others	Holds an investment in Central Dock Sud S.A.	Enersis (57.14%)
Hidroinvest S.A. (b)	Others	Holds a majority interest Hidroeléctrica El Chocón S.A.	Endesa (96.09%)
Southern Cone Power Argentina S.A. (b)	Gx	Energy wholesaler.	Enersis (0.08%); Endesa (99.92%)
Sacme S.A. (a)	Others	Supervises remote control systems.	Enersis (18.79%); Chilectra (7.02%); Endesa (0.25%)
Distrilec S.A. (b)	Others	Holds interest in Edesur S.A.	Enersis (27.19%); Chilectra (23.42%); Endesa (0.89%)

(a) Information requested to Management but not provided

(b) Financial Projections only include operating expenses

Brazil

Economic valuation

Brazil

The table below sets out the results of the economic valuation of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A.'s operations in Brazil at 30 June 2016:

USD k

Country	Company	Line of business	Equity value	Investment (Direct)	Investment Endesa Américas	Investment Chilectra Américas	Investment Enersis Américas
Brazil	Ampla Energia e Servicos S.A.	Dx	479,396	216,999	83,472	175,701	441,170
	Coelce S.A.	Dx	937,058	423,267	204,852	62,166	607,740
	C.G.T Fortaleza S.A.	Gx	338,872	172,617	125,845	38,190	285,942
	Cachoeira Dourada S.A.	Gx	431,296	219,155	159,773	48,486	363,034
	Eólica Fazenda Nova Geração e Comercialização de Energia S.A.	Gx	-	-	-	-	-
	EGP Modelo I Eólica	Gx	-	-	-	-	-
	EGP Modelo II Eólica	Gx	-	-	-	-	-
	CIEN S.A.	Tx	312,562	159,214	116,074	35,225	263,741
	Enel Brasil S.A.	Hold	(53,219)	(27,109)	(19,763)	(5,997)	(44,906)
	En-Brasil Comercio e Serviços S.A.	Otros	162,345	82,696	60,295	18,291	136,986
	Ingendesa do Brasil Ltda.	Otros	-	-	-	-	-
Total Brazil			2,608,311	1,246,840	730,547	372,061	2,053,707

Description of the operations

Background

Economic perspectives

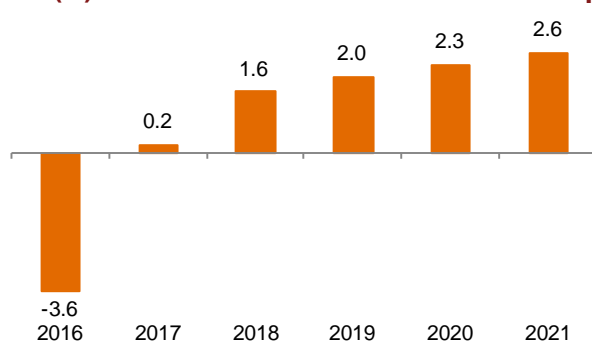
GDP growth projection for Brazil is -3.6% in FY16 and the expected annual average growth rate over the period 2017 - 2021 is 1.7%. Inflation is projected at 7.5% in FY16, decreasing annually to 4.6% in FY21.

Energy sector

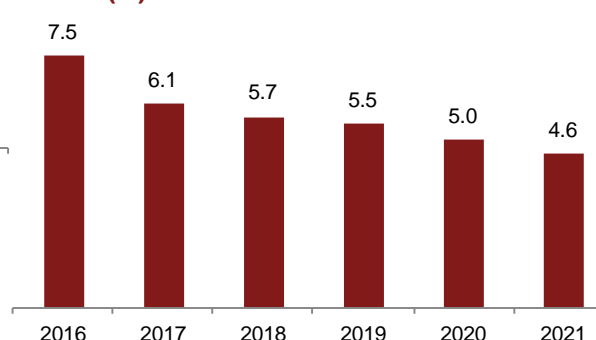
The electricity industry is organized in a large interconnected electrical system (Sistema Interligado Nacional) that includes most regions of Brazil. The generation, transmission, distribution and marketing operations are legally separated in Brazil. The industry is regulated by the Mining and Energy Ministry (MME) and the National Agency of Electric Energy (ANEEL).

- In the *generation business*, the wholesale price is based on the average prices of the concession auctions, including independent bid processes of existing energy and new energy.
- In the *transmission business*, tariffs for the companies are set by the Brazilian Government. The charge for the transmission is fixed and transmission revenues don't depend on the quantity of electricity transmitted.
- The *distribution business* operates through companies to which concessions have been granted. Distributors cannot: (i) develop activities related to the generation or transmission of electricity; (ii) sell electricity to non-regulated customers, (iii) maintain a direct or indirect interest in any other company or corporation; (iv) develop activities that are not related to their respective concessions.

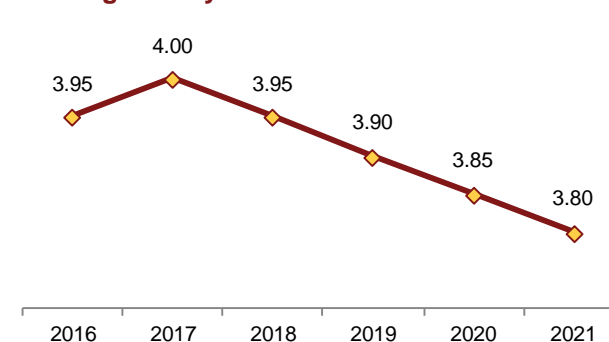
GDP(%)



Inflation (%)



Exchange Rate year-end BRL/USD



Source: Management Presentations

Description of the operations

Background

Current Regulatory Framework actual - Generation

Generation agents can sell electrical energy under two regulated environments: (i) The Regulated Contracting Environment (ACR) where distribution companies operate and where the purchase of energy should be conducted under a bidding process coordinated by ANEE; and (ii) the Free Contracting Environment (ACL), in which the conditions for purchasing energy are negotiable directly between suppliers and customers.

Sales contracts are registered in the Chamber of Comercialização Electric Energy (CCEE) and are part of the basis for the determination of adjustments due to differences arising in the short-term market.

The new energy auctions are for long-term contracts (20-25 years for thermal plants and 30 for hydro) in which the new generation projects should cover increases in demand expected by distributors.

Current Regulatory Framework actual –Distribution

Distribution companies purchase electricity through bids (which are held annually) that are regulated by ANEEL and organized by CCEE. The government also has the right to call special bids for renewable electricity (biomass, small hydro, solar and wind power plants).

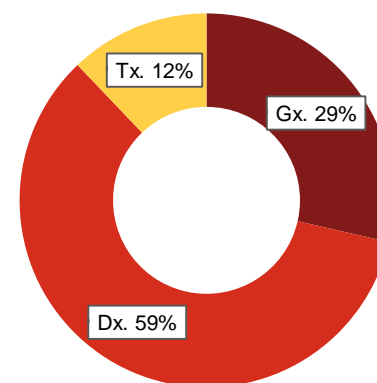
There are three types of rate revisions to final consumers: (i) the Tariff Repositioning Index (IRT), which is adjusted for inflation; (ii) the Revised Tariff Ordinary (RTO) performed every four or five years depending on each concession contract, and (iii) Extraordinary Tariff Review (RTE), which is carried out when a noteworthy event that significantly affects the value of the tariff occurs. All revisions and tariff repositioning are approved by ANEE.

Financial performance Enersis Group

Total Group EBITDA from Brazil operations in FY15 was BRL 1,898 million, 59% from the distribution business, 29% from the generating business and 12% from the transmission business.

In the distribution business, the Group operates in Brazil through Ampla and Coelce with total energy sales of 22,776 GWh and 6.7 million customers. The generation business operates through Centrais Eléctricas Cachoeira Dourada and C.G.T with a total installed capacity in hydroelectric and thermal power plants of 987 MW FY15.

EBITDA 2015 per business line

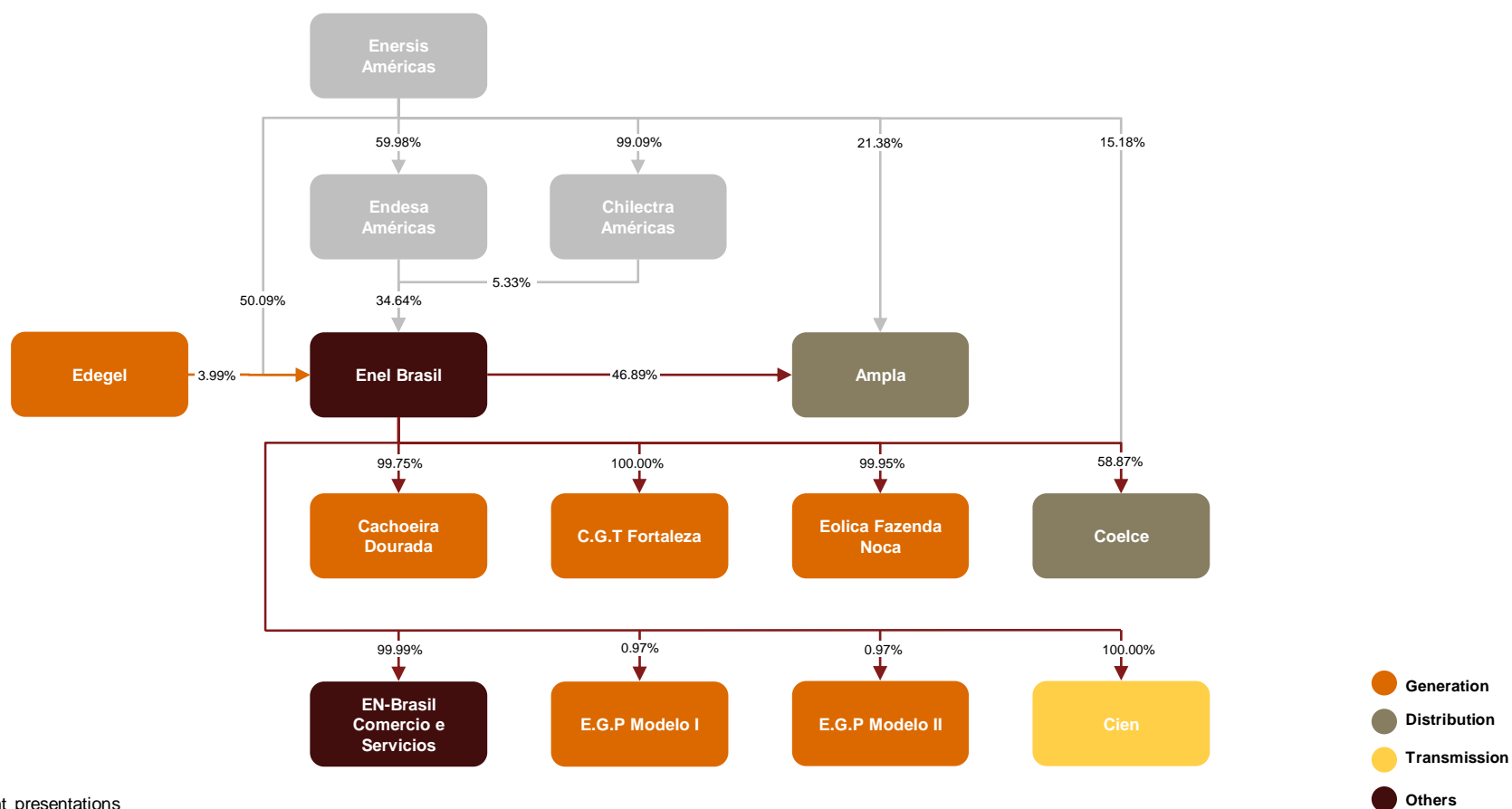


Source: PwC Analysis

Description of the operations

Generation, Distribution and Transmission Business

Ownership structure – Generation, Distribution and Transmission Business



Source: Management presentations

Description of the operations

Generation, Distribution and Transmission Business

Generation Business

Electricity is generated through Cachoeira and Fortaleza. These companies together have 987 MW of installed capacity (> 1% of the installed capacity in the country).

During 2015 electrical generation reached 4,400 GWh (compared with 560 TWh which was the total energy generation in the country). During FY15 87% of the energy produced by the plants was secured through contracts (FY16: 75%).

Installed Capacity (MW)	2014	2015
Cachoeira (hydro)	665	665
Fortaleza (combined cycle)	322	322
Total	987	987

Generation of Electrical Energy (GWh)

Cachoeira	2,741	2,057
Fortaleza	3,903	2,342
Total	6,644	4,399

Sales of Electrical Energy (GWh)

Cachoeira	2,484	3,215
Fortaleza	3,205	3,326
Total	5,689	6,541

Source: Annual Financial statements FY14 and FY15

Distribution and transmission Business

Transmission

CIEN provides energy conversion and transmission services in Brazil. It includes two stations (GARABI I and II) and transmission lines (approx. 1,000 km) between Brazil and Argentina (managed by the CTM and TESA subsidiaries).

Distribution

Distribution services are operated through two companies: Ampla (located in the state of Rio de Janeiro) and Coelce (located in the state of Ceará). The two companies have a total of approximately 180,000 km² coverage and serve more than 6.6 million customers.

Currently, Ampla is in the process of the 4th tariff cycle that considers the following assumptions:

- Inclusion of a new regulatory opex
- Definition of a new regulatory default rate
- New return of capital based on WACC and new regulations for non-electrical assets.
- Revision of energy losses as identified by the regulatory body.

Company overview

Centrais Eléctricas Cachoeira Dourada S.A.

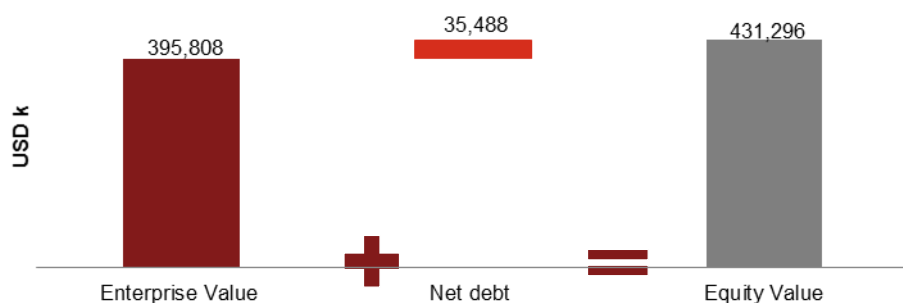


**Generation
Business**

BRL, k	FY2014	FY2015	6M2016
Operating revenues	655,475	466,438	430,546
% Gross Margin	54.1%	81.0%	57.7%
% EBITDA Margin	49.3%	72.6%	52.5%
% Net Income Margin	44.8%	46.9%	34.7%

BRL, k	30-jun-16
Total Net Debt	113,649
Total Net Debt, in USD	35,488

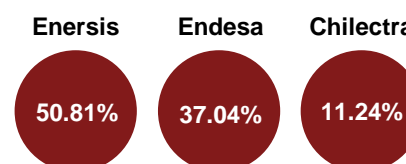
Equity Value



Exchange Rate BRL/USD 30-Jun-2016: 3.20

General information

Ownership



Operational background

This company is located in the State of Goiás, 240 km south of Goiânia. It has ten units with a total of 665 MW of installed capacity. It is an hydroelectric pass-through and it draws water from the Paranaíba River.

Net Generation during 2015 was 2,057 GWh, while sales reached 3,215 GWh.

Financial Assumptions

Description	
Discount rate, nominal term, local currency	13.71%
Cash Flows Projection Period	2016 – 2027
End of concession	2027
Perpetual growth rate, g	N/A
CAGR % (5 years)	7.89%

Company overview

C.G.T Fortaleza S.A.

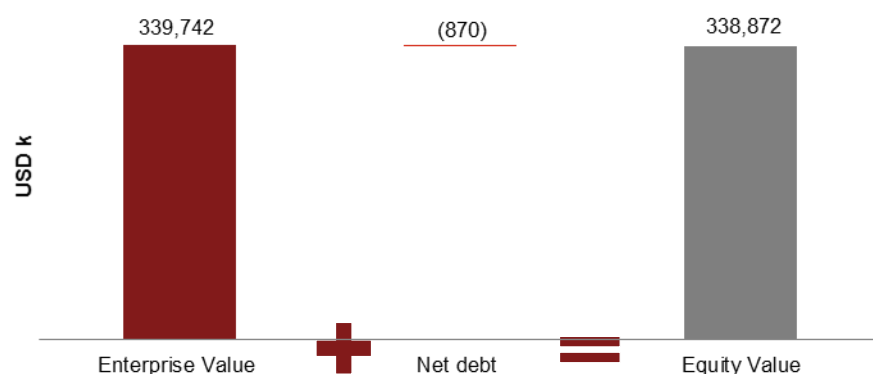


**Generation
Business**

BRL, k	FY2014	FY2015	6M2016
Operating revenues	869,183	810,237	384,169
% Gross Margin	24.9%	30.1%	44.4%
% EBITDA Margin	20.6%	25.2%	38.9%
% Net Income Margin	11.3%	15.6%	23.0%

BRL, k	30-jun-16
Total Net Debt	(2,785)
Total Net Debt, in USD	(870)

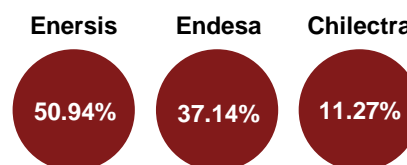
Equity Value



Exchange Rate BRL/USD 30-Jun-2016: 3.20

General information

Ownership



Operational background

Operations are located in the municipality of Caucaia, 50 km from the capital of Ceará state. It consists of a combined cycle power plant of 322 MW using natural gas and has the capacity to generate a third of the electricity needs of Ceará, for a population of about 8.2 million people.

Electrical generation in FY14 was 2,342 GWh, while sales totaled 3,326 GWh.

Financial Assumptions

Description

Discount rate, nominal term, local currency	13.71%
Cash Flows Projection Period	2016 – 2031
End of concession	2031
Perpetual growth rate, g	N/A
CAGR % (5 years)	3.67%

Company overview

Ampla Energía y Servicios S.A.

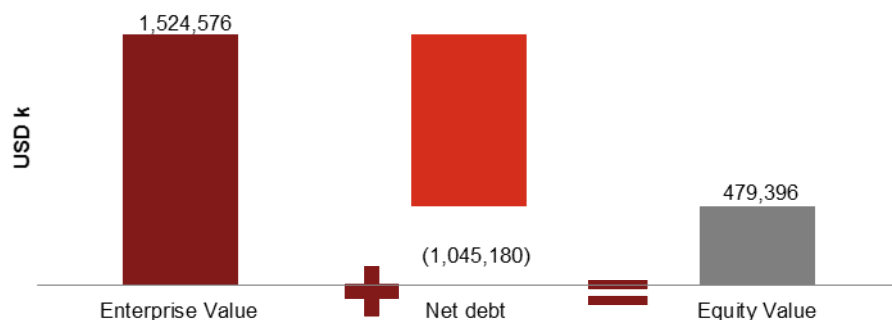


**Distribution
Business**

BRL, k	FY2014	FY2015	6M2016
Operating revenues	4,503,905	5,230,081	2,051,357
% Gross Margin	35.2%	21.6%	31.1%
% EBITDA Margin	23.0%	8.6%	11.9%
% Net Income Margin	4.6%	-1.1%	-6.2%

BRL, k	30-jun-16
Total Net Debt	(3,347,190)
Total Net Debt, in USD	(1,045,180)

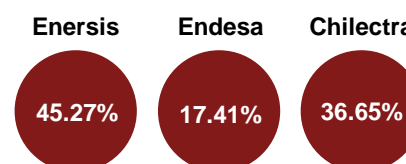
Equity value



Exchange Rate BRL/USD 30-Jun-2016: 3.20

General information

Ownership



Operational background

Ampla is an energy distribution company with operations in 73% of the territory of the State of Rio de Janeiro (32,188 km²).

During FY15 Ampla delivered electricity services to 2,996,676 customers, 4.2% more than in 2014. Energy sales in 2015 totalled 11,547 GWh representing a decrease of 1.1 % in relation to 2014.

Financial Assumptions

Description

Discount rate, nominal term, local currency	12.97%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	4.60%
CAGR % (5 years)	7.55%

Company overview

Coelce S.A.

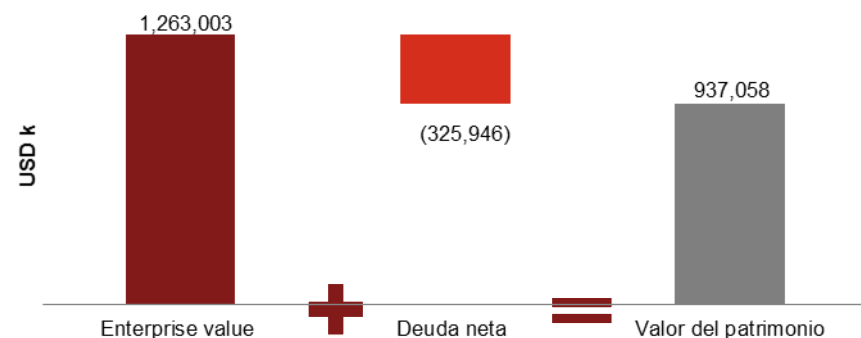


**Distribution
Business**

BRL, k	FY2014	FY2015	6M2016
Operating revenues	3,615,984	4,127,215	1,892,521
% Gross Margin	30.8%	28.2%	34.9%
% EBITDA Margin	19.0%	16.4%	22.0%
% Net Income Margin	6.5%	8.9%	11.6%

BRL, k	30-jun-16
Total Net Debt	(1,043,841)
Total Net Debt, in USD	(325,946)

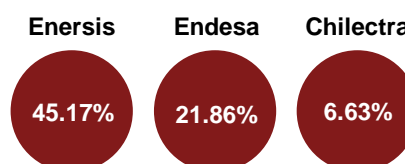
Equity value



Exchange Rate BRL/USD 30-Jun-2016: 3.20

General information

Ownership



Operational background

Provides electricity distribution services in the state of Ceará in northeastern Brazil and covers a concession area of 148,921 km². The company serves a population of over 9 million.

Energy sales in FY15 were 11,229 GWh, an increase of 0.6% compared to FY14. The number of customers at the year-end 2015 increased to 3,757,651 (3.7% variation compared to year-end 2014).

Financial Assumptions

Description

Discount rate, nominal term, local currency	12.97%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	4.60%
CAGR % (5 years)	4.56%

Company overview

Compañía de Interconexión Energética S.A. (CIEN)



Transmission
Business

BRL, k	FY2014	FY2015	6M2016
Operating revenues	279,155	282,899	127,457
% Gross Margin	95.1%	94.4%	95.7%
% EBITDA Margin	80.0%	81.3%	85.5%
% Net Income Margin	50.4%	58.5%	29.9%

BRL, k	30-jun-16
Total Net Debt	(50,027)
Total Net Debt, in USD	(15,621)

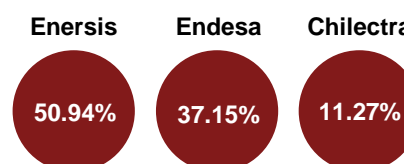
Equity Value



Exchange Rate BRL/USD 30-Jun-2016: 3.20

General information

Ownership



Operational background

La Compañía de Interconexión Energética S.A. (CIEN) is a power transmission Company, including two frequency conversion stations Garabi I and Garabi II, which convert two-way frequencies of Brazil (60 Hertz) and Argentina (50 Hertz), and of the transmission lines. On the Argentinian side, these are managed by two of CIEN's 100% owned subsidiaries: Company S.A. transmission Mercosur (CTM) and Transportadora de Energía S.A. (TESA).

The interconnection system consists of two transmission lines with a total length of 1,000 km, and the converter station Garabi.

Financial Assumptions

Description

Discount rate, nominal term, local currency	12.57%
Cash Flows Projection Period	2016 – 2022
End of concession	2022
Perpetual growth rate, g	N/A
CAGR % (5 years)	-3.24%

Company overview

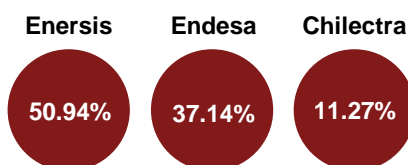
En-Brasil Comercio e Serviços S.A.



Others

General information

Ownership



Operational background

The company provides services to the electric power sector.

Financial Assumptions

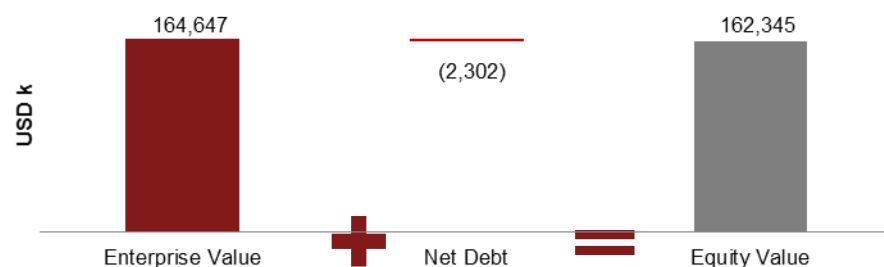
Description

Discount rate, nominal term, local currency	16.98%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	4.60%
CAGR % (5 years)	81.76%

BRL, k	FY2014	FY2015	6M2016
Operating revenues	22,832	28,546	15,213
% Gross Margin	52.2%	45.7%	41.7%
% EBITDA Margin	11.0%	-11.0%	-19.9%
% Net Income Margin	0.3%	-24.7%	-23.2%

BRL, k	30-jun-16
Total Net Debt	(7,373)
Total Net Debt, in USD	(2,302)

Equity Value



Exchange Rate BRL/USD 30-Jun-2016: 3.20

Other companies in Brazil

Based on the information provided in the dataroom and Management comments, the following Brazilian-based companies are not currently operating and do not hold significant assets (other than their investments in other Group companies that are already included in the valuation) or liabilities:

Company	Sector	Description	Ownership (%)
EGP Modelo I Eólica (a)	Gx	Generation of electrical energy (wind origin)	Enersis (0.50%); Chilectra (0.11%); Endesa (0.36%)
EGP Modelo II Eólica (a)	Gx	Generation of electrical energy (wind origin)	Enersis (0.50%); Chilectra (0.11%); Endesa (0.36%)
Eólica Fazenda Nova Geração e Comercialização de Energia S.A. (a)	Gx	Generation of electrical energy	Enersis (50.91%); Chilectra (11.26%); Endesa (37.12%)
Enel Brasil S.A. (b)	Others	Manages the assets of Enersis, Endesa Chile and Chilectra in Brazil.	Enersis (50.94%); Chilectra (11.27%); Endesa (37.14%)
Ingendesa do Brasil Ltda. (a)	Others	Provision of engineering services.	Enersis (3.74%); Endesa (96.25%)

(a) Information requested to Management but not provided

(b) Financial Projections only include operating expenses

Colombia

Economic valuation

Colombia

The table below sets out the results of the economic valuation of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A.'s operations in Colombia at 30 June 2016:

USD k

Country	Company	Line of business	Equity value	Investment (Direct)	Investment Endesa Américas	Investment Chilectra Américas	Investment Enersis Américas
Colombia	Emgesa S.A.	Gx	4,760,915	1,028,721	1,279,448	-	1,796,146
	Emgesa Panamá S.A.	Gx	0	-	-	-	-
	EEC S.A.	Dx	-	-	-	-	-
	Codensa S.A.	Dx	2,445,329	944,874	-	225,704	1,168,525
	Inversora Codensa S.A.S.	Hold	-	-	-	-	-
	Deca S.A.	Hold	-	-	-	-	-
	Sociedad Portuaria Central Cartagena S.A.	Otros	2,208	495	563	10	843
Total Colombia			7,208,453	1,974,090	1,280,011	225,714	2,965,514

Description of the operations

Background

Economic perspectives

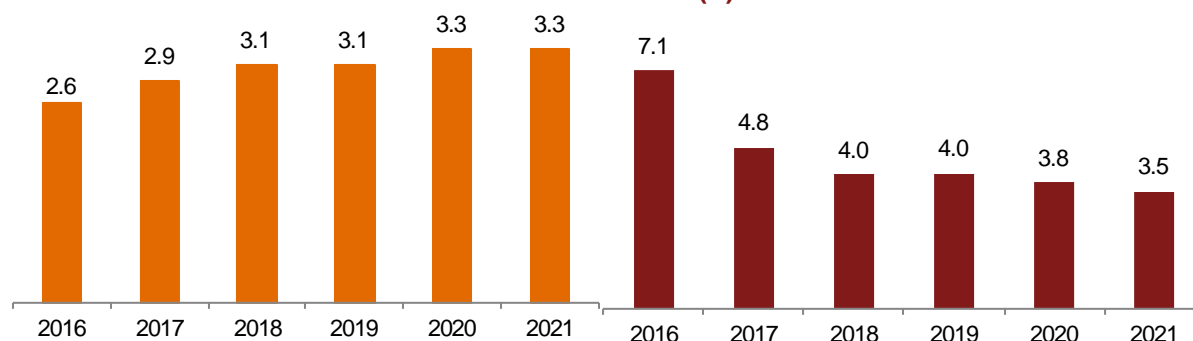
GDP growth projection for Colombia is 2.6% FY16 and the expected annual average growth rate over the period 2017 – 2021 is 3.1%. Inflation is estimated at 7.1% in FY16, thereafter decreasing gradually to 3.5% in FY21.

Energy Sector

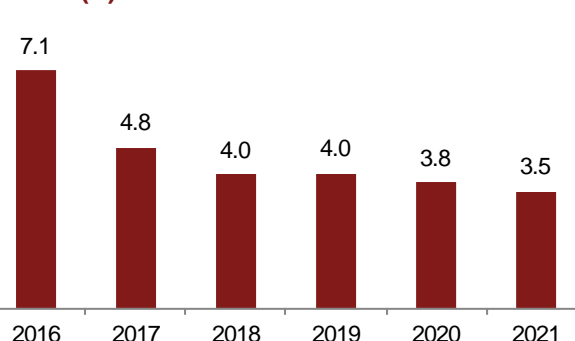
To operate or initiate projects, permits must be obtained from the appropriate authorities (e.g. environmental, health, water rights and permits of a municipal nature if required). The Ministry of Mines and Energy (MME) dictates the Government's policy for the energy sector.

- In the *generation business*, electricity transactions are conducted under the modalities of the spot market, bilateral contracts and the reliability charge. It is mandatory for generation to engage the central office (applicable to plants generating ≥ 20 MW).
- The *Transmission business* operates with fixed guaranteed annual income determined by the new replacement value of networks and equipment and by the resulting value of the bidding processes that award new projects in the national transmission system (STN).
- In the *Distribution business*, distributors or network operators are responsible for planning, investing, operating and maintaining electrical networks with voltages below 220 kV. Any customer can have access to a distribution network for which he pays a connection fee.

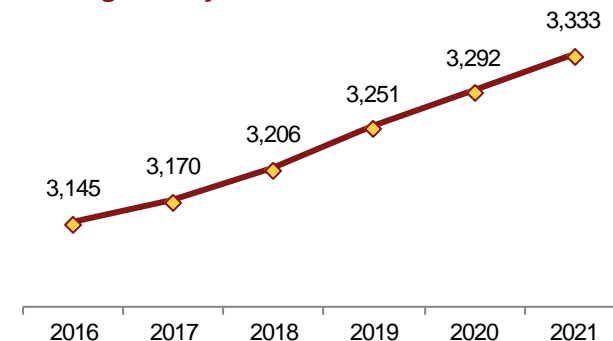
GDP (%)



Inflation (%)



Exchange Rate year-end COP/USD



Source: Management Presentations

Description of the operations

Background

Current Regulatory Framework actual - Generation

In the short-term energy market, the National Dispatch Centre (CND) receives daily price offers and the declaration of commercial availability for each hour of the following day, for all generators that participate in the wholesale market. Based on this information, the CND performs an economic dispatch based on an optimized process for the 24 hours of the following day, taking into account the electrical and operating system restrictions and other conditions necessary to meet the expected demand for energy the following day in a safe, reliable and economical way. Unlike other countries where the central office is based on variable production costs, in Colombia it is based on prices offered by agents.

Current Regulatory Framework actual –Distribution

Distribution companies are free to acquire their own source of supply and can define the conditions in public tender processes to acquire the energy in regulated markets. They can also resort to buying energy in the spot market.

Distribution charges are set by the CREG based on the new replacement value of existing distribution assets, the cost of capital, non-electric assets, as well as operational and maintenance costs for each company. They are defined for four different voltage levels as follows: Level 1 less than 1 kV; Level 2 greater than or equal to 1 kV and less than 30kV; Level 3 greater than or equal to 30 kV and Level 4 greater than or equal to 57.5 kV to less than 220 kV.

Levels 1, 2 and 3 are referred to as Local Distribution Systems (SDL) and Level 4 is referred to as the Regional transmission system (STR).

Currently, the process is under review for distribution charges for the five years spanning 2015 to 2019.

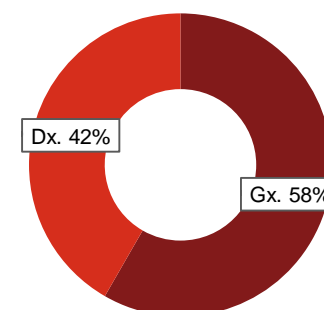
Financial performance Enersis Group

Group EBITDA from operations in Colombia was COP 2,926,782 million in FY15, 42% of which arises from the distribution business and 58% from the generation business.

Distribution is operated through Codensa with a total of 13,946 GWh of energy sales to 2.8 million customers.

Generation business is operated through Emgesa with a total installed capacity in hydroelectric and thermoelectric plants of 3,459 MW FY15.

EBITDA 2015 per business line

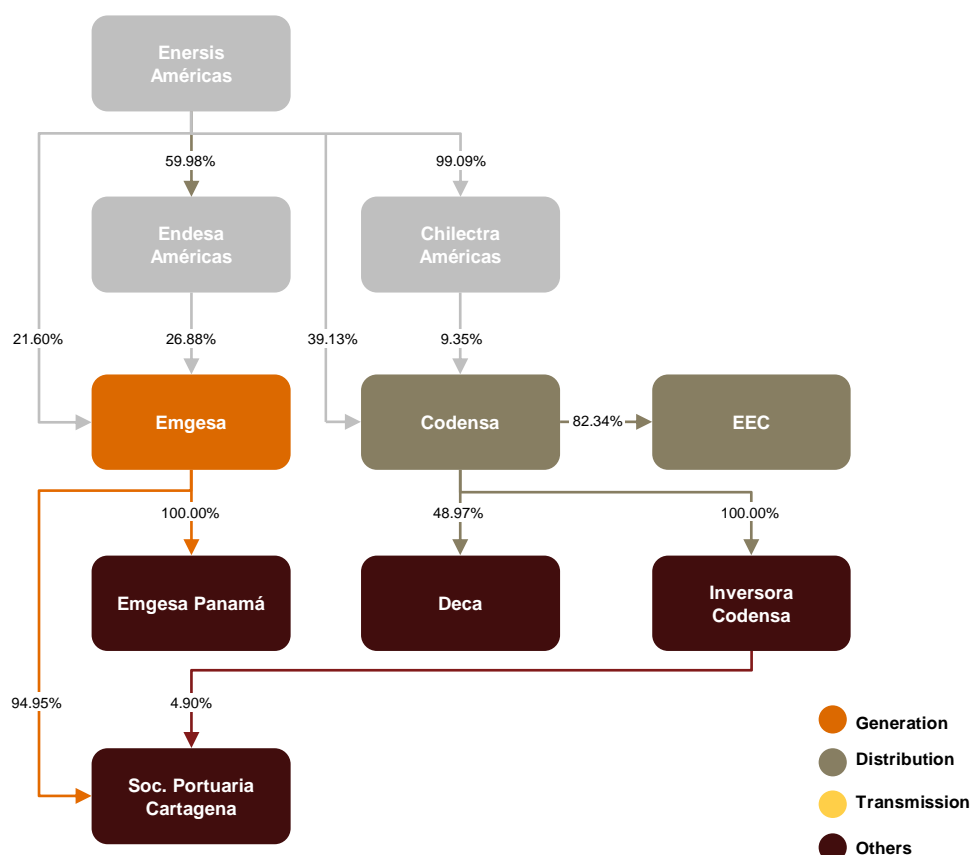


Source: PwC Analysis

Description of the operations

Generation and distribution business

Ownership structure – Generation and Distribution Business



Source: Management presentations

Generation Business:

Generation is provided through Emgesa. This company has 3,459 MW of installed capacity through its fourteen stations (20.9% of the installed capacity in the country).

Electrical generation reached 11,406 GWh in FY15 (compared with 560 TWh of total generation of the country).

Installed Capacity (MW)	2014	2015
Emgesa	3,059	3,459
Total	3,059	3,459

Generation of Electrical Energy (GWh)	2014	2015
Emgesa	13,559	13,705
Total	13,559	13,705

Sales of Electrical Energy (GWh)	2014	2015
Emgesa	15,773	16,886
Total	15,773	16,886

Source: Annual Financial Statements FY15

At present, the development of new projects is not being considered in Colombia.

Operational background

Generation Business y Distribution

Distribution Business

In Colombia, there are 31 other distributors involved in the electrical system. Codensa (22% of the national demand for electricity) and EEC are companies that provide distribution services and sell electricity in Bogota and Cundinamarca.

Codensa has a total coverage of approx. 14,400 km² and serves more than 2.8 million customers. During 2015 it initiated the process of merging with EEC that is expected to be completed by the end of 2016.

Operations information	2014	2015
Sales of Electrical Energy (GWh)	14,724	15,048
Total clients (k)	2,774	2,865
Annual rate of energy losses	7.19%	7.26%

Source: Annual Financial Statements FY14 and FY15

Company overview

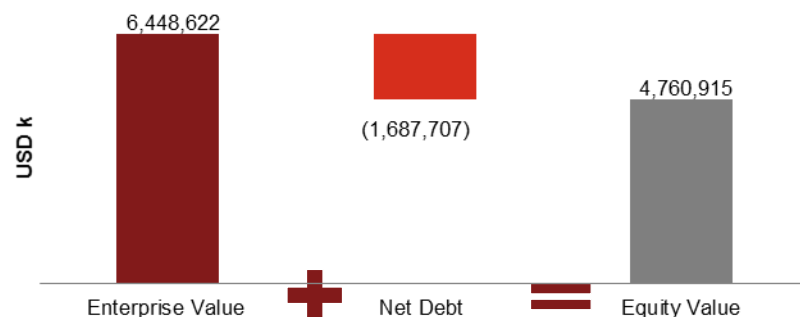
Emgesa S.A.



COP, k	FY2014	FY2015	6M2016
Operating revenues	2,640,020,864	3,268,277,101	1,960,822,911
% Gross Margin	70.7%	58.7%	60.4%
% EBITDA Margin	64.8%	52.2%	54.3%
% Net Income Margin	38.3%	27.2%	22.2%

COP, k	30-jun-16
Total Net Debt	(4,926,685,702)
Total net debt, in USD	(1,687,707)

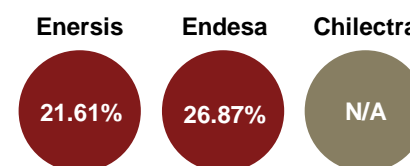
Equity Value



Exchange Rate COP/USD 30-Jun-2016: 2,919.16

General information

Ownership



Operational background

It is the largest generation company in Colombia and is located in the city of Bogota. The company operates 13 plants with a total capacity of 3,059 MW, including Guavio (1,213 MW) which is the largest hydroelectric plant in Colombia. Of the 13 existing plants, 11 are hydroelectric and two are thermal.

The new hydroelectric plant of El Quimbo started commercial operation on 16 November 2015.

Financial Assumptions

Description

Discount rate, nominal term, local currency	10.94%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	3.50%
CAGR % (5 years)	3.36%

Company overview

Codensa S.A. E.S.P.

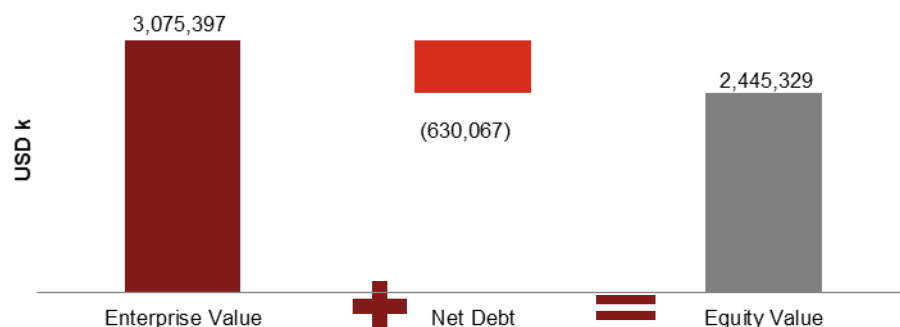


**Distribution
Business**

COP, k	FY2014	FY2015	6M2016
Operating revenues	3,443,835,423	3,711,866,086	2,011,361,179
% Gross Margin	44.3%	43.4%	42.7%
% EBITDA Margin	33.8%	32.9%	32.7%
% Net Income Margin	15.6%	13.9%	13.6%

COP, k	30-jun-16
Total Net Debt (Codensa + EEC)	(1,839,267,722)
Total Net Debt, in USD	(630,067)

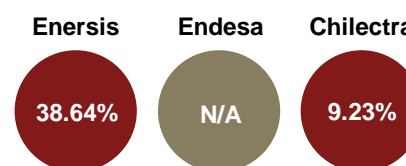
Equity Value



Exchange Rate COP/USD 30-Jun-2016: 2,919.16

General information

Ownership



Operational background

The company distributes and sells to customers in the Bogotá region including 97 municipalities in Cundinamarca, 8 municipalities in Boyacá and one municipality of Tolima, over a total area of 14,456 km².

Codensa focuses primarily on providing services to regulated customers but also serves some industrial and commercial customers and public lighting of municipalities.

Financial Assumptions

Description

Discount rate, nominal term, local currency	10.27%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	3.50%
CAGR % (cinco años)	5.68%

Company overview

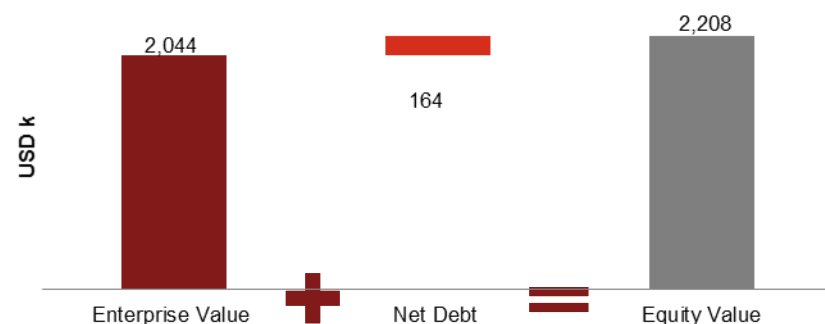
Sociedad Portuaria Central Cartagena S.A.



COP, k	FY2014	FY2015	6M2016
Operating revenues	608,442	621,454	394,094
% Gross Margin	100.0%	100.0%	100.0%
% EBITDA Margin	41.3%	41.1%	54.1%
% Net Income Margin	7.5%	9.8%	22.9%

COP, k	30-jun-16
Total Net Debt	477,696
Total net debt, in USD	164

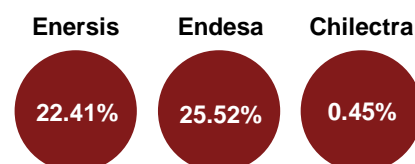
Equity Value



Exchange Rate COP/USD 30-Jun-2016: 2,919.16

General information

Ownership



Operational background

This company is involved in the investment, construction and maintenance of the docks within Cartagena's port. It corresponds to a port concession agreement with the National Infrastructure Agency (ANI). Its objective is to implement infrastructure projects that will optimize the port operations.

Financial Assumptions

Description

Discount rate, nominal term, local currency	9.88%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	3.50%
CAGR % (5 years)	9.95%

Other companies in Colombia

Based on information provided in the dataroom and Management comments, the following Colombian-based companies are not currently operating and do not hold significant assets (in addition to investments in other Group companies that are already included in the valuation) or liabilities:

Company	Sector	Description	Ownership (%)
Emgesa Panamá S.A. (b)	Gx	Purchase, sale, import and export of electricity	Enersis (21.60%); Endesa (26.87%)
Inversora Codensa S.A.S. (a)	Others	Minority interest in Sociedad Portuaria Central Cartagena S.A..	Enersis (39.13%); Chilectra (9.35%); Endesa (1.25%)

(a) Information requested to Management but not provided

(b) Financial Projections only include operating expenses

Peru

Economic valuation

Peru

The table below sets out the results of the economic valuation of Enersis Américas S.A., Endesa Américas S.A. and Chilectra Américas S.A.'s operations in Peru at 30 June 2016:

USD k

Country	Company	Line of business	Equity value	Investment (Direct)	Investment Endesa Américas	Investment Chilectra Américas	Investment Enersis Américas
Peru	Chinango S.A.C.	Gx	395,374	66,861	197,555	-	185,357
	Edegel S.A.	Gx	2,215,237	468,272	1,383,600	-	1,298,168
	Empresa Electrica De Piura S.A.	Gx	209,046	201,729	-	-	201,729
	Compañía Energética Veracruz S.A.C	Gx	-	-	-	-	-
	Edelnor S.A.	Dx	1,348,359	810,353	-	210,139	1,018,581
	Inversiones Distrilima S.A.	Others	29,070	20,304	-	8,766	28,990
	Generandes Perú S.A.	Others	585	228	357	-	442
	Generalima S.A.	Others	(78,733)	(78,733)	-	-	(78,733)
	Empresa Electrica Caboblanco S.A.	Others	8,212	8,212	-	-	8,212
Total Peru			4,127,149	1,497,227	1,581,512	218,905	2,662,747

Description of the operations

Background

Economic perspectives

GDP growth projection for Peru is 3.7% in FY16 and the expected annual average growth rate over the period 2017 – 2021 is 4.2%. Inflation is estimated at 3.7% in FY16, thereafter gradually decreasing to 2.4% in FY21.

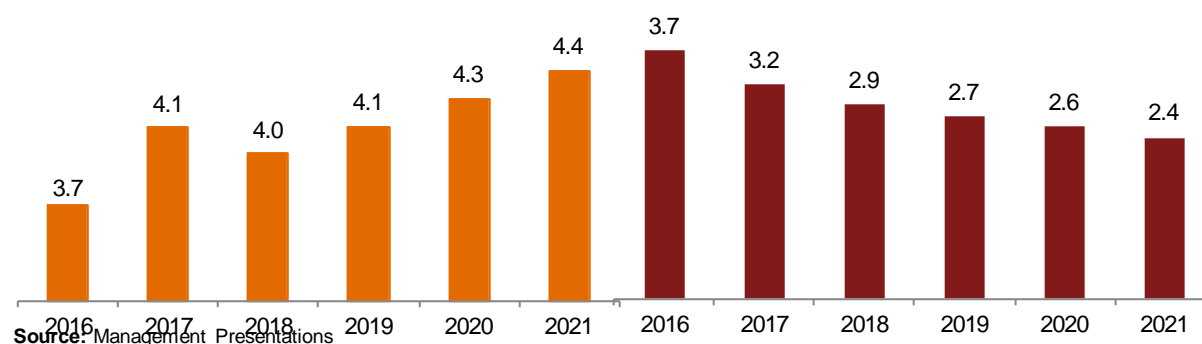
Energy Sector

In Peru, energy policies at the national level are made by the Ministry of Energy and Mines (MEM) in conjunction with the Ministry of Environment.

The National Electrical Interconnected System (SEIN) is operated by the Committee of Economic Operation of the Systems (COES), which coordinates the dispatch of generation units based on the minimum cost. The node price is calculated annually.

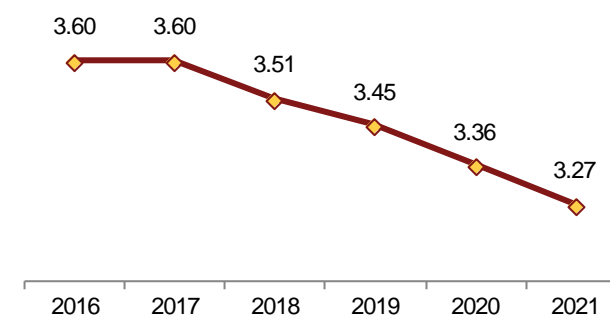
- In *the generation sector*, companies that have a total installed capacity greater than 500 KW require a permanent concession granted by the MINEM.
- In *the distribution sector*, prices to regulated customers are set to cover for charges of energy and power, for generation and transmission, plus the Aggregate Distribution or VAD value (which considers a regulated return on investments), fixed charges for operations and maintenance, and a standard percentage for energy losses in distribution.
- In *the transmission sector*, construction of the Complementary System lines are approved by Osinergmin, which calculates the average annual cost to compensate for each installation, considering investment standards, operation and maintenance, a discount rate of 12% before taxes and a lifespan of 30 years.

GDP (%)



Inflation (%)

Exchange rate year-end PEN/USD



Description of the operations

Background

Current Regulatory Framework - Generation

COES is the coordinator of the delivery of electric operations and is responsible for determining the spot price and the administration of transactions that occur in the National Interconnected Electrical System.

Transactions between generators and distributors and / or customers take place at prices and on terms that have been mutually agreed upon.

In the Electric Concessions Law Decree (Law No. 25844 of 1992), the price agreed upon through bilateral contracts can not be higher than the price determined by the COES in the case of regulated customers. In addition, Law 28832 of 2006 "Law to ensure the efficient development of electric generation" establishes that distributors can meet the demand of their regulated and unregulated customers under contracts signed after a process of auction of power and energy supervised by Osinergmin for a period of up to 20 years.

Current Regulatory Framework –Distribution

The Legislative Decree No. 1221 of 2015 established that the return on investment of the companies, determined by the VAD (value added Distribution), will be estimated every four years based on a model company, considering an internal rate of return of 12% with a deviation of +/- 4%.

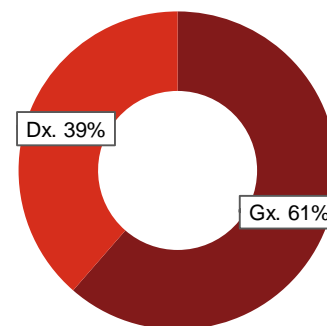
Furthermore, an additional charge was set as part of the tariffs for projects that are technologically innovative and energy efficient, previously approved by the Osinergmin and an incentive has been defined for the improvement of the quality of service and the possibility of extending the concession areas of distributors was defined taking into account rural areas surrounding the concessions.

Financial performance of Enersis Group

FY15 Group EBITDA for operations in Peru was 1,690 MPEN, 39% of which came from the distribution business and 61% from the generation business.

The distribution business is operated through Edelnor with total energy sales of 7,642 GWh and 1.3 million customers. The generation business is operated through Edegel, Empresa Electrica de Piura and Chinango with a total installed capacity in hydroelectric and thermoelectric plants of 2,049 MW FY15.

EBITDA 2015 per sector

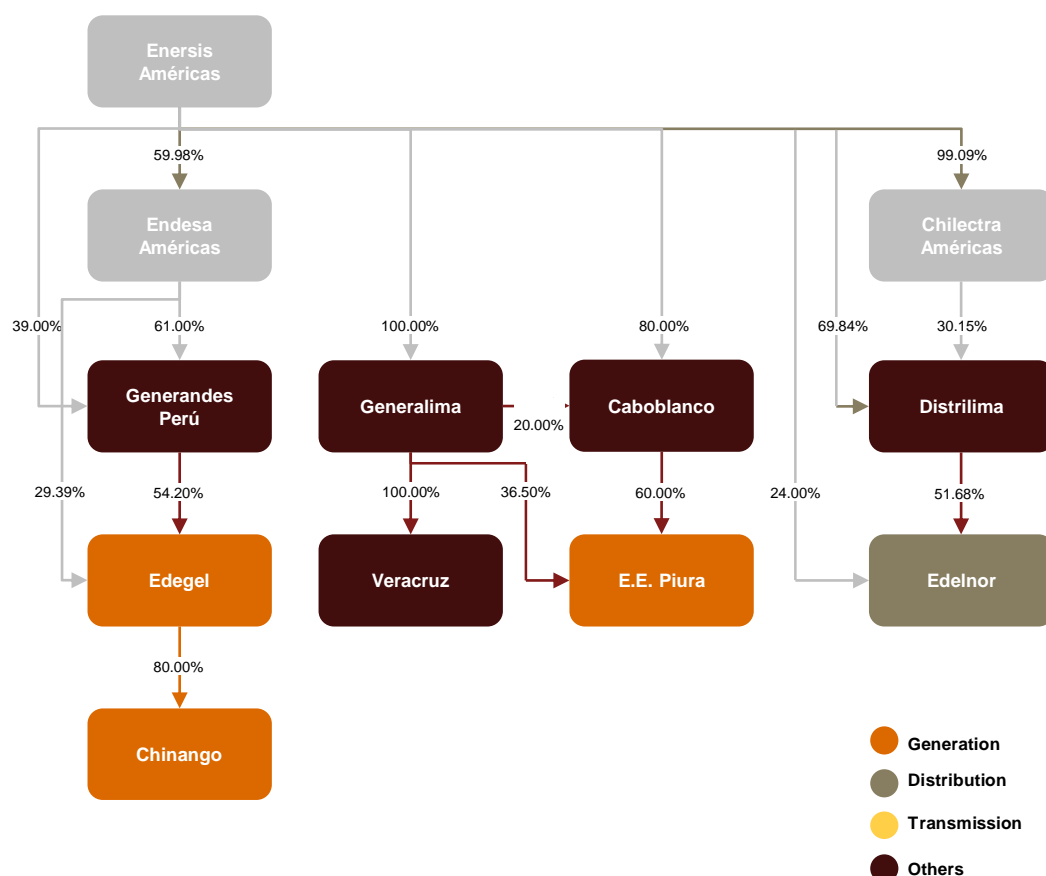


Source: PwC Analysis

Description of the operations

Generation and distribution businesses

Ownership structure – Generation and Distribution businesses



Source: Management presentations

Generation Business

Generation is operated through Edegel and S.E. Piura, which have a combined installed capacity of 1,983 MW across nine hydroelectric power plants (representing 21% of the installed capacity in the country).

Generation reached 8,801 GWh in FY15 (in comparison with 39.8 TWh of total generation of the country).

Installed Capacity (MW)	2014	2015
Edegel	1,652	1,686
E.E. Piura	297	297
Total	1,949	1,983

Generation of Electrical Energy (GWh)

Edegel	8,609	8,218
E.E. Piura	453	583
Total	9,062	8,801

Sales of Electrical Energy (GWh)

Edegel	9,320	8,633
E.E. Piura	n.a.	n.a.
Total	9,320	8,633

Source: Financial Statements FY14 and FY15

At present, the development of new projects is not being considered in Peru.

Operational background

Generation and distribution businesses

Distribution Business

Edelnor holds the concession for the supply of electricity to the public in north Lima, in the provinces of Callao, Huaura, Huaral, Barranca and Oyón. The concession covers a total area of 1,517 km². It serves fifty two districts exclusively and shares the concessions for five additional districts with the distribution company in south Lima. Edelnor distributes electricity to 1,336,610 customers.

Operations information	2014	2015
Sales of Electrical Energy (GWh)	7,338	7,624
Total clients (k)	1,294	1,337
Annual rate of energy losses	7.95%	3.80%

Source: Financial statements FY14 and FY15

Company overview

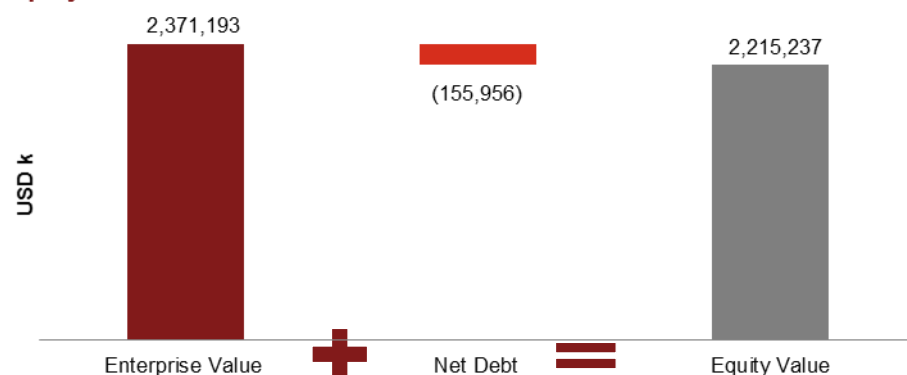
Edegel S.A.A.



PEN, k	FY2014	FY2015	6M2016
Operating revenues	1,589,624	1,671,647	925,244
% Gross Margin	60.0%	58.3%	55.0%
% EBITDA Margin	50.3%	47.7%	45.2%
% Net Income Margin	33.2%	26.5%	25.5%

PEN, k	30-jun-16
Total Net Debt	(512,533)
Total net debt, in USD	(155,956)

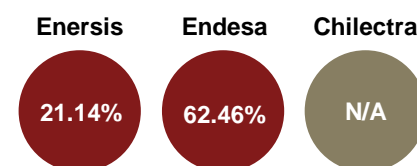
Equity Value



Exchange Rate PEN/USD 30-Jun-2016: 3.29

General information

Ownership



Operational background

Operations are located in the surroundings of the city of Lima and consist of seven hydroelectric plants and two thermal plants with a total capacity of 1,652 MW. Thermal plants use natural gas as the principal fuel and diesel as an alternative fuel.

Financial Assumptions

Description

Discount rate, nominal term, local currency	9.28%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	2.40%
CAGR % (5 years)	6.16%

Company overview

Empresa Eléctrica de Piura S.A. (EPPSA)

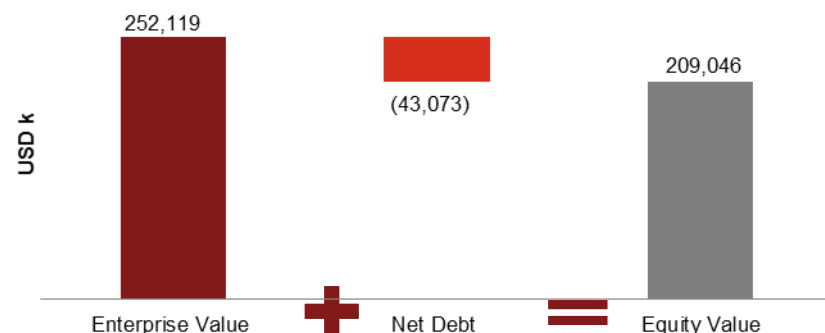


**Generation
Business**

PEN, k	FY2014	FY2015	6M2016
Operating revenues	253,113	282,493	167,308
% Gross Margin	58.9%	55.0%	52.9%
% EBITDA Margin	46.2%	39.9%	42.4%
% Net Income Margin	17.8%	13.3%	21.8%

PEN, k	30-jun-16
Total Net Debt	(141,556)
Total net debt, in USD	(43,073)

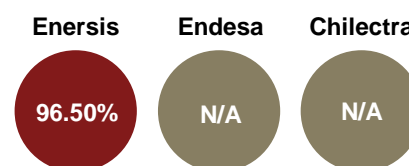
Equity Value



Exchange Rate PEN/USD 30-Jun-2016: 3.29

General information

Ownership



Operational background

E.E. Piura has two plants that it operates for generating electricity. Both plants are located in the province of Talara, Piura region in northern Peru. These are: (i) Central Malacas 2 consisting of an ABB open cycle unit that operates on natural gas with or without the injection of water, and (ii) Central Malacas 3 consisting of a Siemens open cycle unit in the condition of a backup and that is fuelled by B5 Diesel.

Financial Assumptions

Description

Discount rate, nominal term, local currency	9.28%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	2.40%
CAGR % (cinco años)	4.78%

Company overview

Chinango S.A.C.



**Generation
Business**

PEN, k	FY2014	FY2015	6M2016
Operating revenues	172,509	190,209	95,628
% Gross Margin	82.5%	78.9%	78.0%
% EBITDA Margin	68.6%	67.2%	66.8%
% Net Income Margin	43.3%	38.9%	40.7%

PEN, k	30-jun-16
Total Net Debt	(100,052)
Total net debt, in USD	(30,444)

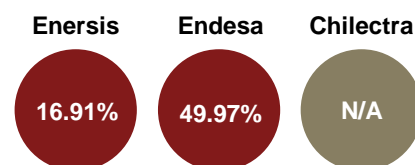
Equity Value



Exchange Rate PEN/USD 30-Jun-2016: 3.29

General information

Ownership



Operational background

The controlling company is Edegel S.A. (80%).

Financial Assumptions

Description	
Discount rate, nominal term, local currency	9.28%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	2.40%
CAGR % (5 years)	1.20%

Company overview

Empresa de Distribución Eléctrica de Lima Norte S.A. (Edelnor)

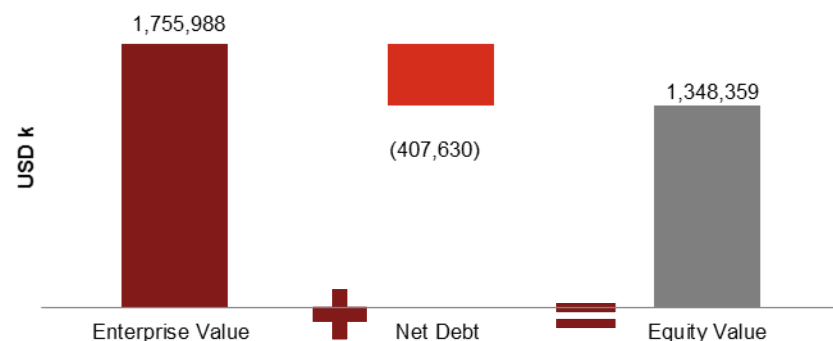


**Distribution
Business**

PEN, k	FY2014	FY2015	6M2016
Operating revenues	2,382,842	2,733,124	1,519,982
% Gross Margin	34.2%	32.6%	32.7%
% EBITDA Margin	24.2%	23.9%	24.2%
% Net Income Margin	12.5%	11.3%	12.1%

PEN, k	30-jun-16
Total Net Debt	(1,339,634)
Total net debt, in USD	(407,630)

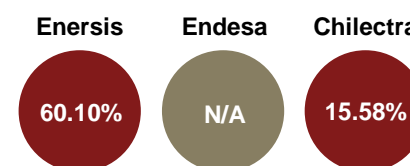
Equity Value



Exchange Rate PEN/USD 30-Jun-2016: 3.29

General information

Ownership



Operational background

The company distributes energy in north Lima and the provinces of Callao, Huaura, Huaral, Barranca and Oyón.

Financial Assumptions

Description

Discount rate, nominal term, local currency	8.67%
Cash Flows Projection Period	2016 – 2020
End of concession	N/A
Perpetual growth rate, g	2.40%
CAGR % (5 years)	6.50%

Other companies in Peru

Based on information provided in the dataroom and Management comments, the following Peruvian-based companies are not currently operating and do not hold significant assets (in addition to investments in other Group companies that are already included in the valuation) or liabilities:

Company	Sector	Description	Ownership (%)
Compañía Energética Veracruz S.A.C. (a)	Gx	Development of an hydroelectric power plant of 730 MW.	Enersis (100.0%)
Inversiones Distrilima S.A. (b)	Others	The company has a controlling interest in Edelnor S.A.	Enersis (69.85%); Chilectra (30.15%);
Empresa Eléctrica Cabo Blanco S.A.C. (b)	Others	The company has a controlling interest in Piura.	Enersis (100.0%)
Generandes Perú S.A. (b)	Others	The company has a controlling interest in Edegel S.A.	Enersis (39.00%); Endesa (61.00%)
Generalima S.A.C. (b)	Others	Interest in EEC S.A., EEPsA y CEV S.A.C.	Enersis (100.0%)

(a) Information requested to Management but not provided

(b) Financial Projections only include operating expenses

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Discount rate per country and line of business

At June 30th, 2016

	Argentina			Brazil			Colombia			Peru		
	Gx	Dx	Tx	Gx	Dx	Tx	Gx	Dx	Tx	Gx	Dx	Tx
Risk-free rate (1)	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%
Country Risk Premium (2)	9.09%	9.09%	9.09%	4.55%	4.55%	4.55%	2.91%	2.91%	2.91%	2.31%	2.31%	2.31%
Market Risk Premium (3)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Beta Unlevered (4)	0.72	0.64	0.64	0.72	0.64	0.64	0.72	0.64	0.64	0.72	0.64	0.64
Beta Levered	0.81	0.79	0.93	0.81	0.79	0.93	0.81	0.79	0.93	0.82	0.80	0.95
Cost of Equity (Ke)	16.61%	16.49%	17.33%	12.08%	11.96%	12.82%	10.44%	10.32%	11.18%	9.88%	9.79%	10.70%
G Spread (6)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Rate	35.00%	35.00%	35.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	29.70%	29.70%	29.70%
Cost of Debt (before tax)	13.54%	13.54%	13.54%	9.00%	9.00%	9.00%	7.36%	7.36%	7.36%	6.76%	6.76%	6.76%
Cost of debt (Kd)	8.80%	8.80%	8.80%	5.94%	5.94%	5.94%	4.86%	4.86%	4.86%	4.75%	4.75%	4.75%
Debt / Asset (5)	15.98%	26.32%	41.19%	15.98%	26.32%	41.19%	15.98%	26.32%	41.19%	15.98%	26.32%	41.19%
Equity / Asset	84.02%	73.68%	58.81%	84.02%	73.68%	58.81%	84.02%	73.68%	58.81%	84.02%	73.68%	58.81%
WACC Nominal (USD)	15.37%	14.47%	13.82%	11.10%	10.38%	9.99%	9.55%	8.88%	8.57%	9.06%	8.46%	8.25%
USD Inflation	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Country Inflation	11.50%	11.50%	11.50%	4.60%	4.60%	4.60%	3.50%	3.50%	3.50%	2.40%	2.40%	2.40%
WACC Nominal (Local Currency)	25.86%	24.88%	24.17%	13.71%	12.97%	12.57%	10.94%	10.27%	9.96%	9.28%	8.67%	8.46%

(1) Federal Reserve T-Bond (average June 2016). **Source:** Federal reserve

(2) CDS Spread for one year, except Argentina (EMBI spread since January 2005). **Source:** Bloomberg

(3) Market premium USA at 30 June 2016. **Source:** Damodaran

(4) Comparable betas for companies in Argentina, Brazil, Colombia, Chile, Peru and USA versus the SPX Index. Regression period of 5 years, monthly frequency, at valuation date.

Source: Bloomberg.

(5) Ratio D/A of comparable companies. **Source:** Bloomberg.

(6) Spread between Treasury yield curve and long term corporate bonds, emitted by companies in the electric sector in the USA (G-Spread), at June 30th, 2016.

Source: Bloomberg.

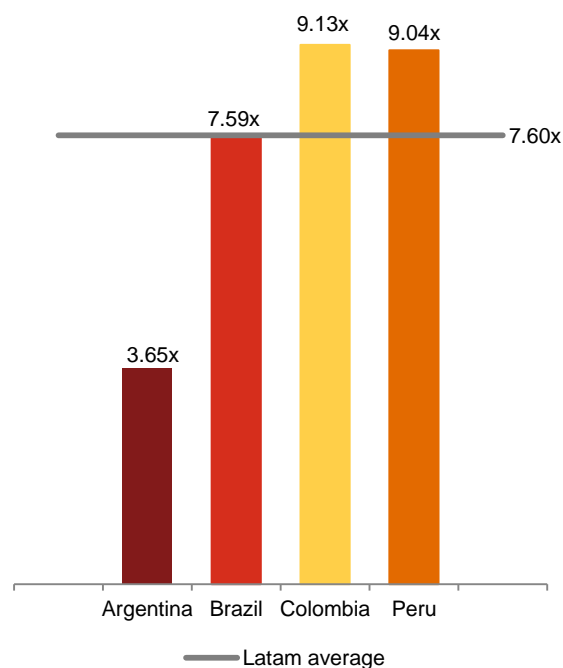
Market multiples of comparables

At June 30th, 2016

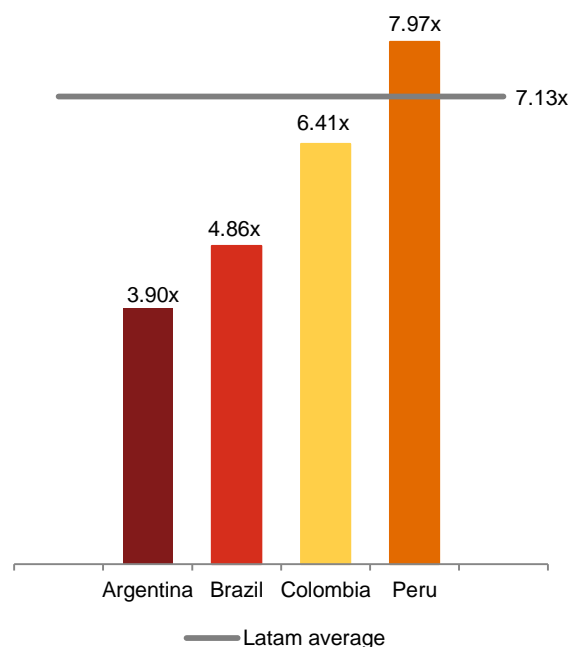
The following graphs show the EV / EBITDA multiples used in the valuation for each business and country. The sample includes comparable companies of the business for each country, respectively.

These graphs also illustrate the corresponding average for LATAM by line of business (includes companies from Argentina, Brazil, Colombia and Peru).

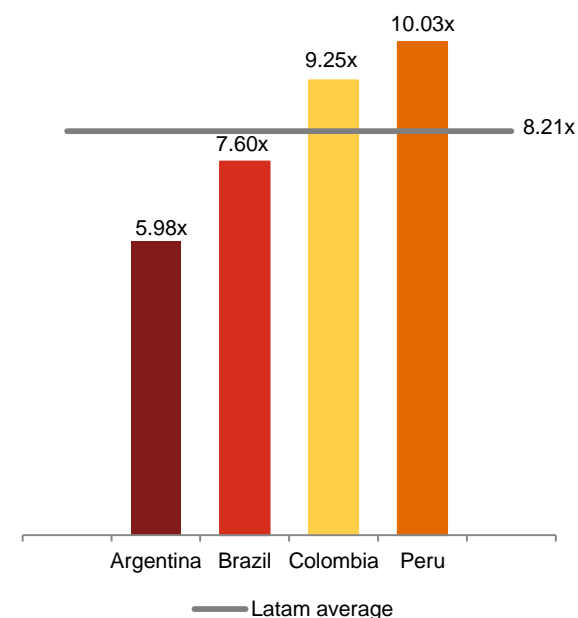
EV/EBITDA Generation Business



EV/EBITDA Distribution Business



EV/EBITDA Transmission Business



Economic Valuation (Market Multiples)

Enersis Américas, Endesa Américas y Chilectra Américas

Company	Line of Business	EV/EBITDA Multiple	Equity Value		Enersis Americas		Endesa Americas		Chilectra Americas		
			Min	Max	Min	Max	Min	Max	Min	Max	
Endesa Américas			3,489,743	3,705,218	2,093,180	2,222,424					
Chilectra Américas			606,471	703,300	600,956	696,905					
Colombia	Emgesa S.A.	Gx	9.13x	4,497,820	4,774,862	971,872	1,031,735	1,208,743	1,283,196	-	-
	Emgesa Panamá S.A.	Gx	9.13x	0	0	0	0	0	0	-	-
	Codensa S.A.	Dx	6.41x	2,159,539	2,339,151	834,445	903,847	-	-	199,325	215,904
Peru	Chinango S.A.C.	Gx	9.04x	308,576	323,916	52,183	54,777	154,185	161,850	-	-
	Edegel S.A.	Gx	9.04x	2,016,144	2,114,426	426,186	446,962	1,259,250	1,320,635	-	-
	Empresa Electrica De Piura S.A.	Gx	9.04x	260,039	273,753	250,937	264,172	-	-	-	-
	Edelnor S.A.	Dx	7.97x	1,233,484	1,317,985	741,314	792,098	-	-	192,236	205,405
Brazil	Ampla Energia e Servicos S.A.	Dx	4.86x	398,217	522,205	180,253	236,377	69,337	90,925	145,949	191,391
	Coelce S.A.	Dx	4.86x	842,264	942,614	380,449	425,777	184,129	206,067	55,877	62,534
	C.G.T Fortaleza S.A.	Gx	7.59x	333,488	351,594	169,874	179,097	123,845	130,569	37,583	39,623
	Cachoeira Dourada S.A.	Gx	7.59x	498,480	523,552	253,294	266,034	184,662	193,950	56,039	58,857
	CIEN S.A.	Tx	7.60x	246,303	260,463	125,463	132,676	91,468	96,726	27,758	29,353
Argentina	Hidroeléctrica El Chocón S.A.	Gx	3.65x	117,391	124,029	-	-	38,366	40,536	-	-
	Endesa Costanera S.A.	Gx	3.65x	59,821	72,296	0	0	22,635	27,355	-	-
	Central Dock Sud S.A.	Gx	3.65x	73,142	79,589	14,718	16,016	-	-	-	-
	Edesur S.A.	Dx	3.90x	293,007	342,813	55,049	64,407	733	857	49,878	58,357
	Transportadora de Energía del Mercosur S.A. (Tesa)	Tx	5.98x	(19,140)	(18,691)	(4,875)	(4,760)	(3,554)	(3,471)	(1,078)	(1,053)
	Cía. de Transmisión del Mercosur S.A. (CTM)	Tx	5.98x	(18,717)	(18,294)	(4,767)	(4,659)	(3,475)	(3,397)	(1,055)	(1,031)
Total Investments					7,140,532	7,723,882	3,330,323	3,545,798	762,511	859,341	
(+) Other Assets					1,244,981	1,244,981	61,663	61,663	(136,081)	(136,081)	
(-) Holding costs					(212,472)	(212,472)	97,757	97,757	(19,960)	(19,960)	
Total Equity Value					8,173,041	8,756,391	3,489,743	3,705,218	606,471	703,300	

The multiples shown on the previous page were considered when choosing a reasonable EV / EBITDA multiple as well as a variation of +/- 0.2x to calculate the minimum and maximum ranges.

The multiple used corresponds to the estimated country and business line.

Valuation concepts

The following describes the most commonly used valuation methodologies:

Market Approach

- The Market approach indicates the value of the shares of the Company based on a comparison of the Company to comparable companies in similar lines of business that are publicly traded or which are part of a public or private transaction.

Discounted cash flows (“DCF”) method

- The most accepted and widely used method for valuing companies in Chile is the Discounted Future Cash Flows method, as it represents the capacity that the assets have to generate funds over time.
- The value of a company is basically a function of two main factors: The first represented by the capacity of its assets to generate cash flows and the second, the discount rate corresponding to the opportunity cost rate of the capital, which is represented by the WACC (Weighted Average Cost of Capital).
- This method projects the future profits (earnings) of the company and therefore the return that the investment is able to generate.
- The market value is determined by the relationship between the projected returns and applying the corresponding risk rate.

- The discount of future cash flows or the present value of future flows of funds, corresponds to the stream of net income and expenses that take place during a given period of time, discounted to their present value at the respective discount rate, consistent with the specific industry. Net operating flows of funds are the only relevant flows when estimating the value of an investment or asset, since they are what finally provide the return to the investor.

Valuation concepts (cont.)

Discount rate:

WACC – The returns required by both debt and equity investors, weighted by their respective contributions of capital. The conventional formula for deriving the WACC and the associated definitions is presented below:

$$WACC = K_d * (1-t) * (\text{Percent Debt}) + K_e * (\text{Percent Equity})$$

where Percent Debt is Debt/capital as a percentage of total invested capital, t is effective tax rate and Percent Equity is Equity/capital as a percentage of the total invested capital.

The cost of equity capital is estimated using the Capital Asset Pricing Model (CAPM), which assumes the cost of equity is equal to the return on risk-free securities plus the ERP adjusted for the company's systematic risk (Beta). The general formula for the cost of equity is:

$$k_e = r_f + \beta * (E(r_m) - r_f) + Pr$$

Where r_f is the risk-free rate, $(E(r_m) - r_f)$ is the Risk Premium and β is the beta coefficient of the equity (associated risk factor) for a given industry or sector of the market, and SSP represents the Size Premium assigned by the market to smaller sized companies.

The market recognizes as risk-free (or zero-risk) investment, the document issued or guaranteed by the State, such as Central Bank bonds. The Risk Premium is a function of: 1) the expected market return less the risk-free rate and, 2) the beta coefficient which represents the correction factor to the risk premium required for a typical market asset, according to the larger or smaller variability that the returns of the investment have shown historically, as compared to the historical performance of market returns.

Market Multiples :

- In the case of the economic valuation, the average market multiples Value / EBITDA were obtained using a sample of public companies that operate in the generation, transmission and distribution businesses. Valuations using market multiples were used to corroborate the values obtained using the discounted cash flow methodology.

Other assumptions

Assumptions	Description
Operational revenue and costs	The financial projections are generated from the operating model used in each of the operations in Colombia, Peru, Brazil and Argentina. PwC Chile did not have access to these operating models and, consequently, did not review the source of these projections. However, Management did present an overview of the models' projected commodity prices and exchange rates, quantities and an analysis of the financial projections in comparison to the historical financial statements of each operation, together with the business strategy and an analysis of the impact of projected capex on each these projections.
Working capital	Projected working capital is based on forecasted accounts receivables and payables for 2016. Thereafter the projections are based on maintaining DSO (days sales outstanding) and DPO (days payable outstanding) at a constant level going forward.
Income tax rate	The income tax rates correspond to the tax rates applicable in each country.
Discount rate	Discount rates refer to the weighted average cost of capital (WACC) calculated by PwC for each business sector and by country.
Capex – maintenance and re-investment	Management provided the capex projections for both maintenance and re-investment over the period of the financial projections. The capex considered in the terminal year of the projections (that is used to value the residual flows) were estimated by PwC based on a combination of the business plans, projected growth rates and the competitive landscape in each of the countries.
Growth considered in terminal value	Considers a combination of the long-term projected inflation and GDP's of Colombia, Peru, Argentina y Brazil, adjusted for each of the business sectors operated in each of these countries (generation, transmission and distribution). Also, the competitive landscape in each country was analysed and the potential impact of new technology.

Other assumptions (cont.)

Assumptions	Description
Other considerations	<u>Cash, financial debt and equivalents</u> Obtained from the individual financial statements of Enersis, Endesa and Chilectra at 30 June 2016, as provided by Management.
	<u>Tax costs and benefits related to the Reorganization operation</u> Provided by Management for Chile and the Americas.
	<u>Argentina operations</u> 50% of the value has been attributed to the resulting discounted cash flows related to the Argentina operations, due to the current political turmoil and monetary restrictions that restrict the possibility of extract profits from that country.
	<u>Contingencies y lawsuits</u> Based on information provided in the dataroom, there are no known ongoing or potential lawsuits and contingencies at 30 June 2016 that would require an incremental financial impact in excess of what is already recorded in the Group's financial statements and that could significantly affect our conclusions.

Glossary

Term	Definition
ARS	Argentinian Peso
BRL	Brazilian Real
CAGR	Compound annual growth rate
CAPM	Capital Asset Pricing Model
CLP	Chilean Peso
COP	Colombian Peso
DCF	Discounted cash flow
Dx	Distribution
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
Eq.	Equity
ERP	Equity Risk Premium

Glossary (cont.)

Term	Definition
EV	Enterprise value
FCF	Free cash flows
FX	Foreign Exchange
FY	Financial year beginning 1st January and ending 31st December
g	Perpetual growth rate
GDP	Gross Domestic Product
GWh	Gigawatt-Hour
Gx	Generation
IFRS	International Financial Reporting Standards
Kd	Cost of debt
LoB	Line of Business
Management	The Management of Endesa

Glossary (cont.)

Term	Definition
MILA	Mercado Integrado Latino Americano (Integrated Latin American Market)
MW	Megawatt
NOPAT	Net operating profit after tax
NPAT	Net profit after tax
NPV	Net Present Value
P/E	Price to earnings ratio
PEN	Peruvian Nuevo Sol
PwC Chile	PricewaterhouseCoopers Chile
Rf	Risk-free rate
S.A.	Sociedad anónima
Tx	Transmission
USA	United States of America

Glossary (cont.)

Term	Definition
Valuation Date	June 30 th , 2016
M	Million
K	Thousand
WACC	Weighted average cost of capital

