

Santiago, August 5, 2016

Mr. Borja Acha B.  
Chairman of the Board of Directors of Enersis Américas S.A.  
HAND DELIVERY

Re: Report from the Directors' Committee of Enersis Américas S.A. on the statutory merger of Endesa Américas S.A. and Chilectra Américas S.A. into Enersis Américas S.A.

Dear Sir:

Hereby, and in accordance with the provisions of The Chilean Companies Act, Law N° 18,046, and specifically its Article 50 bis N° 3, which states that Directors' Committees "are to review the background information relating to the transactions referred to in Title XVI and prepare a report on such transactions, a copy of which will be sent to the board of directors, which in turn must read the report at the meeting convened for the approval or rejection of the respective transaction," on behalf of the Directors' Committee of Enersis Américas S.A. ("Enersis Américas" or "the Company"), we, Hernán Somerville S., Patricio Gómez S. and Domingo Cruzat A., comply by submitting this report on the statutory merger of Endesa Américas S.A. ("Endesa Américas") and Chilectra Américas S.A. ("Chilectra Américas") with Enersis Américas, which is a transaction that, as detailed below, is subject to the provisions of Title XVI of the Chilean Companies Act (LSA) relating to related-party transactions (RPT), and which hereinafter for the purposes of this Report will be called interchangeably "the Merger" or "the Transaction."

I. Background Information

A. Background Information on the Merger: The process of Reorganization

1. The antecedent of the Merger is the corporate reorganization process started on April 28, 2015, when the Board of Directors of "Enersis S.A." ("Enersis"), in an extraordinary meeting, proposed the corporate reorganization of the Enersis Group, consisting of: (i) the division of Enersis and its subsidiaries "Empresa Nacional de Electricidad S.A." ("Endesa Chile") and Chilectra S.A. ("Chilectra"), to separate, on the one hand, the businesses of generation and distribution in Chile and, on the other, activities outside Chile and (ii) the subsequent merger of the corporations owning equity stakes in businesses outside Chile resulting from the aforementioned division (the "Reorganization").

2. As part of the Reorganization process, on July 20, 2015, the Superintendence of Securities and Insurance ("SVS"), issued ordinary official letters to the corporations involved in the Reorganization (hereinafter collectively called the "Official Letter"), by which the SVS required them to carry out an analysis of certain aspects of the Merger and inform the shareholders of the corporations involved in the divisions thereof, with examples and details.

3. After the appropriate analyses and work, the Board of Directors of Enersis and the other corporations involved in the Reorganization process respectively convened Extraordinary Shareholders' Meetings on December 18, 2015 ("Division Meetings") so that the shareholders of each of them, taking into consideration the background information which was the basis for the Reorganization proposal, could vote on the respective divisions.

4. Thus, at the Division Meetings of the companies participating in the Reorganization, an informative announcement was made to the shareholders of the main estimated terms of the Merger, among which, and notwithstanding other terms and conditions that may eventually be agreed at the respective meetings at which the final resolution of the Merger is adopted, we particularly note the following information:

(a) By virtue of the Merger, Enersis Américas would absorb Endesa Américas and Chilectra Américas, which would be dissolved without winding-up, succeeding them in all their rights and obligations, with the shareholders of Endesa Américas and Chilectra Américas

directly incorporated as shareholders of Enersis Américas in accordance with the exchange ratio to be approved for such purposes, except for dissenting shareholders exercising their right of withdrawal in accordance with the law.

(b) The Merger would be subject to fulfillment of the following conditions precedent: that the right to withdrawal to potentially be exercised by the shareholders of Enersis Américas, Endesa Américas and Chilectra Américas in connection with the Merger not exceed 10%, 7.72% and 0.91% respectively; and that the right to withdrawal at Enersis Américas not result in any shareholder exceeding the maximum shareholding concentration limit of 65% of Enersis Américas after formalization of the Merger.

(c) the capital of Enersis Américas would be increased from the incorporation of the equity of the merged corporations, through issuance of new registered shares of a single series, with no face value, to be fully and exclusively distributed to the shareholders of Endesa Américas and Chilectra Américas, without considering Enersis Américas in its capacity as current shareholder of Endesa Américas and Chilectra Américas, in the appropriate proportions in accordance with the exchange ratio agreed for the Merger.

(d) According to a resolution adopted on November 24, 2015 by the Board of Directors of Enersis (now Enersis Américas) approved by the majority of its members, it was agreed to propose, on the date of the Enersis Américas shareholders' meeting convened to decide on the Merger, a exchange ratio of 2.8 shares of Enersis Américas for each share of Endesa Américas, and of 5.0 shares of Enersis Américas for each share of Chilectra Américas.

(e) According to a resolution also adopted on November 24, 2015, supplemented by another on December 17, the Board of Directors of Enersis (now Enersis Américas), in order to propose a mechanism to help ensure the minority shareholders of Endesa Américas a minimum price at market value for their shares and mitigate the risk of the Merger not taking place, provided the divisions of Enersis S.A., Empresa Nacional de Electricidad S.A. and Chilectra S.A. were carried out and except in the event of material adverse supervening events making it inadvisable from the point of view of the corporation's best interest, decided to announce that it was the intention of Enersis Américas to announce a tender offer for all shares and American Depositary Receipts ("ADRs") issued by Endesa Américas not owned by Enersis Américas. This tender offer would be for up to 40.02% of the capital stock of Endesa Américas and for a price of 285 Chilean pesos per each share. The tender offer will be subject to approval of the Merger at the extraordinary shareholders' meetings of Enersis Américas, Endesa Américas and Chilectra Américas, and to fulfillment, after expiry of the statutory period for exercising the right of withdrawal at both Enersis Américas and Endesa Américas, of the condition of non-exercise of the respective withdrawal rights above certain numbers or percentages of shares as appropriate, and to other terms and conditions which will be detailed in due time when the aforesaid tender offer is made.

(f) Moreover, by Board of Directors' resolution on November 24, 2015, supplemented by another on December 17, the Chief Executive Officer was instructed to, at the opportune time and after the appropriate analyses, propose to the Board of Directors and, as appropriate, the Directors' Committee, the negotiation in good faith with Endesa Chile of the terms of an offset agreement, by virtue of which – where the Merger agreements are not adopted before December 31, 2017 – the tax costs incurred by Endesa Chile as a result of its division and after proper crediting and discounting of any tax benefits or credits obtained by Endesa Américas and Endesa Chile as a result of such division, are offset by any tax benefits obtained by Enersis Américas.

(g) By letters dated November 25 and December 17, 2015, the controlling shareholder, Enel S.p.A., informed the corporation and the market, inter alia, that: (i) subject to the successful completion of the corporate Reorganization process in its entirety and according to the estimated schedule, and in view of the information made available to the shareholders on November 24, 2015, it considered that the announced exchange ratio of 2.8 shares of Enersis Américas for each share of Endesa Américas and 5.0 shares of Enersis Américas for each share of Chilectra Américas would be in the best interest of all shareholders and the aforesaid corporations involved in the reorganization; therefore, it would vote in favor of said merger at the

respective Extraordinary Shareholders' Meeting, provided that no material supervening events had occurred before the shareholders' meeting materially affecting the above exchange ratios; and (ii) that Enersis Chile and Enersis Américas would be the exclusive investment vehicles in Chile and in the other South American countries (with the exception of businesses in the area of renewable energies), respectively, with Enel S.p.A, as their controlling shareholder. For a period of not less than five years following the approval of the Merger by the Board of Directors, Enel will not carry out or propose any other corporate reorganization process affecting Enersis Américas other than that to be discussed at the aforementioned Extraordinary Shareholders' Meeting.

5. However, considering the proposed distribution of an eventual dividend to the shareholders of Chilectra Américas after the aforementioned meetings, it will be proposed to the Extraordinary Shareholder's meeting that will vote the on the merger an exchange ratio of 4.0 shares of Enersis Americas for each share of Chilectra Américas. The exchange ratio regarding Endesa Americas would not be altered.

6. Similarly, after the aforementioned meetings, considering that it is in the best interest of all shareholders, the conditions for exercising the withdrawal rights for Endesa Américas were extended, granting higher certainty to the Transaction. At the Extraordinary Shareholders' Meetings of Enersis Américas, Endesa Américas and Chilectra Américas, it will be proposed that the Merger will be subject to the condition precedent that the withdrawal right exercised by their shareholders in connection with the Merger does not exceed 10%, 10% and 0.91%, respectively, to the extent that the withdrawal right of Enersis Americas that does not result in any shareholder exceeding the maximum limit of 65% after the Merger is completed.

#### B) The judgment and the necessary application of the provisions of Title XVI of Law N° 18,046 ("LSA")

1. Adjudicating the challenge of certain points of the Official Letter made in an action brought against the SVS by certain shareholders, the Court of Appeals of Santiago, in a judgment dated March 22, 2016 ("the Judgment"), has demanded application to the Merger of the provisions contained in Title XVI of the LSA referring to RPTs, in addition to the provisions specifically applying to this type of transaction.

2. The Judgment was not appealed by either party in the proceedings and therefore it become final and thus enforceable, specifically with regard to the application to the Merger of the provisions in Title XVI of the LSA referring to RPTs, in addition to the provisions specifically applying to this type of transaction. In view of the foregoing, prior to submission of the Merger to approval at the Extraordinary Shareholders' Meetings of the companies involved in the Merger, the requirements and procedures applicable to this type of transaction must have been fulfilled at each of the aforesaid companies involved in the Merger.

#### C) Actions carried out in application of the provisions of Title XVI of Law N° 18,046 and the provisions specifically applying to Mergers

1. After the election of the current members of the Board of Directors at the Regular Shareholder's Meeting of the Corporation on April 28, 2016, on May 6, 2016, the Board of Directors of the Company resolved, by unanimous vote of its members, to formally begin the process of analysis of the Merger whereby the Company would absorb Endesa Américas and Chilectra Américas.

This analysis would be conducted on the basis of the agreements adopted at the extraordinary shareholders' meeting of the Company held on December 18, 2015, and the estimated terms of the merger disclosed at the aforesaid meeting, detailed above.

2. Moreover, at the same meeting on May 6, 2016, Banco Itaú Argentina S.A. ("Banco Itaú") was appointed independent appraiser of Enersis Américas in the Merger, for the purpose of issuing a report with, at a minimum, the following content: i) a description of the conditions of the Transaction; ii) an analysis of the effects and potential impacts of the transaction for Enersis

Américas, including: a) whether the Transaction is in the Company's best interest and b) whether the terms and conditions of the Transaction are in accordance with those prevailing in the market at the time of its approval, and; iii) other specific points regarding the Transaction, of which the Directors' Committee may expressly require evaluation by the Independent Appraiser.

3. We furthermore note that this Committee, in an extraordinary meeting held on May 16, 2016, by unanimous vote of its members, agreed on Credicorp Capital Asesorías Financieras S.A. ("Credicorp") as additional Independent Appraiser for the purpose of it issuing a report with, at a minimum, the following content: i) a description of the conditions of the Transaction; ii) an analysis of the effects and potential impacts of the transaction for Enersis Américas, including: a) whether the Transaction is beneficial for the Corporation and b) whether the terms and conditions of the Transaction are in accordance with those prevailing in the market at the time of its approval, and; iii) other specific points with respect to the Transaction that we, as members of the Committee, may expressly require that the Independent Appraiser evaluate.

4. Finally, on June 16, 2016, Mr. Pablo D'Agliano was unanimously appointed as independent expert appraiser of the corporation, for him to issue a report on the value of the merging companies and the respective exchange ratio, under the terms and in compliance with the requirements of Articles 156 and 168 of the Chilean Companies Regulations.

### III. Reports reviewed by the Directors' Committee

In the preparation of this Report, we have taken into consideration the following documents:

1. Expert Appraiser Report dated August 5, 2016 issued by Expert Appraiser Mr. Pablo D'Agliano.
2. Independent Appraiser Report dated August 5, 2016 issued by Banco Itaú.
3. Independent Appraiser Report dated August 5, 2016 issued by Credicorp.

With respect to the statements by the Expert Appraiser and the Independent Appraisers, we consider that they are all duly independent and have had sufficient information and time to carry out their duties.

All the reports referred to in this section and which have been taken into consideration in the preparation of this Report are available to all our shareholders and to the market in general.

#### III.1 Mr. Pablo D'Agliano's Expert Appraiser Report

1. The Board of Directors of Enersis Américas appointed Pablo D'Agliano as independent expert appraiser to issue an expert appraiser report on, inter alia, the value of the merging corporations and the exchange ratio of the respective shares. The expert report requested from him is in line with the requirements of Articles 156 and 168 of the Chilean Companies Regulations, and its contents adhere to the terms of Article 156 of the Chilean Companies Regulations and General Provision N° 30 of the SVS.
2. The expert appraiser report consisted of a report on the value of the companies involved in the Transaction (the "Corporations" according to the definition given in the expert appraiser report), the exchange ratio of the respective shares, and a pro forma statement of financial position representing the surviving company, presenting asset, liability and equity accounts of the companies.
3. The methodology to determine the value of the companies and the exchange ratio of the respective shares included:
  - a. Absolute model: Discounted cash flows at the firm level ("DCF"), valuing the entities to merge as the sum of parts of each of the subsidiaries and holding

companies forming a part thereof, and considering the macroeconomic reality of each of the four countries independently.

- b. Relative models: (i) Analysis of market multiples and stock prices of comparable companies according to businesses and countries and (ii) Precedent transactions of comparable companies.
4. Mr. Paul D'Agliano's expert appraiser report establishes an exchange ratio of 2.68 shares of Enersis Américas for each share of Endesa Américas, and 4.10 shares of Enersis Américas for each share of Chilectra Américas.
5. Moreover, the Expert Appraiser established an exchange ratio range, drawing attention to various critical variables that generate relative variations in the various industrial segments (Dx, Gx), Countries and holding discount:
  - a. Endesa Américas: Between 2.44 and 2.84 shares of Enersis for each share.
  - b. Chilectra Américas: Between 3,57 and 4,52 shares of Enersis for each share.
6. In addition to determining the Exchange Ratio, the expert appraiser report includes the pro forma statement of financial position of the surviving corporation after the Transaction, with its respective merged adjustments and balances representing the new entity.

### III.2 Report of the additional Independent Appraiser appointed by the Directors' Committee: Credicorp

1. The Directors' Committee of Enersis Américas, in an extraordinary meeting on May 16, 2016 appointed Credicorp Capital as Independent Appraiser for the purposes of issuing a report in accordance with Article 147 of the Chilean Companies Act.
2. The report prepared seeks to present, inter alia, an analysis of the effects and potential impact of the Transaction for Enersis Américas, including (i) whether the Transaction is in the best interest of Enersis Américas, and (ii) whether the financial terms proposed in the Transaction are in line with market conditions at the time of approval. The report has therefore included, as part of its scope (i) an estimate of exchange ratios for the Merger and the value of Enersis Américas, Endesa Américas and Chilectra Américas, (ii) an analysis of the financial terms of the Transaction, and (iii) an analysis of the strategic rationale and potential impacts of the Transaction on the value of Enersis Américas.
3. The methodology to determine whether the Transaction is in line with prevailing market prices, terms and conditions included:
  - a. Discounted cash flows at the firm level ("DCF"). Projections of each corporation involved in the Transaction for the period 2016-2020 were used, provided in local currency converted into dollars at the exchange rate projected for each year, with all information having been submitted by the Company.
  - b. Analysis of market multiples and stock prices of comparable companies according to businesses and countries. The EV/EBITDA 2016E and EV/EBITDA 2017E multiples were used according to country and business. For the assets listed and with an adequate level of liquidity, market value was considered instead of applying multiples of comparable companies.
  - c. For calculation of net financial debt and other financial liabilities, information provided by the Company on the date June 30, 2016 was used.
4. Based on the preceding valuation exercise, and considering the average of the estimates obtained by valuation of DCFs by multiples, the resulting exchange ratios are 2.55 shares of Enersis Américas for each share of Endesa Américas, and 3,67 shares of Enersis Américas for each share of Chilectra Américas.
5. In the opinion of Credicorp, the Transaction is in the best interest of Enersis Américas since the potential to generate benefits for Enersis Américas should more than offset the implicit premium derived from the exchange ratios proposed for the Merger.

- a. The expected benefits of the Transaction include (i) synergies in administrative expenses and services, as well as savings in procurement processes resulting from efficiencies provided by the new structure, (ii) potential savings in holding discounts due to simplification of the new structure, reduced structural subordination to cash flows generated in operating subsidiaries, and direct access to publicly traded subsidiaries with significant liquidity, and potential impacts on the risk rating. Considering the positive expected impacts on cash flows y securities, that amount US\$ 178 million, when compared to the implicit cost for Enersis Américas for the exchange ratios of US\$ 145 million, Credicorp estimates that there is a net benefit of US\$ 33 million for the shareholders as a result of the proposed Transaction.
  - b. Additionally, from a strategic and management point of view, the Transaction would also lead to the elimination of cross-holdings between the holding companies, allowing (i) alignment of interests on operating subsidiaries, (ii) greater efficiency in costs and times for decision making, and (iii) direct access to cash flows and reduced minority interests.
6. The report states in conclusion that the transaction is in line with market conditions and in the best interest of Enersis Américas and its shareholders.
- a. With respect to the shares of Endesa Américas to be acquired through the takeover bid, the price offered is in line with the share price of Endesa Américas that ought to prevail in the market in the absence of the distortions resulting from the Transaction and that Credicorp has estimated a price of 289 Chilean pesos per each share.
  - b. Meanwhile, the market and investors are evaluating the terms of the Transaction, since prices have been fluctuating in ranges that indicate this, with reasonable levels of liquidity.

### III.3 Report from the Independent Appraiser appointed by the Board of Directors: Banco Itaú

On August 5, 2016, the independent appraiser Banco Itaú, appointed by the board of directors of Enersis Américas, pursuant to Articles 9 and 10, second paragraph, of Law 18,045, issued a report analyzing the potential impact of the merger of Enersis Américas, Endesa Américas y Chilectra Américas, including whether the merger is in the best interests of Enersis Américas.

The analysis by the independent appraiser Itaú focused on:

1. The strategic rationale of the merger for Enersis Américas, which was examined through an analysis of the impact on a more simplified corporate structure, the potential impact on public valuation, the impact on share liquidity and the impact on the credit rating of Enersis Américas.
2. The relative valuation of Enersis Américas vs. Endesa Américas and Chilectra Américas, which includes an analysis of the valuation of each asset under Enersis Américas, Endesa Américas and Chilectra Américas, as well as the implicit exchange ratios resulting from such valuations.

With respect to the strategic rationale of the transaction, Banco Itaú, through various analyses, determined that the Transaction is "advantageous" for Enersis Américas and its shareholders and will have the following benefits:

1. It removes a level of companies, thus it is expected to facilitate the decision-making process, and to eliminate potential conflicts of interest regarding investment decisions, growth and financing.
2. The pro forma equity story of Enersis Américas would prevent the duplication currently existing with the equity stories of Endesa Américas and Chilectra Américas, and therefore the Transaction would provide (a) more complete visibility of assets in which a majority interest is held and (b) a potential reduction of the "corporate discount."

3. Although liquidity and analyst coverage of Enersis Américas is currently significant, it is likely that these two items will improve as a result of the new scale and the pro forma equity story of Enersis Américas.
4. Unlikely impact on the credit rating of Enersis Américas, even if withdrawal rights and the takeover bid option are exercised.

The valuation analysis was performed using the following methods:

1. Discounted cash flows: Operating and financial projections by asset, based on the latest business plan provided by Enersis Américas, Endesa Américas and Chilectra Américas.
2. Share price multiples of comparable companies: Based on enterprise value multiples on EBITDA estimated as of 2016 and 2017, for each asset in consideration and selected companies.
3. Comparable transaction multiples: Based on enterprise value multiples on EBITDA of the past 12 months, for each asset in consideration and selected companies.

The implicit exchange ratios resulting from the aforementioned valuations were as follows:

Exchange Ratio	Share Price Multiples - 2016E		Share Price Multiples - 2017E		Transaction Multiples		Discounted Cash Flows		All Methodologies	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
Chilectra Américas/ Enersis Américas	3.44	4.20	3.52	4.31	2.98	3.64	3.06	3.74	2.98	4.31
Endesa Américas/ Enersis Américas	2.12	2.59	2.04	2.50	2.20	2.68	2.31	2.82	2.04	2.82

#### IV. Declaration on Advisability of the Transaction for the Interests of Enersis Américas.

Article 147 of the LSA states that the criteria for approving a transaction with related parties is for such a transaction to be in the best interest of the company and to be in line with prevailing market prices, terms and conditions at the time of its approval.

In view of this, below we will examine the following aspects of the transaction separately:

- Its contribution to the best interests of the company.
- Market price and other terms and conditions.

##### IV.1 Contribution to the best interests of the company

The Directors' Committee of Enersis Américas agrees with the conclusions of the independent appraisers Banco Itaú and Credicorp Capital with respect to the fact that the Transaction "would be in the best interest of Enersis Américas and its shareholders" for the following reasons:

1. The Transaction would lead to a number of benefits for Enersis Américas, notably including:
  - a. Synergies in administrative expenses and services.
  - b. Potential savings in holding discounts.
  - c. Potential increase in liquidity and analyst coverage as a result of greater scale of the company as well as its new equity story.

- d. Positive cash flow and stock impacts for US\$ 178 million, that when compared to the implicit cost to Enersis Américas for the exchange ratios of US\$145 million, there is an expected net benefit of US\$ 33 million for the shareholders.
  - e. Other potential strategic and management benefits, such as
    - (i) Alignment of interests over operating subsidiaries,
    - (ii) Greater cost and time efficiencies in the decision-making process
    - (iii) Direct access to cash flows and a reduction of the minority interests.
2. The corporate reorganization of Enersis Américas entailed by the execution of the Transaction would allow "alignment of interests on operating subsidiaries", thereby generating:
- a. Improved costs and reduced time needed in the decision making process as well as elimination of potential conflicts of interest regarding investment decisions, growth and financing.
  - b. A potential positive impact on the risk rating of Enersis Américas, given its more direct access to the operational flows of subsidiaries that will now corporately depend directly on Enersis Américas.
  - c. Increased visibility of assets in which Enersis Américas and its subsidiaries hold a majority interest.
  - d. Reduction in minority interests at the level of Enersis Américas

#### IV. Market price and other terms and conditions

The Directors' Committee of Enersis Américas agrees with the independent appraisers Banco Itaú and Credicorp Capital with respect to the Transaction "being in line with market conditions" due to the valuations of the companies presented in the reports and the exchange ratios derived from such valuations are reasonably comparable to the exchange terms proposed for the Transaction, **equivalent to 2.8 shares of Enersis Américas for each share of Endesa Américas and 4.0 shares of Enersis Américas for each share of Chilectra Américas.**

**For the above reasons, the Committee, by unanimous agreement of its members, concludes that the Transaction in the terms and under the conditions described in this Report, IS IN THE COMPANY'S BEST INTERESTS.**

In Santiago, on August 5, 2016

/s/ Hernán Somerville S.

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Hernán Somerville S.  
Tax ID: 4.132.185-7  
President of the  
Directors' Committee  
& Independent Valuator

/s/ Patricio Gómez S

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Patricio Gómez S.  
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Director

/s/ Domingo Cruzat A.

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Domingo Cruzat A.  
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Director

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