

Santiago, September 13, 2016

Shareholders of **ENDESA AMÉRICAS S.A.**  
HAND DELIVERY

**Re: Individual Report regarding the Tender Offer for the Shares of Endesa Américas S.A. announced by Enersis Américas S.A.**

To Whom it may Concern:

By means of this letter and in compliance with the provisions of Article 207, item c) of the Securities Market Law N° 18.045 (hereinafter the "**Securities Market Act**") I hereby issue an Individual Report (hereinafter the "**Individual Report**") in my capacity as Director of Endesa Américas S.A. ("**Endesa Américas**" or the "**Company**" indistinctly) a public corporation, registered in the Superintendence of Securities and Insurance ("**SVS**") under No. 1138, Taxpayer No. 76.536.351-9, created by a public deed on January 11, 2016, issued before Santiago Notary Mr. Pedro Sadá Azar, an extract of which was registered on page 4,284 No. 2,568 of the Santiago Commercial Registry for the year 2016, published in the Official Gazette on January 20, 2016, in regards to the Tender Offer for the Shares announced by Enersis Américas S.A. (hereinafter "**Enersis Américas**" or the "**Bidder**", indistinctly).

#### 1. **Background and General Considerations**

1.1. Enersis Américas, a company with Taxpayer No. 94.271.000-3, according to the provisions of Article 202 of the Securities Market Act and the provisions of General Norm No. 104 of the SVS, published on September 13, 2016, notification of commencement (the "**Notification of commencement**") of a tender offer of 3,282,265,786 ordinary shares of a single series with no par value, fully subscribed and paid, issued by Endesa Américas.

1.2. As stated in the Notification of commencement, it is the Bidder's intention to acquire up to the entirety of the shares issued by Endesa Américas which are not owned by Enersis Américas (including shares represented by ADS), that is, 40.02% of the Endesa Américas shares issued (the "**Offer**"), priced at \$300 (three hundred pesos) per share payable in pesos, national currency, (the "**Price**") in accordance with the contents of the "Price and Conditions of Payment – Form of Payment" section in the prospectus of the Offer.

1.3. The Offer is subject, among other causes for revocation, to the condition that the extraordinary meetings of Enersis Américas, Endesa Américas and Chilectra Américas S.A. ("**Chilectra Américas**") shareholders called for September 28, 2016, will approve the statutory merger of Endesa Américas and Chilectra Américas in Enersis Américas, under which Enersis Américas, as the absorbing entity, would incorporate into each of the subsidiary companies Endesa Américas and Chilectra Américas, which would dissolve without the need for their liquidation, assuming all of its rights and obligations (the "**Merger**"), or if the Merger is approved, and after the legal term to exercise the withdrawal right in each of the Enersis Américas, Endesa Américas, and Chilectra Américas companies has expired for the purposes of the agreement to carry out the Merger, the withdrawal right that the shareholders of Enersis Américas, Endesa Américas, and Chilectra Américas does not exceed 10%, 10%, and 0.91% of the shares issued with voting rights in each of these companies respectively; or if such

percentages are not exceeded, the consequence of the withdrawal right percentage exercised in Enersis Américas has the consequence that any shareholder does not exceed the maximum limit of shareholding concentration of 65% in Enersis Américas by the expiration date of the term for exercising the withdrawal right of the dissident shareholders, taking into consideration that the number of shares in which the new capital of Enersis Américas that will be divided which has been approved in extraordinary meetings of Enersis Américas, Endesa Américas, and Chilectra Américas shareholders who make decisions regarding the Merger.

1.4. As detailed below, the Offer is being carried out as part of the reorganization (the **"Reorganization"**) proposal of Enersis Américas (formerly Enersis S.A.), Endesa Américas, and Chilectra Américas, all ultimately held by Enel S.p.A., whose purpose is to separate Chilean businesses and from business conducted abroad from generating and distributing electricity in different companies which was reported to the market by significant event on April 22, 2015.

1.5. As part of the Reorganization process, the Merger required that the divisions by the shareholders of Enersis Américas, Endesa Américas and Chilectra Américas be separately and subsequently approved in conformity with applicable laws (the **"Divisions"**). As a result, at that time certain concerns were raised by the minority shareholders of Enersis Américas and Empresa Nacional de Electricidad S.A. (**"Endesa Chile"**) regarding the market price of Endesa Américas shares, which could be more vulnerable to the fluctuations and uncertainties of the market. In response to these concerns and in order to propose a mechanism which contributes to ensuring the Merger dissident minority of Endesa Américas shareholders a minimum market price for their shares, and mitigating the risk of the Merger not taking place, by significant event dated November 24, 2015, Enersis Américas informed the market of its commitment to make the Offer at a price of \$236 per share. Subsequently, that price was raised to \$285 per share, as reported to the market through significant event dated December 17, 2016.

1.6. Enersis Américas, Endesa Chile and Chilectra S.A. shareholders approved the Divisions in extraordinary shareholders' meetings held on December 18, 2015. Indicative information in terms of the Offer (including a price for the Offer), as well as of the Merger, was provided to the market, the shareholders of Enersis Américas and Endesa Chile, and the SVS before the shareholders meetings held on December 18, 2015 to approve the Divisions. In that time, Endesa Américas still did not exist since it is company that emerged from the division of Endesa Chile.

The Divisions took effect on March 1, 2016, and the shares of the new companies that emerged from the Divisions in the respective stock markets started being traded on April 21, 2016.

1.7. Through Significant Events dated August 5, 2016 and August 31, 2016, Enersis Américas, Endesa Américas and Chilectra Américas reported to market that extraordinary shareholders' meetings would be held by each of them by September 28, 2016 in order to submit for their consideration the Merger and propose - in what is of interest to this Individual Report - an exchange ratio of 2.8 shares of Enersis Américas for each share of Endesa Américas.

1.8. Subsequently, by means of Significant Event published on August 16, 2016, the Company informed the market that by applying the provisions of Article 69 of the Chilean Companies Act Law N° 18,046 (“Corporations Act”) and in Article 132 of its Regulations, the price that would be paid to each shareholder of Endesa Américas who exercises the withdrawal right will be \$299.64 per share.

1.9. On August 31, 2016 and September 1, 2016, it was reported by means of the respective Significant Events of Enersis Américas that the Board of Directors determined that the price that will be paid in the Offer for each share of Endesa Américas would definitively be set at Ch\$300 (three hundred pesos), which is above what has been issued in this Individual Report that also announces that the Offer would materialize on September 13, 2016.

## **2. Relationship with the controlling shareholder, the Bidder and eventual interest in the Operation.**

2.1. I declare that I am a Director of Endesa Américas, elected by the Ordinary Shareholders’ Meeting held on April 27, 2016, and designated by vote of its controlling shareholder Enersis Américas, who is the Bidder. Likewise, I declare that these votes of the controlling shareholder were decisive to being appointed as Director.

2.2. I declare that in a meeting of the Board of Directors of Endesa Américas on April 28, 2016, I was elected Chairman of the Board of Directors and of the Company.

2.3. I declare that in compliance with Article 147 of the Corporations Act, at the Board meeting held on May 6, 2016, I formally made a statement regarding the interest in a Merger, which was duly disclosed to the market through Significant Events of the Company on that same date.

2.4. I also declare that as of the date of this individual report, I am employee of “Enel Iberoamérica S.L.” a Spanish company domiciled in Madrid (Spain), Calle Ribera de Loira no. 60 with Tax ID B-85721025 whose only partner is “Enel S.p.A.”, an Italian company.

Since it is public, “Enel Latin America S.L.” is the direct and indirect holder of 60.62% of the share capital and holder of the Bidder.

2.5. Notwithstanding the aforementioned and in what is specifically referred to as the Offer, I do not have special interest in the Offer other than my interest as Director of Endesa Américas.

2.66. I declare that I do not directly or indirectly possess any share of the Company, its controlling shareholder Enersis Américas, or any other company belonging to its business group in Chile or abroad.

## **3. Opinion about the Offer**

For the purposes of a decision on the Offer, in addition to the Background and Considerations described in the first paragraph of the individual report, it is appropriate to highlight the following aspects:

3.1. As consequence of the design of the Reorganization process, the shareholders of Endesa Américas will have, in a practically contemporary and time-limited term, the following options regarding the Company certificates of which they are owners:

(a) **Selling their Endesa Américas shares on the market prior to the merger** without waiting for the outcome of the extraordinary meeting on the Merger or the Offer itself.

(b) **Keeping their shares and taking part in the Merger**, in which case, if approved under the terms outlined above, its holder would receive 2.8 shares in the entity resulting from the Merger, Enersis Américas for each holding in Endesa Américas;

(c) **Not taking part in the Merger and exercising the withdrawal right** according to the provisions of Articles 69 of the Corporations Act and 132 of its Regulations, in which case it would receive Ch\$299.64 per share or

(d) **Taking part in the Offer**, selling its shares and receiving the Price.

In terms of the Reorganization and alternatives (b) to (d) set forth above, detailed information has been provided to the market in general and to the shareholders of the Company in particular which, incidentally, is available on the web pages of the Company and the Bidder.

3.2. In accordance with the contents of section 3.1 above, at the discretion of the undersigned, the Offer should, therefore, be compared within the Reorganization process by its financial terms with at least the following parameters:

(a) The current market price.- On the date prior to issuing this individual report, the price per share of Endesa Américas at the closing of the Santiago stock market was 304.7 pesos. The Price represents, therefore, a discount of the 1.5% on said market price.

Please be advised that, logically, the aforementioned market price has been calculated by the indicated date of reference, and consequently, there may be variations up to the date of the extraordinary shareholders' meeting where a decision will be made on the Merger, as well as a final date of the validity of the Offer.

(b) The implicit price resulting from the exchange ratio of the Merger.- The implicit price per share resulting from the exchange ratio announced for the Merger, which is 2.8 shares of the entity resulting from the Merger, Enersis Américas for each share that Endesa Américas- is 314.16 pesos, taking into account the price per share of Enersis Américas at the closing of the Santiago Stock Market on the date prior to the issuance of this Individual Report. The implied price per share resulting from the announced exchange ratio represents, therefore, a premium of 4.7% on the Price.

Please be advised that, logically, the aforementioned implied price resulting from the exchange ratio of the Merger has been calculated by the indicated date of reference, and consequently, there may be variations up to the date of the extraordinary meeting of shareholders where a decision will be made on the Merger, as well as a final date of the validity of the Offer.

(c) The price to be received in the event of exercising the withdrawal right.- As has been announced by the company by means of Significant Event of August 16, 2016, the price that would be paid to each shareholder of Endesa Américas who exercises the withdrawal right resulting from the Merger agreement will be \$299.64 per share, that is, 0.36 pesos below the Price.

Since the provisions of Articles 69 of the Corporations Act and 132 of its Regulations have been applied, the abovementioned price that would be paid to each shareholder of Endesa

Américas who exercises the withdrawal right cannot change as long as the extraordinary meeting of the Company is actually held on September 28, 2016.

3.3. Taking into account the recent creation and quoting of Endesa Américas and the characteristics of its assets, among other aspects, the present Individual Report does not refer to other price comparisons as they may be, among others: the historical market prices of shares of Endesa Américas; the book value of Endesa Américas; the liquidation value of Endesa Américas or the price of similar operations on Endesa Américas shares during a period prior to the Offer.

The fact that the signer has not taken into consideration the aforementioned valuation methods or others, does not entail invitation, suggestion, proposal or recommendation to each shareholder if it is deemed appropriate, since it is the responsibility of each shareholder to evaluate and seek advice regarding the Offer if it so deems it appropriate.

3.4. On the other hand, please be advised that there are other elements beyond those that are strictly financial that could be taken into consideration by the shareholders of Endesa Américas when deciding whether to accept the Offer. These include, but are not limited to, the following:

- \* The expected benefits of the Reorganization for the resulting entity from the Merger and its shareholders;
- \* The precedent conditions that the Merger is subject to and the possibility that it may fail;
- \* The negative impact for Endesa Américas if the Merger does not come to fruition;
- \* The terms for the expiration of the Offer and the possibility that it may fail and;
- \* Different process for the transfer of shares derived from exercising the withdrawal right by the Merger dissident shareholders, or on the contrary, the sale of shares in the Offer, according to the provisions, applicable regulations, the prospect of the Offer and those other procedures that establish, in their application, the Bidder;

All these non-economic elements that could influence the decision to sell their shares or not in the Offer, as well as other relevant information, are sufficiently described in the public documentation that has been made available on the market to shareholders of the Company on for the purposes of the Reorganization and the Offer, and therefore their detailed analysis is suggested before adopting any decision.

Additionally, it is recommended that each shareholder analyze the above-listed elements, as well as any others that it deems appropriate for the formation of a carefully considered investment decision, taking into account its personal situation, particularly with regard to financial, legal and tax matters, which, logically, is different in each case.

### 3.5. Conclusion:

According to the above described facts and data, taking into account:

- the Offer is part of a complex process of Reorganization, and the implications, affectations and assessment of the same are inherently different from that of a Tender Offer for common shares and must be properly assessed by each shareholder;
- that the entire process of Reorganization has been developed with regard to the applicable regulations and guidelines issued by the competent regulatory authorities;

- that according to market reports, the Offer was designed as incidental to the Merger, in the sense of establishing a mechanism that contributes to ensure the Merger dissident minority of Endesa Américas shareholders, a minimum price to market for their shares and mitigate the risk that the Merger had not taken place;
- that at the discretion of the signer of the Individual Report the entire Offer process has been developed with regard to the applicable regulations and guidelines issued by the competent regulatory authorities;

Given the economic considerations described in section 3.2 of this Individual Report, the signer of the same considers that the Offer is financially unattractive for Endesa Américas shareholders compared to other available options.

#### **4. Final Considerations**

For the appropriate purposes I present to shareholders to whom this Individual Report is being directed, that the views contained herein regarding the Offer I issue in my capacity as Director of Endesa Américas and in compliance with the provisions of Article 207 c) of the Securities Market Act and other regulations or provisions of the SVS that may be applicable to it.

Accordingly, the contents of my Individual report cannot in any way be considered, either directly or indirectly, as an invitation, suggestion, proposal, or recommendation to sell or not to sell the shares of Endesa Américas, either at the time of the Offer, or not.

It is the responsibility of all shareholders to evaluate and if appropriate, be properly advised with regard to the legal, economic, financial, and tax matters, or of any another nature relating to their participation in the Offer, as well as to study the various implications that in each particular case would involve the eventual sale of their shares in the same, in order adopt with the available information the decision that is considered to be the most suitable to their own interests.

Sincerely,

Rafael Fauquié Bernal

Director Endesa Américas S.A.

This liberal, English translation is provided for the convenience of the reader. In the event of discrepancies the Spanish version will prevail.