



enersis

- Independent Evaluator Report -

October 2014

Itaú BBA

This report (the "Report") has been prepared by BANCO ITAÚ CHILE (hereinafter referred to as "ITAÚ BBA de BANCO ITAÚ CHILE") in its capacity as Independent Evaluator and as a consequence of the appointment made by the Board of Directors of ENERSIS S.A. (the "Board of Directors" and "ENERSIS" respectively), pursuant article 147 of Law No. 18,046, in connection with the potential impact on ENERSIS of the credit purchase and sale transaction with Central Dock Sud S.A., its further capitalization, and other consequential transactions to them (the "Proposed Transaction").

In the preparation of this report has been used public information and information provided by ENERSIS, its affiliates, related persons and advisers. Itaú BBA de Banco Itaú Chile is under no obligation to verify independently the information and is not liable for the accuracy and truthfulness of the information provided which has served as the basis for the preparation of this Report.

The Report has used the best information and methodologies available at the time of its issuance resulting in certain projections and conclusions that may change if, in turn, the information and methodologies may vary in the future.

The opinions and / or findings contained throughout this Report are the opinions and estimates of Itaú BBA de Banco Itaú Chile, at the time of its issuance thereof, with respect to the Proposed Transaction.

The conclusions of the Report are based on certain factual assumptions, which may vary significantly with the passing of time mainly due to factors difficult to predict. Itaú BBA de Banco Itaú Chile only guarantees the validity of the conclusions where all said factual assumption are verified.

The information, opinions and conclusions contained in the Report does not constitute a recommendation to the Board of ENERSIS regarding the Proposed Transaction. This report may only be used for the purposes stated in Article 147 of Law 18,046.

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Current Situation

- Central Dock Sud (“CDS”) is a thermal power plant operating in the Argentine power generation sector with an installed capacity of 870 MW (primarily combined cycle)
 - Central Dock Sud’s installed capacity represents 2.74% of Argentina’s installed power generation capacity, generating ~ 3.78% of total country’s power generation in 2013, which represents ~5.91% of the total thermal power generated during such period
 - Annual electricity demand in the Argentine wholesale electricity market grew at a CAGR 3.39% during the 2009-2013 period
- Pursuant to Argentine law, Central Dock Sud S.A. is required to enter into forced dissolution as it currently holds negative equity capital
 - Enersis currently holds an indirect 39.995% equity stake in Central Dock Sud. Other shareholders in Central Dock Sud are YPF, Panamerican Energy and PPP (*Programa de Propiedad Participada*) with a 39.996%, 19.998% and 0.01%, respectively
 - Should Central Dock Sud dissolution occur, Itaú BBA de Banco Itaú Chile estimates that Enersis would receive no value in the form of cash or any other from such liquidation process
 - Aside from the indirect equity stake in Central Dock Sud, Enersis (the “Company” or “ENI”) holds indirect subordinated liability claims against Central Dock Sud amounting to US\$16.4 mm in the form of principal and past due interests related to the Subordinated Loan and the Preferred Shares of the latter
 - In addition, under a liquidation process, Enersis would reflect a positive accounting impact in net income estimated by Enersis management at US\$41 mm as of June 2014 and a decrease in consolidated net debt of US\$194 mm

The Proposed Transaction

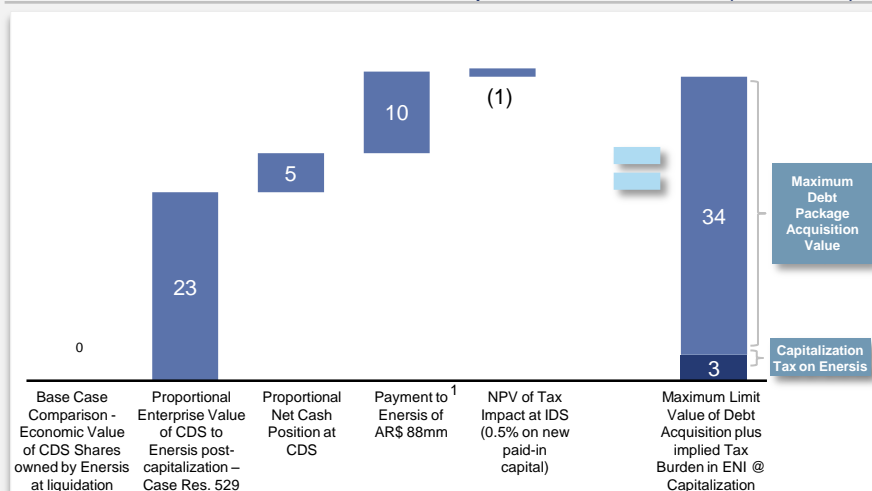
- In order to avoid Central Dock Sud dissolution and to reconstitute its equity capital, Enersis is considering pursuing the Proposed Transaction
- The Proposed Transaction consists, among other, for Enersis S.A. on acquiring from Endesa Latinoamérica S.A. (“ELA”) all outstanding claims the latter holds against Central Dock Sud S.A. (the “Debt Package”) under arm lengths basis assumptions
 - As of June 2014, Endesa Latinoamérica holds claims in the form of principal, interests on capital, past due interests and fees against Central Dock Sud for a total amount of US\$104.4 mm
 - Such holdings are held in two different instruments:
 - Senior Loan: Endesa Latinoamérica’s participation in the Senior Loan represents approximately 57% of the outstanding principal of US\$90.7 mm (the “Senior Loan”)
 - This Senior Loan is senior to all other indebtedness. The security package includes mortgage and pledge over land and generation plant, fiduciary assignment over material agreements, fiduciary assignment of credits against CAMMESA, and pledge over shares of Inversora Dock Sud (“IDS”), YPF and Pan American Energy in Central Dock Sud (i.e. virtually 100% of the share capital). Senior Loan is denominated and payable in US Dollars and subject to New York law
 - Shareholders’ Loan: Endesa Latinoamérica’s participation in the Shareholders’ Loan represents approximately 40% of the outstanding principal of US\$34.0 mm (the “Shareholders Loan”)
 - Senior in ranking, though principal payment date agreed to occur after repayment of the Senior Loan, it is denominated and payable in US Dollars and subject to Argentine law
- Under the Proposed Transaction and after acquiring the Debt Package from Endesa Latinoamérica S.A., Enersis S.A. will, along Pan American Energy and YPF, condone interests and fees and capitalize the principal of the indebtedness held by all of them against Central Dock Sud except for AR\$88 mm to be collected by Enersis in cash
 - Resulting ownership in Central Dock Sud will be virtually unchanged
 - Central Dock Sud will not hold any debt after capitalization as per the Proposed Transaction
- The Proposed Transaction will be formalized by Enersis, YPF and Panamerican Energy by means of a Capitalization Agreement
 - The Capitalization Agreement is an agreement that exclusively considers Enersis, ELA, YPF and Pan American Energy (the “Parties”) and which has been fully drafted and arranged for the interest of the mentioned Parties
 - The Capitalization Agreement is subject to certain conditions precedents, in particular, Endesa Latinoamérica must transfer to Enersis the Debt Package. The latter situation its not mandatory to Endesa Latinoamérica within the scope of current agreements in place

Summary of Situation and Findings (2/2)

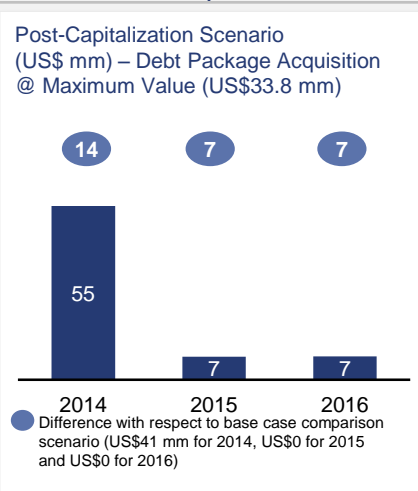
Summary of Findings

- Through the analyses performed, we believe the following reasons support the existence of a fair market value range for the Debt Package to be sold by Endesa Latinoamérica S.A. to Enersis's which we estimate in between US\$20.1 mm and US\$50.7 mm
 - Cash-flow available for debt service in Central Dock Sud
 - Seniority rights and the security package associated to the Senior Loan
 - Hard-asset characteristic of Central Dock Sud and its implied replacement value
 - Quality of equity sponsors as Enersis, YPF and Pan American Energy
- Given our fair estimate of enterprise value of Central Dock Sud under different analyses performed and other implications of the Proposed Transaction to Enersis, and in contrast to the alternative of Central Dock Sud's dissolution, we believe the Proposed Transaction contributes to the corporate's (social) interest whenever the Debt Package is acquired at an outstanding value below US\$33.8 mm¹
 - Below such level, the Proposed Transaction creates positive net present value for Enersis and results in a more positive accounting impact than the dissolution scenario
 - The analyses performed indicate that the current 39.99% indirect equity stake of Enersis in CDS has no economic value
 - We estimate Central Dock Sud enterprise value at US\$59.5 mm as of June 2014
 - As of June 2014 Central Dock Sud holds US\$194 mm of outstanding net debt and US\$25 mm outstanding *Diferencial de Rescate*² liability
- Additionally, the value of the Debt Package is further enhanced by the qualitative and strategic aspects of the Proposed Transaction for Enersis
 - We believe that once the capitalization of CDS is executed, there would be no need for new capitalizations in the near term
 - The Proposed Transaction supports Enersis group expanded interests in Argentina within its power generation, electricity transmission and electricity distribution assets in Endesa Costanera, El Chocón, Edesur, Yacylec, Compañía de Transmisión del Mercosur and Transportadora de Energía S.A.
 - The Proposed Transaction hinders the entry of a newcomer into Central Dock Sud

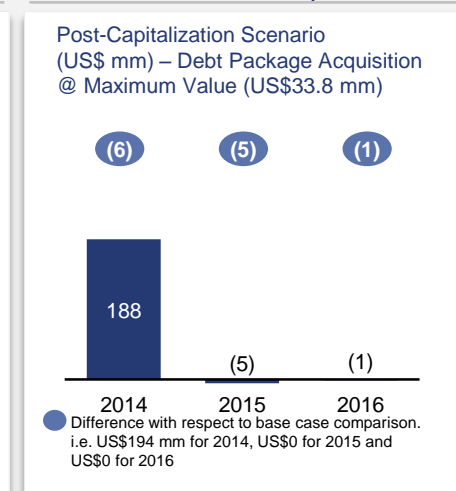
Net Present Value to Enersis of Proposed Transaction (US\$ mm)



Net Income Impact to Enersis



Net Debt Decrease Impact to ENI



Note:

1 Should the AR\$88 mm debt payment to Enersis be repatriated at an FX rate of AR13.32/US, referred maximum Debt Package Acquisition Value would stand at US\$30.3 mm

2 *Diferencial de Rescate* is the interest due of Central Dock Sud's preferred shares

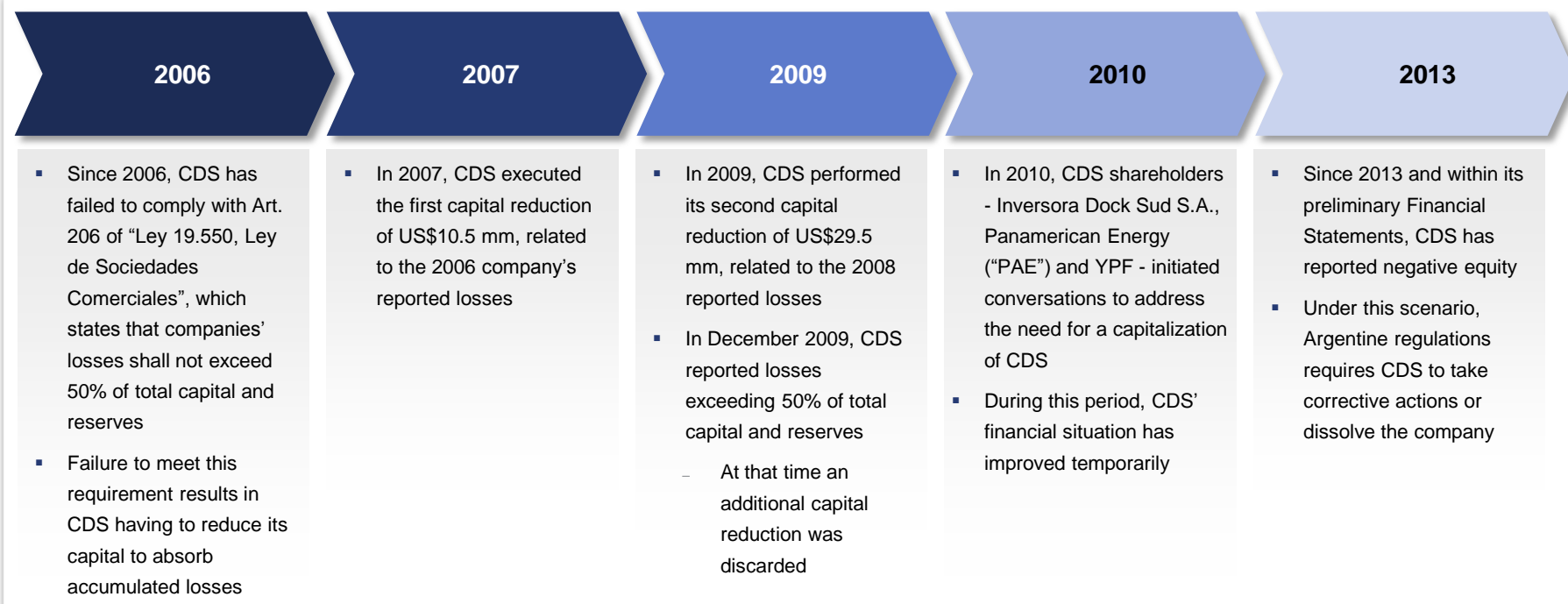
SECTION 1	Introduction
SECTION 2	Framework of the Analysis Performed
SECTION 3	Considerations around Central Dock Sud
SECTION 4	Analysis Performed
SECTION 4A	Central Dock Sud Valuation Analysis
SECTION 4B	Valuation of ELA Loans in CDS
SECTION 4C	Impact on Enersis Net Income and Net Debt
SECTION 5	Conclusions
SECTION 6	Answers to Questions Raised by Board Member Mr. Rafael Fernandez M.
APPENDIX	Supplemental Materials



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SECTION 1
Introduction

Central Dock Sud S.A.'s Legal Situation According to Argentine Legal Framework "*Ley de Sociedades Comerciales, Ley 19.550*"



Ley de Sociedades Comerciales Argentina - Highlights

- Pursuant to Art. 94 of Law 19.550, and in view of the expected financial results of Central Dock Sud for 2013, CDS may be forced to request its dissolution.
- If a dissolution is declared, the current management is only able to attend urgent matters and to execute the necessary steps required to begin the company's liquidation process. Any other activities executed by the management not related to the liquidation and/or urgent matters, may render the management joint and severally liable in respect to third party claims. (i.e. if shareholders and management do not proceed to liquidate the company, all Central Dock Sud's debt becomes "recourse" to its shareholders and Board Members)
- Article 96° states that CDS' dissolution does not proceed if shareholders agree to fully or partially reconstitute or increase the company's capital

CDS Current Situation as of June, 2014

Shareholding Structure

- Enersis S.A. is the main shareholder of IDS with a 57.14% stake, and one of the main shareholders of CDS with a total indirect stake of 40.0%
- IDS is a holding company, or holder of investment shares, while CDS is a power generator in Argentina with 798 MW of net installed capacity
- YPF holds a 42.86% direct equity stake in IDS and a 10% direct equity stake in CDS
- PAE holds a 20% direct equity stake in CDS
- A shareholders' agreement governs the interaction among IDS, YPF and PAE, includes supermajority rights at 85% of the total voting rights

Liabilities with Related Parties

Senior Structured Debt

- Endesa Latinoamérica S.A. holds an outstanding principal amount of US\$51.8 mm and past due interest of US\$33.9 mm
- YPF holds an outstanding principal amount of US\$38.9 mm and past due interest of US\$26.3 mm

Shareholders Loan

- ELA and YPF hold an outstanding principal amount of US\$13.6 mm and past due interest of US\$5.1 mm each
- PAE holds an outstanding principal amount of US\$6.8 mm and past due interest of US\$2.5 mm

Subordinated Debt

- IDS holds an outstanding principal amount of US\$3.9 mm

Diferencial de Rescate

- IDS holds an outstanding interest due on its preferred shares of US\$26.7 mm

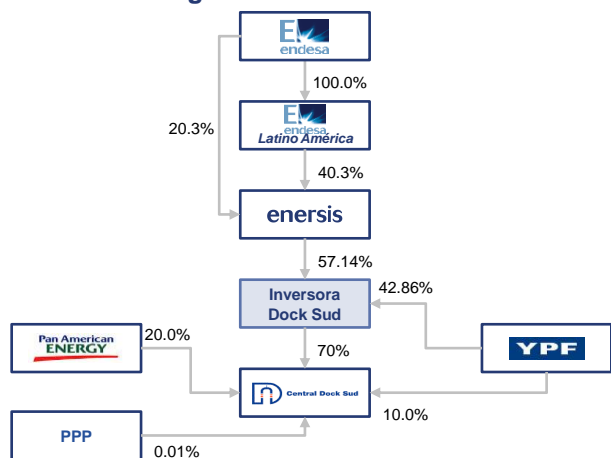
Proposed Transaction

- In order to reconstitute CDS equity, all shareholders have agreed to conduct a capitalization of IDS and CDS, and comply with local regulation

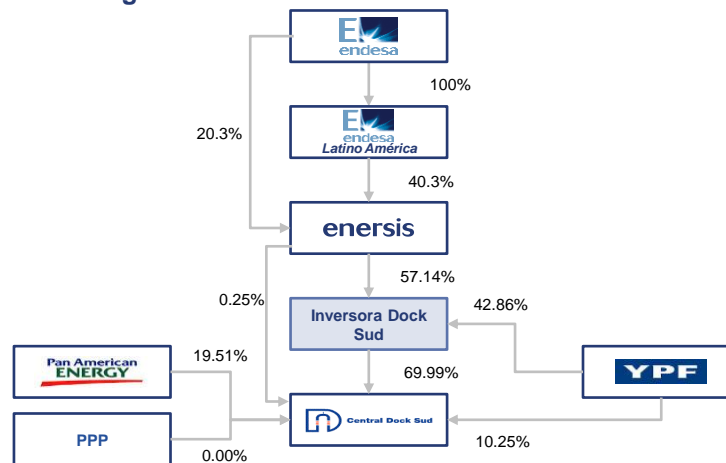
The "Proposed Transaction" Comprises Three Main Steps

1. ELA will sell and grant to Enersis the loans it has on CDS
2. After condoning CDS' interests, fees and *Diferencial de rescate* and not considering the AR\$88 mm to be paid by CDS to Enersis, Enersis together with PAE and YPF, will contribute their loans at face value on an equal basis to restore the capital of IDS and later of CDS
 - 2a. In order to avoid dilution, Pan American Energy will capitalize AR\$125 mm in the form of commercial credits with CDS or cash
 - 2b. With part of the funds received from PAE, CDS will amortize AR\$88 mm of the outstanding debt that Enersis acquired from ELA in Step 1
3. In exchange for the loans, creditors will receive shares issued by IDS and CDS in proportion to the contribution made
4. A capital reduction in CDS absorbing losses in order to comply with the "Ley de Sociedades Comerciales Argentina" in case that the accumulated losses after the Proposed Transaction surpass 50% of the paid-in capital

Current Shareholding Structure



Shareholding Structure Post Transaction



- On July 29th, 2014 Itaú BBA de Banco Itaú Chile submitted a proposal to the Company to act as an Independent Evaluator. For the effects stipulated under the terms of Article 147 of the Chilean Law 18.046 (Ley de Sociedades Anónimas), the Board of Directors' of Enersis appointed Itaú BBA de Banco Itaú Chile on July 30th, 2014 as an Independent Evaluator, so as to report to the shareholders of Enersis with respect to the Proposed Transaction as defined below
- Enersis described and defined in its Request for Proposal Letter dated July 24th, 2014 a Proposed Transaction whereby, among others, Enersis may acquire outstanding loans that Endesa Latinoamérica S.A. holds in Central Dock Sud S.A. in order to then perform a capitalization of Central Dock Sud S.A. and avoid its dissolution as per Art. 94 of "*Ley de Sociedades Comerciales Argentina, Ley 19.550*"
- The Board of Directors of Enersis has requested the Independent Evaluator Report to consider the following issues:
 1. A description of the conditions outlined in the Proposed Transaction
 2. An assessment of the market value of the credits that Enersis would potentially acquire
 3. An analysis of the Proposed Transaction's potential impact on Enersis, considering:
 - Whether the Proposed Transaction contributes to Enersis' corporate interests
 - Whether the Proposed Transaction adjusts to price, terms and conditions prevailing in the market at the time of its approval
 4. Other specific matters regarding the Proposed Transaction that the Directors Committee and the Board of Directors of Enersis may expressly require to be evaluated by the Independent Evaluator



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SECTION 2

Framework of the Analysis Performed

Framework of the Analysis Performed

- In accordance with Article 147 of the Chilean Law 18.046 and within the scope of Enersis' request, the report contains the following analysis:

Objective of the Analysis	Analysis To Be Performed
1. What is the market value range of the debt to be acquired by Enersis to ELA?	<p>We will assess debt fair value through the simulation and testing of 3 methodologies:</p> <ul style="list-style-type: none"> (i) NPV of cash-flows available for debt service; (ii) Value based on capital structure of firm value ("FV"), representing recovery for both creditors debt and equity holders of CDS; and (iii) Recovery value in a liquidation proceeding of CDS <p>For the sake of clarity, "fair value" could differ from the price to be payable by an investor in the market, since such offer price would consider a return to such investor, being therefore in one of the ends of the curve between bid and ask prices</p>
2. Does the Proposed Transaction create economic value to Enersis vis-à-vis the Base Case Comparison Scenario?	<p>If the sum of the economic values of 1., 2. and 3. below is greater than the value of the shares of CDS under the Base Case Comparison Scenario</p> <ul style="list-style-type: none"> 1. Acquisition of the ELA debt 2. Valuation of Central Dock Sud shares after the Proposed Transaction using the following methodologies <ul style="list-style-type: none"> o DCF Analysis o Trading Comparable Multiples o Precedent Comparable Transactions o Third-Party Valuations 3. Other cash impacts to Enersis of the Proposed Transaction <ul style="list-style-type: none"> o Payment of AR\$88 mm to Enersis o Taxable income to Enersis in Chile for the capitalization at face value of the principal of the acquired debt to ELA o Increased annual tax to Enersis amounting to 0.5% of the new paid-in capital at IDS and CDS 4. Qualitative considerations of strategic fit and rationale of the Proposed Transaction to Enersis
3. What's the impact on Enersis Net Income and Consolidated Net Debt vis-à-vis the Base Case Comparison Scenario? <ul style="list-style-type: none"> • Considering such in accordance with IFRS issued by the IASB 	<p>Pro-forma analysis of Enersis' net income and net debt at the time of the Proposed Transaction and going forward</p>

- The Base Case Comparison Scenario represents the dissolution of CDS under the absence of a capitalization
 - From an economic value perspective, the value of CDS shares at dissolution will be assessed through the same valuation methodologies of Central Dock Sud shares indicated above
 - From a net income impact perspective the liquidation of CDS would generate a one-off non-cash increase in net income of US\$41 mm¹ under the assumption that the value of the shares of Enersis in CDS is equal to zero at liquidation
 - From a consolidated net debt perspective, the liquidation of CDS would generate a decrease in ENI's consolidated net debt of US\$194 mm

Note:

¹ Net Income impact on Enersis under a CDS's liquidation scenario. CDS book value of US\$34mm and accumulated losses of US\$ 7mm based on Company's information

- Enersis provided an initial information package with the following information:
 - Financial Statement's projections for 2014-2023 of Central Dock Sud S.A
 - Historical Financial Statements of CDS:
 - Audited 2011 and 2012 Financial Statements with notes to the Financial Statements
 - Draft of Unaudited 2013 Financial Statements with notes to the Financial Statements
 - Excel file for 1H of 2014 without notes to the Financial Statements
 - Legal information related to CDS's outstanding loans (Syndicated Loan, Shareholders Loan and IDS Loan)
 - Shareholders Agreement of IDS and CDS and a draft of the new Capitalization Agreement for the Proposed Transaction
 - Accounting and tax notes on the Proposed Transaction
 - Summary Presentation of the Proposed Transaction
- Itaú BBA de Banco Itaú Chile asked several questions to Enersis, which were periodically answered by e-mail as the formal channel established by the Company
 - More than 150 questions were answered by Enersis
 - Relevant answers to such questions are included in the following slides, titled "Other Considerations Rendered by Enersis"
- As part of the Due Diligence process, the following were held:
 - Management Presentation of CDS
 - Site visit to Central Dock Sud's facilities in Argentina
 - Working meetings held with management of CDS, Directors and management of Enersis

- Itaú BBA de Banco Itaú Chile asked questions and requested information to Enersis which answers were delivered via e-mail
 - Enersis received the shares of CDS for CLP\$1, in the wake of the capital increase performed by ENI on March 2013. This transaction considered the transfer of the shares that Endesa S.A. ("Endesa Spain") directly had in certain South American companies, not including the transfer, cession or sale of any other asset. Endesa Spain expressed the commitment to use Enersis as its sole investment vehicle for Southamerican investments except for those related to NCRE that would be developed by Enel Green Power
 - Costo Plus is a mechanism of public knowledge announced by the Argentinean Government
 - Neither CDS nor IDS have any outstanding tax contingency
 - Enersis has not done any allowance on its financial statements with respect to IDS shares
 - The cash position of the AR\$125 mm that PAE will contribute in the capitalization to maintain its current stake is unknown, and the difference that may exist will be contributed in outstanding receivables it has for gas supply
 - If the Proposed Transaction is not performed, CDS or IDS goes into a liquidation process, the result of this process would have a positive impact of US\$41 mm for Enersis in its Income Statement without any taxable implications. This analysis is as of June 2014 assuming that the value paid for Enersis shares in IDS at liquidation is zero
 - Neither PAE nor any of its shareholders and/or affiliates would obtain, now or in future, any benefit (in addition to their shareholder condition) from the Proposed Transaction
 - The Capitalization Agreement considered within the Proposed Transaction through which Enersis, YPF and PAE seek to capitalize CDS and relatively maintain their current proportional participations in CDS equity, was constructed exclusively for Enersis, ELA, YPF and PAE, and we therefore believe it cannot be extrapolated to any other holder of the Debt Package, specially those groups not involved in the shareholding of CDS before capitalization
 - The Capitalization Agreement considers as condition precedent, among others, the transfer of the Debt Package from ELA to Enersis
 - If no agreement to capitalize CDS is materialized, the company must be dissolved. In addition, ELA is not able to capitalize its debt directly into CDS as this situation was not considered within the currently available Capitalization Agreement. Such Capitalization Agreement requires as a condition precedent that ELA transfers to ENI the referred Debt Package. As per Chilean law as ENI and ELA are "related parties", the Proposed Transaction is subject to article 147 of Corporation Law and needs to be approved by an Extraordinary Shareholders Meeting
 - As an alternative to the Proposed Transaction, ELA considered the capitalization of its outstanding debt in CDS and then sell to Enersis the shares received from CDS. However, given Endesa S.A.'s commitment mentioned above and the need for two shareholders meetings in order to approve the alternative transaction - for simplicity - it was decided to move forward with the Proposed Transaction

- Enersis' current underlying participation in CDS as of June 2014 is recognized as a negative equity value of US\$34 mm
- The Senior Loan is the only outstanding senior security at CDS and is subject to New York law
- CDS does not have Financial Statements with notes for 1H 2014
- The write-off the *Diferencial de Rescate* has no tax effects on CDS and IDS since the capitalization is performed at the nominal value of debt
- Argentine law establishes an annual tax rate of 0.5% over paid-in capital to foreign shareholders
- The value at which Enersis will buy the loans from ELA will be registered in Enersis books at the market value as determined by the extraordinary shareholders meeting. Any difference that may arise between this receivable and the outstanding debt at CDS will have an effect on net income
- Enersis will register a loss for the condoned interests to CDS, while at the same time will recognize a profit from its stake in IDS, partially netting the negative effect on Enersis. Considering that the acquired loans are registered at market value, there will be no tax effects in Chile. In Argentina, the income produced by the interests condonation does not generate withholding tax and is not subject to taxation
- Any additional effect which may arise from direct or indirect changes in participation of Enersis in CDS, will be reflected under "other reserves" of its equity. In Chile, the difference originated between the capitalization of loans at nominal value and the value paid, is subject to a tax rate of 21% (35% to the shareholders). In Argentina, the capitalization at the nominal value of the loans does not generate any income
- Loans not capitalized and exchanged to AR\$ as of 31/12/2013, will have an impact on CDS's and Enersis net income, which will finally depend on the Argentine currency foreign exchange
- Enersis is neither obligated to buy ELA's debt in CDS nor perform the Proposed Transaction until it signs the Capitalization Agreement with its partners at CDS
- The Capitalization Agreement is subject to certain conditions precedents and, among others, that Endesa Latinoamérica transfers to Enersis the Debt Package. As explained before, Endesa Latinoamérica is not contractually required under the current agreements in place to execute the transfer in favor of Enersis

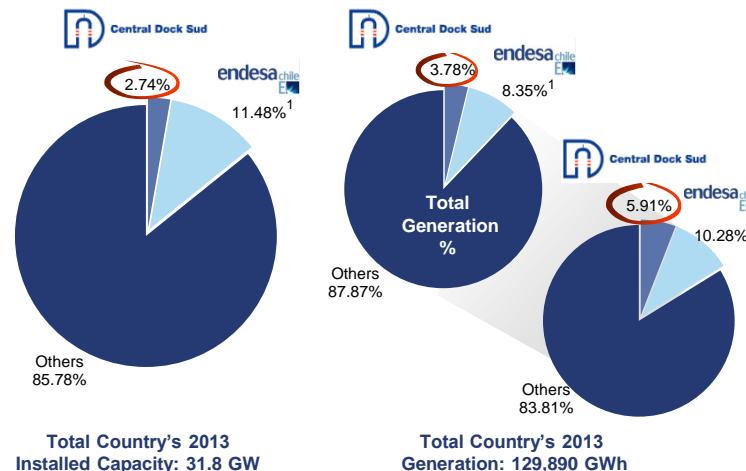
- ELA's acceptance of the Capitalization Agreement offer (the "Offer") has to be pure and simple
 - If ELA accepts the Offer subject to certain conditions, the agreement does not become effective until such conditions are fulfilled
- The Capitalization Agreement has to be accepted by all Parties involved
 - If any of the Parties does not accept the Capitalization Agreement, it does not become effective and a new capitalization agreement would have to be negotiated within the accepting Parties
- Previously to agree and sign the Capitalization Agreement, ELA would have transferred to Enersis all of its rights over the Senior Loan, Shareholders Loan and the collection of the *Comisión Ecuilizador and Contragarantías*
- As stated in the Capitalization Agreement, the transfer of loans to take place between ELA and ENI is a condition precedent so as the agreement to become effective. Even though the agreement does not established the transfer of loans as an obligation for all Parties involved, it is clear that said transfer is a necessary and critical condition so as the Parties may comply with other and subsequent obligations, including *pesifications*, condonations and capitalizations. As the agreement will not be effective until its acceptance by all Parties, Enersis, in turn, will not accept the Offer until the Proposed Transaction is dully approved by Enersis' Extraordinary Shareholders' Meeting and subsequently the loans transferred from ELA to ENI. Therefore, before the Capitalization Agreement takes place, ENI and ELA must reach a separate agreement in order to transfer the loans
- Enersis will negotiate price and conditions with ELA to acquire the Debt Package, what will be subject to approval at Enersis' Extraordinary Shareholders Meeting

SECTION 3

**Considerations Around
Central Dock Sud S.A.**

- Annual electricity demand in the Argentine wholesale electricity market grew at a CAGR 3.39% during the 2009-2013 period
- CDS's installed capacity represents 2.74% of total country's capacity, generating ~ 3.78% of total country's power generation in 2013, which represents ~5.91% of total thermal power generation
 - In 2013, CDS presented a load factor of 71% for the combined-cycle plant and 11% for its gas turbines
 - CDS's power generation plants had an availability of 90.5%, the fourth highest availability in Argentina's power generation system
- VOSA is a project comprising the development of a combined-cycle thermal plant which is considered to be highly comparable to CDS
 - VOSA will have an installed capacity of 850 MW with a total investment of US\$700 mm

CDS Relevance in the Argentine Power Generation System



CDS Cash-flow Generation and PAE Capitalization

In 2014, energy prices were adjusted (Res.529) to stabilize the power generation sector

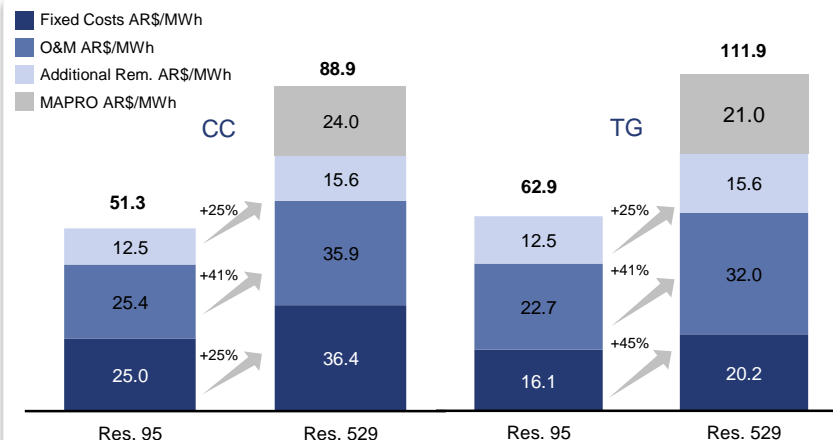
Res 95 – Res. 529

- Migration from Res. 95 to Res. 529 in 2014 implied a 73.2% increase in prices in a year, higher than 2013 inflation of 28% in Argentina
- Under Res. 529 we estimate an EBITDA for CDS of AR\$264 mm in 2014, in line with CDS' forecast

PAE Capitalization

- Within the Proposed Transaction, PAE has shown commitment to pay, in cash or gas receivables, AR\$125 mm for 12,500 mm new shares of CDS to maintain a circa 20% equity stake in CDS after capitalization

Price Adjustment with Res. 529



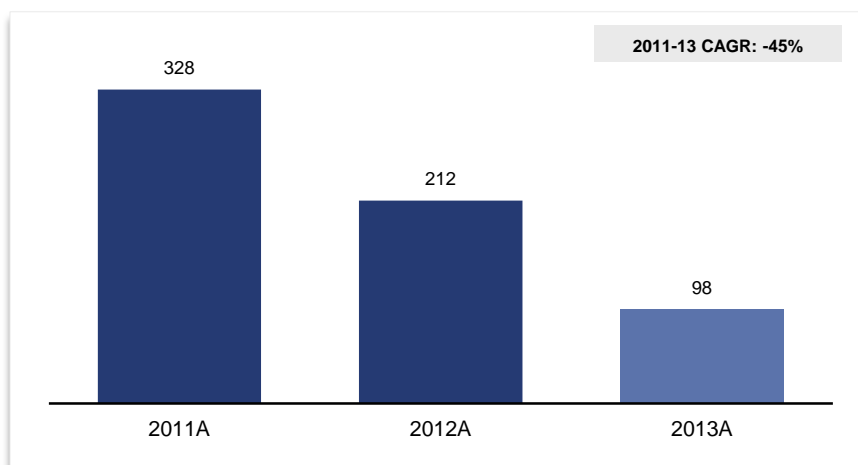
Source: CAMMESA yearbook and Company presentation

Note:

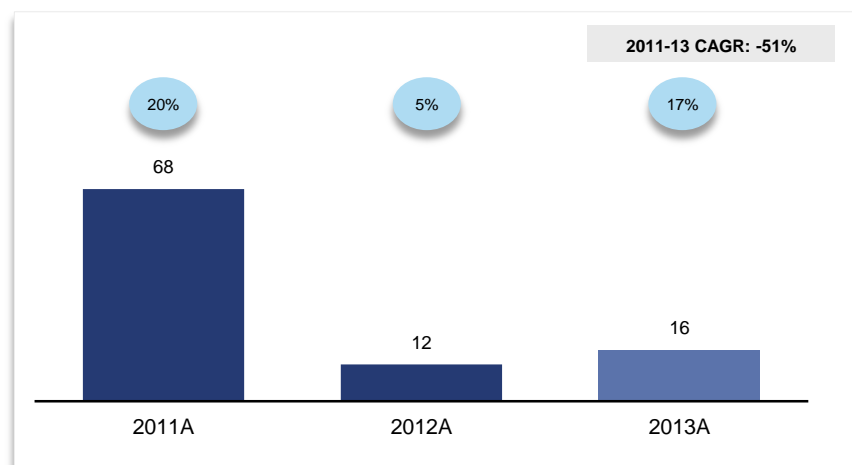
¹ Endesa Chile operates in Argentine market through its subsidiaries Endesa Costanera and Hidroelectrica El Chocon, with installed capacity of 3,652 MW (64% thermal and 36% hydro, respectively) and a total generation of 10,840 GWh as of December, 2013

Central Dock Sud – Historical Financial Highlights

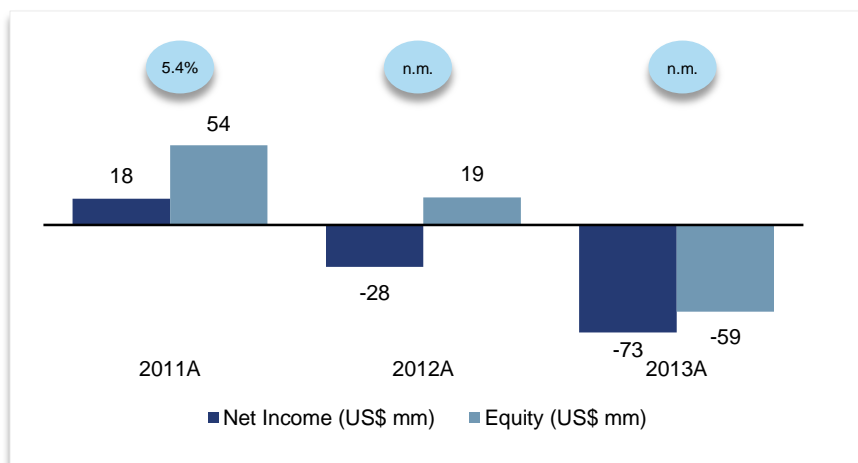
Revenue (US\$ mm) ^{1,2}



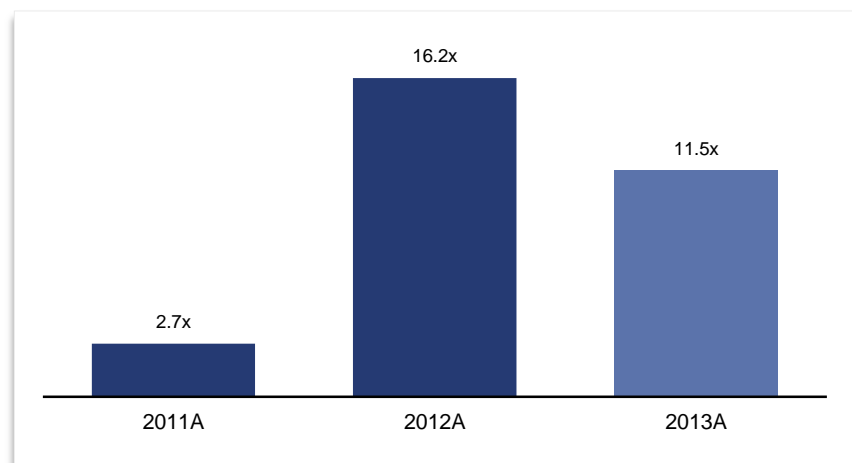
EBITDA (US\$ mm) & EBITDA Margin (%) ^{1,2}



Net Income (US\$ mm), Equity (US\$ mm) & Net Income Margin (%) ^{1,2}



Net Debt / EBITDA (x) ¹



Source: Company filings, presentations and preliminary 2013 Financial Statements

Note:

¹ Preliminary and not audited CDS's financials provided by the company

² Assumes an average AR\$/US\$ rate of 4.3 in 2011, 4.9 in 2012 and 6.5 in 2013

Central Dock Sud - Selected Balance Sheet Items (Cont'd)

Asset Description

CAMMESA	<ul style="list-style-type: none"> This account reflects the receivables that the company has with CAMMESA¹
FONINVEMEM	<ul style="list-style-type: none"> "Fondo de inversiones necesarias que permitan incrementar la energía eléctrica en el Mercado Eléctrico Mayorista ("MEM")" This fund comprises two combined cycle plants of 850 MW each (Belgrano CTMB and San Martín CTSM) that started operations in 2010 CDS is receiving its investment in the project plus labor +1% interest over a period of ten years. CDS ownership is 0.7%
VOSA	<ul style="list-style-type: none"> VOSA represents the "Central Vuelta de Obligado" project, a combined cycle plant of 850 MW that will start operations in 2014/2015 CDS will receive its investment in the project plus labor +5% interest over a period of ten years. CDS final ownership is 3.3%
Resolution 724/08	<ul style="list-style-type: none"> Loan obtained to repair TG7 and TG8
Additional Funds	<ul style="list-style-type: none"> Funds, in addition to VOSA and FONINVEMEM, with no current project assignment by the Argentina's Government

Liabilities Description²

Accounts Payable	<ul style="list-style-type: none"> Corresponds to commercial short-term debt with related parties, payables related to fuel transportation and distribution and other maintenance costs
Senior Loan	<ul style="list-style-type: none"> Corresponds to a principal of US\$90.7 mm loan with Endesa Latinoamérica S.A. and YPF International S.A. <ul style="list-style-type: none"> ELA holds US\$51.8 mm YPF holds US\$ 38.9 mm
Shareholders Loan	<ul style="list-style-type: none"> Corresponds to a principal of US\$34.0 mm loan with Endesa Latinoamérica S.A., YPF International S.A. and Pan American Energy Ibérica <ul style="list-style-type: none"> ELA holds US\$13.6 mm YPF holds US\$13.6 mm PAE holds US\$6.8 mm
Subordinated Loan	<ul style="list-style-type: none"> Corresponds to a loan principal of US\$3.9 mm with Inversora Dock Sud S.A.
Deferred Tax Liabilities	<ul style="list-style-type: none"> Corresponds to deferred income tax and VAT
Diferencial de Rescate	<ul style="list-style-type: none"> Corresponds to the value at which preferred stocks differential is valued <ul style="list-style-type: none"> IDS holds US\$26.7 mm

Source: Company Presentations

Notes:

1. CAMMESA is the Argentine wholesale power market administrator

2. No environmental contingent liabilities are assumed

Central Dock Sud's Outstanding Debt Description

CDS Liabilities Description as of June, 2014

Debt Package

Type of Debt	Outstanding Principal Amount	Outstanding Past Due Interests	Creditors	Main Characteristics
Senior Loan	US\$ 90,704,696	US\$ 60,178,893 ¹	<ul style="list-style-type: none"> Endesa Latinoamérica S.A.³ YPF Internacional S.A.⁴ 	<ul style="list-style-type: none"> Originally executed in 1999 and amended in 2001, to include the European Investment Bank as beneficiary of the security package⁵ Senior in ranking Amounts under the Senior Loan are secured by mortgage and pledge over land and generation plant, fiduciary assignment over material agreements, fiduciary assignment of credits against CAMMESA, pledge over shares of IDS, YPF and PAE in CDS Denominated and payable in US Dollars NY law and jurisdiction
Shareholders Loan	US\$ 34,000,000	US\$ 12,655,061 ²	<ul style="list-style-type: none"> Endesa Latinoamérica S.A.³ YPF Internacional S.A. Pan American Energy Iberica, SL⁶ 	<ul style="list-style-type: none"> Originally executed in 2007 Senior in ranking, though principal payment date agreed to occur after repayment of the Senior Loan Denominated and payable in US Dollars Argentine law and jurisdiction
Subordinated Loan	US\$ 3,910,637	-	<ul style="list-style-type: none"> Inversora Dock Sud S.A. 	<ul style="list-style-type: none"> Originally executed in 2001 and subject to the <i>pesification</i> of indebtedness in 2002 (and amended so as to reflect such change in 2003). In 2004, the outstanding amount was reconverted to US Dollars Subordinated in ranking, to the Senior Loan Denominated and payable in US Dollar, or in Pesos equivalent Unsecured Argentine law and jurisdiction
Diferencial de Rescate⁷	-	US\$ 24,900,000	<ul style="list-style-type: none"> Inversora Dock Sud S.A. 	<ul style="list-style-type: none"> Total subscription of 73,151,883 preferred shares at a nominal value of AR\$ 0,01per share Preferred shares do not have voting rights, except when CDS is not in compliance with all the stock's terms and conditions CDS may redeem preferred shares for the total of company's unrestricted funds under all the financing agreement terms signed by the company

Source: Company Information

Note:

1. Includes US\$ 30,069,788 of interests on capital, US\$ 16,410,367 of default interests and US\$ 13,698,738 of fees

2. Includes US\$ 10,474,304 of interests and US\$ 2,180,757 of default interests

3. Formerly named, Endesa Internacional S.A.

4. Repsol International Finance BV assigned its participation to YPF Internacional S.A.

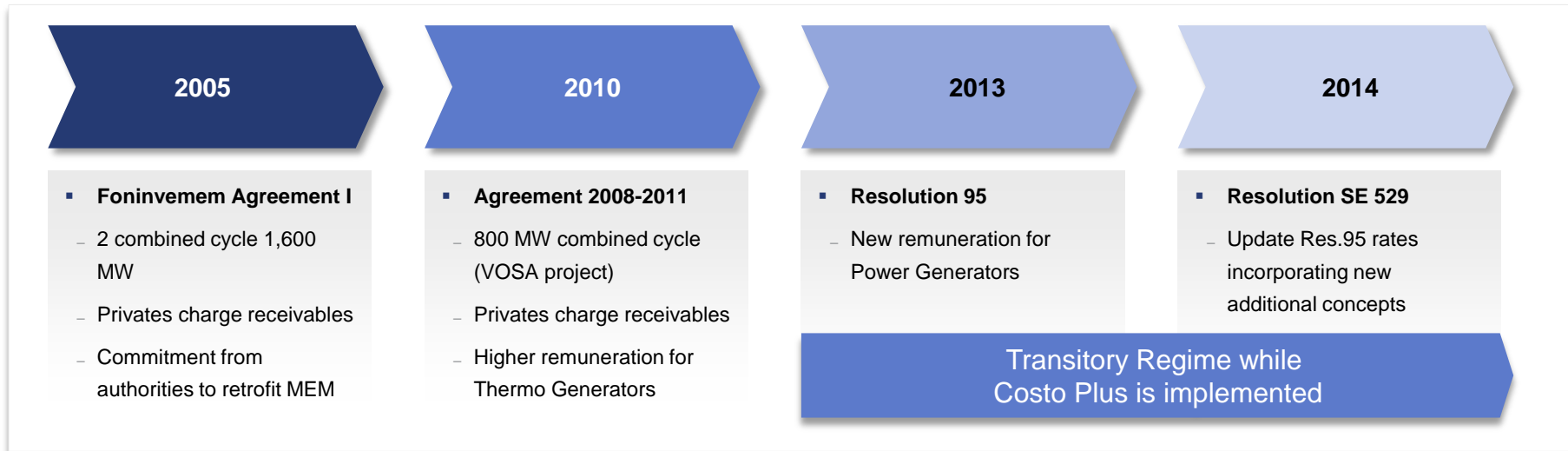
5. Indebtedness with European Investment Bank, which shared security package with the Senior Loan was canceled on 2013

6. Pan American Energy LLC assigned its participation to Pan American Energy Iberica, SL

7. Considers an ARS/USD exchange rate of 8.133 as of June, 2014

 ELA stake to be acquired

Argentinean Regulatory Framework Evolution



Trusts – FONINVEMEM & VOSA

- Facing the need for specific investments but also a lack of private interest the Secretary of Energy (SENER) enacted Resolutions 712 and 826 in 2004, which created FONINVEMEM, the fund for the investment needed to increase the supply of electricity in the wholesale market. The fund which sought to encourage participation from creditors of the wholesale market invited those creditors, mainly generation companies, to participate with their credit in the creation of the fund itself. Once the project is developed by the fund, and after 10 years of capital repayment with an interest payment at a defined interest rate, the fund's property is transferred to its contributors at zero cost
- In September 2003, the Energy Department intervened the power market through Resolution SE 406/03 restricting the collection of pending payments from CAMMESA. Instead, in July 2004 a fund called "Fondo para inversiones necesarias que permitan incrementar la oferta de energía eléctrica en el MEM" (FONINVEMEM) was created
 - FONINVEMEM comprises the development of two Combined Cycle (Belgrano CTMB and San Martín CTSM) of 850 MW each. Both of them started operations on 2010. This project allows CDS to recover receivables from 2004-2007 in 10 years receiving an interest payment of Libor +1%. During the first 10 years the projects are owned by the trust and after that time the property of the project will be transferred at zero cost to its shareholders. At the end of the life of this trust, CDS will receive 0.7% of its ownership
- In March 2011, the Energy Department, through the Note SE 1593/2011, announced the approval of a new project named "Central Térmica de Ciclo Combinado Vuelta de Obligado" (VOSA)
 - VOSA comprises the development of a combined-cycle plant with a total investment of US\$700 mm. CDS will receive the principal repayment with an interest of Libor+5% for 10 years. Operations are expected to start in 2014 for Simple Cycle and 2015 for Combined Cycle. At the end of the life of this trust, CDS will receive 3.3% of its ownership.
- Other Projects: Once funding for each trust is reached, a new trust starts accumulating funds to be invested in a new project.

Migration to a not yet approved “Costo Plus” remuneration scheme is under discussion between power generators and government authorities

Resolution 95/529

Total Remuneration = Fixed Costs + Variable Costs + Additional Remuneration	
Fixed Costs	<ul style="list-style-type: none"> Payments in AR\$/MWhrp based on the achievement of Target Availability for each technology <ul style="list-style-type: none"> Last 3-yr average availability is considered for the calculation Gas turbines with less than 50MW of installed capacity <ul style="list-style-type: none"> 70.0AR\$/MWhrp Combined-cycle plants with more than 150 MW of installed capacity <ul style="list-style-type: none"> 38.8AR\$/MWhrp
Variable Costs	<ul style="list-style-type: none"> Payments in AR\$/MWh, based on generated energy by type of technology and fuel Gas turbines with less than 50 MW of installed capacity <ul style="list-style-type: none"> 26.8 AR\$/MWh for gas fuel, and 46.8 AR\$/MWh for gasoil fuel Combined-cycle plants with more than 150 MW of installed capacity <ul style="list-style-type: none"> 26.8 AR\$/MWh for gas fuel, 46.8 AR\$/MWh for gasoil fuel, and 89.2 AR\$/MWh for biodiesel fuel
Additional Remuneration	<ul style="list-style-type: none"> Payments in AR\$/MWh for the total generated energy <ul style="list-style-type: none"> Part of the remuneration is perceived by the company, and the rest is retained for new projects by CAMMESA Gas turbines with less than 50MW of installed capacity <ul style="list-style-type: none"> 10.9 AR\$/MWh for the company, and 4.7 AR\$/MWh for CAMMESA Combined-cycle plants with more than 150 MW of installed capacity <ul style="list-style-type: none"> 9.4 AR\$/MWh for the company, and 6.2 AR\$/MWh for CAMMESA
Mapro	<ul style="list-style-type: none"> Payments in AR\$/MWh for total generated energy, and used when the company must perform major maintenances

“Costo Plus” Program

Total Remuneration = Regulated Amortization + Fixed Costs + Variable Costs + Technology Profitability	
Total Remuneration = KAD * [Reg. Depreciation + KE * FC] + VC + Reg. Profitability	
Regulated Depreciation	<ul style="list-style-type: none"> Linear depreciation by type of technology, considering gross residual value divided by total useful life Recognition based on the target availability
Fixed Costs (FC)	<ul style="list-style-type: none"> Fixed costs payment based on target availability and adjustment efficiency factor
Variable Costs (VC)	<ul style="list-style-type: none"> Payment of 100% of variable costs
Regulated Profitability	<ul style="list-style-type: none"> Considers an 8.0% rate over the residual value of the assets and a best in class value per installed KW
Kad = Expected Availability / Target Availability	
Ke = Adjustment Efficiency Factor by Technology	
Regulated Depreciation = Residual Value / Useful Life * (1+ inf. Adjusted tariff)*Kad	
Regulated Profitability = Residual Value / Useful Life * Remaining Life * 8.0% Profitability Rate * (1+ inf. Adjusted tariff)	
inf. Adjusted tariff = Accumulated real/official average inflation per 2 years	

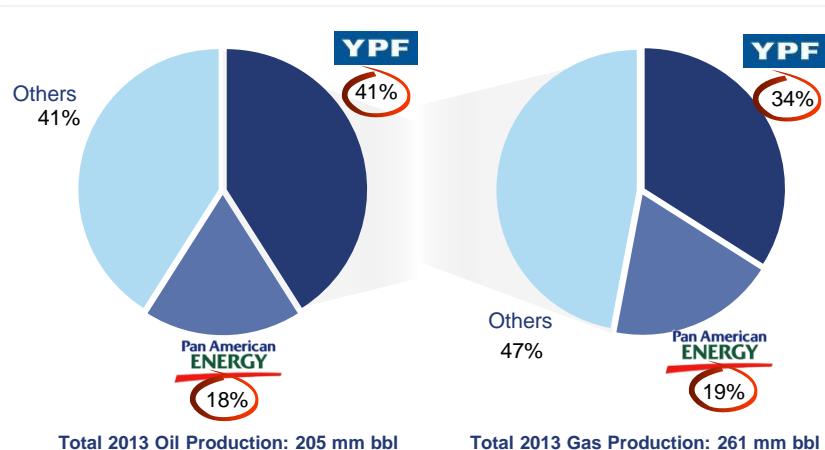
YPF – Leading Player in the Oil and Gas Industry in Argentina

- YPF is the most important Oil and Gas company in Argentina, with leading market positions in the Oil and Gas, refining and fuel marketing industry
- The company contributes with ~37% of total country's production:
 - Crude Oil: 41% of market share (#1)
 - Gas: 34% of market share (#1)
- YPF counts with 90 concessions in the most productive Argentine basins, including strategic unconventional acreage in Vaca Muerta, with proved reserves of +1,083 mmbbl as of December, 2013
- The company also has a leading market position in the refining and fuel marketing industry with more than 50% of Argentina's total refining capacity, and 56.5% of service station market with more than 1,542 units
- The company is listed in the Buenos Aires and New York Stock Exchange with a market cap of US\$ 13,105 mm as of August, 2014
- Financials as of LTM 2Q14:
 - Sales: US\$ 14,203 mm
 - EBITDA: US\$ 3,756 mm
 - Net Income: US\$ 952 mm

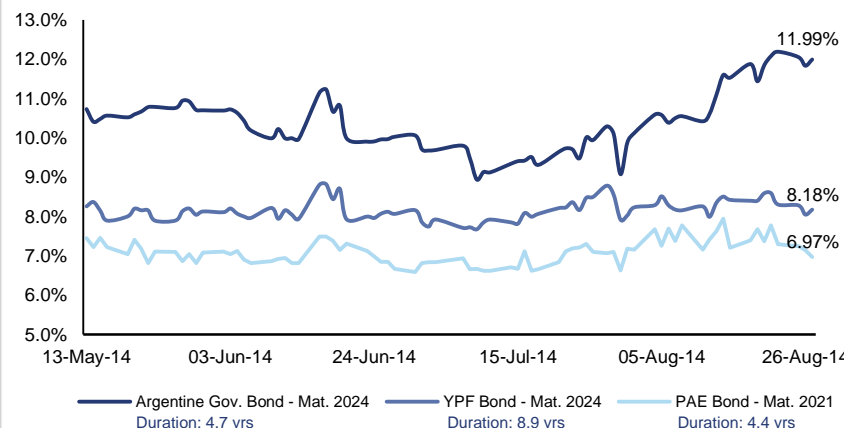
Pan American Energy – Largest Private E&P¹ Player in Argentina

- Pan American Energy is the largest private E&P company, and the second most important E&P player in Argentina with a 17% market share of total country's production:
 - Crude Oil: 18% of market share (#2)
 - Gas: 19% of market share (#2)
- Although Pan American is focused primarily in the E&P industry, the company also owns stakes in electricity generation companies and O&G pipelines
- The company operates in Argentina, Bolivia, Chile, Brazil and Peru, being Argentina and Bolivia the most important markets
- PAE has reported total proved reserves of 1,247 mmbbl as of December 2012, with strategic presence in all the main basins in the country
- The company is owned 50% by Bidas and 50% by British Petroleum
- Financials as of LTM 2Q14:
 - Sales: US\$ 2,637 mm
 - EBITDA: US\$ 1,444 mm
 - Net Income: US\$ 439 mm

Crude Oil and Gas Production Market Share (%)



Yield Performance (%)



Source: IAPG, Company Presentations, Bloomberg and Capital IQ as of August 23rd, 2014

Note:

¹ E&P stands for Exploration and Production



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SECTION 4

Analysis Performed



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SECTION 4A

Central Dock Sud Valuation Analysis

Methodology	Considerations	Valuation Methodologies
1 DCF Valuation	<ul style="list-style-type: none"> ▪ Objective: provide a “fair theoretical valuation” ▪ Captures unique characteristics of the assets and their key value drivers 	<ul style="list-style-type: none"> ▪ DCF on a consolidated basis
2 Comparable Companies Trading Multiples	<ul style="list-style-type: none"> ▪ “Public market valuation” ▪ Values a company based on multiples at which publicly comparable companies trade <ul style="list-style-type: none"> – Enterprise value based on forward multiples of trading comparable companies – Selection of multiples should focus on key industry metrics and consider, amongst others, growth and similarity of business model / size, – Inherent risks to the company's location, size, and operating conditions 	<ul style="list-style-type: none"> ▪ EV / 2014E EBITDA ▪ EV / 2015E EBITDA
3 Precedent Transactions	<ul style="list-style-type: none"> ▪ Precedent transactions capture the multiples paid in comparable relevant and recent transactions ▪ Analysis considers LatAm transactions 	<ul style="list-style-type: none"> ▪ EV / LTM EBITDA
4 Independent Valuations	<ul style="list-style-type: none"> ▪ Central Dock Sud's valuation in precedent valuation report to Enersis and implied in the expected PAE capitalization of CDS 	<ul style="list-style-type: none"> ▪ N.A.

1 Cash-Flow Projection Assumptions

Item	Description
Base Scenario Res.95/529 Costo Plus	<ul style="list-style-type: none"> ▶ For the DCF valuation two scenarios were considered: <ul style="list-style-type: none"> – Current “Base Case” comparison scenario in which CDS operates under Resolution 95/529 – Costo Plus regime starting on 2016 onwards
Projections	<ul style="list-style-type: none"> ▪ Projections based on budget of CDS adjusted by Itaú BBA de Banco ITAÚ Chile ▪ Assumes valuation date as of June 30, 2014 representing a 9.5 year timeframe from July 2014 to December 2023 ▪ Valuations are performed in US\$ Nominal
Foninvemem & VOSA	<ul style="list-style-type: none"> ▶ Foninvemem ends in 2020 and considers an annual interest payment of Libor + 1%. ▶ VOSA ends in 2023 and considers an annual interest payment of Libor + 5% ▶ After VOSA, a third trust is modeled to develop a project which operations starts in 2019 paying an interests rate of Libor + 5% ▶ Afterwards expansion trust remuneration is considered to be perceived in cash
Inflation and Currency Projections	<ul style="list-style-type: none"> ▶ Inflation and FX rates used were calculated to maintain the Purchasing Power Parity (PPP) between Argentina and the US based on internal projections from the Macroeconomic Department of Banco Itaú
Perpetual Value	<ul style="list-style-type: none"> ▶ A growth rate of 2% is considered in the perpetuity, according to forecasted inflation ▶ Last cash flow was adjustment in order to reflect a reasonably steady long term situation

1 Tariffs' Assumptions

Resolution 95/529

		Description	Itaú BBA Assumptions
Gx Remuneration	Fixed Costs	Fixed Costs are recognized according to company's power generators' availability over a last 3-year average target availability for each technology	Fixed Costs projections are based on a 2014 implied tariff in USD, adjusted by US inflation and by an annual average FX rate based on internal projections from the Macroeconomic Department of Banco Itaú
	+		
	Variable Costs	Variable Costs are recognized based on company's power generation by type of fuel	Variable Costs projected in accordance with company's budget projection
	+		
	Additional Remuneration	Remuneration based on company's total power generation Part of the remuneration is paid in cash, and the rest is used for new project's funding by the government After project's completion, the government repays the total capital plus interests over a period of approximately 10 years	Additional Remuneration projections are based on a 2014 implied tariff in USD, adjusted by the US inflation and by an annual average FX rate based on internal projections from the Macroeconomic Department of Banco Itaú
	+		
	Mapro	Remuneration to company's major maintenance programs	Major Maintenance ("Mapro") tariffs are projected based on a constant company's 2014E CAPEX/Mapro remuneration ratio over the period of analysis

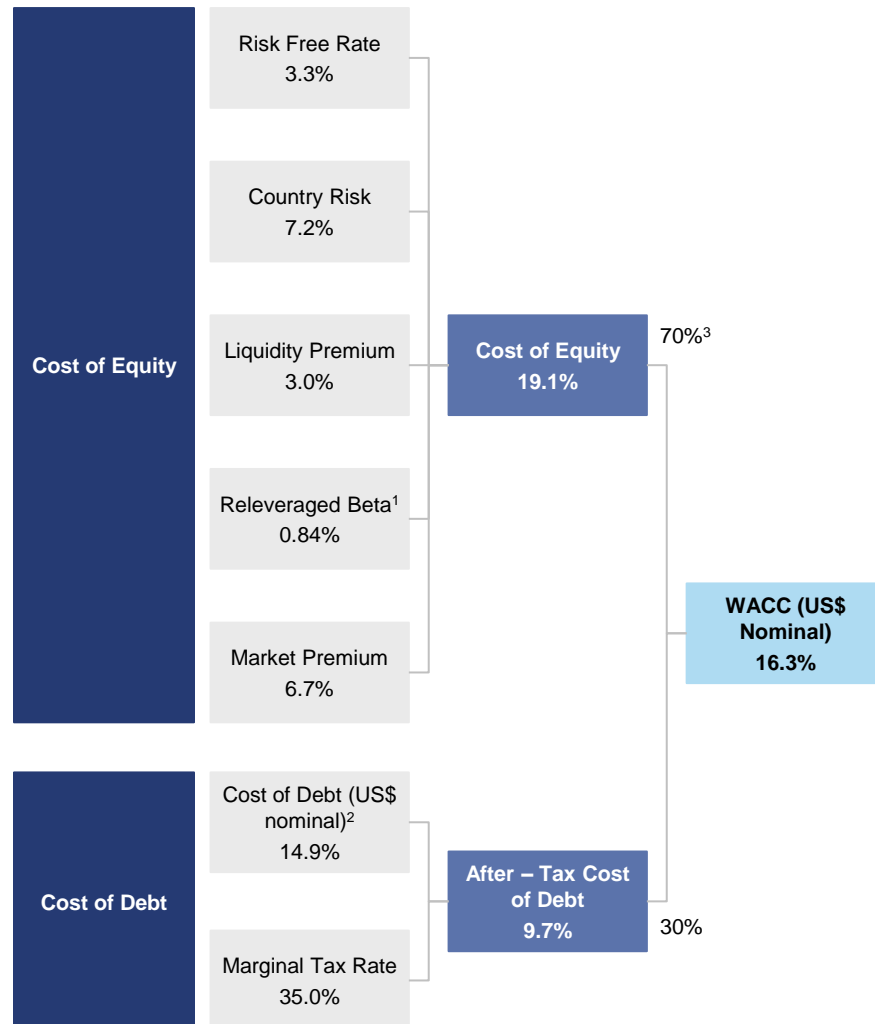
Costo Plus

		Description/ Assumptions
Gx Remuneration	Regulated Amortization	Remuneration recognized according to target availability and lineal amortization considering Net Replacement Value divided by lifespan of the asset
	+	
	Fixed Costs	Fixed Costs are recognized according to a target availability and an efficiency adjustment factor
	+	
	Variable Costs	100% of Variable Costs are recognized
	+	
	Profitability by Technology	8% before taxes considering a non-amortized asset base and a best-in-class per KW installed

1 Discount Rate Analysis

Component Description

Risk Free Rate	<ul style="list-style-type: none"> Based on last 90-day average of 30-year US Treasury yield
Country-Risk Premium	<ul style="list-style-type: none"> Reflects the risk to invest in Argentina, which is measured using EMBI+ risk and spread over risk free-US T-Bond (i.e. G-Spread) <ul style="list-style-type: none"> Based on last 90-day average of EMBI+Argentina
Size / Illiquidity Premium	<ul style="list-style-type: none"> Given the relatively small size / illiquidity of the asset investors should require an additional return. Based on empirical evidence collected by Ibbotson Associates this premium range could go from 2% to 4%
Re-Levered Industry Beta	<ul style="list-style-type: none"> Average Beta from CDS main comparables, re-levered to a target capital structure for the company
Market-Risk Premium	<ul style="list-style-type: none"> Average return for the S&P Index over the risk-free rate in the US of 6.7%, calculated by Ibbotson Associates
Cost of Debt	<ul style="list-style-type: none"> Based on public debt of companies with similar distressed financial situation
Marginal Tax Rate	<ul style="list-style-type: none"> Marginal Tax Rate in Argentina is 35% on EBT or 1% of total assets, the higher of both



Source: Bloomberg and Capital IQ as of September 4th, 2014

Note:

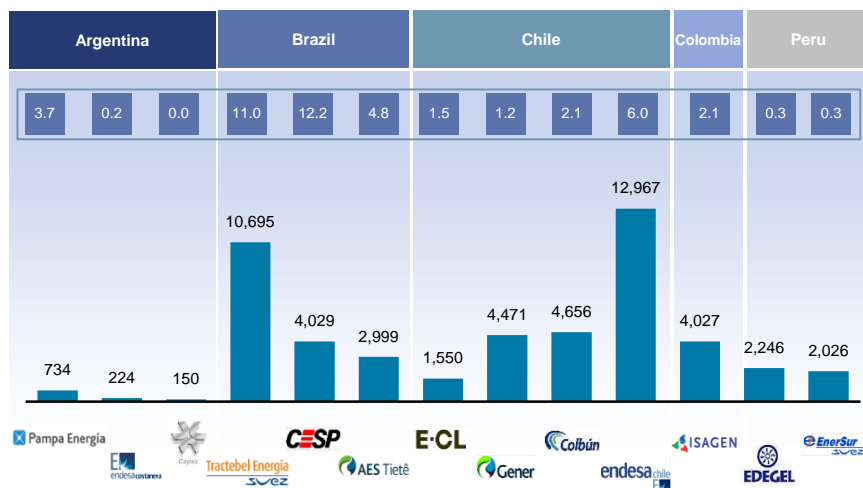
1 Based on the following comparable trading companies: Pampa energy, Tractebel, Cesp, AES Tiete, E-CL, AES Gener, Colbun, Endesa, Isagen, Edegel and Enersur

2 Average of CAPEX, Edenor and Transener's International bond yields with maturity in 2018, 2022 and 2021, respectively

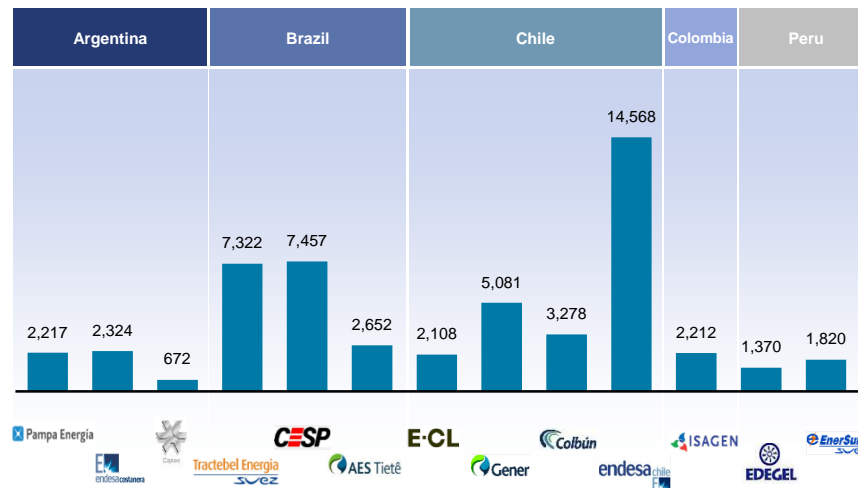
3 Considers the average debt-to-capital ratio of the following trading companies: Pampa energy, Tractebel, Cesp, AES Tiete, E-CL, AES Gener, Colbun, Endesa, Isagen, Edegel and Enersur

2 Comparable Companies Analysis

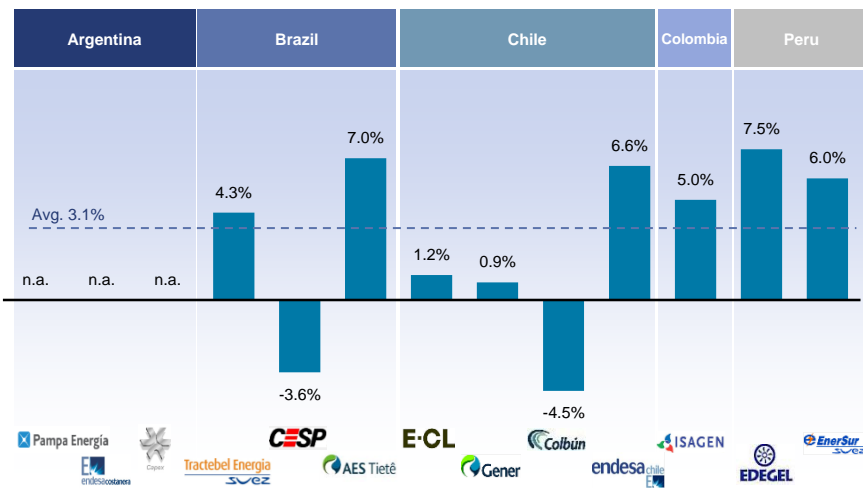
Market Cap (US\$ mm) & Liquidity (US\$ mm)



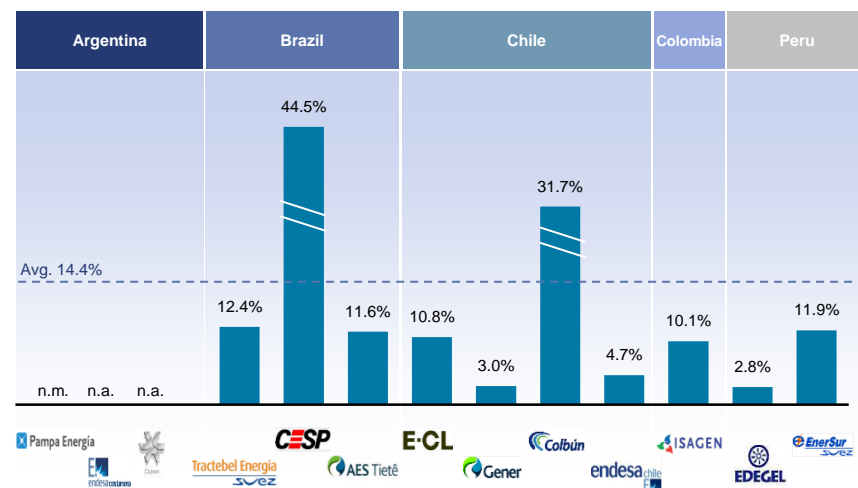
Installed Capacity (MW)¹



Revenue CAGR 13-15 (%)



EBITDA CAGR 13-15 (%)



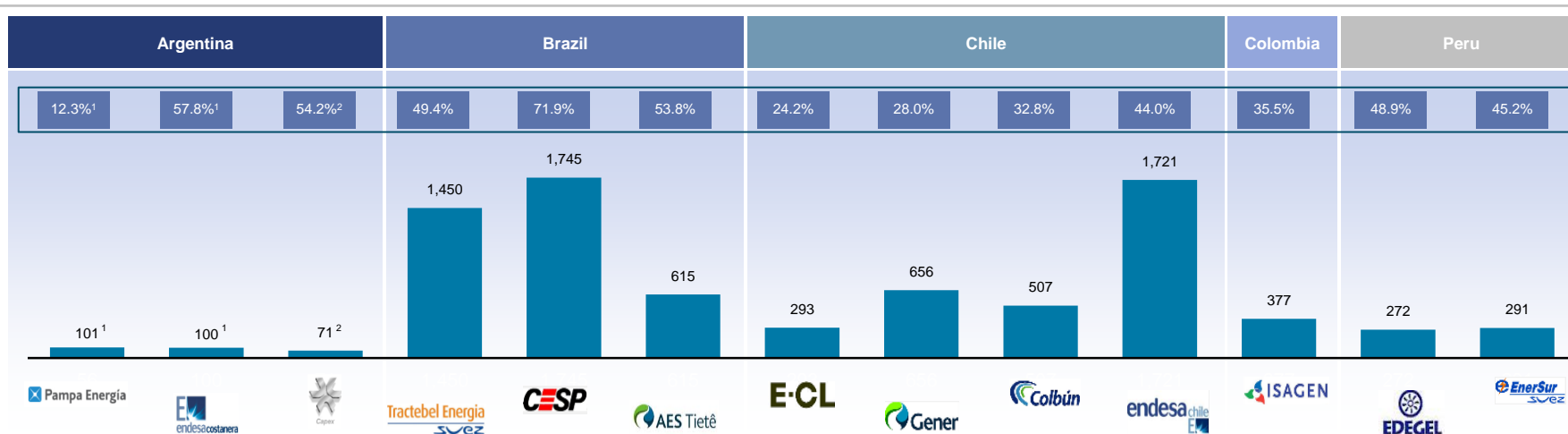
Source: Company presentations, Bloomberg and Capital IQ as of September 4th, 2014

Note:

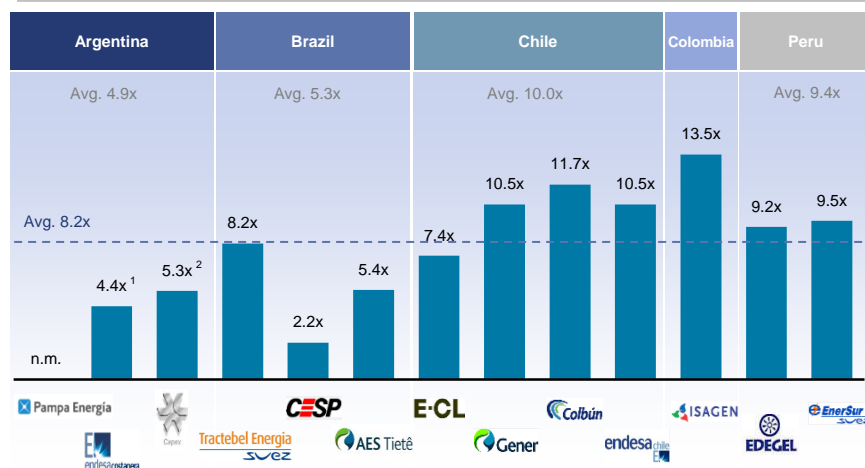
¹ Based on company presentations as of 2Q14

2 Comparable Companies Analysis (Cont'd)

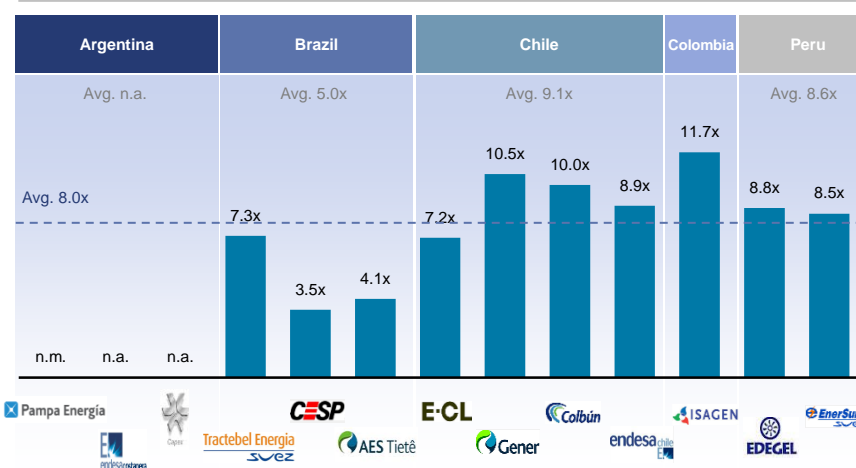
2014E EBITDA (US\$ mm) & EBITDA Margin (%)



EV / EBITDA 14E



EV / EBITDA 15E



Source: Bloomberg and Capital IQ as of September 3rd, 2014

Note:

1 As of LTM 2Q14

2 As of LTM 1Q14

Considerations on Central Dock Sud Risk Factors

- A comparable trading multiple valuation assessment on Central Dock Sud needs to be adjusted by risk factors inherent to its profile
- Consequently, comparable trading multiples need to be adjusted for those risk factors
 - Relative Argentina's country risk to LatAm's average amounts to 5.6%^{1,2}
 - Size / illiquidity premium is estimated at 3.0%³

Trading Multiples Adjustments

	2014E		2015E	
	Minimum	Maximum	Minimum	Maximum
Market Trading Multiples – EV/EBITDA	8.0x	9.0x	7.0x	8.0x
Implied Returns	12.5%	11.1%	14.3%	12.5%
Country Risk Adjustment	5.6% ^{1,2}	5.6% ^{1,2}	5.6% ^{1,2}	5.6% ^{1,2}
Size / Illiquidity Discount	3.0%	3.0%	3.0%	3.0%
Post-Adjustment Returns	21.1%	19.7%	22.9%	21.1%
Post-Adjustment EV/EBITDA Trading Multiples	4.7x	5.1x	4.4x	4.7x

Source: Capital IQ, Bloomberg, Wall Street research as of September 4th, 2014

- Notes:
- ¹ Based on EMBI+Argentina last 90-day average of 7.17% as of September 4th, 2014
 - ² LatAm EMBI+ last 90-day average of 1.57%, including Chile, Brazil, Peru and Colombia as of September 4th, 2014
 - ³ Based on Ibbotson published research

3 Precedent Transactions Analysis

Date	Country	Acquirer	Target	Stake Acquired (%)	Implied EV (US\$ mm)	Capacity (MW)	Type	EV/EBITDA LTM (x)
mar-07	Argentina	Endesa	El Chocon	17%	356	1,328	Hydro	4.4x
nov-06	Argentina	Invesotrs	Piedra del Aguila	41%	349	1,400	Hydro	6.9x
Average Argentina								5.7x
Median Argentina								5.7x
nov-10	Barbados	Emera	Light & Power	62%	199	239	Thermo	5.0x
may-10	Barbados	Emera	Light & Power	38%	233	239	Thermo	6.8x
Average Barbados								5.9x
Median Barbados								5.9x
jun-13	Brazil	CEMIG	Brasil PCH	49%	1,248	291	Hydro	10.5x
Aug-11	Brazil	SN Power	Desenvix	41%	1,313	338	Renewable	13.5x
Apr-11	Brazil	CPFL	ERSA	64%	967	648	Renewable	13.7x
mar-10	Brazil	CPFL	Camargo Correa	100%	9	n.a.	Thermo	9.0x
jul-08	Brazil	Gama	Tractebel	100%	195	50	Hydro	14.8x
jun-08	Brazil	Vale	Norte Energia	9%	5,556	11,000	Hydro	13.4x
Dec-07	Brazil	Brscan	Itiquira	99%	290	156	Hydro	12.2x
Dec-06	Brazil	Tractebel	MAESA	3%	17	11	Hydro	9.2x
Average Brazil								12.0x
Median Brazil								12.8x
Apr-14	Chile	Endesa	Gas Atacama	50%	753	781	Thermo	3.5x
mar-14	Chile	AES Gener	Guacolda	50%	1,935	608	Thermo	11.9x
Dec-13	Chile	Pilmaiquen	Rucatayo	45%	266	57	Hydro	6.8x
Dec-12	Chile	Duke Energy	CGE (IBENER)	100%	415	140	Hydro	8.3x
Jan-11	Chile	Investors	E.CL	40%	2,596	1,749	Thermo	9.9x
jun-09	Chile	CGE	Iberdola	95%	297	124	Hydro	9.0x
Average Chile								8.8x
Median Chile								8.7x
jun-10	Colombia	TermoEmcali	FIC	92%	201	234	Thermo	14.5x
jun-10	Colombia	Tribeca	TEBSA	57%	244	870	Thermo	9.8x
Apr-10	Colombia	Investors	Isagen	4%	2,860	2,254	Hydro	10.2x
oct-09	Colombia	Grupo Argos	EPSA	64%	1,768	1,054	Hydro	7.5x
Average Colombia								10.5x
Median Colombia								10.0x
Apr-14	Peru	Endesa	Edegel	21%	1,841	1,540	Hydro / Thermo	6.6x
nov-10	Peru	Inkia	Edegel	6%	781	1,339	Hydro / Thermo	5.8x
sep-07	Peru	SNP	Electroandes	100%	284	177	Hydro	11.5x
Average Peru								8.0x
Median Peru								6.6x
Average LatAm								8.5x
Median LatAm								7.6x
Average Hydro								9.1x
Median Hydro								9.0x
Average Thermo								7.8x
Median Thermo								7.9x

CDS Valuation Results

	Considerations	Enterprise Value (US\$ mm)
1	DCF <ul style="list-style-type: none"> Scenario 1 @ Resolution 529 to Perpetuity <ul style="list-style-type: none"> Discount rate of 15.0% Discount rate of 17.0% 	<div> <div>53</div> <div>1.6x</div> <div>2.1x</div> </div> <div> <div>66</div> <div>1.9x</div> <div>2.6x</div> </div>
	<ul style="list-style-type: none"> Scenario 2 @ Costo Plus in 2016 <ul style="list-style-type: none"> Discount rate of 15.0% Discount rate of 17.0% 	<div> <div>142</div> <div>4.1x</div> <div>5.6x</div> </div> <div> <div>166</div> <div>4.8x</div> <div>6.6x</div> </div>
2	Trading Multiples <ul style="list-style-type: none"> EV / EBITDA 14E @ EBITDA14E of US\$34.3 mm¹ <ul style="list-style-type: none"> 4.5x 5.5x 	<div> <div>154</div> <div>4.5x</div> <div>6.1x</div> </div> <div> <div>189</div> <div>5.5x</div> <div>7.4x</div> </div>
	<ul style="list-style-type: none"> EV / EBITDA 15E @ EBITDA15E of US\$28.7 mm² <ul style="list-style-type: none"> 4.0x 5.0x 	<div> <div>101</div> <div>3.0x</div> <div>4.0x</div> </div> <div> <div>127</div> <div>3.7x</div> <div>5.0x</div> </div>
3	Precedent Transactions <ul style="list-style-type: none"> EV / EBITDA 14E @ LTM 3Q14 EBITDA of US\$24.8 mm³ <ul style="list-style-type: none"> 4.5x 5.5x 	<div> <div>112</div> <div>3.3x</div> <div>4.4x</div> </div> <div> <div>136</div> <div>4.0x</div> <div>5.4x</div> </div>
4	Independent Valuations <ul style="list-style-type: none"> Walker Independent Valuation⁴ & CDS implied EV in PAE's Capitalization⁵ 	<div> <div>58</div> <div>1.7x</div> <div>2.3x</div> </div> <div> <div>126</div> <div>3.7x</div> <div>5.0x</div> </div>

Source: Itaú BBA estimates, Bloomberg, Capital IQ and Company presentations as of September, 2014

Note:

1. Considers an 2014E EBITDA of AR\$ 264 mm, and an average USD/ARS rate of 7.7 for 2014 according to Itaú estimates

2. Considers an 2015E EBITDA of AR\$ 254 mm, and an average USD/ARS rate of 10.0 for 2015 according to Itaú estimates

3. Considers a 2014 YTD EBITDA of AR\$ 70 mm, and a 4Q13 EBITDA of AR\$ 23 mm

4. Based on Walker's public independent valuation report for precedent Enersis' capitalizations in 2012

5. Based on CDS management presentations. Assumes a net debt of AR\$ 37 mm, and an end-of-year USD/ARS rate of 8.9

Implied EV/EBITDA 14E (x) Implied EV/EBITDA 15E (x)



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SECTION 4B

Valuation of ELA Loans in CDS

Through the analyses performed we believe a range in between US\$20.1 mm and US\$50.7 mm resembles a fair value range of the Debt Package to be acquired by Enersis from ELA

- In developing the debt package valuation analysis described in the pages below, we have reviewed the documentation evidencing the loans, historical financial information of CDS and developed financial projections (the “Projections”)¹
 - The estimates of future revenues, cash-flow, capital expenditures and debt levels have been based on financial information available to us as of June 30, 2014 and on a Q&A session with management
 - As a result of this analysis, we have taken a conservative approach on operational assumptions with respect to tariffs, due to the level of uncertainties of the regulatory, political, legal and economic environment
 - Nonetheless, we consider CDS remains a going concern and could successfully implement a re-profiling of its existing debt and generates flows to service its debt
- We assess debt fair value² through the simulation and testing of 3 methodologies: (i) NPV of cash-flows available to debt service, (ii) value based on capital structure of firm value (“FV”) representing recovery to creditors debt and equity holders of CDS and (iii) recovery value in a liquidation proceeding of CDS
 - We understand the NPV methodology is the most appropriate one for the purpose of the analysis of a going concern enterprise (which we believe is the case of CDS)

Debt Valuation Methodologies

1

NPV of Cash-flows available to debt service

- The simplest restructuring plan essentially involves the roll-over or extension of existing principal debt (which could or not exclude accrued interest “PDI” and fees³). We estimate that CDS would be able to settle its debt issues by extending repayment terms matching cash-flows. We have estimated recovery rates assuming a proforma/hypothetical re-profiling proposal. The Projections incorporate actual company-specific data as well as variable restructuring assumptions that help determine the overall nominal cash-flows. Based on the Projections, and considering certain restructuring assumptions – such as the ranking of existing indebtedness, foreign exchange rate and inflation forecast and changes in return scheme for the energy sector - and discounting the resulting flows to a discount rate based on market yields (the “discount rate”), we were able to determine the fair value or implied net present value of such cash flows (the “NPV”). We used cash-flow horizons to up to 10 years, with a partial allocation of free cash-flows to shareholders of 25%. Such allocation recognizes certain return for the shareholders as a result of the restructuring experience, in accordance with comparable restructurings in Latam (the “Shareholders Allocation”)

2

Recovery based on Capital Structure

- Considering the firm value ranges resulting from the valuation included in page 34 (the “Enterprise Value”), we can simulate the preferable capital structure, recognizing the Shareholders claims (assuming the Shareholders Loan and the Subordinated Loan as part of the equity) and considering the remaining amount as size for the debt of CDS – represented in its whole by the Senior Loan. We recognize this is a static approach, but provides an acid test for recovery value to creditors of the Senior debt

3

Liquidation Value

- Similarly, we also evaluated the hypothetical liquidation value based on the security package given in collateral of the Senior Loan. Because of their public nature of utilities, the ability by creditors to foreclose on shares and/or assets is a highly politicized process, prone to delays and not uncertain outcomes and, therefore, this is our least prefer methodology

Notes

1. These models are intended to be used as a tool to analyze potential debt service/restructuring scenarios. We do not warrant its completeness, nor accuracy, nor do the outcomes constitute a recommendation in any manner
2. For the sake of clarity, “fair price” could defer from the price to be payable by an institutional investor in the market, since such offer price would consider a return to such investor, being therefore in a certain point of the curve between bid and asked prices
3. Please note the inclusion or exclusion of PDI and fees would vary among others if the acquirer of the indebtedness is a strategic buyer (such as a private equity) or a pure fixed income investor

Projections have been prepared considering a base and upside scenarios

Base Scenario	<ul style="list-style-type: none"> Res. 95/529 maintained into the future. Prices adjusted every year
Upside Scenario	<ul style="list-style-type: none"> Costo Plus entering in 2016. Prices are adjusted every year

Main Assumptions

Simulation of re-profiling Scenario	<ul style="list-style-type: none"> Considering a 10-year repayment horizon, cash-flows resulting from each scenario have been (i) taking at its 75%, due to the subtraction of the Shareholders Allocation and (ii) discounted to the Discount Rate Cash-flow available to debt service is the key driver to assess recovery value, with nominal, current leverage being secondary We calculate that 75% of forecasted cash-flow for the next 10 years (as of December 31st 2014) will be dedicated to debt service <ul style="list-style-type: none"> This figure has ranged in comparable restructurings in LatAm, however, from less than 25% in some cases to 100% in others In general, Argentine shareholders have been more proactive than foreign shareholders in terms of initiating negotiations and even injecting capital Key assumptions that drive the model include: <ul style="list-style-type: none"> Range of coupons (10%-14%), a 10-year debt repayment horizon and future debt servicing using 75% of estimated FCF Recovery values are based on actual principal outstanding (excluding PDI and fees) There has been huge variation in how PDI has been treated. We note that few companies have offered no compensation whatsoever, while usually companies have offered creditors anywhere from 25% - 100% of PDI – either in the form of cash or capitalizing it and including such discussions in the overall restructuring principal amounts¹
Calculation of the Shareholders Allocation	<ul style="list-style-type: none"> Mainly due to the legal difficulties for foreclosure collateral and the outcomes, the experience in LatAm demonstrate that the support of the main shareholders is essential for the success of any restructuring or distressed transaction So as to guarantee such support, it is advisable to recognize the shareholders some return during the recovery years, to gain its willingness to continue managing the business and comply with the agreements reached during the restructuring process

Note

1. As mentioned above, the consideration of PDI and fees as part of the claim varies, whether we are dealing with a strategic buyer or an institutional investor

- For the purpose of obtaining the comparable discount rate/yield, we have analyzed various public companies operating in the same industry in Argentina and the market yield for the Argentine shareholders of CDS (as valuation of the sponsorship)¹. Given the particularity and status of the Senior Loan (mostly due to its secured ranking), we have developed “blended” yield to arrive at a theoretical fair yield. The following table summarizes the main comps and yields:

Existing Comparables Issuers:

Issuer	Business	Note	YTM
Capex S.A.	Generator and distributor of electricity in Argentina, as well as producer and seller of oil, propane, butane and gasoline	CAPXAR 10.0 18	13.85%
Edenor S.A.	Distributor and seller of electricity in the north of Argentina	EDNAR 9.75 22	14.16%
Cia. de Transporte de Energia Elctrica de Alta Tension (Transener)	Owner and administrator of the national extra high voltage electricity transmission network in Argentina	TRANAR 9.75 21	15.14%
YPF S.A.	Fully integrated oil & gas company in Argentina	YPF 8.75 24	7.93%
Pan American Energy LLC, Argentine Branch	Explorer and producer of oil and natural gas in Argentina	PANAME7.875 21	7.76%

Source: Bloomberg

Existing Comparable Public Companies

- After reviewing the information provided above, we have estimated the Discounted Rate to be in a range between Capex S.A. – since such issuer is a player in the same business as CDS – and YPF S.A. and Pan American Energy LLC, Argentine Branch, due to their sponsorship of CDS
- We believe exit yields between 10% to 14% are reasonable for a going concern
- Though there are cases where discount rates could be higher, we believe cash flows in a restructuring scenario for CDS could reasonably be discounted at 12%. This Discount Rate should at the same time be considered as an hypothetical coupon rate for an instrument to be issued as a consequence of the restructuring²
- Senior secured indebtedness commands for tighten spreads (150/250bps) against senior unsecured indebtedness. Following this rationale, we adjusted the YTM of Capex, Edenor and Transener in order to reflect the benefit of a lesser risk due to the existence of the security package (hence, getting to a Discount Rate of 12%)

Note:

1. Given the profile of assets and the industry in which CDS operates, the sample of comparable multiples is limited

2. As mentioned before, the fair value considered in this exercise could vary from the market value (which usually includes a higher expected return over investment)

Ranking of the outstanding indebtedness due to its priority in foreclosure or liquidation scenarios

Senior Loan	<ul style="list-style-type: none"> Senior in ranking for payment of principal and interest Secured by a project finance security package, including pledge of shares representing almost 100% of CDS
Shareholders Loan	<ul style="list-style-type: none"> In legal terms, pari passu with the Senior Loan However, the creditors (shareholders of CDS) have agreed that repayment of principal is postponed until repayment of the Senior Loan, though interest installments would be payable semi-annually pari passu with the Senior Loan It is to be noted that in any event the postponement in repayment of principal is not a legal subordination and, therefore, debt should still be legally considered as pari passu to the Senior Loan
Subordinated Loan	<ul style="list-style-type: none"> Subordinated to the Senior Loan, in case of the occurrence of any default under the Senior Loan

The Argentine Bankruptcy Law sets out the right of the secured creditor to file petitions with the court administering the bankruptcy proceeding, so that foreclosure of the collateral assets may be carried out separately from the general proceeding affecting the rest of the assets subject to the bankruptcy proceeding. However, insolvency laws attempt to give courts powers to sell the insolvent business as a going concern (thus attempting to keep its value as much as possible)

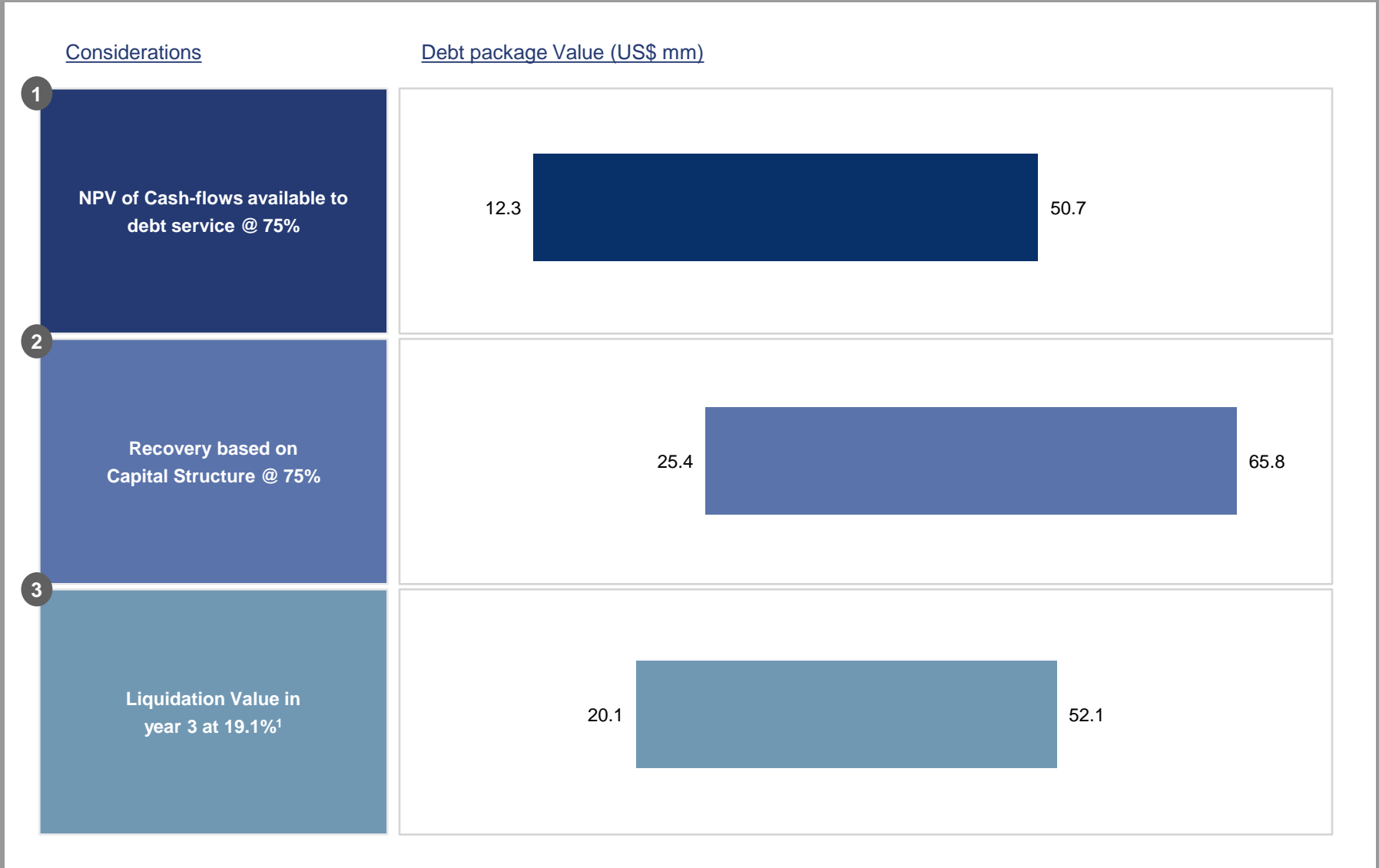
Conclusions

- Based on legal analysis of the documentation provided, we have established that the Senior Loan is not only senior to other indebtedness (whether by contractual subordination or due to factual deferral of payments) but also senior or preferred in connection with any foreclosure proceedings due to the existing security package constituted in favor of the Senior Loan lenders
- Endesa's participation in the Senior Loan, on its own, represents approximately 57% of the outstanding Senior Loan, which grants robust bargaining and decision power in most situations arising out of the life-cycle of the Senior Loan. Though the other creditor (YPF) might have a veto power – subject to certain interpretations-, after declaration of non-payment (which will occur, if the 51% of the Senior Loan does not accept any future waiver request from CDS), bankruptcy or liquidation, the amounts under the Senior Loan become due and payable. Thus, the reluctant creditor is somehow forced to agree on a course of action regarding the collateral (as the other party may claim the existence of a conflict of interest – due to the dual character of YPF, as creditor and shareholder)
- Therefore, though public utilities and its assets are particularly sensitive (which may turn the foreclosure of certain collateral such as the mortgage difficult to enforce), the foreclosure of the pledge over shares seems to be much more feasible and may allow the creditor under the Senior Loan to be repaid by selling the control of CDS, as an ongoing enterprise. However, creditors should also evaluate when dealing with the foreclosure of assets located in Argentina certain foreign exchange controls, moreover if the creditor is located off-shore and requests payments in USD Dollars abroad¹
- Considering the above, and also taking into account the delays in the foreclosure proceedings of collateral (with average timings up to 2 / 3 years), we can estimate the value of the Senior Loan upon foreclosure as the resulting Enterprise Value discounted at a higher rate than the Discount Rate – since we are assuming no restructuring is doable – which could be around 19.1% per annum
- Regarding the Shareholders Loan, under most circumstances, loans of this nature would be considered structurally subordinated to senior secured creditors and would receive less favorable treatment in a restructuring scenario, if there are grounds to assimilate such indebtedness to equity. Essentially, they would only get the residual cash-flows or value

Note:

1. According to Argentine Central Bank regulations, the seller of shares would only be entitled to transfer the proceeds from the foreclosure abroad if there is evidence that the acquisition of shares been sold was done with USD been settled into Pesos in the Argentine Foreign Exchange Market (transactions done prior to October 28, 2011 should be excepted, though the authorization of the Argentine Central Bank might be needed). If the foreclosure is done between non-residents, and funds are not settled into the Argentine Foreign Exchange Market, the proceeds of any future sale of shares or capital reduction will have no access to the Argentine Foreign Exchange Market for its remittance abroad Argentina, without prior authorization of the Argentine Central Bank.

Summary of Debt Valuation Results



Source: Itaú BBA estimates and Company presentations as of September, 2014
1. Assumes that the company can be liquidated within three years. The value range is calculated as the proportional value using the midpoint valuations under Res. 529 and Costo Plus, discounted at the Cost of Equity (19.1%) after three years

Argentine Outstanding Corporate Bonds

Bonds	Ticker	Current Price	Yield	OAS Spd	Z-spd	Spd to Sovereign	Maturity	Duration	Rating Moody/S&P/Fitch	Est. Amount. O/S
AEROAR 10.75 20	AEROAR	105.5	9.29	803	782	-728	01-Dec-20	2.6	Caa1 / CCC- / N.A.	255
AEROAR 10.75 20 To Call	AEROAR	100.0	7.07	686	664	-768	22-Dec-15	1.1	Caa1 / CCC- / N.A.	255
ARCO 6.625 23	ARCO	104.5	6.21	395	382	-533	27-sep-23	6.53	Ba2 / N.A. / BBB-	474
ARCO 7.5 19	ARCO	106.7	6.02	436	416	-520	01-oct-19	4.06	WR / N.A. / WD	0
ARCOR 7.25 17	ARCOR	106.3	5	396	374	-1157	09-nov-17	2.76	B2 / N.A. / B	200
Banco Hipotecario 9.75 16	BHIP	101.3	9.73	937	915	-501	27-Apr-16	1.42	N.A. / CCC- / NR	225
Banco Macro 8.5 17	BMAAR	99.0	8.81	810	789	-478	01-feb-17	2.1	B2 / N.A. / B	106
Banco Macro 9.75 36	BMAAR	89.7	11.83	931	911	119	18-Dec-36	7.68	Caa3 / N.A. / CCC	149
CAPXAR 10.0 18	CAPXAR	89.0	15.11	1399	1375	-146	10-mar-18	2.78	N.A. / CCC- / B-	200
City of BA 12.5 15	BUEAIR	101.2	10.15	1010	990	-460	06-Apr-15	0.51	Caa2 / CCC- / B-	475
City of BA 9.95 17	BUEAIR	99.8	10.18	945	924	-340	01-mar-17	2.14	Caa2 / CCC- / B-	415
Cordoba 12.375 17	PDCAR	93.5	15.42	1449	1429	-115	17-Aug-17	2.33	Caa2 / CCC- / N.A.	596
EDNAR 9.75 22	EDNAR	71.9	14.81	1277	1264	360	25-oct-22	4.77	Caa3 / N.A. / N.A.	176
GALIAR 11.0 19	GALIAR	99.9	14.23	1284	1260	-235	15-Jan-19	3.28	Caa2 / N.A. / N.A.	218
GALIAR 8.75 18	GALIAR	99.9	8.99	780	756	-758	04-may-18	2.97	Caa1 / CCC- / N.A.	300
GALIAR 9.0 17	GALIAR	99.9	9.19	870	849	-556	28-Jan-17	1.23	N.A. / N.A. / B-	200
Impsa 10.375 20	IMPSA	19.1	55.17	5373	5356	4159	30-sep-20	1.88	N.A. / CCC- / B+	390
Irsa 11.5 20	IRSAAR	107.7	10.06	831	816	-116	20-jul-20	4.17	N.A. / CCC- / B	150
Irsa 8.5 17	IRSAAR	100.0	8.73	802	781	-486	02-feb-17	2.1	N.A. / CCC- / B	150
MASHER 12.625 21	MASHER	102.0	12.28	1039	1028	107	03-jul-21	4.37	N.A / CCC- / B-e	200
Mendoza 5.5 18	MENDOZ	87.6	12.36	1150	1128	-122	04-sep-18	1.95	Caa2 / CCC- / N.A.	89
Pan Am Energy 7.875 21	PANAME	106.0	6.48	470	454	-474	07-may-21	4.42	B2 / N.A. / B	500
Petrobras 5.875 17	PESAAR	106.7	3.22	237	217	-1335	15-may-17	2.44	Baa1 / BBB / BBB	300
Province of BA 10.875 21	BUENOS	87.9	14	1236	1218	279	26-Jan-21	3.75	Caa2 / CCC- / N.A.	750
Province of BA 11.75 15	BUENOS	96.1	15.68	1554	1531	93	05-oct-15	0.91	Caa2 / CCC- / N.A.	1050
Province of BA 9.375 18	BUENOS	86.3	13.88	1259	1234	-270	14-sep-18	3	Caa2 / CCC- / N.A.	475
Province of BA 9.625 28	BUENOS	79.4	12.92	1063	1043	138	18-Apr-28	6.1	Caa2 / CCC- / N.A.	400
Province of Neuquen 7.875	NEUQUE	99.7	9.05	769	750	-752	26-Apr-21	2.69	N.A. / CCC- / N.A.	213
Province of Neuquen 8.656	NEUQUE	101.2	3.44	341	321	-1131	18-oct-14	0.1	N.A. / CCC- / N.A.	19
RAGHSA 8.5 17	RAGHSA	99.0	9.77	921	900	-382	16-feb-17	1.71	Caa1 / N.A. / N.A.	100
TGS 7.875 17	TRAGAS	99.0	8.86	829	808	-589	14-may-17	1.47	Caa1 / CCC- / WD	123
TRANAR 9.75 21	TRANAR	78.2	15.46	1353	1342	425	15-Aug-21	4.48	N.A. / CCC- / WD	101
YPF 18	YPFDAR	106.5	7.01	562	538	-956	19-Dec-18	3.48	Caa1 / N.A. / B-	587
YPF 24	YPFDAR	104.0	8.06	580	567	-348	04-Apr-24	6.19	Caa1 / N.A. / B-	1000



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SECTION 4C

Impact on Enersis Net Income and Net Debt

Net Income Considerations

Under the assumption of ELA's Debt Package acquisition at US\$35.4 mm, the midpoint of our Debt Package valuation range, accounting net income impact on Enersis is shown below:

Net Income Impact to ENI (US\$ mm) ^{1,2,3} – Step by Step in Proposed Transaction –	Net Income 14E	Net Income 15E	Net Income 16E
Acquisition of ELA CDS debt by ENI ⁴	68.9	n.a.	n.a.
Total Interest Condonation	(9.8)	n.a.	n.a.
<i>From CDS</i>	29.1	n.a.	n.a.
<i>From IDS</i>	(0.0)	n.a.	n.a.
<i>From Enersis</i>	(38.9)	n.a.	n.a.
Total <i>Diferencial de Rescate</i> Condonation	(4.2)	n.a.	n.a.
<i>From CDS</i>	10.0	n.a.	n.a.
<i>From IDS</i>	(14.2)	n.a.	n.a.
Debt Capitalization (including PAE Capitalization) ⁵	(2.9)	n.a.	n.a.
<i>From CDS</i>	0.0	n.a.	n.a.
<i>From IDS</i>	0.0	n.a.	n.a.
<i>From Enersis⁶</i>	(2.9)	n.a.	n.a.
Tax in Argentina to Foreign Held Paid-in Capital ⁷	(0.2)	(0.2)	(0.1)
Net Income Dock Sud Post Capitalization	n.a.	7.5	7.5
Total Net Income Impact on Enersis	51.8	7.3	7.4

Source: Itaú BBA estimates and Company presentations

Notes:

1 Assumes an ENI's direct stake on IDS of 57.1%, and a direct +indirect stake of 40.2% on CDS post-capitalization

2 Based on CDS's outstanding debt as of June, 2014

3 Considers an average ARS/USD rate of 7.7 for 2014, 10.0 for 2015 and 12.4 for 2016

4 Assumes a total debt vale of US\$ 35.4 mm

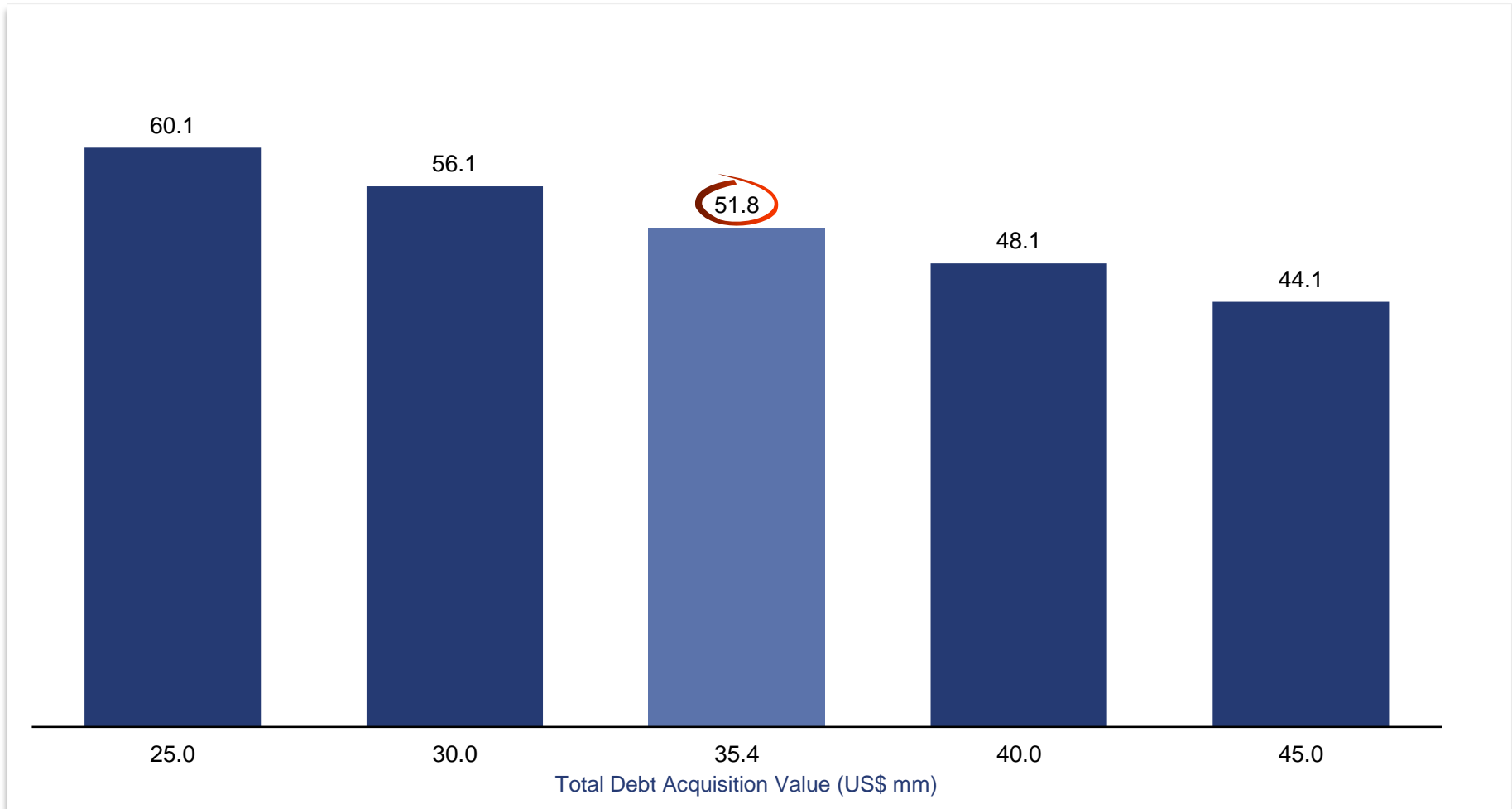
5 Considers PAE's capitalization of AR\$ 125 mm according to Company's information

6 Considers Chile's tax rate of 21% and an USD/CLP of 585 end of year

7 Considers 0.5% on new paid-in capital held by Enersis after capitalization

Net Impact on ENI's Net Income: Sensitivity

2014 Net Impact Sensitivity (US\$ mm)



Net Debt Considerations

Under the assumption of ELA's Debt Package acquisition at US\$35.4 mm, the midpoint of our Debt Package valuation range, Consolidated Net Debt impact at Enersis is shown below:

Net Debt Impact to ENI (US\$ mm) ^{1,2,3} – Step by Step in Proposed Transaction –	Net Debt 14E	Net Debt 15E	Net Debt 16E
Acquisition of ELA debt in Cash ¹	35.4	n.a.	n.a.
Consolidation of ELA's debt Against CDS ²	(104.3)	n.a.	n.a.
Condonation of Third Party Interests ³	(33.9)	n.a.	n.a.
Third Party Capitalization ⁴	(63.2)	n.a.	n.a.
Capitalization Tax at ENI ⁵	2.9	n.a.	n.a.
Tax in Argentina to Foreign Held Paid-in Capital ⁶	0.2	0.2	0.2
Cash at CDS Post-Capitalization (Including Pre-Cap. Cash) ⁷	(23.1)	4.6	0.5
Total Net Debt Impact on Enersis Consolidated (Decrease) / Increase	(186.0)	4.8	0.7

Source: Itaú BBA estimates and Company presentations

Notes:

¹ It takes a midpoint for value of the Debt Package between US\$20.1 mm and US\$50.7 mm

² Capital portion of the Senior and Shareholders Loan

³ Considers the portion of the outstanding debt interests that is held by third parties as of June 2014

⁴ Considers the portion of the outstanding debt capital that is held by third parties

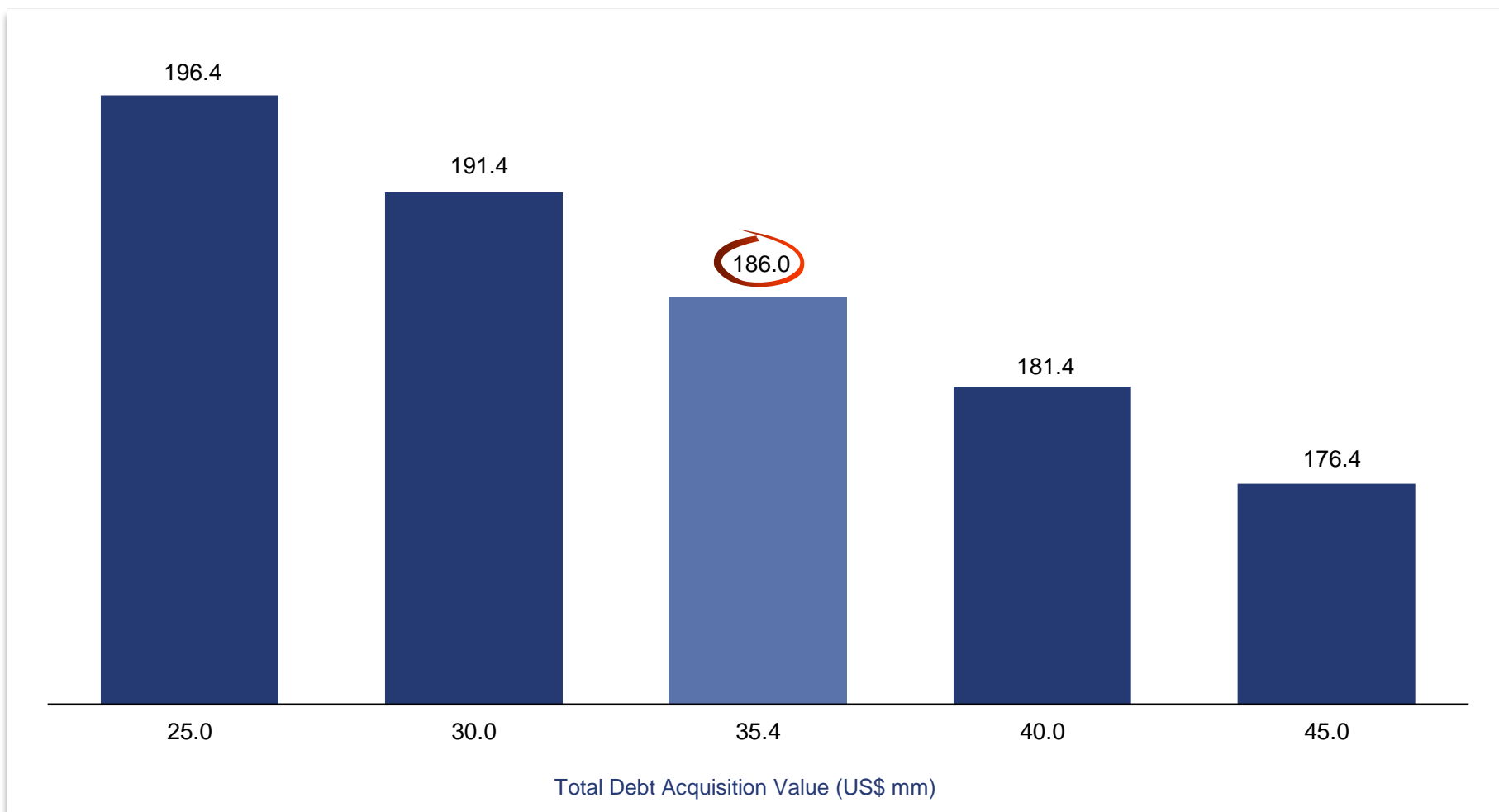
⁵ Considers Chile's tax rate of 21% and an USD/CLP of 585 end of year

⁶ Considers 0.5% on new paid-in capital held by Enersis after capitalization

⁷ Considers US\$7.7 mm in cash position plus the amount perceived from PAE's capitalization

Net Impact on ENI's Consolidated Net Debt: Sensitivity

2014 Net Debt Decrease Impact Sensitivity (US\$ mm)





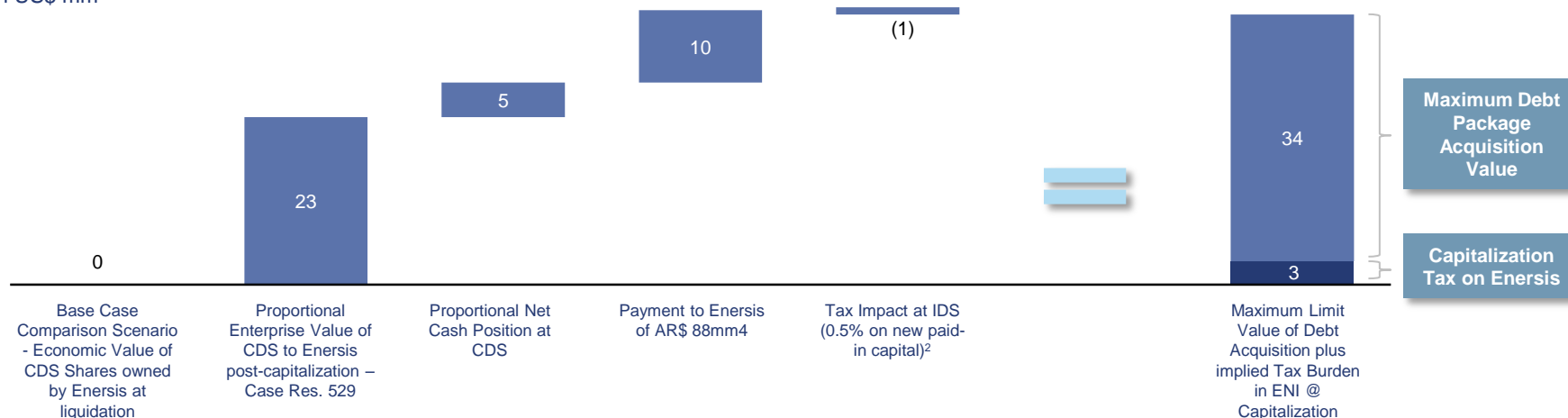
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SECTION 5
Conclusions

Conclusions on Proposed Transaction

Does the Proposed Transaction Create Economic Value? – Net Present Value Analysis

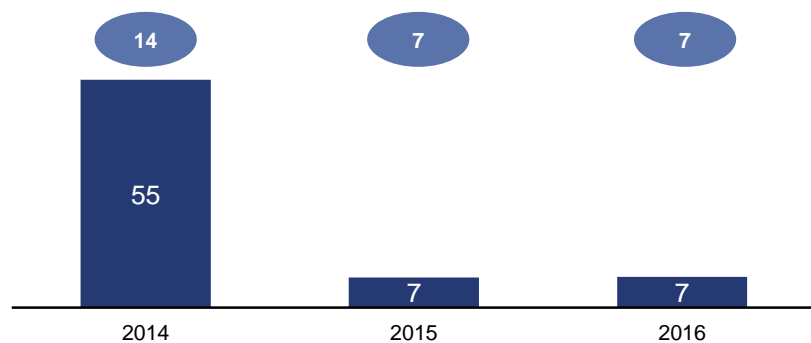
In US\$ mm



What is the Impact in Enersis' Net Income and Decrease in Consolidated Net Debt...

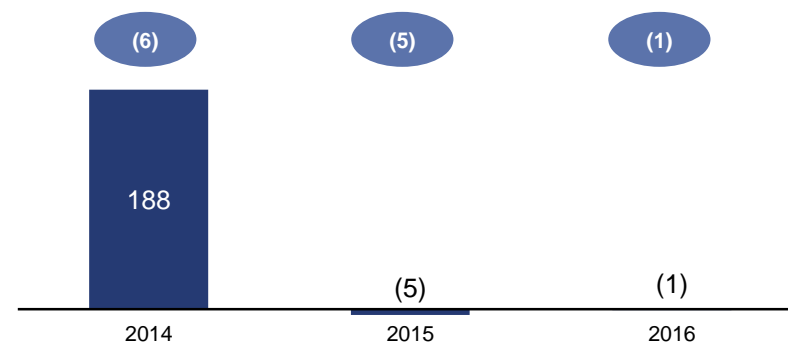
Net Income

Post-Capitalization Scenario (US\$ mm) – Debt Package Acquisition @ Maximum Value (US\$ 33.8 mm)



Decrease in Consolidated Net Debt

Post-Capitalization Scenario (US\$ mm) – Debt Package Acquisition @ Maximum Value (US\$ 33.8 mm)



● Difference with respect to base case comparison scenario (US\$41 mm for 2014, US\$0 for 2015 and US\$0 for 2016)

● Difference with respect to base case comparison scenario.(US\$194 mm for 2014, US\$0 for 2015 and US\$0 for 2016)

Source: Itaú BBA estimates, Bloomberg, Capital IQ and Company presentations as of September, 2014

Note:

1. According to Company's information
2. Argentine Tax on Equity
3. Chilean Tax on Enersis for the proposed transaction, considering a tax rate of 21%
4. Should the AR\$88 mm debt payment to Enersis be repatriated at an FX rate of AR13.32/US, referred maximum Debt Package acquisition would stand at US\$30.3 mm

SECTION 6

**Answers to Questions Raised
by Board Member Mr. Rafael
Fernandez M.**

Have you evaluated the Shares Subscription Agreement in Enersis S.A., signed on March 2013 between ENDESA S.A. and Enersis S.A., in relation to:

A The prior existence of Endesa Latinoamérica's credits against CDS?

Answer: Information rendered by Enersis follows. According to what is stated in Section 6.4 g) of the Share Subscription Contract in Enersis S.A., dated on March 21st, 2013, Endesa S.A. made available the audited individual Balance Sheet as of December 31st, 2011 and other financial statements relating to operations results and cash flows for the year end (2011), along with the notes to the financial statements and the respective external auditors' report of Inversora Dock Sud S.A. Additionally around the same date and in the context of that transaction, Endesa S.A. made available to the expert and independent evaluators, the audited individual Balance Sheet as of December 31st, 2011 of Central Dock Sud S.A.

In light of the foregoing, Enersis certifies that Endesa loans against Central Dock Sud were available for the Share Subscription Contract since they were individualized in the Balance Sheet and financial statements Dock Sud S.A. before mentioned.

B The 6.4.d) clause of the Agreement and the pledge of the shares of Central Dock Sud, only IDS asset?

Answer: According to what was informed in a Legal Report by Carey and Cía. Ltda. and rendered by Enersis. "With respect to whether Endesa Spain would be in breach of certain warranties in relation to statements issued by them in sections 6.3 and 6.4 of the Share Subscription Agreement, as a consequence of the existence of a lien on shares issued by Central Dock Sud S.A. ... we believe that the statements contained in Sections 6.3 (d) and 6.4 (d) of the Share Subscription Contract remain true and correct despite the fact that Central Dock Sud SA's shares are pledged or subject to other liens and, therefore, does not imply for Endesa Spain a failure in guarantee relating to such statements.



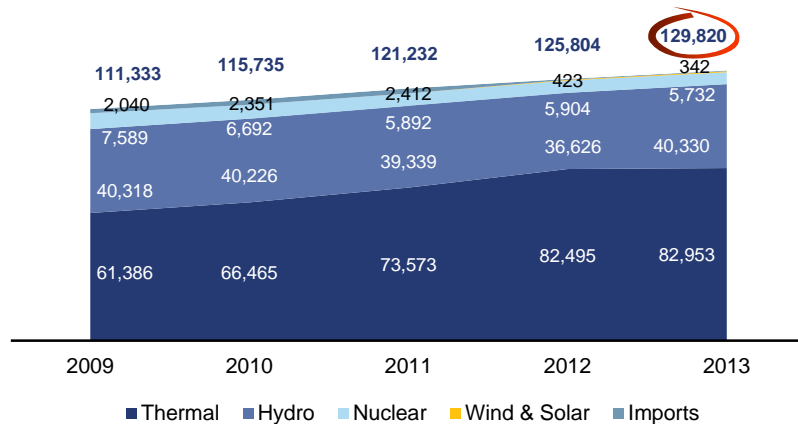
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APPENDIX

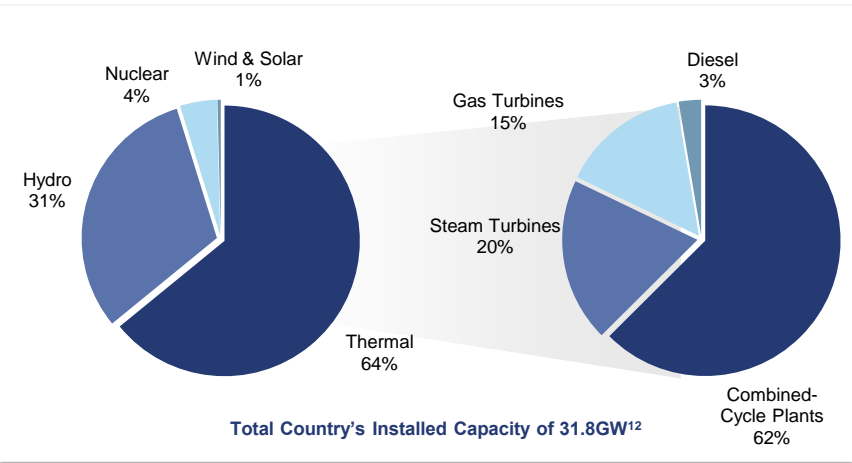
Supplemental Materials

Argentinian Power Generation Market Overview

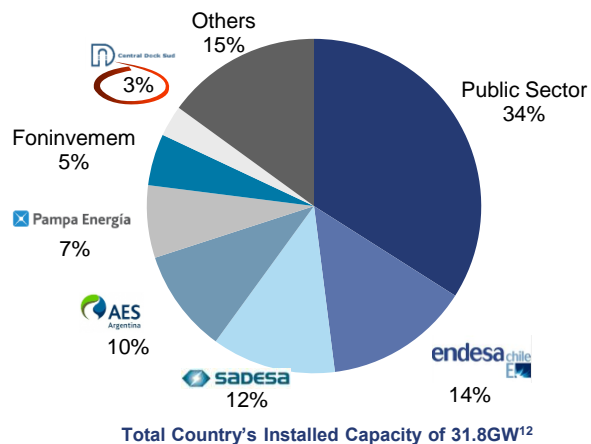
Power Generation Evolution by Technology (Gwh)



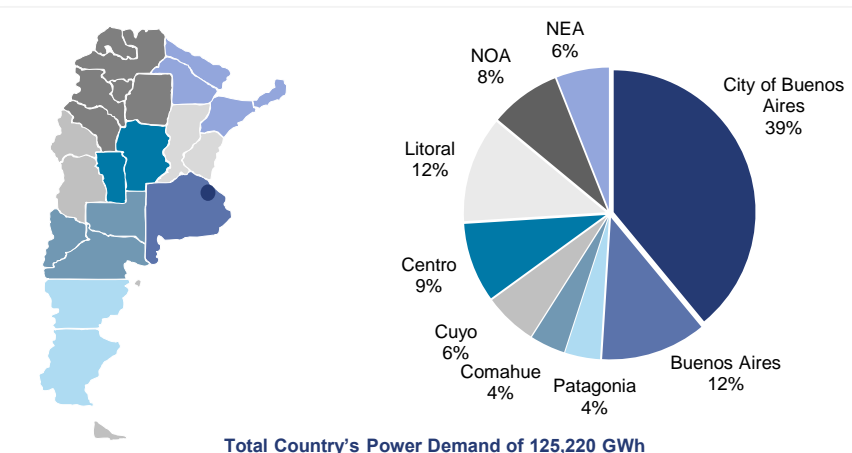
Installed Capacity by Technology (%)



Installed Capacity by Company (%)



Power Demand by Region 2013 (GWh)



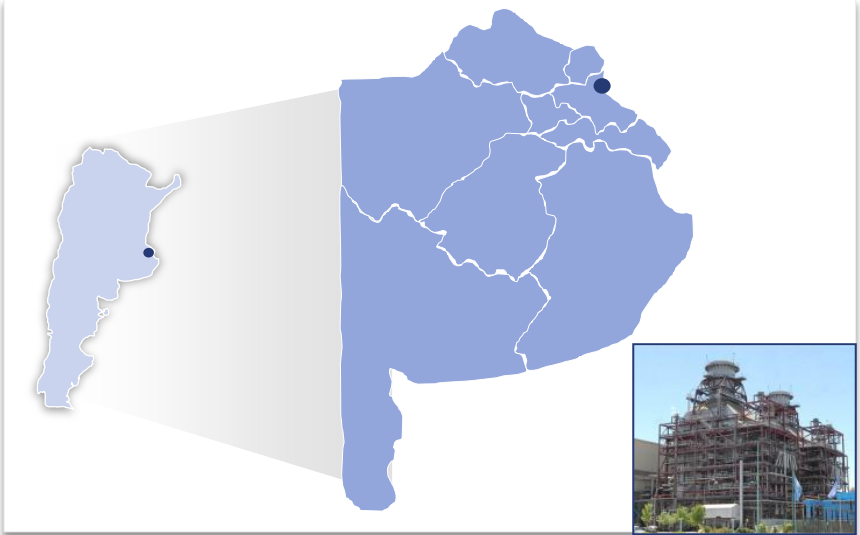
Source: CAMMESA, Company Presentations
Note:

- 1 As of August, 2014
- 2 Considers 400MW from Atucha II

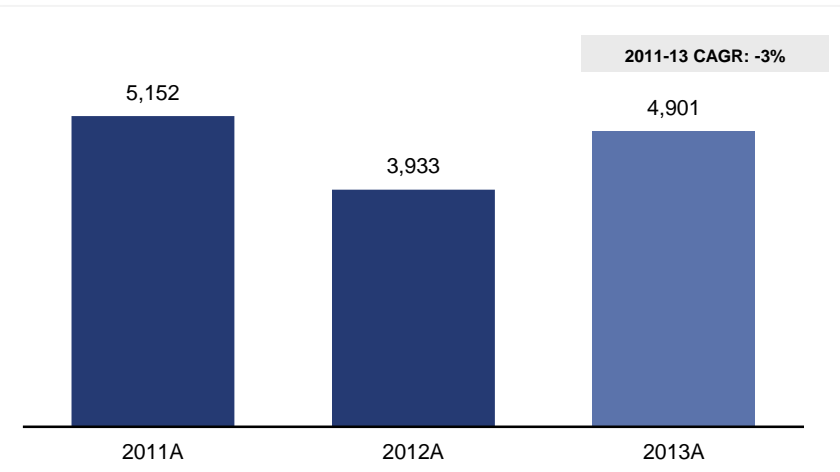
Company Overview¹

- Central Dock Sud is an Argentinian power generation company that provides electricity to the Argentine wholesale electricity market (MEM)
- The company operates a thermal plant that is equipped with an ALSTOM combined-cycle generator with a net installed capacity of 798 MW, consisting of two gas turbines with recovery boilers that allow the operation of a steam turbine, giving the generator a high-performance energy conversion of ~57.5%
 - CDS is also equipped with two open-cycle gas turbines of 36 MW each
- CDS's installed capacity accounted for 2.8% of total installed capacity in the SIN as of December, 2013
- The company generated 3,582 GWh between April and December 2013, with energy sales of 4,195 GWh, representing a total revenue of US\$ 83 mm² and 3.4% of total country's market share

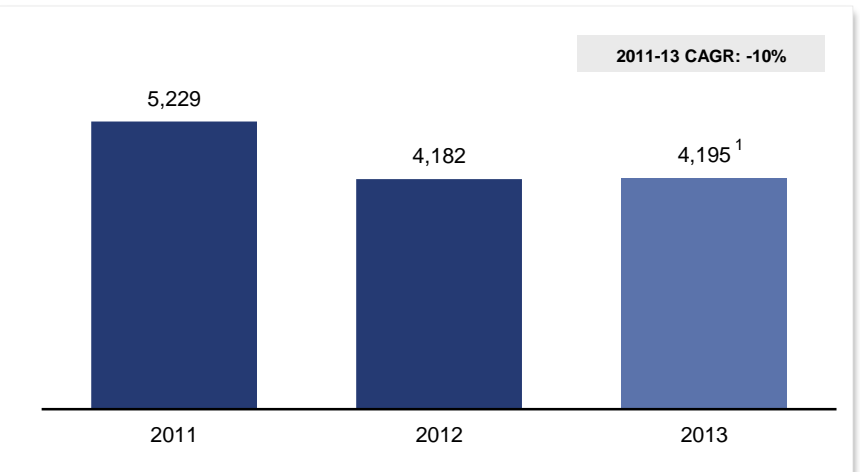
Geographic Footprint



Energy Generation (GWh)



Energy Sales Evolution (GWh)



Source: 20-F filings, Company information

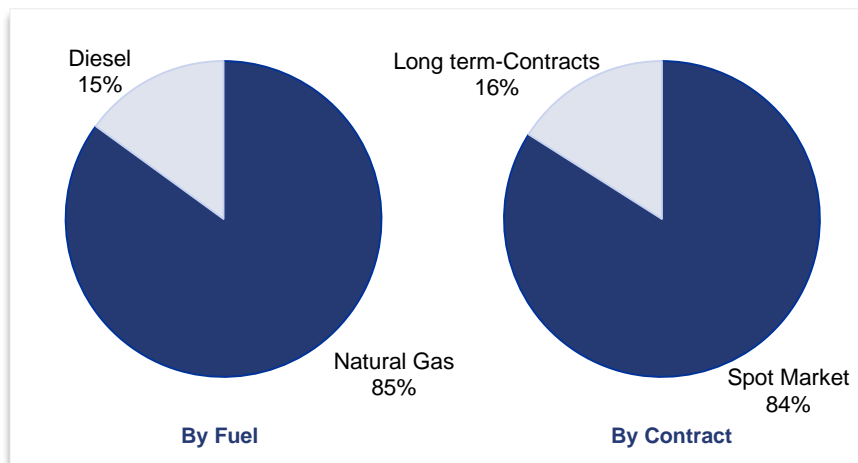
Notes:

¹ Figures account for 9 months, starting on April 2013

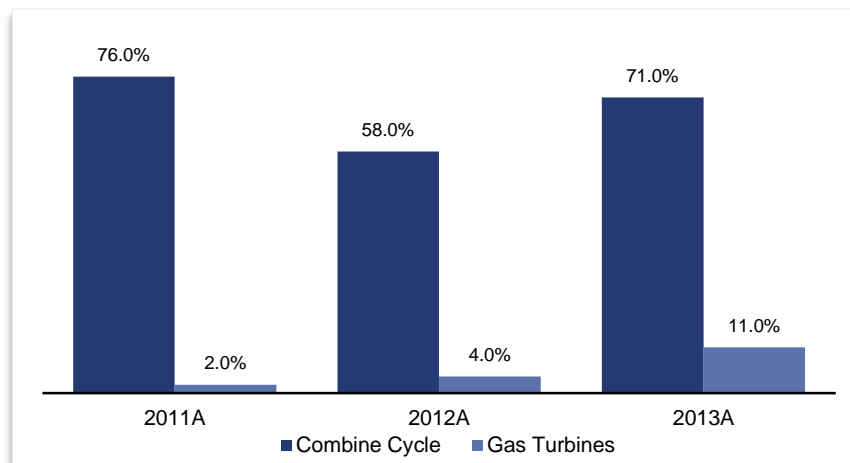
² Considers an average FX rate for 2013 of 495.34 CLP/USD

Central Dock Sud – Operational Highlights

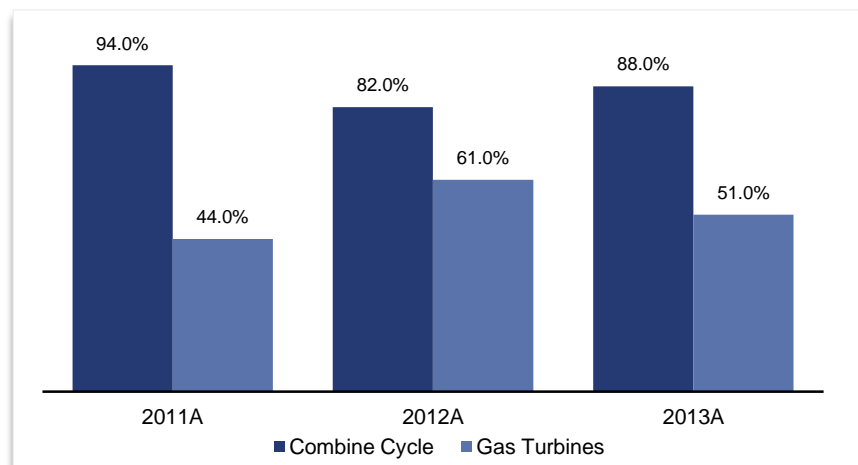
Energy Generation Breakdown (%)¹



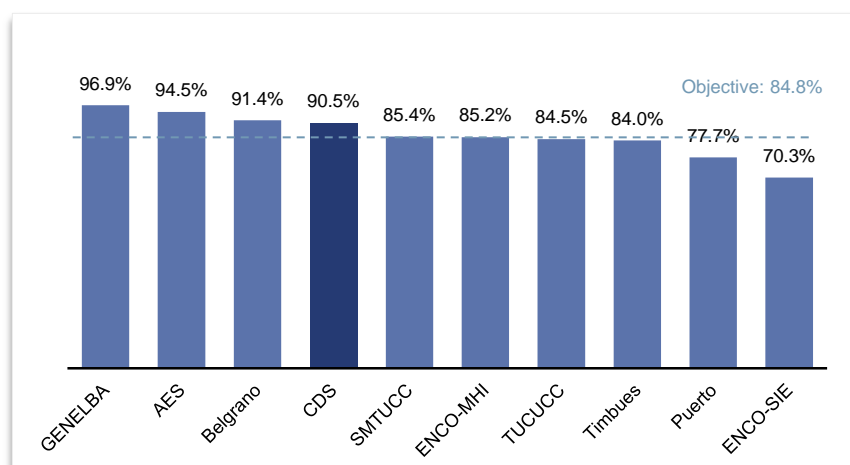
Load Factor by Technology (%)



CDS Availability by Technology (%)



Availability in Argentina's Generation System (2010-12)



Source: CAMMESA, Company Presentations

Note:

¹ Considers a 2011-12 period based on Company financials

Evidence on Debt Restructuring in Argentina

Empirical Evidence on Debt Restructuring in Argentina (2001-2006)

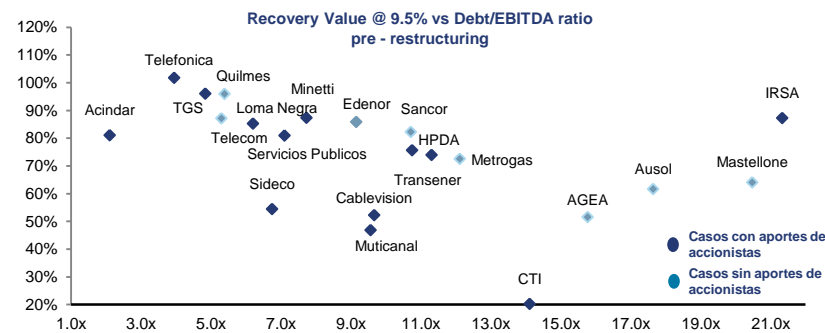
Evidence shows an important correlation between the Debt/EBITDA ratio and the recovery amount debt holders perceive

Debt Restructuring Precedents in the Utilities Sector in Argentina

Company Name	Debt / EBITDA Pre Restructuration	EBITDA Pre Restructuration	Debt Pre Restructuration	@ 9.5%	@12.5%
TGS	4.8x	196	948	96.1%	87.5%
Edenor	9.1x	59	540	85.9%	74.6%
Transener	10.8x	48	516	75.7%	67.3%
Hidroeléctrica Piedra del Aguila	11.3x	26	294	74.0%	62.7%
Metrogas	12.1x	35	424	72.6%	66.0%

- Empirical evidence of value recognition from creditors during restructuring processes in Argentina, who have accepted debt recovery values below par in events of default

Recovery Value vs Debt / EBITDA Ratio at 9.5%



- In general, companies that received contributions from its shareholders could make some concessions in the restructuring terms, i.e. buybacks at discount, best debt terms and conditions

Change of Ownership Structure Under Default Situations in Argentina

- There is empirical evidence in Argentina of investors with high risk / return profile willing to invest under on default situations

Company	Stake %	Industry	Buyer	Seller
CGC	81.0%	O&G	Southern Cross	Grupo Soldati
Ciesa	15.0%	Gas	D.E. Shaw	Enron
Citelec	43.0%	Utilities	Dolphin Fund	National Grid
Citelec	50.0%	Utilities	Eton Park	Petrobras
Edenor	65.0%	Utilities	Dolphin Fund	Electricite de France
Edes	100.0%	Utilities	Ashmore	AES
Emdersa	100.0%	Utilities	NeXtar	HSBC PE
Gas Argentino	30.0%	Gas	Ashmore & Marathon	BG & Repsol YPF
TGN	20.0%	Gas	D.E. Shaw & others	Shareholders Dilution