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Santiago, October 8, 2014

Shareholders of Enersis S.A.

Subj.: Pronouncement concerning the operation to restructure Equity of Central Dock Sud

According to Article 50 of the Corporations Law 18,046 ("LSA", in its Spanish acronym), and by means of this document, I am complying with the requirement to inform about the operation to restructure equity of the Argentine electricity generation company Central Dock Sud ("CDS", in its Spanish acronym), subsidiary of Enersis S.A. ("Enersis" or "the Company"), as proposed by the administration of Enersis.

I point out that as a member of the Directors' Committee of Enersis, I developed and signed the Directors' Committee Report issued with regard to the proposed operation dated October 6, 2014 (hereinafter "Committee's Report"), available to shareholders on the Company's website (www.enersis.cl).

I. DECLARATION CONCERNING THE CAPACITY OF DIRECTOR OF THE BOARD OF ENERSIS S.A. AND ITS RELATIONSHIP WITH THE CONTROLLING SHAREHOLDER

1. I declare that I am a Director of Enersis S.A and have been since April 22, 2010, and that during the last general shareholders meeting of the Company, which took place on April 16, 2013, the entire Board of Directors was elected, and I was elected as an independent Director. I also declare that I was elected with the votes of the controlling shareholder and such votes allowed me to be elected.
2. I declare that during the Board meeting which took place on April 16, 2013, I was appointed as a member to the Directors' Committee of the Company.
3. I declare that I have an interest in the Operation, according to the administrative interpretations presented by the Superintendency of Securities and Insurance ("SVS" in its Spanish acronym).
4. I declare to be both a direct and indirect shareholder of Enersis S.A.
5. I declare to not maintain any relationship other than those stated above with any of the companies involved in the Operation.

II. BACKGROUND

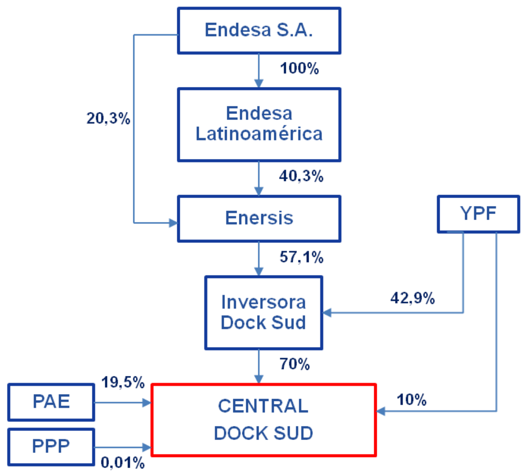
Description of CDS

CDS is a thermal electricity generation company located in Avellaneda, Buenos Aires. Its installed capacity amounts to 870MW, including a combined cycle and two gas turbines. Based on data from the electricity wholesale market operator, Cammesa [1], CDS represents 2.8% of the country's total installed capacity and 4.5% of total thermal capacity. Its electricity generation is mainly based on natural gas (85%), and is mostly sold on the spot market (84%).

[1] Compañía Administradora del Mercado Mayorista Eléctrico S.A

One of the strengths of this assets is it high level of efficiency. In fact, the average availability of CDS in the Argentine generation system is 90.5%, while the overall average of generation companies reaches 84.8%. The load factor of the combined cycle is high, surpassing 70% in 2013.

Enersis is the controlling shareholder of CDS through its investment vehicle Inversora Dock Sud ("IDS" in its spanish acronym). Both companies reside in Argentina and have other shareholders not related to the Enersis Group. The ownership structure of IDS and CDS is presented in the following graph[2]:



Regarding the partners of Enersis in CDS:

- YPF is an Argentine company controlled by the State. It is the main hydrocarbon producer of the country, playing a major role in the oil and gas market.
- Pan American Energy (hereinafter "PAE") explores and produces hydrocarbons in Argentina, Bolivia, Chile and Uruguay. It is the second oil and gas producer in Argentina, after YPF.

Equity Status of CDS

Since 2006, CDS has experienced equity difficulties due to non-compliance with Article 206 of the Argentine Corporations Law N° 19,550, which determines that losses may not amount to more than 50% of capital and reserves. If this ratio is not satisfied, capital reductions must be performed in order to absorb accumulated losses.

Therefore, CDS carried out capital reductions in 2007 (related to 2006 losses) and 2009 (related to 2008 losses). As of 2013, CDS would have negative equity and therefore Argentine regulation requires adopting corrective measures or its dissolution.

The effect of the losses of CDS also transfer to IDS, forcing its dissolution, or alternatively, restructuring its equity.

Along with other shareholders, carrying out a capital increase to restructure has been considered another viable and more efficient solution in which the different creditors (all companies belonging to the

2 PPP refers to "Programa de Propiedad Participada".

economic groups of shareholders) capitalize into both companies the foreign currency loans to CDS. These loans, in short, include the following:

Senior Structured Debt

Endesa Latinoamérica S.A. (hereinafter "ELA") has a principal of USD 51.8 million and past due interest amounting to USD 33.9 million.

YPF has a principal of USD 38.9 million and past due interest amounting to USD 26.3 million.

Shareholders' Loans

ELA and YPF each have a principal of USD 13.6 million and past due interest amounting to USD 5.1 million.

PAE has a principal of USD 6.8 million and past due interest amounting to USD 2.5 million.

Subordinate Debt

IDS has a principal of USD 3.9 million.

Diferencial de Rescate

IDS has a principal of USD 11.2 million and past due interest on its preferred shares amounting to USD 26.7 million.

III. CHARACTERISTICS OF THE OPERATION

The equity restructuring of CDS (hereinafter "the proposed operation"), falls within the latest conversations Enersis has held with its partners. As a consequence of such conversations, on September 19, 2014, Enersis received a capitalization agreement proposal from PAE, which considers among others, the following procedures:

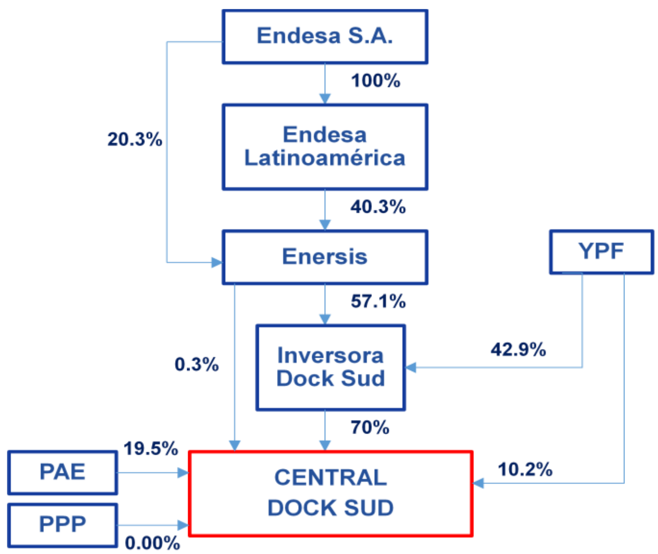
1. Transfer of loans that parties will carry out through several actions:
   - 1.1 Endesa Latinoamerica will transfer the total debt it holds of CDS, subject to the approval of the Extraordinary Shareholders Meeting.
   - 1.2 YPF International will transfer to YPF (i) the principal of CDS' syndicated loan, once 100% of all related interest has been waived. YPF will write off 100% of all interest and fees related to CDS' syndicated loan and (ii) the principal of CDS' shareholders Loan outstanding, once 100% of all related interest has been written off.
   - 1.3 YPF will contribute to IDS 64.33% of YPF's portion of the principal of the syndicated loan to CDS. The remaining 35.67 % will be contributed to CDS. YPF will contribute to CDS 100% of its portion of the principal of the Shareholder Loan to CDS.
   - 1.4 Enersis will contribute 99.14% of the principal of the syndicated loan to IDS. The remaining 0.86% will be contributed to CDS, after the write-off of 100% of all related interest.
   - 1.5 IDS will contribute all debt amounts that it received from YPF and Enersis to CDS.
   - 1.6 IDS will write-off 100% of all interest related to its loans and will waive any interest or income from *diferencial de rescate*.
   - 1.7 PAE will contribute 100% of the principal owed by CDS with regard to the Shareholders Loan, after the write-off of 100% of all related interest.
   - 1.8 IDS will subscribe the capital increase with 100% of the principal owed by CDS regarding the Loan from IDS.
   - 1.9 PAE will subscribe the capital increase with the commercial loans it holds against CDS related to the sale of gas and with additional cash amounting to ARS$125,000,000.

2. Converting CDS US dollar denominated debt into Argentine Pesos at a 6.521 exchange rate.
3. The capital increase determined by the Shareholders Meeting will be subscribed by PAE, Enersis, IDS and YPF by capitalizing the aforementioned debt.

4. According to the agreement, CDS will pay Enersis overseas, for the portion of the Shareholders Loan that will not be capitalized, the equivalent in US Dollars, of ARS$ 88,084,142 at the exchange rate prevailing at the payment date.

The binding proposal presented by PAE was unconditionally accepted by YPF, and therefore the execution of the operation and effectiveness of the agreement are solely pending on the formal acceptance of ELA and Enersis, and subsequently of IDS, which will all be issued after the approval of the operation by the Extraordinary Shareholders Meeting.

Once the Operation has been carried out, the ownership shares of IDS and CDS would be as follows (figures are only estimates, the final shareholdings will depend on the final agreement among shareholders, the execution date and the applicable exchange rate):



The detail of CDS' debt and the respective creditors as of December 31, 2013 is shown in the following table:

(MMUSD)	YPF	PAE	ELA	ENI	TOTAL
Shareholders' Loan	**18.2**	**9.1**	**18.2**	**0.0**	**45.5**
Capital	13.6	6.8	13.6		34.0
Interest	4.6	2.3	4.6		11.5
Structured Debt	**64.1**	**0.0**	**83.8**	**0.0**	**147.9**
Capital	38.9		51.8		90.7
Interest	25.2		32.0		57.2
Subordinated Debt	**1.7**	**0.0**	**0.0**	**2.2**	**4.0**
Capital	1.7			2.2	3.9
Interest	0.0			0.0	0.1
Preferred Shares (IDS)	**16.3**	**0.0**	**0.0**	**21.6**	**37.9**
Capital	4.8			6.4	11.2
Interest	11.5			15.2	26.7
TOTAL	**100.3**	**9.1**	**102.0**	**23.9**	**235.3**

It is important to consider that this transaction has been laid out based on the share subscription agreements signed by Endesa S.A. and Enersis in March 2013, within the context of the capital increase of Enersis in 2013, in which the controlling shareholder committed to maintaining Enersis as its sole investment vehicle in the conventional energy industry in South America.

Given the nature of the proposed operation, the Board of Directors and the Directors' Committee have agreed to comply with the regulations set forth by Title XVI of the Corporations Law, submitting all procedures previously described as a whole as operations among related parties ("OPR" in its Spanish acronym).

IV. DECLARATIONS REGARDING REPORTS RECEIVED

In order to deliver my opinion, I've considered the following reports:

1. Independent Advisor Report dated September 30th, 2014, issued by the IM Trust Asesorías Financieras S.A. (hereinafter "IM Trust"), as commissioned by the Directors' Committee.
2. Independent Advisor Report dated October 2nd, 2014, issued by Itaú BBA de Banco Itaú Chile (hereinafter "Itaú"), as commissioned by Enersis' Board of Directors.
3. Enersis' Directors' Committee Report dated October 6th, 2014.

I consider the Independent Advisors, Itaú and IM Trust, to qualify as independent and to have had the necessary time and information available to perform their evaluation on the proposed operation. Their reports are available to shareholders on the Company website, www.enersis.cl.

According to Article 147 of the Corporation's Law, the reports issued by "independent advisors" must inform shareholders about the conditions of the operation (specifically if it seeks to contribute to public interest and if it adjusts to price, terms and conditions that prevail in the marketplace at the time of approval), its effects and its potential impact on the Company, as well as stating their opinion on aspects that the Directors' Committee or the Board of Directors may have explicitly requested to be assessed.

Report of Independent Advisor appointed by the Directors' Committee: IM Trust

On September 30th, 2014, the independent advisor IM Trust, appointed by the Directors' Committee of Enersis, issued a report that assesses the values of the debt to be purchased by Enersis to fall within an amount ranging from **US$ 21.1 million to US$ 23.6 million**.

Such firm used the following methodology:

IM Trust estimates that the purchase of debt that ELA holds against CDS is equivalent to acquiring 29.24% of CDS ownership, since this operation as a whole makes sense with the subsequent capitalization and equity restructuring of CDS, which is the primary objective and ultimate goal of this operation. This outcome is the same as if Enersis would have diluted its shareholding to 10% for being unable to contribute the debt that ELA would have capitalized.

Also, according to the capitalization agreement, Enersis would receive the payment of approximately ARS 88 million from CDS as a partial loan repayment. Finally, the proposed operation would generate tax effects that would have an impact on the results of Enersis that must be deducted from the value of the loans.

The valuation was carried out using the discounted cash flow (DCF) method, assigning a 50% weight to the baseline scenario, which assumes the application of the Res. 529 until 2027 and 3 conservative scenarios that altogether represent 50% of the value.

Report of Independent Advisor appointed by the Directors' Committee: Itaú

On October 2nd, 2014, Itaú issued a report that values the debt to be purchased by the market within a range from **US$ 20.1 million to US$ 50.7 million**, suggesting that this purchase will only create value for Enersis if the operation is carried out at a value of less than **US$ 33.8 million**.

The firm used the following methodology for its valuation:

a) DCF valuation
b) Market multiples of comparable companies
c) Previous similar transactions
d) Independent valuations performed within the framework of Enersis' capital increase and within the implicit valuation of PAE's contribution to CDS capitalization.

Itaú estimates that Enersis' current share in CDS's equity (39.99%) has no economic value, since the company's liabilities are greater than the value of the company and therefore purchasing ELA's loans and its subsequent capitalization would allow Enersis to purchase 40.25% of CDS equity, as well as receive a ARS$ 88 million payment as debt amortization from CDS. Enersis must consider the payment of certain taxes in Argentina and Chile.

Report of the Directors' Committee of Enersis

On October 6th, 2014, the Directors' Committee publicly released its report on the proposed operation. I participated in its analysis and composition. In this report, the Committee I am part of, did not agree on a value or range of values for the purchase of loans. The values proposed by each member of the Committee are as follows:

- Mr. Rafael Fernández M.: He estimated the value of loans to be at most US$ 23.8 million.
- Mr. Hernán Somerville S.: He estimated the value of loans to be at most US$ 27.8 million.
- Mr. Leonidas Vial E.: I considered the value to range from US$ 22.4 million to 27.0 million.

V. DECLARATION REGARDING THE PUBLIC INTEREST OF THE OPERATION

As I stated earlier, Article 147 of the Corporation's Law establishes that the criteria to approve an operation among related parties is that it must contribute to public interest and must adjust in price, terms and conditions to those prevailing in the market at the time of its approval. I will now refer to both aspects:

Contribution to Public Interest

In my opinion, purchasing the debt that CDS maintains with ELA would prove to be positive from a business and strategic point of view, if and only if it is carried out at the adequate transfer price and in the appropriate terms and conditions.

I will now explain the main reasons why I believe that the proposed operation contributes to Enersis' public interest, from a business and strategic standpoint:

i. *It will allow CDS to continue operations:* Central Dock Sud is an important asset of the Argentine electricity system because of its high efficiency levels, registering over 90% availability and a 70% load factor. In addition, CDS's privileged location allows it to benefit from a favorable electricity consumption area, as is the province of Buenos Aires.

ii. *Restructure of CDS's Equity:* This operation will allow strengthening the financial condition of the subsidiary through debt capitalization and interest write offs. CDS will also receive cash contributions, increasing the company's available liquid assets.

iii. *Enersis will receive ARS$ 88 million:* Enersis will receive such payment as a result of the operation because PAE must make cash contributions to offset the lower levels of debt it hold, when compared to other partners.

iv. *Delivers an important message to the Argentine market regarding Enersis Group's interests in Argentina:* Enersis, in addition to Dock Sud, through Endesa Chile consolidates the operations of power plants Endesa Costanera (thermal) and Hidroelectrica El Chocón, and also manages and consolidates the electricity distribution company Edesur. Altogether, Enersis owns more than 14% of Argentina's installed capacity, so that any motion allowing the adequate development of business in any of the group's subsidiaries could benefit the group directly by maintaining a positive understanding and relationship with the Argentine electricity industry. This operation must be understood within Enersis' global strategy of its business in Argentina.

v. *Potential upside of business in Argentina:* The electricity industry regulators in Argentina have delivered signals to the marketplace that sustain a healthier business environment through regulations that allow greater compensation to electricity generation facilities through Resolutions 95 and 529, which steer towards a compensation scheme that guarantees profit margins to a certain extent. The Argentine authorities have publicly announced their intentions to migrate the compensation of thermal generators towards a "Cost Plus" scheme that, although is still being discussed, would increase compensation even more.
The resolutions just mentioned have enabled Central Dock Sud to improve its operating results for the past two years.

vi. *It eliminates conflicts of interest with controlling shareholder ELA:* Endesa Latinoamerica S.A., in Enersis' capital increase, transferred to the latter all of its shareholdings (equity) in its South American subsidiaries as a contribution in kind to Enersis' capital increase. The debt CDS owes ELA was not part of this transaction, therefore, the purchase of debt eliminates any conflicts of interest that could arise in Argentina.

vii. *It maintains long term relationships with partners:* The creditors and partners not related to the group are YPF and PAE, which, as I described earlier, are the main players in Argentina's energy industry. Any operation that favors CDS's equity restructure and benefits both Enersis and the other partners strengthens the long-term relationship that the Group has with YPF and PAE.

Market Price and other terms and conditions

Considering the positive effects that the execution of the proposed operation would have on Enersis from a strategic point of view, as I have explained in the previous section, the "market price" criteria seems sufficient to justify the operation.

Due to Argentina's complex market situation, determining the "market price" for this operation is complicated. Therefore, at this point it seems appropriate to consider the qualified opinion of the independent experts hired for this operation, Itaú and IM Trust, that I believe satisfy this requirement.

It seems reasonable, from a financial standpoint, that this operation be similar to the purchase of CDS shares, insofar all loans purchased by Enersis from ELA are capitalized. Although the independent advisors differ in the percentage of ownership they claim the purchase of loans represents, the scenarios and reasoning behind their assessments make their calculations of the company's value, obtained through the DCF method, reasonably similar. IM Trust asserts that purchasing CDS's loans is equivalent to the acquisition of 29.25% of the company after capitalization of debt, and Itaú determines that the purchase is equivalent to acquiring 40.25% of a company whose worth is zero, and therefore the purchase represents an opportunity to maintain the entire value of CDS in Enersis. My understanding is that both methods are valid, so that, it makes sense to find a middle ground between both assessments.

Regarding the assessment of value performed by the advisors, I agree with the base scenario analysis which in both cases considers Resolution 529 currently applicable to all the Group's generators, and that is consistent with a conservative operation scenario. An optimistic scenario would consider the "Cost Plus" scheme to be in place. Although this could be considered a plausible scenario, it is still being discussed by Argentinian authorities and therefore does not necessarily represent the future reality of the electricity industry.

It should be noted that ultimately the shareholders in the corresponding Extraordinary Meeting are to decide whether their expectations are within the range set by the advisors.

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The estimates of the value or market price of the debt to be acquired performed by IM Trust and Itaú are summarized below:

	Date	**Credit Value**	**Methodology**
IM Trust	09/30/2014	21.1 to 23.6 MUSD	Range of values determined through the DCF method weighted at 50%, averaged with 3 other more pessimistic scenarios (altogether weigh 50%), considering that after credit capitalization Enersis will have access to 29.24% of CDS's cash flows, in addition to a ARS$ 88 million repayment from Argentina, minus tax payments in Chile on capital gains (one time) and minus the Argentinian yearly personal asset tax payment equal to 0.5% of capital.
Itaú	10/02/2014	20.1 to 50.7 MUSD with 33.8 MUSD maximum value creation	Range of values determined through applying the DCF method to CDS, considering that after credit capitalization Enersis will have access to 40.25% of CDS's cash flows, in addition to a ARS$ 88 million repayment from Argentina, minus tax payments in Chile for capital gains (one time) and minus the Argentinian yearly personal asset tax payment equal to 0.5% of capital.

In my opinion, the market value of the debt to be acquired by Enersis should weigh the values suggested by the independent advisors equally, establishing a reasonable value band that varies within the averages of the ranges that the advisors estimate will allow creation of value for Enersis. This is a necessary condition to consider this operation as beneficial to public interest. In other words, the reasonable value band in my opinion oscillates from US$ 22.4 million (average of IM Trust's value range) to US$ 27.0 million (average of Itaú's value range, considering the US$ 33.8 million as a ceiling for the creation of value for Enersis).

VI. CONCLUSIONS

The objective of this operation is to restructure the equity of one of Enersis Group's subsidiaries, which has booked negative equity due to regulatory and market-driven reasons. As determined by Argentine Law, if this situation persists, the liquidation and dissolution of the company is mandatory.

It is in the partners' best interest to execute an operation to preserve the value of the assets and offer continuity to the business of Central Dock Sud.

Based on this perspective of the operation, I conclude that:

- In my opinion, it would be beneficial for Enersis to acquire CDS's debt from a business and strategic point of view due to the positive impact it has on Enersis, but only if proper transfer prices, terms and conditions are met.

- As for the value of the debt, and given the specificity of the proposed operation it seems adequate to base the purchasing decision on the ranges of value established by the independent advisors.

- Given the available information, in my opinion, the range of values in market conditions should be no less than US% 22.4 million and no more than US$ 27.0 million.

- Due to all of the above, I consider that the proposal regarding the capital increase does contribute to public interest.

Sincerely,
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Leonidas Vial Echeverría
Chilean ID 5,719,922-9
Director
Enersis S.A.