CELG-D Acquisition

Investors Presentation

1 December 2016

Américas

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Forward looking statements include, but are not limited to, information regarding: Enersis Américas' business plans, Enersis Américas' cost reduction plans, trends affecting Enersis Américas' financial condition or results of operations including market trends in the electricity sector in Chile or elsewhere, supervision and regulation of the electricity sector in Chile or elsewhere, and the future effect of any changes in the laws and regulations applicable to Enersis Américas' or its affiliates. The principal assumptions underlying these forecasts and targets relate to: Economic and Industry Conditions, Commercial Factors, Political/Governmental Factors, Operating Factors, and Competitive Factors.

The following important factors, in addition to those discussed elsewhere in this presentation, could cause actual financial and operating results and statistics to differ materially from those expressed in our forward-looking statements, including but not limited to: changes or developments regarding the applicable regulations (which may affect the investment plan of Enersis Américas regarding the regulated activities), legal restrictions applicable to the implementation of the dividends policy, environmental regulations and other legal issues; price of electricity; price and supply of raw materials; interest rates or exchange rates; availability of fuel; ability to maintain relationship with suppliers, customers and consumer and user protection groups; changes in climate conditions; widespread adoption energy efficiency measures; inherent risks in the construction of new power generation and distribution facilities; changes in general economic, political, administrative and business conditions; operating hazards and risks; tax risks; loss of senior management and key personnel; insufficiency of insurance coverage or increase of insurance costs; failure of systems and information technology and processing; inability to access the capital markets to refinance its debt and finance its capital expenditures; and other factors that could adversely affect the business and financial results of the Company.

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Enel Americas to Acquire CELG-D

Transaction Terms

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- Enel Americas has been successful in the privatization auction to acquire CELG-D from Eletrobras and CELGPar
- Auction Price of US$ 0.6bn[1]
- Adjusted Enterprise Value of US$ 1.3bn
- 1.6x EV / RAB[2]

- Enel Brazil reaches almost 10 million clients and Enel Americas reaches 16.8 million clients
- Enel becomes the 2nd largest player in Brazil
- Enel Americas gets substantial opportunity of value creation

[1] Equity Value for 94 84% of the company.
[2] Expected Net RAB for 2016.

Timeline of Next Events

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Nov 2016	➢ **11/30/2016** – Public auction (for 94.84% of the shares)
Dec 2016	➢ **12/9/2016** – Preliminary results of the public auction and beginning of the period for appeals against results of the public auction ➢ **12/20/2016** – Final result of the public auction ➢ **12/29/2016** – Homologation of the results of the Auction
Jan 2017	➢ **1/30/2017** – Auction settlement and execution of the SPA
Mar / Apr 2017	➢ **3/16/2017** – Disclosure of the number of unsubscribed shares of the second Offer to Employees and Retirees ➢ **4/17/2017** – Acquisition and settlement of unsubscribed shares of the second Offer to Employees and Retirees by the winning bidder

Source: Edital: "Alienação de Ações Ordinárias da CELG Distribuição S A. – CELG-D" published on October 28, 2016

Agenda

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- CELG-D at a Glance
- Transaction Rationale
- Contribution to Enel Brasil
- Growth Delivery
- Valuation Overview
- Closing Remarks

CELG-D at a Glance

CELG-D is the electricity distribution company of the State of Goiás

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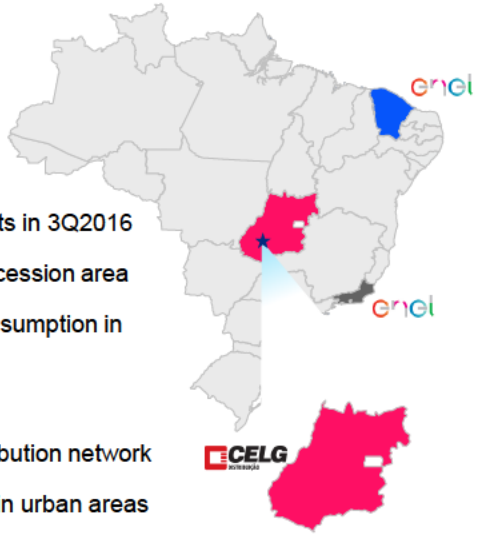
Overview

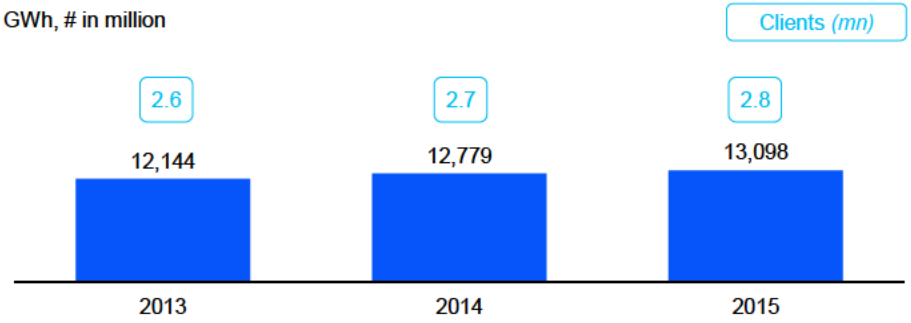


Key Highlights

- **More than 2.9 million** clients in 3Q2016
- **~337 thousand km²** of concession area
- **~13.1 TWh** of electricity consumption in 2015
- **237** municipalities served
- **~201 thousand km** of distribution network
  - 70% in rural areas / 30% in urban areas
- Responsible for providing electricity to **97% of the population of Goiás** (State population of 6.5 million as of 2014)
- Concession granted until **2045**

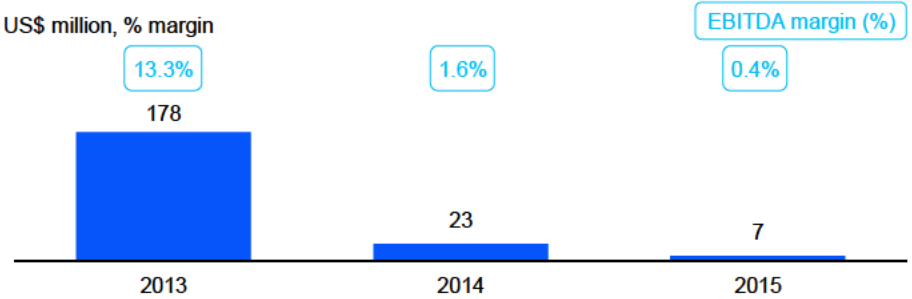
Electricity Sold

GWh, # in million



EBITDA[1]

US$ million, % margin



Source: BNDES.
[1] Year average Fx BRL/USD

Becoming One of the Largest Players in Brazil

Ranking of Brazilian distribution companies per number of clients

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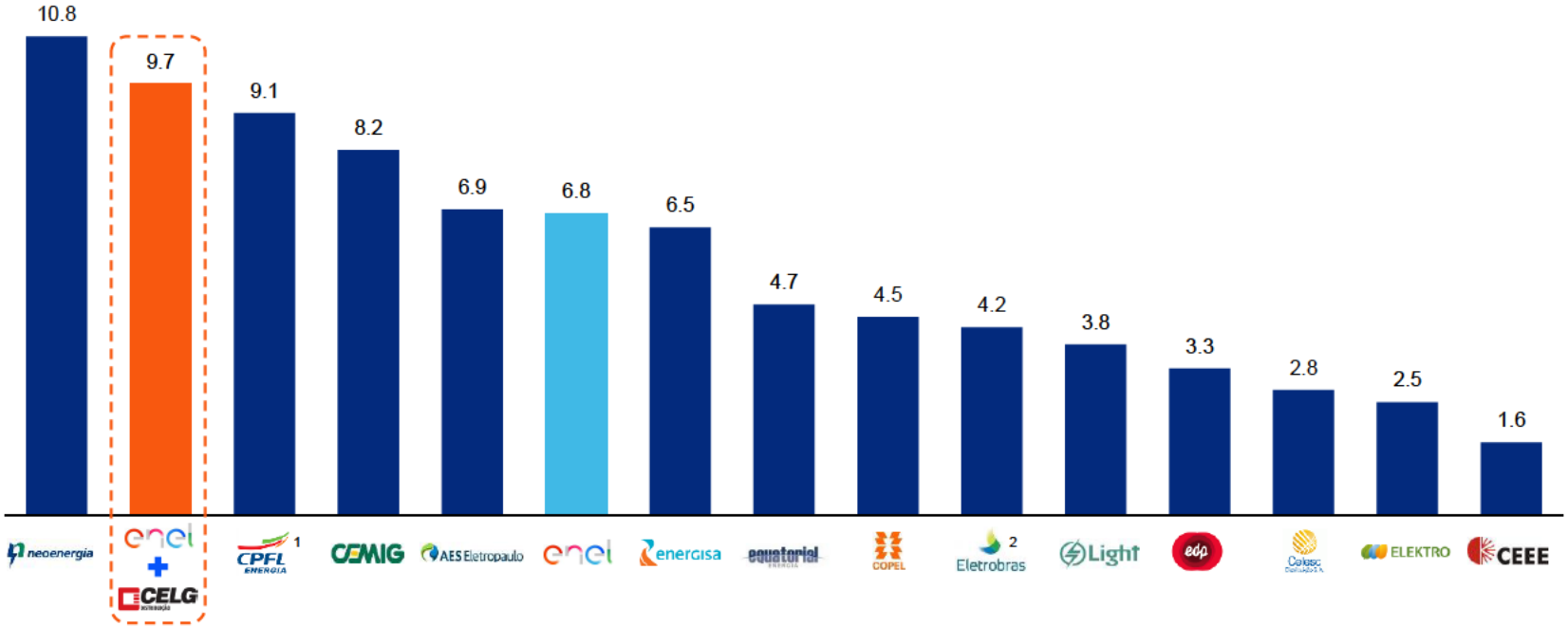
Total Number of Clients by Brazilian Distribution Companies

in million



Source: ANEEL - Sistema de Apoio à Decisão (SAD) as of Sep 2016

[1] CPFL includes AES Sul's client base

[2] Eletrobras client base excludes CELG-D

Transaction Rationale

4 key pillars

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Become Leader in Brazil	• Brazil is the 7th largest power electricity consumer market in the world[1] • Best opportunity to expand Enel Americas' presence in Brazil power distribution • Enel Americas reaches almost 10 mn clients in Brazil, becoming the 2nd largest player in terms of number of clients
Entry in Resilient and High Growth Market	• State of Goiás GDP grows above national averages in past years • 2015 Consumption Growth: CELG-D +2.5% vs Brazil -2.1% • Low commercial losses and low bad debts • Large Size: relevant industrial clients (mining, autos, food)
Turnaround Potential	• High potential of costs reduction (25% - 30% in 3 years) on O&M, procurement, external costs and structure optimization • CELG-D's current operational and financial performance well below Enel Americas' indicators for Brazil • Poor quality indicators (SAIDI, SAIFI) in a low complexity area (flat terrain, lack of aggressive climate events) • High levels of tax credits from historical losses
Synergies with Enel Americas	• Operational synergies with Enel Americas' operations in Brazil and Latin America • Take advantage of Enel's know-how in technology and digitalization (telecontrol, smart meters, smart grids…) • Expansion of Value Added Services (VAS) business into the region

Increase presence in a high growth market through a turnaround opportunity

[1] According to Enerdata – Global Energy Statistical Yearbook 2016

State of Goiás: Very Attractive Region

Growth in low complexity area

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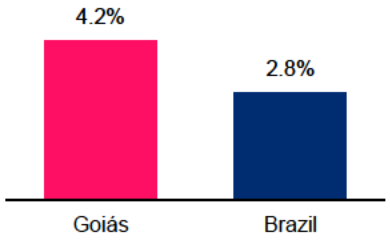
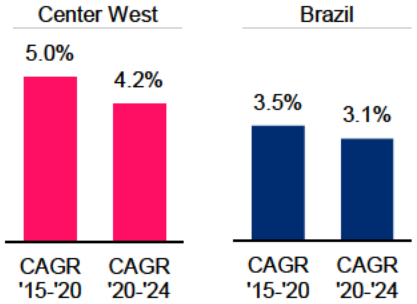
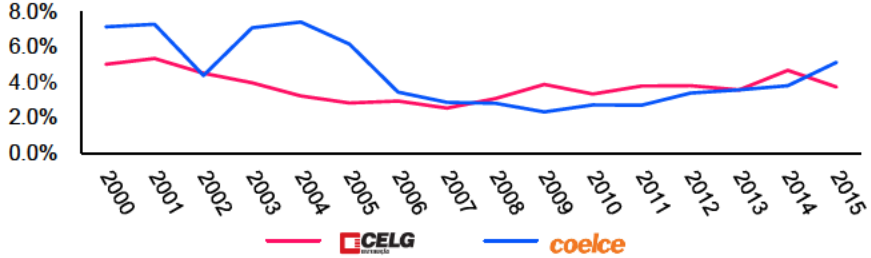
GDP Growth Evolution
2003 – 2015 Average Growth Y-o-Y %



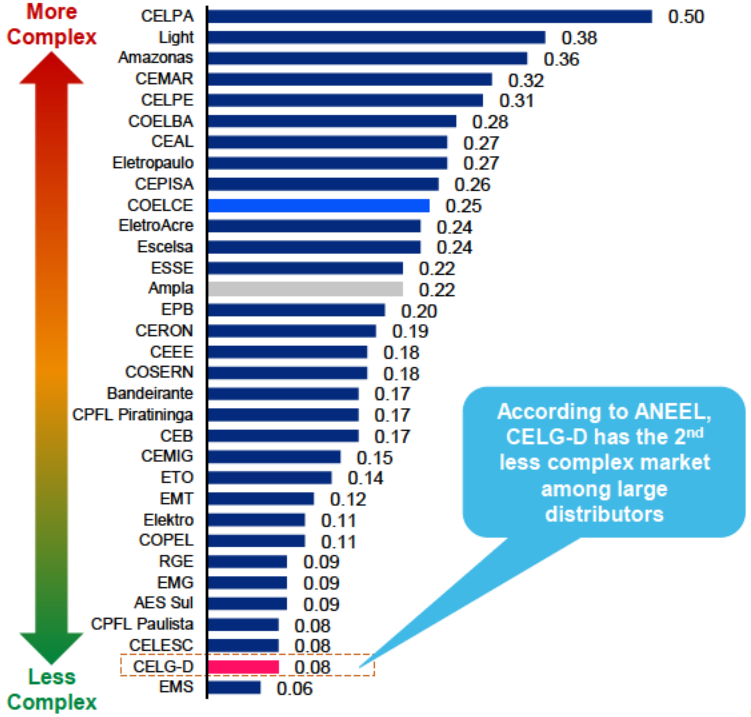
Brazilian Energy Supply Load Growth Outlook[1]



Low Level of Commercial Losses
Non-Technical Losses as % of Required Energy



Low Market Complexity
ANEEL's Market Complexity Index[2]



Source: MDIC, IPEA, companies' filings, Enel Brasil and ANEEL
[1] EPE, according to "2024 10-year plan" report
[2] Index based on social-economic variables (deaths per aggression incident, % of population with salaries below ½ minimum wage, Gini index, delinquency) used by ANEEL to define operational/efficiency metrics limits to the different concessions

Turnaround Opportunity

Focus on efficiency and improvement in losses

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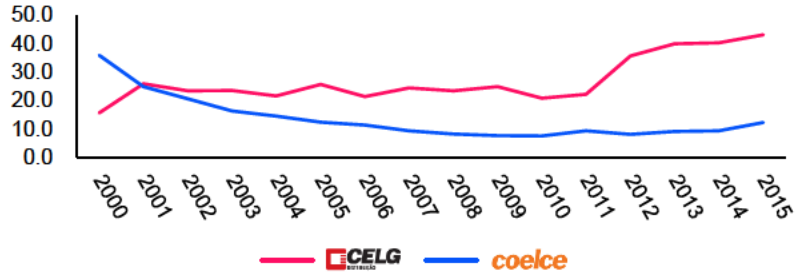
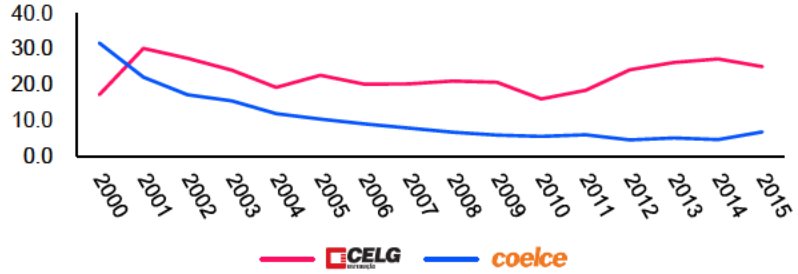
SAIDI - System Average Interruption Duration Index

Hours of Interruption per Year/Client



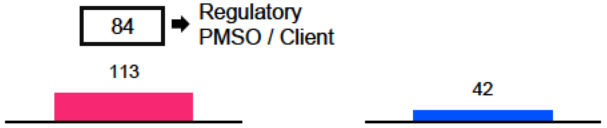
SAIFI - System Average Interruption Frequency Index

Times per Year/Client



PMSO[1] / Client (2015)

US$/client

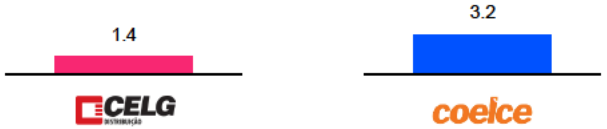


Energy Sold / Employee (2015)

MWh/Employee (Own)

Client / Employee (2015)

'000 Clients/Employee (Own)



Targeting Coelce as a benchmark in the medium term

Source: ANEEL and public filings
Note: Reference USDBRL FX rate: 1 US$ = 3.41 R$ as of November 25, 2016
[1] PMSO: Personnel, Material, Services and Other expense

CELG-D's Contribution to Enel Distribution Portfolio in Brazil

Material operational addition to the portfolio

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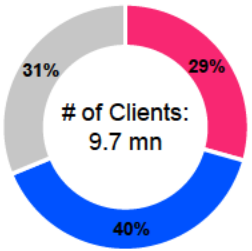
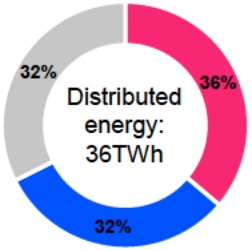
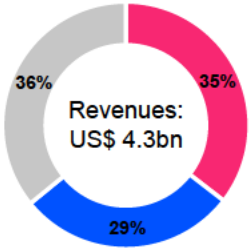
Number of Clients[1]



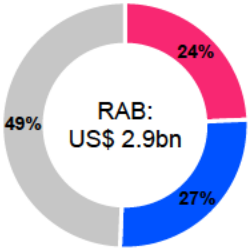
Energy Sold[1]



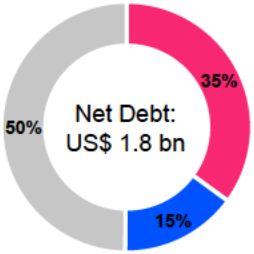
Net Revenues[1]



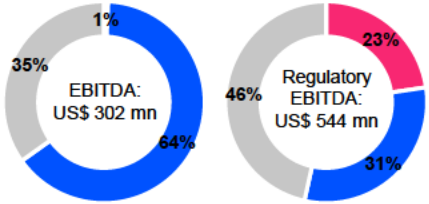
RAB[1]



Net Debt[2]



EBITDA & Regulatory EBITDA[1]



CELG-D:

- Regulatory EBITDA: US$ 123 mn
- Actual EBITDA: US$ 7 mn

CELG coelce ampla

[1] As of 2015, except for number of clients (as of 3Q16); 2015 Year Average Fx BRL/USD of 3 34 and 2015 Year End Fx BRL/USD of 3.95 as of Dec 31, 2015

[2] Net debt as of 3Q16, as reported by Ampla and Coelce. For CELG-D, considers financial debt, Itaipu-related debt as debt and debt-like, minus cash & cash equivalents. USDBRL considered as 3.26 as of September 30, 2016.

Growth Delivery

CELG-D 2017-19 targets

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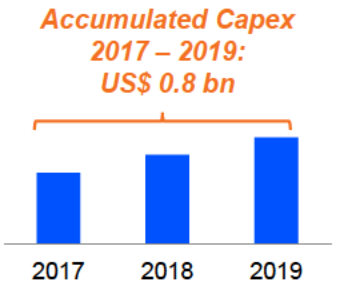
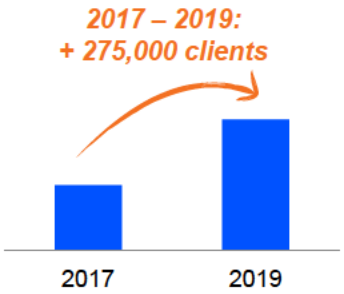
Capex ($bn)



- US$ 0.8 bn capex to reach ANEEL regulatory target levels
- 10 (new + expansion) substations per year
- 179 new feeders
- Telecontrol implementation: 6,200 new equipment
- MV and LV: replacement of 4,200 transformers per year

Client Base Growth



- 3.1% CAGR in CELG-D's client base
- Strong local economy: Higher Goiás vs Brazilian GDP growth
- Losses: reach regulatory target in 2018
- +2.3 TWh of higher energy sales

2019E EBITDA at approximately US$ 250 million

Note Reference USDBRL FX rate: 1 US$ = 3.41 R$ as of November 25, 2016

Visibility on EBITDA Improvement

Main levers

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Cost Efficiency	▪ Real cost reduction from 113 US$ / client in 2015 to ~90 US$ / client in 2019
Increase in Regulatory Revenues	▪ Implementation of 4th regulatory cycle (WACC +12.3% vs 11.4%) ▪ Increase in Opex recognition
Operational Performance	▪ Quality penalties reduction related to lower levels of interruptions ▪ Losses improvement
Market Growth	▪ Historical growth trend recovery from 2.5% to 5%

Short term EBITDA improvement

Note Reference USDBRL FX rate: 1 US$ = 3.41 R$ as of November 25, 2016

Valuation Overview

Adjusted CELG-D's Enterprise Value and multiple benchmarking

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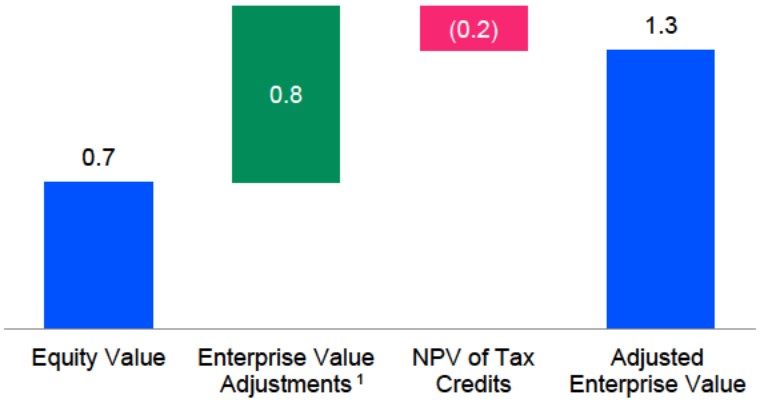
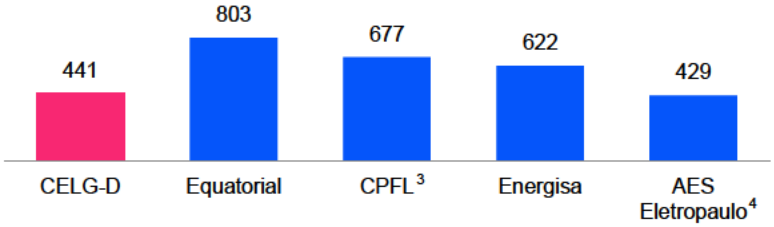
CELG-D: Adjusted Enterprise Value Build-Up (US$ bn)



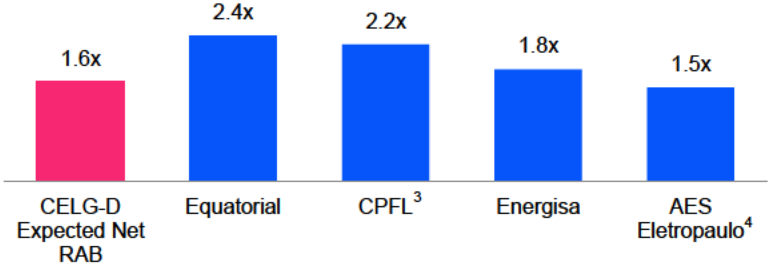
# of Clients:
2.9 mn

Expected Net RAB[2]:
US$ 0.8 bn

EV / 3Q16 Clients (US$ / client)



EV / 16E RAB



Note Reference USDBRL FX rate: 1 US$ = 3.41 R$ as of November 25, 2016
[1] Considers debt and debt-like items, non-operational assets / liabilities, cash and cash equivalents as per Accenture's Valuation Report as of Sep/2016
[2] Expected Net RAB for 2016.
[3] Adjusted to consider power distribution segment only
[4] Includes the pension fund liabilities (incl. account corridor) and Eletrobras dispute liability according to AES estimates.

Closing Remarks

Enel Américas

- Enel Americas takes a firm step in the consolidation process in Brazil
- Opportunity to increase efficiency and improve EBITDA rapidly
- Sizeable acquisition: US$ 1.3 bn at 1.6x RAB[1]
- US$ 0.8 bn Capex envisaged to target ANEEL regulatory quality level in 2017E-2019E
- 2019E EBITDA at approximately US$ 250 million
- Acquisition fully funded from existing liquidity (2013 Enersis' capital increase)

[1] Expected Net RAB for 2016.
Note Reference USDBRL FX rate: 1 US$ = 3.41 R$ as of November 25, 2016