Enersis capital increase
Endesa Proposed terms
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Forward looking statements include, but are not limited to, information regarding: estimated future earnings; estimated increases in enterprise value, anticipated increases in wind and CCGTs generation and market share; estimated green field project funding; expected increases in demand for gas and gas sourcing; management strategy and goals; estimated cost reductions; tariffs and pricing structure; estimated capital expenditures and other investments; expected assets and minority acquisitions; expected asset disposals; estimated increases in capacity and output and changes in capacity mix; repowering of capacity and macroeconomic conditions. The principal assumptions underlying these forecasts and targets relate to regulatory environment, exchange rates, divestments, increases in production and installed capacity in the various markets where Endesa operates, increases in demand in these markets, allocation of production among different technologies increased costs associated with higher activity levels not exceeding certain levels, the market price of electricity not falling below certain levels, the cost of CCGT and the availability and cost of gas, fuel, coal and emission rights necessary to operate our business at desired levels.

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:

Economic and Industry Conditions: materially adverse changes in economic or industry conditions generally or in our markets; the effect of existing regulations and regulatory changes; tariff reductions; the impact of any fluctuations in interest rates; the impact of fluctuations in exchange rates; unavailability of financial resources or increased costs for funding; markets disruptions; natural disasters; the impact of more stringent environmental regulations and the inherent environmental risks relating to our business operations; the potential liabilities relating to our nuclear facilities.

Transaction or Commercial Factors: any delays in or failure to obtain necessary regulatory, antitrust and other approvals as well as other third parties’ consents for our proposed acquisitions or asset disposals, or any conditions imposed in connection with such approvals; our ability to integrate acquired businesses successfully; the challenges inherent in diverting management’s focus and resources from other strategic opportunities and from operational matters during the process of integrating acquired businesses; the outcome of any negotiations with partners and governments. Any delays in or failure to obtain necessary regulatory approvals, including environmental to construct new facilities, repowering or enhancement of existing facilities; shortages or changes in the price of equipment, materials or labor; opposition of political and ethnic groups; adverse changes in the political and regulatory environment in the countries where we and our related companies operate; adverse weather conditions, which may delay the completion of power plants or substations, or natural disasters, accidents or other unforeseen events; and the inability to obtain financing at rates that are satisfactory to us.

Political/Governmental Factors: political conditions in Latin America; changes in Spanish, European and foreign laws, regulations and taxes.

Operating Factors: technical difficulties; changes in operating conditions and costs; the ability to implement cost reduction plans; the ability to maintain a stable supply of coal, fuel and gas and the impact of fluctuations on fuel and gas prices; acquisitions or restructurings; the ability to implement an international and diversification strategy successfully.

Competitive Factors: the actions of competitors; changes in competition and pricing environments; the entry of new competitors in our markets.

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In no way can this presentation be deemed to be an offer or an invitation to participate in the capital increase to which it refers. Such capital increase is subject to certain corporate and regulatory approvals and to corporate and securities laws and other regulations applicable in Chile, United States of America, European Union and other relevant jurisdictions.
The past 7th December, Endesa submitted a proposal to the Chilean Pension Funds (AFPs) on the terms and conditions of the capital increase of Enersis (the “Proposal”) to be presented to the Enersis EGM scheduled as of 20th December. This Proposal has been considered, by the large majority of the AFPs, beneficial for all Enersis shareholders. The key terms of this Proposal are detailed below:

1. **Endesa Value Proposal**

   Endesa would contribute 100% of its assets (Conosur) in exchange for 9,967.6 millions of Enersis shares at an **issue price of 173 CLP** per share
   - Endesa Proposal values Conosur at **US$ 3,615 millions** taking into account current exchange rate (CLP/US$ 477). This stands in the lower part both of the range of the Board of Directors and the absolute values published by the Independent Appraisers on 24th October
   - The proposed issue price represents a 7.5% discount vs. undisturbed price before Transaction announcement (187 CLP)

2. **Implied capital increase figures**

   Endesa Proposal implies that, at current exchange rate (CLP/US$ 477):
   - the total number of shares to be issued would be **16,441.6 millions**
   - the total amount of the capital increase would be of up to **US$ 5,963 millions**
   - the total cash to be subscribed by other shareholders would be of up to **US$ 2,348 millions**
   - the amount of cash required to meet Condition of Success would be of **US$ 1,149 millions**
The Endesa Proposal represents a unique opportunity for Enersis to acquire a set of valuable assets at a very attractive valuation:

1. Compared with the fundamental value determined by Mr E. Walker and Independent Appraisers it implies a discount of more than 20% both in terms of value (c. US$ 1bn) and implied P/E multiple (9.4x vs. an average of 12.3x)

2. It stands in the low end of the range determined by the Enersis Board of Directors on 6\textsuperscript{th} November

3. Compared with Broker Consensus is c. US$ 200m lower (or 0.5x in terms of P/E multiple)
Cash raised and potential use of proceeds

Use of proceeds (assuming 100% subscription) – Endesa Proposal

1. Minorities acquisition
   - Selection of already known companies
   - Investment target of c. US$ 1,600m
   - Limited integration risk
   - Estimated acquisition multiple of 9-10x P/E
   - Potential net income contribution of c. US$ 160-170m per year

2. M&A opportunities
   - Targets already identified considering:
     - the markets where the Company is already present (Brazil, Colombia and Peru)
     - Further opportunities from regulatory changes or local circumstances
   - Estimated acquisition multiples between 10x-15x P/E
The Transaction should be accretive from the beginning – illustrative exercise

### EPS Accretion/(dilution) – illustrative exercise

<table>
<thead>
<tr>
<th>US$m</th>
<th>2013E</th>
<th>2014E</th>
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<tbody>
<tr>
<td>Total Capital Increase size</td>
<td>5,963</td>
<td></td>
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<tr>
<td>o/w Endesa assets contribution</td>
<td>3,615</td>
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<tr>
<td>o/w cash contribution</td>
<td>2,348</td>
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<tr>
<td>Number of shares issued (m)</td>
<td>16,442</td>
<td></td>
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<tr>
<td>Issue price (CLP)</td>
<td>173</td>
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</tr>
<tr>
<td>Number of shares post (m)</td>
<td>49,093</td>
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### Use of proceeds – illustrative exercise

<table>
<thead>
<tr>
<th></th>
<th>US$m</th>
<th>P/E</th>
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</thead>
<tbody>
<tr>
<td>Minorities acquisition</td>
<td>A</td>
<td>1,600</td>
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<tr>
<td>M&amp;A</td>
<td>B</td>
<td>748</td>
</tr>
<tr>
<td>o/w Brazil Dx</td>
<td></td>
<td>75%</td>
</tr>
<tr>
<td>o/w Colombia Dx</td>
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<td>25%</td>
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### Notes:
- **A**: Acquisition of selected minorities at an implied P/E multiple of c. 9.4x including a premium on current market prices. Furthermore it assumes:
  - c. 50% of minority acquisitions to take place at the end of 1H 2013 (six months net income consolidation in 2013)
  - remaining c. 50% of acquisitions at the end of 3Q 2013 (3 months net income consolidation in 2013)
- **B**: Acquisition of distribution companies in Brazil (75%) and in Colombia (25%) at a P/E multiple in line with precedent M&A transactions
  - assumes cash out on January 1st 2014 and 2014 full year net income consolidation

**Note:** Exchange rate of 477CLP/US$ 
(1) Remuneration on outstanding cash assumed at 2% annual post tax
Why is Enersis a good investment opportunity?

1. At current market price, Enersis stock represents an unique investment opportunity
   - Share price prior to the transaction announcement (187 CLP) well above the proposed issue price (173 CLP)
   - Average analyst target prices (over 200 CLP both prior to and following announcement) well above current levels

2. Enersis will incorporate a relevant portfolio of assets at a discount vs. fundamental value
   - Relevant net income contribution coming from Conosur (c. US$380m (1))
   - High fundamental value of Conosur: compared with the DCF valuation determined by Independent Appraisers Endesa Proposal implies a discount of more than 20%

3. Structure simplification is expected to drive potential valuation uplift
   - Higher visibility of Enersis participations and corporate structure. The net income consolidation is expected to increase from current 43% up to 60% and potentially up to 70% after cash utilization
   - Increased “ownership” of EBITDA expected to benefit Enersis valuation (potential EV/EBITDA multiple uplift of c. 1.7x to fill the gap with peer group)

A financially compelling Transaction with concrete value drivers

(1) Based on Claro y Associados figures