Santiago, November 24, 2015
Ger. Gen. 125/2015

Mr. Carlos Pavez Tolosa
Superintendent of Securities and Insurance
Avenida Libertador Bernardo O'Higgins No. 1449
Santiago

Ref.: Reply to Official Letter No. 25,412 of November 18, 2015, of the Superintendent of Securities and Insurance

With due consideration:

By means of this letter, and exercising the powers I have been granted for this purpose by the Board of Directors of Enersis in its ordinary meeting No. 21 of November 24, 2015, I hereby proceed, within the applicable term, to communicate the Board of Directors of Enersis S.A. to your Ordinary Official Letter No. 25,412 of November 18, 2015, as mandated in such letter.

In the above-mentioned Official Letter the Superintendence, invoking the considerations included therein and also the previously issued Ordinary Official Letter No. 15,443 of July 20, 2015, which, in its understanding, "*expressly stated the necessity for the board of each of the companies involved to adopt a position as to each and every one of the relevant aspects of the Reorganization*", required the Board of Enersis S.A. to:

a. Issue a statement to explain the risks, consequences, implications or contingencies that could result from the Reorganization process for the shareholders of Enersis including at least those mentioned in the report of the Directors' Committee.

b. Issue a statement regarding the measures referred to in paragraph 8, noting whether they are feasible or not, and the consequences which non-compliance of such conditions would have on the Company's corporate interests.

c. Issue a statement regarding the exchange ratio and the estimated percentage which minority shareholders are expected to hold under the future merger, in order to effectively carry out the Reorganization according to the Company's corporate interests, including benefits for all shareholders.

d. Make such statements available to the shareholders on the Company's website.

In response to the aforementioned requests, the Board of Enersis S.A., at its regular meeting held today, decided by a majority vote of its members and a negative vote by director Rafael Fernández Morandé solely against the adoption of resolutions three, five and six, the following:

One: Consider Enel's proposal included in the letter of November 23, 2015, which states that, if the Reorganization is successful in all its phases and instances, Enel will, or will direct one or more of its subsidiaries to, negotiate an agreement with Endesa Chile regarding the joint investment in renewable energy production projects in Chile.

Two: Consider Enel's commitment included in the letter of November 23, 2015, which states that while Enel Iberoamérica, S.L. remains the majority shareholder of Enersis, Enersis or its successors resulting from the Reorganization will be the Enel group's sole investment vehicle in South America in the fields of generation, distribution and sale of electric energy, except for renewable energy investments currently developed by Enel through Enel Green Power or any other company within the Enel group. This is notwithstanding the agreement mentioned in One above.

Three: Announce at this time and at the Shareholders' Meeting to be held on December 18, 2015, that it is the intention of Enersis to propose at the Shareholders' Meeting of Enersis Américas on the subject of its merger with Endesa Américas, the exchange ratios, according with the range adopted by the Board of Directors of the three companies, of 2.8 shares of Enersis Américas for each share of Endesa Américas and 5 shares of Enersis Américas for each share of Chilectra Américas, in accordance with the other terms and conditions contained in the "Descriptive Document of the Reorganization and its terms and conditions" (made public on November 5, 2015).

These exchange ratios would be equivalent to an interest of 84.16% in the resulting entity, Enersis Américas, for the shareholders of Enersis Américas immediately prior to the merger, of 15.75% in Enersis Americas for the minority shareholders of Endesa Americas and of the 0.09% in Enersis Americas for the minority shareholders of Chilectra Americas. Consequently, and consistent with what was announced, this Board of Directors will take whatever actions are within its power to make the merger succeed, including voting in favor in the corresponding Shareholders' Meetings. In any case, this resolution is subject to the absence of any relevant supervening events prior to such Shareholders' Meeting that may substantially affect the exchange ratios proposed above.

Four: In order to propose a mechanism that secures for the minority shareholders of Endesa Américas a minimum price equal to current market values for its shares, and mitigate the risk of the merger not taking place, the Board of Directors announces that, once the spin-offs of Enersis, Endesa Chile and Chilectra become effective as contemplated by the Reorganization, and unless significant adverse supervening events advise against it from a corporate interest point of view, Enersis (which will be known as Enersis Américas) intends to conduct a public tender offer (*oferta pública de adquisición de valores*) (the "OPA") for the shares of Endesa Américas, when it exists, subject to the terms described below. The OPA shall be addressed to all the shares and American Depositary Receipts ("ADRs") issued by Endesa Américas not owned by Enersis Américas. As consequence of the reorganization, it is expected that Enersis Américas will own 59.98% of Endesa Américas shares, therefore the OPA will be for up to 40.02% of Endesa Américas shares and for a price of 236 Chilean pesos per share. The OPA will be subject to the approval of the merger by the extraordinary Shareholder's Meeting of each Enersis Américas, Endesa Américas and Chilectra Américas and also to the condition (or waiver of) that after the expiration of the legal term for the exercise of the withdrawal rights for each of the companies, Enersis Américas and Endesa Américas, shareholders have not exercised such right above a certain number or percentage of shares, correspondingly, as well as to other terms and conditions which will be detailed in due time.

Five: Instruct the Chief Executive Officer to propose to the Board of Directors and, if applicable, to the Directors' Committee, the terms of a compensation agreement to be negotiated in good faith

with Endesa Chile, under which the Company will indemnify Endesa Chile for certain duly verified tax costs incurred by Endesa Chile, minus any tax benefits obtained by Endesa Américas and Endesa Chile, as a result of its spin-off of Endesa Américas, only in the case that the merger is not approved before December 31, 2017 for reasons not attributable to Endesa Américas, Endesa Chile or an event of force majeure has occurred. The indemnification expense under such agreement is expected to be offset by certain tax benefits to the Company related to the spin-off of Enersis.

Six: Agree in its entirety with the Statements from the Board of Directors of Enersis about the matters required in the Official Letter No. 25,412 of November 18, 2015 of the Superintendent of Securities and Insurance, that is (i) "The risks, consequences, implications or contingencies that could result from the Reorganization process for the shareholders of Enersis, including at least those provided for in the report from the Directors' Committee"; (ii) "Feasibility of the measures stated in the Directors' Committee of Enersis and its affiliate Endesa Chile and consequences that the non-compliance with such conditions for would have for the corporate interest of the Company"; and (iii) "Information related to the exchange ratio and the estimated percentage that the minority shareholders should reach in the future merger process, so that the Reorganization is effectively realized in accordance with the corporate interest, which entails benefits for all shareholders".

For technical reasons no corresponding transcript of the reasons of the negative vote by Director Rafael Fernández Morandé is currently available, and will be made available to the Superintendence of Securities and Insurance and the shareholders of the Company on the Company's website www.enersis.cl, as soon as it becomes available.

The resolutions mentioned above are the result of the following statements by the Board of Enersis:

(A) The risks, consequences, implications or contingencies that could result from the Reorganization process for the shareholders of Enersis including at least those mentioned in the report of the Directors' Committee

In connection with the risks, consequences, implications or contingencies relating the Reorganization, as was reported in the Board of Directors Resolutions of November 5, 2015 (which was made public the same day), these issues have been addressed in detail in the reports of the experts, banks rendering advice and financial advisors of the Directors' Committee and by the Directors' Committee in its own report.

Nevertheless, to fully meet the instruction contained in Official Letter No. 25,412 of November 18, 2015, the Board finds it necessary to explain the risks, consequences, implications or contingencies included in the reports of the Directors' Committees of Enersis and Endesa Chile summarizing the issues related to the Reorganization.

A.1 Directors' Committee of Enersis

- *Risks of non-merger: due to the exercise of withdrawal rights in relation to any of the merger companies exceeding reasonable and customary limits on such transactions.*

As reported in the "Descriptive Document" of the Reorganization (made public on November 5), the Board of Directors of each of the companies involved in the Reorganization intend to take all action to which they are legally entitled to implement the completion of the Reorganization in its entirety, that is, so that it is formalized in all its phases as is described in such document, including especially all action necessary to convene the respective shareholders' meetings to legally state their views on the spin-offs and mergers pursuant to the Reorganization. However, it should be

noted that according to the regulations on corporations in Chile, this cannot be guaranteed at this time, since, among other aspects, both the spin-offs as well as the merger would be subject to compliance with a number of conditions precedent detailed below and, in particular, would be subject to the approval of their respective extraordinary shareholders' meetings, requiring a favorable vote of two thirds of the shares with voting rights.

The Reorganization, as it was designed and reported to the market and shareholders, therefore, is the result of restrictions imposed by the Chilean legislation for such purpose. The Company has worked on its own and also with the support of legal counsel and others to reach an implementation structure is in its corporate interest, despite certain limitations imposed by applicable general rules that preclude simultaneously effecting a spin-off/ merger – which on the other hand, it has tried to limit, as detailed below.

In this regard it should be noted, for example, that although it has been stated that it may be possible to link spin-offs and mergers by setting conditions "precedent" or "subsequent", it has been determined that this is not a viable solution. Regarding "conditions precedent", because the effectiveness of a spin-off cannot be conditioned either materially or technically to the implementation of a merger of companies that do not yet exist (and indeed will exist only if the spin-off becomes effective), and for conditions “subsequent”, because the resolution of some already agreed spin-offs is of such magnitude that it does not fit with the corporate interest of the Reorganization (it should be mentioned, for example, that it would be necessary to again merge six companies with each having withdrawal rights plus incurring significant tax costs).

As mentioned in the Board of Directors Resolution of November 5, 2015, keeping in line with market practice for such transactions, it is believed that an unlimited exercise or very high level of exercise of withdrawal rights by the shareholders would not benefit the corporate interest, since: it would extract significant funds from the Company; alter the percentages of the remaining shareholders’ voting rights, as they may not be able to exercise rights with respect to treasury stock until their sale (in the case of non-amortized stock), and the sale of treasury shares for the legal term of one year could significantly affect the trading of the shares of the companies in question. In addition if limits are not imposed to the withdrawal rights, there is a risk of infringement on the limits of concentration and dispersion of capital with voting rights pursuant to Article 112 of Title XII of DL 3500, 1980 and reflected in the By-laws of Enersis and Endesa Américas resulting from the deprivation of voting rights which is inherent to treasury stock.

It is therefore considered necessary to set a limit to such withdrawal rights. Having analyzed the precedents of recent transactions in Chile and based on the nature of the companies involved in the corporate Reorganization process, it was considered appropriate to explicitly inform the shareholders present at the shareholders’ meeting to vote on the spin-off that it is expected that the subsequent merger would be subject to the establishment of a limit on the exercise of the right to withdraw of up to 6.73% in the case of Enersis Américas. This percentage is the maximum that would allow Enersis Américas to comply with the limits of concentration and dispersion of capital with voting rights provided under Article 112 of Title XII of DL 3500 of 1980. This condition could, however, be waived if the shareholders present at the shareholders’ meeting to vote on the merger so approve, and provided that this is in the corporate interest of the companies.

There is a risk that if such limit is exceeded, the merger may not take place, as it would not comply with the condition. While this is undesirable, the Reorganization had been assessed as a whole to be in the corporate interest of the companies, and as such the following has been taken into consideration in relation to the risk of exceeding such limit:

(i) The limit of 6.73% is higher than the historical average of limitations of similar transactions in the Chilean market (around 3% to 5%);

(ii) The withdrawal rights, within such historical limits, which have been actually exercised in similar transactions have been in percentages usually much lower than those established hereunder (under 1%);

(iii) The limit on the withdrawal right may be waived, provided that, in the circumstances present at the time, and the circumstances in such case (for example, the amount the withdrawal rights exceed the limit) such waiver is in the Company's corporate interest;

(iv) Even if the withdrawal rights exceed the limit and, therefore, in the first instance prevent the consummation of the merger, nothing prevents the Company from calling new (and eventually successive) extraordinary shareholders' meetings to vote again on the merger (which may include new limits on the withdrawal rights, according to the conditions and situation present at that time) under different circumstances and there may even be a greater availability of funds and, therefore, higher limits on the withdrawal rights.

The above considerations must be understood together with certain measures which are described in detail in Section B (Section 1) hereto, and which are being proposed to the Directors for adoption in order to minimize the submission of negative votes in the participating companies of the merger, and as a result, to reduce the risk that the withdrawal rights will exceed the thresholds that eventually cause the merger to fail in the first instance.

The statements herein, together with the measures referred below in Section B (Section 1) are unequivocal proof of the Board of Director's intention to adopt all legal measures within its power in order to limit the risk that all of the stages of the Reorganization are not completed, thus adopting applicable measures.

- *Risk of reduced credit rating*

According to analyses, the current level of credit risk of the companies, as well as the risk resulting from a subsequent spin-off and merger, is expected to remain at levels considered acceptable by the international rating agencies.

In both cases, and provided that the Reorganization takes place, the resulting Chilean companies would not change their ratings classifications, which currently stands at BBB+ with a stable outlook for S&P and Baa2 for Moodys (both investment grade) and which are publicly available while the company resulting from a subsequent merger, Enersis Américas, could drop a level to BBB for S&P due to a greater exposure to the Brazilian market.

In connection with the situation of the surviving company, Enersis Américas, the Company's available information regarding this transaction reflects that it would remain within a reasonable level of leverage.

The above considerations have been properly evaluated by the Board of Directors of the Company in formulating of their general opinion concerning the Company's corporate interest relating to the transaction, according to their assessment in relation to all factors that have been evaluated in this analysis.

- *Risk of lawsuits*

It is clear that the conduct of any business activity carries inherent risk of lawsuits. The existence of discrepancies between shareholders, between such shareholders and the Company or third parties, are not, therefore, beyond the realm of possibility for any commercial company and therefore, the existence of such risk, cannot prevent the development of such activity.

To delay or impede a transaction such as the Reorganization that, as declared by the Board of Directors of Enersis, is beneficial to the Company's corporate interest, based on the risk from

potential legal actions by third parties, implies a lack of confidence in the management of the company.

Despite such risk existing, it is considered that if the Reorganization process has fully followed the rules applicable to this case, and if any legal action results, the Company estimates that it will be ready to defend its interests and those of its shareholders for the sake of the conclusion of the proposed process.

In this regard, it is worth recalling the recent decision by the Chilean courts which rejected the request for precautionary measures by certain shareholders who aimed to postpone the Shareholders' General Meeting of December 18, confirming moreover, —as has always been reasonably held— the full effectiveness of the decisions of the SVS. This judicial resolution is not only proof of the scrupulous respect of the Company to fulfilling its legal obligations at all times, but also proof that its conduct during this process is consistent with the regulatory requirements and the interpretation of such regulatory requirements by the ultimate authority of the subject.

- *Risk of decreased market liquidity*

The spin-off by Enersis of a company with a focus on the operations in Chile and another that concentrates their holdings in the rest of Latin America can potentially effect the liquidity of the listing on the stock exchange of these companies in comparison to the present liquidity levels of trading of Enersis.

This, in principle, would not be a risk, as currently Enersis is the second most-traded company in the Chilean market, while Endesa Chile ranks fourth. In one scenario of the spin-off and subsequent merger, Enersis Américas, Endesa Chile and Enersis Chile would still be represented in the IPSA index (a grouping of the 40 most-traded companies on the Santiago Stock Exchange) each as companies with one of the higher capitalizations and flotations. Bear in mind that, although these companies would have a level of liquidity less than their original companies, they still maintain a level of liquidity higher or comparable to its competitors.

Bear in mind that from the analysis performed, Enersis Américas and Enersis Chile would remain eligible for international stock indices, for example S&P, MSCI and FTSE, among others.

Should the merger not take place, Enersis Américas, Endesa Chile Américas and Chilectra Américas would incur a loss of liquidity with respect to the merger, and this could have an effect on the market value of these companies.

The above considerations have been properly evaluated by the Board of Directors of the Company in the formation of their general opinion concerning the Company's corporate interest in the Reorganization, according to their assessment and in relation to all factors that have been evaluated in this analysis.

- *Risk of conflict of interest with EGP especially in Chile*

As stated in the Board Resolutions of November 5, it was considered essential to adopt measures in the Reorganization to successfully avoid potential conflicts of interest that could occur in the future relating to Endesa Chile in connection with the activities of Enel Green Power in Chile.

In this sense, as noted earlier, the Chairman of Enersis has received a letter from its controlling shareholder, Enel, that indicates that should the Reorganization be successful in all instances or phases, Enel promises *"to negotiate, or promote that one or more of its subsidiaries [...] would negotiate an agreement with the affiliate of Enersis and Endesa Chile relating to the joint investment in projects to produce electricity from renewable sources in Chile, based on certain general principles, already shared at the time with Endesa Chile*".

For more details on this letter, see section B.3 of this Statement.

In view of such letter which was sent at the request of the controlling shareholder to Endesa Chile for its evaluation, it is thought that the commitment from Enel constitutes a measure which is consistent with successfully avoiding potential conflicts of interest that might eventually arise with respect to Endesa Chile and the activities of Enel Green Power in Chile.

A.2 Minority vote of Director Rafael Fernández Morandé

- *Risk of reduced credit rating (already included in point 2 of the Directors' Committee of Enersis)*

See above considerations in this respect.

- *Risk of non-merger (already included in point 2 of the Directors' Committee of Enersis)*

See above considerations in this respect.

A.3 Directors' Committee of Endesa Chile

- *Tax Risks*

In relation to the tax risks of Reorganization, as was indicated in the Board of Directors Resolutions dated November 5, 2015, the spin-offs generate taxes only in Peru (and in Argentina, although the impact can be considered immaterial due to the value given to the companies), which has an estimated cost of $251 million for Endesa Chile and $27 million for Chilectra, but $67 million must be deducted from the sum of $278 million for tax deductions in Chile ($60 million in Endesa Chile and $7 million in Chilectra). In the case of Enersis Américas, the spin-off itself generates a positive tax impact.

On the other hand, it should be noted that should the merger take place, it would not only not have any negative tax impact, but, on the contrary, would result in a tax benefit for the surviving entity, Enersis Américas, as it would eliminate the restrictions on the use of tax credits paid abroad. Lower taxes have been estimated in the amount of $728 million of VAN. Such benefits would increase to $775 million if Enersis Américas could benefit from the Chilean platform tax regime.

Notwithstanding the above and taking into account various recommendations, assuming that in the end the merger may not occur, it was considered appropriate that Enersis, a company that solely as a result of the spin-off would have certain tax benefits, could grant to Endesa Chile, a company that would bear further tax costs if such merger did not occur, compensation at the time and under the conditions detailed in (B.2) below ("Compensation to Endesa Chile regarding the tax cost of the spin-off if the merger not take place").

- *That the equity stories of the companies resulting from the Corporate Reorganization, that is, Endesa Chile and Enersis Américas, are not attractive and their shares trade at a significant loss (especially as compared to the current Endesa and Enersis) regarding the value of their underlying holdings*

The proposed equity stories provide for a number of benefits and a higher dividend payment in the case of Enersis and Endesa Chile relative to the current situation, which is expected to change from a payment of 50% of company profit (after minority interests) to a payment of 65% in 2019, as was already announced to the market on November 5, 2015.

Notwithstanding this, on the one hand, in the case of Chile, the generation company resulting from the separation will remain the largest producer of electricity in Chile with an important competitive position in LNG, a diversified portfolio of generation assets as well as a strong financial position.

The Chilean company will be double the size of its competitors, have virtually zero leakage by minority interests and will be more easily comparable for analysts and investors. On the other hand, the distribution business will contribute in a relevant way to the stability of financial flows and will capture future proposals for value-added services within the metropolitan region.

In the case of Enersis Américas, it provides a steady dividend payment of 50% from the group's net profit (after minority interests). To this, we can add a specific organic growth for each region and an option of use of funds focused on Enersis Américas.

Enersis Américas will continue to be at the top in Generation and Distribution in Colombia, Peru and Argentina, and an important participant in Brazil. In this area the group has 13 million customers of which 70% belong to metropolitan areas including Bogotá, Lima, Buenos Aires and Río de Janeiro-Niteroi. These assets and position offer a great opportunity for growth as a result of the steady increase in demand, both in the number of customers and per capita consumption as well as investment needs through the value chain.

The discount at which Enersis and Endesa Chile are currently traded is primarily due to their complex corporate structure and the unclear origin of their cash flows.

After the Reorganization this problem should ease as a result of:

i. the removal of cross ownership of shares between Enersis Chile and Enersis Américas and their respective subsidiaries and having a more agile decision-making structure.
ii. the elimination of conflicts of interests between investment vehicles (for instance with regards to the Colombian and Peruvian participations).
iii. the reduction of cash flow leakage from operating companies, and
iv. the possibility of enhancing efficiency by eliminating the intermediate holding companies.

Likewise, it is important to highlight that the companies resulting from the Reorganization process, Enersis Américas and Enersis Chile, would remain, as stated before, eligible for international stock indexes such as S&P, MSCI and FTSE, among others.

The above issues have been properly assessed by the Board of Directors of the Company in forming its overall judgment regarding the Company's corporate interests relating to the transaction, considering its assessment of all the factors that have been evaluated as part of this analysis.

In the case of the Endesa shareholders, there is a risk that the new Endesa Chile, resulting from the spin-off will trade at a discount compared to its competitors (Colbún and AES Gener) Enersis Chile will have a mix of generation capacities of better or same quality as than those of its competitors, will continue taking advantage of economies of scale through its controlling shareholder group and have competitive advantages in LNG and over water rights. Endesa, in Chile, has increased its capacity by 1,057 MW between 2009 and 2014 with projects such as Bocamina II, Canela and Quintero and the acquisition of 50% of Gas Atacama. Currently, there is a pipeline of 3,000 MW projects in the country, hydro and gas being the principal energy sources for projected investments.

Being focused on Chile, Endesa Chile will have a more limited level of risk, without neglecting growth.

Similarly, it is important to bear in mind that Endesa Chile will have a market capitalization superior to those of its Chilean competitors, which would allow the company to have an adequate level of liquidity and draw a high level of attention from the financial community.

As a result of the proposed spin-off, Enersis Chile, the Chilean holding company, would control generation activities directly through Endesa Chile in Chile, and distribution activities, through

Chilectra in Chile thus avoiding any kind of conflict of interest arising directly from relevant shares held by the Chilean holding company.

Such considerations have been properly assessed by the Board of Directors of the Company in forming its overall judgment regarding its corporate interest relating to the transaction, considering its assessment of all the factors that have been evaluated as part of this analysis.

- *Risk of conflict of interest with EGP especially in Chile*

See considerations regarding this above.

- *Risk of a financial leverage inferior to what is considered optimal for Endesa Chile*

The mentioned affiliate has an appropriate investment plan that will allow it to deal with future opportunities that may arise in the indicated reference market such as new tenders with stable long-term contracts and/or inorganic growth opportunities. Moreover, such investment opportunities will increase considerably at the time the agreement between Enel and Endesa Chile relating to renewable energy from unconventional sources committed by the controlling shareholder, in the terms described in Section B.3, goes into effect.

In this context, we will seek to have an adequate capital structure which will depend on the characteristics of the cash flow of each company.

Such considerations have been properly evaluated by the Board of Directors of the Company in the formation of their general opinion concerning the social interest of the Reorganization, according to their assessment in relation to all the factors that have been evaluated as part of this analysis.

- *Risk that while the spin-off by Endesa may occur, the merger with Enersis Américas may not take place, thus affecting its value*

See considerations regarding this above.

- *Risk that the Exchange Ratio could be modified after approval of the spin-off*

With regard to this consideration, it should be recalled that pursuant to the uniqueness of the process, the SVS Official Letter establishes the need to provide at the shareholders' meeting required in connection with the Reorganization process to vote on the spin-off, "estimates" of the share exchange ratio.

In this way, the SVS is not forcing the Company to fix or establish a "share exchange ratio" for the future merger, mainly because it is not legally nor materially possible, because fixing the ratio relates to shareholders' meetings of companies that must vote on the merger, two of which, Endesa Américas and Chilectra Américas, will not exist until the spin-off has taken place, and because the shareholders of the existing company and the resulting company of the spin-offs by Endesa and Chilectra, may vary between the date the spin-off is agreed and the date of the shareholder vote on the merger.

On the one hand, it is recognized without doubt that this "estimate" of the share exchange ratio is of relevant importance as information that should be known by the shareholders who must vote on the spin-off, and on the other hand, that determining a share exchange ratio (even an estimate) is a complex process which will occupy company resources and which requires a significant number of experts and expert witnesses (which could be the same as designated for the merger process), and is of greater importance - insofar as legally possible – so long as it is stable.

In other words, always within the legal limits, and subject to possible adverse external events, the "estimate" should be the best possible approximation to the "share exchange ratio" presented at the shareholders' meetings to vote on the mergers.

The Company, in that sense, wants to contribute to that line of permanence, as it will refer in more detail below, and it is the Board of Directors' intention to take actions available to them, including the vote in favor at the relevant shareholders' meetings, to make the aforementioned merger succeed with the share exchange ratio referred to in Section (C) of this statement, with all of the above being in the corporate interest of the Company, subject to relevant events occurring prior to such shareholders' meeting substantially affecting the proposed share exchange ratio.

- *Risk that the withdrawal right could imply a discount*

As is well known, the price of the withdrawal right is determined by law and provided that there is stock market trading, will result from the average of the trading prices for a 60 day period prior to the date of the shareholders' meeting to vote on the merger.

In the case there is uncertainty about the approval of the merger transaction for reasons outside of the parties' control, the price of the stock of Enersis, Endesa and Chilectra Américas could be affected.

The above considerations must be understood together with certain measures, which are described in detail in Paragraph B (Section 1) of this statement, which the Directors intend to adopt and that are intended to limit the occurrence of risks described.

In any case, such considerations have been fully evaluated by the Directors of the Company in the formation of the general judgment concerning the corporate interest of the Reorganization, according to their assessment in relation to all factors that have been evaluated as part of this analysis.

(B) Feasibility of the measures indicated in the reports of the Directors' Committees of Enersis and Endesa Chile and consequences for the Company's social interest of the non-compliance of such conditions

In this regard, considering the aforementioned background and in compliance with the SVS instruction contained in its Official Letter No. 25,412, the following shall be a proposal to be included in the statement of the Board of Directors regarding the measures included in the reports of the Directors' Committees of Enersis and Endesa Chile, as follows:

(B.1) Mechanisms for Protection of minority shareholders of Endesa Américas;

(B.2) Compensation to Endesa Chile for the tax cost of the spin-off if the merger does not take place;

(B.3) Measures to successfully avoid possible conflicts of interest regarding the activities of the Enel Group in the field of renewable energy in Chile;

(B.4) Commitment of the majority shareholder in considering Enersis as the sole investment vehicle of the Enel Group in South America;

(B.5) Incorporation of certain safeguards into the By-laws of Endesa Chile to protect the value of the investment in this company.

The statement of the Board of Directors shall be included in each of those paragraphs pursuant to the terms requested by the SVS in its Official Letter No. 25,412.

In addition, it should be noted that the reports of the Directors' Committees of Enersis and Endesa Chile indicate concern, not only regarding the above, but also regarding the mechanisms that contribute to provide a greater certainty to the equation or exchange ratio regarding the subsequent merger of Enersis Américas, Endesa Américas and Chilectra Américas, and the merger itself, an issue which along with a specific statement on the future exchange ratio will be the subject of subsection (C) of this statement.

(B.1) Mechanisms of Protection of the minority shareholders of Endesa Américas

Both shareholders *AFP Provida* and *AFP Cuprum* and the Directors' Committee of Endesa Chile pointed out that uncertainties weighing on the market price of the resulting entities of the spin-offs can occur. This risk would be greater in the case of Endesa Américas, among other reasons, due to its lower liquidity and, therefore, greater exposure to market movements. These uncertainties can adversely negatively affect the withdrawal rights of dissenting shareholders in the merger, since the price in which they could exercise that right is determined by the market price that Endesa Américas in the months prior to the shareholders' meeting in which the merger agreements are adopted. Specifically on the understanding that its shares will be traded on the stock market, the value of the withdrawal right shall correspond to the weighted average of the stock transactions during the 60 included stock trading days between the thirtieth and the ninetieth stock trading day prior to the date of the shareholders' meeting that motivates the withdrawal.

On the other hand, the mechanism of the withdrawal right may not be fully effective to respond to those shareholders who, for the reason that is, do not wish to share in the business project proposed and do not wish to continue with the same. Indeed, the Board of Directors of Endesa Chile has pointed out, as is typical in these types of transactions, that it would be in the corporate interest of Endesa Américas to establish a limit on the withdrawal rights as a condition to the effectiveness of the merger, and among other reasons, to not require the Company to spend funds in an excessive amount. The limit that has been suggested, based on the proposal of the Board of Directors of Endesa Chile, is 7.72% of the share capital of the company resulting from the spin-off, Endesa Américas, notwithstanding that the shareholders' meeting to vote on the merger could modify this limit or authorize that the Directors of Endesa Américas may waive such limit.

This means that if there were a significant number of shareholders who prefer to liquidate their investment in the new company before they continue with the merger, they would have to sell in the market, which may not provide sufficient liquidity. They could, certainly, also exercise the withdrawal right, but to do this, they would vote against the merger, which would mean that the limit of 7.72% of the capital of Endesa Américas could be exceeded, and it could cause the merger transaction itself not to be consummated.

This dilemma, coupled with the uncertainties that could eventually weigh on the market price of the future Endesa Américas, which would affect the valuation of the withdrawal right as well as a liquidation of investments in the market, would provide an incomplete mechanism to facilitate the exit of the shareholders wishing to opt out, totally or partially, from the transactions in the Reorganization.

Given that it is not possible to set a price for the exercise of the withdrawal right other than the provisions of the Law No. 18,046 about joint-stock companies and their regulation as it has been suggested in the report of the Directors' Committee of Endesa Chile (since, as it has been made clear by the General Counsel's office and external legal advisors, the price for exercising the withdrawal right is mandatorily specified by law) various alternatives have been analyzed to give greater certainty to the price of the shares in Endesa Américas in time between its formation, following the spin-off by Endesa Chile, and its merger with Enersis Américas.

Several alternatives have been analyzed and have been discarded for several reasons, among others: non-compliance with the goals sought, non-legal viability, having a very difficult execution, with high tax costs, or requiring the contribution of funds by shareholders of Enersis, an element not

included in the Reorganization under the proposed terms, as it is well known. None of these adequately mitigate the risks raised.

From the alternatives analyzed, the only one that provides an effective protection mechanism for minority shareholders without altering the structure of the Reorganization is the formulation by Enersis Américas of a public tender offer (*oferta pública de adquisición de valores*) ("**OPA**") for the whole of the share capital of Endesa Américas prior to its merger with Enersis Américas and Chilectra Américas, as described below.

As mentioned above, the OPA would be effected with respect to all shares of Endesa Américas, with the exception that no shares that are already owned by the offeror will be acquired. Because after the divisions Enersis Américas is estimated to hold 59.98% of Endesa Américas' shares, such OPA will be for up to 40.02% of Endesa Américas' share capital.

In terms of value, it is estimated that a fair price for the shares of Endesa Américas in an OPA of this nature and the purposes described would be 236 pesos per share (or its equivalent in US dollars at the time of the payment in the case of ADRs).

In these terms, an OPA accepted by 100% of the outstanding minority shares of Enersis Américas would cost approximately 774,615 million pesos. That price has been calculated on the basis of the market price average of the last three months of Endesa Chile weighted by the relative weight of Américas estimated by Tyndall, advisor to the Endesa Chile Directors' Committee, (approximately 28%) and is considered appropriate.

In this respect, it is important to highlight that this price, being a market price, does not include any "premium", since the goal is for the OPA to be only an appropriate technical protection mechanism for minority shareholders, that will permit the definition *ex ante* of a market price, without having to wait until the completion of the divisions, so as to provide certainty and liquidity for shareholders wishing to withdraw from the Endesa Américas project, as has been requested by Committees and shareholders.

The OPA would be funded through the use of the remaining cash from the capital increase approved in 2012, as noted in the Board of Directors Resolutions of November 5, 2013, which as of September 30, 2015, amounts to 863,546 million Chilean pesos.

In such case, this would be equivalent to use of the remaining funds from the capital increase approved in 2012, and would constitute a coherent use thereof according to the committed goals, which included that of acquisition of shares from minority shareholders, adopting, moreover, in this way, the proposals raised publicly by any shareholder with respect to the so-called "*use of proceeds*".

This use of proceeds, moreover, not only generates value for the shareholders of Enersis in case the shareholders of Endesa Chile decide to make use of it and increases earnings per share of the Company, but, in addition, represents an acceleration of the fulfillment of the commitment made in the capital increase approved in 2012.

To fully fulfill this OPA mechanism in its function as an instrument facilitating the Reorganization, it would be essential to condition it on the approval of the merger by the extraordinary shareholders' meetings of Enersis Américas, Endesa Américas and Chilectra Américas and that after the legal period for exercising the withdrawal rights in each of Américas Enersis and Endesa Américas have met the established conditions (or the same are waived) that the withdrawal right has not been exercised above a certain number or percentage of shares, as appropriate. As a result, unless subsequent significant adverse circumstances occur, making it unadvisable from a corporate interest standpoint, the start of the OPA would take place within a reasonable time and when from an economic point of view is advisable but in any case always prior to the holding of the extraordinary shareholders' meetings of Enersis Américas, Endesa Américas and Chilectra

Américas to approve their respective mergers, and it shall remain open until after the period for the exercise of the corresponding withdrawal right (the term of which is 30 days from the approval of the merger), so it is anticipated that the intention of the offeror is to extend the term of the OPA for the maximum period of up to 45 days.

The terms and other conditions of the OPA, once defined, would be provided in the corresponding prospectus and offer notice, which shall comply with the provisions of Title XXV of the Law N° 18,045 on Market Values and General Standard No. 104 of the SVS. Also, the OPA will follow the forms and procedures for this purpose of the SEC and stock market rules in relation to the ADRs and the U.S. shareholders of Endesa Américas.

Moreover, it is important to also point out that the conditioned OPA mechanism also contributes to giving a greater certainty that the merger will be approved, and therefore mitigates this risk, because, among other aspects, the shareholders who do not want to participate in the Reorganization process will have the possibility of exiting Endesa Américas by selling their shares in the OPA without having to vote against the merger to be able to exercise the withdrawal right as an exit strategy, which significantly reduces the risk of exceeding the established limits of the withdrawal rights and therefore, to prevent consummation of the merger, as outlined in section A of this Statement. It is important to remember in this respect that the elevated overlap that exists in the minority shareholding of Endesa Chile and Enersis is an element that contributes to the indicated goals, since the deep interest in supporting the Endesa Américas merger will likely also be reflected in a deep interest in Enersis Américas.

It should be noted that the OPA between the extraordinary shareholders' meetings of the spin-off and merger as described above, does not alter in any way the legal mechanics, nor the economic terms of the Reorganization already communicated to the market and shareholders, but constitutes an appropriate mechanism to accommodate the suggestions to strengthen the interest of the shareholders that the Reorganization is carried out, resolving some uncertainties that have been raised by various shareholders and Directors of the companies involved, which may facilitate its ultimate success. All of this contributes to the corporate interest already expressed by the Board of Directors at its meeting of November 5, 2015.

With this mechanism for the protection of minority shareholders of Endesa Américas, the requirements made by the Directors' Committee of Endesa Chile would be adequately addressed.

<u>(B.2) Compensation to Endesa Chile for the tax cost of the spin-off if the merger does not take place</u>

As mentioned above, the spin-offs generate taxes for Endesa Chile in Peru (and in Argentina, although the impact can be considered irrelevant due to the value given to the companies). As has already been reviewed by the Board of Directors, the spin-offs of Enersis, Endesa Chile and Chilectra not only lack tax impact for Enersis, but, on the contrary, would generate tax benefits, as it would eliminate restrictions on the use of credits for taxes paid abroad. This tax benefit is consequence of the aforementioned spin-offs and will increase if the merger of Enersis Américas, Endesa Américas and Chilectra take place. Valuations and estimates concerning the share exchange ratio that has been used, have been made taking into account the compensation of these costs and the benefits so that the fiscal costs of the Endesa Chile spin-off can be neutralized for its shareholders if the merger takes place.

However, if after the spin-off of Endesa Chile, the proposed merger does not take place, by which Endesa Américas and Chilectra Américas would be absorbed by Enersis Américas, the tax costs to be incurred by Endesa Chile as a result of the spin-off of Endesa may not be compensated. By contrast to the tax costs that Endesa Chile would have to bear, it should be considered that the mere fact of the spin-off without a merger entails significant tax benefits for Enersis, as previously described.

Taking into account the above and the benefits resulting from the spin-off, it seems reasonable that Enersis would consider that its corporate interests require it to propose that, solely on the assumption that, for reasons not attributable to Endesa Américas or Endesa Chile or force majeure, the merger resolutions are not adopted before December 31, 2017, Enersis pay the tax costs actually incurred by Endesa Chile as a result of the spin-off, to be offset by the tax benefits derived from such spin-off. This eventual payment would be subject to effectively obtaining and quantifying those tax benefits and the costs being properly verified, after deducting those benefits or tax credits that Endesa Américas or Endesa Chile may have obtained as a result of the spin-off itself. Such payment to be made in the future if the above-referenced conditions are met, would be made, if necessary, under an indemnification agreement between Enersis and Endesa Chile, upon the adoption, at such time, of the procedures established under Title XVI of the LSA.

If it is not possible to achieve the referenced indemnification agreement with Endesa Chile, it is Enersis' intention to submit any discrepancies to arbitration as the most appropriate means at the time to satisfy all interests currently at stake.

The requirement made by the Directors' Committee of Endesa Chile is adequately addressed by this measure.

(B.3) Measures to satisfactorily avoid potential conflicts of interest within Enel Group activities in the renewable energy field in Chile

As previously noted, the Board of Directors of Enersis already had the opportunity of making known its view on this issue at its meeting on November 5, 2015 and indeed considered it appropriate, in connection with the Reorganization, to adopt measures that allow it to satisfactorily avoid the potential conflict of interest that may occur in the future, with respect to Endesa Chile, in the controlling shareholder's development of activities within the non-conventional renewable energy field in Chile through other affiliates.

Enersis' Chairman has received a letter from the Company's controlling shareholder, Enel, in which it commits, if the Reorganization turns out to be successful in all its instances and phases, "to negotiate or to promote that one or some of its affiliates [. . .] will negotiate with Enersis' affiliate, Endesa Chile, an agreement that refers to the joint investment in projects for the generation of electric energy from renewable sources in Chile on the basis of the following general principles, already shared with Endesa at the time:

- Enel would share its experience in the renewable energy field with Endesa Chile, being responsible for the development of currently existing or future renewable projects of both in Chile.

- Endesa Chile will have the option, but not the obligation, to participate in the projects developed by Enel and in the renewable assets currently existing wholly owned by Enel, through the acquisition of a percentage of up to 40% of the capital of one or more "project entities" created for this purpose in accordance with the ordinary cash flow generating capacity of Endesa Chile.

- Enel will acquire Endesa Chile's renewable projects at "project value."

- Endesa Chile will have a priority preferred acquisition right in the purchase of energy produced by the indicated renewable projects and the green certificates related thereto and Enel will have a preferred right of sale with respect to the purchases requested by Endesa Chile. Enel will have the priority sale right in the offers to purchase energy made by Endesa Chile.

With this proposed commitment from the controlling shareholder, the proposal in this regard of the Board of Directors and the Directors' Committee of Enersis, and the Directors' Committee of Endesa Chile, is viewed as properly addressed (notwithstanding notification to such companies).

(B.4) Commitment of the controlling shareholder in considering Enersis as the sole investment vehicle of the Group in South America

The Board of Directors, in its meeting on November 5, 2015, accepted the Directors' Committee recommendation that, in accordance with the commitments made by the then controlling shareholder as a result of Enersis' capital increase approved in 2012 and the spin-off referred to in the Reorganization process, it would be appropriate that Enersis' current controlling shareholder ratify the implementation, in accordance with the Reorganization process, of such commitment.

In this respect, Enersis' Chairman informs that he has received a letter from the Company's controlling shareholder, Enel S.p.A ("Enel"), in which it commits "while Enel Iberoamérica S.L. continues being the controlling shareholder of the two entities in which Enersis will be divided as a result of the spin-off (that is "Enersis Chile" and "Enersis Américas") such entities be the only future investment vehicles in Chile and the rest of South America, respectively, in the sector of the generation, distribution and sale of electric energy, with the exception of the businesses that Enel, through Enel Green Power or other entities of its Group, develops in the renewable energy" field without prejudice to what is noted below in connection with this.

With this proposed commitment from the controlling shareholder, the requirement in this regard of the Board of Directors and the Directors' Committee of Enersis, is viewed as properly addressed.

(B.5) Incorporation of certain safeguards into the By-laws of Endesa Chile to protect the value of the investment in that company

The Directors' Committee of Endesa Chile is assessing whether to include certain modifications in the company's By-laws to, in its view, protect the value of the investment in that company.

However, once they have been analyzed, it is estimated that such measure would go against the corporate interest of the affected entities because of the following reasons:

(i) In general terms, it may be worth noting that the proposed measure seemed to contradict the general inherent mandate of any entity's directors to adopt decisions for the achievement of the social purposes, which naturally involve risks. Hence, it appears reasonable to question why it is intended, before the facts occur, to limit the directors' actions in the by-laws in a situation in which conflict of interest may not exist, the decision is not arbitrary and is being taken properly informed.

(ii) Furthermore, the proposal of the Directors' Committee of Endesa Chile seemed not to provide any merits to the DL 3500 rules (applicable to companies which may be invested in by AFPs) that figure as the permanent norms in the By-laws and that cover the matters contained in such proposal, as regards the investment policy and essential assets' destination. The same might be said about the rules issued by the SVS as regards dividends policies.

It is uncertain why these rules, that are of general application and establish the highest standard of corporate governance that the legislator and regulator have considered, would not be enough for Endesa Chile and it would exist an imperative to innovate on them.

Indeed, in the current By-laws there are rules in which the exercise of the powers of the Board of Directors recognizes, as the limit, the investment and finance policy that is approved annually at the ordinary shareholders' meeting (Article 20 bis of the By-laws), which covers the first and third section of the proposal of the Directors' Committee of Endesa Chile. Along the same lines, the alienation of the property or rights of the company declared essential to its functioning are reserved for the shareholders' meeting (Article 36 bis of the By-laws), which covers the second section of the proposal.

(iii) Moreover, we must remember, that the By-law modifications are subject to a qualified majority of 75% of the share capital, so the inclusion in the By-laws of activities that are usually and normally reserved to the management of the companies, would restrict the management, resulting in a risk of lack of flexibility and capacity of company to respond to challenges or problems that may arise in the course of corporate activities.

For the above reasons, the proposal of the Directors' Committee of Endesa Chile on this matter is considered not in the corporate interest of any of the affected companies, without having such non-compliance any adverse effect because there are legal and statutory mechanisms that afford sufficient protection for such company and its shareholders.

(C) Information on the exchange ratio and the estimated percentage that the minority shareholders should reach in the future merger process, so that the Reorganization is effectively realized in accordance with the corporate interest, which entails benefits for all shareholders

Both the spin-off and mergers form part of the Reorganization and cannot be analyzed independently. It is unquestionable, however, as the SVS has stated in the Official Letter No. 25,412, that both phases are comprised of legally distinct transactions and it is not possible, from a legal standpoint, to guaranty that once the spin-offs are agreed and executed, the merger will definitely occur, since it is the shareholders of Enersis (to be known as Enersis Américas) and the two companies resulting from the spin-offs by Endesa Chile and Chilectra (Endesa Américas and Chilectra Américas), which independently convened will vote, at that time, on the merger.

In this regard, the Board of Directors, during their session of the November 5, 2015, have anticipated that, once the spin-offs by Enersis, Endesa and Chilectra are completed, the consummation of the merger on the terms proposed in the Reorganization process will be favorable to the corporate interest, for reasons already stated in that session, as such, unless significant unexpected developments arise. Once the spin-off is approved, the intention of the Directors of Enersis is to take all legal action necessary to promote and propose to the shareholders' meeting of Enersis (which after the spin-off will be called Enersis Américas) the merger of Endesa Américas and Chilectra Américas into Enersis Américas, in the briefest possible timeframe and when legally able to do so.

To reinforce this proposal and especially since the essential term of the future merger, which is the share exchange ratio, has only been defined in terms of reference ranges, different although with some coinciding spaces (which had to be the case because of the number of advisors and experts that have given their opinion in this regard), it is determined that it would be beneficial to making the Reorganization process more certain, for the Board of Directors to decide at this moment on the definitive exchange ratio at which, in its judgement, the merger is likely to take place on terms satisfactory to all of the companies involved and their shareholders.

Moreover, the opinion of the Board of Directors is endorsed by the instruction contained in the Official Letter No. 25,412 of November 18, 2015, in the sense that it solicits information on the exchange ratio and the estimated percentage that the minority shareholders should reach in the future merger process, so that the Reorganization is effectively realized in accordance with the corporate interest.

This statement is of prime importance to the certainty of the process since Enersis, on its own, is capable of casting the majority vote needed at the shareholders' meeting of the future Chilectra Américas and a majority vote very close to the necessary vote at the shareholders' meeting of the future Endesa Américas to approve the merger. Nonetheless, the Enersis votes by itself will not be sufficient to the extent the commitment of Enersis' controlling shareholder (Enersis Américas) and that of other minority shareholders of Enersis Américas and Endesa Américas will still be missing.

For the sake of greater certainty, the Board of Directors can initiate at its own initiative a request to the controlling shareholder for a decision on the Reorganization and, more specifically, on the terms of the merger.

In this regard, and after analyzing the different valuations and estimations on the estimated exchange rate formulated by the financial advisors and experts of the companies participating in the Reorganization, it is considered appropriate to propose the Board of Directors to submit to the consideration of the extraordinary shareholders' meeting set for December 18th of this year, that it is the intention of the Board of Directors to propose on the date on which the shareholders' meeting of Enersis Américas will be held to vote on the merger with Endesa Américas and Chilectra Américas, and in line with the information provided by the expert and the financial advisers hired by the Board of Directors and the Committee of Directors, that the exchange ratio be equal to 2.8 shares of Enersis Américas for each share of Endesa Américas and 5 shares of Enersis Américas for each share of Chilectra Américas. These exchange ratios are all subject to no relevant unanticipated events occurring prior to such shareholders' meetings that would substantially affect the proposed exchange ratios.

Additionally, it is considered appropriate that the Board of Directors request its controlling shareholder to state its intention to vote favorably for the future merger of Enersis Américas, Endesa Américas and Chilectra Américas at the exchange ratios previously stated before the meeting called for December 18, 2015.

Those exchange ratios are within the area of overlap of the ranges proposed in the Board of Directors Meetings of Enersis, Endesa Chile y Chilectra, as disclosed to the market and the SVS in the Significant Event (Hechos Esenciales) published on November 5, 2015.

Additionally and in response to the request made by the SVS in the Official Letter No. 25,412 of November 18, 2015, it is indicated that such exchange ratio equal to 2.8 shares of Enersis Américas for each share of Endesa Américas and 5 shares of Enersis Américas for each share of Chilectra Américas, will determine a participation in the entity resulting from the merger, that is to say, Enersis Américas, of 15.75% for the minority shareholders of Endesa Américas and 0.09% for the minority shareholders of Chilectra Américas, it is estimated that those percentages will permit the Reorganization to occur in accordance with corporate interest, resulting in benefits to the shareholders, without prejudice to the variations that could be produced to such percentages as a consequence of the takeover bid (OPA) referred to in Annex (B) of this statement and on whose success (in terms of accessions), it is not possible to form an opinion.

The above mentioned figures of participation in the entity resulting from the merger reflect the price found in the range indicated by the advisors and by the Board of Directors of Enersis itself as being in accordance with the corporate interest, being also the price that was closest to the range established by the Board of Director of Endesa Chile and the independent advisor of its Directors' Committee. Therefore, it is believed to constitute the best possible estimate to date of a price that is appropriate and in the corporate interest of the companies party to the merger agreement.

Lastly, it is hereby informed to the Superintendence that a full copy of this response and other documents that explain and support the matters related above are available for the shareholders to review at the Company's registered office, located at Santa Rosa 76, Floor 15 (Investor Relations Department), Santiago, Chile, as of this date. Also, they are available to shareholders on the company's website: www.enersis.cl.

Sincerely,

Luca D'Agnese
Chief Executive Officer
Enersis S.A.