Econsult

Project Elqui – Preliminary Report Independent Valuator

Enel Chile S.A.

October 26, 2017

Econsult
CAPITAL

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Disclaimer (1/2)

Econsult RS Capital SpA ("Econsult") was hired by the Committee of Directors of **Enel Chile S.A.** ("ECH") to provide an independent assessment under the terms of article 147 of Law No. 18,046, on Corporations, in connection with the proposed merger of ECH with Enel Green Power Latinoamerica ("EGPL") and the tender offer for up to 100% of Enel Generación Chile S.A. ("EGC") that will be considered successful if 75% of the shares are tendered (the "Transaction") as defined in the agreement entered into by ECH and Econsult dated as of September 20, 2017 (the "Agreement"). In providing its services, Econsult considered that the Transaction is subject to "going-private" regulations in the United States. ECH, EGPL and EGC shall collectively be referred to as the "Companies".

This report (the "Report") is restricted to the issues covered by the Agreement regarding the Transaction, in accordance with article 147 of Law No. 18,046. The Report does not have the scope of an audit process and has assumed as correct, true, complete and sufficient all the information provided by the Companies, as well as other publicly available information. Additionally, we note that the above description of the Transaction, as well as any other descriptions contained in the Report, do not seek to reproduce all the details as described in the documents pertaining to the Transaction. In case of doubts or questions in relation to the Transaction, we encourage you to address the Companies in order to obtain such documents or raise all relevant questions to the Committee of Directors of ECH.

1. This Report has been prepared solely for the use and benefit of the Directors' Committee of the Board of Directors of ECH and its shareholders within the context of the Transaction as set forth in the Agreement, and should not be used in any other context or for other purposes not described herein, or relied upon by any person to whom this Report is not expressly addressed. This Report shall only be disclosed to third parties in accordance with the terms and conditions set forth in the Agreement and in article 147 of Law N° 18,046.

This Report, including its analysis and conclusions, do not constitute, and shall not be construed as a recommendation or indication as to how to proceed in relation to any decision to be adopted regarding the Transaction. We assume no responsibility in relation to any resolution of the Committee of Directors or the shareholders of ECH or any other entity in relation to the Transaction, or any decision adopted by any person in this matter. We encourage you to independently analyze the risks and benefits of the Transaction considering all the information available.

The record date for this Report is October 26, 2017 ("Reference Date").

2. In preparing this Report we have: (i) used, as authorized by the management of ECH, the financial statements of the Companies, but not of affiliated entities, as necessary in order to prepare this Report; (ii) used other information related to the Companies, including financial projections, delivered and prepared by the Companies; (iii) conducted discussions with members of the Directors' Committee of the Board of Directors and management of the Companies regarding the business and prospects of the Companies; (iv) requested information about business plans of the Companies, duly provided by their respective Boards of Directors, including revenue growth, costs, general and administrative expenses and investment plans and expansion or maintenance; and (v) taken into account other public information, financial studies, analysis, economic and market reports that we consider relevant, in order to, to the extent applicable, analyze the consistency of the information received from the Companies ((i) through (v), collectively, the "Information"). The Information was obtained from sources we believe to be reliable; however, we have not independently verified the Information and are not responsible for its accuracy, correctness, completeness or sufficiency. Any estimates or projections herein presented were obtained from public sources and from the management of the Companies, and there is no guarantee as to whether these estimates and projections will materialize. We do not assume any responsibility for these estimates and projections, or the way in which they were obtained. We are not responsible for conducting and have not conducted an independent verification of the Information.

3. As part of our work, we have assumed that the Information is true, accurate, sufficient and complete and that all information that might be relevant in the context of our work has been made available to us. We do not make any representation or warranty, expressly or implicitly, as to any information used to prepare this Report. Econsult did not undertake any independent verification with respect to the Information and is not able to certify its accuracy, correctness, completeness and sufficiency. ECH takes full and exclusive responsibility for the Information provided by the Companies. If any of the related assumptions does not occur or if the Information proves to be incorrect, incomplete, inaccurate or insufficient, the conclusions of this Report may change substantially. According to the foregoing, Econsult cannot accept and shall not accept any responsibility for such accuracy or completeness. With respect to the portion of the Information related to future events provided to us, we have assumed under a express recommendation of the Companies, that such Information reflects the best estimates of the management of the Companies as currently available regarding the Companies' future performance, and we have not developed any verification or analysis on the reasonableness of such projections.

4. We undertake no responsibility for conducting independent investigations as to any Information or to independently verify any assets or liabilities (contingent or otherwise) related to the Transaction. Accordingly, in respect of liabilities and contingencies affecting the Companies, we assumed that the figures included in the financial statements of the Companies are accurate, complete and that they reasonable reflect their amount and likelihood. We do not consider the possibility of eventual inaccuracies, or the potential effects of any judicial or administrative proceedings (civil, environmental, criminal, tax, labor, social security etc.), even if unknown or undeclared, pending or threatened, in the value of the assets and shares issued by the Companies. We have not been asked to conduct (and we have not conducted) any kind of due diligence or physical inspection of the properties or facilities of the Companies or their respective subsidiaries or related companies. Also, we did not evaluate the solvency or fair value of the Companies, considering the laws relating to bankruptcy, insolvency or similar matters.

5. We do not undertake any responsibility related to: (i) the verification of the regularity of the business carried out, or contracts entered into, by the Companies; (ii) issues resulting from the relationship of the Companies with any third party, including the economic and financial conditions of any contract, business or any other form of economic or commercial relationship between the Companies, and any third party, whether in the past or future; and (iii) the maintenance of current business conditions and existing contracts of the Companies, with any third party. We emphasize that the conclusions of this Report assume the full validity, effectiveness and enforceability of all contracts entered into by the Companies, with third parties, and their respective financial flows. If such contracts or businesses are re-negotiated, discontinued, terminated or in any way fail to generate results for the Companies, all or part of the conclusions described herein may, and probably will, differ materially from the actual results achieved by the

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Companies. We assume that the Companies obtained legal assistance in order to confirm the validity, effectiveness and enforceability of such contracts and audit process, including due diligence, aspects for which we are not liable. In that regard we expressly declare that we cannot confirm or provide any assurance that any and all contract entered into by the Companies are valid, effective vis-à-vis third parties, binding and enforceable, and we will accept no responsibility in that matter. In case you have concerns on the validity, effectiveness or enforceability of any agreement entered into or that is applicable to the Companies, we encourage you to address the management of said Companies to obtain the necessary confirmation on these matters.

6. Part of our analysis was prepared based on commonly used valuation methodologies as described in item 8, and assumed ECH's macroeconomic scenario based in market consensus, which may change substantially in the future. Since the analysis and figures herein contained or that served as a basis for this Report are based on forecasts of future results, they are not necessarily indicative of the real and future financial results of the Companies, which may be significantly more or less favorable than those suggested in the Report. Moreover, considering that these analyses are intrinsically subject to uncertainties, based on various events and factors beyond our control and the control of the Companies, we assume no responsibility in case the results of the Companies differ substantially from the results presented in this Report in the future. There is no guarantee that the future results of the Companies will correspond to the financial projections used as a basis for our analysis (which were provided to us by the management of ECH), and that the differences between the projections used for purposes of this Report and the financial results of the Companies, may not be material. The future results of the Companies can also be affected by economic and market conditions.

7. The preparation of a financial analysis is a complex process involving several decisions as to the most appropriate and relevant methods of financial analysis and the application of such methods to the particular circumstances, and therefore the analysis described in this Report should be considered as a whole and not analyzed partially. To reach the conclusions presented in this Report, we conducted a quantitative and qualitative approach to the analysis and factors considered by us. We reached a final conclusion based on the results of the analysis, considered as a whole, and have not reached any conclusion based on or related to any of the factors or methods of our analysis considered in isolation. Thus, the selection of parts of our analysis and specific factors without considering the entire analysis and conclusions may lead to an incomplete and incorrect understanding of the processes used in our analysis and conclusions.

8. This Report indicates projections at our discretion, of the resulting value derived from the application of different methodologies, as we deemed appropriate, all of which are widely used in financial valuations, and do not evaluate any other aspect or implication of the Transaction or any contract, arrangement or understanding entered into in relation to the Transaction. Additionally, this Report is not and should not be used as (i) an opinion on the fairness of the Transaction (fairness opinion); or (ii) an investment recommendation or financial advice on any aspect of the Transaction. The results presented in this Report refer exclusively to the Transaction and do not apply to any other decision or transaction, present or future, relating to any of the Companies, the economic group to which they belong or the industry in which they operate. The Report does not constitute a judgment, opinion or recommendation to the Committee of Directors of ECH, its board of directors, ECH, its officers, shareholders or any third party in relation to the convenience and opportunity of the Transaction as it is not intended to support any investment decision but rather only provided for informational purposes.

9. We are acting as independent valuator for the Transaction, as appointed by the Committee of Directors of ECH, and will receive certain fees to be paid by ECH. However, these fees are not in any way contingent to the completion of the Transaction. ECH has agreed to indemnify us as well as certain persons for certain losses arising out of or in connection with this Report.

10. Our Report is based on information made available to us up to and until the Reference Date, taking into account market, economic and other conditions as presented and assessed up to the Reference Date. Although future events and other developments may affect the conclusions presented in this Report, we have no obligation to update, revise, rectify or revoke this Report, in whole or in part, as a result of any subsequent developments or for any other reason.

11. We may have in the past, from time to time, rendered investment banking services and other financial services to the Companies, for which we were paid, and may in the future provide such services to the Companies and, for which we expect to be compensated. In the normal course of our business we may acquire, hold or sell, on our behalf or on behalf of our clients, shares, debt instruments and other securities and financial instruments (including loans and other obligations) of the Companies, as well as provide investment banking and other financial services to such Companies or their majority or minority stockholders.

12. This Report is not a valuation report or appraisal in any legal sense and should not be used to justify any issuance price or to fulfill or comply with any legal or regulatory requirements applicable to the Companies, their respective subsidiaries and related companies or to the Transaction except as set forth under article 147 of Law No. 18,046. Additionally, this Report may not be used for any purpose other than the Transaction and should not be used by the Companies or their respective shareholders, directors or officers in any other context except as expressly provided for in the Agreement.

13. We also note that we are not an accounting firm and did not provide accounting or audit services in relation to the Transaction. Additionally, we do not provide, and have not provided, legal, tax or regulatory services regarding this Report or the Transaction.

14. The financial calculations of this Report contain some rounding and therefore their results may not always be absolutely accurate.

15. This Report is presented in both English and Spanish languages, both of which shall constitute the same presentation; provided however, that in case of doubt as to the proper interpretation or construction of the Report, the Spanish text shall prevail.

Table of Contents

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I. Transaction Description

Introduction

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Transaction Background

- On July 3, 2017, the Board of Directors ("BoD") of Enel Chile S.A. (the "Company", "Enel Chile" or "ECH") sent a letter to Enel S.p.A. ("Enel") proposing a restructuring plan (the "Transaction") that considers:

  i. A public tender offer over Enel Generación Chile S.A. ("EGC" or "Enel Generación") for up to 100% of its shares (the "Tender Offer"). The Tender Offer will be equivalent to a mixed offer payable with cash and shares of Enel Chile(1) and would be subject to reaching at least 75% of the total shares of Enel Generación

  ii. A merger between Enel Chile and Enel Green Power Latin America S.A.(2) ("EGPL" or "EGP Latin America") (the "Merger")

- On August 25, 2017, Enel sent its response to Enel Chile's Board of Directors indicating that:

  i. The Transaction seems aligned with strategic interests of Enel and provided a preliminary favorable opinion, subject to further analysis

  ii. The acceptance of the Transaction will be subject to certain minimum conditions

- On the same day, the Enel Chile's Board of Directors approved to initiate the works and analysis for the implementation of the Transaction under the related party transaction regulations (in Spanish *procedimiento de operación entre partes relacionadas*) established in the Chilean Corporation's Law

Summary of Enel's Conditions

Minimum Conditions for Acceptance of the Transaction	
	1. Transaction has to be executed at market terms, recognizing the growth potential of renewable energies in Chile 2. Transaction has to be EPS accretive for Enel Chile's shareholders 3. Enel must retain a share ownership similar to the current one in Enel Chile after the completion of the Transaction, without losing, at any time, its condition of controlling shareholder and within the ownership concentration limit of 65% established in the Company's bylaws 4. Enel Generación should remove from its bylaws the ownership restrictions established in the Title XII of DL 3,500 of 1980

(1) As of the date of the Report, the final structure of the Tender Offer still is under analysis by the Company. However, given the responses from the *Superintendencia de Valores y Seguros* and from the *Superintendencia de Pensiones* that have been disclosed through Material Facts ("Hecho Esencial") of the Company, it is expected that the Tender Offer will be fully payable in cash, subject to use a portion of the tender offer proceeds to subscribe Enel Chile´s shares to be issued in connection with a capital increase. (2) Enel Chile has indicated that EGPL would change prior to the completion of the Merger from a *Limitada* company to a *Sociedad Anónima* with a total of 827,205,371 shares.

Main Transaction Steps

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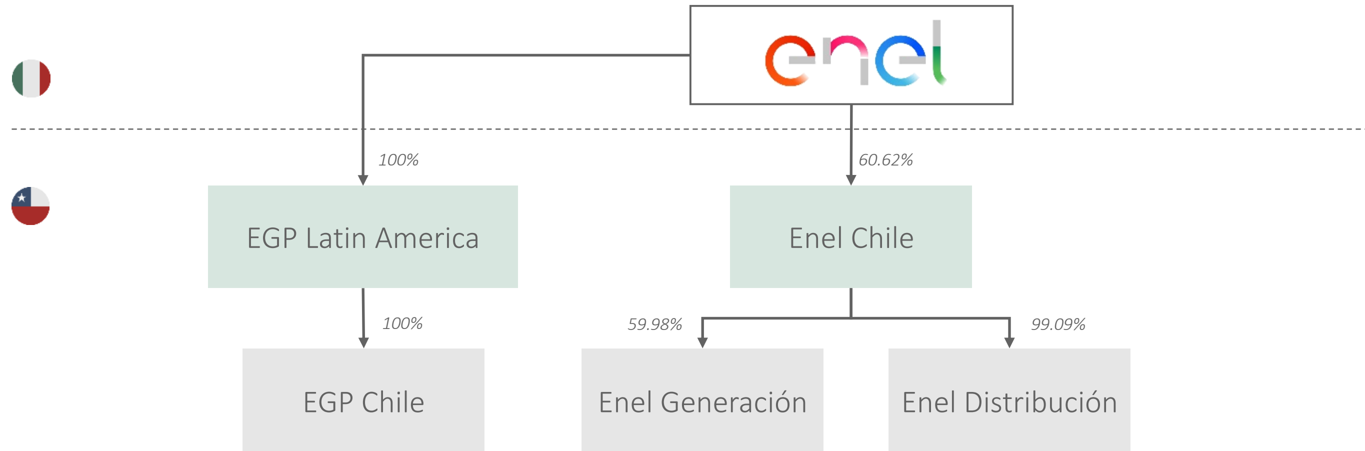
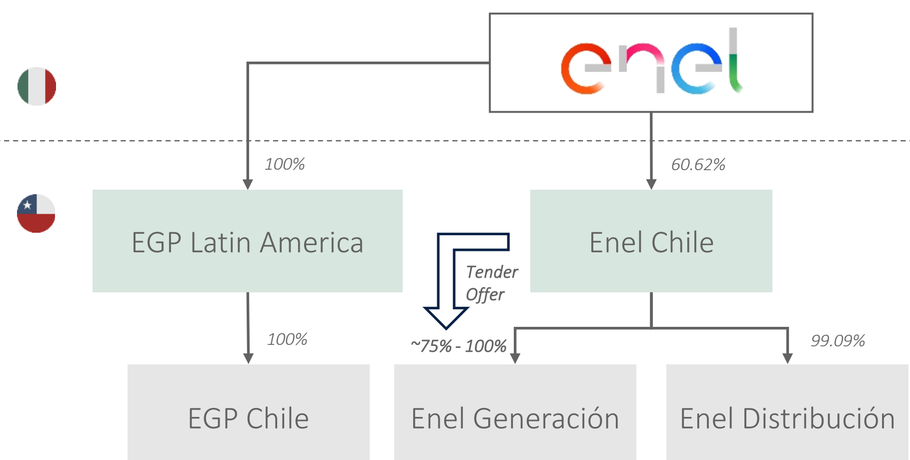
Current Ownership Structure

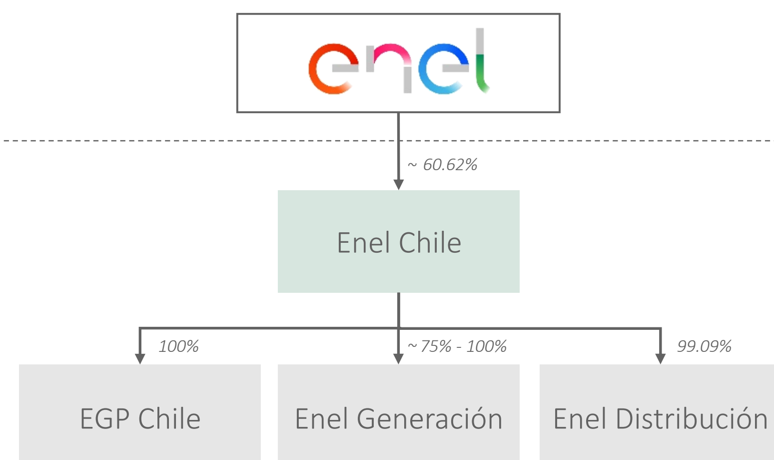


Key Execution Steps

1 Tender Offer in Cash and Shares



2 Merger Between Enel Chile and EGP Latin America



 Source: Enel Chile

Transaction Execution Timetable

Key Execution Milestones

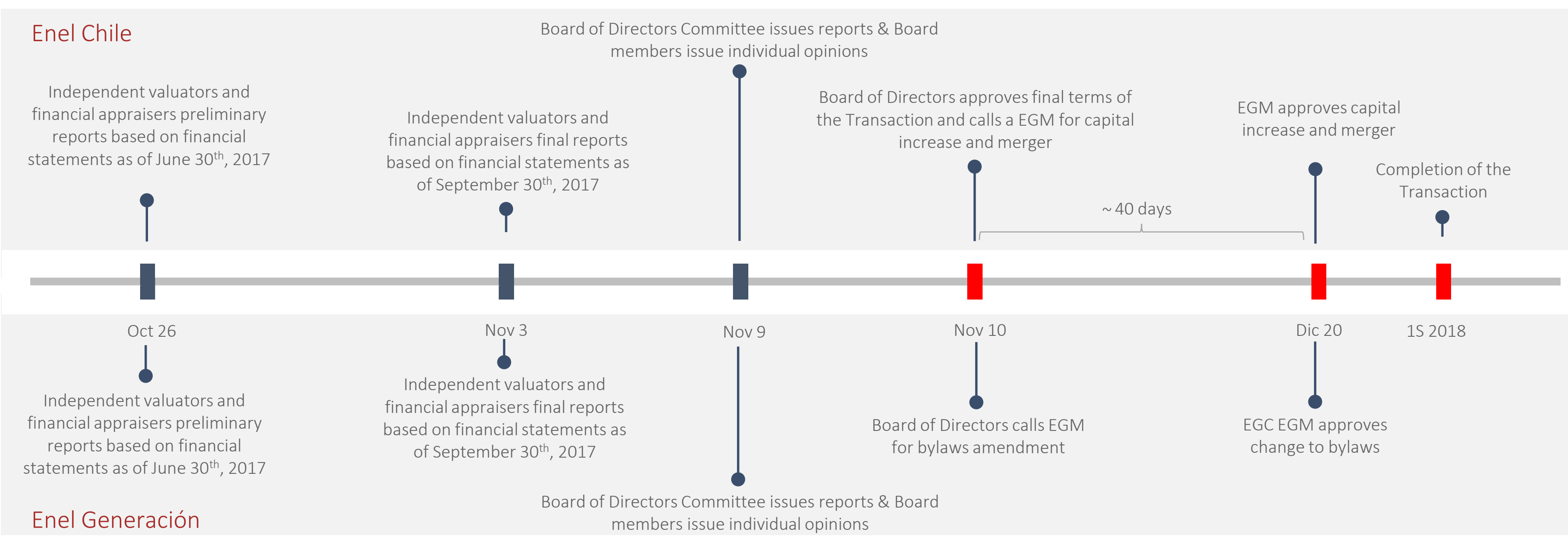
1 Tender Offer in Cash and Shares

- ECH's capital increase : Extraordinary General Meeting ("EGM") of ECH approves the issuance of the required shares for the Tender Offer
- Beginning of the Tender Offer: ECH launches the Tender Offer, subject to the approval of the removal of concentration limit established in EGC's bylaws
- EGC's bylaws: EGM of EGC approves the removal of the concentration limit of 65%. This bylaws amendment requires an approval of at least 75% of all outstanding shares
- Ending of the Tender Offer: Verification of minimum conditions, acceptance of the offer, notice of results and payment

2 Merger Between Enel Chile and EGP Latin America

- EGM's merger approval: EGM of ECH approves the Merger subject to the success of the Tender Offer
- Effectiveness of the Merger: Verification of the conditions for the Tender Offer and completion of the Merger
- Withdrawal right: Withdrawal right to be potentially exercised by shareholders of ECH as a result of the Merger. As of the date of this Report, the Company has not define the limits of acceptable execution of withdrawal rights

Tentative Calendar



II. Scope of Engagement and General Considerations

Scope of the Independent Valuator

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Request from the Board of Directors' Committee of Enel Chile

- The Company hired Econsult to act as independent valuator according to the article 147 of the Chilean Corporations Law (*Ley n° 18.046 de Sociedades Anónimas)* to support Board of Directors' Committee of ECH on the analysis of the Transaction
- In accordance with this role, Econsult was requested to prepare a report (the "Report") that should contain, among others, the following:
  - i. A description of the main terms and conditions of the Transaction
  - ii. Analysis of the strategic rationale and potential impacts on value of the Transaction, in order to determine if it contributes to the corporate interest of the Company
  - iii. Valuation of Enel Chile, Enel Generación and EGP Latin America in the context of the Transaction
  - iv. Assessment on the exchange ratio for the Merger
  - v. Assessment on the terms and conditions for the Tender Offer considering that:
    - a) It contributes to the corporate interest of ECH
    - b) It is in line with minimum conditions set by Enel

Activities Excluded from the Scope of Work

- Analysis of pros and cons of alternative execution structures of the Transaction
- Analysis of technical, legal, commercial or other feasibility studies of the execution of the Transaction
- Independent investigation or verification of the information provided to us by the Company (including, without limitation, data from third party sources)
- Econsult does not provide any legal, tax or accounting advice and its role has been limited exclusively to the role of independent valuator

Information Considered and Summary of Main Activities

Summary of the Main Information Considered

- As of the date of this Report, Econsult has entered into a non disclosure agreement and an engagement letter (the "Agreement") that has granted access to a Virtual Data Room ("**VDR**") which included, among others, the following information:
  - Management presentations of Enel Chile, Enel Generación, Enel Distribución and Enel Green Power Latin America
  - Financial statements of the companies involved in the Transaction
  - Equity research reports for Enel Chile and Enel Generación
  - Latest reports of credit rating agencies for Enel Chile
  - Detailed ownership structure of Enel Chile and Enel Green Power Latin America
  - Debt profile of current debt with financial institutions and with Enel Finance International
  - Financial projections for each company involved in the Transaction. This projections consisted in:
    - Aggregated projections for each company for the period 2018-2022 (the "Business Plan")
    - Operational breakdown from revenues to gross margin (the "PxQ Projections") for each company from 2018 until 2045
- Publicly available information about each of the companies, its industry and its peers

Summary of Main Activities

- Attendance to the management presentations that took place on September 26, 2017, where the management of each company presented: (i) a general description of its business and main assets; (ii) recent industry and market trends; and (iii) latest approved financial projections
- Meetings and conference calls with management of the companies and its advisors to review the Transaction, discuss assumptions used for the Business Plans and the PxQ Projections
- Detailed analysis of the information received and active interaction with management of the Company through the Q&A channel included in the VDR

General Considerations

Main Assumptions Considered for the Analysis

- The Transaction complies with the Chilean law and does not breach any norm in any applicable jurisdiction
- The Merger will not generate significant synergies that could have an impact on the results and conclusions of this Report
- The Transaction will not imply significant execution expenses or costs that may affect the conclusions of this Report
- EGPL does not have contingencies that could significantly affect the results and conclusions included on this Report
- Prior to the execution of the Merger, EGPL will divest (at fair market prices) the following non-Chilean entities: (i) 0.1% of Proyectos y Soluciones Renovables S.A.C.; (ii) 0.0000043% of EGP Brasil Desenvolvimiento Ltda.; (iii) 0.000000021% of EGP Brasil Participacoes Ltda.; (iv) 0.000161% of Enelpower do Brasil Ltda.; (v) 2.0% of EGP Guatemala S.A.; (vi) 0.1% EnelGreenPower Ecuador S.A. (under dissolution); (vii) 0.000000125% Enel Green Power Mexico S. de R.L. de C.V.; (viii) 5.0% of Enel Green Power Argentina S.A.; (ix) 0.00000026% of Enel Green Power Perú S.A.; and (x) 0.000015% of Energética Monzón S.A.C.
- All related party transactions of EGPL that will continue after the completion of the Transaction, are duly included in each of the Business Plans under market terms and conditions and according to the policies required for transactions of this type. The main related party transactions that are expected to continue are: (i) Power purchase agreements between EGC and EGPL; (ii) Credit facility between Enel Green Power del Sur SpA (subsidiary of EGPL) and Enel Financial International B.V. (“EFI”); and (iii) the service agreement provided by Enel Green Power SpA to ECH
- The financial projections considered in the Business Plan represents the most updated view of the Company. Even more, if any of the projects are awarded PPA’s in the short term, these contracts will not have a material effect on the financial projection considered in the Business Plan
- The Transaction would not result in negative accounting or tax effects that could impact the Companies results and/or any of its subsidiaries
- The Transaction does not generate regulatory, environmental or anti trust effects for the Companies and/or any of its subsidiaries
- The Transaction does not affect any agreements with third parties or counterparties of the Companies and/or any of its subsidiaries
- The Transaction does not affect or breach any debt financing agreements of ECH, EGC, EDC, EGPL and/or its subsidiaries, originating material effects on the results of any of such companies, including events of default, cross-default or cross-acceleration, and/or increases on financial expenses
- The Transaction would not trigger a down grade to non investment grade of ECH by Moody´s, Standard & Poor´s or Fitch Ratings
- The Company will set a minimum threshold for the exercise of withdrawal rights related to the Merger to comply with the minimum required conditions set up by Enel to approve the Transaction

Report Structure

Transaction Pillars

1. **Valuation of ECH, EGC and EGP Latin America**
2. **Debt capacity of ECH**
3. **Exchange ratio between ECH and EGC**
4. **Holding discount of ECH**

Definition of Transaction Terms

A. **Exchange ratios between EGPL – ECH and EGC - ECH**
B. **Tender offer price for EGC**
C. **Tender Offer mix (shares vs cash)**

Analysis of the Results

I Enel's Minimum Conditions

- Valuation of EGPL reflecting market terms for renewable energies
- EPS accretive for Enel Chile
- Retain a stake in ECH similar to current levels
- Stake in Enel Generación > 75% (post bylaw amendments)

II Strategic Rationale

- Consolidation of a leading Chilean power player
- Optimization of the capital structure
- Reduction of holding discount
- Increase in ECH's secondary trading volumes

III. Understanding of Enel Green Power Latin America

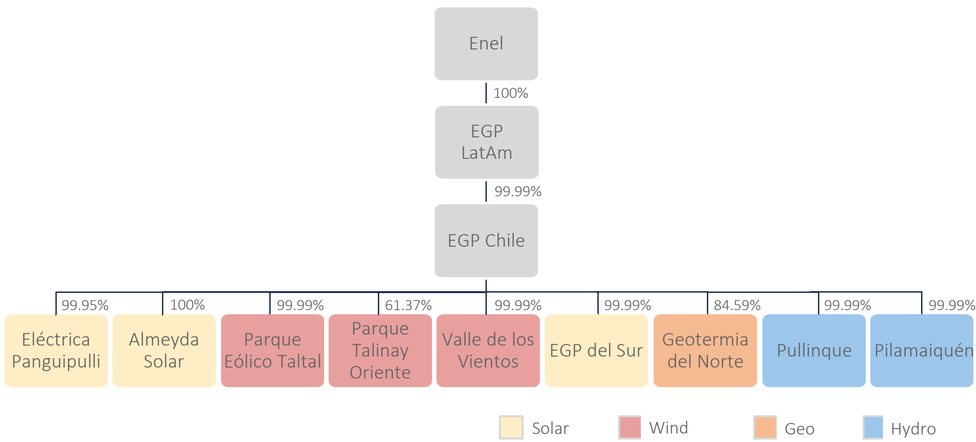
Enel Green Power Latin America

Enel Green Power (EGP) is a wholly owned subsidiary of Enel, dedicated to the development and management of renewable power generation worldwide. EGP has global presence with a total generation capacity of 38,000 MW. In Chile, EGP operates through Enel Green Power Latin America.

General View

- EGPL is the largest renewable player in Chile, with an installed capacity that triples the closest competitor
- EGPL has an aggressive growth strategy and has been able to practically doubled its installed capacity each year until 2016
- Currently, it has reached 1,195 MW of installed capacity with 18 plants in operation
- All of its operating plants have PPA’s, having a minimal exposure to spot prices
- EGPL has a diversified pipeline that could add at least 1,137 MW of additional generation capacity
  - A significant part of the project pipeline has synergies with the plants under operation

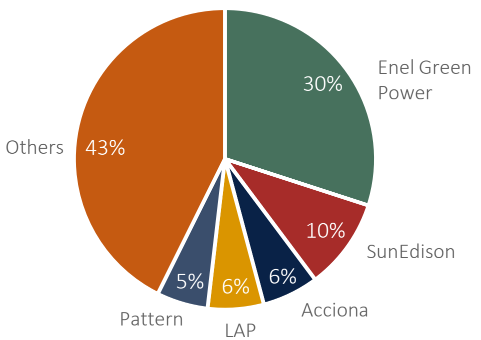
Simplified Ownership Structure



EGPL - Assets Summary

	Wind	Solar	Hydro	Geo[1]	Total
Installed Capacity (MW)	564	492	92	48	1,195
Number of Plants	7	8	2	1	18
Generation[2] (TWh)	1,054	813	302	0	2,171

Market Share (by Installed Capacity)



Companies	Installed Capacity (MW)
Enel Green Power	1,195
SunEdison	390
Acciona	241
LAP	239
Pattern	219
Others	1,699
Total	**3,983**

Chile’s largest operator with 30% of the installed capacity of renewable energy

 Source: Enel Group, EGPL and Coordinador Eléctrico Nacional (CEN). (1) Cerro Pabellón began operations in March of 2017. (2) Power generation according to CEN (2016).

Summary of Main Assets (1/2)

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Technology	Asset	Operational Figures	Direct and Indirect Ownership
Wind	Valle de los Vientos	• Installed Capacity: 90 MW • Annual Generation: 219 GWh • COD(1): December 2013	• Enel Green Power Chile 99.99% • EGPL 0.01%
Wind	Sierra Gorda Este	• Installed Capacity: 112 MW • Annual Generation: 298 GWh • COD(1): December 2016	• Enel Green Power Chile 99.99% • EGPL 0.01%
Wind	Taltal	• Installed Capacity: 99 MW • Annual Generation: 309 GWh • COD(1): October 2014	• Enel Green Power Chile 99.99% • EGPL 0.01%
Wind	Talinay Oriente	• Installed Capacity: 90 MW • Annual Generation: 213 GWh • COD(1): March 2013	• Enel Green Power Chile 60.91% • Enel Green Power Spa(2) 34.57% • Simest 4.52%
Wind	Talinay Poniente	• Installed Capacity: 61 MW • Annual Generation: 170 GWh • COD(1): March 2015	• Enel Green Power Chile 99.99% • EGPL 0.01%
Wind	Renaico	• Installed Capacity: 88 MW • Annual Generation: 280 GWh • COD(1): May 2016	• Enel Green Power Chile 99.99% • EGPL 0.01%
Wind	Los Buenos Aires	• Installed Capacity: 24 MW • Annual Generation: 86 GWh • COD(1): April 2016	• Enel Green Power Chile 99.99% • EGPL 0.01%
Hydro	Pullinque	• Installed Capacity: 51 MW • Annual Generation: 199 GWh • COD(1): 1964	• Enel Green Power Chile 99.99% • EGPL 0.01%
Hydro	Pilmaiquén	• Installed Capacity: 41 MW • Annual Generation: 226 GWh • COD(1): 1944	• Enel Green Power Chile 99.99% • EGPL 0.01%

Source: EGPL. (1) COD: Commercial Operation Date. (2) This stake is not part of the Transaction.

Summary of Main Assets (2/2)

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Technology	Asset	Operational Figures	Direct and Indirect Ownership
Solar	Lalackama I	• Installed Capacity: 60 MW • Annual Generation: 159 GWh • COD(1): January 2015	• Enel Green Power Chile 99.99% • EGPL 0.01%
Solar	Lalackama II	• Installed Capacity: 18 MW • Annual Generation: 52 GWh • COD(1): September 2015	• Enel Green Power Chile 99.99% • EGPL 0.01%
Solar	Finis Terrae	• Installed Capacity: 160 MW • Annual Generation: 411 GWh • COD(1): March 2016	• Enel Green Power Chile 99.99% • EGPL 0.01%
Solar	Pampa Norte	• Installed Capacity: 79 MW • Annual Generation: 208 GWh • COD(1): March 2016	• Enel Green Power Chile 99.99% • EGPL 0.01%
Solar	Chañares	• Installed Capacity: 40 MW • Annual Generation: 94 GWh • COD(1): December 2014	• Enel Green Power Chile 99.99% • EGPL 0.01%
Solar	Diego de Almagro	• Installed Capacity: 36 MW • Annual Generation: 81 GWh • COD(1): June 2014	• Enel Green Power Chile 100.00%
Solar	La Silla	• Installed Capacity: 1.7 MW • Annual Generation: 4.7 GWh Total • COD(1): April 2016	• Enel Green Power Chile 99.99% • EGPL 0.01%
Solar	Carrera Pinto	• Installed Capacity: 97 MW • Annual Generation: 258 GWh • COD(1): December 2015	• Enel Green Power Chile 99.99% • EGPL 0.01%
Geo	Cerro Pabellón	• Installed Capacity: 48 MW • Annual Generation: 345 GWh • COD(1): March 2017	• Enel Green Power Chile 84.59% • ENAP(2) 15.41%

Source: EGPL. (1) COD: Commercial Operation Date. (2) Empresa Nacional del Petróleo.

IV. Strategic Rationale

Main Transaction Expected Benefits

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1 Consolidation of the Leading Chilean Power and Utility Player	▪ Enhanced equity story for Enel Chile, first Chilean player with leadership presence in: (i) power distribution; (ii) conventional power generation; and (iii) renewable power generation business ▪ Access to the largest renewable asset portfolio in Chile, with a concrete investment pipeline ▪ Improved growth perspectives for ECH ▪ Full alignment between Enel and ECH's interests ▪ Transaction allows EGC's minority shareholders to participate in a fully integrated and diversified power/utility company ▪ Consistent with global industry trends of combining conventional and renewable energy companies (Enel – Enel Green Power 2016; EDF – EDF Nouvelles 2011)
2 Optimization of ECH's Capital Structure	▪ ECH, EGC and EDC currently have a sub-optimal capital structure - ECH is almost debt free (on a unconsolidated basis) with a significant cash balance - Enel Distribución Chile S.A. ("EDC") has as only relevant debt, an intercompany account payable with ECH - EGC has low debt levels in relation to its peers ▪ Merger with EGPL and the cash consideration of the Tender Offer would increase net debt levels up to 2.0-2.5 times EBITDA 2017E, without adverse effects over its credit ratings that could trigger a downgrade to non investment grade, as informed by the Company's management ▪ Improved capital structure would have a positive impact over the Company's return over equity
3 Reduction of Holding Discount	▪ ECH's holding discount is substantially lower than the former Enersis' holding discount ▪ The Transaction could reduce the holding discount of ECH due to the mix of the following factors: i. Reduced or minimal liquidity of EGC's share post Tender Offer ii. No access to invest directly in the EGPL and extremely limited access for investments in EDC → incentive to invest in ECH
4 Increase in ECH's Share Trading Volume	▪ The stock payment of the Tender Offer would increase ECH's free float by adding part of EGC's minority shareholders stake ▪ ECH's weightings in main equity indexes (IPSA, MSCI) may increase, improving its liquidity due to possible portfolio adjustments from investors ▪ Potential increase in value of ECH due to lower holding discount should have a positive impact in the stock liquidity

V. Valuation Analysis

Overview of Valuation Methodology

Econsult Capital

Econsult has conducted a sum-of-the-parts valuation of each of the companies involved in the Transaction. In order to estimate the value of each one, the discounted cash flow ("DCF") methodology was considered as the most appropriate valuation tool for the definition of the Transaction terms. In order to have additional value references, we have also considered other four valuation methodologies.

Methodology	Description	Observations	Applicability
DCF	▪ Intrinsic value approach based on forecasted cash flows ▪ Macroeconomic assumptions and operational estimates based in the Business Plan and PxQ Projections provided for each company ▪ Each "part" is calculated based on its firm value adjusted by net debt, minority interests and the applicable percentage over the equity value ▪ The Company provided an "Equity Bridge" that adjusts each applicable net debt with certain additional assets and liabilities that given its nature it should be considered as financial debt or cash equivalent	▪ Value is heavily sensitive to energy prices and cost assumptions ▪ Near-term cash flows have greater impact on value ▪ Limited flexibility for sensitivity analysis	▪ All companies
Market Value	▪ Both ECH and EGC's shares have acceptable levels of liquidity ▪ EDC's shares has minimal levels of secondary trading ▪ No public references of value for EGPL's shares	▪ Share prices after announcement may be affected by speculation related to the Transaction	▪ ECH, EGC and EDC
Trading Comparables	▪ Public company multiples applied to each company 2017E metrics ▪ Multiples of EBITDA tend to be the most relevant ▪ Important to select comparable with similar business dynamics ▪ We considered an average EV/EBITDA for each business segment and applied a +/- 0.5x variation for determining valuation ranges	▪ Good sample of local comps for ECH ▪ No pure comparables available for EDC ▪ Lack of local comps for EGPL, global sample considered	▪ All companies
Research Analyst Target Prices	▪ Value estimates made by equity research analysts of local or international investment banks or stockbrokers ▪ Intends to replicate the intrinsic value of the companies, based only on public information	▪ Analysts' recommendations may be affected by the Transaction announcement ▪ ECH and EGC have active coverage from analysts ▪ No direct coverage for EDC, not applicable for EGPL	▪ ECH and EGC
Precedent Transactions	▪ Transaction multiples applied to ratios of each company ▪ Multiples of EBITDA tend to be the most relevant ▪ In general includes change of control premium ▪ Many transactions of renewables are done at high multiples given significant component of new projects (greenfield) ▪ We considered an average EV/EBITDA for each business segment and applied a +/- 0.5x variation for determining valuation ranges	▪ Lack of good pure comparable transactions for ECH, EGC and EDC ▪ Global sample of renewable deals provides a good reference of the appetite for renewable energies	▪ EGPL

Main Assumptions

1 Valuation Date	• June 30, 2017 • For the final Report the Valuation Date will be adjusted to Sep 30, 2017, with the corresponding audited financial statements	7 New Projects	• EGC: Assumes that Project Los Cóndores would be fully operational within the Projection Period • EGPL: Assumes differentiated execution probabilities depending on its PPA awarding horizon. Projects were classified in: (i) Certain (Campo del Sol – 338 MW); (ii) Short term (5 projects, 383 MW capacity); and (iii) Medium term (5 projects, 414 MW)
2 Currency	• ECH, EGC and EDC: Projections prepared in nominal Chilean pesos. For DCF calculations, projections were converted into US$ dollars • EGPL: Projections prepared in nominal US$ dollars	8 Generation Terminal Value	• Long term free cash flow (LFCF) perpetuity growing with long term US inflation • LFCF calculation considers a long term projection of gross margin (2023 – 2045). Long term maintenance and reposition CAPEX considering expected life and required reinvestments for each asset
3 Projection Period	• ECH, EGC and EDC: 5.5 years (2nd half 2017 – 2022) • EGPL: 9.5 years (2nd half 2017 – 2026)	9 Distribution Terminal Value	• NOPAT perpetuity growing with long term Chilean inflation • Additional long term CAPEX calculated assuming a return on new invested capital (RONIC) equal to the local currency adjusted WACC
4 Macro Assumptions	• Inflation, exchange rates and other macroeconomics assumptions until 2022 were provided by the Company • Local and US long term inflations were assumed to be equal to the 2022 estimate • Long term exchange rates were estimated using PPP	10 Holding Terminal Value	• Free cash flow perpetuity growing with long term US inflation • Calculation based on 2022 holding costs projection
5 WACC[1]	• Generation: 7.4% in nominal US$ dollars. Same betas, capital structure and debt cost for conventional and renewable Distribution: 7.0% in nominal US$ dollars • ECH: 7.3% in nominal US$ dollars. Calculated as the weighted average between EGC - EDC	11 Holding Discount	• Considers a 10% holding discount for ECH • Holding discount is consistent with last twelve months holding discount averages (pre Transaction announcement)
6 Taxes	• 25.5% for 2017 • 27.0% for 2018 onwards • As informed by the Company, the Transaction would not have any negative tax implications	12 Equity Adjustments	• The following adjustments were considered: - Net debt as provided on each company financial statements - Additional adjustments included in the Equity Bridge provided for each company - DCF based value for each of the minority interests

(1) Main parameters: (i) Risk free rate: 10 year US Treasury bond last 30 day average - 2.3%; (ii) Country risk premium: calculated using 10 year Chilean CDS average – 1.1%; (iii) Market risk premium based on estimate of Aswath Damodaran – 6.2%; (iv) Unlevered betas based on sample of selected comparable companies and using a 5 year regression. Generation Beta = 0.7 and Distribution Beta = 0.67; (v) Leverage (D/E) ratios based on sample of comparable companies. Generation = 0.33 and Distribution = 0.54; and (vi) pre tax cost of debt equal to 4.2%.

Valuation Summary

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DCF midpoint valuation for EGC and ECH (adjusted by holding discount) have an implicit premium over its pre announcement share prices of 15.0% and 18.3%, respectively. DCF valuation of EGPL is below the value references provided by trading comparables and precedent transactions.

	Methodology	Equity Value (US$ m)	Midpoint US$ m	DCF Midpoint Premium/(Discount)	EV/EBITDA 17E
EGC	DCF *WACC: 7.4% ± 0.25%*	6,649 – 7,363	6,989	--	9.5x – 10.3x
EGC	Market Value[1] *CLP 405 - 543*	5,032 – 6,747	6,076[7]	15.0%	7.6x – 9.6x
EGC	Trading Comparables[2] *EV/ EBITDA 17E: [8.1x – 9.1x]*	5,469 – 6,336	5,903	18.4%	8.1x – 9.1x
EGC	Analyst target prices[3] *CLP 480 - 625*	5,964 – 7,766	6,958	0.4%	8.7x – 10.7x
EDC	DCF *WACC: 7.0% ± 0.5%*	2,477 – 2,684	2,577	--	9.0x – 9.7x
EDC	Market Value[1] *CLP 1,180 – 1,400*	2,057 – 2,441	2,179[7]	18.3%	7.7x – 8.9x
EDC	Trading Comparables[2] *EV/ EBITDA 17E: [10.4x – 11.4x]*	2,883 – 3,184	3,033	(15.0%)	10.4x – 11.4x
ECH	DCF[4] *WACC: 7.3% ± 0.25%*	5,890 – 6,432	6,150	--	8.4x – 9.0x
ECH	Market Value[1] *CLP 59 - 76*	4,388 – 5,652	5,206[7]	18.1%	6.6x – 8.2x
ECH	Trading Comparables[2] *EV/ EBITDA 17E EGC & EDC*	5,591 – 6,328	5,985	2.8%	8.1x – 9.0x
ECH	Analyst Target Prices[3] *CLP 75 - 89*	5,578 – 6,619	6,173	(0.4%)	8.1x – 9.4x
EGPL	DCF *WACC: 7.4% ± 0.25%[5]*	1,579 – 1,777	1,678	--	11.4x – 12.3x
EGPL	Trading Comparables[2] *EV/ EBITDA 17E: [11.5x – 12.5x]*	1,597 – 1,827	1,712	(2.0%)	11.5x – 12.5x
EGPL	Precedent Transactions[6] *EV/ EBITDA 17E: [13.0x – 14.0x]*	1,942 – 2,172	2,057	(18.4%)	13.0x – 14.0x

(1) Pre transaction announcement 52-week high and low
(2) Selected sample of companies
  I. EGC: Colbun, AES Gener and E-CL
  II. EDC: Aguas Andinas
  III. EGPL: ERG SpA, EDP Renovaveis, Dong Energy and Saeta Yield
(3) Latest recommendations of: Santander, JP Morgan, BICE, MBI, Credicorp, Scotia Capital, Larrain Vial, Renta 4 and Morgan Stanley
(4) DCF considers a 10% discount holding
(5) Range also considers sensitivity on project completion probability
(6) Selected precedent transactions of global renewals and Chilean hydro deals
(7) Latest stock price pre announcement

Note: All market values were converted into US$ dollars using an exchange rate of CLP/US$ 660, consistent with DCF macro assumptions.

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VI. Analysis of Transaction Terms

Recommendation of Transaction Terms

According to the selected methodology, the Transaction would favor the corporate interest as long as: (i) the exchange ratio of EGPL and ECH's shares is between 14.57x and 16.39x; (ii) the exchange ratio between EGC and ECH's shares is between 6.76x and 6.85x; and (iii) EGC tender offer price is in the range of CLP 535 – 593 per share.

Recommended Range of Transaction Terms Based on the Selected Methodology

1 Tender Offer Price and Exchange Ratio

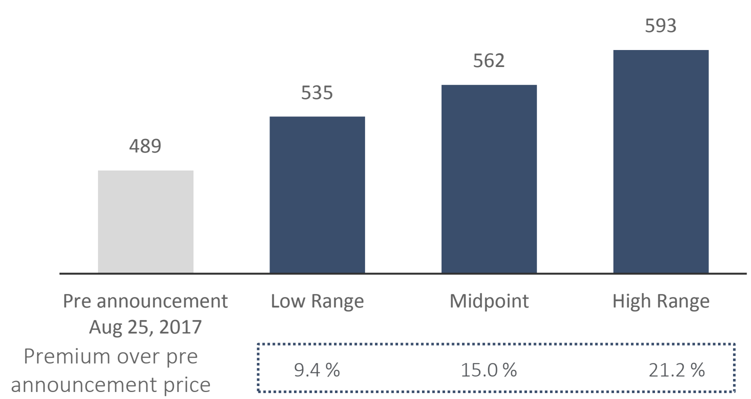
Valuation scenarios	ECH		EGC		Exchange Ratio (EGC/ECH)
	Equity Value (US$ m)	Share Price (CLP) [1]	Equity Value (US$ m)	Share Price (CLP) [1]	
Low range	5,890	$79	6,649	$535	6.76x
Midpoint	6,150	$83	6,989	$562	6.80x
High range	6,432	$86	7,363	$593	6.85x

2 Merger Exchange Ratio

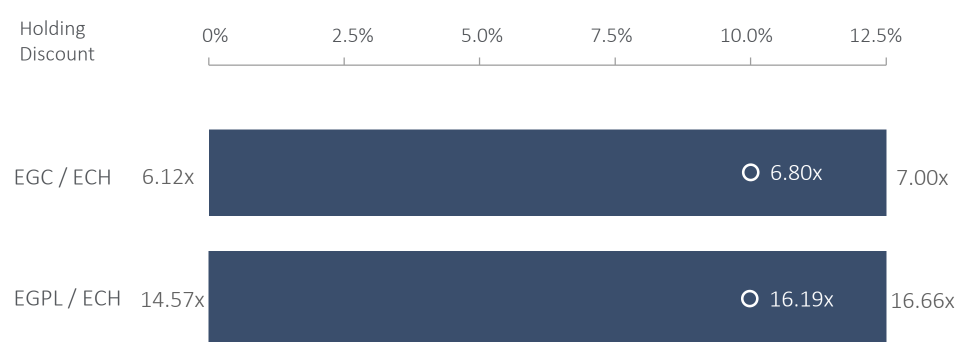
Valuation scenarios	EGPL		Exchange Ratio (EGPL / ECH)		
	Equity Value (US$ m)	Share Price (CLP) [1]	ECH Low Range	ECH Midpoint	ECH High Range
Low range	1,579	$1,260	15.91x	15.24x	14.57x
Midpoint	1,678	$1,339	16.91x	16.19x	15.48x
High range	1,777	$1,418	17.90x	17.14x	16.39x

Tender Offer price and exchange ratios consistent with ECH's corporate interest

EGC's Tender Offer Price per share (CLP)



Exchange Ratio Holding Discount Sensitivity (Midpoint Valuation)



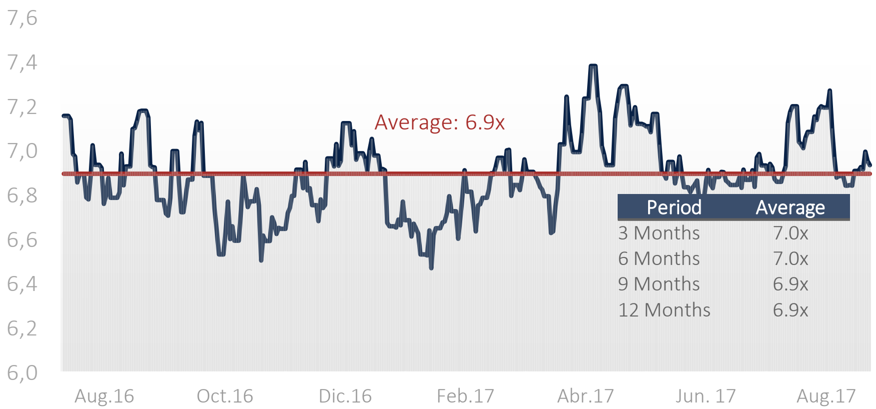
(1) ECH: 49,092,772,762 outstanding shares; EGC: 8,201,754,580 outstanding shares; EGPL: 827,205,371 outstanding shares.
Exchange CLP/US$ 660 consistent with macro assumptions included in the DCF analysis.

Tender Offer Exchange Ratio and Holding Discount Analysis

The resulting exchange ratio between EGC and ECH shares is consistent with the last twelve months average (pre announcement) and seems convenient to EGC's shareholders with respect to the same ratio calculated using other valuation methodologies.

EGC/ECH Exchange Ratio Evolution LTM[1]

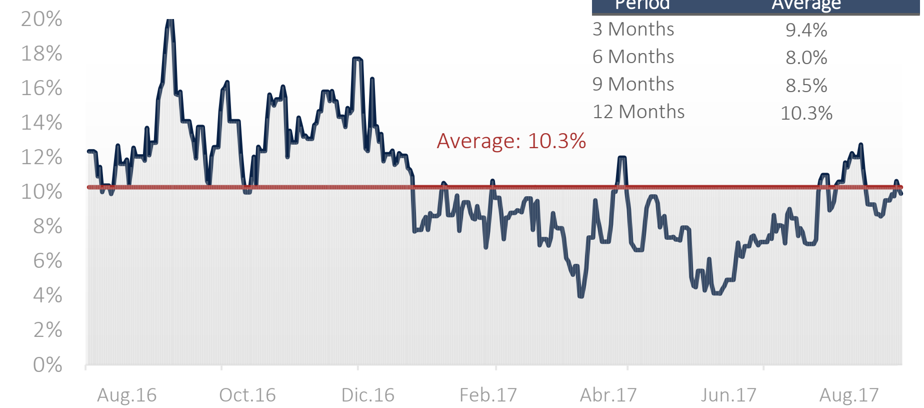
Aug 25, 2016 – Aug 25, 2017



Period	Average
3 Months	7.0x
6 Months	7.0x
9 Months	6.9x
12 Months	6.9x

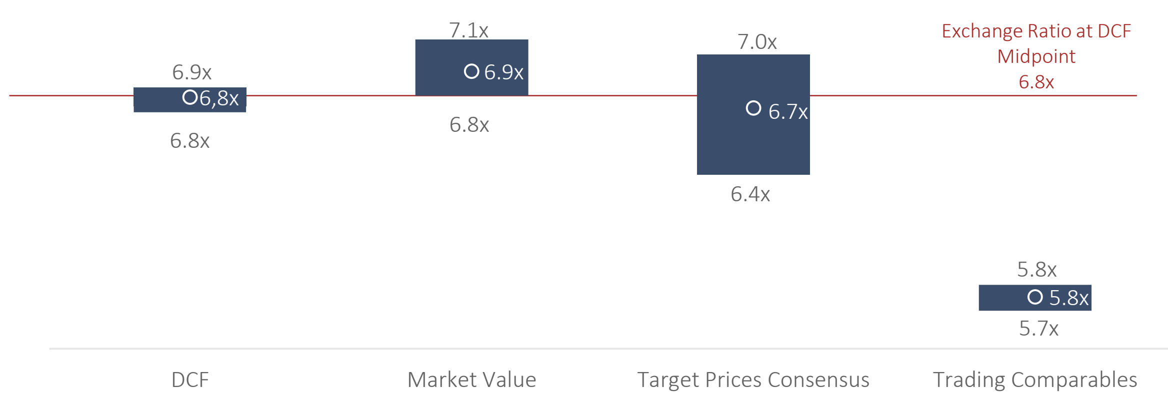
Discount Holding Evolution LTM[1] [2]

Aug 25, 2016 – Aug 25, 2017



Period	Average
3 Months	9.4%
6 Months	8.0%
9 Months	8.5%
12 Months	10.3%

EGC/ECH Exchange Ratio Comparison with Other Valuation Methodologies



Premium/(Discount) vs Average	(1.9%)	0.8 %	17.9 %

- *Higher exchange ratios are more favorable to EGC's shareholders*
- *The exchange ratio implied in our midpoint valuation has a 1.9% discount with respect to the market average, however considers a premium over other valuation methodologies*

(1) Last twelve months pre Transaction announcement. (2) Holding Discount = ECH market cap / ECH's net asset value (NAV) - 1. NAV = (EGC's market cap x 60.0%) + (EDC's market cap x 99.1%) – (ECH's unconsolidated net debt) – (last twelve months ECH's holding costs x market ECH's EV/EBITDA multiple LTM).

Definition of Tender Offer Payment Mix

In order to maximize the EPS post Transaction, we have assumed that ECH will maximize its debt capacity without affecting its credit rating. According to the Company, the credit rating agencies would consider acceptable for investment grade rating debt levels resulting in Net Debt / EBITDA in the range of the 2.0 – 2.5 times.

Post Merger Additional Debt Capacity Analysis

A Post Merger Proforma Financial Figures 2017E

US$ m	Net Debt 2017	EBITDA 2017	Net Debt/EBITDA
ECH Pre Merger	592	1,170	0.5x
EGC	925	887	1.0x
EGPL	1,088	246	4.4x
ECH Post Merger	1,680	1,417	1.2x

B Maximum Additional Debt Capacity

Target Net Debt / EBITDA Ratio	2.5x

US$ m	Net Debt 2017	EBITDA 2017	Net Debt/EBITDA
Additional Debt	1,861	1,417	1.3x
Maximum ECH Post Merger Debt	3,542	1,417	2.5x

Methodology of the Cash Consideration for the Tender Offer

Main assumptions: (i) ECH would maximize cash payments; (ii) ECH would not exceed debt levels over 2.5x EBITDA ➔ Cash vs shares mix has to be determined considering 100% success in the Tender Offer

A Maximum Tender Offer Amount

		EGC Valuation Range		
		Low	Mid	High
Tender Offer Price per Share	CLP	535	562	593
Total Shares of EGC	# m	8,202	8,202	8,202
EGC's Free Float	%	40.02	40.02	40.02
Maximum Tender Offer Value (1)	US$ m	2,660	2,795	2,949

B Tender Offer Mix

	EGC Valuation Range					
	Low		Mid		High	
	US$ m	%	US$ m	%	US$ m	%
Max. Tender Offer Value	2,660	100%	2,795	100%	2,949	100%
Max. Cash Payment/Additional Debt	1,860	69.9%	1,860	66.5%	1,860	63.1%
Min. Tender Offer Payment in Shares	800	30.1%	935	33.5%	1,089	36.9%
Recommended Cash Payment Range for the Tender Offer			60.0% - 65.0%			

(1) Exchange CLP/US$ 660 consistent with macro assumptions included in the DCF analysis. (2) In addition of Net Debt/EBITDA ratio, rating agencies will look at other ratios such as interest coverage and leverage, among others. Proforma 2017 interest coverage with the new maximum possible additional debt would reach 8.2x

Analysis of Possible Transaction Results – EGPL Low Range Valuation

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Transaction Sensitivity based on Tender Offer Results

A ECH Low Valuation Range

Tender Offer Mix: 65% cash / 35% stock Exchange ratios: EGC / ECH = 6.76x; Adjusted EGC / ECH[2] = 2.37x; EGPL / ECH = 15.91x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(0.76%)	65.9%	1.64x
79.5%	0.61%	65.0%	1.78x
87.5%	3.01%	63.5%	2.03x
95.0%	5.14%	62.2%	2.25x
100%	6.51%	61.3%	2.41x

Tender Offer Mix: 60% cash / 40% stock Exchange ratios: EGC / ECH = 6.76x; Adjusted EGC / ECH[2] = 2.70x; EGPL / ECH = 15.91x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(1.20%)	65.4%	1.61x
79.3%	0.00%	64.5%	1.73x
87.5%	2.18%	62.8%	1.96x
95.0%	4.09%	61.3%	2.17x
100%	5.30%	60.3%	2.31x

B ECH Midpoint Valuation

Tender Offer Mix: 65% cash / 35% stock Exchange ratios: EGC / ECH = 6.80x; Adjusted EGC / ECH[2] = 2.38x; EGPL / ECH = 15.24x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(0.06%)	65.5%	1.67x
77.8%	0.78%	65.0%	1.76x
87.5%	3.58%	63.2%	2.07x
95.0%	5.64%	61.8%	2.31x
100%	6.97%	60.9%	2.47x

Tender Offer Mix: 60% cash / 40% stock Exchange ratios: EGC / ECH = 6.80x; Adjusted EGC / ECH[2] = 2.72x; EGPL / ECH = 15.24x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(0.51%)	65.1%	1.63x
76.9%	0.00%	64.7%	1.69x
87.5%	2.76%	62.4%	2.00x
95.0%	4.59%	60.9%	2.22x
100%	5.76%	60.0%	2.37x

C ECH High Valuation Range

Tender Offer Mix: 65% cash / 35% stock Exchange ratios: EGC / ECH = 6.85x; Adjusted EGC / ECH[2] = 2.40x; EGPL / ECH = 14.57x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	0.63%	65.2%	1.69x
76.2%	0.97%	65.0%	1.73x
87.5%	4.14%	62.8%	2.12x
95.0%	6.12%	61.5%	2.37x
100%	7.40%	60.6%	2.54x

Tender Offer Mix: 60% cash / 40% stock Exchange ratios: EGC / ECH = 6.85x; Adjusted EGC / ECH[2] = 2.74x; EGPL / ECH = 14.57x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
74.3%	0.00%	65.0%	1.63x
75.0%	0.18%	64.8%	1.65x
87.5%	3.31%	62.1%	2.04x
95.0%	5.06%	60.6%	2.28x
100%	6.19%	59.6%	2.43x

(1) EPS impact calculated with the 5 year average
(2) (EGC's share price) / (ECH's share price) adjusted by the percentage of payment in ECH shares

Red numbers represent a breach of the minimum conditions set by Enel
Minimum conditions breakeven scenario
Active restriction

Analysis of Possible Transaction Results – EGPL Midpoint Valuation

Econsult CAPITAL

Transaction Sensitivity based on Tender Offer Results

A ECH Low Valuation Range

OUT OF THE RECOMENDED RANGE

Tender Offer Mix: 65% cash / 35% stock Exchange ratios: EGC / ECH = 6.76x; Adjusted EGC / ECH(2) = 2.37x; EGPL / ECH = 16.91x			
Final ECH stake in EGC	EPS impact(1)	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(2.00%)	66.3%	1.64%
81.8%	0.07%	65.0%	1.85x
87.5%	1.76%	63.9%	2.03x
95.0%	3.90%	62.6%	2.25x
100%	5.27%	61.8%	2.41x

Tender Offer Mix: 60% cash / 40% stock Exchange ratios: EGC / ECH = 6.76x; Adjusted EGC / ECH(2) = 2.70x; EGPL / ECH = 16.91x			
Final ECH stake in EGC	EPS impact(1)	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(2.43%)	65.9%	1.61x
83.9%	0.00%	64.0%	1.86x
87.5%	0.96%	63.2%	1.96x
95.0%	2.87%	61.8%	2.17x
100%	4.10%	60.8%	2.31x

B ECH Midpoint Valuation

Tender Offer Mix: 65% cash / 35% stock Exchange ratios: EGC / ECH = 6.80x; Adjusted EGC / ECH(2) = 2.38x; EGPL / ECH = 16.19x			
Final ECH stake in EGC	EPS impact(1)	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(1.27%)	66.0%	1.67x
80.0%	0.22%	65.0%	1.83x
87.5%	2.38%	63.6%	2.07x
95.0%	4.44%	62.2%	2.31x
100%	5.77%	61.4%	2.47x

Tender Offer Mix: 60% cash / 40% stock Exchange ratios: EGC / ECH = 6.80x; Adjusted EGC / ECH(2) = 2.72x; EGPL / ECH = 16.19x			
Final ECH stake in EGC	EPS impact(1)	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(1.70%)	65.5%	1.63x
81.4%	0.00%	64.2%	1.82x
87.5%	1.57%	62.9%	2.00x
95.0%	3.41%	61.4%	2.22x
100%	4.59%	60.4%	2.37x

C ECH High Valuation Range

Tender Offer Mix: 65% cash / 35% stock Exchange ratios: EGC / ECH = 6.85x; Adjusted EGC / ECH(2) = 2.40x; EGPL / ECH = 15.48x			
Final ECH stake in EGC	EPS impact(1)	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(0.54%)	65.6%	1.69x
78.2%	0.39%	65.0%	1.80x
87.5%	2.97%	63.2%	2.12x
95.0%	4.96%	61.9%	2.37x
100%	6.23%	61.0%	2.54x

Tender Offer Mix: 60% cash / 40% stock Exchange ratios: EGC / ECH = 6.85x; Adjusted EGC / ECH(2) = 2.74x; EGPL / ECH = 15.48x			
Final ECH stake in EGC	EPS impact(1)	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(0.98%)	65.2%	1.65x
78.8%	0.00%	64.4%	1.77x
87.5%	2.16%	62.5%	2.04x
95.0%	3.93%	61.0%	2.28x
100%	5.06%	60.0%	2.43x

(1) EPS impact calculated with the 5 year average
(2) (EGC's share price) / (ECH's share price) adjusted by the percentage of payment in ECH shares

Red numbers represent a breach of the minimum conditions set by Enel
Minimum conditions breakeven scenario
Active restriction

Analysis of Possible Transaction Results – EGPL High Range Valuation

Econsult CAPITAL

Transaction Sensitivity based on Tender Offer Results

A ECH Low Valuation Range

OUT OF THE RECOMENDED RANGE

Tender Offer Mix: 65% cash / 35% stock Exchange ratios: EGC / ECH = 6.76x; Adjusted EGC / ECH[2] = 2.37x; EGPL / ECH = 17.90x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(3.21%)	66.7%	1.64x
85.6%	0.00%	64.7%	1.97x
87.5%	0.56%	64.4%	2.03x
95.0%	2.69%	63.0%	2.25x
100%	4.06%	62.2%	2.41x

Tender Offer Mix: 60% cash / 40% stock Exchange ratios: EGC / ECH = 6.76x; Adjusted EGC / ECH[2] = 2.70x; EGPL / ECH = 17.90x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(3.62%)	66.3%	1.61x
87.5%	(0.22%)	63.7%	1.96x
88.4%	0.00%	63.5%	1.99x
95.0%	1.69%	62.2%	2.17x
100%	2.92%	61.2%	2.31x

B ECH Midpoint Valuation

OUT OF THE RECOMENDED RANGE

Tender Offer Mix: 65% cash / 35% stock Exchange ratios: EGC / ECH = 6.80x; Adjusted EGC / ECH[2] = 2.38x; EGPL / ECH = 17.14x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(2.44%)	66.4%	1.67x
83.3%	0.00%	64.8%	1.93x
87.5%	1.20%	64.0%	2.07x
95.0%	3.27%	62.7%	2.31x
100%	4.60%	61.8%	2.47x

Tender Offer Mix: 60% cash / 40% stock Exchange ratios: EGC / ECH = 6.80x; Adjusted EGC / ECH[2] = 2.72x; EGPL / ECH = 17.14x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(2.86%)	66.0%	1.63x
85.9%	0.00%	63.6%	1.95x
87.5%	0.42%	63.3%	2.00x
95.0%	2.27%	61.8%	2.22x
100%	3.45%	60.9%	2.37x

C ECH High Valuation Range

Tender Offer Mix: 65% cash / 35% stock Exchange ratios: EGC / ECH = 6.85x; Adjusted EGC / ECH[2] = 2.40x; EGPL / ECH = 16.39x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(1.68%)	66.0%	1.69x
80.9%	0.00%	64.9%	1.89x
87.5%	1.83%	63.6%	2.12x
95.0%	3.82%	62.3%	2.37x
100%	5.10%	61.4%	2.54x

Tender Offer Mix: 60% cash / 40% stock Exchange ratios: EGC / ECH = 6.85x; Adjusted EGC / ECH[2] = 2.74x; EGPL / ECH = 16.39x			
Final ECH stake in EGC	EPS impact[1]	Final Enel Stake	Net Debt / EBITDA 2017E
75.0%	(2.11%)	65.6%	1.65x
83.2%	0.00%	63.8%	1.91x
87.5%	1.05%	62.9%	2.04x
95.0%	2.82%	61.4%	2.28x
100%	3.95%	60.5%	2.43x

(1) EPS impact calculated with the 5 year average
(2) (EGC's share price) / (ECH's share price) adjusted by the percentage of payment in ECH shares

Red numbers represent a breach of the minimum conditions set by Enel
Minimum conditions breakeven scenario
Active restriction

VII. Conclusions

Conclusions (1/2)

- Econsult has prepared this Report in its capacity as independent valuator hired by the Board of Directors' Committee of ECH to evaluate the merits and benefits of the Transaction for the corporate interest of ECH
- Econsult considers that a joint execution of: (i) a merger with EGPL; and (ii) a tender offer over the shares of EGC would be beneficial for the Company, considering both the strategic rationale of the transactions as well as the potential positive impacts on ECH
- From an strategic stand point, the Transaction could allow to:
  - Consolidate ECH as the leading player in Chilean power and utility sector, under a structure where the interests are fully aligned with the controlling shareholder;
  - Improve ECH's competitive positioning and investment thesis; incorporating assets of renewable generation for 1,195 MW and an attractive portfolio of new projects;
  - Optimize ECH's capital structure as a result of the additional debt related with the execution of the Transaction;
  - Reduce ECH holding discount to the extent that a relevant part of EGC's shares are acquired;
  - Increase secondary trading volumes of ECH's shares due to: (i) increase on its free float; (ii) positive impact in its weight in the different relevant equity indexes; and (iii) positioning as the best power and utility entity to invest in Chile

Conclusions (2/2)

- It is important to highlight that given that the Transaction will be payable with a combination of cash and stock, no significant changes on ECH's credit ratings that could trigger a downgrade to non investment grade are expected
- The analysis performed included a valuation for each of the companies. Based on these valuations the exchange ratios between EGPL/ECH and EGC/ECH were defined
- In particular, Econsult considers that the exchange ratio between the shares of EGPL and ECH should be in the range of 14.57x - 16.39x, in order to be beneficial for the corporate interest of the Company
- Econsult also considers that in order for the Transaction to contribute to the corporate interest, the value per share of EGC for the Tender Offer should be between CLP 535-593 pesos per share and the exchange ratio between EGC and ECH shares should be in the range of 6.76x - 6.85x
  - These valuations represent a premium between 9.4% and 21.2% over EGC's share closing price on the day of the announcement of the Transaction
  - The proposed exchange ratios are consistent with the historical average of the last twelve months prior to the announcement of the Transaction
- In order to minimize dilution and maximize earnings per share of ECH, it is convenient for the Company to maximize the cash payment of the Tender Offer according to its additional debt capacity. Based on the analysis performed, it is recommended that the cash payment of the Tender Offer to be between 60% and 65% of the total consideration
- The minimum conditions established by Enel are fulfilled in the vast majority of possible scenarios within the terms of Transaction proposed by Econsult. If Enel wishes to comply with the minimum conditions set out in all possible Transactions scenarios, it should consider adjusting some of these minimum conditions.

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