



PRESS RELEASE ENEL GENERACIÓN CHILE

ENEL GENERACIÓN CHILE STARTS ANALYSIS OF ENEL CHILE'S MERGER PROPOSAL

- ***The Board of Directors unanimously agreed, by the members present, to handle this operation as a related-party transaction.***

Santiago, August 28, 2017. Enel Generación Chile's Board of Directors, in an ordinary meeting held today, analyzed the essential fact of Enel Chile S.A. dated Friday, August 25, regarding the proposal for a corporate reorganization within the Enel Group through which Enel Chile S.A. would incorporate, through a merger by absorption, the assets that Enel Green Power Latin America Limited hold in Chile. The proposal also implies that the merger will be conditional upon the successful completion of a Public Tender Offer of Shares ("OPA"), to be carried out by Enel Chile, to acquire up to 100% of the shares issued by its subsidiary Enel Generación Chile S.A. that are held by the minority shareholders of the latter.

The company's board of directors resolved, by the unanimity of its members present, to initiate all work, analyzes, and steps leading to the execution of the corporate reorganization project applicable to Enel Generación Chile S.A., submitting the aforementioned operation in its entirety to the regulations set forth in Title XVI of the Corporations Act that governs related-party transactions.

"We will study the scope of this proposal in depth to ensure its benefit to our shareholders who will now be offered the possibility of accessing a leading company in the domestic market. In it, they will be able to enjoy the huge growth potential of renewable energies along with the conventional generation mix with which Enel Generación Chile guarantees diversity and stability for our parent company," said the president of Enel Generación Chile, Giuseppe Conti.

Details of the OPA (Public Tender Bid)

The aforementioned OPA or takeover bid would have a mixed nature, that is, it would be payable partly in money and partly in shares issued by Enel Chile, and would be conditional to the success of the fact that, through it, Enel Chile would each a control percentage in Enel Generación Chile S.A. of more than 75% of its share capital.

In order to make the takeover possible, Enel Chile S.A. must proceed to perform a capital increase destined to the incorporation of the shareholders of Enel Generación Chile S.A. who participate in the takeover bid. Likewise, the success of the aforementioned takeover bid will be conditional on a statutory amendment to Enel Generación Chile S.A., intended for this company to cease being subject to Title XII of D.L. 3,500 of 1980, while the limitations to the stock concentration and other restrictions provided for in Title XII would be eliminated from its by-laws.





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About Enel Generación Chile

Enel Generación Chile operates a total of 6,351 MW of power, which represents 29% of the existing capacity in the local market. 54% of this is hydroelectric, 44% thermoelectric, and 2% wind powered. The company participates in the Central Interconnected System (SIC), Chile's main electric power system, running from Taltal to Chiloé, a territory where approximately 93% of the population lives, and where its installed capacity and that of its affiliates and joint control partnerships contribute a total of 5,389 MW to this system, that is, nearly 34%. The company also participates in the Northern Interconnected System (SING), through its GasAtacama and Celta Power Plants. The total installed capacity in SING reaches 963 MW, representing 18% of this system.