

# Annual Report

Annual Report and Financial  
Statements of Enersis

2013

**enersis**

Santiago Stock Exchange  
ENERSIS  
New York Stock Exchange  
ENI  
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Enersis S.A. was incorporated, initially, with the name Compañía Metropolitana de Distribución Eléctrica S.A., and changed its name to Enersis S.A. on August 1, 1988. Its corporate capital is ThCh\$5,669,280,725, divided into 49,092,772,462 shares. Its shares are quoted on the Chilean exchanges, on the New York Stock Exchange in the form of American Depositary Receipts (ADR) and on the Latin American Securities Exchange of the Madrid Stock Exchange (Latibex).

Its main business is the exploitation, development, operation, generation, distribution, transmission, transformation and/or sale of energy in any of its forms or nature, directly or through other companies, and also businesses in telecommunications and engineering consultancy services, in Chile and abroad, in addition to investing and managing its investments in subsidiaries and associate companies.

Its total assets amounted to ThCh\$15,177,664,307 as of December 31, 2013. Enersis controls and manages a group of companies that operate in the electricity markets of five countries in Latin America (Argentina, Brazil, Chile, Colombia and Peru). In 2013, net income attributable to the dominant company amounted to MCh\$658,514 and operating income amounted to MCh\$1,741,138. At the end of 2013, it provided direct jobs to 11,574 people through its subsidiaries in South America.

# Annual Report 2013



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# Chairman's Letter to Shareholders

Dear Shareholders,

In 2013, Enersis achieved one of the most significant economic-financial results of its history, comparable to the \$660.231 billion of 2009. The foregoing is due to the adequate strategy we have implemented year after year, the main sustaining factors of which are making each of the operations we run in the five countries in the region (Argentina, Brazil, Chile, Colombia, and Peru) profitable; maintaining a solid financial position; adding value to our shareholders' investment; and promoting relations based on trust and cooperation with the communities we operate in.

Also—thanks to the trust placed in us by each of you—Enersis has consolidated its position as Endesa's (Spain) sole investment means in South America, with almost 16,000 MW of installed capacity and over 14 million clients.

The latter is due to a fact that has been vital for the present and future of the company. I'm referring to the successful capital increase concluded on March 28, 2013, whereby 100% of the shares available for subscription were acquired.

In view of the result of the operation, whereby over US\$6 billion were obtained between assets in kind and cash, I am able to proudly and tax ID fully assert that in spite of the fact that it was not an easy task and one which was not short on issues, we achieved an operation that was unprecedented for the Chilean capital market, thereby providing the company with the necessary resources to carry out a significant growth and expansion plan.

Today Enersis is larger, more robust, and has the muscle to enable it to continue to lead the energy sector in South America, thereby maximizing the benefit of each of our shareholders.

As an example of the foregoing, in spite of the 50% increase in the number of shares as a result of the capital increase operation, the earnings per share reached \$13.4, that is, 16.1% higher than 2012, while the sole incorporation of the Cono Sur assets—the company through which Endesa (Spain) subscribed its proportional part in this operation—accounts for 19% of the company's net earnings during 2013.

## Results for 2013

In short, the company's net earnings increased by 74.5%, thus reaching \$658.514 billion. This improved performance is mainly due to three factors: the operational improvement of the generation business in Chile, Argentina, and Colombia; the incorporation of the Cono Sur assets; and the positive impact of the accounting acknowledgment of the greater historical costs in Edesur, Argentina, as of the second quarter of 2013.

The EBITDA was \$2 billion 251 million 489 thousand, or US\$4.547 billion, an amount which entails an increase of 15.6%. Due to an adequate strategy implemented by the company, this indicator exceeded US\$4.0 billion for the fifth year in a row.

Confirming the region's dynamic performance and the promising economic perspectives showed by the five countries where we run operations, the sale of energy in the distribution sector grew by 3.8%, to 75,443 GWh, thanks to the increases achieved in Brazil, Colombia, and Chile. In the generation business line, energy sales reached 69,369 GWh, which entailed an increase of 5.2%.

## Regional Scenario

Our stakes in the countries where we operate are based on the macro-economic perspectives of the region, and namely, on our long-term commitment, which implies providing solutions to energy needs and being a party to the development of each of these markets.

In spite of a global scenario that still shows some dark clouds, the five countries where we operate offer a solid basis and stable growth signals—though in the last few months of 2013, Chile showed some signs of deceleration, which we will pay close attention to in order to promptly take any actions that may be necessary—thus providing enough energy to re-boost the local economy.

Another issue also worthy of our attention is Standard and Poor's recent reduction of Brazil's rating from "BBB" to "BBB-", wherein the electrical sector's risks are pointed out

as one of the main problems the country will face in the short and medium-term. This reduction brought an end to a decade of rising ratings and surprised a major portion of the international market.

However, we should not lose our perspective, since South America continues to compare favorably with regard to the OECD countries in terms of growth, due to demographic and macro-economic factors. Because of that, and within this dynamic context—though it is a little slower in Chile, Brazil, and Argentina—we are certain and rest in the assurance that we have the necessary tools and the backing of Endesa (Spain) and the Enel Group to face the challenges posed us on a day-to-day basis by the regional electricity sector and to provide a safe and reliable power supply at competitive prices.

## Voluntary Tender Offer for Coelce

The market is anxious for us to begin investing the funds obtained through the capital increase operation. We have been cautious and the waiting period has proved us right. Refraining from going to market at a time when most of the target companies' securities were above their historical transaction averages has enabled us to increase our purchasing power by 20%.

However, we have already taken a first step. And a successful one at that. I'm referring to the Voluntary tender offer made to the minority shareholders of our Brazilian electrical distribution business, Companhia Energética do Ceará (Coelce), notified to the market on January 14, 2014, and concluded on February 17. Enersis acquired a total of 11,783,080 shares, which account for 15.13% of the equity of said company, thereby directly and indirectly obtaining 74% of controlling ownership of Coelce. During the bidding, Enersis did not increase the offered price as it estimated that the prize offered (with an implicit premium of 20.1%) was adequate and expedient for the company's equity interests. The acquisition of 15.13% of Coelce entailed the disbursement of about \$132.340 billion, or US\$242 million.

The message we conveyed to the market was clear: We will not go out and purchase and invest the resources provided by the capital increase at any price. We will not make acquisitions if the conditions are not adequate to increase the value of the investment of our shareholders. And as we have done since day one, we will analyze each of the operations to seek to maximize the value of the company for the benefit of each and every one of our shareholders.



Pablo Yrarrázaval Valdés  
Chairman

## A New Way of Operating

Last year, I commented on these pages on the difficulties we were facing in Chile to develop the projects, not only in the electrical sector, but also in the rest of the country's production sectors. This is a symptom of a substantial change in the relationships between companies, communities, and the authorities, which we are also a part of as a company that acts responsibly in the environments where it operates.

This precaution is necessary in order to understand the full scope of the facts that I am going to describe below.

In late October 2012, our affiliate company, Endesa Chile, commissioned Bocamina II in the district of Coronel, Region of Biobío, thus providing the country 350 MW of efficient capacity at low operational costs, which amount to about 50 US\$/MWh (of variable cost) during a third year of drought.

In September 2013, the Superintendence of the Environment filed a penalizing procedure against Bocamina II. Said procedure was reformulated in December and included new breaches. The same month, after a motion filed against the power plant, the Court of Appeals of Concepción issued an order to refrain from innovation, thus paralyzing the operation of Bocamina II.

Dear shareholders, the operation of Bocamina II has abided at all times by the Environmental Qualification Resolution (RCA, by its Spanish acronym) issued in 2007, which is still effective. We have not infringed on the permit issued by the competent authorities in any way, and have fulfilled the regulations that govern the activity; therefore, there is no pollution or risk, let alone any detriment to the health of the population or the environment.

The power not generated by Bocamina II is being replaced by inefficient diesel power plants. This entails operational over-costs for the entire Central Interconnected System (SIC, by its Spanish acronym) of about US\$100 million (to March 2014). This brings out the significance that this power plant has for the system, especially in the light of the four years of drought incurred by the central area of the country.

However, I wish to be clear about something: As a Group, we must go beyond the requirements put forth in the law, the regulations, and sectorial permits. As a leading company in the electricity sector, we must take the initiative and tune into more stringent requirements.

Endesa Chile has developed a new relationship plan with Coronel, which seeks to address the fundamental issues by proposing definitive solutions to our main stakeholders. Endesa Chile is under the obligation to recover the leading role in each of the environments where it operates. This is a turning point and we cannot go back. Ignoring the new reality of the country would be a mistake that would ultimately impact on the market. We cannot waste the capital of trust and credibility that our companies have enjoyed in the past.

Do we have pending tasks? Certainly. We have only taken the first steps so that this new way of operating by means of projects that integrate the communities' comments right from the beginning and share the effects and benefits of the initiatives from the out start, can become a part of our DNA and permeate all our activities.

An example of this new way of operating was the agreement signed by Endesa Chile in February 2014 with the irrigators of the Region of Maule. After months of negotiations and meetings, an agreement was reached to enable the feasibility of the construction of the 150-MW Los Cóndores hydroelectric power plant, which is to begin this year (2014).

Having clear guidelines for developing long-term investments is paramount and crucial for a company. But we must take into account that we are undergoing a process of profound change.

Rest assured that we are working and will continue to do so as a Group in order to be up to the new challenges, maintain our leadership, and respond to society's and our stakeholders' new needs.



## Commitment of all Parties

However, companies' intent to develop projects that are aligned with effective environmental regulations is not the only thing required in order to make progress and provide Chile the power it needs to continue to grow, also necessary is the communities' support and commitment by the authorities. It is urgent to re-activate the projects, otherwise, both our competitive capability and our image as a country that respects its institutions will be in jeopardy.

To date, the materialization of close to 11,000 MW of new capacity has faced difficulties. 6,650 MW of that amount have been stopped due to issues arisen in the approval process, 1,660 MW have been stopped on a permanent basis, and 2,400 MW associated with already approved projects have not been able to initiate construction. Initiatives such as Barrancones and Castilla, owned by new operators which intend to enter the local market failed due to the difficulties that arose in the processing of their permits or due to court proceedings.

## Business Plan

Dear shareholders, as a Group, our commitment toward Chile and the countries where we operate remains in place.

Thus, the main actions of our business plan for the five years between 2014-2018 in the power generation and commercialization sectors are based on the following strategic guidelines: a demand supported by solid economic principles, increase of the installed capacity, increase of efficiency, and launching of new business lines.

In the first point we foresee an annual cumulative rate (TACC, by its Spanish acronym) of 4.2%, including our operations in Argentina, Brazil, Chile, Colombia, and Peru.

In order to materialize the second item, we will incorporate over 800 MW of new capacity during the next five years. This new capacity includes the 400 MW that we will add with the commissioning of El Quimbo in early 2015, and

the reconversion of the Salaco chain, which will contribute close to 145 MW in addition to the 76.2 already operating in the area. Both of these projects are located in Colombia. In addition to these two initiatives, the construction of Los Cóndores and the reconversion of the Taltal plant to combined cycle will be initiated in Chile, thus adding another 120 MW to the 245 MW already generated by this unit. The latter project is now well into the environmental approval procedure after our affiliated company, Endesa Chile, submitted the Environmental Impact Statement in late 2013, in order to carry out this enterprise.

Concerning the third and fourth actions, respectively, we hope to reduce the cash-cost (cost per client) by 15% and we will seek to leverage gas commercialization opportunities, wherein we have taken relevant steps in Colombia and Chile.

We will continue to materialize the other initiatives we have in our generation portfolio or pipeline. I'm referring to Punta Alcalde (740 MW) and Neltume (490 MW) in Chile, and Curibamba (188 MW) in Peru.

Among the projects in our portfolio, special mention should be made to the HidroAysén project. As is publicly known, it has a favorable RCA since 2011. Additionally, the Supreme Court dismissed all the protection motions filed against the environmental assessment process of the project.

In June 2011, HidroAysén filed a claim with the Committee of Ministers requesting that certain requirements established in the RCA be reviewed. Along the same lines, congressmen, NGO's, and environmentalist groups also filed other motions for a total of 35 claims.

Throughout 2012 and 2013, the Committee of Ministers did not meet to review said claims. Finally, in late January, 2014, after two and half years of waiting, the Committee of Ministers decided to request further information and studies. Once they were submitted, the Committee of Ministers would reevaluate part of the claims and issue its final decision concerning the project.

However, the new administration of President Michelle Bachelet brought the decision of the Committee of Ministers back to square one by annulling it and setting a new deadline of 60 days for the new Committee of Ministers to analyze the claims.

As a Group we are fully committed to carry on with HidroAysén, provided there is political, social, and national disposition to consider this project in Chile's best interest.

The time has come to make decisions and refrain from further extending the waiting period.

The companies and various social players—but especially the Executive and Legislative Branches—must do their part for the country to be able to strengthen its electric power matrix and fully tap into the primary energy it has, such as water, which provides competitive, abundant, clean, and local energy resources. The relevant factor for preventing waste of time and resources, whether it be by private companies or public entities in charge of evaluating the projects, is to have a clear understanding of what the country needs in terms of energy.

The decision is everyone's, and as Group, we are and will be part of the solution.

## Added Value

Concerning activities in the distribution sector, the actions for the 2014-2018 period will focus on new connections, development and growth in the portfolio of added value products, improvement of service quality, reduction of losses, and increase in efficiency.

In order to meet these goals, we will acquire from 400,000 to 500,000 new clients a year. In other words, by the end of 2018, the Group should have over 2 million new clients, for a total client base of 16 million clients in the six concession areas where we are operating (Buenos Aires, part of the State of Río de Janeiro, Fortaleza, Santiago, Bogota, and Lima) in the region.

We will also work to increase the contribution margin, reduce the equivalent downtime of the installed power (TIEPI, by its Spanish acronym), with a special focus on Brazil regarding loss reduction, and a reduction of 6% in cash-cost (cost per client) by 2018.

We will continue to move forward with innovative ideas in the area of distribution, such as smart cities, electrical mobility, and distributed generation.

This year, our affiliated company Chilectra will inaugurate the first SmartCity in our country at Ciudad Empresarial. Latest generation technologies will be put to the test at Smartcity Santiago, thus enabling users active participation in energy administration, integrating renewable energy sources, and reducing CO2 emissions, with the object of knowing, evaluating, and measuring their impact in order to enable their replication on a greater scale.

Along the same lines, during 2013 we continued to move forward with the SmartCity Búzios project in Río de Janeiro, Brazil, by integrating electrical mobility into this initiative. To this end, an electric taxi, or "aqua taxi", was commissioned, which will be used in research and transportation; electric bicycles for use by the Municipal Guard and for rental at hostels and hotels, in addition to electric cars for use by the project's researchers.

In order to move ahead with all these initiatives, in the five years from 2014-2018, we will invest a total of US\$9.085 billion, US\$3.98 billion of which will be focused on the generation sector, and the remaining US\$5.105 billion on the distribution sector. In Chile, US\$2.483 billion of all investments will be made in the next five years, US\$1.786 billion in generation and US\$697 million in distribution.

## Leadership

I wish to conclude my words with a brief reflection on what it has meant to Chile to abandon hydroelectric development, as opposed to countries such as Brazil, Colombia, or Peru, which have strongly supported this type of development in recent

years, thus generating the necessary conditions for private entities to develop this type of initiative.

From 2006 to 2013, in the central area of the country only, the installed capacity has increased by over 5,800 MW, 78% of which are based on thermal plants. In view of this, the contribution of hydroelectric power to the SIC production mix went from 71% in 2006 to 40% to the end of 2013. The consequence has been a notorious increase in fuel expenses—from an annual disbursement of US\$350 million to US\$2.3 billion.

The foregoing has not only had an impact in terms of a fuel cost increase that we have had to foot as a country, thus reducing competitiveness in the industrial sector, but it has also meant an increase of 40 US\$/MWh in power grid operational costs, whereby the average marginal costs of 29 US\$/ MWh went to 165 US\$/ MWh in the same period due to greater fuel consumption, a factor which has further affected the loss of leadership at the regional level.

Chile has an untapped potential of over 20,000 MW of new hydric capacity, which would contribute a low-cost power base which we are not leveraging because we don't have clear guidelines for developing it.

As a Group, we are fully aware of this and want to be part of the solution to the energy problems and the need for more energy of each of the countries where we operate.

In the recent call for bids among the distribution companies for electric power supply that was conducted in our country, Endesa Chile was one of the two companies that submitted proposals and was awarded 35 of the 50 energy sub-blocks.

This is what we know how to do—provide a safe and reliable electricity service at competitive prices.

But as a country and as a region, we need to be capable of unblocking and speeding up the administrative processing of projects, once again undertaking the development of initiatives with special emphasis on hydroelectric power;

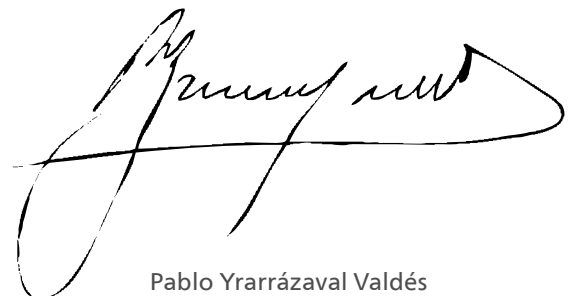
promoting energy efficiency to reduce total costs; recovering environmental institutional procedures, and taking into account the needs of the community and the necessary precautions to preserve the environment in each generation project from its very inception.

Chile used to be at the forefront of power generation in the hemisphere. It wasn't for nothing that it created some of the most solid companies in the sector. Things have changed and times are not what they used to be. But change must not paralyze us. To the contrary, it should drive us to look at things anew, as if it were the first time, but from different angles, and find the solutions to the challenges of the present and the future.

We are not asking for tailor-made playing rules, but rather stable rules that are known and accepted by all sectors and players in the business. We need institutions that are respected by all because of their legal, political, and social legitimacy.

Our commitment toward Chile and each of the countries we operate in is intact.

Best Regards,



Pablo Yrarrázaval Valdés  
Chairman

# Highlights 2013



## JANUARY

**Endesa Chile ranked second in the Corporate Sustainability Index**  
The company ranked second nationally in the Corporate Sustainability Index, according to the digital magazine The Note, of the Capital Magazine, where 110 companies in the country participated

## FEBRUARY

**Edelnor and the Peruvian government electrified Valle del Río Chillón**  
Edelnor and the Peruvian government inaugurated in the Centro Poblado Huertos del Río Seco rural electrification of the communities of Valle de Río Chillón in Lima, works that are co-financed by the Peruvian State and Edelnor. Light reached 42 communities with these works, where 2,500 families of Valle Chillón were benefited.

**Edelnor inaugurates Huarangal Substation**  
Under the framework of complying with the company's Transmission Plan, the new 220/60 kV Transmission Substation (SET, as per its acronym in Spanish) Huarangal, located in the emerging Lima district of Carabayllo and built in a 22 thousand square meter area, becoming a milestone works for Edelnor. Its infrastructure forms part of a comprehensive installed power and reliability increase plan of the electric system in Lima's northern zone, with the objective of servicing increase of demand in residential, commercial and industrial segments.

## MARCH

**Endesa (Spain), Pension Funds and Institutional Shareholders subscribe Enersis capital increase.**  
Endesa (Spain) exercised the overall total of the preferred subscription rights that were assigned by its affiliate Endesa Latinoamérica, through entering a stock subscription contract with Enersis. Such contract accounts for the subscription of 9,967,630,058 ordinary shares corresponding to the capital increase at a value of \$173 per share, which corresponds to a total subscription value of \$1,724,400,000,034. The total subscription value that Endesa (Spain) paid through the transference of the overall total of its company rights in Cono Sur Participaciones, S.L., which were approved as non-monetary goods contribution by Enersis' Extraordinary Shareholders' Meeting held on December 20, 2012.

## APRIL

**Enersis' successful capital increase**  
Enersis' shareholders subscribe an approximate total of US\$6,022 million with a historical result for this type of operations in the local market, placing 100% of available shares for the capital increase. The amount collected, in the largest capital increase carried out in the country to date is broken-down in the following manner: once the preferred option periods concluded in Chile, United States of America and Spain, the company shareholders subscribed a total of 16,284,562,981 shares, corresponding to 99.04% of the total authorized for its issue, adding approximately US\$5,961 million (of these shares, Endesa (Spain), through the contribution of its participations grouped in the Southern Cone, subscribed 9,967,630,058 shares). In turn, the remnant 157,043,316 shares that were left at the end of the preferred option periods, the overall total were placed in an auction in the Santiago Stock Exchange of Santiago, collecting approximately US\$60.6 million, auctioning the overall total packages at \$182.30 per share.

**Coelce ranked second in Service Quality**  
Coelce ranked second in service quality among distributors in the country, according to the ranking disclosed by the Agencia Nacional de Energía Eléctrica (Aneel).



**MAY**

**Positive Effect of Resolution No. 250/2013 in Edesur**

In order to regularize the status of Edesur's credits and liabilities, the Energy Secretary through its resolution No. 250/2013 provided compensation from May 2007 to February 2013 between the MMC accretions not transferred at a determined rate by ENRE, with the PUREE balances that the company retained. In a complementary manner the authority instructed CAMMESA to issue in favor of Edesur the so-called Sales Settlements due a Due Date Pending Definition (LVFVD, Liquidaciones de Ventas con Fecha de Vencimiento a Definir, as per its acronym in Spanish), for the surplus values derived from the aforementioned compensation and authorized CAMMESA to receive these settlements as part payment of the Edesur debts.

**Emgesa receives IR (Investor Relations) seal by the Stock Exchange**

Within the framework of the Fifth Asobolsa (Asociación de Comisionistas de Bolsa de Colombia) annual congress, Emgesa was recognized with the IR (Investor Relations) by the Colombian Stock Exchange. This recognition granted for the first time in Colombia was obtained due to the company's actions to increase its relevant information standards towards investors and the financial community. .

**Fitch Ratings increased Emgesa's international rating**

Fitch Ratings increased Emgesa's international rating from "BBB-" to "BBB" with a stable perspective (local and foreign currency). It also confirmed the AAA risk rating of Emgesa's Long-Term National Rating and of its local bond issues. The decision is based in the company's solid financial performance, robust cash generation and expectation of low and moderate leveraging after the complete start of the commercial operation of El Quimbo.

**JUNE**

**Energis Group kicked-off innovating Teletrabajo (Teleworking) Program in Chile**

Within the framework of their concern and commitment towards the well-being of its workers and in order to improve the quality of life of its collaborators, Energis Group started and innovating project called the Teleworking Program, in order to have 38 employees of their companies in Chile, as a start, to form part this initiative's implementation process.

**JULY**

**Coelce was chosen as the third best distributor in Brazil**  
Coelce was chosen as the best third energy distributor in Brazil and for the eighth consecutive year the best distributor in the Northeast. Ampla is among the 4 best Quality Management companies and went from being ranked 19th to 15th in the 2013 national ranking.

**Punta Alcalde electric transmission line project goes into the environmental assessment process.**

The Atacama Region Environmental Assessment Service (SEA, Servicio de Evaluación Ambiental) accepted for processing the Electric Transmission Project of the Punta Alcalde Substation-Maitencillo Substation, initiative that will allow supplying energy that the Punta Alcalde Power Plant generates to the Central Interconnected System (SIC, Sistema Interconectado Central).

**Eepsa places in commercial operation new thermal plant in Piura**

A new Eepsa-owned 180 MW effective power unit of the Malacas Thermal Power Plant, in Talara was commercially started-up being the first unit that enters into commercial operation as the system's cold reserve. This new plan is dual open cycle and contributes 180 MW of additional energy to the Interconnected National Electric System (SEIN, Sistema Eléctrico Interconectado Nacional as per its acronym in Spanish) in emergency cases. This works is the first cold reserve unit that enters the SEIN and means an extension of the electric generation capacity for the company of its Malacas Thermal Power, in Piura.

## SEPTEMBER

**Placement of Emgesa Bonds**  
Emgesa successfully placed bonds in the Colombian capitals market in September 2013 for a total of US\$294 million at 6 and 12-year terms and at CPI +4.25% and CPI +5% rates, respectively. It received a total demand of 2.2 times the offered value, reaching US\$459 million.

## OCTOBER

**The National Industry Association (Sociedad Nacional de Industrias, SNI, as per its acronym in Spanish) Awards Edegel**  
The SNI granted Edegel the Recognition to Organizations with the Certificate Management System, an award that seeks to empower companies like Edegel to foster other organization in optimizing their processes, in order to promote global competitiveness in Peru.



## AUGUST

**Enersis Group Companies Achieve Certification as Family Responsible Firms**  
The companies of the Enersis Group in Chile achieved certification as Family Responsible Firms under the efr I 1000 - 1 Edition 3 Standard, achievement that ratifies the maturity and robustness reached in this matter by the Group in our country.

**Enersis, Fundación Integra and Desafío inaugurated nursery schools built in the Biobío Region**  
The facilities benefited were the Los Angeles Millantú Nursery School and the San Miguel de Pemuco Nursery School, providing a totally equipped installation to 64 children. Both nursery schools suffered severe damages due to the February 27, 2010 earthquake.

**Chilectra and Endesa Chile are awarded in the RSE Prohumana Ranking**  
Consolidating a leadership position, the Enersis Group companies, Chilectra and Endesa Chile, ranked second and tenth, respectively, in the 9th RSE 2013 ranking organized by the Prohumana Foundation and the magazine Qué Pasa, a distinction that highlights the best companies in matters pertaining to Corporate Social Responsibility.

**Endesa Chile turned to the Supreme Court due to the Court of Appeals' sentence on Punta Alcalde**  
After analyzing Santiago's Court of Appeals sentences, which left without effect Agreement No. 17/2012 adopted by the Ministers' Committee, through which it approved the Punta Alcalde Project, Endesa Chile decided to appeal before the Supreme Court, and thus, seeks to ratify the decision taken by the Ministers' Committee.

**Supérate (Excel Yourself) Award**  
Enersis Group and Qué Pasa magazine distinguished schools that showed the best progress in the Simce Reading and Mathematics Exams taken by Eight Graders in 2000 and 2011. The analysis, given nationally, involved 5,800 school facilities. The objective of the Supérate Awards is to underscore the task of hundreds of teachers that have worked so that their students have better academic performances. They are schools that might never be in the best schools official rankings, but that have made significant efforts to improve the quality of education.

**Ampla Launches Electric Mobility in Buzios**  
In September Ampla launched electric mobility in Búzios, unit that forms part of the Smart City Búzios project. At the time an electric vessel was presented that will be used in the research and transportation, electric bicycles to be used by the Municipal Guard and that will be leased in hostels and hotels, in addition to the electric cars that the project researchers will use.

**Enersis ends simplified company structure within the capital increase framework.**  
Once the simplified company structure is closed the capital increase approved on December 20, 2012 by the Enersis Extraordinary Shareholders' Meeting, the company acquired the company participations of its affiliate Inversiones Sudamérica Ltda., producing consequentially the termination of the last mentioned company. Thus, Enersis acquired company participations that Endesa Spain contributed as payment of capital increase shares, becoming the direct title holder of the contributed company shares, a fact that was legally effective starting last October 1. Inversiones Sudamérica Ltda., had previously absorbed, during last July, the company Cono Sur, company that originally grouped the company contributions that Endesa Spain provided within the framework of the capital increase operation.

### Endesa Costanera Capital Increase

Endesa Costanera's Shareholders' Meeting on April 5 resolved to increase its corporate capital for an amount of up to 555 million Argentinean Pesos and, consequently, the issue of a total of up to 555 million new registered common shares at a nominal value of one Argentinean Peso and with one right to vote per share. The capital increase operation concluded on November 21.



### NOVEMBER

Ignacio Antoñanzas is elected as "2013 International CEO of the Year" by Latin Trade Group. Ignacio Antoñanzas, Enersis General Manager received the award as 2013 International CEO of the Year, for "leading the noticeable expansion of one of the largest private electricity multinationals in Latin America", according to what Latin Trade Group specified. Starting from 2005 to 2012, the Enersis Group EBITDA went from US\$2,277 million to US\$4,075 million, showing growth of 79%, almost tripling electric demand growth. The award was granted by the Latin Trade business publication (distributed in the United States and Latin America) jointly with the Inter-American Development Bank.

**The first Salaco Chain optimizing unit starts operating**  
One of the most relevant milestones of the Salaco Project in November was the formal commercial start-up of Unit 2 of the Colegio Power Plant (50 MW) in the Colombian National Interconnected System (Sistema Interconectado Nacional de Colombia).

**Chilectra among the best companies to work in Chile**  
Chilectra was ranked 35th among the best companies to work in the country in the Award of the Eighth Ranking Great Place to Work, jointly with the El Mercurio newspaper.

**Ventanilla Thermal Power Plant obtains the AENOR certification**  
Ventanilla Thermal Power Plant has obtained the certification of reducing close to 2.5 TCO<sub>2e</sub> by the Spanish Association of Normalization and Certification (AENOR, Asociación Española de Normalización y Certificación) within the framework of its project Clean Development Mechanism (MDL, Mecanismo de Desarrollo Limpio), associated to the Kyoto Protocol and that is registered in the TÜV Blue Registry. On completing this last step Edegel will formally enter the Voluntary Carbon Market.

**Enersis, Fundación Integra and Desafío inaugurate first Nursery School rebuilt in the Renca District**  
In a ceremony with the presence of authorized officials, social players, government authorities of the District of Renca and representatives of the Enersis Group, the Papelucho nursery school was inaugurated the first of three educational facilities that Fundación Integra will build in the Metropolitan Region after the earthquake that affected the central-southern zone of the country in February 2010, thanks to the contribution made by Fundación Endesa.

**Endesa Chile is awarded the supply bid for regulated clients**  
The company was awarded 3,500 GWh/year in order to guarantee supply to regulated clients in the Central Interconnected System (SIC, Sistema Interconectado Central), for the December 2013 to December 2024 period. The price offered was of US\$129,035/MWh.

### DECEMBER

**Emgesa is recognized in matter relating to Sustainability**  
Emgesa received a special acknowledgment in the 2013 Bibo Awards, due to its environmental commitment, preserving and restoring forests, preserving water resources and seeking alternatives to achieve energy efficiency in the country.

**El Quimbo Project shows 57% progress**  
During 2013 a significant effort was made in the execution of the El Quimbo Hydroelectric Project in Colombia, reaching 57% progress in its execution at the 2013 closing.

**Bocamina Second Unit Thermal Electric Power Plant Optimization goes into environmental EIA processing**  
Due to the engineering studies carried out starting 2008 and from a machine performance analysis the design of the Second Unit was optimized, which allow improving its functioning in environmental and security of supply terms, without modifying the approved project's essential characteristics allowing, in turn, to increase power in 20 MW.

**Enersis wins award "Deal of the Year" in the "Equity Follow-on" category due to capital increase**  
Enersis formed part of the select group of only three Chilean institutions that were acknowledged within a total of 24 categories. The award is under the framework of the most important operations carried out by companies, due to the issue of sovereign bonds and government financing of private financial institutions in Latin America and in the Caribbean, between October 1, 2012 and September 30, 2013. The selection process took into account the offers' market importance or strategic relevance, as well as the way in which each one of the operations were structured and executed. The award ceremony of the "2013 Deals of the Year Awards" was carried out in a Gala Dinner at Gotham Hall, in New York City in January 2014 and was granted by the prestigious financial magazine LatinFinance.

**Enersis surpassed 14 million electric energy distribution clients in South America**  
This figure meant an increase of 3.5% in reference to the 13.9 million of December 2012 or the equivalent of 492 thousand new clients, confirming the company as a leader in the private South American sector.



Main financial  
and operating  
indicators



As of December 31 of each year (figure in million nominal Pesos)

	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012	2013
<b>Total Assets</b>	<b>13,781,177</b>	<b>13,210,140</b>	<b>13,005,845</b>	<b>13,733,871</b>	<b>13,317,834</b>	<b>15,177,664</b>
<b>Total Liabilities</b>	<b>7,752,045</b>	<b>6,833,137</b>	<b>6,491,817</b>	<b>6,837,717</b>	<b>6,354,065</b>	<b>6,670,199</b>
Operating Revenue	6,579,945	6,472,056	6,563,581	6,534,880	6,577,667	6,264,446
<b>EBITDA</b>	<b>2,301,714</b>	<b>2,467,101</b>	<b>2,261,691</b>	<b>2,127,368</b>	<b>1,982,924</b>	<b>2,251,489</b>
Net Income <sup>(2)</sup>	507,590	660,231	486,227	375,471	377,351	658,514
Liquidity Ratio	1.09	1.17	0.97	1.03	0.99	1.31
Debt coefficient <sup>(3)</sup>	1.29	1.07	1	0.99	0.91	0.78

As of December 31 of each year

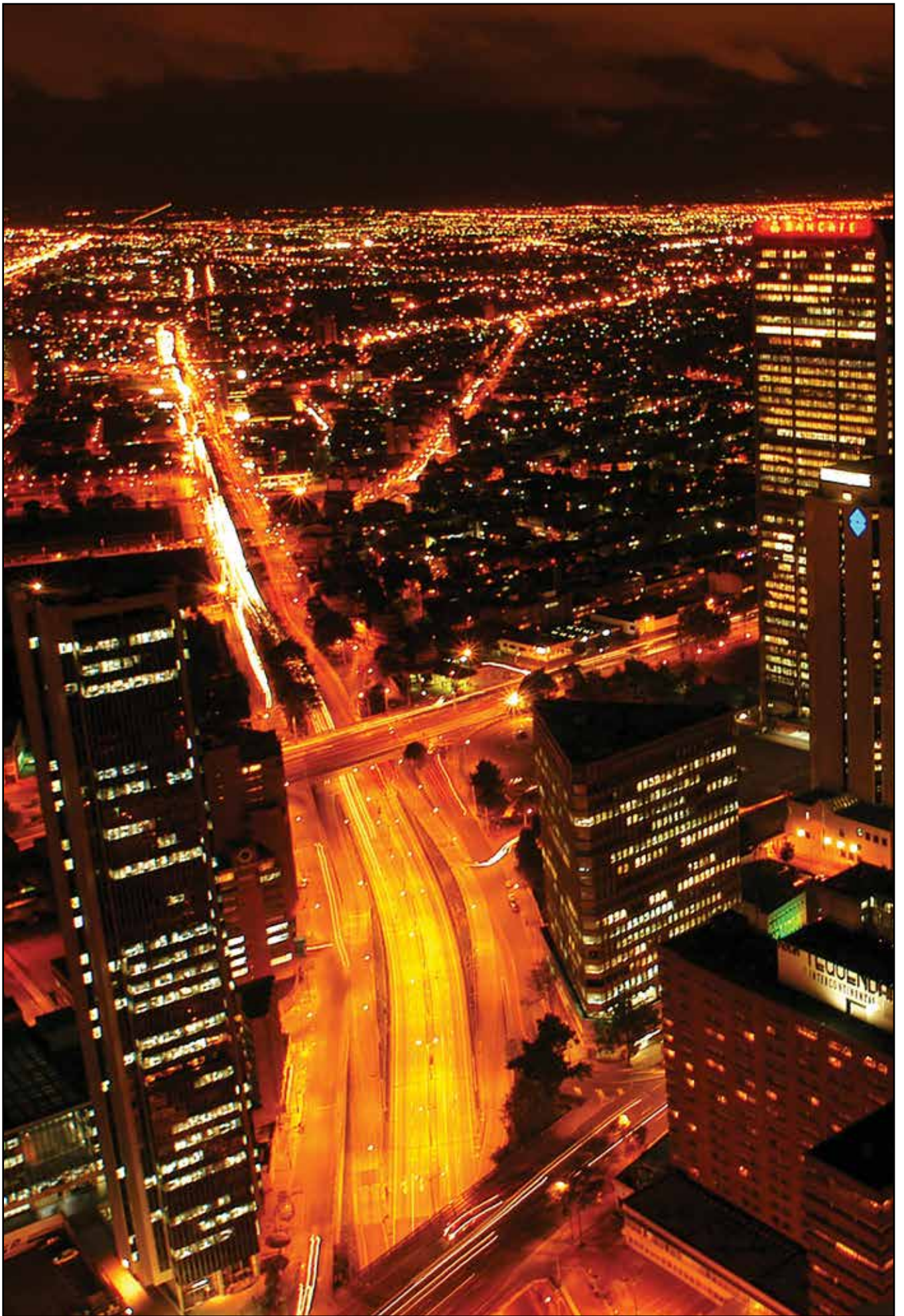
<b>GENERATION BUSINESS</b>	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012	2013
<b>ARGENTINA</b>						
Number of employees	325	332	426	473	501	628
Number of generation units	20	20	20	20	20	25
Installed capacity (MW)	3,652	3,652	3,652	3,652	3,652	4,522
Electricity generated(GWh)	10,480	11,955	10,940	10,801	11,289	14,422
Sales of electricity (GWh)	11,098	12,405	11,378	11,381	11,852	16,549
<b>BRAZIL</b>						
Number of employees	193	200	193	202	202	205
Number of generation units	13	13	13	13	13	13
Installed capacity (MW)	987	987	987	987	987	987
Electricity generated(GWh)	3,379	3,319	5,095	4,155	5,177	4,992
Sales of electricity (GWh)	7,093	6,869	6,790	6,828	7,291	6,826
<b>CHILE</b>						
Number of employees	1,123	1,172	607	1,081	1,141	1,141
Number of generation units	65	110	107	107	111	105
Installed capacity (MW)	5,283	5,650	5,611	5,611	5,961	5,571
Electricity generated(GWh)	21,267	22,239	20,914	20,722	20,194	19,432
Sales of electricity (GWh)	21,532	22,327	21,847	22,070	21,277	20,406
<b>COLOMBIA</b>						
Number of employees	404	415	444	498	517	563
Number of generation units	29	29	30	30	30	29
Installed capacity (MW)	2,895	2,895	2,914	2,914	2,914	2,925
Electricity generated(GWh)	12,905	12,674	11,283	12,090	13,294	12,748
Sales of electricity (GWh)	16,368	16,806	14,817	15,112	16,304	16,090
<b>PERU</b>						
Number of employees	219	224	244	247	263	316
Number of generation units	24	25	25	25	25	27
Installed capacity (MW)	1,467	1,667	1,668	1,668	1,657	1,842
Electricity generated(GWh)	8,102	8,163	8,466	9,153	8,740	8,489
Sales of electricity (GWh)	8,461	8,321	8,598	9,450	9,587	9,497
<b>TOTAL</b>						
Number of employees	2,264	2,343	1,914	2,501	2,624	2,853
Number of generation units	151	197	195	195	199	199
Installed capacity (MW)	14,284	14,851	14,832	14,832	15,171	15,847
Electricity generated (GWh)	56,133	58,350	56,698	56,921	58,694	60,083
Sales of electricity (GWh)	64,552	66,728	63,430	64,841	66,311	69,368

As of December 31 of each year						
DISTRIBUTION BUSINESS	2008 <sup>(2)</sup>	2009 <sup>(2)</sup>	2010 <sup>(2)</sup>	2011 <sup>(2)</sup>	2012	2013
<b>ARGENTINA</b>						
Sales of electricity (GWh)	16,160	16,026	16,759	17,233	17,338	18,137
Number of Customers	2,262,231	2,305,060	2,352,720	2,388,605	2,388,675	2,444,013
Energy losses	10.60%	10.50%	10.50%	10.50%	10.6%	10.80%
Number of employees	2,590	2,628	2,627	2,849	2,948	3,320
Customers / employees	873	877	896	838	810	736
<b>BRAZIL</b>						
Sales of electricity (GWh)	16,689	17,253	18,777	19,193	20,694	21,767
Number of Customers	5,308,306	5,487,066	5,665,195	5,867,888	6,050,522	6,301,582
Energy losses	16.40%	16.80%	16.80%	16.20%	16.30%	16.10%
Number of employees	2,576	2,533	2,484	2,496	2,382	2,370
Customers / employees	2,061	2,166	2,281	2,351	2,540	2,659
<b>CHILE</b>						
Sales of electricity (GWh)	12,535	12,585	13,098	13,697	14,445	15,152
Number of Customers	1,533,866	1,579,069	1,609,652	1,637,977	1,658,637	1,693,947
Energy losses	5.90%	6.10%	5.80%	5.50%	5.40%	5.30%
Number of employees	717	731	719	712	734	745
Customers / employees	2,139	2,160	2,239	2,301	2,260	2,274
<b>COLOMBIA</b>						
Sales of electricity (GWh)	11,822	12,114	12,515	12,857	13,364	13,342
Number of Customers	2,284,855	2,473,747	2,546,559	2,616,909	2,712,987	2,686,919
Energy losses	8.10%	8.40%	8.50%	8.10%	7.50%	7.00%
Number of employees	932	1,017	1,083	1,101	1,127	1,036
Customers / employees	2,452	2,432	2,351	2,377	2,407	2,594
<b>PERU</b>						
Sales of electricity (GWh)	5,599	5,716	6,126	6,572	6,863	7,045
Number of Customers	1,027,750	1,060,508	1,097,533	1,144,034	1,203,061	1,254,624
Energy losses	8.20%	8.10%	8.30%	8.20%	8.20%	7.90%
Number of employees	571	595	553	550	607	616
Customers / employees	1,800	1,782	1,985	2,080	1,982	2,037
<b>TOTAL</b>						
Sales of electricity (GWh)	62,805	63,694	67,275	69,552	72,704	75,443
Number of Customers	12,417,008	12,905,450	13,271,659	13,655,413	14,013,882	14,381,085
Energy losses	9.84%	9.98%	9.98%	9.70%	9.35%	9.42%
Number of employees	7,386	7,504	7,466	7,708	7,798	8,087
Customers / employees	1,865	1,883	1,950	1,989	2,000	2,060

(1) IFRS accounting figures. Until 2008, the annual financial statements were prepared in accordance with accounting principles generally accepted in Chile. Since 2009; the financial statements have been prepared in accordance with International Financial Reporting Standards, also presenting the 2008 financial statements under this new accounting standard. Due to this change, companies of joint control in which Enersis has participation, are consolidated according to the proportion Enersis represents of its social capital, therefore the figures in 2008, 2009, 2010, 2011 and 2012 include the percentage of power generation, energy sales and employees of these companies.

(2) For 2008, 2009, 2010, 2011, and 2012 it is net profit attributable to parent company

(3) Total Liabilities/Equity plus Minority Interest.





Identification  
of the  
company and  
documents of  
incorporation

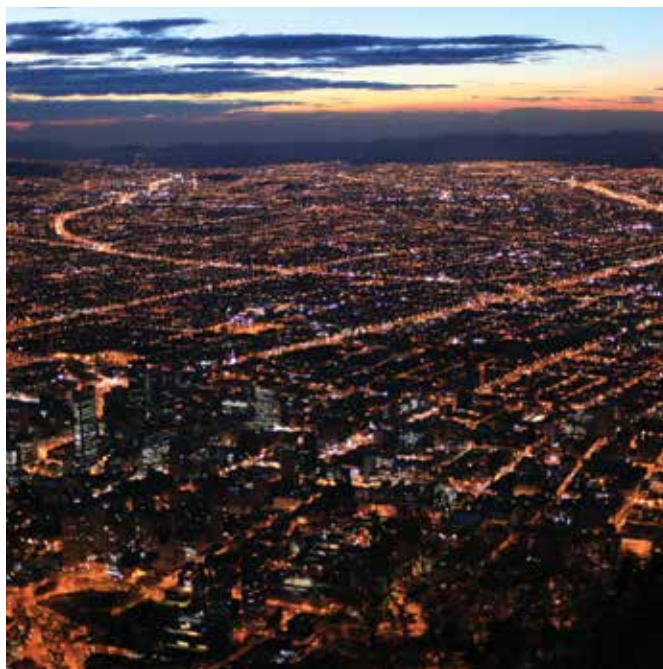
## Identification of the Company

Name	Enersis S.A.
Address	Santiago, although able to establish branches or agencies in other parts of the country or abroad
Type of Company	Publicly traded company
Tax ID	94,271,000 – 3
Address	Santa Rosa N° 76, Santiago, Chile
Telephone	(56-2) 2353 4400 - (56-2) 2378 4400
Fax	(56-2) 2378 4788
P.O. Box	1557, Santiago
Web site	www.enersis.cl
Email	informaciones@enersis.cl
Securities Registration number	N°175
External Auditors	Ernst & Young
Subscribed and paid-in capital (M\$)	5,669,280,725
Ticker in Chilean stock exchanges	ENERSIS
Ticker in New York stock exchange	ENI
Ticker in Madrid stock exchange	XENI
Custodial Bank ADR's	Banco Santander Chile
Depository Bank ADR's	Citibank N.A.
Latibex custodial bank	Banco Santander
Latibex link	Santander Central Hispano Investment S.A.
Domestic Risk Rating Agency	Feller Rate and Fitch Ratings
International Risk Rating Agency	Fitch Ratings, Moody's and Standard & Poor's

# Documents of Incorporation

The company that gave rise to Enersis S.A. was formed initially with the name Compañía Chilena Metropolitana de Distribucion Electrica S.A. by public deed dated June 19, 1981 granted by the notary Patricio Zaldívar Mackenna in Santiago, and was modified by public deed dated July 13 the same year before the same notary. The company's incorporation was authorized and its bylaws approved by Resolution 409-S of July 17, 1981 of the Securities and Insurance Commission (SVS). The extract of the incorporation authorization and approval of the bylaws was registered in the Santiago Trade Registry on page 13,099 N°7,269 for year 1981, and were published in the Official Gazette of July 23, 1981. The bylaws of Enersis have since undergone a number of modifications.

On August 1, 1988, the company's name was changed to Enersis S.A. The latest modification is that set out in public deed dated December 28, 2012, certified by the Santiago notary Iván Torrealba Acevedo, whose extract was registered in the Santiago Trade Register for 2013, page 3,562, N°2,344 and published in the Official Gazette on January 11, 2013.



## Corporate Purpose

The company's objectives are to explore, develop, operate, generate, distribute, transmit, transform and/or sell energy in any of its forms or nature, in the country or abroad, directly or through other companies, and also telecommunications activities and the provision of engineering consultancy within the country and abroad. It may also invest and manage its subsidiaries and associate companies, whether generators, transmitters, distributors or traders of electricity or whose business is any of the following: (i) energy, in any of its forms or nature, (ii) the supply of public utilities or whose main raw material is energy, (iii) telecommunications and information technology, and (iv) trading over internet.



In complying with its main objects, the company will carry out the following functions: a) promote, organize, build, modify, dissolve or liquidate companies of any nature which have similar corporate objects to its own; b) propose investment, financing and business policies to subsidiary companies, as well as accounting criteria and systems that these should follow; c) supervise subsidiary management; d) provide subsidiary or associate companies with the necessary financing for their business development and provide management services; financial, technical, legal and auditing advice; and in general any type of service that appears necessary for their best performance.



In addition to its main objects and always acting within the limits established by the Investment and Financing Policy approved by the shareholders meeting, the Company may invest in: i) the acquisition, operation, construction, rental, administration, intermediation, trading and disposal of all kinds of movable and immovable assets, either directly or through subsidiaries or associate companies; ii) all kinds of financial assets, including shares, bonds and debentures, commercial paper and in general all kinds of titles or securities and company contributions, either directly or through subsidiaries or associate companies.





## Ownership structure

The company capital is divided into en 49,092,772,762 shares of no par value and of the same sole series.

As of December 31, 2013, all shares were subscribed and paid, and distributed in the following manner:

Shareholder	Number of shares	Participation
Endesa Latinoamérica S.A.	19,794,583,473	40.32%
Endesa (España) S.A.	9,967,630,058	20.30%
Pension funds	6,291,916,133	12.82%
ADR'S (Citibank N,A, according to circular N°1,375 of the SVS)	5,260,330,500	10.72%
Stock brokers, insurance companies, mutual funds	2,829,716,846	5.76%
Foreign Investment Funds	2,161,679,190	4.40%
Banco de Chile on behalf of third parties	1,654,861,817	3.37%
Other shareholders	1,132,054,745	2.31%
<b>Total Shares</b>	<b>49,092,772,762</b>	<b>100.00%</b>

# Controllers

According to Chapter XV of Law 18,045, the direct controller of the Company is Endesa Latinoamérica S.A., a Spanish corporation that holds 60.62% of Enersis.

Endesa Latinoamérica S.A., in turn is controlled 100% by ENDESA, S.A., a corporation located in the Kingdom of Spain and whose main shareholders as of December 31, 2012, and according to the CNMV (Spanish National Securities Market Commission) are: ENEL ENERGY EUROPE S.L. with a 92.063% shareholding (ENEL ENERGY EUROPE S.L) which in turn is controlled 100% by ENEL S.p.A. The free float of ENDESA S.A. as of December 31, 2012 was 7.937%.

## The twelve largest shareholders of the Company

As of December 31, 2013, Enersis had 7,200 shareholders. The twelve largest were:

Name	ID	Number of shares	Participation
Endesa Latinoamérica S.A.	59,072,610-9	19,794,583,473	40.32%
Endesa S.A. (Endesa Spain)	59,066,580-0	9,967,630,058	20.30%
Citibank N.A. (according to circular N°1,375 of the SVS)	59,135,290-3	5,260,330,500	10.72%
AFP Provida S.A.	98,000,400-7	1,770,756,659	3.61%
Banco de Chile (on behalf of third parties)	97,004,000-5	1,654,861,817	3.37%
AFP Habitat S.A.	98,000,100-8	1,645,665,591	3.35%
AFP Capital S.A.	98,000,000-1	1,329,819,976	2.71%
AFP Cuprum S.A.	98,001,000-7	1,287,690,305	2.62%
Banco Itaú (on behalf of investors)	76,645,030-K	1,241,226,075	2.53%
Banco Santander (on behalf of foreign investors)	97,036,000-K	840,379,612	1.71%
Bolsa Electrónica de Chile Bolsa de Valores	96,551,730-8	317,045,355	0.65%
Banchile Corredores de Bolsa S.A.	96,571,220-8	297,494,819	0.61%
Sub total 12 shareholders		45,407,484,240	92.49%
Other 7,188 shareholders		3,685,288,522	7.51%
<b>TOTAL 7,200 SHAREHOLDERS</b>		<b>49,092,772,762</b>	<b>100%</b>

## Most important changes in ownership

The most important changes in the ownership of Enersis during 2013 were:

Name	ID	DV	N° of shares as of 31/12/2012	N° of shares as of 31/12/2013	Change in number of shares
Endesa S.A. (Endesa España)	59,066,580	0	0	9,967,630,058	9,967,630,058
Citibank N.A. (according to circular N°1,375 of SVS)	59,135,290	3	3,694,698,650	5,260,330,500	1,565,631,850
AFP Provida S.A.	98,000,400	7	1,304,042,640	1,770,756,659	466,714,019
Banco de Chile on behalf of non-resident third parties	97,004,000	5	977,171,885	1,654,861,817	677,689,932
AFP Habitat S.A.	98,000,100	8	1,122,471,041	1,645,665,591	523,194,550
AFP Capital S.A.	98,000,000	1	911,634,819	1,329,819,976	418,185,157
AFP Cuprum S.A.	98,001,000	7	930,517,958	1,287,690,305	357,172,347
Banco Itau on behalf of investors	76,645,030	K	642,734,035	1,241,226,075	598,492,040
Banco Santander on behalf of foreign investors	97,036,000	K	482,166,494	840,379,612	358,213,118
Bolsa Electrónica de Chile Bolsa de Valores	96,551,730	8	153,599,086	317,045,355	163,446,269
Banchile C. de B. S.A.	96,571,220	8	288,428,936	297,494,819	9,065,883
BTG Pactual Chile S.A. C. de B.	84,177,300	4	123,245,391	288,008,500	164,763,109
Larrain Vial S.A. Corredora de Bolsa	80,537,000	9	155,098,236	220,774,080	65,675,844
Bolsa de Comercio de Santiago Bolsa de Valores	90,249,000	0	157,245,378	84,130,412	-73,114,966

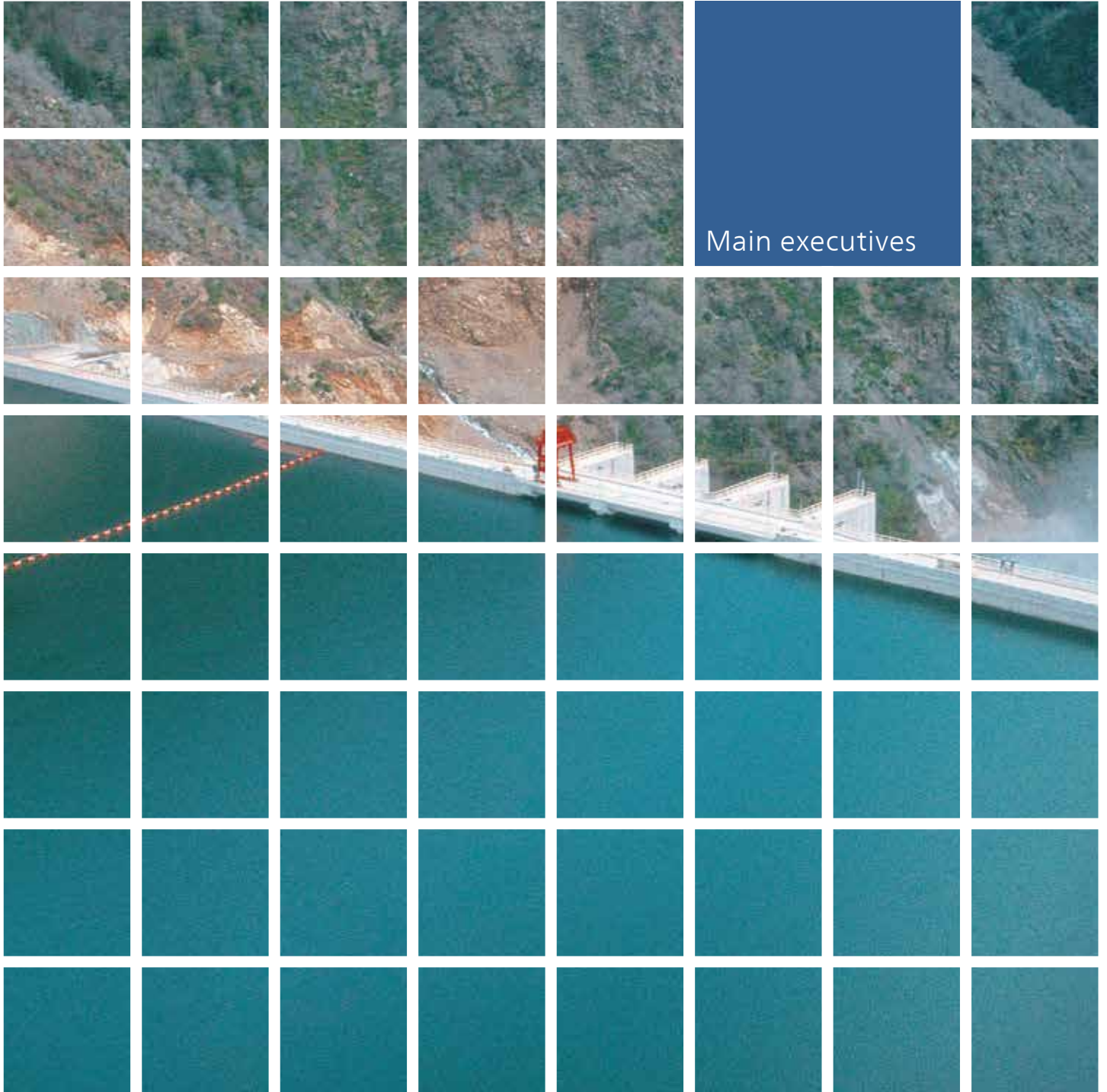
# Stock Exchange transactions by related parties

Shareholder	TAX ID	Buyer/ Seller	Date of transaction	Number of Shares Traded	Unit price of transaction (Pesos)	Total transaction amount (Pesos)	Purpose of the Transaction	Relation to the Company
Inversiones Santa Veronica Ltda.	79,880,230-5	Comprador	11-04-2012	1,000,000	197.34	197,340,000	Financial Investment	Related to Hernán Somerville Senn Enersis Director
Jean Paul Zalaquett	8,668,933-2	Vendedor	14-12-2012	1,530	172.00	263,160	Financial Investment	Sustainability Director in Chilectra
Beatriz García Huidobro	6,981,877-3	Vendedor	15-01-2013	2,425	176.00	426,800	Financial Investment	Related to Francisco Silva Bafalluy Enersis Manager
Endesa, S.A.	59,066,580-0	SVPE	21-03-2013	9,967,630,058	173.00	1,724,400,000,034	In kind contribution	Controller
Pablo Yrarrázaval Valdés	5,710,967-K	SVPE	25-03-2013	274,075	173.00	47,414,975	Financial Investment	Chairman of the Board of Directors
María Elena Yrarrázaval Valdés	5,710,932-7	SVPE	25-03-2013	274,075	173.00	47,414,975	Financial Investment	Related to Chairman of the Board of Directors
Santana S.A.	90,856,000-0	SVPE	26-03-2013	2,407,457	173.00	416,490,061	Financial Investment	Related to Enersis Director L. Vial
Agrícola e Inversiones La Viña S.A.	88,462,100-3	SVPE	26-03-2013	1,249	173.00	216,077	Financial Investment	Related to Enersis Director L. Vial
Inversiones Marpel Ltda.	78,171,230-2	SVPE	26-03-2013	505,490	173.00	8,744,770	Financial Investment	Related to Chairman of the Board of Directors
Rentas ST Ltda.	76,256,627-3	SVPE	26-03-2013	10,000,000	173.00	1,730,000,000	Financial Investment	Related to Enersis Director L. Vial
Leonidas Vial Echeverría	5,719,922-9	SVPE	26-03-2013	1,187	173.00	205,351	Financial Investment	Enersis Director
Marcos Cruz Sanhueza	10,702,983-4	Comprador	30-05-2013	480,000	167.26	80,283,200	Financial Investment	Tax Advisor
Marcos Cruz Sanhueza	10,702,983-4	Comprador	05-06-2013	890,000	167.91	149,441,400	Financial Investment	Tax Advisor
Marcos Cruz Sanhueza	10,702,983-4	Comprador	17-06-2013	310,000	160.73	49,824,900	Financial Investment	Tax Advisor
Marcos Cruz Sanhueza	10,702,983-4	Comprador	24-06-2013	27,000	148.00	3,996,000	Financial Investment	Tax Advisor
Marcos Cruz Sanhueza	10,702,983-4	Vendedor	08-07-2013	1,312,179	157.00	206,012,103	Financial Investment	Tax Advisor
Marcos Cruz Sanhueza	10,702,983-4	Comprador	08-07-2013	1,312,179	161.59	212,035,005	Financial Investment	Tax Advisor
Marcos Cruz Sanhueza	10,702,983-4	Vendedor	03-01-2014	1,371,369	158.00	216,676,302	Financial Investment	Tax Advisor
Marcos Cruz Sanhueza	10,702,983-4	Comprador	03-01-2014	1,371,369	162.08	222,266,002	v	Tax Advisor

(\*) First emission values subscription (SVPE for its spanish acronym)

## Summary of Director's Committee and shareholders comments and proposals

Enersis did not receive any comments or proposals on the progress of the business during 2013 from the Directors Committee or shareholders representing or holding 10% or more of the issued shares with voting rights, in accordance with the provisions of Article 74 of Law 18,046 and Articles 82 and 83 of the Corporations Law.



# Board of Directors

## 1. CHAIRMAN

**Pablo Yrarrázaval Valdés**

Chairman of the Santiago

Stock Exchange

Tax ID: 5,710,967-K

Since 26.07.2002

## 2. VICE CHAIRMAN

**Borja Prado Eulate**

Chairman of Endesa (Spain)

Law studies

Universidad Autónoma de Madrid

Passport: AAC809697

Since 16.04.2013

## 3. DIRECTOR

**Andrea Brentan**

Civil Mechanic Engineer

Politécnico di Milano

Máster en Ciencias Aplicadas

Universidad de Nueva York

Passport: YA0688158

Since 29.07.2009

## 4. DIRECTOR

**Luigi Ferraris**

Licensed in Economics and Commerce

Universidad de Génova

Passport: YA2600789

Since 16.04.13

## 5. DIRECTOR

**Hernán Somerville Senn**

Lawyer

Universidad de Chile

Máster of Comparative

Jurisprudence

Universidad de New York

Tax ID: 4,132,185-7

Since 29.07.1999

## 6. DIRECTOR

**Leonidas Vial Echeverría**

Vice Chairman of the Santiago

Stock Exchange

Tax ID: 5,719,922-9

Since 22.04.2010

## 7. DIRECTOR

**Rafael Fernández Morandé**

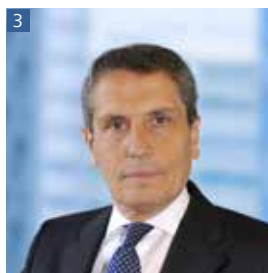
Civil Industrial Engineer

Pontificia Universidad Católica

de Chile

Tax ID: 6,429,250-1

Since 22.04.2010



SECRETARY TO BOARD OF DIRECTORS

**Domingo Valdés Prieto**

Lawyer

Universidad de Chile and

Máster of Laws University of

Chicago

Tax ID: 6,973,465-0

Since 30.04.1999

Enersis is managed by a Board of Directors formed by seven members, which remain in office for a three-year period, who can be re-elected. The Board of Directors was elected in a Regular Shareholders' Meeting dated April 16, 2013.

## Board of Directors' and Directors' Committee Fees

As per what is established in Article 33 of Law No. 18,046 on Closely-Held Stock Companies, the Regular Shareholders Meeting held on April 16, 2013 agreed on the fee to be paid to the Board of Directors and Directors' Committee for the 2013 accounting period.

The Board of Directors' fee consists on the payment of an annual variable wage equal to one per thousand of the net profits obtained in the accounting period. It was determined to pay as an advance one monthly fee, part at all events and a variable part, attributable to the referred to annual variable wage.

The Directors' Committee fee consists on an annual variable fee equal to one point eleven thousand seven-hundred and sixty-five per thousand of the net profits achieved during the accounting period. It was determined to pay as an advance one monthly fee, part at all events and a variable part, attributable to the referred to annual variable wage.

Total expenses due to fees during 2013 were of \$409,854.602 and are detailed in the following table. The Board of Directors did not incur in expenses for external consulting services.

### 2013

Amounts in Ch\$ Name	Position	Fixed remuneration	Ordinary and extraordinary sessions	Committee fixed remuneration	Committee Ordinary and extraordinary sessions	Variable remuneration	TOTAL 2013
Pablo Yarrázaval	Chairman	55,759,468	54,563,615	-	-	-	110,323,083
Borja Prado Eulate	Vice Chairman	29,700,991	22,822,191	-	-	-	52,523,182
Hernán Somerville	Director	27,879,734	25,758,205	10,489,405	5,786,397	-	69,913,741
Leonidas Vial	Director	27,879,734	22,718,701	10,489,405	5,369,050	-	66,456,890
Rafael Fernández	Director	27,879,734	27,281,808	10,489,405	6,201,925	-	71,852,871
Andrea Brentan <sup>(2)</sup>	Director	-	-	-	-	-	-
Luigi Ferraris <sup>(2)</sup>	Director	-	-	-	-	-	-
Rafael Miranda <sup>(1)</sup>	Director	8,079,073	10,559,674	-	-	-	18,638,747
Eugenio Tironi <sup>(1)</sup>	Director	8,079,073	12,067,014	-	-	-	20,146,087
<b>Total</b>		<b>185,257,807</b>	<b>175,771,207</b>	<b>31,468,215</b>	<b>17,357,372</b>	<b>-</b>	<b>409,854,602</b>

#### NOTES:

(1) Mr. Rafael Miranda and Mr. Eugenio Tironi, held the position of Directors of the Board until April 16, 2013

(2) Mr. Andrea Brentan and Mr. Luigi Ferraris waived their compensation as members of the Board of Directors of the Company.

### 2012

Amounts in Ch\$ Name	Position	Fixed remuneration	Ordinary and extraordinary sessions	Committee fixed remuneration	Committee Ordinary and extraordinary sessions	Variable remuneration	TOTAL 2012
Pablo Yarrázaval	Chairman	54,838,518	65,815,603	-	-	12,323,000	132,977,120
Andrea Brentan <sup>(1)</sup>	Vice chairman	-	-	-	-	-	-
Hernán Somerville	Director	27,419,259	33,721,624	10,316,157	8,569,913	7,607,000	87,633,953
Eugenio Tironi	Director	27,419,259	32,907,801	-	-	6,161,000	66,488,060
Leonidas Vial	Director	27,419,259	33,314,463	10,316,157	8,162,621	7,607,000	86,819,499
Rafael Fernández	Director	27,419,259	33,721,624	10,316,157	8,569,913	7,607,000	87,633,953
Rafael Miranda	Director	27,419,259	32,907,801	-	-	6,161,000	66,488,060
<b>Total</b>		<b>191,934,812</b>	<b>232,388,916</b>	<b>30,948,470</b>	<b>25,302,448</b>	<b>47,466,000</b>	<b>528,040,646</b>

#### NOTE:

(1) Mr. Andrea Brentan waived his compensation as member of the Board of Directors of the Company.



## Board of Directors Consulting Expenses

During 2013, the Board of Directors did not make any expenses in consulting services.

## Property over Enersis

As of December 31, 2013, the shareholders' register reflected that 0.002% of the total company shares were on behalf of the Director Pablo Yrarrázaval. The rest of the Directors did not have any ownership in the Company.

## Directors' Committee

In conformance with what is provided for in Article 50 bis of Law No. 18.046 on Closely-Held Stock Companies, Enersis has a Directors' Committee formed by three members, who have the faculties and duties considered in the above Article and the delegates appointed by the Board of Directors that are evident in the Regulation on the Directors' Committee.

In session dated April 16, 2013 the company Board of Directors appointed as members of the Enersis Directors' Committee Hernán Somerville Senn (independent), Rafael Fernández Morandé (independent) and Leonidas Vial Echeverría (independent).

Similarly, the Directors' Committee, in session dated April 29, 2013 appointed Mr. Hernán Somerville Senn President and Domingo Valdés Prieto as its Secretary. In the aforementioned session, the Board of Directors appointed Hernán Somerville Senn as Financial Expert.

In reference to the structure of the 2012 Directors' Committee, in session dated April 23, 2010 the company Board of Directors appointed as members of the Enersis Directors' Committee, Mr. Hernán Somerville Senn (independent), Mr. Rafael Fernández Morandé (independent) and Mr. Leonidas Vial Echeverría (independent).

Similarly, the Directors' Committee, in session dated on the same date appointed Mr. Hernán Somerville Senn as President and Mr. Domingo Valdés Prieto as its Secretary. In the aforementioned session, the Board of Directors appointed Mr. Leonidas Vial Echeverría as Financial Expert. As of January 2012, the Directors' Committee did not register any variations regarding the above structure.

# Annual management report

The Directors' Committee President, Mr. Hernán Somerville Senn stated that according to what is established in Article 50, bis of Law No. 18.046 on Closely-Held Stock Companies (LSA), it corresponds that the Enersis S.A.'s Directors' Committee present the Annual Report and gives account to the company's Regular Shareholders' Meeting regarding its annual management report, underscoring the activities developed by the Committee during the 2013 accounting period, as well as expenses that it has incurred upon, including those of its advisors, during such period. The approval of the following text was proposed to the Committee for its approval:

## Directors' Committee Annual Management Report

As of January 1, 2013 the Enersis Directors' Committee was formed by Hernán Somerville Senn (independent), Leonidas Vial Echeverría (independent) and Rafael Fernández Morandé (independent), being Hernán Somerville Senn its President and Domingo Valdés Prieto its Secretary.

The Directors' Committee has held 15 sessions during 2013, including this session. If nothing is expressed in this report, it is understood that the session is a regular one.

**In its first extraordinary session, dated January 14, 2013,** the Directors' Committee with the favorable vote of all its non-involved members, i.e., with the sole exclusion of Mr. Leonidas Vial Echeverría, who abstained his opinion and voting, concluded that contracting Larraín Vial, for the operation between related parties, as a placement agent, in the context of the capital increase agreed in the Extraordinary Shareholders' Meeting dated December 20, 2012 would contribute to the Enersis company interest and was according to the terms and conditions that prevailed in the market at the time of its approval. Similarly, the Directors' Committee agreed to issue the respective report, to be placed at the Board of Directors' availability, granting its President Mr. Hernán Somerville Senn faculties to do so.

Afterwards the Directors' Committee President, Hernán Somerville Senn, informed the remaining members of such company Committee that the prior week he had received

a visit from the external auditors, Ernst & Young (E&Y), in which they informed him regarding the review made by the Public Company Accounting Oversight Board (PCAOB) of the United States of America regarding the audit that E&Y had performed to the 20-F Enersis S.A. 2011 accounting period. Regarding the matter, the external auditors informed the President and the Finance Manager, Mr. Eduardo Escaffi Johnson that the PCAOB had made three comments. Regarding the matter, the Directors' Committee President underscored that Enersis S.A., in turn, had requested reports in law from Chadbourne & Parke y Carey y Cía. in order to confirm that such objections do not affect the validity of the 2011 accounting period, 20-F, or would delay or would mean a suspension of the Enersis capital increase operation. After a series of questions made to the Finances Manager, which were duly answered, on the risks associated to the topics informed by Ernst & Young in the aforementioned meeting, the Directors' Committee requested that in the next session this issue be treated to determine future actions to be taken.

**In the second mission, held on January 30, 2013,** the Directors' Committee analyzed the situation that had arisen due to the investigation that PCAOB opened against Ernst & Young and, particularly, the implications it could have on the capital increase in process. Regarding the matter, it was recalled that a legal opinion had been requested under the US law and another legal opinion under the Chilean law so that this Committee can form an opinion regarding the situation and adopt the courses of action that were deemed convenient. The Legal Counsel and Secretary of the Directors' Committee, Domingo Valdés Prieto, gave a brief summary regarding the report in law issued dated January 20, 2013 by the New York legal offices of Chadbourne & Parke and the report issued dated January 17, 2013 by the legal offices of Carey y Cía. Such explanation was supplemented by the Finance Manager, Mr. Eduardo Escaffi Johnson. The Directors' Committee, unanimously agreed to: 1. Verify that this situation is adequately revealed by the Company to Davis Polk & Wardwell, legal advisors of the underwriting banks, and that this legal office should inform the underwriting banks; 2. Monitor the evolution of this situation in an on-going manner, requesting for such purpose that the Finance Manager continue informing this Committee on the changes and news that are produced due to the PCAOB investigation and the effects that Ernst & Young can identify regarding the matter; 3. That the Finance Management collect from Ernst & Young all legal, financial and accounting expenses that turn out or could result from the aforementioned situation.



Afterwards, the Directors' Committee, unanimously, and according to what is stated in Article 50 bis No. 1 of Law No. 18.046 on Closely-Held Stock Companies, declared the Company Financial Statements as of December 31, 2012, their Notes, Income Statements and Relevant Facts, as examined as well as the Internal Auditors' Reports and those of the Accounts Inspectors regarding the matter.

In the same session, this entity unanimously agreed to leave evidence the Report on Money Brokers and Bank Drafts had been formally and expressly made known as prepared by the Enersis S.A. External Auditors, Ernst & Young, dated January 30, 2013.

The Directors' Committee, unanimously agreed to leave evidence that it had been formally and expressly recognized knowing of the Enersis S.A. Internal Control Letter, dated January 24, 2013 as prepared by the company external auditors, Messrs. Ernst & Young.

**In its third extraordinary session held on February 15, 2013,** the Directors' Committee, according to what is stated in Section 202 of the Sarbanes Oxley Act and in Article 242, final paragraph of Law No. 18,045 of the Securities Market, the Directors' Committee unanimously agreed to declare that the contracting of the services presented that the external auditor can supply do not commit the technical correctness or the independence of opinion of the external auditing companies and instructed the General Manager so that part of the additional fees to be paid be negotiated as an advance on account of the Annual Audit, given that the work requested is to accelerate a part of the audit.

In this same session, the Directors' Committee, unanimously agreed to approve the presentation of a supplement report to the Enersis 20-F corresponding to the 2011 accounting period, which includes the changes described by the Finance Manager, Mr. Eduardo Escaffi Johnson, in order to register the capital increase in the United States of America, indispensable to carry out a securities offer in international markets, consisting in that both the annual Financial Statements (included in the 2011 20-F) as well as the 2012 third quarter interim financial statements are drafted on comparable basis. Due to the above, it is necessary to supplement the 2011 20-F accounting period, including the Effective Cash Flows Statement drafted with the direct method. Mr. Escaffi explained that these supplementary reports are merely formal and with a scarce relevance and do

not represent any change in the final figures of the previously approved Financial Statements. Such supplementary reports and their contents, as well as the rest of the documentation is in conformance with the Enersis United States external auditors and external attorneys' opinions, Chadbourne and Parke and of the bank attorneys, Davis Polk & Wardwell. Similarly, the Directors' Committee requested that the Finance Manager go on to analyze the consequences of the referred to supplementary information to the 2011 20-F accounting period that could be produced from the local accounting point of view and, particularly, without it demanding any type of analogue supplementary data of the local financial statements. In this same extraordinary session, the Finance Manager, explained that, in conformance with what requested in the last session by the Directors' Committee President, this situation had been presented to Davis Polk & Wardwell, United States legal consulting office of the underwriting banks contracted by Enersis S.A. to carry out the capital increase in process, who agreed with the report issued by Chadbourne & Parke.

**In its fourth session, held on February 28, 2013,** the Directors' Committee unanimously agreed to qualify as reasonable the work of the company's external auditors carried out during the 2012 accounting period, with the previously explained preclusion relative to PCAOB's open investigation against Ernst & Young and to represent such preclusion to Ernst & Young.

The Directors' Committee, unanimously agreed to propose to the Board of Directors so that, in turn, it suggests to the Regular Shareholders' Meeting the companies Feller Rate Clasificadora de Riesgo Limitada and Fitch Chile Clasificadora de Riesgo Limitada as private national risk rating companies and the companies Fitch Ratings, Moody's Investors Services and Standard & Poor's International Ratings Services as private international risk rating companies of Enersis S.A. for the 2013 accounting period.

The Directors' Committee, according to what is stated in Section 202 of the Sarbanes Oxley Act, in Article 242, final paragraph, of Law 18.045 on the Securities Market and in the Regulation of the Directors' Committee, unanimously agreed, to declare that the contracting of services not related to external audit to be provided by the external auditors, presented by Mr. Héctor Escobar Vargas, External Auditors' Coordinator, do not commit the technical correctness or the external auditing companies' independence of opinion.

The Directors' Committee, unanimously, issued its opinion regarding each one of the claims filed through the Ethical Channel, delivering guidelines to be followed for each one of them and confirming what was already resolved by this entity, in that it would correspond to the Directors' Committee President to call to meet in an extraordinary meeting of this body in case that a claim thus justifies in the opinion of the President of the Committee.

The Directors' Committee President, Hernán Somerville Senn, expressed that in the last session of such company entity the Finance Manager, Eduardo Escaffi Johnson, has been requested to analyze jointly with the Accounting Manager, Ángel Chocarro García, eventual consequences, from the local accounting point of view, that could be generated by the supplementary data provided on the 20-F corresponding to the accounting period 2011 in order to submit the F-3 to the Securities and Exchange Commission of the United States of America (SEC) in relation to the current capital increase.

The Directors' Committee unanimously agreed that taking into consideration the answer that Ernst & Young delivered to the Finance Manager, Eduardo Escaffi Johnson, it is resolved not to re-forward the financial statements corresponding to the 2011 accounting period, consequently resulting in an unnecessary result to their exam by this Committee and the Board of Directors' approval and the Shareholders' Meeting. The Directors' Committee, without detriment to the above also unanimously agreed that the Finance Manager obtain the formalization of the answer that Ernst & Young already provided that has been analyzed by the company entity.

**In the accounting period's fifth session, held on March 20, 2013,** the Directors' Committee unanimously agreed to approve the proposal of the Directors' Committee Budget for the 2013 accounting period, according to which it will amount to 10,000 Unidades de Fomento for expenses and functioning of the Directors' Committee and for its advisors. Similarly, the members of the Directors' Committee unanimously resolved to submit the above Directors' Committee budget proposal for the 2013 accounting period, to the Enersis S.A.'s Regular Shareholders' Meeting, in order to have it definitely decide regarding the matter.

In this session the issue of Form 20-F was analyzed taking into consideration that Enersis S.A., in its issuing condition of the ADSs and bonds in the US market had to present such Form, corresponding to the company's financial statements in IFRS, as well as the other related information demanded by

the Securities and Exchange Commission of the United States of America (SEC) to be included in such form. The Finance Manager, Mr. Eduardo Escaffi Johnson stated that, in tune with the alignments derived from the Sarbanes Oxley Act and in order to satisfy the IFRS demands, the drafting of such document has complied with the strict controls foreseen in the respective procedure for their preparation, verification and backing of the information contained therein. To that end, different areas of Enersis S.A. and of its affiliates have participated in such process, all of them under the coordination and supervision of the "Compliance Officer" Mr. Nicolás Billikopf Encina, the Finance Management's Assistant Manager. Similarly, Eduardo Escaffi Johnson underscored that Form 20-F had been reviewed by the local and United States external auditors and by Enersis S.A.'s United States legal advisors, the legal offices of Chadbourne & Parke. The Finance Manager, similarly explained that, according to Section 404 of the Sarbanes Oxley Act, it is required that the annual report of each issuing company include a report on internal control that states management's responsibility in the implementation and maintenance of an adequate structure and internal control procedures for the issuer's financial reporting, as well as the assessment on the effectiveness of the structure and internal control procedures for financial reporting. The Ernst & Young, Rubén associates López y Marek Borowski, gave a presentation regarding the effectiveness of the structure and internal control procedures for the financial reporting of Enersis S.A., as well as regarding Ernst & Young's independence, in their capacity as Enersis S.A.'s external auditors during the 2012 accounting period, stating that there were no material deficiencies and that the Internal Control Procedures were in order. The director, Mr. Rafael Fernández Morandé asked if any checking had been done regarding non-performing debt in the distribution scope, to which Mr. Borowski answered affirmatively and that the exams performed showed reasonable standards. The Committee members were made knowledgeable, due to the above presentation, that Ernst & Young had committed two violations against the PCAOB standards, different from the investigation procedure informed in the session held on January 14, 2013, which is why they asked that the Legal Counsel, Domingo Valdés Prieto request an opinion from the United States legal offices, Chadbourne & Parke regarding such violations and their consequences for the Enersis Group and if it generated any obligation to disclose or file a claim.

The Directors' Committee President, Hernán Somerville Senn, consulted the associates of Ernst & Young regarding

the investigation procedure that PCAOB opened against Ernst & Young that had been informed in January 2013. The Ernst & Young associate, Mr. Rubén López, expressed that they had legal opinions from Chile and the United States that indicated that the investigation lacked basis. The director Rafael Fernández Morandé, expressed that if Ernst & Young received relevant information it had to share it with Enersis S.A. The Directors' Committee, after some additional questions to the Finance Manager, Mr. Eduardo Escaffi Johnson, and to the external auditor, Mr. Marek Borowski and an exchange of opinions among them regarding the matter, unanimously agreed to approve Form 20-F and thus authorize its being filed before the Securities and Exchange Commission of the United States of America (SEC), in order to comply with the standards and requirements derived from such public authority related to the issue of securities in such country.

Similarly, the Directors' Committee unanimously agreed to approve the aforementioned payments corresponding to the fees paid by the companies of the Enersis Group during the 2012 accounting period, to the different external audit companies that it uses as well as authorizing the fees estimate proposed for the 2013 accounting period. However, the Directors' Committee observed that it is indispensable to recover from the external auditors costs associated to the errors committed on presenting these services, reiterating such fact to the Finance Manager, so that he may proceed as instructed.

According to what is established in Article 50 bis of Law No. 18,046 and the Official Writs No. 718/2012 and No. 764/2012 from the Superintendence of Securities and Insurance, the Enersis S.A.'s Directors' Committee must propose the appointment of an external auditors company to the company Board of Directors so that it may suggest a determined company of External Auditors to the Enersis Regular Shareholders' Meeting for the 2013 accounting period.

The General Manager, Ignacio Antoñanzas Alvear went on to inform the members of the aforementioned Committee on the different options of the external audit companies that had been considered, so that the Board of Directors can go on to determine their priority that will be proposed to the Regular Shareholders' Meeting

The Directors' Committee unanimously agreed to propose to the Board of Directors the following priority ranking

for appointing the Enersis S.A. external audit company for 2013: 1. Ernst & Young, 2. KPMG and 3. BDO Auditores & Consultores Ltda, taking into consideration that: (i) presented the most competitive proposal according to the technical and economic evaluations verified on the proposals received; (ii) that it has ample experience in the electric sector; (iii) it is one of the four most important audit firms internationally and nationally, (iv) changing the company would have a cost of approximately \$52 million in reference to the second option and (v) it is the auditing company with the greatest synergy level for Enersis S.A., since Enersis' matrix and controlling companies have Ernst & Young as their main External Auditor. It was informed that Ernst & Young have been Enersis S.A.'s External Auditor since the 2011 accounting period, i.e., from two years ago. Similarly, the Committee proposed as second alternative to hold the position as the company's external auditor, the audit company KPMG, taking into consideration that it is one of the four most important companies internationally and nationally and because it has presented a more attractive economic offer than BDO Auditores & Consultores Ltda. Company that is proposed to be the third alternative.

**In its sixth session of the accounting period, held on April 29, 2013,** the appointment of the President and the Secretary of the Directors' Committee was carried out. The Director Mr. Leonidas Vial Echeverría proposed Hernán Somerville Senn as President and Domingo Valdés Prieto as Secretary of the Directors' Committee. The director, Mr. Rafael Fernández Morandé, abstained regarding such proposals, stating that he did not agree on appointing as President an involved director according to what is provided by the Closely-Held Stock Companies Law in Article 147 No. 2 of Title XVI. The Directors' Committee, by the majority of its members, with the abstention of the Director Mr. Rafael Fernández Morandé, chose Mr. Hernán Somerville Senn as Directors' Committee President and Mr. Domingo Valdés Prieto as Secretary.

On examining the Enersis Consolidated Financial Statements, the Directors' Committee, upon request of the Director Mr. Rafael Fernández Morandé asked the Accounting Manager regarding if the external auditors have issued a certificate regarding the provisions made regarding the Enersis Group litigations, to which he stated that at that time it had not been issued, but that he expected that for the next financial statements it could be available and that it would thereafter be done quarterly. The Directors' Committee, unanimously, declared to have examined the Enersis S.A.'s Consolidated

Financial Statements as of March 31, 2013, its Notes, Income Statements and Relevant Facts, as well as the special opinion issued by Ernst & Young regarding the note on balances and transactions with related parties. Similarly, the Directors' Committee unanimously resolved insisting in that Ernst & Young provide now and in every quarter the certificate relative to the provisions made due to the Enersis Group litigations.

The Directors' Committee, after an exchange of opinion regarding the matter, unanimously agreed to approve the new calendar of the Committee's regular sessions for the 2013 accounting period proposed above, without detriment to the fact that such entity can resolve, according to what is deemed relevant, to call on extraordinary sessions.

The Directors' Committee President, Hernán Somerville Senn, stated that to the members of the Committee that during the last session held he had requested that the company Legal Counsel, Domingo Valdés Prieto, obtain a legal opinion from the United States legal offices of Chadbourne & Parke regarding the two violations that Ernst & Young had committed against the PCAOB norms, their consequences for Enersis and, particularly, if such situation generated any objection regarding the company disclosure or claim.

Regarding the matter, the company Legal Counsel, Domingo Valdés Prieto, informed that it had requested the legal opinion of Chadbourne & Parke, copy of which was distributed to the members of the Directors' Committee. Such legal opinion concludes that no actions are required by Enersis S.A. regarding the violations committed by Ernst & Young in relation to the PCAOB standards and that, from the United States legislation point of view, there is no responsibility or of the Directors' Committee or of the company in relation to this matter.

The Directors' Committee noted the legal opinion of the United States legal offices of Chadbourne & Parke regarding the matter.

The Directors' Committee President, Mr. Hernán Somerville, explained to the members of the Directors' Committee that, they needed to examine a payment proposal of a discretionary "fee" for the consulting banks in the operation of the capital increase approved by Extraordinary Shareholders' Meeting dated December 20, 2012. He observed that the payment of this "fee" to the agents is directly related to the contract that was signed with each one of them and that was examined

and approved by the company instances of Enersis S.A., contract that must be complied with and that is precisely what is being examined in this session. He expressed that the determination and payment of the "fee" by Enersis S.A. to Larraín Vial constituted an operation between related parties, since the Director Mr. Leonidas Vial Echeverría is, in addition to Enersis S.A. director and member of the Directors' Committee of the latter, as well as President and associate of that financial entity. Consequently, it deals with a matter that must be examined and informed by the Directors' Committee. The Finance Manager, Mr. Eduardo Escaffi Johnson, regarding the matter presented the payment proposal referred to above, indicating that the discretionary "fee", in his opinion, it corresponded to pay to each one of the consulting banks in relation to the functions they performed in the referred to operation.

The Directors' Committee, on analyzing the background information that the Finance Manager presented, with the exclusion of Mr. Leonidas Vial Echeverría, who abstained from intervening in the corresponding exam, concluded that that operation contributed to the Enersis company interest and that it was according to terms and conditions that prevailed in the market at the time of its approval. Consequently, the Enersis S.A.'s Directors' Committee, resolved to issue the corresponding report. The Directors' Committee, with the favorable vote of all its non-involved members, i.e. with the sole exclusion of Mr. Leonidas Vial Echeverría, who abstained from intervening in the corresponding exam and in the issue of the respective report, concluded that the proposed discretionary "fee" that the Finance Manager made, to be payable by Enersis S.A. to the investment bank Larraín Vial as underwriting agent in the capital increase operation agreed in the Extraordinary Shareholders' Meeting dated December 20, 2012, contributed to the Enersis company interest and was according to terms and conditions that prevailed in the market at the time of its approval.

**In its last session of the accounting period, held on May 29, 2013,** the Directors' Committee, with the favorable vote of all its members, concluded that the merger by absorption by Inversiones Sudamérica from Conosur Ltda. and the later improper merger of Inversiones Sudamérica, under the terms described, contributed to the Enersis company interest and was according to the terms and conditions that prevailed in the market at the time of its approval; that, in the terms and within the parameters considered in the agreement, issued the report prescribed by legislation regarding operations between related companies.

The Directors' Committee, according to what is stated in Section 202 of the Sarbanes Oxley Act and in Article 242, final paragraph, of Law 18.045 on the Securities Market, unanimously agreed, to declare that the contracting of services not related with external audits to be supplied by external auditors, did not commit the technical correctness or the independence of opinion of the external auditing companies.

The Director, Mr. Rafael Fernández Morandé, reiterated his request that the external auditors present in a quarterly manner their letter of opinion regarding their review of provisions due to litigation, to which the remaining members of the Committee also agreed to request it.

**On June 17, 2013** the eight session of the Directors' Committee was held, according to what is stated in Section 202 of the Sarbanes Oxley Act, in Article 242, final paragraph, of Law 18.045 on the Securities Market and the Regulation of the Directors' Committee, unanimously agreed, to declare that the contracting of services not related to external audits to be supplied by external auditors do not commit the technical correctness or independence of opinion of the external auditing companies.

The Director Rafael Fernández Morandé requested that, in the next session of the Directors' Committee, a presentation be given detailing the 2013 objectives and the 2012 Bonuses, for each one of the main executives reporting to the General Manager, which is part of examining the remunerations system and the compensation plan of the Group's executives and workers.

**In its ninth session of the accounting period, held on July 24, 2013,** the Directors' Committee, unanimously, and according to what is stated in Article 50 bis No. 1 of Law No. 18.046 on Closely-Held Stock Companies, declared the Enersis S.A. Consolidated Financial Statements examined as of June 30, 2013, with the provisions that are indicated, their Notes, Reasoned Analysis, Income Statements, Relevant Facts and the opinion of the External Auditors issued "an unqualified opinion" dated July 24, 2013 signed by Mr. Rubén López, associate of Ernst & Young, expressing their conformity with the statements. Similarly, the Directors' Committee resolved to remind López y Borowski, Ernst & Young associates, on their prior request consisting on counting with a report from the external auditors in the October session where they review the provisions related with Derivatives and Litigation in relation with the financial statements as of

September 30, 2013 and thus successively in every quarter where the Financial Statements are discussed. The Directors' Committee unanimously agreed to approve the external audit plan presented by Messrs. Rubén López and Marek Borowski, associates of Ernst & Young,

**On Julio 31, 2013** the tenth extraordinary session of the accounting period was held, in which the Directors' Committee unanimously agreed to declare as examined the self-assessment structures and procedures and internal audit review regarding Enersis S.A. internal control.

The Directors' Committee unanimously issued its opinion regarding each one of the claims filed through the Ethics Channel, providing guidelines to be followed for each one of them and confirming what has already been resolved by this entity, in that it would correspond that the Directors' Committee President to determine the correctness of calling an extraordinary session of this entity in case that a claim files thus justifies so, in the opinion of the President of the Committee. In relation to the claim filed by the Internal Audit Manager, Mr. Alain Rosolino, regarding a constructing company, the Directors' Committee requested that the background information corresponding to an external attorney be requested, who is a specialist in criminal matters to the determine the action course to be followed by the Enersis S.A.'s Directors' Committee and, similarly, agreed that the Enersis General Manager address a letter to the Endesa Chile General Manager representing his concern regarding what happened.

The Directors' Committee President, Mr. Hernán Somerville Senn, explained the members of the Directors' Committee that it corresponded, according to what is prescribed by Article 50 bis of Law No. 18.046, the exam of wage systems and compensation plans for managers, main executives and the company workers. The Human Resources Manager, Mr. Carlos Niño Forero, gave a presentation regarding the topic explaining market references and the existing remunerations structure. The Director Rafael Fernández Morandé asked different questions regarding the bonuses associated to variables wages of executives and professionals, specifically regarding the 2013 accounting period objectives referred to in the Enersis S.A. capital increase. The Human Resources Manager answered that the aforementioned capital increase was not reflected in the objectives and, therefore, neither was the variable of the executives that participated in such operation. The members of the Directors' Committee expressed the need that Enersis

S.A.'s main operation in at least the last ten years and one of the most relevant performed in the Chilean securities market and, extraordinarily, had to be expressed in the variable wages of those who participated in the operation. The members of the Directors' Committee observed that taking into consideration the effort made by the team that had participated in such successful operation it proceeded to award this extraordinary work, for which it corresponded to make a clear and precise recommendation to the Board of Directors so that, before the end of the current year, an extraordinary bonus be established that would constitute a compensation according to the effort made starting from the Enersis S.A.'s Extraordinary Shareholders' Meeting that was held on December 20, 2012 that approved the aforementioned capital increase.

Afterwards the Director Rafael Fernández Morandé asked the Human Resources regarding if an objective had been established regarding the use of funds that would be developed during the 2013 accounting period, to which he answered negatively. Rafael Fernández Morandé expressed that in his opinion, it was fundamental that the operations corresponding to the uses of funds be among the objectives of the company executives corresponding to 2013 that would develop the corresponding investments, prior to the Board of Directors authorization.

The Directors' Committee President proposed that this last mentioned topic be analyzed in greater detail during the next regular session foreseen for August 30, 2013.

The Directors' Committee unanimously declared to have examined the wages systems and compensation plans of managers, main executives and company workers. Similarly, the Directors' Committee, unanimously agreed to recommend to the Enersis S.A.'s Board of Directors that, before the end of the current year, to establish and distribute an extraordinary bonus that would be a special compensation for the company members participating in the capital increase that is proportional to the effort made starting from the Enersis S.A.'s Extraordinary Shareholders' Meeting that was held on December 20, 2012, that approved the aforementioned capital increase and that allowed carrying out in such a successful manner the complex Enersis S.A.'s capital increase.

The Directors' Committee President, Hernán Somerville Senn expressed to the General Manager, Ignacio Antoñanzas Alvear that he requested that for the next session of such

company entity, a confirmation of the responsibilities that Enersis takes on regarding Endesa Chile in relation to the supply contract for internal audit services between Enersis and Endesa Chile that had been effectively subscribed, that it was duly complied and that the same had been entered into in market conditions. The remaining members of the Directors' Committee agreed with such request.

**The eleventh session of the accounting period was held on August 30, 2013.** The Directors' Committee, according to what is stated in Section 202 of the Sarbanes Oxley Act, in Article 242, final paragraph, of Law 18,045 on the Securities Market and in the Regulation of the Directors' Committee, unanimously agreed to declare that the contracting of the services not related to the external audit to be supplied by external auditors do not commit the technical correctness or independence of opinion of the external auditing companies.

The General Manager, Ignacio Antoñanzas Alvear, in conformance with what is requested by the Directors' Committee in the prior session gave account of the approval procedure that, in its day, had been followed in the internal audit services supply contract entered into Enersis S.A. and its affiliate Endesa Chile.

Upon request of the Director Mr. Rafael Fernández Morandé, the Directors' Committee, unanimously agreed to request confirmation to the affiliate Endesa Chile that the Board of Directors of the last mentioned consider, among its corporate practices, a periodic presentation to the Internal Audit Management that heads the unit that provides the internal audit services to such affiliate, thus as the aforementioned manager thus communicates to the Committee and to the Enersis S.A.'s Board of Directors in a future session, certifying the periodicity of such meetings.

The Directors' Committee President, Hernán Somerville Senn, expressed that it would be discussed in the coming Board of Directors to be held after an operation between related parties consisting in an intercompany loan to be granted by Enersis S.A. to its affiliate Endesa Chile and that although the same was comprised in the company effective Regularity Policy, proposed to treat it voluntarily and with greater transparency in the forum of this Committee, which was unanimously approved by the members present.

The company General Manager, Mr. Ignacio Antoñanzas Alvear, informed that the operation proposed consists on structuring an intercompany loan in Chilean Pesos between

Enersis S.A. and Endesa Chile, so that the first can grant the second a loan for up to 250 MMUSD, within a 6 month time period.

Regarding the matter, the General Manager stated that, taking into consideration to the high cash flow levels that Enersis S.A. has after the capital increase, it had been commercially estimated as attractive for the company to formalize a structured loan with its affiliate Endesa Chile, which would allow diversifying in an adequate manner its short-term loan portfolio, improving the profitability that it currently receives, at a six-month rate of around 5.0% to 5.1% approximately.

For Endesa Chile in turn, it was convenient to decide for this financing alternative since this year its Yankee Bond matures for approximately 400 MMUS\$ and according to what is explained it deals with market conditions.

Mr. Ignacio Antoñanzas Alvear similarly stated that the operations proposed constituted operations between related companies, since Endesa Chile is an affiliate of Enersis S.A. He also observed that it also corresponds that the company Board of Directors give its opinion regarding this matter, which is under the framework of the regularity policy that the Board of Directors approved.

The Director Hernán Somerville Senn asked what the regularity policy stated regarding the matter, to which the company Legal Counsel and Secretary of the Board of Directors, Domingo Valdés Prieto, read the effective policy approved in April 2010 unanimously by the Board of Directors and that it was communicated in a timely manner to the Superintendence of Securities and Insurance, Stock Exchanges and the market in general, through an essential fact. Similarly, the company Legal Counsel and Secretary of the Board of Directors informed that granting loans to affiliates and related companies was part of Enersis S.A.'s company objective. Then, the Director Hernán Somerville Senn, asked if this policy had legal grounds, to which the company Legal Counsel and Secretary of the Board of Directors answered, that it corresponded to the Board of Directors to determine the general regularity policies in conformance with the Closely-Held Stock Companies Law.

Afterwards, the Director Hernán Somerville Senn asked the loan was being given in Chilean pesos, at six-months, considering that the Peso would continue to deteriorate in reference to the US Dollar. Hernán Somerville Senn observed

that from the point of view of the affiliate Endesa Chile this is convenient, since such affiliate is taking a "forward" for covering its flows, which is why he asked that this topic be treated due to the financial report. The Finance Manager, Eduardo Escaffi Johnson, adding to the above nodded and expressed that the affiliate Endesa Chile would not be getting a loan that is more expensive or cheaper than the one it could get in the market and that, therefore, it is in market conditions and that quotes had been asked regarding the matter.

The Director Rafael Fernández Morandé asked if taking into consideration that the loan deals with funds collected through capital increase if it contravened any standard or commitment related with the use of capital increase funds, to which the Finance Manager assured that there was no such contravention. He explained that the handling of the treasury, since it was not an investment, required to be made on the short and mid-term and that it should not affect the net profit of Enersis S.A.'s shareholders, which in the Finance Manager's opinion, the loan absolutely complied.

The General Manager observed that this loan was short-term and considered a pre-payment clause without cost.

After an exchange of opinions among the directors and once all the background information on the operation was analyzed, the Directors' Committee, concluded that the operation proposed contributes to Enersis S.A.'s company interest and is according to the terms and conditions of those that prevail in the market at the time of approval, going on to issue the corresponding report.

The Directors' Committee unanimously agreed to the following:

- a) Declare the operation between related companies consisting on structuring an inter-company loan that Enersis S.A. will grant in favor of its affiliate Endesa Chile is examined, under the terms expressed by the General Manager.
- b) Declare that this operation constitutes an operation between related companies that is governed by Title Sixteen of the Closely-Held Companies Law, which contributes to Enersis S.A.'s company interest and that is according to the price, terms and conditions of those loans that currently prevail in the market.

c) Declare that this operation is comprised within the company's regularity policy and that, notwithstanding the above, this Committee resolves to voluntarily analyze it in order to have greater transparency.

The Directors' Committee unanimously resolved to incorporate in 2013, among the personal objectives of the company's management team, one that refers to the funds collected due to the capital increase approved in December 2012. The Committee agreed with such purpose that, in the next session of the Committee, the General Manager make a proposal regarding personal objectives under the terms requested by such company entity.

**In the twelfth session of the accounting period held on September 26, 2013,** it was unanimously agreed by the members of the Committee attending the session, upon the absence of the President of such company entity, Mr. Hernán Somerville Senn to appoint Mr. Leonidas Vial Echeverría as Ad-Hoc President of the session.

The Directors' Committee, according to what is stated in Section 202 of the Sarbanes Oxley Act, in Article 242, final paragraph, of Law 18.045 on the Securities Market and in the Regulation of the Directors' Committee, unanimously agreed to declare that the contracting of services not related to external audit to be provided by the external auditors, do not commit the technical correctness or external auditing companies' independence of opinion. In terms of one of the services proposed, i.e., the review of the information regarding legal contingencies in Latin America, the Directors' Committee resolved not to approve it, since it considers that it is excessively expensive and went on to grant faculties to the Finance Manager, Mr. Eduardo Escaffi Johnson, to negotiate both the price as well as the object of the matter entrusted. The Director Rafael Fernández Morandé expressed that it should be verified that the amounts in the notes adequately reflect associated risks and in such respect he considered that the notes and not only the provisions should also be reviewed. The Directors' Committee resolved that in the next session, the Finance Manager will give an account of the progress status of the negotiations entrusted.

The "Ad – Hoc" Directors' Committee President, Leonidas Vial Echeverría, expressed that in the Board of Directors session to be held afterwards on that day, an operation between related parties consisting on a structured loan to be granted by Enersis S.A. to its affiliate Endesa Chile and that although the same

was comprised in the effective company Regularity Policy, he proposed to treat it voluntarily and for greater transparency in the forum of this Committee, which was unanimously approved by the members present.

The company General Manager, Mr. Ignacio Antoñanzas Alvear, informed that the operation proposed consists on structuring an intercompany loan in Chilean Pesos between Enersis S.A. and Endesa Chile, so that the first one can grant the second one a loan for up to 400 MMUS\$, within a six-month time period.

Regarding the matter, the General Manager stated that, taking into consideration the financial needs that its affiliate Endesa Chile has and the high cash flow levels that Enersis S.A. has after the capital increase, it had been commercially estimated as attractive for the company to formalize a structured loan with its affiliate Endesa Chile, which would allow diversifying in an adequate manner its short-term loan portfolio, improving the profitability that it currently receives, at a six-month rate of around 5.0% to 5.1% approximately.

Mr. Ignacio Antoñanzas Alvear similarly stated that the operations proposed constitute operations between related parties, since Endesa Chile is an affiliate of Enersis S.A. He also observed that it corresponded that the company Board of Directors give its opinion regarding this matter that is under the framework of the regularity policy that the Board of Directors approved.

The Director Rafael Fernández Morandé asked if taking into consideration that the loan deals with funds collected through capital increase if it contravened any standard or commitment related with the use of capital increase funds. He explained that the handling of the treasury, since it was not an investment, required to be made on the short and mid-term and that it should not affect the net profit of Enersis S.A.'s shareholders, which in the Finance Manager's opinion, the loan absolutely complied.

The "Ad – Hoc" President, Mr. Leonidas Vial Echeverría, requested that the Finance Manager analyze in detail the taxing effects of these structured loans and particularly the applicability of the seals and stamps tax, to which Eduardo Escaffi Johnson expressed that it would proceed to go in depth regarding the analysis already prepared and that he would inform in the next Committee.



The General Manager observed that this was a short-term loan and considered a prepayment clause without costs and that the funds were available for Enersis S.A. at any time.

The Directors' Committee concluded that the operation proposed contributes to the company interest of Enersis S.A. and that it is according to the terms and conditions of those that prevail in the market at the time of approval, proceeding to issue the corresponding report.

The Directors' Committee unanimously agreed the following:

- a) Declare the operation between related companies consisting on structuring an inter-company loan that Enersis S.A. will grant in favor of its affiliate Endesa Chile is examined, under the terms expressed by the General Manager.
- b) Declare that this operation constitutes an operation between related companies that is governed by Title Sixteen of the Closely-Held Companies Law, which contributes to Enersis S.A.'s company interest and that is according to the price, terms and conditions of those loans that currently prevail in the market.
- c) Declare that this operation is comprised within the company's regularity policy and that, notwithstanding the above, this Committee resolves to voluntarily analyze it in order to have greater transparency.

The Directors' Committee unanimously expressed that according to what was requested in due time in relation to the internal audit services contract that Enersis provides to Endesa Chile, a letter issued by the company Legal Counsel and Secretary of the Board of Directors of Endesa Chile, Carlos Martín Vergara, had been delivered through which he certified the corporate practice of the affiliate Endesa Chile regarding the matter.

**In the thirteenth session held on October 30, 2003**, the Directors' Committee President, Mr. Hernán Somerville Senn, went on to congratulate Mr. Ignacio Antoñanzas Alvear, company General Manager, for having received the award as International CEO of the Year that is awarded by the Latin Trade Group of the United States of America. The rest of the members of the Directors' Committee took on the words from the President and expressed their satisfaction on the deserved distinction. The General Manager, Ignacio Antoñanzas Alvear, thanked the Directors' Committee on its

support and extended the congratulations to all company managements and their teams, since he only had the honor of directing them.

According to what is stated in Section 202 of the Sarbanes Oxley Act, in Article 242, final paragraph, of Law 18.045 on the Securities Market and in the Regulation of the Directors' Committee, the Directors' Committee unanimously agreed to declare that the contracting of services not related to external audit to be provided by the external auditors, do not commit the technical correctness or respective external auditing companies' independence of opinion.

The Directors' Committee, unanimously, declared the Enersis S.A. Consolidated Financial Statements examined at September 30, 2013, their Notes, Reasoned Analysis, Income Statements, and Relevant Facts, as well as the special opinion issued by Ernst & Young regarding the note on balances and transactions with related parties.

**The fourteenth session was held on November 26, 2013**, in which it was agreed to leave evidence that the Internal Control Letter was examined and that formal and express knowledge was taken of the Internal Control Letter referred to Enersis S.A., dated November 8, 2013, prepared by the company external auditors, Ernst & Young. The Directors' Committee President, Hernán Somerville Senn, and the Director Rafael Fernández Morandé requested different clarifications in the drafting of the letter referred to, which were accepted, and the associated of such company Mr. Marek Borowski committed to send a text with the changes requested as briefly as possible.

In addition, and according to what the Enersis S.A.'s Board of Directors resolved, in conformance with the General nature Standard No. 341 from the Superintendence of Securities and Insurance, the External Auditors, represented by the associate of such company, Mr. Marek Borowski presented regarding the following matters, the Directors' Committee becoming familiar with the same:

- i. Eventual differences detected in the audit regarding accounting practices, administrative systems and internal audit.

ii. Eventual serious differences that were detected and those irregular situations that due to their nature must be communicated to competent supervising organizations.

iii. Results from the annual external audit program.

iv. Possible conflicts of interest that there could be regarding the relation with an external company or its personnel, both due to the supply of other services to the company or companies from their entrepreneurial group, as well as de to other situations.

The Committee President, Mr. Hernán Somerville Senn, and the Director Rafael Fernández Morandé asked several questions to Mr. Borowski and requested certain clarifications on the presentation made, which were accepted.

The Director Rafael Fernández Morandé asked if the presentation of January that accounts for the closing of the 2013 accounting period by the external auditors considered the note on litigations and derivatives that had been requested several times, to which Mr. Borowski responded affirmatively.

Lastly, it was unanimously agreed to examine the Committee's regular sessions' calendar proposed and provide their observations before the next regular session.

**In the fifteenth session of the accounting period held on December 17, 2013** the Annual Management Report, Activities and Expenses of the Directors' Committee were approved.

The Directors' Committee, according to what is stated in Section 202 of the Sarbanes Oxley Act, in Article 242, final paragraph of Law 18.045 on the Securities Market and in the Regulation of the Directors' Committee, unanimously agreed to declare that the contracting of services not related to external audit to be provided by the external auditors, do not commit the technical correctness or the respective external auditing companies' independence of opinion.

Lastly, the regular sessions' calendar was approved for 2014.

In conclusion, during the 2013 accounting period, the Enersis S.A.'s Directors' Committee has fully been concerned with the matters that are specified in Article 50 bis of Law 18,046 on Closely-Held Stock Companies and has analyzed and contributed to the best development of the operations previously analyzed.

## The Directors' Committee during the 2013 accounting period, examined the following Operations Between Related Parties (OPR, Operaciones Entre Partes Relacionadas)

**1.- In its first extraordinary session dated January 14, 2013,** the Directors' Committee with the favorable vote of all its non-involved members, i.e., with the sole exclusion of Mr. Leonidas Vial Echeverría, who abstained from giving his opinion and voting concluded that the contracting of Larraín Vial, operation between related companies, as an underwriting agent, within the context of the capital increase agreed in the Extraordinary Shareholders' Meeting dated December 20, 2012, contributed to the Enersis company interest and was according to the terms and conditions to those that prevail in the market at the time of its approval. Similarly, the Directors' Committee issued the respective report, to be placed at the Board of Directors' availability.

**2.- In its sixteenth session of the accounting period, held on April 29, 2013,** the Directors' Committee, with the favorable vote of all its non-involved members, i.e., with the sole exclusion of Mr. Leonidas Vial Echeverría, who abstained from intervening in the corresponding exam and from voting, concluded that the proposed discretionary "fee" to be paid by Enersis S.A. to the investment bank Larraín Vial as the underwriting agent in the capital increase operation agreed in the Extraordinary Shareholders' Meeting dated December 20, 2012, contributed to the Enersis company interest and was according to the terms and conditions as those that

prevail in the market at the time of its approval. Similarly, the Directors' Committee issued the respective report, to be placed at the Board of Directors' availability.

**3.- In its seventh session of the accounting period held on May 29, 2013,** the Directors' Committee, with the favorable vote of all its members concluded that the merger through absorption by Inversiones Sudamérica to Conosur Ltda. and the later improper merger of Inversiones Sudamérica, under the terms described contributed to the Enersis company interest and was according to the terms and conditions of those that prevail in the at the time of its approval; the above, under the terms and within the parameters considered in the agreement, issuing the respective report to be placed at the Board of Directors' availability.

**4.- On August 30, 2013 the eleventh session of the accounting period was held,** the Directors' Committee examined an operation between related parties consisting on an intercompany loan to be granted by Enersis S.A. to its affiliate Endesa Chile, which although it was comprised in the effective company Regularity Policy was treated voluntarily and for greater transparency in the forum of this Committee. The operation proposed consists on structuring an intercompany loan in Chilean Pesos between Enersis S.A. and Endesa Chile, so that the first can grant the second a loan for up to 250 MMUSD, within a 6 month time period. The Board of Directors Committee concluded that the operation proposed contributes to Enersis S.A.'s company interest and is according to the terms and conditions of those that prevail in the market at the time of approval, going on to issue the corresponding report.

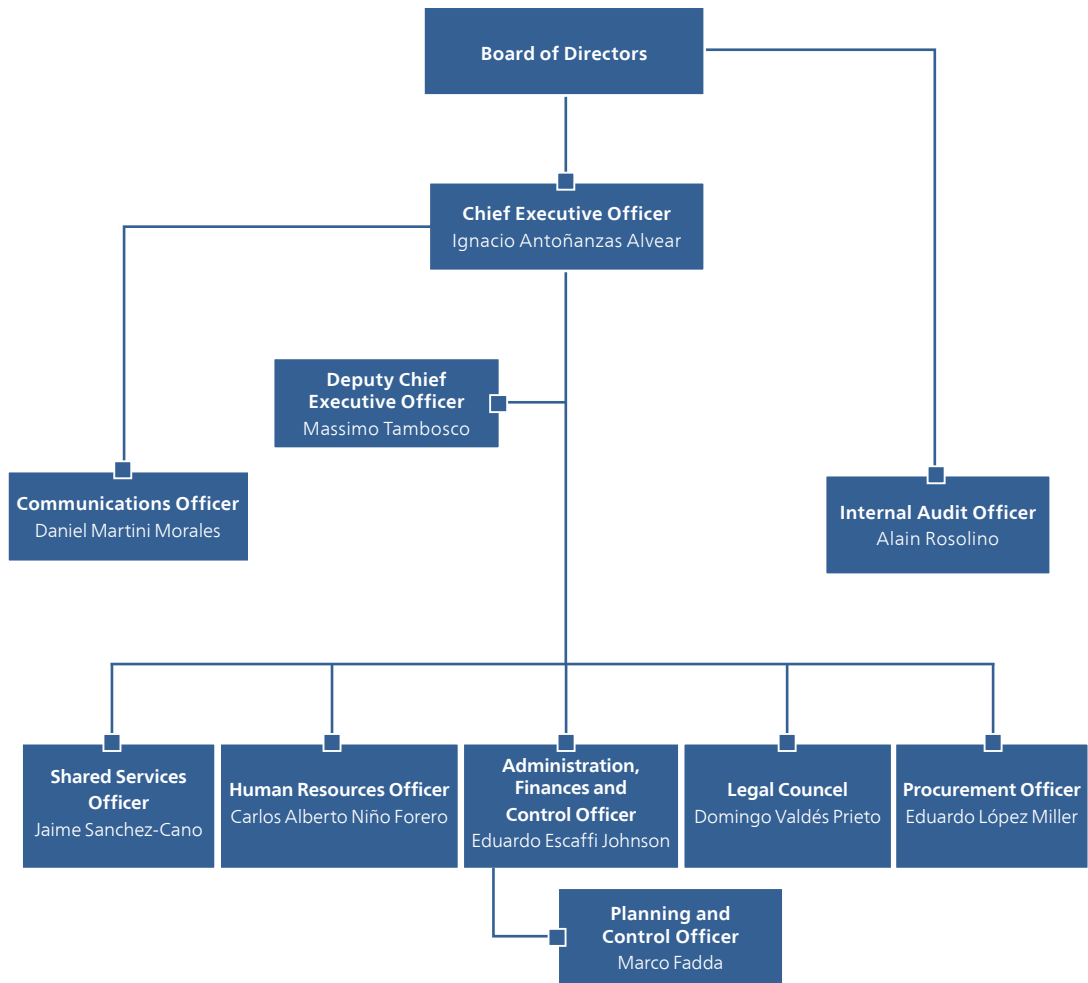
**5.- In the twelfth session of the accounting period held on September 26, 2013,** the Directors' Committee examined an operation among related parties consisting on a structured loan to be granted by Enersis S.A. to its affiliate Endesa Chile and which although it was comprised in the effective company Regularity Policy was treated voluntarily and for greater transparency in the forum of this Committee. The operation proposed consists on structuring an intercompany loan in

Chilean Pesos between Enersis S.A. and Endesa Chile, so that the first can grant the second a loan for up to 400 MMUSD, within a 6 month time period. The Directors' Committee concluded that the operation proposed contributes to Enersis S.A.'s company interest and is according to the terms and conditions of those that prevail in the market at the time of approval, going on to issue the corresponding report.

## Directors' Committee Consulting Expenses

The budget for functioning expenses approved by the company's Regular Shareholders' Meeting held on April 16, 2013 was not used. The Directors' Committee has not required contracting professional consulting services for the development of its functions.

# Organization structure



# Main Executives

1 CHIEF EXECUTIVE OFFICER

**Ignacio Antoñanzas Alvear**

Mining Engineer  
 Universidad Politécnica de Madrid  
 Tax ID: 22.298.662-1  
 Since 26.10.06

2 DEPUTY CHIEF EXECUTIVE OFFICER

**Massimo Tambosco**

Bachelor in Business Administration  
 Universidad Comercial Luigi Bocconi  
 Tax ID: 23.535.550-7  
 Since 01.10.10

3 INTERNAL AUDIT OFFICER

**Alain Rosolino**

Bachelor in Business Administration  
 L.U.I.S.S University of Rome  
 Tax ID: 24.166.243-8  
 Since 12.12.12

4 ADMINISTRATION, FINANCE AND CONTROL OFFICER

**Eduardo Escaffi Johnson**

Civil Engineer  
 Universidad de Chile  
 Tax ID: 7.984.912-K  
 Since 31.08.12

5 PLANNING AND CONTROL OFFICER

**Marco Fadda**

Bachelor in Economics and Business  
 Universidad de Génova  
 Tax ID: 24.271.056-8  
 Since 01.04.13

6 LEGAL COUNCEL AND SECRETARY OF THE BOARD

**Domingo Valdés Prieto**

Lawyer  
 Universidad de Chile  
 Master of Laws  
 Universidad de Chicago  
 Tax ID: 6.973.465-0  
 Since 30.04.99

7 HUMAN RESOURCES OFFICER

**Carlos Niño Forero**

Lawyer  
 Universidad Externado de Colombia  
 Tax ID: 23.014.537-7  
 Since 17.12.10

8 PROCUREMENT OFFICER

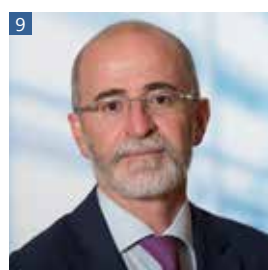
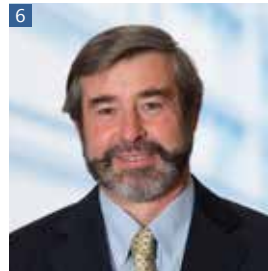
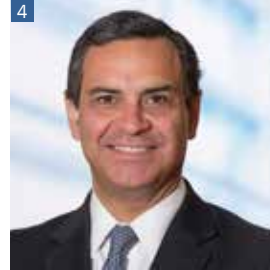
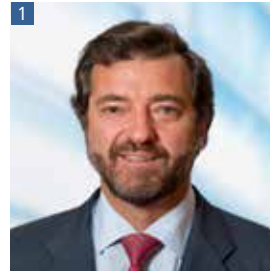
**Eduardo López Miller**

Commercial Engineer  
 Pontificia Universidad Católica de Valparaíso  
 Tax ID: 7.706.387-0  
 Since 01.11.10

9 SHARED SERVICES OFFICER

**Jaime Sánchez-Cano Torres**

Bachelor in Economics and Business  
 Universidad Complutense de Madrid  
 Tax ID: 24.191.937-4  
 Since 30.08.13



10 COMMUNICATIONS OFFICER  
**Daniel Horacio Martini Morales (\*)**  
 Licenciado en Periodismo de la Universidad Nacional de Lomas de Zamora  
 Tax ID: 24.499.646-9  
 Since 28.01.2014

(\*) Designated by the Board of Director son session held on January 28, 2014

## Compensation of managers and main executives

During 2013, the remunerations and benefits received by the General Manager and main company executives amounted to \$2,522 million in fixed wages and \$834 million in variable wages.

During 2012, the remunerations and benefits received by the General Manager, other managers and main company executives amounted to \$2.616 million in fixed wages and \$1,499 million in variable wages.

This amount included both managers and main executives present as of December 31, each year, as well as those that left the company all along the respective accounting period.

## Benefits for managers and main executives

As benefit, the company has a supplementary health insurance and a catastrophic insurance for its main executives and their family group that is credited as a dependent charge. In addition, the company has life insurance for each main executive. These benefits will be granted in conformance to the management level that corresponds to the worker at each time.

In 2013, the amount was of \$16.5 million, value that is included in the wages received by the main executives.



## Incentive plans for managers and main executives

Energis has an annual bonus plan for complying with objectives and the level of individual contribution to the company results for its executives. This plan includes a definition of the ranges of bonus according to the hierarchical level of the executives.

Bonuses are given to the executives consisting in a determined number of gross monthly wages.

## Compensations paid to managers and main executives

In reference to compensation for years of service (severance) received by managers and main executives that left the company, \$194 million were paid during the 2013 enforcement period.

# Property over Enersis

As of December 31, 2013, the shareholders' register reflected that no main executive had company ownership.

## Administration of main subsidiaries

### **BRAZIL**

#### **Endesa Cachoeira**

Guilherme Gomes Lencastre

Civil Engineer

Pontificia Universidad Católica Río de Janeiro

#### **Endesa Fortaleza**

Manuel Rigoberto Herrera Vargas

Industrial Electric Engineer

Pontificia Universidad Católica de Santiago

#### **Endesa CIEN**

Guilherme Gomes Lencastre

Civil Engineer

Pontificia Universidad Católica Río de Janeiro

#### **Ampla**

Marcelo Llévènes Rebolledo

Commercial Engineer

Universidad de Chile

#### **Coelce**

Abel Alves Rochinha

Mecanic Engineer

Pontificia Universidad Católica Río de Janeiro

### **CHILE**

#### **Endesa Chile**

Joaquín Galindo Vélez

Superior Industrial Engineer

Universidad de Sevilla

#### **Chilectra**

Cristián Fierro Montes

Electric Civil Engineer

Universidad de Chile

### **COLOMBIA**

#### **Emgesa**

Lucio Rubio Díaz

Bachelor in Business and Economics

Universidad Santiago de Compostela

#### **Codensa**

David Felipe Acosta Correa

Electric Engineer

Universidad Pontificia Bolivariana

### **PERU**

#### **Edegel**

Francisco Javier Perez Thoden

Industrial Engineer

Universidad de la Escuela Técnica Superior del ICAI

Universidad Pontificia Comillas en España

#### **Edelnor**

Ignacio Blanco Fernández

Industrial Engineer

Bachelor in Business and Economics

Universidad de Zaragoza





## Distribution of human resources

The personnel distribution of the Company, including information relating to subsidiaries in the five countries where the Enersis Group operates in South America, to December 31, 2012, was as follows:

Company	Managers and main executives	Professionals and technicians	Workers and others	Total
Enersis <sup>(1)</sup>	9	378	81	468
Endesa Brasil <sup>(2)</sup>	20	2,399	258	2,677
Endesa Chile <sup>(3)</sup>	34	2,340	135	2,509
Chilectra <sup>(4)</sup>	12	605	128	745
Edesur <sup>(5)</sup>	13	2,374	1,032	3,419
Edelnor <sup>(6)</sup>	9	535	134	678
Codensa	11	1,008	17	1,036
Manso de Velasco <sup>(7)</sup>	1	32	9	42
<b>Total general</b>	<b>109</b>	<b>9,671</b>	<b>1,794</b>	<b>11,574</b>

Notes:

(1) Includes ICT.

(2) Includes Ampla, Coelce, CIEN, CTM, TESA, Cachoeira Dourada, Fortaleza, and En-Brasil Comercio y Servicios.

(3) Includes Costanera, El Chocón, Pehuenche, Celta, Túnel el Melón, Emgesa and Edegel.

(4) Includes Empresa Eléctrica de Colina and Luz Andes.

(5) Includes: Cemsa and Dock Sud.

(6) Includes: Piura and Generalima.

(7) Includes: Aguas Santiago Poniente y Const. and Proyecto Los Maitenes.

# Human resources activities

## Employee Relations

During 2013 the periodic meeting program with Trade Union Organizations has continued, which has allowed consolidating in time an open, frank dialogue without restrictions with the workers' representatives, in benefit of improving labor conditions and the work climate of our employees.

## Safety and Health at Work

At Enersis safety and health at work are objectives closely linked to the business, which by nature is subject to the presence of critical risks. In the continuous improvement process, with everyone's contribution, a value that is specially underscored is leadership regarding the actual integration of safety and health at work at all levels and in all the activities the company develops, reinforcing its priority in entrepreneurial management due to its strategic importance. In the leadership scope active participation of the different company areas in controlling the workers risks in their different activities, through reviewing preventive management in the Safety Committees, revising safety conditions on-site through the Safety Walks and Ipal Programs, risk prevention formation plans and safety campaigns. On the other hand, innovations have also been implemented that have allowed equipping the workers exposed to risk with equipment such as: fire-safe



clothing, face protection masks against electric arc and works in heights systems, all of these elements with high safety standards that guarantee the maximum workers protection. It is also worth noting that in order to reach the zero accidents goal, at Enersis the implementation of the One Safety Project has continued, both in our own workers as well as those of contractors, in order to improve the behavior of those who work on-site and thus eliminate risky behaviors at the works.

In matters pertaining to Labor Health the following programs are highlighted:

## 2013 Health Disclosure and Promotion

This program's objective is to provide, educate and form the company workers through activities pertaining to fostering quality of life and bio-psycho-social well-being.

The mass disclosure actions that are considered within the activities are first posters, graphic materials and talks given by specialists regarding thematic cycles with topics of interest, such as:



## 2013 Psychosocial Risk Assessment Program

This program's objective is to identify psychosocial risk factors present in work conditions and work organization and their occurrence in the workers' health. In order to do so, the program has been extended to all the Enersis Managements, through the following sequence:

Quantitative and qualitative identification of the psychosocial factors with greater presence, divided in stages:

- Breast Cancer Prevention: Train women regarding the importance of performing breast self-examinations and in a specific case an ultrasound scan or mammography.
  - Prostrate Cancer Prevention: Carry out promotion and prevention activities for men in early detection and treatment.
  - Colorectal Cancer Prevention: Carry out promotion and prevention activities in the personnel to detect and treat in an early manner pathologies associated to Colorectal Cancer.
  - Skin Cancer Prevention: Inform and sensitize the population on the prevention, early detection and treatment of the illness.
  - Prevention of Sexually Transmitted Diseases and HIV.
  - Mental Health and Quality of Life.
  - "Heart Month" Cardiovascular Risk Prevention
- 1.- Coordinate meetings with Managers and Assistant Managers.
  - 2.- Present Psychosocial Risk Assessment Program.
  - 3.- Program and coordinate dates and places where the assessment will be applied with appointed personnel.
  - 4.- Apply assessment instrument to the universe of workers considered.
  - 5.- Analyze and manage quantitative and qualitative data on the assessment.
  - 6.- Draft a report per company, management and area/unit.
  - 7.- Present results to direct lines and collect proposals.
  - 8.- Present and deliver results to middle management and collect proposals.
  - 9.- Present results to evaluated personnel and collect proposals.
  - 10.- Draft a final written report.
  - 11.- Process closing meeting with technical counterpart.

## 2013 Immunization Program

The Enersis' workers immunization program is a preventive measure that seeks through a medical process generating in people an immune memory base that allows forming protecting antibodies against the antigen to which the person can be exposed to.

In order to do so, the objective of implementing the program in Enersis' workers, calls on preventing the appearance of illnesses that are recurrently massively spread and that on affecting people cause high absenteeism and detriment to people's quality of life.

This program is addressed to all Enersis' workers, implementing the following vaccines:

- Seasonal Trivalent Influenza Vaccine: it is implemented during the first quarter of the year annually, preventing the outbreak that starts at the beginning of June.
- Hepatitis A and B Vaccine: it is implemented in two dosages per person every 5 years and is addressed to employees working in confined spaces with sewage water vaults.

## 2013 Healthy Woman Program

The objective of this program is decreasing the occurrence of death due to breast and cervical-uterine cancer in women, acting in a preventive manner



through dissemination, education and periodic controls. Periods of exams, controls and medical follow-ups were carried out in order to detect in a premature manner this possible pathology in women. This program is directed to all the Enersis workers.

## 2013 Periodic Preventive Exams Program

The objective of this program is to carry out medical and periodic evaluations, according to the job risks to which the workers are exposed to, in order to decrease the probability of having events occur due to alternations or severe pathologies without control or treatments with potential damage to people's health. This program is directed to all company workers and is carried out through a defined protocol according to gender, age and job.

The following programs can be underscored in matters pertaining to Labor Safety:

## Safety campaigns

Development of activities under the framework of safety week held in April and November 2013, in order to become familiar and reinforce preventive actions tending towards avoiding the occurrence of labor accidents.

## Safety walks

Activity developed by executives in 18 work centers, consisting in on-site inspections in order to corroborate compliance of procedures and use of equipment, tools and adequate machineries.

## Security campaigns

Development of activities under the framework of security week held in April and November 2013, in order to become familiar and reinforce preventive actions tending towards avoiding the occurrence of labor accidents.

## Implementation of work standards in heights

Defining and implementing equipment for work in heights, delivering new security harnesses and other accessories and equipment in order to decrease the risk of falls and thus allow rescuing workers in emergency situations.



## Dissemination of lessons learned

Project that considers delivering a folder with inquiry and formation documents containing the analysis of each one of the serious and mortal accidents that have happened. In this document causes of unfortunate events at work are analyzed and their preventive measures are discussed in order to review lessons learned and therefore contributes towards eliminating conditions and substandard acts seen daily when executing activities that have the risk of accidents.

## Formation in security

Within the framework of training associated to Labor Health, Safety and Security of people at work, and seeking to reinforce our competencies in this matter, the course "Safety Goal Training" is given to 69 persons, an initiative launched in all countries where the Enersis Group is present. Among the course's objectives to be underscored are those that internalize that the responsibility in terms of Labor Health, Safety and Security is of each one of us and not only the people directly responsible for operational activities, becoming worldwide references in terms of Labor Health, Safety and Security.

## Implementation of work standards in activities associated to the electric area

Definition and implementation of equipment for works in electric installations, delivering fire-safe clothing and a protection face mask

## Leadership Course in SSL for Directors and Managers

Study development to identify leadership characteristics in risk prevention for 26 persons in order to develop an intervention program to establish improvements in preventive actions.

## Development of training programs

Execution of rescue training programs for workers in emergency situations.

## People management



## Work climate management

Starting from the results of the labor climate and the 2012 Great Place to Work study, which have been disclosed to the workers, human resources jointly with each one of the areas has prepared a Climate Plan.

This plan considered specific work lines, such as Leadership, and Meritocracy and Development that are translated in concrete actions.

In relation to Leadership, the initiative Manager and Close Boss (Gerente y Jefe Cercano) that focuses on developing closer contact of management levels with the workers implemented the practice "Coffee with Ignacio" in order to generate instances of closeness and conversation between the General Manager and workers.

Another 2013 action line has been Meritocracy and Development. Through fostering different activities towards the workers, during 2013 recognition of the workers continued to be promoted. One of these initiatives was the ceremony Let's Acknowledge Each Other (Reconocernos) acknowledged workers who represented certain Enersis categories and values. Those acknowledged were chosen through popular votes among work mates and area heads.



The priority that the Company grants on conducting internal application processes to cover job vacancies can also be highlighted, such as implementing a feedback workflow in the process allowing to keep candidates informed in each stage of the job filling process.

It is important to state that the above actions have been carried out with the participation of Top Management, Managers, Human Resources and all workers, who have committed through their participation implementing the different initiatives considered in the plan.

Enersis has an ample array of benefits for its workers and their families, among them, health benefits with a group Isapre plan and supplementary insurance including outpatient and dental medical services, medications and inpatient hospital services with catastrophic coverage on a per expense basis. Educational benefits can also be highlighted with aid in money to cover children's study expenses, plus incentives for all high performance students, reimbursements for pre-college specialized institutes and summer schools.

At the same time, Enersis has available for all workers and their families a broad extension program, including sports, culture and special activities; just to mention some: Knowing my parents' work "Conociendo el trabajo de mis padres", Come to my birthday "Ven a mi cumpleaños", summer and winter camps for children, family trips, training courses for the family and others that seek balancing Enersis' employees work and personal life.

Enersis has addressed servicing specific benefits to different workers' groups, such as the program Mothers who work "Madres que trabajan"; additionally, with financial support for parents with student children, through soft loans to finance their higher education. Added to these benefits are the end-of-the year, national holiday celebrations and the good company practices, such as a free afternoon on the worker's birthday, leaving work early on special dates prior to holidays, all towards granting better quality of life to our workers.

## Recruitment and Selection

### Coverage of Vacancies

Enersis' main objective is incorporating the best people in vacant jobs, being our guiding principle first privileging internal candidates.

During 2013 a total of 62 vacancies were generated in generation, 37% corresponding to vacancies that were covered internally, performing close to 9 lateral movements and promotions and close to 17 internal application processes, whether nationally or incorporating internal applicants within Latin America.

Similarly, in this context, from the external labor force that become part of the Group, 11% corresponds to students in practice, who were considered candidates and were finally contracted on concluding their internship period.

## Practices Program

The practices program is an outstanding project in terms of generating new sources of recruitment incorporating future young professionals belonging to the best universities in the country as students in practice and thesis students, to whom the opportunity is provided to consolidate gradual learning on Enersis complexity and style, thus achieving, two objectives the availability of close sources of recruitment and of relative rapid access, both due to the possibility of having references and direct assessment of students who are outstanding and can reach not only technical competencies but also the values associated to our company and additionally, mark our ongoing presence in our country's main higher education facilities. This Practices Program is carried out throughout the year, being the peak of participants during the summer, where a total of 53 students participated in 2013.



## Diversity and Inclusion

Having different work teams and cultivating an inclusive labor environment is essential for Enersis, reflected on the on-going search for new forms allowing awareness and facilitating building a diverse labor force and a working environment where individualized differences are respected and valued. Thus, a pilot action taken is managing the Company Entry Program, where we seek incorporating practice students from technical and professional careers who are physically challenged, forming work alliances with different foundations to make this program concrete.

Similarly, along the lines of fostering diversity in all scopes and contributing to the generation of development alternatives, we can highlight the growing participation of women in internal job application processes, reaching 45% of total job awards, thus fostering in a gradual manner feminine empowerment and leadership.



## Quality, Efficiency and Customer Focus

Finally and within the perspective of continuous improvement, Enersis seeks the on-going assessment of the quality and efficiency of selection processes, through generating instances and mechanisms that allow getting feedback both from each area's managers as well as from the job occupants, achieving a level of satisfaction of 89% in terms of quality of internal customer service in the total coverage process to fill a vacancy, and 98% satisfaction in reference to complying with the heads' expectations in terms of new incorporations, as well as those of the job occupants themselves regarding their perception and adaptation to the position and company. The objective of having this data is to assure the processes' stabilization and the possibility of continuous improvement.

## Educational action

### Enersis training



Starting from the 2013 formation program, Enersis established a training schedule focused on the trade's needs, structured by different sources of detecting training needs, aligned with the business strategic plan, made concrete through an articulated training offer in two main action lines: A Transversal Plan with topics relating to development and a Functional Technical Formation.

Professionals of the Enersis Group for the fourth consecutive year attended the "Category Management" course. The Category Management Purchases Model is a systematic focus used by world-class organizations to maximize contributing Business Supplies. The objectives are to convey to tools buyers methodologies necessary to: segment total expenses in categories according to their impact criteria in the business and market where they buy, understand (Market Intelligence) the suppliers markets, design a strategy for each category, analyze strategies, situations and perspectives of the materials, investment and services markets and, assess risk situations, establishing mitigation and/or contingency plans.

The third version of “Electric Markets Diploma” was started in the facilities of the Universidad del Desarrollo within the context of closed Graduate studies, specially designed for the company with the attendance of 34 workers from the Enersis Group, which has the general objective of deepening and strengthening the characteristics and challenges of the electric business and contribute in the negotiation processes, in electric supply contracting aspects, supplementary services offers and distribution tolls, empowering their performance and positioning within the company.

Thus the first version of “Diploma in Control and Management” was stated in the Universidad de Chile, which has the objective of providing to participates basic business management tools under a management control perspective, allowing students to develop necessary competencies to understand the entrepreneurial resources management, designing and maintaining control on the different processes that define the organization’s performance with the attendance of 30 workers from the Enersis Group attended.

Post Performance Review (PPR) implementation was started, which is focused on developing the behaviors defined by the Company Leadership Program, where 29 courses were given with the participation of 630 company employees.



Two other programs were given for the Enersis Group workers, i.e. Training for Young Professionals, whose purpose was to extend this group’s vision so that they can contribute to the business with ventures, preparing their career development within the organization, which was held in the Executive Education Center of the Universidad Adolfo Ibáñez, with the attendance of 39 professionals and Skills Training for Managers, held in the ESE Business School of the Universidad de Los Andes, with the participation of 38 workers, which in eight sessions strengthened the leadership, strategic thinking, decision making, innovation and coaching competencies. A workshop on Change Management was held as a final activity for both training programs with the objective of understanding change from the personal and organizational point of view, as an on-going element; foster better understanding of the dynamics that facilitate change processes and understand the concepts and methods for change management.

Another relevant formation activity was the course on Derivative Assets as support to Corporate Management, given by Universidad Adolfo Ibáñez, for 15 company workers in order to acquire the skills and competencies that allow using the derivatives instruments as tools destined towards protecting; rate of exchange risks, volatilities in product prices and factors or strong changes in interest rates.



Training in Savings Keys (Claves de Ahorro) was also given, through award and APPIA, in order to train buyers in the use of the system to reflect savings correctly and associate purchase planning correctly. Thirty (30) company workers participated in the activity.

Just as in prior years, in order to deliver development opportunities within the company, “study scholarships” were granted to workers, totaling 12 persons in 2013, accessing this benefit. This program has the objective of supporting workers in carrying out perfecting studies or continuing with pre and post graduate studies.

Similarly, through the Latam Campus, virtual space, formation with e-learning courses continues to allow reaching employees in a massive and simultaneous manner with topics such as: Business Knowledge, Reinduction in S&SL, Senda Plan, Information Security and Criminal Risk Prevention Model.

There was a special concern for topics pertaining o safety, security and labor health where among others the following courses were given: Leadership Program in Safety, Security and Labor Health; Prevention of Accidents on the Way to Work and Public Roads; Handling and Use of Fire Extinguishers; Cardiopulmonary Resuscitation; First Aid; Safety Training Goal and, One Safety Navigators.



Stock exchange transactions

## Stock trading in the stock markets

Quarterly transactions of the last three years made in the stock exchanges where the Enersis shares are traded both in Chile, through the Santiago Stock Exchange, the Electronic Stock Exchange of Chile and the Valparaíso Stock Exchange, as well as in the United States of America and Spain, through the New York Stock Exchange (NYSE) and the Latin American Stock Exchange of the Madrid Stock Exchange (LATIBEX), respectively, are detailed below.

### Santiago Stock Exchange

During 2013, in the Santiago Stock Exchange, 8,074 million shares were traded, which is equal to \$1,367,562 million. The closing price per share as of December was of \$157.6.

Periods	Shares	Amounts (Pesos)	Average Price
1st quarter 2011	1,596,636,759	322,199,069,612	201.80
2nd quarter 2011	958,803,877	195,120,504,650	203.50
3rd quarter 2011	886,100,149	168,023,460,684	189.62
4th quarter 2011	900,057,047	165,182,488,252	183.52
<b>Total 2011</b>	<b>4,341,597,832</b>	<b>850,525,523,198</b>	
1st quarter 2012	1,288,014,289	240,222,466,312	186.51
2nd quarter 2012	1,139,562,913	212,301,014,944	186.30
3rd quarter 2012	1,744,269,270	285,537,513,398	163.70
4th quarter 2012	1,392,408,280	231,119,124,139	165.99
<b>Total 2012</b>	<b>5,564,254,752</b>	<b>969,180,118,793</b>	
1st quarter 2013	2,438,386,788	438,757,705,262	179.94
2nd quarter 2013	2,192,921,524	374,486,929,466	170.77
3rd quarter 2013	1,972,388,086	314,491,374,642	159.45
4th quarter 2013	1,470,668,035	239,826,138,771	163.07
<b>Total 2013</b>	<b>8,074,364,433</b>	<b>1,367,562,148,141</b>	

## Chile Electronic Exchange

In the Chile Electronic Stock Exchange during the year the amount of 1,142 million shares were traded, which is equal to \$196,606 million. The closing price of the share as of December was of \$155.5.

Periods	Shares	Amount (Pesos)	Average Price
1st quarter 2011	199,064,082	39,760,396,718	199.74
2nd quarter 2011	181,558,922	37,031,576,257	203.96
3rd quarter 2011	182,448,505	34,606,048,013	189.68
4th quarter 2011	144,335,958	26,534,354,814	183.84
<b>Total 2011</b>	<b>707,407,467</b>	<b>137,932,375,802</b>	
1st quarter 2012	142,929,291	26,878,396,526	188.05
2nd quarter 2012	141,381,535	26,913,331,231	190.36
3rd quarter 2012	166,172,134	26,990,815,636	162.43
4th quarter 2012	155,911,737	25,901,302,515	166.13
<b>Total 2012</b>	<b>606,394,697</b>	<b>106,683,845,908</b>	
1st quarter 2013	457,040,369	82,674,197,920	180.89
2nd quarter 2013	307,352,957	52,399,743,916	170.49
3rd quarter 2013	187,542,120	30,138,018,160	160.70
4th quarter 2013	190,280,215	31,394,375,774	164.99
<b>Total 2013</b>	<b>1,142,215,661</b>	<b>196,606,3335,770</b>	

## Valparaíso Stock Exchange

In the Valparaíso Stock Exchange a total of 46 million shares were traded, which is equal to \$7,548 million. The closing price of the share as of December was of \$155.44

Periods	Shares	Amount (Pesos)	Average Price
1st quarter 2011	5,692,610	1,218,753,280	214.09
2nd quarter 2011	1,248,485	248,888,295	199.35
3rd quarter 2011	9,623,945	1,753,711,300	182.22
4th quarter 2011	5,790,809	1,059,644,493	182.99
<b>Total 2011</b>	<b>22,355,849</b>	<b>4,056,997,368</b>	
1st quarter 2012	15,555,048	2,852,153,260	183.36
2nd quarter 2012	7,532,539	1,446,019,519	191.97
3rd quarter 2012	19,911,829	3,293,321,040	165.40
4th quarter 2012	29,102,662	4,910,148,630	168.72
<b>Total 2012</b>	<b>72,102,078</b>	<b>12,501,642,449</b>	
1st quarter 2013	7,662,176	1,409,775,514	183.99
2nd quarter 2013	5,159,336	834,654,380	161.78
3rd quarter 2013	33,748,331	5,304,258,272	157.17
4th quarter 2013	0	0	
<b>Total 2013</b>	<b>46,569,843</b>	<b>7,548,688,166</b>	

## New York Stock Exchange (NYSE)

The Enersis shares began to be traded in the New York Stock Exchange (NYSE) on October 20, 1993. An Enersis ADS (American Depositary Share) represented 50 shares and its account code is ENI. Citibank N.A. acts as a depository bank and Banco Santander Chile as custody in our country. During 2013, in the United States of America 167 million ADS were traded that is equal to US\$2,895 million. The ADS price closed as of December in US\$15.85.

Periods	Shares	Amount (Pesos)	Average Price
1st quarter 2011	45,063,352	924,262,083	20.51
2nd quarter 2011	28,212,252	610,562,978	21.64
3rd quarter 2011	38,872,327	769,407,917	19.79
4th quarter 2011	32,721,937	593,068,611	18.12
<b>Total 2011</b>	<b>144,869,868</b>	<b>2,897,301,588</b>	
1st quarter 2012	38,448,445	732,794,989	19.06
2nd quarter 2012	31,111,964	587,263,102	18.88
3rd quarter 2012	34,003,544	582,431,845	17.13
4th quarter 2012	32,168,392	554,979,796	17.25
<b>Total 2012</b>	<b>135,732,345</b>	<b>2,457,469,732</b>	
1st quarter 2013	45,963,195	874,885,600	19.03
2nd quarter 2013	50,929,574	907,083,863	17.81
3rd quarter 2013	36,942,777	583,580,477	15.80
4th quarter 2013	33,394,036	529,200,532	15.85
<b>Total 2013</b>	<b>167,229,582</b>	<b>2,894,750,472</b>	

## Latin American Securities Stock Exchange of the Madrid Stock Exchange (Latibex, Bolsa de Valores Latinoamericanos de la Bolsa de Madrid)

The Enersis shares started to be traded in the Latin American Securities Stock Exchange of the Madrid Stock Exchange (Latibex) on December 17, 2001. Until April 2011, the contracting unit for the company was of 50 shares and its account code is XENI. Starting from May 2, 2011 the contracting unit is unitary. Santander Central Hispano Investment S.A. acts as the liaison entity and Banco Santander is the custody in Chile. During 2013, 6.9 million shares were traded, which is equal to 1.7 million Euros. The contracting unit price in December closed at 0.23 Euros.

Periods	Shares	Amount (Pesos)	Average Price
1st quarter 2011	3,824,700	1,155,781	0.30
2nd quarter 2011	3,395,992	1,024,002	0.30
3rd quarter 2011	5,259,100	1,414,624	0.27
4th quarter 2011	3,293,219	893,885	0.27
<b>Total 2011 (*)</b>	<b>15,773,011</b>	<b>4,488,292</b>	
1st quarter 2012	1,652,978	476,501	0.29
2nd quarter 2012	1,867,239	561,570	0.30
3rd quarter 2012	1,656,889	459,797	0.28
4th quarter 2012	1,225,821	327,777	0.27
<b>Total 2012</b>	<b>6,402,927</b>	<b>1,825,645</b>	
1st quarter 2013	1,329,415	383,687	0.29
2nd quarter 2013	1,396,386	364,307	0.26
3rd quarter 2013	2,376,982	554,612	0.23
4th quarter 2013	1,819,724	418,887	0.23
<b>Total 2013</b>	<b>6,922,507</b>	<b>1,721,493</b>	

(\*) Contracting unit was expressed in the prior years in 50 units per share.

## Market information

During 2013, the Chilean shareholding market continued the low trend, with an accrued decrease during the period of 14% in comparison to 2012. This is partially explained by the increase in the region's uncertainty, mainly related with the exposure of these markets to the time lapse withdrawal effect of fiscal stimulus in the United States, decrease in the price of commodities, such as copper and the slowdown of the economic activity in China.

On the other hand, the generalized recovery of the operational and financial results in North America, linked to the improvement in the uncertainty situation related to the debt crisis of some of the member countries in the Euro zone have caused an exit of capitals in South America in reference to these markets.

## Santiago Stock Exchange

Enersis' performance during the last two years in comparison to the Shares Selective Price Index (Índice Selectivo de Precios de Acciones, IPSA) in the local market.

Variation	2012	2013	Cumulative 2012-2013
Enersis	-3.7%	-7.9%	-11.3%
IPSA	3.0%	-14.0%	-11.5%

## New York Stock Exchange (NYSE)

Behavior of Enersis' ADR's listed in the NYSE (ENI) in comparison to the Dow Jones Industrial and Dow Jones Utilities Indexes during the last two years:

Variation	2012	2013	Cumulative 2012-2013
ENI	3.3%	-17.5%	-14.7%
Dow Jones Industrial	7.3%	26.5%	35.7%
Dow Jones Utilities	-2.5%	8.3%	5.6%

## Latin American Securities Exchange of the Madrid Stock Exchange (Latibex in its Spanish acronym)

Enersis' (XENI) performance per share listed in the Madrid Stock Exchange (Latibex) all along the last two years in comparison to the LATIBEX Index.

Variation	2012	2013	Cumulative 2012-2013
XENI	4.1%	-17.2%	-13.8%
LATIBEX	-10.7%	-20.0%	-28.5%







Dividends

In accordance with the General Rule No. 283, Number 5), the dividends policies of the company corresponding to the 2014 and 2013 accounting periods are described below.

## Dividends Policy 2014

### General Aspects

The Company Board of Directors, in session dated February 28, 2014 approved the following Dividends Policy and the corresponding procedure on the dividends payment of Enersis S.A., for the 2014 accounting period.

### Dividends Policy

The Board of Directors has the intention of distributing a provisory dividend, charged on the 2014 accounting period profits, of up to 15% of the profits as of September 30, 2014, according to what is shown in the Enersis S.A.'s financial statements up to such date, to be paid in January 2015.

The Board of Directors has the intention of proposing to the Regular Shareholders' Meeting, to be held on the first quarter 2015, to distribute as a definite dividend, an amount equal to 50% of the profits for the 2014 accounting period. The definite dividend will correspond to be defined by the Regular Shareholders' Meeting, to be held on the first 2015 quarter.

Compliance of the aforementioned program will be conditioned, in matter pertaining to dividends, to the profits effectively obtained, as well as on the results that forecasts that periodically made by the Company or the existence of determined conditions, according to what corresponds.



For these purposes, checking or savings banking accounts can be in any area of the country.

It is necessary to underscore that the payment modality chosen by each shareholder will be used by DCV Registros S.A. for all dividends payment, while the shareholder does not express in writing his intention of modifying it and registers a new option.

The shareholders that do not have a payment modality registered, they will be paid according to modality No. 4 stated herein above.

## Procedure to pay dividends

For the payment of dividends, whether provisory or definite, and in order to avoid their undue collection, Enersis S.A. considers the modalities that are indicated as follows

1. Deposit in banking checking account, whose title holder is the shareholder.
2. Deposit in banking savings account, whose title holder is the shareholder.
3. Forwarding a nominative check or on-sight draft by registered mail to the residence of the shareholder that is listed in the Enersis S.A.'s shareholders' register
4. Withdrawal of the check or on-site draft at the offices of DCV Registros S.A., in its capacity as the Enersis S.A.'s administrator of the shareholders' register or in the bank or branch offices that are determined for such purpose and that will be informed in the notice that is published regarding the payment of dividends.

In cases where the checks or on-site drafts are returned by mail to DCV Registros S.A., they will remain under their custody until the shareholders withdraw or request them.

In case of deposits in banking checking accounts, Enersis S.A. and/or DCV Registros S.A. can request, for security reasons, their verification by the corresponding banks. If the accounts indicated by the shareholders are objected, whether in a prior verification process or for any other cause, the dividend will be paid according to the modality indicated in Point No. 4 herein above.

On the other hand, the Company has adopted and will continue to adopt in the future all necessary security measures required that is required by the dividends payment process, in order to safeguard both the shareholders as well as Enersis S.A.

# Dividend policy 2013

Compliance with the above program will be subject, in terms of dividends, to the actual net income booked and also the results of the projections made periodically by the company or the existence of certain conditions, as the case may be.

## General Aspects

(1) Through Significant Event published on SVS on November 26, 2013, Enersis S.A. informed the following

The Board of Directors of the Company, in its session taken place February 28, 2013, approved the following dividend policy and the procedures for payment of Enersis S.A. dividends.

*In accordance with articles 9 and 10 of the Securities Market Law 18,045, the provisions of General Rule No. 30 of the Superintendence, duly authorized and on behalf of Enersis S.A. (the "Company"), I hereby inform you as a Significant Event, that the Board of Directors of Enersis S.A., at its meeting held today, agreed by unanimously vote to distribute on January 31, 2014, an interim dividend of Ch\$ 1.42964 per share, attributable to 2013 fiscal period, corresponding to 15% of liquid net income as of September 30, 2013, in accordance with the Company's dividend policy.*

## Dividend policy<sup>(1)</sup>

The Board of directors has the intention to propose to the General shareholders meeting, to be held during the first four month of 2014, to distribute a final dividend equivalent to 50% of profits of year 2013.

## Distributable net income year 2013

The distributable net income for year 2013 is indicated below:

	Million \$
Net Income *	658,514
Distributable Net Income	658,514

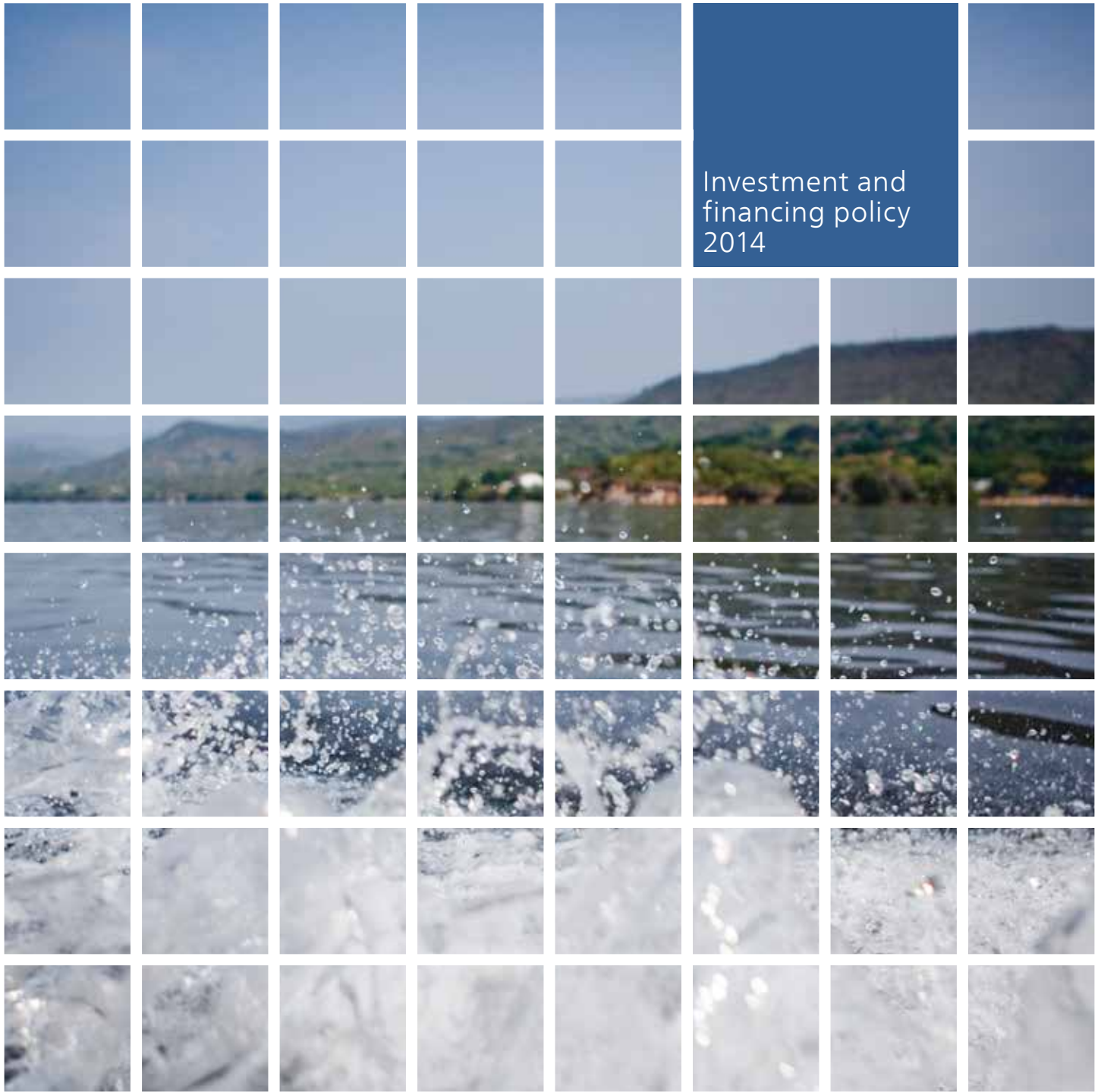
\* Attributable to the parent company

The board also has the intention to distribute an interim dividend against the net income for 2013 of up to 15% of the net income to September 30, 2013, as shown in the financial statements at that date, payable in January 2014.

## Distributed dividends

The following chart shows the dividends per share paid during the last few years:

Dividend No.	Dividend Type	Closing Date	Payment date	Pesos per share	Charged to accounting period
77	Final	24-04-2008	30-04-2008	3.41256	2007
78	Interim	13-12-2008	19-12-2008	1.53931	2008
79	Final	07-05-2009	13-05-2009	4.56069	2008
80	Interim	11-12-2009	17-12-2009	2.45677	2009
81	Final	29-04-2010	06-05-2010	4.64323	2009
82	Interim	21-01-2011	27-01-2011	1.57180	2010
83	Final	06-05-2011	12-05-2011	5.87398	2010
84	Interim	21-01-2012	27-01-2012	1.46560	2011
85	Final	17-05-2012	24-05-2012	4.28410	2011
86	Interim	19-01-2013	25-01-2013	1.21538	2012
87	Final	04-05-2013	10-05-2013	3.03489	2012
88	Interim	25-01-2014	31-01-2014	1.42964	2013



Investment and  
financing policy  
2014

# Investment and financing policy 2014

## Investments

### Areas of investment

Energis S.A. will invest, as authorized by its bylaws, in the following areas:

- Contributions for investment in or for the incorporation of subsidiaries and related companies whose activity is aligned, related or linked to any forms or types of energy or the supply of public utilities or whose main raw material is energy.
- Investments consistent in the acquisition, exploitation, construction, rental, administration, trading and disposal of any class of fixed assets, whether directly or through subsidiaries.
- Other investments in all kinds of financial assets, titles or securities.

### Maximum investment limits

The maximum investment limits for each investment area shall be the following:

- i) Investments in its subsidiaries in the electricity sector: amounts needed by the subsidiaries to meet their respective corporate purposes.
- ii) Investments in other subsidiaries: given amount such that the addition of the proportional fixed assets corresponding to Energis S.A.'s stake on these other subsidiaries does not exceed the proportional fixed assets corresponding to the Energis S.A.'s stake in the electricity sector subsidiaries and Energis S.A.

## Monitoring of the areas of investment

In order to monitor the investment areas and in accordance with Enersis S.A. corporate purpose, the following procedure will be pursued whenever possible:

- At the Ordinary Shareholders' Meetings of our subsidiaries or related companies it will be proposed the appointment of directors corresponding to the Enersis S.A.'s stake in that company, who must be preferably chosen from among directors or executives of the Company or its subsidiaries.
- Investment, financial and commercial policies will be proposed to the subsidiaries and related companies, as well as the accounting criteria and systems they should follow.
- The management of the subsidiaries and related companies will be supervised.
- Permanent control of debt limits will be maintained, to the extent that the investments or contributions implemented or that are planned to be carried out do not represent an unusual variation from the parameters defined by the maximum investment limits.

## Financing

### (a) Maximum debt level

The maximum leverage of Enersis S.A. is a debt to shareholders' equity ratio of 2.20 times, based on the consolidated statements of financial position.

### (b) Management powers for agreeing dividend restrictions with lenders

Dividend restrictions may only be agreed with creditors if previously approved by a shareholders' meeting (ordinary or extraordinary).

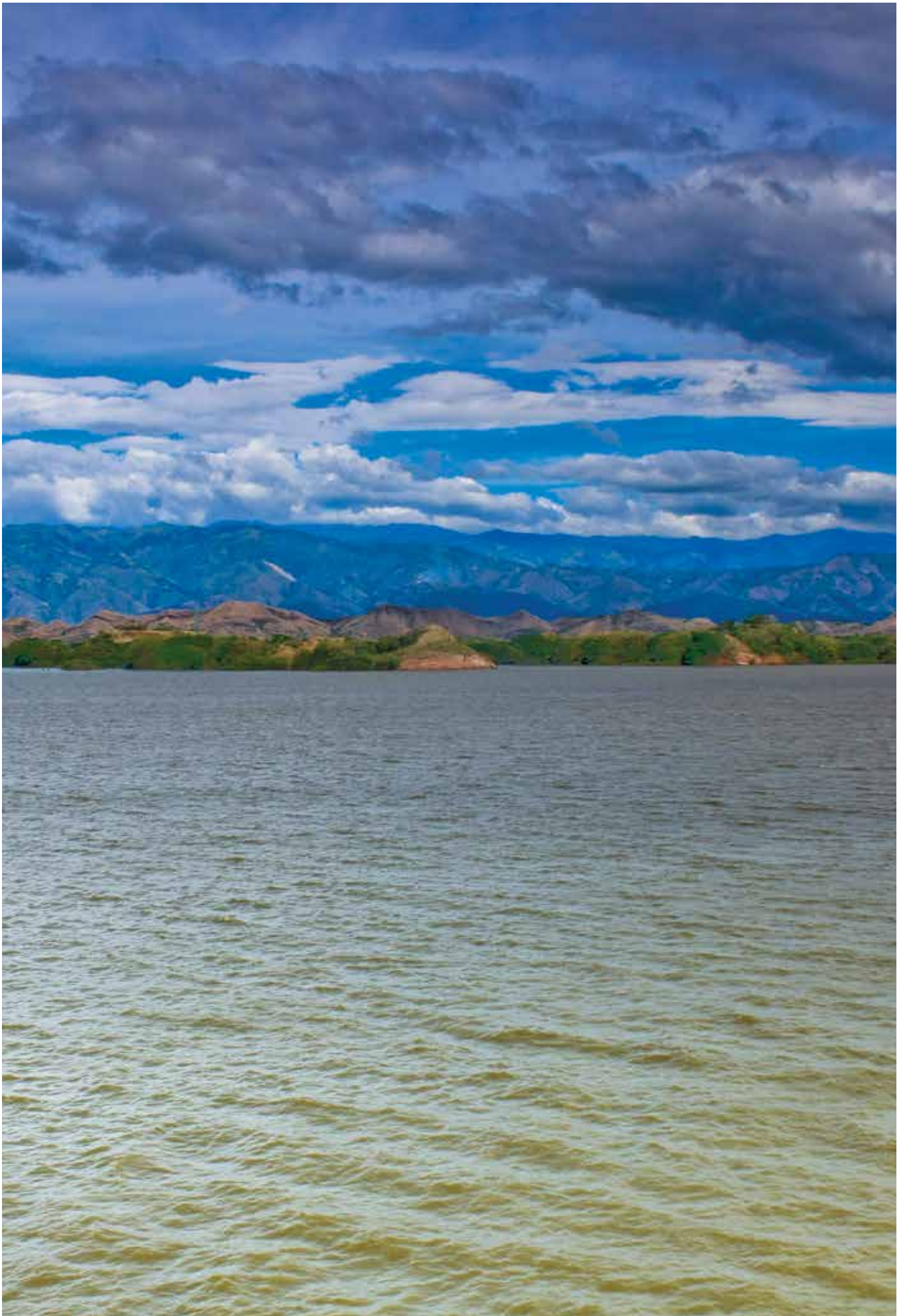
### (c) Management powers for granting security to creditors

The Company's management may agree with creditors the granting of tangible security or guarantees in accordance with the law and the corporate bylaws.

### (d) Essential assets for the normal operations of the company

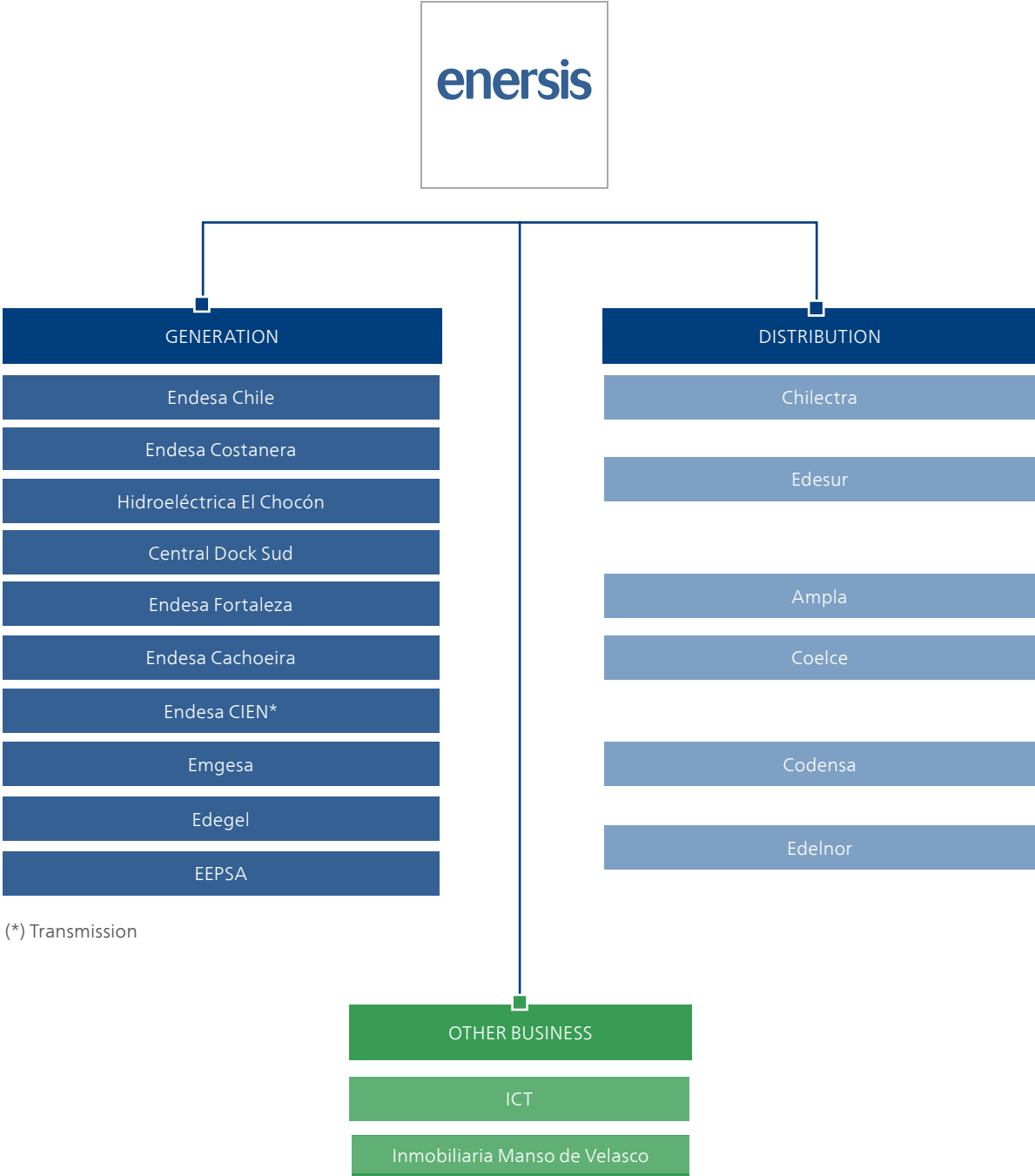
The shares representing Enersis S.A.'s stake in its subsidiary Chilectra S.A. are considered essential assets for the normal operations of Enersis S.A.







# Business structure



## Historical background

On June 19, 1981, Compañía Chilena de Electricidad S.A. formed a new corporate structure which gave birth to a parent company and three subsidiaries. One of these was Compañía Chilena Metropolitana de Distribucion Electrica S.A. In 1985, under the Chilean government's privatization policy, the process of transferring the share capital of Compañía Chilena Metropolitana de Distribucion Electrica S.A. to the private sector was begun, ending finally on August 10, 1987. In this process, the pension fund management companies (AFPs), company employees, institutional investors and thousands of small shareholders joined the Company. Its organizational structure was based on activities or operative functions whose results were evaluated functionally and its profitability was limited by a tariff structure as a result of the Company's exclusive dedication to the electricity distribution business.

In 1987, the company's board proposed forming a division for each of the parent company's activities. Four subsidiaries were therefore created to be managed as business units each with its own objectives, thus expanding the company's activities toward other non-regulated activities but linked to the main business. This division was approved by the extraordinary shareholders meeting of November 25, 1987 which defined its new corporate objects. Compañía Chilena Metropolitana de Distribucion Electrica S.A. thus became an investment holding company.

On August 1, 1988, as resolved at the extraordinary shareholders meeting of April 12, 1988, one of the companies born from the division changed its name to Enersis S.A. At the extraordinary shareholders meeting of April 11, 2002, the company's objects were modified, introducing telecommunications activities and the investment and management of companies whose businesses are in telecommunications and information technology, and internet trading businesses.

In 1988, and in order to successfully meet its development and growth, the company was split into 5 business units which in turn gave birth to five subsidiaries. Of these, Chilectra and Río Maipo were responsible for electricity; Manso de Velasco concentrated on electrical engineering and construction services, plus real-estate management, Synapsis in the area of information technology and data processing, while Diprel focused on providing procurement and commercialization of electrical product.

Today, Enersis is one of the largest private electricity groups in Latin America in terms of consolidated assets and operating revenue, achieved through steady and balanced growth in its electricity businesses: generation, transmission and distribution. The development of the electricity distribution business abroad has been implemented jointly with its subsidiary Chilectra, a company that distributes electricity in the Metropolitan Region, Chile. Its investments in electricity generation in Chile and abroad have been developed mainly through its subsidiary Empresa Nacional de Electricidad S.A. (Endesa Chile).

In addition, it is involved in businesses that complement its principal ones through majority holdings in the following companies: Real estate Manso de Velasco Ltda. committed to the real-estate business through the integral development of real-estate projects and the administration, rental, purchase and sale of the property assets of Enersis and its subsidiaries in Chile; ICT Servicios Informáticos Limitada is a consulting services company in technology, information and computing, and telecommunications



## Expansion and development

Enersis began its international expansion in 1992 through participating in different privatization processes in Latin America, thus developing a significant presence in the electricity sectors of Argentina, Brazil, Colombia and Peru.

### 1992

- On May 15, it acquired a 60% shareholding and control of the generator Central Costanera, currently Endesa Costanera, in Buenos Aires, Argentina.
- On July 30, it was awarded 51% of Empresa Distribuidora Sur S.A., Edesur, a company that distributes electricity in the city of Buenos Aires, Argentina.

### 1993

- In July, it bought the generator Hidroeléctrica El Chocón, located in the province of Neuquén and Río Negro, Argentina.

### 1994

- In July, Enersis acquired for US\$176 million 60% of the share capital of Empresa de Distribución Eléctrica de Lima Norte S.A., Edelnor, in Peru. It also acquired Edechancay, another electricity distributor in that country, which was later absorbed by the former.
- At the end of the year, Enersis acquired an additional 1.9% of the share capital of Endesa Chile, increasing its shareholding to 17.2%.

### 1995

- On December 12, Enersis acquired an additional 39% in Edesur gaining control of the company.
- It also acquired the generator Edegel in Peru.

### 1996

- On February 15, Enersis reached a 25.28% shareholding in Endesa Chile and, on April 15, Endesa Chile became a subsidiary of Enersis.
- It invests in the sanitation market with the acquisition of Agua Potable Lo Castillo S.A.
- On December 20, Enersis entered the Brazilian market with the acquisition of a large block of shares in the previously-called Companhia de Eletricidade do Rio de Janeiro S.A., Cerj, a company that distributes electricity in the city of Rio de Janeiro and Niteroi, Brazil. Its present name is Ampla Energia e Serviços S.A.
- On December 20, it acquired a 99.9% shareholding in Central Hidroeléctrica de Betania S.A. E.S.P, in Colombia.

## 1997

- On September 5, it acquired for US\$715 million a 78.9% shareholding in Centrais Eléctricas Cachoeira Dourada, Brazil.
- On September 15, Enersis successfully took part in the capitalization of Codensa S.A. E.S.P., acquiring a shareholding of 48.5% for US\$1.226 million, company that distributes electricity in the city of Bogotá and the department of Cundinamarca, Colombia. It was also awarded 5.5% of Empresa Eléctrica de Bogotá.
- On September 15, it acquired a 75% shareholding, for an amount of US\$951 million, in Emgesa, a Colombian generator, and an additional 5.5% of Empresa Eléctrica de Bogotá S.A.
- ENDESA S.A., (Spain), acquired 32% of Enersis.



## 1998

- On April 3, Enersis again entered the Brazilian market, this time being awarded 89% and control of Companhia Energética de Ceará S.A., Coelce, company distributes electricity in the north-east of the country, in the state of Ceará for US\$868 million.
- On April 22, Enersis reached 100% shareholding in Aguas Cordillera, Santiago, Chile.
- On December 28, Enersis gained control of Esva, located in the Valparaiso region, through being awarded 40% of the share capital of the company.

## 1999

- ENDESA S.A., (Spain), took control of Enersis. Through a public share offering (OPA), the multinational company ENDESA S.A., acquired an additional holding of 32% in Enersis which, together with the 32% already acquired in August 1997, gave it a total holding of 64%. This transaction, completed on April 7, 1999, involved an investment of US\$1,450 million. As a result of the capital increase made by Enersis in 2003, this shareholding reduced to the present 60.62%.

- On May 11, Enersis acquired 35% of Endesa Chile which, added to the 25% already held, enabled it to obtain a 60% shareholding in the generator. It therefore consolidated its position as one of the principal private sector electricity companies in Latin America.

## 2000

- As part of its Genesis Plan strategy, the subsidiaries Transelec, Esva, Aguas Cordillera and real-estate assets were sold for US\$1,400 million.

## 2001

- Large investments were made: US\$364 million for increasing its shareholding in Chilectra, in Chile; US\$150 million in the acquisition of 10% of the share capital of Edesur, in Argentina, a percentage that was held by the company's employees; US\$132 million to increase its shareholding in Ampla, in Brazil; US\$23 million to increase its shareholding by 15% in Río Maipo, in Chile, and US\$1.6 million to increase its shareholding by 1.7% in Distrilima, in Peru.

## 2002

- In Brazil, Central Termoeléctrica Fortaleza in the state of Ceará was awarded to the Company. The commercial operation of the second phase of the electricity interconnection between Argentina and Brazil, CIEN, completing a transmission capacity of 2,100 MW between both countries, also began.

## 2003

- Assets amounting to US\$757 million were sold, including the Canutillar generating plant and the distributor Río Maipo, both in Chile.

## 2004

- The Central Hidroeléctrica Ralco hydroelectric plant located in the Bio Region and contributes 690 MW of capacity, began operations.

## 2005

- On April 18, the subsidiary Endesa Eco was formed to promote and develop renewable energy projects like mini-hydro plants, wind farms, geothermal, solar and biomass plants, and to act as the depository and trader of the emission reduction certificates produced by these projects.
- The subsidiary Endesa Brasil S.A. was formed with all the assets held in Brazil by the Enersis Group and Endesa Internacional (now Endesa Latinoamérica): CIEN, Fortaleza, Cachoeira Dourada, Ampla, Investluz and Coelce.

## 2006



- During February, the Termocartagena (142 MW) plant in Colombia, which operates with fuel oil or gas, was bought for approximately US\$17 million.
- In March, Enersis informed the SVS about the merger of Elesur and Chilectra by the absorption of the latter by the former. The legal effects of this merger were effective from April 1, 2006.
- In June, Edegel and Etevensa were merged, the latter a subsidiary of Endesa Internacional (now Endesa Latinoamérica S.A.) in Peru.
- On September 29, Endesa Chile, ENAP, Metrogas and GNL Chile signed an agreement defining the structure of the liquefied natural gas (LNG) project in which Endesa Chile participates with a 20% holding.

## 2007

- In March, the company Centrales Hidroeléctricas de Aysén S.A. (HidroAysén) was formed, to develop and exploit the hydroelectric project in the region of Aysén, called the "Aysén Project", which will imply 2,750 MW of new installed capacity for Chile.

- In April, the first phase of the San Isidro combined-cycle thermal plant, second unit, with a capacity of 248 MW, was made available to Economic Load Dispatch Center (CDEC-SIC).
- In September, the merger of the Colombian generating companies, Emgesa and Betania was completed.
- On October 11, ENEL S.p.A. and ACCIONA, S.A. took control of Enersis through ENDESA S.A. and Endesa Internacional, S.A. (now Endesa Latinoamérica S.A.).
- During November, the Palmucho hydroelectric plant started up its commercial operations, located below the Ralco plant dam in the Upper Biobío area, supplying 32 MW of capacity to the Central Interconnected system SIC).
- Canela was inaugurated on December 6, the first wind farm on the SIC. Canela is located in the village of that name in the Region of Coquimbo and contributes 18 MW to the SIC.

## 2008

- In January, the second phase of the San Isidro II combined-cycle thermal plant began its commercial operations, with an installed capacity of 353 MW.
- On March 24, the dual operation of Unit N°1 of the Tal-Tal thermal plant began operations, with an installed capacity of 245 MW.
- In June 27, the Ojos de Agua mini-hydro plant began operations, contributing 9 MW of installed capacity to the SIC.



## 2009

- The companies ACCIONA, S.A. and ENEL S.p.A. announced an agreement whereby ACCIONA, S.A. will directly and indirectly transfer to ENEL ENERGY EUROPE S.L. a 25.01% shareholding in ENDESA, S.A. ENEL ENERGY EUROPE S.L., controlled 100% by ENEL S.p.A., will thus hold 92.06% of the share capital of ENDESA, S.A.
- On June 25, the agreement between ENEL S.p.A. and ACCIONA, S.A. came into effect whereby the ENEL Group became the controller of 92.06% of the share capital of ENDESA, S.A.
- On October 9, Endesa Chile acquired 29.3974% of its Peruvian generation subsidiary Edegel. The shares were acquired at market price from Generalima S.A.C., a company which in turn is a subsidiary of Endesa Latinoamérica S.A. Endesa Chile thus now holds directly and indirectly 62.46% of the shares of Edegel.
- On October 15, Enersis S.A. acquired 153,255,366 shares, representing 24% of the share capital, of its Peruvian subsidiary, Edelnor, at a price of 2.72 soles per share. This was purchased from Generalima S.A.C., a Peruvian subsidiary of Endesa Latinoamérica S.A., the parent company of Enersis. With this transaction, the direct and indirect shareholding of Enersis S.A. in Edelnor rose from 33.53% to 57.53%.



## 2010



- In February, the San Isidro plant increased its capacity to 399 MW; the combined cycle unit increased 22 MW of capacity after implementing technological changes that allowed him to operate in a dual manner (LNG and oil).
- On May 31 in the context of the ongoing effort to provide its customers with excellent service, Chilectra began the project distribution network remote management (DT) implemented by CAM, a technological change that will allow a qualitative leap in the registration of power consumption and reducing energy losses.
- In early June Chilectra and Clínica Dávila opened the largest solar Project in Chile. With a total of 264 solar thermal collectors, installed in 740 square meters, the solar electric technology will allow heating more than 70,000 liters of sanitary water a day, using two types of totally clean energy, uncontaminated and with savings of up to 85%.
- In July Endesa Chile and Minera Lumina Copper Chile S.A. formalized a supply contract to satisfy electricity needs of Caserones Project, located 162 kilometers southeast of Copiapo. The agreement considers supplying energy and capacity from September 1, 2012 until December 31, 2022.
- In October, 2010, the company submitted the Environmental Impact Study (EIA In its Spanish acronym) of the Project LTE Central Hidroeléctrica Los Cóndores to the Environmental Assessment Service (SEA In its Spanish acronym), initiative that will allow connecting the future power plant Central Hidroeléctrica Los Cóndores to the Sistema Interconectado Central (SIC In its Spanish acronym), main electricity grid in the country, and that services more than 90% of the population.
- In December 2010, Endesa Chile submitted the environmental impact assessment (EIA) of Central Hidroeléctrica Neltume again. The company submitted the environmental impact study to the Environmental Assessment Service (SEA), incorporating the additional information requested by the different organisms that participated in the evaluation process of the initiative. The 490 MW installed capacity intends to make use of the existing hydroelectric potential in the area, specifically in the River Fuy, natural drainage of the lake Pirehueico.
- In December Endesa Chile submitted the EIA of the Project named High Voltage S/E Neltume-Pullinque to the SEA of the Lake Region. The initiative's purpose is to build and operate the necessary infrastructure to transport and inject the energy to come from the future Central Hidroeléctrica Neltume, into the Central Interconnected System (SIC).
- Enersis accepted the offer presented by the company Grana y Montero S.A.A., to acquire the entire stake it holds, directly and indirectly, in its subsidiary Compañía Americana de Multiservicios Limitada, CAM; and likewise, accepted the offer by Riverwood Capital L.P to acquire the entire shareholding, both directly and indirectly, in its subsidiary Synapsis Soluciones y Servicios IT Ltda. The price offered for CAM and its subsidiaries in Argentina, Brazil, Colombia and Peru amounted to US\$20 million. In the case of Synapsis, the price offered for the company and its subsidiaries in Argentina, Brazil, Colombia and Peru amounted to US\$52 million.

# 2011

- Four projects were submitted for environmental approval: "Optimization of Los Cóndores Hydroelectric Power Plant", "Renaico Wind Farm", "LAT S/E PE Renaico - S/E Bureo" and "Optimization Second Unit of Thermal Power Plant Bocamina". The project "Optimization of Los Cóndores Hydroelectric Power Plant" has been qualified as environmentally favorable. The projects: "LTE CH Los Cóndores - S/E Ancoa", "Hydroelectric Power Plant Neltume", "High Tension line S/E Neltume - Pullinque", "Renaico Wind Farm", "LAT S/E PE Renaico - S/E Bureo" and "Optimization Second Unit of Thermal Power Plant Bocamina" are in the process of environmental approval.
- In May, the Environmental Assessment Commission of the Aysen region approved the Environmental Impact Study of the HydroAysen project power plants presented on August 14, 2008, which constitutes an important milestone in the process of obtaining the necessary authorizations to develop this project, in which Endesa Chile has a 51% share, and the Chilean electricity company Colbun has the remaining 49%. If the project is carried out, it would imply adding 2,750 MW of hydroelectric capacity to the Chilean electricity system, from five power plants, making an important contribution to reliability of the electricity supply of the country. The project also considers building a high tension transmission line, developed by third parties, approximately 1,912 Km long, that will begin its approval process shortly.
- In August, Endesa Latinoamérica, S.A. (wholly owned subsidiary of Endesa, S.A.) informed, as a significant event, entering into an agreement for Endesa Latinoamérica to acquire EDP's 7.70% stakes in Endesa's Brazilian subsidiaries Ampla Energia e Serviços S.A. and Ampla Investimentos e Serviços S.A. for Euro 76 million and Euro 9 million, respectively. After these acquisitions, the Endesa Group will control 99.64% of the share capital of both companies, whose shares trade on the Sao Paulo stock exchange. In compliance with securities market regulations in Brazil, once the acquisition is complete Endesa will launch a tender offer for the remaining 0.36% stakes held by the minorities shareholders of Ampla Energia and Ampla Investimentos under the terms set out in these regulations.



- In September, the Enersis Group measured the Carbon Footprint of its generation power plants in Latin America. Through its subsidiary Endesa Chile, the company carried out the calculation of the carbon footprint for 13 generation plants located in Argentina, Chile and Colombia, and also for the corporate building in Santiago, Chile. Simultaneously, in Peru, a methodology of calculation was developed in house and applied to calculate the Carbon Footprint of hydroelectric and thermal power plants and also corporate headquarters in Lima. Chilectra on the other hand, has measured carbon footprint and has disclosed results publicly in its Sustainability Report since 2007. The distributor brought up this subject with the objective of offering its customers various actions to reduce emissions of CO<sub>2</sub>, through Energy Efficiency (EE) or the implementation of Non-Conventional Renewable Energy. In order to do so, Chilectra has a strategic alliance with the environmental company POCH Ambiental, a firm with extensive experience in Climate Change and Carbon Footprint consulting, which offers calculation and certification services, and also reduction of emission by EE or ERNC.

## 2012

- On February 29, 2012, the power plant Bocamina II began commercial operations. This allows compensating the hydroelectricity generation deficit present for the last 3 years and contributes with an important increase in efficient low cost thermal electricity as back up capacity of the Central Interconnected.
- The power plant project Punta Alcalde, to have 740 MW of installed capacity and that will be located 13 kilometers from the city Huasco, received environmental approval from the Ministers Committee in early December, after being rejected by the Environmental Assessment Commission of the Atacama Region in June 2012. The project will have the highest standards of technology, efficiency and environmental commitment, considering world class parameters in terms of emissions and operations.
- In July, through a Significant Fact submitted to the Superintendence of Securities and Insurance (SVS), the Board of Directors of Enersis informed its decision to call an Extraordinary Shareholders Meeting to take place September 13, with the purpose of resolving, among other matters, the capital increase of the Company according to Endesa's (Spain) proposal, amounting to up to the equivalent of US\$8,020 million in Chilean pesos, or the amount that the Extraordinary Shareholders Meeting determines. In early August, the SVS stated that the Board of Enersis must adopt the actions necessary to strictly comply with the conditions established by Articles 15, 67 and Title XVI of Law 18,046 (Corporations Law), considering that they are complementary and when applicable should be considered simultaneously. These conditions are related to capital increase transactions and related party transactions respectively. Once the indications of the SVS were acknowledged, Enersis adopted them and continued with the capital increase operation. The Board of Directors resolved postponing the Extraordinary Shareholders Meeting to take place September 13 to a later date to be determined opportunistically. After strictly complying with the conditions



established by Articles 15, 67 and Title XVI of Law 18,046 (the Board of Directors requested the independent valuation of IM Trust and the Directors Committee requested the independent valuation of Claro y Asociados Ltda., the Directors Committee issued its report and each Director gave his opinion with respect to the proposed operation), the Extraordinary Shareholders Meeting held on December 20 ruled on the capital increase. A very large majority, almost 86% of all shareholders present with voting rights, equivalent to 81.94% of the total shares with voting rights of the Company, approved the capital increase of the following characteristics: 1) Maximum amount of the capital increase: Ch\$ 2,844,397,889,381, divided into 16,441,606,297 ordinary nominative payment shares of the same series, with no preferences and no par value, 2) Value of non-in-kind contributions to be capitalized: The total issued capital of Cono Sur, Company that will concentrate the activities that are identified in the reports that have been made available to the shareholders and that would be contributed by Endesa to Enersis S.A., will amount to Ch\$ 1,724,400,000,034 corresponding to 9,967,630,058 shares of Enersis S.A. at a price of Ch\$ 173 per share, 3) Placement share price: A fixed price of Ch\$173 for every payment share to be issued as a result of the capital increase.

## 2013

- **Capital Increase.** With a historic result for this type of operation in the local market, Enersis shareholders subscribed a total of approximately \$ 6,022,000, a placement of 100% of the shares available for Capital Increase.
- During the year, progress continued in the construction of the El Quimbo project in Colombia, which is located south of the department of Huila, southeast of Bogotá and feeds from the flow of the Magdalena River. It includes the construction of a 400 MW hydroelectric dam and with an average annual generation of about 2,216 GWh. During the year and according to the commitments of the Environmental License of El Quimbo, the projects related with the resettlement nuclei and their respective irrigation and urbanization districts were executed, these were directly linked to the conditions accepted by the people affected by the project and the needs expressed by the local authorities.
- **Punta Alcalde Thermal Power Plant Project.** In July 2013, the transmission project that would connect the power plant to the Maitencillo substation of the SIC underwent environmental assessment. The Punta Alcalde Thermal Power Plant will be located in the Atacama Region, Province and Municipality of Huasco, 13 kilometers south of Huasco. The initiative provides for the construction of a power plant which uses bituminous coal as its main fuel. It will have two power blocks, each having an installed capacity of 370 MW. The plant will be connected to the trunk Maitencillo substation by a 220 kV and approximately 40 km in length, double circuit transmission system.

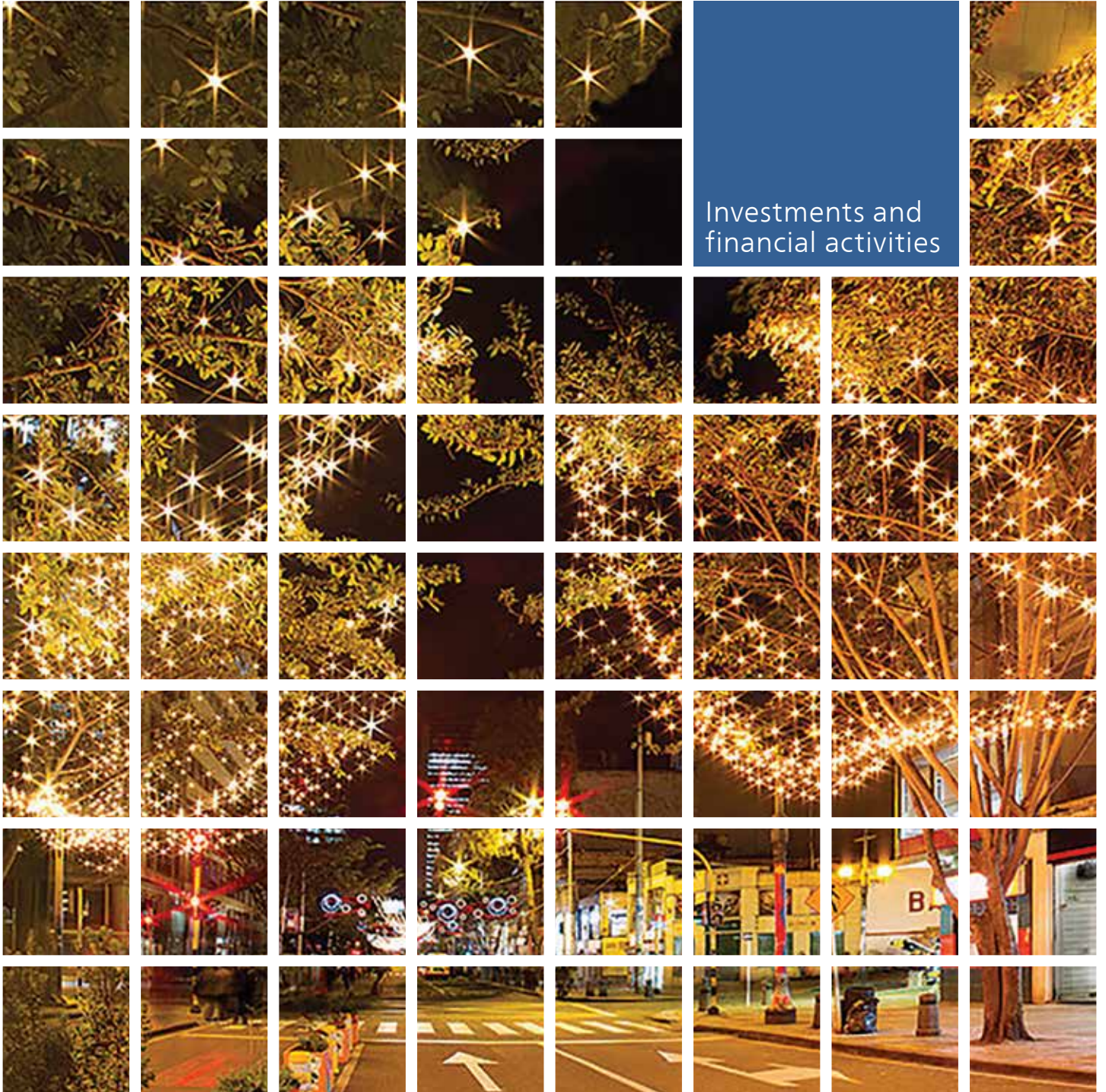
In 2009, Endesa Chile submitted the project to the Environmental Impact Assessment Bureau. A regulatory change occurred in June 2011 regarding emissions requirements, which led to major changes in the project. On June 25, 2012, the EAC (Environmental Assessment Commission) of the Atacama Region rejected the project, after which Endesa Chile submitted a Claim to the Committee of Ministers.



- On December 3, 2012, by unanimous vote, the Committee of Ministers decided to reverse the decision of the EAC in the Region of Atacama, granting an environmental approval to the project. In early 2013, four court proceedings (stay for protection) against the decision of the Committee of Ministers, which were received by the Court of Appeals in August 2013. In December 2013, the case was in the Supreme court pending ruling, which was finally ruled in favor of the project on January 17, 2014.
- In July 2013, the new Malacas power plant was commissioned in Peru. With a power output of 185 MW, the new unit of the Malacas thermal power plant began operations in Piura, this plant is owned by the Piura Electricity Company (EEPSA) part of the Enersis Group. This new plant required an investment of US\$ 105 million, and supplies additional energy to the System.
  - During the year, the progress in optimizing the Salaco Chain continued, which will represent a growth in installed capacity of 144.8 MW and an additional average increase on expected energy generation of 482 GWh for Emegesa. The plants will begin operating with their original names Salto II (from 19.4 MW to 35 MW); Laguneta (from 18 MW to 36 MW) and Dario Valencia (from 38.8 MW to 150 MW). The project has duration of

- 24 months. On November 6, 2013, the first modernized unit of the Salaco project began operating; this was unit 2 of the filo de agua Darío Valencia Samper power plant, with an installed capacity of 50 MW. This unit generated 46.3 GWh from the moment of its commissioning to midnight of December 31st.
- In November 2013, the Water Works Permit authorizing the intervention of water courses for the construction of the Los Cóndores plant was obtained. The generation project has had an environmental approval since November 2011. Regarding transmission, in May 2013, a modification of the environmental approval for the line connecting the power plant to the SIC was obtained. The Los Cóndores Hydroelectric Project will be located in the Maule Region, Province of Talca, Municipality of San Clemente. It includes the construction of a run-of-the-river hydroelectric plant of about 150 MW of installed capacity, with an average annual generation of 560 GWh, which would use the waters of the Laguna del Maule reservoir by means of a 12km long adduction. The plant will be connected to the SIC by a 220 kV double circuit line between Los Cóndores power plant and the Ancoa substation, with a length of approximately 90 km.
  - In November and December 2013, respectively, Addendum No. 4 to the EIS of the generation project and Addendum No. 4 to the EIS for the transmission project for the Neltume Hydroelectric Project were submitted. This project will be located in the Los Ríos Region, Province of Valdivia, Municipality of Panguipulli. The initiative includes the construction of a run-of-the-river hydroelectric power plant with an installed capacity of 490 MW, with an average annual generation of 1,885 GWh, which would build the existing energy potential between Neltume and Pirehueico lakes. The plant will be connected to the SIC in the Pullinque area by a 220 kV double circuit transmission line. Also, during the second half of 2013, the SEA began the process of consultation with indigenous communities which are territorially present in the area, both for the plant and the transmission line, in order to comply with ILO Convention c N° 169.
  - Closure of Taltal Project Combined Cycle. In December 2013, an Environmental Impact Statement (EIS) was entered to process. which environmentally optimizes the project, replacing the originally considered seawater cooling system with a dry cooling system with air coolers. The proposed closure of the combined cycle will use the two existing gas turbines of 123 MW each, and add a steam turbine of about 130 MW. Thereby, the Taltal plant will be able to generate a net power of around 370 MW and display an efficiency gain from the current 35% to about 50%. The injection of energy of the combined cycle plant is through the existing double circuit 220 kV-Diego de Almagro-Paposo transmission line.
  - Renaico Wind Farm. During the 2013, tenders for civil works contracts, internal connections of the park, transmission line, transformer substations and equipment were constructed. The project is located in Region IX, in the Renaico commune. It consists of 44 2 MW wind turbines, with a hub height of 95 meters, reaching a total capacity of 88 MW to generate 255 GWh / year. The connection of power to the SIC will be conducted by means of a single circuit, 27 km transmission line 220 kV, to the future Bureo substation, in Region VIII.
  - Piruquina Mini-Hydro Project. During 2013, the basic engineering was completed and the processing of the application for the Water Works Permit was continued. It is expected that all the necessary permits for the construction of the project will be granted during the first half of 2014. The Piruquina Mini-Hydro Project is located in Region X, Chiloe Island, in the Dalcahue commune and seeks to harness the Carihueico river water. The plant includes the installation of two Kaplan and one Francis turbines, and has an installed capacity of 7.9 MW and an estimated average generation of 33.7 GWh / year.

The project is currently completed with basic engineering finalized and under environmental assessment process by the Environmental Assessment Agency (SEA) of the region.



## Capital Increase

In July 2012 Endesa SA proposed the Enersis Board of Directors to conduct a Capital Increase consisting of a real non-cash contribution by the controller and a cash contribution by minority shareholders. The aim of this operation was to leave Enersis as the only investment vehicle of Endesa in Latin America and also provide it with resources to enable it to carry out a major expansion plan, consisting of purchases of minority interests in companies already consolidated and execute M & A operations.

The March 28, 2013, after the purchase of 100 % of the shares offered, the Capital Increase operation was totally and successfully completed. The amount collected in the operation, which became the more substantial Capital Increase to date in the country, breaks down as follows: Completed the periods of first preferred options in Chile, USA and Spain, the shareholders of the company purchased a total of 16,284,562,981 shares, representing 99.04 % of the total authorized for issuance, totaling U.S. \$ 5,961 million (of these shares, Endesa Spain, by contributing with its holdings grouped in the Southern Cone, purchased 9,967.630.058 shares). Meanwhile, the remaining 157,043,316 shares left at the end of the periods of first preferred option, was placed entirely in an auction held on March 28 in the Santiago Stock Exchange, raising \$ 60.6 million, auctioning off all the packages at \$ 182.30 per share.

As a result of the Capital Increase, all shares of Endesa Spain in South America were unified in Enersis, and gave the company the resources to carry out a meaningful plan for growth and expansion in the region via purchase of minority and M & A. Enersis incorporated shares in operating power generation, transmission and distribution companies in South America, representing during 2013 a net income an increase of approximately \$ 255 million considering only three quarters, equivalent to an annualized amount of \$ 340 million, increase which was achieved without incurring in further incremental transaction costs and risks, since these are companies, which almost entirely, were managed by Enersis.

The contribution of shares in Emgesa and Codensa, both in the Colombian market, allow Enersis to consolidate these investments in their own right. The addition of Piura (Eepsa) implies increased presence in the power generation sector in Peru, through an asset that presents attractive growth opportunities. Thus, the incorporation of Cono Sur will rebalance Enersis net income, reinforcing the weight of Colombia and Brazil, which are growing at very significant rates, while in terms of market, the company established itself as the main power generator listed in South America also increasing its weight in the IPSA, climbing from an eighth to a third place in terms of stock market capitalization.

From the second quarter of 2013, the companies: SAC Generalima, Cabo Blanco Electric SAC, Empresa Electrica de Piura SA, Endesa Cemsa SA, Dock Sud SA Investments, and Central Dock Sud SA entered the Enersis Group scope of consolidation, All of them contributed by Endesa Spain, grouped in Southern Cone Holdings SLU, as part of the Capital Increase process conducted by the company. The income of these companies consolidated in the Enersis Group was an increase in the consolidated statement of financial position of M \$ 110,222,618 in current assets, M \$ 163,196,934, in non-current assets, M \$ 180,637,895 in current liabilities and M \$ 54,241,781 in non-current liabilities.

In October 2013, and having closed the corporate simplification process of the Capital Increase approved in December



20, 2012 by the Enersis Extraordinary Shareholders' Meeting, the company acquired the shares in its Inversiones South America Ltda. subsidiary, producing consequentially the termination of the company. Thus, Enersis acquired the shares that had been provided by Endesa Spain as payment for shares of Capital Increase, becoming the direct owner of the contributed shares, a fact that has produced legal effects since October 1, 2013. Investments South America Ltda. had previously absorbed, during last July, Southern Cone Society, a company that originally grouped the social contributions that Endesa Spain brought under the Capital Increase operation.

Thanks to the new shares received in this transaction, the company's net profit attributable to Enersis shareholders grew from 42% in 2012 to 60% in 2013.

All records mentioned in this chapter are available to the shareholders at the Enersis website ([www.enersis.cl](http://www.enersis.cl)) as well as at its head office located in Avda. Santa Rosa N°76, Santiago.



## Investment Plan

We Coordinate the overall financing strategy of our subsidiaries and intercompany loans in order to optimize the management of debt in addition to the terms and conditions of our funding. Our subsidiaries develop separate capital investment plans which are financed on the basis of internally generated funds or direct funding. One of our goals is to focus on investments that will yield long-term profit, such as projects to reduce energy losses.

Our investment plan is flexible enough to adapt to changing circumstances by assigning different priorities to each project according to profitability and strategic opportunity. Investment priorities are currently focused on developing the works plan in Chile, Peru and Colombia.



During 2013, by means of the Capital Increase, some companies that brought their respective projects (e.g. Reserva Fría in Peru) joined the Enersis perimeter.

Moreover, the change in the Consolidation Standard implied the deconsolidation of some companies for comparative purposes, in 2012 Endesa was certified to this standard.

## Generation

Our capital expenditures in generation totaled \$ 368 billion in 2013, of which \$ 135 billion were in Chile and \$ 233 billion out of the country, while in 2012, these expenses totaled \$ 311 billion, of which \$ 68 billion were in Chile and the rest abroad.

In Chile our main investments during 2013 were concentrated on completion of the outstanding works of Bocamina II, 350 MW. In Colombia, our investment expansion was concentrated in the construction of the El Quimbo Hydroelectric Project, 400 MW and the commissioning of the first unit of the Cadena Salaco Project which will expand the power of the complex by 145 MW. In Peru, investments were concentrated mainly in commissioning Reserva Fría Project with 183 MW. Additionally, the investment and development studies of pipeline projects, both hydraulic as well as thermoelectric in Chile and in the region continue.

In Argentina, during 2013 Central Costanera had contributions from the Government by the Encos Plan project for \$ 36 billion. However, these contributions are not considered in the total capital expenditures reported here.

## Distribution

During 2013 investments were made for a total of \$ 455 billion, mainly to meet the needs of consumption, due to population growth and new customers, via investment not only in connection, but also in increases in capacity and strengthening the facilities in AT, MT and BT of the companies. Of this total, \$ 55 billion were invested in Chile and \$ 400 billion abroad. Moreover, in 2012, investments of \$ 395 billion (homogenization by changes to the Consolidation Standard) were made to serve the consumption needs, due to population growth and new customers, as well as to improve quality of service. Of this total, \$ 52 billion were invested in Chile.

In Chile during 2013, Chilectra made investments totaling \$ 55 billion, related primarily to meet growing energy demand, quality of service, safety, information and remote control systems, and losses.

In the 2013 results, the expansion in 150 MVA transformation capacity, particularly in the Chacabuco (110/23 kV), San Cristobal (110/12 kV) and Recoleta (110/12 kV) substations, each with an expansion of 50 MVA are worth mentioning.

AT networks were repowered with high capacity investments in reinforcing the 110 kV Chena - Cerro Navia lines in the Tap San Jose - Pudahuel section, and in two 110 kV branchings (taps) at the Lo Boza and San Jose Substations.

In MT networks, 3 new feeders were built: Magdalena (12 kV) in the Alonso de Cordova substation; Chiloé (12 kV) in the Club Hípico substation; and Huelén (12 kV) in the San Cristobal substation. And to supply large customers, Santa Clara (12 kV) in the Recoleta substation. Also, the construction of 2 additional supply lines to be commissioned during 2014 was advanced.

Finally the investment to increase automation of the MT Network in Chilectra SA continued, where 91 new remotely controlled equipment were added to the system, and a special plan on 127 existing pieces of equipment in the network with capacity of remote command was implemented, allowing to add 100 of these to the SCADA system during 2013 by completing 191 new units in exploitation; also, a second project of self-reconfiguration of the MT network was implemented in the Portezuelo and Aguas Claras power supply lines to improve the quality of service of the Lampa sector, which adds to the one implemented in Colina in 2012; and physical works on the MT network and the installation of equipment at the Smart City project was completed in the Ciudad Empresarial in Santiago which will be commissioned in 2014 with the implementation of a STM centralized control platform, scheduled for the first four months.



In Argentina, our subsidiary Edesur made investments of about \$ 96 billion primarily related to the investment plan submitted to the Argentinean government according to the obligations in ruling 347/2013. This plan involved major electrical infrastructure works allowing network expansion and renovation of low and medium voltage networks. Finally, the medium voltage network telecontrol project which began in 2011 continued, and the technical quality of the service was improved.

In the case of Brazil, the total investment reached \$ 173 billion. Specifically, Ampla made investments totaling \$ 106 billion, mainly concentrated in loss reduction projects, quality of distribution networks and connecting new customers.

In the case of Coelce, investment totaled \$ 67 billion, mainly for networks and connection projects intended to bring in new customers. Necessary investments were also made to support the sustained growth in demand in the state of Ceará in recent years.

In Colombia, the investments totaled \$ 72 billion in projects aimed at expanding to serve new customers and meet the growing demand in an integrated manner in the different voltages of the distribution network.

Investments by Codensa focused primarily on connections to new customers and networks to improve service quality.

In Peru, Edelnor invested a total of \$ 58 billion focused primarily in meeting the growth in demand, always seeking to strengthen safety in the Medium and Low Voltage feeder lines.

## Financial activities

The financial activities of the Enersis group have always been an important and a priority issue. Work has been conducted to improve the financial profile of both Enersis and its subsidiaries, issuing equity and debt with the best market conditions.

The most significant financial events in the history of Enersis include, among others, the following events:

Between 1988 and 1992 Enersis shares began trading on the local stock exchanges and on October 20, 1993, in the New York Stock Exchange (NYSE), by means of the ADSs, under the NEMO ENI.

In February 1996, Enersis made a second issue of shares in both the local and international markets. In addition, it issued bonds in the United States for a total of U.S. \$ 800 million, due in 2006, 2016 and 2026.

In February 1998, Enersis again increased its capital and issued bonds in the amount of \$ 200 million.



In 2000, Enersis conducted a new Capital Increase by approximately \$ 525 million.

On December 17, 2001 it began trading in the Latin American Stock Exchange in the Madrid Stock Exchange (LATIBEX) Enersis shares traded under the NEMO XENI.

Between June and December 2003, Enersis conducted another Capital Increase, which allowed increasing the equity base of the company to more than US\$ 2 billion.

In 2012 financial transactions, both refinancing and new financing and hedging in the foreign subsidiaries for a total amount equivalent to U.S. \$ 1,376 million, of which \$ 117 million came from Argentina, U.S. \$ 533 million from Brazil, U.S. \$ 623 million from Colombia and U.S. \$ 104 million from Peru .

In March 2013 The Capital Increase by over U.S. \$ 6 billion was successfully completed, the largest by a Chilean company.

Due to amendments made between 2006 and 2010 to local bonds contracts, Yankee bonds, and credit lines under the New York Law of Enersis and Endesa Chile to date, default events of any foreign subsidiary have no effect on the Chilean debt matrix.

## National Finance

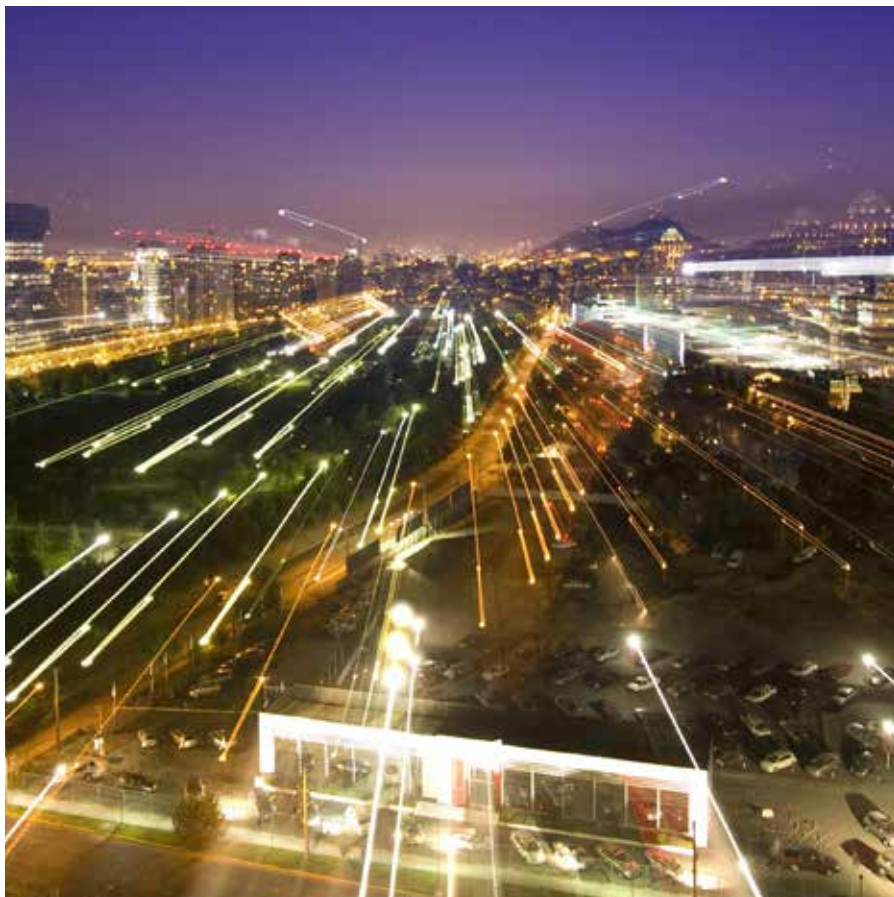


Enersis consolidated accounts at the end of 2013 with committed credit lines available for the equivalent of U.S. \$ 757 million.

Enersis and Endesa Chile and its respective subsidiaries in Chile and abroad, also feature at the end of 2013 with uncommitted credit lines available for the equivalent of U.S. \$ 925 million.

During 2013, Enersis maintained available for withdrawal the entire program of local bonds for UF 12.5 million, program registered in the Securities Register of the Superintendencia of Securities and Insurances in February 2008.

At the end of 2013 Commerce Effect Lines for a total amount of up to U.S. \$ 200 million for both Enersis and Endesa Chile remained unused. These Commerce effect lines were registered in January 2009 in the Securities Register of the Superintendencia of Securities and Insurance.



Additional to the already mentioned credit contracts and bonds programs, Enersis and Endesa Chile with its Chilean subsidiaries ended with available cash of US\$ 1,728 million, corresponding to Enersis the sum of U.S. US\$ 1,620 million and to Endesa Chile US\$ 108 million.

Regarding the consolidated financial debt of Enersis until December 2013, it reached U.S. \$ 6,921 million. Of this amount, U.S. \$ 3,836 million related to Endesa Chile consolidated debt. This debt is primarily composed of international bonds, local bonds and bank debt.

It should be noted that the consolidated cash of Enersis ended at U.S. \$ 3,065 million, therefore, the consolidated net debt amounts to U.S. \$ 3,855 million. However U.S. \$ 1,422 million in instruments placed over 90 days remain.

As for bank financing, Endesa Chile has an existing debt of U.S. \$ 200 million for the syndicated loan in June 2008 and it has its final due date in June 2014, in which BBVA Bancomer is the Agent of the transaction.

## International Finance

2013 was marked by the poor performance of world powers such as the U.S. and China which did not meet their growth expectations, however, about the end of the year, some signs of recovery were observed.

With the announcement of the FED on the withdrawal of monetary stimulus, that would imply a gradual increase in interest rates in dollars. This started a trend of depreciation of emerging currencies.

Debt markets in most countries where the assets Enersis are located, remained open and allowed Enersis foreign subsidiaries to continue refinancing its debt to longer terms, including improving the levels of interest rates and complying with a policy that allows controlled financial risk. In Argentina the complex operational situation has created instability in the cash flows of the companies, however, through various operating and financial activities; the balance has been achieved at the end of 2013.

In 2013 financial transactions were conducted for both refinancing as well as new financing and hedging in the foreign subsidiaries for a total amount of U.S. \$ 1,473 million, of which \$ 208 million came from Argentina, U.S. \$ 410 million from Brazil, U.S. \$ 686 million from Colombia and U.S. \$ 169 million from Perú.2.3.



### Main completed financial operations

#### Argentina

Endesa Costanera conducted a Capital Increase for \$ 85 million and refinanced bank due dates for \$ 34 million.

El Chocón entered into a new syndicated loan for an amount of \$ 23 million and refinanced bank due dates for \$ 20 million.

Edesur achievement the repay all of its loans secured by US\$ 15.5 million and refinance US\$ 33 million with local banks.

## Brazil

Endesa Brazil, by means of a corporate simplification operation, absorbed Ampla, Investimentos and Investluz investment vehicles.

Ampla obtained the release of \$ 152 million under the program of CAPEX financing with BNDES. Coelce in turn, obtained the release of \$ 79 million, under the same program with BNDES.

Cachoeira undertook a capital reduction of \$ 96 million, of which Endesa Brazil received 99.6%.

## Colombia

Emgesa issued local bonds amounting to U.S. \$ 293 million with a term of 6 to 12 years, and formalized the refinancing of a syndicated loan for U.S. \$ 158 million. Codensa meanwhile, issued local bonds for US\$ 195 million with a term of 5 to 12 years.

## Peru

Edelnor performed local bond issues totaling \$ 88 million and has formalized bank loans for U.S. \$ 39 million. Furthermore, it is the first Peruvian corporation to contract hiring committed bank credit lines with a term of 2 years for an amount of U.S. \$ 39 million. Edegel structured a program of corporate bonds for an amount of U.S. \$ 350 million.

# Exchange rate hedging Policy

## Exchange rates

The exchange rate hedging policy of the Group is based on cash flows and aims to maintain a balance between the indexing of flows indexed to foreign currency (dollar), and the levels of indexation of assets and liabilities in that currency. During 2013, the financial transactions conducted by Enersis allowed it to maintain a level of dollar liabilities adjusted to the expected cash flows in such currency, with the exception of Argentina.

As part of this policy, in Chile, forwards were hired for U.S. \$ 900 million to cover dividends from subsidiaries in different currencies. The rest of the group companies in the region contracted exchange rate forwards for U.S. \$ 40 million to exchange future disbursements in accordance to the indexing of their flows.

## Interest rates

The policy of the Group is to maintain fixed and protected the debt levels over the total net debt, within a band of plus or minus 10% with respect to the ratio established in the annual budget debt levels. In case of any deviation from the submitted budget, hedging transactions are made based on market conditions.

As of December, the most protected consolidated fixed debt level on net debt was of 72%.

# Risk Classification

On November 9, 1994, Standard and Poor's and Duff & Phelps ranked Enersis for the first time at BBB +, i.e. investment Grade Company. Later, in 1996, Moody's rated long-term debt in foreign currency of the company at Baa1.

Over time, most of the risk ratings have varied. Currently, all are in the "investment grade" with stable outlook, which are based on the diversified asset portfolio, liquidity and appropriate debt service hedging policies.

Enersis subsidiaries are financially strong and hold a leading position in the markets where they operate.

Summarizing the major events that have taken place over the last few months, we can highlight the following:

- On February 28, 2012, Humphreys ratified the "AA" rating for Enersis local bonds, "AA / level 1" commercial paper program and "1st class level 1" to the shares of the company.
- On July 1, 2013, Feller Rate confirmed "AA" rating for existing bond, shares and commercial paper local programs, as well as confirming the stable outlook.
- On August 2, 2013, Standard & Poor's Also confirmed the International Classification for Eneris as "BBB +" with a stable outlook.
- On August 9, 2013, Fitch Ratings ratified the Eneris rating on local and foreign currency as "BBB +", as well as its classification of long-term national scale rating at 'AA (cl)'. The outlook is "stable".
- Finally, Moody's ratified the corporate classification of Enersis as Baa2 with stable outlook on September 30, 2013.

The ratings are supported by the diversified asset portfolio held by the company, strong credit parameters, suitable composition of debt and ample liquidity. The geographical diversification of Enersis in Latin America provides a natural hedge against the various regulations and weather conditions.

## International Rating

Enersis	S&P	Moody's	Fitch
Corporate	BBB+ / Stable	Baa2 / Stable	BBB+ / Stable

## Local Rating

Enersis	Feller Rate	Fitch	Humphreys
Stocks	1st class, Level 1	1st class, Level 1	1st class, Level 1
Bonds	AA / Stable	AA / Stable	AA / Stable

## Properties and Insurance

The company owns some equipment and substations located in the Metropolitan Region. At the same time, holds insurance against risks such as fire, lightning, explosion, malicious acts, earthquakes, floods, mud avalanches, terrorism, liability and others.

## Brands

The company has registered the brand Enersis and Internet at the speed of light Enersis PLC.





## Suppliers, customers and relevant competitors

Being Enersis a company that operates mainly in the field of generation and distribution of electricity has been taken to consider, besides its own appropriate suppliers, customers and most relevant competitors of its main subsidiaries in Chile and other countries in Latin America where it operates:

Consistent with the aforementioned, it was established that suppliers, customers and most relevant competitors to the company are:

**Chile:** Metro S.A., Gerdau Aza S.A., Mall Plaza S.A., CGE, Saesa, Chilquinta S.A., Emel, Mitsubischi Corporation, Salfa S.A., Securitas S.A., Crompton Greaves Limited, Shaffner S.A., Cobre Cerrillos S.A., Colbún S.A., AES Gener, Tinguiririca Energía, Pacific Hydro, Guacolda, E-Cl (Suez).

**Argentina:** Aysa S.A., Coto C.I.C.S.A., Telefónica Argentina S.A., Metrovías S.A., Gobierno de La Ciudad de Buenos Aires, Cerámica Cerro Negro, Molinos Cabodi Hnos. S.A., Industrias Termoplásticas Argentinas, Telecón Argentina, Yesos Knauf (Plana Mendoza), Minera Lumbera, Air Liquide Argentina S.A., Chevron Argentina S.R.L., Petroquímica C. Rivadavia S.A. Papelera Samseng S.A., Soc.Integrada de Buenos Aires Ute, Contrucsur S.R.L, Leccentro S.A., Tecnodock S.R.L, Mor S.A., Masa Argentina S.A., Sarandi Construcciones I. y C.S.R.L, Mitsubishi Corporation, Ingser Ingeniería y Servicios Srl, Grúas Móviles Mix S.A.C.I.F, Reivax

S.A. Automacao E Controle, Integratech S.A., Ims Srl – Mei Srl – Ute, Turismo Patagonia S.A., Zeppilli Enrique Félix, Central Puerto -SADESA, Termoandes – AES, Central Térmica Güemes /HINISA/HIDISA – Pampa Energía, CT Alto Valle – DUKE Energy.

**Brazil:** Energisa, Petrobrás, Rio Polímero (Braskem), Votorantim, Cedae, Vicunha Ind De Implemen Rodoviaros Ltda., Grendene S A, Cagece Cia Agua Esgoto Do Ceara, Votorantim Cimentos N/Ne S.A., Gerdau Comercial De Acos S/A, MPX, BTG Pactual, Rhodia, Enertrade, CPFL Brazil, Coelce, Compel-Const.Mon.Proj.Elet.Ltda., Personal Service Rec Hum Asses Emp, Landis+Gyr Equip. Medicao Ltda., Provider Solucoes Tecnol. Ltda., Unimed Sao Goncalo- Niteroi Med Hosp, Porto Do Pecem Geracao De Energia S, Cosampa Projetos E Construcoes Ltda., Eficaz Engenharia E Servicios Ltd, B&Q Energia Ltda., Endicon Eng. Instalacoes E Const. Ltd., Andritz Hydro Inepar Do Brazil S/A, Safira Admin Comercializadora, Edp – Comercializ E Servs. De Ener, Quatira Energia Sa – Pch Pari, Energisa Solucoes S/A, Alstom Power O&M Ltd, Cogeh- Cia Gestao De Rec.Hidricos, Cagece, Alstom Brazil Ltda., Jgp Consultoria E Particip. Ltda., AES SUL, CPFL Piratinga. EDP Bandeirante, Celpe, Elektro, Ceming GX, Duke Brazil Gx, CPFL Gx, AES Tiete, Copel Gx, Termope (Neoenergia) y Eneva (MPX).

**Colombia:** Alumbrado Público Bogotá, Opain S.A., AJE Colombia S.A., Ministerio De Hacienda, Telefónica Móvil de Colombia, CODENSA, CARIBE, TOLIMA, EBSA, EPM, Deltec S.A, Cam Colombia Multiservicios S.A.S., Consorcio Energía Colombia S A. Cene, Consorcio Mecam, Villa Hernández y Compañía Sas, Transportes C&C, Transportes Especializados Jr Sas, Corporación De Taxis De Colombia, Vatia, Enertotal, Enermont, Dicl, Ruitoque, EPM, ISAGEN, GELCELCA, CHIVOR, EPSA.

**Peru:** Corporacion Celima, Filamentos Industriales S.A., Corporación Lindley S.A., Peruana de Moldeados S.A., Lima Airport Partners S.R.L., Edelnor, Votorantin Matais Cajamarquilla, Cruz del Sur, Compañía Minera Antamina, ElectroSur, CobraPerú S.A., Calatel Infraestructuras y Servicio, Montajes e Ingeniería Arce, S.L., Compañía Americana de Multiservicio, Juan Galindo Slu Sucursal del Perú, Skanska del Perú S.A., Siemens S.A.C, Siemens Ag, Yikanomi Contratistas Generales Sac, Enersur S.A., Enersur, Kallpa Generación, ElectroPerú, Coelvisac, Termoselva S.R.L., Compañía Eléctrica El Platanal



The Group's companies are exposed to certain risks that are managed by systems that identify measure, limit concentration of, and monitor these risks.

The main principles in the Group's risk management policy include the following:

- Compliance with corporate governance standards.
- Strict compliance with all the Group's internal policies.
- Each business and corporate area determines:
  - I. The markets and product areas in which it will operate based on its knowledge and ability to ensure effective risk management.
  - II. Criteria regarding counterparts.
  - III. Authorized operators.
- Business and corporate areas establish their risk tolerance in a manner consistent with the defined strategy for each market in which they operate.
- All of the operations of the businesses and corporate areas are conducted within the limits approved for each case.
- Businesses, corporate areas, lines of business and companies design the risk management controls necessary to ensure that transactions in the markets are conducted in accordance with Enersis' policies, standards, and procedures.



## Interest Rate Risk

Interest rate variations modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the future flows of assets and liabilities based on a variable interest rate.

The objective of the management of interest rate risk is to obtain a balance in the debt structure that permits minimizing the debt cost with reduced volatility in the income statements.

In compliance with the current interest rate hedging policy, the portion of fixed and/or hedged debt to total net debt was 72% as of December 31, 2013.

Depending on the Group's estimates and debt structure objectives, hedge transactions are carried out by contracting derivatives that mitigate these risks. The instruments currently used in compliance with the policy are interest-rate swaps that convert variable to fixed rates.

The structure of Enersis Group's financial debt by fixed and/or hedged and variable interest rates, and after the derivatives contracted, is as follows:

Net Position:

	31-12-2013 %	31-12-2012 %	01-01-2012 %
Fixed Interest Rate	72%	60%	61%
Variable Interest Rate	28%	40%	39%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Exchange rate risk

Exchange risks are mainly related to the following transactions:

- Debt contracted by Group companies in currencies other than those to which their cash flows are indexed.
- Payments for the acquisition of project-related materials and payments of insurance premiums in currencies other than those to which their cash flows are indexed.
- Revenues of Group companies that are directly linked to dollar fluctuations.
- Cash flows from foreign subsidiaries to their parents exposed to exchange rate fluctuations.

In order to mitigate exchange risk, the exchange rate hedging policy of the Enersis Group is based on cash flows and seeks to maintain a balance between dollar-indexed flows and the levels of assets and liabilities in that currency. The objective is to minimize exposure of cash flows to variations in the exchange rate.

Cross-currency swaps and forward exchange contracts are the instruments currently used to comply with this policy. The policy also seeks to refinance debt in each company's functional currency.

## Commodities Risk

The Enersis Group is exposed to the price fluctuation risk of some commodities, basically through:

- Fuel purchases for electricity generation.
- Energy trading on the local markets.

In order to reduce risks in extreme drought conditions, the Company has designed a commercial policy that defines sales commitment levels that are consistent with the capacity of its generating plants in a dry year, and includes risk-mitigation clauses in some non-regulated customers' contracts. In the case of regulated customers subject to long-term tender processes, certain indexation clauses are included to reduce exposure to commodities.

In view of the operative conditions faced by the electricity generation market in Chile, like drought and volatile commodity prices on the international market, the Company is constantly reviewing the benefits of contracting hedges to mitigate the effects of these price variations on its results. As of December 31, 2013, there are no commodity hedges outstanding. As of December 31, 2012, there were swap transactions for 462 barrels of Brent oil for January 2013 and 365 thousand tons of coal for the period January-June 2013. (There were no hedges outstanding as of January 1, 2012).

These hedges may be modified, or include other commodities, depending on the operative conditions which are constantly being reviewed.

## Liquidity Risk

The Group maintains liquidity policy that consists on contracting committed long-term credit facilities and short-term financial investments, for the amounts necessary to support projected needs for a period, according to the situation and expectations in the debt and capital markets.

These projected needs include the maturities of net financial debt, i.e. after financial derivatives. For further details about the characteristics and conditions of the financial debt and financial derivatives, see Notes 19 and 21 and Appendix 4.

As of December 31, 2013, the Enersis Group shows a liquidity of ThCh\$ 1,606,387,569 in cash and cash equivalents and ThCh\$ 208,900,680 in available committed long-term credit lines. As of December 31, 2012, the Enersis Group had a liquidity position of ThCh\$ 815,832,061 in cash and cash equivalents and ThCh\$ 240,683,000 in committed long-term credit lines (ThCh\$ 1,187,684,209 and ThCh\$ 238,832,000 respectively as of January 1, 2012).

## Credit Risk.

The Enersis Group thoroughly follows up the credit risk

### Trade accounts receivable:

The credit risk corresponding to accounts receivable derived from business activities has historically been very limited as the short-term nature of the receivables does not allow the accumulation of very significant individual amounts. This applies to both our electricity generation and distribution businesses.

In the electricity generation business, in some countries, it is possible to cut off supplies in the event of non-payment, and in almost all the contracts, there is a contract termination clause for events of non-payment. Credit risk is therefore monitored constantly and the maximum amounts exposed to non-payment are measured, although these are limited, as already explained.

In the case of the electricity distribution companies, supplies may be cut off by our companies in the event of non-payment by customers. This is applied in accordance with the current regulations in each country, which facilitates the evaluation and control of credit risk, which is also limited.

### Assets of a financial nature:

Investments of cash surpluses are made with first-class national and international financial entities (with a credit rating equivalent to investment grade) within limits established for each entity.

In selecting banks for investments, only those of investment grade are considered, according to the three principal credit-rating agencies (Moody's, S&P and Fitch).

Placements may be supported by treasury bonds of the countries where we operate and/or paper issued by first-class banks, preferring the latter in offering the best returns (always in accordance with current investment policies).

The contracting of derivatives is carried out with highly-solvent entities so that all transactions are contracted with entities of investment grade.

## Risk Measurement



The Enersis Group measures the Value at Risk (VaR) of its debt and financial-derivatives positions in order to monitor the risk assumed by the Company, thus restricting volatility in its statement of income.

The positions portfolio used in the calculations of the current Value at Risk is comprised of:

### Financial debt.

#### Derivatives for hedging debt, dividends and projects.

The calculated Value at Risk represents the possible loss of value of the above-mentioned positions portfolio over a one-day time horizon with 95% of confidence. The volatility of the risk variables that affect the value of the positions portfolio has therefore been studied, including:

#### The US dollar Libor interest rate.

The usual local banking-practice indices for the different currencies in which our companies operate.

The exchange rates of the different currencies involved in the calculation.

The calculation of Value at Risk (VaR) is based on generating possible future scenarios (at one day) of market values (both spot and term) for the risk variables, using Bootstrapping methodology. The number of scenarios generated ensures compliance with the simulation convergence criteria. A matrix of volatilities and correlations between the various risk variables calculated from historical price-return values, has been applied to simulate the future price scenario.

Once the price scenarios are obtained, the fair value of the portfolio is calculated using each of the scenarios, obtaining a distribution of possible values at one day. The one-day 95% confidence VaR number is calculated as the 5% percentile of the potential increases in the fair value of the portfolio in one day.

The valuation of the various debt and financial-derivatives positions included in the calculation has been made consistently using the financial capital calculation methodology reported to management.

Taking into consideration the above-mentioned hypotheses, the breakdown for VaR in every mentioned type of position is the following:

Financial Positions	31-12-2013 M\$	31-12-2012 M\$
Interest Rate	17,236,855	15,933,808
Exchange Rate	3,074,168	2,346,380
Correlation	(390,965)	(468,249)
<b>Total</b>	<b>19,920,058</b>	<b>17,811,939</b>

The Value at Risk positions have evolved during the 2013 period and year 2012 as a function of the start/maturity of the transactions.





## Description of the industrial sector

Energis, its subsidiaries and jointly controlled companies as well as being engaged in the generation, transmission, distribution and trading of power in five countries, each of which has a regulatory, framework, energy matrices participating companies, and different patterns of growth and consumption. Here is a brief summary of the main laws that regulate the activity, the market structure and the most relevant aspects of the agents of each of the countries in which the company operates.

### Argentina

#### Structure of the industry

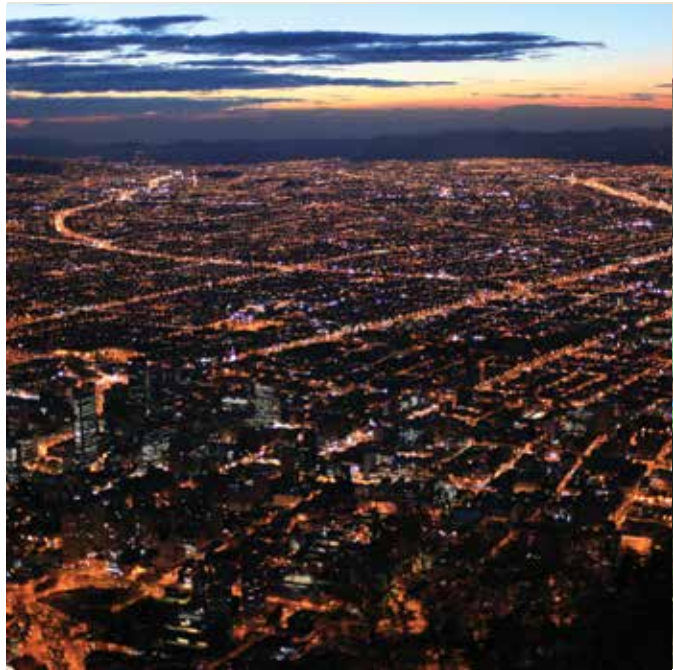
The Argentinean electricity sector is governed, among others, by Law No. 15,336 of 1960 and Law No. 24,065 of 1992. In the Bulk Electricity Market (MEM) there are four categories of local agents (generators, transmitters, distributors and large customers) and foreign agents (distributors in generation and distributors in demand) that are authorized to buy and sell electricity as well as related products.

Originally, the generation sector was organized on a competitive basis (marginalism), with independent generators selling energy on the spot market or MEM, or through private contracts to customers in the MEM contract market or “Wholesale Electricity Market Administrator company” (CAMMESA), through special transactions as contracts under Ruling SE No. 220/2007 and Ruling S. E. N 724/2008. However, this regime changed substantially in March 2013, when the Energy Department approved Ruling No. 95/2013, which establishes a payment scheme for generation based on average costs, forcing to deliver all energy produced to Cammesa. This new payment scheme came into force during February 2013.

Transmission operates under monopolistic conditions and is composed by several companies to which the Federal Government grants concessions.

The distribution, in turn, operates under monopolistic conditions and is serviced by companies that have also been granted concessions. Distribution companies are the sole responsibility that electricity is available to end customers within their specific concession area, regardless if the customer has a contract with the distributor or with a generator.

In 2002, due to the economic downturn that hit the country, Emergency Law No. 25,561 was passed. The Law broke the parity with the U.S. dollar and imposed the conversion into Argentine pesos of obligations and rights assumed before in U.S. currency. This forced nominal conversion from dollars to pesos had a strong impact on the entire Argentinean electrical industry. Additionally, the Government approved several regulatory measures that gradually intervened in the development of the industry. The Emergency Law has been subject to successive extensions and depending on the last one, approved by Law 26,896, will be valid until December 31, 2015. The conversion of the economy to pesos and the devaluation of the economy forced the renegotiation of all concession contracts. Specifically, in the distribution sector and within the company we own



“Empresa Distribuidora de Energía del Sur S.A.” (Edesur) a Memorandum of Contract Renegotiation was signed with the Government in 2006, which was subsequently ratified by Decree N°1959/2006, which would gradually adapt its tariff revenues in order to ensure business sustainability. The implementation of this agreement was paralyzed since 2008 and until 2013, as we will later detail.

No generator, distributor, large user, nor any company controlled by any of these or under its control, may be the owner or a majority shareholder of a transmission company or its controlling companies. At the same time, transmission companies are forbidden to generate, distribute, buy and/or sell electricity. Distribution companies cannot own generation units.

Regulated customers are supplied by distributors at regulated tariffs, unless they have a minimum capacity demand of 30 kW. In this case, they are considered as “large customers” and are free to negotiate their prices with the generation companies.

## Regulation of generation companies



The regulation of the generation companies has changed significantly since it began by means of Law 24,065 until Ruling No. 95/2013. According to the Law, all generator agents of the MEM must be connected to the SIN (National Interconnected System) and are required to comply with the order of dispatch to generate and deliver power in order to be sold in the spot market and the forward market (MAT). Distribution companies, marketers, and large customers that have signed supply contracts with private generating companies, pay the contract price, directly to the generator and also pay a toll to the transmission and distribution company for the use of its.

In order to stabilize generation prices regarding the rate paid by the customers, the market defined a seasonal price which is the price of energy paid by dealers for their purchases of electricity traded in the spot market. This price is determined every six months by the Secretary of Energy after Cammesa has made their spot price projections for the period considered. To adjust for differences between this price and the actual cost of the generation a stabilization fund was originally created. If the seasonal price was lower than the cost of generation, money is withdrawn from the fund to compensate generation, if the situation is the

opposite, money is contributed to the fund. Since 2002 the Ministry of Energy in practice has kept the average seasonal price unchanged. This has created a significant shortfall in the stabilization fund, which has been covered by the Argentinean government, by means of increasing larger subsidies.

Rulings passed due to the Emergency Law, had a significant impact on energy prices. Among the measures implemented, Ruling SE 240/2003, which amended the way in which the spot price is established by decoupling the calculation of marginal operating costs, is worth noting. Ruling SE No. 240/2003 has the purpose of preventing price indexation linked to the dollar, despite the fact that the dispatch of generation is still based on the actual fuel used, the calculation of the spot price is based on the absolute availability of gas to meet the demand, even in circumstances where many generators did use alternative fuels, such as diesel, due to the difficulties in the supply of natural gas. The value of water is not considered if its opportunity cost is higher than the cost of natural gas generation. The ruling also sets a limit to the spot price of 120 Ar\$/MWh, which is still valid. Actual variable costs of thermal units that burn liquid fuels are paid by CAMMESA through a mechanism called Transient overruns Dispatch (STD).

Moreover, based on the provisions of the Emergency Law, the per capacity payment was reduced from 10 USD to 10 pesos per MW-hrp (hrp: Remuneration hours of power). Subsequently, the power guarantee was slightly increased to 12 pesos, about 1/3 of the amount paid before the 2002 crisis.

In December 2004, the Secretary of Energy approved the Act of Accession for the Rehabilitation of the bulk electricity market by Ruling 1427/2004. The Act was signed by most of the generating units, including generating companies owned by Enersis. Under this ruling, the Secretariat established a trust fund called FONINVEMEM, where private generators contributed part of their credits for energy sold during the years 2004 to 2007 for the construction of two new combined cycle plants. In addition to this new capability, in

2010 the generating companies, in which Enersis participates along with other companies, took part in the creation of another trust fund for the construction of another combined cycle plant which is currently under construction. Part of their credits for the energy they sold during the years 2008-2011 was also destined to this new work.

In 2012, as part of the agreements reached with the government to allow the development of operations of our subsidiary signed an agreement for the implementation of an investment plan in units of Central Costanera in order to optimize the reliability and availability of such equipment, for a total of U.S. \$ 304 million, within a period of 7 years. The agreement also provides for the payment of obligations of the maintenance contract (Long-Term Service Agreement-LTSA) of the combined cycles of the plant.

Finally, Ruling S. E. No. 95/2013 leaves the marginality price system, ushering in a mechanism for the recognition of average costs. The ruling recognizes the compensation of fixed, variable costs and an additional remuneration. Fixed costs are paid (in \$ / MW- hrp) in terms of technology, scale and Available Power. It is also subject to the achievement of set availability goal. As for the variable, operating and maintenance costs based on the energy generated (in \$ / MWh) are remunerated depending on the fuel used and the technology itself (the generators do not have fuel cost as it is provided CAMMESA). Finally, the additional compensation is calculated based on the total power generated (in \$ / MWh), considering the technology and scale of the generator. Part of that income is accumulated in a fund to be used to finance investments in new infrastructure in the electricity sector.

The ruling impacts generators, co-generators and self-generators, except plants which became operational since 2005, nuclear power plants and Binational hydroelectric generation; Centralized and reserves the business management and delivery of fuels in Cammesa and suspended bilateral energy contract signing between generators and MEM agents, the latter shall acquire their power demands from CAMMESA.

## Regulation in distribution companies

The distribution activity is carried out by companies which obtain concessions. Distribution companies must supply all the demand for electricity in their area exclusive at prices (rates) and conditions established in the regulation. Concession agreements include penalties for non delivery. The concessions were granted for distribution sales, and retail distribution. The concession periods are divided into "management periods" that allow the dealership to, from time to time abandon the concession.

Since 2011, there are two electricity distribution areas subject to federal concessions. The concessionaires are Edesur and Edenor, located in the city of Buenos Aires and Greater Buenos Aires. Until 2011 Edelap was also under federal jurisdiction.

The majority of the distribution companies renegotiated their contracts in 2005 and 2006, although the rates were increased partially and temporarily, the Full Tariff Review (RTI) of the distribution companies with national jurisdiction has yet to be made.

Thus, regarding Edesur, in 2006, the distribution company signed a "Memorandum of Agreement for the renegotiation of the Concession Agreement." This agreement established, among several other conditions, a transitional rate system which included an increase of 28 percent of VAD, with monthly updates; a system of quality of service and Tariff Review Process (RTI) to be implemented by the ENRE. On a semi-annual adjustment mechanism based on rates of evolution of an ad-hoc inflation index called the Cost Monitoring Mechanism (MMC). The first update due to inflation occurred in 2008, but from that year is no longer officially recognized. But the Argentinean Government has created various regulatory alternatives that have allowed distribution companies to continue providing electrical service.

One such alternative has been called the Program for the Rational Use of Electric Energy or PUREE. This program was created in 2004 by the Secretary of Energy, establishing bonds and penalties to customers depending on the level of energy

savings based on a reference consumption. The net difference between bonds and penalties were originally deposited in the Stabilization Fund of the MEM, but this was later amended by request from Edesur and Edenor, so that distribution companies could use these resources to compensate for cost variations in not recognized costs increases (MMC). Thus, on May 7, 2013, the Energy Secretariat passed ruling 250/2013, which determines the MMC amounts receivable until February 2013 to compensate with the debts corresponding to the PUREE program and other debts that Edesur accumulates in the system. In the development of this important ruling on November 6, the Ministry of Energy published Note 6852 authorizing Edesur and Edenor to conduct the compensation of the MMC with debts arising from the PUREE program for the March- September 2013 period.

At the same time, additional charges to customers' fees have also been approved to finance new expansion and quality investments of the distributors. So in November 2012, ENRE Ruling 347 was approved, authorizing the application of this differential charge per customer account as pre payment of the RTI. The application of the fee meant additional revenue for Edesur for a total of 437 million of Argentinean pesos, representing an increase of 40% of the VAD and 20% of the fees.

## Regulation of transmission

The transmission was designed based on the general concept and principles established in Law 24,065, adapting the activity to the general criteria contained in the concession granted to Transener S.A., by Decree 2.473/92. For technological reasons, the transmission business is related to economies of scale that do not allow competition; it is therefore a monopoly and is subject to considerable regulation.

## Environmental regulation

Electrical installations are subject to environmental laws and federal and local regulations, including Law No. 24,051, or Hazardous Waste Act and its related regulations.

Certain obligations to report and monitor certain emissions standards are imposed on the electricity sector and, Failure to comply with these requirements entitles the government to impose penalties, such as suspension of operations that in the case of public services may result in the cancellation of concessions.

Law No. 26,190, enacted in 2007, describes the use of renewable sources for electricity production as a national interest and sets a goal of an 8% market share for renewable energy within a period of 10 years.



## Brazil

### Structure of the industry

The Brazilian electricity industry is organized on a large interconnected power system, the (National Interconnected System), comprising most of the regions of Brazil, and several other smaller isolated systems. The generation, transmission, distribution and trading activities are legally separated in Brazil.

The industry is regulated by the Federal Government, through the Ministry of Mines and Energy (MME) and the National Electric Energy Agency (ANEEL).

According to Law No. 10,848 of 2004, bulk electricity market as a tool for spot price definition is residual. Instead, the bulk price is based on average prices of bids, independent bidding processes exist for existing energy and new energy. The latter provides for long term contracts in the new generation projects which should cover anticipated increases in demand by distributors. Tenders of old energy considered shorter term contracts and seek to cover the needs of the distribution arising from the expiration of previous contracts. Each bidding process is coordinated centrally, the authority defines maximum prices and as a result, distributors' contracts are signed where all participants in the process purchase pro rata from each one of the offering generators.



The price at which the transactions are settled on the spot market is called the Dispute Settlement price - PLD - which takes into account the curve of risk aversion of the agents.

The transmission works under monopoly conditions. Rates for transmission companies are set by the Brazilian government. The transmission charge is fixed and transmission revenues do not depend on the amount of electricity transmitted.

Distribution is a utility that also works under conditions of monopoly and is provided by companies that in turn have been awarded concessions. The distributors in the Brazilian system are not entitled to: (i) develop activities related to the generation or transmission of electricity; (ii) sell electricity to unregulated customers, except those within its concession area and under the same conditions and rates applicable to their captive customers of the Regulated Market; (iii) maintain direct or indirect equity interest in any other company,



corporation or partnership; or (iv) develop activities that are unrelated to their respective concessions, except those permitted by law or in the relevant concession agreement. Generators are not allowed to have equity interest in excess of 10 percent in distribution companies.

The regulated market does not include the sale of electricity between generation concessionaires, independent producers, self-producers, marketers of electricity, electricity importers, consumers and unregulated special customers. It also includes existing contracts under the old regulatory framework between generators and distributors, until they expire, at which time the new contracts must comply with the new regulatory framework. According to the specifications laid down in Law 9.427/96, unregulated consumers in Brazil are those that: (i) demand a capacity of at least 3,000 kW and choose to contract the power supply directly with generators or distributors; or (ii) require a capacity in the range of 500 to 3,000 kW and choose to contract the power supply directly with generators or distributors.

The Brazilian system is coordinated by the Brazilian Electric System Operator (ONS) and is divided into four sub-systems: Southeast, Central-West, South, North and Northeast. In addition to the Brazilian system there are also some isolated systems, i.e., systems that are not part of the Brazilian system and are usually located in the northern and northeastern regions of Brazil, and whose only source of electricity are coal or oil thermal power plants.

## Regulation in generation companies

Generator Agents are public generation concessionaires, IPP or self-producers, as well as the trading Agents can sell electricity within two contracting environments. One is the Regulated Contracting Environment (ACR), where those distribution companies operate, in which the purchase of energy should be conducted under a bidding process coordinated by ANEEL; and the other, called Free Contracting Environment (ACL), in which the conditions for the purchase of energy are traded directly between suppliers and their customers. Regardless of ACR or ACL, generator sales contracts are registered in the Chamber of Electric Energy Commercialization (CCEE) and are part of the basis for the recognition and determination of adjustments for differences in the short-term market.

According to market regulation, 100% of the energy demand from distributors must be met by means of long-term contracts in the current regulated environment. Thus, the regulated price purchase rates for the definition of rates to end users is based on an average bid prices, independent bidding processes exist for "new energy" and "existing energy".

The new energy tenders contemplate long-term contracts (15 years for thermal plants and 30 for hydro) in which new generation projects should cover increases in demand anticipated by the distributors. Tenders of old energy considered shorter contracts and seek to cover the needs of the distributors arising from the expiration of previous

contracts, so that energy can be sold at lower prices. Each bidding process is coordinated centrally, the authority defines maximum prices and as a result, distribution contracts are signed, where all distributors taking part in the process purchase pro rata from each of the offering generators.

Decree 5.163/2004 established that the selling agents should ensure 100% physical coverage for their energy and power contracts. This coverage may be constituted by a physical collateral of their own generation plants or any other plant, in this case, through an electricity or power purchase agreement. Among other things, Regulation ruling 109/2004 ANEEL specifies that when these limits are not met, agents are subject to financial penalties.

Finally, regarding generation activity, on September 11, 2012, the Government approved the Provisional Measure 579 (subsequently converted into Law No. 12,783, of January 11, 2013), which sets the conditions for the renewal of the power sector concessions which will expire between 2015 and 2017 and the reduction of taxes on electricity rates. Provisional Measure was adopted to reduce the final price of the average electric rate by 20% and boost economic activity in Brazil. The measure does not directly affect any of the concessions of Enersis subsidiaries in Brazil.

Since some generators did not renew their concessions and other factors (such as delays in construction of power plants, low rainfall, etc.) During the first months of 2013 the distribution companies have suffered an imbalance between demand and the regulated energy supply, thus being involuntarily exposed to spot market prices to meet their energy needs. In this context, Presidential Decree 7.945/2013 that authorized funding based on federal resources for distributors may pay part of the extra cost of energy was issued on March 8, 2013. The unpaid portion of overhead by means of government resources will be covered by the regulated rates in 2014 and 2015, duly adjusted by the SELIC index of the Central Bank of Brazil.



## Regulation in distribution companies

In the regulated market, distribution companies purchase electricity through tenders that are regulated by ANEEL and organized by the CCEE. Distributors must purchase electricity in public tenders. The government also has the right to call for special tenders for renewable electricity (biomass, small hydro, solar and wind farms). ANEEL and CCEE conduct annual tenders. The contracting system is multilateral, with generating companies that sign contracts with all distributors who call for the tenders.

The Concessions Law establishes three types of adjustment of final consumer rates: the Rate Repositioning Index (IRT), representing an annual adjustment for inflation; the Annual rate Review (RTO) to be conducted every four or five years depending on each concession contract and the Extraordinary rate Review (RTE), which are carried out when a relevant event that significantly affects the rate value occurs. Thus, the Law guarantees an economic and financial balance for a company in the event that a material change in their operating costs occurs. In the event the components of the cost of Parcel A, such as energy purchases or taxes increase significantly in the period between two annual rate adjustments, the concessionaire may file a formal request to ANEEL to have those costs passed on to end customers.

All reviews and tariff repositioning are approved by ANEEL

In the rate revisions (RTO and RTE), ANEEL revises the rates in response to changes in the costs of buying power and the market conditions. By adjusting distribution rates ANEEL divides the Annual Reference Value, i.e. the costs of distribution companies in: (i) costs not manageable by distributors, also called "Parcel A", and (ii) costs manageable by distributors or "Parcel B", the latter corresponding to what is known as Distribution Added Value (VAD).

The regular rate revision takes into consideration the whole rate setting structure of the company, including the costs of providing services, the costs of purchasing power and the return for the investor. Under their concession contracts, Coelce and Ampla are subject to rate reviews every four to five years respectively. The basis of the assets to calculate the return allowed for the investor is the market replacement value, depreciated over its useful life from an accounting point of view, and the rate of return on asset allocation is based on the Average Cost of weighted Capital, or WACC (its acronym in English) of a model company. The WACC is reviewed at each rate cycle. The value of the WACC for distribution currently in force is 11.4% real before taxes.

## Regulation in transmission

Any agent in the power market that produces or consumes energy is authorized to use the Basic Network. The free market consumers also have this right, provided that they meet certain technical and legal requirements. Free access is guaranteed by law and supervised by ANEEL.

The operation and management of the basic network is the responsibility of the ONS, which also has the responsibility of managing the dispatch of energy from plants under optimized conditions, involving the use of the interconnected system, hydroelectric and thermal power plants.

On April 5, 2011 the Ministerial "portarias" 210/2011 and 211 /2011 were published in the Official Journal, which equates both interconnection lines of the Energy Interconnection Company S.A. to public service concessions, with payment of a regulated toll. The allowed Annual Revenue (hereinafter "RAP") is adjusted annually, during the month of June by the National Consumer Price Index (hereinafter "IPCA") with rate reviews every four years. a Gross Income Base of 1.760 million reais (\$ 885 million) and a Net Base 1,160 million reais (\$ 585 million) were defined. In 2012, ANEEL approved

the deployment of reinforcements in transmission facilities, recognizing an additional investment of 47 million reais (\$ 23 million) in the revenue Base. The applicable rate of remuneration was defined according to current regulations as 7.24% (real after taxes). The period of authorization is until June 2020 for Line 1, and until July 2022 for Line 2, with estimated damages compensations for unrecovered investments.

## Environmental regulation

Although the Brazilian Constitution gives both the Federal, state, and local governments the right to enact laws to protect the environment. Most environmental regulations in Brazil are at the State and local government level.

Hydroelectric power plants must obtain concessions for water rights and environmental approvals. Thermal generation, transmission and distribution companies must obtain environmental approval from the environmental regulatory authorities.



## Chile

### Structure of the industry

The electricity industry in Chile is divided into three segments or businesses: generation, transmission and distribution. The generation sector is composed of electricity generators. They sell their production to distribution companies, clients and other non-regulated generators through the spot market. The transmission sector includes companies that transmit high voltage electricity from generating companies. Finally, the distribution sector is defined as comprising any supply to end customers at a voltage not exceeding 23 kV. These three major segments or businesses operate in an interconnected and coordinated manner, and its main objective is to provide electrical energy to the market at minimal cost and preserving the quality and safety standards of service required by the electrical codes. Because of its essential characteristics, Transmission and Distribution activities are natural monopolies, this is why these segments are regulated as such by the electrical codes, requiring open access to networks and the definition of regulated rates.

The electricity sector in Chile is regulated by the General Law of Electric Services, contained in Legislative Decree No. 1 of 1982 of the Ministry of Mining, the revised and coordinated text was established by the DFL No. 4 of 2006 of the Ministry of Economy (" Electricity Act ") and its Regulations, contained in DS . No. 327 of 1998. Three government agencies are responsible for the implementation and enforcement of the Electricity Act:

the National Energy Commission (CNE), which has the authority to propose the regulated rates, and to develop indicative plans for the construction of new generating units; the Superintendence of Electricity and Fuels ( SEC ), which regulates and monitors compliance with laws, regulations and



technical standards for the generation, transmission and distribution of electricity, liquid and gaseous fuels; and finally , the Ministry of Energy, which is responsible for proposing and conducting public policy on energy and has under its control the SEC, the CNE and the Chilean Nuclear Energy Commission ( CChEN ) , strengthening coordination and providing a comprehensive view of the sector. It also has an Agency for Energy Efficiency and a Renewable Energy Center. The law also establishes a Panel of Experts whose primary function is to resolve discrepancies that occur between the various players in the electricity market: utilities, system operators, regulator, etc.

From a physical standpoint, the Chilean electrical sector is divided into four electrical systems: The central interconnected system (SIC), the great north interconnected system (SING), and two isolated mid size systems: Aysén and Magallanes. The SIC, which is the main electrical system, where about 93% of the Chilean population lives, extends longitudinally for 2.400 kilometers,



joining TalTal in the North, with Quellon, in the island of Chiloe on the South. The SING covers the northern area of the country, from Arica to Coloso, covering a length of about 700 kilometers, where a large part of the mining industry is located.

According to the electricity Law, the companies involved in the generation and transmission in an interconnected system must coordinate their operations in an efficient and centralized manner by means of a, operator entity, the Center for Economic Load Dispatch (CDEC), with the purpose of operating the system at a minimum cost, preserving the security of the system. For this, the CDEC plans and operates the system, including the per hour marginal cost calculation, Price at which the energy transfers between generators are conducted in the CDEC. The CEDECs (CDEC-SIC and DCEC-SING), are two autonomous agencies integrated by generation, transmission sub transmission companies, and important customers.

## Regulation of generation companies

The generation sector encompasses the companies which have plants to produce electricity, which is transmitted and distributed, to the final consumer. This segment is characterized by being a competitive market where electricity is sold to: i) distribution companies to supply their regulated customers within their concession areas. ii) to free or unregulated customers, mainly industries and mining companies, and iii) other generation companies, through the spot market, by energy and power transactions conducted in the CDECs.

As already mentioned, the operation of the generation companies in each electrical system is coordinated by its respective CDEC. As a consequence of this efficient and coordinated operation of the electrical systems, at any level of demand, the proper supply is delivered, at the lowest possible production cost alternative available in the market. The marginal cost is used as the Price that the other generators are selling at, at an hourly rate, including the injections to the system, as well as the withdrawal or purchases to provide the service to its clients.

The generators take part in energy tenders of up to 15 years. The tenders are conducted in accordance with the requirements of the demands of the distribution and are supervised by the National Energy Commission. This allows the generators to have stable and predictable incomes, preventing variability of the marginal cost, therefore driving investment in the area.

In Chile, there is payment by capacity, which depends of an annual centralized calculation currently conducted centrally by each CDEC, beginning from an amount which remunerates the development of a gas turbine. As a marginal unit to supply the demands of the system. The capacity charge of each plant is independent of its dispatch and prizes the availability and contribution to the reserve margin of the country.

## Regulation in Distribution Companies

The distribution segment is defined, for regulatory purposes, as all electricity supplies to end customers at a voltage not exceeding 23 kV. Distribution companies operate under a concession of public service regime, with a service obligation to supply regulated customers at regulated rates.

Distribution companies supply both regulated customers, whose demand is less than 500 kW, a segment for which the price and supply conditions is the result of bidding processes regulated by the National Energy Commission, as well as unregulated customers with bilateral contracts with generators with conditions are freely negotiated and agreed upon.

Consumers are classified according to the size of their demand in regulated customers whose connected capacity is less than 500 KW; and free or unregulated customers, those with connected capacities greater than 2,000 KW. Customers whose connected capacity is in the range of 500 to 2,000 KW capacity may choose to have regulated rates or an unregulated scheme, for a minimum of four years in each regime.

Since 2010, with the enactment of Law 20,018, the distributors must have a permanently supply for the total of a three year demand forecast, for which long term public tenders of up to 15 years should be conducted.

The process to establish distribution rates is held every four years. Both the CNE as well as the representative firm in its usual area commission studies by independent consultants to set the Distribution Value Added for their typical area. Basic rates are obtained by weighting the preliminary results of the study commissioned by the CNE and the company in a 2/3 - 1/3 ratios respectively. With these basic rates it is verified that the aggregate profitability of the industry was established within a range of 10 percent with a margin of  $\pm 4$  percent.

Also, rates are reviewed every four years in the sub transmission sector (which correspond to high voltage installations that connect distribution networks with transmission). This process is performed in an alternate manner to the rate revision process in distribution, so that both are distanced by two years.

Additionally quadrennial review of the associated services is conducted, which corresponds to all services not included in the distribution reviews.

The Chilean model is an established distribution model, with eight tariff fixings conducted since the privatization of the sector.

## Regulation in Transmission

The segment comprises a combination of transmission lines, substations and equipment for the transmission of electricity from the production centers (generators) to the centers of consumption or distribution. Transmission in Chile is defined as lines or substations with a voltage or voltage greater than 23 KV. The transmission system is of open access and transmission companies establish rights of way on the available transmission capacity through toll payments.

Since the transmission assets are constructed according to the concessions granted by the Government, the Law requires a company to operate in an "open access" mode, in which users can access the system, contributing to the costs of operating, maintaining and if necessary, to expand the system.

On October 14, 2013 Law 20,701, called Procedure for granting electrical concessions was published in the Official Journal, which aims to streamline the processing of electrical concessions. The new law simplifies the process of granting provisional concessions, shortens processing times, any comments and objections to the projects are issued

more precisely, modifies the notification process, provides summary judicial proceedings, introduces the possibility of dividing the application for a concession, modifies the appraisal procedure for properties and solves conflicts between different types of concessions.

In the field of transmission it is also necessary to mention that a SIC-SING interconnection law it is in an advanced stage of approval, the two largest electrical systems in the country, which will allow a coordinated operation of the system with greater efficiency.

## Environmental Regulation

Chile has numerous laws, regulations, decrees and ordinances that may pose environmental considerations. Including regulations relating to waste disposal, the establishment of industries in areas that could affect public health and the protection of drinking water.

In renewable energy, in April 2008, Law 20.257 was passed, which encourages the use of Non-Conventional Renewable Energy (NCRE). The main aspect of this rule is that it originally forced the generators to - at least - 5 percent of the energy sold to customers came from these renewable sources between 2010 and 2014, gradually increasing by 0.5 percent from 2015 to 2024, where they reach 10 percent. This Law has recently been amended by another passed on October 14, 2013, called Law 20/25. The new regulations passed set for 2015 a mandatory percentage of NCRE of 20 percent of the energy matrix, respecting the withdrawals referred to in the previous Law on existing contracts until July 2013, i.e. for contracts signed between 2007 and July 2013, the target is 10% in 2024, while for those signed after that date it shall be 20% in 2025.

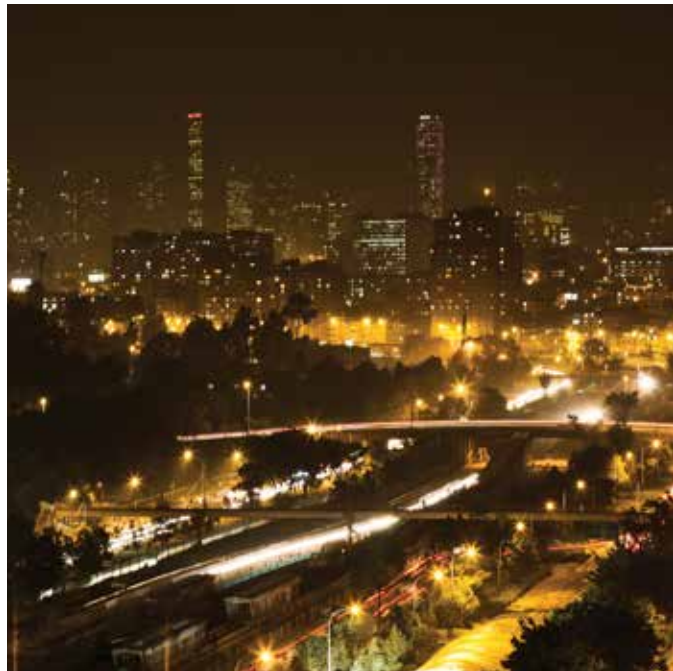
# Colombia

## Structure of the Industry

The Colombian electricity sector was structurally amended by Law 142, of Home Public Utilities, and Electricity Law 143, both of 1994. According to Law 143 of 1994, the various economic, public, private or mixed agents can participate in activities in the sector and are free to perform their functions in a context of free market competition. To operate or initiate projects, permits must be obtained from the competent authorities regarding the environmental, health and water rights issues, and those of a municipal nature that might be required.

The Ministry of Mines and Energy (MME) defines the government policy for the energy sector. Other government entities that play an important role in the electricity industry are: The Superintendence of Public Services (SSPD), which oversees and audits all utilities companies; the Committee on Energy and Gas Regulation (CREG), which is the regulatory body regarding energy; and the Mining and Energy Planning Unit (UPME), which is responsible for the planning and expansion of the distribution network.

The CREG is empowered to make regulations governing the technical and commercial operations as well as rates for regulated activities. The main functions of the CREG are setting the conditions for the progressive liberalization of the electricity sector towards an open and competitive market, approve charges for networks and the costs of transmission and distribution to supply regulated customers, establishing the



methodology for calculating and establishing maximum rates for the supply of the regulated market, establishing standards for the planning and coordination of the operations of the system, establishing the technical requirements for quality, reliability and security of supply and protect the rights of clients.

The Bulk Electricity Market in Colombia (MEM) is based on a competitive market model and operates under the principles of open access. The operation and administration of the MEM is a centralized market operator, consisting of a Commercial Exchange Manager of the System (ASIC) and the National Dispatch Center (CND).

The generation sector is organized on a competitive basis. Electricity transactions in the MEM are carried out under the arrangements of spot energy market (short term or daily market); Bilateral Contract Market (long term) and the Reliability Charge. Generation companies must mandatorily participate in the MEM, with all its generation plants or units whose capabilities are equal to or greater than 20 MW connected to the Colombian system. (Plants with capacities between 10 and 20 MW can participate optionally). Generation companies declare the energy available and the price at they wish to sell it. This electricity is dispatched centrally by the National Dispatch Center (CND).

Marketing is the intermediation between the players providing electricity generation, transmission and distribution as well as the users of the service. Marketing can be carried out or not, in conjunction with other activities of the electricity sector.



Transmission operates under conditions of monopoly and a guaranteed fixed annual income, which is determined by the new replacement value of networks and equipment and the value resulting from the bidding process that awarded new projects for the expansion of the National Transmission System (STN). This value is shared by all traders in the market in proportion to their energy demands. The national interconnected system (SIN) serves 98% of the country's demand. Non-interconnected systems serve remote areas of the country.

Distribution is defined as the operation of networks of Local and Regional Transmission Distribution. Any customer can have access to a distribution network for which they pay a connection fee. Distributors or network operators are responsible for the planning, investment, operation and maintenance of electrical networks with voltages below 220 KV.

## Regulation in Generation Companies

The Colombian government can participate in the implementation and operation of generation projects like the private sector. The Government is only authorized to enter into concession agreements related to the generation when there is no other entity prepared to conduct these activities under comparable conditions.



The CND receives price bids every day and the available capacity for each hour in the following day from all generators taking part in the bulk market. Based on this information, the NDA takes economic dispatch using an optimized process for the following 24 hour period, taking into account network limitations and other conditions needed to meet expected energy demand for the next day in a safe, reliable and efficient manner, from the point of view of cost. Unlike other countries where the central office is based on variable costs of production in Colombia dispatch is based on prices quoted by the agents.

The energy exchange is a balancing market where you sell or buy the excess or deficit of energy resulting from the enforcement of contracts against the actual demand for power generators and marketers. The energy market determines the spot price by the ASIC after the day of operations by means of an optimized procedure for a period of 24 hours referred to as ideal dispatch, with an infinite capacity for network transmission and considers initial operating conditions, thus establishing what generators should be dispatched to meet the actual demand. The price paid to all generators that are dispatched by merit of price is the price of the most expensive generator dispatched in each hour under ideal dispatch.

The cost differences between the 'economic dispatch' and 'perfect dispatch' are called "restriction costs." The cost of each constraint is assigned initially to the agent responsible of the restriction, and when it is not possible to identify an agent it is distributed proportionally between all marketers in the Colombian system, according to their energy demand, and these costs are passed on to end customers.

Generators connected to the Colombian system can also participate in the "Reliability charge" which is a mechanism that aims to encourage investment in generating capacity to secure the service of the long term country's energy demands. The fee consists of assigning Firm Energy Obligations (OEF) by a descending auction to existing or new generators, who must ensure that the amount of energy available in the system for a given period. The allocation for existing generators is made annually and for new projects for up to 20 years. The OEF is a commitment by the generating company, backed by its physical resources that enable them to produce firm energy. The generator that acquires an OEF receives a fixed compensation for the commitment period, regardless that compliance with its obligation is required or not.

The price per KW/h from an OEF is the value of the auction closing or firm energy or the reliability charge. When this firm energy is required, which occurs when the spot price exceeds the scarcity price, the generator receives the Reliability Charge and also receives the scarcity price for every kW/h generated with the OEF. If the power generated is greater than the obligation specified in the OEF, this additional energy is paid at Spot Price.

## Regulation in Distribution Companies

In Colombia, the distributors are free to purchase their supply, and can define the conditions of the bidding process to acquire the energy required for the regulated market and can also go and buy energy in the spot market. The price paid by the end user reflects an average of the purchase price. Since 2004, the CREG is working on a proposal to amend the contracting procedures in the Colombian market, called Organized Regulated Market -MOR-, which would be an electronic contract system. This mechanism would replace the current bids for energy auctions under standardized

commercial conditions, where the demand to contract would be treated as a single aggregate demand.

The distribution charges are set by the CREG based on the new replacement value of the existing distribution assets, the capital cost as well as operational and maintenance cost for each company in four different voltage levels, is as follows: Level 1 to 1 kV, Level 2, up to 30kV, Level 3 up to 57.5 kV and level IV up to 115 kV. Voltage levels 1, 2 and 3 are called Local Distribution Systems (SDL) and Level 4 is called Regional Transmission System (STR).

In 2009, after auditing information reported by the companies, the CREG determined distribution charges applicable until 2013. Charges are fixed for a period of five years and are updated monthly according to the producer price index. Currently immersed in the process of reviewing the distribution charges for the five year period from 2014 to 2018. One aspect under discussion is the recognized profit rate, which is currently set by the CREG in 13.9% before taxes for local distribution assets and 13% for regional transmission assets based on the WACC / CAPM methodology. The methodology for calculating the distribution charges includes an incentive scheme for management, operation and maintenance costs from service quality and energy losses.

## Regulation in Transmission

Transmission networks operating at 220 kV or higher form the National Transmission System (STN). The transmission rate includes a charge to cover the operating costs of the facilities, and a charge for use that applies only to marketers who transfer it directly to the end users.

The CREG guarantees transmission companies a fixed annual income. This income is determined by the replacement value of a new network and equipment, and the resulting value of the bidding process that have awarded new projects for expansion of the STN. This value is allocated to the traders of the STN in proportion with their energy demand.

The construction, operation and maintenance of the new projects is awarded to the company that offers the lowest present value of cash flows required to perform it.



## Regulation in Commercialization

The trading market is divided into regulated and unregulated customers. Customers in the free or unregulated market may freely contract their power directly from a generator or a distributor, acting as traders, or as pure marketers. The market for unregulated customers, consists of customers with more than 0.1 MW peak demand or a minimum monthly consumption of 55 MWh.

Marketing can be conducted by generators, distributors and independent agents, who meet certain requirements. The parties freely agree to the transaction prices for unregulated customers.

The energy trader is responsible for billing the costs of electricity to final consumers and transfer payments to the various players in the industry. Marketing for regulated customers is subject to the "regulated freedom regime" in which the rates are set by each trader using a combination of general cost formulas determined by the CREG, and individual trading costs approved by the CREG for each marketer. Rates include, among others, costs of energy supply, transmission charges, distribution charges and a trading profit margin. Additionally, the final costs of the service are affected by subsidies or contributions that are applied according to the socioeconomic status of each user.

The rates or marketing charge for regulated customers must be reviewed every five years and must be updated monthly based on the Consumer Price Index. These fees have not been revised since 1998 and are expected to be reviewed during 2014.

## Environmental Regulation

The legal framework for environmental regulation in Colombia was established in Law 99/1993, which also created the Ministry of the Environment as the authority for defining environmental policies. The Ministry defines issues and executes policies and regulations aimed at the recovery, conservation, protection, organization, management and use of renewable resources.

Any entity planning to develop projects or activities relating to the generation, interconnection, transmission or distribution of electricity, which may result in environmental degradation, must first obtain an environmental license.

According to law No. 99 power generation plants having a total installed capacity greater than 10 MW, should contribute to environmental conservation through a payment for their activities at a regulated rate to municipalities and environmental corporations in localities where the plants are located. Hydroelectric plants must pay 6% of their generation and thermo electrical power plants must pay 4% of their generation, with rates that are determined annually.

Act 1450, 2011, issued the 2010-2014 National Development Plan. The plan stated that between 2010 and 2014, the Government should develop environmental sustainability issues and risk management.

In 2011, Decree 3570 established the new structure of the environmental sector, creating the Ministry of the Environment and Sustainable Development (previously, the functions of the Ministry of the Environment were established with the functions of the Ministry of Housing).

In recent years, the Environmental Regulation for the power sector has been focused on issues related to regulating emissions from plants, hydro policies (including water discharges and watershed organization) and environmental licenses and penalties.

In Colombia, there is currently a path indicative of participation of the NCREs in the National Energy System 3.5% in 2015 and 6.5% in 2020. Nevertheless, these forecasts are under review, as is a bill before Parliament that regulates the integration of the NCRE to the National energy System to encourage savings and energy efficiency.

# Peru

## Structure of the Industry

The general legal framework applicable to the Peruvian electricity industry is mainly constituted by the Electricity Concessions Law (Law Decree No. 25,844 of 1992) and its accompanying regulations.

The Ministry of Energy and Mines (MINEM) defines energy policies applicable at a national level, regulates environmental matters applicable to the energy sector and oversees the allocation, monitoring, termination and revoking of licenses, authorizations and concessions for the generation, transmission and distribution activities.

The Supervisory Agency for Investment in Energy and Mining (Osinermin) is the regulatory body that oversees and monitors compliance with legal and technical regulations related to the electricity and hydrocarbons activities, enforces the obligations under the concession contracts and is responsible for the preservation of the environment in relation to the development of these activities. The Deputy Management of Rate Regulation of Osinermin (GART) has the authority to publish the regulated rates. Osinermin also controls and oversees the bidding process required by the distribution companies to buy power from the generators.



The Committee on Economic Operation of the System (COES) is the body that coordinates the operation and dispatch of electricity in the national interconnected Electrical System (SEIN) and prepares the technical and financial study that forms the basis for annual estimates of bar prices. In the COES, generation, transmission and distribution companies, are represented as well as unregulated customers: consumers with demands exceeding 200 KW power.

In addition to the SEIN, several regional smaller isolated systems that provide electricity in specific areas exist.

The main characteristics of the electricity industry in Peru are: (i) separation of the three main activities: generation, transmission and distribution; (ii) free market for energy supply in competitive market conditions; (iii) a system of regulated prices based on the principle of efficiency and a bidding regime; and (iv) privatization of the operation of the interconnected power systems subject to the principles of efficiency and quality of service.

## Regulation in Generation Companies



Generation companies that own or operate a power plant with an installed capacity greater than 500 kW require an indefinite concession granted by the MINEM.

Coordination of power dispatching operations, determination of spot prices and the control and management of economic transactions that occur in the SEIN, are controlled by the COES.

The generators can sell their power directly to large consumers and buy the deficit or transfer surplus energy between the contracted and actual production, in the pool, at the spot price. Sales to unregulated customers are conducted at mutually agreed prices and terms, which include tolls and compensation for the use of transmission systems and, where necessary, to the distribution companies for use of their networks.

Originally the Electricity Concessions Law allowed that the sales to distributors may be conducted under bilateral contracts at a price not greater than the regulated price, in the case of regulated



customers, or at an agreed price in the case of unregulated customers. In addition to this bilateral approach, Law 28,832 of 2006, named Law to Ensure the Efficient Development of Electricity Generation also established the possibility for dealers to meet the demand of its regulated and unregulated customers under contracts entered after a power and energy bidding process. The approval of this mechanism is important for generators because it allows them to have a stable price over the life of the contract, which is not set by the regulator and can last up to 20 years.

Following the introduction of competitive bidding, the new contracts to sell power to distribution companies for resale to regulated customers must be at fixed prices determined by these tenders. Only a small part of the power purchased by distribution companies, including in the old contracts is still maintained at bar prices (price equivalent to knot price in Chile), which are established by the Osinergmin.

In Peru there is payment per capacity, given by the amount that pays for developing a gas turbine, as the marginal unit to supply the system demand. As in Chile, the load capacity of each plant is independent of its dispatch and remunerates availability and margin contribution to the reserve of the country.

## Regulation in Distribution Companies

The electricity rate for regulated customers include energy and capacity charges for generation and transmission, and the Added Value for Distribution (VAD) which considers a regulated return on investments, fixed charges for operation and maintenance, and a standard percentage for energy losses in distribution.

The VAD is established every four years. Osinermin classifies companies in groups according to the “typical distribution areas” based on economic factors that bring together companies with similar distribution costs by population density, which determines the amount of equipment on the network.

The actual return on investment of a distribution company depends on its performance against the standards set by Osinermin for a theoretical model company. The rate system allows for a greater return to the distribution companies that are more efficient than the model company. Preliminary rates are calculated as a midpoint (50-50) between the results of the study contracted by Osinermin and the study by the companies. Preliminary rates are checked to ensure that the average annual internal return rate of all industry is 12% with a variation of  $\pm 4\%$ .

During the last rate-setting process concluded on October 16, 2013, OSINERGMIN defined Edelnor rates for the November 2013 to October 2017 period. The new rate was 1.2% higher than that in October 2013.

## Regulation in Transmission

Transmission activities are divided into two categories: primary, which is for common use and allows the flow of energy through the national network; and secondary, which is of those lines that connect to a power plant with the system or a substation with a distribution company or consumer. The main lines and secured system are available for all generators and allow electricity to be supplied to all customers. The transmission concessionaire receives a fixed annual income as well as income from variable fees and connection fees per KW. The lines of the secondary and complementary system are available for all generators, but are used only for certain customers who are responsible for making payments in connection with the use of the system; these are remunerated at a fixed rate for 20 years, reviewing only additional investments.

## Environmental regulations

The environmental legal framework applied to energy related activities in Peru is stipulated in the Environmental Law (Law No. 28,611) and the Environmental Protection Regulations for Electrical Activities (Supreme Decree 029-94-EM).

In 2008, the MINEM enacted Supreme Decree 050-2008 to incentivize the generation of electricity by means of NCRE. The decree stipulates that 5% of demand of the SEIN must be provided with the use of NCRE. This goal could increase 5% every 5 years. The technologies considered renewable resources include: biomass, wind, tidal, geothermal, solar and mini-hydro (less than 20 MW hydroelectric power plants).





## Generation of electricity

The generation businesses are mainly conducted through our subsidiary Endesa Chile. In this segment, the Enersis Group has operating subsidiaries in Argentina, Brazil, Chile, Colombia and Peru.

In its entirety, the installed capacity of the Enersis Group amounted to 15,847 MW in December 2013 and the consolidated electricity production reached 60,089 GWh, while sales totaled 69,369 GWh of energy.

In the electrical industry, business segmentation between hydro and thermal generation is natural, since the variable costs of generation are different for each type of production. Thermal generation requires the purchase of fossil fuels and hydroelectric power requires building water reservoirs and water from rivers.

55% of our consolidated generating capacity comes from hydro, 44% from thermal sources and 1% from wind.

Therefore, the established commercial policy is relevant for the proper management of the business.

## Transmission of electricity

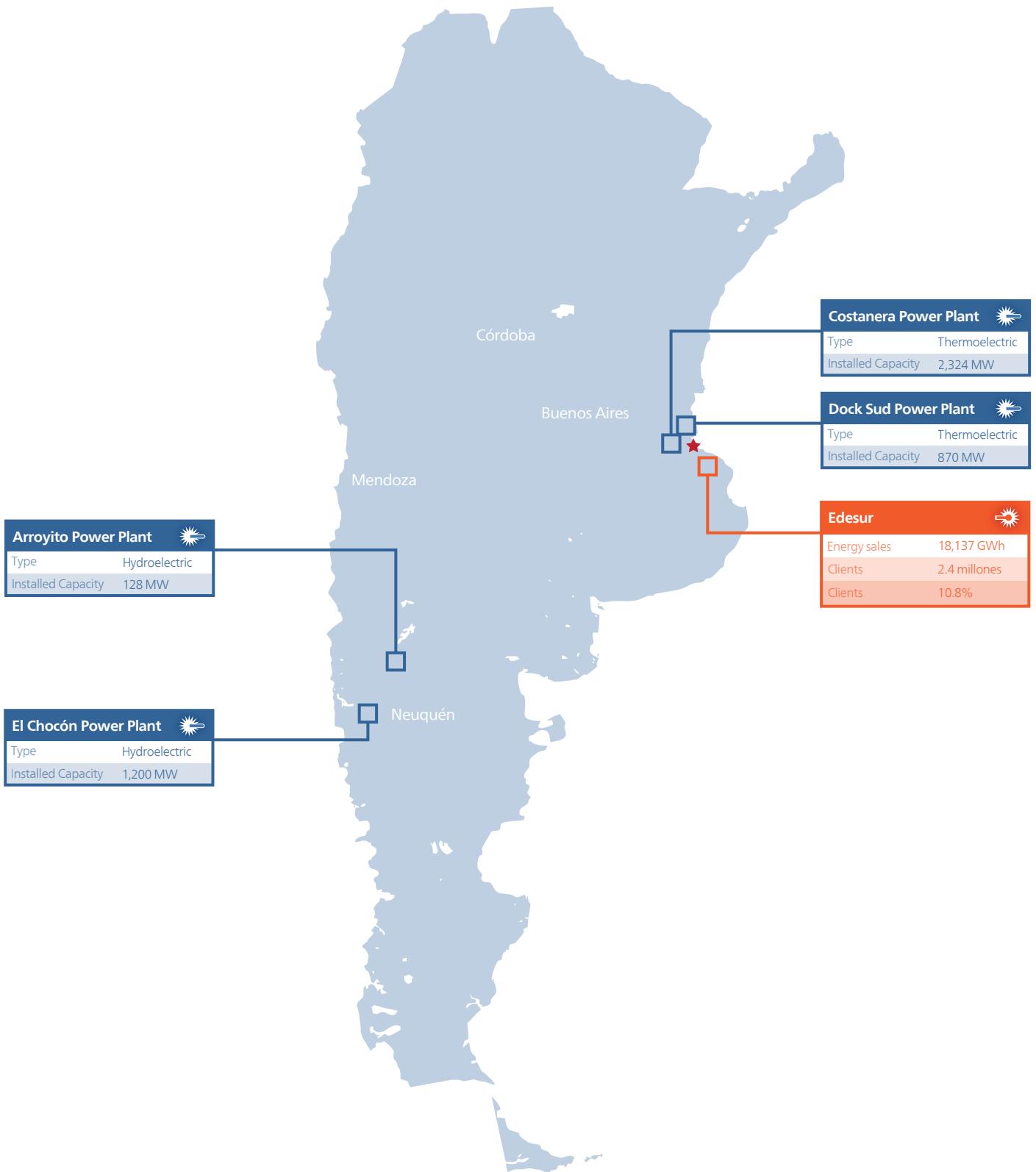
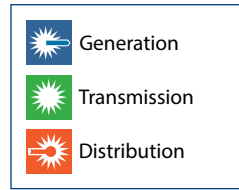
For the Enersis Group, the business of power transmission is carried out mainly through the interconnection line between Argentina and Brazil, CIEN, a subsidiary of Endesa Brazil, with a transport capacity of 2,100 MW.

## Distribution of electricity

Our distribution business is conducted through Edesur in Argentina, Ampla and Coelce (owned by Endesa Brazil) in Brazil, Chilectra in Chile, Codensa in Colombia and in Edelnor in Peru. During 2013, our main subsidiaries and related distribution companies sold 75,859 GWh.

Currently, Edesur, Ampla, Coelce Chilectra Codensa and Edelnor serve major cities in Latin America, providing electric service to more than 14.5 million customers.

These companies faced increasing electricity demand, which forced them to constantly invest, both due to natural growth as well as for the maintenance of their facilities.





# Argentina

## Electrical generation

We take part in the generation of electricity in Argentina through subsidiaries of Endesa Chile, Endesa Costanera and Hydropower El Chocón, and from March 2013, through our subsidiary Dock Sud.

El Chocón owns nine hydroelectric hydropower units with a total installed capacity of 1,328 MW, while Endesa Costanera has eleven thermal units with a total installed capacity of 2,324 MW and Dock Sud has five thermal units with a total installed capacity of 870 MW. These companies have a combined installed capacity of 4,522 MW. This power represented 14.4% of the installed capacity of the Argentine National Interconnected System (SIN) at the end of 2013.

Electrical generation by these companies amounted to 14,422 GWh, 11.1% of the total generation in the country, and the physical energy sales totaled 16,549 GWh, 13.2% of the total sales.

Endesa Costanera and El Chocón take part in partnerships engaged in the operation of two combined cycles, initiatives coordinated by the Fund for Investments Required to Increase the Supply of Electric Power in the bulk Electricity Market (FONINVEMEM), with 5.326% and 18.85 % of ownership of the initiatives, respectively.

During 2010, commercial operation under the combined cycle thermoelectric plants Manuel Belgrano and José de San Martín was enabled.

The combined cycle operation determined the effective date of entering the contract for the operation and management of the plant maintenance and supply contract, therefore, the companies involved in the FONINVEMEM, including Endesa Costanera and El Chocón began to recover their credits from the cash flows generated by the project for a 10 year contract to sell its production to the MEM administered by CAMMESA, on December 31, 2013, the installments been in accordance with the forecast.

In July 2012 by means of Ruling No. 1261/12, the Department of Energy authorized the increase of power in the José de San Martín thermoelectric (19.01 MW would be added) and Manuel Belgrano (25 MW would be added) power plants, being the amount of the works of approximately \$ 10.1 million and \$ 11.9 million respectively. In the preamble to this ruling, the bases for the financing of the work were advanced.

On October 4, 2013, Endesa Costanera adhered to the commitments defined in Ruling SE No. 1261-12. On December 12, 2013 the Department of Energy issued Note No. 8180/13 which authorizes Endesa Costanera to dispose Overstock Sales with an Expiration Date to be defined (LVFVD) of 2008-2011 from the VOSA Project (Vuelta de Obligado S.A. Plant) to destine the expansion of power of the units of the FONINVEMEM, being in analysis on the use of the LVFVD issued under Ruling SE No.95/13.

Regarding the VOSA project, which includes the installation of a combined cycle of around 800 MW by adding to what was reported in the previous year, in 2013 additional contracts such as an addendum to the supply and construction contract to advance in the implementation of the simple cycle gas turbines, and the dedicated gas pipeline contract.

Regarding equipment involved in the project, on October 15, the gas turbines arrived at the port of Zarate. On November 19, the TG1 was installed on its pedestal, while TG2 was installed on December 2.

Once the combined cycle is commissioned (in 2015) the repayment of the debt owed by CAMMESA to the generating companies who contributed to the project, including El Chocón Hydroelectric and Costanera, through a supply contract for 10 years and a labor rate of 30 days plus 5%, according to the 2008-2011 Generators Agreement.

Other generators connected to Argentine SIN are: AES Alicura, Sadesa, Capex, Petrobras, Pampa Generation and Pluspetrol.

## Endesa Costanera

It is located in the city of Buenos Aires and has six steam turbine units totaling 1,138 MW, which can generate with natural gas or fuel oil. It also operates two 859 MW and 327 MW combined cycles, respectively, totaling an installed capacity of 2,324 MW.

In 2013, the net generation was 8,523 GWh and total sales reached 8,962 GWh. During 2013, the Argentinean electricity system demand recorded a 3.2% increase when compared to 2012.

In terms of electricity production, the gross maximum power in the national grid (SIN) reached a new historical record of 23,794 MW, the same day that the record energy occurred (December 23), exceeding by 8.4 % the record of 21,949 MW established in 2012.

Regarding the operational aspects, during 2013, the thermal dispatch with liquid fuel use was critical to supplying the demand.

As in previous years a maintenance program was carried out, in this case called Short Term Plan, to ensure the functioning of Conventional Units of the plant during the winter months. The plan included the inspection of the Conventional Units and all common and ancillary services.

The predicted maintenance was performed earlier this year under the long-term maintenance (LTSA) contracts current for combined cycle II and combined cycle I (CBA) after a period of operation 12,000 equivalent hours (EOH).



During January we proceeded to sign the contract called Commitment for steam turbine equipment availability, including the Administrator of the bulk Electricity Market Company SA (CMMESA) and Endesa Costanera ensuring rehabilitation works for the Conventional Units.

In the area of finance, it is worth noting the continuing of the financial strategy adopted in earlier years, prioritizing conservative management thereof so as to ensure the necessary financial resources for the proper operation of the plant.

Under the accumulated losses to December 31, 2012, and in order to restore the financial position of the company, at the board meeting of April 5, 2013, it was resolved to increase the capital of the company for an amount of up to \$ 555,000.000 and the issuance of new shares. In October, by Ruling No. 17,201, the authorization for public offering of new shares was obtained from the CNV. Meanwhile, the Stock Exchange of Buenos Aires authorized the listing of the new shares on October 28, 2013; the Capital Increase was performed in November 2013.

Regarding the agreement signed in October 2012 between Endesa Costanera and the Secretariate of Energy, to implement an investment plan in the generating units of the plant in order to optimize the reliability and availability of such equipment for an amount of by \$ 304 million, within

7 years this will result in an increase in the generation and significant cost savings for the system. On March 14, the company signed the contract for the rehabilitation of its steam turbine technology units with DF Operations and Assembly S.A. - MASA International Operations S.L. Temporary Joint



Venture and Duro Felguera Argentina S.A. - MASA Argentina S.A. temporary joint venture.

As established in clauses 7.2 of the availability of steam turbine and combined cycle Contracts, regarding the treatment of the remuneration thereof and the regulatory changes that occur to supplement or replace the remunerative concepts established by the Secretariate of Energy for the Spot Market of the MEM for energy and power, the Secretariate of energy issued the following notes SE No.7594/13 and No. 8376/13 which instructs CAMMESA to apply the methodology to reconcile earnings of Ruling No. 95/13 and the contracts beginning on January 2014.

On regulatory matters, in March 2013 the government formalized by means of the publication of the ruling of the Secretariate of Energy No. 95 of 2013, a number of changes to the payment of Generators, Co generators and Self-Generator agents of the MEM with the exceptions provided for in Article 1 of the Ruling ("Committed Generators").

## El Chocón Hydro



El Chocón Hydropower SA is a hydropower generation company, which operates the exploitations of El Chocón and Arroyito, located on the Limay River. It is located in the provinces of Neuquén and Rio Negro. The hydroelectric plant has a total installed capacity of 1,328 MW, and includes The El Chocón plants with an installed capacity of 1,200 MW (hydro power artificial reservoir) and Arroyito, with an installed capacity of 128 MW, using both water from the Collon Cura and Limay rivers for generation.

The hydroelectric development of El Chocón is located in the region known as Comahue, formed by the Argentinean provinces of Rio Negro, Neuquén and the southern part of the province of Buenos Aires. El Chocón is on the Limay River, about 80 km upstream of its confluence with the Neuquén river. Arroyito is the compensator dam of El Chocón and is located on the same river, 25 kilometers downstream.

The hydrological year starting April 1, 2013 was characterized as dry (fourth consecutive dry year) therefore hydrological contributions of the basins of the rivers Limay and Collon Cura were scarce, which is why the operational approach

of the agency in charge of dispatch, was to restrict the use of accumulated strategic reserves. This approach resulted in the recovery of energy reserves of the Comahue in respect to 2012.

As a result of the dispatch of The El Chocón reservoir at the closure of the year 2013, net generation of the El Chocón / Arroyito complex was 2,317 GWh, the level of the reservoir reaching 379,63 masl (meters above sea level). The stored energy in the Comahue reservoirs was 5,994 GWh, of which 2,409 GWh reserves of El Chocón, both were measured values regarding the condition of minimum altitude of the minimum extraordinary operation band (FOE).

Regarding the operational side, the accumulated availability of The Chocón-Arroyito complex in 2013 was 92.14%, having fulfilled satisfactorily Scheduled major Maintenance of Turbo group No.3 of the Arroyito power plant. This major maintenance involved a check and general maintenance of the turbine, generator, excitation systems, protections, electrical and mechanical auxiliaries and main transformer. Also, a vibration monitoring system was installed in units No. 1 and 6 of the El Chocón plant, the Protection, Excitation and Sequence Start / Stop Systems of units No.1, 2, 5 and 6 and the t1ch and t5ch main transformers of El Chocón were updated.

In the development of the activities of our own staff and the contractors there have been no accidents. Indicators of IFG and IGG = 0 confirm a very good year regarding the safety of our staff and contractors. It should be noted that in the second half of the year contractor personnel greatly increased over normal staffing for the execution of the refurbishing work at El Chocón.

In the area of finance, the company paid part of its debt for an amount of \$ 21 million.

Additionally, the securing of a new syndicated loan for an amount of \$ 149.39 million in June 2013 is worthwhile mentioning, at a corrected private Badlar +6%, payable in quarterly installments, growing and consecutive, the first being due on December 2013. The funds received were used to repay in full the short-term loans in local currency and for the prepayment of existing syndicated loans II and III.

Regarding the loan for \$ 6.8 million obtained under the framework of Ruling 146/02 of the Ministry of Energy for the execution of works on the 6 units of the El Chocón power plant (Refurbishing, Automation & Retrofitting works) - awarded by Cammesa, on favorable terms for the Company, it is to be mentioned that on December 31, 2013, the amount received for this concept was around \$ 12.1 million.

The main investment projects to be undertaken in 2014 are: i) To Complete the Protection System, Excitation and Sequence Start / Stop of Units 3 and 4 and the T3CH main transformer refurbishing of the El Chocón power plant, ii) complete further improvements of hydrocarbons separators in cooling water system of the 3 units of the Arroyito power plant and replacement of mineral oil with biodegradable oil in the Arroyito dam gates as part of the Technological Upgrade Project of the telecommand system of the Arroyito Dam, stage 3, which was approved by the Secretary of Energy.



## New Scheme of Generation Cost Remuneration - Ruling S.E. N°95/13

In March 2013, the government established by ruling of the Ministry of Energy No. 95 of 2013, a number of changes to the payment of Generators, Co generator and Self-Generators agents of the MEM, with the exceptions provided for in the 1st Article of the ruling (“Committed Generators”). This ruling states that the new conditions have retroactive effect as to the economic transactions of February 2013, after a prior commitment of each generator to withdraw all claims submitted against the Federal Government, The Ministry of Energy and/or Cammesa regarding the Generation agreement 2008-2011 and ruling SE N° 406/2003, and to resign to submitting administrative claims and/or lawsuits against the Federal Government, The Ministry of Energy and/or Cammesa regarding the aforementioned Agreement and Ruling.

### Dock Sud Power Plant

Located in the district of Avellaneda in Buenos Aires, Dock Sud owns and operates a power plant with two generators with a total capacity of 870 MW. The Dock Sud power plant has four gas turbines and one steam turbine. Two of the gas turbines and the steam turbine compose a combined cycle.

The energy generated by Dock Sud between April and December 2013 was 3,582 GWh, while energy sales totaled 4,195 GWh, accounting for 3.4% of the total sales in the country.

Up to December 31, 2013, the installed capacity of Dock Sud accounted for 02.8% of the total installed capacity in the SIN.

### Land Reserved for Future Projects

Currently, there is no reserved land for future projects in Argentina.

The scheme provides remuneration for a number of concepts from which electricity and/or the energy committed to the forward market or other arrangements for the same concepts must be discounted.

- I. Remuneration of Overhead: by means of pricing for the available power (PPAD) by technology and based on compliance with availability goals.
- II. Non Fuel Variable Costs Compensation: fixed in terms of the energy generated by fuel type.
- III. Additional Compensation: a portion is paid directly and the other portion is destined to a trust to be reinvested in financing new infrastructure projects in the electricity sector. The Ruling provides that the Secretary of Energy timely specifies the destination of the raised funds.

The ruling also sets a new priority order for payments (eliminates the application of Ruling SE No. 406/03 for that purpose), with the following order of priority: (i) first order, overhead generation costs are paid, own fuel costs, along with non-fuel variable costs, and (ii) in second order additional compensation will be paid.

The ruling also provides that the supply of fuels to the power plants of the MEM, the commercial management and shipping of fuel, be centralized in the Agency in charge of shipping (OED).

Also, this Ruling temporarily suspends the addition of new contracts in the term market and states that after completion of the pre-existing contracts before the issuance of the Ruling, It will be mandatory for the MEM Large Users to purchase their energy demand from the OED, under the conditions established for this purpose by the Department of Energy.

Between May 30 and 31 the Group companies submitted the requested withdrawal. In the specific case of Endesa Costanera the ministry of energy should have defined certain remunerative aspects because of the coexistence of the new regime established by the Ruling and the Contracts regarding steam turbine and combined cycle Equipment Availability in the MEM. At the closing of the Annual Report, the company was awaiting a response from the Secretary of Energy regarding applications submitted under Ruling.



## Power Distribution in Argentina

Enerjis takes part in the power distribution through its subsidiary Edesur, which directly or indirectly owns, 71.6% of the property.

The market share of our subsidiary in Argentina in terms of physical sales, was approximately 20%.

Other power distributors in the Argentinean system are: Empresa Jujena de Energía (EJESA) Empresa de Distribución de Energía de Tucumán (EDET), Empresa de Distribución de Energía de Santiago del Estero (EDESE), Empresa Distribuidora y Comercializadora Norte (EDENOR) and Empresa de Distribución de la Plata (EDELAP).

## Edesur

The main purpose of Edesur is the distribution and sale of electricity in the south of the Greater Buenos Aires area, servicing two-thirds of the city of Buenos Aires and twelve districts of the province of Buenos Aires, covering 3,309 km<sup>2</sup>, for a period of 95 years beginning August 31, 1992.



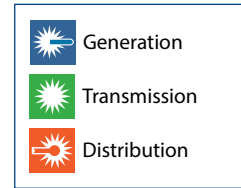
This term includes an initial one of 15 years and eight additional 10 years terms. On February 5, 2007, the National Electricity Regulatory Entity (ENRE) decided to extend the initial term for an additional five years from the completion of the Company rate Renegotiation (RTI).

The concession contract establishes the obligation to supply electricity to Edesur on request of the owners or residents of property within its concession area, meet certain quality standards for the electricity supplied, meet operational requirements with respect to maintaining distribution assets and bill customers based on actual metering.

In 2013, Edesur provided electric service to 2,444,013 customers, a figure that remained virtually unchanged from the previous year. Of the total, 87.6% were residential, 11.1% commercial, 1.0% industrial and 0.3% other users.

Energy sales amounted to 18,137 GWh, an increase of 2.2% over the previous year. This was distributed 43.3% to residential, 24.4% commercial, 7.8% industrial and 24.5% to other customers.

The energy loss rate reached 10.8% in 2013.





# Brazil

## Power generation

Enersis takes part in power generation through Endesa Brazil and its subsidiaries Endesa Fortaleza and Endesa Cachoeira.

These two plants, one hydroelectric and the other a thermal power plant have a total capacity of 987 MW, amounting to about 1% of the capacity of the Brazilian SIN.

The power generation of the Group in Brazil reached 4,992 GWh, amounting to about 1% of the total generated in the country, with a hydroelectric production of 48% of the total generated by the Enersis Group in Brazil.

In turn, the physical sales reached 6,827 GWh, about 1.5% of total sales in the Brazilian system.

Other generators connected to the Brazilian SIN are: CHESF, Furnas, Cemig, Electronorte, Cesp, Copel, Eletrobras and Eletropaulo.

## Endesa Cachoeira

It is located in the State of Goiás, 240 km south of Goiania. It has ten units with a total installed capacity of 665 MW. It is a run-of-the-river hydroelectric plant and uses the waters of the river Paranaíba.

Net generation in 2013 was 2,404 GWh, while sales totaled 3,564 GWh.

## Endesa Fortaleza

It is located in the municipality of Caucaia, 50 km from the state capital of Ceará. It is a combined cycle power plant of 322 MW using natural gas, and it has the capacity to generate a third of the electricity needs of Ceará, which has a population of about 8.2 million people.

Built on an area of 70 thousand square meters, it is part of the infrastructure of the Pecém Port and Industrial Complex, in the municipality of Caucaia, and integrates the Programa Prioritario de Termoeletricidade (PPT) of the federal government. The location is strategic to boost regional growth and facilitate the establishment of other industries. Its main customers are Coelce and Petrobras.

Power generation in 2013 was 2,588 GWh, while sales totaled 3,262 GWh.

## Land reserved for future projects

In the city of Caucaia, state of Ceará, a plot of land of 34 hectares is reserved for the development of the UTE Carnaúba. The land is owned by Endesa Fortaleza, which assigned use rights to Endesa Brazil under a loan, with a term of 30 years beginning in 2013.

Furthermore, in the city of Macaé, state of Rio de Janeiro, there is a 75 hectare plot of land, owned by Endesa Brazil, for a new thermoelectric project.

## Electrical Transmission

The Enersis Group is also involved in the transmission and sale of electricity in Brazil through the interconnection line between Argentina and Brazil, by means of the CIEN company, which has a 54.30% ownership.



## Electrical Distribution in Brazil

Energis takes part in the distribution through Endesa Brazil and its subsidiaries Ampla and Coelce.

Energis directly and indirectly owns 91.6% and 49.2% of the property of these companies, respectively.

The market share of our subsidiaries in Brazil, in terms of physical sales, was approximately 6%.

In Brazil, the distributors that make up the electrical system total 64 companies, including: CPFL, Brasileira de Energia, AES Elpa, Cemig, Light, Coelba y Copel.

### Endesa CIEN

La Compañía de Interconexión Energética S.A. (CIEN) is a power transmission company in Brazil. Its complex consists of two frequency conversion stations, Garabi I and Garabi II, which convert both directions Brazil frequencies (60 Hertz) and Argentina (50 Hertz), and the transmission lines. On the Argentinean side, these are managed by two subsidiaries: the Compañía de Transmisión del Mercosur SA (CTM) and Transportadora de Energía S.A (TESA) in both, Endesa maintains control of 100.0% of the capital.

The interconnection system consists of two transmission lines with a total length of 1,000 kilometers, and the Garabi Conversion plant.

On April 5, 2011 the official gazette published the power transports which define the annual value of the Annual Allowable Remuneration (RAP) for CIEN. Thus, the regulator equates CIEN (whose assets consist of Garabi lines 1 and 2) to the public service transmission concessionaire. The total annual RAP is adjusted annually and processes rate revisions to be conducted every 4 years. Since April 2011 therefore, CIEN was officially authorized to receive payments under this new business approach.

### Ampla

Ampla is a power distribution company with operations in 73.3% of the territory of the State of Rio de Janeiro, which corresponds to an area of 32,613 km<sup>2</sup>. The population is about 8 million people, divided into 66 municipalities, which include: Niteroi, São Gonçalo, Petrópolis, Campos and Cabo Frío.

During 2013, Ampla provided electric service to 2,801,427 customers, 3.3% more than in 2012. Total, 90.5% are residential, 6.1% commercial, and 3.4% other users.

The company distributed 11,049 GWh to its end customers, representing an increase of approximately 2.2% over 2012. Of the total distributed energy, 40.8% corresponded to residential customers, 19.3% to commercial, 8, 3% to industrial customers and 31.6% to other users (including toll customers 14.4%).

Since 2003, Ampla acts with great emphasis on fighting the theft of energy, reducing this indicator by 4.01 percentage points (from 23.64% to 19.8%). Sustainable reduction is only possible due to the set of positive results of the projects developed by Ampla (use of technology and social action). For several years, the company has won a number of awards that indicate the excellence of its projects.

However, energy losses remain one of the major challenges of Ampla. In 2013 it ended with a slight increase of 0.02 percentage points, from 19.6% to 19.8%.

During the Abradee awards of 2013 Coelce was chosen for the 8th consecutive year Best Power Distribution Company of the Northeast. In addition, the company was the 3rd Best of Brazil and is among the top 5 in the country in Social Responsibility, and Operational, Financial and Economic Management.



## Coelce

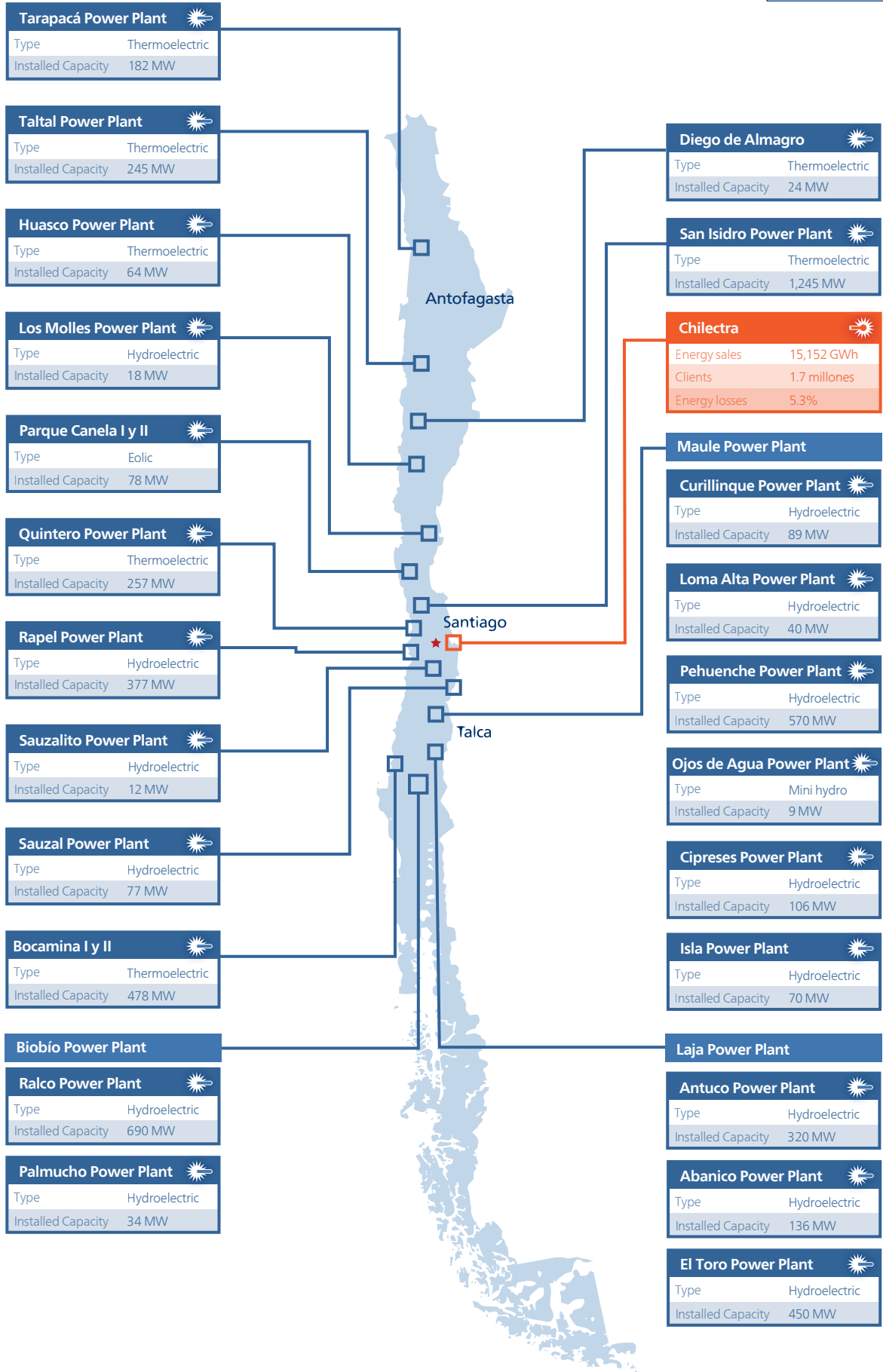
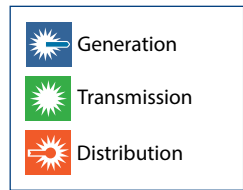
Is the electric distribution company of the State of Ceará, in northeastern Brazil, and covers a concession area of 149 000 km<sup>2</sup>.

The company provides services to a population of more than 8 million.

Remarkably, Coelce was awarded the Social Energy Project Award (COGE) in 2013 in the Social Responsibility category. In its 13th edition, there were 66 projects involving 32 companies in the Brazilian electricity sector. The aim of the event is to disseminate projects and best practices of the sector. Created in 2006, the Coelce Social Energy Project conveys to the communities of the State of Ceará, the valuing of local culture and art. The objective is income generation and improvement of life conditions in communities by means of training and professionalization of the work of our artisans.



At the end of 2013, customers reached 3,500,155, representing a 4.9% increase in the number of existing customers when compared with same time the previous year. Classification by type of customers indicates that 77.7% are residential, 6.4% are commercial customers, and the remaining 15.9% consist of other customers which include rural. The energy sold in 2013 was 10,718 GWh, representing a growth of 8.5% when compared with 2012 sales. The consumer classes influencing this growth were: residential customers with a growth of 34.6%, due to shortage of rain during that year that caused the use of electric pumps for irrigation. Then customers Tolls with a 12.5% growth, being 18.2% commercial, 10.9% industrial and other customers with a 23.8%



# Chile

## Power generation

Enersis takes part in the electricity generation sector through Endesa Chile and its subsidiaries, becoming the company's most important country in terms of installed power generation capacity, in which Enersis directly holds 60% ownership.

Endesa Chile, its subsidiaries and jointly-controlled companies in Chile have a generating capacity which comprises 103 units distributed along the Central Interconnected System (SIC), and 2 units in the Norte Grande Interconnected System (SING).

Electricity generation in Chile by the Enersis Group reached 19,675 GWh in 2013, with 51% of it being hydroelectric. The physical energy sales totaled 20,406 GWh in Chile, an equivalent to 29% of total sales of the Group in Latin America.

In Chile, other generators are: AES Gener, Colbún, EC-L y Norgener.

## Endesa Chile

Endesa Chile, its subsidiaries and jointly-controlled companies in Chile have a generating capacity which comprises 103 units distributed along the Central Interconnected System (SIC), and 2 units in the Norte Grande Interconnected System (SING).

Power sales by Endesa Chile and its subsidiaries in the SIC Reached 19,387 GWh in 2013. This volume represents a 41% share of the total sales of the SIC, including customer sales and net sales in the spot market. Sales to regulated customers Represent 76%, sales to deregulated customers amount to 17%, and 7% Were net transactions in the spot market. In Addition, sales of electric energy of the Celta subsidiary in the SING, totaled, 1,019 GWh in 2013, representing a 7% increase in the overall sales of the electrical system.

## Operational and Commercial Scenario

### Events influencing the operational and commercial performance.

During 2013, the Central Interconnected System (SIC) adds its fourth consecutive year of drought, with a persistence, as in previous years, of high prices of the fuels used for electricity generation, which meant that high costs electricity generation continue to be recorded, although the income of 969 MW from coal plants in the second half of 2012 and 2013 (Santa Maria, Campiche, and Bocamina II) allowed to partially alleviate the supply situation of the system, because these are units of low production costs and high capacity factor (constant output, in the case of the Bocamina II which involves injecting 8,400 MWh / day to the system). Also contributed to not pushing upwards the cost of a moderate growth in consumption, which was found to be 3.5% when compared with 2012 consumption, the growth rate was lower than in 2013, which was around 5.6%.

Undoubtedly, this sequence of dry years has had an impact on the profits of the company during 2013, but it is important to point out the operational strengths Endesa Chile has to face this adverse situation, namely: i) It has a large size generating capacity,, varied and competitive, composed mainly of hydropower and efficient thermal plants, allowing to keep a low average operating costs profile; ii) the commercial policy of the company, which has always been designed and implemented according to its generating facilities and the current and forecasted reality for the national electricity market. This has meant a constant concern for Endesa Chile to establish a balanced type commercial policy, which aims to combine a condition of low hydrological risk exposure with an adequate return; for which this policy contemplates to commit contracts with an energy level according to the size and composition of the generating capacity, maintaining a diversified portfolio of clients and implementing a pricing policy which allowed it to sustain profitability even in situations of dry hydrology and high marginal costs in the spot market, as have been observed during 2013; and iii) a policy of exploitation whose aim has been to permanently maintain high quality standards and operational readiness of the facilities of the company, along with designing and implementing those modernization plans necessary to maintain the operating conditions of the equipment at optimum levels and up to date.

## Hydrological Condition in the SIC

2013 began with a thaw without precipitation, of dry characteristics until early May, when a very brief period of high intensity began, which lasted until early June. Later, occasional low intensity rainfall was recorded, all of which configured a year of dry characteristics. The first two quarters of 2013 were the driest, with probabilities of accumulated excess from tributaries of 93% and 82%, an improvement in the third quarter due to rainfall in September, warm characteristics and high zero isothermal, which produced an unusual thawing of the snow, which caused a significant increase in the inflow in that period, and as a result of this, leaving very little for the next thaw. Consequently, as a result of the hydrological conditions it should be noted that 2013 was configured as a dry year, with a cumulative probability of excess in tributaries of close to 84%.

## Generation and supply costs in the SIC

The dry condition was repeated in 2013, again involved a system of supply with a high proportion of thermal generation which corresponded to 59.6% of the total supply of the SIC, a percentage which was higher than the 57.4% of 2012. In this thermal generation, the predominant fuel was coal, which represented 37.3% of the SIC total, well above the 29.1% of the previous year, due to the entry of the new coal power plants mentioned above. LNG production followed, with 19.5% and finally, with a smaller share, oil with 2.8% of the total.

Meanwhile, hydroelectric generation continued to decline its participation in the production of the SIC, representing only 39.4% of its total generation, compared to the 41.9% in 2012 and the 44.7% in 2011. This because the reservoirs were kept operating with low elevation, with slight recovery in the months when rainfall occurred. Particularly, annual regulation reservoirs such as Lake Laja and Laguna del Maule, continued to operate much of the year in the zone of highest extraction restriction.

Wind generation represented a percentage of 1.1%, slightly higher than the 0,8% of 2012.

Regarding the energy production of the SIC, Endesa Chile had a participation of 39% of the total, with a 52% contribution of hydroelectric and a thermal generation contribution of 30%. In the thermal production, the company had a major participation of LNG, which accounted for 60% of the total, its contribution being less than coal generation (16%) and oil (9%). In wind power, the contribution of Endesa Chile was 29% relative to the total wind system.

The High levels of the generation costs in 2013 due to the increased participation of thermal generation in the production matrix, resulted in turn in higher energy prices in the spot market, although lower, on average, than those observed in 2012. It is noteworthy that although the annual average hourly marginal cost at the Alto Jahuel - 220 kV node recorded a decrease of 21% (from an average of 195 U.S. \$/MWh in 2012 to a value of 154 U.S. \$/MWh in 2013), the

decline is largely explained by increased hydroelectric generation occurred during the last four months of the year, due to the higher flow available following the warm thaws that occurred in that period. Indeed, until the month of August, the cumulative average value of the marginal cost of 2013 displayed a rather minor decrease (6%) than the average value during the same period in 2012.

## Regulatory issues associated with the power sector: bills and regulations

Two laws of significance for the power sector were enacted in 2013:

The power Concessions Law (Law No. 20,701) which was enacted on October 14, its application aims to expedite the processing and deadlines associated with power concessions in the different stages covered in the process of processing the power generation projects. This law provides measures that make procedures for granting concessions more expedite, thereby a reduction of construction time of transmission projects was expected, and delays would hamper the economic operation and the flow of power supply between the different parts of the country.

On October 22, Law No. 20,698 which amends Law No. 20,257 on the NCRE was published. In its core, it defines a new supply obligation with the NCRE involving a 10% increase of required NCRE supply of marketed energy, to

be achieved gradually by 2024, a new set value of 20 % to be attained gradually by 2025. Moreover a mechanism of annual and exclusive public tenders for NCRE in order to comply with the annual obligation to supply NCRE is established. The Ministry of Energy will be in charge of Such tenders and NCRE participants will compete with price (energy) for blocks that are tendered, allowing them to sell at a stabilized price, with a maximum defined in the law itself. This new standard allows encouraging the incorporation of these generation technologies and to do it more competitively.

The legislative debate on the power Highway Project continues, which provides measures for facilitating development in the trunk transmission systems and additional branchings, which include design with higher output gaps and which costs will be paid on shared among different users who benefit from it. The main purpose of this project is to encourage the future development of poles of generation or demand in different parts of the country, mainly of renewable energy, including hydropower.

During 2013, the bill for power interconnection also passed, which allows to include in the planning of the trunk transmission system, the power interconnection between two systems such as the SIC and SING, unlike the current regulation, which required an agreement between stakeholders in a process of open negotiation of private agents to do so. In late 2013, the project was in an advanced stage of approval in Congress.

Moreover, within the rules of the regulatory range during 2013, the following regulations were approved: i) On April 24, the regulations of node prices, which are explicit and detailed on the calculation and provision procedures of the information required for determining the selling prices for regulated customers and ii ) on August 5, a modification to the rules of the Center for Economic Load Dispatch ( CDEC ) was issued, which aims to strengthen the autonomy and operational areas of this entity to exercise its functions, for which changes have been made mainly on the composition of the board of this organization (10 to 5 members) and the manner of choosing its members (independent of participating companies); a redefinition of the segments of generation and the creation of a new operating unit (Planning and Development) in order to support the analysis and coordination of power projects being developed in the system.

## Actions of Endesa Chile during 2013

### In the operation of the facilities

- Indices associated with risk management continue to improve. Regarding 2012, the frequency rate decreased by 0.56%, the frequency and severity decreased by 1.15%, displaying a 50% decrease in the number of accidents with lost days.
- On December 22, the bag house of the Tarapacá power plant entered service. This allowed meeting the new emissions standard regarding particulate matter, which came into force on December 23. The emission level reached a third of the regulation limit.
- In the month of July, a 100% compliance with the committed actions involved in the Clean Production Agreement, (APL) of the Puchuncaví-Quintero industrial area was verified by the third of four external audits.
- In December, the construction of the 5000 m<sup>2</sup> pilot cooling pond was finalized in San Isidro, built by Crystal Lagoons. This pond is intended to verify the feasibility of applying this technology to improve the efficiency of the thermal power plant cooling.
- During the year, continuous emissions monitoring was put into service in all thermal power plants of the system (CEMS) required by the new emissions standard for thermoelectric plants. The systems are being validated for further certification by the Environmental Service.

- Under the Reservoirs Law, which declared the Ralco dam as flood control, a flood simulation was conducted (August 23 to 30), this requirement is present in the communication protocol between Endesa Chile and ONEMI. In the simulation, which involved ONEMI, DGA and Endesa Chile, the communication systems, information transfer and decision making process were tested.
- The generation of the two combined cycles together of the San Isidro power plant was the highest in its history, reaching a production of 5,607 GWh. This thanks to the record generation achieved by cycle No. 1, with 2,591 GWh, and a high generation of cycle No.2 of 3,016 GWh.

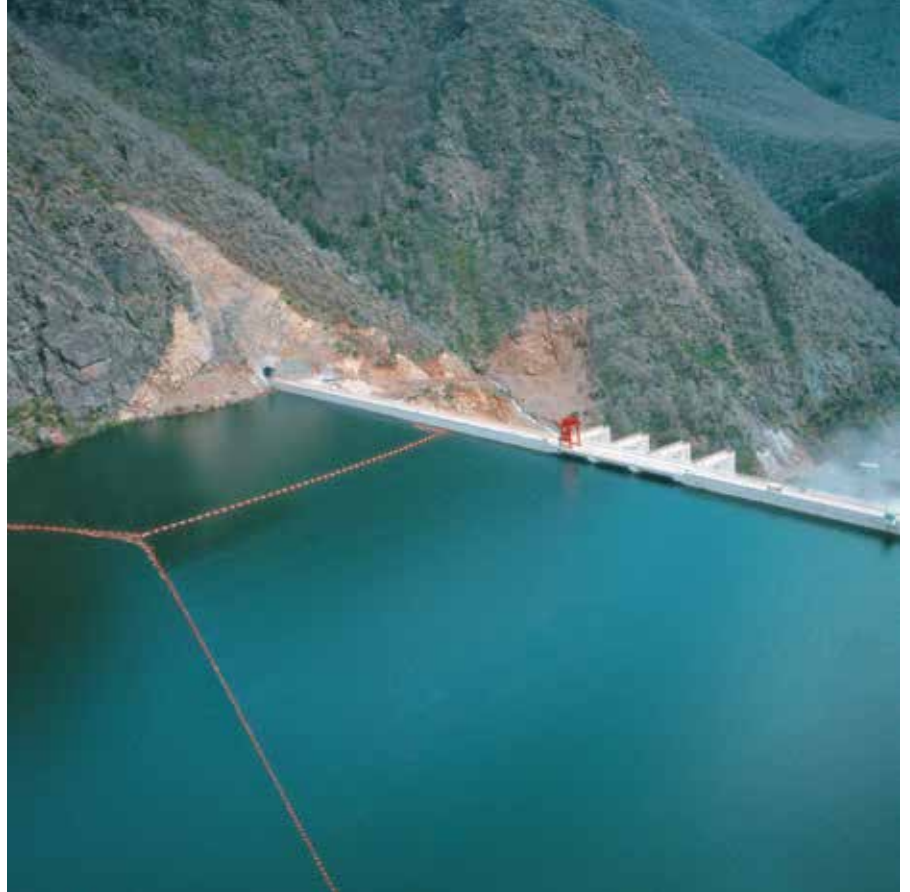
### In the commercial area

Commercial operations by Endesa Chile during 2013 were in line with its commercial policy, whose purpose was to reconcile the achievement of all of the following objectives, maintain industry leadership, adequately manage risk and profitability of the company in the worst condition of 2013 for the SIC, comply with the actions of its permanent client fidelization policy and achieve greater efficiency in the internal commercial management.

Regarding customer contract management:

- Under the framework of the tender Process for the Supply of the SIC 2013/01 conducted in November 2013, Endesa Chile was awarded 3,500 GWh/year, which aim to ensure the supply of energy to regulated customers of the distribution companies of the SIC for the period from December 2013 to December 2024. The awarding referred to will result in a series of supply contracts with bidders (in preparation) for a period of 11 years at an indexed price of U.S. \$ 129/MWh.
- According to what was contractually agreed, during 2013 the following supplies were completed: i) March 31, the contract with Codelco, Salvador Division and with EMELAT to supply their customer Kozan; ii) December 31, contracts with customers Mantoverde (a subsidiary of Anglo-American), CMPC (for its plants: Laja, Santa Fe, Pacific and Inforsa) CMPC Cartulinas (Valdivia), and with Río Maipo (for the variable block) and iii) with CGE to supply its customer EFE.





Regarding the 2013 milestones of the Customer area:

- In November the “IX Seminar with Endesa Clients and Subsidiaries” was held, which had a high participation of different clients of the group companies. Talks Related to the following issues were conducted: i ) supply situation; ii ) Punta Alcalde Project and iii ) Energy Matrix and Shale Gas.
- During August and September, Customer Seminars were conducted in La Serena, Concepción and Valdivia, which were well received by the customers.
- In October, a visit to the Canela wind farm was conducted with customers.
- Progress was made in the development of the implementation of the new billing system to SAP-ISU customers.
- During the month of November, the customer satisfaction survey 2013 was conducted. The end result of the ISC was 16.8, indicating a favorable perception of our customers when compared to the result of the previous year (ISC 16,6) . The best evaluated aspects, as in previous years, were the commercial staff and the billing process. Good customer feedback regarding the client executives and the overall commercial. The Same for the operations team for the billing process is becoming ever more complex and cumbersome, and despite the change of professionals it has maintained a very good level of efficiency.

## Projects under study by Endesa Chile

### Los Condores Hydroelectric Plant

The Los Condores Hydroelectric plant Project will be located in the Maule Region, Province of Talca, Municipality of San Clemente. It includes the construction of a run-of-the-river hydroelectric plant of about 150 MW of installed capacity, with an average annual generation of 560 GWh, which will use the water of the Laguna del Maule reservoir by a 12 kilometer uptake. The plant will connect to the SIC by a 220 kV double circuit link between Los Condores power plant and the Ancoa S / E, with a length of approximately 90 kilometers.

The generation project has had an environmental approval since November 2011. Regarding the transmission line, a modification of the environmental approval for the line connecting the power plant to the SIC was obtained in May 2013. In November 2013, the Water Works Permit authorizing the intervention of basins for the construction of the plant was obtained.



The project has the basic engineering and environmental assessment process by the Environmental Evaluation Service (SEA) of the Region de los Rios completed. In November and December 2013, respectively, the Addendum No. 4 to the draft of the EIA of the generation project and Addendum No. 4 to the draft of the EIA of the transmission lines were submitted.

Also, during the second semester of 2013, the SEA began the process of consultation with the indigenous communities territorially present in the area, both for the plant as well as for the transmission line, in order to know their position regarding both projects and comply with ILO Convention 169.

### Neltume Hydroelectric power plant

The Neltume Hydroelectric power plant project will be located in the Los Ríos Region, in the Province of Valdivia, Municipality of Panguipulli. The initiative includes the construction of a hydroelectric power plant of 490 MW of installed capacity, with an average annual generation of 1,885 GWh, which would use the energy potential existing between the Neltume and Pirehueico lakes. The plant will be connected to the SIC in the Pullinque area, by a 220 kV double circuit transmission line.

### Punta Alcalde Thermal Power Plant

The Punta Alcalde thermoelectric plant project will be located in the Atacama Region, Province and Municipality of Guasco, 13 kilometers south of the city. The initiative provides for the construction of a power plant that will use bituminous coal as its main fuel. It will have two blocks, with an installed capacity of 370 MW each. The plant will be connected to the trunk Maitencillo substation by means of a double circuit 220 kV transmission system of 40 km in length.

In 2009, Endesa Chile submitted the project to the Environmental Impact Assessment Service. A regulatory change occurred in June 2011 in the emissions requirements, which led to incorporate changes in the project. On June 25, 2012, the EAC (Environmental Assessment Committee) of the Atacama Region rejected the project, after which Endesa Chile submitted an Appeal to the Committee of Ministers.

On December 3, 2012, by unanimous vote, the Committee of Ministers decided to reverse the decision of the EAC of the Region of Atacama, environmentally approving the project. In early 2013, four court claims were filed (protection resource) against the



ruling of the Committee of Ministers, which were received by the Court of Appeals in August 2013. Up to December 2013, the case was in the Supreme Court, awaiting a ruling.

Moreover, in early July 2013, the transmission project that will connect the power plant to the Maitencillo substation of the SIC underwent environmental assessment.

## Taltal, Closure of Combined Cycle

This project is located in the town of Paposo, Taltal in the 2nd Region. It consists of the installation of a steam turbine to complete the Taltal power plant combined cycle, which is currently operating. The operation of the combined cycle of this power plant has a favorable RCA.



The project for the closure of the combined cycle will use the two existing gas turbines of 123 MW each, and add a steam turbine of about 120 MW. Thereby, the Taltal power plant will have a net power of the order of 370 MW and an efficiency increase from the current 35% to approximately 50%.

In December 2013, an Environmental Impact Statement (EIS) that environmentally optimizes the project was submitted, replacing the seawater cooling system that was originally considered with a dry air cooled system.

The injection of power of the plant to the combined cycle will be through the existing 220 kV Paposo-Diego de Almagro double-circuit line.

## Land reserved for future projects

In December 2013, Endesa Chile holds real estate property (land) for a total area of approximately 250 hectares, to be used in thermoelectric and hydroelectric projects. These assets are located in the Atacama Region (208.9 hectares) and in the region of Los Lagos (42 hectares).

## Projects of associated companies

### HidroAysén

HidroAysén, partnership in which Endesa Chile owns 51% equity and the remaining 49% is owned by Colbún, is developing a project for the construction and operation of five hydroelectric dams on the Baker and Pascua rivers in the Aysen Region.

The plants will have a total installed capacity of 2,750 MW and an annual average generation capacity of 18,430 GWh, equivalent to 36% of the consumption in the central grid during 2013, thereby transforming the HidroAysén project in the most important hydroelectric initiative that has been developed in Chile. The total area of the reservoir, considering the five power plants will be of 5,910 hectares, bringing the hydroelectric complex to qualify as one of the most efficient in the world in terms of energy produced per unit of surface flooded.

As provided by Law No. 19,300, the HidroAysén project submitted its Environmental Impact Assessment (EIA) for approval in August 2008 and after three years of a comprehensive assessment, obtained a favorable Environmental Qualification Ruling in May 2011. During 2012, the company completed a long court proceeding initiated by opponents to the project, which tried in this way to stop the initiative. In April 2012 the Supreme Court ruled in favor of HidroAysén, rejecting appeals by environmental groups, which had previously been received and ruled upon by the Court of Appeals of Coyhaique and then its similar at Puerto Montt, ruling in favor of the company. With this, the country's highest court validated the environmental approval of HidroAysén.

During 2012, HidroAysén restructured its executive staff and created the Community and Communications Management, based in the Aysen region, in order to strengthen the company's ties with the community and promote a policy of transparency, dialogue and direct communication with the neighbors.

In April 2013, HidroAysén informed the public that it had successfully completed the first stage of the project development, obtaining the environmental approval of the five stations, the technical and engineering studies necessary for this phase, and positive and definitive ruling of

the Supreme Court, with only that the Committee of Ministers meets and rule on the claims by the company and opponents. In this context, the company also announced a restructuring of the organization to adjust to the challenges of the new stage of development. By the end of 2013, and having far exceeded legal the limits for this, the Committee of Ministers had not yet been called to rule on the complaint resources submitted.

The successful experience of "House to House" dialogue of 2012 led to deepening the process during 2013. And in July, the project visited 60% of all households in Cochrane, Tortel and Villa O'Higgins in the Capitán Prat Province; during August, 70% of the households in Puerto Río Tranquilo, Puerto Guadal, Bahía Murta, Puerto Bertrand and Cerro Castillo, in the General Carrera Lake; and by the end of 2013, households in Puerto Ibáñez were visited, plus a deepening in the city of Coyhaique, allowing to cover 91% of households to date.

Continuing with its policy of community relations during 2013, HidroAysén maintained its commitment with education in the region, delivering more than 100 annual technical education scholarships to young people in the region of Aysen and the Capitán Prat Province, achieving to benefit about 227 students during the last five years.

In August 2008, HidroAysén submitted an Environmental Impact Study to the appropriate authority to begin processing of the project. On May 9, 2011, HidroAysén received a favorable environmental qualification Ruling, with certain conditions. In June 2011, HidroAysén appealed to the Committee of Ministers, which consists of six members of the Cabinet and is chaired by the Minister of Environment for the review of certain conditions set forth in the ruling. In parallel, the project opponents filed 34 complaints, adding to the request to the Committee a total of 35 complaints.

On January 30, 2014, the Committee of Ministers met to review the claims. The Committee requested additional information and studies on certain item, ruling on only part of the claims. In March of 2014, and now under the administration of President Michelle Bachelet a new Committee of Ministers, which ordered the institution of proceedings for invalidation concerning what was agreed by the Committee of Ministers at its meeting of January 30, 2014 under the administration of former President Sebastián Piñera. The new Committee stated that it would review and rule on complaints within the 60 working days provided by law. Currently, HidroAysén is awaiting the Ruling of the Committee.



## Chilectra

Chilectra is the largest distribution company in Chile in terms of sales of electrical power. It operates in 33 communes of the Metropolitan Region and its concession area covers over 2,118 km<sup>2</sup>, including the areas covered by its subsidiaries, Empresa Eléctrica de Colina Ltda. and Luz Andes Ltda.

The company provided electric service to 1,693,948 customers, 2.1% more than in 2012. Of this total, 89.5% are residential, 7.8% commercial, 0.7% industrial and 2.0% others. Also, in 2013, Chilectra sold 15,152 GWh to end customers, representing an increase of 4.9% over 2012. During the exercise, Chilectra satisfactorily fulfilled the Loss Plan developed and implemented for this purpose, achieving the best result in the last 9 years, reducing losses by 0.05 percentage points compared to 2012, recording up to December 1st a TAM indicator of 5.31%. Due to the above, Chilectra is positioned as the company with the lower level of losses within the Group in South America.

## Power Distribution in Chile

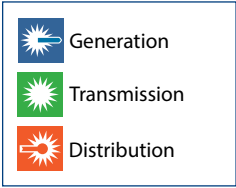
Enersis takes part in the distribution of power through its subsidiary Chilectra, of which directly holds 99.1% ownership. The market consolidated participation of our distribution subsidiaries in Chile, Chilectra, Luz Andes and Colina, was of approximately 40%.

According to the rate regulations governing the activities of power distribution, the Chilectra service area is defined as a high density area and includes all residential, commercial, industrial, government, and those who pay tolls, among other clients. The metropolitan area is the most densely populated area of Chile and has the highest concentration of business activities, industrial parks and commercial facilities in the country.

Another group of power distributors involved in the electrical system are: Chilquinta Energía, CGE Distribución, Sociedad Austral de Electricidad, Empresa Eléctrica de la Frontera and minor distributors and / or electric cooperatives.

The distribution rates are established every four years, on the basis of cost studies by specialized consulting firms. The National Energy Commission (CNE) established typical distribution areas, and of each typical area of each company, it selects a reference from which the consultants must design an efficient business model.

The last distribution rate established is in force since November 2012 for the 2012-2016 period.



Termostiza Power Plant	
Type	Thermoelectric
Installed Capacity	236 MW

Cartagena Power Plant	
Type	Thermoelectric
Installed Capacity	208 MW

Paraíso Power Plant	
Type	Hydroelectric
Installed Capacity	277 MW

Limonar Power Plant	
Type	Hydroelectric
Installed Capacity	15 MW

Tequendama Power Plant	
Type	Hydroelectric
Installed Capacity	20 MW

San Antonio Power Plant	
Type	Hydroelectric
Installed Capacity	20 MW

Darío Valencia	
Type	Hydroelectric
Installed Capacity	50 MW

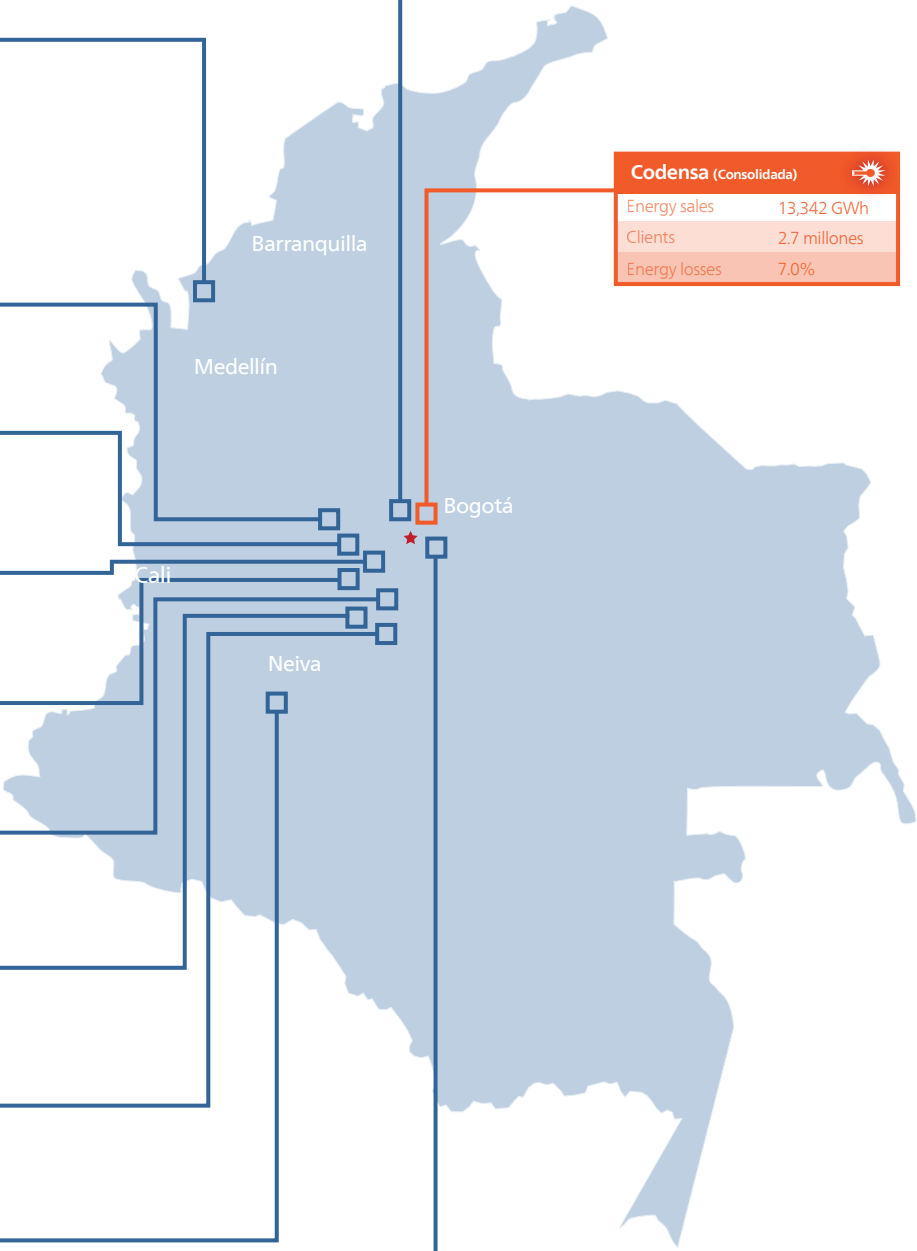
Charquito Power Plant	
Type	Hydroelectric
Installed Capacity	20 MW

La Guaca Power Plant	
Type	Hydroelectric
Installed Capacity	325 MW

Betania Power Plant	
Type	Hydroelectric
Installed Capacity	541 MW

El Guavio Power Plant	
Type	Hydroelectric
Installed Capacity	1,213 MW

Codensa (Consolidada)	
Energy sales	13,342 GWh
Clients	2.7 millones
Energy losses	7.0%



# Colombia

## Power Generation

Enerjis takes part in power generation through its subsidiary Endesa Chile and Emgesa, of which it controls, directly and indirectly, 37.7% of the property.

This company has an installed capacity which in 2013 represented 20% of the power generation capacity of the country.

The power generation of the Enerjis group in Colombia reached 22% of the total generated in that market. For its part, the physical power sales represented 18% of the total sales.

Other generators connected to the Colombian power system are: Empresa Pública de Medellín, Isagen, Corelca, EPSA and Chivor.

## Emgesa

On September 1, 2007 Colombian companies Emgesa SA E.S.P. and Central Hidroeléctrica de Betania S.A. E.S.P merged, the latter remained as absorbing company, which changed its name to Emgesa SA E.S.P.

It is the largest electricity generation company in Colombia, located in the vicinity of the city of Bogotá. It is composed by eleven plants with a total capacity of 2,925 MW, among which is The Guavio of 1,213 MW, the largest hydroelectric facility in the country. Of the eleven plants, nine are hydroelectric and two thermal.

Net generation was 12,811 GWh, while total sales reached 16,090 GWh.

# Projects under construction

## El Quimbo Project

The El Quimbo project is located south of the department of Huila, to the southeast of Bogota, Colombia and feeds of the flow of the Magdalena River. It contemplates the construction of a 400 MW installed capacity hydroelectric dam and an average annual generation of about 2,216 GWh.

On February 25, 2013, the Administration Board approved the awarding of the contract "Alternate routes and Bridges construction" to the Consortium Quimbo Works, formed by the PCM, CSS, Sonacol and CASS companies, which was subsequently approved by the Board of Emgesa. Moreover, on May 7 2013, the National Environmental Licenses Authority (ANLA) reported the approval of the amendment to the Environmental License for the "Construction of alternate Roads and Bridges" allowing Emgesa to grant the Notice to proceed to the Quimbo works Consortium to initiate activities. In early June 2013, the land required to begin work was delivered to the contractor.

Between August 16 and September 9, 2013, there was a national agricultural strike, where neighboring communities were mobilized to the project causing roadblocks and land seizures, which forced the company to prepare a contingency plan aimed at not stopping the critical works of the project (fillings for the dam, assembly of the bridge crane assembly of the Powerhouse) and prevent supplies shortages to the project. Moreover, negotiations were maintained with the main contractors to achieve a program that unifies the programs corresponding to the Main Civil Works and the Supply and Installation of Electromechanical Equipment Contracts.

During the year and according to the commitments of the Environmental License of El Quimbo, there have been projects associated with the resettlement nuclei and their respective irrigation and urbanization districts, directly linked to the conditions accepted by the people affected by the project and the needs expressed by the local authorities.

## Salaco Project

During this project, the San Antonio, Limonar and La tinta-La junca plants will undergo major maintenance and upgrading, to operate as a plant dispatch center at the edge of water, like Salto II, Dario Laguneta and Valencia, respectively. This will represent a growth in installed capacity of 144.8 MW for Emgesa and an additional average increase in expected generation of 482 GWh. The plants will be operating with their original name, Salto II (from 19.4 MW to 35 MW); Laguneta (from 18 MW to 36 MW) and Dario Valencia (from 38.8 MW to 150 MW). The project has duration of 24 months.

On November 6, 2013, the first upgraded unit of the Salaco project, corresponding to unit 2 of the edge of water plant Darío Valencia Samper entered into service, with an installed capacity of 50 MW. This unit generated 46.3 GWh from the date of its commissioning to December 31.



## Land reserved for future projects

In Colombia, currently there is no land reserved for future projects.



# Power Distribution in Colombia



## Codensa

Distributes and sells electricity in Bogota and 103 municipalities in the departments of Cundinamarca, Boyacá and Tolima, in an area of 14.087 km2.

Since 2001, Codensa focuses primarily on providing services to regulated customers but also serves some industrial, commercial and municipal public lighting customers. Provided electrical service to 2,616,909 customers, 2.7% more than last year. Of the total, 88.6% are residential, 9.6% commercial, 1.6% industrial and 0.2% others.

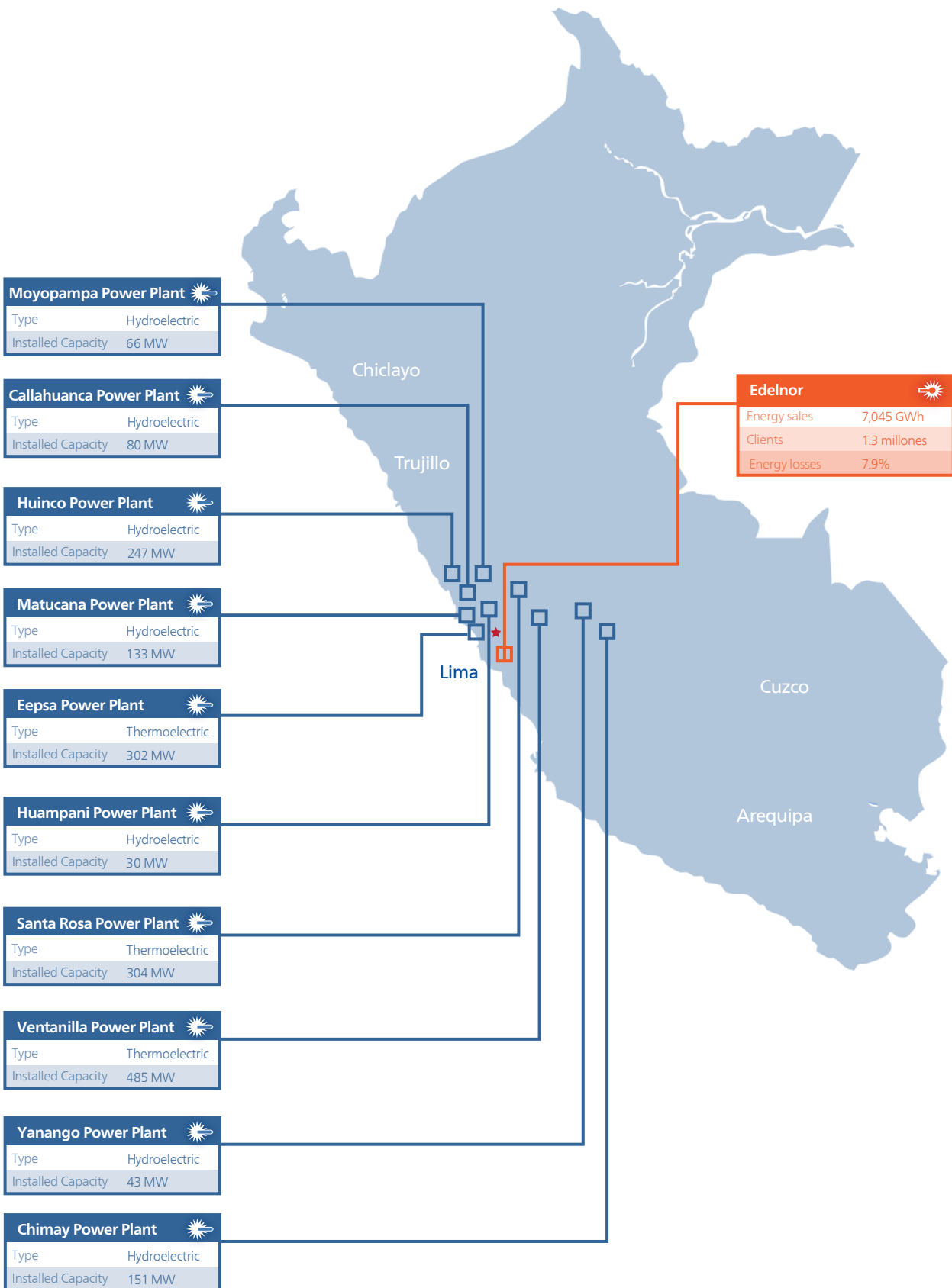
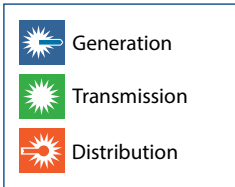
Power sales reached 13,342 GWh, representing an increase of 2.9% over 2012. This was distributed as follows: 33.7% to residential, 16.1% commercial, 6.5% industrial and 43.7% others.

As for the power losses, this indicator recorded, again in 2013, a decrease from 7.3% to 7.0%. Management to control losses has focused on the incorporation of new technologies and techniques for identifying losses as well as in the strengthening of a customer / business relationship based on technical knowledge and the transparency of our actions.

As part of the rate review process, which is conducted every five years, during August 2008 by ruling 093, the CREG published the rate of return applied to the remuneration of the activity of power distribution, which was set at 13% for sub transmission assets and 13.9% for medium and low voltage assets. In October 2009, the CREG issued ruling No.100 establishing the Codensa distribution charges for the period 2009-2013. This ruling led to a decrease of 4.2% in the Distribution Added Value (VAD).

Enerjis takes part in the distribution of power through its subsidiary Codensa, of which it holds, directly or indirectly, 48.4% of the property.

The market share of our subsidiary in Colombia in terms of physical sales, was approximately 16%. In Colombia, there are 31 other distributors involved in the power system, among which are: EEP Medellín, Empresa Distribuidora del Pacífico y Electrificadora del Caribe.



# Peru

## Power Generation

Enerdis takes part in the power generation through Endesa Chile and its subsidiary Edegel, of which it controls directly and indirectly, 37.5% of the property. Additionally, Enerdis directly controls 96.5% of the Empresa Eléctrica de Piura (EEPSA).

Through its two subsidiaries, Enerdis has an installed capacity of 1,842 MW in Peru, which represented 24% of the installed capacity of Peru, which totals 7,814 MW. In terms of power generation, the Enerdis Group reached 21.4% of the total generated in the country.

In Peru, other generators connected to the power grid are: Electroperú, Enersur y Kallpa Generación.

## Edegel

It is located in the vicinity of the city of Lima. It is composed of seven hydroelectric plants and two thermal plants with a total capacity of 1,540 MW. The thermal plants use natural gas as the main fuel and diesel as an alternative fuel.

The net generation of Edegel totaled 8,605 GWh, a decrease of 1.5% when compared to 2012 and physical sales totaled 8,904 GWh, a decrease of 7.1% from the previous year.

## Empresa Eléctrica de Piura

Eepsa has three power plants, located in the province of Talara, Piura, in northern Peru. these are:

- Malacas power plant, with an open cycle Mitsubishi unit operating on natural gas.
- Malacas 2 power plant, with an ABB open cycle unit which can operate with or without water injection, with natural gas.
- Malacas 3, power plant, with a SIEMENS open cycle unit in cold reserve condition, with B5 Diesel fuel.

PRODUCTION CENTERS				
Power plant	Unit	Manufacturer	Declared fuel	Effective power (MW)
Malacas	TG1	MHI	Natural Gas	11.698*
Malacas 2	TGN4	ABB	Natural Gas	103.39 **
Malacas 3	TG-5 RF	SIEMENS	B5 Diesel	186.6 ***
<b>Total</b>				<b>301.688</b>

\* Valid since August 09, 2013.

\*\* Valid since August 09, 2013.

\*\*\* Valid since August 12, 2013. Still not approved by the COES.

With Eepsa-GC-113-2013 letter dated on July 11, 2013, Eepsa requests certification of Commercial Operation of unit TG-5 RF which was accepted by the COES with COES/D/DP-723-2013 letter with an effective date of July 13, 2013.

During 2013, the production of electricity of Eepsa was 137.78 GWh (of which 24.09 GWh were generated by the Malacas power plant, 108.32 GWh by Malacas 2 power plant and 5.37 GWh by Malacas 3 power plant lower by 72.8% than the production of the previous year.

## Projects under study

### Curibamba Hydroelectric power plant

This power plant will be located upstream of the uptake of the Chimay power plant, in the department of Junín and will use the flow of the Uchubamba and Comas rivers.

The project includes the construction of a run-of-the-river power plant with 192 MW capacity, a design flow of 86 m<sup>3</sup>/s, a production of 1,013 GWh/year, and a single triplet 220 kV 135 miles long transmission line to the Pachachaca substation,

During 2013 the tender process for the Project main contracts for Civil, Equipment, Electrical Transmission Line and Interconnection System Works began the necessary studies for the preparation of pre-construction permits for the project. The approval of the Pre-Operability Study by the system operator (COES) was obtained. The basic designs of the transmission line are completed for 100% of the layout.

Moreover, in April 2013, the approval of the Environmental Impact Assessment (EIA) of the first section of the transmission line and the second stretch was received to undergo the evaluation process, the project has Certificates of Absence of Archaeological Remains (CIRA) and approved generation and transmission.

Finally in December 2013 began the process to obtain the final Generation concession.



### Land reserved for future projects

10 hectares of land belonging to the company Siderperu was purchased, located in the province of Santa, department of Ancash with the aim of analyzing a proposed thermal power plant.

# Power Distribution in Peru

## Edelnor



Enercis takes part in the power distribution through its subsidiary Edelnor, in which it controls, directly and indirectly, 75.5% of the property.

The market share of our subsidiary in Peru in terms of physical sales was around 18%.

In Peru, other distributors involved in the power distribution system are: Luz del Sur, Electro Sur, Electrocentro, ENOSA, Hidrandina and ENSA.

The concession area granted to Edelnor covers a total of 1,517 km<sup>2</sup> which correspond mostly to the north of Lima and Callao. Edelnor is the concessionaire of the public electricity service for the north of Lima and Callao, and the provinces of Huarura, Huaral, Barranca and Oyon. It serves 52 districts exclusively and shares an additional 5 districts with the distributor of the south. In the metropolitan area, the Edelnor concession comprises mainly the industrial area of Lima and some highly populated districts of the city.

Edelnor delivered electric service to 1,254,624 customers, an increase of 4.3% over 2012. Of these, 94.5% are residential, 3.3% commercial, 0.1% industrial and 2.1% other customers.

Physical energy sales totaled 7,045 GWh, representing an increase of 2.7% over 2012. The growth in sales is explained by an increased consumption in the residential and commercial sectors.

In the case of the power loss indicator, it was significantly lower when compared to 2013, decreasing from 8.2% to 7.9%.

Regarding the establishing of distribution rates, through Ruling No. 137-2011-OS/CD (27-7 - 2011) the Osinergmin conducted some price fixing at the generation level, and Ruling No. 138-2011-OS/CD (27-7-2011) which made an adjustment of the update factor to the unitary charges by rate, additional generation and unitary toll for compensation that is added to the corresponding secondary Transmission Systems Tolls.

Also, Osinergmin by means of ruling N°140-2011-OS/CD (27-07-2011) made an adjustment to the surcharge factor is performed in the social power compensation fund (FOSE).

During 2013, Edelnor had its rate review by Ruling No. 203-2013-OS/CD the OSINERGMIN fixed the added Distribution values, fixed charges and rate calculation parameters for the period from November 2013 to October 2017. Results show an increase of 1.2% of Distribution Added Value (VAD) in the range of Edelnor, when compared to the rate previously in force, so that the negative effect of the pre-publication of OSINERGMIN which calculated a -4.9% with respect to the base of Dec-12. This was confirmed by Rulings No. 255 and No. 256-2013-OS/CD of December 20, giving answer to the Resources for Reconsideration filed by the distribution companies of Lima.

# Other businesses

## Manso de Velasco

Manso de Velasco focuses on the development of major real estate projects primarily in the management of the real estate assets of the group in South America, in all matters relating to the purchase, sale and development of assets.

Its main project, named ENEA, corresponds to the real estate development of a property, originally of 1,041 hectares, strategically located in the west of Santiago, commune of Pudahuel. Adjacent to the Arturo Merino Benitez International Airport, the project is being developed and urbanized to sell lots to business, industrial, commercial, residential, services, educational and other requirements.

The road connectivity of the project, each year is complemented by the construction of new linking roads, streets, side roads and new accesses to highways. These works allow ENEA to improve its already excellent connection to the centers of the city, resulting in a significant value increase for this Business Park.

Currently phases II and III and west are under development and marketing, which respond to the concept of Industrial and Business Park. The project has a complete infrastructure, which has increased this past year, with new equipment and landscaping works, providing better service to the subdivision and its users.

During fiscal year 2013, ENEA advanced on the commercial level. Major companies were integrated to the Business Park, the sale made to the HJ Ltda. Import and Export company of 4 hectares and Profit Summit for 1 hectare stand out, as do the sales in Phase II to the following customers: Distribuidora Santa Barbara, Quinta S.A. and Empresas JR S.A. among others. The total sales during the year were \$ 12,489,000,000.

Inserted into the ENEA project is the Aguas Santiago Poniente SA Company, which provides sanitary services related to real estate development. Product of major new housing and industrial buildings in ENEA, the company had to expand its sanitary infrastructure which serves to date to more than 3,489 residential and industrial customers and treats 100% of the effluents of the project. In this perspective, Aguas Santiago Poniente is in a phase of increasing its economic value, being certain of the existence of clients requiring the services offered by the company associated with the development of ENEA.

Within its real estate business, Manso de Velasco also manages a total of 13,009 m2 of construction corresponding to office buildings, which are mostly rented to related companies and third parties.

Revenues of Real estate Manso de Velasco, consolidated for 2013 were \$ 15,442 million

## ICT

ICT Computer Services Limited is a consulting, management, contract administration and operation company in matters related to the field of information systems, information technology, telecommunications and control systems for Chile and South America, of which Enersis directly and indirectly owns 100%.

At a strategic level, the function of ICT aims to constantly push, to provide better services in line with the new technological trends, managing the successful integration of technological solutions in order to drive strategic initiatives of the Enersis group. ICT consistently makes contributions to improved operational efficiency, helping boost the competitive advantage of the Group companies in the region, based on global best practices and standards in technology matters.

During 2013 ICT focused its efforts on improving the continuous operation of information systems, at the same time it worked on the development and implementation of new projects in South America that will allow the Enersis Group to have cutting edge technology to meet new strategic challenges.

Regarding Generation Systems, this year we have worked in terms of the implementation of Phase I of the SCADA systems of generators of Chile and Colombia. The region has continued with the roll out of the SIVY system project which will allow generators to integrate measurements from the generation plants in each country. Additionally, there have been advances in SIGO and PGIS systems where a number of improvements were implemented, limiting security risks and limiting undue access to the data network and systems.

In generation systems in Chile, there have been technological upgrading activities of the Meridian and GEMA platforms. Particularly in Chile all the necessary technological infrastructure for the beginning of the last phase of the SCADA Generation project have been incorporated.

In terms of distribution systems at the regional level advances have been made in the implementation of strategic projects like GCORE which is successfully being implemented in Colombia and Brazil, it is estimated that this initiative will be launched during 2014 in Chile. In a similar scenario, the regional SCADA distribution project, this has been implemented successfully in countries such as Chile, Colombia and Brazil.

In Chile, during the current year, improvement projects were implemented in substation maintenance systems along with improvements in the SIGMA platform related to the management of public lighting. innovative projects like the new MOBILE APP platform for smart phones have been implemented, aimed at improving communication channels with our customers according to global trends by providing

customers new communication media. Additionally, the implementation of projects which allow Chilectra to reduce operational costs in the billing and collection processes was conducted.

Additionally, initiatives such as Web Pay and Pay buttons were implemented; both initiatives incorporate improvements in collection channels, enabling greater functionality according to the trends, which aim to provide the best contact channels for Chilectra customers also allowing web payments.

Regarding the Holding Systems, the update of web systems and institutional platforms has been promoted, implementing solutions that provide greater robustness and flexibility, allowing the incorporation of new technologies. On matters of Telecommunications of Endesa Chile, intense work has been conducted to ensure operational continuity of services in generation plants in Chile, with the goal of providing improved communications and the availability and performance of the systems.





## Direct and Indirect economic shareholdings

ARGENTINA	Business	Ownership
Costanera	Gx	45.40%
El Chocón	Gx	39.21%
Docksud	Gx	39.99%
Edesur	Dx	71.61%
CTM	Tx	83.54%
TESA	Tx	83.53%
CEMSA	Tx	81.99%
Gasoducto Atacama Argentina	Ox	30.75%

CHILE	Business	Ownership
Endesa Chile	Gx	59.98%
Celta	Gx	61.49%
Pehuenche	Gx	55.57%
Canela	Gx	46.12%
HidroAysén	Gx	30.59%
GasAtacama	Gx	30.75%
Chilectra	Dx	99.09%
Transquillota	Tx	30.75%
Túnel el Melón	Ox	59.98%
GasAtacama Chile	Ox	30.75%
Gasoducto Tal Tal	Ox	30.75%
Electrogas	Ox	25.49%
GNL Chile	Ox	19.99%
GNL Quintero	Ox	12.00%

BRAZIL	Business	Ownership
Endesa Brasil	Gx, Dx, Tx	83.54%
Fortaleza	Gx	83.54%
Cachoeira Dourada	Gx	83.33%
Ampla	Dx	91.63%
Coelce	Dx	49.18%
CIEN	Tx	83.54%

COLOMBIA	Business	Ownership
Emgesa	Gx	37.72%
Codensa	Dx	48.39%

PERU	Business	Ownership
Edegel	Gx	37.46%
Edelnor	Dx	75.54%
EEPSA	Gx	96.50%

### Notes

Gx: Generation

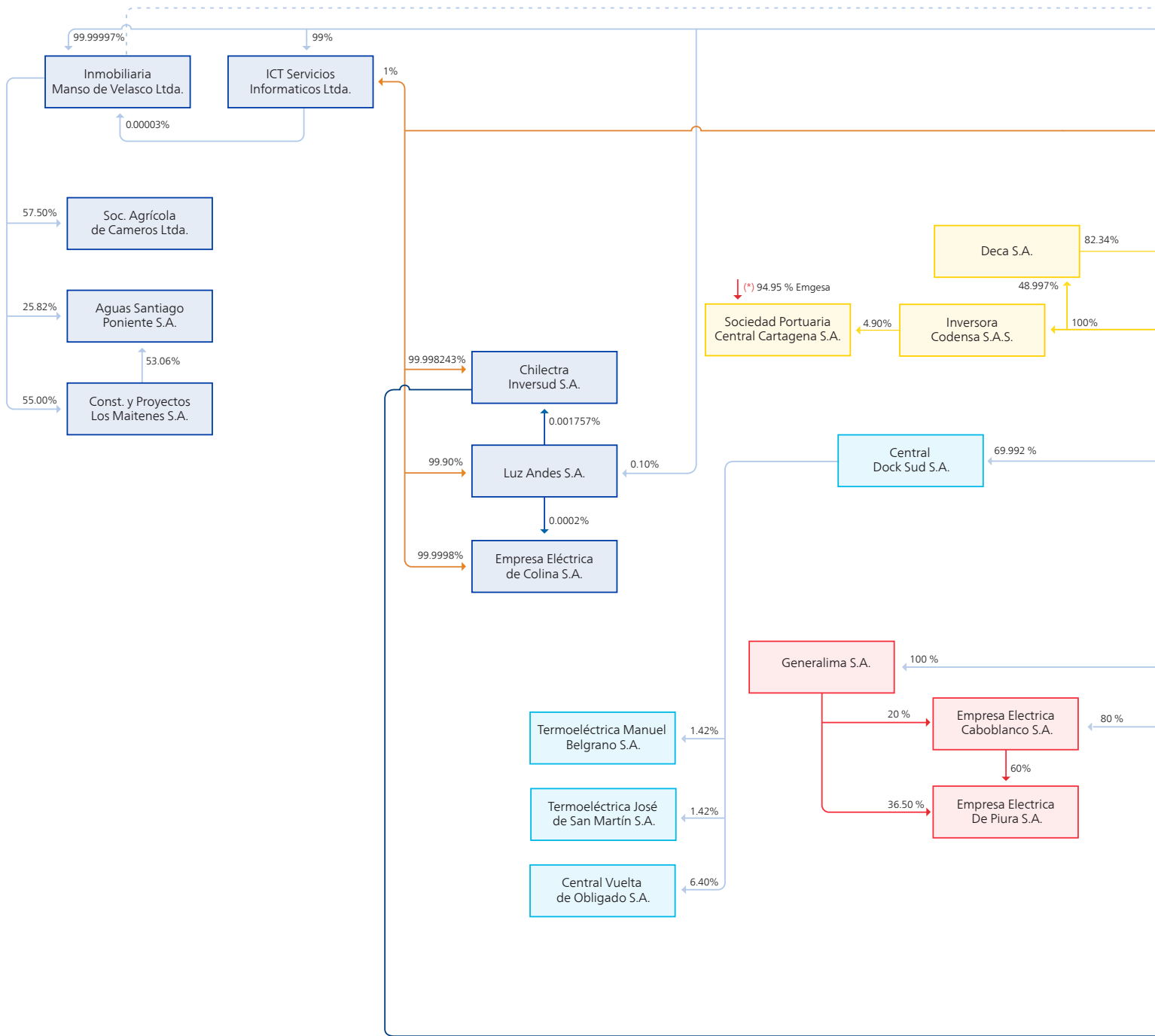
Dx: Distribution

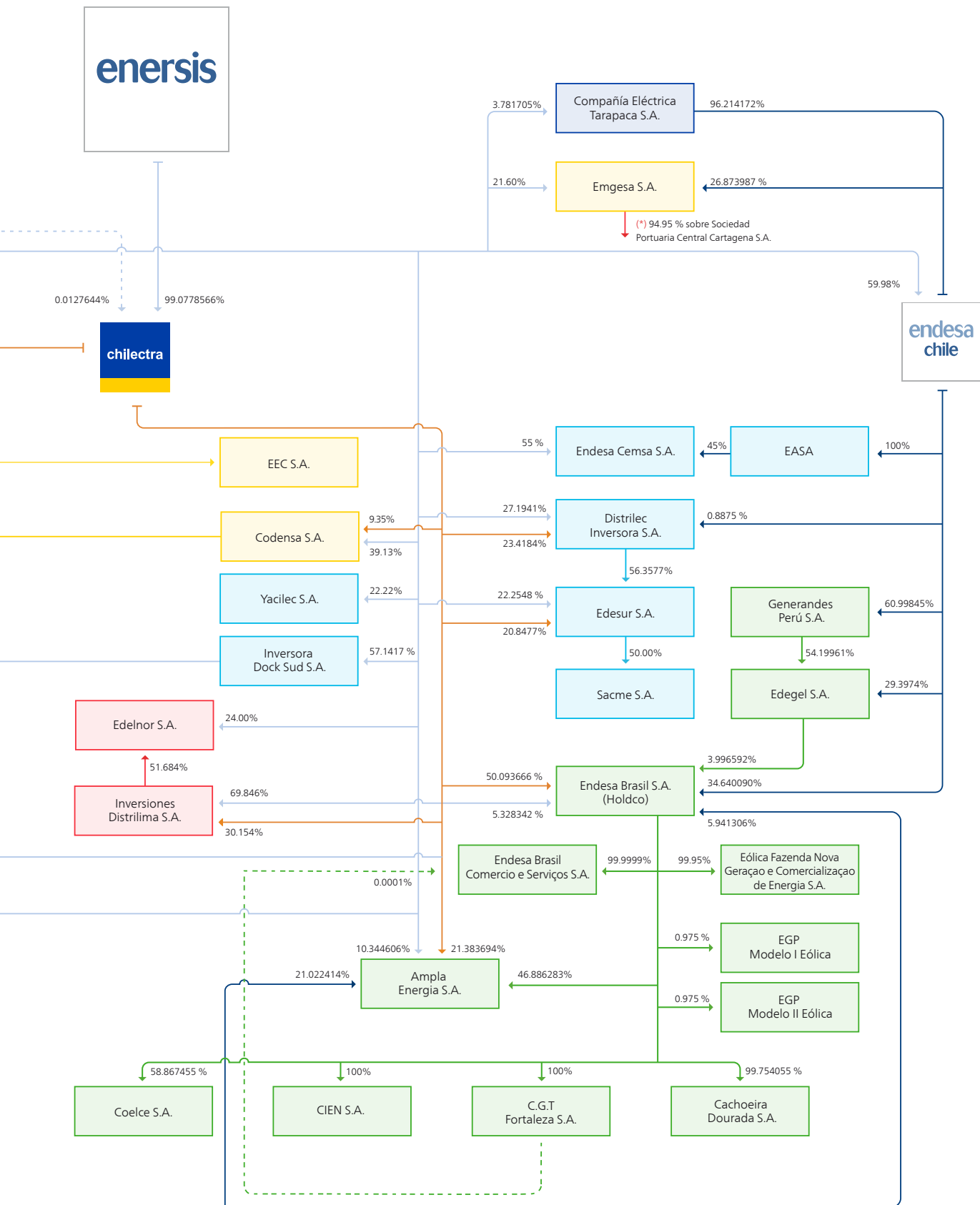
Tx: Transmission / Commercialization

Ox: Gas pipelines, others

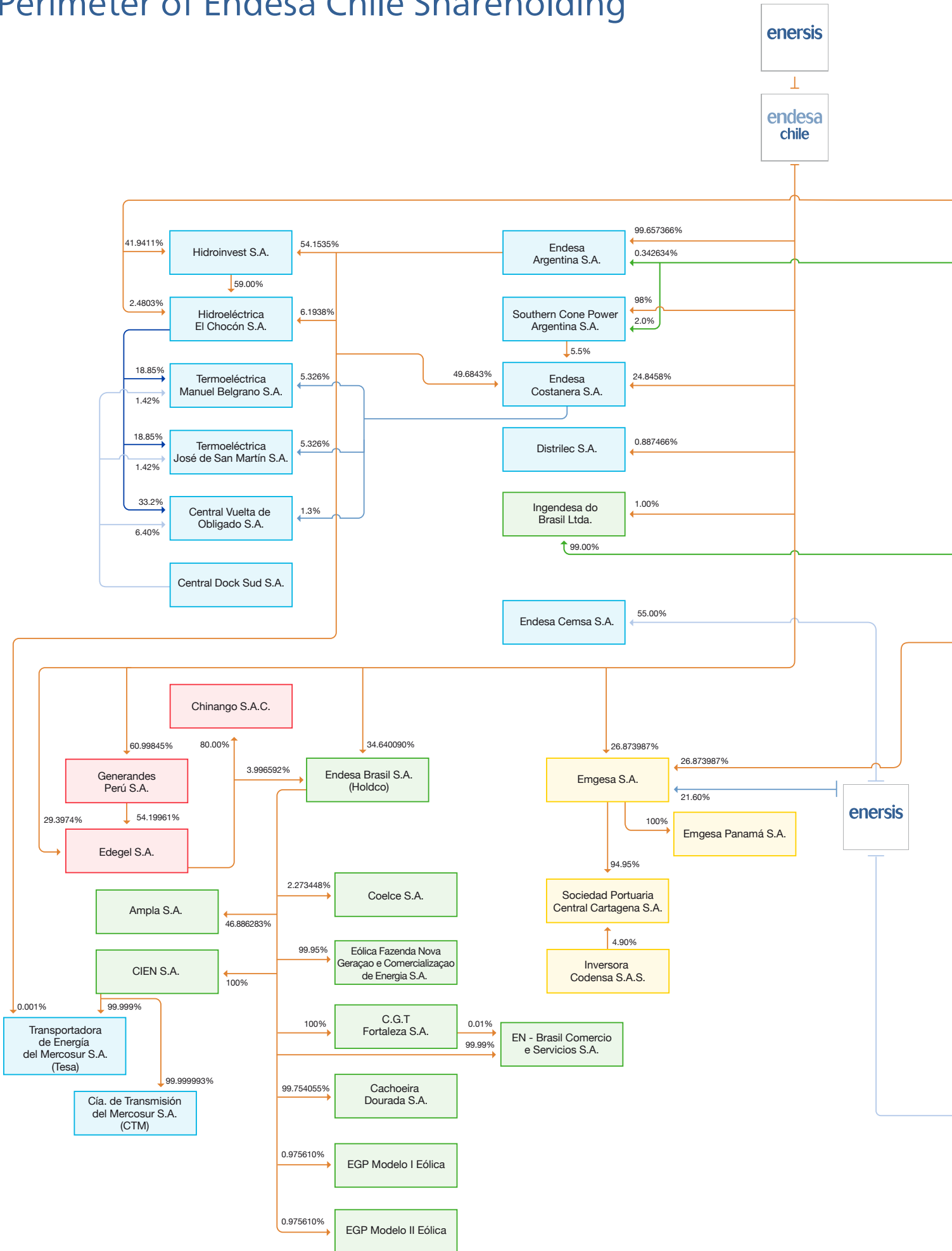
(\*) Considers Enersis Group operational companies.

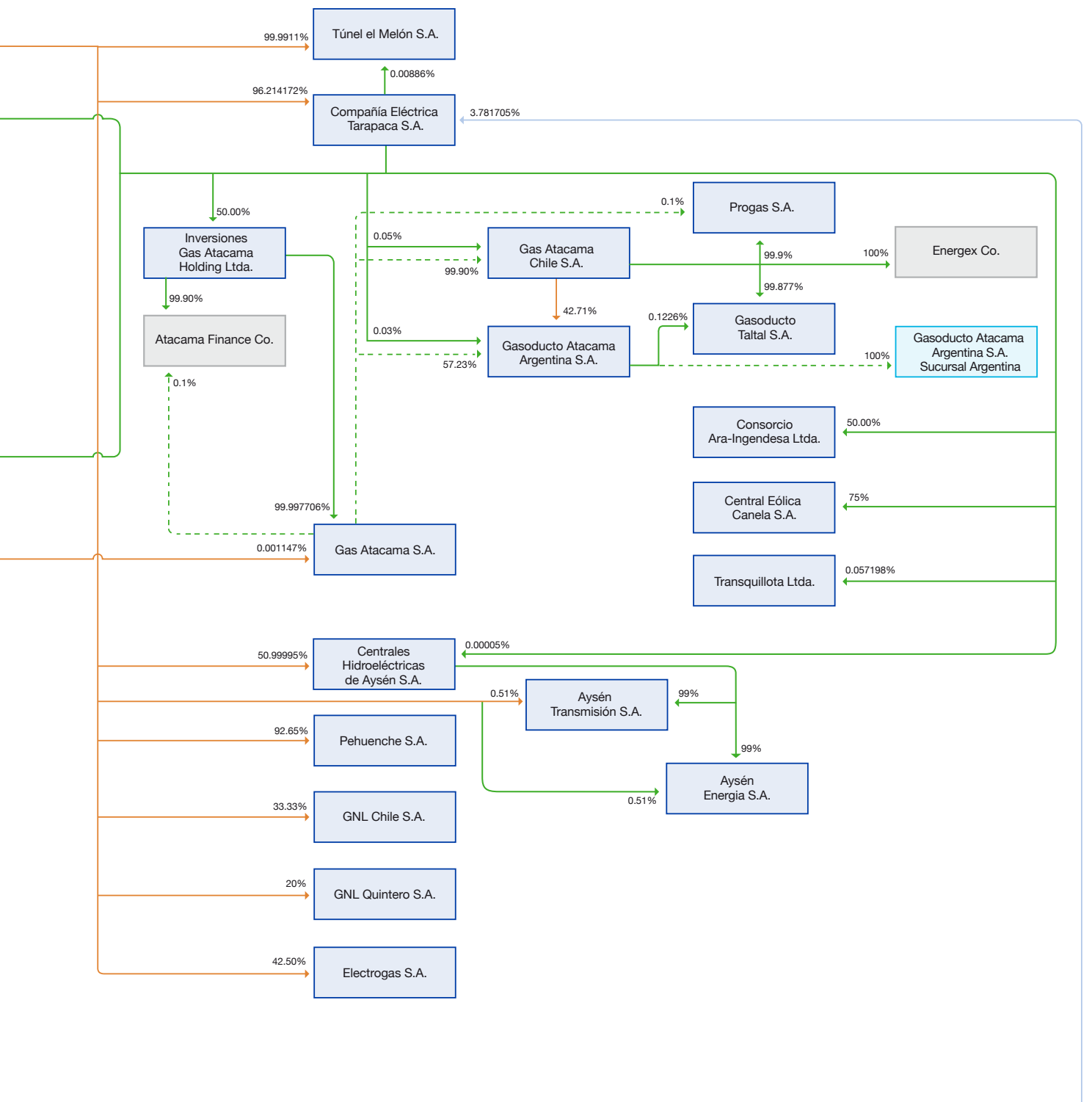
# Perimeter of Enersis' Shareholding



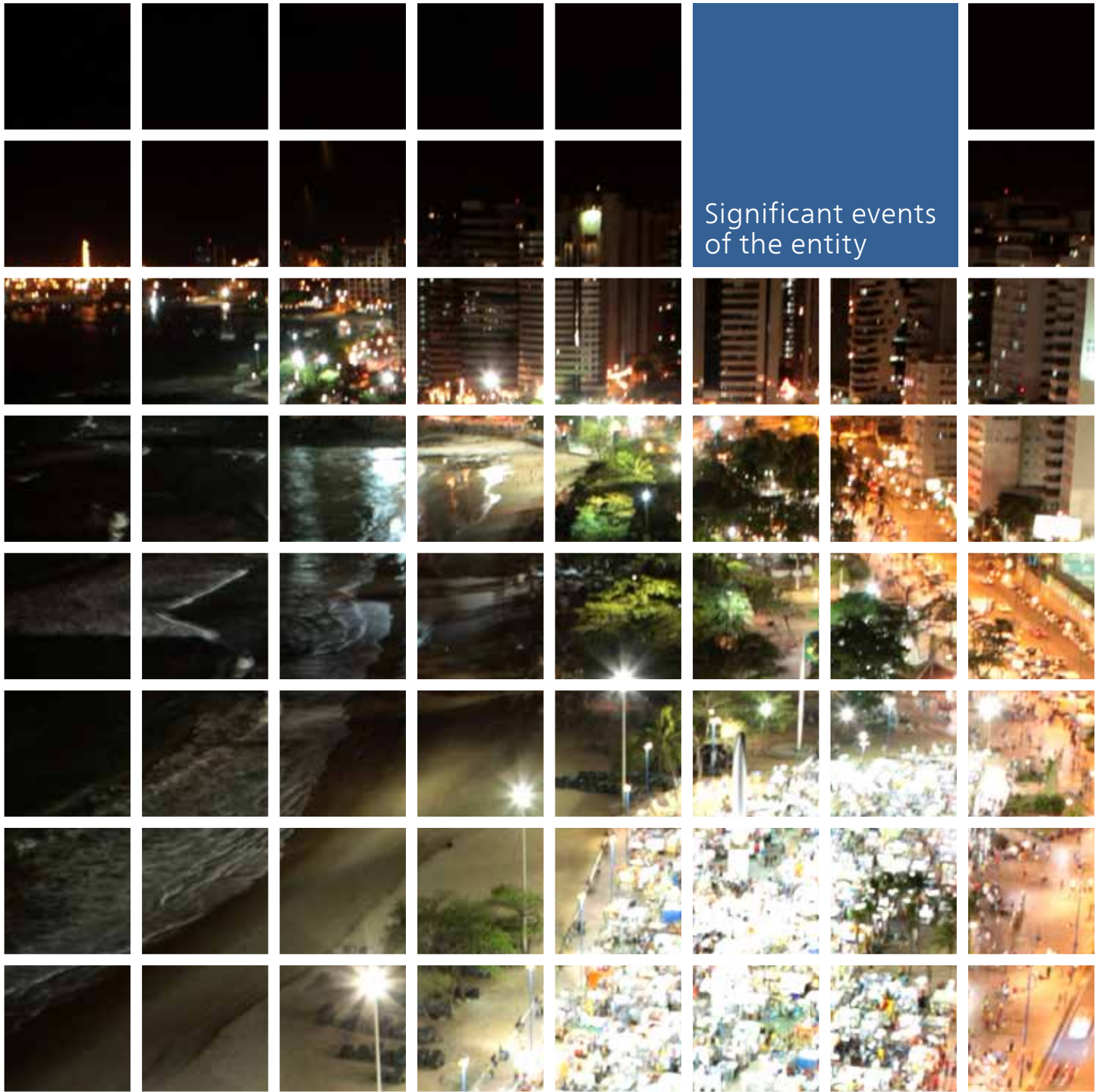


# Perimeter of Endesa Chile Shareholding





- Argentina
- Brazil
- Chile
- Colombia
- Peru
- Islas Caymán



# Energis

## 2013

In accordance with Articles 9 and 10°, second paragraph, of Law No. 18,045 on the Securities Market, and the provisions of General Rule No. 30 of the Superintendencia, the following essential facts are reported:

- On January 8, 2013, it was reported that Empresa Nacional de Electricidad SA (Endesa Chile), has accepted the terms of the final and definitive amount to compensate for the losses related to the effects of the earthquake on February 27, 2010 reported by the liquidator Becket SA Insurance Adjusters in a letter dated on January 7, 2013. Such terms have also been accepted by all the insurance companies.

Regarding the facilities of the Bocamina 1 power plant owned by Endesa Chile, a compensation agreement has been reached for U.S. \$ 85,665,673 for loss of profits and damages (U.S. \$ 66,165,673 and U.S. \$ 19,500,000 respectively) following the aforementioned earthquake. Our subsidiary has received cash advances due to the event in the amount of U.S. \$ 42,665,673.

Regarding Bocamina 2, also owned by Endesa Chile, the agreement involves compensations in the amount of U.S. \$ 112,999,528, of which U.S. \$ 2,953,306 correspond to property damage and U.S. \$ 110,046,222 correspond to lost profits as a result of the incident (ALOP).

As of December 31, 2012, our subsidiary Endesa Chile registered an amount of U.S. \$ 114,711,895 in operating income as compensation for lost profits. This represents a profit for Energis in the amount of U.S. \$ 55,043,356 after taxes and minorities.

- On January 22, 2013, it was reported that in connection with the communication of material fact dated December 21, 2012, which accounts for the Capital Increase approved at the Extraordinary Shareholder Meeting held on December 20, 2012, Energis SA ("Energis") has taken steps in order to study the placement of shares in Chile and in foreign markets through an ADR program (as such term is defined in the communication), with the following investment banks / underwriters: J.P. Morgan, BTG Pactual / Celfin, Bank of America Merrill Lynch, Banchile, BBVA, Crédit Suisse, Deutsche Bank, Goldman Sachs, HSBC, Larraín Vial, Morgan Stanley, Santander, Bank of Tokyo, Mitsubishi UFJ Securities, BNP Paribas y Crédit Agricole.

It is stated that Enersis SA will provide the information required under section II. 1b) of the communication, as soon as it becomes aware of it.

Nothing of what was informed by means of this essential fact constitutes an offer to sell securities in the United States of America. The securities may not be offered or sold in the United States without registration or exemption from registration. Enersis intends to register securities for public sale in the United States of America in connection with its announced Capital Increase.

Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or the depository of securities for sale and will contain detailed information about Enersis and its administration, as well as its financial statements.

- On January 29, 2013, our subsidiary Endesa Chile reported that under the international arbitration proceedings related to the differences between the parties of the turnkey construction contract of the Bocamina II Thermal Power Plant owned by Endesa Chile and was initiated by a request for arbitration filed by our Company in October 2012 at the International Chamber of Commerce in Paris (CII), Endesa Chile has been notified by the Technical Secretariat of the International Chamber of Commerce in Paris that the Consortium SES-TECNIMONT separately proceeded to respond to the request for arbitration of Endesa Chile containing their claims and along with that, have sued Endesa Chile reconventionally in the amount of U.S. \$ MM1.294, in the case of Tecnimont and U.S. \$ MM15, in the case of SES.

Our subsidiary, Endesa Chile believes that the counterclaims are unsubstantiated, therefore our Company will defend its position in this arbitration proceeding, believing that it has the law and the facts in this dispute and that this has justified the collection of bank guarantee bonds due to serious breaches by the Consortium.

In consideration of the foregoing, and bearing in mind the lack of grounds for the claims of the plaintiffs counterclaims, to date there is no recorded financial impact on the assets, liabilities or results of Enersis SA or its subsidiary Endesa Chile.

- On February 15, 2013, it is reported that in the Special Board Meeting of Enersis held on this date, the following agreements were reached:

- 1) To report the registration of shares for payment in the register of securities of the superintendence of securities and insurance under No. 971 dated February 13, 2013.
- 2) Initiate the preferential subscription period for 16.441.606.297 new payment shares issued by the Company due to the Capital Increase approved at the Extraordinary Shareholder Meeting of the Company held on December 20, 2012 (the "Meeting") beginning on February 25, 2013 and ending on March 26, 2013. the Board agreed to approve in due course how the shares which are not subscribed during the period of preferent option will be offered, as well as those corresponding to fractioning of shares resulting from the apportionment among shareholders in a bid period remaining under the terms and conditions set forth by the Board. Relevant publications were made in the El Mercurio newspaper.
- 3) The placement price at which such shares will be preferentially offered to shareholders of the Company during the preferent option period is the sum of \$ 173 per share, which corresponds to the price set by the Board.
- 4) Approval of documents called Form F-3, Prospectus Supplement, F-6 and 8-A and its entry into the Securities and Exchange Commission (SEC) in the United States of America for the preferred offering on the New York Stock Exchange. The Board has delegated to the General Manager of the Company to determine the onset of the preferential offering period in the United States once all the necessary arrangements for this have been perfected.

- On February 25, 2013, the following is reported as an essential matter of fact:

That the necessary documentation has been registered before the Securities and Exchange Commission (SEC) of the United States to begin the subscription period of the Capital Increase approved by the Extraordinary Shareholder Meeting of the Company on 20 December 2012 in the market



The documents entered before the SEC include Form F-3, by which the issuance of these securities is recorded, and the prospectus supplement to the register as well as other related documents. Copies of these documents were admitted today to the Superintendence of Securities and Insurance pursuant to the provisions of Circular No. 1375 of February 12, 1998.

Citibank, NA, as Depositary Bank for the American Depositary Shares (ADSs) of Enersis. Distributed to holders of ADSs (each such ADSs representing 50 ordinary shares) rights to subscribe ADSs at a rate of 0.504 per ADS owned by such holders at 17:00 hrs. New York City Time on February 25, 2013. The options about fractions of ADSs will not be distributed, and any option on fractions will be assembled and sold by Citibank, NA and the amount raised will be distributed to holders of ADSs which would have been entitled to such fractions.

The subscription price for each ADS will be U.S. \$ 19.19 per ADS, which equals \$ 8,650 Chilean pesos plus an additional 5% of that amount in order to cover potential exchange rate fluctuations, the fee of the Trustee bank, expenses and certain taxes. The subscription period for shares in the United States of America will begin on February 26, 2013 and will end on March 21, 2013 at 14:15 hrs. New York City time.

Preferred ADS options will trade on the New York Stock Exchange under the symbol "ENI RT". The beginning of the transaction is expected on February 26, 2013 and will continue until March 15, 2013.

J. P. Morgan, BTG Pactual and BofA Merrill Lynch have been hired as Global Coordinators and Joint Bookrunners for the offering. Banchile, BBVA, Credit Suisse, Deutsche Bank Securities, Goldman, Sachs & Co., HSBC, Larrain Vial, Morgan Stanley and Santander have been contracted as underwriters ("Bookrunners") and BNP Paribas, Credit Agricole CIB and Mitsubishi UFJ Securities have been contracted as Co-Managers.

- On March 14, 2013, the following is reported as an essential matter of fact:

On today, the transfer to Endesa Latinoamérica SA, the controlling shareholder of Enersis SA and holder of 60.62% of the share capital of the Company made to Endesa, SA (Endesa Spain) of all of its options of preferent subscription in the ongoing Capital Increase of Enersis

SA, equivalent to 9,967,630,058 options for a total acquisition value of \$ 32,783,535,261 has been registered. The value paid by Endesa SA to Endesa Latinoamérica SA is equivalent to \$ 3.289 per option, value at which the options were trading at the closing on March 12, 2013.

This has no financial effect on the assets, liabilities or results of Enersis SA.

- On March 21, 2013, the following is reported as an essential matter of fact:

On today, Endesa, SA (Endesa Spain), comptroller of Enersis SA, exercised all of the preferential subscription rights that were granted by its subsidiary Endesa Latinoamérica, SA, through the holding of a share subscription agreement with Enersis SA. The contract accounts for the subscription of 9,967,630,058 ordinary shares for the ongoing Capital Increase of Enersis SA at a value of 173 pesos per share, corresponding to a total subscription value of 1,724,400,000,034 Chilean pesos, in legal tender.

The total subscription value will be paid by Endesa Spain by transferring all of its social rights in the Southern Cone Holdings Ltd. partnership, which were approved as a contribution of noncash property by the Enersis Extraordinary Shareholder Meeting on December 20, 2012. That contribution was valued by that corporate body in the sum of \$ 1.724.400.000.034 indicated above.

Until the suspension condition which is affecting the said Capital Increase is not verified, the conclusion of that contract to subscribe for shares has no financial impact on the assets, liabilities or results of Enersis SA.

- On March 22, 2013, the following is reported as an essential matter of fact:

On today, Citibank NA, in its capacity as Depositary Bank for ADR holders of Enersis SA, has communicated that at the end of the preferred offering in the market of the United States of America, which ended on Thursday March 21 2013 at 12:15 (Time of the City of New York) preemptive rights for a total of 33,508,834 American Depositary Shares have been exercised, equal to 1.675.441.700 ordinary shares for the ongoing Capital Increase of Enersis SA, with a total subscription value of \$ 624,939,754.10 of the United States of America Dollars.

Until the suspension condition which is affecting the said Capital Increase is not verified, the above subscriptions ADR lack financial impact on the assets, liabilities or results of Enersis SA.

Also note that Enersis SA and its subsidiary Empresa Eléctrica de Colina Limitada, dated yesterday formed a company called "INVERSIONES SUDAMÉRICA LIMITADA", based in Santiago de Chile, which will aim to develop and carry out, at home or abroad, all the investments and / or businesses, especially investment in the power sector and related industries, for itself or their parties, either directly or through subsidiaries or affiliated companies. The capital of this new subsidiary is the amount of 10,000,000 Chilean pesos, which will be contributed and paid in cash by the partners as follows: Enersis SA, 99.99999%, i.e. 9,999,999 Chilean pesos; and Empresa Eléctrica de Colina Limitada, 0.00001%, this is 1 Chilean peso.

- On March 25, 2013, it is reported that on the Special Board Meeting of the Company held on this date, the following agreements were adopted:

1. Declare fulfilled the condition precedent to which is the Capital Increase of the company is subject to, agreed by Extraordinary Shareholder Meeting held on December 20, 2012, in connection with the public offering of 16.441.606.297 payment shares. The fulfillment of the precedent condition is in line with the terms approved by the aforementioned Shareholders.

Under this condition, all contracts for shares that were subject to subscription and payment by shareholders and / or third parties either in the preferent subscription period or the remnant subscription period, at least 3,169,224,294 shares so as to allow the Company controller to subscribe and pay 9,967,630,058 shares, not exceeding the legal and statutory maximum concentration limit of 65% of the voting capital of the Company.

2. Approve the text of the notice to be published in the El Mercurio newspaper on April 26, 2013, which will inform the public on the compliance with this precedent condition, as a result of which all share subscription contracts will produce the integrity of its legal effects and, therefore proceed to the registration of the shares on behalf of the respective holder in the register of shareholders of Enersis and will be regarded as the date of subscription of the shares, the date on which the shareholder or third party has subscribed the contract to subscribe the shares.

3. Authorize the General Manager, Don Ignacio Antoñanzas Alvear, to report compliance with the Condition and to publish the notice of the result to the Central Securities Depository and to the Santander Bank.

Given that the aforementioned Capital Increase operation is ongoing, the financial impact on the assets, liabilities or results of Enersis SA will be timely communicated on completion of the said Capital Increase.

- On March 27, 2013, it is reported that in the Special Board Meeting of the Company held on this date, the following agreements were adopted:

1. Make known the result of the placement of the shares of the ongoing Capital Increase during the preferential offer ended on March 26, 2013 at midnight, in which a total of 16.284.562.981 shares were subscribed, a total of 16.441.606.297 shares, which represents a placement of 99.04% of the shares authorized for issuance. Consequently, there is a balance of 157.043.316 shares yet to be placed. The amounts shown above include the shares subscribed in the local market and abroad.

2. Making the offer of the remnant 157,043,316 shares, this will be conducted by an auction in the Santiago Stock Exchange, to be held on Thursday, March 28, 2013 Given the aforementioned Capital Increase operation is ongoing, the financial impact on the assets, liabilities or results of Enersis SA will be timely communicated on completion of the above mentioned Capital Increase

- On March 27, 2013, the following is reported as an essential matter of fact:

That on Thursday March 28, 2013 at 12:30 pm, the auction of 157,043,316 shares of Enersis SA will be held on the Santiago Stock Exchange. Those shares were not those which were placed in the preferent subscription period of the ongoing Enersis Capital Increase

The auction will be divided into 15 lots of 10,000,000 shares each and a lot of 7,043,316 shares. Only ordinary shares will be offered. No ADRs will be auctioned.

The minimum price of the auction will be 178 Chilean pesos per share.

- On March 28, 2013, the following is reported as an essential matter of fact:

On today, Thursday March 28, 2013 at 12:30 pm via Celfin Capital SA Brokers and Merrill Lynch SpA Stock Brokers we proceeded to sell at auction in the Santiago Stock Exchange a total of 157,043,316 shares of first issuance of Enersis SA at a price of 182.3 Chilean pesos per share. The total amount raised by the auction amounted to a total of 28,628,996,507 Chilean pesos.

The above mentioned auction ends the offer of the remnant of the Enersis Capital Increase which was approved by the extraordinary shareholder meeting on December 20, 2012, with a subscription of 100% of the total shares placing.

This is the largest Capital Increase conducted in Chile and positions Enersis SA as the only vehicle for expansion in South America for the Enel-Endesa Group in the field of conventional energy, being given the necessary resources to undertake its growth in the region.

The Capital Increase has allowed the incorporation of all the assets that make up the equity of Cono Sur Participaciones S.L, provided by Endesa Spain and brings equity interests of the generation, transmission and distribution sectors of Chile, Peru, Colombia, Brazil and Argentina and in turn, allow to raise the sum of 1,121,458,392,186 Chilean pesos, which includes a premium of placement of shares of 1,460,502,839 Chilean pesos.

Finally, note that once the periods of Preferential Offer and the Capital Increase Remnant ended, a total of 16,441,606,297 shares, corresponding to 2,845,858,392,220 Chilean pesos, so which the total capital Enersis will amount to 5,669,280,724,381 Chilean pesos has been fully subscribed and is in the process of being fully paid.

- On April 16, 2013, Enersis SA reported that in the Ordinary Shareholder Meeting held today, it has been agreed to distribute a minimum mandatory dividend (partly composed of Interim Dividend No. 86), and an additional dividend, amounting to a total of \$ 188,675,260,500. Given that the said Interim Dividend No. 86 has already been paid, it shall distribute and pay the remainder of the Final Dividend No. 87, amounting to \$ 148,991,647,050, equivalent to \$ 3,03489 per share.

- On April 16, 2013, Enersis SA reported that at the Ordinary Shareholders Meeting held today, a new Board of Directors was appointed for the company for a period of three years, made up of the following persons:

Sr. Pablo Yrarrázaval Valdés  
 Sr. Borja Prado Eulate  
 Sr. Andrea Brentan  
 Sr. Luigi Ferraris  
 Sr. Hernán Somerville Senn  
 Sr. Leonidas Vial Echeverría  
 Sr. Rafael Fernández Morandé

In a board meeting held following the above ordinary shareholder meeting, Mr. Pablo Yrarrázaval Valdés was elected as Chairman of the board and, Mr. Borja Prado Eulate as Vice Chairman, and as secretary of the Board, Mr. Domingo Valdés Prieto.

Also at the aforementioned board meeting the board proceeded to the appointment of the Directors Committee governed by Law 18,046 of stock trading corporations and the Sarbanes Oxley Act, which was composed of the Directors: Hernán Somerville Senn, Leonidas Vial Echeverría and Rafael Fernández Morandé. In accordance with the provisions of Bulletin No. 1,956 of the Superintendence of Securities and Insurance, reported that the three aforementioned directors are independent directors.

Finally, it is communicated that the Board of Enersis has appointed director Hernán Somerville Senn as Financial Expert of the Directors Committee.

- On May 16, 2013 and in accordance with the provisions of Articles 9 and 10 °, second paragraph, of Law 18,045, on the Securities Market and the provisions of General Rule No. 30 of the Superintendence it is reported as an essential matter of fact that, on May 15, 2013 in the Republica Argentina Ruling SE No. 250/13 of the Ministry of Energy, Ministry of Federal Planning, Public Investment and Services (the "Ruling" ) was published, which authorizes compensation for the debt that our subsidiary Empresa Distribuidora Sur SA ("EDESUR") recorded regarding income derived from the implementation of the Program for the Rational Use of Electric Energy until February 2013, with the credit for it arising from the recognition that the same Ruling makes of the Cost Monitoring Mechanism for the six-month periods included between May 2007 and February 2013.

Additionally, the aforementioned Ruling instructed the Compañía Administradora de Mercado Mayorista Eléctrico Sociedad Anónima ("CAMMESA") to issue Liquidations of Sales with a due date to be defined (the "liquidations") for the excess compensation values mentioned and authorized Cammesa to receive such Liquidations as part-payment of debts by economic transactions in the Wholesale Electricity Market ("MEM") and other debts EDESUR maintains with it. Finally, it instructs EDESUR to give the surplus to the Trust consisting of ENRE Ruling No. 347 of November 23, 2012 and its withdrawal of administrative claims filed by requesting recognition of higher costs in excess of the Cost Monitoring Mechanism stated in the Ruling and the comprehensive rate review.

Flat rate, the financial effects of the Ruling on the consolidated results of Enersis SA are estimated at the equivalent of about USD \$ 398 million in EBITDA and in approximately the equivalent of \$ 327 million in the result line, Net of Minorities.

- On May 29, 2013 and in accordance with the provisions of Articles 9 and 10 °, second paragraph, of Law 18,045, on the Securities Market and the provisions of General Rule No. 30 of the Superintendence it is reported as an essential matter of fact in regular Session of the board of directors of Enersis SA held as of May 29, 2013, has agreed to propose the relevant corporate bodies to their subsidiaries Inversiones Sudamérica Limitada (99.99999% Officer) and Cono Sur Participaciones, S.L.U. extinguishing the latter. Cono Sur Participaciones, S.L.U. is the company through which Endesa Spain, controller of Enersis SA, paid in kind corresponding to its shareholding proportion in the Capital Increase approved by the Extraordinary Enersis SA Shareholder meeting on December 20, 2012.

Also it was authorized, that once the aforementioned merger by absorption, Enersis SA advanced with the acquisition of the minority shareholding of 0.00001% its subsidiary Empresa Eléctrica de Colina limitada owns in Inversiones Sudamérica Limitada. Due to this acquisition all Property of Inversiones Sudamérica in Enersis SA, will be gathered at that time, as the direct owner of all the shares in South America that were contributed by Endesa Spain during the Capital Increase.

- On July 4, 2013 the merger by absorption has been perfected between Inversiones Sudamérica Limitada (subsidiary at 99,99999% of Enersis) and Cono Sur Participaciones, S.L.U. (100% subsidiary of Enersis), the latter becoming extinct. This merger has produced all its effects retroactively as of July 1, 2013.

Cono Sur Participaciones, S.L.U. was the corporation by which Endesa Spain, controller of Enersis, made the payment corresponding to its shareholding proportion in the Capital Increase approved by the Enersis Extraordinary Shareholder Meeting dated in December 2012.

- On November 26, 2013, Enersis SA reported that at its board meeting today, the Board of Enersis SA, agreed by unanimous vote, to pay on January 31, 2014, an interim dividend of \$ 1.42964 per share, charged to the income statement of 2013, corresponding to 15% of the net profits calculated as of September 30, 2013, in accordance with the

## 2012

By means of Essential Fact submitted on January 31, 2012, Enersis S.A. informs that Enersis S.A. has recorded a provision to assets of its subsidiaries Empresa Distribuidora Sur S.A., and Central Costanera S.A., whose impact on the results of Enersis S.A. amounted to MM\$106,750.

The above has been included in the Consolidated Financial Statements as of December 31, 2011, approved by the Board of Directors in the meeting held today. If such adjustments has not been recorded, the results of Enersis S.A. would have been similar to those for year 2010.

On February 2, 2012, the Company informs that the information contained in Essential Fact sent on January 31, 2012, disclosing the provisions to assets of subsidiaries Empresa Distribuidora Sur S.A. (Edesur) and Endesa Costanera S.A. (Central Costanera), recorded and that impacted the results of Enersis S.A. in MM\$106,750, is being complemented.

With this respect, it is worth mentioning that such amount responds to the effect on Enersis of the following:

- A provision for losses recorded as an impairment account related to Property, Plant and Equipment of Edesur totaling \$ 69,607 million, net of non-controlling shareholdings (see note 15 d) vii) of the Consolidated Financial Statements as of December 31, 2011).
- The reversal of tax credits on taxes paid out by Edesur and Endesa Costanera for \$ 17,220 million and \$ 7,723 million, respectively, net of non-controlling shareholdings.
- Finally, a provision for losses recorded as an impairment account was made on existing goodwill balances in Edesur and Endesa Costanera, amounting to \$ 8,931 million and \$ 3,269 million, respectively, net of non-controlling shareholdings (see note 14 of the Consolidated Financial Statements as of December 31, 2011).

In the case of Edesur, the measures above are attributable to the uncertainties generated by the delays in the recognition of tariff adjustments via the semi-annual Cost Monitoring System (MMC, in its Spanish acronym) and the implementation of an Integral Tariff Review (RTI, in its Spanish acronym).

With respect to Endesa Costanera, the situation is attributable to the difficulties in obtaining adjustments to revenue sufficient to cover real generation costs, working capital deficits, due to difficulties in the collection of the system operator's sales, all of which factors have an impact on the company's short-term financial stability.

On February 29, 2012, the Board of Directors of Enersis S.A., unanimously agreed to propose to the Enersis Ordinary Shareholders Meeting, to maintain the same dividend payout ratio paid for the previous period; namely, 50% of the Company's distributable net income. For this period, such percentage is equivalent to \$ 5.7497 per share, from which the interim dividend of Ch\$ 1.46560 per share paid in January 2012 must be deducted. Therefore, the amount to be distributed as a final dividend to shareholders would be Ch\$ 4.2841 per share.

This will represent a distribution of \$ 139,880,862 thousand of the results at December 31, 2011.

This modifies the current dividend policy which determined the distribution of a 55% dividend payout of the distributable net income of the Company.

In the Ordinary Shareholders' Meeting of Enersis S.A. held on April 26, 2012, the shareholders agreed to distribute a minimum mandatory dividend (partially paid by Provisional Dividend No. 84) and an additional dividend, for a total of \$ 5.74970. Given that the above mentioned Provisional Dividend No. 84 was already paid, we will distribute and pay the remaining amount of the Definitive Dividend No. 85, for \$ 4.28410 per share.

On July 13, 2012, Enersis informs that through ENRE Resolution N° 183/2012, dated July 12th 2012, from the Argentine electric regulatory entity, Mr. Luis Miguel Barletta was designated as supervisor of our Argentine subsidiary, Empresa Distribuidora Sur S.A. (Edesur). This designation does not replace the company's current management, nor does it represent a type of joint management.

In its meeting held today, July 25, 2012, Enersis S.A.'s Board of Directors agreed to summon an Extraordinary Shareholders Meeting to be held on September 13, 2012 at 10:30 a.m., at The Marriott Hotel, Av. Kennedy N° 5741, Las Condes, Santiago, Chile with the purpose to address the following issues:

1. Increase capital for the amount, equivalent in Chilean pesos, of US\$ 8,020 million or In the amount determined by the Extraordinary Shareholders Meeting, through the issuance of a certain number of common shares to be determined by the Meeting, to be paid in cash and/or in kind. The shares to be issued will be nominative, all of the same special issuance, without any preference, and without a nominal value.
2. Approve each and every contribution in kind subject to being capitalized, as well as their respective estimated appraisals carried out by the independent expert appraiser, Mr. Eduardo Walker Hitschfeld, whose report

will be made available today to the shareholders on the company's web site at [www.energis.cl](http://www.energis.cl). The report estimates the total value of the contribution in kind in US\$ 4,862 million.

3. Agree on a value or price of issuance for the shares which will correspond to the capital increase that is agreed upon or delegate the determination of such value upon the Board of Directors.
4. Modify the company's bylaws in accordance to the agreements adopted in connection with the capital increase and authorize the Company's Management to submit a consolidated and updated version of the bylaws.
5. Adopt all necessary agreements that may be needed and convenient for the full execution of the respective decisions adopted at the Meeting including, but not limited to, the determination, timing, and procedure for the issuance of shares corresponding to the capital increase, the registration of such shares in the Registry of Securities, the period for issuance, subscription and payment of the shares; the establishment of the procedure for the issuance of any follow on shares left over after a preemptive rights' issuance; or the full empowerment of the Board of Directors for each of these items, or for the adoption of any other agreement that may be needed to supplement or grant compliance to whatever may be resolved at the Meeting, or to satisfy any legal, regulatory, or administrative requirement of the Superintendence of Securities and Insurance, the Chilean Tax Authority or, in general, any other publicly competent entity, and delegating powers for such purposes on the Chief Executive Officer, the Deputy Chief Executive Officer and the Company's Counsel so that any of them, acting on an individual manner, may carry out all the actions and legal steps that may be required or convenient to fully bring about what has been hereby described.
6. Information on all agreements relating to related party operations referred to in Title XII of Law 18,046 and any others that may have been subsequent to those informed in the last Extraordinary Shareholders Meeting, if any.

Shareholders may obtain a copy of all the documentation that explains and backs the items submitted for the

resolution of the ESM at the company's headquarters, located in Santa Rosa 76, 15 th Floor, Santiago, Chile, fifteen days prior to the Meeting. The complete information will also be made available on the Company's web site.

On August 3, 2012, Enersis S.A. informs that it was notified by the Ordinary Official Letter 18,684 issued by the Superintendence of Securities and Insurance that it must submit the capital increase operation proposed by the controlling shareholder to Title XVI of Law N°18,046, related to operations among related parties.

The company takes note of the administrative interpretation and will evaluate, within the Board of Directors, what should be done, as a result of this new situation.

Notwithstanding the above, it is important to reaffirm Enersis S. A and its Board of Directors have the conviction that they have acted in good faith, strictly according to the applicable legislation, highlighting that they had been particularly careful to search for the advice with due anticipation, consulting with, and obtaining from, prestigious local legal firms legal reports that, categorically confirmed that they were proceeding correctly.

The Board of Directors of Enersis S.A., in its Extraordinary Session held on August 9, 2012, has decided the following:

1. Notwithstanding its opposition with the legal arguments contained in Ordinary Official Letter 18,684 issued by the Superintendence of Securities and Insurance on August 3, 2012, the Board declared its intention to continue with the capital increase process which had been proposed by the controlling shareholder, supplementing such process with procedures that may be deemed appropriate for the purpose of compliance with the dispositions contained in Title XVI of the Corporations' Act.
2. As a consequence, the Board decided to postpone the summons to an Extraordinary Shareholders' Meeting which had been planned for September 13, 2012, until such date as may be determined opportunistically.
3. Finally, the Board decided to summon a session for August 22, 2012, with the purpose of adopting the decisions that may be deemed appropriate in compliance with these referenced procedures.

The Board of Directors of Enersis S.A. (the "Company") in its Ordinary Meeting held August 31, 2012, has decided the following regarding the capital increase in place (the operation):

1. Inform that the since Directors Pablo Yrarrázaval Valdés (Chairman), Andrea Brentan (Vice chairman), Rafael Miranda Robredo, Hernán Somerville Senn, Leónidas Vial Echeverría and Eugenio Tironi Barrios, had been elected with the votes of the controlling shareholder of the Company had declared having interests in the operation in terms of Article 147 of the Corporations Law, considering the dispositions of the Memorandum N° 21,001, issued August 29m 2012 by the SVS.
2. Inform that the Chief Executive Officer, Mr. Ignacio Antoñanzas Alvear, for having a position in Endesa Latinoamérica, S.A., controlling shareholder of the Company, has declared that he also has interests in the operation in terms of Article 147 of the Corporations Law. Therefore, the Board defined the parameters required for the Chief Executive Officer to be able to act with respect to the operation.
3. Inform that the Board has agreed to continue with the referred operation and that in order to do so has begun the process of seeking an independent consultant for purposes of the provisions in article 147 of the Corporations Law, regardless of what is to be resolved by the Directors Committee.
4. Inform that the Board is aware of the letter received by the controlling shareholder of the Company by means of which it confirms its interest In continuing the capital increase process proposed and requests calling, when appropriate, a shareholder meeting, taking into consideration the dispositions of Title XVI of the Corporations Law and in such terms and with the anticipation necessary for all Enersis S.A. shareholders, including ADR holders, to participate in such Meeting.

The Board of Directors of Enersis S.A., in its extraordinary meeting held September 5, 2012, has decided to contract IM Trust, as independent appraiser of the capital increase, due to its high technical and professional competence and its renowned prestige on these matters as well as its independence, in compliance with Title XVI of the Corporations Law (LSA).

We also inform that the Directors Committee is searching for an independent appraiser in compliance with article 147 of the LSA.

The Directors Committee of Enersis S.A. in its extraordinary meeting held September 7, 2012, decided to engage Claro y Asociados Ltda. as independent appraiser in connection with the capital increase, based on the firm's independence, absence of conflicts of interest, and technical and professional competence. The above in compliance with the formalities established by Title XVI of the Corporations Law (LSA)

On September 20, 2012, the controlling shareholder, Endesa S.A. (Spain) has disclosed, as a Significant Event the attached presentation, in Spanish and in English. A copy of such presentations are also available on the Endesa, S.A. website ([www.endesa.es](http://www.endesa.es)) and will soon be available on Enersis S.A. website ([www.enersis.cl](http://www.enersis.cl)).

On October 24, 2012 the Company informed that the Enersis Directors' Committee officially received in its extraordinary session officially received the report from Claro y Asociados, independent appraisers designated by the aforementioned committee on September 7 th in relation to the Enersis' proposed capital increase operation.

The Company also informs that Enersis' Board of Directors, at its extraordinary meeting formally received the report from IM Trust, independent appraisers designated by the Board on September 5 th in relation to the capital increase operation in progress.

In accordance with legal requirements, these reports refer to the conditions of the in progress capital increase operation, to its effects and potential impact on Enersis, and to additional issues subject to evaluation which have been expressly raised by the Board of Directors, the Directors' Committee, and by its members.

As of this date, copies of these reports will be at the shareholders' disposal at Enersis' headquarters, and on the company's website at [www.enersis.cl](http://www.enersis.cl).

These reports are added to the report of Mr. Eduardo Walker H., which is already in the above-mentioned website.

On October 30, 2012, the Company informs that at its extraordinary meeting which began yesterday, and ended early this morning, the Enersis Directors' Committee officially issued its report in connection with the capital increase operation of Enersis S.A. in progress, and in compliance with the norms set forth in article 50 bis of the Corporations Law.

As of this date, copies of this report is at the shareholders' disposal at Enersis' headquarters, located in Santa Rosa 76, 15 th Floor, Santiago, Chile (Investor Relations and Risk Department), and on the company's website at [www.enersis.cl](http://www.enersis.cl).

On October 31, 2012 the company informs that Enersis' Directors have officially delivered, within the deadline prescribed by the Corporations Law, their individual opinions for the purposes of provisions in numbers 5 and 6 of article 147 of the Corporations Law, in connection with the capital increase operation in progress.

As of this date, a copy of the above mentioned opinions will be at the shareholders' disposal at the company's headquarters, located in Santa Rosa 76, 15 th Floor, Santiago, (Investor Relations and Risk Department), and on the company's website at [www.enersis.cl](http://www.enersis.cl).

On October 31, 2012 the company informs that Enersis S.A has received a letter from Endesa S.A. (Endesa Spain or Endesa) dated October 30, 2012, presenting a conditionality proposal regarding the Enersis' capital increase ongoing process. The letter is attached to this form.

Through this letter, Endesa formally requests to Enersis' Extraordinary Shareholder Meeting, which will address to the capital increase, that the subscription and payment of the issued shares as a result of the operation be subject to a conditional clause consisting in that those minority shareholders subscribe and pay, either in one or more preemptive rights' subscription periods a minimum number of shares that would allow Endesa to subscribe at least its right to shares without exceeding the aforementioned legal and by-law 65% threshold of shares issued with voting rights. If the total number of shares subscribed and paid implies that Endesa exceeds such limit, the condition shall automatically be deemed not satisfied and the subscription contracts of shares would have no legal effect, returning the amounts delivered for the shares to the subscribers.

The Board of Directors of Enersis stated during its session held October 31, 2012, that Endesa's proposal contributes to the best interest of Enersis and that a future board meeting, will adopt the measures deemed appropriate to protect such best interests of Enersis and of those who would participate in the aforementioned capital increase.

On November 6, 2012, the company informs that at its meeting held today, the Enersis Board of Directors agreed to summon an Extraordinary Shareholders Meeting in order to give an announcement about the capital increase in progress, in the same terms that was proposed by our parent company Endesa, S.A. ("Endesa España") as a single operation. In such meeting, shareholders would be informed about other subjects not related to the capital increase. Such Extraordinary Shareholders Meeting will be held on December 20, 2012, at 12:30 p.m. (Santiago time), in the "Las Américas" room of the Intercontinental Hotel, located in Vitacura Avenue 2885, Las Condes, Santiago.

The issues that will be submitted to the knowledge and decision of the ESM are the following, which may be discussed in the order determined by the Extraordinary Shareholders Meeting, therefore the agreements to be adopted will be duly consistent:

1. Approve, in accordance with the terms of Title XVI of Law 18,046 of the Chilean Companies Act ("LSA", in its Spanish acronym), the related parties transaction, which consists of the capital increase described in the following points of this notification, taking into consideration the information that for this effect is available to shareholders at the Company's headquarters and on the Company's website: [www.enersis.cl](http://www.enersis.cl).
2. Increase the issued capital by an amount in Chilean Pesos, the legal currency of Chile, which will not be lower than US\$ 5,915 million nor higher than US\$ 6,555 million at an exchange rate of Ch\$ 482.29 per US Dollar, or by the amount that the Extraordinary Shareholder Meeting determines. This capital increase will be accomplished via the issuance of the number of shares that will be determined for this effect. All the shares that will be issued will be nominative and ordinary from a single special series without preference and without nominal value, to be called Series B. This Series B will have exactly the same rights as the shares already issued, with the only



- one exception of their exchange rights. Series B will be created with the single purpose of differentiating these new shares from those already issued, since all of the latter are governed by the Exchange Convention agreed to on September 24, 2008 between Enersis S.A. (the "Company"), Citibank N.A. and the Chilean Central Bank.
3. Approve those non-monetary contributions that may be capitalized and their respective contribution values, submitting to discussion for the effects of articles 15 and 67 No. 6 of the LSA the estimations included in the independent appraisal reports issued by Mr. Eduardo Walker Hitschfeld,, by IM Trust and by Claro y Asociados. These reports are available to shareholders on the Company's website: [www.enersis.cl](http://www.enersis.cl) and at the Company's headquarters. Therefore, the shares that are issued as part of the capital increase will be paid in cash and with the contribution of ownership of all the equity interests of Cono Sur Participaciones S.L., a company that will group together the shares detailed in the aforementioned reports.
  4. Agree on a subscription's price of the shares that are issued or establish a formula and, in the latter case, delegate the final decision about such price, to the Board of Directors, as long as the subscription starts within the 180 days following the date of the Meeting, in accordance with article 23 of the Corporations Rule. Bearing in mind the resulting subscription's price, the Board of Directors must offer the quantity of shares corresponding to the number of shares that is strictly necessary so that, in relation to such price, the amount of the capital increase is obtained. Information will be made available about the treatment that will be given to the issuing and subscription cost of the shares issued, as well as the amount of the shares issued.
  5. Establish that the first Instance of the share subscription offer must be made within the preemptive subscription period established in article 25 of the LSA, and the remaining shares not subscribed within that period must be offered in a remaining subscription period, at values not lower, nor in more advantageous conditions, than those offered in the preemptive subscription period. Additionally, agree on the deadlines within which the shares must be issued, subscribed and paid.
  6. Approve that all the share subscription contracts are subject to the fulfillment of a conditional clause whereby the interested parties should subscribe and pay, whether during the preemptive subscription period or during the remaining subscription period, at least a quantity of shares that makes it possible for the parent company Endesa España to subscribe and pay for the total amount of shares that corresponds to it in accordance with the pro-rata, without exceeding the legal and by-laws threshold of 65% of the outstanding issued shares with voting rights. In the event that the total amount of shares subscribed and paid implied that Endesa España exceeded this threshold, the clause would be understood automatically failed and all the share subscription contracts would not produce any legal effect and would be returned to the subscribers their amounts.
  7. Approve the use of proceeds arising from the capital increase.
  8. Amend articles fifth permanent and second transitional of the Company's by-laws according to the agreements adopted in the present Shareholders Meeting on the capital increase and to authorize the Company's management to provide a consolidated and updated text of by-laws.
  9. Agree on those other aspects of the described capital increase operation that the Shareholders Meeting deem the case to approve, being accessories or functional to the aforementioned operation.
  10. Adopt all necessary agreements conducive and convenient for the development and implementation of the respective decisions adopted by the Meeting, including, but not limited to determine the form, time and method of subscription of shares for the capital increase; registration of the issue of shares in the Securities Registry; term issue, subscription and payment of shares; establish the procedure for the subscription of the remaining shares that are not subscribed within the preemptive subscription period; or broadly empower the Board of Directors to all these effects, as well as to enable it to take any agreements required to complete or comply with decisions reached by the Meeting, or to meet any legal, regulatory or administrative provision

or requirement of the Superintendence of Securities and Insurance, the Securities and Exchange Commission of the United States of America, Internal Revenue Service, or in general, any other public authority, authorizing to the CEO, the Deputy CEO and Attorney of the Company to any one individual acting they make all the measures, proceedings and legal acts which are necessary or convenient to carry out the aforementioned.

11. Ratify the Third Private Rating Agency Designated by the Board of Directors of the Company.

12. The following information not related to the capital increase:

12.1. Request from Public Company Accounting Oversight Board (PCAOB) Of the United States of America to the external auditors of the Company Ernst & Young.

12.2. Agreements on operations with related parties governed by Title XVI of the LSA, adopted after the last Ordinary Shareholders' Meeting and other Board's agreements that must be reported.

None of the aforementioned propositions prevent the ESM, in its full powers, from accepting, rejecting, modifying them or from agreeing to something different, as the case may be.

The shareholders are informed that the Board of Directors has agreed that the qualification of Powers of Attorney will take place on December 17, 18 and 19, 2012 at the Company's headquarters, located at Santa Rosa 76, Downtown Santiago, from 9:30 to 12:30 and from 15:30 to 18:00 (Santiago time), and on the same day as the ESM, between 11:30 and 12:30, at the same place as the meeting will be held. The day of the ESM, the Powers of Attorney will only be received until 12:30 p.m., when the reception of these will be closed; therefore, only Powers of Attorney received before that time will qualify.

The shareholders may obtain a complete copy of the documents that explain and detail the matters that are submitted for the information and decisions of the ESM at the Company's headquarters, located at Santa Rosa 76, 15 th Floor (Investments and Risk Department), Santiago, Chile, fifteen days before the meeting is held, as well as at the Company's website.

On November 6, 2012, the Company informs that the Board of Directors of Enersis S.A. agreed on several matters of interest to shareholders with respect to the capital increase operation proposed by the controlling shareholder Endesa, S.A. ("Endesa España").

First of all, the Board gave its opinion in terms of the use of proceeds, indicating that funds obtained by the Company, if the capital increase operation in progress was consummated, would be mainly used for the following: purchase shareholdings in companies that Enersis S.A. already consolidates, and acquisitions in the region and in activities in which Enersis S.A. currently operates, that contribute to the best interest of the Company because they add value and allow taking advantage of market opportunities. The above mentioned, notwithstanding that the Board must approve each and every one of the analyzed operations, which must be evaluated individually, specifically and with detail according to the administration powers assigned to the Board.

Also, the Company's Board of Directors approved Endesa Spain's contribution in kind of its shareholdings described by the independent reports issued by the experts Eduardo Walker Hirschfeld and the evaluators IM Trust and Claro y Asociados and stated that the value of such contribution in kind should fall within a range not lower than US\$ 3,586 million and not higher than US\$ 3,974 million or in the amount equivalent in pesos, legal currency, that finally is determined by the Extraordinary Shareholders Meeting. The Board of Directors officially noted that with this approval, the dispositions of article 14 Bis of the by-laws were being fulfilled, and that, by no means, could this be considered an opinion within the terms of Title XVI of the Corporations Law 18,046, and therefore has no relation with what finally will be resolved by Extraordinary Shareholders Meeting that will express its opinion with respect to the capital increase in compliance with the dispositions of such Title and articles 15 and 67 of the Corporations Law. The Board noted that such value range was approved by six of the seven members of such corporate body, complying with the special quorum established by article 14 Bis, which requires the approval of at least two thirds of the Board of Directors, and, considering that the arguments to support such decision were contained in the respective individual opinions that each of the concurring Directors issues with respect to this operation and that are available to the Company shareholders in the respective Website and at the main office.

Additionally, with respect to the Significant Event dated October 31, 2012, regarding the capital increase in progress, the Board of Enersis S.A. has proceeded to analyze the different measures to safeguard the Company's equity, and of those that subscribe the capital increase, which will be duly published and brought to the knowledge of the market and the shareholders.

Finally, the Board agreed to request that Endesa España give its opinion with respect to the following matters, regarding the capital Increase in progress: (i) offer certain representations warranties with respect to Piura, Yacylec and Central Dock-Sud; (ii) Commitment In terms of Enersis S.A. being the only investment vehicle of the Enel Group in South America, with the exception of the activities currently being developed through Enel Green Power and those that may developed in the future by the latter In the renewable energy field; and (iii) the commitment to protect Enersis, regarding tax contingencies derived from the structure of the and (iv) maintain the commitment to not promote an extraordinary distribution of dividends as a consequence of the capital increase in progress.

On November 8, the Company informs that it has received additional information from the controlling Shareholder, Endesa S.A. regarding its position with respect to certain specific aspects of the referred Capital Increase proposed.

On November 9, the Company informs that the controlling Shareholder, Endesa S.A. has begun an investor road show in connection with the proposed Enersis S.A. capital increase. Attached you will find a copy of the presentation, in English and Spanish, disclosed as part of such road show. Copies of these presentations are also available on Endesa, S.A.'s web page ([www.endesa.es](http://www.endesa.es)) and will be soon available on Enersis S.A.'s web page ([www.enersis.cl](http://www.enersis.cl))

On November 12, the Company informs that the controlling Shareholder, Endesa S.A. has submitted a Significant Event to the National Securities Market Commission of Spain, attaching an enlarged presentation for its investor road show in connection with the proposed capital increase in Enersis. Attached to this letter is a copy of this presentation in English and Spanish. Copies of these presentations are also available on Endesa, S.A.'s web page ([www.endesa.es](http://www.endesa.es)) and will be soon available on Enersis S.A.'s web page ([www.enersis.cl](http://www.enersis.cl))

On November 12, 2012 the Company informs that on November 21, 2012 the Company received a communication from pension fund administration companies AFP Habitat S.A., AFP Planvital S.A., AFP Provida S.A., AFP Capital S.A., AFP Cuprum S.A. and AFP Modelo S.A., all of them shareholders of Enersis S.A. altogether representing 13.63% of the Company's voting shares. Through this communication, (which is enclosed to this letter), the above-mentioned shareholders request the summoning of an additional Extraordinary Shareholders' Meeting of Enersis S.A. to be held before the Extraordinary Shareholders' Meeting already summoned by the Board of Directors for December 20, 2012 at 12: 30 hours.

Likewise, the Company informed that given the request submitted by the above-indicated shareholders, and in accordance with the provisions of article 58 N°3 of Corporations Law 18,046, the Enersis Board of Directors in an extraordinary meeting held this afternoon, agreed to summon to an Extraordinary Shareholders' Meeting "to be duly apprised about the reasons of the Board of Directors and of each one of its members, with regard to the decision of summoning to an Extraordinary Shareholders' Meeting to approve a capital increase payable in kind and in cash, as proposed by the controlling shareholder Endesa S.A. (Spain) and, in particular, to inform the following:

- a) which will be the proposal of the Board of Directors or of each of its members with respect to the exchange ratio between the Enersis' new shares representing the capital increase and the package of assets to be contributed by the controlling shareholder, as well as the reasons that would justify the convenience of such proposals, both for the Company and for all its shareholders, as well as the manner in which such proposals would allow compliance with the provisions of article 30 of Law No 18,046;
- b) the reasons for which Board Members have had to propose a floor or minimum value of the assets with which the controlling shareholder intends to contribute to the capital increase;
- c) the reasons of the Board of Directors and its members that would justify the convenience of materializing a capital increase that would exceed the amount of assets that the controlling shareholder intends to contribute to the Company; and,

d) to inform and explain the provisions of the ADR Deposit Agreement on the use of non-voting ADRs and the manner in which to exercise the votes of the referred ADR holders.

Such Extraordinary Shareholders' Meeting will be held on December 14, 2012 at 12:30 p.m. at the Enersis Group' Stadium located in Carlos Medina Street No 858, Independencia, Santiago.

On November 29, 2012 the Company informs that the Board of Directors of Enersis S.A., in a meeting held yesterday, has unanimously agreed to distribute on January 25, 2013, an interim dividend of Ch\$1.21538 per share attributable to the fiscal period of 2012, corresponding to 15% of liquid net income as of September 30, 2012, in accordance with the Company's dividend policy.

On December 7, 2012 the Company informs that it has received a copy of the press release issued by Endesa, S.A., relating to the capital increase of Enersis S.A.

On December 13, 2012 the Company informs that the Board of Directors of the Company has decided to propose to the Extraordinary Shareholders' Meeting summoned to make a decision on the ongoing capital increase of Enersis S.A, to be held on December 20, of the present year, a range for the subscription price of new shares from Ch\$ 160 to Ch\$ 187 per share.

In addition, the Board, by the unanimity of its members, agreed to declare that the capital increase amount, the value of the assets and the maximum number of shares to be issued contained in the press releases published on December 7 by Endesa, S.A. and five Pension Fund Administration companies: AFP Capital S.A., AFP Cuprum S.A., AFP Habitat S.A., AFP Plan Vital S.A. and AFP Provida S.A., are within the parameters referred to in the reports issued by the independent evaluators and by the Company's Directors' Committee. The Board of Directors considers that the terms contained in the above mentioned press releases are consistent with the approaches made to date by the Board and the Directors' Committee.

Finally, attached herewith is a copy of Enersis S.A.'s Board of Directors response to Official Letter No. 28,292 dated December 3, 2012, issued by the Superintendencia of Securities and Insurance, regarding the enquiries made by the AFPs and the SVS itself.

On December 18, 2012, the Company informs that the Directors' Committee has reviewed and by unanimity of its members, has referred to the Board of Directors without observations the subscription contract of shares to be held between Enersis S.A. and its controller, Endesa, S.A., for its distribution to the shareholders. The contract will be submitted for approval at the Extraordinary Shareholders' Meeting which shall decide upon the capital increase of Enersis S.A., to be held on December 20 this year. The draft of such contract, without its descriptive exhibits, will be available for shareholders consideration in the Investments and Risks Department of Enersis S.A., located at Santa Rosa 76, floor 15, Santiago, and in the company's website: [www.enersis.cl](http://www.enersis.cl).

In addition, the Company informs as a significant event that the Citibank Depository has notified that it will not grant the Chairman of the Board the discretionary vote of those ADR holders that have not expressed their intention to voted.

On December 18, 2012, the Company informs that on December 20, 2012 the Extraordinary Shareholders' Meeting was held which decided upon the capital increase of Enersis S.A. In such Meeting, a very large majority, almost 86% of all shareholders present with voting rights, equivalent to 81.94% of the total shares with voting rights of the Company, approved the capital increase with the following characteristics:

- 1) Maximum amount of the capital increase: Ch\$ 2,844,397,889,381, divided into 16,441,606,297 ordinary nominative payment shares of the same series, with no preemptive rights and no par value.
- 2) Value of non-cash contributions to be capitalized: The total equity of Cono Sur, Company that will concentrate the shares that are identified in the reports that have



been made available to the shareholders and that would be contributed by Endesa to Enersis S.A., will amount to Ch\$ 1,724,400,000,034 corresponding to 9,967,630,058 shares of Enersis S.A. at a price of Ch\$ 173 per share. This represents a reference value of US\$ 3,634,754,015.5 at an observed exchange rate of Ch\$ 474.42 per dollar of the United States of America as of December 20, 2012.

- 3) Placement share price: A fixed price of Ch\$173 for every payment share to be issued as a result of the capital increase.

Shareholders approved the terms of the capital increase described above, as a related party transaction within market conditions and in the best interest of the Company, thus complying with the requirements of Article 147 of Law 18,046.

Additionally, the commitments of the controlling shareholder, which had been previously reported through significant event dated November 8, were voted, ratified and approved.



## AGRÍCOLA DE CAMEROS

Name  
Sociedad Agrícola de Cameros Limitada

Type of entity  
Limited partnership

TAX ID  
77,047,280-6

Address  
Camino Polpaico a Til-Til, S/N Til-Til

Phone number  
(56 2) 2378 4700

Subscribed and paid capital (Th\$)  
5,738,046

Corporate purpose  
The exploitation of agricultural land

Core business  
Real estate and agriculture

Main executives  
Hugo Ayala Espinoza  
CEO

Enersis stake  
(direct and indirect)  
57.50% - No variation.

## AGUAS SANTIAGO PONIENTE

Name  
Aguas Santiago Poniente S.A.

Type of entity  
Private company, subject to the regulations for publicly-held companies

TAX ID  
96,773,290-7

Address  
Boulevard Aeropuerto Norte 9623, local 4, Parque Industrial Enea, Pudahuel

Phone number  
(56 2) 2601 0601

Subscribed and paid capital (Th\$)  
6,601,121

Corporate purpose  
Exclusively to establish, construct and exploit public utilities for water production and distribution; sewage collection, treatment and disposal, and other functions expressly authorized by Law 382 of 1988 and its amendments.

Core business  
Water and related services.

Board of Directors  
Víctor M. Jarpa Riveros  
Andrés Salas Estrades

Luis F. Edwards Mery  
José M. Guzmán Nieto  
Fernando Gardeweg Ried

Main executives  
Roberto Alcalde Eyzaguirre  
CEO

Enersis stake  
(direct and indirect)  
55.00% - No variation.

## AMPLA ENERGÍA

Name  
Ampla Energia e Serviços S.A.

Type of entity  
Publicly held Limited Liability Company

Address  
Praça Leoni Ramos, N° 01, São Domingos, Niteroi, Rio de Janeiro, Brasil

Phone number  
(55 21) 2613 7000

Subscribed and paid capital (Th\$)  
288.837.437

Corporate purpose  
Study, plan, project, build and explore electricity production, transmission, transformation, distribution and sale systems, and provide related services that have been or may be conceded; carry out research in the energy sector, participate in regional, national or international organizations dedicated to the planning, operation, technical Exchange and business development related to the electricity industry and participate as a shareholder in other companies in the energy sector, even within the framework of Brazil's privatization program.

Core business  
Distribution of electricity.

Board of Directors  
Mario Fernando de Melo Santos (Chairman)  
Antonio Basilio Pires e Albuquerque (ViceChairman)  
Nelson Ribas Visconti  
Luciano Galasso Samaria  
Ramón Francisco Castañeda Ponce  
José Távora Batista  
José Alves de Mello Franco  
Cristián Fierro Montes  
Otacilo de Souza Junior

Main executives  
Marcelo Llénéves Rebolledo  
Director Presidente  
José Alves de Mello Franco  
Bruno Golebiovsky  
Carlos Ewandro Naegele Moreira  
Claudio Rivera Moya  
Déborah Meirelles Rosa Brasil  
Teobaldo Jose Cavalcante Leal  
Janaina Savino Vilella Carr

Enersis stake  
(direct and indirect)  
91.63 %

Proportion of Enersis assets  
de Enersis  
1.92%

## ARA – INGENDESA

Name  
Consortio Ara – Ingendesa Limitada

Type of entity  
Limited partnership

Tax ID  
77,625,850-4

Address  
Santa Rosa 76, Santiago, Chile.

Phone number  
(562) 2630 9000

Corporate purpose  
Engineering services supply, including the projection, planning and implementation of engineering studies and projects, advice and consultancy, assistance and technical supply and management information, inspection and development of projects and works. Also, for itself or others, all types of projects, set up the site, start up, all establishments, industrial or not, commercializing for it or others, the goods and services produced.

Core business  
Engineering services.

Subscribed and paid capital  
M\$500

Attorneys-in-fact  
Alejandro Santolaya de Pablo  
Juan Benabarre Benaiges

Attorneys-in-fact Alternate  
Daniel Barría  
Cristián Araneda Valdivieso  
Fernando Armijo Scotti  
Nelson Hernández Pérez

Enersis stake  
(direct and indirect)  
29.99%- No variation.

## ATACAMA FINANCE

Name  
Atacama Finance Co.

Type of entity  
Exempt company

Address  
Caledonian House P.O. Box 265 G, George Town, Grand Cayman, Cayman Islands

Phone number  
(562) 2630 9000

Subscribed and paid capital (Th\$)  
3,305,043

Corporate purpose  
Money borrowing in the financial market through loans or bonds or other instruments issuance, and cash loans to other companies, particularly those related to the Atacama project.

Core business  
Investments.

Board of Directors  
Horacio Reyser  
Ingrid Morales Ávila (International Finance, Enersis S.A.)  
Gonzalo Alende Serra  
Eduardo Escaffi Johnson (CFO Enersis S.A.)

Enersis stake  
(direct and indirect)  
30.75%

## AYSÉN TRANSMISIÓN

Name  
Aysén Transmisión S.A.

Type of entity  
Private company recorded at the Securities Registry of the SVS

TAX ID  
76,041,891-9

Address  
Miraflores 383, Of. 1302, Santiago, Chile

Phone number  
(562) 2713 5000

Subscribed and paid capital (Th\$)  
22,368

Corporate purpose  
Develop, and alternatively or additionally manage, the electricity transmission systems required by the hydroelectric generation project that Hidroaysén is planning to build in the 11th Region of Aysén, del general Carlos Ibáñez del Campo. In order to do so, the following activities are included in its corporate purpose: a) the design, development, construction, operation, ownership, maintenance and exploitation of electricity transmission systems, b) electricity transportation, and c) procurement of services related to its corporate purpose

Core business  
Electricity transmission

Board of Directors  
Joaquín Galindo Vélez (Chairman)  
Juan Benabarre Benaiges  
Bernardo Larraín Matte  
Luis Felipe Gazitúa Achondo

Ramiro Alfonsín Balza  
Carlos Martín Vergara  
Claudio Iglesias Guillard  
Juan Eduardo Vásquez

Alternate Directors  
Sebastián Fernández Cox  
Eduardo Lauer Rodríguez  
Cristián Morales Jaureguiberry  
Enrique Donoso Moscoso

Main executives  
Jorge Andrés Taboada Rodríguez  
CEO

Enersis stake  
(direct and indirect)  
30.59% - No variation.

## AYSÉN ENERGÍA

Name  
Aysén Energía S.A.

Type of entity  
Private company.

TAX ID  
76,091,595-5

Address  
Miraflores 383, Of. 1302, Santiago, Chile

Phone number  
(562) 2713 5000

Subscribed and paid capital (Th\$)  
4,900

The purposes of this company are the following:  
I.-Comply with obligations derived from the Free-Market Competition Tribunal (TDLC in its Spanish acronym). II.-Fulfill Centrales Hidroeléctricas de Aysén S.A. commitments with the community of the XI Region, Aysén, del General Carlos Ibáñez del Campo, within the framework of the development of the Aysen Hydroelectric Project, to provide such region with a supply of electricity at a cost below the current one, by developing, financing, ownership and exploitation of electricity generation and transmission projects in the region. In order to do so, the company may develop, among others, the following activities: a) the generation of electricity by using any generation means, its procurement and commercialization, b) electricity transportation, and c) procurement of services related to its corporate purpose, d) request, obtain or acquire and use the concessions, rights and permits that may be required.

Core business  
Electricity generation (project)

Board of Directors  
Joaquín Galindo Vélez (Chairman)  
Juan Benabarre Benaiges  
Ramiro Alfonsín Balza  
Bernardo Larraín Matte  
Luis Felipe Gazitúa Achondo  
Juan Eduardo Vásquez

Alternate Directors  
Carlos Martín Vergara  
Sebastián Fernández Cox  
Claudio Iglesias Guillard  
Eduardo Lauer Rodríguez  
Cristián Morales Jaureguiberry  
Enrique Donoso Moscoso  
Main executives  
Daniel Fernández Koprlich  
CEO

Enersis stake  
(direct and indirect)  
30.59%

## CELTA

Name  
Compañía Eléctrica Tarapacá S.A.

Type of entity  
Private company

TAX ID  
96,770,940-9

Address  
Santa Rosa 76, Santiago, Chile

Phone number  
(562) 2630 9000

Subscribed and paid capital (Th\$)  
331,770,543

Corporate purpose  
The company's main purpose is the production, transport, distribution and supply of electricity, in Chile and internationally, for which it may obtain, acquire and exploit the respective concessions and grants.

Core business  
Electricity Generation.

Board of Directors  
Alejandro García Chacón (Chairman)  
Alan Fischer Hill  
Humberto Espejo Paluz

Main executives  
Eduardo Soto Trincado  
CEO

Enersis stake  
(direct and indirect)  
61.49%

Proportion of Enersis assets de Enersis  
0.17%



## CENTRAL DOCK SUD S.A.

Name  
Central Dock Sud S.A.

Type of entity  
Private company

Address  
Pasaje Engineer Butty 220 Piso 16 Ciudad Autónoma de Buenos Aires

Phone number  
4229-1000

Subscribed and paid capital (Th\$)  
M\$ 12,272,405

Corporate purpose  
Electricity Generation.

Core business  
Electricity Generation

Board of Directors  
Martin Mandarano  
Alejandro Héctor Fernández  
Rodolfo Berisso  
José Miguel Granged Bruñen  
Joaquín Galindo Vélez  
José María Hidalgo Martín-Mateos  
Paula María García Kedingler  
María Inés Justo Borga  
Pablo Vera Pinto

Alternate Directors  
Juan Carlos Blanco  
Julián Matías Ferreiro  
Daniel Gustavo Ciaffone  
Gerardo Zmijak  
Sebastián Ortiz  
Jorge Norberto Peña  
Fernando Claudio Antognazza  
Fernando Boggini  
Rodrigo Quesada

Enersis stake  
(direct and indirect)  
39.99%

## CENTRAL VUELTA OBLIGADO

Name  
Central Vuelta Obligado S.A.

Type of entity  
Private company

Address  
Av. Thomas Edison 2701, Ciudad Autónoma de Buenos Aires, Argentina

Phone number  
(5411) 4117 1077

Subscribed and paid capital (M\$arg)  
500

Corporate purpose  
Generation of electricity and its commercialization by blocks and particularly, equipment purchasing management, construction, operation and

maintenance of a thermal power plant named Vuelta Obligado complying with " Management and Operation of Projects, Increase of Thermal Generation Availability and Generation Compensation Adaptation 2008-2011 Agreement" agreed upon November 25, 2010 by the National State and the signing Generation companies.

Core business  
Construction of a thermoelectric power plant named Vuelta Obligado.

Board of Directors  
José Miguel Granged Bruñen  
Fernando Claudio Antognazza  
José María Vázquez  
Eduardo Nitardi

Alternate Directors  
Leonardo Marinaro  
Juan Carlos Blanco  
Roberto José Fagan  
Adrian Salvatore

Main executives  
Eduardo Nitardi  
CEO

Enersis stake  
(direct and indirect)  
16.17%

## CENTRALES HIDROELÉCTRICAS DE AYSÉN

Name  
Centrales Hidroeléctricas de Aysén S.A.

Type of entity  
Private company incorporated in Santiago, Chile, recorded in the Securities Registry of the SVS

TAX ID  
76,652,400-1

Address  
In Santiago, Chile, calle Miraflores 383, oficina 1302.  
In Coyhaique, Chile, calle Baquedano 260.  
In Cochrane, Chile, calle Teniente Merino 324.

Phone number  
(562) 2713 5000

Subscribed and paid capital (Th\$)  
168,945,662

Corporate purpose  
The development, financing, ownership and exploitation of a hydroelectric project, the "Aysén Project", in the 11th Region of Aysén, which contemplates an estimated capacity of 2,750 MW distributed between five hydroelectric plants. In order to comply with its purpose, the following activities form part of its purposes: a) the production and transport of electricity; b) the supply and sale of electricity to its shareholders; c) the administration, operation and maintenance of hydraulic works, electrical systems and hydroelectric generating plants.

Core business  
Electricity generation (project).

Board of Directors  
Joaquín Galindo Vélez  
Juan Benabarre Benaiges  
Ramiro Alfonsín Balza  
Bernardo Larraín Matte  
Luis Felipe Gazitúa Achondo  
Juan Eduardo Vásquez

Alternate Directors  
Carlos Martín Vergara  
Sebastián Fernández Cox  
Claudio Iglesias Guillard  
Eduardo Lauer Rodríguez  
Cristián Morales Jaureguiberry  
Enrique Donoso Moscoso

Main executives  
Daniel Fernández Koprlich  
Vicepresidente Ejecutivo

Enersis stake  
(direct and indirect)  
30.59% - No variation.

## CHILECTRA

Name  
Chilectra S.A.

Type of entity  
Publicly held Limited Liability Company

TAX ID  
96,800,570-7

Address  
Santa Rosa 76, piso 8,  
Santiago, Chile

Phone number  
(56 2) 2675 2000

Subscribed and paid capital (Th\$)  
367,928,682

Corporate purpose  
Exploit in Chile or abroad the distribution and sale of hydraulic, thermal, heat or any kind of electricity, as well as the distribution, transport and sale of fuels of any kind, supplying this energy or fuel directly or through other companies to as many customers possible.

Core business  
Distribution of electricity.

Board of Directors  
Juan María Moreno Mellado  
Marcelo Lívenes Rebolledo  
Livio Gallo  
Hernán Felipe Errázuriz Correa  
José Luis Marín López-Otero  
Elena Salgado Méndez

Main executives  
Cristián Fierro Montes  
CEO  
Gianluca Caccialupi  
Deputy CEO  
Gonzalo Vial Vial  
Andreas Gebhardt Strobel  
Daniel Gómez Sagner

Enrique Fernández Pérez  
Ramón Castañeda Ponce  
Jaime Muñoz Vargas  
Gloria Salgado Rubilar  
Héctor Villouta Sanhueza  
Luciano Galasso Samaria  
Jean Paul Zalaquett Falaha

Enersis stake  
(direct and indirect)  
99.09% - No variation.

Proportion of Enersis assets de Enersis  
6.75%

## CHILECTRA INVERSUD

Name  
Chilectra Inversud S.A.

TAX ID  
99,573,910-0

Type of entity  
Private company

Address  
Santa Rosa 76, piso 8, Santiago, Chile

Phone number  
(56 2) 2675 2000

Subscribed and paid capital (Th\$)  
265,306,226

Corporate purpose  
Exploit abroad, for its own or through third parties, the distribution and sale of electricity. It may make investments in foreign companies and make all kind of investments in all kind of financial instruments, such as; bonds, debentures, debt titles, credits, negotiable securities or other financial or commercial documents, all with to the objective of obtaining their natural and civil returns. In order to do so, it may constitute, amend, dissolve and liquidate companies in foreign countries and develop all other activities that are complementary and/or related to the above mentioned businesses.

Core business  
Investments.

Board of Directors  
Ramón Castañeda Ponce  
Francisco Miqueles Ruz  
Gonzalo Vial Vial

Main executives  
Francisco Miqueles Ruz  
CEO

Enersis stake  
(direct and indirect)  
99.09% - No variation.

## CHINANGO

Name  
Chinango S.A.C.

Type of entity  
Private company

Address  
Avda. Víctor Andrés Belaúnde 147, Edificio Real 4, piso 7, San Isidro, Lima, Perú

Subscribed and paid capital (Th\$)  
50,042,423

Corporate purpose  
The main purpose of the company is electricity generation, trading and transmission, being able to perform all acts and hold all contracts that the Peruvian law allows for such purposes.

Core business  
Electricity Generation.

CEO  
Edegel S.A.A. represented by Julián Cabello Yong

Enersis stake  
(direct and indirect)  
29.97% (No variation)

## CHOCÓN

Name  
Hidroeléctrica El Chocón S.A.

Type of entity  
Corporation

Address  
Avda. España 3301,  
Buenos Aires, Argentina

Subscribed and paid capital (Th\$)  
24,073,993

Corporate purpose  
Electricity Generation and its block comercialization .

Core business  
Electricity Generation.

Board of Directors  
Joaquín Galindo Vélez  
José Miguel Granged Bruñen  
José María Hidalgo Martín Mateos  
Eduardo Escaffi Johnson (CFOEnersis S.A.)  
Vacant  
Alex Daniel Horacio Valdez  
Juan Carlos Nayar  
Sergio Maschio

Alternate Directors  
Jorge Raúl Burlando Bonino  
Francisco Domingo Monteleone  
Juan Carlos Blanco

Roberto José Fagan  
Fernando Carlos Boggini  
Orlando Adalberto Díaz  
Alejandro Nagel

Main executives  
Fernando Claudio Antognazza  
CEO  
Fernando Carlos Luis Boggini  
CFO  
Néstor Srebernic  
Gerente de Producción  
Cristian Vargas  
Gerente Comercial  
Rodolfo Silvio Bettinsoli  
Gerente de Recursos Humanos

Enersis stake  
(direct and indirect)  
39.21% - No variation.

## CODENSA

Name  
Codensa S.A. E.S.P.

Type of entity  
Private company

Address  
Carrera 13 A #93-66, Bogotá, Colombia

Phone number  
(57 1) 601 6060

Subscribed and paid capital (Th\$)  
3,593,166

Corporate purpose  
The company's main purpose is the distribution and sale of electricity and all related activities, complementary and related activities to the distribution and sale of electricity, carrying out of works, designs and consultancy in electrical engineering and the sale of products to the benefit of its customers. The company shall be also entitled to execute other activities related to providing public utility services, in general, manage and operate other public utility companies, sign and execute special management contracts with other public utility companies and sell or lend assets or services to other economic agents in and out of the country in relation to public utility services. The Company shall be also entitled to become a partner or shareholder of another public utility company, directly or in partnership with other persons, or setting up a consortium with them. While pursuing the above-indicated main business purpose, the Company shall be entitled to promote and establish entities or agencies in Colombia or abroad; acquire under any concept whatsoever any kind of personal or real estate properties, lease them, sell them, encumber and pledge them as guarantee; assume any form of associative or collaborative enterprise with natural or juridical third parties to advance activities related, connected and complementary to its main business purpose; develop brand names, commercial names, patents, inventions or any other

intangible good, provided that they are consistent with its main business purpose; draw, accept, endorse, collect and pay all kind of value certificates, negotiable instruments, shares, executive titles and others; participate in public and private bidding contests; give to, or receive money on loan from its shareholders, parent/matrix companies, subsidiaries, and third parties; execute insurance policy contracts, transportation, participation accounts, and contracts with banks and/or financial institutions.

Core business  
Distribution of electricity.

Board of Directors  
Cristian Fierro Montes  
José Antonio Vargas Lleras  
Lucio Rubio Díaz  
Sandra Stella Fonseca Arenas  
Ricardo Roa Barragán  
Ricardo Bonilla González  
Orlando José Cabrales Martínez

Alternate Directors  
Gustavo Gómez Cerón  
Leonardo López Vergara  
David Felipe Acosta Correa  
Ernesto Moreno Restrepo  
Álvaro Torres Macías  
José Alejandro Herrera Lozano  
Antonio Sedán Murra

Main executives  
David Felipe Acosta Correa  
CEO  
Andrés Caldas Rico  
Jaime A. Vargas Barrera  
Juan Manuel Pardo Gómez  
María Celina Restrepo  
Leonardo López Vergara  
Rafael Carbonell Blanco  
Omar Serrano Rueda  
Mauricio Carvajal  
Raúl Puentes Barrera

Enersis stake  
(direct and indirect)  
48.39%

Proportion of Enersis assets de Enersis  
11.02%

## COELCE

Name  
Companhia Energética do Ceará

Type of entity  
Publicly held Limited Liability Company

Address  
Rua Padre Valdevino, 150 - Centro, Fortaleza, Ceará, Brasil

Phone number  
(55 85) 3453-4082

Subscribed and paid capital (Th\$)  
98,549,260

Corporate purpose

a) Generation, transmission, distribution and commercialization of electricity, and related services; b) Performing studies, planning, projects, construction and operating production systems, transformation, transportation and storage, distribution and sale of any type of energy, as a concession, authorization or permit that may be granted in the State of Ceará, and other areas defined by the granting authority. c) The study, project and implementation of plans and programs of research and development of new sources of energy, particularly renewable ones, developed directly or in cooperation with other institutions; d) The study, preparation and implementation, in the energy sector, of economic and social development plans and programs in regions of interest to the community, and the company, either directly or collaborating with state or private bodies, being able to also supply information and technical assistance to public or private initiatives that intend to implement economic and social activities necessary for development; e) Perform other activities that could become necessary from a corporate purpose perspective, such as participating in the ownership of other companies in Brazil or in other countries, whose purpose is the development of public electricity services, including generation, transmission and distribution.

Core Business  
Electricity distribution

Board of Directors  
Mario Fernando de Melo Santos (Chairman)  
Marcelo Llêvenes Rebolledo (ViceChairman)  
Gonzalo Vial Vial  
José Alves de Mello Franco  
Jorge Parente Frota Júnior  
Cristián Eduardo Fierro Montes  
Francisco Honório Pinheiro Alves  
Renato Soares Sacramento  
Nelson Ribas Visconti  
Joao Francisco Landim Tavares  
Claudio Manuel Rivera Moya

Alternate Directors  
Antonio Basilio Pires de Carvalho e Albuquerque  
Luciano Alberto Galasso Samaria  
Teobaldo José Cavalcante Leal  
José Caminha Alencar Aripe Júnior  
José Távora Batista  
Carlos Ewandro Naegele Moreira  
Vlândia Viana Regis  
José Nunes de Almeida Neto  
Bruno Golebiovsky  
Robson Figueiredo de Oliveira

Main executives  
Abel Alves Rochinha  
Chairman

David Augusto de Abreu  
Teobaldo José Cavalcante Leal  
José Nunes de Almeida Neto  
Carlos Ewandro Naegele Moreira  
José Távora Batista  
Olga Jovanna Carranza Salazar  
José Alves de Mello Franco  
Cristine de Magalhães Marcondes  
Nelson Ribas Visconti

Enersis stake  
(direct and indirect)  
49.18%

## CONSTRUCCIONES Y PROYECTOS LOS MAITENES

Name  
Construcciones y Proyectos Los Maitenes S.A.

Type of entity  
Private company

TAX ID  
96,764,840-K

Address  
Américo Vespucio 100, Pudahuel, Santiago, Chile

Phone number  
(56 2) 2601 0601

Subscribed and paid capital (Th\$)  
41,742,265

Corporate purpose  
a) The construction for its own or for third parties', on its own land or other land, urbanized or not, of all kind of civil works, facilities, buildings, housing, offices and others; b) the sale or disposal in any form of such building works; c) the study and development of projects for such buildings, including engineering, architecture, financing, commercialization, and others. In order to do so, it may act for its own or third parties, either directly or forming part of associations, communities, companies and legal entities of any kind, in which it may also assume the management.

Core business  
Real Estate.

Board of Directors  
Fernando Gardeweg Ried  
Andrés Salas Estrades  
Luis Felipe Edwards Mery  
José Manuel Guzmán Nieto  
Victor Jarpa Riveros

Main executives  
Roberto Alcalde Eyzaguirre  
CEO  
Rodrigo Sánchez Cubric  
Fernando Krebs Labarca

Enersis stake  
(direct and indirect)  
55.00% - No variation.

## CTM

Name  
Compañía de Transmisión del Mercosur S.A.

Type of entity  
Corporation

Address  
Bartolomé Mitre 797, piso 11, Ciudad Autónoma de Buenos Aires, Argentina

Subscribed and paid capital (Th\$)  
1,142,971

#### Corporate purpose

Provide high-voltage electricity transmission services both in relation to national and international electricity systems, in accordance with current legislation, for which it may participate in national or international tenders, become an electric-utility concession holder in local or international high voltage transmission systems and carry out all activities necessary to meet its purposes, included but not limited to, be a part in construction contracts, operating and maintenance, both when beginning or expanding electricity transmission lines, participating in financing projects directly or indirectly related to such initiatives as a creditor and /or borrower and/ or guarantee, allowing to offer guarantees third parties. All activities expressly identified as being rules by the Financial Institutions Law are excluded and any other that requires applying government financing.

#### Core business

International electricity transmission

#### Board of Directors

José María Hidalgo Martín-Mateos  
Guilherme Gomes Lencastre  
Arturo Miguel Pappalardo

#### Alternate Directors

José Venegas Maluenda  
Juan Carlos Blanco  
Roberto José Fagan

#### Main executives

Arturo Miguel Pappalardo  
CEO

#### Enersis stake

(direct and indirect)  
83.54%

## DISTRIBUIDORA ELÉCTRICA DE CUNDINAMARCA

#### Name

Distribuidora Eléctrica de Cundinamarca S.A. E.S.P.

#### Type of entity

Private company

#### Tax ID

900,265,917-0

#### Address

Carrera 9 N° 73-44 Piso 5

#### Subscribed and paid capital (Th\$)

57,871,689

#### Corporate purpose

The company's main purpose is the distribution and commercialization of electricity, and the execution of all associates, complementary and related activities to distribution and commercialization of electricity, public works, designs and electrical engineering consulting, and the commercialization of products for the benefit of its customers.

#### Core business

Distribution and commercialization of electricity

#### Board of Directors

Catalina Velasco Campusano  
David Felipe Acosta  
María Cristina Toro Restrepo

#### Alternate Directors

Iván Pinzón Amaya  
Leonardo López Vergara  
Fabiola Leal Castro

#### Main executives

Álvaro Torres Macías  
CEO

#### Enersis stake

(direct and indirect)  
23.71%

## DISTRILEC INVERSORA

#### Name

Distrilec Inversora S.A.

#### Type of entity

Private company

#### Address

San José 140, Buenos Aires, Argentina

#### Phone number

(54 11) 4370 3700

#### Subscribed and paid capital (Th\$)

40,756,974

#### Corporate purpose

Exclusively to invest in companies constituted or to be constituted whose main activity is the distribution of electricity or that directly or indirectly participate in companies with that principal business through all kind of financial and investment activities, except those in the laws of financial entities, the purchase and sale of public and private debt paper, bonds, shares, negotiable instruments and the granting of loans, and the placement of its funds in bank deposits of any kind.

#### Core business

Investments.

#### Board of Directors

José María Hidalgo Martín Mateos (Chairman)  
Cristián Fierro Montes  
María Inés Justo  
Juan Carlos Blanco  
Rafael Fauquié Bernal  
Gonzalo Alejandro Pérez Moore  
Juan Carlos Bledel  
José María Vásquez  
Fernando Bonnet  
Edgardo Licen

#### Alternate Directors

Fernando Antognazza  
Rodrigo Quesada  
Roberto Fagan  
Mariana Marine  
Gonzalo Vial Vial

#### Héctor Sergio Falzone

José María Saldungaray  
Oswaldo Alejandro Pollice  
Leonardo Marinaro  
Justo Pedro Saenz

#### Main executives

Antonio Jerez  
CEO

#### Enersis stake

(direct and indirect)  
50.93% - No variation.

#### Proportion of Enersis assets de Enersis

0.01%

## EDEGEL

#### Name

Edegel S.A.A.

#### Type of entity

Publicly held Limited Liability Company

#### Address

Avda. Víctor Andrés Belaúnde 147, Edificio Real 4, piso 7, San Isidro, Lima, Perú

#### Subscribed and paid capital (Th\$)

423,750,467

#### Corporate purpose

Mainly, and in general, electricity generation activities, also the civil, industrial, commercial and any other act or operation relating or leading to the principal purposes.

#### Core business

Electricity Generation.

#### Board of Directors

Ignacio Blanco Fernández (Chairman)  
Alberto Briand Rebaza Torres (ViceChairman)  
Joaquín Galindo Vélez  
Rafael Fauquié Bernal  
Reynaldo Llosa Barber  
Claudio Herzka Buchdahl  
Gerardo Rafael Sepúlveda Quezada

#### Alternate Directors

Julián Cabello Yong  
Raffaele Enrico Grandi  
Arrate Gorostidi Aguirresarobe  
Mariano Paz Soldán Franco  
Alberto Triulzi Mora  
Sebastián Fernández Cox  
Eric Andrés Añorga Müller

#### Main executives

Francisco Pérez Thoden Van Velzen (CEO)  
Julián Cabello Yong (Gerente de Explotación)  
Carlos Rosas Cedillo (Gerente de Gestión de Energía y Comercialización)  
Eric Añorga Müller (CFO)  
Daniel Abramovich Ackerman (Gerente de Asesoría Legal)

#### Enersis stake

(direct and indirect)  
37.46% (No variation)

## EDELNOR

### Name

Empresa de Distribución Eléctrica de Lima Norte S.A.A.

### Type of entity

Publicly held Limited Liability Company

### Address

Jr. Teniente Cesar López Rojas 201 Urb. Maranga, San Miguel, Lima, Perú

### Phone number

(51 1) 561 2001

### Subscribed and paid capital (Th\$)

99,904,810

### Corporate purpose

Engage in the activities of distribution, transmission and generation of electricity in accordance with the provisions of current legislation. Additionally, the company may engage in the sale of goods in any form, as well as providing consulting and financial services, among others, except those services which require specific authorization in accordance with current law.

### Core business

Distribution of electricity

### Board of Directors

Reynaldo Llosa Barber (Chairman)  
Ignacio Blanco Fernández  
Paolo Giovanni Pescarmona  
María Cecilia Blume Cilloniz  
Cristian Eduardo Fierro Montes  
Fernando Fort Marie  
Claudio Eduardo Helfmann Soto  
José María Hidalgo Martín Mateos

### Main executives

Ignacio Blanco Fernández  
CEO  
Carlos Solís Pino  
Walter Scitutto Brattoli  
Rocío Pachas Soto  
Raffaele Enrico Grandi  
Luis Salem Hone  
Pamela Gutiérrez Damiani  
Alfonso Valle Cisneros

### Enersis stake

(direct and indirect)  
75.54%

### Proportion of Enersis assets

1.52%

## EDESUR

### Name

Empresa Distribuidora Sur S.A.

### Type of entity

Corporation

### Address

San José 140 (1076), Capital Federal, Argentina

### Phone number

(54 11) 4370 3700

### Subscribed and paid capital (Th\$)

69,224,794

### Corporate purpose

Distribution and commercialization of electricity and related activities

### Core business

Distribution of electricity.

### Board of Directors

José María Hidalgo Martín Mateos (Chairman)  
Juan Carlos Blanco  
Cristian Fierro Montes  
Marcelo Silva Iribarne  
Gonzalo Vial Vial  
Marco Fadda (Gerente Regional Planificación y Control Enersis S.A.)  
Ernesto Pablo Badaraco  
José María Vásquez

### Alternate Directors

Roberto Fagan  
José Miguel Granged  
Fernando Antognazza  
María Inés Justo  
Rodrigo Quesada  
Mariana Marine  
Fernando Bonnet  
José María Saldungaray

### Main executives

Antonio Jerez Agudo  
CEO  
Silvia Migone Díaz  
Legal Affairs Director

### Enersis stake

(direct and indirect)  
71.61%

### Proportion of Enersis assets de Enersis

0.05%

## ELÉCTRICA CABO BLANCO S.A.C.

### Name

Cabo Blanco S.A.C.

### Type of entity

Private company

### Address

Calle César López Rojas N° 201, Urbanización Maranga, Distrito de San Miguel, Provincia y Departamento de Lima

### Phone number

(051) 517-2993

### Subscribed and paid capital (Th\$)

8,723,363

### Corporate purpose

Investments in other companies, mainly those engaged in the exploitation of natural resources

and, especially, in the related to the generation, production, and marketing of electric power; as well as activities of generation, transmission, Distribution and commercialization of electricity in a direct way.

### Core business

Investments.

### Main Executives

Manuel Cieza Paredes (CEO)

### Enersis stake

(direct and indirect)  
100%

### Proportion of Enersis assets de Enersis

0.40%

## ELECTROGAS

### Name

Electrogas S.A.

### Type of entity

Private company

### TAX ID

96,806,130-5

### Address

Alonso de Córdova 5900, Oficina 401, Comuna de Las Condes  
Santiago, Chile

### Phone number

(562) 2299 3400

### Corporate purpose

The purpose of the company is the transportation services for natural gas and other fuels, for its own or third party's account, for which it may construct, operate and maintain gas, oil and multi-use pipelines and complementary facilities.

### Core business

Gas transportation.

### Subscribed and paid capital (Th\$)

11,176,162

### Board of Directors

Juan Eduardo Vásquez Moya (Chairman)  
Alan Fischer Hill (ViceChairman)  
Pedro Gatica Kerr  
Eduardo Lauer Rodríguez  
Fernando Promis Baeza

### Alternate Directors

Andrés Opazo Irarrázaval  
Gastón Schofield Lara  
Cristian Morales Jaureguiberry  
Juan Oliva Vásquez  
Ricardo Santibáñez Zamorano

### Main executives

Carlos Andreani Luco  
CEO

### Enersis stake

(direct and indirect)  
25.49% - No variation.

## EMGESA

**Name**  
Emgesa S.A. E.S.P.

**Type of entity**  
Public utility Corporation

**Address**  
Carrera 11 N°82-76, piso 4, Santa Fe de Bogotá, D.C. Colombia

**Subscribed and paid capital (Th\$)**  
165,215,801

**Corporate purpose**  
The main purpose of the company is generation and commercialization of electricity and associated, connected, complementary and related activities.

**Core business**  
Electricity generation and commercialization.

**Board of Directors**  
Joaquín Galindo Vélez  
Lucio Rubio Díaz  
José A. Vargas Lleras  
Sandra Stella Fonseca Arenas  
Ricardo Roa Barragán  
Ricardo Bonilla González  
Luisa Fernanda Lafaurie Rivera

**Alternate Directors**  
Omar Serrano Rueda  
Carlos Luna Cabrera  
Juan Manuel Pardo  
Ernesto Moreno Sánchez  
Álvaro Torres Macías  
Jose Alejandro Herrera Lozano  
Andrés López Valderrama

**Main executives**  
Lucio Rubio Díaz  
CEO  
Carlos Luna Cabrera  
Andrés Caldas Rico  
Juan Manuel Pardo Gómez  
Fernando Gutiérrez Medina  
Gustavo Gómez Cerón  
María Celina Restrepo  
Leonardo López Vergara  
Rafael Carbonell Blanco  
Omar Serrano Rueda  
Mauricio Carvajal García  
Raúl Puentes Barrera  
Ana Patricia Delgado Meza  
Javier Blanco Fernández

**Enersis stake (direct and indirect)**  
37.72%

**Proportion of Enersis assets de Enersis**  
2.90%

## EMGESA PANAMÁ, S.A.

**Name**  
Emgesa Panamá, S.A.

**Type of entity**  
Private company.

**Address**  
Ciudad de Panamá, Panamá

**Corporate purpose**  
Purchase, sale, import, export of electricity. Also, the company may perform other industrial and commercial activities in general, it is able to celebrate all transactions, operations, business, events and activities that are permitted by the Panamanian law to corporations even if they are not expressly mentioned in this corporate purpose.

**Core business**  
Purchase, sale, import, export of electricity.

**Subscribed and paid capital (Th\$)**  
5,255

**Directors**  
Lucio Rubio Díaz  
Andrés Caldas Rico  
Omar Serrano Rueda

**Main executives**  
Fernando Gutiérrez Medina  
Andrés Caldas Rico  
Elizabeth Laverde Enciso

**Enersis stake (direct and indirect)**  
37.72%

## EMPRESA DE ENERGÍA DE CUNDINAMARCA

**Name**  
Empresa de Energía de Cundinamarca S.A.

**Type of entity**  
Private company

**Tax ID**  
860,007,638-0

**Address**  
Carrera 11 N° 93-52 Bogotá D.C.

**Phone number**  
(571) 7051800

**Subscribed and paid capital (Th\$)**  
10,798,989

**Corporate purpose**  
Electricity generation, commercialization and distribution utility in the Cundinamarca district and its surroundings. It owns an electricity generation power plant in Río Negro.

**Core business**  
Electricity generation, commercialization and distribution.

**Board of Directors**  
Manuel Guillermo Camargo  
David Alfredo Riaño  
María Cristina Toro  
Alvaro Cruz Vargas  
Paulo Jairo Orozco Díaz  
Omar Serrano Rueda  
Martha Catalina Velasco Campuzano

**Alternate Directors**  
Javier Botero Álvarez  
Claudia Niño Cubides  
Fabiola Leal Castro  
Luis Fernando Ayala  
David Feferbaum Gutfraind  
Aurelio Bustilho de Oliveira  
Javier Ortíz Muñoz

**Main executives**  
Carlos Mario Restrepo Molina  
Alberto Duque Ramírez  
Olga Pérez R.  
Alba Marina Urrea Gómez  
Diego Mauricio Muñoz Hoyos  
Nidia Ximena León Corredor

**Enersis stake (direct and indirect)**  
19.52%

## EMPRESA ELÉCTRICA DE COLINA

**Name**  
Empresa Eléctrica de Colina Ltda.

**Type of entity**  
Sociedad de Responsabilidad Limitada

**TAX ID**  
96,783,910-8

**Address**  
Chacabuco 31, Colina, Santiago, Chile

**Phone number**  
(56 2) 2844 4280

**Subscribed and paid capital (Th\$)**  
82,222

**Corporate purpose**  
Distribution and sale of electricity and home, sports, entertainment and computer electrical appliances.

**Core business**  
Distribution of electricity.

**Main executives**  
Leonel Martínez Garrido  
CEO

**Enersis stake (direct and indirect)**  
99.09% - No variation.

## EMPRESA ELECTRICA DE PIURA S.A.

Name  
Empresa Eléctrica de Piura S.A

Type of entity  
Corporation

Address  
Calle César López Rojas N° 201, Urbanización Maranga, Distrito de San Miguel, Provincia y Departamento de Lima

Phone number  
(051) 517-2993

Subscribed and paid capital (Th\$)  
M\$ 15,318,148

Corporate purpose  
Electricity generation and commercialization.

Core business  
Electricity generation and commercialization

Directors  
Manuel Muñoz Laguna  
Fernando Prieto Plaza (Chairman)  
Claudio Helfmann Soto (ViceChairman)

Main Executives  
CEO: Manuel Vicente Cieza Paredes  
Gerente de Planificación y Control: Juan Martín Sabogal Carrillo

Enersis stake  
(direct and indirect)  
96.50%

## ENDESA ARGENTINA

Name  
Endesa Argentina S.A.

Type of entity  
Sociedad Anónima

Address  
Suipacha 268, piso 12, Buenos Aires, Argentina

Phone number  
(5411) 4307 3040

Corporate purpose  
Invest in companies dedicated to the production, transmission and distribution of electricity and its commercialization, as well as financial activities except those limited by the law to banks.

Core business  
Investments.

Subscribed and paid capital (Th\$)  
56,314,705

Board of Directors  
José María Hidalgo Martín Mateos  
José Miguel Granged Bruñen  
María Inés Justo

Alternate Directors  
Rodrigo Quesada  
Mariana Cecilia Mariné  
María Julia Nosetti

Enersis stake  
(direct and indirect)  
59.98% - No variation.

## EN - BRASIL COMÉRCIO E SERVIÇOS S.A.

Name  
En- Brasil Comércio e Serviços S.A.

Type of entity  
Private company incorporated according to Brazilian Federal Law.

Address  
Praça Leoni Ramos nº 01 – parte, São Domingos, Niterói, Rio de Janeiro, Brasil.

Phone number  
(55 21) 2613 7000

Subscribed and paid capital (Th\$)  
222,486

Corporate purpose  
The company aims to participate in the capital of other companies in Brazil or abroad, trade in general, even imports and exports, through retail or wholesale transactions of various products, and to provide general services for the electric sector and others.

Core business  
Services in general to the electricity industry and others

Main executives  
Albino Motta da Cruz  
CEO  
Rafael de Bessa Sales

Enersis stake  
(direct and indirect)  
83.54%

## ENDESA BRASIL

Name  
Endesa Brasil S.A.

Type of entity  
Private Company

Address  
Praça Leoni Ramos, N°1, 7° andar, bloco 2 - Parte, Niterói, Rio de Janeiro, Brasil

Phone number  
(5521) 3607 9500

Subscribed and paid capital (Th\$)  
210,254,158

Corporate purpose  
Participate in the capital of other companies in any segment of the electricity sector, including companies that provide services to companies in that sector, in Brazil or abroad;; transmission, distribution, generation or commercialization of electricity and related activities and participation, individually or through joint ventures, consortia or other similar forms of association, in tenders, projects and enterprises for the supply of services and activities previously mentioned.

Core business  
Investments.

Board of Directors  
Mario Fernando de Melo Santos (Chairman)  
Ignacio Antoñanzas Alvear (ViceChairman) (CEO de Enersis S.A.)  
Massimo Tambosco (SubCEO de Enersis S.A.)  
Antonio Basilio Pires de Carvalho e Albuquerque  
Ramiro Diego Alfonsín Balza  
Cristián Eduardo Fierro Montes  
Joaquín Galindo Velez

Main executives  
Marcelo Liévenes Rebolledo  
CEO  
Nelson Ribas Visconti (Vice CEO)  
Luis Larumbe Aragón  
Antonio Basilio Pires de Carvalho e Albuquerque  
José Alves de Mello Franco  
Carlos Ewandro Naegele Moreira  
Teobaldo José Cavalcante Leal  
Janaina Savino Vilella Carro

Enersis stake  
(direct and indirect)  
83.54%

Proportion of Enersis' assets  
8.15%

## ENDESA CACHOEIRA

Name  
Centrais Eléctricas Cachoeira Dourada S.A.

Type of entity  
Private Company

Address  
Rodovia GO 206, Km 0, Cachoeira Dourada Goiania, Goiás, Brasil

Phone number  
(55 62) 3434 9000

Subscribed and paid capital (Th\$)  
14,314,684

#### Corporate purpose

The company's corporate purpose is to perform the studies, planning, construction, installation, operation and exploitation of electricity generation power plants and the businesses related to these activities. Also, the company may promote and participate in other companies created to generate electricity within or outside the State of Goiás.

#### Core business

Electricity Generation.

#### Board of Directors

Marcelo Llêvenes Rebolledo  
Ana Cláudia Gonçalves Rebello  
Luis Larumbe Aragón

#### Main executives

Guilherme Gomes Lencastre  
CEO  
Manuel Herrera Vargas  
José Ignacio Pires Medeiros  
Carlos Ewandro Naegele Moreira  
José Alves de Mello Franco  
Ana Cláudia Gonçalves Rebello  
Teobaldo José Cavalcante Leal  
Janaina Savino Vilella Carro

#### Enersis stake

(direct and indirect)  
83.33%

## ENDESA CEMSA

#### Name

Endesa Cemsa S.A.

#### Type of entity

Corporation

#### Address

Pasaje Ing. E. Butty 220, piso 16,  
Buenos Aires, Argentina

#### Phone number

(5411) 4875 0600

#### Subscribed and paid capital (Th\$)

1,129,748

#### Corporate purpose

The purpose of the company is the wholesale purchase and sale of electricity capacity and energy produced and/or consumed by third parties, including the import and export of electricity power and energy and the marketing of royalties, and the supply and/or performing of services related to the above activity, both in the country as well as abroad of information technology services and/or of control of the operation and/or of telecommunications. Likewise, the Company shall be entitled to execute buy/sell operations or to purchase and sell natural gas, and/or its transportation, including the importation and/or exportation of natural gas and/or the marketing of regalia/privileges, as well as to provide and/or execute services related to the abovementioned activity. Also, the Company shall be entitled to execute buy/sell operations or to purchase and

sell crude petroleum, and/or lubricants and/or to transport such elements, including the importation and/or exportation of liquid fuels and the marketing of regalia/privileges, as well as to provide and/or execute services related to the abovementioned activity.

#### Core business

Trading of electricity and gas

#### Board of Directors

José María Hidalgo Martín-Mateos  
José Venegas Maluenda  
Fernando Claudio Antognazza

#### Alternate Directors

Arturo Pappalardo  
Roberto José Fagan  
Pedro Cruz Viné

#### Main executives

Juan Carlos Blanco  
CEO

#### Enersis stake

(direct and indirect)  
81.99%

#### Proportion of Enersis assets

0.05%

## ENDESA CHILE

#### Name

Empresa Nacional de Electricidad S.A.

#### Type of entity

Publicly held Limited Liability Company

#### TAX ID

91,081,000-6

#### Address

Santa Rosa 76, Santiago, Chile

#### Phone number

(56 2) 2630 9000

#### Subscribed and paid capital (Th\$)

1,331,714.085

#### Corporate purpose

Generation and supply of electricity, engineering and consulting services in Chile and abroad and the construction and exploitation of infrastructure works.

#### Core business

Electricity Generation

#### Board of Directors

Jorge Rosenblut (Chairman)  
Paolo Bondi (ViceChairman)  
Francesco Buresti  
Vittorio Corbo Loi  
Felipe Lamarca Claro  
Jaime Bauzá Bauzá  
Enrique Andrés Cibié Bluth  
Manuel Moran Casero  
Alfredo Arahuetes García

#### Main executives

Joaquín Galindo Vélez  
CEO  
Ramiro Alfonsín Balza  
Deputy CEO  
Carlos Fernando Gardeweg Ried  
Federico Poleman  
Francisca Moya Moreno  
Fernando Prieto Plaza  
Paulo Domingues  
Fernando Lafuente  
Sebastian Fernandez Cox  
José Venegas Maluenda  
Ignacio Quiñones Sotomayor

#### Commercial relations

Trading current accounts, accounting, trading desk and treasury services.

#### Enersis stake

(direct and indirect)  
59.98% - No variation.

#### Proportion of Enersis assets

30.43%

## ENDESA CIEN

#### Name

CIEN - Companhia de Interconexión Energética S.A.

#### Type of entity

Private Company

#### Address

Praça Leoni Ramos, N° 1, piso 6, Bloco 2, São Domingos, Niterói, Rio de Janeiro, Brasil

#### Phone number

(55 21) 3607 9500

#### Subscribed and paid capital (Th\$)

63,418,309

#### Corporate purpose

The purpose of the company is the production, industrialization, distribution and commercialization of electricity, including the import and export activities. In view of achieving the purposes mentioned above, the company will promote the study, planning and construction of facilities for production systems, transmission, conversion and distribution of electricity by capturing the necessary investment to develop the activities and by providing services. Beyond the purposes referred to, the company may promote the implementation of associated products, as well as inherent, ancillary or complementary activities to services and jobs that cometh to provide. To carry out the activities necessary to achieve its goals, the company may participate in other societies.

#### Core business

Electricity transmission.

#### Board of Directors

Marcelo Andrés Llêvenes Rebolledo  
Ana Claudia Gonçalves Rebello  
José Augustín Venegas Maluenda



Main executives  
Guilherme Gomes Lencastre  
CEO  
Manuel Herrera Vargas  
José Ignacio Pires Medeiros  
Carlos Ewandro Naegele Moreira  
Teobaldo José Cavalcante Leal  
José Alves de Mello Franco  
Ana Cláudia Gonçalves Rebello  
Janaina Sabino Vilella Carro

Enersis stake  
(direct and indirect)  
83.54%

## ENDESA COSTANERA

Name  
Endesa Costanera S.A.

Type of entity  
Corporation

Address  
Avda. España 3301, Buenos Aires, Argentina

Phone number  
(5411) 4307 3040

Subscribed and paid capital (Th\$)  
58,560,092

Corporate purpose  
The production of electricity and its block commercialization.

Core business  
Electricity Generation.

Board of Directors  
Joaquín Galindo Vélez (Chairman)  
Máximo Luis Bomchil  
José María Hidalgo Martín Mateos  
Eduardo Escaffi Johnson (CFO of Enersis)  
María Inés Justo  
César Fernando Amuchástegui  
Matías María Brea  
Damián Camacho

Alternate Directors  
Roberto José Fagan  
Francisco Domingo Monteleone  
Fernando Carlos Boggini  
Claudio Iglesias Guillard  
Jorge Raúl Burlando Bonino  
Rodrigo Quesada  
Fernando Claudio Antognazza

Main executives  
Jose Miguel Granged Bruñen  
CEO  
Roberto José Fagan  
Director de Explotación  
Fernando Carlos Luis Boggini  
Gerente Financiero  
Rodolfo Silvio Bettinsoli  
Gerente de Recursos Humanos  
Francisco Domingo Monteleone  
Gerente de Producción  
Rodrigo Quesada  
Legal Affairs Director

Enersis stake  
(direct and indirect)  
45.40%

## ENDESA FORTALEZA

Name  
Central Geradora Termelétrica Fortaleza S.A.

Type of entity  
Private Company

Address  
Rodovia 422, Km 1 s/n, Complexo Industrial e  
Portuário de Pecém Caucaia – Ceará, Brasil

Phone number  
(55 85) 3464-4100

Subscribed and paid capital (Th\$)  
33,803,508

Corporate purpose  
Study, project, build and explore production, transmission, distribution and commercialization systems of electricity under concessions, permits or authorizations under any title, and other activities related to services supply of any kind related to the above activities; the acquisition, obtaining and exploration of any right, concession or privilege related to the above activities and the carrying out of all the other acts and business necessary for achieving its purposes; and participation in the capital of other companies as shareholder or partner, whatever their purposes.

Core business  
Electricity Generation.

Board of Directors  
Marcelo Andrés Llévénos Rebolledo  
Ana Claudia Gonçalves Rebello  
Luis Larumbe Aragón

Main executives  
Manuel Herrera Vargas  
CEO

Raimundo Câmara Filho  
Teobaldo José Cavalcante Leal  
José Ignacio Pires Medeiros  
José Alves de Mello Franco  
Ana Cláudia Gonçalves Rebello  
Janaina Savino Vilella Carro

Enersis stake  
(Direct and indirect)  
83.54%

## ENERGEX

Name  
Energex Co.

Type of entity  
Exempt company, incorporated in Cayman Islands,  
BWI

Address  
Walker House, 87 Mary Street, George Town,  
Grand Cayman, Cayman Islands

Subscribed and paid capital (Th\$)  
5,246

Corporate purpose  
The purpose of the Company is to participate in any business or activity according to the laws of the Cayman Islands. In terms of businesses or activities in the financial area, those reserved for banks are not permitted. It is also forbidden to do business with firms or persons that are Cayman Islands residents.

Core business  
Investments.

Board of Directors  
Horacio Reyser  
Gonzalo Alende Serra  
Ingrid Morales Ávila (International Finance, Enersis S.A.)  
Eduardo Escaffi Johnson (CFO Enersis S.A.)

Enersis stake  
(direct and indirect)  
30.75%

## ENEL GREEN POWER MODELO I EÓLICA S.A.

Name  
Enel Green Power Modelo I Eólica S.A.

Type of entity  
Private company.

Address  
Praça Leoni Ramos, N° 1, 5º andar, bloco 2, Niterói,  
RJ, Brasil.

Subscribed and paid capital  
R\$ 66,125,000

Corporate purpose  
Wind Electricity generation

Core business  
Electricity Generation.

Main Executives  
Newton Souza de Moraes  
Enrique de las Morenas Moneo  
CEO

Enersis stake  
(direct and indirect)  
0.81%

## ENEL GREEN POWER MODELO II EÓLICA S.A.

Name  
Enel Green Power Modelo II Eólica S.A.

Type of entity  
Private company.

Address  
Praça Leoni Ramos, Nº 1, 5º andar, bloco 2, Niterói,  
RJ, Brasil.

Corporate purpose  
Wind Electricity generation

Core business  
Electricity Generation.

Subscribed and paid capital  
R\$ 75,295,000

Main Executives  
Newton Souza de Moraes  
Enrique de las Morenas Moneo  
CEO

Enersis stake  
(direct and indirect)  
0.81%

## EÓLICA CANELA

Name  
Central Eólica Canela S.A.

Type of entity  
Private company

TAX ID  
76,003,204-2

Address  
Santa Rosa 76, Santiago, Chile

Phone number  
(562) 2630 9000

Subscribed and paid capital (Th\$)  
12,284,743

Corporate purpose  
Promote and develop renewable energy projects,  
mainly wind energy, identify and develop clean  
development mechanism (MDL in its Spanish  
acronym) projects and act as depository and  
trader in emission reduction certificates originated  
from these projects. The generation, transport,  
distribution, supply and sale of electricity, for  
which it may acquire and exploit the respective  
concessions and grants.

Core business  
Wind farm electricity generation.

Board of Directors  
Juan Benabarre Benaiges  
Jesús Espadas Misioné  
Sebastián Fernández Cox  
Cristóbal García-Huidobro Ramírez  
Bernardo Canales Fuenzalida

Alternate Directors  
Claudio Betti Pruzzo  
Juan Cristóbal Pavéz Recart  
Marcelo Álvarez Ríos  
Alejandro García Chacón

Main executives  
Wilfredo Jara Tirapegui  
CEO

Enersis stake  
(direct and indirect)  
46.12%

## EÓLICA FAZENDA NOVA

Name  
Eólica Fazenda Nova o Geração e Comercialização  
de Energia S.A.

Type of entity  
Private company

Address  
Rua Felipe Camarão, nº 507, sala 104, Ciudad de  
Natal, Rio Grande do Norte, Brasil

Phone number  
(5521) 3607 9500

Subscribed and paid capital M\$ 409,151

Corporate purpose  
Generation, transmission, distribution and  
commercialization of energy, participation in  
other companies as a partner, shareholder,  
or quota holders and import machinery and  
equipment related to the generation, transmission,  
distribution and commercialization of wind energy.

Core business  
Electricity Generation.

Main Executives  
Marcelo Llévènes Rebolledo  
Chairman  
Guilherme Gomes Lencastre  
Vacant

Enersis stake  
(direct and indirect)  
83.49%

## GASATACAMA

Name  
GasAtacama S.A.

Type of entity  
Private company

TAX ID  
96,830,980-3

Address  
Avenida Isidora Goyenechea 3365, piso 8,  
Santiago, Chile

Phone number  
(562) 2366 3800

Subscribed and paid capital (Th\$)  
152,915,467

Corporate purpose  
The purpose of the company is: a) the  
administration and management of the companies  
Gasoducto Atacama Chile Limitada, Gasoducto  
Atacama Argentina Limitada, GasAtacama  
Generación Limitada and other companies agreed  
to by the partners; b) investment of its own or third  
party's resources, in all kinds of assets, corporeal  
or incorporeal, securities, shares and commercial  
paper.

Core business  
Investments.

Board of Directors  
Raúl Sotomayor Valenzuela (Chairman)  
Joaquín Galindo Vélez  
Gonzalo Dulanto Letelier  
Ramiro Alfonsín Balza

Alternate Directors  
Juan Benabarre Benaiges  
Eduardo Ojea Quintana  
Fernando Gardeweg Ried  
Gonzalo Alende Serra

Main executives  
Rudolf Araneda Kauert  
CEO

Enersis stake  
(direct and indirect)  
30.75%

## GASATACAMA CHILE

Name  
GasAtacama Chile S.A.

Type of entity  
Private company

TAX ID  
78,932,860-9

Address  
Avenida Isidora Goyenechea 3365, piso 8, Las  
Condes, Santiago, Chile

Phone number  
(562) 2366 3800

Subscribed and paid capital (Th\$)  
97,066,063

Corporate purpose  
The company purpose includes a) exploit the  
generation, transmission, purchase, distribution  
and sale of electric or any other energy; b) the  
purchase, extraction, exploitation, processing,  
distribution, commercialization and sale of solids,  
liquids and gas fuels; c) the sale and engineering  
services supply; d) obtain, purchase, transfer,  
rental, charging and exploitation in any way of the

concessions referred to in the General Electrical Services Law, maritime concessions and water usage rights of any kind; e) the transport of natural gas, through its own means or together with other parties within Chile or other countries, including the construction, location and exploitation of gas pipelines and other activities related directly or indirectly to it; f) invest in all kinds of assets, corporeal or incorporeal, movable or fixed; g) the organization and constitution of all kind of companies whose purposes are related or linked to energy in any of its forms or that have electricity as their principal input, or correspond to any of the activities mentioned above.

**Core business**  
Electricity generation and gas transportation.

**Board of Directors**  
Raúl Sotomayor Valenzuela  
Joaquín Galindo Vélez  
Gonzalo Dulanto Letelier  
Vacant

**Alternate Directors**  
Juan Benabarre Benaiges  
Eduardo Ojea Quintana  
Fernando Gardeweg Ried  
Gonzalo Alende Serra

**Main executives**  
Rudolf Araneda Kauert  
CEO

**Enersis stake**  
(direct and indirect)  
30.75%

## GASODUCTO ATACAMA ARGENTINA

**Name**  
Gasoducto Atacama Argentina S.A.

**Type of entity**  
Private company

**TAX ID**  
78,952,420-3

**Address**  
Avenida Isidora Goyenechea 3365, piso 8, Las Condes, Santiago, Chile

**Phone number**  
(562) 2366 3800

**Subscribed and paid capital (Th\$)**  
109,209,703

**Corporate purpose**  
The company's purpose is the transportation of natural gas, through its own means or together with other parties within Chile or other countries, including the construction, location and exploitation of gas pipelines and other activities related directly or indirectly to it. The company has an Agency based in Argentina, "Gasoducto Cuenca Noroeste Limitada Sucursal Argentina", and its purpose is the execution of a pipeline between the

town of Cornejo, Salta province and the Argentine-Chilean border in the vicinity of the Jama border crossing located in the second region of Chile.

**Core business**  
Gas transportation.

**Board of Directors**  
Rafael Zamorano Chaparro  
Gustavo Venegas Castro  
Pedro de la Sotta Sánchez

**Alternate Directors**  
Luis Cerda Ahumada  
Mario Guevara Esturillo  
Alejandro Sáez Carreño

**Main executives**  
Rudolf Araneda Kauert  
CEO

**Enersis stake**  
(direct and indirect)  
30.75%

## GASODUCTO TALTAL

**Name**  
Gasoducto Taltal S.A.

**Type of entity**  
Private company

**TAX ID**  
77,032,280-4

**Address**  
Avenida Isidora Goyenechea 3365, piso 8, Las Condes, Santiago, Chile.

**Phone number**  
(562) 2366 3800

**Corporate purpose**  
Transportation, commercialization and distribution of natural gas, through its own means or together with other parties within Chile, especially in the towns of Mejillones and Paposo in the 2nd Region, including the construction, location and exploitation of gas pipelines and other activities related directly or indirectly to it.

**Core business**  
Gas transportation.

**Subscribed and paid capital (Th\$)**  
19,085,847

**Board of Directors**  
Rafael Zamorano Chaparro  
Gustavo Venegas Castro  
Pedro de la Sotta Sánchez

**Alternate Directors**  
Luis Cerda Ahumada  
Mario Guevara Esturillo  
Alejandro Sáez Carreño

**Main executives**  
Rudolf Araneda Kauert  
CEO

**Enersis stake**  
(direct and indirect)  
30.75%

## GENERALIMA S.A.C.

**Name**  
Generalima S.A.C.

**Type of entity**  
Private company

**Address**  
Calle César López Rojas N° 201, Urbanización Maranga, Distrito de San Miguel, Provincia y Departamento de Lima

**Phone number**  
(051) 561-0466

**Subscribed and paid capital (Th\$)**  
27,523,467

**Corporate purpose**  
Investments in other companies, mainly those engaged in the exploitation of natural resources and, especially, in the related to the generation, production, and marketing of electric power.

**Core business**  
Investments.

**Main Executives**  
Claudio Helfmann Soto (CEO)

**Enersis stake**  
(direct and indirect)  
100%

**Proportion of Enersis assets de Enersis**  
0.30%

## GENERANDES PERÚ

**Name**  
Generandes Perú S.A.

**Type of entity**  
Sociedad Anónima

**Address**  
Avda. Víctor Andrés Belaúnde 147, Edificio Real 4, piso 7, San Isidro, Lima, Perú

**Phone number**  
(511) 215 6300

**Subscribed and paid capital (Th\$)**  
186,325,266

**Corporate purpose**  
The company has the purpose to develop activities related to electricity generation, directly, or through companies created for that purpose.

**Core business**  
Investments.

Board of Directors  
 Ignacio Blanco Fernández (Chairman)  
 Alberto Briand Rebaza Torres (ViceChairman)  
 Joaquín Galindo Vélez  
 Raffaele Enrico Grandi  
 José Agustín Venegas Maluenda  
 Rafael Fauquie Bernal  
 Gerardo Rafael Sepúlveda Quezada  
 Alberto Triulzi Mora

Alternate Directors  
 Guillermo Lozada Pozo  
 Rafael Alcázar Uzátegui  
 Julián Cabello Yong  
 Carlos Rosas Cedillo  
 José María Hidalgo Martín-Mateos  
 Gonzalo Adolfo De las Casas Salinas  
 Sebastián Fernández Cox  
 Eric Andrés Añorga Müller

Main executives  
 Francisco Pérez Thoden Van Velzen (CEO)  
 Eric Andrés Añorga Müller (CFO)

Enersis stake  
 (direct and indirect)  
 36.59% - No variation.

## GNL CHILE

Name  
 GNL Chile S.A.

Type of entity  
 Private company

TAX ID  
 76,418,940-K

Address  
 Rosario Norte 530, oficina 1303, Las Condes,  
 Santiago, Chile

Phone number  
 (562) 2892 8000

Subscribed and paid capital (Th\$)  
 1,590,361

Corporate purpose  
 The company purpose is to a) contract the services of the liquefied natural gas (LNG) regasification company GNL Quintero S.A. and use all the natural gas and LNG storage, processing, re-gasification and delivery capacity of its re-gasification terminal, including its expansions if any and any other matter stated in the contract that the Company signs to use of the re-gasification terminal; b) import LNG under the delivered on ship (DES) mode from LNG suppliers according to LNG purchase agreements; c) the sale and delivery of natural gas according to contracts signed by the company with its customers; d) manage and coordinate the programming and nominations of LNG loads, as well as the delivery of natural gas among the different customers; e) comply with all its obligations and demand compliance with all its rights according to the contracts mentioned above and coordinate all activities included in such contracts, and in general carry out any type

of act or contract that may be necessary, useful or convenient for meeting its purposes.

Core business  
 Import and commercialization of natural gas

Board of Directors  
 José Agustín Venegas Maluenda  
 Marc Llambias Bernaus  
 Klaus Lührmann Poblete

Alternate Directors  
 Víctor Turpaud Fernández  
 Juan Oliva Vásquez  
 Mario Basualto Vergara

Main executives  
 Alejandro Palma Rioseco  
 CEO

Enersis stake  
 (direct and indirect)  
 19.99% - No variation.

## GNL QUINTERO

Name  
 GNL Quintero S.A.

Type of entity  
 Private company

TAX ID  
 76,788,080-4

Dirección  
 Rosario Norte 532, oficina 1604, Las Condes,  
 Santiago, Chile

Phone number  
 (562) 2499 0900

Subscribed and paid capital (Th\$)  
 59.941.639

Corporate purpose  
 a) the development, financing, design, engineering, supply, construction, start up, operation and maintenance of an liquefied natural gas ("LNG") storage and re-gasification plant and its corresponding sea terminal for loading and unloading LNG and its expansions, if any, including the installations and connections necessary to deliver the LNG through a truck-loading yard and/or one or more LNG pipeline delivery points (the "Re-gasification Terminal"); and any other activity leading or related to such purpose, including, but not limited to, the provision of management and administrative services of all commercial agreements needed to receive LNG or to deliver it to customers, re-gasification of LNG, delivery of natural gas and sale of services and storage, processing, re-gasification-loading and unloading at the LNG Regasification and delivery Terminal (the "Project") and its expansions, if any, and b) offer general management and administrative consulting in general necessary for the correct operation of the company, the Trading Company according to how it is defined in numeral thirteen four of article thirteen of the social agreement

and that is currently known as GNL Chile S.A. The company may carry out all kinds of acts or contracts that are necessary, useful or convenient for meeting this purpose.

Core business  
 Unloading, storing and re-gasifying liquefied natural gas and natural gas.

Board of Directors  
 José Agustín Venegas Maluenda  
 Julio Bertrand Planella  
 Francesco Gazmuri Schleyer  
 Jesús Saldaña  
 Sultán Al Bartamani

Main executives  
 Juan Oliva Vásquez  
 Fernando Promis Baeza  
 Víctor Turpaud Fernández  
 Rafael González  
 Hilal Al Kharusi  
 Principales ejecutivos  
 Antonio Bacigalupo Gittins  
 CEO

Enersis stake  
 (direct and indirect)  
 12% - No variation.

## HIDROINVEST

Name  
 Hidroinvest S.A.

Type of entity  
 Corporation incorporated in Buenos Aires,  
 Argentina

Address  
 Avda. España 3301, Buenos Aires, Argentina

Phone number  
 (5411) 4307 3040

Subscribed and paid capital (Th\$)  
 4,459,651

Corporate purpose  
 Acquire and maintain a majority shareholding in Hidroeléctrica Alicura S.A. and/or Hidroeléctrica El Chocón S.A. and/or Hidroeléctrica Cerro Colorado S.A. ("the concessionaire companies") created by National Executive Power decree 287/93 and manages such investments.

Core business  
 Investments.

Board of Directors  
 Joaquín Galindo Vélez (Chairman)  
 José Miguel Granged Bruñen  
 José María Hidalgo Martín Mateos  
 Fernando Claudio Antognazza  
 Eduardo Escaffi Johnson (CFO Enersis S.A.)  
 Juan Carlos Blanco  
 Roberto José Fagan  
 Carlos Martín Vergara

Alternate Directors  
Francisco Monteleone  
Jorge Raúl Burlando Bonino  
Daniel Garrido  
Rodolfo Bettinsoli  
Fernando Boggini  
Rodrigo Quesada  
Sergio Camps  
Oscar Rigueiro

Enersis stake  
(direct and indirect)  
57.64% - No variation.

## ICT

Name  
ICT Servicios Informáticos Limitada

Type of entity  
Limited partnership

TAX ID  
76,107,186-6

Address  
Santa Rosa 76, piso 9

Phone number  
(562) 2353 4606

Subscribed and paid capital (Th\$)  
500,000

Corporate purpose  
The provision of consulting services in matters related to information technology and computing, telecommunications and data transmission.

Core business  
Consulting services in information and computing technology, telecommunications, and data transmission; acquire and dispose of all assets related to the company's business.

Main Executives  
Pedro Carrizo Polanco  
CEO

Enersis stake  
(direct and indirect)  
99.99%

Proportion of Enersis assets  
0.01%

## INGENDESA DO BRASIL (en liquidación)

Name  
Ingendesa do Brasil Ltda.

Type of entity  
Sociedad de responsabilidad limitada.

Address  
Praça Leoni Ramos, Nº 1, parte, São Domingos, Niterói - RJ, Brasil.

Corporate purpose  
The corporate purpose includes offering services in engineering, studies, projects, technical consulting, management, inspection and supervision of works supply, inspection and reception of materials and equipment for laboratories, appraisals, commercial representation of local and foreign engineering companies, as well as other services that the legal powers permit in the practice of the professions of engineering, architecture, agronomy, geology and meteorology in all their specialties.

Core business  
Engineering services.

Subscribed and paid capital  
M\$48,203

Representative  
Bruno César Vasconcelos

## INMOBILIARIA MANSO DE VELASCO

Name  
Inmobiliaria Manso de Velasco Ltda.

Type of entity  
Sociedad de Responsabilidad Limitada

TAX ID  
79,913,810-7

Address  
Miraflores 383, piso 29, Santiago, Chile

Phone number  
(562) 2378 4700

Corporate purpose  
Acquisition, disposal, commercialization and exploitation of real estate and investment companies.

Core business  
Real estate.

Subscribed and paid capital (Th\$)  
25,916,800

Attorneys-in-fact  
Andrés Salas Estrades  
Fernando Gardeweg Ried

Main executives  
Andrés Salas Estrades  
CEO

Hugo Ayala Espinoza  
Jorge Carnevali Flores

Commercial relations  
Property rentals, trading desk services, accounting, tax and other services supply. Commercial accounts trading.

Enersis stake  
100% - No variation.

Proportion of Enersis assets de Enersis  
0.12%

## INVERSIONES DISTRILIMA

Name  
Inversiones Distrilima S.A.C.

Type of entity  
Private company

Address  
Jr. Teniente César López Rojas 201, Maranga, San Miguel, Lima, Perú.

Phone number  
(511) 561 1604

Subscribed and paid capital (Th\$)  
37,694,885

Corporate purpose  
Make investments in other companies, most preferably in those involved in the exploitation of natural resources, and especially those related to the distribution, transmission and generation of electricity. In order to perform according to its purpose and practice the activities related to it, the company may perform all actions and enter into all contracts that the Peruvian laws allow to corporations. The company may also make equity investments in any kind of property including stocks, bonds and any other class of transferable securities, as well as the administration of such investments within the limits set by the board and ordinary shareholders meeting. The activities that are considered within the purpose of the company may be carried out in Peru and abroad.

Core business  
Investments.

Board of Directors  
The Ordinary shareholders meeting that met 03/29/2011 agreed to change the entity into a Private Company without Board of Directors.

Main executives  
Ignacio Blanco Fernández  
CEO

Enersis stake  
(direct and indirect)  
99.73%

Proportion of Enersis assets  
2.01%

## INVERSIONES GASATACAMA HOLDING

Name  
Inversiones Gasatacama Holding Limitada

Type of entity  
Sociedad de Responsabilidad Ltda.

TAX ID  
76,014,570-K

Address  
Avenida Isidora Goyenechea 3365, piso 8, Santiago, Chile

Phone number  
(562) 2366 3800

#### Corporate purpose

The company purpose is a) the direct or indirect participation through any kind of association in companies whose purpose include one or more of the following: i) the transportation of natural gas in any of its forms; ii) the generation, transmission, purchase, distribution and sale of electricity, and iii) financing the activities stated in i) and ii) above that are carried out by related third parties, and b) the perception and investment of the assets invested, including lucrative activities related to the ones mentioned.

Core business  
Investments.

Subscribed and paid capital (Th\$)  
174,967,716

#### Board of Directors

Raúl Sotomayor Valenzuela  
Joaquín Galindo Vélez  
Eduardo Escaffi Johnson (CFO Enersis S.A.)  
Gonzalo Dulanto Letelier

#### Alternate Directors

Juan Benabarre Benaiges  
Claudio Igleis Guillard  
Eduardo Ojea Quintana  
Pedro Pablo Errázuriz

Main executives  
Rudolf Araneda Kauert  
CEO

Enersis stake  
(direct and indirect)  
30.75%

## INVERSORA CODENSA S.A.S.

Name  
Inversora Codensa S.A.S.

Type of entity  
Sociedad por acciones simplificada

Address  
Carrera 11 N°82-76, Piso 4, Bogotá, Colombia

Phone number  
(571) 601 6060

Subscribed and paid capital (Th\$)  
M\$ 1,360

#### Corporate purpose

Investment in residential public electric utility services, especially the acquisition of shares in any public electric utility or in any other company that also invests in utilities whose main purpose is residential electricity service according to the definition in Law 142 of 1994, or in any other company that also invests in utilities whose main purpose is residential public electric utility services.

Core business  
Investments.

Legal Representative  
David Felipe Acosta Correa

Enersis stake  
(direct and indirect)  
48.39%

## INVERSORA DOCK SUD S.A.

Name  
Inversora Dock Sud S.A.

Type of entity  
Private company

Address  
Pasaje Engineer Butty 220 Piso 16 Ciudad Autónoma de Buenos Aires

Phone number  
4229-1000

Subscribed and paid capital (Th\$)  
20,613,502

Corporate purpose  
Sole object of capital investment in companies.

Core business  
Investments

Board of Directors  
José M. Hidalgo Martín-Mateos  
Joaquín Galindo Velez  
Maria Inés Justo  
Jorge Norberto Peña  
Martin Mandarano  
José Miguel Granged Bruñen  
Pablo Vera Pinto

Alternate Directors  
Sebastián Ortiz  
Gerardo Zmijak  
Juan Carlos Blanco  
Alejandro Fernández  
Fernando Claudio Antognazza

Enersis stake  
(direct and indirect)  
57.14%

## LUZ ANDES

Name  
Luz Andes Limitada

Type of entity  
Limited liability company

TAX ID  
96,800,460-3

Address  
Santa Rosa 76, Santiago, Chile

Phone number  
(56 2) 2634 6310

Subscribed and paid capital (Th\$)  
1,224

Corporate purpose  
Distribution and commercialization of electricity and the sale of home, sports, entertainment and computers electrical appliances.

Core business  
Distribution of electricity.

Main executives  
Claudio Inzunza Díaz  
CEO

Enersis stake  
(direct and indirect)  
99.09% - No variation.

## PEHUENCHE

Name  
Empresa Eléctrica Pehuenche S.A.

Type of entity  
Publicly held Limited Liability Company

TAX ID  
96,504,980-0

Address  
Santa Rosa 76, Santiago, Chile

Phone number  
(562) 2630 9000

Corporate purpose  
The company purpose is the generation, transmission, distribution and supply of electricity, for which it may acquire and use the respective concessions, permits and rights.

Core business  
Electricity Generation.

Subscribed and paid capital (Th\$)  
200,319,020

Board of Directors  
Alan Fischer Hill  
Alejandro García Chacón  
Humberto Espejo Paluz  
Fernando Gardeweg Ried  
Fernando Prieto Plaza

Main executives  
Lucio Castro Márquez  
CEO

Enersis stake  
(direct and indirect)  
55.57% - No variation.

## PROGAS

Name

Progas S.A.

Type of entity

Private company

TAX ID

77,625,850-4

Address

Avenida Isidora Goyenechea 3365, piso 8,  
Santiago, Chile

Phone number

(562) 2366 3800

Corporate purpose

Develop the following businesses in the 1st, 2nd and 3rd regions of the country, the acquisition, production, storage, transportation, distribution, transformation and commercialization of natural gas and other oil derivatives and fuels in general, the supply of services, manufacture, commercialization of equipment and materials, and carrying out works related to the above purposes or those necessary for their execution and development, any other activity necessary or leading to comply with the above mentioned purposes.

Core business

Gas supply.

Subscribed and paid capital (Th\$)

1,563

Board of Directors

Rudolf Araneda Kauert  
Luis Cerda Ahumada  
Pedro De La Sotta Sánchez

Main executives

Alejandro Sáez Carreño  
CEO

Enersis stake

(direct and indirect)  
30.75%

## SACME

Name

Sacme S.A.

Type of entity

Private company

Address

Avda. España 3251, Ciudad Autónoma de Buenos  
Aires, Argentina

Phone number

(5411) 4361 5107

Subscribed and paid capital  
(\$Argentinos)

12,000

Corporate purpose

Conduct, supervise and control the operation of the electricity generation, transmission and sub transmission system of Capital Federal and Gran Buenos Aires, and the interconnections with the Argentine Interconnection System (SADI in its Spanish acronym). Represent the companies Distribuidora Edenor S.A. and Edesur S.A. in terms of operations, before the wholesale market administrator, Compañía Administradora del Mercado Mayorista Eléctrico (CAMMESA in its Spanish acronym). In general, adopt all actions necessary to allow it to carry out the administration of the business correctly, as being constituted for this purpose by the concessionaire companies of the electricity distribution and commercialization in Capital Federal and Gran Buenos Aires, all in accordance with the international public tender for the sale of Class A shares in Edenor S.A. and Edesur S.A. and applicable regulations.

Core business

Conduction, supervision and control of operations of part of the Argentine electricity system.

Board of Directors

Oswaldo Ernesto Rolando  
Leandro Ostuni  
Daniel Flaks  
Eduardo Maggi

Alternate Directors

Abel Cresta  
Leonardo Félix Druker  
Alberto Rica  
José Luis Marinelli

Main executives

Francisco Cerar  
CEO

Enersis stake

(direct and indirect)  
35.80%

## SOCIEDAD PORTUARIA CENTRAL CARTAGENA

Name

Sociedad Portuaria Central Cartagena S.A.

Type of entity

Corporation

Address

Carrera 13 A N° 93-.66, piso 2 Bogotá, D.C.  
Colombia.

Subscribed and paid capital (Th\$)

1,578

Corporate purpose

The company's main purpose is the following:  
1. Investment, construction and maintenance of docks and private and public ports, their management and operations and the development and operation of a multipurpose port, according to the law, among others.

Board of Directors

Carlos Alberto Luna Cabrera  
Juan Manuel Pardo  
Leonardo López Vergara

Alternate Directors

Fernando Gutiérrez Medina  
Alba Lucía Salcedo  
Luís Fernando Salamanca

Main executives

Fernando Gutiérrez Medina  
CEO

Enersis stake

(direct and indirect)  
38.19%

## SOUTHERN CONE POWER ARGENTINA

Name

Southern Cone Power Argentina S.A.

Type of entity

Sociedad Anónima

Address

Avda. España 3301, Buenos Aires, Argentina

Phone number

(54 11) 4307 3040

Subscribed and paid capital (Th\$)

34,670

Corporate purpose

Wholesale electricity buying and produced by third parties and to be consumed by third parties. It may also hold participations in companies dedicated to electricity generation.

Core business

Investments

Board of Directors

José María Hidalgo Martín Mateos  
José Miguel Granged Bruñen  
Roberto José Fagan

Alternate Directors

Fernando Claudio Antognazza

Enersis stake

(direct and indirect)  
60.01%

## TERMOELÉCTRICA JOSÉ DE SAN MARTÍN

Name

Termoeléctrica José de San Martín S.A.

Type of entity

Sociedad Anónima

Address

Elvia Rawson de Dellepiane 150, piso 9, Buenos  
Aires, República de Argentina

Phone number  
(511) 561 0386

Subscribed and paid capital (Th\$)  
40,314

**Corporate purpose**  
The generation of electricity and its block commercialization, and particularly the management of the equipment, construction, operation and maintenance of a thermal plant in accordance with the "Definitive agreement for the management and operation of the projects for the re-adaptation of the MEM in the terms of Resolution SE N° 1427/2004", approved by Resolution SE N° 1193/2005.

**Core business**  
Electricity Generation.

**Board of Directors**  
José María Vázquez  
Claudio O. Majul  
José Miguel Granged Bruñen  
Fernando Claudio Antognazza  
Patricio Testorelli  
Martín Genesio  
Gerardo Carlos Paz  
José Manuel Tierno  
Jorge Ravlich

**Alternate Directors**  
Juan Carlos Blanco  
Roberto José Fagan  
Adrián Gustavo Salvatore  
Leonardo Pablo Katz  
Iván Durontó  
Emiliano Chaparro  
Luís Agustín León Longobardo  
Sergio Raúl Sánchez  
Rigoberto Orlando Mejía Aravena

**Main executives**  
Claudio Omar Majul  
CEO - Gerente de Main Executives y Finanzas  
Fernando Rabita - Gerente Operativo de Planta  
Guillermo Paillet - Gerente Comercial

**Enersis stake**  
(direct and indirect)  
10.38%

## TERMOELÉCTRICA MANUEL BELGRANO

**Name**  
Termoeléctrica Manuel Belgrano S.A.

**Type of entity**  
Corporation

**Address**  
Suiyacha 268, piso 12, Buenos Aires, Argentina

**Phone number**  
(511) 561 0386

**Subscribed and paid capital (Th\$)**  
40,314

**Corporate purpose**  
The purpose of the company is the generation of electricity and its block commercialization, and particularly the management of the equipment, construction, operation and maintenance of a thermal plant in accordance with the "Definitive agreement for the management and operation of the projects for the re-adaptation of the MEM in the terms of Resolution SE N° 1427/2004", approved by Resolution SE N° 1193/2005.

**Core business**  
Electricity Generation.

**Board of Directors**  
Patricio Testorelli  
Martín Genesio  
Adrián Gustavo Salvatore  
José María Vázquez  
Fernando Claudio Antognazza  
José Miguel Granged Bruñen  
Gerardo Carlos Paz  
José Manuel Tierno  
Jorge Ravlich

**Alternate Directors**  
Rigoberto Orlando Mejía Aravena  
Juan Carlos Blanco  
Roberto José Fagan  
Leonardo Marinaro  
Leonardo Pablo Katz  
Emiliano Chaparro  
Luis Agustín León Longobardo  
Sergio Raúl Sánchez  
Iván Diego Durontó

**Main executives**  
Gabriel Omar Ures  
CEO  
Gustavo Manifiesto  
Gerente Técnico  
Óscar Zapiola  
Gerente de Main Executives y Finanzas  
Sergio Schmois  
Gerente Comercial

**Enersis stake**  
(direct and indirect)  
10.38%

## TESA

**Name**  
Transportadora de Energía S.A.

**Type of entity**  
Sociedad Anónima

**Address**  
Bartolomé Mitre 797, piso 11, Buenos Aires, República de Argentina

**Phone number**  
(5411) 4394 1161

**Subscribed and paid capital (Th\$)**  
8,063

**Corporate purpose**  
Supply high voltage electricity transmission services in relation to national and international electricity

systems, according to current legislation, for which it may take part in national or international tenders, become a public utility concessionaire in local or international high-voltage electricity transmission, and perform all activities necessary for these purposes, including but not limited to, becoming a part of construction, operation and maintenance for the start up or expansion of electricity transmission lines, participate in financing of projects directly or indirectly related to such endeavors as borrower and/or lender and/or guarantor, and allowed to give guarantees in favor of third parties. All activities considered in the Financial Institutions Act and any other that requires the assistance of government funds are excluded.

**Core business**  
Electricity transmission.

**Directores**  
José María Hidalgo Martín-Mateos  
Guilherme Gomes Lencastre  
Arturo Miguel Pappalardo

**Alternate Directors**  
José Venegas Maluenda  
Juan Carlos Blanco  
Roberto José Fagan

**Main executives**  
Arturo Pappalardo  
CEO

**Enersis stake**  
(direct and indirect)  
83.53%

## TRANSQUILLOTA

**Name**  
Transmisora Eléctrica de Quillota Ltda.

**Type of entity**  
Sociedad de Responsabilidad Limitada

**TAX ID**  
77,017,930-0

**Address**  
Tax IDa 60, km 25, Lo Venecia, Comuna de Quillota, V Región de Valparaíso

**Phone number**  
(562) 2630 9000

**Subscribed and paid capital (Th\$)**  
4,404,446

**Corporate purpose**  
Transmission, distribution and supply of electricity, by itself or through third parties.

**Core business**  
Electricity transmission.

**Attorneys-in-fact**  
Juan Eduardo Vásquez Moya  
Gabriel Carvajal Menególlez  
Ricardo Santibáñez Zamorano



Attorneys-in-fact Alternate  
Eduardo Calderón Avilés  
Carlos Ferruz Bunster  
Ricardo Sáez Sánchez

Enersis stake  
(direct and indirect)  
30.75%

## TÚNEL EL MELÓN

Name  
Sociedad Concesionaria Túnel El Melón S.A.

Type of entity  
Private company

TAX ID  
96,671,360-7

Address  
Santa Rosa 76, Santiago, Chile

Phone number  
(562) 2690 5081

Subscribed and paid capital (Th\$)  
19,028,480

Corporate purpose  
Execution, construction and exploitation of the public highway tunnel called Tunnel El Melón and the supply of complementary services, authorized by the Ministry of Public Works.

Core business  
Infrastructure concessionaire

Board of Directors  
Eduardo Escaffi Johnson (CFO of Enersis S.A.)  
Sebastián Fernández Cox  
Vacant

Main executives  
Maximiliano Ruiz Ortíz  
CEO

Enersis stake  
(direct and indirect)  
59.98% - No variation.

## YACYLEC S.A.

Name  
Yacylec S.A.

Type of entity  
Private company

Address  
Bartolomé Mitre 797, piso 11º; Ciudad Autónoma de Buenos Aires.

Phone number  
(5411) 4587 4322

Subscribed and paid capital (Th\$)  
1,612,544

Corporate purpose  
Construction, operation and maintenance of the electrical link between the hydroelectric Yacyreta (Corrientes Province), and the transformer station resistance (Chaco province), and the provision of services of transport of electricity.  
Core business  
Electricity transmission.

Board of Directors  
Jorge Neira (Chairman)  
Juan Manuel Pereyra (ViceChairman)  
José María Hidalgo Martín-Mateos  
Juan Carlos Blanco  
Gerardo Luis Ferreyra  
Osvaldo Acosta  
Guillermo Díaz  
Eduardo Martín Albarracin  
Miguel Angel Sosa  
Luis Juan Bautista Piatti  
Arturo Pappalardo  
Patricia Liliana Díaz

Alternate Directors  
Ricardo Repetti  
Javier Elgueta  
María Inés Justo  
Roberto José Fagan Pecollo  
Gianfranco Catrini  
Massimo Villa  
Roberto Leonardo Maffioli  
Darío Ballaré  
Sergio Vestfrid  
Daniel Garrido  
Robert Ortega  
Alberto Verra

Main executives  
Arturo Pappalardo (CEO)  
Alberto Funes  
Alberto Ledesma  
Jessica Chelén

Enersis stake  
(direct and indirect)  
22.22%

Proportion of Enersis assets de Enersis  
0.02%

### Notes:

1. There are no acts or contracts subscribed by Enersis S.A. with its subsidiaries or associates that significantly influence Enersis S.A. operations.
2. In subsidiaries and associates that do not include the item Proportion of Enersis assets, Enersis does not hold a direct Investment.
3. In subsidiaries and associates that do not include the item commercial relations, Enersis does not have a commercial relations.



## Declaration of responsibility

The members of the board of directors and chief executive officer of Enersis, the signatories to this declaration, swear to accept responsibility for the accuracy of all the information contained in this document, in compliance with general rule N°30 of the Superintendencia of Securities and Insurance.



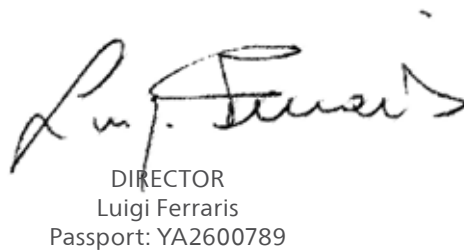
CHAIRMAN  
Pablo Yrarrázaval Valdés  
Tax ID: 5,710,967-K



VICECHAIRMAN  
Borja Prado Eulate  
Passport: AAC809697



DIRECTOR  
Andrea Brentan  
Passport: YA0688158



DIRECTOR  
Luigi Ferraris  
Passport: YA2600789



DIRECTOR  
Hernán Somerville Senn  
Tax ID: 4,132,185-7



DIRECTOR  
Leonidas Vial Echeverría  
Tax ID: 5,719,922-9



DIRECTOR  
Rafael Fernández Morandé  
Tax ID: 6,429,250-1



CEO  
Ignacio Antoñanzas Alvear  
Tax ID: 22,298,662-1



## Directors and Executive Officers

### CHAIRMAN

**Pablo Yrarrázaval Valdés**  
PHONE NUMBER (56-2) 2353 4663

### VICE CHAIRMAN

**Borja Prado Eulate**  
PHONE NUMBER (56-2) 2353 4631

### DIRECTOR

**Andrea Brentan**  
PHONE NUMBER (56-2) 2353 4631

### DIRECTOR

**Luigi Ferraris**  
PHONE NUMBER (56-2) 2353 4631

### DIRECTOR

**Hernán Somerville Senn**  
PHONE NUMBER (56-2) 2353 4631

### DIRECTOR

**Leonidas Vial Echeverría**  
PHONE NUMBER (56-2) 2353 4631

### DIRECTOR

**Rafael Fernández Morandé**  
PHONE NUMBER (56-2) 2353 4631

### CEO

**Ignacio Antoñanzas Alvear**  
PHONE NUMBER (56-2) 2353 4510

### DEPUTY CEO

**Massimo Tambosco**  
PHONE NUMBER (56-2) 2353 4613

### COMMUNICATIONS OFFICER

**Daniel Martini**  
PHONE NUMBER (56-2) 2353 4666

### INTERNAL AUDIT OFFICER

**Alain Rosolino**  
PHONE NUMBER (56-2) 2353 4647

### ADMINISTRATION, FINANCE AND CONTROL OFFICER

**Eduardo Escaffi Johnson**  
PHONE NUMBER (56-2) 2353 4682

### PLANNING AND CONTROL OFFICER

**Marco Fadda**  
PHONE NUMBER (56-2) 2353 4684

### LEGAL COUNSEL AND SECRETARY OF THE BOARD

**Domingo Valdés Prieto**  
PHONE NUMBER (56-2) 2353 4631

### HUMAN RESOURCES OFFICER

**Carlos Niño Forero**  
PHONE NUMBER (56-2) 2675 2780

### PROCUREMENT OFFICER

**Eduardo López Miller**  
PHONE NUMBER (56-2) 2353 4635

### SHARED SERVICES OFFICER

**Jaime Sánchez-Cano**  
PHONE NUMBER (56-2) 2353 5159

## Investor Relations

### INVESTOR RELATIONS DIRECTOR

**Pedro Cañamero González**  
PHONE NUMBER (56-2) 2353 4682

### CITIBANK NY

**Teresa Loureiro-Stein**  
PHONE NUMBER (1-212) 816 6814

### SANTANDER INVESTMENT

**Ignacio Algora**  
PHONE NUMBER (34-91) 289 3951



Enersis es una empresa del Grupo Enel

[www.enersis.cl](http://www.enersis.cl)