



**COMISION NACIONAL
DEL MERCADO DE VALORES**

En relación con la oferta de adquisición de acciones de la compañía chilena Enersis, S.A., y como continuación de la comunicación realizada, vía fax a las 18,40 h. del día 10 de Marzo del presente, adjunto le remito:

- a) Formulario 14-D de la Securities and Exchange Commission, expresivo de las condiciones de la oferta (Tender Offer) realizada en Estados Unidos por Endesa Internacional.
- b) Asimismo, anuncio en prensa publicado en The New York Times el día 10 de Marzo de 1998.

En los próximos días, se acompañarán los textos anteriores en versión castellana.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 14D-1
Tender Offer Statement
Pursuant to Section 14(d)(1) of the Securities Exchange Act of 1934

ENERSIS S.A.
(Name of Subject Company)

ENDESA INTERNACIONAL, S.A.

ENDESA, S.A.

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
\$472,322,009	\$94,464.40

* For purposes of calculating the filing fee only. This calculation assumes the purchase of 694,591,189 shares of common stock, no par value, at a price per share of U.S. \$0.68.
** 1/50 of 1% of the Transaction Valuation.

Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not applicable.
Form or Registration No.: Not applicable.

Filing Party: Not applicable.
Date Filed: Not applicable.

This Schedule 14D-1 also constitutes Amendment No. 6 to the Schedule 13D of ENDESA, S.A. with respect to the Common Stock, no par value, of Enersis S.A.

SCHEDULE 14D-1

CUSIP No. 00029274F1

1.	NAMES OF REPORTING PERSONS S.S or I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS ENDESA, S.A.
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>
3.	SEC USE ONLY
4.	SOURCE OF FUNDS BK; WC
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f) <input type="checkbox"/>
6.	CITIZENSHIP OR PLACE OF ORGANIZATION KINGDOM OF SPAIN
7.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,171,518,108
8.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES <input type="checkbox"/>
9.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (7) 31.9%
10.	TYPE OF REPORTING PERSON CO

SCHEDULE 14D-1

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Item 1. Security and Subject Company.

(a) The class of equity securities to which this Statement relates is the shares of common stock, no par value (the "Shares"), of Enersis S.A. (the "Company"), a publicly traded stock corporation (*sociedad anonima abierta*) organized under the laws of the Republic of Chile. The principal executive offices of the Company are located at Santo Domingo, 789, Santiago, Chile.

(b) This statement relates to the offer by Endesa Internacional, S.A., a privately held stock company organized under the laws of the Kingdom of Spain ("Bidder"), to purchase for cash outstanding Shares of the Company and American Depositary Shares (the "ADSs"), each representing 50 Shares and evidenced by American Depositary Receipts, representing in the aggregate up to 694,591,189 Shares, at a price of Chilean pesos 320 per Share and Chilean pesos 16,000 per ADS, in each case net to the seller in cash, upon the terms and subject to the conditions set forth in the U.S. Offer to Purchase dated March 10, 1999 (the "U.S. Offer to Purchase") and in the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery, copies of which are attached hereto as Exhibits (a)(1), (a)(2), (a)(3) and (a)(11) (which are herein collectively referred to as the "U.S. Offer").

(c) The information set forth in Section 7 "Price Range of Shares and ADSs; Dividends" of the U.S. Offer to Purchase is incorporated herein by reference.

Item 2. Identity and Background.

(a)-(d) This Statement is being filed by Bidder and ENDESA, S.A. ("Endesa"), a limited liability company (*sociedad anonima*) organized under the laws of the Kingdom of Spain. Bidder is a wholly owned subsidiary of Endesa. The information set forth in the Introduction, Section 9 "Certain Information Concerning the U.S. Purchaser, the Chilean Purchaser and Endesa" of the U.S. Offer to Purchase is incorporated herein by reference. The name, business address, present principal occupation or employment, marital occupations, positions, offices or employments during the last five years and citizenship of each director and executive officer of Bidder and Endesa is set forth on Schedule I to this U.S. Offer to Purchase and is incorporated herein by reference.

(e)-(f) Except as otherwise provided in Section 9 "Certain Information Concerning the U.S. Purchaser, the Chilean Purchaser and Endesa" of the U.S. Offer to Purchase, which Section is incorporated herein by reference, neither Bidder or Endesa, nor, to the best of their knowledge, any of the persons listed in Schedule I of the U.S. Offer to Purchase, has during the last five years (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

Item 3. Past Contacts, Transactions or Negotiations with the Subject Company.

(a)-(b) The information set forth in the Introduction and Section 11 "Background of the Offers; Past Contacts, Transactions or Negotiations with the Company" of the U.S. Offer to Purchase is incorporated herein by reference.

Item 4. Source and Amount of Funds or Other Consideration.

(a)-(b) The information set forth in Section 10 "Source and Amount of Funds" of the U.S. Offer to Purchase is incorporated herein by reference.

(c) Not applicable.

Item 5. Purpose of the Tender Offer and Plans or Proposals of the Bidder.

(a)-(e) The information set forth in the Introduction and Section 12 "Purpose of the Offers; Plans for the Company" of the U.S. Offer to Purchase is incorporated herein by reference.

(f)-(g) The information set forth in Section 13 "Effect of the Offers on the Market for the Shares and ADSs; Registration of Shares Under the Exchange Act" of the U.S. Offer to Purchase is incorporated herein by reference.

Item 6. Interest in Securities of the Subject Company.

(a)-(b) The information set forth in the Introduction, Section 11 "Background of the Offers; Past Contacts, Transactions or Negotiations with the Company," Section 9 "Certain Information Concerning the U.S. Purchaser, the Chilean Purchaser and Endesa" and Schedule I of the U.S. Offer to Purchase is incorporated herein by reference.

Item 7. Contracts, Arrangements, Understandings or Relationships with Respect to the Subject Company's Securities.

The information set forth in the Introduction, Section 9 "Certain Information Concerning the U.S. Purchaser, the Chilean Purchaser and Endesa," Section 11 "Background of the Offers; Past Contacts, Transactions or Negotiations with the Company" and Schedule I of the U.S. Offer to Purchase is incorporated herein by reference.

Item 8. Persons Retained, Employed or to be Compensated.

The information set forth in Section 17 "Fees and Expenses" of the U.S. Offer to Purchase is incorporated herein by reference.

Item 9. Financial Statements of Certain Bidders.

The information set forth in Section 9 "Certain Information Concerning the U.S. Purchaser, the Chilean Purchaser and Endesa" of the U.S. Offer to Purchase and the financial statements and notes related thereto contained in Endesa's Annual Report on Form 20-F for the year ended December 31, 1997 and its Reports on Form 6-K filed with the Securities and Exchange Commission on February 26, 1999, March 1, 1999 and March 5, 1999 are incorporated herein by reference.

Item 10. Additional Information.

(a) None.

(b)-(c) The information set forth in Section 16 "Certain Legal Matters; Regulatory Approvals" of the U.S. Offer to Purchase is incorporated herein by reference.

(d) The information set forth in Section 13 "Effect of the Offers on the Market for Shares and ADSs; Registration of Shares under the Exchange Act" of the U.S. Offer to Purchase is incorporated herein by reference.

(e) Not applicable.

(f) The information set forth in the U.S. Offer to Purchase, the ADS Letter of Transmittal and the Form of Acceptance is incorporated herein by reference in its entirety.

Item 11. Material to be Filed as Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
Exhibit (a)(1)	U.S. Offer to Purchase dated March 10, 1999.
Exhibit (a)(2)	Form of Acceptance for Shares (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
Exhibit (a)(3)	ADS Letter of Transmittal with respect to the ADSs (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
Exhibit (a)(4)	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees for ADSs.
Exhibit (a)(5)	Form of Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees for ADSs.
Exhibit (a)(6)	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees for Shares.
Exhibit (a)(7)	Form of Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees for Shares.
Exhibit (a)(8)*	Text of press release issued by Endesa dated March 10, 1999, announcing the tender offer (English version).
Exhibit (a)(9)*	Text of press release issued by Endesa dated March 10, 1999, announcing the tender offer (Spanish version).
Exhibit (a)(10)	Text of Tombstone advertisement dated March 10, 1999, published in The New York Times.
Exhibit (a)(11)	ADS Notice of Guaranteed Delivery.
Exhibit (a)(12)	English translation of Notice of Intent to Acquire Control dated March 10, 1999, published in El Mercurio.
Exhibit (a)(13)	English translation of Notice to Acquire Shares of Euerstis S.A. through a "Remate" dated March 10, 1999 published in El Mercurio.
Exhibit (a)(14)	Letter to Shareholders of the Company from Endesa, dated March 10, 1999.
Exhibit (a)(15)	Press release dated February 18, 1999 regarding Duke Energy's Tender Offer for Endesa Chile.
Exhibit (b)(i)	Summary English translation of Ptas 50 billion Credit Agreement dated January 30, 1998 (as amended) between Endesa and its subsidiaries, Endesa Desarrollo, S.A. (Endesar), Endesa Internacional, S.A., Endesa Diversificación, S.A., Fuerzas Eléctricas de Cataluña, S.A. (FECSA), Eléctricas Reunidas de Zaragoza, S.A. (ERZ), Energías de Aragón, S.A. (EASA), Empresa Nacional Hidroeléctrica del Ribagorzana, S.A. (ELRIER), Hidroeléctrica de Cataluña, S.A. (HECSA), Sevillana de Electricidad, S.A., Unión Eléctrica de Canarias, S.A. (UNELCO), Gas y Electricidad, S.A. (GESA), Electra del Viesgo, S.A. (VIESGO) and Empresa Nacional Eléctrica de Córdoba, S.A. (ENECO), (together, the "Subsidiaries") and Banco Español de Crédito, S.A.
Exhibit (b)(ii)	Summary English translation of Ptas 100 billion Credit Agreement dated February 13, 1998 (as amended) between Endesa and its Subsidiaries and Banco Bilbao Vizcaya, S.A.
Exhibit (b)(iii)	Summary English translation of Ptas 100 billion Credit Agreement dated December 30, 1998 (as amended) between Endesa and its Subsidiaries and Banco Central Hispanoamericano.
Exhibit (b)(iv)	Summary English translation of Ptas 100 billion Credit Agreement dated February 13, 1998 (as amended) between Endesa and its Subsidiaries and Banco Exterior de España, S.A.
Exhibit (b)(v)	Summary English translation of Ptas 30 billion Credit Agreement dated January 30, 1998 (as amended) between Endesa and its Subsidiaries and Bilbao Bizkaia Kutxa.

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Exhibit (b)(vi)	Summary English translation of Ptas 20 billion Credit Agreement dated January 22, 1999 between Endesa and its Subsidiaries and La Caja de Ahorros de Galicia.
Exhibit (b)(vii)	Summary English translation of Ptas 25 billion Credit Agreement dated January 26, 1998 (as amended) between Endesa and its Subsidiaries and Caja de Ahorros y Monte de Piedad de Guipozcoa y San Sebastián.
Exhibit (b)(viii)	Summary English translation of Ptas 100 billion Credit Agreement dated February 3, 1998 (as amended) between Endesa and its Subsidiaries and Caja de Ahorros y Monte de Piedad de Madrid.
Exhibit (b)(ix)	Summary English translation of Ptas 100 billion Credit Agreement dated January 21, 1998 (as amended) between Endesa and its Subsidiaries and Caja de Ahorros y Pensiones de Barcelona.
Exhibit (b)(x)	Summary English translation of Ptas 15 billion Credit Agreement dated October 14, 1998 between Endesa and Endesa Internacional, S.A. (EI), Fuerzas Eléctricas de Cataluña, S.A. (FECSA), and Recursos Energeticos Locales, S.A. (RELSA) and Deutsche Bank, Sociedad Anónima Española.
Exhibit (b)(xi)	English translation of Ptas 100 billion Credit Agreement dated February 18, 1998 (as amended) between Endesa and its Subsidiaries and Banco Santander, S.A.
Exhibit (c)(1)	English summary of the material terms of the Spanish language Strategic Alliance Agreement dated as of August 2, 1997 between Endesa and Enersis.
Exhibit (c)(2)	English summary of the material terms of the Spanish language Purchase and Sale Agreement dated as of August 2, 1997 among Jose Yuraseck Troncoso, Marcos Zylberberg Klos, Marcelo Brito Leon, Arsenio Molina Alcalde, Luis Fernando Mackenna, Alfonso Torrealba Ugarte, Eduardo Gardella Brusco, Inversiones Los Almendros y Compañía, Inmobiliaria Luz y Fuerza y Compañía, Endesa and Elesur relating to the purchase and sale of 51% of the Chispas' B Shares.
Exhibit (c)(3)	English summary of the material terms of the Spanish language Purchase and Sale Agreement dated as of August 2, 1997 among Jose Yuraseck Troncoso, Marcos Zylberberg Klos, Marcelo Brito Leon, Arsenio Molina Alcalde, Luis Fernando Mackenna, Alfonso Torrealba Ugarte, Eduardo Gardella Brusco, Inmobiliaria Luz y Fuerza y Compañía S.A. represented by Jose Yuraseck, Marcos Zylberberg and Luis Fernando Mackenna and Endesa relating to the purchase and sale of 49% of the Chispas' B Shares.
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Exhibit (c)(5)	English summary of the material terms of the Non-Competition Agreement dated October 29, 1997 among the Former Key Managers, Inversiones Los Almendros y Compañía, Inmobiliaria Luz y Fuerza y Compañía and Endesa.
Exhibit (c)(6)	English summary of the material terms of the Share Purchase and Sale Agreement dated October 29, 1997 between Inmobiliaria Luz y Fuerza y Compañía and Endesa relating to the sale of 49% of the Chispas' Series B shares.
Exhibit (c)(7)	English translation of the Spanish language Strategic Alliance Agreement dated as of March 18, 1998 between Endesa, S.A. and Enersis S.A.
Exhibit (d)	None.
Exhibit (e)	Not applicable.
Exhibit (f)(1)	Road Show slide presentation (English version).

* To be filed by Amendment.

SIGNATURE

Each Reporting Person certifies that, after due inquiry and to the best of its knowledge and belief, the information set forth in this statement is true, complete and correct.

Dated: March 10, 1999

Exhibit Index

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* To be filed by Amendment.



U.S. Offer to Purchase for Cash Shares of Common Stock and
American Depositary Shares representing in the aggregate
up to 694,591,189 Shares of Common Stock, no par value,

of

ENERSIS S.A.

at

Chilean Pesos 320 Net Per Share of Common Stock and
Chilean Pesos 16,000 Net Per American Depositary Share
(each American Depositary Share representing 50 Shares of Common Stock)

by

ENDESA INTERNACIONAL, S.A.

a wholly-owned subsidiary of

ENDESA, S.A.

The U.S. Offer, profferation period and withdrawal rights will expire at 10:00 p.m., New York City time, on Tuesday, April 6, 1999, unless the U.S. Offer is extended.

This offer (referred to herein as the "U.S. Offer") is being made in conjunction with an offer (the "Chilean Offer" and, together with the U.S. Offer, the "Offers") by Enesur S.A. (the "Chilean Purchaser"), an affiliate of Endesa Internacional, S.A. (the "U.S. Purchaser" and, together with the Chilean Purchaser, the "Purchasers"), to purchase up to 1,481,408,811 shares of Common Stock, no par value (the "Shares"), of Enersis S.A. (the "Company"). The U.S. Offer is open to all holders of American Depositary Shares ("ADSs") and to all holders of Shares who are not Chilean Persons (as defined below). Holders of Shares who are not Chilean Persons will not be permitted to tender their Shares in the Chilean Offer. At the Observed Exchange Rate (as defined herein) in effect on March 9, 1999, the United States dollar equivalent of the U.S. Offer price for the ADSs would be approximately \$32.31 per ADS.

The Offers will not proceed unless shareholders approve the Bylaw Amendment (described below) by the affirmative vote of holders of at least 75% of the outstanding Shares (including Shares represented by ADSs) at a shareholders' meeting currently scheduled for March 30, 1999. All holders of Shares and/or ADSs are urged to vote their Shares and/or ADSs in favor of the Bylaw Amendment, whether or not they intend to tender their Shares and/or ADSs in the Offers. Endesa, S. A. and its affiliates intend to vote all Shares held by them in favor of the Bylaw Amendment.

Holders of ADSs are urged to vote promptly to ensure that their votes will be counted. Persons holding ADSs through brokers or other nominees should ask such persons to issue voting instructions as soon as possible to Citibank, N.A., the depository for the ADSs. Registered ADS holders should return their voting instructions as soon as possible to Citibank, N.A.

The Chilean Offer will be effected pursuant to an auction transaction on the *Bolsa de Comercio de Santiago* (the "Santiago Stock Exchange"), commonly referred to as a "remate" (the "Chilean Auction"). The Chilean Purchaser will purchase Shares during, but outside of, the U.S. Offer pursuant to the Chilean Auction. These purchases may be made at prices higher than the U.S. Offer price; however, if purchases are made at a higher price, then, prior to the expiration of the U.S. Offer, the U.S. Offer price will be increased to the highest price paid by the Chilean Purchaser in the Chilean Auction.

The U.S. Offer is subject to a number of conditions, including (i) shareholder approval at a meeting held on March 30, 1999 of an amendment to the bylaws (the "Bylaw Amendment") of the Company increasing the percentage of Shares that may be beneficially owned by one shareholder (or group of shareholders) from 32% to 65% of the outstanding Shares of the Company (the "Bylaw Amendment Condition") and (ii) the absence of any change or circumstance that materially adversely affects the business, assets, financial condition or net worth of the Company and its affiliates or the value of the Shares. This U.S. Offer is subject to other terms and conditions. Please see "Section 15, Certain Conditions of the U.S. Offer."

As of the date hereof, the Board of Directors of the Company has not reviewed the U.S. Offer and has not taken a position with respect to the U.S. Offer. Pursuant to Rule 14e-2 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), within 10 business days of the date of this U.S. Offer the Company is required to provide the Company's security holders a statement of the Company's position with respect to this U.S. Offer.

This transaction has not been approved or disapproved by the Securities and Exchange Commission nor has the Commission passed on the fairness or merits of such transaction nor upon the accuracy or adequacy of the information contained in this document. Any representation to the contrary is unlawful.

IMPORTANT INFORMATION

Tenders by Holders of Shares: Any holder of shares of Common Stock, no par value (the "Shares"), of the Company desiring to tender in the U.S. Offer all or any portion of the Shares owned by such holder should either (1) complete and sign the Form of Acceptance (or a copy thereof) in accordance with the instructions in the Form of Acceptance and mail or deliver it together with the *Título(s)* (certificate(s) of title) evidencing such tendered Shares and all other required documents to The Bank of New York, as receiving agent for the U.S. Offer (the "Receiving Agent"), or tender such Shares pursuant to the procedures for book-entry transfer set forth in "Section 3. Procedure for Accepting the U.S. Offer—Holders of Enersis Shares" or (2) request his or her broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him or her. A shareholder having Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such person if he or she desires to tender such Shares. If the U.S. Purchaser is required to accept for payment tendered Shares and/or ADSs on a pro rata basis because more than 694,591,189 Shares are validly tendered prior to the Expiration Date and not withdrawn, Shares will be purchased only in multiples of 50 Shares.

Tenders by Holders of ADSs: Any holder of ADSs desiring to tender all or any portion of the ADSs (each ADS representing 50 Shares) owned by such holder should either (1) complete and sign the ADS Letter of Transmittal or a copy thereof in accordance with the instructions contained in the ADS Letter of Transmittal and mail or deliver the ADS Letter of Transmittal together with the American Depositary Receipts (the "ADRs") evidencing tendered ADSs and all other required documents to the Receiving Agent or tender such ADSs pursuant to the procedures for book-entry transfer set forth in "Section 4. Procedure for Accepting the U.S. Offer—Holders of Enersis ADSs" or (2) request his or her broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him or her. A holder having ADSs registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such person if he or she desires to tender such ADSs. Any holder of ADSs who desires to tender ADSs and whose certificates evidencing such ADSs are not immediately available and cannot deliver such ADSs and all other required documents to the Receiving Agent by the expiration of the U.S. Offer or who cannot comply with the procedures for book-entry transfer on a timely basis must tender such ADSs pursuant to the guaranteed delivery procedure set forth in "Section 4. Procedure for Accepting the U.S. Offer—Holders of Enersis ADSs."

Consent to Bylaw Amendment. Holders of Shares who desire to vote their Shares in favor of the Bylaw Amendment should either (1) appear in person at the meeting of the Company's shareholders to be held on March 30, 1999 and vote such Shares or (2) complete and deliver, no later than March 29, 1999, the Power of Attorney included in the Form of Acceptance, in accordance with the instructions set forth therein. Holders of ADSs who desire to vote in favor of the Bylaw Amendment and who have questions as to voting procedures should contact the Information Agent toll free at (800) 859-8509 or collect at (212) 269-5550. See "Consent to Bylaw Amendment." Persons holding ADSs through brokers or other nominees are encouraged to ask such persons to issue voting instructions to Citibank, N.A. as soon as possible, and not later than the cut-off date to be determined by Citibank to help ensure that their voting instructions will be given effect.

Settlement of U.S. Offer Price. The purchase price for the ADSs accepted for payment pursuant to the U.S. Offer will be paid in United States dollars, with the dollar amount thereof being determined by reference to the average exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile (the "Observed Exchange Rate") as in effect on the date of payment. The purchase price for the Shares accepted for payment pursuant to the U.S. Offer will be paid in Chilean pesos. All tendering holders will bear exchange rate risks and costs if they wish to convert the currency received into another currency. In addition, the right of a holder of Shares to convert Chilean pesos received upon the sale of its Shares pursuant to the U.S. Offer into another currency and to expatriate these proceeds to a country other than Chile may be affected by the terms of the foreign investment contract pursuant to which such holder acquired its Shares.

To assist you in connection with the U.S. Offer, please contact the Information Agent or the Dealer Managers at their respective addresses and telephone numbers set forth on the back cover of this U.S. Offer to Purchase. Additional copies of this U.S. Offer to Purchase, Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery also may be obtained from the Information Agent, brokers, dealers, commercial banks or trust companies.

The Dealer Managers for the U.S. Offer are:

BT Wolfensohn

Goldman, Sachs & Co.

The date of this U.S. Offer to Purchase is March 10, 1999

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To the Holders of Shares of Common Stock and the
American Depositary Shares of Enersis S.A.:

INTRODUCTION

Endesa Internacional, S.A., a limited liability company incorporated under the laws of the Kingdom of Spain (the "U.S. Purchaser") and a wholly-owned subsidiary of Endesa, S.A., a limited liability company organized under the laws of the Kingdom of Spain ("Endesa"), hereby offers to purchase for cash as herein provided shares of Common Stock, no par value (the "Shares"), of Enersis S.A., a publicly-traded stock corporation incorporated under the laws of the Republic of Chile (the "Company"), plus a number of American Depositary Shares, each representing 50 Shares (the "ADSs"), which Shares and ADSs represent, in the aggregate, up to 694,591,189 Shares at a price of Chilean pesos 320 per Share, net to the seller in cash and without interest thereon, and at a price of Chilean pesos 16,000, per ADS, net to the seller in cash and without interest thereon, in each case upon the terms and subject to the conditions set forth in this U.S. Offer to Purchase and in the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery (which, as amended or supplemented from time to time, together constitute the "U.S. Offer").

Concurrent with the U.S. Offer, Eleaur S.A., an affiliate of the U.S. Purchaser and a privately held stock company incorporated under the laws of the Republic of Chile (the "Chilean Purchaser"), is making the Chilean Offer for up to 1,481,408,811 Shares. The aggregate number of Shares (including Shares represented by ADSs) sought in the two Offers is 2,176,000,000 Shares (32% of the outstanding Shares).

The Chilean Purchaser will purchase Shares during, but outside of, the U.S. Offer pursuant to the Chilean Auction. These purchases may be made at prices higher than the U.S. Offer price; however, if such purchases are made at a higher price, then, prior to the expiration of the U.S. Offer, the U.S. Offer price will be increased to the highest price paid by the Chilean Purchaser in the Chilean Auction.

The *Estatutos* of the Company (the "Bylaws") currently prohibit any person from owning, directly or indirectly through related parties, more than 32% of the voting capital stock of the Company. Currently Endesa owns nearly 32% of the outstanding Shares of the Company. Accordingly, the U.S. Offer is subject to satisfaction of the Bylaw Amendment Condition. An extraordinary meeting of the Company's shareholders is currently scheduled for March 30, 1999 to consider an amendment to the Bylaws (the "Bylaw Amendment") to increase the percentage of Shares that a single shareholder (or group of shareholders) may beneficially own in the Company from 32% to 65% of the outstanding Shares of the Company. Approval of the Bylaw Amendment requires the affirmative vote of 75% of the outstanding Shares (including Shares represented by ADSs).

The record date for determining the holders of Shares entitled to vote at this meeting (the "Bylaw Meeting") is March 24, 1999. Endesa and its affiliates intend to vote all Shares held by them in favor of the Bylaw Amendment. The record date in respect of ADSs holders shall be communicated by Citibank.

Endesa urges all holders of Shares and ADSs to vote their Shares and/or ADSs in favor of the Bylaw Amendment at the Bylaw Meeting regardless of whether such holders intend to tender their Shares and/or ADSs in the U.S. Offer.

Should holders of at least 75% of the outstanding Shares approve the Bylaw Amendment, Chilean law requires the publication and recording of the shareholder approval before the Bylaw Amendment will be effective. The time required to obtain the publication and recording of the shareholder approval is uncertain. While there can be no assurance as to this timing, Endesa's Chilean counsel advises that these actions could be accomplished within 10 business days.

The U.S. Offer currently is scheduled to expire at 10:00 p.m. New York City time on Tuesday, April 6, 1999. The Chilean Auction will be scheduled to occur as soon as practicable after approval of the Bylaw Amendment. Subject to applicable law and to the extent practicable, the U.S. Offer will be extended as necessary to cause the U.S. Offer to expire, no later than 24 hours after the completion of the Chilean Auction.

Tendering shareholders will not be obligated to pay brokerage fees, commissions or stock transfer taxes on the sale of their Shares pursuant to the U.S. Offer. Tendering holders of ADSs will not be obligated to pay brokerage fees, commissions or, except as set forth in Instruction 6 of the ADS Letter of Transmittal, transfer taxes on the sale of their ADSs pursuant to the U.S. Offer. The U.S. Purchaser will pay all charges and expenses of BT Wolfensohn and Goldman, Sachs & Co. (together, the "Dealer Managers"), The Bank of New York (the "Receiving Agent") and D.F. King & Co., Inc. (the "Information Agent") incurred in connection with the U.S. Offer. See "Section 17. Fees and Expenses."

According to the Company's Annual Report on Form 20-F for the year ended December 31, 1997 (the "Company 20-F"), filed by the Company with the Securities and Exchange Commission (the "Commission"), as of December 31, 1997 there were 6,800,000,000 Shares outstanding, including 1,132,239,300 Shares represented by ADSs. As of the date hereof, Endesa beneficially owns 2,171,518,108 Shares representing approximately 31.9% of the outstanding Shares. If Shares and/or ADSs representing 2,176,000,000 Shares are validly tendered and accepted pursuant to the Offers, Endesa would beneficially own in the aggregate approximately 64% of the outstanding Shares (based on the number of Shares outstanding as of December 31, 1997).

The purpose of the U.S. Offer and the Chilean Offer is to acquire control of, and approximately a 64% equity position in, the Company. Endesa currently intends, as soon as practicable after consummation of the Offers, to seek additional representation on the Company's Board of Directors proportional to its equity position in the Company.

This U.S. Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal and the ADS Notice of Guaranteed Delivery contain important information and should be read in their entirety before any decision is made with respect to the U.S. Offer.

EXEMPTIONS GRANTED BY THE SECURITIES AND EXCHANGE COMMISSION

In order to facilitate the making of the U.S. Offer, the Commission has issued an order (the "Commission Order") granting Endesa and its subsidiaries (including the U.S. Purchaser) relief with respect to certain rules promulgated under the Exchange Act. Specifically, the Commission Order confirms that (1) the Chilean Offer may be conducted without compliance with Section 14(d) of the Exchange Act and the rules promulgated thereunder and (2) Endesa is not required by Rule 14d-10, to make the U.S. Offer available to holders who are eligible to participate in the Chilean Offer (the "14d-10 Exemption"). As a condition to the 14d-10 Exemption, Endesa has agreed to make the Chilean Offer available to all holders excluded from the U.S. Offer.

In addition, the Commission has granted Endesa and its subsidiaries certain exemptive relief from the provisions of Rule 10b-13 under the Exchange Act (the "10b-13 Exemption"). Rule 10b-13 prohibits a person making a cash tender offer for an equity security registered under Section 12 of the Exchange Act from, directly or indirectly, purchasing or making any arrangement to purchase such equity security or any security convertible into, or exchangeable for such equity security, otherwise than pursuant to the tender offer, from the time the offer is publicly announced until its expiration. Accordingly, in the absence of the exemptive relief, the application of Rule 10b-13 would prohibit the U.S. Purchaser and its affiliates (including the Chilean Purchaser) from purchasing Shares pursuant to the Chilean Auction. The 10b-13 Exemption permits the purchase of Shares by the Chilean Purchaser and its affiliates pursuant to the Chilean Auction during (but outside) the U.S. Offer and the entering, by such persons, into such arrangements and agreements and the taking by such persons of such other steps, as may be necessary or advisable under Chilean law and stock exchange requirements to effect the Chilean Auction.

Endesa and its subsidiaries have agreed that the 10b-13 Exemption is subject to the following conditions: (1) no purchases or arrangements to purchase Shares (including ADSs representing Shares) otherwise than

pursuant to the U.S. Offer shall be made in the United States, and no such purchases shall be made outside of the United States except pursuant to the Chilean Auction; (2) Endesa agrees that if it or its subsidiaries increase the price paid in the Chilean Auction, then, prior to the expiration of the U.S. Offer, Endesa and its subsidiaries will increase the price in the U.S. Offer to be the highest price paid by Endesa or any of its subsidiaries for Shares in the Chilean Auction; (3) Endesa and its subsidiaries shall comply with any applicable rules of Chilean organizations, including the rules and regulations of the Chilean stock exchange; (4) the Statement on Schedule 14D-1 (the "14D-1") shall disclose that, if Endesa or its subsidiaries increase the price paid in the Chilean Auction, then, prior to the expiration of the U.S. Offer, Endesa and its subsidiaries will increase the price in the U.S. Offer to be the highest price paid by Endesa or any of its subsidiaries for Shares in the Chilean Auction; (5) Endesa shall promptly disclose in the United States and Chile, by means of a press release, information regarding purchases of Shares, shall provide such information upon request to holders or beneficial owners of Shares without charge to such persons and shall disclose information regarding such purchases to the *Superintendencia de Valores y Seguros* (the "Chilean Securities Commission" or "SVS") and the Santiago Stock Exchange as required by the rules and regulations of such authorities; (6) Endesa and its subsidiaries shall provide to the Division of Market Regulation of the Commission (the "Division"), upon request, a daily time-sequenced schedule of all purchases of Shares made outside the U.S. Offer and prior to the termination or expiration of the U.S. Offer, on a transaction by transaction basis, including: (a) size, broker (if any), time of execution and price of each purchase and (b) identification of the exchange, quotation system or other facility through which the purchase occurred; (7) upon the request of the Division, Endesa and its subsidiaries shall transmit the information specified in clause (6) to the Division at its offices in Washington, D.C. within 30 days of its request; (8) Endesa and its subsidiaries shall retain all documents and other information required to be maintained pursuant to the 10b-13 Exemption for a period of not less than two years from the date of termination of the U.S. Offer; (9) representatives of Endesa and its subsidiaries shall be made available (in person at the offices of the Division in Washington D.C. or by telephone) to respond to inquiries of the Division relating to their records; and (10) except as otherwise exempted, Endesa and its subsidiaries shall comply with Rule 10b-13.

ENFORCEABILITY OF CIVIL LIABILITIES UNDER U.S. SECURITIES LAWS

Endesa and the U.S. Purchaser are incorporated under the laws of the Kingdom of Spain. All of the directors and executive officers of Endesa and the U.S. Purchaser are non-residents of the United States. A substantial portion of the assets of Endesa and the U.S. Purchaser and all or a substantial portion of the assets of such executive officers are located outside of the United States. As a result, it may not be possible to effect service of process within the United States upon Endesa and the U.S. Purchaser or such persons with respect to matters arising under U.S. securities laws or to enforce against them in U.S. courts judgments of U.S. courts predicated upon civil liability under such securities laws. Endesa has been advised by its Spanish legal counsel, Garrigues & Andersen, that there is doubt as to the enforceability in Spain, in original actions or in actions for enforcement of judgments of United States courts, of liabilities predicated solely upon such laws.

CONSENT TO BYLAW AMENDMENT

THE OFFERS WILL NOT PROCEED UNLESS SHAREHOLDERS APPROVE THE BYLAW AMENDMENT BY THE AFFIRMATIVE VOTE OF HOLDERS OF AT LEAST 75% OF THE OUTSTANDING SHARES (INCLUDING SHARES REPRESENTED BY ADSs).

The Company currently has scheduled an extraordinary shareholders' meeting for March 30, 1999 to consider the Bylaw Amendment. Failure to hold this meeting on March 30, 1999 or failure to approve the Bylaw Amendment will result in a failure of a condition to the U.S. Offer. Endesa urges all holders of Shares and ADSs to vote their Shares and/or ADSs in favor of the Bylaw Amendment regardless of whether such holders intend to tender their Shares and/or ADSs in the U.S. Offer. Endesa and its affiliates intend to vote all Shares held by them in favor of the Bylaw Amendment.

Pursuant to Chilean law, the Bylaw Amendment, even if adopted by the holders of 75% of the outstanding Shares as required by the Bylaws, will not become effective until it is published and recorded. While there can be no assurance as to this timing, Endesa's Chilean counsel advises that these actions could be accomplished within 10 business days. The Bylaw Amendment Condition to the U.S. Offer can not be satisfied until the Bylaw Amendment is approved by the shareholders of the Company.

Voting Procedures—Holders of Shares. In order to vote Shares in favor of the Bylaw Amendment, holders of Shares must either (1) appear in person at the March 30, 1999 meeting and vote their Shares or (2) complete and deliver NO LATER THAN March 29, 1999, the Power of Attorney included in the Form of Acceptance, in accordance with the instructions set forth therein.

Voting Instructions—Holders of ADSs. Holders of ADSs who desire to vote in favor of the Bylaw Amendment and who have questions as to voting procedures should contact the Information Agent toll free at (800) 859-8509 or collect at (212) 269-5550.

The Deposit Agreement pursuant to which the ADSs are issued provides that, upon receipt of any notice of any meeting of holders of Shares, Citibank N.A., as depository for the ADSs ("Citibank"), will provide to the ADS holders copies of all materials received by it and request from such holders voting instructions. Upon receipt of any such instructions, Citibank is required to vote or cause to be voted (or to grant a proxy to a person designated by the Company to vote) the ADSs in accordance with the instructions set forth in such request. Citibank shall not under any circumstance, exercise any voting discretion over the ADSs. If no voting instructions are received by Citibank on or before the cut-off date to be determined by Citibank, with respect to any vote of ADS holders, then, a holder shall be deemed to have instructed Citibank to give a discretionary proxy with full powers of substitution to the Chairman of the Board of Directors of the Company (or a person designated by him) on any matters other than contested matters that may affect substantially the rights or privileges attributable to the ADSs.

Endesa encourages ADS holders to return their voting instructions immediately to help ensure that such holder's votes will be timely received, not later than the cut-off date, by Citibank and forwarded to the Bylaw Meeting. Persons holding ADSs through custodians, brokers or other nominees should request such persons to issue voting instructions to Citibank as soon as possible.

Unless otherwise specifically provided in the ADS Letter of Transmittal by executing an ADS Letter of Transmittal, the holder thereby instructs Citibank to vote all ADSs held by such holder in favor of the Bylaw Amendment.

THE U.S. OFFER

1. Terms of the U.S. Offer; Expiration Date. Upon the terms and subject to the conditions set forth in the U.S. Offer, the U.S. Purchaser will accept for payment and pay for Shares and ADSs representing in the aggregate up to 694,591,189 Shares that are validly tendered by the Expiration Date and not withdrawn as provided in Section 5. The term "Expiration Date" shall mean 10:00 p.m., New York City time, on Tuesday

April 6, 1999, unless the U.S. Purchaser shall have extended the period of time for which the U.S. Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the U.S. Offer, as so extended by the U.S. Purchaser, shall expire.

If Shares and/or ADSs representing in the aggregate more than 694,591,189 Shares are validly tendered by the Expiration Date and not withdrawn, the U.S. Purchaser will, upon the terms and subject to the conditions of the U.S. Offer, purchase such Shares and ADSs on a *pro rata* basis. If proration of tendered Shares and ADSs is required, Shares will be purchased only in multiples of 50 Shares (a "Share Multiple"). Proration for each holder of Shares will be based on the ratio that the number of Share Multiples tendered by such holder bears to the sum of the number of Share Multiples tendered by all tendering holders of Shares plus the number of ADSs tendered by all tendering holders of ADSs. Proration for each holder of ADSs will be based on the ratio that the number of ADSs tendered by such holder bears to the sum of the number of Share Multiples tendered by all tendering holders of Shares plus the number of ADSs tendered by all tendering holders of ADSs. If not more than 694,591,189 Shares (including Shares represented by ADSs) are validly tendered by the Expiration Date and not withdrawn, the U.S. Purchaser will, upon the terms and subject to the conditions of the U.S. Offer, purchase all Shares and/or ADSs so tendered and not withdrawn.

If proration of tendered Shares and/or ADSs is required, because of the difficulty of determining the number of Shares and ADSs validly tendered and not withdrawn, the U.S. Purchaser does not expect to be able to announce the final results of such proration until at least seven New York Stock Exchange ("NYSE") trading days after the Expiration Date. Preliminary results of such proration will be announced by press release as promptly as practicable after such date. Holders of Shares and ADSs may obtain preliminary information from the Dealer Managers or the Information Agent and may be able to obtain such information from their brokers. The U.S. Purchaser will not pay for any Shares or ADSs accepted for payment pursuant to the U.S. Offer until the final proration factor is known.

The U.S. Offer is subject to certain conditions set forth in Section 15, including satisfaction of the Bylaw Amendment Condition. If any such condition is not satisfied, the U.S. Purchaser may terminate the U.S. Offer and return all tendered Shares and ADSs to tendering shareholders, extend the U.S. Offer and, subject to withdrawal rights as set forth in Section 5, retain all such Shares and ADSs until the expiration of the U.S. Offer as so extended, waive such conditions and, subject to any requirement to extend the period of time during which the U.S. Offer is open, purchase all Shares and ADSs validly tendered by the Expiration Date and not withdrawn, or delay acceptance for payment or payment for Shares and ADSs, subject to applicable law, until satisfaction or waiver of the conditions to the U.S. Offer. For a description of the U.S. Purchaser's right to extend the period of time during which the U.S. Offer is open and to amend, delay or terminate the U.S. Offer, see Sections 14 and 15.

A request has been made to the Company for the use of its shareholder registry and security position listings for the purpose of disseminating the U.S. Offer to holders of Shares and ADSs. This U.S. Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery will be mailed to record holders of Shares and ADSs, respectively, who are not Chilean Persons and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the shareholder

list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares and ADSs.

2. Acceptance for Payment. Upon the terms and subject to the conditions of the U.S. Offer, the U.S. Purchaser will accept for payment and pay for Shares and ADSs validly tendered by the Expiration Date and not withdrawn as soon as practicable after the later of the Expiration Date and the satisfaction or waiver of the conditions set forth in Section 15. In addition, the U.S. Purchaser reserves the right, in its sole discretion and subject to applicable law, to delay the acceptance for payment or payment for Shares and ADSs in order to comply in whole or in part with any applicable law. For a description of the U.S. Purchaser's right to terminate the U.S. Offer and not accept for payment or pay for Shares and/or ADSs or to delay acceptance for payment or payment for Shares and ADSs, see Section 14.

For purposes of the U.S. Offer, the U.S. Purchaser shall be deemed to have accepted for payment tendered Shares and ADSs when, as and if the U.S. Purchaser gives oral or written notice to the Receiving Agent of its acceptance of the tenders of such Shares and ADSs. Payment for Shares and ADSs accepted for payment pursuant to the U.S. Offer will be made by deposit of the purchase price with the Receiving Agent which will act as agent for the tendering shareholders for the purpose of receiving payments from the U.S. Purchaser and transmitting such payments to tendering shareholders. In all cases, payment for Shares and ADSs accepted for payment pursuant to the U.S. Offer will be made only after timely receipt by the Receiving Agent of certificates for such Shares and ADSs (or of a confirmation of a book-entry transfer of such Shares and ADSs, into the Receiving Agent's account at one of the book-entry transfer facilities (as defined in Section 4)), a properly completed and duly executed Form of Acceptance (in the case of Shares) and ADS Letter of Transmittal (in the case of ADSs) (or facsimiles thereof) and all other required documents. For a description of the procedure for tendering Shares and ADSs pursuant to the U.S. Offer, see Sections 3 and 4. Payment for Shares and ADSs also may be delayed in the event of proration due to the difficulty of determining the number of Shares and ADSs validly tendered. Accordingly, payment may be made to tendering shareholders at different times if delivery of the Shares and ADSs and other required documents occur at different times. Under no circumstances will interest be paid by the U.S. Purchaser on the consideration paid for Shares and ADSs pursuant to the U.S. Offer, regardless of any delay in making such payment.

If the Chilean Purchaser increases the consideration to be paid for Shares and ADSs pursuant to the U.S. Offer, the U.S. Purchaser will pay such increased consideration for all Shares and ADSs purchased pursuant to the U.S. Offer.

Each sale of ADSs pursuant to the U.S. Offer will be settled in United States dollars after conversion from Chilean pesos based on the Observed Exchange Rate in effect on the date of payment. Each sale of Shares pursuant to the U.S. Offer will be settled in Chilean pesos. All tendering holders will bear exchange rate costs and risks if they wish to convert the currency received into other currencies. The right of a holder of Shares to convert the Chilean pesos received upon the sale of its Shares pursuant to the U.S. Offer into another currency and to expatriate these proceeds to a country other than Chile may be affected by the terms of the foreign investment contract pursuant to which such holder acquired its Shares. Shareholders should be aware that they will bear additional exchange rate risks should the U.S. Offer be extended (including, for example, in case the purchase price is increased either in the Chilean Offer or the U.S. Offer) or should proration of Shares and ADSs tendered in the U.S. Offer be required.

The U.S. Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates the right to purchase Shares and ADSs tendered pursuant to the U.S. Offer, but any such transfer or assignment will not relieve the U.S. Purchaser of its obligations under the U.S. Offer or prejudice the rights of tendering shareholders to receive payment for Shares and ADSs validly tendered and accepted for payment.

If any tendered Shares and ADSs are not purchased pursuant to the U.S. Offer for any reason, or if certificates are submitted for more Shares and ADSs than are tendered, certificates for such unpurchased or

untendered Shares and ADSs will be returned (or, in the case of Shares and ADSs tendered by book-entry transfer, such Shares and ADSs will be credited to an account maintained at one of the book-entry transfer facilities), without expense to the tendering shareholder, as promptly as practicable following the expiration or termination of the U.S. Offer.

3. Procedure for Accepting the U.S. Offer—Holders of Enersis Shares

Any persons other than Chilean Persons who hold Shares and who desire to accept the U.S. Offer in respect of all or any portion of such holder's Shares should complete Boxes 1 and 3 and, if appropriate, Box 4 and sign Box 2 of the Form of Acceptance in accordance with the instructions printed thereon. An accepting holder of Shares should submit the completed Form of Acceptance, together with the *Título(s)* evidencing ownership of Shares, or a certificate from the *Depósito Central de Valores* (the "DCV") evidencing the number of Shares held on deposit in the case of Shares held at the DCV, a duly signed *Traspaso* stock transfer with the number of Shares in blank and power of attorney to complete such a *Traspaso* in the manner provided in the Form of Acceptance and in the case of Shares held on deposit at the DCV, a letter to the DCV instructing the DCV to perform a book-entry transfer in favor of the U.S. Purchaser to the Receiving Agent by mail at the address shown on the back cover of this U.S. Offer to Purchase, or preferably by hand delivery during normal business hours to the same address. References in this Section to a holder of Shares shall include references to the person or persons executing a Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, the provisions of this Section shall apply to them jointly and severally. As used herein, "Chilean Persons" means individuals of Chilean nationality or legal entities incorporated in Chile in accordance with Chilean law who, in each case, are not "U.S. Persons" as defined in Rule 902(k) of Regulation S under the Securities Act.

Book-Entry Transfer. Shares held in book-entry form may be tendered by sending or submitting by hand to the Receiving Agent at its address set forth on the back cover of this U.S. Offer to Purchase a completed Form of Acceptance, together with a duly signed *Traspaso* with the number of Shares in blank together with (i) a letter to the DCV instructing the DCV to perform a book-entry transfer in favor of the U.S. Purchaser for such number of Shares as may be specified in the *Traspaso* in accordance herewith; and (ii) the certificate issued by the DCV evidencing the number of Shares held on deposit with such facility and indicating that such Shares are free and clear of liens, pledges or encumbrances.

Certificates of title and/or other document(s) of title. If the *Título(s)* are not readily available, the Form of Acceptance should nevertheless be completed, signed and returned to the Receiving Agent as soon as possible and the *Título(s)* should be forwarded as soon as possible thereafter. If the *Título(s)* are lost, the holder of Shares should follow the procedures set forth in Article 21 of the Rules of Law 18.046 of the Chilean Companies Law and thereupon request the Gerente General of the Company, Mr. Pablo Innes de la Fuente at Santiago Domingo 789, Santiago, Chile, telephone (56-2) 633-9634, to issue substitute *Título(s)*. When completed, the new *Título(s)* must be submitted to the Receiving Agent, in accordance with the above-described procedures, in support of the Form of Acceptance.

The method of delivery of *Título(s)* for Shares and all other required documents is at the option and risk of the tendering shareholder and the delivery will be deemed made only when actually received by the Receiving Agent. In all cases, sufficient time should be allowed to ensure a timely delivery. If *Título(s)* for Shares are sent by mail, registered mail with return receipt requested, properly insured, is recommended.

Form of Acceptance. Each holder of Shares by whom or on whose behalf a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with the U.S. Purchaser (so as to bind the holder and the holder's personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of a Form of Acceptance shall constitute: (i) an acceptance of the U.S. Offer in respect of the number of Shares inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and
- (ii) an undertaking to execute all further documents and give all further assurances which may be required

to enable the U.S. Purchaser to obtain the full benefit of this Section and/or perfect any of the authorities expressed to be given hereunder, on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that, subject only to the rights set out in "Section 5. Withdrawal Rights," each such acceptance shall be irrevocable;

(b) that the Shares in respect of which the U.S. Offer is accepted or deemed to be accepted are sold free from all liens, equities, charges and encumbrances and together with all rights now or hereafter attaching thereto, including voting rights and the right to all dividends, other distributions and interest payments hereafter declared, made or paid;

(c) that the execution of the Form of Acceptance constitutes, subject to the accepting holder not having validly withdrawn his or her acceptance, the irrevocable appointment of any of the Receiving Agent acting on behalf of the U.S. Purchaser, its directors and agents as such holder's attorney and/or agent (the "attorney") and an irrevocable instruction to the attorney to complete and execute his or her signed *Traspaso* and all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the Shares referred to in paragraph (a) above in respect of which the accepting holder of Shares has not validly withdrawn acceptance in favor of the U.S. Purchaser or such other person or persons as the U.S. Purchaser may direct and to deliver such form(s) of transfer and/or other document(s) at the discretion of the attorney together with the *Titulo(s)* and/or other document(s) of title relating to such Shares and to do all such other acts and things as may in the opinion of the attorney be necessary or expedient for the purpose of, or in connection with, the acceptance of the U.S. Offer and to vest in the U.S. Purchaser or its nominee(s) the Shares as aforesaid;

(d) that the execution of the Form of Acceptance constitutes, subject to the accepting holder of Shares not having validly withdrawn its acceptance, an irrevocable authority and request: (i) to the Company, its Gerente General or its agents to procure the registration of the transfer of the Shares pursuant to the U.S. Offer and the delivery of the new *Titulo(s)* and/or other document(s) of title in respect thereof to the U.S. Purchaser or as it may direct; and (ii) to the U.S. Purchaser or its agents to record and act upon any instructions with regard to notices and payments which have been recorded in the records of the Company in respect of such holder's holding(s) of Shares;

(e) that the holder of Shares will deliver to the Receiving Agent at the address shown on the back page of this U.S. Offer to Purchase such holder's *Titulo(s)* and/or document(s) of title in respect of the Shares referred to in paragraph (a) or an indemnity acceptable to the U.S. Purchaser in lieu thereof, as soon as possible;

(f) that this Section shall be incorporated in and form part of the Form of Acceptance, which shall be read and construed accordingly; and

(g) that the holder agrees to ratify each and every act or thing which may be done or effected by the U.S. Purchaser or any of its directors or agents or the Company or its agents, as the case may be, in the proper exercise of any of its power and/or authorities hereunder.

Partial Tenders. If fewer than all of the Shares delivered to the Receiving Agent are to be tendered, the holder thereof should so indicate in the Form of Acceptance by filling in the number of Shares which are to be tendered in the Box 1 of the Form of Acceptance. In such case, a new *Titulo* for the remainder of the Shares represented by the old *Titulo* will be sent to the person(s) signing such Form of Acceptance (or delivered as such person properly indicates thereon) as promptly as practicable following the date the tendered Shares are purchased.

All Shares delivered to the Receiving Agent will be deemed to have been tendered unless otherwise indicated. See Instruction 1 to the Form of Acceptance.

Acceptance of Offer and Representations by Holder. The tender of Shares pursuant to any one of the procedures described above will constitute the tendering shareholder's acceptance of the U.S. Offer, as well as the tendering shareholder's representation and warranty that (a) such shareholder owns the Shares being tendered

within the meaning of Rule 14e-4 promulgated under the Exchange Act, (b) the tender of such Shares complies with Rule 14e-4, (c) such shareholder is not a Chilean Person and (d) such shareholder has the full power and authority to tender and assign the Shares tendered, as specified in the Form of Acceptance. The U.S. Purchaser's acceptance for payment of Shares tendered pursuant to the U.S. Offer will constitute a binding agreement between the tendering shareholder and the U.S. Purchaser upon the terms and subject to the conditions of the U.S. Offer.

Matters Concerning Validity, Eligibility and Acceptance. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by the U.S. Purchaser, in its sole discretion, which determination shall be final and binding. The U.S. Purchaser reserves the absolute right to reject any or all tenders of Shares determined by it not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of the U.S. Purchaser's counsel, be unlawful. The U.S. Purchaser also reserves the absolute right to waive any defect or irregularity in any tender of Shares. None of Endesa, the U.S. Purchaser, the Dealer Managers, the Receiving Agent, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in tenders or incur any liability for failure to give any such notification.

All Shares delivered to the Receiving Agent will be deemed to have been tendered unless otherwise indicated. See Instruction 1 of the Form of Acceptance.

If you are in any doubt about the procedure for tendering Shares, please telephone the Information Agent toll free at (800) 859-8509 or collect at (212) 269-5500.

4. Procedure for Accepting the U.S. Offer—Holders of Enerdis ADSs

To tender ADSs pursuant to the U.S. Offer, either a properly completed and duly executed ADS Letter of Transmittal (or facsimile thereof) and all other documents required by the ADS Letter of Transmittal must be received by the Receiving Agent at one of its addresses set forth on the back cover of this U.S. Offer to Purchase and either ADRs for the ADSs to be tendered must be received by the Receiving Agent at one of such addresses or such ADSs must be delivered pursuant to the procedures for book-entry transfer described below (and a confirmation of such delivery received by the Receiving Agent including an Agent's Message (as defined below) if the tendering shareholder has not delivered a ADS Letter of Transmittal), in each case by the Expiration Date, or the guaranteed delivery procedure described below must be complied with. The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility (as hereinafter defined) to and received by the Receiving Agent and forming a part of a book-entry confirmation which states that such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the ADSs which are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the ADS Letter of Transmittal and that the Company may enforce such agreement against such participant.

Book-Entry Delivery. The Receiving Agent will establish an account with respect to the ADSs at The Depository Trust Company, Midwest Securities Trust Company and Philadelphia Depository Trust Company (collectively referred to as the "Book-Entry Transfer Facilities") for purposes of the U.S. Offer within two business days after the date of this U.S. Offer to Purchase, and any financial institution that is a participant in the system of any Book-Entry Transfer Facility may make delivery of ADSs by causing such Book-Entry Transfer Facility to transfer such ADSs into the Receiving Agent's account in accordance with the procedures of such Book-Entry Transfer Facility. However, although delivery of ADSs may be effected through book-entry transfer, the ADS Letter of Transmittal (or facsimile thereof) properly completed and duly executed together with any required signature guarantees or an Agent's Message and any other required documents must, in any case, be received by the Receiving Agent at one of its addresses set forth on the back cover of this U.S. Offer to Purchase by the Expiration Date, or the guaranteed delivery procedure described below must be complied with. Delivery of the ADS Letter of Transmittal and any other required documents to a Book-Entry Transfer Facility does not constitute delivery to the Receiving Agent.

Partial Tenders. If fewer than all of the ADSs delivered to the Receiving Agent are to be tendered, the holder thereof should so indicate in the ADS Letter of Transmittal by filling in the number of ADSs which are to be tendered in the box entitled "Number of ADSs Tendered" in the ADS Letter of Transmittal. In such case, a new ADR for the untendered ADSs represented by the old ADR will be sent to the person(s) signing such ADS Letter of Transmittal (or delivered as such person properly indicates thereon) as promptly as practicable following the date the tendered ADSs are purchased. All ADSs delivered to the Receiving Agent will be deemed to have been tendered unless otherwise indicated. See Instruction 4 of the ADS Letter of Transmittal.

Signature Guarantees. Except as otherwise provided in the next sentence, all signatures on a ADS Letter of Transmittal must be guaranteed by a financial institution (including most banks, savings and loan associations and brokerage houses) which is a participant in the Securities Transfer Agent's Medallion Program (STAMP), the Stock Exchanges Medallion Program (SEMP) or the New York Stock Exchange Medallion Program (MSP) (an "Eligible Institution"). Signatures on a ADS Letter of Transmittal need not be guaranteed (a) if the ADS Letter of Transmittal is signed by the registered holder of the ADSs tendered therewith and such holder has not completed the box entitled "Special Issuance Instructions" on the ADS Letter of Transmittal or (b) if such ADSs are tendered for the account of an Eligible Institution. See Instructions 1 and 5 of the ADS Letter of Transmittal.

Guaranteed Delivery. If a shareholder desires to tender ADSs pursuant to the U.S. Offer and cannot deliver such ADSs and all other required documents to the Receiving Agent by the Expiration Date, or such shareholder cannot complete the procedure for delivery by book-entry transfer on a timely basis, such ADSs may nevertheless be tendered if all of the following conditions are met:

- (i) such tender is made by or through an Eligible Institution;
- (ii) a properly completed and duly executed ADS Notice of Guaranteed Delivery substantially in the form provided by the U.S. Purchaser is received by the Receiving Agent (as provided below) by the Expiration Date; and
- (iii) the certificates for such ADSs (or a confirmation of a book-entry transfer of such ADSs into the Receiving Agent's account at one of the Book-Entry Transfer Facilities), together with a properly completed and duly executed ADS Letter of Transmittal (or facsimile thereof) with any required signature guarantee or an Agent's Message and any other documents required by the ADS Letter of Transmittal, are received by the Receiving Agent within three NYSE trading days after the date of execution of the ADS Notice of Guaranteed Delivery.

The ADS Notice of Guaranteed Delivery may be delivered by hand or transmitted by telegram, telex, facsimile transmission or mail to the Receiving Agent and must include a guarantee by an Eligible Institution in the form set forth in such Notice.

Notwithstanding any other provisions hereof, payment for ADSs accepted for payment pursuant to the U.S. Offer will in all cases be made only after receipt by the Receiving Agent within the permitted period of time of ADRs evidencing such ADSs, or of book-entry confirmation with respect to, a properly completed and duly executed ADS Letter of Transmittal (or facsimile thereof), together with any required signature guarantees (or, in the case of book-entry transfer, an Agent's Message) and any other documents required by the ADS Letter of Transmittal. Accordingly, payment might not be made to all tendering holders at the same time and will depend upon when ADRs evidencing such ADSs are received by the Receiving Agent or book-entry confirmation with respect to such ADSs are received into the Receiving Agent's account at the Book-Entry Transfer Facility.

The method of delivery of ADSs and all other required documents, including through Book-Entry Transfer Facilities, is at the option and risk of the tendering shareholder and the delivery will be deemed made only when actually received by the Receiving Agent. In all cases, sufficient time should be allowed to ensure a timely delivery. If certificates for ADSs are sent by mail, registered mail with return receipt requested, properly insured, is recommended.

Tax Withholding. Under the U.S. federal income tax laws, the Receiving Agent will be required to withhold 31% of the amount of any payments made to certain shareholders pursuant to the U.S. Offer. In order to avoid such backup withholding, each tendering shareholder must provide the Receiving Agent with such shareholder's correct United States taxpayer identification number and certify that such shareholder is not subject to such backup withholding by completing the Substitute Form W-9 included in the ADS Letter of Transmittal. If a shareholder is under the United States federal income tax laws a non-resident alien or foreign entity not subject to back-up withholding, the shareholder must give the Receiving Agent a completed Form W-8 Certificate of Foreign Status prior to receipt of any payment.

Acceptance of Offer and Representations by Holder. The tender of ADSs pursuant to any one of the procedures described above will constitute the tendering shareholder's acceptance of the U.S. Offer, as well as the tendering shareholder's representation and warranty that (a) such shareholder owns the ADSs being tendered within the meaning of Rule 14e-4 promulgated under the Exchange Act, (b) the tender of such ADSs complies with Rule 14e-4, and (c) such shareholder has the full power and authority to tender and assign the ADSs tendered, as specified in the ADS Letter of Transmittal. The U.S. Purchaser's acceptance for payment of ADSs tendered pursuant to the U.S. Offer will constitute a binding agreement between the tendering shareholder and the U.S. Purchaser upon the terms and subject to the conditions of the U.S. Offer.

Matters Concerning Validity, Eligibility and Acceptance. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of ADSs will be determined by the U.S. Purchaser, in its sole discretion, which determination shall be final and binding. The U.S. Purchaser reserves the absolute right to reject any or all tenders of ADSs determined by it not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of the U.S. Purchaser's counsel, be unlawful. The U.S. Purchaser also reserves the absolute right to waive any defect or irregularity in any tender of ADSs. None of Endesa, the U.S. Purchaser, the Dealer Managers, the Receiving Agent, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in tenders or incur any liability for failure to give any such notification.

All ADSs delivered to the Receiving Agent will be deemed to have been tendered unless otherwise indicated. See Instruction 4 of the ADS Letter of Transmittal.

If you are in any doubt about the procedure for tendering ADSs, please telephone the Information Agent toll free at (800) 859-8509 or collect at (212) 269-5500.

5. Withdrawal Rights. Tenders of Shares and ADSs made pursuant to the U.S. Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after May 10, 1999 unless theretofore accepted for payment as provided in this U.S. Offer to Purchase. If the U.S. Purchaser extends the period of time during which the U.S. Offer is open, is delayed in accepting for payment or paying for Shares and ADSs or is unable to accept for payment or pay for Shares and ADSs pursuant to the U.S. Offer for any reason, then, without prejudice to the U.S. Purchaser's rights under the U.S. Offer, the Receiving Agent may, on behalf of the U.S. Purchaser retain all Shares and ADSs tendered, and such Shares and ADSs may not be withdrawn except as otherwise provided in this Section 5.

To be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Receiving Agent at its address set forth on the back cover of this U.S. Offer to Purchase and must specify the name of the person who tendered the Shares and/or ADSs to be withdrawn and the number of Shares and/or ADSs to be withdrawn and the name of the registered holder of Shares and/or ADSs, if different from that of the person who tendered such Shares and/or ADSs. If the Shares and/or ADSs to be withdrawn have been delivered to the Receiving Agent, a signed notice of withdrawal with (except in the case of Shares and ADSs tendered by an Eligible Institution) signatures guaranteed by an Eligible Institution must be submitted prior to the release of such Shares and/or ADSs. In addition, such notice must specify, in the case of Shares and ADSs tendered by delivery of certificates, the name of the registered holder (if different from that of the

tendering shareholder) and the serial numbers shown on the particular certificates evidencing the Shares and/or ADSs to be withdrawn or, in the case of Shares and ADSs tendered by book-entry transfer, the name and number of the account at one of the Book-Entry Transfer Facilities to be credited with the withdrawn Shares and ADSs. Withdrawals may not be rescinded, and Shares and ADSs withdrawn will thereafter be deemed not validly tendered for purposes of the U.S. Offer. However, withdrawn Shares and ADSs may be re-tendered by again following one of the procedures described in Section 3 or Section 4, as applicable, at any time prior to the Expiration Date.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the U.S. Purchaser, in its sole discretion, which determination shall be final and binding. None of U.S. Purchaser, the Dealer Managers, the Receiving Agent, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

6. Certain Tax Considerations. The following describes the material U.S. federal income tax and Chilean tax consequences of the sale of Shares and/or ADSs pursuant to the U.S. Offer.

As used herein, the term "U.S. holder" means a beneficial owner of Shares and/or ADSs that is, for United States federal income tax purposes, (i) a U.S. citizen or resident; (ii) a United States domestic corporation or partnership; (iii) a trust subject to the control of a U.S. person and the primary supervision of a United States court; or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source. As used herein, the term "non-U.S. holder" means a beneficial owner of Shares and/or ADSs that is, for United States federal income tax purposes, (i) a nonresident alien individual; (ii) a foreign corporation; (iii) a nonresident alien fiduciary of a foreign estate or trust; (iv) a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a nonresident alien individual, a foreign corporation or a nonresident alien fiduciary of a foreign estate or trust.

As used herein, the term "non-Chilean holder" means an owner of Shares that is not: (i) an individual, Chilean or foreigner, who is either domiciled in or a resident of Chile; (ii) a foreign individual who has been domiciled in or a resident of Chile for more than three years; (iii) a Chilean corporation or partnership; (iv) a foreign corporation or partnership that is domiciled in Chile or that has a permanent establishment within Chile; or (v) an estate subject to Chilean taxation. For purposes of Chilean tax law, an individual is a resident of Chile if he has resided in Chile for more than six consecutive months in one calendar year or for a total of six months, whether consecutive or not, in two consecutive tax years.

U.S. Tax Consequences

The following discussion is based upon United States federal income tax laws presently in force. This discussion is not a full description of all tax considerations that may be relevant to a decision to sell Shares and/or ADSs pursuant to the U.S. Offer. In particular, this discussion deals only with Shares and/or ADSs that are held as capital assets as defined in Section 1221 of the United States Internal Revenue Code of 1986, as amended, and does not address the tax treatment of persons that are subject to special treatment under the U.S. income tax laws. Such persons include, but are not limited to (i) banks, financial institutions, securities dealers or traders and insurance companies, (ii) tax-exempt entities, (iii) persons that hold Shares and/or ADSs as a hedge or as part of a straddle or conversion transaction with other investors for tax purposes, and persons whose functional currency is not the United States dollar, (iv) persons owning directly, indirectly or by attribution, currently or during the past five years, 10% or more of the Shares and/or ADSs, (v) persons who acquired Shares and/or ADSs pursuant to the exercise of an employee stock option or otherwise as compensation or (vi) certain expatriates or former long-term residents of the United States. Moreover, the effect of any applicable United States state or local tax laws is not discussed herein.

U.S. Holders

Sale of Shares and/or ADSs. U.S. holders will recognize capital gain or loss on the sale of Shares or ADSs pursuant to the U.S. Offer. In general, any gain or loss realized upon the sale of Shares or ADSs pursuant to the U.S. Offer will be treated as long-term capital gain or loss if the Shares or ADSs have been held for more

than one year and otherwise as short-term capital gain or loss. Any gain recognized by a U.S. holder generally will be treated as U.S. source income. Consequently, in the case of a disposition of Shares (which, unlike a disposition of ADSs, will be taxable in Chile), the U.S. holder would not be able to utilize the foreign tax credit for Chilean tax imposed on the gain unless the U.S. holder appropriately can apply the credit against tax due on income from foreign sources. For foreign tax credit purposes, any loss recognized by a U.S. holder generally will be allocated to U.S. source income, except that such a loss will be allocated to foreign source income to the extent the U.S. holder has received certain dividends in the 24 months prior to recognizing the loss.

Backup Withholding Tax. A U.S. Holder may be subject to backup withholding at the rate of 31% on the proceeds from the sale of ADSs pursuant to the U.S. Offer. To prevent backup withholding, each U.S. holder who accepts the U.S. Offer must provide the Receiving Agent with the holder's correct taxpayer identification number and certify that such holder is exempt from or otherwise not subject to backup withholding by completing the Substitute Form W-9 included with the ADS Letter of Transmittal. For further information concerning backup withholding and instructions for completing the Substitute Form W-9, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9."

Non-U.S. Holders

Sale of Shares and/or ADSs. Subject to the discussion of backup withholding below, a non-U.S. holder will generally not be subject to United States federal income or withholding tax on gain realized on the sale of Shares or ADSs pursuant to the U.S. Offer unless (i) such gain is effectively connected with such non-U.S. holder's conduct of a trade or business within the U.S. (or, in the case of a country which has a tax treaty with the United States, such gain is attributable to a permanent establishment or fixed place of business in the United States) or (ii) such gain is realized by an individual non-U.S. holder who is present in the United States for at least 183 days in the taxable year of the sale and certain other conditions are met.

Backup Withholding. A non-U.S. Holder may be subject to backup withholding at the rate of 31% on the proceeds from the sale of ADSs pursuant to the U.S. Offer. To prevent backup withholding, each non-U.S. holder who accepts the U.S. Offer must provide the Receiving Agent with a completed Form W-8 Certificate of Foreign Status prior to receipt of any payment. A Form W-8 Certificate of Foreign Status may be obtained from the Receiving Agent.

The tax discussion set forth above is included for general information only and is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly retroactively). Holders of Shares and/or ADSs are urged to consult their tax advisors with respect to the specific tax consequences of the U.S. Offer to them, including the application and effect of the alternative minimum tax, and state, local and foreign tax laws.

Chilean Tax Consequences for non-Chilean Holders

The discussion set out below is based upon Chilean income tax laws presently in force, including Ruling No. 324 of January 29, 1990 of the Chilean Internal Revenue Service and other applicable regulations and rulings in force on the date of this U.S. Offer to Purchase. The discussion is not intended as tax advice to any particular holder, which can be rendered only in light of that holder's particular tax situation. Holders of Shares and/or ADSs are urged to consult their tax advisors with respect to the specific tax consequences of the U.S. Offer to them.

Under Chilean law, provisions contained in statutes such as tax rates applicable to non-Chilean investors, the computation of taxable income for Chilean purposes and the manner in which Chilean taxes are imposed and collected may only be amended by another statute. In addition, the Chilean tax authorities enact rulings and regulations of either general or specific application and interpret the provisions of Chilean tax law. Chilean tax may not be assessed retroactively against taxpayers who act in good faith relying on such rulings, regulations and interpretations, but Chilean tax authorities may change said rulings, regulations and interpretations prospectively. There is no income tax treaty in force between Chile and the United States.

Sale of ADSs. In the case of a non-Chilean holder, the gain from the sale of ADSs (or ADRs evidencing ADSs) pursuant to the U.S. Offer outside Chile will not be subject to Chilean taxation.

No Chilean stamp, issue, registration or similar taxes or duties will apply to the sale of ADSs pursuant to the U.S. Offer.

Sale of Shares. In general, in the case of a non-Chilean holder, gain on the sale of Shares pursuant to the U.S. Offer will be subject to a First Category Income Tax (currently imposed at a rate of 15%). In addition, if: (i) the non-Chilean holder has held the Shares for less than one year; (ii) the non-Chilean holder acquired the disposed of the Shares in the ordinary course of its business or is a habitual trader of shares, or (iii) the non-Chilean holder and the U.S. Purchaser are "related parties" within the meaning of Article 17, Number 8 of the Chilean Income Tax Law, then gain recognized on a sale of Shares pursuant to the U.S. Offer may be subject to an additional 35% tax. The First Category Income Tax is creditable against this additional tax.

No Chilean stamp, issue, registration or similar taxes or duties will apply to the sale of Shares pursuant to the U.S. Offer.

7. Price Range of Shares; Dividends.

Price Range of Shares. The Shares are listed and traded on the Santiago Stock Exchange, the Bolsa de Chile (the "Electronic Exchange") and the *Bolsa de Corredores de Valparaíso* (the "Valparaíso Stock Exchange") (collectively, the "Chilean Stock Exchanges"). The following table sets forth, for the periods indicated, the quarterly high and low closing prices of the Shares on the Santiago Stock Exchange in Chilean pesos ("Ch\$"). The following information reflects nominal Chilean peso amounts as of the trade dates and has not been restated in constant Chilean pesos.

	Per Share(1)	
	High	Low
	Ch\$	
1996		
First Quarter	237.25	204.00
Second Quarter	253.00	220.00
Third Quarter	259.00	238.50
Fourth Quarter	263.00	212.00
1997		
First Quarter	280.00	223.00
Second Quarter	309.00	240.00
Third Quarter	315.00	277.00
Fourth Quarter	302.00	230.00
1998		
First Quarter	280.00	204.00
Second Quarter	280.00	214.00
Third Quarter	257.00	151.50
Fourth Quarter	238.25	173.00
1999		
First Quarter (through March 9)	280.00	205.00

(1) As reported by the Santiago Stock Exchange.

On March 9, 1999, the last full day of trading on the Santiago Stock Exchange prior to the public announcement of the Offers and the date of this U.S. Offer to Purchase, the reported closing sales price of the Shares on the Santiago Stock Exchange was Ch\$262.00 per Share. Holders of Shares are urged to obtain a current market quotation for the Shares.

Price Range of ADSs. The ADSs are listed and traded on the NYSE under the symbol "ENL." Each ADS represents 50 Shares. The following table sets forth, for the periods indicated, the quarterly high and low closing prices of the ADSs on the NYSE in U.S. dollars.

	Per ADS(1)	
	High	Low
	US\$	
1996		
First Quarter	30	25¾
Second Quarter	32½	27¾
Third Quarter	32½	29¾
Fourth Quarter	32¾	25¾
1997		
First Quarter	34¾	27¼
Second Quarter	37¾	29½
Third Quarter	39	32¾
Fourth Quarter	37½¢	27½
1998		
First Quarter	32½	22¾¢
Second Quarter	31¾	23¾¢
Third Quarter	28¾	15¾
Fourth Quarter	25¾	18¾¢
1999		
First Quarter (through March 9)	28¾	22¾

(1) As reported by the NYSE.

On March 9, 1999, the last full day of trading on the NYSE prior to the public announcement of the Offers and the date of this U.S. Offer to Purchase, the reported closing sales price of the ADSs on the NYSE was US\$26.50 per ADS. Holders of ADSs are urged to obtain a current market quotation for the ADSs.

On March 9, 1999, the Observed Exchange Rate was Ch\$495.12 = US\$1.00. Based on such exchange rate, the U.S. dollar equivalent of the U.S. Offer price of Ch\$16,000 was US\$32.31. Exchange rates are subject to fluctuation. The U.S. dollar payment for ADSs accepted for payment in the U.S. Offer will be based on the Observed Exchange Rate on the date of payment. Holders are urged to obtain a current market quotation for the U.S. dollar-Chilean peso exchange rate.

Dividends. The table below sets forth the nominal Chilean peso amount of dividends per Share and U.S. dollar amount of dividends per ADS (each ADS representing 50 Shares), as reported in the Company 20-F, paid in respect of each of the years indicated.

Year ended December 31,	Nominal Ch\$ Per Share	Constant Ch\$ Per Share(1)	US\$ Per ADS(2)
1995	8.80	9.66	1.10
1996	10.10	11.00	1.25
1997	11.36	11.72	1.33

(1) According to the Company 20-F, the nominal Chilean peso amounts of dividends per Share have been stated in constant Chilean pesos as of December 31, 1997.

(2) According to the Company 20-F, the U.S. dollar per ADS amounts have been calculated by applying the Observed Exchange Rate of Ch\$439.18 = US\$1.00 prevailing on December 31, 1997 to the constant Chilean peso amounts.

8. Certain Information Concerning the Company. According to the Company 20-F, the Company is a Chilean electric utility company primarily engaged, through its principal subsidiaries and related companies, in the distribution, transmission and generation of electricity in Chile, Argentina, Brazil, Colombia and Peru. The Company is also the largest stockholder, with a 25.3% interest and majority representation on the Board of Directors, of Endesa-Chile, the largest private sector electricity generation and transmission company in Latin America. The Company is organized under the laws of the Republic of Chile with its principal executive offices located at Santo Domingo, 789, Santiago, Chile (Telephone: 562-638-0840).

Financial Information. The following selected consolidated financial data relating to the Company and its subsidiaries has been taken or derived from the audited financial statements contained in the Company 20-F and the unaudited financial statements contained in the Company's Report on Form 6-K dated October 30, 1998. More comprehensive financial information is included in such reports and the other documents filed by the Company with the Commission, and the financial data set forth below is qualified in its entirety by reference to such reports and other documents including the financial statements and related notes contained therein. Such reports and other documents may be examined and copies may be obtained from the offices of the Commission in the manner set forth below. The financial statements of the Company are presented in Chilean pesos and are prepared in accordance with generally accepted accounting principles in Chile ("Chilean GAAP") and the rules of the SVS relating thereto, both of which (as described below) differ in certain respects from generally accepted accounting principles in the United States ("U.S. GAAP"). The financial statements of the Company as of and for the years ended December 31, 1995, 1996 and 1997 have been restated in constant Chilean pesos as of December 31, 1997. The Company consolidates the results of operations of each corporation defined as a "subsidiary" under key No. 18,046. In order to consolidate another corporation, the Company must satisfy, in general terms, one of two criteria. It must either (i) control, directly or indirectly, more than a 50% voting interest in such corporation or (ii) control directly or indirectly, less than a 50% voting interest in such corporation but nominate or have the power to nominate a majority of the board directors of such corporation. The Company obtained majority representation on the Board of Directors on April 12, 1996, and the Company consolidated Endesa-Chile's results of operations for the full years ended December 31, 1996 and 1997 and for subsequent periods. Under U.S. GAAP, the Company does not consolidate Endesa-Chile but continues to account for its investment based on the equity method. The financial information for the nine months ended September 30, 1997 and September 30, 1998 is presented in U.S. dollars translated from constant Chilean pesos as of September 30, 1998 at an exchange rate of Ch\$467.25 = US\$1.00.

ENERSIS S.A.

SELECTED CONSOLIDATED FINANCIAL DATA

	Year ended December 31,			Nine Months Ended September 30, (unaudited)	
	1995	1996	1997	1997	1998
	(In millions of constant Ch\$ as of December 31, 1997, except per Share and ADS amounts)			(In thousands of U.S. dollars translated from constant Chilean pesos as of September 30, 1998 using an exchange rate of Ch\$467.25=US\$1.00)	
Income Statement Data:					
<i>Chilean GAAP</i>					
Revenues from					
operations	Ch\$ 834,034	Ch\$1,233,789	Ch\$1,334,977	US\$2,109,225	US\$2,488,929
Operating income	100,309	345,914	362,404	569,305	759,673
Equity in income of related companies	39,241	17,611	31,999	50,120	55,025
Total non-operating income (expense), net ⁽¹⁾	25,933	(33,391)	(98,692)	63,668	(254,553)
Minority interest	(44,854)	(179,095)	(157,945)	(334,931)	(256,965)
Net income	110,531	112,645	103,516	231,681	153,201
Net income per share	16.97	16.67	15.22	n/a	n/a
Net income per ADS ⁽²⁾	848.27	833.5	761.15	n/a	n/a
Dividends declared per share	7.13	6.42	6.86	n/a	n/a
Dividends declared per ADS in U.S. dollars ⁽²⁾ ..	0.99	0.71	0.81	n/a	n/a
Weighted average shares outstanding	6,514	6,759	6,800	n/a	n/a
<i>U.S. GAAP</i>					
Revenues from					
operations	834,034	886,661	875,646	n/a	n/a
Operating income	117,705	145,426	161,213	n/a	n/a
Equity in income of related companies	37,535	37,851	42,460	n/a	n/a
Other non-operating income (expense), net	23,423	4,993	(2,459)	n/a	n/a
Net income	113,690	124,160	101,255	n/a	n/a
Net income per share	17.5	18.4	14.9	n/a	n/a
Net income per ADS ⁽²⁾	875.0	920.0	745.0	n/a	n/a
Balance Sheet Data					
<i>Chilean GAAP</i>					
Total assets	1,727,768	4,392,202	6,180,415	10,610,21 ⁽³⁾	14,626,40 ⁽³⁾
Long-term debt	338,735	1,606,930	2,703,974	4,301,767	6,412,752
Stockholders' equity	575,763	682,789	706,021	1,606,865	1,650,604
<i>U.S. GAAP</i>					
Total assets	1,699,041	1,938,828	2,224,850	n/a	n/a
Long-term debt	338,735	555,134	797,172	n/a	n/a
Stockholders' equity	518,610	643,001	669,376	n/a	n/a

* n/a means not available.

(1) Excludes equity in income of related companies.

(2) Per ADS amounts in constant Chilean pesos are determined by multiplying per Share amounts by 50 (1 ADS = 50 Shares). U.S. dollar amounts are calculated by applying the U.S. dollar exchange rate on the dividend payment rate to the nominal Chilean peso amount.

(3) Total Assets for the periods ended September 30, 1997 and 1998 are expressed in millions of U.S. dollars.

According to the Company 20-F, the principal differences between Chilean GAAP and U.S. GAAP as they apply to the Company relate to accounting for deferred income taxes, fixed assets and intangibles. The accounting for deferred income taxes reduced the Company's net income reported under U.S. GAAP in the three most recent fiscal years. Net income under Chilean GAAP for 1997, 1996 and 1995 was Ch\$103.5 billion, Ch\$112.6 billion and Ch\$110.5 billion, respectively, as compared to net income reported under U.S. GAAP of Ch\$101.3 billion, Ch\$124.2 billion and Ch\$113.7 billion, respectively, or 2.2% higher, 9.3% lower and 2.8% lower under Chilean GAAP as compared to U.S. GAAP. In accordance with Chilean GAAP, the Company has not recorded any deferred income tax effects, due to the availability of accumulated tax losses and because the primary timing difference (accelerated depreciation) is projected to be compensated when it reverses during future years by depreciation from the purchase of new property, plant and equipment. For purposes of determining the tax expense and deferred tax assets and liabilities under U.S. GAAP, the amounts of deferred taxes for each of the three years ended December 31, 1997 have been computed by applying Financial Accounting Standards No. 109 "Accounting for Income Taxes" ("FAS 109"), which requires an asset and liability approach to recording deferred income taxes. Under FAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities per financial statements and their respective tax bases, and for operating loss and tax credit carry-forwards. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion of all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using tax rates in effect at the end of each reporting period.

According to the Company's Form 6-K dated March 1, 1998, on February 26, 1999, the Company issued a press release announcing the Company's results for the year ended December 31, 1998. This press release advised that the Company would release its Consolidated Financial Statements for the year ended December 31, 1998 by March 12, 1999. The financial information set forth below for the year ended December 31, 1998 is presented in thousands of constant U.S. dollars translated from Chilean pesos as of December 31, 1998 using an exchange rate of US\$1.00 = Ch\$472.41. Operating income for the Company and its subsidiaries for 1997 totaled US\$883,688 as compared to US\$1,247,159 for 1998. Net Income for the Company and its subsidiaries for 1997 totaled US\$235,704 as compared to US\$190,710 for 1998. The Company mainly attributes this 19% decrease in net income for 1998 to lower non-operating income due in part to the replacement of Chilean Accounting Rule number 51 by new Chilean Accounting Rule number 64 carried out during 1998. According to the Company, on a pro forma basis, had the new Chilean Accounting Rule 64 been in effect for 1997, net income would have been approximately US\$202 million, and net income would have been only approximately 5% lower in 1998.

The information concerning the Company contained herein has been taken from or is based upon reports and other documents on file with the Commission or otherwise publicly available. Although neither the U.S. Purchaser nor Endesa has any knowledge that would indicate that any statements contained herein based upon such reports and documents are untrue, neither the U.S. Purchaser nor Endesa takes any responsibility for the accuracy or completeness of the information contained in such reports and other documents or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of any such information but that are unknown to the Purchasers or Endesa.

Exchange Rates. The Federal Reserve Bank of New York does not report a noon buying rate for Chilean pesos. The following table sets forth the annual low, high, average and period-end Observed Exchange Rate for United States dollars for each of the indicated periods starting in 1995 as reported by the Central Bank of Chile.

Year	Observed Exchange Rates of Ch\$ per \$1.00			
	Low(1)	High(1)	Average(2)	Period-End
1995	368.75	418.98	396.77	406.91
1996	402.25	424.97	412.27	424.87
1997	411.65	441.25	419.22	439.81
1998	439.18	475.41	460.29	473.77
1999 (through March 9)	468.69	532.46	486.81	495.12

Source: Central Bank of Chile.

- (1) Exchange rates are the actual high and low, on a day-by-day basis for each period.
- (2) The average of monthly average rates during the period reported except for the period January 7, 1999 through March 9, 1999.

The Observed Exchange Rate on March 9, 1999 was Ch\$495.12 = US\$1.00.

Available Information. The Company is subject to the informational requirements of the Exchange Act applicable to foreign private issuers and in accordance therewith files reports and other information with the Commission relating to its business, financial condition and other matters. Such reports, statements and other information may be inspected at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and should also be available for inspection and copying at prescribed rates at the regional offices of the Commission in New York (7 World Trade Center, Suite 1300, New York, New York 10048) and Chicago (Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-5211). Copies of such material can also be obtained from the Public Reference Section of the Commission in Washington, D.C. 20549, at prescribed rates. Such material should also be available for inspection at the library of the NYSE, 20 Broad Street, New York, New York 10005, on which the ADSs are traded.

9. Certain Information Concerning the U.S. Purchaser, the Chilean Purchaser and Endesa.

The U.S. Purchaser. The U.S. Purchaser is a privately held stock company organized under the laws of the Kingdom of Spain which has as its principal objective the development of Endesa's international expansion strategy through the holding of interests in foreign companies. All of the issued and outstanding capital stock of the U.S. Purchaser is held indirectly by Endesa. The principal executive offices of the U.S. Purchaser are Torre Picasso, Plaza Pablo Ruiz Picasso, s/n, Madrid, Spain (Telephone: 3491-566-8800). The name, business address, principal occupation or employment, five year employment history and citizenship of each director and officer of the U.S. Purchaser and certain other information are set forth in Schedule I hereto.

The Chilean Purchaser. The Chilean Purchaser is a privately held stock company incorporated under the laws of the Republic of Chile which has as its sole business the holding of Shares of the Company. The Chilean Purchaser currently owns directly and indirectly 2,168,866,108 Shares, or 31.9% of the outstanding Shares of the Company. All of the issued and outstanding capital stock of the Chilean Purchaser is owned by the U.S. Purchaser, which in turn is a wholly-owned subsidiary of Endesa. The principal executive offices of the Chilean Purchaser are Avenida Andrés Bello, 2777, Las Condes, Piso 25, Santiago, Chile (Telephone: 562-280-9600).

Endesa. Endesa, a limited liability company (*sociedad anónima*) organized under the laws of the Kingdom of Spain, is a vertically integrated electric utility and the largest generator of electricity in Spain. Endesa also has significant investments, through the U.S. Purchaser, in the Latin American electricity sector, including in Chile, Colombia, Argentina, Peru, Venezuela and Brazil. In late 1997 and between February and October 1998, Endesa acquired, through the Chilean Purchaser, 31.9% of the outstanding Shares of the Company. In addition Endesa owns, through another wholly-owned subsidiary, 0.039% of the outstanding Shares in the form of ADSs. Endesa's common shares are listed on each of the Madrid, Bilbao, Barcelona and Valencia Stock Exchanges and are quoted on the Automated Quotation System of the Spanish Stock Exchanges. American Depositary Shares representing Endesa's common shares trade on the NYSE under the symbol "ELE." The principal executive offices of Endesa are Príncipe de Vergara 187, Madrid, Spain (Telephone: 3491-566-8800). The name, business address, principal occupation or employment, five year employment history and citizenship of each director and executive officer of Endesa and certain other information are set forth on Schedule I hereto.

Endesa is subject to the informational requirements of the Exchange Act applicable to foreign private issuers and in accordance therewith files reports and other information with the Commission relating to its business, financial condition and other matters. Additional information concerning Endesa is set forth in Endesa's Annual Report on Form 20-F for the fiscal year ended December 31, 1997 (the "Endesa 20-F") and other reports filed with the Commission, which may be inspected at, and copies may be obtained from, the same places and in the manner set forth in "Section 8. Certain Information Concerning the Company."

The following selected consolidated financial data relating to Endesa and its subsidiaries has been taken or derived from the audited financial statements contained in the Endesa 20-F and the unaudited financial statements contained in Endesa's Report on Form 6-K dated February 26, 1999 (the "Endesa 6-K"). More comprehensive financial information is included in such reports and the other documents filed by Endesa with the Commission, and the financial data set forth below should be read in conjunction with, and is qualified in its entirety by reference to, such reports and other documents including the financial statements and related notes contained therein. The audited financial statements and the unaudited financial statements (including any notes thereto) contained in the Endesa 20-F and Endesa 6-K are incorporated herein by reference and may be inspected at, and copies may be obtained from, the same places and in the manner set forth in "Section 8. Certain Information Concerning the Company."

Endesa's financial statements are presented in Spanish pesetas ("pesetas" or "Pts") and are prepared in accordance with generally accepted accounting principles in Spain ("Spanish GAAP") which differs in certain respects from U.S. GAAP. The principal differences between Spanish GAAP and U.S. GAAP as they apply to Endesa relate to (i) Endesa's 1996 asset restatement, (ii) treatment of pension plans and early retirements, (iii) treatment of minority interests and (iv) the effects of SFAS 109 and SFAS 115. In November 1996, Endesa increased its holding in Fuerzas Eléctricas de Cataluña, S.A. ("FECSA") and Compañía Sevillana de Electricidad, S.A. ("SEVILLANA") to 75% each, and as a consequence these companies were consolidated from January 1, 1996. The consolidation of these companies into Endesa's financial statements from January 1, 1996 significantly affected the results of operations for the year ended December 31, 1996. Minority interests in 1996 include interests in these companies of 51% and 60.5%, respectively, for the period ended November 30, 1996, and 25% interests in these companies for the remainder of 1996.

ENDESA, S.A.

SELECTED CONSOLIDATED FINANCIAL DATA

	Year ended December 31,			
	1995	1996(1)(2)	1997(1)(2)	1998(7)
(millions of pesetas, except shares outstanding, per share and per ADS amounts)				
Consolidated Income Statement Data:				
Amounts in accordance with Spanish GAAP:				
Sales(3)	Ptas. 861,689	Ptas.1,259,8 35	Ptas.1,245,4 35	Ptas. 1,100,032
Operating income	266,166	378,156	335,629	316,564
Ordinary income	233,679	298,896	251,840	282,028
Consolidated income before taxes	214,781	266,658	238,281	266,473
Net income	149,853	165,088	166,742	182,558
Net income per share or ADSs(4)	144.1	158.7	160.3	183.03
Weighted average number of shares outstanding (in thousands)	1,040,022	1,040,222	1,040,022	997,415
Amounts in accordance with U.S. GAAP:				
Net income(5)	157,132	323,555	209,444	n/a
Net income per share or ADS(4)	151.1	311.1	201.4	n/a
Consolidated Balance Sheet Data:				
Amounts in accordance with Spanish GAAP:				
Utility plant (net)	Ptas.1,466,8 22	Ptas.2,976,6 39	Ptas.2,931,3 67	Ptas.2,836,435
Total assets	2,135,295	3,789,679	4,371,525	4,647,219
Current liabilities	546,276	716,019	845,812	876,743
Long-term debt(6)	351,494	940,771	1,018,749	1,347,726
Minority interests	82,244	248,201	252,763	275,999
Stockholder's equity	882,144	1,465,168	1,512,388	1,258,839
Amounts in accordance with U.S. GAAP:				
Utility plant (net)	1,469,423	2,379,797	2,383,909	n/a
Total assets	2,141,359	3,444,019	3,910,769	n/a
Current liabilities				
Long-term debt(6)	351,494	940,771	1,018,769	n/a
Minority interests	83,470	262,420	280,512	n/a
Stockholder's equity	916,473	1,201,979	1,339,979	n/a

- (1) In November 1996, Endesa increased its holdings in each of FECSA and SEVILLANA from 49.0% and 39.5%, respectively, to 75.0% in a transaction accounted for by the purchase method. As a result of these acquisitions, FECSA and SEVILLANA, which had been carried by the equity method in Endesa's audited consolidated financial statements, were consolidated by the global integration method beginning January 1, 1996. Accordingly, Endesa's consolidated balance sheet as of December 31, 1996 and 1997 includes 1996. Accordingly, Endesa's consolidated balance sheet as of December 31, 1996 and 1997 includes FECSA and SEVILLANA as fully consolidated subsidiaries and Endesa's consolidated statements of income includes the results of FECSA and SEVILLANA on a consolidated basis from January 1, 1996 with appropriate adjustments under Income allocated to minority interest. Consequently, the consolidation of FECSA and SEVILLANA as of January 1, 1997 increased operating revenues and operating income for the years ended December 31, 1996 and 1997 and for the three months ended March 31, 1997 and 1998.
- (2) As of December 1, 1996, certain consolidated subsidiaries of Endesa restated the net values of their tangible fixed assets, resulting in a net increase in value of Ptas 582,331 million, and paid a one-time tax of 3% thereon, which was charged to the appropriate reserve accounts on the balance sheet and not to the income

statement. The net increase in book value resulting from this restatement will be depreciated over the remaining useful lives of the restated assets, resulting in lower net income and lower taxes, but higher cash flow, in 1997 and future years.

- (3) Sales include wholesale and retail sales of electricity and other sales.
- (4) Net income per ADS and per share for each of the years ended December 31, 1995, 1996 and 1997 has been computed based on the weighted average number of Endesa's common shares outstanding for such periods restated to give retroactive effect to a 1997 stock split. Net income per ADS and per share for the nine months ended September 30, 1997 and September 30, 1998 has been computed based on the number of Endesa common shares authorized, issued and outstanding which was 1,040,022,396 and 954,807,623, respectively.
- (5) Under U.S. GAAP, net income for 1996 is adjusted by an increase of Ptas 206,381 million, representing the full tax benefit in future years under Spanish GAAP from the 1996 asset restatement, offset in part by the 3% tax of Ptas 17,470 million which is deducted from net income as a U.S. GAAP adjustment. In addition to the increase in consolidated net income for the year, under U.S. GAAP, 1996 stockholders' equity is reduced to eliminate the effect of the asset restatement.
- (6) Long-term debt does not include current maturities.
- (7) 1998 figures are unaudited.

Exchange Rates. The following table sets forth, for the periods and dates indicated, certain information concerning the noon buying rate in New York City for cable transfers in pesetas as certified for customs purposes by the Federal Reserve of New York (the "Noon Buying Rate") for dollars expressed in pesetas per US\$1.00.

<u>Year ended December 31</u>	<u>Rate and Period End</u>	<u>Average(1)</u>	<u>High</u>	<u>Low</u>
1995	121.40	124.11	133.93	118.54
1996	129.86	126.97	131.55	120.95
1997	152.40	147.15	158.80	129.88
1998	142.15	149.42	157.41	136.80
1999 (through January 15)(2)	143.55	142.84	144.26	140.86

- (1) The average of the Noon Buying Rates on the last day of each full month during the relevant period, except for the period January 1 through January 15, 1999 where the average is calculated by taking the average of the Noon Buying Rates on each day of such period.
- (2) January 15, 1999 was the last day on which the Federal Reserve Bank of New York reported a Noon Buying Rate for Pesetas. Effective January 19, 1999, the Federal Reserve Bank of New York began quoting a Noon Buying Rate for the Euro (1 Euro = Ptas 166.39). The Noon Buying Rate for dollars expressed in Euro on March 9, 1999 was 1.0873 Euro - US\$1.00.

Ownership of Shares and Other Transactions. Except as described elsewhere in this U.S. Offer to Purchase, (i) neither Endesa nor the U.S. Purchaser nor, to the best of their knowledge, any of the persons listed in Schedule I to this U.S. Offer to Purchase or any associate or majority-owned subsidiary of Endesa or the U.S. Purchaser or any of the persons so listed in Schedule I hereto, beneficially owns or has any right to acquire, directly or indirectly, any Shares and (ii) neither Endesa nor the U.S. Purchaser nor, to the best of their knowledge, any of the persons or entities referred to above nor any director, executive officer or subsidiary of any of the foregoing has effected any transaction in the Shares during the past 60 days. Except as otherwise described in this U.S. Offer to Purchase, neither Endesa nor the U.S. Purchaser nor, to the best of their knowledge, any of the persons listed in Schedule I to this U.S. Offer to Purchase, has any contract, arrangement, understanding or relationship with any other person with respect to any securities of the Company, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of such securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees of profits, division of profits or loss or the giving or withholding of proxies. Except as set forth in this U.S. Offer to Purchase, since January 1, 1996, neither Endesa, the U.S. Purchaser nor, to the best of their knowledge, any of the persons listed in Schedule I hereto, has had any business relationship or transaction with the Company or any of its executive officers, directors, or affiliates that is required to be reported under the rules

and regulations of the Commission applicable to the U.S. Offer. Except as set forth in this U.S. Offer to Purchase, since January 1, 1996, there have been no contracts, negotiations or transactions between Endesa or the U.S. Purchaser, or any of their respective subsidiaries or, to the best knowledge of Endesa and the U.S. Purchaser, any of the persons listed in Schedule I to this U.S. Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets.

Proceedings and Convictions. Except as described below, during the last five years, neither Endesa nor the U.S. Purchaser nor, to the best of their knowledge, any of the persons listed on Schedule I attached hereto, (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, United States federal or state securities laws or finding any violation with respect to such laws.

On May 30, 1997, Endesa announced the resolution of an investigation by the *Comisión Nacional de Mercado de Valores* (Spain's securities commission) in which Endesa was fined an immaterial amount in connection with certain public tender offers conducted in Spain.

On November 7, 1997, the Chilean Purchaser was charged by the SVS with allegedly using privileged information, in violation of Chilean law, during the August, 1997 tender offer transaction described below. The Chilean Purchaser received a fine of approximately US\$3 million.

On November 26, 1997, CB Administradora de Fondos Mutuos S.A., a Chilean pension fund, filed a civil lawsuit against the Chilean Purchaser for allegedly using privileged information in violation of Chilean law during the tender offer for the Series A shares of the Chispas (as defined in Section 11 below) in August 1997.

According to press releases in Chile, on October 8, 1998 a group of seventeen shareholders and former shareholders in the Chispas filed a criminal lawsuit against Endesa's Chief Executive Officer Mr. Rafael Miranda and its International Operations General Manager Mr. Alfredo Llorente. The suit alleges, according to such press releases, that during Endesa's August, 1997 tender offer to acquire 29% of the Company through acquisition of control of each of the Chispas, the defendants violated Chilean law by withholding information on the details of the transaction.

The Chilean Purchaser disputes all of the allegations brought against it its subsidiaries and its officers stemming from the August, 1997 tender offer transaction and will continue to vigorously challenge these claims by taking any legal steps that it considers necessary to prove that it and its representatives acted at all times within Chilean law and regulations.

On January 25, 1999, two Chilean lawyers filed a claim with the *Fiscalia Nacional Económica*, a quasi-judicial body with jurisdiction over Chile's antitrust laws, demanding an investigation of the Offers by Endesa and the Bidder and a declaration that Endesa's control of the Company would be contrary to Chilean law. The complainants also have asked the *Fiscalia Nacional Económica* to enjoin the Offers. Among other things, the complaint alleges that control of the Company by Endesa would result in monopolistic concentration of Chilean utility services. Endesa believes that this complaint is without merit and, on February 13, 1999, filed an appropriate response with the *Fiscalia Nacional Económica*.

10. Source and Amount of Funds.

The U.S. Offer and the Chilean Offer are not conditioned upon any financing arrangements. The amount of funds required by the Purchasers to purchase the Shares and ADSs representing in the aggregate 2,176,000,000

Shares and to pay related fees and expenses is expected to be approximately US\$1.5 billion. The U.S. Purchaser will obtain all required funds from inter-company loans from Endesa. The Chilean Purchaser will obtain all required funds from capital contributions by the U.S. Purchaser, which in turn will fund its capital contribution through inter-company loans from Endesa. Endesa will fund its loan to the U.S. Purchaser with internally generated funds and through borrowings under the following various revolving multicurrency credit facilities from various commercial banks: (i) Ptas 50 billion Credit Agreement dated January 30, 1998 between Endesa and its subsidiaries and Banco Español de Crédito, S.A.; (ii) Ptas 100 billion Credit Agreement dated February 13, 1998 between Endesa and its subsidiaries and Banco Bilbao Vizcaya, S.A.; (iii) Ptas 100 billion Credit Agreement dated December 30, 1997 between Endesa and its subsidiaries and Banco Central Hispanoamericano, S.A.; (iv) Ptas 100 billion Credit Agreement dated February 13, 1998 between Endesa and its subsidiaries and Banco Exterior de España, S.A.; (v) Ptas 30 billion Credit Agreement dated January 30, 1998 between Endesa and its subsidiaries and Bilbao Bizkaia Kutxa; (vi) Ptas 20 billion Credit Agreement dated January 22, 1998 between Endesa and its subsidiaries and La Caja de Ahorros de Galicia; (vii) Ptas 25 billion Credit Agreement dated January 26, 1998 between Endesa and its subsidiaries and Caja de Ahorros y Monte de Piedad de Guipuzcoa y San Sebastian; (viii) Ptas 100 billion Credit Agreement dated February 3, 1998 between Endesa and its subsidiaries and Caja de Ahorros y Monte de Piedad de Madrid; (ix) Ptas 100 billion Credit Agreement dated January 21, 1998 between Endesa and its subsidiaries and Caixa Barcelona; (x) Ptas 15 billion Credit Agreement dated October 14, 1998 between Endesa and its subsidiaries and Deutsche Bank S.A. and (xi) Ptas 100 billion Credit Agreement dated February 18, 1998 between Endesa and its subsidiaries and Banco Santander. The interest rates on the loans under each of the aforementioned agreements is five basis points over the Madrid Interbank Offer Rate (currently the Euro Interbank Offer Rate).

Endesa expects to refinance the borrowings described above over time with internally generated funds.

11. Background of the Offers; Past Contacts, Transactions or Negotiations with the Company.

Background. Beginning in June 1996, the former President of Endesa and other representatives of Endesa held preliminary discussions with the former Chief Executive Officer of the Company and certain other former key managers of the Company (together, the "Former Key Managers") to explore a possible acquisition by Endesa of a controlling interest in the Chispas (as defined below). The Chispas are Chilean investment companies which at the time owned in the aggregate a 29.0% interest in the Company. The proposed transaction contemplated the sale by the Former Key Managers and other entities controlled by the Former Key Managers of a controlling majority interest in each of Inversiones Chispa Uno, S.A. ("Chispa Uno"), Inversiones Chispa Dos, S.A. ("Chispa Dos"), Inversiones Los Almendros, S.A. ("Los Almendros"), Inversiones Luz y Fuerza, S.A. ("Luz y Fuerza") and Inversiones Luz, S.A. ("Luz") (collectively, the "Chispas"). Between June and September of 1996, representatives of Endesa and the Former Key Managers continued to further discuss and negotiate the structure and terms of such an acquisition proposal. In September 1996, negotiations ended without the parties reaching agreement on the terms of the proposed transaction.

Beginning in May 1997, other executive officers of Endesa re-initiated discussions with the Former Key Managers regarding the possible acquisition by Endesa of a controlling interest in the Chispas. The parties discussed a proposed transaction involving Endesa obtaining an indirect 29.0% interest in the Company through the acquisition of a controlling interest in each of the Chispas. The proposed transaction would take place in two steps. First, the parties would enter into two stock purchase agreements pursuant to which the Former Key Managers and other related parties would agree to sell to Endesa 100% of the controlling Series B shares of the Chispas. Second, Endesa would initiate a tender offer in Chile to purchase all of the Series A shares of the Chispas. The transaction contemplated that upon successful completion of the tender offer for the Series A shares, the sale of the Series B shares pursuant to the stock purchase agreements would be consummated.

During the following months, legal and financial representatives of Endesa and the Former Key Managers met continuously to discuss the terms and conditions of the transaction with a view toward reaching agreement and negotiating definitive documentation.

On August 2, 1997, Endesa and the Chilean Purchaser entered into a Stock Purchase Agreement ("Stock Purchase Agreement I") with the Former Key Managers, Inversiones Los Almendros y Compañía and Inmobiliaria Luz y Fuerza y Compañía (collectively, the "Sellers"), pursuant to which the Chilean Purchaser agreed to acquire, upon the successful completion by the Chilean Purchaser of the tender offer for the Series A shares of the Chispas described below, 51% of the controlling Series B shares of the Chispas for a purchase price of approximately US\$249,200,000. In September 1997, the sale of 51% of the Series B shares was consummated and approximately US\$200 million of the purchase price was paid in cash. The remainder of the purchase price was paid in 2,611,960 shares of Endesa's common stock, which was sold to the Sellers at a price of Ptas. 2,841 per share.

On August 2, 1997, Endesa and the Chilean Purchaser entered into a second Stock Purchase Agreement ("Stock Purchase Agreement II" and, together with Stock Purchase Agreement I, the "Stock Purchase Agreements") with the Former Key Managers and Inmobiliaria Luz y Fuerza y Compañía ("ILFC"), pursuant to which the Former Key Managers and ILFC agreed to sell, subject to the successful completion by the Chilean Purchaser of the tender offer for the Series A shares of the Chispas described below, 49% of the Series B shares of the Chispas for a purchase price of approximately US\$256,800,000 payable in five installments of US\$39 million. An additional portion of the purchase price was to be paid over a five-year period contingent upon the achievement of certain financial goals by the Company and the continuation of control of the Company and its subsidiaries by the Chispas. In order to secure the Former Key Managers' and ILFC's obligations under Stock Purchase Agreement II, the Chilean Purchaser was granted a security interest in, and all voting rights with respect to, 49% of the Series B shares until payment of the final installment and completion of the sale.

On August 18, 1997, the Chilean Purchaser commenced a tender offer for all of the outstanding Series A shares of the Chispas. The tender offer expired on August 30, 1997. On September 5, 1997, the Chilean Purchaser announced that the tender offer for the Series A shares was successful. In the tender offer, the Chilean Purchaser acquired 88.8% of the Series A shares of the Chispas for a total purchase price of approximately US\$870 million. This acquisition, together with the acquisition of the Series B shares of the Chispas, gave the Chilean Purchaser a majority controlling interest in each of the Chispa companies other than Luz.

In connection with the Stock Purchase Agreements described above, Endesa entered into an Operating Agreement, dated as of August 2, 1997 (the "Operating Agreement") with the Former Key Managers. Pursuant to the Operating Agreement, the parties agreed that the Former Key Managers would continue in their management positions at the Company for a period of at least five years and that all nominations to the Board of Directors of the Company and its subsidiary Endesa-Chile would be proposed jointly by Endesa and the Former Key Managers, except that Endesa would nominate at least one director to the Boards of the Company and its subsidiary Endesa-Chile. In addition, the Company, represented by its Chief Executive Officer Mr. Yuraszck, executed a Strategic Alliance Agreement, dated as of August 2, 1997 (the "Strategic Alliance"), between the Company and Endesa. The principal objective of the Strategic Alliance was to provide a framework through which both companies would jointly evaluate and participate in investment projects in the energy sector in Latin America. The terms of the Strategic Alliance were later amended and restated as described below under "— Strategic Alliance."

Beginning in October 1997, certain members of the Board of Directors of the Company raised objections to some of the terms of the Strategic Alliance. At a meeting of the Board of Directors held in October 1997, the Board adopted a resolution concluding that Mr. Yuraszck had acted beyond the powers delegated to him by the Board of Directors in negotiating and executing the Strategic Alliance on behalf of the Company. Following such action by the Company's Board of Directors, Mr. Yuraszck and the other Former Key Managers resigned from their respective positions at the Company and Endesa announced its intention to renegotiate the terms of the Strategic Alliance.

On October 29, 1997, the Stock Purchase Agreement II relating to the purchase and sale of 49% of the Series B Shares of the Chispas was terminated by mutual agreement and replaced by a firm contract of sale for

such Series B shares pursuant to which the Chilean Purchaser paid a definite purchase price of approximately US\$36 million. In addition, on the same date, the Operating Agreement relating to the management of the Company and its subsidiaries was terminated, and Endesa and the Former Key Managers entered into a Non-compete Agreement pursuant to which such Former Key Managers resigned from their respective positions and agreed not to participate or work, directly or indirectly, on any matters related to the energy sector in Latin America and Spain for a period of two years.

On October 31, 1997, Endesa, through its wholly-owned subsidiary Encesar, acquired in open market transactions 4,080,000 ADSs representing 204,000,000 Shares or approximately 3% of the capital stock of the Company. The total purchase price for the ADSs was approximately US\$130.56 million. Encesar subsequently converted substantially all of the ADSs into Shares and transferred such Shares to the U.S. Purchaser. Encesar currently owns a 0.039% interest in the Company in the form of ADSs representing Shares.

Furthermore, on December 5, 1997, the Chilean Purchaser entered into an agreement with certain shareholder of Luz pursuant to which the Chilean Purchaser sold all of its Series A shares and Series B shares in Luz to certain stockholders of Luz (the "Investors") for an aggregate purchase price of approximately US\$35 million. The Investors paid part of the purchase price in cash and in shares of the other four Chispas companies (14,427,810 shares) and paid the balance in May and September 1998 by transferring to the Chilean Purchaser 39,832,152 shares (or a 0.6% interest) of the Company. The Investors also agreed to sell an additional 1.5% of the capital stock of the Company to the Chilean Purchaser sometime in 1998. In May 1998 and September 1998, pursuant to its agreement with the Investors, the Chilean Purchaser acquired 80,110,045 Shares (representing a 1.2% interest in the Company) for a total purchase price of approximately US\$47 million.

Between February 13, 1998 and October 21, 1998, the Chilean Purchaser acquired an additional 67,336,071 Shares representing a 1.05% interest in the Company through open-market purchases on the Santiago Stock Exchange for a total purchase price of approximately US\$32 million.

Endesa, through its acquisition of the Chispa Series A and Series B shares in 1997 and its acquisition of Shares and ADSs of the Company through a series of open market purchases in 1997 and 1998, is the beneficial owner of 2,171,518,108 Shares representing approximately 31.9% of the outstanding Shares of the Company. This ownership interest gives the Endesa the opportunity to nominate three of the seven members of the Board of Directors of the Company. Currently, three of the members of the Company's Board of Directors are representatives of Endesa: Mr. Rodolfo Martín Villa, Mr. Alfredo Llorente and Mr. Héctor López, each of whom was elected for a term of three years at the general stockholders' meeting that took place on November 28, 1997. In addition, Endesa nominated two of the nine members currently serving on Endesa-Chile's Board of Directors.

On January 22, 1999, Endesa announced its intention to commence, through the U.S. Purchaser and the Chilean Purchaser, concurrent U.S. and Chilean offers (the "Original Tender Offers") for Shares and ADSs representing in the aggregate up to 2,176,000,000 Shares (or 32% of the Shares of the Company) at a price of Ch\$320 per Share and Ch\$16,000 per ADS, in each case, net to the seller in cash. The original U.S. offer was made pursuant to a U.S. Offer to Purchase filed with the Commission on January 28, 1999. The Board of Directors voted to schedule a meeting of the Company's shareholders on February 24, 1999 to vote on the Bylaw Amendment, the approval of which was a condition to the Original Tender Offers.

In early February 1999, subsequent to the February 4, 1999 shareholders' meeting of the Company (see "Section 12. Purpose of the Offers; Plans for the Company"), executives of Duke Energy Corporation ("Duke") Duke and of Endesa had several telephone conversations and a brief meeting regarding the possibility of negotiating an agreement under which Duke would tender for a number of Shares and American Depositary Shares representing a significant minority interest in Empresa Nacional de Electricidad S.A. ("Endesa-Chile"), and, thereafter, should Endesa's Original Tender Offers for the Company's Shares and ADSs be successful, Duke and the Company could enter into a shareholders agreement that would give Duke majority representation on Endesa-Chile's board of directors. No agreements, arrangements or understandings were reached and the discussions were terminated on February 16, 1999.

On February 12, 1999, Citibank distributed to holders of ADSs voting instructions to vote the Shares represented by ADSs in connection with the February 24, 1999 meeting of the Company's shareholders to consider the Bylaw Amendment. Citibank set the cut-off time for receiving voting instructions in respect of the Bylaw Meeting for no later than 10:00 a.m. on February 22, 1999.

The Bylaw Amendment failed to achieve the requisite approval of holders of 75% of the Shares of the Company, although it was approved by holders of approximately 74% of the outstanding Shares (including Shares represented by ADSs). All of the Chilean pension fund managers who are shareholders of the Company which held approximately 29% of the Shares were among the holders voting in favor of the Bylaw Amendment at the February 24, 1999 meeting of the Company's shareholders. On February 25, 1999 Endesa announced that it was investigating certain questions in connection with the solicitation, tabulation and delivery of voting instructions with respect to ADS holders since a complaint was received from an ADS holder with respect to the voting process. On February 26, 1999, Endesa terminated the Original Tender Offers without any Shares or ADSs being purchased thereunder.

At a Board of Directors Meeting of the Company held on March 4, 1999, directors of the Company nominated by Endesa presented to the Board the initial findings concerning voting instructions of ADS holders with respect to the February 24, 1999 meeting of the shareholders of the Company.

On March 9, 1999, and acting on the request of two Chilean pension fund managers, Administradora de Fondos de Pensiones Santa Maria S.A. and Administradora de Fondos de Pensiones Habitat S.A., which as of February 24, 1999 were owners in the aggregate of approximately 10.13% of the outstanding Shares of the Company, the Board of Directors of the Company voted to schedule a shareholders' meeting on March 30, 1999 to again consider the Bylaw Amendment.

Strategic Alliance. The Strategic Alliance entered into in August 1997 was amended and restated by Endesa and the Company on March 18, 1998. The Strategic Alliance, as currently in effect, allows the parties to

pursue and develop investment projects in the electricity sector as well as in the transportation and distribution of gas in Latin America, excluding Chile. In order to develop a specific project, the parties will form a consortium for that project, the specific terms of which will be determined on a project-by-project basis and may include third party investors. Should a project be of interest to one party and not the other, the party may proceed with the project independently. In the projects in which both parties bid together, their participation will be the same unless otherwise agreed to by the parties. The Strategic Alliance will be in effect until December 2003, after which the term will be extended for successive three-year terms unless advance notice is given to terminate the relationship.

Joint Investments. Since 1994, Endesa and the Company are joint investors in Edelnor, an electric distribution company in Lima, with an economic interest of 18% and 29% respectively. The aggregate consideration paid for their investment was US\$420 million.

In November 1996, Endesa and the Company participated in a joint investment in Cerj, an electricity distribution company in the State of Rio de Janeiro, Brazil for a total of US\$427 million. Endesa and the Company have an economic interest of 16% and 43%, respectively, in Cerj.

On September 9, 1997, Endesa and the Company formed a joint venture vehicle, Companhia de Interconexão Energetica ("Cien"), for the purpose of constructing a power line connecting the south of Brazil and the north of Argentina. Under the terms of the joint venture, the U.S. Purchaser owns 55% of Cien and has the power to appoint the general manager of the project. Endesa and the Company agreed to contribute a total of US\$250 million (of which US\$112 million has been contributed) to the project.

In October 1997, Endesa and the Company participated jointly in the privatization of the Colombian companies Generadora de Energía de Bogotá ("Emgesa") and Comercializadora y Distribuidora de Energía de Bogotá ("Codensa"). Emgesa is the largest electricity generator in Bogotá and Codensa is the only electricity distributor in Bogotá and its environs. Endesa and the Company are the two sole shareholders of the companies that control Emgesa and Codensa. The aggregate consideration paid by Endesa and the Company for their joint investment in Emgesa and Codensa was US\$1.7 billion.

In April 1998, pursuant to the Strategic Alliance, a consortium including Endesa and the Company acquired 51% of the shares of the Brazilian electricity company Coelce for US\$873 million. Endesa and the Company each owns, directly and indirectly, 41% of the consortium. Endesa's direct investment totaled approximately US\$230 million. In May 1998, the consortium acquired a right to an additional 1.55% of the company for US\$62 million. Coelce distributes energy in the province of Ceara in the northeast of Brazil.

Other contacts. As operators in the energy sector, management of Endesa and the Company have contact with each other in the ordinary course of business. Such contacts primarily consist of jointly evaluating, pursuing and participating in privatizations and other investment projects in the Latin American electricity sector. In addition, since September 1998, representatives of Endesa and the Company and their respective affiliates have been conducting "benchmarking" studies pursuant to which the parties share information relating to their respective management and business processes. Endesa expects that the results of such studies will be completed in the following weeks.

12. Purpose of the Offers; Plans for the Company.

The purpose of the Offers is to enable Endesa to acquire control of, and a majority equity interest in, the Company. As of the date hereof, Endesa beneficially owns 2,171,518,108 Shares representing approximately 31.9% of the outstanding Shares and has three representatives on the seven-member Board of Directors of the Company. Endesa currently intends, as soon as practicable after consummation of the Offers, to seek additional representation on the Company's Board of Directors proportional to its equity position in the Company.

Endesa considers Latin America as fundamental to its international expansion strategy, with the Company being the platform for Endesa's expansion in the region which should permit the Company to achieve its expectations of growth and profitability. Endesa expects to achieve balanced growth in the power generation and distribution sectors as well as in related businesses through the consolidation of Endesa's and the Company's operations. Endesa has extensive experience in Spain and internationally with respect to the consolidation of electricity generation and distribution companies and has the financial resources to realize its Latin American growth strategy. In addition, Endesa believes that consolidation will provide significant management synergies, enhance competitiveness and maximize shareholder value.

Endesa also believes that the Company's principal power generation subsidiary, Endesa-Chile, is an important asset combining electricity generation with the Company's distribution network. Endesa-Chile has a significant market presence throughout Latin America that complements the Company's distribution network. Such an existing infrastructure, along with Endesa's resources and leadership, position the Company and its subsidiaries to become the leading electricity company not only in Chile, but throughout Latin America.

On December 18, 1998, the Board of Directors of the Company voted in favor of submitting for shareholder approval a proposal recommending the sale of the Company's interest in Endesa-Chile. The Directors proposed by Endesa to the Company's Board abstained from voting on such resolution. An extraordinary meeting of the Company's shareholders to allow shareholders to express their position regarding a recommended sale of the Company's interest in Endesa-Chile and to empower the Company's Board of Directors to execute the will of the shareholders with respect to such sale was held on February 4, 1999. At the February 4, 1999 meeting, the shareholders of the Company approved the sale of the Company's interest in Endesa-Chile. Endesa voted its Shares against the proposal. Endesa reserves its right to take any action within its power which it deems desirable or appropriate under the circumstances then existing to prevent the sale of the Company's interest in Endesa-Chile to a third party.

On January 27, 1999, the Board of Enersis unanimously approved a resolution requesting that a meeting of the shareholders of Endesa-Chile be called to consider increasing the maximum number of shares that may be held by a single shareholder or group of related shareholders. On February 26, 1999, the Board of Directors of Endesa-Chile voted to schedule a shareholders meeting for April 6, 1999 to vote on this proposal.

On January 27, 1999, the Board of the Company unanimously approved a resolution requesting that a meeting of the shareholders of Endesa-Chile be called to consider increasing the maximum number of shares that may be held by a single shareholder or group of related shareholders. The Board of Directors of Endesa-Chile voted to schedule a shareholders meeting for April 8, 1999 to vote on this proposal. Endesa intends to support this proposal and will act to permit the other shareholders of Endesa-Chile to sell Endesa-Chile shares representing, in the aggregate, a controlling interest in Endesa-Chile.

Endesa does not intend to decrease its indirect interest in Endesa-Chile and believes that maintaining the Company's interest in Endesa-Chile is in the best interests of all of the Company's shareholders. Should Endesa decide in the future to increase its direct or indirect interest in Endesa-Chile, Endesa will do so only by means of a tender offer for at least 25% of the outstanding shares of Endesa-Chile that would be open to all Endesa-Chile shareholders on the same terms. This commitment will be in effect only during the 90-day period following the adoption of the Endesa-Chile bylaw amendment and only if the Endesa-Chile bylaw amendment is adopted during 1999, and if this U.S. Offer is completed.

On February 25, 1999, Duke launched an offer to purchase up to 4,182,894,836 shares of common stock (51% of the outstanding shares) of Endesa-Chile. Endesa is not a party to Duke's offer to purchase shares of common stock of Endesa-Chile and Duke's offer is unrelated to Endesa's offer to purchase Shares of the Company as stated by Endesa in a press release dated February 18, 1999, a copy of which is included as an exhibit to this 14D-1 to which this U.S. Offer to Purchase is also an exhibit.

Endesa will continue to evaluate all aspects of the Company's business, operations, management and financial position during the pendency of the Offers and after the consummation of the Offers by the Purchasers, and will take such further action as it deems appropriate under the circumstances then existing, including changes

in Company's management. However, Endesa views the current management as a valuable asset, with a proven track record in the domestic and international markets and looks forward to continuing productive collaborations.

Following the consummation of the Offers, Endesa may, directly or indirectly through affiliates, increase its beneficial ownership interests in the Company through open-market purchases, privately negotiated transactions or additional tender offers, subject in each case to any share ownership restrictions in the Company's By-laws. There can be no assurance that Endesa or any of its affiliates will effect any such additional Share purchases.

Except as otherwise discussed in this U.S. Offer to Purchase, neither Endesa nor the Purchasers has any present plans or proposals that would result in any extraordinary corporate transaction, such as a merger, reorganization, liquidation, or sale or transfer of a material amount of assets of the Company or any of its subsidiaries or any other material changes to the Company's capitalization, dividend policy, capital structure, corporate structure or business.

13. Effect of the Offers on the Market for the Shares and ADSs; Registration of Shares under the Exchange Act.

According to Chilean law, the SVS may cancel the registration of any security of the Company in the Securities Registry in the following cases: (i) if quotations or transactions have been suspended for more than 120 days and the causes for such suspension have not been cured; and (ii) in certain serious cases, such as, (a) if registration was obtained with false information; (b) if the Company delivered false information to the exchange or brokers; (c) in the case of a market offer, if the issuer divulged false notices or advertisements; and (d) if the security does not comply with the requirements for its registration.

Effects on Market for Shares. The purchase of Shares pursuant to the Offers will reduce substantially the number of Shares that might otherwise trade publicly and may reduce the number of holders of Shares. In view of the number and value of the Shares that would remain outstanding after completion of the Offers, Endesa believes that there will continue to be a liquid market for the Shares. While a reduction in publicly traded Shares could adversely affect liquidity and market value, the Purchasers cannot predict, with any certainty, whether this reduction would have an adverse or beneficial effect on the market price for, or marketability of, the Shares.

The Shares are traded on the Santiago Stock Exchange, the Valparaiso Stock Exchange and the Electronic Exchange. Endesa and the Purchasers recognize that the existence of a liquid trading market for the Shares in Chile is important to holders of Shares. Consequently, the current strategy of Endesa and the Purchasers is to [cause the Company to] maintain the listing of the Shares on these stock exchanges. In view of this strategy and the fact that the laws of Chile do not provide a mechanism for the forced delisting of securities once trading has commenced, the Purchasers and Endesa do not expect that the Offers will have any adverse impact on the listing of the Shares on any stock exchange in Chile.

After completion of the Offers, Endesa will seek to increase the liquidity of the Shares by making an effort to increase the visibility and coverage of the Company by market analysts. In addition, Endesa will consider, if necessary, financing any future expansion projects with offerings of equity securities of the Company at market conditions.

Effects on Market for ADSs. The purchase of ADSs pursuant to the U.S. Offer will reduce substantially the number of ADSs that might otherwise trade publicly and could reduce the number of holders of ADSs. In view of the number and value of the ADSs that would remain outstanding after completion of the Offers, Endesa believes that there will continue to be a liquid market for the ADSs. While a reduction in publicly traded ADSs could adversely affect liquidity and market value, the Purchasers cannot predict, with any certainty, whether this reduction will have an adverse or beneficial effect on the market price for, or marketability of, the ADSs.

The ADSs are listed on the NYSE. Endesa and the Purchasers recognize that the existence of a liquid trading market for the ADSs is important to holders of ADSs. Consequently the current strategy of Endesa and the Purchasers is to maintain this listing. The NYSE does not currently have a formal policy with respect to the delisting of ADSs. Accordingly, while Endesa expects to maintain the NYSE listing for the ADSs, Endesa and the Purchasers cannot guarantee the continued listing of the ADSs.

If the liquidity and market value of the Shares and ADSs is materially and adversely affected by the Offers, Endesa will analyze whatever steps it deems convenient and appropriate to address this effect.

The ADSs are currently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of such securities. Depending upon factors such as the number of the aggregate market value of the publicly held ADSs, the ADSs might no longer constitute "margin securities" for the purposes of the Federal Reserve Board's margin regulations and, therefore, could no longer be used as collateral for loans made by brokers.

Registration of Shares under the Exchange Act. The Shares are currently registered under the Exchange Act. Such registration may be terminated upon application of the Company to the Commission if the ADSs are not listed on a national securities exchange and there are fewer than 300 record holders of the Shares or ADSs resident in the United States. Termination of the registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to holders of ADSs and to the Commission and would make certain of the provisions of the Exchange Act, such as the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions, no longer applicable to the ADSs. Furthermore, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act. If registration of the Shares under the Exchange Act were terminated, the ADSs would no longer be "margin securities" or eligible for listing or NASDAQ reporting.

14. Extension of Tender Period; Termination; Amendment. The U.S. Purchaser reserves the right, at any time or from time to time, in its sole discretion and regardless of whether or not any of the conditions specified in Section 15 shall have been satisfied, to extend the period of time during which the U.S. Offer is open by giving oral or written notice of such extension to the Receiving Agent and by making a public announcement of such extension or to amend the U.S. Offer in any respect by making a public announcement of such amendment. There can be no assurance that the U.S. Purchaser will exercise its right to extend or amend the U.S. Offer.

If the U.S. Purchaser increases by more than 2% of the outstanding Shares (including Shares represented by ADSs) or decreases the percentage of Shares (including Shares represented by ADSs) being sought or increases or decreases the consideration to be paid for Shares and ADSs pursuant to the U.S. Offer and the U.S. Offer is scheduled to expire at any time before the expiration of a period of 10 business days from, and including, the date that notice of such increase or decrease is first published, sent or given in the manner specified below, the U.S. Offer will be extended until the expiration of such period of 10 business days. The U.S. Purchaser currently does not intend to increase or decrease the percentage of Shares (including Shares represented by ADSs) to be purchased in the U.S. Offer. If the U.S. Purchaser makes a material change in the terms of the U.S. Offer (other than a change in price or percentage of securities sought) or in the information concerning the U.S. Offer, or waives a material condition of the U.S. Offer, the U.S. Purchaser will extend the U.S. Offer, if required by applicable law, for a period sufficient to allow shareholders to consider the amended terms of the U.S. Offer. In a published release, the Commission has stated that in its view an offer must remain open for a minimum period of time following a material change in the terms of such offer and that the waiver of a condition such as the Minimum Tender Condition is a material change in the terms of an offer. The release states that an offer should remain open for a minimum of five business days from the date the material change is first published, sent or given to securityholders, and that if material changes are made with respect to information that approaches the

significance of price and share levels, a minimum of 10 business days may be required to allow adequate dissemination and investor response. The term "business day" shall mean any day other than Saturday, Sunday or a U.S. federal holiday and shall consist of the time period from 12:01 A.M. through 12:00 Midnight, New York City time.

The U.S. Purchaser also reserves the right, exercisable at any time prior to the Expiration Date, and in its sole discretion, in the event any of the conditions set forth in Section 15 of the U.S. Offer to Purchase shall not have been satisfied, to terminate the U.S. Offer and not accept for payment or pay for Shares and ADSs. In addition, the U.S. Purchaser reserves the right, exercisable at any time and in its sole discretion, in the event any of the conditions set forth in Section 15(a) of the U.S. Offer to Purchase shall not have been satisfied and so long as the Shares and/or ADSs have not theretofore been accepted for payment, to delay (except as otherwise required by applicable law) acceptance for payment of or payment for Shares and ADSs or to terminate the U.S. Offer and not accept for payment or pay for Shares and ADSs.

If the U.S. Purchaser extends the period of time during which the U.S. Offer is open, is delayed in accepting for payment or paying for Shares and/or ADSs or is unable to accept for payment or pay for Shares and/or ADSs pursuant to the U.S. Offer for any reason, then, without prejudice to the U.S. Purchaser's rights under the U.S. Offer, the Receiving Agent may, on behalf of the U.S. Purchaser, retain all Shares and ADSs, respectively, tendered, and such Shares and ADSs may not be withdrawn except as otherwise provided in Section 5. The reservation by the U.S. Purchaser of the right to delay acceptance for payment of or payment for Shares and ADSs is subject to applicable law, which requires that the U.S. Purchaser pay the consideration offered or return the Shares and ADSs deposited by or on behalf of shareholders promptly after the termination or withdrawal of the U.S. Offer.

Any extension, termination or amendment of the U.S. Offer will be followed as promptly as practicable by a public announcement thereof. Without limiting the manner in which the U.S. Purchaser may choose to make any public announcement, the U.S. Purchaser will have no obligation (except as otherwise required by applicable law) to publish, advertise or otherwise communicate any such public announcement other than by making a release to the Dow Jones News Service. In the case of an extension of the U.S. Offer, the U.S. Purchaser will make a public announcement of such extension no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date.

15. Certain Conditions of the U.S. Offer. Subject to any applicable rules and regulations of the Commission, including Rule 14e-1(e) under the Exchange Act (relating to the U.S. Purchaser's obligation to pay for or return tendered securities promptly after termination or withdrawal of the U.S. Offer), the U.S. Purchaser may terminate or amend the U.S. Offer and may postpone the acceptance of any payment for the Shares and ADSs as provided in Section 14 if prior to the Expiration Date, the Bylaw Amendment Condition shall not have been satisfied as provided in this U.S. Offer to Purchase; or if at any time before the time of payment for any Shares and ADSs (whether or not any Shares or ADSs have been accepted for payment or paid for pursuant to the U.S. Offer) any of the following conditions exist or is threatened at Endesa's and the U.S. Purchaser's sole discretion:

(a) there shall have been instituted any action or proceeding by any authority or court, domestic or foreign, seeking (i) to suspend, restrain or prohibit either Offer or any of the terms and conditions thereof, (ii) to restrict or prohibit the exercise by Endesa or any of its affiliates of any of its rights with respect to all or any portion of the business or assets of the Company or any of its affiliates or obligate Endesa or any of its affiliates to dispose of any business or asset of the Company or any of its affiliates, or (iii) impose any limitation on the ability of Endesa or any of its affiliates to exercise its rights as a shareholder of the Company;

(b) there shall have occurred (i) any change or circumstances that materially adversely affects the business, assets, financial condition or net worth of the Company or its affiliates or the value of the Shares or (ii) any suspension in trading of the Shares;

(c) there shall have occurred any modification to the Bylaws of the Company or its affiliates, other than the Bylaw Amendment or there shall have been declared on or after March 10, 1999 any dividend in respect of the Shares;

(d) the Bylaw Amendment shall not have become effective under Chilean law; or

(e) the Company shall not have sold, issued or granted, or entered into an agreement to sell, issue or grant, any shares of common stock of, or other equity interests in, or any securities that are convertible into or exchangeable for any shares of common stock of, or other equity interests in, or any options, warrants or rights of any kind to acquire any shares of common stock or other equity interests in, the Company.

The foregoing conditions (other than the Bylaw Amendment Condition) are for the sole benefit of Endesa and the U.S. Purchaser and may be asserted by Endesa or the U.S. Purchaser in their sole discretion, regardless of the circumstances (including any action or omission by Endesa or the U.S. Purchaser) giving rise to any such conditions or may be waived by Endesa or the U.S. Purchaser in their sole discretion in whole or in part at any time and from time to time. The failure by Endesa or the U.S. Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by Endesa or the U.S. Purchaser concerning any condition or event described in this Section 15 shall be final and binding on all parties.

Endesa notes that the circumstances affecting Edesur, an affiliate of Inersis, as a result of the service disruption that occurred on February 15, 1999, will not be invoked by Endesa as giving rise to a failure to satisfy the condition set forth in Section 15(b), above.

16. Certain Legal Matters; Regulatory Approvals.

General. Based on its examination of publicly available information filed by the Company with the Commission and other publicly available information concerning the Company, the U.S. Purchaser is not aware of (i) any governmental license or regulatory permit that appears to be material to the Company's business that might be adversely affected by the U.S. Purchaser's acquisition of Shares and/or ADSs as contemplated herein, (ii) any approval or other action by any government or governmental administrative or regulatory authority or agency, domestic or foreign, that would be required for the acquisition or ownership of Shares and/or ADSs by the U.S. Purchaser as contemplated herein or (iii) any approval or other action by any government or governmental administrative regulatory authority or agency, domestic or foreign, or any consent, waiver or other approval that would be required as a result of or in connection with the Offer, including but not limited to, any consents or other approvals under any licenses, concessions, permits and agreements to which the Company or the U.S. Purchaser or any of their respective subsidiaries or affiliates is a party. Should any such approval or other action be required, the U.S. Purchaser currently contemplates that such approval or other action will be sought. The U.S. Purchaser is unable to predict whether it may determine that it is required to delay the acceptance for payment of or payment for Shares and/or ADSs tendered pursuant to the U.S. Offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that if such approvals were not obtained or such other actions were not taken adverse consequences might not result to the Company's business or certain parts of the Company's business might not have to be disposed of, any of which could cause the U.S. Purchaser to elect to terminate the U.S. Offer without the purchase of Shares and/or ADSs thereunder. The U.S. Purchaser's obligation under the U.S. Offer to accept for payment and pay for Shares and/or ADSs is subject to certain conditions. See Section 15.

Chilean Corporate Law.

Should Endesa acquire control of approximately 64% of the total number of Shares outstanding (nearly the maximum number of Shares that can be held by a single shareholder or a group of shareholders under the Company's Bylaws, assuming the Bylaw Amendment Condition is satisfied), Endesa would be able, with the concurrence of holders of relatively few Shares not owned by Endesa, to make certain fundamental changes to the Company. More particularly, Chilean companies law provides that a vote of the holders of at least 66 $\frac{2}{3}$ % of

the outstanding shares would be required to take any of the following act on: (i) transformation, spin-off or merger of the Company; (ii) amendment to the term of duration of the Company or its early termination; (iii) change of the domicile of the Company; (iv) decrease in capital of the Company; (v) approval and valuation of capital contributions made in property other than cash; (vi) amendment to those matters to be decided at a meeting of shareholders; (vii) reduction of the number of members of the Board of Directors of the Company and limits on the powers of the Board of Directors; (viii) sale of all of the assets and debts or sale of all of the assets of the Company; (ix) the manner of distributing surplus of the Company; and (x) the curing of technical defects in the constitutive documents of the Company or any amendment thereof.

Chilean company law provides for statutory withdrawal rights for minority shareholders where holders of at least 66⅔% of the total shares outstanding make certain of the fundamental changes set out above. Following the adoption of a resolution relating to a fundamental change by a majority of at least 66⅔% of total shares outstanding, a company is required to publish a notice of the passing of such resolution. Dissident shareholders have thirty days to notify the company of their dissent. The Board of Directors of the company has an additional thirty days to call another meeting of the shareholders to consider the revocation of the resolution that triggered the withdrawal right. If the Board of Directors does not call a second meeting of the shareholders or the resolution is not revoked at such meeting, all dissenting shareholders that previously notified the company have the right to compel the company to purchase their shares in the company. Such purchases are made within thirty days of the second shareholders meeting or the date of the decision of the Board of Directors not to call such meeting, at a price determined from the weighted average trading price on stock exchanges in Chile during the preceding two months.

Antitrust and Regulatory Laws. Under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), certain acquisitions may not be consummated unless certain information has been furnished to the Federal Trade Commission and the Antitrust Division of the Department of Justice and certain waiting period requirements have been satisfied. Based upon information concerning the Company that is publicly available, the U.S. Purchaser believes that the HSR Act is not applicable to the purchase of the Shares and/or ADSs pursuant to the Offers and that such purchase will not violate the antitrust laws.

There are no requirements under Chilean law that the Chilean Antitrust Authority (the "CAA") be notified of the Offers. The CAA does, however, have broad authority to investigate any intended transaction that the CAA determines is likely to cause an adverse effect on, or lessen, competition. Although it is not anticipated that the CAA will investigate the Offers, no assurance can be given that the CAA will not determine that the Offers are anticompetitive and subject to the scrutiny of the CAA.

Under Chilean law, Endesa is considered to be the Company's controlling shareholder because it is the only shareholder with a beneficial equity interest exceeding 25%. Accordingly, the consummation of the Offers will not technically constitute a change of control of the Company requiring compliance with Article 54 of the Chilean Securities Market Law. Endesa nevertheless intends to take, or cause to be taken, all steps necessary to comply with Article 54 of the Chilean Securities Market Law. A notice of intention to acquire control and a notice of a tender offer of the Company were published on March 10, 1999 in *El Mercurio*, a national newspaper, and the SVS was duly notified on March 9, 1999.

In accordance with Article 12 of the Securities Market Law, Endesa must report the results of the Offers to the SVS and the Santiago Stock Exchange, the Valparaiso Stock Exchange and the Electronic Exchange within five days of the Expiration Date. In addition, the Company must give notice of the acquisition of a majority of the ownership interests of the Company within five days after the first day of the month following the month in which the purchases under the Offers were made. Endesa intends to take, or cause to be taken, all steps necessary to comply with Article 12 of the Chilean Securities Market Law.

Other. Based upon the U.S. Purchaser's examination of publicly available information concerning the Company, it appears that the Company and its subsidiaries own property and conduct business in a number of foreign countries in addition to those described above. In connection with the acquisition of Shares and/or ADSs

pursuant to the Offers, the laws of certain of these foreign countries may require the filing of information with, or the obtaining of the approval of, governmental authorities therein. After commencement of the Offers, Endesa will seek further information regarding the applicability of any such laws and currently intends to take such action as they may require, but no assurance can be given that such approvals will be obtained. If any action is taken prior to completion of the U.S. Offer by any such government or governmental authority, the U.S. Purchaser may not be obligated to accept for payment or pay for any tendered Shares. See Section 15.

17. Fees and Expenses. Except as set forth below, neither the U.S. Purchaser nor Endesa will pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares and/or ADSs pursuant to the U.S. Offer.

BT Wolfensohn is acting as financial advisor to the U.S. Purchaser and as Dealer Manager in connection with the U.S. Offer and is responsible for Global Coordination of the Offer. BT Wolfensohn is engaged in the mergers and acquisitions and client advisory business of Bankers Trust and, for legal and regulatory purposes, is a division of BT Alex. Brown, Inc., a registered broker dealer and member of the NYSE.

Goldman Sachs International ("GSI") is acting as exclusive financial advisor to Endesa in connection with the Offers.

Goldman, Sachs & Co. ("Goldman Sachs") is acting as Dealer Manager to the U.S. Purchaser in connection with the U.S. Offer. Goldman Sachs is not receiving any fee as compensation for acting as Dealer Manager, other than that payable to GSI, an affiliate of Goldman Sachs, as described below.

BT Wolfensohn and GSI will receive customary fees for acting in the foregoing capacities. Such fees will not exceed \$11,000,000 in the aggregate. In addition, the U.S. Purchaser has agreed to reimburse BT Wolfensohn, Goldman Sachs and GSI for certain out-of-pocket expenses incurred in connection with the U.S. Offer (including the reasonable fees and disbursements of outside counsel) and Endesa and the Purchasers have agreed to indemnify BT Wolfensohn, Goldman Sachs and GSI against certain liabilities, including certain liabilities under the U.S. federal securities laws.

The U.S. Purchaser has retained The Bank of New York to act as the Receiving Agent in connection with the U.S. Offer. The Receiving Agent has not been retained to make solicitations or recommendations in its role as receiving agent. The Receiving Agent will receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection therewith, including certain liabilities under the U.S. federal securities laws.

The U.S. Purchaser has retained D.F. King & Co., Inc. to act as the Information Agent in connection with the U.S. Offer. The Information Agent may contact holders of Shares and/or ADSs by mail, telephone, telex, telegraph and personal interviews and may request brokers, dealers and other nominee shareholders to forward materials relating to the U.S. Offer to beneficial owners. The Information Agent will receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection therewith, including certain liabilities under the U.S. federal securities laws.

The U.S. Purchaser has offered to pay brokers and securities firms ("Soliciting Dealers"), in return for soliciting voting instructions with respect to the Bylaw Amendment from holders of ADSs and powers of attorney with respect to the Bylaw Amendment from holders of Shares, a fee equal to \$0.10 for each ADS as to which a voting instruction card is returned and \$0.002 for each Share as to which a power of attorney is returned, in each case subject to a minimum fee of \$20 per beneficial owner. The maximum fee payable to all Soliciting Dealers with respect to any single beneficial owner is \$100. Fees to Soliciting Dealers will be payable regardless of whether the voting instructions and powers of attorney solicited are for or against approval of the Bylaw Amendment.

18. Miscellaneous. The U.S. Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares or ADSs in any jurisdiction in which the making of the U.S. Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the U.S. Purchaser may, in its discretion, take such action as it may deem necessary to make the U.S. Offer in any such jurisdiction and extend the U.S. Offer to holders of Shares and ADS in such jurisdiction.

No person has been authorized to give any information or make any representation on behalf of the U.S. Purchaser or Endesa not contained in this U.S. Offer to Purchase or in the Form of Acceptance, ADS Letter of Transmittal or ADS Notice of Guaranteed Delivery and, if given or made, such information or representation must not be relied upon as having been authorized.

The U.S. Purchaser has filed with the Commission a Tender Offer Statement on Schedule 14D-1, together with exhibits, pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, furnishing certain additional information with respect to the U.S. Offer. The Schedule 14D-1 and any amendments thereto, including exhibits, may be examined and copies may be obtained from the offices of the Commission in the manner set forth in Section 8 of this U.S. Offer to Purchase (except that such information will not be available at the regional offices of the Commission).

ENDESA INTERNACIONAL, S.A.
ENDESA, S.A.

March 10, 1999

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS

1. **Directors and Executive Officers of Endesa.** The name, business address, present principal occupation or employment and five-year employment history of each director and executive officer of Endesa and certain other information are set forth below. Unless otherwise indicated below, the address of each director and officer is Principe de Vergara 187, Madrid, Spain. Where no date is shown, the individual has occupied the position indicated for the past five years. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Endesa. All directors and officers listed below are citizens of Spain. Directors are identified by an asterisk or two asterisks in the case of Directors who are members of the Executive Committee of the Board of Directors.

2. Directors and Executive Officers of the U.S. Purchaser. The name, business address, present principal occupation or employment and five-year employment history of each director and executive officer of the U.S. Purchaser and certain other information are set forth below. Unless otherwise indicated below, the address of each director and officer is Torre Picasso, Plaza Pablo Ruiz Picasso, S/N, Madrid, Spain. Where no date is shown, the individual has occupied the position indicated for the past five years. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with the U.S. Purchaser. All directors and officers listed below are citizens of Spain. Directors are identified by an asterisk.

Copies of the Form of Acceptance and the ADS Letter of Transmittal, properly completed and duly signed, will be accepted. Completed Forms of Acceptance, accompanied by *Título(s)*, a duly signed *Traspaso* with the number of Shares in blank and a power of attorney to complete the *Traspaso* and all other documents of title and transfer, should be delivered to the Receiving Agent at the addresses set forth below. The ADS Letter of Transmittal, ADRs for the ADSs and any other required documents should be sent by each holder of the ADSs or his or her broker, dealer, commercial bank, trust company or other nominee to the Receiving Agent at the addresses set forth below.

For Confirmation Telephone:
(800) 507-9357

Questions or requests for assistance or additional copies of this U.S. Offer to Purchase, the Form of Acceptance, the ADS Letter of Transmittal and the ADS Notice of Guaranteed Delivery may be directed to the Information Agent or the Dealer Managers at their respective addresses and telephone numbers set forth below. A holder of Shares and/or ADSs also may contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the U.S. Offer.

Notice of U.S. Offer to Purchase for Cash Shares of Common Stock
and American Depositary Shares Representing in the
Aggregate 694,591,189 Shares of Common Stock

of

ENERSIS S.A.

at

**Chilean Pesos 320 Net Per Share of Common Stock and
Chilean Pesos 16,000 Net Per American Depositary Share
(each representing 50 Shares of Common Stock)**

by

ENDESA INTERNACIONAL, S.A.

a wholly-owned subsidiary of

ENDESA, S.A.

Endesa Internacional, S.A., a limited liability company incorporated under the laws of the Kingdom of Spain (the "U.S. Purchaser") and a wholly-owned subsidiary of Endesa, S.A., a limited liability company organized under the laws of the Kingdom of Spain ("Endesa"), is offering to purchase for cash shares of Common Stock, no par value (the "Shares"), of Enersis S.A., a publicly-traded stock corporation incorporated under the laws of the Republic of Chile (the "Company"), plus a number of American Depositary Shares, each representing 50 Shares (the "ADSs"), which Shares and ADSs represent, in the aggregate, up to 694,591,189 Shares at a price of Chilean pesos 320 per Share, net to the seller in cash and without interest thereon, and at a price of Chilean pesos 16,000 per ADS, net to the seller in cash and without interest thereon, upon the terms and subject to the conditions set forth in the U.S. Offer to Purchase dated March 10, 1999 (the "U.S. Offer to Purchase") and in the related Form of Acceptance and ADS Letter of Transmittal (which, as amended or supplemented from time to time, together constitute the "U.S. Offer"). The U.S. Offer is open to all holders of ADSs and all holders of Shares who are not Chilean Persons (as defined in the U.S. Offer to Purchase). Each sale of ADSs pursuant to the U.S. Offer will be settled in United States dollars by reference to the average exchange rate at which commercial banks conduct authorized transactions in Chile as determined by the Central Bank of Chile and published in the Official Gazette of Chile in effect on the date of payment. Each sale of Shares pursuant to the U.S. Offer will be settled in Chilean pesos.

The U.S. Offer is being made in conjunction with an offer (the "Chilean Offer") and together with the U.S. Offer, the "Offers") by Elecor S.A., an affiliate of the U.S. Purchaser and a privately held stock company incorporated under the laws of the Republic of Chile (the "Chilean Purchaser") for up to 1,481,406,811 Shares. Persons who are not Chilean Persons will not be permitted to tender their Shares in the Chilean Offer. The Chilean Offer will be offered pursuant to an auction transaction on the Santiago stock exchange commonly referred to as a "remate" (the "Chilean Auction"). The Chilean Purchaser will purchase Shares during, but outside of, the U.S. Offer pursuant to the Chilean Auction. These purchases may be at prices higher than the U.S. Offer price; however, if purchases are made at a higher price than, prior to the expiration of the U.S. Offer, the U.S. Offer price will be increased to the highest price paid by the Chilean Purchaser in the Chilean Auction.

Endesa, through the U.S. Purchaser and the Chilean Purchaser, is seeking to purchase a total of up to 2,176,000,000 Shares (32% of the outstanding Shares) of the Company pursuant to the two Offers.

**THE U.S. OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 10:00 P.M.,
NEW YORK CITY TIME, ON TUESDAY, APRIL 6, 1999, UNLESS THE U.S. OFFER IS EXTENDED.**

The U.S. Offer is subject to a number of conditions, including (i) shareholder approval at a meeting held on March 30, 1999 of an amendment to the bylaws (the "Bylaw Amendment") of the Company increasing the percentage of Shares that may be beneficially owned by one shareholder (or group of shareholders) from 32% to 65% of the outstanding Shares of the Company (the "Bylaw Amendment Condition") and (ii) the absence of any change of circumstance that materially adversely affects the business, assets, financial condition or net worth of the Company or its affiliates or the value of the Shares. Please see the U.S. Offer to Purchase for complete details of the conditions to the U.S. Offer.

Endesa and its affiliates intend to vote all Shares held by them in favor of the Bylaw Amendment. Holders of Shares and ADSs are urged to vote, in the manner described in the U.S. Offer to Purchase, all Shares and all ADSs held by them in favor of the Bylaw Amendment whether or not they intend to tender their Shares or ADSs pursuant to the U.S. Offer.

The purpose of the U.S. Offer and the Chilean Offer is to acquire control of, and approximately a 64% equity position in, the Company. Endesa currently intends, as soon as practicable after consummation of the Offers, to seek additional representation on the Company's Board of Directors proportional to its equity position in the Company.

If any condition to the U.S. Offer is not satisfied, the U.S. Purchaser may terminate the U.S. Offer and return all tendered Shares and ADSs to tendering shareholders, extend the U.S. Offer and, subject to withdrawal rights as set forth below, retain all such Shares and ADSs until the expiration of the U.S. Offer or so extended, waive such conditions and, subject to any requirement to extend the period of time during which the U.S. Offer is open, purchase all Shares and ADSs validly tendered by the Expiration Date and not withdrawn or duly acceptance for payment or payment for Shares and ADSs, subject to applicable law, until satisfaction or waiver of the conditions to the U.S. Offer.

If Shares and/or ADSs representing in the aggregate more than 694,591,189 Shares are validly tendered by the Expiration Date and not withdrawn, the U.S. Purchaser will, upon the terms and subject to the conditions of the U.S. Offer, purchase such Shares and ADSs on a pro rata basis. If proration of tendered Shares and ADSs is required, Shares will be purchased only in multiples of 50 Shares (a "Share Multiple"). Proration for each holder of Shares will be based on the ratio that the number of Share Multiples tendered by such holder (and not withdrawn) bears to the sum of the number of Share Multiples tendered (and not withdrawn) by all tendering holders of Shares plus the number of ADSs tendered (and not withdrawn) by all tendering holders of ADSs. Proration for each holder of ADSs will be based on the ratio that the number of ADSs tendered (and not withdrawn) by such holder bears to the sum of the number of Share Multiples tendered (and not withdrawn) by all tendering holders of Shares plus the number of ADSs tendered (and not withdrawn) by all tendering holders of ADSs. If not more than 694,591,189 Shares (including Shares represented by ADSs) are validly tendered by the Expiration Date and not withdrawn, the U.S. Purchaser will, upon the terms and subject to the conditions of the U.S. Offer, purchase all Shares and/or ADSs so tendered and not withdrawn.

If proration of tendered Shares and/or ADSs is required, because of the difficulty of determining the number of Shares and ADSs validly tendered and not withdrawn, the U.S. Purchaser does not expect to be able to announce the final results of such proration until at least seven New York Stock Exchange trading days after the Expiration Date. Preliminary results of such proration will be announced, by press release as promptly as practicable after such date. Holders of Shares and ADSs may obtain preliminary information from the Dealer Manager or Information Agent and may be able to obtain such information from their brokers. The U.S. Purchaser will not pay for any Shares or ADSs accepted for payment pursuant to the U.S. Offer until the final proration factor is known.

Tendering holders of Shares and/or ADSs will not be obligated to pay brokerage fees or commissions on, except as set forth in instruction 6 of the ADS Letter of Transmittal, stock transfer taxes on the purchase of ADSs pursuant to the U.S. Offer.

For purposes of the U.S. Offer, the U.S. Purchaser shall be deemed to have accepted for payment Shares and ADSs validly tendered and not properly withdrawn if, as and when the U.S. Purchaser gives oral or written notice to the Receiving Agent of the U.S. Purchaser's acceptance of such Shares and ADSs, in all cases, payment for Shares and ADSs accepted for payment pursuant to the U.S. Offer will be made by deposit of the purchase price therefor with the Receiving Agent which will act as agent for tendering holders of Shares and/or ADSs for the purpose of receiving payment from the U.S. Purchaser and transmitting payments to such tendering holders of Shares and/or ADSs whose Shares and/or ADSs have been accepted for payment pursuant to the U.S. Offer. In all cases, payment for tendered Shares will be made only when timely receipt by the Receiving Agent of (i) the holder's ownership certificate of Shares, or a certificate from the Depósito Central de Valores (the "DCV") evidencing the number of Shares held on

withdrawn) by all tendering holders of ADSs. Proportion for each holder of ADSs will be based on the ratio that the number of ADSs tendered (and not withdrawn) by such holder bears to the sum of the number of Shares Multiples tendered (and not withdrawn) by all tendering holders of Shares plus the number of ADSs tendered (and not withdrawn) by all tendering holders of ADSs. If not more than 694,591,189 Shares (including Shares represented by ADSs) are validly tendered by the Expiration Date and not withdrawn, the U.S. Purchaser will, upon the terms and subject to the conditions of the U.S. Offer, purchase all Shares and/or ADSs so tendered and not withdrawn.

If provision of tendered Shares and/or ADSs is required, because of the difficulty of determining the number of Shares and ADSs validly tendered and not withdrawn, the U.S. Purchaser does not expect to be able to announce the final result of such provision until at least seven New York Stock Exchange trading days after the Expiration Date. Preliminary results of such provision will be announced by press release as promptly as practicable after such date. Holders of Shares and ADSs may obtain preliminary information from the Dealer Manager or Information Agent and may be able to obtain such information from their brokers. The U.S. Purchaser will not pay for any Shares or ADSs accepted for payment pursuant to the U.S. Offer until the final provision factor is known.

Tendering holders of Shares and/or ADSs will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the ADS Letter of Transmittal, stock transfer taxes on the purchase of ADSs pursuant to the U.S. Offer.

For purposes of the U.S. Offer, the U.S. Purchaser shall be deemed to have accepted for payment Shares and ADSs validly tendered and not properly withdrawn if, as and when the U.S. Purchaser gives oral or written notice to the Receiving Agent of the U.S. Purchaser's acceptance of such Shares and ADSs. In all cases, payment for Shares and ADSs accepted for payment pursuant to the U.S. Offer will be made by deposit of the purchase price thereof with the Receiving Agent which will act as agent for tendering holders of Shares and/or ADSs for the purpose of receiving payment from the U.S. Purchaser and transmitting payments to such tendering holders of Shares and/or ADSs whose Shares and/or ADSs have been accepted for payment pursuant to the U.S. Offer. In all cases, payment for tendered Shares will be made only after timely receipt by the Receiving Agent of (i) *Títulos* evidencing ownership of Shares, or a certificate from the *Deposito Central de Valores* (the "DCV") evidencing the number of Shares held on deposit in the case of Shares held at the DCV; (ii) a duly signed *Transferencia* stock transfer with the number of Shares in blank and power of attorney to complete such a *Transferencia* in the manner provided in the Form of Acceptance; (iii) in the case of Shares held on deposit at the DCV, a letter to the DCV instructing the DCV to perform a book-entry transfer in favor of the U.S. Purchaser; and (iv) all other required documents. In all cases, payment for tendered ADSs pursuant to the U.S. Offer will be made only after timely receipt by the Receiving Agent of (i) the certificates or other requisite documents evidencing such ADSs (or, in the case of ADSs held in book-entry form, timely confirmation of a book-entry transfer of such ADSs into the Receiving Agent's account at a Book-Entry Transfer Facility (as described in Section 4 of the U.S. Offer to Purchase); (ii) duly executed ADS Letter of Transmittal (or copy thereof) or agent's message (in the case of a book-entry transfer of ADSs); and (iii) all other documents required. Please see the U.S. Offer to Purchase for full details on the procedure for tendering Shares and ADSs.

Under no circumstances will interest be paid on the purchase price for the tendered Shares and/or ADSs, regardless of any delay in making such payment or extension of the Expiration Date.

The term "Expiration Date" shall mean 10:00 p.m., New York City time, on April 6, 1999, unless the U.S. Purchaser shall have extended the period of time for which the U.S. Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the U.S. Offer, as so extended by the U.S. Purchaser, shall expire. Subject to applicable law, the U.S. Purchaser intends to extend the U.S. Offer as necessary to cause the U.S. Offer to expire, as nearly as practicable, not later than 24 hours after the completion of the Chilean Auction (as defined in the U.S. Offer to Purchase).

The U.S. Purchaser expressly reserves the right, in its sole discretion, at any time or from time to time, to extend for any reason the period of time during which the U.S. Offer is open, including upon the occurrence of any of the events specified in Section 16 of the U.S. Offer to Purchase, and thereby delay acceptance for payment of, or payment for, any Shares and ADSs, by giving oral or written notice of such extension to the Receiving Agent. Any such extension will be followed as promptly as practicable by public announcement thereof.

Tenders of Shares and ADSs made pursuant to the U.S. Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after May 10, 1999 unless they have been accepted for payment as provided in the U.S. Offer to Purchase. To be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Receiving Agent at its address set forth in the U.S. Offer to Purchase and must specify the name of the person who tendered the Shares and/or ADSs to be withdrawn and the number of Shares and/or ADSs to be withdrawn and the name of the registered holder of Shares and/or ADSs, if different from that of the person who tendered such Shares and/or ADSs. If the Shares and/or ADSs to be withdrawn have been delivered to the Receiving Agent, a signed notice of withdrawal with (except in the case of ADSs tendered by an Eligible Institution (as defined in the U.S. Offer to Purchase)) signatures guaranteed by an Eligible Institution must be submitted prior to the release of ADSs. In addition, such notice must specify, in the case of Shares and ADSs tendered by delivery of certificates, the name of the registered holder (if different from that of the tendering shareholder) and the serial numbers shown on the particular certificates evidencing the Shares and/or ADSs to be withdrawn or, in the case of Shares and/or ADSs tendered by book-entry transfer, the name and number of the account at one of the book entry transfer facilities to be credited with the withdrawn Shares and ADSs. None of Purchaser, the Dealer Manager, the Receiving Agent, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

The information required to be disclosed by paragraph (e)(1)(vii) of Rule 144-6 under the Securities Exchange Act of 1934 is contained in the U.S. Offer to Purchase and is incorporated herein by reference.

A request has been made to the Company for the use of its stockholder registry and security position listings for the purpose of disseminating the U.S. Offer to holders of Shares and ADSs. The U.S. Offer to Purchase, Form of Acceptance, ADS Letter of Transmittal and any other relevant materials will be mailed promptly to record holders of Shares and ADSs and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names or the names of whose nominees appear on the stockholder lists, or if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares and ADSs.

The Board of Directors of the Company will review the U.S. Offer and the Chilean Offer and, as of the date hereof, has not taken a position with respect thereto.

The U.S. Offer to Purchase and the related Form of Acceptance, ADS Letter of Transmittal and ADS Notice of Guaranteed Delivery contain important information and should be read in their entirety before any decision is made with respect to the U.S. Offer.

Questions or requests for assistance or additional copies of the U.S. Offer to Purchase, the Form of Acceptance, the ADS Letter of Transmittal and the ADS Notice of Guaranteed Delivery may be directed to the Information Agent or the Dealer Managers at their respective addresses and telephone numbers set forth below. A holder of Shares and/or ADSs also may contact his or her broker, dealer, commercial bank, trust company or other nominee for assistance concerning the U.S. Offer.