

DESAYUNO E.CL





- HIGHLIGHTS

- INDUSTRY AND COMPANY

- PROJECTS

- FINANCIAL RESULTS

- ✓ In 1Q14 E.CL reported **EBITDA of US\$80 million, a 20% improvement** compared to 1Q13 due to better operating performance of coal-fired plants and higher average realized prices.
- ✓ **Net income reached US\$25 million, 49% higher** than in 1Q13 due to improved EBITDA aided by lower depreciation costs.
- ✓ **Net debt decreased by 2%** in the last 12 months despite an intensive investment program in the extension of the useful life of existing plants and environmental CAPEX.

Financial Highlights	1Q13	1Q14	Var. %
Operating Revenues (US\$ million)	285.1	308.4	+8%
EBITDA (US\$ million)	66.6	79.9	+20%
EBITDA margin (%)	23%	26%	+13%
Net income (US\$ million)	16.6	24.8	+49%
Net debt (US\$ million, at end of quarter)	573.9	562.0	-2%

- ✓ An **8.2 Richter-scale earthquake** affected the north of Chile in April, with no casualties or injuries amongst E.CL personnel nor any material damage on E.CL's generation and transmission assets.
- ✓ A draft **tax reform bill** was sent to Congress in early April which, if approved, would gradually raise the corporate income tax rate from 20% to 25% and introduce CO₂ taxes of US\$5/ton in 2017, among other relevant changes; effect on E.CL still uncertain.
- ✓ E.CL signed the **Final Acceptance Certificate** Agreement with the EPC contractor for its CTA & CTH plants, with an almost US\$6 million positive impact on consolidated EBITDA.
- ✓ In January 2014, E.CL signed the EPC contract for the construction of its **580-km. long, 500kV Mejillones-Copiapó transmission line project**, which will in effect connect the SIC and the SING grids.
- ✓ In April, the **Calama wind farm project** (up to 228MW) was **registered with the Clean Development Mechanism (CDM)** of the United Nations. The project has an annual CER generation potential of more than 500,000 tons, which makes it one of the biggest projects under CDM development in Chile.



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Chilean electricity industry – 1Q14



	Market	Growth (2013-2023) ¹	Clients	Generation GWh (1Q14)	Main players (% installed capacity 1Q14)
SING	25% capacity 26% demand	6.2% ↑		<p>4,265 GWh</p>	<p>4,146 MW</p>
SIC	74% capacity 73% demand	4.8%		<p>12,870 GWh</p>	<p>14,477 MW</p>

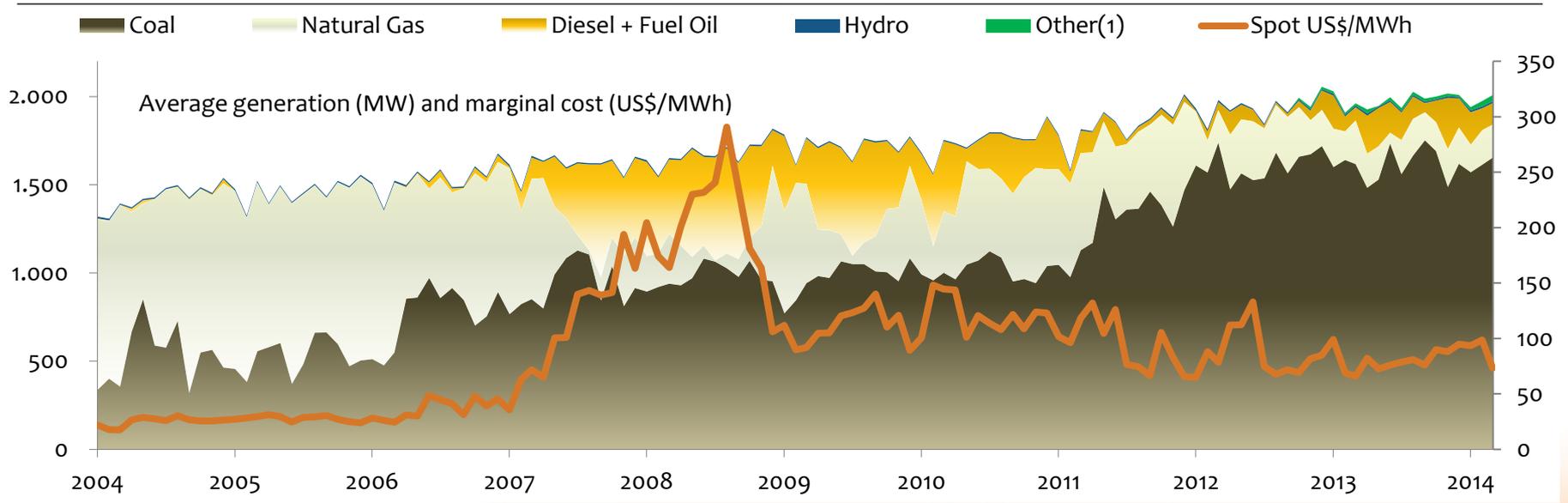
Notes:

- Sources: CDEC Sing and CDEC SIC
- Excludes AES Gener's 643MW Termoandes plant located in Argentina, since it is no longer dispatching electricity to the SING, and includes the new Valle de Los Vientos wind farm
- In the SIC, Endesa includes Pangue and Pehuenche.
- AES Gener includes EE Guacolda as well as EE Ventanas, and E. Santiago.

• Chile's power sector is divided into two major sub-systems with distinct characteristics...

¹Source: CNE. Expected sales growth based on projection by Comisión Nacional de Energía (CNE) as per the Informe Técnico Definitivo Precio Nudo SING/SIC – October 2013.

- ✓ Nearly 100% of installed capacity based on coal, natural gas (LNG) and diesel
 - **No exposure to hydrologic risk**
- ✓ **Long-term contracts** with unregulated clients (mining companies) account for 88% of demand
 - **Flexibility** to negotiate prices and supply terms
- ✓ Maximum demand of around **2,200 MW** in 1Q14
- ✓ Strong mining activity will lead to an expected average annual growth rate of 6.2% for the 2013-2023 period
- ✓ Incipient growth in renewables capacity



Source: CNE, CDEC-SING
¹ Solar, wind and Co-generation

... providing E.CL with growth opportunities in a stable regulatory framework

Mining sector in Chile: Announced investments in new projects

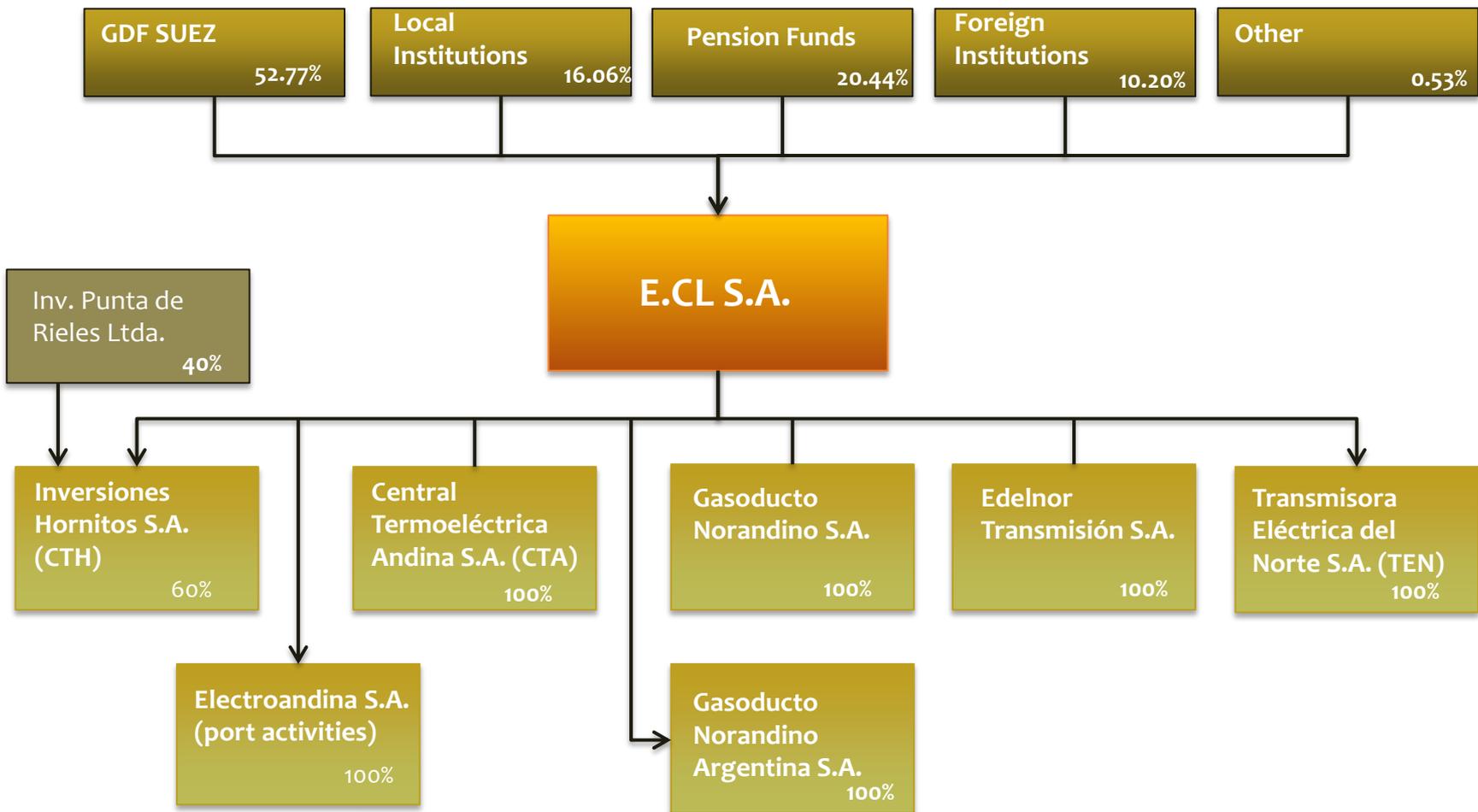
Mining Project	Estimated investment (US\$ mm)	Estimated copper production	Possible production start date	Sponsor	International Rating (Moody's/S&P)
Lomas Bayas III Sulfuros	\$1,600	70 Th TPA	2019	Xstrata	Baa2/BBB+
Esperanza Sur (ex Telégrafo)	\$3,500	190-210 Th TPA + Au	2018	Antofagasta PLC	N/A
El Abra (expansion)	\$ 5,000	300 Th TPA	2018	Freeport and Codelco	Baa3/BBB ³
Sulfuros Radomiro Tomic Fase II	\$ 5,430	350 Th TPA	2018	Codelco	Baa3/BBB ³
Collahuasi (Phase III)	\$6,500	540 Th TPA	2019	Anglo American and Xstrata	Baa1/BBB+ ¹
Encuentro (Ex Caracoles)	\$4,100	140 Th TPA + Au	2020	Antofagasta PLC	N/A

Note: Only includes main projects in the SING, which have not yet contracted their power supply.

Sources: Cochilco, corporate web sites, Reuters, Bloomberg, Nueva Minería and others.

Despite the postponement of some mining projects, electricity demand in the SING is expected to double by 2023

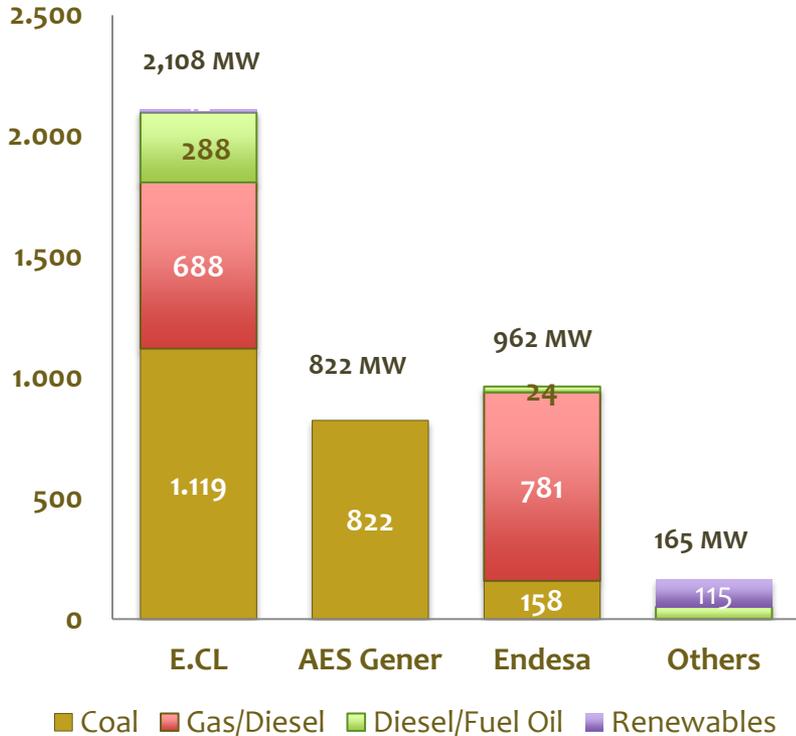
Ownership structure (as of end-March 2014)



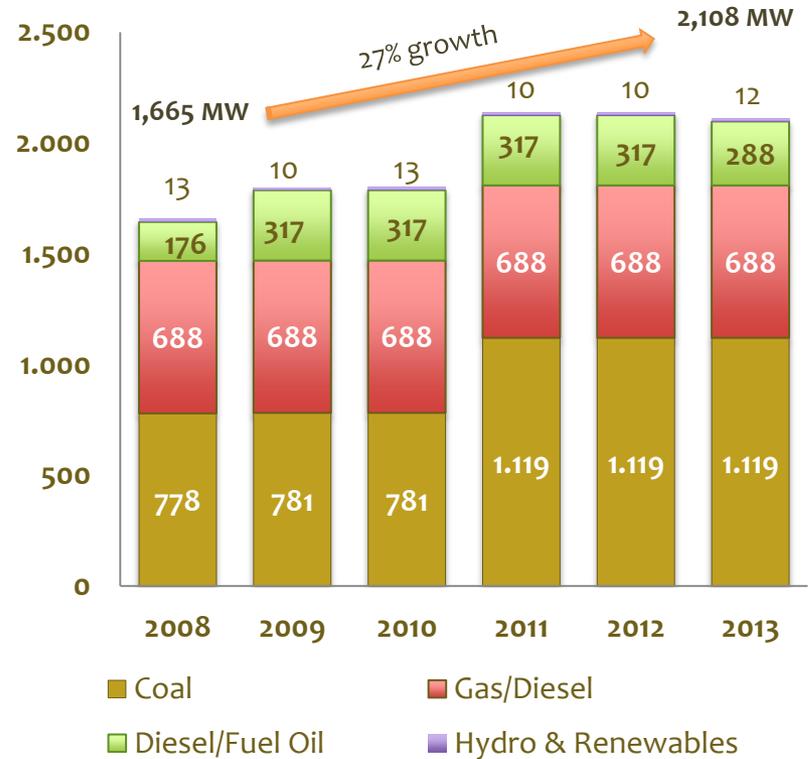
E.CL has a diversified shareholder base and is controlled by GDF SUEZ, the world's largest utility.

Installed capacity – SING & E.CL

SING - Gross installed capacity – December 2013 (MW)



E.CL - Growth in installed capacity in recent years



Sources: CNE & CDEC-SING

AES Gener excludes Termoandes (located in Argentina and not available for the SING)

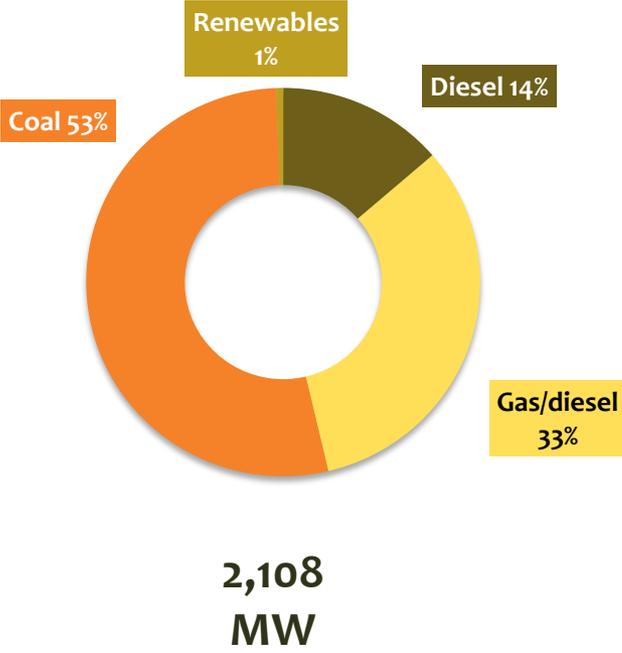
Endesa includes Gas Atacama and Celta

90MW Enel's wind farm included in Others

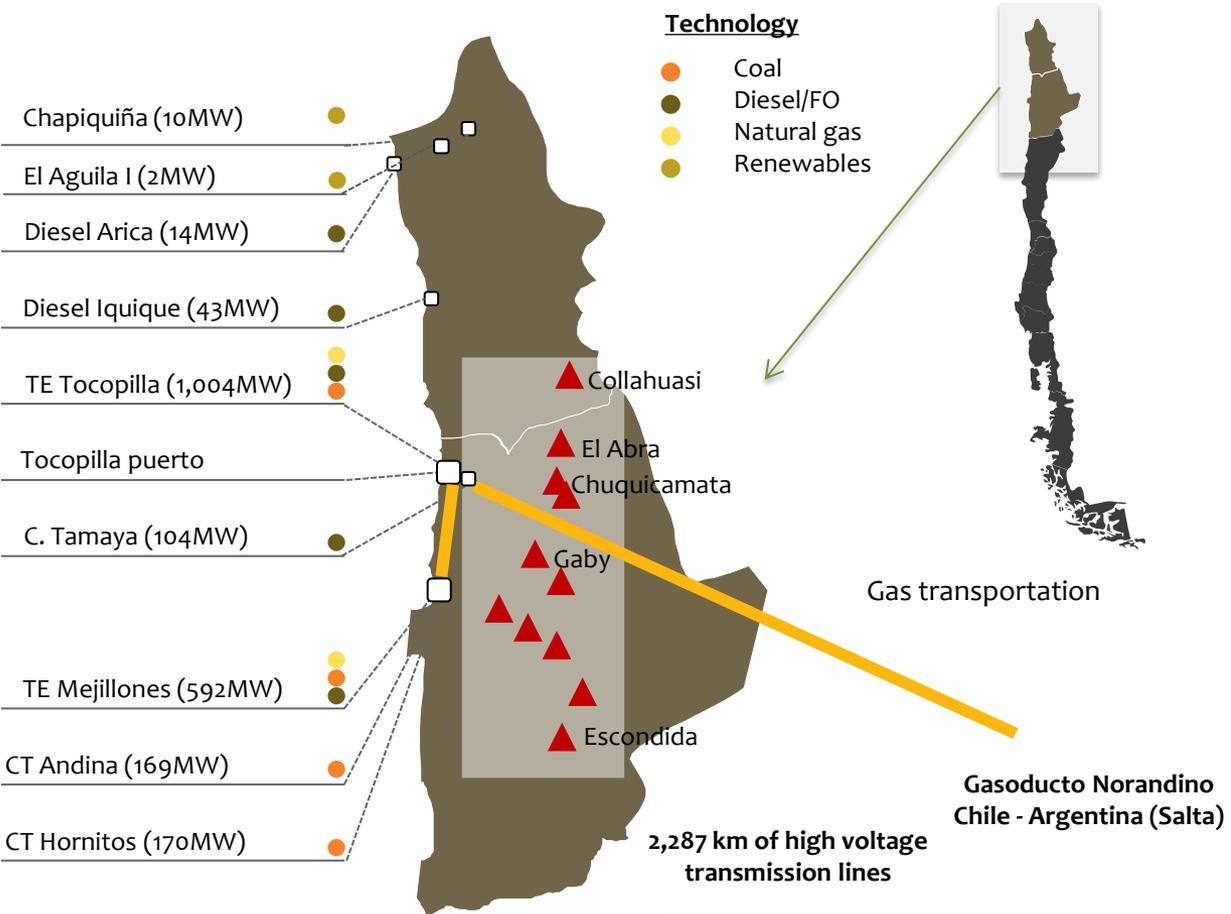
The 29MW Mantos Blancos diesel plant used to be operated by E.CL through Sept. 30, 2013.

E.CL is by far the largest and most diversified electricity supplier in the SING, currently serving approximately 60% of its total demand

Installed Capacity (Mar. 14)



E.CL's Assets



E.CL operates cost-efficient coal and gas generation plants, back-up units, 2,287 km of transmission lines, a gas pipeline, a port...

Evolution of PPA portfolio balance (as of March 2014)

	Average realized monomic sale price (USD/MWh)		Average estimated consumption (MWh/h)			
	1Q13	1Q14	2014	2015	2016	2017
Coal and renewables (MW-net)			895	895	895	895
Gas (MW-net)			256	215	215	215
A) “Contractable” efficient capacity			1,151	1,110	1,110	1,110
Regulated client (EMEL)	93	103	215	226	237	249
Unregulated clientes (mining and industrial)	114	119	923	936	905	796
B) Estimated consumption of current contracts			1,138	1,162	1,142	1,045
(minus) Pass-through to clients of marginal cost and maintenance risks			70	67	60	44
C) Consumption to be covered by efficient capacity			1,068	1,095	1,082	1,001
C/A) Percentage currently contracted			93%	99%	97%	90%

- ✓ 80%+ of sales through contracts with **leading mining companies** including Codelco (A+)
- ✓ **Sole provider** to SING’s distribution companies (EMEL: BBB) through 2026
- ✓ Long-term contracts → Remaining average life of PPAs of approximately **10 years**
- ✓ Long-term client relationships and operational excellence → **low re-contracting risk**

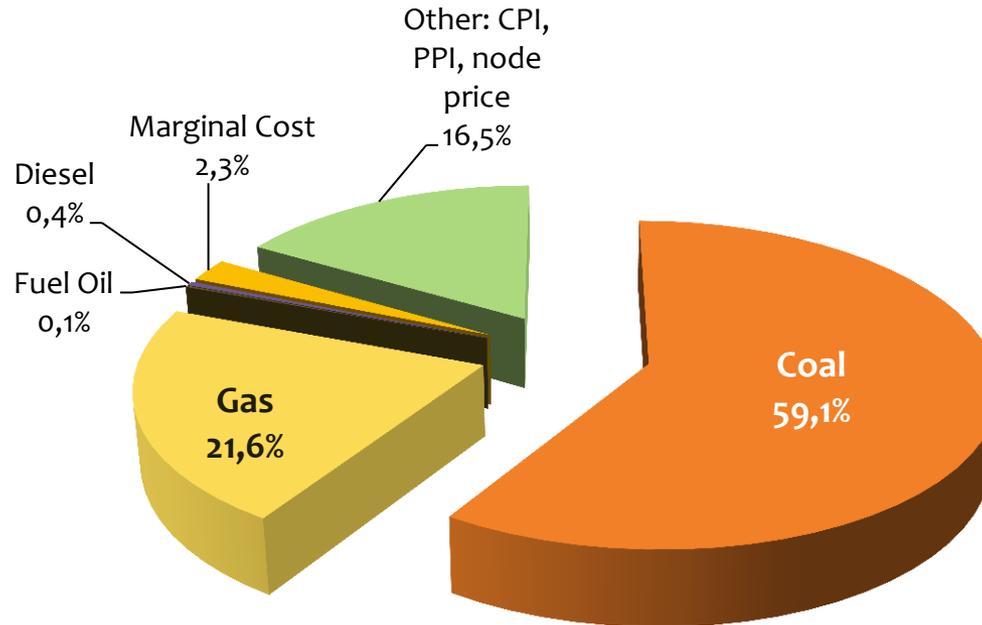
Notes:

- “Contractable” efficient capacity is measured as coal-based net installed capacity minus spinning reserve and estimated outage rates, plus renewables output, plus net gas generation equivalent to committed LNG shipments.
- 80% load factor assumed for unregulated clients’ estimated consumption ;
- A 5% annual growth rate is considered for the EMEL PPA.

Long-term contracts with credit-worthy clients...

PPA portfolio indexation

Overall indexation applicable (as of March 2014)



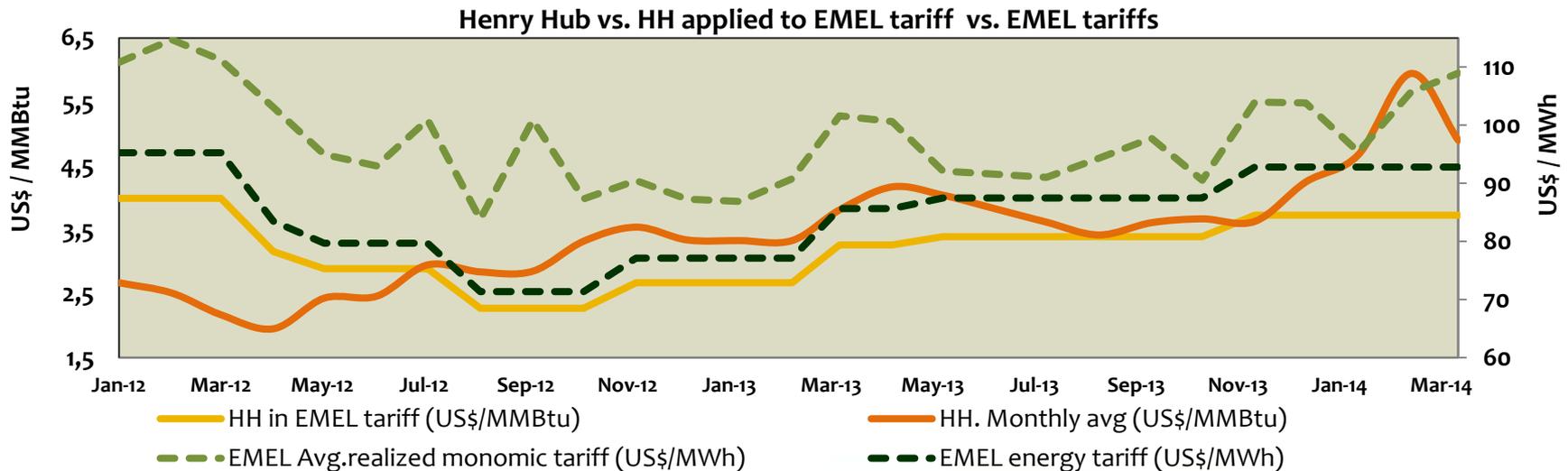
As a percentage of effective demand

... matched with an aligned cost structure, through indexation formulas in PPAs.

PPA portfolio indexation

Indexation of the EMEL PPA

- ✓ Timetable of tariff adjustments: May and November of each year
 - The tariff is determined in US dollars and converted to CLP at the average observed exchange rate of March and September of each year. Such exchange rate prevails for 6 months.
- ✓ Capacity tariff: per node price published by the National Energy Commission (“CNE”)
- ✓ Energy tariff: 40% US CPI, 60% Henry-Hub (“HH”) :
 - Based on average H.H. figures reported in months n-3 to n-6
 - However, immediate adjustment is triggered in case of any variation of 10% or more

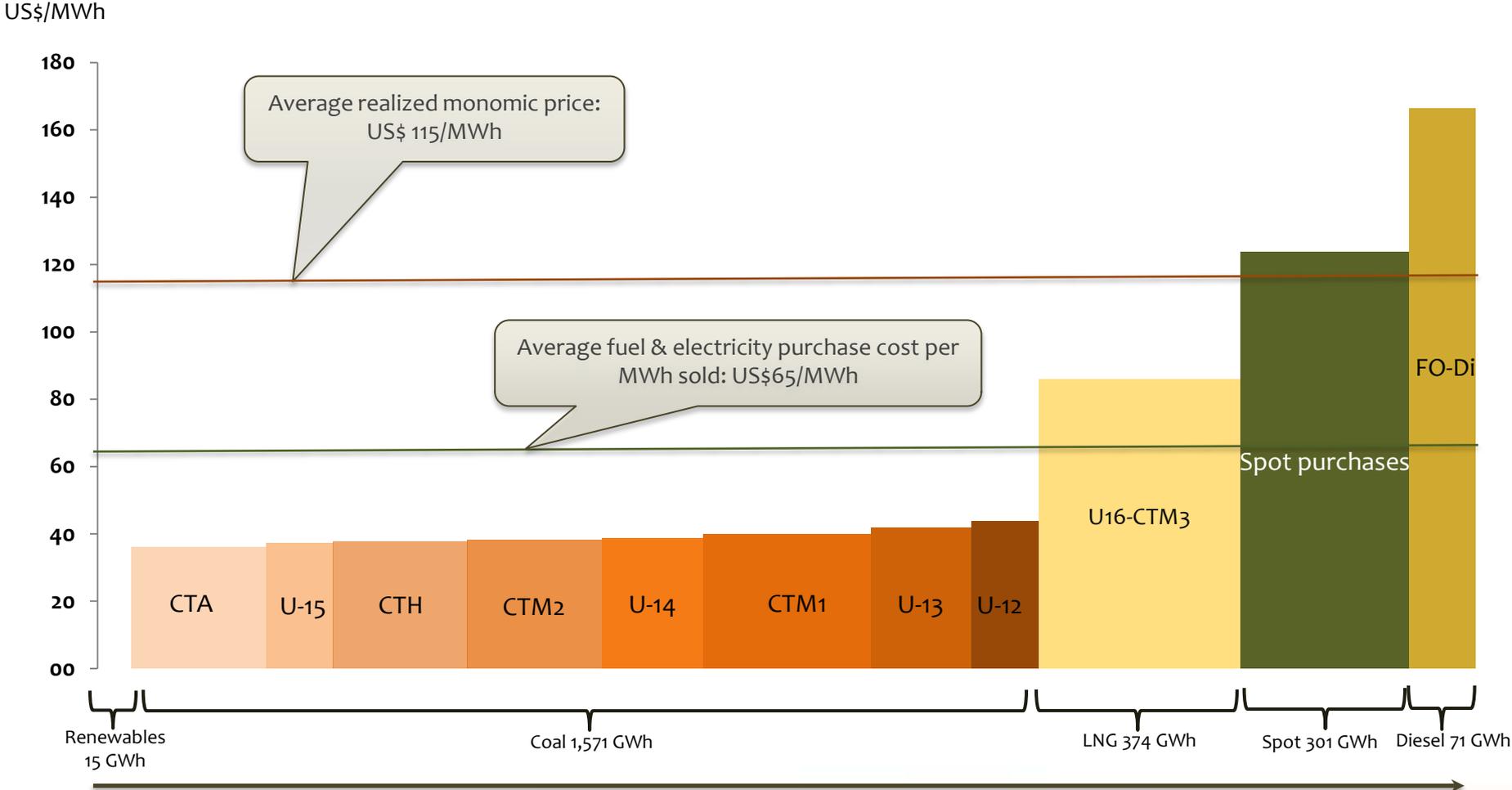


Notes:

- ✓ The Energy Tariff results from the application of the PPA formula.
- ✓ The Avg. Realized Monomic Tariff results from dividing energy + capacity sales in USD in ECL’s books by the GWh consumed per CDEC data.

The EMEL PPA tariff is partially indexed to HH prices with a few months lag , with immediate adjustments in case of ≥ 10% variations.

E.CL's energy supply curve – 1Q2014



Sources: CDEC-SING and company data

Total energy available for sale (before transmission losses) 3M14 = 2,332 GWh

- Generation and coal variable costs based on actual data declared to CDEC-SING; cost of gas generation includes regasification and other costs not included as variable cost by CDEC-SING.
- Spot purchases include overcosts
- Average realized monomic price and average cost per MWh based on E.CL's accounting records and physical sales per CDEC data.

Both prices and costs linked to cost of fuel mix, with prices in function of expected supply curve and costs in function of actual supply curve.

Generation overcosts in the SING

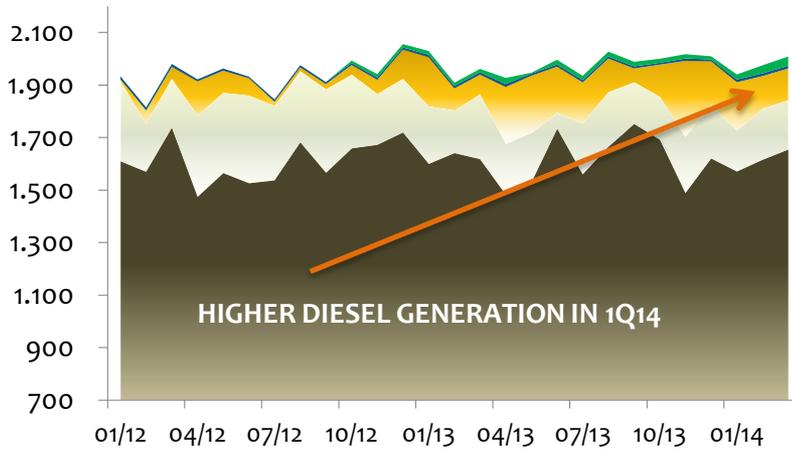
- ✓ The so-called “overcosts” (“sobrecostos”) are regulated by Resolution 39/2000 (RM39) and by Supreme Decree 130/2012 (DS130) to cope with the costs stemming from the SING’s operational characteristics:
 - Units that cannot operate below a technical minimum level;
 - A higher spinning reserve required to prevent black-outs;
 - Units operating in test mode.
- ✓ As a consequence, the marginal energy cost is kept lower, but the overcosts produced by these generation units must be paid by all generation companies.

OVERCOSTS IN THE SING IN US\$ MILLION						
	2013		2014		2014 vs 2013	
	TOTAL	E.CL Prorrata	TOTAL	E.CL Prorrata	TOTAL	E.CL Prorrata
1Q	34.8	21.7	48.0	27.4	13.2	5.7
2Q	54.5	33.3				
3Q	36.7	22.8				
4Q	48.8	28.9				
FY	174.8	106.7				

Source: CDEC-SING
¹ 2013 CLP figures converted to USD at the average monthly observed FX rate.

Of which there is a partial pass-through to clients

■ Coal ■ Natural Gas ■ Diesel + Fuel Oil ■ Hydro ■ NCRE(1)



1Q14 vs. 1Q13: System overcosts increased by US\$13 million

- ✓ Higher diesel generation
- ✓ Less gas generation due to timetable of LNG shipment arrivals
- ✓ Flat coal generation despite CTA/CTH Jan.13 outage

Source: CNE, CDEC-SING
¹ Wind, Solar and Co-generation

AGENDA



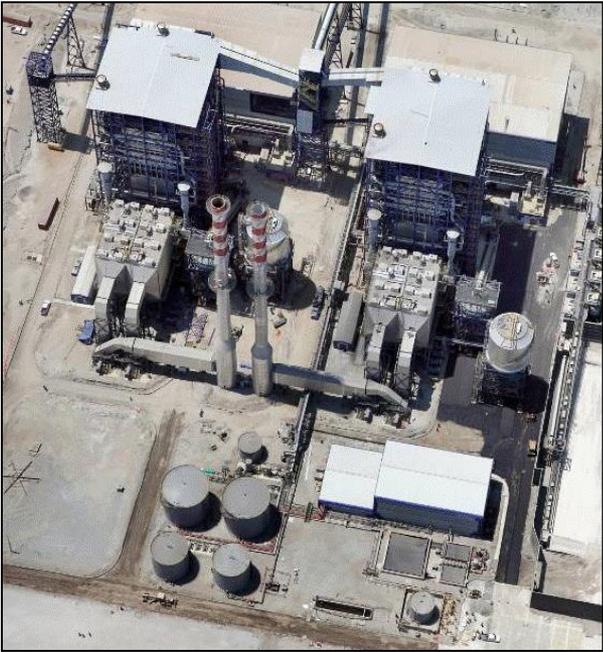
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Infraestructura Energética Mejillones (IEM)



Characteristics	
Gross capacity (IEM1 & IEM2)	2 x 375 MW
Net capacity	2 x 320 MW
Availability (plant factor)	90%
Location	Mejillones
Associated infrastructure	Mechanized port (Capesize carriers)
Transmission line IEM1	New 170-km, 220kV, 350 MVA
Transmission line IEM2	Expansion existing Chacaya-Crucero 220 kV

- ✓ This 2 x 375 MW pulverized coal-fired project will represent a US\$1.0 to 1.7 billion investment depending on whether one or two plants are built (first unit is independent from the second)
- ✓ Significant development: environmental license obtained, EPC contract well advanced
- ✓ The go-ahead is contingent upon the closing of power purchase agreements (PPAs)

Infraestructura Energética Mejillones (IEM), a major project with the strictest environmental standards

SIC-SING transmission line (1 of 2)

- ✓ E.CL acquired Transmisora Eléctrica del Norte (“TEN”) from E.CL’s main shareholder, GDF Suez Energy Andino (“GSEA”), for the purpose of developing a transmission line connecting Mejillones (SING) to Copiapó (SIC).
- ✓ In 1Q14 E.CL paid US\$13.7 million to GSEA for the acquisition of the project company.
- ✓ The project is private initiative that will contribute to the development of E.CL’s core generation projects such as IEM. We believe the project meets the conditions of a trunk transmission system that could interconnect the SING and the SIC grids in as early as 2017.
- ✓ E.CL plans to engage a partner for the development of the project.
- ✓ TEN is currently the only project with approved environmental permits and advanced easement process.



The SIC-SING transmission line would open untapped markets for E.CL

SIC-SING transmission line (2 of 2)



Characteristics	
Type	Double circuit, 500 kV, alternate current
Capacity	1,500 MVA per circuit
Length	580 km connecting Mejillones (SING) to Capiapó (SIC)
Sponsor	T.E.N. (Transmisora Eléctrica del Norte), wholly owned by E.CL
Initiative	Private initiative meeting all requirements for a trunk transmission line
Total CAPEX	~ US\$ 700 million
Status	<ul style="list-style-type: none"> EPC agreement signed with ALUSA NTP for early works and detailed engineering given on Jan. 2014 with equipment orders worth US\$20 million already placed Power offtake, partners & financing in progress
Construction period	30 months (after detailed engineering)
Permits	<ul style="list-style-type: none"> Approved environmental permits; Easements requests filed; Approved electric concessions for relevant segments

TEN's transmission line project: a private initiative with potential to become a trunk line

Eléctrica Monte Redondo (EMR) potential acquisition

- ✓ EMR operates in the SIC, is owned by GDF SUEZ, and comprises a 48MW wind farm in operations and the 34MW Laja Hydro plant under construction.
- ✓ GDF SUEZ has stated that E.CL will be its investment vehicle for the electricity generation business in Chile.
- ✓ E.CL intends to acquire EMR from GDF SUEZ after the Laja plant is fully commissioned and tested.
- ✓ As a transaction between related companies, it will be subject to strict corporate transparency standards.
- ✓ The “Comité de Directores”, with majority of independent Board members, will be in charge of analyzing the conditions and providing a recommendation for this potential acquisition.



Eléctrica Monte Redondo (EMR), an opportunity to expand into non-conventional renewables

Solar Projects



- ✓ E.CL has the operational and commercial skills to be a leading player in solar-based electricity generation in the SING.
- ✓ El Águila I (2MW) was developed as a pilot project and inaugurated in July 2013.
- ✓ Pampa Camarones I (6MW 1st stage) is under development:
 - Expected total investment: US\$20 million
 - The environmental permit application for up to 300MW and total investment of up to US\$620 million has been approved
 - Probable COD: 2H14 for 1st stage
- ✓ El Águila II (34MW) is under development:
 - Expected total investment: US\$80 million
 - The environmental permit application has been approved
 - Timetable contingent on closing PPAs.

El Águila I + II and Pampa Camarones: first steps into solar power

Environmental CAPEX



- ✓ Stricter particle-matter and gas (NO_x and SO_x) emission requirements were approved by Chilean authorities in 2011.
- ✓ E.CL is investing to comply with the new emission requirements well before the due dates.
- ✓ The estimated CAPEX will amount to approximately US\$170 million over the 2011-2014 period, most of which has already been incurred.
- ✓ As of March 2014, E.CL had completed the first stage of the program to reduce particulate matter emissions and continues to work on the NO_x and SO_x reduction systems.

Relevant investments in environmental improvement

Innovation and sustainability



E.CL is committed to continuous social and environmental improvement.

Approved CAPEX program

CAPEX (US\$ million)	1Q14	9M-2014 ^e	2015 ^e	2016 ^e
Generation: Maintenance & Life ext.	12	25	88	40
Generation: Environmental project	4	15	-	-
Transmission	-	16	32	13
Development (1)	16	34	6	4
Other (2)	4	8	4	7
TOTAL	36	98	130	64

Notes:

1. "Development" includes only the initial US\$ 13.7 million investment in TEN in 1Q14, the El Águila II and Pampa Camarones 1 solar plants as well as early development of major projects (IEM, Calama wind farm etc.)
2. "Other" includes port assets, supporting equipment, IT, etc.

The approved CAPEX program includes investments to extend the lifetime of our generation units.

AGENDA



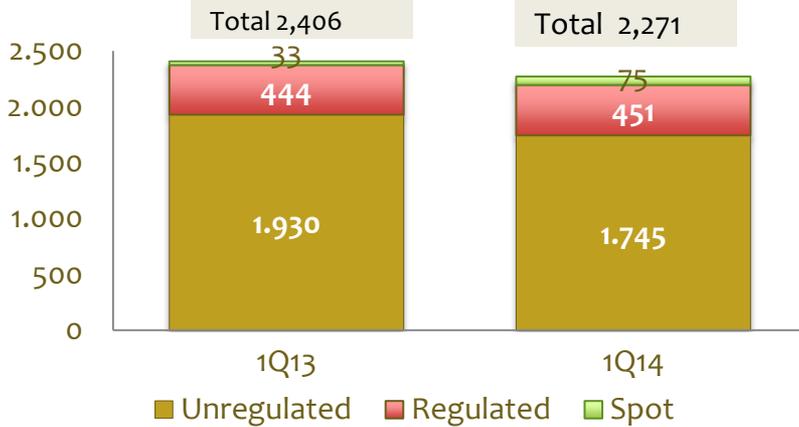
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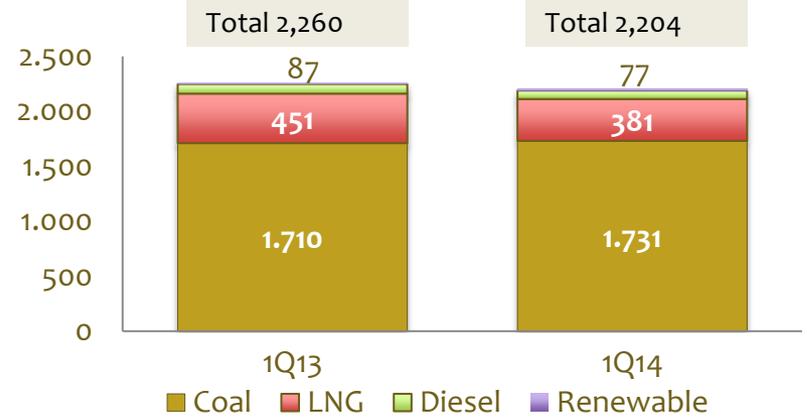
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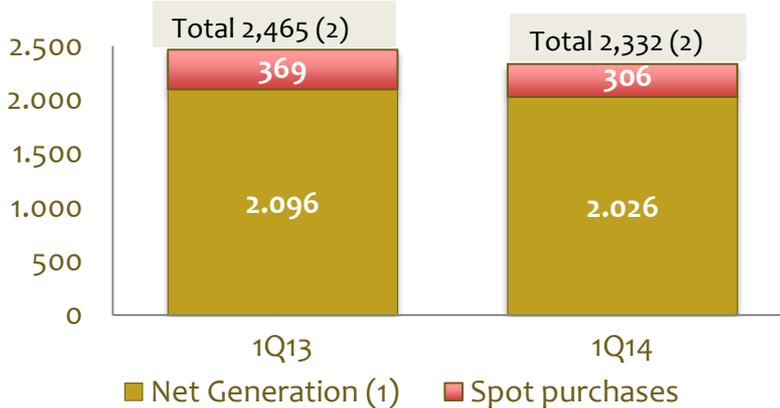
Electricity sales (GWh)



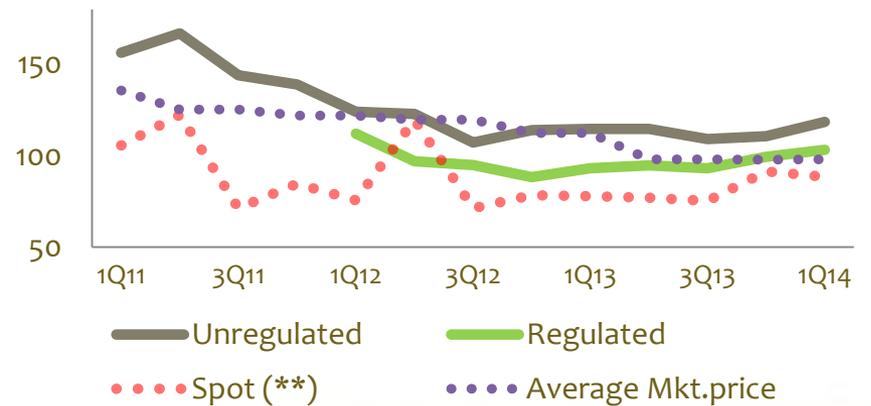
Gross electricity generation (GWh)



Electricity available for sale (GWh)



Average monomic prices (US\$/MWh)



- (1) Net generation = gross generation minus self consumption
- (2) Electricity available for sale before transmission losses

(**) The spot price curve corresponds to monthly averages and does not include overcosts ruled under RM39 or DS130. It does not necessarily reflect the prices for E.CL's spot energy sales/purchases.

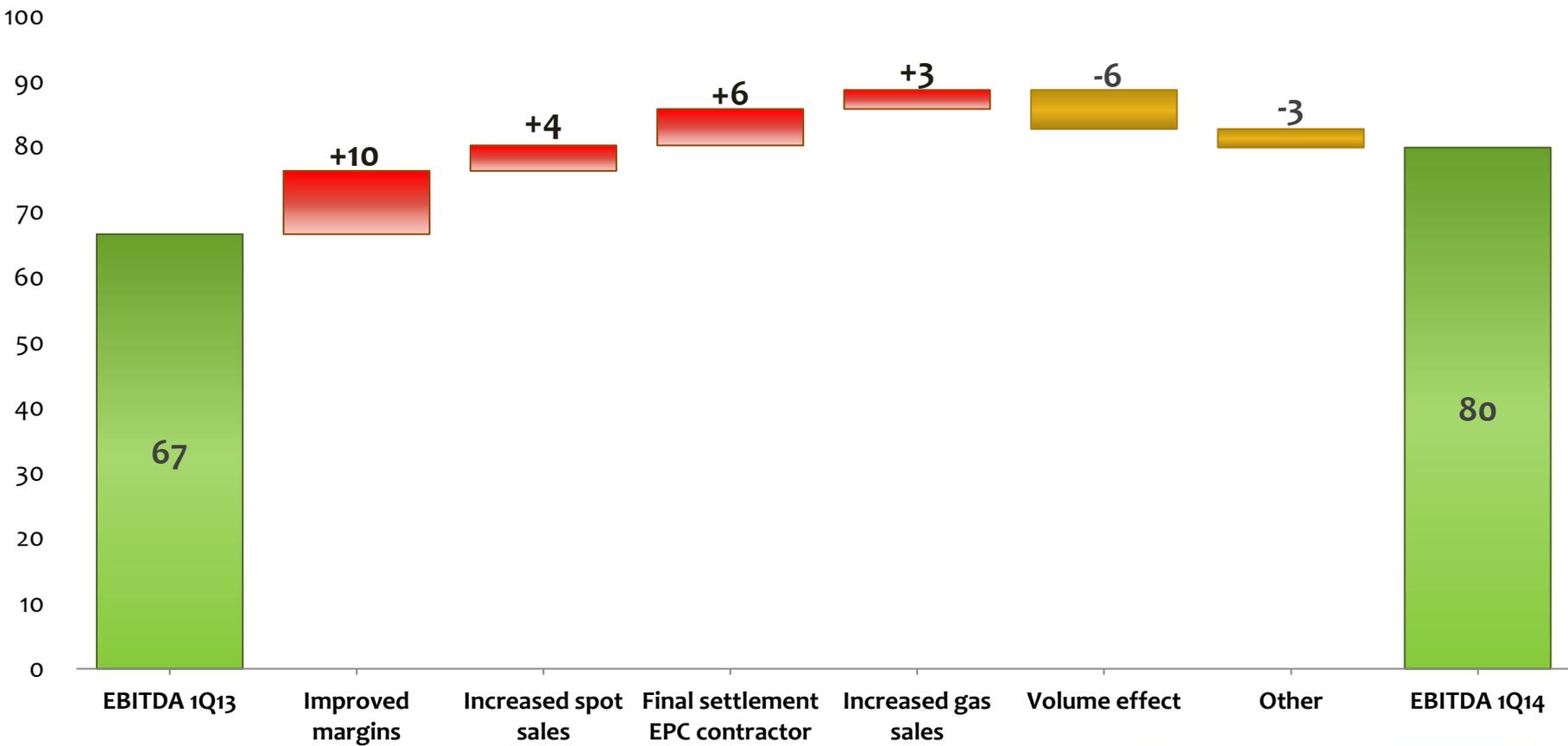
Income Statement (US\$ millions)	1Q13	1Q14	Var. %
Operating revenues	285.1	308.4	8%
Operating income (EBIT)	31.0	47.0	51%
EBITDA	66.8	79.9	20%
Net income	16.6	24.8	49%
Average realized monomic sale price (US\$/MWh)	110.4	115.4	5%

- ✓ **Total operating revenues increased 8%** due to a combination of opposite effects:
 - ✓ (-) 6% decrease in physical sales due to lower demand from clients and maturing PPAs
 - ✓ (+) 5% increase in average prices explained by higher H.H. prices, increased spot sales and take-or-pay capacity payments
 - ✓ (+) Settlement payment by EPC contractor (US\$6 million)

- ✓ **EBITDA increased 20%** as a result of the following main factors:
 - ✓ (-) Heavier SING's generation overcosts, reflected in higher spot energy purchase costs
 - ✓ (+) Improved margins, better operating performance of CTA and CTH and increased income from gas sales

EBITDA Comparison - 1Q14 vs. 1Q13

In millions of US\$



Significant EBITDA improvement

Business streamlining and cost saving actions

GASODUCTO NORANDINO ARGENTINA (“GNAA”) RESTRUCTURING – October 2013

- ✓ E.CL’s subsidiary GNAA reached an agreement with its supplier TGN regarding gas transportation and O&M services, through which GNAA made an advanced payment of US\$15.4 million to TGN (without impact on EBITDA or Net Results)
- ✓ GNAA scaled down its operations and will achieve significant cost savings with **positive EBITDA impact of approximately US\$1 million per month beginning May 2014**
- ✓ E.CL recognized an asset impairment, with a **US\$11 million after-tax impact** on 2013 net income.

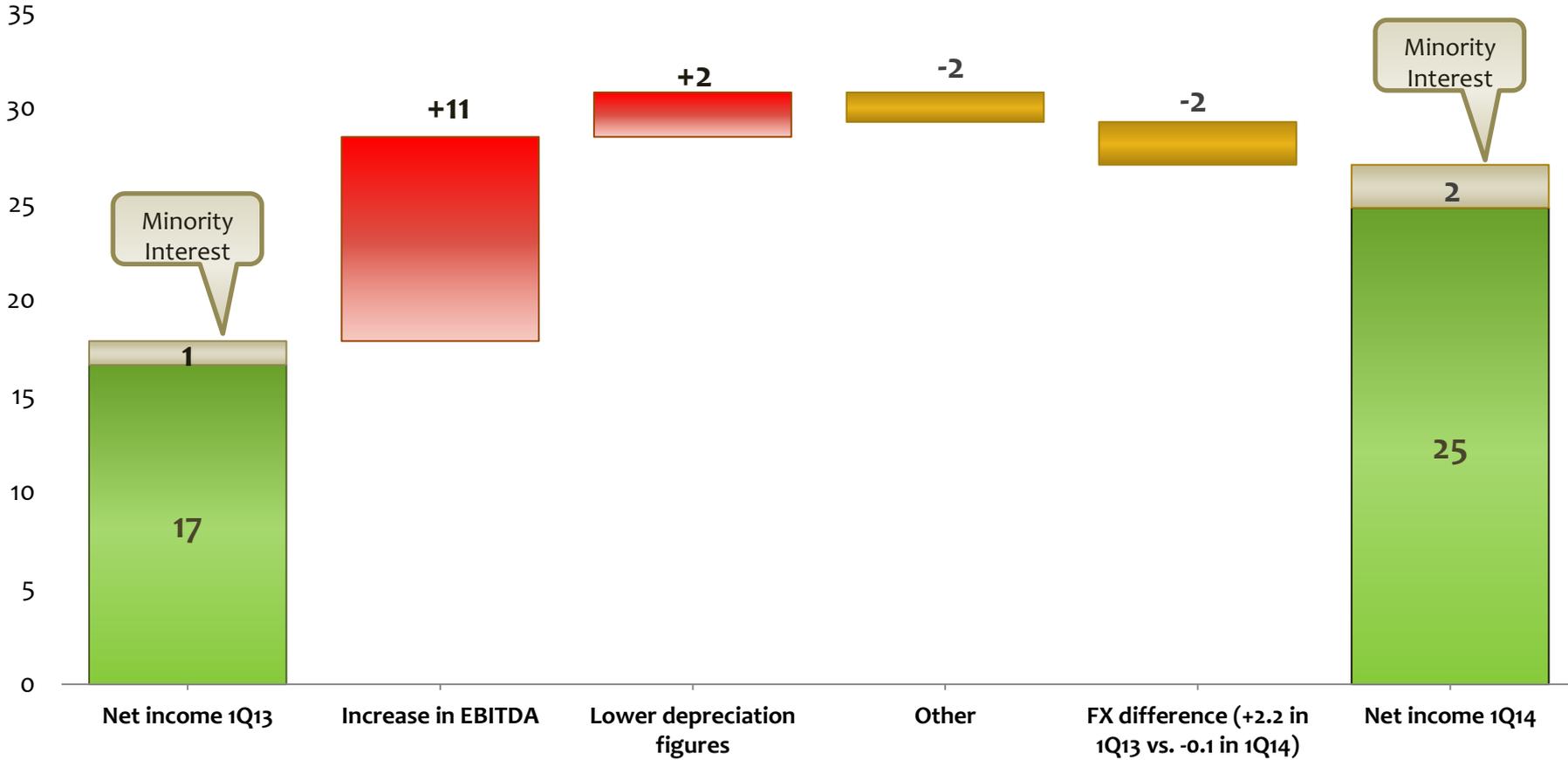
SALE OF DISTRINOR – December 2013

- ✓ E.CL’s gas distribution subsidiary reported annual EBITDA of between US\$1.5 and US\$2 million and no debt.
- ✓ To **focus on its core power business**, E.CL sold Distrinor to Solgas, a GDF Suez subsidiary, for US\$19 million under unanimous board approval.
- ✓ The transaction resulted in **after-tax income of US\$10.1 million**.

Significant future cost savings and improved business focus

Net Income comparison 1Q14 vs. 1Q13

In millions of US\$

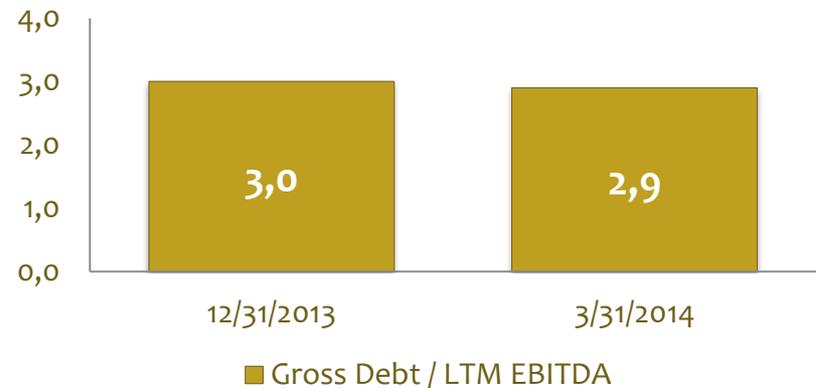


Almost 50% increase in net income explained by improved operating results and lower depreciation

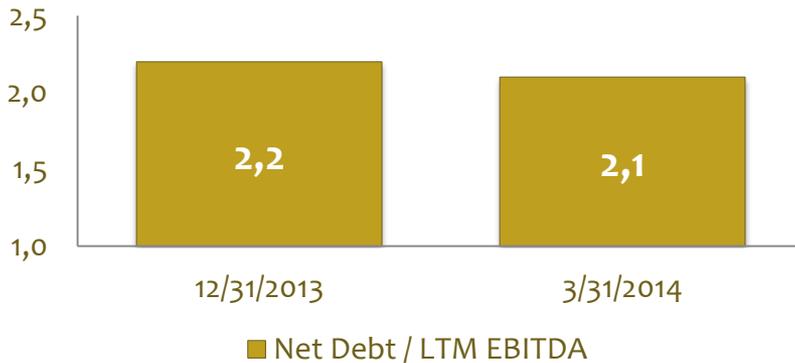
Available Cash (millions of US\$)



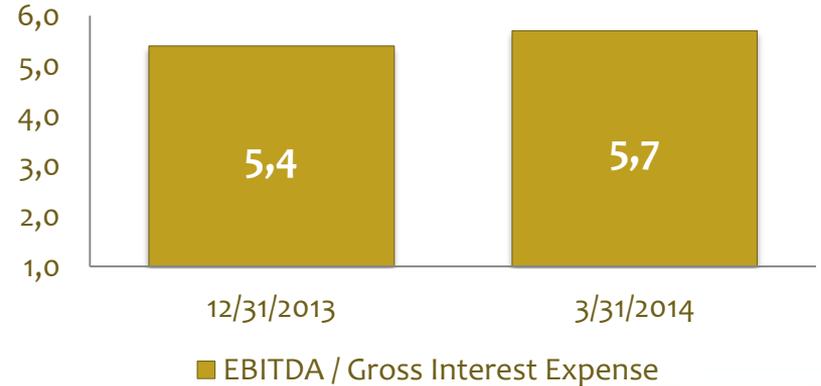
Gross Debt / LTM¹ EBITDA



Net Debt / LTM¹ EBITDA



LTM¹ EBITDA / LTM¹ Gross interest Expense



LTM = Last twelve months

Strong liquidity and low leverage

E.CL's Debt breakdown (as of March 31, 2014)

✓ **E.CL has only two debts, with a current average cost of roughly 5.2% p.a.**

1. 5.625%, 144-A/Reg-S bond for US\$400 million maturing January 2021:

- ✓ Bullet, unsecured, no financial covenants. YTM (03/31/14) = 4.41%.

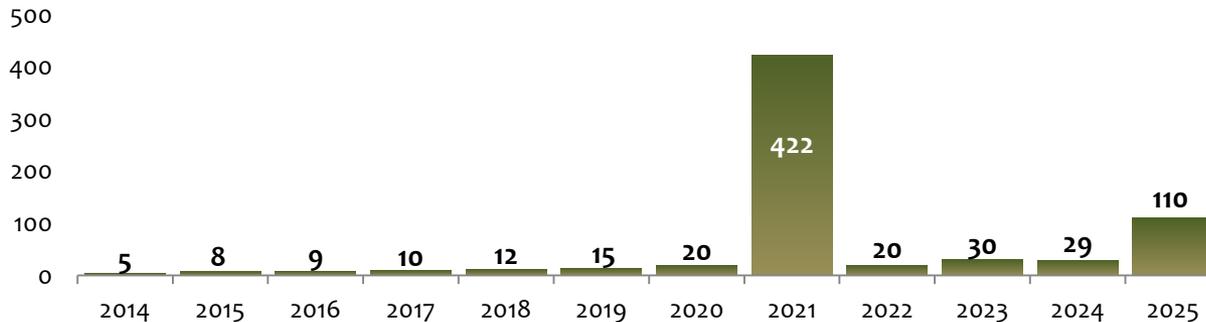
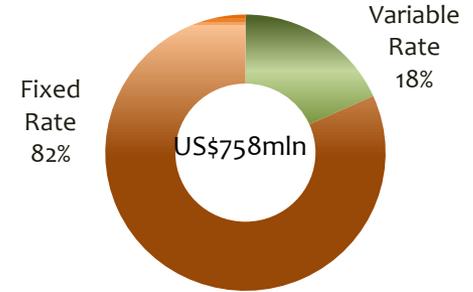
2. CTA Project Finance with IFC & KfW (US\$358 million):

- ✓ Payable semiannually starting June 2011, with 25% balloon payment in June 2025
- ✓ LIBOR + 2.75% p.a. with 25 bps step-ups every 3 years starting April 2016
- ✓ LIBOR fixed at 3.667% p.a. over notional at US\$219.5 million

✓ **Besides, 60%-owned CTH owes US\$162 million to E.CL**

- ✓ Payable in 10 semiannual instalments beginning March 2013, at LIBOR + 3.55% p.a.

E.CL's financial debt Breakdown by Interest

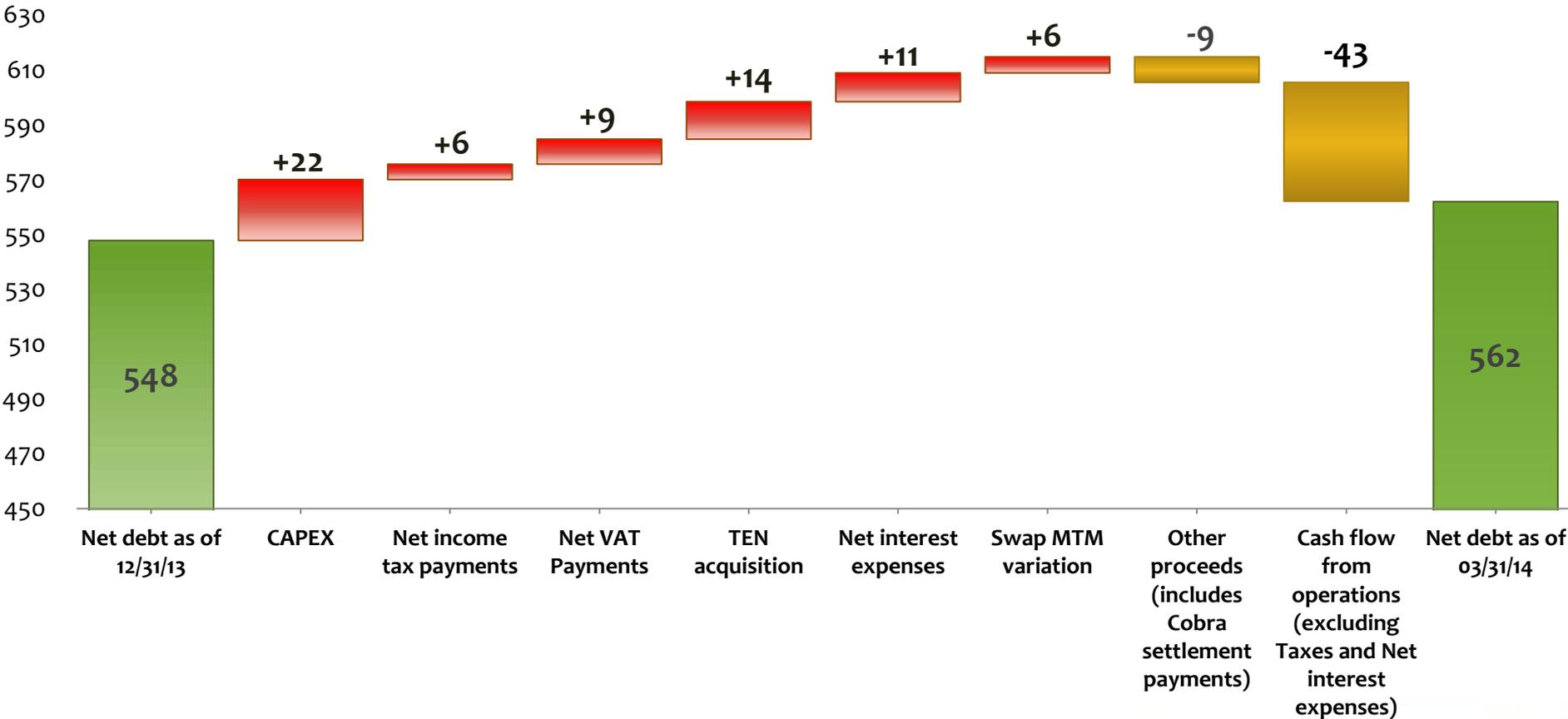


Note: 40% of principal debt repayments by CTH to E.CL have been netted out from E.CL's debt repayments in the chart above

... with good liquidity, no significant debt maturities in the short run, only US dollar debt and mostly hedged.

Net debt evolution during 1Q14

In millions of US\$



Strong cash generation ability: CAPEX and dividends financed with cash from operations

Note: 2012 figures restated to reflect 100% consolidation of CTH since January 2013

Dividends

- ✓ E.CL has a flexible dividend policy, which consists of paying the minimum legal required amount (30% of annual net income), although higher payout ratios may be approved in function of (among others) anticipated capital expenditures:

Payout ratio in recent years:

- ✓ 2009 : 30%
 - ✓ 2010 : 50%
 - ✓ 2011 : 50%
 - ✓ 2012 : 100%
-
- ✓ For the fiscal year 2013, the distribution of **100% of 2013's net income** has been approved; that is, **US\$39,583,732.32** or US\$0.0375803332 per share to be paid to shareholders on May 23, 2014.
 - ✓ New dividend policy: subject to proper Board and/or Shareholders approvals, the company intends to **pay two provisional dividends**, preferably in August/September and December/January, **plus the definitive dividend** to be paid in May of the following year.

100% of 2013 net income to be paid as dividends in May 2014, without jeopardizing liquidity.

International ratings				
	Solvency	Perspective		Date
Standard & Poors	BBB	Stable		December 2013
Fitch Ratings	BBB-	Positive		August 2013

National ratings				
	Solvency	Perspective	Shares	Date
Feller Rate	A+	Stable	1 st Class Level 2	January 2014
Fitch Ratings	A	Positive		August 2013
ICR	A	Stable	1 st Class Level 3	January 2014

Confirmed investment grade category and 1-notch upgrade by S&P in December 2013



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