

1H14 RESULTS





- HIGHLIGHTS

- INDUSTRY AND COMPANY

- PROJECTS

- FINANCIAL RESULTS

- ✓ In 1H14 E.CL reported a **US\$152 million EBITDA**, a **29% improvement** compared to 1H13 due to generally better operating performance, higher margins on electricity sales, stronger take-or-pay capacity payments, and higher gas sales.
- ✓ **Net income** reached **US\$44.5 million**, **449% higher** than in 1H13 due to improved EBITDA, lower depreciation costs and smaller foreign exchange losses.
- ✓ **Net debt decreased by 14%** in the last 12 months despite an investment program in the extension of the useful life of existing plants and environmental CAPEX.

Financial Highlights	1H13	1H14	Var. %
Operating Revenues (US\$ million)	592.4	626.5	+6%
EBITDA (US\$ million)	117.9	151.8	+29%
EBITDA margin (%)	23%	26%	+13%
Net income (US\$ million)	8.1	44.5	+449%
Net debt (US\$ million, at end of quarter)	609.9	523.9	-14%

- ✓ In May **the government** announced its **2014-2018 Energy Agenda** to promote investments in the energy sector. The agenda considers a new role for the State, territorial ordering and citizenship participation, as well as focus on increased competition, lower prices, energy efficiency, development of Chile's own resources, and increasing connectivity, including the **interconnection of the SING and SIC systems**.
- ✓ In July, E.CL gave **notice to proceed** to the construction of a **6MW solar PV plant** to supply the **Pampa Camarones** mining operations. This is the first stage of an up to 300MW solar project.
- ✓ On July 2, **most of the SING suffered service interruption for a few hours**. Apparently, the incident started at the Crucero substation during maintenance works carried out under normal protocols and subsequently impacted the rest of the system's operation. An investigation is under due course.
- ✓ **Dividends** equivalent to **100% of 2013's net income**, for an amount of US\$ 39.6 million, were paid on May 23.
- ✓ A draft **tax reform bill** was sent to Congress in April. According to proposed amendments to the initial draft, the corporate tax rate would gradually increase from 20% to 27%. CO₂ taxes of US\$5/ton, among other relevant changes could be introduced beginning 2017. The effects on E.CL are still uncertain.
- ✓ In January 2014, E.CL started the construction of its **580-km. long, 500kV Mejillones-Copiapó transmission line project**, which will in effect connect the SIC and the SING grids.
- ✓ **Mr. Lode Verdeyen**, E.CL's CEO since 2004, has decided to **take new responsibilities** within the GDF SUEZ group as from Sept. 1st. He will be replaced by **Mr. Axel Leveque**, who also has long-standing knowledge of Chile and its power sector.



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Chilean electricity industry – 1H14



	Market	Growth (2013-2023) ¹	Clients	Generation GWh (1H14)	Main players (% installed capacity 1H14)
SING	25% capacity 26% demand	6.0% ↑	Regulated 12% Unregulated 88%	Ren. 2% Diesel 7% Gas 11% Coal 80% 8,635 GWh	Endesa 24% AES Gener 20% E.CL 52% 4,055 MW
SIC	74% capacity 73% demand	4.4%	Regulated 61% Unregulated 39%	NCRE 8% Diesel 4% Gas 21% Hydro 37% Coal 30% 25,777 GWh	Other 26% Endesa 36% Colbún 21% AES Gener 17% 14,940 MW

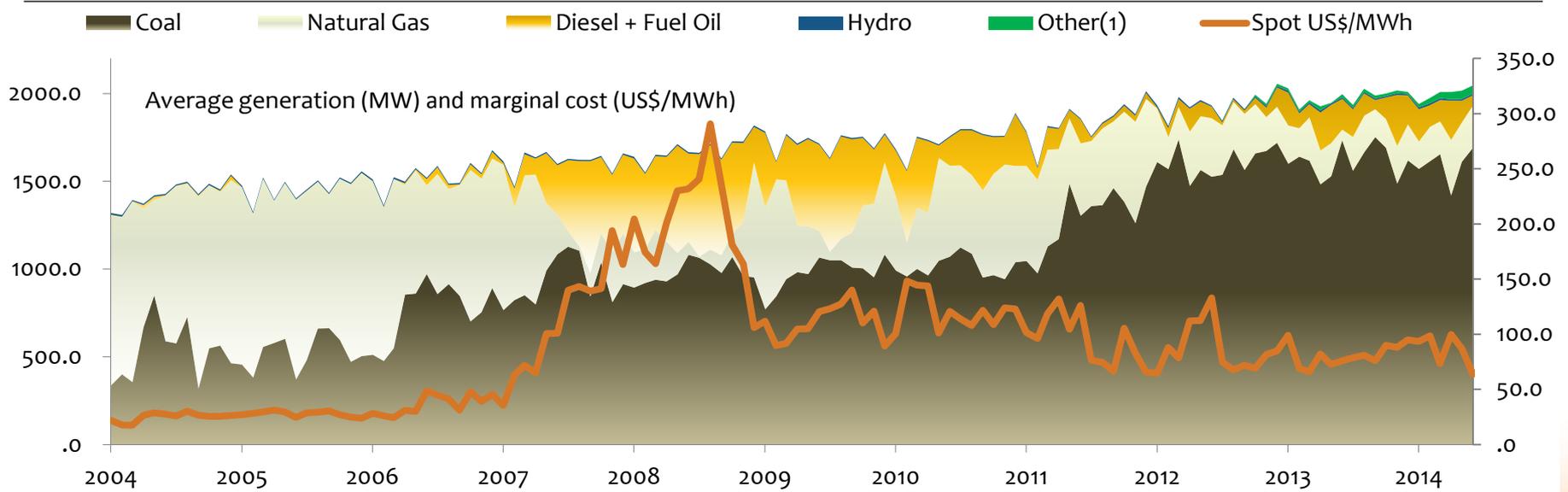
Notes:

- 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–April 2014.

- ✓ 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 1H14
- ✓ Strong mining activity will lead to an expected average annual growth rate of 6% for the 2014-2023 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

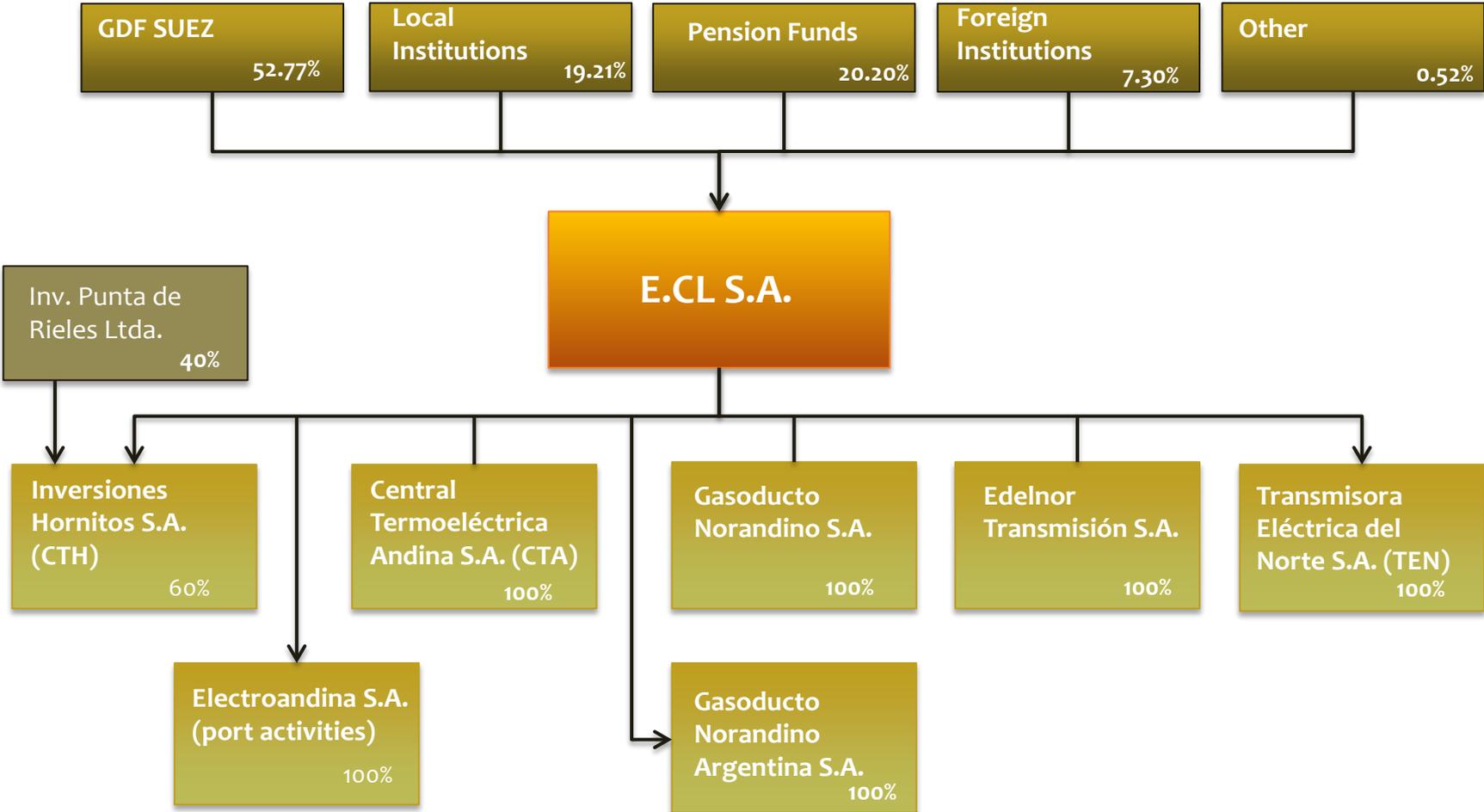
Mining Project	Estimated investment (US\$ mm)	Estimated copper production	Possible production start date	Sponsor	International Rating (Moody's/S&P)
Lomas Bayas III Sulfuros	\$1,600	70 Th TPA	2021	Xstrata	Baa2/BBB+
Esperanza Sur (ex Telégrafo)	\$3,500	190-210 Th TPA + Au	2019	Antofagasta PLC	N/A
El Abra (expansion)	\$ 5,000	300 Th TPA	2020	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	2022	Anglo American and Xstrata	Baa1/BBB+ ¹
Óxidos Encuentro (ex Caracoles)	\$760	110 Th TPA + Au	2018	Antofagasta PLC	N/A

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

Sources: Consejo Minero, Cochilco, corporate web sites, Reuters, Bloomberg and others.

Despite the postponement of some mining projects, electricity demand in the SING is expected to increase by 70% by 2023

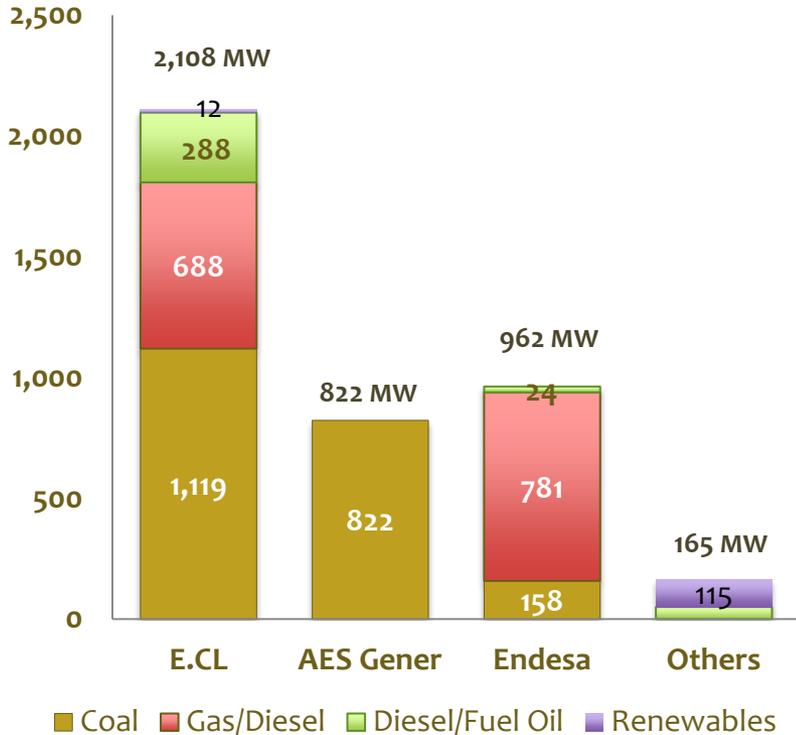
Ownership structure (as of end-June 2014)



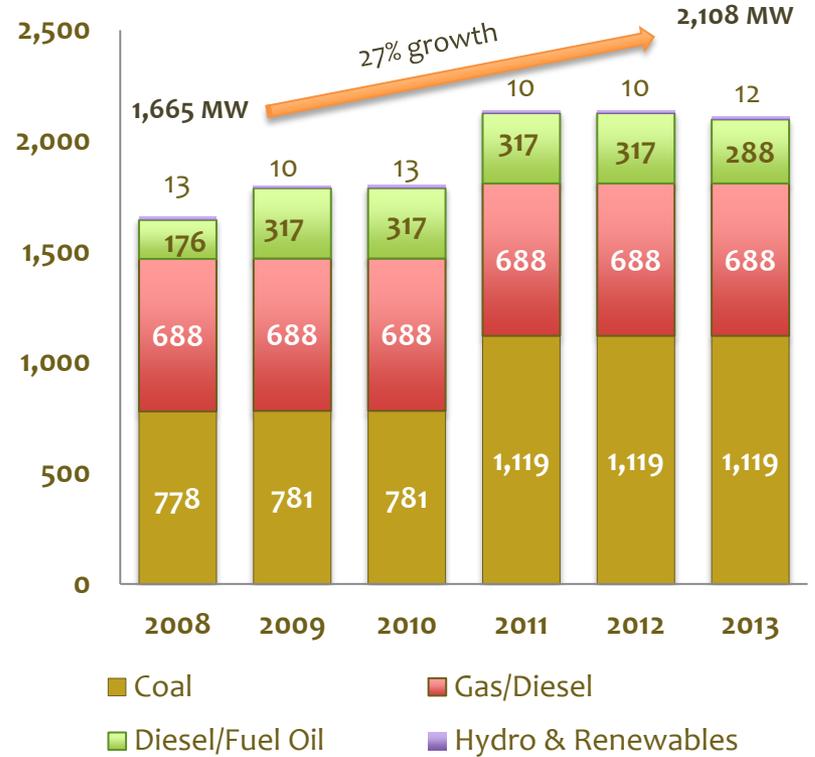
E.CL has a diversified shareholder base and is controlled by GDF SUEZ, the world's largest utility.

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)

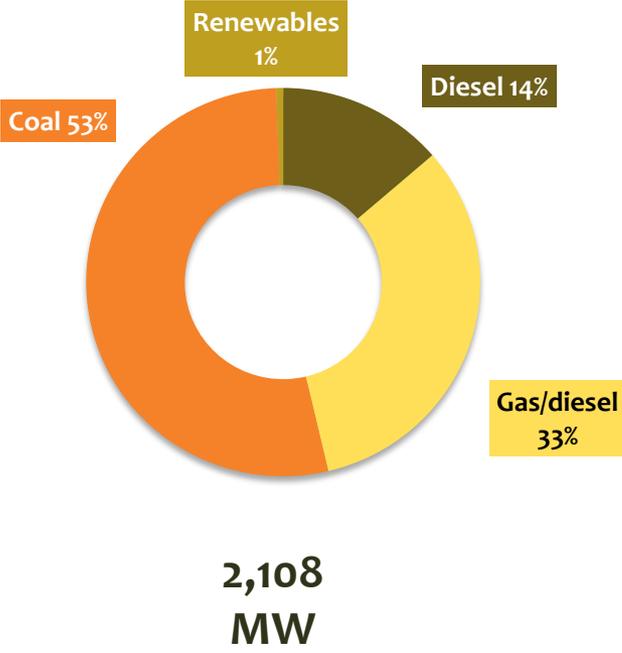
Endesa includes Gas Atacama and Celta

90MW Enel's wind farm included in Others

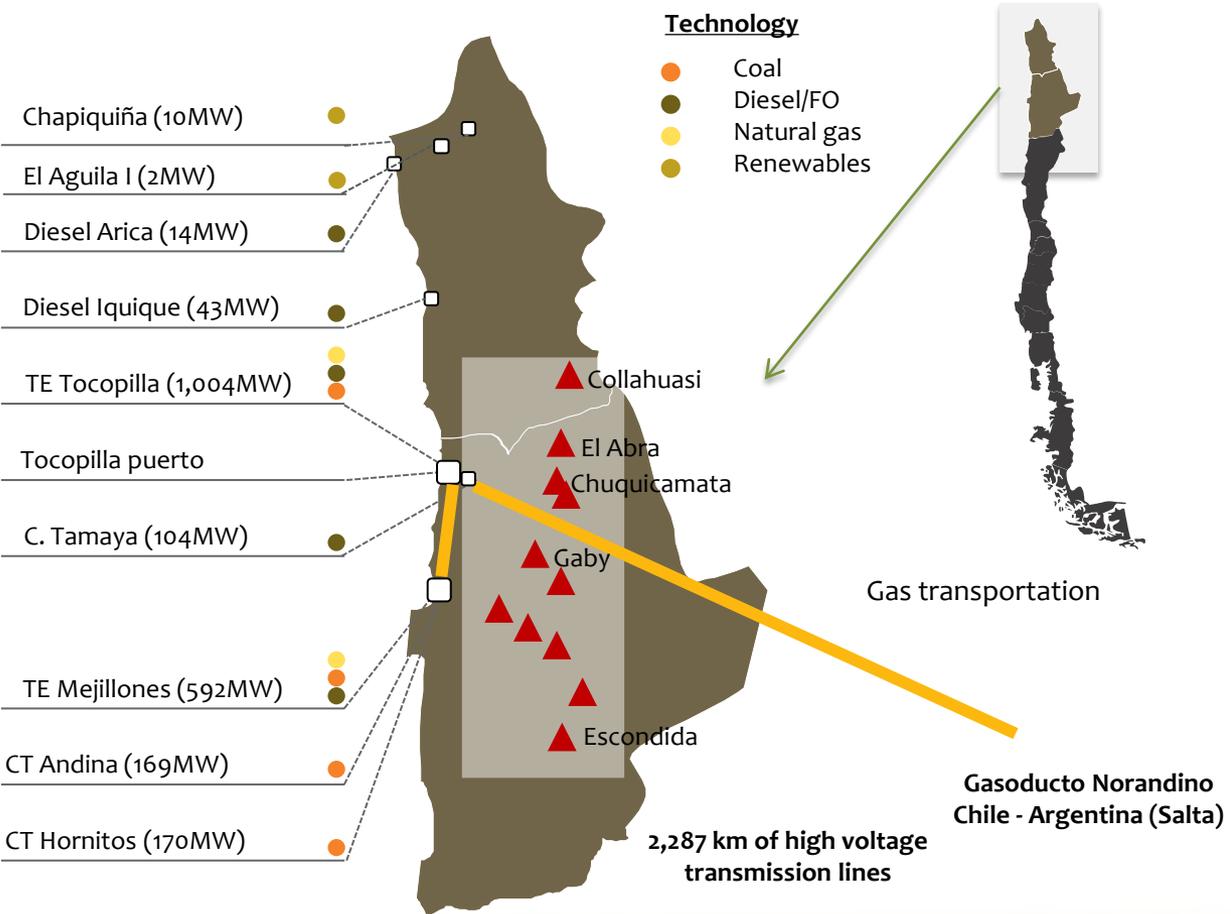
The 29MW Mantos Blancos diesel plant used to be operated by E.CL through Sept. 30, 2013.

E.CL is by far the largest and most diversified electricity supplier in the SING, currently serving more than 50% of its total demand

Installed Capacity (June 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 June 2014)

	Average realized monomic sale price (USD/MWh)		Average estimated consumption (MWh/h)			
	1H13	1H14	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)	94	112	215	226	237	249
Unregulated clientes (mining and industrial)	115	121	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 **9 years**
- ✓ Long-term client relationships and operational excellence → **low re-contracting risk**

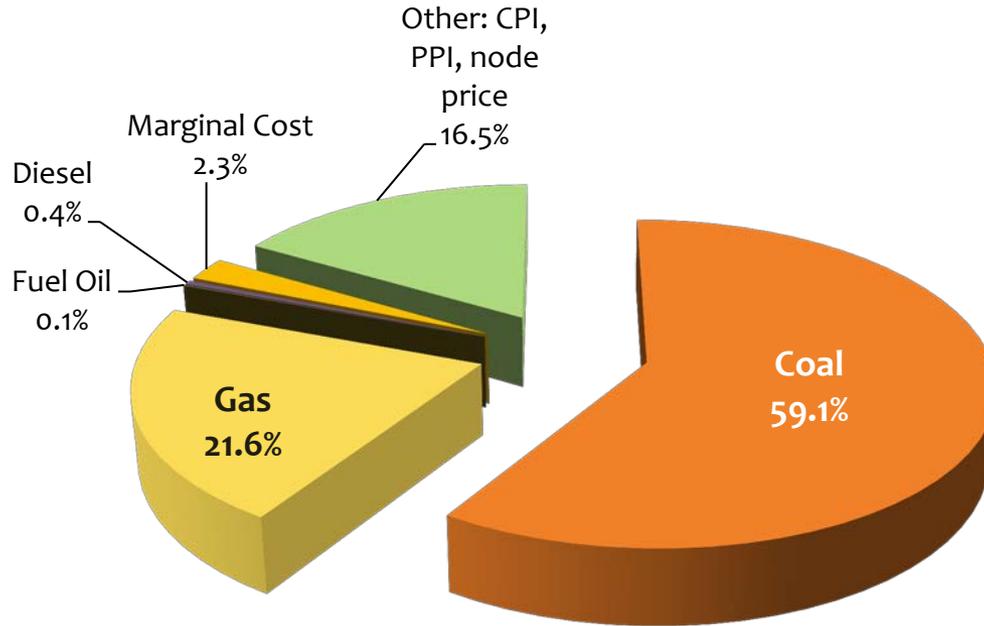
Notes:

- “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 June 2014)



As a percentage of effective demand

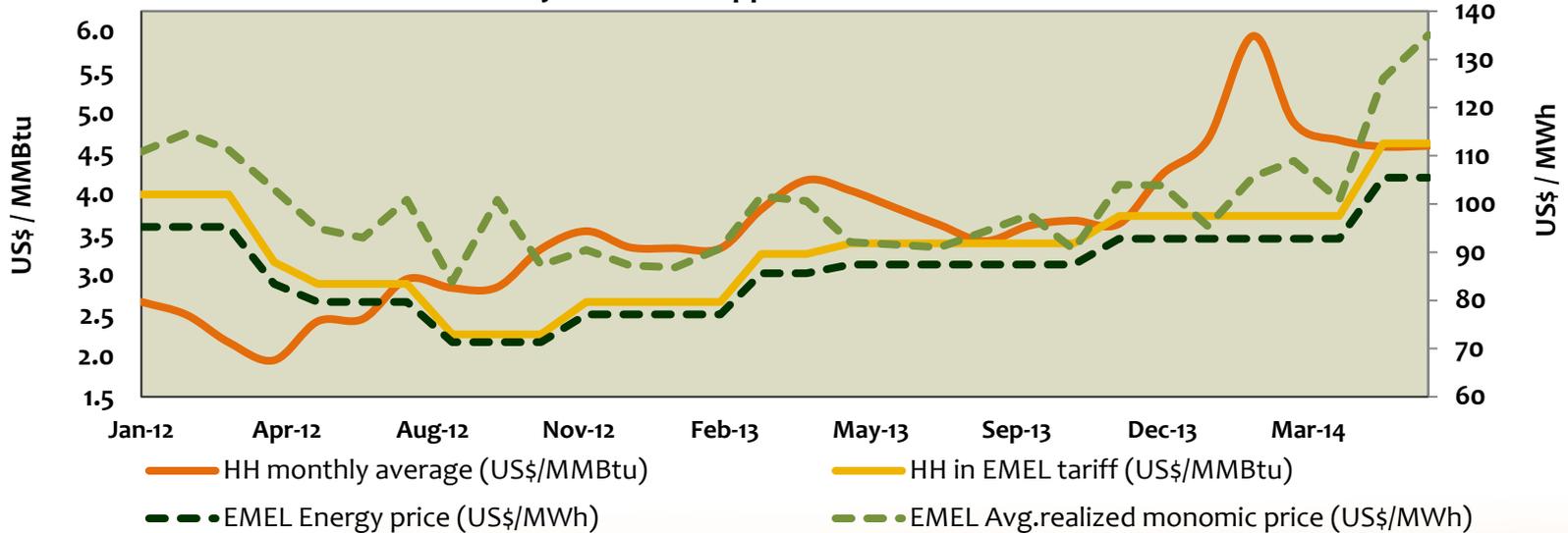
... matched with an aligned cost structure, through indexation formulas in PPAs.

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

Henry Hub vs. HH applied to EMEL tariff vs. EMEL tariffs

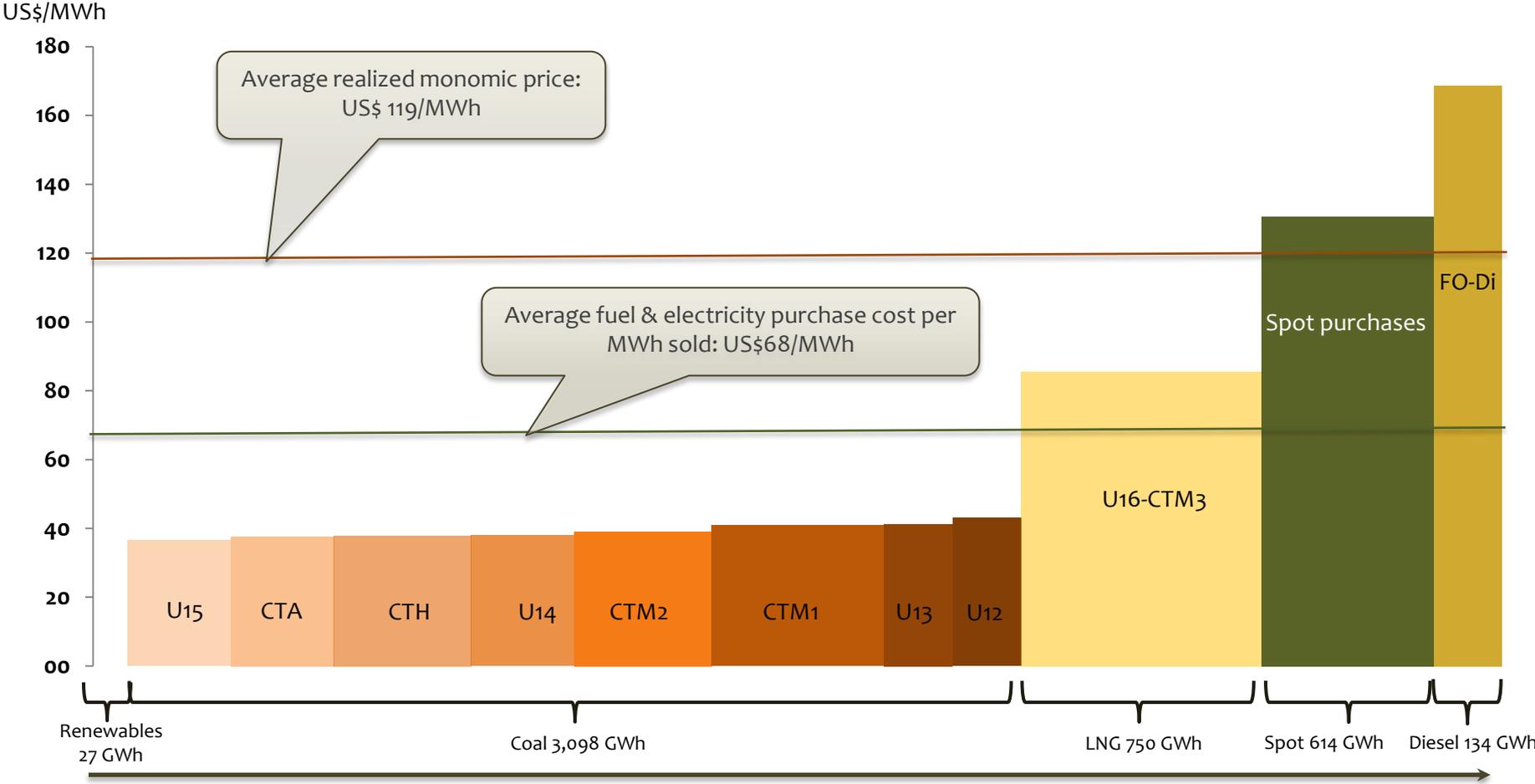


Notes:

- ✓ 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 – 1H2014



Sources: CDEC-SING and company data

Total energy available for sale (before transmission losses) 1H14 = 4,623 GWh

- Generation and coal variable costs based on actual data declared to CDEC-SING; gas generation cost includes regasification and other costs not included as variable cost by CDEC-SING.
- Spot purchases include overcosts

15 • 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

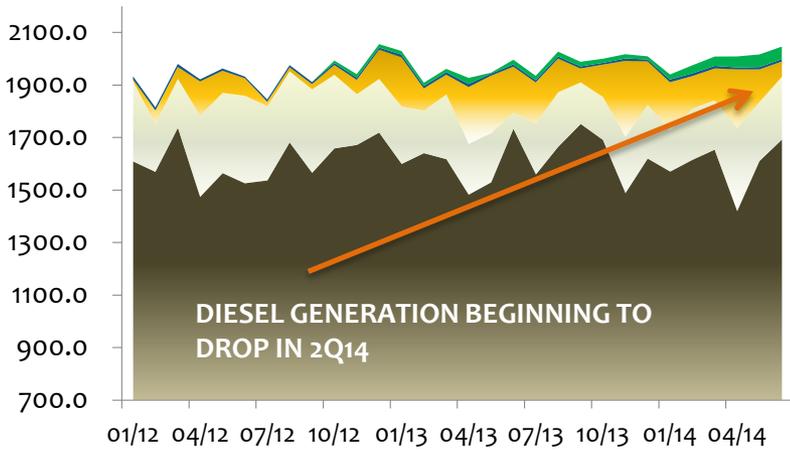
- ✓ The so-called “overcosts” (“sobrecostos”) are regulated by Resolution 39/2000 (RM39) and by Supreme Decree 130/2012 (DS130) to cope with the costs stemming from the SING’s operational characteristics:
 - Units that cannot operate below a technical minimum level;
 - A higher spinning reserve required 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	48,8	26,8	(5,7)	(6,5)
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)



1H14 vs. 1H13: E.CL stake in the system overcosts decreased slightly by US\$0.8 million (but reduced strongly by US\$6.5 million in 2Q14 vs. 2Q13) due to

- ✓ Improvement in gas-fired and renewables generation (LNG terminal in maintenance in June 2013), which allowed for a reduction in diesel generation
- ✓ Small reduction of E.CL’s market share in the SING

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



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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

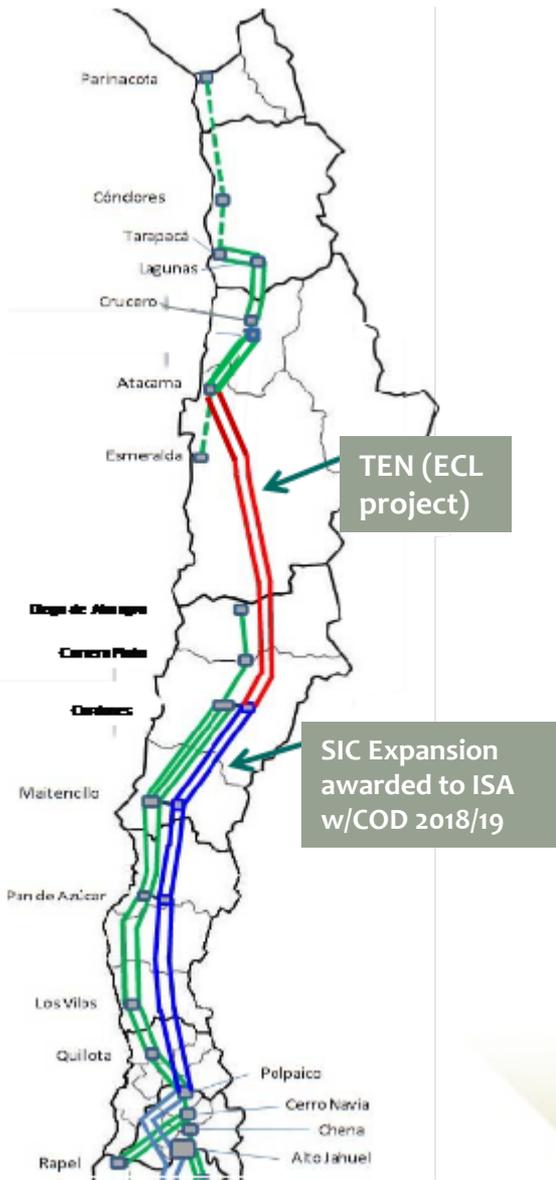
SIC-SING transmission line *(1 of 2)*

- ✓ 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 1H14 E.CL paid US\$13.7 million to GSEA for the acquisition of the project company.
- ✓ The project is a 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; Electric concessions for relevant segments filed.

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 construction:
 - 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: 1Q15 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 upon 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.
- ✓ CAPEX will amount to approximately US\$170 million over the 2011-2014 period, most of which has already been incurred.
- ✓ As of June 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

Cobia



Solar



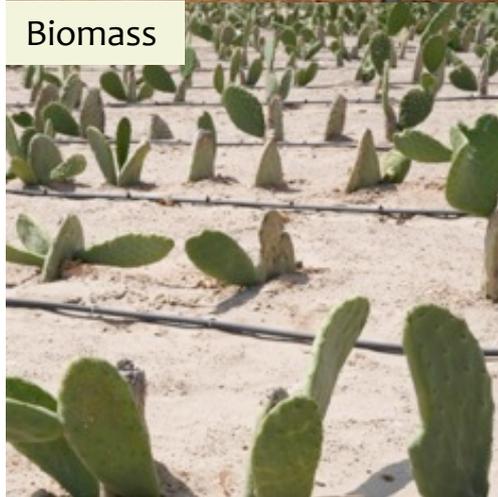
Microalgae



Wind



Biomass



Steam-solar



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

Approved CAPEX program

CAPEX (US\$ million)	1H14	2H14 ^e	2015 ^e	2016 ^e
Generation: Maintenance & Life ext.	21	16	88	40
Generation: Environmental project	12	8	-	-
Transmission	4	12	32	13
Development ⁽¹⁾	20	30	6	4
Other ⁽²⁾	3	9	4	7
TOTAL	60	75	130	64

Notes:

1. “Development” includes only the initial US\$ 13.7 million investment in TEN in 1Q14, the Pampa Camarones 1 solar plant 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



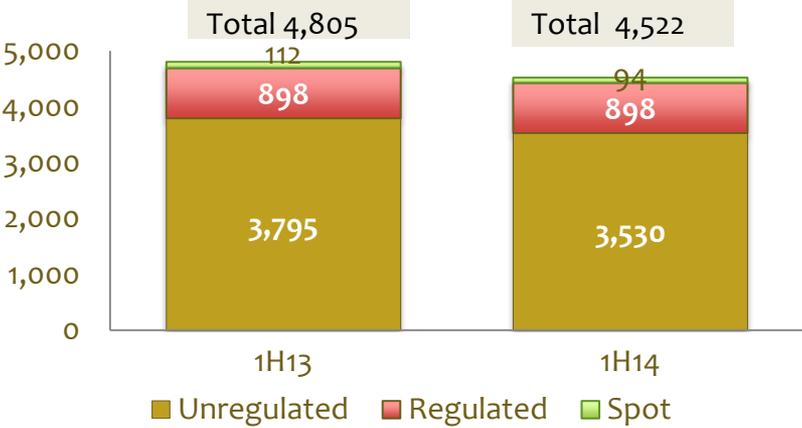
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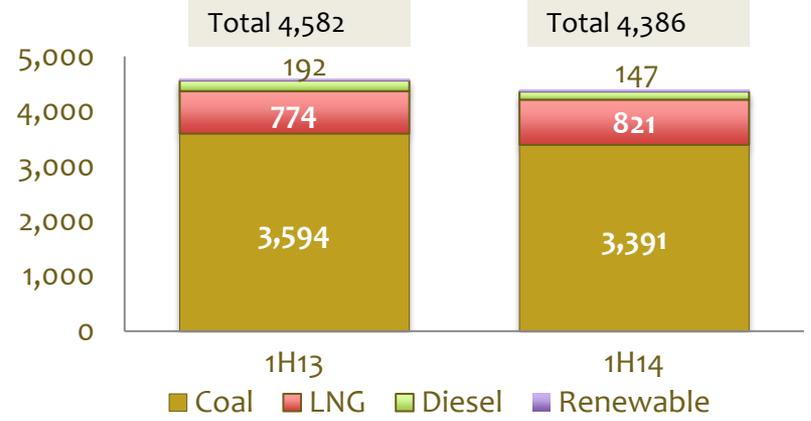
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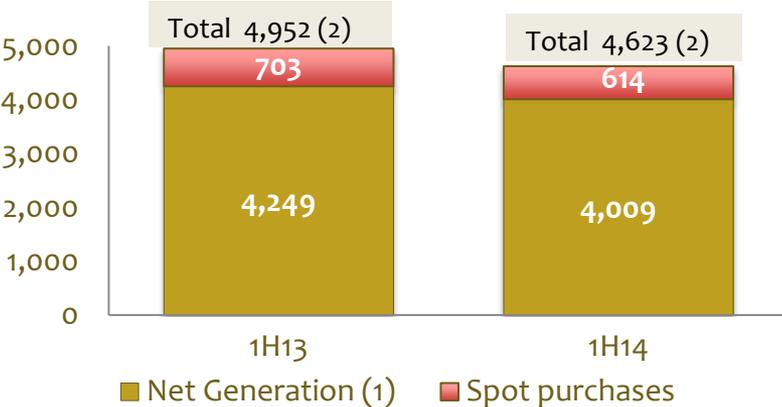
Electricity sales (GWh)



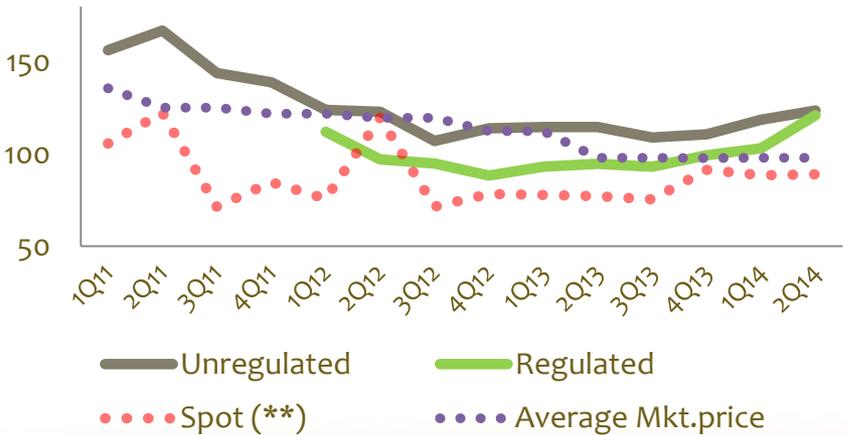
Gross electricity generation (GWh)



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

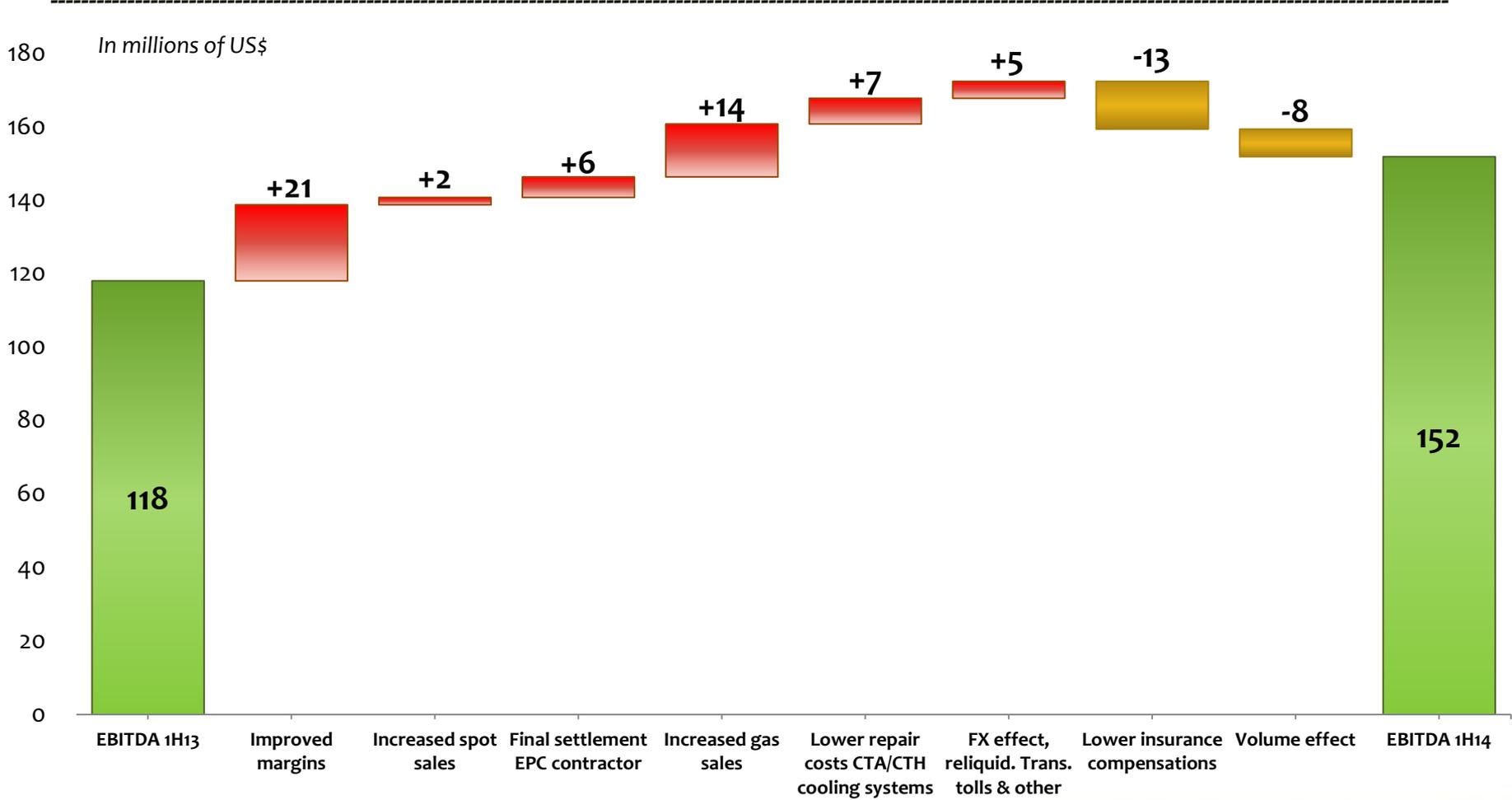
(**) The spot price curve corresponds to monthly averages and does not include overcosts ruled under RM39 or DS130. It does not necessarily reflect the prices for E.CL's spot energy sales/purchases.

Income Statement (US\$ millions)	1H13	1H14	Var. %
Operating revenues	592.4	626.5	6%
Operating income (EBIT)	45.8	84.9	85%
EBITDA	117.9	151.8	29%
Net income	8.1	44.5	449%
Average realized monomic sale price (US\$/MWh)	110.8	119.2	7%

- ✓ **Total operating revenues increased 6%** due to a combination of features with opposite effects:
 - ✓ (+) 7% 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)
 - ✓ (-) 6% decrease in physical sales due to lower demand from clients and maturing PPAs

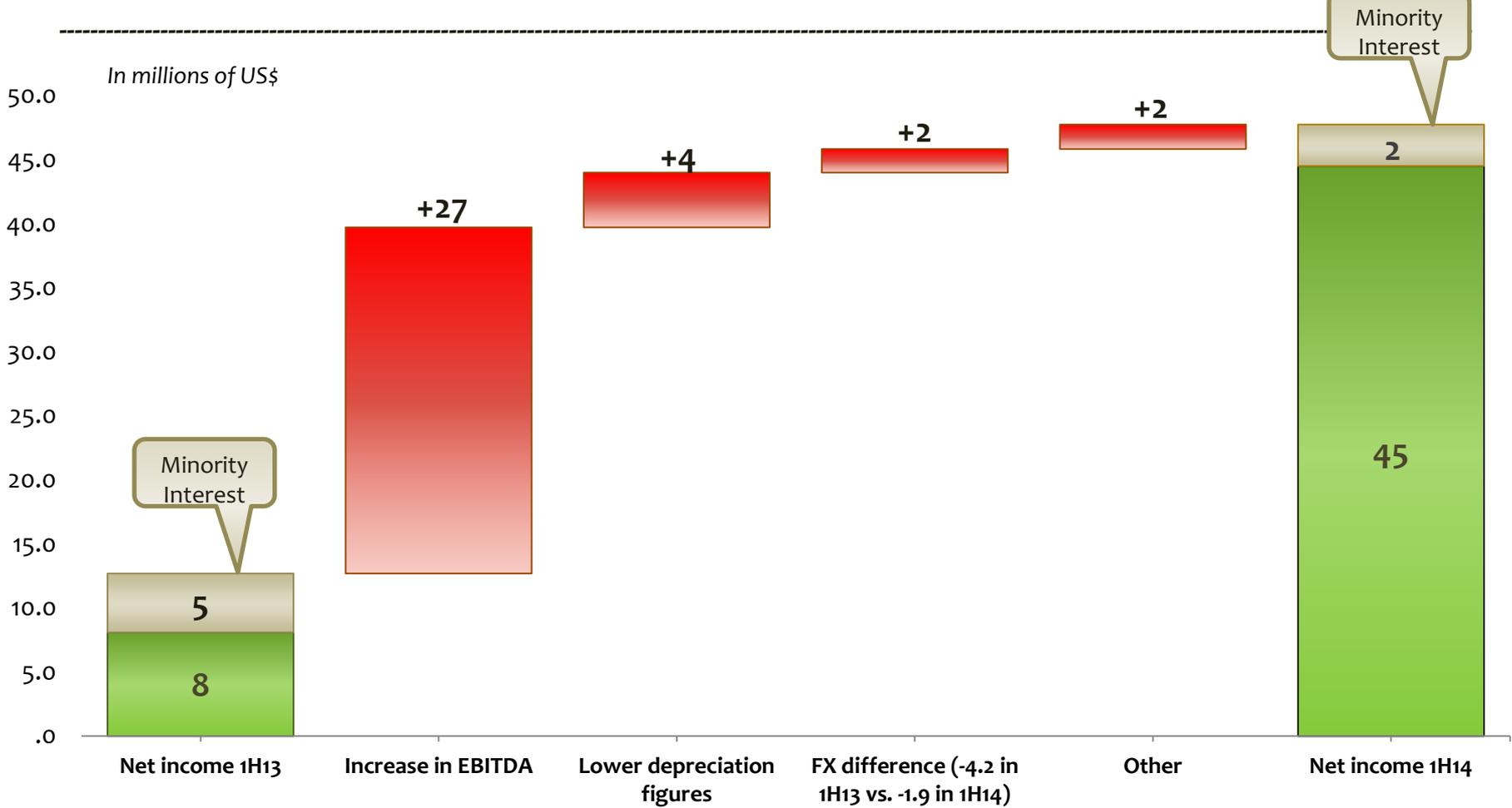
- ✓ **EBITDA increased 29%** as a result of the following main factors:
 - ✓ (+) Improved margins, better operating performance and increased income from gas sales
 - ✓ (-) Lower insurance compensations (business interruption on CTH 4Q12 outage accounted for in 1H13)

EBITDA comparison 1H14 vs 1H13



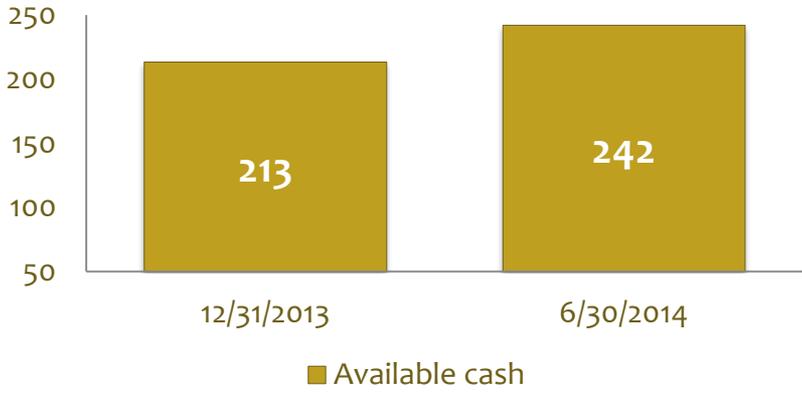
Significant EBITDA improvement

Net Income comparison 1H14 vs 1H13

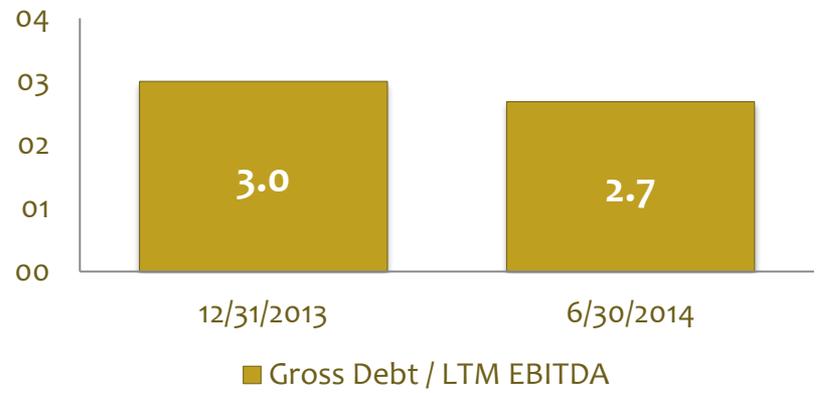


Increase in net income explained by improved operating results and lower depreciation

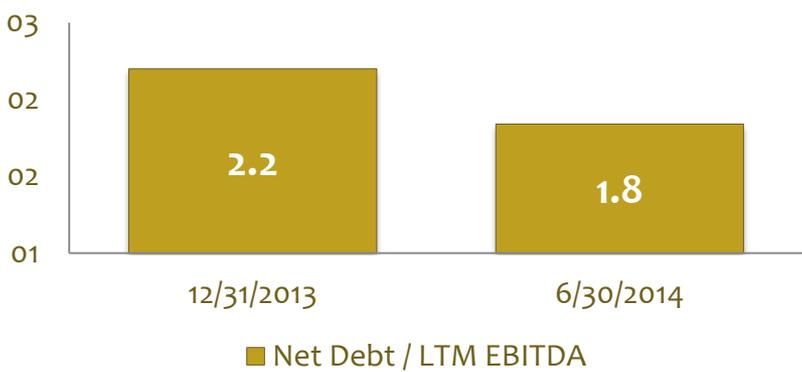
Available Cash (millions of US\$)



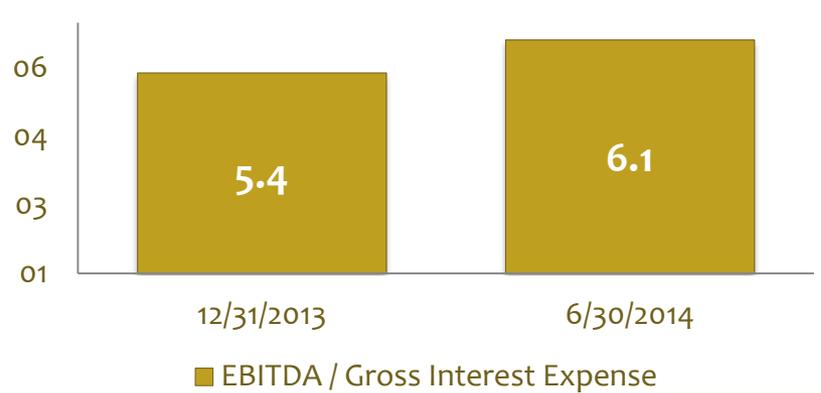
Gross Debt / LTM¹ EBITDA



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 June 30, 2014)

✓ **E.CL has only two debts, with a current average interest rate of roughly 5.5% p.a.**

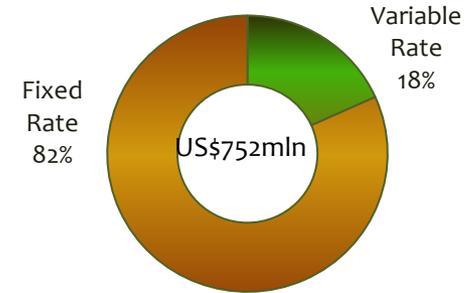
1. 5.625%, 144-A/Reg-S bond for US\$400 million maturing January 2021:

- ✓ Bullet, unsecured, no financial covenants. YTM (06/30/14) = 4.04%.

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

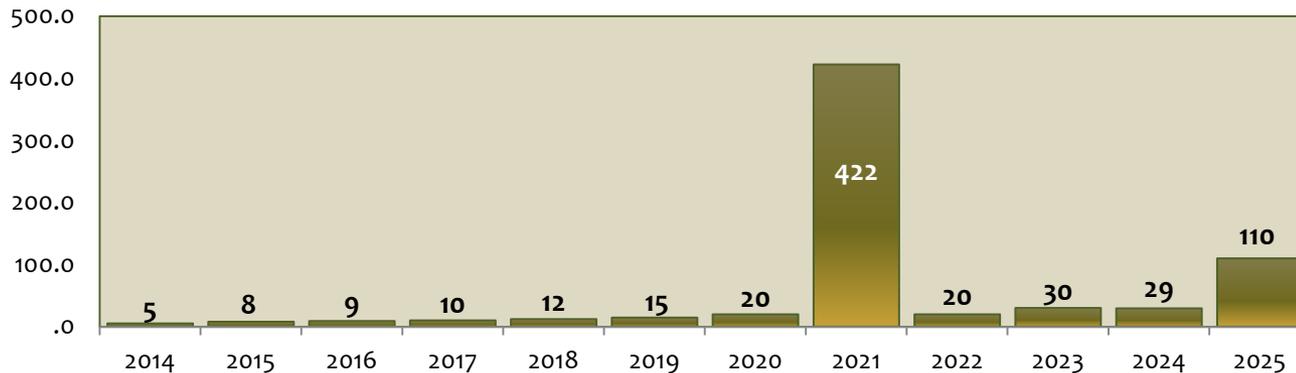
- ✓ Payable semiannually starting June 2011, with 25% balloon payment in June 2025
- ✓ LIBOR + 2.75% p.a. with 25 bps step-ups every 3 years starting April 2016
- ✓ LIBOR fixed at 3.667% p.a. over notional at US\$219.5 million

E.CL's financial debt Breakdown by Interest



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

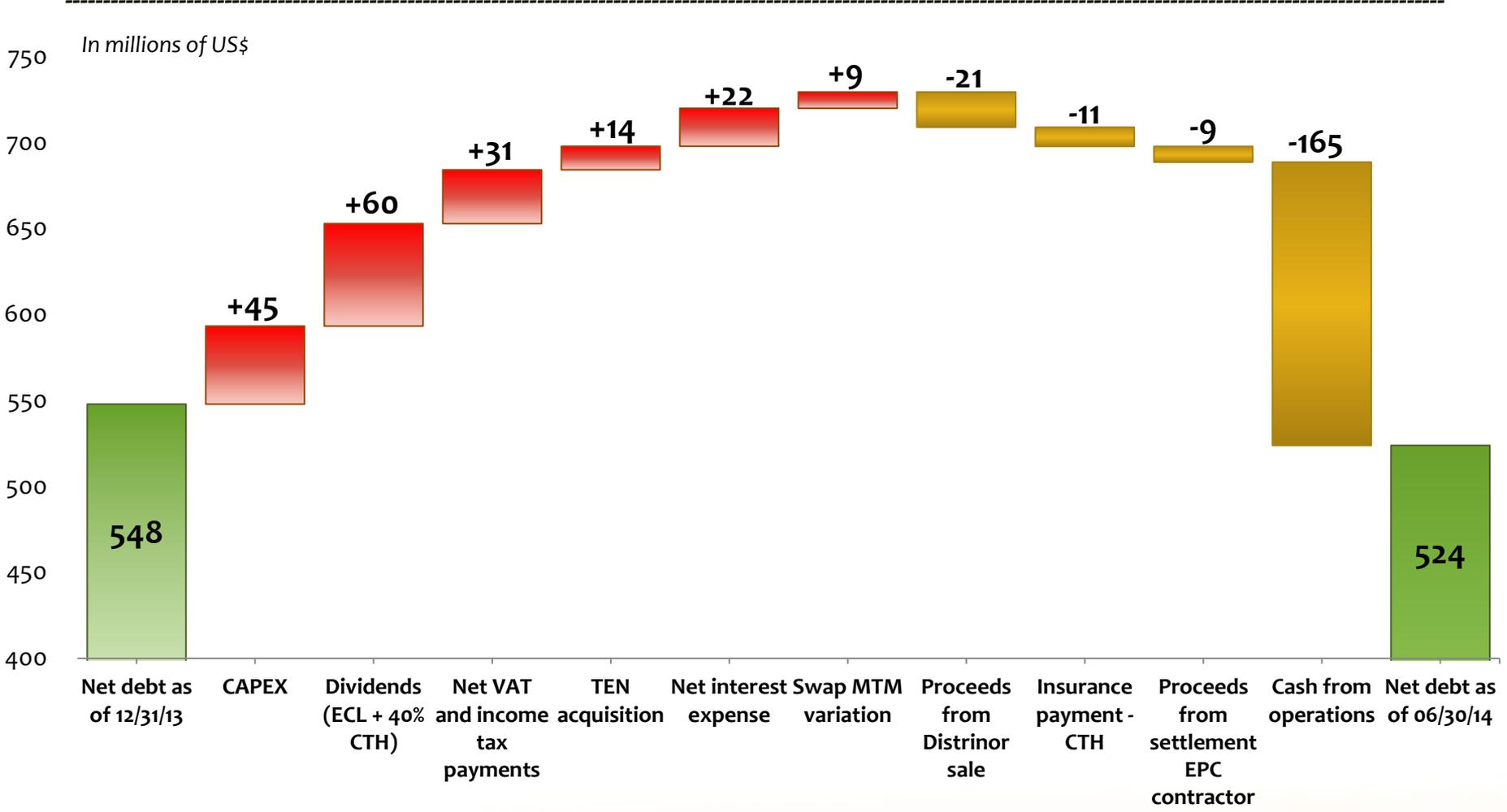
- ✓ Payable in 10 semiannual instalments beginning June 2013, at LIBOR + 3.55% p.a.



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 1H14



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

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** was approved. **US\$39,583,732.32** or US\$0.0375803332 per share was 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

Several recent initiatives to boost performance

Superior performance

Clear strategic orientation

- ✓ Acquisition of TEN and focus on SING-SIC interconnection
- ✓ New long-term contracts with reliable clients
- ✓ Development of complementary solar facilities
- ✓ Sale of Distrinor, a non-core subsidiary

Commercial and operational optimization

- ✓ Optimization of portfolio: non-renewal of low-margin PPAs and opportunistic gas sales
- ✓ Increased availability of LNG shipments
- ✓ Improved availability of coal-fired plants

Several cost-reduction initiatives

- ✓ Scale down of Gasod. NorAndino Argentina
- ✓ Perform 15: a global GDF SUEZ program (E.CL's expected 2014 impact: MUS\$ 13.5)
- ✓ Useful life extension of several plants, with positive EPS impact
- ✓ Proactive approach towards FX risk

The right people at the right places, with the appropriate tools, training and incentives



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