January 28, 2015

E.CL REPORTED EBITDA OF US$306 MILLION AND NET EARNINGS OF US$89 MILLION IN 2014.

EBITDA REACHED US$306 MILLION IN 2014, A 22% INCREASE COMPARED TO 2013, MAINLY DUE TO THE COMPANY'S IMPROVED OPERATING PERFORMANCE. THIS RESULTED IN A MORE EFFICIENT GENERATION MIX, WITH LOWER FUEL COSTS, WHICH ADDED TO HIGHER AVERAGE PRICES AND INCREASED GAS SALES, CONTRIBUTED TO A SIGNIFICANT INCREASE IN NET INCOME TO US$89 MILLION IN 2014.

- **Operating revenues** amounted to US$1,241.2 million in 2014, a 3% increase compared to 2013, mainly due to higher average realized monomic prices in both the regulated and unregulated client segments, and higher gas sales.

- **EBITDA** reached US$306 million in 2014, with an EBITDA margin of 24.7%. EBITDA increased 22% compared to 2013 mainly due to an improved operating performance, with lower fuel costs, higher average prices and increased gas sales.

- **Net income** amounted to US$88.9 million, a significant improvement compared to 2013.

Financial Highlights
(in US$ millions)

US$ millions	4Q13	4Q14	Var %	12M13	12M14	Var%
Total operating revenues	311,8	295,0	*-5%*	1.207,1	1.241,2	*3%*
Operating income	40,2	27,8	*-31%*	116,8	172,3	*47%*
EBITDA	60,8	62,6	*3%*	250,3	306,4	*22%*
EBITDA margin	19,5%	21,2%	*9%*	20,7%	24,7%	*19%*
Non recurring earning	4,7	-	-	4,7	6,0	*28%*
EBITDA without non recurring earnings	56,1	62,6	*12%*	245,6	300,4	*22%*
Total non-operating results	(27,2)	(19,0)	*-30%*	(61,8)	(50,4)	*-18%*
Net income after tax	8,6	6,2	*28%*	38,5	94,8	*146%*
Net income attributed to controlling shareholders	7,3	3,8	*48%*	29,9	88,9	*198%*
Net income attributed to minority shareholders	1,3	2,4	*88%*	8,6	5,9	*-32%*
Earnings per share	0,01	0,00	*-48%*	0,03	0,08	*198%*
Total energy sales (GWh)	2.437	2.327	*-4%*	9.704	9.210	*-5%*
Total net generation (GWh)	2.153	2.169	*1%*	8.795	8.280	*-6%*
Energy purchases on the spot market (GWh)	262	260	*-1%*	1.177	1.161	*-1%*

Note: For comparison purposes, we have adjusted the 2013 net income figure due to a revised accounting interpretation, which led us to restate our audited consolidated financial statements as of June 30, 2014, as explained in more detail in this report. The company's total consolidated equity has remained unchanged. We have also adapted the EBITDA calculation for 2013 according to our new methodology, which considers provisions for uncollectible accounts.

E.CL is engaged in the generation, transmission and supply of electricity and the transportation of natural gas in the north of Chile. E.CL is the fourth largest electricity generation company in Chile and the largest electricity generation company in the SING, Chile's second largest power grid. As of December 31, 2014, E.CL accounted for 52% of the SING's installed capacity. E.CL primarily supplies electricity to large mining and industrial customers, and it also supplies the entire electricity needs of EMEL, the sole electricity distribution group in the SING. E.CL is currently 52.77% indirectly owned by GDF Suez. The remaining 47.23% of E.CL's shares are publicly traded on the Santiago stock exchange following Codelco's sale of its 40% shareholding interest on January 28, 2011. For more information, please refer to www.e-cl.cl.

HIGHLIGHTS:

- **4Q-2014**

  - **E.CL expects to become a relevant player in Chile's central interconnected power grid ("Sistema Interconectado Central" or "SIC") starting 2018.** since it was awarded power supply contracts to supply up to 5,040 GWh p.a. to distribution companies operating in the SIC. On December 12, the CNE announced the results of a public auction for power supply agreements with distribution companies known as "SIC 2013/03- Segundo llamado". E.CL was awarded 84 sub-blocks of energy and capacity within the so-called Block 3. Pursuant to the result of the auction, E.CL will be committed to supply 2,016 GWh in 2018, stepping up to 5,040 GWh p.a. starting 2019. Hence, E.CL will begin to supply distribution companies in the SIC for 15 years starting 2018, with electricity provided by existing and new sources, including an increase in LNG supply to burn in existing combined cycle units, the construction of a new coal-fired plant, as well as an increase in non-conventional renewable sources. This will represent a significant increase in E.CL's contractual sales commitments, a more diversified client portfolio, and access to the SIC, Chile's main market and three times larger than the SING. The auction's outcome will trigger investments for approximately US$1.8 billion, including a 600-kilometer long, double-circuit, transmission line project with capacity of up to 1,500 MVA to connect E.CL's power units in Mejillones with Cardones in the SIC, and a new coal-fired plant in Mejillones with gross capacity of 375MW. The transmission line project, which has the potential of interconnecting both grids while permitting the development of NCRE projects along its route, will cost approximately US$700 million, while the Mejillones coal-fired plant will cost approximately US$1.1 billion including a new port. In addition, E.CL will increase its electricity generation based on natural gas and it has signed MOUs for 15-year supply of additional LNG shipments for its CTM3 combined-cycle units beginning 2018. Furthermore, E.CL plans to supply a portion of the new contracts with power sourced from non-conventional renewable sources.

  - **New US$350 million 144-A/Reg S notes issue.** On October 29, after several fixed-income investor meetings in Santiago, London, Los Angeles and New York, E.CL successfully completed a 144 A /Reg S issue for a total amount of US$350 million with a single principal payment in January 2025, 4.568% yield and 4.5% p.a. coupon rate. The proceeds of the notes, together with company cash resources, were used to prepay entirely the IFC and KfW project financing of our wholly-owned subsidiary, CTA, as well as the unwinding costs related to the interest-rate swaps associated to this project financing. The global coordinators and joint bookrunners were Bank of America Merrill Lynch, Citigroup and HSBC Securities (USA) Inc., with BTG Pactual and Crédit Agricole CIB as joint bookrunners. During the process of elaborating the offering memorandum, the company and its external auditors reviewed the interpretation applied to the impairment of Gasoducto Nor Andino Argentina S.A. carried out in the last quarter of 2013. In consideration to the revised interpretation and according to international accounting standards (IFRS), specifically, IAS 8, the company adjusted its consolidated financial statements as of June 30, 2014, and for comparison purposes also adjusted the net worth accounts as of December 31, 2013 included in the June 30 financial statements. This adjustment does not affect any of the income statement accounts reported in 2014 nor the company's consolidated equity as of December 31, 2013.

- **FIRST NINE MONTHS OF 2014**

  - **Tax reform:** On September 29, 2014, Law 20,780, which modified the country's income-tax regime and introduced other tax adjustments, was published in the official gazette. This tax reform introduced a progressive increase in the First Category Income Tax rates, with these rates varying depending on whether the company chooses a partially integrated or an attributed income system. On October 6, 2014, E.CL filed a material fact statement with the regulator ("SVS") indicating that the company will pay taxes according to the partially integrated system; notwithstanding that in the future, the company's shareholders could agree in a shareholders' meeting to switch to the attributed income system. The resulting gradual increase in the corporate tax rate from 20% to 27% in 2018 according to the partially integrated system caused a one-time increase in our deferred taxes, which under IFRS (IAS 12) would have had a negative, non-cash impact of U.S.$44 million in our 3Q14 net income. However, on October 17, 2014, the Chilean regulator "SVS" stated that Chilean companies should reflect the impact of the corporate tax rate increase on deferred taxes as a reduction in equity in their statement of financial position; hence, the increase in deferred taxes resulted in a U.S.$44 million reduction in equity as of September 30, 2014. The full effect of the income tax rate increase on 2014's financial statements was US$45.01 million. In addition, the tax reform introduced specific taxes on certain emissions produced by thermoelectric units that will become effective in 2017. Specifically, a US$0.1/ton tax on local emissions (PM, SO_2 and NOx) as well as a US$5/ton tax on CO_2 emissions applicable to boilers and turbines with thermal power equal to or greater than 50 thermal MW will become effective in 2017. The impact of emission taxes on E.CL's performance cannot be determined at this juncture as the operation reality of our thermoelectric plants may be different in 2017 in comparison with the present situation.

- **Dividends**: On August 26, the board of directors approved the distribution of provisional dividends, on account of 2014's net income, in the amount of US$ 7,000,000, or US$ 0,00664571824 per share, which were paid to shareholders in their Chilean peso equivalency on September 30, 2014.

- **Pampa Camarones Solar PV plant**: On July 10, E.CL gave notice to proceed to the construction of the first stage of the Pampa Camarones solar photo-voltaic plant with installed capacity of 6MW. A commercial agreement between Minera Pampa Camarones and E.CL permitted the construction of this plant that will supply the mining company's electricity needs with renewable energy. This plant's electricity output will be injected into the SING grid through E.CL's future Vítor substation, which will imply the construction of at least two new transmission lines. The initiative will have 24,000 photo-voltaic panels, will produce 18.1 GWh p.a., and is expected to begin commercial operations in the first quarter of 2015. The plant is situated approximately 50 kilometers south-east of the city of Arica. The Pampa Camarones project has potential to develop up to 300MW if all future stages are built. This will depend on commercial agreements.

- **Service interruption in the SING:** On July 2, most of the SING system suffered service interruption for a few hours. Apparently the incident started in the Crucero substation during maintenance works carried out under normal protocols, and it subsequently impacted the operation of the rest of the system. An investigation is under due course to determine the possible causes of the incident in Crucero and the response of the system.

- **CEO change:** After ten years in Chile leading the company and its affiliates, Mr. Lodewijk Verdeyen resigned as E.CL's CEO to assume new functions as Vice-President for New Businesses Development for the GDF SUEZ group in Latin America. On September 1, 2014, Mr. Axel Levêque, former COO – GDF SUEZ Energy Latin America, took over Mr. Verdeyen's position as E.CL's CEO. Mr. Levêque began his career with GDF SUEZ in 1996, working in Belgium, Spain, Chile, Peru and Brazil. With previous working experience in Chile, Mr. Leveque is well acquainted with the company and the Chilean electricity industry.

- **Earthquake**: On April 2, an 8.2 Richter-scale earthquake, followed by a 7.6-degree earthquake on April 3, affected the north of Chile, with no casualties or injuries among E.CL personnel nor any material damage on E.CL's generation, port, gas transportation and electricity transmission assets. Certain transmission assets suffered minor damages and reported service interruptions. All damages have been repaired, and E.CL's transmission network has been operating normally since shortly after these force majeure events.

- **Dividend payments:** At the Annual Ordinary Shareholders' Meeting held on April 29, 2014, the shareholders approved a dividend payment equivalent to US$39,583,732.32, or US$0.0375803332 per share, which was paid on May 23, 2014.

- **New dividend policy:** At the April 29, 2014 Annual Ordinary Shareholders Meeting, the company's shareholders approved a new dividend policy, which modifies the existing one in that, subject to proper board or shareholder approvals, the company will intend to pay two provisional dividends, preferably in

August/September and December/January of each year on the basis of the financial results of the first half and second quarters, respectively, in addition to the definitive dividend to be paid in May of each year.

- **Energy Agenda:** In early May, the Chilean government launched its "Agenda Energética" or energy agenda, setting guidelines for the energy sector's development over the 2014-2018 period. The document elaborates on seven main angles including a new role for the state; energy price reductions through enhancing competition, efficiency and diversification of the energy market; development of native energy resources; expanding connectivity for energy development; achieving an efficient sector that manages energy consumption; fostering investment in energy infrastructure; and supporting citizenship participation and territorial ordering. Among other subjects, the document emphasizes the development of electricity transmission systems, specifically, the interconnection of the existing electricity grids in central and northern Chile (the "SIC" and the "SING").

- **SING – SIC transmission line:** On January 28, 2014, the company gave notice to proceed for the construction of a 580-km., 500 kV, double-circuit transmission line, with 1,500 MVA per circuit. This line will permit the transmission of electricity generated by power plants in Mejillones to Cardones in the northern area of the SIC. The project will be developed through E.CL's subsidiary, TEN, recently acquired from Suez Energy Andino S.A. TEN accepted a firm turn-key EPC offer from Alusa Ingeniería and issued a notice to proceed to Alusa for the project's detailed engineering, early works, and the acquisition of electromechanical equipment worth approximately US$20 million. Accordingly, as required by current regulations, TEN communicated the commencement of construction to the National Energy Commission ("CNE") and the CDEC-SIC. The project will represent a total investment of approximately US$700 million. E.CL has begun the search of one or more partners and is currently analyzing the best possible financing structure to permit E.CL's future growth into other electricity projects. Given its characteristics, the project can be connected to the SING in Mejillones and has the potential to provide E.CL with access to a new market of unregulated clients and distribution companies in the SIC using either existing or new power plants to be built in the future.

INDUSTRY OVERVIEW

The company operates in the SING Grid (Sistema Interconectado del Norte Grande or '*Northern Grid*'), Chile's second largest power grid, which serves the country's north and a major portion of its mining industry. Given local conditions, it is predominantly a thermoelectric system, with generation based on coal, natural gas, LNG, and diesel and fuel oil. The system has begun to exhibit an incipient development of renewable sources, mainly wind and solar.

During the 1Q14 the SING's monthly marginal costs averaged US$87.9/MWh, above the US$78.3/MWh recorded in the first quarter of the year before. The 1Q14 average stood slightly below the 4Q13's US$89.1/MWh average, which reflected increased demand and lower availability of cost-efficient generation.

In 2Q14, monthly marginal costs averaged US$89/MWh, reaching their highest level in April and their minimum in June. Because of greater gas availability and programmed maintenance of coal-fired plants, the system reported higher LNG-based generation. The fuel mix changed, with a lower relative weight of coal and diesel generation, offset by higher LNG and renewable sources.

In 3Q14, monthly marginal costs averaged US$68.8/MWh, well below the previous quarter's US$89/MWh mainly due to the recovery in coal generation.

In 4Q14, the average marginal cost dropped to US$55.61/MWh as generation plants belonging to E.CL and other electricity generation companies in the SING were generally available. In October 2014, marginal costs averaged US$61.2/MWh, a 32% increase compared to the same month of the prior year and a 2.4% decrease compared to September 2014. In November, the marginal cost averaged US$54/MWh, representing a 38.4% decrease compared to the same month in 2013 and an 11.8% decrease compared to October. Finally, in December, marginal costs averaged US$51.5/MWh, a 42.7% reduction from the same month the year before and a 4.7% decrease from the previous month.

Monthly marginal costs averaged US$74.9/MWh in 2014, a 5.9% decrease compared to 2013's US$79.6/MWh average.

However, it should be noted that these marginal costs do not reflect the system's generation overcosts ruled under the RM 39 and DS 130 mechanisms. These overcosts consist of operating costs, in excess of the costs determined according to the economic dispatch of generation plants, which are incurred by generation companies for reasons such as higher service reliability, tests, transmission limitations and operation at plants' minimum technical level. The overcosts resulting from the operation of plants at their minimum technical level began to be ruled by the DS 130 in January 2013. Units operating under this condition do not set the marginal cost. Their reported variable costs in excess of the marginal cost are treated as overcosts, which are added and subsequently prorated among generation companies in function of their contracted electricity demand. Each generation company therefore, receives or pays, as the case may be, the difference between its pro-rata share of the overcost and the generation overcost actually incurred by it. In this way, generators effectively incurring operational overcosts are remunerated by the more heavily contracted generators through this compensation system. The generators are able to partially pass through their share of the overcosts to tariffs depending on specific contractual conditions with their clients. The system's global overcosts reached US$48 million in the first quarter and US$48.8 million in the second quarter and US$51.8 million in the third quarter. In the fourth quarter of 2014, system overcosts amounted to US$45.8 million. Overall, in 2014 overcosts amounted to US$194.4 million; that is, 11% above the overcosts reported in 2013. However, since E.CL's pro-rata share of the overcosts decreased, the amount of overcosts borne by E.CL, which were not passed through to prices remained at similar levels to those recorded in 2013.

The following table provides a breakdown of generation in the SING by fuel type:

Generation by Fuel Type (in GWh)

	2014							
	1Q 2014		**2Q 2014**		**3Q 2014**		**4Q 2014**	
Fuel Type	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*
Hydro	22	*1%*	18	*0%*	18	*0%*	21	*0%*
Coal	3,482	*82%*	3,437	*78%*	3,486	*80%*	3,670	*80%*
LNG	387	*9%*	568	*13%*	542	*11%*	470	*10%*
Diesel / Fuel oil	312	*7%*	296	*7%*	221	*7%*	298	*6%*
Solar/Wind/ cogeneration	61	*1%*	100	*2%*	114	*2%*	149	*3%*
Total gross generation SING	**4,265**	***100%***	**4,420**	*100%*	**4,380**	*100%*	**4,608**	*100%*

Source: CDEC-SING

The SING's electricity production broken down by company is as follows:

Generation by Company (in GWh)

	2014							
	1Q 2014		**2Q 2014**		**3Q 2014**		**4Q 2014**	
Company	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*
Norgener / Angamos	1,503	*35%*	1,738	*39%*	1,564	*37%*	1,555	*34%*
Celta	256	*6%*	169	*4%*	246	*5%*	245	*5%*
GasAtacama	225	*5%*	213	*5%*	170	*5%*	298	*6%*
E.CL (with 100% of CTH)	2,204	*52%*	2,183	*49%*	2,273	*51%*	2,348	*51%*
Other	77	*2%*	118	*3%*	127	*2%*	161	*3%*
Total gross generation SING………	**4,265**	*100%*	**4,420**	*100%*	**4,380**	*100%*	**4,608**	*100%*

Source: CDEC-SING

During the fourth quarter of 2014, E.CL reported a recovery in electricity generation and remained as the industry leader, accounting for 51% of the system's generation. In the fourth quarter both E.CL and the rest of the system had power plants temporarily out of service for maintenance and installation of emissions reduction systems. In the particular case of E.CL, coal generation increased in the fourth quarter because of shorter plant maintenance outages.

Coal-fired plant maintenance outages, including E.CL's CTM1, U12 and CTA, as well as AES Gener's Norgener and Endesa's Celta, added to transmission line bottlenecks and increased demand, led Gas Atacama to increase the electricity production at its combined-cycle units burning diesel oil.

Generation and demand levels normally exhibit high demand levels in the last quarter basically due to the production schedules at mining operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

*The following discussion is based on our audited consolidated financial statements for the twelve-month periods ended December 31, 2014 and 2013, which have been prepared in U.S. dollars in accordance with IFRS, and which should be read in conjunction with the financial statements and the notes thereto published by the Superintendencia de Valores y Seguros (*www.svs.cl*). All figures reflect 100% consolidation of Inversiones Hornitos ("CTH").*

Results of Operations

4Q 2014 compared to 3Q 2014 and 4Q 2013

Operating Revenues

Quarterly Information

(In US$ millions, except for volumes and percentages)

	4Q 2013		3Q 2014		4Q 2014		% Variation	
Operating Revenues	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Unregulated customers sales…………………..	214,1	*81%*	210,4	*77%*	206,0	*78%*	***-2%***	***-4%***
Regulated customers sales…………………….	46,2	*17%*	57,6	*21%*	55,3	*21%*	***-4%***	***20%***
Spot market sales………………………………..	4,2	*2%*	4,9	*2%*	2,9	*1%*	***-41%***	***-31%***
Total revenues from energy and capacity sales……………………………	**264,5**	*85%*	**273,0**	*85%*	**264,3**	*90%*	***-3%***	***0%***
Gas sales…………………………..	12,1	*4%*	28,3	*9%*	14,6	*5%*	***-48%***	***20%***
Other operating revenue……………………….	35,3	*11%*	18,5	*6%*	16,2	*5%*	***-12%***	***-54%***
Total operating revenues………………….	**311,8**	*100%*	**319,7**	*100%*	**295,0**	*100%*	***-8%***	***-5%***
Physical Data (in GWh)								
Sales of energy to unregulated customers (1)……	1.914	*79%*	1.758	*77%*	1.836	*79%*	***4%***	***-4%***
Sales of energy regulated customers……	465	*19%*	457	*19%*	457	*20%*	***0%***	***-2%***
Sales of energy to the spot market…………….	58	*2%*	83	*4%*	34	*1%*	***-59%***	***-41%***
Total energy sales………………………….	**2.437**	*100%*	**2.298**	*100%*	**2.327**	*100%*	***1%***	***-4%***
Average monomic price unregulated customers(U.S.$/MWh)(2)……	**110,7**		**117,0**		**111,7**		***-5%***	***1%***
Average monomic price regulated customers (U.S.$/MWh)(3)	**99**		**129**		**121,1**		***-6%***	***22%***

(1) Includes 100% of CTH sales.

(2) Calculated as the quotient between unregulated and spot revenues from energy and capacity sales and unregulated and spot physical energy sales.

(3) Calculated as the quotient between regulated revenues from energy and capacity sales and regulated physical energy sales.

Electricity sales reached US$264 million in the fourth quarter, a 3% decrease compared to the previous quarter because of lower average prices charged to both regulated and unregulated clients. When compared to the same quarter of 2013, electricity sales remained flat since higher average realized tariffs offset a decrease in physical energy sales, particularly in the unregulated client segment.

Sales to unregulated clients amounted to US$206 million, a 4% decrease compared to 4Q13, mainly due to the end of some PPAs, notably 40MW Mantos Blancos, which matured in September 2013, and lower demand from Chuquicamata and Zaldívar for operational reasons at those mines. The decrease in physical sales was only partially offset by a 1% increase in average realized prices mainly explained by lower demand from clients who have take-or-pay clauses and by the pass-through of higher fuel costs in some contracts with price components indexed to Henry Hub. When compared to the 3Q14, electricity sales to unregulated customers fell 2% despite the seasonal increase in physical sales normally observed in the last quarter of each year. This was due to a 5% decrease in the average realized monomic price mainly attributable to lower fuel prices.

Sales to distribution companies, or regulated clients, amounted to US$55.3 million, a decrease compared to the immediately preceding quarter, due to a 6% decrease in the average monomic tariff. It should be noted that the energy tariff decreased by approximately US$7/MWh starting in November 2014, following the semiannual contractual tariff review, which is based on the past 4-month average Henry Hub index. The average Henry Hub price used in the energy price calculation decreased by 8%, from US$4.62/MMBtu used in the April tariff process to US$4.26/MMBtu used in the October 2014 tariff setting process. When compared to the fourth quarter of the year before, sales to distribution companies increased 20% as a result of a 22% increase in the average realized tariff given the low Henry Hub levels observed in 2013.

Physical sales to the spot market, corresponding to our CTA subsidiary and to a lesser extent, CTH, decreased compared to the previous quarter and the same quarter of 2013. On consolidated terms, E.CL continued to be a net electricity buyer on the spot market given its highly contracted position. In the fourth quarter of 2014, E.CL reported net spot purchases of approximately 226 GWh, up from the third quarter's 204 GWh, mainly due to lower production reported by CTA, which went from a net seller to a net buyer position in the month of October. The spot market sales item also includes the retroactive annual firm capacity price and monthly energy adjustment payments per the reliquidations made by the SING dispatch center (CDEC-SING).

Gas sales revenues include gas sales to third parties, mainly other generation companies. Gas sales to AES Gener decreased in the fourth quarter when compared to the third quarter; however, they were higher than the sales of gas to Endesa reported in the last quarter of 2013. Other operating revenues include transmission tolls, port services, transmission line services, coal and other fuels sold to other generators, and reliquidations of payments related to sub-transmission systems.

Operating Costs

Quarterly Information
(In US$ millions, except for volumes and percentages)

	4Q 2013		3Q 2014		4Q 2014		% Variation	
Operating Costs	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Fuel and lubricants………………………………	(108.1)	*41%*	(99.3)	*40%*	(109.6)	*43%*	***10%***	***1%***
Energy and capacity purchases on the spot market…………………………………………..	(42.9)	*16%*	(43.6)	*18%*	(33.8)	*13%*	***-23%***	***-21%***
Depreciation and amortization attributable to cost of goods sold…………………………….	(20.0)	*8%*	(31.9)	*13%*	(34.2)	*13%*	***7%***	***71%***
Other costs of goods sold…………………….	(91.7)	*35%*	(72.0)	*29%*	(76.1)	*30%*	***6%***	***-17%***
Total cost of goods sold……………….	**(262.8)**	*97%*	**(246.8)**	*95%*	**(253.7)**	*95%*	***3%***	***-3%***
Selling, general and administrative expenses…	(12.3)	*5%*	(12.7)	*5%*	(15.5)	*6%*	***22%***	***26%***
Depreciation and amortization in selling, general and administrative expenses…………	(0.2)	*0%*	(0.5)	*0%*	(0.6)	*0%*	***19%***	***149%***
Other operating revenue/costs……………………	2.8	*-1%*	(0.2)	*0%*	2.6	*-1%*	***-1517%***	***-8%***
Total operating costs….……………….	**(271.7)**	*100%*	**(260.1)**	*100%*	**(267.2)**	*100%*	***3%***	***-2%***
Physical Data (in GWh)								
Gross electricity generation								
Coal………………………………………….	1,859	*80%*	1,660	*76%*	1,895	*81%*	***14%***	***2%***
Gas…………………………………………..	424	*18%*	440	*20%*	419	*18%*	***-5%***	***-1%***
Diesel Oil and Fuel Oil…………………….	88	*4%*	70	*3%*	22	*1%*	***-69%***	***-75%***
Hydro……………………………………….	13	*1%*	12	*1%*	13	*1%*	***6%***	***4%***
Total gross generation………………….	**2,322**	*100%*	**2,183**	*100%*	**2,348**	*100%*	***8%***	***1%***
Minus Own consumption………………..	(155)	*-7%*	(170)	*-9%*	(180)	*-8%*	***6%***	***16%***
Total net generation…………………….	**2,153**	***87%***	**2,013**	***87%***	**2,169**	***89%***	***8%***	***1%***
Energy purchases on the spot market………..	262	***11%***	308	***13%***	260	***11%***	***-16%***	***-1%***
Total energy available for sale before transmission losses………………………	**2,487**	***100%***	**2,291**	***100%***	**2,429**	***100%***	***6%***	***-2%***

The 8% increase in gross electricity generation in the fourth quarter of 2014, as compared to the third quarter of 2014, was due to greater availability of coal-fired plants since their planned outages for maintenance and works associated to the emissions reduction program were generally shorter. Thus, although CTM1, CTA, and U12 were subject to maintenance, coal generation increased 14% as compared to 3Q14. The maintenance of our U16 combined cycle unit explained a reduction in gas generation in 4Q14. The 1% increase in total generation when compared to the 4Q13, was due to higher availability of coal-fired plants offset by the less frequent need to run our back-up diesel and fuel-oil plants.

WTI prices, to which diesel and system overcosts are linked, averaged US$74.43/bbl during 4Q14. This represented a 24.2% decrease from US$98.21/bbl in 3Q14, and an annual 23.7% decrease from US$97.50/bbl in 4Q13. Coal prices also reported a declining trend. The increase in LNG costs in the 4Q14 was due to the arrival of higher-priced LNG shipments as compared to those received throughout the rest of the year. This resulted in a 24% increase in the per MWh cost of gas generation in the 4Q14, explaining a 10% overall increase in fuel costs in the

4Q14 as compared to the 3Q14. The over 20% decrease in spot electricity purchase costs in 4Q14 compared to 3Q14 and 4Q13 was explained by lower physical electricity purchases and lower marginal costs in the system.

Depreciation costs were slightly higher in 4Q14 compared to the immediately preceding quarter, but were significantly higher than in 4Q13. In 4Q13 the useful lives of coal-fired plants were extended as a result of a technical report, which set up a 40-year standard life for these plants and 45 years for the oldest U12 and U13 plants. The reduction in depreciation took place in the last quarter of 2013, but was applied retroactively to January 1, 2013. This was partially offset by the depreciation of the new emissions reduction systems installed to comply with new emission requirements.

Other direct operating costs include, among others, operating and maintenance costs, cost of fuel sold, and sub-transmission tolls related to the EMEL contract, with the latter covered by revenues from transmission tolls. These costs increased in the fourth quarter compared to the third quarter due, among other factors, to heavier plant maintenance costs and other provisions.

The increase in SG&A expenses in the fourth quarter as compared to the third quarter of 2014 was due inventory reductions for US$2.5 million and provisions for bonuses payable to company personnel.

Electricity Margin

	2013					2014				
	1Q13	2Q13	3Q13	4Q13	TOTAL	1Q14	2Q14	3Q14	4Q14	TOTAL
Electricity Margin										
Total revenues from energy and capacity sales……………………………………	**266.5**	**266.1**	**261.6**	**264.5**	**1,058.6**	**262.1**	**277.0**	**273.0**	**264.3**	**1,076.4**
Fuel and lubricants…………………..	(113.5)	(114.5)	(112.8)	(108.1)	(448.9)	(109.6)	(113.3)	(99.3)	(109.6)	(431.8)
Energy and capacity purchases on the spot market……………………………	(35.9)	(51.5)	(30.4)	(42.9)	(160.7)	(37.0)	(47.6)	(43.6)	(33.8)	(162.0)
Gross Electricity Profit	**117.1**	**100.1**	**118.4**	**113.4**	**449.1**	**115.5**	**116.1**	**130.1**	**120.9**	**482.6**
Electricity Margin	*44%*	*38%*	*45%*	*43%*	*42%*	*44%*	*42%*	*48%*	*46%*	*45%*

The electricity margin, or the gross profit from the electricity generation business, decreased slightly in the fourth quarter of 2014 as compared to the third quarter of 2014. While revenues from energy and capacity sales decreased slightly, electricity purchase costs fell even more. However, fuel costs increased basically due to the arrival of higher-priced LNG shipments. In percentage terms, the electricity margin was 46% in 4Q14.

The electricity margin improved when compared to 4Q13 when it reached 43%. This was explained by lower cost of electricity purchases on the spot market. The compensatory payments related to system overcosts, which were not passed through to prices, amounted to US$8.4 million, lower than those reported in 3Q14 and the 4Q13.

Operating Results

Quarterly Information
(In US$ millions, except for percentages)

EBITDA	**4Q 2013**		**3Q 2014**		**4Q 2014**		**% Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Total operating revenues………………………	311.8	*100%*	319.7	*100%*	295.0	*100%*	***-8%***	***-5%***
Total cost of goods sold……………………	(262.8)	*-84%*	(246.8)	*-77%*	(253.7)	*-86%*	***3%***	***-3%***
Gross income………………………….	**49.0**	*16%*	**73.0**	*23%*	**41.3**	*14%*	***-43%***	***-16%***
Total selling, general and administrative expenses and other operating income/(costs).	(8.9)	*-3%*	(13.4)	*-4%*	(13.5)	*-5%*	***1%***	***52%***
Operating income…..………………….	**40.2**	*13%*	**59.6**	*19%*	**27.8**	*9%*	***n.a.***	***-31%***
Depreciation and amortization……...…………	20.6	*7%*	32.4	*10%*	34.9	*12%*	***8%***	***69%***
EBITDA………………..………………….	**60.8**	*19%*	**92.0**	*29%*	**62.6**	*21%*	***-32%***	***3%***

4Q14 EBITDA reached US$62.6 million, well below the 3Q14's US$92 million, and slightly above 4Q13's figure, due mainly to the above-described variations in the electricity margin.

Financial Results

Quarterly Information
(In US$ millions, except for percentages)

Non-operating results	**4Q 2013**		**3Q 2014**		**4Q 2014**		**% Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Financial income………..………………………	0.3	*0%*	0.4	*0%*	0.1	*0%*	***-81%***	***-76%***
Financial expense…………..…………………	(11.6)	*-4%*	(11.3)	*-4%*	(19.6)	*-6%*	***74%***	***68%***
Foreign exchange translation, net……………	(0.6)	*0%*	2.8	*1%*	0.4	*0%*	***-85%***	***-171%***
Other non-operating income/(expense) net…	(15.3)	*-5%*	(0.1)	*0%*	0.1	*0%*	***-240%***	***-101%***
Total non-operating results…………….	**(27.2)**	*-9%*	**(8.1)**	*-3%*	**(19.0)**	*-6%*	***135%***	***-30%***
Income before tax…………………. ………	12.9	*4%*	51.5	*17%*	8.7	*3%*	***-83%***	***-33%***
Income tax………………………………………	(4.4)	*-1%*	(10.6)	*-3%*	(2.6)	*-1%*	***n.a.***	***-41%***
Net income after tax …….	**8.6**	*3%*	**40.9**	*13%*	**6.2**	*2%*	***-85%***	***-28%***
Net income attributed to controlling shareholders…….	**7.3**	*2%*	**40.6**	*13%*	**3.8**	*1%*	***-91%***	***48%***
Net income attributed to minority shareholders………..	**1.3**	*0%*	**0.3**	*0%*	**2.4**	*1%*	***665%***	***88%***
Net income to E.CL's shareholders	**7.3**	*2%*	**40.6**	*13%*	**3.8**	*1%*	***-91%***	***-48%***
Earnings per share……………………..	**0.007**	*0%*	**0.039**	*0%*	**0.004**	*0%*	***-91%***	***-48%***

The increase in financial expenses in the 4Q14 compared to 3Q14 was due to a non-recurring, non-cash US$8.8 million expense related to the amortization of deferred financial costs upon the prepayment of the CTA project financing in October.

The decrease in other non-operating expenses is explained by the Gasoducto Nor Andino impairment carried out in the last quarter of 2013. It should be noted that during the audit review of the company's consolidated financial statements dated June 30, 2014, the company and its auditors agreed to change the interpretation given to this impairment. To permit a better comparison, we have modified the 2013 net income figure from US$39.6 million to US$29.9 million. Originally, part of this asset's impairment was accounted for against a net worth reserve; however, according to the change in interpretation, an amount of US$9.7 million should have been charged in the income statement.

As a result of the evolution of exchange rates, with a clear depreciation trend of the Chilean peso, and our measures taken to hedge against foreign-exchange risk, particularly regarding our contract with regulated clients, we reported foreign exchange earnings of US$0.4 million, a decrease from the US$2.8 million profit in the 3Q14, but a turnaround from the US$0.6 million loss in 4Q13.

The decrease in income taxes in the fourth quarter of 2014, as compared to the third quarter of 2014, was due to the lower before-tax income. The applicable income tax rate was 21%.

Net after-tax income reached US$3.8 million in the fourth quarter, a decrease compared to both the third quarter of 2014 and the last quarter of 2013. This was mainly due to non-recurring effects such as (i) the Gasoducto Norandino Argentina impairment (US$28 million before tax negative impact in 4Q13); (ii) income on the sale of Distrinor (positive US$12.6 million impact in 4Q13); (iii) the depreciation adjustment, which had a US$13 million one-time positive impact in 4Q13 due to its retroactive application; and (iv) the amortization of deferred financial costs resulting from the CTA project finance prepayment, which had a US$8.8 million negative impact in 4Q14.

Year ended December 31, 2014 compared to year ended December 2013

Operating Revenues

For the 12-month period ended December 31,
(In US$ millions, except for volumes and percentages)

	12M 2013		12M2014		Variation	
Operating Revenues	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Unregulated customers sales…………………..	869.8	*82%*	846.7	*79%*	**(23.1)**	***-3%***
Regulated customers sales…………………….	173.8	*16%*	213.6	*20%*	**39.8**	***23%***
Spot market sales………………………………..	15.0	*1%*	16.1	*1%*	**1.1**	***7%***
Total revenues from energy and capacity sales……………………………	**1,058.6**	*88%*	**1,076.4**	*87%*	**17.7**	***2%***
Gas sales…………………………..	32.0	*3%*	78.4	*6%*	**46.4**	***145%***
Other operating revenue……………………….	116.5	*10%*	86.4	*7%*	**(30.1)**	***-26%***
Total operating revenues………………….	**1,207.1**	*100%*	**1,241.2**	*100%*	**34.1**	***3%***
Physical Data (in GWh)						
Sales of energy to unregulated customers (1)……	7,643	*79%*	7,087	*77%*	**(556)**	***-7%***
Sales of energy regulated customers……	1,822	*19%*	1,912	*21%*	**90**	***5%***
Sales of energy to the spot market…………….	240	*2%*	211	*2%*	**(28)**	***-12%***
Total energy sales………………………….	**9,704**	*100%*	**9,210**	*100%*	**(495)**	***-5%***
Average monomic price unregulated customers(U.S.$/MWh)(2)	**112.3**		**118.2**		**6.0**	***5%***
Average monomic price regulated customers (U.S.$/MWh)(3)	**95.4**		**111.7**		**16.3**	***17%***

(1) Includes 100% of CTH sales.
(2) Calculated as the quotient between unregulated and spot revenues from energy and capacity sales and unregulated and spot physical energy sales.
(3) Calculated as the quotient between regulated revenues from energy and capacity sales and regulated physical energy sales.

In 2014, total operating revenues increased 3% compared to 2013.

The 2% increase in electricity revenues resulted from a combination of a 5% decrease in physical sales with a 7% increase in average realized prices to US$116.9/MWh in 2014 from US$109/MWh in 2013. In terms of segments, electricity sales to unregulated clients decreased 3%, while electricity sales to regulated customers increased by 23% and spot energy sales increased by 7%.

In 2014, electricity sales to unregulated clients reached US$846.7 million, a 3% decrease when compared to 2013. Physical electricity sales to unregulated clients decreased 7% mainly due to the end of the 40MW Mantos Blancos contract at the end of September 2013 and lower demand from the Chuquicamata, Zaldívar, Radomiro Tomic and El Tesoro mines, which was partly offset by higher demand from Esperanza, Cerro Colorado and El Abra. Average realized monomic tariffs increased 5% compared to 2013 due in part to the take-or-pay component in certain tariffs and higher gas prices.

Sales to distribution companies reached US$213.6 million. While physical sales exhibited a 5% increase, the average realized monomic tariff increased 17% due to the rise in the applicable Henry Hub index for the calculation of the energy tariff.

The gas sales and other operating revenues items generally include transmission tolls, port services, transmission line services and fuel sold to other generators. The US$16.4 million increase in these two items taken together is mainly explained by an increase in gas sales to other generation companies and by US$6 million in non-recurring revenue from the final settlement agreement signed with the CTA/CTH EPC contractor in 2014. In 2013, this item included US$13 million in insurance compensations for business interruption losses resulting from the CTH turbine failure in the last quarter of 2012.

Operating Costs

For the 12-month period ended December 31,
(In US$ millions, except for volumes and percentages)

	12M- 2013		12M - 2014		Variation	
Operating Costs	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Fuel and lubricants………………………………	(448.9)	*43%*	(431.8)	*42%*	**17.1**	***-4%***
Energy and capacity purchases on the spot market…………………………………………..	(160.7)	*15%*	(162.0)	*16%*	**(1.4)**	***1%***
Depreciation and amortization attributable to cost of goods sold…………………………….	(132.0)	*13%*	(132.2)	*13%*	**(0.2)**	***0%***
Other costs of goods sold…………………….	(306.1)	*29%*	(295.5)	*29%*	**10.6**	***-3%***
Total cost of goods sold……………….	**(1,047.7)**	*96%*	**(1,021.6)**	*96%*	**26.1**	***-2%***
Selling, general and administrative expenses…	(43.6)	*4%*	(48.9)	*5%*	**(5.3)**	***12%***
Depreciation and amortization in selling, general and administrative expenses…………	(1.5)	*0%*	(1.9)	*0%*	**(0.4)**	***27%***
Other revenues/costs………………………………	2.5	*0%*	3.5	*0%*	**1.0**	***38%***
Total operating costs………………….	**(1,090.2)**	*100%*	**(1,068.9)**	*100%*	**21.4**	***-2%***
Physical Data (in GWh)						
Gross electricity generation						
Coal………………………………………….	7,473	*79%*	7,106	*79%*	**(367)**	***-5%***
Gas…………………………………………..	1,605	*17%*	1,638	*18%*	**32**	***2%***
Diesel Oil and Fuel Oil…………………….	356	*4%*	211	*2%*	**(144)**	***-41%***
Hydro/ Solar……………………………….	46	*0%*	52	*1%*	**6**	***13%***
Total gross generation…………………	**9,480**	***100%***	**9,008**	***100%***	**(473)**	***-5%***
Minus Own consumption………………..	(685)	*-7%*	(727)	*-8%*	**(42)**	***6%***
Total net generation……………………	**8,795**	***88%***	**8,280**	***88%***	**(514)**	***-6%***
Energy purchases on the spot market………..	1,177	***12%***	1,161	***12%***	(15)	***-1%***
Total energy available for sale before transmission losses………………………	**9,972**	***100%***	**9,442**	***100%***	**(530)**	***-5%***

In 2014 gross electricity generation decreased 5% compared to 2013 mainly due to lower generation explained by maintenance outages of our coal-fired units and to a lesser extent due to lower diesel and fuel-oil generation. Coal-based generation decreased 5%, representing 79% of E.CL's total electricity generation. Gas generation increased by 2%, and allowed, together with an increase in renewable energy output, to partially offset the decrease in coal generation and to lower diesel generation. The remainder was covered with spot energy purchases. During 2014, all of our cost-efficient power plants were subject to maintenance; namely the U12, U13, U14, U15, CTM1, CTM2, CTA and CTH coal-fired units were subject to maintenance and works related to our environmental upgrade CAPEX program, while our U16 and CTM3 combined-cycle gas plants also underwent maintenance works.

The 4% decrease in fuel costs in 2014 can be attributed to lower gross generation and the use of a lower-cost fuel mix since there was lower need for the more expensive diesel generation. Furthermore, fuel prices dropped in the last quarter of the year. Despite a 1% decrease in physical electricity purchases on the spot market, spot electricity purchase costs increased 1% mainly due to re-liquidations of capacity payments (-US$3.1 million) in 2014.

Other costs of goods sold include, among others, transmission tolls, operating and maintenance costs and cost of fuels sold. The increase in this item is primarily explained by the costs of higher gas sales and higher demurrage and port handling costs resulting from an incident at the Puerto Mejillones port at the end of 2013, and higher provisions including personnel benefits related to collective bargaining processes, among others. These effects were partially offset by lower maintenance and repair costs mainly as a result of approximately US$5 million in costs incurred in 2013 related to the repair works carried out in CTA and CTH to resolve the water leakages found in their cooling systems.

Operating Results

For the 12-month period ended December 31,

(In US$ millions, except for percentages)

	12M - 2013		12M 2014		Variation	
EBITDA	**Amount**	**% of**	**Amount**	**% of**	**Amount**	**%**
Total operating revenues………………………	1,207.1	*100%*	1,241.2	*100%*	**34.1**	***3%***
Total cost of goods sold……………………	(1,047.7)	*-87%*	(1,021.6)	*-82%*	**26.1**	***-2%***
Gross income………………………….	**159.3**	*13%*	**219.6**	*18%*	**60.2**	***38%***
Total selling, general and administrative expenses and other operating income/(costs).	(42.5)	*-4%*	(47.3)	*-4%*	**(4.8)**	***11%***
Operating income…..……………….	**116.8**	*10%*	**172.3**	*14%*	**55.4**	***47%***
Depreciation and amortization……...…………	133.5	*11%*	134.1	*11%*	**0.6**	***0%***
EBITDA………………..……………….	**250.3**	*21%*	**306.4**	*25%*	**56.0**	***22%***

In 2014, EBITDA was US$306.4 million, a 22% increase compared to 2013. On the one hand, this was due to increases in average realized monomic tariffs given the recovery in the Henry Hub index. On the other, the company reported lower operating costs related to a lower-cost generation mix, in part due to higher gas generation, which allowed for a reduction in diesel generation and spot electricity purchases. In addition, the company reported higher gas sales to third parties.

Depreciation remained at similar levels as those reported in 2013.

Financial Results

	For the 12-month period ended December 31, (In US$ millions, except for percentages)					
	12M - 2013		**12M - 2014**		**Variation**	
Non-operating results	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Financial income………..………………………	2.7	*0%*	1.9	*0%*	**(0.8)**	***-29%***
Financial expense…………….…………………	(46.9)	*-6%*	(53.9)	*-6%*	**(7.0)**	***15%***
Foreign exchange translation, net……………	(2.2)	*0%*	1.4	*0%*	**3.5**	***n.a.***
Other non-operating income/(expense) net…	(15.4)	*-2%*	0.2	*0%*	**15.6**	***-102%***
Total non-operating results…………….	**(61.8)**	*-8%*	**(50.4)**	*-5%*	**11.4**	***-18%***
Income before tax……………………..………	55.0	*7%*	121.9	*13%*	**66.8**	***121%***
Income tax………………………………………	(16.6)	*-2%*	(27.1)	*-3%*	**(10.5)**	***63%***
Net income after tax …….	**38.5**	*5%*	**94.8**	*10%*	**56.4**	***146%***
Net income attributed to controlling shareholders…….	**29.9**	*4%*	**88.9**	*10%*	**59.1**	***198%***
Net income attributed to minority shareholders………..	**8.6**	*1%*	**5.9**	*1%*	**(2.7)**	***-32%***
Net income to E.CL's shareholders	**29.9**	*4%*	**88.9**	*10%*	**59.1**	***198%***
Earnings per share……………………..	**0.03**	*0%*	**0.08**	*0%*	**0.1**	***198%***

Net financial expense increased in 2014 due to the amortization of US$8.8 million in deferred financing costs related to the CTA project financing, which was prepaid in October 2014. This had no effect on 2014 cash flows. However, the company did have a US$20.2 million cash outflow related to the mark-to-market paid on the unwinding of the interest-rate swap contracts associated to the CTA project financing. This cost will be amortized linearly over the life of the new debt taken to refinance the project financing; that is, through January 2025.

In 2013, the company reported US$12.6 million pre-tax income on the sale of its gas distribution subsidiary, Distrinor, and a US$27.8 million pre-tax loss related to the impairment of its subsidiary, Gasoducto Nor Andino Argentina. It should be noted that during the process of elaborating the offering memorandum for the issue of 144-A notes in 2014, the company and its external auditors reviewed the interpretation applied to the impairment of Gasoducto Nor Andino Argentina S.A. carried out in the last quarter of 2013. In consideration to the revised interpretation and according to international accounting standards (IFRS), specifically, IAS 8, the company adjusted its consolidated financial statements as of June 30, 2014, and for comparison purposes also adjusted the net worth accounts as of December 31, 2013 included in the June 30 financial statements. This adjustment does not affect any of the income statement accounts reported in 2014 nor the company’s consolidated equity as of December 31, 2013. However, for comparison purposes in this report we have adjusted 2013 results, resulting in a US$9.7 million reduction in net income attributed to controlling shareholders as compared to the figure reported last year.

The US$1.4 million foreign-exchange gain in 2014 compares favourably with a US$2.2 million loss in 2013, and was due to the implementation of new foreign-currency hedging strategies and lower impact from sudden exchange-rate changes such as the one occurred at the end of May 2013.

Net Earnings

As explained above, for comparison purposes, the 2013 net income attributed to controlling shareholders has been adjusted to US$29.9 million, from US$39.6 million reported last year, due to the change in the interpretation given to the Gasoducto Nor Andino Argentina impairment. Part of the impairment had been originally charged to a net worth reserve, and according to the new interpretation it should have been charged to income.

After-tax income attributed to controlling shareholders increased by US$59.1 million in 2014 as compared to 2013, reaching US$88.9 million, principally due to better operating income and improved foreign-exchange results. The improvement in non-operating results, mostly explained by the Gasoducto Nor Andino impairment in

2013, was offset by an increase in income taxes in proportion to the higher reported before-tax income and a 1-point increase in the tax rate pursuant to the new tax reform approved in 2014. As explained in the Highlights section of this report, the tax rate increase had an effect on deferred taxes, which according to IFRS (IAS 12) should have had a negative US$45 million impact on 2014 results. However, the Chilean regulator (SVS) instructed corporations not to account for the impact on deferred taxes against annual income, but rather directly against equity accounts. The decrease in net income attributed to minority shareholders is explained by lower net income reported by Inversiones Hornitos (CTH) as a result of longer maintenance outages and lower non-recurring income from insurance claims.

Liquidity and Capital Resources

As of December 31, 2014, E.CL reported cash balances of US$269 million, including investments in mutual funds, whereas nominal financial debt[1] totaled US$750 million, with no debt maturing within one year.

	For the 12-month period ended December 31, (In US$ millions)	
Cash Flow	**2013**	**2014**
Net cash flows provided by operating activities…	187.3	224.7
Net cash flows used in investing activities………	(88.5)	20.2
Net cash flows provided by financing activities..	(66.3)	(101.4)
Change in cash…………………...………….	**32.5**	**143.5**

Cash Flow from Operating Activities

In 2014 net cash flows generated from operating activities reached approximately US$314 million plus US$9 million in net payments received from the CTA/CTH EPC contractor according to the settlement agreement signed in March, and US$11.1 million corresponding to insurance payments received by CTH to compensate for business interruption losses incurred during its 4Q12 outage. After payment of interest (US$31 million), value-added and income taxes (US$72 million), and the placement discount and expenses related to the new 144-A bond issue (US$4 million), net cash flow from operating activities amounted to US$225 million.

Cash Flow Used in Investing Activities

In 2014, net cash flows from investing activities amounted to US$20.2 million. However, it should be noted that our cash flow statement includes short-term investments in mutual funds as cash flows used in investment activities, whereas we consider them as available cash for purposes of this analysis. In 2014, investments in mutual funds decreased by US$93 million and the funds were invested in time deposits. Excluding the variation in mutual fund balances, cash flows used in investing activities would have been US$72.7 million. This amount included US$80.5 million in capital expenditures; US$13.9 million invested in the acquisition of TEN, the new affiliate in charge of the development of the SING-SIC transmission line project; as well as US$20.5 million in cash proceeds from the sale of Distrinor.

(1) Nominal amounts differ from the debt amounts recorded under the IFRS methodology in the Financial Statements.

Our main capital expenditures during the period were related to plant overhauls, equipment maintenance and refurbishment, as well as other investments such as the final stages of the environmental improvement project, project studies, early works related to new investment projects, and improvements in communication systems, among others.

With a total investment of nearly US$170 million, E.CL has been developing an emission-reduction program ("environmental CAPEX"), an initiative for the purpose of meeting the new environmental requirements in terms of reducing particulate matter and gas emissions from our thermoelectric power plants. As of the end of 2014, the company had completed the installation of bag filters to reduce particulate matter emissions and is currently in the process of implementing systems for the reduction of gas emissions (NOx and SO_2), specifically the installation of low NOx burners and desulfurizing systems using hydrated lime.

Our capital expenditures in 2014 amounted to US$80.5 million, down from US$127.2 million in 2013. They included the following items:

Capital Expenditures

	For the 12-month period ended December 31, (In US$ millions)	
CAPEX	**2013**	**2014**
CTA…………………………………………………….	4.0	2.9
CTH [(1)]…………………………………………………	5.4	2.4
Central Tamaya……………………………………….	4.0	0.4
El Cobre substation & Chacaya-El Cobre transmission line……………………………	6.4	-
Overhaul power plants & equipment maintenance and refurbishing…………………	21.2	35.6
Environmental improvement works………………	66.2	14.8
Solar plant	7.8	1.5
Others……………………………………………	12.2	22.9
Total capital expenditures………………………	**127.2**	**80.5**

Cash Flow from Financing Activities

In 2014 we used US$101 million in financing activities including the following:

- Principal payment amounting to US$6.4 million under the CTA project financing in June 2014;
- Dividend payments for an aggregate of US$66.6 million, including US$39.6 million paid by E.CL in May against 2013 net income; US$20 million dividend paid by CTH to its minority shareholder; and the provisional dividend amounting to US$7 million paid by E.CL at the end of September on account of 2014 net income.
- Prepayment of the CTA project financing which represented a US$378.7 million cash outflow including principal (US$351.7 million), accrued interest (US$6.8 million), and the mark-to-market on the early termination of the related interest-rate swaps (US$20.2 million).
- New 144-A/Reg S US$350 million notes issue, the proceeds of which were entirely used in the CTA project finance prepayment. The notes were placed at a 4.568% yield. They mature in January 2025 and draw an annual 4.5% coupon rate.

- In December 2014, E.CL signed a committed revolving liquidity facility with Banco de Chile for an amount of up to UF 1,250,000 (approximately US$50 million) to support the company's liquidity. As of December 31, 2014, E.CL had not made any drawings under this facility.

Contractual Obligations

The following table sets forth the maturity profile of our debt obligations as of December 31, 2014. This table shows the nominal amount of our debt balances, which differs from the debt amounts recorded under the IFRS norm in our financial statements:

Contractual Obligations as of 12/31/14
Payments Due by Period
(In US$ millions)

	Total	< 1 year	1 - 3 years	3 - 5 years	More than 5 years
Bank debt……………………………	-				-
Bonds (144 A/Reg S Notes)……….	750.0				750.0
Leasing obligations……..…………	0.1	0.0	0.0	0.0	0.1
Accrued interest……………………	12.9	12.9			
Total	**763.1**	**12.9**	**0.0**	**0.0**	**750.1**

The bonds include our US$400 million 10-year 5.625% 144-A/Reg.S notes maturing January 15, 2021 and our new 144 A /Reg S issue for a total amount of US$350 million with a single principal payment in January 2025, yield of 4.568% and 4.5% p.a. coupon rate. The proceeds of these notes, together with company cash resources, were used to prepay entirely the IFC and KfW project financing of our wholly-owned subsidiary, CTA, as well as the unwinding costs of the interest-rate swaps associated to this project financing.

Other debt includes US$0.1 million in leasing obligations related to transmission assets.

Dividend Policy

Our dividend payment policy consists of paying the minimum legal required amounts (30%), although higher amounts may be approved if the company's conditions so allow. Our dividend payment for each year is proposed by our Board of Directors based on the year's financial performance, the size of our available cash balance and anticipated financing requirements for capital expenditures and investments in the following years. The dividend payment proposed by our Board is subsequently approved at a Shareholders' Meeting as established by law. On April 29, 2014, our shareholders approved dividends in an amount equivalent to 100% of our 2013 net earnings.

At the April 29, 2014, Annual Ordinary Shareholders Meeting, the company's shareholders approved a new dividend policy, which modifies the existing one in that, subject to proper board or shareholder approvals, the company will intend to pay two provisional dividends, preferably in August/September and December/January of each year on the basis of the financial results of the first half and third quarter, respectively, in addition to the definitive dividend to be paid in May of each year. Pursuant to this new policy, E.CL paid a provisional dividend of US$7 million in September 2014.

The record of dividends paid since 2010 is shown in the following table:

Cash Dividends paid by E.CL S.A.

Payment Date	Dividend Type	Amount (in US$ millions)	US$ per share
May 4, 2010	Final (on account of 2009 net income)	77.7	0.07370
May 4, 2010	Additional (on account of 2009 net income)	1.9	0.00180
May 5, 2011	Final (on account of 2010 net income)	100.1	0.09505
Aug 25 2011	Provisional (on account of 2011 net income)	25.0	0.02373
May 16 2012	Final (on account of 2011 net income)	64.3	0.06104
May 16 2013	Final (on account of 2013 net income)	56.2	0.05333
May 23 2014	Final (on account of 2013 net income)	39.6	0.03758
Sept 30,2014	Provisional (on account of 2014 net income)	7.0	0.00665

Hedging Policy

Our hedging policy covers certain risks to which we are exposed, as follows:

Business Risk and Commodity Hedging

Our business is subject to the risk of variations in the availability of fuels and their prices. Our policy is to hedge as much as possible against these risks through the indexation of the energy tariffs incorporated in our PPAs, and the fuel mix taken into consideration in the tariffs. The tariff of the EMEL contract, which became effective at the beginning of 2012, is readjusted semiannually according to the Henry Hub and the U.S. CPI indices. The company signed a long-term LNG purchase contract indexed to Henry Hub to supply the EMEL PPA; however, the company did not begin to receive HH-priced LNG until the fourth quarter of 2012. Hence, our company remained temporarily exposed to the risk of mismatch between Henry Hub and the fuel price or system marginal cost fluctuations which the company had to face to fulfill its power supply obligations under the EMEL contract. This mismatch affected our financial results in 2012. Since the 4Q12, there has been no such mismatch as both the LNG bought to supply the EMEL contract and the PPA tariff are readjusted according to the same index. Nevertheless, a mismatch remains between the Henry Hub index used to define the EMEL tariff (4-month average prior to the tariff fixing, which takes place every six months) and the Henry Hub index prevailing at the time each LNG shipment is made. Over the long run, the lag in the tariff readjustment has a negligible effect on results. Furthermore, this risk is mitigated by the EMEL tariff's automatic indexation triggered any time the price formula reports a fluctuation of 10% or more.

Currency Hedging

Given that most of our revenues and costs are denominated in U.S. dollars and that we seek to incur debt in U.S. dollars, we face limited exposure to foreign exchange risk. Our main costs denominated in Chilean pesos are personnel and administrative expenses, which account for approximately 8% of our total operating costs. As of December 31, 2014, our assets denominated in currencies different from the U.S. dollar amounted to US$3.2 million, while our liabilities in other currencies amounted to US$4.6 million; thus the company presented a net liability position of only US$1.4 million. In the specific case of the EMEL contract, the price is calculated in dollars and is converted to pesos at an exchange rate which remains fixed over a six-month period, as opposed to unregulated contracts, which provide for monthly tariff adjustments. Invoicing and payments under the EMEL contract are made monthly in pesos using the contractual foreign exchange rate that is adjusted every six months. The company is therefore exposed to the difference between the prevailing exchange rate on the payment date and the foreign-exchange used to calculate the invoiced amount. In its April and September meetings, the Board of Directors approved foreign-currency hedging strategies to hedge against the foreign-currency risk stemming from this contract.

Interest Rate Hedging

We seek to maintain a significant portion of our long-term debt at fixed rates in order to minimize interest-rate exposure. As of December 31, 2014, 100% of our total financial debt for a principal amount of US$750 million was at fixed rates.

		As of December 31, 2014 Contractual maturity date (In US$ millions)					
	Average interest rate	**2015**	**2016**	**2017**	**2018**	**Thereafter**	**Grand Total**
Fixed Rate							
(US$)	5.625% p.a.	-	-	-	-	400.0	400.0
(US$)	4.500% p.a.	-	-	-	-	350.0	350.0
Variable Rate							
(US$)	-	-	-	-	-	-	-
Total (1)		**6.4**	**15.5**	**16.6**	**17.6**	**750.0**	**750.0**

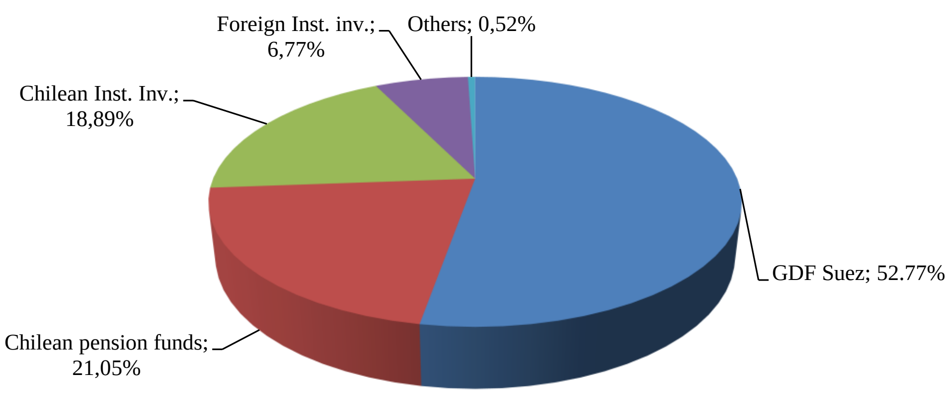
(1) These figures include principal amounts only and do not include leasing obligations related to our use of transmission lines.

Credit Risk

In the normal course of business, and when investing our cash, we are exposed to credit risk. In our regular electricity generation business, we deal mostly with financially strong mining companies, which report low level of credit risk. In addition, we sell electricity to the only regulated client in the SING, which provides electricity supply to residential and commercial clients in the region. Our cash management policy is to invest in investment-grade institutions only and only within the short term. We also measure our counterparty risk when dealing with derivatives, and we have individual counterparty limits to manage our exposure.

OWNERSHIP STRUCTURE AS OF DECEMBER 31, 2014

Number of shareholders: 1,942



TOTAL NUMBER OF SHARES: 1,053,309,776

APPENDIX 1

PHYSICAL DATA AND SUMMARIZED QUARTERLY FINANCIAL STATEMENTS

Physical Sales
(in GWh)

	2013					2014				
	1Q13	2Q13	3Q13	4Q13	12M Total	1Q14	2Q14	3Q14	4Q14	12M Total
Physical Sales										
Sales of energy to unregulated customers.	1.930	1.866	1.933	1.914	7.643	1.745	1.748	1.758	1.836	7.087
Sales of energy to regulated customers	444	454	459	465	1.822	551	447	457	457	1.912
Sales of energy to the spot market………	33	80	70	58	240	75	19	83	34	211
Total energy sales………………………….	**2.406**	**2.399**	**2.462**	**2.437**	**9.704**	**2.371**	**2.214**	**2.298**	**2.327**	**9.210**
Gross electricity generation										
Coal………………………………………….	1.710	1.884	2.021	1.859	7.473	1.731	1.660	1.821	1.895	7.106
Gas…………………………………………..	451	323	408	424	1.605	381	440	398	419	1.638
Diesel Oil and Fuel Oil…………………….	87	106	75	88	356	77	70	43	22	211
Renewable……………………………………	12	10	11	13	46	15	12	12	13	52
Total gross generation…………………	**2.260**	**2.322**	**2.515**	**2.384**	**9.480**	**2.204**	**2.183**	**2.273**	**2.348**	**9.008**
Minus Own consumption………………..	(164,3)	(168,9)	(197,0)	(155,2)	(685,3)	(177,9)	(199,7)	(169,9)	(179,6)	(727,2)
Total net generation…………………….	**2.096**	**2.153**	**2.318**	**2.228**	**8.795**	**2.026**	**1.983**	**2.103**	**2.169**	**8.280**
Energy purchases on the spot market………..	369	334	212	262	1.177	306	308	287	260	1.161
Total energy available for sale before transmission losses………………………	**2.465**	**2.487**	**2.530**	**2.491**	**9.972**	**2.332**	**2.291**	**2.390**	**2.429**	**9.442**

Quarterly Income Statement (in US$ millions)

IFRS										
Operating Revenues	**1Q13**	**2Q13**	**3Q13**	**4Q13**	**12M13**	**1Q14**	**2Q14**	**3Q14**	**4Q14**	**12M14**
Regulated customers sales………………………	41.4	43.0	43.3	46.2	173.8	46.5	54.1	57.6	55.3	213.6
Unregulated customers sales…………………..	222.8	218.9	214.1	214.1	869.8	209.9	220.4	210.4	206.0	846.7
Spot market sales………………………………..	2.4	4.2	4.2	4.2	15.0	5.8	2.5	4.9	2.9	16.1
Total revenues from energy and capacity sales……………………………	**266.5**	**266.1**	**261.6**	**264.5**	**1,058.6**	**262.1**	**277.0**	**273.0**	**264.3**	**1,076.4**
Gas sales…………………………..	0.4	0.9	18.6	12.1	32.0	10.9	24.6	28.3	14.6	78.4
Other operating revenue……………………….	18.1	40.3	22.7	35.3	116.5	35.3	16.5	18.5	16.2	86.4
Total operating revenues………………….	**285.1**	**307.3**	**302.9**	**311.8**	**1,207.1**	**308.4**	**318.1**	**319.7**	**295.0**	**1,241.2**
Operating Costs										
Fuel and lubricants………………………………	(113.5)	(114.5)	(112.8)	(108.1)	(448.9)	(109.6)	(113.3)	(99.3)	(109.6)	(431.8)
Energy and capacity purchases on the spot market…………………………………………..	(35.9)	(51.5)	(30.4)	(42.9)	(160.7)	(37.0)	(47.6)	(43.6)	(33.8)	(162.0)
Depreciation and amortization attributable to cost of goods sold…………………………….	(35.5)	(36.1)	(40.4)	(20.0)	(132.0)	(32.6)	(33.5)	(31.9)	(34.2)	(132.2)
Other costs of goods sold…………………….	(58.1)	(80.2)	(76.1)	(91.7)	(306.1)	(71.7)	(75.7)	(72.0)	(76.1)	(295.5)
Total cost of goods sold………………..	**(243.1)**	**(282.2)**	**(259.7)**	**(262.8)**	**(1,047.7)**	**(251.0)**	**(270.2)**	**(246.8)**	**(253.7)**	**(1,021.6)**
Selling, general and administrative expenses…	(11.0)	(10.4)	(11.1)	(11.1)	(43.6)	(10.6)	(10.1)	(12.7)	(15.5)	(48.9)
Depreciation and amortization in selling, general and administrative expenses…………	(0.3)	(0.3)	(0.3)	(0.6)	(1.5)	(0.4)	(0.4)	(0.5)	(0.6)	(1.9)
Other revenues………...……………………….	0.0	(0.3)	(0.0)	2.8	2.5	0.6	0.5	(0.2)	2.6	3.5
Total operating costs….………………..	**(254.3)**	**(293.2)**	**(271.1)**	**(271.7)**	**(1,090.2)**	**(261.4)**	**(280.1)**	**(260.1)**	**(267.2)**	**(1,068.9)**
Operating income….………………	**30.8**	**14.0**	**31.8**	**40.2**	**116.8**	**47.0**	**37.9**	**59.6**	**27.8**	**172.3**
EBITDA……………….….……………….	**66.6**	**50.4**	**72.5**	**60.8**	**250.3**	**79.9**	**71.9**	**92.0**	**62.6**	**306.4**
Financial income………..………………………	1.0	0.9	0.4	0.3	2.7	0.9	0.6	0.4	0.1	1.9
Financial expense…………..…………………	(11.7)	(11.7)	(11.8)	(11.6)	(46.9)	(11.4)	(11.7)	(11.3)	(19.6)	(53.9)
Foreign exchange translation, net……………	2.7	(6.9)	2.7	(0.6)	(2.2)	(0.1)	(1.8)	2.8	0.4	1.39
Other non-operating income/(expense) net…	(0.0)	0.0	(0.1)	(15.3)	(15.4)	(0.2)	0.4	(0.1)	0.1	0.248
Total non-operating results……………	**(8.0)**	**(17.7)**	**(8.9)**	**(27.2)**	**(61.8)**	**(10.8)**	**(12.5)**	**(8.1)**	**(19.0)**	**(50.4)**
Income before tax…………………...………	22.8	(3.6)	22.9	12.9	55.0	36.2	25.5	51.5	8.7	121.9
Income tax………………………………………	(5.0)	(1.6)	(5.7)	(4.4)	(16.6)	(9.2)	(4.7)	(10.6)	(2.6)	(27.1)
Net income after tax …….	**17.9**	**(5.2)**	**17.2**	**8.6**	**38.5**	**27.0**	**20.7**	**40.9**	**6.2**	**94.8**
Net income attributed to controlling shareholders……………….	**16.6**	**(8.5)**	**14.5**	**7.3**	**29.9**	**24.8**	**19.7**	**40.6**	**3.8**	**88.9**
Net income attributed to minority shareholders……………….	**1.2**	**3.4**	**2.8**	**1.3**	**8.6**	**2.2**	**1.0**	**0.3**	**2.4**	**5.9**
Net income to E.CL's shareholders…….	**16.6**	**(8.5)**	**14.5**	**7.3**	**29.9**	**24.8**	**19.7**	**40.6**	**3.8**	**88.9**
Earnings per share……………………..	**0.017**	**0.008**	**0.013**	**0.007**	**0.028**	**0.024**	**0.019**	**0.039**	**0.004**	**0.084**

Quarterly Balance Sheet

(In U.S.$ millions)

	2013	2014
	31-Dec-13	**31-Dec-14**
Current Assets		
Cash and cash equivalents (1)	213.4	268.9
Accounts receivable	171.5	126.6
Recoverable taxes	39.6	41.7
Other current assets	223.4	242.8
Total current assets	**648.0**	**680.0**
Non-Current Assets		
Property, plant and equipment, net	1,944.2	1,881.7
Other non-current assets	404.6	404.1
TOTAL ASSETS	**2,996.8**	**2,965.8**
Current Liabilities		
Financial debt	21.0	12.9
Other current liabilities	223.3	196.8
Total current liabilities	**244.3**	**209.8**
Long-Term Liabilities		
Financial debt (including intercompany)	740.3	723.7
Other long-term liabilities	205.0	251.5
Total long-term liabilities	**945.3**	**975.2**
Shareholders' equity	1,683.4	1,681.9
Minority' equity	123.9	98.9
Equity	**1,807.2**	**1,780.8**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,996.8**	**2,965.8**

(1) Includes short-term investments classified as available for sale.

	FINANCIAL RATIOS				
			Dec-13	Dec-14	Var.
LIQUIDITY	Current ratio (current assets / current liabilities)	(veces)	2.65	3.24	***-18%***
	Quick ratio ((current assets - inventory) / current liabilities)	(veces)	2.13	2.38	***-10%***
	Working capital (current assets – current liabilities)	MMUS$	403.69	470.22	***-14%***
LEVERAGE	Leverage ((current liabilities + long-term liabilities) / networth)	(veces)	0.66	0.67	***-1%***
	Interest coverage ((EBITDA / interest expense))	(veces)	5.36	5.68	***-6%***
	Financial debt –to- LTM EBITDA*	(veces)	3.03	2.40	***26%***
	Net financial debt – to - LTM EBITDA*	(veces)	2.19	1.53	***43%***
PROFITABILITY	Return on equity* (LTM net income attributed to the controller / net worth attributed to the controller)	%	1.8%	5.3%	***-66%***
	Return on assets* (LTM net income attributed to the controller / total assets)	%	1.0%	3.0%	***-67%***

*LTM = Last twelve months

CONFERENCE CALL 12M14

E.CL is pleased to inform you that it will conduct a conference call to review its results for the period ended December 31, 2014, on Thursday, January 29th, 2015, at 10 a.m. (Eastern Time) – 12 a.m. (Chilean Time)

hosted by:
Axel Levêque, CEO E.CL S.A.

To participate, please dial: **1 (706) 902-4518**, international or **12300206168 (toll free Chile). Passcode I.D.: 67670457**, approximately 10 minutes prior to the scheduled starting time.

To access the phone replay, please dial **1 (855) 859- 2056** or **(404) 537-3406**
Passcode I.D.: 67670457. A conference call replay will be available until February 5, 2015.