July 29, 2015

IN THE FIRST HALF OF 2015, E.CL REPORTED EBITDA OF US$161 MILLION AND NET INCOME OF US$45 MILLION.

EBITDA REACHED US$81 MILLION IN THE SECOND QUARTER, AN INCREASE COMPARED TO THE SECOND QUARTER OF 2014, MAINLY DUE TO BETTER MARGINS ON ELECTRICITY SALES AND LOWER OPERATING COSTS. IN THE FIRST HALF OF 2015, EBITDA ADVANCED 6% TO US$161 MILLION, WHILE HIGHER INCOME TAX PROVISIONS CAUSED NET INCOME TO INCREASE MARGINALLY TO US$45 MILLION COMPARED TO THE FIRST HALF OF 2014.

- **Operating revenues** amounted to US$569.6 million in the first half of 2015, a 9% decrease compared to the first half of 2014, mainly due to lower average realized prices as a result of the drop in fuel prices.

- **EBITDA** reached US$80.6 million in the second quarter, with an EBITDA margin of 28.6%, a 27% increase compared to the same period of 2014, due to the company's improved operating performance, with good plant performance and wider margins on regulated customer sales.

- **Net income** amounted to US$45 million in the first half of 2105, a 1% increase compared to the first half of 2014.

Financial Highlights
(in US$ millions)

US$ millions	2Q14	2Q15	Var %	1H14	1H15	Var%
Total operating revenues	318.1	282.0	***-11%***	626.5	569.6	***-9%***
Operating income	37.9	47.2	***24%***	84.9	95.3	***12%***
EBITDA	71.9	80.6	***12%***	151.8	160.7	***6%***
EBITDA margin	22.6%	28.6%	***27%***	24.2%	28.2%	***16%***
Non recurring earning	6.0	-	-	6.0	-	***-100%***
EBITDA without non recurring earnings	65.9	80.6	***22%***	145.8	160.7	***10%***
Total non-operating results	(12.5)	(14.4)	***15%***	(23.3)	(23.0)	***-1%***
Net income after tax	20.7	18.4	***-11%***	47.8	48.1	***1%***
Net income attributed to controlling shareholders	19.7	17.7	***-10%***	44.5	45.0	***1%***
Net income attributed to minority shareholders	1.0	0.7	***-33%***	3.2	3.1	***-3%***
Earnings per share	0.02	0.02	***-10%***	0.04	0.04	***1%***
Total energy sales (GWh)	2,251	2,258	***0%***	4,522	4,595	***2%***
Total net generation (GWh)	1,983	2,144	***8%***	4,009	4,243	***6%***
Energy purchases on the spot market (GWh)	308	216	***-30%***	614	507	***-18%***

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 March 31, 2015, E.CL accounted for 51% 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:

- **2Q 2015**

  - **SIC-SING Interconnection decree:** On April 16, the President of the Republic and the Minister of Energy signed Decree #158 regarding the annual expansion plan of the trunk transmission system, which formalized the interconnection of both grids through the construction of two new transmission lines: the 3-kilometer long, Changos-Kapatur line, and the 140-kilometer long, Changos-Nueva Crucero/Encuentro, for which the regulator will call for a public auction; in addition to E.CL's 600 km long TEN transmission project. The TEN transmission Project will represent an investment of about US$860 million and is expected to become commercially operational by the third quarter of 2017. The Minister of Energy, Mr. Máximo Pacheco, stated that this interconnection will allow the country to have a single electricity grid with over 20,000 MW of installed capacity that will require coordination through a single dispatch center ("CDEC").

  - **Dividends:** In their April annual ordinary meeting, the company's shareholders approved the Board's proposal to distribute as dividends the minimum regulatory 30% of 2014's net income, in consideration to the company's heavy investment plans. After deducting a US$7 million provisional dividend paid in September 2014, a final dividend of US$19,681,396, or US$0.0186852875 per share, was paid to the shareholders on May 27, 2015.

  - **Codelco arbitration:** On May 11, E.CL publicly acknowledged receipt of the arbiter's sentence on the pending arbitration proceedings filed by the Corporación Nacional del Cobre de Chile (Codelco). Codelco claimed that E.CL had miscalculated the prices applicable to an electricity supply contract between January 1, 2010 and September 30, 2012, and requested the arbiter to order E.CL to reimburse an amount of US$42.8 million plus readjustments and interests. The arbiter finally ordered E.CL to pay Codelco an amount of US$10 million. E.CL has also taken notice on an appeal filed by Codelco on the arbitration sentence. As of June 30, 2015, E.CL had fully provisioned the US$10 million payment in its financial statements.

  - **Trunk transmission study:** On June 19, 2015, the National Energy Commission ("CNE") issued "Resolution #316" approving the technical report which sets the annual valuation and expansion plan for the country's trunk transmission systems for the 2016-2019 period. Res.#316 confirmed the TEN transmission project as a trunk system that will interconnect the SING and the SIC grids. On July 14, the CNE announced that on July 31, 2015 it will publish modifications to Res.#316 based on the feedback provided by affected parties. The approximately two-month time period contemplated by law for affected parties to present discrepancies to the Panel of Experts will start on July 31.

  - **New port in Mejillones:** On June 10, E.CL gave notice to proceed to Belfi for the engineering, procurement and construction ("EPC") of a new mechanized port in Mejillones that is part of the IEM US$1.1 bn coal-fired project. The port will provide fuel unloading services to E.CL's existing power plants in Mejillones in addition to the IEM project, and is scheduled to begin operations in August 2017.

  - **Revolving Credit Facility:** On June 30, E.CL signed a revolving credit facility with Mizuho, BBVA, Citibank, Caixabank and HSBC for up to US$270 million over five years. This represents the fulfillment of the first milestone of the company's announced financing plan, and will provide E.CL with financial flexibility to finance its expansion in the transmission and generation businesses.

- **1Q 2015**

  - **Trunk Transmission Study**: On February 6, 2015, the Trunk Transmission Study carried out by an independent consultant hired by the regulator, concluded that E.CL's TEN transmission project represents the best alternative to interconnect the SING and the SIC grids as long as it complies with certain capacity and technical conditions, which E.CL duly fulfilled.

- **Infraestructura Energética Mejillones Project ("IEM")**: On January 20, 2015, E.CL gave notice to proceed to S.K. Engineering & Construction (Korea) for the engineering, procurement and construction ("EPC") of the IEM1 375MW/US$1.1 bn coal-fired project in Mejillones. As of June 30, 2015, site leveling had been completed, purchase orders for key equipment had been placed, and 4.8% of overall CAPEX costs had been paid. The plant is scheduled to begin operations in July 2018.

- **TEN Transmission Project**: In January 2015 Alumini (ex Alusa) the contractor carrying out the construction of the interconnection line SING - SIC, notified us that its parent had entered a process of judicial insolvency restructuring in Brazil. This increased the risk of the project; therefore, we agreed with Alumini to divide and transfer the EPC contract to Alstom, which will build the substations, and Ingeniería y Construcción Sigdo Koppers, which will take over the construction of the transmission lines. Alumini remained involved in the project as a subcontractor. The TEN transmission project considers double circuit lines in alternate current (HVAC) with capacity of up to 1,500 MW spanning 600 kilometers between the cities of Mejillones and Copiapó. The project considers capital expenditures of approximately US$860 million, US$88 million of which have already been invested to date, and is expected to begin operations in the third quarter of 2017. The project's environmental impact study has been approved, with minor modifications already submitted for approval. Approximately 88% of easements have been agreed and paid to land owners, and electric concessions for relevant sections of the route have been filed. To finance this project, the company hired Banco Santander to assist in finding a partner for the sale of a 50% equity interest and subsequently structuring a project financing.

- **Floods in the north of Chile**: A rare weather phenomenon took place in the north of Chile at the end of March. Rains in the upper zones of the desert caused severe floods in certain towns and cities. No casualties or injuries amongst E.CL personnel nor any material damage on E.CL's generation and transmission assets were reported. Consequently, E.CL S.A. could continue to supply electricity to the system and its clients on a regular basis. As a result of interruptions in mining activity, demand decreased temporarily to levels of approximately 1,200 MW; that is, 40% below regular levels, until mining operations could gradually return to normality. Demand from regulated clients remained at normal levels.

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 growing development of renewable sources, mainly wind and solar.

During the 1Q15 the SING's monthly marginal costs averaged US$49.3/MWh, well below the US$87.9/MWh recorded in the first quarter of the year before. The lower marginal cost average stood below the 4Q14's US$55.6/MWh average and reflected lower fuel prices, good availability of cost-efficient coal plants and renewables generation.

In the second quarter, marginal costs averaged US$56.9/MWh, reaching their highest level in June. Due to greater availability of gas plants and a more intensive coal plant maintenance schedule, gas and diesel generation increased, resulting in a higher cost generation mix. In April 2015, marginal costs averaged US$52.8/MWh, a 47.1% decrease compared to the same month of the prior year and a 3.6% increase compared to March 2015. In May, the marginal cost averaged US$46.4/MWh, representing a 46.6% decrease compared to the same month in 2014 and a 12.1% decrease compared to April. Finally, in June, marginal costs returned to higher levels of US$72.9/MWh, still a 4.4% reduction from the same month the year before, but representing a 57.3% increase from the previous month.

The marginal cost averaged US$53.1/MWh in the first half of 2015, almost 40% below the first half of 2014's US$87.8/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$36.5 million in the first quarter. Despite the availability of cost-efficient sources, diesel generation continued representing 7% of the system's total generation in 1Q15 mainly due to transmission bottlenecks, but overcosts decreased 23% compared to 1Q14, due to lower fuel prices. Moreover, E.CL's pro-rata share of the overcosts decreased; therefore, overcosts not passed through to prices decreased by 41%. In the second quarter, system overcosts increased 11%, as compared to the previous year, to US$52.7 million due to coal plant maintenance outages, which added to increased demand in nodes reporting transmission-line bottlenecks, led Gas Atacama to continue running its combined-cycle units burning diesel oil. Overall, in the first half of 2015 overcosts decreased by 6% compared to 1H14 mainly due to lower fuel prices. Moreover, E.CL's pro-rata share of the overcosts decreased in part because the overcosts owing to the Crucero-Encuentro transmission bottleneck cannot be attributed to demand from E.CL's clients. Therefore, overcosts not passed through to prices fell 19%, from US$22.8 million in the first half of 2014, to US$16.7 million in the first half of 2015.

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

Generation by Fuel Type (in GWh)

	2014						2015					
	1Q 2014		2Q 2014		1H 2014		1Q 2015		2Q 2015		1H 2015	
Fuel Type	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*
Hydro	22	*1%*	18	*0%*	41	*0%*	21	*0%*	20	*0%*	41	*0%*
Coal	3,482	*82%*	3,437	*78%*	6,920	*80%*	3,549	*78%*	3,431	*73%*	6,980	*76%*
LNG	387	*9%*	568	*13%*	955	*11%*	483	*11%*	605	*13%*	1,088	*12%*
Diesel / Fuel oil	312	*7%*	296	*7%*	608	*7%*	305	*7%*	454	*10%*	759	*8%*
Solar/Wind/ cogeneration	61	*1%*	100	*2%*	161	*2%*	167	*4%*	160	*3%*	327	*4%*
Total gross generation SING	**4,265**	*100%*	**4,420**	*100%*	**8,685**	*100%*	**4,525**	*100%*	**4,669**	*100%*	**9,194**	*100%*

Source: CDEC-SING

Coal generation decreased in the second quarter of 2015, as compared to the first quarter, due to a decrease in coal plant output explained by maintenance schedules. The decrease in coal generation was compensated for by higher gas and diesel generation.

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

Generation by Company (in GWh)

	2014						2015					
	1Q 2014		2Q 2014		1H 2014		1Q 2015		2Q 2015		1H 2015	
Company	GWh	% of total	GWh	% of total	GWh	% of total	GWh	% of total	GWh	% of total	GWh	% of total
Norgener / Angamos	1,503	35%	1,738	39%	3,240	37%	1,536	34%	1,532	33%	3,068	33%
Celta	256	6%	169	4%	425	5%	267	6%	263	6%	530	6%
GasAtacama	225	5%	213	5%	438	5%	276	6%	423	9%	699	8%
E.CL (with 100% of CTH)	2,204	52%	2,183	49%	4,386	51%	2,267	50%	2,274	49%	4,541	49%
Other	77	2%	118	3%	195	2%	179	4%	177	4%	356	4%
Total gross generation SING…	**4,265**	**100%**	**4,420**	100%	**8,685**	**100%**	**4,525**	100%	**4,669**	100%	**9,194**	100%

Source: CDEC-SING

During the second quarter of 2015, E.CL reported an increase in electricity generation compared to the same quarter of 2014, and it remained as the industry leader, accounting for 49% of the system's generation. In the first quarter, E.CL had power plants temporarily out of service for scheduled major maintenance, namely the U-16 combined-cycle turbine's overhaul between January 25 and March 16, and the CTM2 coal-fired plant that underwent maintenance from January 6 through January 28. In the second quarter, the CTA coal-fired plant underwent major maintenance from April 20 to May 20, and the U15 coal-fired plant also reported a planned maintenance outage between May 28 and June 18.

Generation and demand levels normally exhibit a decline in the first quarter of each year, following high demand levels in the last quarter basically due to the production schedules at mining operations. Furthermore, the March storm caused temporary interruption in mining activity, with electricity demand gradually recovering thereafter. In the second quarter of 2015, demand recovered, and gross electricity generation increased by 6% compared to the second quarter of 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

The following discussion is based on our unaudited consolidated financial statements for the six-month periods ended June 30, 2015 and June 30, 2014, 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).

Results of Operations

1Q 2015 compared to 1Q 2014 and 4Q 2014

Operating Revenues

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

	2Q 2014		1Q 2015		2Q 2015		% Variation	
Operating Revenues	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Unregulated customers sales…………………..	220.4	*80%*	181.9	*75%*	180.4	*75%*	*-1%*	*-18%*
Regulated customers sales…………………….	54.1	*20%*	55.4	*22%*	51.6	*22%*	*-7%*	*-5%*
Spot market sales………………………………..	2.5	*1%*	6.2	*3%*	7.3	*3%*	*18%*	*198%*
Total revenues from energy and capacity sales……………………………	**277.0**	*87%*	**243.4**	*85%*	**239.4**	*85%*	*-2%*	*-14%*
Gas sales…………………………..	24.6	*8%*	18.5	*8%*	23.1	*8%*	*25%*	*-6%*
Other operating revenue……………………….	16.5	*5%*	25.8	*7%*	19.6	*7%*	*-24%*	*19%*
			-	*0%*				
Total operating revenues………………….	**318.1**	*100%*	**287.6**	*100%*	**282.0**	*100%*	*-2%*	*-11%*
Physical Data (in GWh)								
Sales of energy to unregulated customers [(1)]……	1,785	*79%*	1,726	*77%*	1,749	*77%*	*1%*	*-2%*
Sales of energy regulated customers……	447	*20%*	463	*21%*	466	*21%*	*1%*	*4%*
Sales of energy to the spot market…………….	19	*1%*	149	*2%*	42	*2%*	*-72%*	*120%*
				0%				
Total energy sales………………………….	**2,251**	*100%*	**2,337**	*100%*	**2,258**	*100%*	*-3%*	*0%*
Average monomic price unregulated customers(U.S.$/MWh)[(2)]……	**123.5**		**100.3**		**104.8**		*4%*	*-15%*
Average monomic price regulated customers (U.S.$/MWh)[(3)]	**121**		**120**		**110.8**		*-7%*	*-9%*

(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$239 million in the second quarter, a 2% decrease compared to the previous quarter because of lower electricity sales to the spot market and lower average tariffs on regulated customer sales. When compared to the same quarter of 2014, electricity sales decreased due to a combination of lower average prices charged to both regulated and unregulated clients, flat sales physical energy sales to unregulated customers, and a 3% increase in physical sales in the regulated segment.

Sales to unregulated clients amounted to US$180 million, an 18% decrease compared to 2Q14. This was primarily due to a 15% decrease in the average realized monomic price mainly attributed to the pass-through of lower fuel prices. However, when compared to the first quarter of 2015, average prices increased 4%, mainly due to the pass through of higher system overcosts. A slight decline in physical sales was explained by increased demand from new clients, such as Sierra Gorda, Pampa Camarones and Antucoya, and a recovery in electricity demand from the Chuquicamata mine, which offset the decrease in electricity demand related to the expired PPA with SQM-Nueva Victoria and decreased demand from the Gaby, Michilla, El Abra and Radomiro Tomic mines.

Sales to distribution companies, or regulated clients, amounted to US$52 million, representing a 7% decrease from the first quarter. The average Henry Hub index used in the calculation of the EMEL tariff fell from US$4.26/MMBtu in the October 2014 tariff setting process to US$3.0/MMBtu used in the April 2015 tariff process.

When compared to the second quarter of last year, sales to distribution companies decreased 5% mainly due to an 8% decrease in average prices.

Physical sales to the spot market, corresponding to our CTA subsidiary and to a lesser extent, CTH, decreased compared to both the previous quarter and the same quarter of 2014. On consolidated terms, E.CL continued to be a net electricity buyer on the spot market given its highly contracted position. In the second quarter of 2015, E.CL reported net spot purchases of approximately 174 GWh, up from the 1Q15's 142 GWh, mainly due to lower production reported by CTA, which during its major maintenance in April-May switched from a net seller to a net buyer position. The spot market sales and purchase items also include the retroactive annual firm capacity price and monthly energy adjustment payments per the reliquidations made by the SING dispatch center (CDEC-SING).

Gas sales include sales of this fuel to other electricity generation and gas distribution companies. Gas sales decreased compared to the second quarter of 2014 due to lower gas prices and because of the continued dispatch of combined-cycle units operating on diesel as a result of transmission bottlenecks, which caused a slight reduction in the dispatch of gas units. 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)

	2Q 2014		1Q 2015		2Q 2015		% Variation	
Operating Costs	Amount	% of total	Amount	% of total	Amount	% of total	QoQ	YoY
Fuel and lubricants………	(113.3)	42%	(96.5)	37%	(84.4)	37%	-13%	-25%
Energy and capacity purchases on the spot market………	(47.6)	18%	(30.2)	15%	(33.9)	15%	12%	-29%
Depreciation and amortization attributable to cost of goods sold………	(33.5)	12%	(31.4)	15%	(32.9)	15%	5%	-2%
Other costs of goods sold………	(75.7)	28%	(69.5)	33%	(75.0)	33%	8%	-1%
Total cost of goods sold………	**(270.2)**	96%	**(227.6)**	96%	**(226.3)**	96%	-1%	-16%
Selling, general and administrative expenses…	(10.1)	4%	(11.4)	5%	(12.8)	5%	12%	27%
Depreciation and amortization in selling, general and administrative expenses………	(0.4)	0%	(0.6)	0%	(0.6)	0%	-3%	38%
Other operating revenue/costs………	0.5	0%	0.1	-2%	4.8	-2%	3207%	877%
Total operating costs………	**(280.1)**	100%	**(239.5)**	100%	**(234.9)**	100%	-2%	-16%
Physical Data (in GWh)								
Gross electricity generation								
Coal………	1,660	76%	1,826	80%	1,825	80%	0%	10%
Gas………	440	20%	404	18%	407	18%	1%	-8%
Diesel Oil and Fuel Oil………	70	3%	23	1%	31	1%	32%	-56%
Hydro………	12	1%	13	0%	11	0%	-16%	-10%
Total gross generation………	**2,183**	100%	**2,267**	100%	**2,274**	100%	0%	4%
Minus Own consumption………	(200)	-9%	(168)	-6%	(130)	-6%	-22%	-35%
Total net generation………	**1,983**	87%	**2,099**	91%	**2,144**	91%	2%	8%
Energy purchases on the spot market………	308	13%	291	9%	216	9%	-26%	-30%
Total energy available for sale before transmission losses………	**2,291**	100%	**2,390**	100%	**2,359**	100%	-1%	3%

Gross electricity generation remained flat compared to the immediately preceding quarter and increased 3% compared to the second quarter of 2014. In 2Q15, there were more electricity generation plants under maintenance in the SING than in the first quarter. In E.CL's case, the coal-fired plant, CTA was out of service for 30 days for major maintenance. Despite this, coal generation remained unchanged compared to the first quarter, since CTM2 had been out of service for 22 days for scheduled maintenance, while coal generation increased 5% when compared to the second quarter of 2014. Likewise, gas generation remained flat when compared to the first quarter, despite the U-16 combined-cycle gas turbine's 50-day overhaul in the first quarter, but it increased compared to the second quarter of last year. Diesel generation increased in the second quarter, but has remained at low levels, representing not more than 1% of E.CL's total generation.

WTI prices, to which diesel and system overcosts are linked, averaged US$57.39/bbl during 2Q15. This represented a 17.5% increase from US$48.83/bbl in 1Q15, and an annual 44.4% decrease from US$103.3/bbl in 2Q14. Coal prices reported a declining trend. The overall decrease in fuel prices when compared to last year resulted in a 35% decrease in the fuel cost item, compared to 2Q14, while lower gas costs contributed to the 13% decrease compared to 1Q15. The increase in spot electricity purchase costs in 2Q15 compared to 1Q15 was due to the increase in marginal costs, particularly in June 2015, which offset a US$6 million cost reported in the first quarter corresponding to adjustments of firm-capacity payments. However, when compared to 2Q14, electricity purchase costs decreased due to lower marginal costs or spot prices. In physical terms, electricity purchases on the spot market were lower than those of the first quarter of 2015 and the second quarter of 2014.

Depreciation costs increased slightly as compared to the first quarter since the assets related to the U-16's overhaul began to depreciate, but depreciation was lower than in 2Q14. Other direct operating costs included, 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 sub-transmission tolls. Other direct operating costs increased when compared to 1Q15 due to heavier provisions related to the Codelco arbitration. SG&A expenses increased due to heavier legal costs and an increased headcount. The Other operating revenue/cost item was a positive figure, which increased due to the reversal of a US$4.5 million provision for uncollectibles associated to the SQM arbitration. As a result of the adverse ruling, 2Q15 operating revenues decreased by US$4.5 million, but they were offset by the provision reversal, with no impact on the quarter's operating income.

Electricity Margin

	2014			2015		
	1Q14	2Q14	1H14	1Q15	2Q15	1H15
Electricity Margin						
Total revenues from energy and capacity sales……………………………………	**262.1**	**277.0**	**539.1**	**243.4**	**239.4**	**482.8**
Fuel and lubricants…………………..	(109.6)	(113.3)	(222.9)	(96.5)	(84.4)	(180.9)
Energy and capacity purchases on the spot market……………………………	(37.0)	(47.6)	(84.6)	(30.2)	(33.9)	(64.2)
Gross Electricity Profit	**115.5**	**116.1**	**231.6**	**116.7**	**121.0**	**237.7**
Electricity Margin	*44%*	*42%*	*43%*	*48%*	*51%*	*49%*

The electricity margin, or the gross profit from the electricity generation business, increased when compared to the second quarter of 2014. Revenues from energy and capacity sales decreased and so did fuel costs as well as costs of electricity purchases on the spot market given the decline in fuel prices. One of the main reasons for the electricity margin improvement was the margin widening of regulated customer sales when compared to 2Q14, due to the lag with which Henry Hub prices are reflected in the energy tariff. The margin improvement compared to 1Q15 is also partly explained by higher costs reported in 1Q15 related to adjustments in firm capacity payments. The compensatory payments related to system overcosts, which were not passed through to prices, amounted to US$10.1 million in 2Q15, higher than those reported in 1Q15 (US$6.7 million), but lower than the US$11.6 million reported in the second quarter of last year.

Operating Results

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

EBITDA	2Q 2014 Amount	2Q 2014 % of total	1Q 2015 Amount	1Q 2015 % of total	2Q 2015 Amount	2Q 2015 % of total	% Variation QoQ	% Variation YoY
Total operating revenues………………………	318.1	*100%*	287.6	*100%*	282.0	*100%*	***-2%***	***-11%***
Total cost of goods sold……………………	(270.2)	*-85%*	(227.6)	*-79%*	(226.3)	*-80%*	***-1%***	***-16%***
Gross income………………………….	**47.9**	*15%*	**60.0**	*21%*	**55.8**	*20%*	***-7%***	***16%***
Total selling, general and administrative expenses and other operating income/(costs).	(10.0)	*-3%*	(11.9)	*-4%*	(8.6)	*-3%*	***-27%***	***-14%***
Operating income….………………….	**37.9**	*12%*	**48.1**	*17%*	**47.2**	*17%*	***n.a.***	***24%***
Depreciation and amortization……...…………	33.9	*11%*	32.0	*11%*	33.5	*12%*	***5%***	***-1%***
EBITDA……………….…………………	**71.9**	*23%*	**80.1**	*28%*	**80.6**	*29%*	***1%***	***12%***

2Q15 EBITDA reached US$80.6 million, slightly above 1Q15's and higher than 2Q14's figure, due mainly to the above-described variations in the electricity margin and lower operating costs, as discussed in the Operating Costs section.

The decrease in total net operating costs when compared to both the 1Q15 and 2Q14 was also explained by heavier demurrage and fuel handling costs reported in the first half of 2014 as a result of an incident at the Puerto Mejillones port in late 2013, the positive effect of the depreciation of the Chilean peso on local-currency costs, and savings achieved by Gasoducto NorAndino Argentina.

Financial Results

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

Non-operating results	2Q 2014 Amount	2Q 2014 % of total	1Q 2015 Amount	1Q 2015 % of total	2Q 2015 Amount	2Q 2015 % of total	% Variation QoQ	% Variation YoY
Financial income………..………………………	0.6	*0%*	0.3	*0%*	0.6	*0%*	***72%***	***0%***
Financial expense…………….………………	(11.7)	*-4%*	(10.9)	*-4%*	(8.7)	*-3%*	***-20%***	***-26%***
Foreign exchange translation, net……………	(1.8)	*-1%*	1.9	*1%*	(6.2)	*-2%*	***-424%***	***240%***
Other non-operating income/(expense) net…	0.4	*0%*	0.0	*0%*	(0.1)	*0%*	***-954%***	***-125%***
Total non-operating results…………….	**(12.5)**	*-4%*	**(8.7)**	*-3%*	**(14.4)**	*-5%*	***66%***	***15%***
Income before tax……………………. ………	25.5	*8%*	39.5	*13%*	32.8	*11%*	***-17%***	***29%***
Income tax………………………………………	(4.7)	*-2%*	(9.8)	*-3%*	(14.4)	*-5%*	***n.a.***	***203%***
Net income after tax …….	**20.7**	*7%*	**29.7**	*10%*	**18.4**	*6%*	***-38%***	***-11%***
Net income attributed to controlling shareholders…….	**19.7**	*7%*	**27.3**	*9%*	**17.7**	*6%*	***-35%***	***-10%***
Net income attributed to minority shareholders……….	**1.0**	*0%*	**2.5**	*1%*	**0.7**	*0%*	***-73%***	***-33%***
Net income to E.CL's shareholders	**19.7**	*7%*	**27.3**	*9%*	**17.7**	*6%*	***-35%***	***-10%***
Earnings per share……………………..	**0.019**	*0%*	**0.026**	*0%*	**0.017**	*0%*	***-35%***	***-10%***

The decrease in financial expenses in 2Q15 compared to 1Q15 was explained by the capitalization of US$1.5 million in interest expense in the IEM and TEN projects, and by US$1.3 million in interest-expense savings related to the refinancing of the CTA project financing in October, 2014, with proceeds of a US$350 million 144-A bond issue.

Foreign-exchange losses reached US$6.2 million in 2Q15, which compares to US$1.9 million in foreign-exchange income the previous quarter and a US$1.8 million loss in the second quarter of 2014. Foreign exchange losses in the second quarter were primarily explained by effect of the depreciation of the Chilean peso, particularly at the end of June, over certain assets denominated in currencies other than the U.S. dollar, the company's functional currency. These assets include, among others, client accounts receivable, advances to suppliers and value-added tax credit. The latter has reported an increasing balance along with the progress in the construction of the IEM and TEN projects. It should be noted that these foreign-currency losses have not represented cash outflows, particularly in the case of accounts receivable, which remain temporarily exposed to foreign currency fluctuations as they are invoiced in Chilean pesos, although the actual payment is made in U.S. dollars, at which time the foreign-exchange difference is reversed.

The applicable income tax rate in 2015 is 22.5%. The increase in income taxes in the second quarter of 2015, as compared to the first and fourth quarters of 2014, was due to four reasons: (i) the tax rate increase compared to 2Q14 due to the new tax reform enacted in September 2014, which set a gradual tax-rate increase until reaching 27% in 2018; (ii) the effect of the application of a 27% rate on deferred taxes in accordance to such reform; (iii) a US$3.5 million one-time increase related to the provision on the Codelco arbitration, which qualified as a rejected expense under Chilean tax law and is hence subject to a special 35% tax rate; and (iv) an actual annual income-tax payment in April, which exceeded the amount provisioned in December 2014 by US$2.9 million.

First half of 2015 compared to first half of 2014

Operating Revenues

For the 6-month period ended June 30,

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

	6M 2014		6M2015		Variation	
Operating Revenues	Amount	% of total	Amount	% of total	Amount	%
Unregulated customers sales……………………..	430.3	80%	362.3	75%	**(68.0)**	**-16%**
Regulated customers sales…………………….	100.6	19%	107.0	22%	**6.4**	**6%**
Spot market sales………………………………..	8.2	2%	13.5	3%	**5.3**	**64%**
Total revenues from energy and capacity sales……………………………	**539.1**	86%	**482.8**	85%	**(56.4)**	**-10%**
Gas sales…………………………..	35.5	6%	41.5	7%	**6.0**	**17%**
Other operating revenue……………………….	51.8	8%	45.3	8%	**(6.5)**	**-12%**
Total operating revenues………………….	**626.5**	100%	**569.6**	100%	**(56.8)**	**-9%**
Physical Data (in GWh)						
Sales of energy to unregulated customers (1)……	3,530	78%	3,475	76%	**(55)**	**-2%**
Sales of energy regulated customers……	898	20%	929	20%	**31**	**3%**
Sales of energy to the spot market…………….	94	2%	191	4%	**97**	**103%**
Total energy sales………………………….	**4,522**	100%	**4,595**	100%	**73**	**2%**
Average monomic price unregulated customers(U.S.$/MWh)(2)	**121.0**		**102.5**		**(18.5)**	**-15%**
Average monomic price regulated customers (U.S.$/MWh)(3)	**112.1**		**115.1**		**3.1**	**3%**

(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 the first half of 2015, total operating revenues decreased 9% compared to the first half of 2014.

The 10% decrease in electricity revenues compared to 1H14 resulted from price decreases in the unregulated client segment as a reflection of lower fuel prices, combined with higher average realized tariffs and physical sales in the regulated client segment as well as higher spot energy sales.

Electricity sales to unregulated clients reached US$362.3 million, a 16% decrease when compared to 1H14. Physical electricity sales decreased 2% mainly due to lower demand from the Michilla, El Abra and Gaby mines, which was partly offset by higher demand from Minera Centinela, Antucoya, Sierra Gorda and Pampa Camarones. The main reason for the decrease in electricity sales to unregulated clients was the decrease in average realized monomic prices explained by lower coal and gas prices and lower coal unloading costs.

Sales to distribution companies reached US$107 million. They increased 3% in physical terms, and the average realized monomic tariff also increased by 3% due to the rise in the applicable Henry Hub index for the calculation of the energy tariff.

Other operating revenues include transmission tolls, port services, transmission line services and fuel sold to other generators. In the first half of 2015, gas sales revenues increased 17% due to greater volume sales to other generation and gas distribution companies, partially offset by lower prices. In the second quarter of 2015 the other operating income item included a US$4.5 million income corresponding to an uncollectible provision reversal as a result of the resolution of the arbitration proceeding with SQM. This income was fully offset by a decrease in operating revenues; therefore, it had no impact on operating results. It should be noted that in the first quarter of 2014, this item included US$6 million in non-recurring revenue from the final settlement agreement signed with the CTA/CTH EPC contractor.

Operating Costs

For the 6-month period ended June 30,

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

	6M- 2014		6M - 2015		Variation	
Operating Costs	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Fuel and lubricants………………………………	(222.9)	*43%*	(180.9)	*40%*	**42.0**	***-19%***
Energy and capacity purchases on the spot market………………………………………..	(84.6)	*16%*	(64.2)	*14%*	**20.5**	***-24%***
Depreciation and amortization attributable to cost of goods sold…………………………….	(66.1)	*13%*	(64.3)	*14%*	**1.8**	***-3%***
Other costs of goods sold…………………….	(147.5)	*28%*	(144.5)	*32%*	**3.0**	***-2%***
Total cost of goods sold………………..	**(521.1)**	*96%*	**(453.8)**	*96%*	**67.3**	***-13%***
Selling, general and administrative expenses…	(20.7)	*4%*	(24.3)	*5%*	**(3.6)**	***17%***
Depreciation and amortization in selling, general and administrative expenses…………	(0.7)	*0%*	(1.1)	*0%*	**(0.4)**	***56%***
Other revenues/costs………………………………	1.0	*0%*	4.9	*-1%*	**3.9**	***371%***
Total operating costs….………………..	**(541.5)**	*100%*	**(474.3)**	*100%*	**67.2**	***-12%***
Physical Data (in GWh)						
Gross electricity generation						
Coal…………………………………………	3,391	*77%*	3,651	*80%*	**260**	***8%***
Gas………………………………………..	821	*19%*	811	*18%*	**(11)**	***-1%***
Diesel Oil and Fuel Oil…………………….	147	*3%*	54	*1%*	**(92)**	***-63%***
Hydro/ Solar………………………………	27	*1%*	24	*1%*	**(3)**	***-10%***
Total gross generation…………………	**4,386**	***100%***	**4,541**	***100%***	**154**	***4%***
Minus Own consumption………………..	(378)	*-9%*	(298)	*-7%*	**80**	***-21%***
Total net generation……………………	**4,009**	***87%***	**4,243**	***89%***	**234**	***6%***
Energy purchases on the spot market………..	614	***13%***	507	***11%***	(108)	***-18%***
Total energy available for sale before transmission losses………………………	**4,623**	***100%***	**4,750**	***100%***	**126**	***3%***

In the first half of 2015 gross electricity generation increased 4% compared to the same period the year before due to greater coal generation explained by fewer maintenance outages of coal-fired units. Coal-based generation increased 8%, representing 80% of E.CL's total electricity generation, up from 77% in 1H14. It displaced both the more expensive diesel generation and energy purchases from the spot market, which decreased by 18%. During the first half of 2015, the U15, CTM2, and CTA coal-fired units were subject to maintenance, while our U16 combined-cycle gas plants was subject to an overhaul.

The 19% decrease in the fuel-cost item in the first half of 2015 can be primarily attributed to the overall fuel price decrease compared to the first half of 2014. Demurrage and fuel unloading costs, which had increased in the first half of 2014 as a result of an incident at the Puerto Mejillones port facility in the last quarter of 2013, decreased in the first half of 2015, and contributed to the decrease in fuel costs. Spot electricity purchase costs decreased due to both lower physical energy purchases and lower marginal costs or spot prices.

Other costs of goods sold include, among others, transmission tolls, operating and maintenance costs and cost of fuels sold. The decrease in this item is primarily explained by the effects of the appreciation of the US dollar on peso-denominated operating costs and several other factors including lower demurrage costs, in part offset by provisions related to the Codelco arbitration proceeding.

Operating Results

For the 6-month period ended June 30,
(In US$ millions, except for percentages)

	6M - 2014		**6M- 2015**		**Variation**	
EBITDA	**Amount**	**% of**	**Amount**	**% of**	**Amount**	**%**
Total operating revenues………………………	626.5	*100%*	569.6	*100%*	**(56.8)**	***-9%***
Total cost of goods sold……………………	(521.1)	*-83%*	(453.8)	*-80%*	**67.3**	***-13%***
Gross income………………………….	**105.3**	*17%*	**115.8**	*20%*	**10.4**	***10%***
Total selling, general and administrative expenses and other operating income/(costs).	(20.4)	*-3%*	(20.5)	*-4%*	**(0.1)**	***0%***
Operating income….……………….	**84.9**	*14%*	**95.3**	*17%*	**10.4**	***12%***
Depreciation and amortization……...…………	66.8	*11%*	65.5	*11%*	**(1.4)**	***-2%***
EBITDA……………….……………….	**151.8**	*24%*	**160.7**	*28%*	**9.0**	***6%***

In the first half of 2015, EBITDA was US$160.7 million, a 6% increase compared to 1H14, due to lower fuel prices, a lower-cost generation mix, and wider margins on sales to regulated customers given the time lag with which lower gas prices are reflected in the tariff. Despite the increase in gas sales revenue, the contribution of this business remained unchanged given higher average costs of fuel sold.

Depreciation decreased by US$1.4 million in the first half of 2015 due to lower depreciation costs resulting from the life extension of coal-fired plants determined after a technical study performed at the end of 2013.

Financial Results

Non-operating results	6M - 2014 Amount	%	6M - 2015 Amount	%	Variation Amount	%
Financial income	1.4	0%	0.9	0%	**(0.5)**	***-37%***
Financial expense	(23.0)	-3%	(19.6)	-2%	**3.4**	***-15%***
Foreign exchange translation, net	(1.9)	0%	(4.3)	0%	**(2.4)**	***n.a.***
Other non-operating income/(expense) net	0.2	0%	(0.1)	0%	**(0.3)**	***-144%***
Total non-operating results	**(23.3)**	-3%	**(23.0)**	-3%	**0.2**	***-1%***
Income before tax	61.7	8%	72.3	8%	**10.6**	***17%***
Income tax	(13.9)	-2%	(24.1)	-3%	**(10.2)**	***74%***
Net income after tax	**47.8**	6%	**48.1**	5%	**0.4**	***1%***
Net income attributed to controlling shareholders	**44.5**	6%	**45.0**	5%	**0.5**	***1%***
Net income attributed to minority shareholders	**3.2**	0%	**3.1**	0%	**(0.1)**	***-3%***
Net income to E.CL's shareholders	**44.5**	6%	**45.0**	5%	**0.5**	***1%***
Earnings per share	**0.04**	0%	**0.04**	0%	**0.0**	***1%***

For the 6-month period ended June 30, (In US$ millions, except for percentages)

The decrease in financial expenses in the 1H15 compared to 1H14 was explained by the capitalization of US$1.5 million in interest expense in the IEM and TEN projects and by US$1.3 million in interest-expense savings related to the refinancing of the CTA project financing in October, 2014, with proceeds of a US$350 million 144-A bond issue.

Foreign-exchange losses reached US$4.3 million in 1H15, which compares to a US$1.9 million loss in the first half of 2014. Foreign exchange losses in 1H15 were primarily explained by effect of the volatility and depreciation of the Chilean peso, particularly at the end of June, over certain assets denominated in currencies other than the U.S. dollar, the company's functional currency. These assets include, among others, client accounts receivable, advances to suppliers and value-added tax credit. VAT credits have reported an increasing balance along with the progress in the construction of the IEM and TEN projects. It should be noted that these foreign-currency losses have not represented cash outflows, particularly in the case of accounts receivable, which remain temporarily exposed to foreign currency fluctuations as they are invoiced in Chilean pesos, although the actual payment is made in U.S. dollars, at which time the foreign-exchange difference is reversed.

The applicable income tax rate in 2015 is 22.5%. The increase in income taxes in the first half of 2015, as compared to the first half of 2014, was due to four reasons: (i) the tax rate increase compared to 1H14 due to the new tax reform effective September 2014, which introduced a gradual tax-rate increase from 20% to 27% in 2018; (ii) the effect of the application of a 27% rate on deferred taxes in accordance to such reform; (iii) a US$3.5 million one-time increase related to the provision on the Codelco arbitration, which qualified as a rejected expense under Chilean tax law and was hence subject to a special 35% tax rate; and (iv) an actual annual income-tax payment, which exceeded the amount provisioned in December 2014 by US$2.9 million.

Net Earnings

After-tax income attributed to controlling shareholders amounted to US$45 million in 1H15. The 1% increase compared to 1H14 was mainly due to the EBITDA improvement, which was offset by an increase in foreign-exchange losses and higher income tax provisions.

Liquidity and Capital Resources

As of June 30, 2015, E.CL reported consolidated cash balances of US$234.6 million, whereas nominal financial debt[1] totaled US$750 million, with no debt maturing within one year.

	For the 6-month period ended June 30, (In US$ millions)	
Cash Flow	**2014**	**2015**
Net cash flows provided by operating activities…	133.4	190.4
Net cash flows used in investing activities………	(50.4)	(199.1)
Net cash flows provided by financing activities..	(65.8)	(26.2)
Change in cash……………….....………….	**17.2**	**(34.9)**

Cash Flow from Operating Activities

In 1H15 cash flows generated from operating activities reached approximately US$252 million, which after payment of income and value-added taxes (US$47 million) and interest expenses on the 144-A notes (US$15 million), amounted to US$190 million.

Cash Flow Used in Investing Activities

In 1H15, net cash flows used in investing activities amounted to US$199 million. This amount included US$78 million in the construction of TEN's SING-SIC transmission line project; US$45 million in the Infraestructura Energética Mejillones ("IEM") coal-fired plant project; US$42 million in major maintenance, primarily at the U-16 CCGT; and US$10 million in the solar PV project, Pampa Camarones. Investing cash flows also included US$12 million invested in the final stages of the environmental improvement project to reduce particulate matter and gas emissions.

With a total investment of nearly US$170 million, E.CL's 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 is close to final completion. The company installed bag filters to reduce particulate matter emissions and is currently finalizing the implementation of systems for the reduction of gas emissions (NOx and SO_2), specifically the installation of low NOx burners and desulfurizing systems using hydrated lime. The new gas emission limits became effective in Tocopilla on June 23, 2015. This will represent an increase in limestone consumption in the coal-fired plants operating in that site.

Our capital expenditures in 1H15 amounted to US$206 million, up from US$47 million in 1H14. They included the following items:

(1) Nominal amounts differ from the debt amounts recorded under the IFRS methodology in the Financial Statements, which considers deferred financial expenses and mark-to-market valuations on derivative transactions.

Capital Expenditures

	For the 6-months period ended June 30, (In US$ millions)	
CAPEX	**2014**	**2015**
CTA…………………………………………………	1.0	0.8
CTH [1]……………………………………………	0.9	0.3
Central Tamaya…………………………………	0.4	0.5
IEM ………………………………………………	-	45.3
TEN ……………………………………………	-	84.7
Overhaul power plants & equipment maintenance and refurbishing…………………	22.3	42.1
Environmental improvement works………………	11.9	11.9
Solar	-	9.7
Others……………………………………………	10.1	10.7
Total capital expenditures………………………	**46.6**	**206.0**

Cash Flow from Financing Activities

No relevant financing cash flows took place in 1H15 except for the US$19.7 million dividend paid by E.CL on account of 2014's net income, as approved by E.CL's shareholders in the April annual meeting; and US$6.5 million in dividends paid to the minority shareholder in our 60%-owned subsidiary, Inversiones Hornitos (CTH).

Contractual Obligations

The following table sets forth the maturity profile of our debt obligations as of June 30, 2015. This table shows the nominal amount of our debt balances:

Contractual Obligations as of 06/30/15
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……...…………	-	-	-	-	-
Accrued interest……………………	16.9	16.9	-	-	
Total	**766.9**	**16.9**	**-**	**-**	**750.0**

The bonds include our US$400 million 10-year 5.625% 144-A/Reg.S notes maturing January 15, 2021 and a 144 A /Reg S issue for a total amount of US$350 million with a single principal payment in January 2025 and 4.5% p.a. coupon rate. The proceeds of the 2025 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.

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 June 30, 2015, E.CL had not made any drawings under this facility.

On June 30, 2015, E.CL signed a long-term revolving credit facility agreement with five international banks (Mizuho, BBVA, Citibank, Caixabank and HSBC), that will allow the company to draw loans in a flexible manner in an aggregate amount of up to US$270 million with maximum maturity date of June 30, 2020. The execution of this revolving credit facility, represents the fulfillment of the first milestone of the company's announced financing plan, and will provide E.CL with financial flexibility to finance its expansion in the transmission and generation businesses. The facility draws a commitment fee on the unused portion of the line and a floating interest rate equal to 90-day LIBOR plus a margin on any drawn amounts. As of June 30, E.CL had not made any disbursements under this facility.

Dividend Policy

Our dividend 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 28, 2015, at the Annual Ordinary Shareholders Meeting, our shareholders approved dividends in an amount equivalent to 30% of our 2014 net earnings.

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
May 27 ,2015	Final (on account of 2014 net income)	19.7	0.01869

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, there is a mismatch 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. E.CL participates in the gas trading business, particularly sales of gas to third parties. Given the time differences between the shipment purchase, which normally takes place at a given point in time; and the fuel sales, which may occur throughout the year, in the first half of 2015, the company decided to engage in swap contracts with financial institutions to hedge its cash flows and operating results against commodity price volatility.

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. In addition, as the construction of our IEM, TEN and other projects progresses, the balance of the VAT credit account, which is denominated in pesos and is adjusted by inflation, has been building up, resulting in increasing exposure to fluctuations in the USD/CLP exchange rate. 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. The Board of Directors has approved foreign-currency hedging strategies to hedge the company's cash flows against the foreign-currency risk stemming from this contract. Likewise, the company signed foreign-currency derivative contracts to hedge the UF and EUR cash flows per the EPC contract with S.K. Engineering and Construction to avoid variations in cash flows and the final value of the investment as a result of foreign currency fluctuations out of management's control.

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 June 30, 2015, 100% of our total financial debt for a principal amount of US$750 million was at fixed rates. Loans under the 5-year revolving credit facility will draw a variable interest rate based on 90-day LIBOR. As of this date, E.CL has not requested any drawings under this facility.

As of June 30, 2015
Contractual maturity date
(In US$ millions)

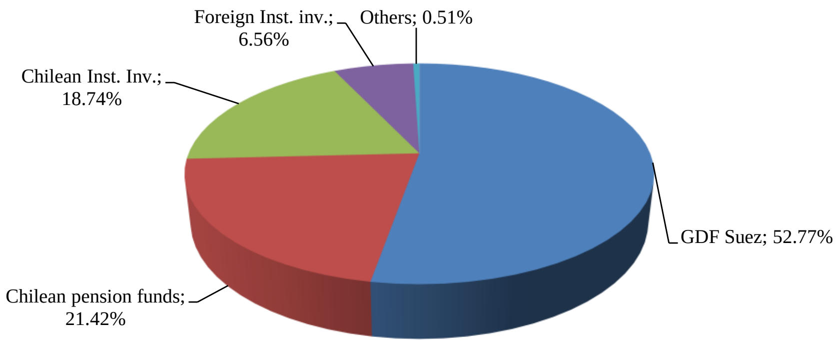
	Average interest rate	2015	2016	2017	2018	Thereafter	Grand Total
Fixed Rate							
(US$)	5.625% p.a.	-	-	-	-	400.0	400.0
(US$)	4.500% p.a.	-	-	-	-	350.0	350.0
Variable Rate							
(US$)	-	-	-	-	-	-	-
Total		-	-	-	-	**750.0**	**750.0**

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 JUNE 30, 2015

Number of shareholders: 1,917



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

APPENDIX 1

PHYSICAL DATA AND SUMMARIZED QUARTERLY FINANCIAL STATEMENTS

Physical Sales
(in GWh)

	2014			2015		
	1Q14	**2Q14**	**1H14**	**1Q15**	**2Q15**	**1H15**
Physical Sales						
Sales of energy to unregulated customers.	1,745	1,785	3,530	1,726	1,749	3,475
Sales of energy to regulated customers	451	447	898	463	466	929
Sales of energy to the spot market………	75	19	94	149	42	191
Total energy sales………………………….	**2,271**	**2,251**	**4,522**	**2,337**	**2,258**	**4,595**
Gross electricity generation						
Coal………………………………………….	1,731	1,660	3,391	1,826	1,825	3,651
Gas…………………………………………..	381	440	821	404	407	811
Diesel Oil and Fuel Oil…………………….	77	70	147	23	31	54
Renewable……………………………………	15	12	27	13	11	24
Total gross generation………………….	**2,204**	**2,183**	**4,386**	**2,267**	**2,274**	**4,541**
Minus Own consumption………………..	(177.9)	(199.7)	(377.6)	(167.5)	(130.3)	(297.9)
Total net generation…………………….	**2,026**	**1,983**	**4,009**	**2,099**	**2,144**	**4,243**
Energy purchases on the spot market………..	306	308	614	291	216	507
Total energy available for sale before transmission losses………………………	**2,332**	**2,291**	**4,623**	**2,390**	**2,359**	**4,750**

Quarterly Income Statement (in US$ millions)

IFRS						
Operating Revenues	1Q14	2Q14	1H14	1Q15	2Q15	1H15
Regulated customers sales………………………	46.5	54.1	100.6	55.4	51.6	107.0
Unregulated customers sales…………………..	209.9	220.4	430.3	181.9	180.4	362.3
Spot market sales……………………………..	5.8	2.5	8.2	6.2	7.3	13.5
Total revenues from energy and capacity sales……………………………	**262.1**	**277.0**	**539.1**	**243.4**	**239.4**	**482.8**
Gas sales…………………………..	10.9	24.6	35.5	18.5	23.1	41.5
Other operating revenue………………………	35.3	16.5	51.8	25.8	19.6	45.3
Total operating revenues…………………	**308.4**	**318.1**	**626.5**	**287.6**	**282.0**	**569.6**
Operating Costs						
Fuel and lubricants………………………………	(109.6)	(113.3)	(222.9)	(96.5)	(84.4)	(180.9)
Energy and capacity purchases on the spot market…………………………………………..	(37.0)	(47.6)	(84.6)	(30.2)	(33.9)	(64.2)
Depreciation and amortization attributable to cost of goods sold…………………………….	(32.6)	(33.5)	(66.1)	(31.4)	(32.9)	(64.3)
Other costs of goods sold…………………….	(71.7)	(75.7)	(147.5)	(69.5)	(75.0)	(144.5)
Total cost of goods sold………………..	**(251.0)**	**(270.2)**	**(521.1)**	**(227.6)**	**(226.3)**	**(453.8)**
Selling, general and administrative expenses…	(10.6)	(10.1)	(20.7)	(11.4)	(12.8)	(24.3)
Depreciation and amortization in selling, general and administrative expenses…………	(0.4)	(0.4)	(0.7)	(0.6)	(0.6)	(1.1)
Other revenues………..……………………….	0.6	0.5	1.0	0.1	4.8	4.9
Total operating costs…..……………….	**(261.4)**	**(280.1)**	**(541.5)**	**(239.5)**	**(234.9)**	**(474.3)**
Operating income…..……………….	**47.0**	**37.9**	**84.9**	**48.1**	**47.2**	**95.3**
EBITDA……………….…………………	**79.9**	**71.9**	**151.8**	**80.1**	**80.6**	**160.7**
Financial income………..………………………	0.9	0.6	1.4	0.3	0.6	0.9
Financial expense…………….…………………	(11.4)	(11.7)	(23.0)	(10.9)	(8.7)	(19.6)
Foreign exchange translation, net……………	(0.1)	(1.8)	(1.9)	1.90	(6.15)	(4.25)
Other non-operating income/(expense) net…	(0.2)	0.4	0.2	0.01	(0.1)	(0.10)
Total non-operating results……………	**(10.8)**	**(12.5)**	**(23.3)**	**(8.7)**	**(14.4)**	**(23.0)**
Income before tax…………………..………	36.2	25.5	61.7	39.5	32.8	72.3
Income tax………………………………………	(9.2)	(4.7)	(13.9)	(9.8)	(14.4)	(24.1)
Net income after tax …….	**27.0**	**20.7**	**47.8**	**29.7**	**18.4**	**48.1**
Net income attributed to controlling shareholders……………….	**24.8**	**19.7**	**44.5**	**27.3**	**17.7**	**45.0**
Net income attributed to minority shareholders……………….	**2.2**	**1.0**	**3.2**	**2.5**	**0.7**	**3.1**
Net income to E.CL's shareholders…….	**24.8**	**19.7**	**44.5**	**27.3**	**17.7**	**45.0**
Earnings per share……………………..	**0.024**	**0.019**	**0.042**	**0.026**	**0.017**	**0.043**

Quarterly Balance Sheet

(In U.S.$ millions)

	2014	2015
	31-Dec-14	30-Jun-15
Current Assets		
Cash and cash equivalents (1)	268,9	234,6
Accounts receivable	126,6	132,7
Recoverable taxes	41,7	31,7
Other current assets	242,8	215,0
Total current assets	**680,0**	**614,0**
Non-Current Assets		
Property, plant and equipment, net	1.881,7	2.042,8
Other non-current assets	404,1	379,8
TOTAL ASSETS	**2.965,8**	**3.036,6**
Current Liabilities		
Financial debt	12,0	16,8
Other current liabilities	197,8	221,2
Total current liabilities	**209,8**	**238,0**
Long-Term Liabilities		
Financial debt (including intercompany)	723,7	727,7
Other long-term liabilities	251,5	259,2
Total long-term liabilities	**975,2**	**986,9**
Shareholders' equity	1.681,9	1.709,7
Minority' equity	98,9	102,0
Equity	**1.780,8**	**1.811,8**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2.965,8**	**3.036,6**

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

	FINANCIAL RATIOS				
			Dec-14	**Jun-15**	**Var.**
LIQUIDITY	Current ratio (current assets / current liabilities)	(times)	3.24	2.58	***-20%***
	Quick ratio ((current assets - inventory) / current liabilities)	(times)	2.38	1.85	***-22%***
	Working capital (current assets – current liabilities)	MMUS$	469.82	375.97	***-20%***
LEVERAGE	Leverage ((current liabilities + long-term liabilities) / networth)	(times)	0.67	0.68	***2%***
	Interest coverage ((EBITDA / interest expense))	(times)	5.68	6.25	***10%***
	Financial debt –to- LTM EBITDA*	(times)	2.50	2.36	***-6%***
	Net financial debt – to - LTM EBITDA*	(times)	1.52	1.63	***7%***
PROFITABILITY	Return on equity* (LTM net income attributed to the controller / net worth attributed to the controller)	%	5.3%	2.6%	***-50%***
	Return on assets* (LTM net income attributed to the controller / total assets)	%	3.0%	1.5%	***-51%***

*LTM = Last twelve months

CONFERENCE CALL 1H15

E.CL is pleased to inform you that it will conduct a conference call to review its results for the period ended June 30, 2015, on Thursday, July 30th, 2015, at 11 a.m. (Eastern Time) – 12 p.m. (Chilean Time)

hosted by:
Carlos Freitas, CFO E.CL S.A.

To participate, please dial: **1 (706) 902-4518**, international or **12300206168 (toll free Chile). Passcode I.D.: 82753241**, 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.: 8275324**. A conference call replay will be available until August 8th, 2015.