April 29, 2014

IN THE FIRST QUARTER OF 2014, E.CL REPORTED NET INCOME OF US$25 MILLION AND EBITDA OF US$80 MILLION.

EBITDA REACHED US$79.9 MILLION IN THE FIRST QUARTER, A 20% INCREASE COMPARED TO THE SAME QUARTER OF 2013, MAINLY DUE TO IMPROVED OPERATING PERFORMANCE. NET INCOME AMOUNTED TO US$24.8 MILLION IN THE FIRST QUARTER, A 49% INCREASE COMPARED TO THE FIRST QUARTER OF 2013.

- **Operating revenues** amounted to US$308.4 million, an 8% increase compared to the same quarter of 2013, mainly due to higher average realized monomic prices in both the regulated and unregulated client segments and, to a lesser extent, to non-recurring earnings.
- **First quarter EBITDA** was US$79.9 million, with an EBITDA margin of 25.9%. While this represented a 20% increase compared to the same quarter of the previous year, it accounted for a 32% improvement when compared to the immediately preceding quarter.
- **Net income** amounted to US$24.8 million in the first quarter, a 49% improvement with respect to the first quarter of 2013.

Financial Highlights
(in US$ millions)

US$ millions	1Q13	1Q14	Var %
Total operating revenues	285.1	308.4	***8%***
Operating income	31.0	47.0	***51%***
EBITDA	66.8	79.9	***20%***
EBITDA margin	23.4%	25.9%	***11%***
Non recurring earning	-	6.0	-
EBITDA without non recurring earnings	66.8	73.9	***11%***
Total non-operating results	(8.2)	(10.8)	***32%***
Net income after tax	17.9	27.0	***51%***
Net income attributed to controlling shareholders	16.6	24.8	***49%***
Net income attributed to minority shareholders	1.2	2.2	***81%***
Earnings per share	0.02	0.02	***39%***
Total energy sales (GWh)	2,406	2,271	***-6%***
Total net generation (GWh)	2,096	2,026	***-3%***
Energy purchases on the spot market (GWh)	369	306	***-17%***

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, 2014, E.CL accounted for 51% of the SING's installed capacity. E.CL primarily supplies electricity to large mining and industrial customers. E.CL 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:

- **1Q2014**

  - **Chairman of the Board:** On January 28, 2014, the board of directors agreed to accept the resignation of Mr. Jan Flachet as member and chairman of E.CL's board of directors. Mr. Flachet accepted a new position within the GDF SUEZ group in Asia. The board appointed Mr. Juan Clavería Aliste as the new chairman of E.CL's board.

  - **SING – SIC transmission line:** On January 28, 2014, the company gave notice to proceed with 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.

  - **CTM3:** On March 28, 2014, E.CL informed the CDEC-SIC, the CDEC-SING and the CNE that beginning June 2017 E.CL will interconnect to the Central Interconnected System (SIC) its CTM3 combined-cycle gas turbine that forms part of the Central Térmica Mejillones power generation complex owned by E.CL and situated in the Mejillones area currently interconnected to the SING grid. This unit will initially operate with diesel and subsequently with gas or diesel depending on contractual arrangements.

- **SUBSEQUENT EVENTS:**

  - **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.

  - A draft **tax reform bill** was sent to Congress in April, which if approved, will introduce several changes to the current tax regime. Among other changes, it will gradually raise the corporate tax rate from 20% to 25% and will introduce 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. The CO_2 tax will become effective in 2017.

  - In April, the **Calama wind farm project** (up to 228MW) was registered with the **Clean Development Mechanism (CDM)** of the United Nations. The project has an annual CER generation potential of more than 500,000 tons, which makes it one of the biggest projects under CDM development in Chile.

  - **Dividend payments:** At the Annual Ordinary Shareholders' Meeting held on April 29, 2014, the shareholders approved a dividend payment equivalent to 100% of 2013's net income in the amount of US$0.0375803332 per share. The total amount is US$39,583,732.32 and will be 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 and December 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.

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 a thermoelectric system, with generation based on coal, natural gas, LNG, and diesel and fuel oil.

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 January 2014, marginal costs averaged US$92.4/MWh, a 6.9% decrease compared to the same month of the prior year and a 3% increase compared to December 2013. In February, marginal costs climbed to US$98.8/MWh, representing a 43.7% increase compared to the same month in 2013 and a 6.9% increase compared to January. Finally, in March, marginal costs averaged US$73.57/MWh, an 11.7% drop from the same month the year before and a 26% decrease from the previous month.

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 are referred to 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 technical minimum 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 will therefore, receive or pay, 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, greater than the US$34.8 million recorded in the first quarter of the year before and slightly lower than the previous quarter's US$48.8 million.

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

Generation by Fuel Type (in GWh)

	1Q 2013		2Q 2013		3Q 2013		4Q 2013		1Q 2014	
Fuel Type	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*
Hydro	21	*0%*	18	*0%*	19	*0%*	20	*0%*	22	*1%*
Coal	3,497	*82%*	3,452	*82%*	3,619	*84%*	3,533	*80%*	3,482	*82%*
LNG	451	*11%*	323	*8%*	408	*9%*	427	*10%*	387	*9%*
Diesel / Fuel oil	251	*6%*	400	*9%*	248	*6%*	425	*10%*	312	*7%*
Solar/Wind/ cogeneration	28	*1%*	27	*1%*	38	*1%*	33	*1%*	61	*1%*
Total gross generation SING	**4,248**	***100%***	**4,220**	***100%***	**4,331**	***100%***	**4,439**	***100%***	**4,265**	***100%***

Source: CDEC-SING

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

Generation by Company (in GWh)

	1Q 2013		2Q 2013		3Q 2013		4Q 2013		1Q 2014	
	GWh	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*
Company										
Norgener / Angamos	1,524	*36%*	1,327	*31%*	1,306	*30%*	1,558	*35%*	1,503	*35%*
Celta	265	*6%*	243	*6%*	292	*7%*	119	*3%*	256	*6%*
GasAtacama	156	*4%*	284	*7%*	164	*4%*	328	*7%*	225	*5%*
E.CL (with 100% of CTH)	2,260	*53%*	2,322	*55%*	2,515	*58%*	2,384	*54%*	2,204	*52%*
Other	42	*1%*	44	*1%*	54	*1%*	51	*1%*	77	*2%*
Total gross generation SING………	**4,248**	***100%***	**4,220**	***100%***	**4,331**	***100%***	**4,439**	***100%***	**4,265**	***100%***

Source: CDEC-SING

During the first quarter of 2014, E.CL reported a slight decrease in electricity generation, although it remained as the industry leader, accounting for 50% of the system's generation. In the first quarter, E.CL reported planned outages for plant maintenance and works related to environmental CAPEX.

Gas generation decreased in 1Q14 compared to 1Q13 as a result of lower gas availability basically due to the arrival schedule of LNG shipments. As a result, diesel generation increased compared to 1Q13. However, when compared to 4Q13, diesel generation decreased due to lower electricity demand in the system, in part explained by the normal seasonal demand curve, with heavier demand in the last quarter of each year and slower demand in the first quarter.

Generation and demand levels normally exhibit a decline in the first quarter of each year after high demand levels in the last quarter basically due to the production schedules at mining operations. In the first quarter of 2014, demand and generation remained very similar to the levels reported in 1Q13. Although some mining operations showed an increase in their demand for electricity, others such as Chuquicamata, Gaby, Esperanza, Radomiro Tomic and Minera Zaldívar reported lower demand according to their production and maintenance programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

The following discussion is based on our unaudited consolidated financial statements for the first quarter of 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).

All figures reflect 100% consolidation of Inversiones Hornitos ("CTH").

Results of Operations

1Q 2014 compared to 1Q 2013 and 4Q 2013

Operating Revenues

Quarterly Information

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

	1Q 2013		4Q 2013		1Q 2014		% Variation	
Operating Revenues	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Unregulated customers sales…………………..	222.8	*84%*	214.1	*81%*	209.9	*80%*	***-2%***	***-6%***
Regulated customers sales…………………….	41.4	*16%*	46.2	*17%*	46.5	*18%*	***1%***	***12%***
Spot market sales………………………………..	2.4	*1%*	4.2	*2%*	5.8	*2%*	***36%***	***141%***
Total revenues from energy and capacity sales……………………………	**266.5**	*93%*	**264.5**	*85%*	**262.1**	*85%*	***-1%***	***-2%***
Gas distribution sales…………………………..	0.4	*0%*	(0.4)	*0%*	10.9	*4%*	***-2733%***	***2367%***
Other operating revenue……………………….	18.1	*6%*	47.8	*15%*	35.3	*11%*	***-26%***	***95%***
Total operating revenues………………….	**285.1**	*100%*	**311.8**	*100%*	**308.4**	*100%*	***-1%***	***8%***
Physical Data (in GWh)								
Sales of energy to unregulated customers (1)……	1,930	*80%*	1,914	*79%*	1,745	*77%*	***-9%***	***-10%***
Sales of energy regulated customers……	444	*18%*	465	*19%*	451	*20%*	***-3%***	***2%***
Sales of energy to the spot market……………	33	*1%*	58	*2%*	75	*3%*	***29%***	***129%***
Total energy sales………………………….	**2,406**	*100%*	**2,437**	*100%*	**2,271**	*100%*	***-7%***	***-6%***
Average monomic price unregulated customers(U.S.$/MWh)(2)……	**114.7**		**110.7**		**118.5**		***7%***	***3%***
Average monomic price regulated customers (U.S.$/MWh)(3)	**93**		**99.3**		**103**		***4%***	***11%***

(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$262.1 million, a 1% decrease compared to the previous quarter because of the normally observed decrease in physical sales to both unregulated and regulated clients in the first quarter of each year and maintenance works at some of our clients' mining operations. The 2% decrease in electricity sales when compared to the first quarter of last year is explained by lower physical sales to unregulated clients. In 1Q14 the company reported an increase in spot sales, which offset the decline in physical contracted sales.

Sales to unregulated clients amounted to US$209.9 million, a 6% decrease compared to 1Q13, mainly due to the end of some PPAs, notably 40MW Mantos Blancos, which matured in September 2013, and lower demand from Chuquicamata, Gaby, Esperanza and Radomiro Tomic for operational reasons at those mines. The decrease in physical sales was offset by higher average realized prices mainly explained by lower demand from clients who have take-or-pay components in their tariffs and the pass-through of fuel costs and overcosts.

Sales to distribution companies, or regulated clients, amounted to US$46.5 million, an increase compared to the immediately preceding quarter, due to a 7% increase in the average monomic tariff. The tariff for regulated clients increased by approximately US$5/MWh starting last November following the regular contractual tariff review, which takes place every six months.

Physical sales to the spot market increased compared to the previous quarter and to the same quarter of 2013, basically due to increased spot sales by CTA. However, on consolidated terms, E.CL continued to be a net electricity buyer on the spot market given its highly contracted position. In the first quarter of 2014, E.CL reported net spot purchases of approximately 231 GWh, above the 4Q13's 204 GWh, mainly due to lower gas generation and maintenance of coal-fired plants. However, net spot electricity purchases decreased compared to the 1Q13's 327 GWh, owing largely to the CTA and CTH 20-day outage in January 2013. 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 distribution revenues include gas sales to third parties. In 1Q14 E.CL sold gas to AES Gener.

Other operating revenues include transmission tolls, port services, transmission line services, fuel sold to other generators, and reliquidations of payments related to sub-transmission systems. In the first quarter of 2014, this item included approximately US$6 million in revenues resulting from the Final Acceptance and Settlement Agreement signed in March with the CTA and CTH project's EPC contractor.

Operating Costs

Quarterly Information

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

	1Q 2013		4Q 2013		1Q 2014		% Variation	
Operating Costs	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Fuel and lubricants………………………………	(113.5)	*47%*	(108.1)	*41%*	(109.6)	*44%*	***1%***	***-3%***
Energy and capacity purchases on the spot market………………………………………..	(35.9)	*15%*	(42.9)	*16%*	(37.0)	*15%*	***-14%***	***3%***
Depreciation and amortization attributable to cost of goods sold…………………………….	(35.5)	*15%*	(20.0)	*8%*	(32.6)	*13%*	***63%***	***-8%***
Other costs of goods sold…………………….	(58.1)	*24%*	(91.7)	*35%*	(71.7)	*29%*	***-22%***	***23%***
Total cost of goods sold……………….	**(243.1)**	*96%*	**(262.8)**	*97%*	**(251.0)**	*96%*	***-5%***	***3%***
Selling, general and administrative expenses…	(12.3)	*5%*	(11.1)	*4%*	(10.6)	*4%*	***-4%***	***-13%***
Depreciation and amortization in selling, general and administrative expenses…………	(0.2)	*0%*	(0.6)	*0%*	(0.4)	*0%*	***-39%***	***44%***
Other operating revenue/costs………………………	0.2	*0%*	2.4	*-1%*	0.6	*0%*	***-77%***	***136%***
Total operating costs………………….	**(254.1)**	*100%*	**(272.1)**	*100%*	**(261.4)**	*100%*	***-4%***	***3%***
Physical Data (in GWh)								
Gross electricity generation								
Coal………………………………………….	1,710	*76%*	1,859	*78%*	1,731	*79%*	***-7%***	***1%***
Gas…………………………………………..	451	*20%*	424	*18%*	381	*17%*	***-10%***	***-16%***
Diesel Oil and Fuel Oil…………………….	87	*4%*	88	*4%*	77	*3%*	***-13%***	***-12%***
Hydro……………………………………….	12	*1%*	13	*1%*	15	*1%*	***17%***	***18%***
Total gross generation…………………	**2,260**	*100%*	**2,384**	*100%*	**2,204**	*100%*	***-8%***	***-3%***
Minus Own consumption………………..	(164)	*-7%*	(99)	*-4%*	(178)	*-8%*	***81%***	***8%***
Total net generation…………………….	**2,096**	***85%***	**2,285**	***90%***	**2,026**	***87%***	***-11%***	***-3%***
Energy purchases on the spot market………..	369	***15%***	262	***10%***	306	***13%***	***17%***	***-17%***
Total energy available for sale before transmission losses………………………	**2,465**	***100%***	**2,547**	***100%***	**2,332**	***100%***	***-8%***	***-5%***

Gross electricity generation decreased by 8% compared to the last quarter of last year. In 1Q14 the company reported lower availability of coal-fired plants due to maintenance and works associated to the emissions reduction program; specifically, the U15 overhaul and adjustment works at CTM2 following its overhaul during the last quarter of 2013. Consequently, coal-fired generation decreased 7% as compared to 4Q13. However, when compared to 1Q13, coal generation increased 1% due to works to resolve the water leakages in the cooling systems of CTA and CTH, which had these units out of service for approximately 20 days in January 2013. Gas generation decreased due to lower gas availability resulting from an interval between shipment arrivals in 1Q14, which resulted in a one-week interruption in gas generation in January. As a result, gas generation decreased, especially when compared to 1Q13, when the company had more gas left-overs from the previous year.

WTI prices, to which diesel and spot prices are linked, averaged US$98.62/bbl during 1Q14. This represented a 1.2% increase from US$97.50/bbl in 4Q13, and a 4.7% increase from US$94.16/bbl in 1Q13. Coal prices, in turn, did not experience important price variations during the period, although they showed a declining trend. The lower generation level and lower coal prices explained a 3% decrease in fuel costs in 1Q14 compared to 1Q13. The increase in spot electricity purchase costs, when compared to 1Q13, was mainly owed to the higher pro-rata of system generation overcosts.

Spot electricity purchases increased 17% in physical terms when compared to 4Q13 due to lower gas and coal generation. In monetary terms, however, spot electricity purchases decreased 14% due to reliquidations of firm capacity payments and decrease in compensatory payments paid to other generation companies for system generation overcosts when compared to 4Q13.

The decrease in depreciation from 1Q13 is explained by the extension of the useful lives of coal-fired plants per a technical report, which set up a 40-year standard life for these plants and 45 years for the oldest U12 and U13 plants. This was partially offset by the depreciation of the environmental improvement assets.

Other operating costs include sub-transmission tolls related to the EMEL contract, but this item is covered by an increase in revenues from transmission tolls. SG&A expenses decreased due to a cost-control program.

Electricity Margin

	2013					2014
	1Q13	**2Q13**	**3Q13**	**4Q13**	**TOTAL**	**1Q14**
Electricity Margin						
Total revenues from energy and capacity sales……………………………………	**266.5**	**266.1**	**261.6**	**264.5**	**1,058.6**	**262.1**
Fuel and lubricants…………………..	(113.5)	(114.5)	(112.8)	(108.1)	(448.9)	(109.6)
Energy and capacity purchases on the spot market……………………………	(35.9)	(51.5)	(30.4)	(42.9)	(160.7)	(37.0)
Gross Electricity Profit	**117.1**	**100.1**	**118.4**	**113.4**	**449.1**	**115.5**
Electricity Margin	*44%*	*38%*	*45%*	*43%*	*42%*	*44%*

The electricity margin, or the gross profit from the electricity generation business, showed an increase from the last quarter and a slight decrease when compared to the same quarter the year before. Energy and capacity sales decreased slightly compared to both quarters. When comparing to 1Q13, a decrease in fuel costs was offset by an increase in spot purchases; therefore the drop in gross electricity profits can only be attributed to the lower revenue level explained by a decrease in physical sales. In percentage terms, the electricity margin remained stable at 44%.

Nevertheless, the electricity margin improved when compared to 4Q13 due to lower spot electricity purchase costs and a reduction in compensatory payments resulting from system overcosts. Although in 1Q14 physical spot energy sales increased, compensatory payments made by E.CL and its affiliates amounted to US$13.6 million, well below the US$18.2 million afforded in 4Q13. During the first quarter, the U15, CTM2 and U16 units underwent maintenance works, which had them out of service for 24 days starting January 24, 16 days starting January 6, and 13 days starting March 24, respectively.

Operating Results

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

EBITDA	**1Q 2013** Amount	% of total	**4Q 2013** Amount	% of total	**1Q 2014** Amount	% of total	**% Variation** QoQ	YoY
Total operating revenues………………………	285.1	*100%*	311.8	*100%*	308.4	*100%*	***-1%***	***8%***
Total cost of goods sold……………………	(243.1)	*-85%*	(262.8)	*-84%*	(251.0)	*-81%*	***-5%***	***3%***
Gross income…………………………	**42.0**	*15%*	**49.0**	*16%*	**57.4**	*19%*	***17%***	***37%***
Total selling, general and administrative expenses and other operating income/(costs).	(11.0)	*-4%*	(11.1)	*-3%*	(10.4)	*-3%*	***-6%***	***-5%***
Operating income…………………	**31.0**	*11%*	**39.8**	*13%*	**47.0**	*15%*	***n.a.***	***51%***
Depreciation and amortization……..…………	35.8	*13%*	19.4	*7%*	32.9	*11%*	***69%***	***-8%***
Provision/(reversal) uncollectibles…..	-	-	-	-	-	-	***n.a***	***n.a.***
EBITDA………………..………………	**66.8**	*23%*	**60.4**	*19%*	**79.9**	*26%*	***32%***	***20%***

The electricity margin stability, the lower net operating costs, and the impact of the settlement agreement signed with the CTA/CTH EPC contractor explained in the previous sections translated into a significant EBITDA recovery. EBITDA reached almost US$80 million, a 32% increase compared to 4Q13 and a 20% increase compared to 1Q13. Lower depreciation costs resulting from the extension of useful lives of coal fired plants agreed at the end of 2013 contributed to an even more significant improvement in operating income (EBIT), which advanced 51% compared to the same period of last year, when it had been negatively affected by the CTA/CTH outage.

Financial Results

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

Non-operating results	**1Q 2013** Amount	% of total	**4Q 2013** Amount	% of total	**1Q 2014** Amount	% of total	**% Variation** QoQ	YoY
Financial income………..………………………	1.0	*0%*	0.3	*0%*	0.9	*0%*	***190%***	***-17%***
Financial expense………….…………………	(11.7)	*-4%*	(11.6)	*-4%*	(11.4)	*-4%*	***-2%***	***-3%***
Foreign exchange translation, net……………	2.7	*1%*	(0.6)	*0%*	(0.1)	*0%*	***-87%***	***-103%***
Other non-operating income/(expense) net…	(0.2)	*0%*	(5.1)	*-2%*	(0.2)	*0%*	***-96%***	***5%***
Total non-operating results…………….	**(8.2)**	*-3%*	**(17.1)**	*-6%*	**(10.8)**	*-4%*	***-37%***	***32%***
Income before tax……………………. ………	22.8	*8%*	22.7	*7%*	36.2	*12%*	***60%***	***59%***
Income tax………………………………………	(5.0)	*-2%*	(4.4)	*-1%*	(9.2)	*-3%*	***n.a.***	***85%***
Net income after tax …….	**17.9**	*6%*	**18.3**	*6%*	**27.0**	*9%*	***48%***	***51%***
Net income attributed to controlling shareholders…….	**16.6**	*6%*	**17.0**	*6%*	**24.8**	*8%*	***46%***	***49%***
Net income attributed to minority shareholders……….	**1.2**	*0%*	**1.3**	*0%*	**2.2**	*1%*	***78%***	***81%***
Net income to E.CL's shareholders	**16.6**	*6%*	**17.0**	*6%*	**24.8**	*8%*	***46%***	***49%***
Earnings per share……………………..	**0.017**	*0%*	**0.016**	*0%*	**0.024**	*0%*	***46%***	***39%***

Financial expenses decreased slightly compared to the last quarter and 1Q13 due to a lower LIBO rate and the gradual amortization of loan principal of the CTA project financing.

Despite the depreciation of the Chilean peso during the first quarter, the company managed to report a small foreign exchange loss of just US$0.1 million as a result of the application of natural hedging policies. This result compares negatively with US$2.7 million in foreign exchange earnings in 1Q13, when the Chilean peso appreciated, and positively with the US$0.6 million foreign-exchange loss in 4Q13.

Following the tax reform effective since the end of September 2012 the income tax rate has been 20%. Income taxes were higher in 1Q14 compared to 4Q13 and 1Q13 due to the increase in taxable income largely explained by the company's improved operating performance.

Net Earnings

After-tax income attributed to E.CL's shareholders reached US$24.8 million in 1Q14, a 46% increase compared to 4Q13 and a 49% improvement from 1Q13. The main issues behind these variations were an improved operating performance given the 20-day CTA/CTH outage reported in January 2013, higher average realized tariffs, an increase in income from the sale of gas, the effect of the settlement agreement signed with the CTA/CTH EPC contractor, and the decrease in depreciation. Negative factors included a moderate foreign exchange loss, which unfavourably compares with a foreign exchange profit reported in 1Q13.

Liquidity and Capital Resources

As of March 31, 2013, E.CL reported cash balances of US$204.9 million (including short-term investments available for sale), whereas nominal financial debt[1] totaled US$758 million, with only US$12.8 million maturing within one year.

	For the 3-month period ended March 31, (In US$ millions)	
Cash Flow	**2013**	**2014**
Net cash flows provided by operating activities…	23.9	26.0
Net cash flows used in investing activities………	(6.3)	(37.1)
Net cash flows provided by financing activities..	-	0.2
Change in cash……………….....………….	**17.6**	**(10.9)**

Cash Flow from Operating Activities

In the first quarter of 2013 cash flow generated from operating activities reached approximately US$26 million, made up of US$43 million of purely operating cash flows plus US$9 million in net payments received from the CTA/CTH EPC contractor according to the settlement agreement signed in March, minus interest payments (US$11.3 million), income tax payments (US$5.6 million), and net value-added tax payments (US$9.1 million).

Cash Flow Used in Investing Activities

Cash flow used in investing activities was US$37.1 million in 1Q14. This amount included US$13.6 million invested in the acquisition of TEN, the new affiliate in charge of the development of the SING-SIC transmission line project.

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.

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

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

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 March 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 the first quarter of 2014 amounted to US$22.3 million (excluding the TEN acquisition), and reached US$28.8 million in 1Q13. They included the following items:

Capital Expenditures

	For the 3-month period ended March 31, (In US$ millions)	
CAPEX	**2013**	**2014**
CTA……………………………………………………….		0.2
CTH [1]…………………………………………………		0.2
Central Tamaya……………………………………….	1.9	0.2
El Cobre substation & Chacaya-El Cobre transmission line……………………………	1.9	-
Overhaul power plants & equipment maintenance and refurbishing…………………	9.1	11.6
Environmental improvement works………………	10.3	4.5
Others……………………………………………	5.6	5.6
Total capital expenditures………………………	**28.8**	**22.3**

Cash Flow from Financing Activities

No financing activities were reported in the first quarter of 2014, except for the payment of interest on the 144-A bond, which was included in the operating cash flow section, and the payment by CTH of US$12.9 million corresponding to the third interest and principal payment under its long-term loan with E.CL, which had neutral effect on E.CL's consolidated cash flow statements.

Contractual Obligations

The following table sets forth the maturity profile of our debt obligations as of March 31, 2014. This table shows the nominal amount of our debt balances, which may differ from the debt amounts recorded under the IFRS methodology in the Financial Statements:

Contractual Obligations as of 03/31/14
Payments Due by Period
(In US$ millions)

	Total	< 1 year	1 - 3 years	3 - 5 years	More than 5 years
Bank debt……………………………	358.0	12.8	32.1	37.3	275.9
Bonds (144 A/Reg S Notes)………	400.0				400.0
Leasing obligations……...………	0.2	0.0	0.0	0.0	0.1
Accrued interest…………………	10.1	10.1			
Mark-to-market swaps	18.7				18.7
Total	**787.0**	**22.9**	**32.1**	**37.4**	**694.7**

In the above table, bank debt includes drawings under the project financing extended by IFC and KfW to our subsidiary CTA. As of March 31, 2014, the total principal amount was US$358 million, payable in semiannual installments starting June 15, 2014, and ending with a 25% balloon payment on June 15, 2025.

The bonds correspond to our US$400 million 10-year 5.625% 144-A/Reg.S notes maturing January 15, 2021. The proceeds of this issue were used to repay our loans with shareholders and related parties in December 2010.

Other debt includes US$0.2 million in leasing obligations related to transmission assets, as well as an US$18.7 million mark-to-market provision on interest-rate swaps taken by CTA to hedge its exposure to floating interest rates. An equivalent amount has been charged to our shareholders' equity account according to IFRS rules.

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; that is, US$39.6 million. This dividend will be paid on May 23, 2014.

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 and December 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.

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

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 5% of our total operating costs. Our most significant asset denominated in Chilean pesos consists of value added taxes paid on our purchases of equipment for our projects. The amount of this asset has decreased significantly through tax refunds In the specific case of the EMEL contract, it is payable in pesos at the prevailing exchange rate and is adjusted every six months as opposed to other PPAs that are readjusted on a monthly basis. Therefore, the exposure of this PPA to exchange rate fluctuations is higher and we have occasionally engaged in forward agreements to partially hedge it against foreign currency risk.

Interest Rate Hedging

We maintain a significant portion of our long-term debt at fixed rates in order to minimize interest-rate exposure. As of March 31, 2014, 82% of our total financial debt for a principal amount of US$758 million was at fixed rates. The remaining 18% of our debt included the unhedged portion of our CTA project financing, which was at 180-day floating LIBOR.

		As of March 31, 2014 Contractual maturity date (In US$ millions)					
	Average interest rate	**2014**	**2015**	**2016**	**2017**	**Thereafter**	**Grand**
Fixed Rate							
(US$)	Swapped base rate of 3.665% p.a. + 2.75% spread [(1)]	7.8	9.5	10.2	10.8	181.2	219.5
(US$)	5.625% p.a.					400.0	400.0
Variable Rate							
(US$)	LIBOR (180) + 2.75% p.a. [(1)]	4.9	6.0	6.4	6.8	114.4	138.5
Total [(2)]		**12.8**	**15.5**	**16.6**	**17.6**	**695.6**	**758.0**

(1) This corresponds to the current interest rate of the IFC and KfW project financing for CTA. The margin on LIBOR will step up by 0.25% every three years starting April 30, 2016.

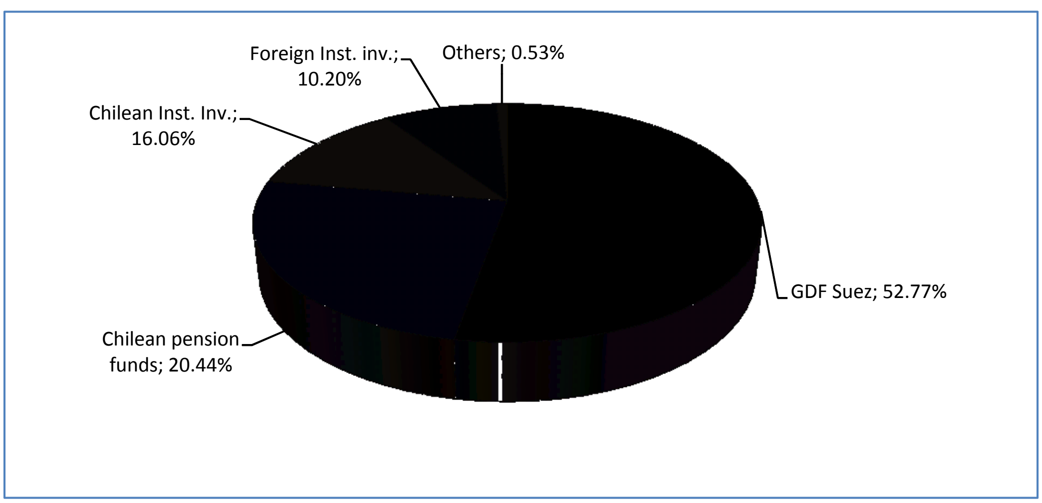
(2) These figures include principal amounts only and do not include leasing obligations related to our use of transmission lines or mark-to-market adjustments on interest rate swaps.

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 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 MARCH 31, 2014

Number of shareholders: 1,926



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

APPENDIX 1

PHYSICAL DATA AND SUMMARIZED QUARTERLY FINANCIAL STATEMENTS

Physical Sales
(in GWh)

	2013		
	1Q13	4Q13	1Q14
Physical Sales			
Sales of energy to unregulated customers.	1,930	1,914	1,745
Sales of energy to regulated customers	444	465	451
Sales of energy to the spot market………	33	58	75
Total energy sales………………………….	**2,406**	**2,437**	**2,271**
Gross electricity generation			
Coal………………………………………….	1,710	1,859	1,731
Gas…………………………………………..	451	424	381
Diesel Oil and Fuel Oil…………………….	87	88	77
Renewable……………………………………	12	13	15
Total gross generation………………….	**2,260**	**2,384**	**2,204**
Minus Own consumption………………..	(164.3)	(98.5)	(177.9)
Total net generation…………………….	**2,096**	**2,285**	**2,026**
Energy purchases on the spot market………..	369	262	306
Total energy available for sale before transmission losses………………………	**2,465**	**2,547**	**2,332**

Quarterly Income Statement (in US$ millions)

IFRS			
Operating Revenues	**1Q13**	**4Q13**	**1Q14**
Regulated customers sales………………………	41.4	46.2	46.5
Unregulated customers sales…………………..	222.8	214.1	209.9
Spot market sales………………………………..	2.4	4.2	5.8
Total revenues from energy and capacity sales……………………………	**266.5**	**264.5**	**262.1**
Gas distribution sales…………………………..	0.4	(0.4)	10.9
Other operating revenue……………………….	18.1	47.8	35.3
Total operating revenues…………………	**285.1**	**311.8**	**308.4**
Operating Costs			
Fuel and lubricants………………………………	(113.5)	(108.1)	(109.6)
Energy and capacity purchases on the spot market…………………………………………..	(35.9)	(42.9)	(37.0)
Depreciation and amortization attributable to cost of goods sold…………………………….	(35.5)	(20.0)	(32.6)
Other costs of goods sold…………………….	(58.1)	(91.7)	(71.7)
Total cost of goods sold………………..	**(243.1)**	**(262.8)**	**(251.0)**
Selling, general and administrative expenses…	(11.0)	(11.1)	(10.6)
Depreciation and amortization in selling, general and administrative expenses…………	(0.3)	(0.6)	(0.4)
Other revenues……….....……………………….	0.2	2.4	0.6
Total operating costs………………….	**(254.1)**	**(272.1)**	**(261.4)**
Operating income………………….	**31.0**	**39.8**	**47.0**
EBITDA……………….……………….	**66.8**	**60.4**	**79.9**
Financial income………..………………………	1.0	0.3	0.9
Financial expense…………..…………………	(11.7)	(11.6)	(11.4)
Foreign exchange translation, net…………..	2.7	(0.6)	(0.1)
Other non-operating income/(expense) net…	(0.2)	(5.1)	(0.2)
Total non-operating results……………	**(8.2)**	**(17.1)**	**(10.8)**
Income before tax…………………….………	22.8	22.7	36.2
Income tax………………………………………	(5.0)	(4.4)	(9.2)
Net income after tax …….	**17.9**	**18.3**	**27.0**
Net income attributed to controlling shareholders……………….	**16.6**	**17.0**	**24.8**
Net income attributed to minority shareholders……………….	**1.2**	**1.3**	**2.2**
Net income to E.CL's shareholders…….	**16.6**	**17.0**	**24.8**
Earnings per share……………………..	**0.017**	**0.016**	**0.024**

Quarterly Balance Sheet

(In U.S.$ millions)

	2013	2014
	31-Dec-13	**31-Mar-14**
Current Assets		
Cash and cash equivalents (1)	213.4	204.9
Accounts receivable	171.5	203.0
Recoverable taxes	39.6	42.5
Other current assets	223.4	220.6
Total current assets	**648.0**	**670.9**
Non-Current Assets		
Property, plant and equipment, net	1,944.2	1,925.4
Other non-current assets	404.6	414.4
TOTAL ASSETS	**2,996.8**	**3,010.8**
Current Liabilities		
Financial debt	21.0	20.3
Other current liabilities	223.3	213.9
Total current liabilities	**244.3**	**234.2**
Long-Term Liabilities		
Financial debt (including intercompany)	740.3	746.6
Other long-term liabilities	205.0	207.8
Total long-term liabilities	**945.3**	**954.5**
Shareholders' equity	1,683.4	1,696.0
Minority' equity	123.9	126.1
Equity	**1,807.2**	**1,822.1**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,996.8**	**3,010.8**

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

	FINANCIAL RATIOS				
			Dec-13	**Mar-14**	**Var.**
LIQUIDITY	Current ratio (current assets / current liabilities)	(veces)	2.65	2.87	***-7%***
	Quick ratio ((current assets - inventory) / current liabilities)	(veces)	2.13	2.26	***-5%***
	Working capital (current assets – current liabilities)	MMUS$	403.69	436.76	***-8%***
LEVERAGE	Leverage ((current liabilities + long-term liabilities) / networth)	(veces)	0.66	0.65	***1%***
	Interest coverage ((EBITDA / interest expense))	(veces)	5.36	5.68	***-6%***
	Financial debt –to- LTM EBITDA*	(veces)	3.03	2.90	***4%***
	Net financial debt – to - LTM EBITDA*	(veces)	1.89	2.12	***-11%***
PROFITABILITY	Return on equity* (LTM net income attributed to the controller / net worth attributed to the controller)	%	2.4%	2.6%	***-10%***
	Return on assets* (LTM net income attributed to the controller / total assets)	%	1.3%	1.6%	***-17%***

*LTM = Last twelve months

CONFERENCE CALL 1Q14

E.CL is pleased to inform you that it will conduct a conference call to review its results for the period ended March 31st, 2014, on Wednesday, April 30th, 2014, at 11 a.m. (Eastern Time) – 11 a.m. (Chilean Time)

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

To participate, please dial: **(706) 902-4518**, international or **12300206168 (toll free Chile).** **Passcode I.D.: 24879877**, approximately 10 minutes prior to the scheduled starting time.

To access the phone replay, please dial **(855) 859- 2056** or **(404) 537-3406** **Passcode I.D.: 24879877**. A conference call replay will be available until May 7, 2014.