Interim Consolidated Financial Statements for the period ended March 31, 2015

(Translation of Consolidated Financial Statements originally issued in Spanish- See note 3.1)

COLBÚN S.A. AND SUBSIDIARIES

Thousands of US dollars – ThUS$

This document is composed of:
- Interim Consolidated Financial Statements
- Notes to the Interim Consolidated Financial Statements

(Translation of the Interim Consolidated Financial Statements originally issued in Spanish- See note 3.1)

Colbún S.A. and Subsidiaries

Interim Classified Consolidated Statements of Financial Position
As of March 31, 2015 (unaudited) and as of December 31, 2014
(In thousands of US dollars – ThUS$)

ASSETS	Note N°	March 31, 2015 ThUS$	December 31, 2014 ThUS$
Current Assets			
Cash and cash equivalents	7	555,853	254,090
Other financial assets, current	8	266,767	584,384
Other non-financial assets, current	19	32,918	40,669
Trade and other accounts receivable, current	9	237,837	243,659
Accounts receivable form related companies, current	11.b	7,733	2,487
Inventory	12	93,370	97,877
Current tax assets	18	57,163	47,004
Total current assets		**1,251,641**	**1,270,170**
Non-current assets			
Other financial assets	8	240	248
Other non-financial assets	19	27,906	24,778
Accounts receivable from related companies	11.b	364	368
Investment accounted for using equity method	15	35,961	40,115
Intangible assets other than goodwill	16	85,117	85,388
Property, plant and equipment	17.a	4,935,450	4,956,206
Deferred taxes	20.b	5,073	5,074
Total non-current assets		**5,090,111**	**5,112,177**
TOTAL ASSETS		**6,341,752**	**6,382,347**

The accompanying notes form an integral part of these interim consolidated financial statements

(Translation of the Interim Consolidated Financial Statements originally issued in Spanish- See note 3.1)

Colbún S.A. and Subsidiaries
Interim Classified Consolidated Statements of Financial Position
As of March 31, 2015 (unaudited) and as of December 31, 2014
(In thousands of US dollars – ThUS$)

LIABILITIES AND NET EQUITY	Note N°	March 31, 2015 ThUS$	December 31, 2014 ThUS$
Current liabilities			
Other financial liabilities	21.a	46,412	51,145
Trade and other accounts payable	22	118,879	157,814
Accounts payable to related entities	11.b	4,356	21,032
Other provisions	23.a	10,798	10,795
Tax liabilities		3,501	2,149
Provision for employee benefits	23.a	4,325	11,475
Other non-financial liabilities	24	3,706	3,924
Total current liabilities		**191,977**	**258,334**
Non-current liabilities			
Other financial liabilities	21.a	1,841,587	1,842,747
Trade and other accounts payable	22	3,217	3,217
Deferred taxes	20.b	906,976	883,591
Provision for employee benefits	23.a	24,368	24,101
Other non-financial liabilities	24	10,000	9,800
Total non-current liabilities		**2,786,148**	**2,763,456**
Total liabilities		**2,978,125**	**3,021,790**
Net equity			
Issued capital	25.a	1,282,793	1,282,793
Retained earnings	25.f	1,311,841	1,307,276
Share premiums	25.c	52,595	52,595
Other reserves	25.e	716,398	717,893
Net Equity attributable to equity holders of the parent		3,363,627	3,360,557
Total net equity		**3,363,627**	**3,360,557**
TOTAL LIABILITIES AND NET EQUITY		**6,341,752**	**6,382,347**

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Colbún S.A. and Subsidiaries

Interim Classified Consolidated Statements of Financial Position
As of March 31, 2015 (unaudited) and as of December 31, 2014
(In thousands of US dollars – ThUS$)

STATEMENT OF COMPREHENSIVE INCOME BY NATURE	Note N°	January - March 2015 ThUS$	January - March 2014 ThUS$
Net income from ordinary activities	6 and 26	317,010	413,245
Raw materials and consumables used	27	(205,163)	(275,351)
Personnel expenses	28	(13,954)	(13,511)
Depreciation and amortization expenses	29	(47,453)	(41,952)
Other expenses, by nature	-	(5,115)	(4,630)
Other profit (losses)	33	(867)	7,679
Profit (loss) from operating activities		**44,458**	**85,480**
Financial income	30	955	1,466
Financial costs	30	(22,226)	(10,627)
Share of profit of associated and joint ventures accounted for using the equity method	32	1,480	1,329
Exchange rate differences	31	409	(8,865)
Readjustment profit (loss)	31	57	2,387
Profit (loss) before taxes		**25,133**	**71,170**
Income tax expense	20.a	(18,164)	(19,634)
Profit (loss) of continuing operations		**6,969**	**51,536**
PROFIT		**6,969**	**51,536**
Attributable to:			
Equity holder of the parent	25.i	6,969	51,536
Non-controlling interests		-	-
PROFIT		**6,969**	**51,536**
Earnings per share			
Basic earnings per share from continuing operations	25.i	0.00040	0.00294
Basic earnings per share		**0.00040**	**0.00294**
Diluted earning per share from continuing operations	25.i	0.00040	0.00294
Diluted earnings per share		**0.00040**	**0.00294**

The accompanying notes form an integral part of these interim consolidated financial statements

(Translation of the Interim Consolidated Financial Statements originally issued in Spanish- See note 3.1)

Colbún S.A. and Subsidiaries

Interim Classified Consolidated Statements of Financial Position
As of March 31, 2015 (unaudited) and as of December 31, 2014
(In thousands of US dollars – ThUS$)

STATEMENTS OF OTHER COMPREHENSIVE INCOME BY NATURE	Note	January - March	
		2015	2014
	N°	ThUS$	ThUS$
Profit	25.i	**6,969**	**51,536**
Components of other comprehensive income not being reclassified to profit or loss in subsequent periods, before tax:			
Actuarial gains (losses) on defined benefit plans		(1,375)	(742)
Other comprehensive income not being reclassified to profit or loss in subsequent periods, before tax		**(1,375)**	**(742)**
Components of other comprehensive income to be reclassified to profit or loss in subsequent periods, before tax:			
Exchange differences on translation of foreign operations	15.a	(1,565)	(6,374)
Gain / (Loss) on cash flow hedges		(307)	2,723
Other comprehensive income to be reclassified to profit or loss in subsequent periods, before tax		**(1,872)**	**(3,651)**
Other comprohensive income before tax		**(3,247)**	**(4,393)**
Income tax effect from components of other comprehensive income not being reclassified to profit or loss in subsequent periods:			
Income tax effect on actuarial gains (losses) on defined benefit plans	20.c	371	148
Income tax effect of other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Income tax effect on cash flow hedges	20.c	513	(545)
Income tax from components of other comprehensive income		**884**	**(397)**
Other comprehensive income, net of tax		**(2,363)**	**(4,790)**
Total other comprehensive income, net of tax		**4,606**	**46,746**
Attributable to:			
Equity holder of the parent		4,606	46,746
Non-controlling interests		-	-
Total other comprehensive income, net of tax		**4,606**	**46,746**

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Colbún S.A. and Subsidiaries

Interim Classified Consolidated Statements of Financial Position
As of March 31, 2015 (unaudited) and as of December 31, 2014
(In thousands of US dollars – ThUS$)

CASH FLOW STATEMENTS - DIRECT METHOD	Note N°	March 31, 2015 ThUS$	March 31, 2014 ThUS$
Cash flow provided by (used in) operating activities			
Proceeds			
Proceeds provided by sale of goods and providing services		353,743	402,749
Receivables from contracts held for dealing or trading purposes		435,430	-
Receipts from premiums and benefits, annuities and other income from insurance polices		76	1,703
Other receipts provided by operating activities		3,548	2,039
Payments			
Payments to suppliers for supplying goods and services		(219,082)	(263,423)
Payments from contracts held for dealing or trading		(117,609)	-
Payments to and on account of employees		(19,807)	(20,755)
Payments for premiums and claims, annuities and other obligations from underwritten policies		(27,699)	(25,732)
Other payments		(7,533)	(7,313)
Net cash flows provided by (used in) operating activities		**401,067**	**89,268**
Interest received		954	1,652
Income taxes refunded (paid)		(3,210)	(1,810)
Other cash inflows (outflows)		(3,741)	(5,972)
Net cash flows provided by (used in) operating activities		**395,070**	**83,138**
Cash flows provided by (used in) investing activities			
Other payments to acquire equity in joint ventures	15.a	(2,772)	(4,731)
Additions to property, plant and equipment		(23,532)	(43,296)
Net cash flows (used in) investing activities		**(26,304)**	**(48,027)**
Cash flows provided by (used in) financing activities			
Loan payments		-	(64,047)
Dividends payments		(41,108)	-
Interests payments		(26,250)	(19,021)
Net cash flows provided by (used in) financing activities		**(67,358)**	**(83,068)**
Net increase (decrease) in cash and cash equivalents, before the effect of exchange rate differences		**301,408**	**(47,957)**
Effects of exchange rate differences on cash and cash equivalents			
Effects of changes in foreign exchange rate on cash and cash equivalents		355	(4,149)
Net increase (decrease) in cash and cash equivalents		**301,763**	**(52,106)**
Cash and cash equivalents at beginning of period		254,090	260,453
Cash and cash equivalents at end of period	7	**555,853**	**208,347**

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Colbún S.A. and Subsidiaries
Interim Classified Consolidated Statements of Financial Position
As of March 31, 2015 (unaudited) and as of December 31, 2014
(In thousands of US dollars – ThUS$)

Statements of changes in net equity	Note	Attributable to equity holders of the parent									Total Equity ThUS$
				Other reserves							
		Issued capital ThUS$	Share premiums ThUS$	Exchange difference on translation reserve ThUS$	Cash flow hedges reserve ThUS$	Actuarial gains / (loss) reserve ThUS$	Other reserves ThUS$	Total Other reservers ThUS$	Retained earnings ThUS$	Attributable to equity holders of the pareny ThUS$	
Beginning balance as of 01/01/2015		1,282,793	52,595	(262,416)	(9,094)	-	989,403	717,893	1,307,276	3,360,557	3,360,557
Changes in Equity											
Comprehensive income (loss)											
Profit (loss)									6,969	6,969	6,969
Other comprehensive income				(1,565)	206	(1,004)	-	(2,363)		(2,363)	(2,363)
Dividends									-	-	-
Increase (decrease) due to transfers and other changes		-	-	-	-	1,004	(136)	868	(2,404)	(1,536)	(1,536)
Total changes in equity		**-**	**-**	**(1,565)**	**206**	**-**	**(136)**	**(1,495)**	**4,565**	**3,070**	**3,070**
Ending balance as of 03.31.2015	**25**	**1,282,793**	**52,595**	**(263,981)**	**(8,888)**	**-**	**989,267**	**716,398**	**1,311,841**	**3,363,627**	**3,363,627**

Statements of changes in net equity	Note	Attributable to equity holders of the parent									Total Equity ThUS$
				Other reserves							
		Issued capital ThUS$	Share premiums ThUS$	Exchange difference on translation reserve ThUS$	Cash flow hedges reserve ThUS$	Actuarial gains / (loss) reserve ThUS$	Other reserves ThUS$	Total Other resevers ThUS$	Retained earnings ThUS$	Attributable to equity holders of the pareny ThUS$	
Beginning balance as of 01/01/2014		1,282,793	52,595	(243,485)	(6,572)	-	989,823	739,766	1,481,152	3,556,306	3,556,306
Comprehensive income (loss)											
Profit (loss)									51,536	51,536	51,536
Other comprehensive income				(6,374)	2,178	(594)	-	(4,790)		(4,790)	(4,790)
Dividends									-	-	-
Increase (decrease) due to transfers and other changes		-	-	-	-	594	(128)	466	(594)	(128)	(128)
Total changes in equity		**-**	**-**	**(6,374)**	**2,178**	**-**	**(128)**	**(4,324)**	**50,942**	**46,618**	**46,618**
Ending balance as of 03.31.2014	**25**	**1,282,793**	**52,595**	**(249,859)**	**(4,394)**	**-**	**989,695**	**735,442**	**1,532,094**	**3,602,924**	**3,602,924**

The accompanying notes form an integral part of these interim consolidated financial statements

COLBÚN S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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COLBÚN S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of US dollars – ThUS$)

1. General information

Colbún S.A. was formed by public deed dated April 30, 1986, signed in Santiago by Public Notary, Mr. Mario Baros G., and is registered in the Commercial Registry of the Talca Real Estate Register, on sheet 86, on May 30, 1986. The Company's taxpayer number is 96.505.760-9.

The Company is registered as a public company in the Securities Registry under 0295, as of September 1, 1986 and therefore is subject to the supervision of the Superintendency of Securities and Insurance ("SVS").

Colbún is an electric energy generating company, which as of March 31, 2015 is the ultimate parent company of the group (hereinafter, the "Company" or "Colbún"), composed of eight companies: Colbún S.A., and seven subsidiaries.

The commercial domicile of Colbún is Avenida Apoquindo 4775, 11th Floor, Las Condes, Santiago, Chile.

The Company's line of business is generation, transportation and distribution of electricity and power capacity, as explained in Note 2.

The Company is directly controlled by Minera Valparaíso S.A. and indirectly through its subsidiaries Forestal Cominco S.A. and Inversiones Coillanca Ltda. Control is exercised by the majority shareholder and an agreement that ensures the majority on the Colbún S.A. Board of Directors.

Minera Valparaíso S.A. is a publicly traded company owned by a corporate group (Matte Group) with investments in the electrical, financial, forestry, real estate, telecommunications and port sectors. It is controlled indirectly by the people, in the manner and share stated below, who are all members of the Larraín Matte, Matte Capdevila and Matte Izquierdo families:

Patricia Matte Larraín, National I.D. No. 4.333.299-6 (6.49%) and her children, María Patricia Larraín Matte, National I.D. No. 9.000.338-0 (2.56%); María Magdalena Larraín Matte, National I.D. No. 6.376.977-0 (2.56%); Jorge Bernardo Larraín Matte, National I.D. No. 7.025.583-9 (2.56%), and Jorge Gabriel Larraín Matte, National I.D. No. 10.031.620-K (2.56%).

Eliodoro Matte Larraín, National I.D. No. 4.336.502-2 (7.21%) and his children, Eliodoro Matte Capdevila, National I.D. No. 13.921.597-4 (3.27%); Jorge Matte Capdevila, National I.D. No. 14.169.037-K (3.27%), and María del Pilar Matte Capdevila, National I.D. No. 15. 959.356-8 (3.27%).

Bernardo Matte Larraín, National I.D. No. 6.598.728-7 (7.79%) and his children, Bernardo Matte Izquierdo, National I.D. No. 15.637.711-2 (3.44%); Sofía Matte Izquierdo, National I.D. No. 16.095.796-4 (3.44%), and Francisco Matte Izquierdo, National I.D. No. 16.612.252-K (3.44%).

2. Business description

Purpose of the Company

The Company's line of business is to produce, transport, distribute and supply energy and power capacity. It also obtains, acquires and exploits concessions. Likewise it is empowered to transport, distribute, supply and commercialize natural gas for sale to industrial or generating processes. It can provide advisories in the field of engineering both domestically and abroad.

Main assets

Generating assets are composed of hydraulic power plants (reservoir and run-of-the-river) and of coal and diesel thermoelectric plants (combined cycle and open cycle), which altogether contribute maximum capacity of 3,278 MW to the Central Interconnected System (SIC) ("Sistema Interconectado Central").

Hydroelectric power plants cumulatively reach the capacity of 1,589 MW which are distributed in 16 power plants: Colbún, Machicura, San Ignacio, Chiburgo and San Clemente located in the Maule Region; Rucúe, Quilleco and Angostura in the Biobío Region; Carena in the Metropolitan Region; Los Quilos, Blanco, Juncal, Juncalito, Chacabuquito and Hornitos, in the Region of Valparaíso; and Canutillar, in the Los Lagos Region. Colbún, Machicura, Canutillar and Angostura power plants have their own reservoirs, whereas the remaining hydraulic facilities correspond to run-of-the-river power plants.

Thermal power plants cumulatively reach the capacity of 1,689 MW and are distributed in the Nehuenco Complex located in the Region of Valparaíso; the Candelaria Power Plant in the O'Higgins Region; the Antilhue Power Plant in the Los Rios Region; the Power Plants Los Pinos and Santa María I located in the Biobío Region.

Commercial policy

The Company commercial policy is to reach an appropriate balance between the level of electricity sales agreements and its own capacity in terms of generation methods, with the objective of obtaining an increase and stabilization in operating margins, with an acceptable level of risk in the event of droughts. This also requires maintaining an adequate mix of thermoelectric and hydroelectric generation.

As a consequence of this policy, the Company tries to ensure that spot market sales or purchases do not reach significant volumes since the prices on the market experience significant variations which are mostly due to the hydrological conditions.

Main clients

The client´s portfolio is composed of regulated and unregulated clients:

- Regulated clients with Tendered Long-term Node Price Contracts are: Chilectra S.A., CGE Distribución S.A. for the Metropolitana Region, CGE Distribución S.A. for the O'Higgins, Maule, Biobío and La Araucanía Regions; Saesa S.A., Frontel S.A., Compañía Eléctrica de Osorno S.A., Cooperativa Eléctrica de Curicó Ltda., Compañía Distribuidora de Energía Eléctrica Codiner Ltda., Cooperativa de Consumo de Energía Eléctrica Chillán Ltda., Cooperativa Eléctrica Los Ángeles Ltda., Cooperativa Regional Eléctrica Llanquihue Ltda., Cooperativa Eléctrica Paillaco Ltda., Cooperativa Eléctrica Charrúa Ltda., Energía del Limarí S.A. and Cooperativa Rural Eléctrica Río Bueno Ltda.

- Conafe S.A., which is a regulated client with a short-term Node Price contract.

- Unregulated clients are: Anglo American Sur S.A. (formerly Compañía Minera Disputada de Las Condes Ltda.) for its Los Bronces/Las Tórtolas sites; unregulated clients associated with Chilectra S.A. (Aguas Andinas S.A. La Farfana Plant, located in the Metropolitan Region) and Codelco for the divisions Salvador, Andina, Ventanas and El Teniente.

Additionally, as a consequence of the financial insolvency of Campanario Generación S.A., the Superintendency of Electricity and Fuel (SEC) ("Superintendencia de Electricidad y Combustibles") issued an Exempt Resolution No. 2,288 dated August 26, 2011, amended by Exempt Resolution No. 239 dated February 9, 2012. The Resolution instructs all generating companies of the Central Interconnected System (SIC) to supply the consumption of regulated clients whose supply was awarded to Campanario Generación S.A. since September 1, 2011, at the prices and conditions stated in the respective tenders.

The electric market

The Chilean electric sector has a regulatory framework with almost 3 decades of operation. This has allowed the development of a very dynamic industry with a high level of participation from the private sector. The sector has been capable of satisfying growing energy demands, with average growth at a rate of 4.2% in the last 10 years whereas the GDP grew by 3% in the same period.

Chile has 4 interconnected systems and Colbún operates in the largest one, the Central Interconnected system (SIC), which extends from Taltal in the north up to the Large Island of Chiloé in the south. The consumption in this zone represents 75% of Chile's electric demand. Colbún is the second largest electric generator in the SIC by installed capacity with a market share of around 21%.

The tariff system distinguishes between different mechanisms for the short and long-term. As for the short-term tariffs, the sector is based on a marginal cost scheme, which in turn includes security criteria and efficiency in the allocation of resources. Marginal energy costs result from the operation of the electricity system in accordance with programming based on economic merit carried out by the Center for Economic Capacity Dispatch (CDEC) ("Centro de Despacho Económico de Carga") and which corresponds to the variable production cost of the most expensive unit that is operating at any given time. Power capacity remuneration is calculated on the basis of the firm capacity of the power plants, i.e. the level of capacity that the power plant can contribute to the system at peak hours, with a high level of assurance. The price of power capacity is determined as an economic signal, representative of investments in the most efficient units absorbing the demand for power capacity, at the system's peak hours.

For long-term tariff purposes, generators can have 2 types of clients: regulated and unregulated.

In compliance with Law No. 20,018 (Short Law II) that came into force on January 1, 2010, in the regulated clients market, made up of distribution companies, generators sell energy at a price resulting from public competitive tenders, denominated long-term Node Price. There are still a small number of supply contracts to regulated clients, whose price is given by the short-term Node Price. This price is calculated biannually by the National Energy Commission (CNE) as the average of marginal costs expected for the following 48 months, on the basis of assumptions of new capacity, demand growth, and cost of fuel, among others.

Unregulated clients are those that have a connected power over 2,000 kW, and freely negotiate their prices with their suppliers.

In the spot market generators trade energy and power capacity surpluses or deficits among themselves at marginal costs (at an hourly level) that result from the net commercial position of their production capacity since dispatch orders are based on the economic and exogenous merits of each generator.

The regulation allows users with connected power between 500 KW and 2,000 KW, to opt for an unregulated or regulated price regime, with a minimum period of permanence of four years in each regime.

To inject its electricity to the system and supply energy and electric power capacity to its clients, Colbún uses its own and third party transmission facilities, in compliance with the existing electric legislation.

In order to determine the rates, the legislation establishes the following concepts: Trunk Transmission Systems, Subtransmission and Additional.

3. Summary of significant accounting policies

3.1 Accounting principles

These interim consolidated financial statements for the period ended March 31, 2015 have been prepared in accordance with financial reporting standards, as issued by the Superintetendecia de Valores y Seguros (herein after "SVS"), that are in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board (hereinafter the "IASB") except for the disposition in the Oficio Circular N° 856 issued by the Superintendencia de Valores y Seguros mentioned in the following paragraph.
The Oficio Circular N°856 issued by the SVS on October 17, 2014 sets forth a temporary exception to IAS 12 to account for the effect on deferred tax assets and liabilities arising from the first category tax rate increase as a consequence of the Law 27,780 (Tax reform), published in the Official Bulletin on September 29, 2014. To this extent, the SVS resolved that the differences in deferred tax assets and liabilities should be accounted against equity.

These interim consolidated financial statements have been prepared based on the ability to continue as an ongoing company and have been approved by its Board of Directors at the meeting held on April 28, 2015.

The following are the accounting principles adopted in the preparation of these interim consolidated financial statements. These policies have been defined in compliance with the financial reporting standards issued by the SVS as of March 31, 2015, applied in a uniform manner to all periods presented in these interim consolidated financial statements.

a. Basis of preparation and period covered – These interim consolidated financial statements of Colbún S.A. comprise the Statements of Financial Position as of March 31,2015 and December 31, 2014, the Statements of Comprehensive Income, of Changes in Net Equity and of Cash Flows for the period ended as of March 31,2015 and 2014 and the explanatory notes.

The Company is responsible for the information contained in these interim consolidated financial statements.

The interim consolidated financial statements have been prepared using historical cost criteria, with the exception (in accordance with financial reporting standards issued by the SVS) of assets and liabilities that are recorded at fair value (Note 3.h and 3.i).

a.1 Functional currency

The functional currency is the US dollar as this is the currency that mainly influences sales prices for goods and services used in the main economic context in which the Company operates. All the information is presented in thousands of US dollars, unless indicated otherwise

b. Basis of consolidation – The interim consolidated financial statements include the financial statements of the Parent Company and those of the companies controlled by the Company (subsidiaries).

It establishes control as the basis for determining which entities are consolidated in the intermediate consolidated financial statements.

Subsidiaries companies are those that Colbún S.A. is exposed to, or has rights to the variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are detailed as follows:

Subsidiary	Country	Functional currency	Taxpayer number	Percentage of interest as of				
				03.31.2015			03.31.2014	12.31.2014
				Direct	Indirect	Total	Total	Total
Empresa Eléctrica Industrial S.A.	Chile	Us Dollar	96.854.000-9	99.9999	-	99.9999	99.9999	99.9999
Colbún International Limited (1)	Islas Caimán	Us Dollar	0-E	-	-	-	99.9999	99.9999
Sociedad Hidroeléctrica Melocotón Ltda.	Chile	Us Dollar	86.856.100-9	99.9000	0.1000	100	100	100
Río Tranquilo S.A.	Chile	Us Dollar	76.293.900-2	99.9999	0.0001	100	100	100
Termoeléctrica Nehuenco S.A.	Chile	Us Dollar	76.528.870-3	99.9999	0.0001	100	100	100
Termoeléctrica Antilhue S.A.	Chile	Us Dollar	76.009.904-K	99.9999	0.0001	100	100	100
Colbún Transmisión S.A.	Chile	Us Dollar	76.218.856-2	99.9999	0.0001	100	100	100
Colbún Desarrollo S.P.A. (2)	Chile	Us Dollar	76.442.095-0	100	-	100	-	-

(1) On March 31, 2015 Colbún International Limited was dissolved.
(2) On March 18, 2015, Colbún Desarrollo S.P.A. was established with a capital of ThUS$ 160. The company is a direct, wholly-owned subsidiary of Colbún S.A.

All significant intercompany transactions and balances have been eliminated upon consolidation and non-controlling interests corresponding to third party interests in subsidiaries have been recognized and are incorporated in a separate manner in Colbún's consolidated equity.

b.1 Special purpose entities

On May 17, 2010, in accordance with D.E. No. 3,024, the Ministry of Justice provided legal status to "Fundación Colbún" and approved its bylaws. The fundamental objectives of the foundation include:

Promoting, encouraging and supporting all types of work and activities aimed to perfect and improve the living standards of the sectors of the population with the greatest needs.

Research, development and spread of culture and arts. The Foundation can participate in the formation, organization, management and support of all entities, institutions, associations, companies and organizations, both public and private, which pursue similar goals.

The Foundation shall support all entities whose purpose is the dissemination, investigation, encouragement and development of culture and the arts.

The Foundation can finance the acquisition of real estate, equipment, furniture, laboratories, classrooms, museums and libraries, finance readjustment of infrastructure to support academic training. In addition, it can finance development of research, develop and implement instruction programs, provide development training or coaching and finance the edition and distribution of books, leaflets and any type of publication.

As of March 31, 2015, Colbún and subsidiaries provided ThUS$ 472 to the Foundation for compliance of its objectives, an amount that has been included in the Company's interim consolidated financial statements.

c. Investments accounted by using the equity method – Corresponds to the participation in companies over which Colbun exercises joint control with another company or in which it has significant influence.

The equity method consists of recording the participation by the fraction of net equity represented by the Company's interest over the adjusted capital of the investee.

If the resulting amount is negative, the participation would be recorded at zero unless there is a commitment from the Company to restore the subsidiary's equity situation, in which case the corresponding accrual is recorded.

Dividends received from these companies are recorded reducing the value of the interest and profits (losses) obtained by these companies corresponding to Colbún based on its interest are incorporated, net of their tax effects to the Statement of Comprehensive Income account "Participation in the profits (losses) of associates and joint ventures accounted for using the equity method".

Companies accounted for using the equity method are detailed as follows:

Type of relation	Associated company	Country	Functional currency	Taxpayer number	Percentage of interest as of		
					03.31.2015	03.31.2014	12.31.2014
					Direct	Direct	Direct
Associated	Electrogas S.A.	Chile	Us Dollar	96.806.130-5	42.5	42.5	42.5
Joint venture	Centrales Hidroeléctricas de Aysén S.A.	Chile	Chilean peso	76.652.400-1	49.0	49.0	49.0
Joint venture	Transmisora Eléctrica de Quillota Ltda.	Chile	Chilean peso	77.017.930-0	50.0	50.0	50.0

c.1 Investments in associated entities

Associate entities are entities in which the Company has significant influence, but not control over the financial and operating policies. It is assumed that there is significant influence when the Company has between 20% and 50% of the voting rights of the other entity.

c.2 Jointly controlled entities

Are entities in which the Company has joint control over their activities, established by means of contractual agreements and that unanimous consent is required for making strategic financial and operating decisions.

d. Effects of variations in foreign currency exchange rates – Transactions in local and foreign currency, other than the functional currency, are converted to the functional currency using exchange rates from the transaction dates.

Loss and profits in foreign currency resulting from liquidation of these transactions and from the conversion of monetary assets and liabilities denominated in currencies other than the functional currency at closing exchange rates are recognized in the Statement of Comprehensive Income, except for when they are deferred in net equity as cash flow hedges and net investment hedges. Likewise, the conversion of accounts receivable or payable as of each closing date is performed with the closing exchange rate during consolidation. Valuation differences produced are recorded as "Exchange rate differences" in the Statement of Comprehensive Income.

e. Basis of conversion – Assets and liabilities in Chilean pesos, Euros and UF (Unidades de Fomento – a Chilean peso-dominated inflation-indexed monetary unit) have been converted into US Dollars at the exchange rates as of the closing date of the financial statements, detailed as follows:

Equivalency per one US Dollar	03.31.2015	03.31.2014	12.31.2014
Chilean Pesos	626.58	551.18	606.75
Euros	0.9314	0.7261	0.8221
UF	0.0254	0.0233	0.0246

f. Property, plant and equipment - Property, plant and equipment items are those used in the generation of electricity services or for management purposes and are recorded at cost, net of accumulated depreciation and impairment, if applicable. The cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to operate as intended. This cost includes, among other, the following concepts as provided by IFRS:

- Financial cost of loans destined to finance the work in progress; this is capitalized during the construction period.

- Employee expenses related directly to work in progress.

- Expansion, modernization or improvement costs that represent an increase in productivity, capacity or efficiency or an increase in the useful lives of the assets are capitalized as higher cost of the corresponding assets.

- Substitutions or renewals of complete elements that increase the useful lives of the asset or their economic capacity are recorded as higher value of property, plant and equipment, with the consequent accounting withdrawal of the substituted or renovated elements.
- The costs of decommissioning, withdrawing or rehabilitating property, plant and equipment are based on the contractual obligation of each project (see Note 23.c).

Work in progress is transferred to operational fixed assets once the testing period is ended, moment at which their depreciation begins.

Periodic maintenance expenses, conservation and repairs are accounted for in the statement of comprehensive income in the period in which they are incurred.

Property, plant and equipment items, net of their residual value are depreciated using the straight-line method distributing the cost of the different elements that compose the asset over their estimated technical useful lives (Note 5.a.(i)).

The residual value and useful lives of assets are reviewed and adjusted as necessary, as of each Statement of Financial Position closing date.

g. Intangibles other than goodwill – Intangibles other than goodwill correspond to easements and rights acquired for the construction and operation of power plants, in addition to software purchased from others, which is valued using the historical cost criteria.

After initial recognition, intangible assets are carried at cost less any accumulated depreciation and any accumulated impairment losses (see note 5.b).

h. Financial instruments

h.1. Financial assets – Financial assets are classified into the following categories:

a) Loans and accounts receivable.
b) Financial assets held to maturity.
c) Financial assets at fair value through profit and loss.
d) Available-for-sale financial assets.

Classification depends on the nature and purpose of financial assets and is determined at the initial recognition.

h.1.1 Loans and accounts receivable – Loans and accounts receivable are recorded at amortized cost which equals to the fair value of the consideration received at the initial recognition less accumulated depreciation (calculated using effective interest rate method) and are classified as current assets, except for those expiring more than 12 months from the date of the Statement of Financial Position which are classified as non-current assets. Trade and other accounts receivables, accounts receivable from related parties are classified in Loans and accounts receivable.

The effective interest rate method corresponds to the method for calculating the amortized cost of a financial asset and the allocation of interest income within the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash flows receivable (including all charges on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the financial asset.

h.1.2 Investments held to maturity – are investments in which the Company has the intention and capacity to hold the investment to maturity, and which are also accounted at their amortized cost. In general investments in instruments such as Fixed Time Deposits are recognized in this category.

h.1.3 Financial assets recorded at fair value through profit and loss – Financial assets recorded at fair value through profit and loss include the trading portfolio and financial assets that are managed and evaluated using the fair value criteria. Changes in value are recorded directly in the Statement of Comprehensive Income when they occur. Investments in current Mutual Funds are recognized in this category.

h.1.4 Available-for-sale investments – correspond to the rest of investments assigned specifically as available for sale or those that do not qualify for any of the previous three categories. These investments are recorded at their fair value when it is possible to determine this in a reliable manner.

h.1.5 Derecognition financial assets – The Company only derecognizes financial assets when the rights to receive cash flows have been cancelled, annulled, expire or have been transferred.

h.1.6 Impairment of financial assets – Financial assets other than those valued at fair value through profit and loss are evaluated as of the date of the Statement of Financial Position to establish the presence of impairment indicators. Financial assets are impaired when there is objective evidence that the estimated future cash flows of the investment have been affected as a result of one or more events occurred after initial recognition.

The existence of significant financial difficulties on the part of the debtor, the probability that the debtor will declare bankruptcy or a financial reorganization and default or delay in payments, are considered indicators that the accounts receivable has been impaired. The value of the provision is the difference between the book value of the asset and the current value of estimated future cash flows, discounted at the effective interest rate. The loss is recognized in the Statement of Comprehensive Income.

When an account receivable finally becomes uncollectable (all reasonable pre-judicial and judicial collection instances have been exhausted, based on the respective legal regulations) and their financial write-off is applicable, it is regularized against the allowance established for impaired accounts receivable.

When the fair value of an asset is lower than its acquisition cost and there is objective evidence that the asset has suffered impairment that cannot be considered temporary, the difference is recorded directly in losses for the year.

In the case of instruments classified as available for sale, to determine whether they have suffered impairment losses, the Company considers if there has been a significant or prolonged decrease in the fair value of the instrument below cost. Should there be any evidence of this type for financial assets available for sale, the accumulated loss determined as the difference between the cost of acquisition and the current fair value, less any impairment loss in this financial asset previously recognized in Other Comprehensive Income is eliminated from other reserves and recognized in the Statement of Comprehensive Income. Impairment losses recognized in the Statement of Comprehensive Income statement on equity instruments are not reversed.

It is not required to test financial assets at fair value through profit and loss for impairment.

Considering that, as of March 31, 2015, all the Company's financial investments have been made in institutions of the highest credit quality and they mature in the short-term (less than 60 days), impairment tests indicate that there is no observable impairment.

h.2. Financial liabilities

h.2.1 Classification as debt or equity – Debt and equity instruments are classified as either financial liabilities or equity, depending on the substance of the contractual agreement.

h.2.2 Equity instruments – An equity instrument is any contract that manifests a residual interest in the entity's assets once all its liabilities have been deducted. Equity instruments issued by Colbún S.A. are recorded when the compensation is received, net of direct issuance costs. To the moment, the Parent Company has only issued single series shares.

h.2.3 Financial liabilities – Financial liabilities are classified either as financial liabilities at 'fair value through income' or as 'other financial liabilities'.

h.2.4 Financial liabilities at fair value through profit or loss – Financial liabilities are classified at fair value through profit or loss when they are held for trading or designated at fair value through the Statement of Comprehensive Income.

h.2.5 Other financial liabilities - Other financial liabilities, including loans, are initially valued for the effective amount received, net of transaction costs. Other financial liabilities are subsequently valued at amortized cost by using the effective interest rate method.

The effective interest rate method corresponds to the method of calculating the amortized cost of a financial liability and the allocation of interest expenses during the entire corresponding period. The effective interest rate corresponds to the rate that exactly discounts estimated future cash flows payable during the expected life of the financial liability or, when applicable, a shorter period when the associated liability has a prepayment option that is believed will be exercised.

h.2.6 Derecognition of financial liabilities – The Company only derecognizes, financial liabilities when the obligations are paid, void or expired.

i. Derivatives – Derivative contracts are signed by the company to mitigate the risks of changes in interest rates, exchange rates and the price of fuels.

The effects that arise as a result of changes in the fair value of these instruments at the date of the interim consolidated financial statements are recorded in the Statement of Comprehensive Income, to the extent that they have been designated as a hedging instrument for accounting purposes and all requirements to apply IFRS hedge accounting are met.

Hedges are classified in the following categories:

- Fair value hedges: hedge from exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments that can be attributed to a particular risk. For this type of hedge, both the value of the hedge instrument and the hedged element are recorded in the Statement of Comprehensive Income netting both effects in the same heading.

- Cash flow hedges: hedge from exposure to changes in cash flows that (i) are attributed to a particular risk associated to a recognized asset or liability or to a highly probable foreseen transaction. Changes in the fair value of derivatives are recorded, for the part of those hedges that are effective, in the Total Equity reserve called "Cash Flow Hedge Hedges". The accumulated deficit or profit in that heading is transferred to the Statement of Comprehensive Income to the extent that the underlying has an impact on the Statement of Comprehensive Income due to the risk hedged, netting that effect in the same heading. Profits (losses) from the ineffective part of hedges are recorded directly in the Statement of Comprehensive Income.

A hedge is considered highly effective when changes in the fair value or in cash flows of the underlying attributable to the risk hedged, are offset with changes in fair value or in effective cash flows of the hedge instrument, with effectiveness in the range of 80% - 125%. The Company designates certain derivatives as hedge instruments of recognized assets or liabilities or firm commitments (fair value hedge instruments), hedge instruments on highly probable foreseen transactions or exchange rate risk hedge instruments on firm commitments (cash flows hedge instruments), or hedge instruments on net investments in foreign operations.

In this respect, all derivatives have been designated as hedge accounting.

j. Inventory – Inventory includes petroleum and coal stocks, which are valued at weighted average price, and inventory in warehouse (spare parts) and in transit that are valued at cost, net of any obsolescence allowance, calculated at the end of each year.

j.1 Criteria to calculate obsolescence allowance on spare parts – The estimation of the spare parts that are obsolete is based on an item by item basis and general analysis that is perfomed by the company's technical personnel, who assessed the rotation and technological obsolescence of the spare parts stock at each plant.

k. Statement of cash flows – the Company has determined the following considerations for the purpose of preparing the Statement of Cash Flows:

Cash and cash equivalents includes cash, time deposits with credit entities and other current money market investments with 3-month original maturities. In the Statement of Financial Position, bank overdrafts are classified as current liabilities.

Operating activities: correspond to the activities that constitute the Company's main source of ordinary income, as well as other activities that cannot be qualified as investing or financing.

Investing activities: correspond to activities involving acquisition, alienation or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.

Financing activities: correspond to activities that produce changes in the size and composition of net equity and of liabilities of a financial segment.

l. Income taxes – the Company and its subsidiaries determine the taxable income and calculate their income taxes in compliance with the valid legal provisions for each period.

Deferred taxes arising from temporary differences and other events that create differences between the accounting and tax base of assets and liabilities are recorded in accordance with the standards established in IAS 12 "Income taxes".

Corporate taxes are recorded in the Statement of Comprehensive Income or Other Comprehensive Income of the consolidated statement of financial position depending on where the profits or losses that originate them were recorded. Differences between the accounting value of assets and liabilities and their tax base generate balances of deferred tax assets or liabilities that are calculated using the tax rates expected to be effective when the assets and liabilities are realized.

Variances produced during the period in deferred tax assets or liabilities are recorded in the profits account on the consolidated Comprehensive Income Statement or in the categories of total equity in the Statement of Financial Position, based on where profits or losses generated have been recorded.

As an exception to the rule previously described, on October 17, 2014 the Superintendencia de Valores y Seguros under its authority issued Circular No. 856 instructing entities under its supervision, to record the differences in assets and liabilities for deferred tax assets or liabilities arising as a direct effect of the changes in the tax rates introduced by Law 20.780 that was issued on September 29, 2014, against equity (retained earnings).

Deferred tax assets are only recognized when it is expected that there will be sufficient taxable net income to recover deductions due to temporary differences.

Non-monetary taxable assets and liabilities are determined in Chilean Pesos and are converted to the functional currency of Colbún and its subsidiaries at the exchange rate indicated for each period closing date. Changes in the exchange rate result in temporary differences.

Each accounting close deferred tax assets and liabilities are recorded in order to verify that they are still current, making timely corrections in accordance with the results of the mentioned analysis.

A level of accounts in the consolidated interim statement of financial position has been clearing assets and deferred tax liabilities of the subsidiaries if, and only if, they relate to the tax corresponding to the same income tax administration, provided that the entity has a legally enforceable set off the current tax assets with current tax liabilities law.

m. Severance Benefits– obligations recognized for the concept of termination benefits at any event arise as a consequence of agreements of a collective nature signed with the Company's employees, which establish the Company's commitment. The Company recognizes the cost of employee benefits in accordance with an actuarial calculation as required by IAS 19 "Employee Benefits", which includes variables such as life expectancy, salary increases, etc.

The amount of net actuarial liabilities accrued as of the end of the period is shown under the heading "Provisions for employee benefits" of non-current liabilities in the Interim Consolidated Statement of Financial Position.

The Company recognizes all actuarial profits or losses arising from the valuation of defined benefits plans in other comprehensive income, whereas costs related to benefit plans are recorded under employee expenses in the Statement of Comprehensive Income.

n. Provisions – obligations existing as of the date of the Statement of Financial Position, arising as a consequence of past events which can probably affect the Company equity and whose amount and time of payment can be reliably estimated are recorded as provisions for the current value of the most probable estimated amount that the Company will have to disburse to pay the obligation.

Provisions are reviewed periodically and are quantified considering the best information available as of the consolidated financial statements closing date.

n.1 Restructuring – a restructuring provision is recognized when the Company has approved a detailed and formal restructuring plan, and the restructure as such has already begun or has been publicly announced. Future operating costs are not provisioned.

n.2 Vacations – The expense related to the personnel vacations is recorded in the Statement of Comprehensive Income when the employee acquires the right to it in compliance with IAS 19.

o. Recognition of income - income from the sale of electric energy is valued at the fair value of the amount received or to be received and represents the amounts for the services rendered during normal commercial activities, reduced by any related tax or discount.

The following is a description of the revenue recognition policies for each type of client:

- Regulated clients - distribution companies: income sale of energy and power capacity is recorded on the basis of physical delivery, in conformity with its long-term contracts at a tendered price in accordance with Law No. 20,018 of 2005 or at a regulated price stipulated by the National Energy Commission (CNE), when applicable.
- Unregulated clients – connected capacity greater than 2,000 KW: Income sale of energy and power capacity for these clients is recorded on the basis of physical delivery at the rates specified in the respective contracts.
- Spot market clients: Income sale of energy and power capacity are recorded on the basis of physical delivery to other generating companies, at the marginal cost. By law the spot market is organized and coordinated through the "Centro Económico de Despacho de Carga" (CDEC), which generation companies together with transmission, distribution companies and large unregulated clients belong to and is where the surplus or deficit of energy and power capacity is commercialized. Surplus energy and power capacity is recorded as income and deficits are recorded as expenses in the Consolidated Statement of Comprehensive Income.

When goods or services are exchanged for other goods or services of a similar nature and value, the exchange is not considered to be a transaction that generates income.

In addition, any tax received from clients and sent to the government authorities (for example VAT, sales tax or duties, etc.) is recorded on a net basis and therefore is excluded from income in the Consolidated Statement of Comprehensive Income.

p. Dividends - Article 79 of the Companies Law establishes that, unless there is another agreement adopted at an Ordinary Shareholders' Meeting, by unanimity of shares issued, publicly traded stock companies must distribute annually at least 30% of distributable net income for the year as cash dividends to their shareholders, prorated to their shares or in the proportion established in the bylaws, should there be preferred shares, except when accumulated deficit from previous years must be absorbed.

As of each year-end the amount of the obligation with shareholders is determined, net of dividends that have been approved during the year and are recorded under "Trade and Other Accounts Payable" or under "Accounts Payable to Related Entities", as applicable, with a charge to Net Equity.

Provisional and final dividends are recorded as lower equity when they are approved by the competent body, which in first case is generally the Company's Board of Directors, and in second it is the responsibility of the Ordinary Shareholders' Meeting.

q. Environment – in the event of environmental liabilities, they are recorded on the basis of the current interpretation of environmental laws and regulations, when it is probable that a real obligation will be produced and the amount of that liability can be reliably calculated.

Investments in infrastructure destined to complying with environmental requirements are capitalized following the general accounting criteria for property, plant and equipment.

r. Classification of balances as current and non-current - in the Interim Consolidated Statement of Financial Position, balances are classified based on their expiration, i.e. as current those expiring in twelve months or less and as non-current those expiring in excess of that period.

s. Leases –The Company applies IFRIC 4 to assess whether an agreement is or contains a lease. Leases in which substantially all risks and benefits inherent to ownership are transferred, are classified as financial leases. All other leases are classified as operating leases.

Financial leases in which Colbún S.A. and subsidiaries act as lessee are recognized at the beginning of the contract. They record an asset based on its nature and a liability for the same amount and equal to the fair value of the leased asset or else at the present value of minimum payment of the lease should be lower. Subsequently, minimum lease payments are divided between the finance cost and reduction of the debt. The finance cost is recognized as an expense and distributed over the term of the lease in order to obtain a constant interest rate in each year on the balance of the debt pending amortization. The asset is depreciated under the same terms as the rest of similar depreciable assets, should there be reasonable certainty that the lessee will acquire ownership of the asset at the end of the lease. If such certainty does not exist, the asset is depreciated over the useful life of the asset or over the term of the lease, whichever is shorter.

Operating lease installments are recognized as an expense using the straight-line method over the term of the lease, unless another systematic distribution basis is more representative.

t. Operations with related parties - Operations between the Parent Company and its dependent subsidiaries or between subsidiaries, known as related parties, are part of the Company's regular transactions in terms of its purpose and conditions, and are eliminated in the consolidation process. The identification of the relationship between the Parent Company, Subsidiary and Associates is described in note 3.1.b.

All related party transactions are carried out under market terms and conditions.

u. Government grants - Government subsidies are measured at the fair value of the asset received or to be received. A subsidy without specific future performance conditions is recognized as income when the amounts obtained from the subsidy are received. A subsidy that imposes specific future performance conditions is recognized as income when such conditions are fulfilled.

Government subsidies are presented separately from the assets to which they are related. Government subsidies recognized as income are presented separately in the notes. Government subsidies received before the income criteria are fulfilled are presented as a separate liability in the statement of financial position.

No amount whatsoever is recognized for government assistance to which fair value cannot be assigned. However, if it exists, the entity must disclose information regarding that assistance.

3.2 New accounting pronouncements

The following new Standards and Interpretations have been issued, but their application date is not yet effective:

New IFRS	Date of mandatory application
IFRS 9, Financial Instruments	January 1, 2018
IFRS 14, Regulated Deferral Accounts	January 1, 2016
IFRS 15, Revenue from contracts with customers	January 1, 2017

IFRS 9 "Financial Instruments"

In July 2014 it was issued the final version of IFRS 9 Financial Instruments, gathering all phases of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement. This standard includes new requirements based on principles for the classification and measurement, introduces a "more forward" model of expected accounting impairment substantially reformed and focus hedge accounting for credit losses. The institutions also have the option of applying in advance accounting gains and losses from changes in fair value related to the "own credit risk" to financial liabilities designated at fair value through profit or loss, without using the other requirements of IFRS 9.The standard is mandatory for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

IFRS 14 "Regulated Deferral Accounts"

Issued in January 2014, is an standard that aims to improve the comparability of financial information from entities that are involved in activities with regulated prices. Many countries have industries that are subject to price regulation (eg gas, water and electricity), which can have a significant impact on the recognition (timing and amount) of income of the entity. This standard allows entities adopting IFRS for the first time continue to recognize amounts related to price regulation under the previous GAAP requirements, however, by showing them apart. An entity that presents financial statements under IFRS should not implement this standard. Its application is effective starting on January 1, 2016 and early adoption is permitted.

IFRS 15 "Revenue from contracts with customers"

It is a new standard that is applicable to all contracts with customers except leases, financial instruments and insurance contracts. It is a joint project with the FASB to eliminate differences in the recognition of income between IFRS and US-GAAP. This new standard is intended to improve the inconsistencies and weaknesses of IAS 18 and provide a model that will facilitate the comparability of companies from different industries and regions. It provides a new model for recognizing revenue and more detailed requirements for contracts with multiple elements. It also requires more detailed disclosures. Application is effective starting on January 1, 2017 and early adoption is permitted.

Improvements and modifications	Date of mandatory application
IAS 19, Employee benefits	January 1, 2016
IAS 16, Property, plant and equipment	January 1, 2016
IAS 38, Intangible assets	January 1, 2016
IAS 41, Agriculture	January 1, 2016
IFRS 11, Joint controls	January 1, 2016
IAS 27, Separate Financial Statements	January 1, 2016
IAS 28, Investment in associates and Joint Ventures	January 1, 2016
IFRS 10, Consolidated Financial Statements	January 1, 2016
IFRS 5, Non-current assets held for sale and discontinued operations	January 1, 2016
IFRS 7, Financial instruments: disclosures	January 1, 2016
IAS 34, Interim financial information	January 1, 2016

IFRS 12, Disclosures of interests in other entities	January 1, 2016
IAS 1, Presentation of financial statements	January 1, 2016

IAS 19 “Employee Benefits”

"Annual Improvements 2012-2014 cycle" issued in September 2014, clarifies that the depth of the market for corporate bonds of high credit quality is evaluated based on the currency in which the obligation is denominated, rather than the country where it is obligation. Where there is no deep market for such bonds in that currency, bonds issued by government in the same currency and deadlines it will be used. The amendments will become mandatory for annual periods beginning from 1 January 2016. Earlier application is permitted.

IAS 16 "Property, Plant and Equipment", IAS 38 "Intangible Assets"

IAS 16 and IAS 38 establish the core principle of depreciation and amortization to be the expected pattern of consumption of the future economic benefits of an asset. In its amendments to IAS 16 and IAS 38 published in May 2014, the IASB clarified that the use of income-based methods to calculate depreciation of an asset is not suitable because the income generated by an activity that involves the use of an active generally reflect factors other than consumption of the economic benefits embodied in the asset. The IASB also clarified that income generally has an inadequate basis for measuring the consumption of the future economic benefits embodied in an intangible asset. However, this presumption may be rebutted in certain limited circumstances. The amendments apply to count from 1 January 2016 Earlier application is permitted.

IAS 16 "Property, Plant and Equipment", IAS 41 "Agriculture"

The amendments to IAS 16 and IAS 41 require that the accounting treatment of host plants must be equal to property, plant and equipment, because their operations are similar to manufacturing operations. The amendments apply to count from 1 January 2016 Earlier application is permitted.

IFRS 11 "Joint Arrangements"

The amendments to IFRS 11, issued in May 2014, apply to the acquisition of an interest in a joint operation constitutes a business. The amendments clarify that the buyers of these parts must apply all the principles of accounting for business combinations IFRS 3 Business Combinations and other rules that are not in conflict with the guidelines of IFRS 11 Joint Arrangements. The amendments apply to count from 1 January 2016 Earlier application is permitted.

IAS 27 "Separate Financial Statements"

The amendments to IAS 27, issued in August 2014, reset the option of using the equity method accounting for investments in subsidiaries, joint ventures and associates in the separate financial statements. The amendments will become mandatory for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IAS 28 "Investments in Associates and Joint Ventures" IFRS 10 "Consolidated Financial Statements"

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the treatment of the sale or supply of goods between an investor and its associate or joint venture. The amendments issued in September 2014, provides that when the transaction involves a business (both when in a subsidiary or not) a gain or loss is recognized full. A gain or partial loss is recognized if the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary. The amendments will become mandatory for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

“Annual Improvements cycle 2012–2014, clarifies that if an entity reclassifies an asset (or group of assets for disposal) from held for sale directly held for distribution to owners or from held for distribution to owners directly held for sale, then the change in classification is considered a continuation of the original plan of sale. The IASB clarifies that in these cases the requirements of accounting for changes shall not apply to a sale plan. The amendments will become mandatory for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IFRS 7 "Financial Instruments: Disclosures"

“Annual Improvements cycle 2012–2014, clarifies that service agreements may constitute continuing involvement in a transferred asset for the purposes of the disclosures for transfers of financial assets. Usually this will be the case when the administrator has an interest in the future performance of financial assets transferred as a result of that contract. The amendments will become mandatory for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IAS 34 "Interim Financial Reporting"

"Annual Improvements cycle 2012-2014", issued in September 2014, clarifies that the disclosures required should be or interim financial statements and should be indicated references interim financial statements and any report containing it. The amendments will become mandatory for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 28 "Investments in Associates and Joint Ventures"

Amendments to IFRS 10, IFRS 12 and IAS 28 introduce minor clarifications about the requirements for accounting for investment companies. In addition, these amendments provide relief in certain circumstances, which will reduce the cost of implementing these standards. The amendments will become mandatory for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IAS 1 "Presentation of Financial Statements"

In December 2014 the IASB issued amendments to IAS 1 "Disclosure Initiative". The amendments to IAS 1 addresses some expressed concerns about the presentation and disclosure requirements, and ensure that entities have the ability to exercise judgment when applying IAS 1. The amendments will become mandatory for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The Company is evaluating the impact that these new standards and its amendment will have as of the date of their effective application. The management of the Company believes that there should not be significant effect on the consolidated financial statements.

3.3 Responsibility for information and estimates performed

The information contained in these interim consolidated financial statements is the responsibility of the Company’s Board of Directors, which expressly manifests that they have fully applied principles and criteria in conformity with IFRS as issued by the IASB, except for the provisions of Oficio Circular N°856 from the SVS.

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the amounts of assets and liabilities as of the date of the financial statements and the amounts of income and expenses during the reported year. These estimates are based on management's best knowledge of the amounts, events or actions reported.

In the preparation of the interim consolidated financial statements estimates such as the following have been used:

- Useful lives of property, plant and equipment and intangibles (see Note 3.1.f and 5.a).
- Residual asset values (see Note 3.1.f).
- Asset valuation to determine the existence of impairment losses (see Note 5.b).
- Hypothesis used to calculate the fair value of financial instruments (see Note 3.1.h).
- Hypothesis used in the actuarial calculation of liabilities and obligations with employees (see Note 3.1.m).
- Probability and occurrence and the amount of uncertain or contingent liabilities (see Note 3.1.n).
- The taxable income of the different subsidiaries of the Company, which will be declared to the respective tax authorities in the future and have been the basis for the recording of different balances related to income taxes in these interim consolidated financial statements (see Note 3.i)

Although these estimates have been performed with the use of the best information available on the date of issuance of these interim consolidated financial statements, it is possible that events that might take place in the future could result in modification (upward or downward) in future periods, which would be applied prospectively when the change becomes known, recognizing the effects of the change in estimate in the corresponding future interim consolidated financial statements in accordance with IAS 8.

4. Financial Risk Management

4.1 Risk management policy

The risk management strategy is oriented to safeguarding the Company's stability and sustainability, eliminating or mitigating the uncertainty variables that do or might affect it.

Risks management assumes the identification, measurement, analysis, mitigation and control of the different risks arising from the Company's different management departments, as well as estimating the impact on its consolidated position, follow up and control throughout time. This process involves the intervention of the Company senior management and the risk taking areas.

Tolerable risk limits, metrics for measuring risk and periodicity of risk analysis are policies established by the Company's Board of Directors.

The risk management function is carried out by a Risk Committee with support of the Risk Management and Control Management Area and in coordination with the rest of the Company's divisions.

4.2 Risk factors

The activities of the Company are exposed to various risks, which have been classified into electricity business risks and financial risks.

4.2.1 Electrical business risks

At Colbún, risk management is a strategic issue to safeguard the principles of company stability and sustainability, eliminating or mitigating uncertainty variables that could significantly affect the achievement of its objectives.

Fully managing risks assumes the identification, assessment and control of the different risks faced by the different areas of the company, as well as estimating their impact of its consolidated position, follow up and control over time. This process involves Colbun's senior management and the areas that directly manage the risks.

The Risks Committee, with the support of Corporate Risk Management and in coordination with the rest of the company's divisions follows up on risk management.

a. Hydrological risk

Approximately 48% of the installed capacity of Colbún corresponds to hydraulics that are exposed to hydrology conditions. To comply with its commitments in dry hydrologic conditions, Colbún must operate its combined cycle thermal plants mainly with natural gas purchases or with diesel or even operates its inefficient thermal plants or buy the energy on the spot market.

This situation raises the costs of Colbún, increasing variability of its earning depending on the hydrological conditions. The Company's exposure to hydrological risk is reasonably mitigated by a commercial policy that aims to maintain a balance between competitive base generation (hydraulic in a medium to dry year and thermal coal generation) and commercial commitments.

b. Fuel price risk

In situations of low water availability in its hydraulic plants, Colbún should use its thermal plants or purchase energy in the spot market at marginal cost. In these scenarios, there is a risk associated to variations that international fuel prices present. Part of this risk is mitigated by contracts whose selling prices are also indexed to changes in fuel prices. Additionally, in order to reduce fuel price risks there is a hedge program in place with different derivative instruments such as call options and put options to hedge the remaining exposure, if necessary.

c. Fuel supply risks

For the liquid fuel supply the Company has agreements with suppliers and its own storage capacity to ensure adequate reliability in respect to the availability of this type of fuel. New tenders have been undertaken inviting important international suppliers to bid on coal purchases for the Santa María unit I power plant, awarding the supply contract to well supported competitive companies. This is in line with an early purchasing policy in order to substantially mitigate any risk of not having this fuel available.

d. Equipment failure and maintenance risks

The availability and reliability of generating units and transmission assets are essential to the business. This is why is Colbún policy to conduct regular maintenance on its equipment according to the recommendations of its suppliers and also to maintain a policy to cover such risks through insurances for its physical assets, including coverage for physical damage and/or other loss of profit.

e. Project construction risks

The development of new generation and transmission projects can be affected by factors such as delays in obtaining environmental approvals, regulatory framework changes, prosecutions, increase in the price of equipment, opposition from local and international stakeholders, and adverse geographical conditions, natural disasters, accidents or other unforeseen events.

The Company's exposure to such risks is managed through a commercial policy that considers the effects of potential project delays. Alternatively we incorporate clearance levels with respect to the time and cost of construction estimates. Additionally, the Company's exposure to this risk is partially covered with the All Risk Construction insurance policies covering both physical damage and loss of profit as a result of delay in service resulting from a disaster, both with standard deductibles for this type of insurance.

We are facing a very challenging electricity market, which shows a strong opposition from diverse stakeholders, especially local communities that are demanding more involvement and participation. Additionally, even though it is necessary to build new infrastructure a long and uncertain environmental approval process is needed. On top of that, after the approval there is a long and litigious process. This situation has led to a decrease in the construction of significant new projects.

Colbún also has a policy to integrate with excellence, social and environmental development dimensions of their projects. Meanwhile, the company has developed a model of social link that allows you to work with neighboring communities and society in general, starting a transparent process of public participation and confidence-building in the early stages of projects and throughout the life cycle thereof.

f. Regulatory risks

Regulatory stability is fundamental to the generation sector, due to the long-term nature of the development, execution and return on investment of investment projects. Colbún believes that regulatory changes must be made, taking into consideration the complexities of the electrical system and maintaining adequate investment incentives. It is important to have a regulation that provides clear and transparent rules that consolidate the trust of the agents in the sector.

The government's energy agenda contemplates various regulatory changes which depending on the manner in which they are implemented could represent an opportunity or a risk for the company. The changes that are currently being discussed in Parliament, regarding the Water Code and the role of ENAP in the generation sector are especially relevant. The bills that are in the process of being prepared are also important: (i) Association Law that seeks to facilitate development of new electrical projects at a local level and (ii) New Transmission Law which would redefine fundamental aspects of this segment. The necessary and balanced development of the electrical market in the next few years will depend to a great extent on the quality of this new regulation and the signals given by authorities in this respect.

g. Risk of change in demand and selling price of electric energy

The projection of future electricity consumption demand is information that is very relevant to the determination of its market price. In the medium term, lower-than-projected growth in demand would produce an imbalance between supply and demand, thus affecting energy prices.

4.2.2 Financial risks

The risks associated with the inability to perform transactions or the breach of obligations from the activities for lack of funds, as well as variations in interest rates, exchanges rates, counterparty bankruptcy or other financial market variables that may materially affect Colbún.

a. Foreign Exchange rate risk

The foreign exchange rate risk is mainly due to cash flows that must be made in currencies other than the dollar. The instruments used to manage foreign exchange risk are currency swaps and forwards.

In terms of the net position in currencies, the annual average balance at March 31, 2015 the Company shows a fairly balanced position between assets and liabilities in Chilean pesos. This position is reflected in a result of exchange difference of about US $ 1 million for every $ 10 change in the peso-dollar parity.

b. Interest rate risk

Refers to changes in interest rates that affect the value of future cash flows tied to a floating interest rate, and changes in the fair value of assets and liabilities linked to fixed interest rate that are measured at fair value. In order to mitigate these risks fixed interest rate swaps are used.

The Company's financial debt, including the effect of the contracted interest rate derivatives, has the following profile:

Interest rate	03.31.2015	03.31.2014	12.31.2014
Fixed	100%	90%	100%
Floating	0%	10%	0%
Total	**100%**	**100%**	**100%**

c. Credit risk

The Company is exposed to the risk arising from the possibility that a counterpart fails to meet its contractual obligations and produces economic or financial loss.

With respect to cash and derivatives statements, Colbún enter into these transactions with entities with high credit ratings. Additionally, the Company has established limits by counterparty, which are approved by the Board of Directors and reviewed periodically.

As of March 31, 2015, cash surpluses are invested in mutual funds of subsidiaries of banks and in fixed-time deposits in local and international banks. The former correspond to short-term mutual funds with maturities of less than 90 days, and known as “money market”. In the case of fixed-time deposits local banks have a credit rating equal or superior to AA- and foreign banks, investment grade credit rating. At the end of the period, the financial institution that concentrates the highest share reaches 20%. Regarding existing derivatives, the Company's international counterparts have a credit rating equivalent to A- or higher and national counterparts have local credit rating of AA+ or higher. It should be noted that no counterpart concentrates more than 16% in notional terms.

d. Liquidity risk

This risk results from different funding requirements to meet investment commitments and business expenses, debt payments, among others. The funds needed to meet these cash flow outputs are obtained from our own resources generated by the ordinary activity of Colbún and by contracting credit lines to ensure sufficient funds to cover projected needs for a given period.

As of March 31, 2015, Colbún has cash in excess for an amount of US$ 816.7 million, invested in mutual funds and time deposits with a maturity of less than 30 days. Further, the Company also has as additional liquidity sources available to date: (i) a committed line with local banks for UF 4 million, (ii) two lines of bonds registered in the local market for a total amount of UF 7 million, (iii) a line of trade notes in the local market for UF 2.5 million and (iv) uncommitted bank lines of approximately US$ 150 million.

In the next 12 months, the Company must disburse approximately US$127 million in interests and amortization of principal. The disbursements will be attended with cash flow from the Company operations.

As of March 31, 2015 Colbún has a national credit rating of A+ from Fitch Ratings and AA- from Humphreys, both with stable perspectives. At an international level the Company's credit rating is BBB with a stable perspective from Fitch Ratings and BBB- with negative perspective from Standard & Poor’s.

4.3 Risk measurement

The Company periodically analyzes and measures its exposure to the different risk variables, in accordance with the previous paragraphs.

For the purpose of measuring its exposure Colbún uses methodologies widely used in the market to analyze the sensitivity of each risk variable, so that the Company is able to manage the exposure to the different variables and their economic impact.

5. Critical accounting criteria

Management must necessarily use its judgment and make estimates that have a significant effect on the figures presented in the financial statements. Changes in assumptions and estimates might have a significant impact on the consolidated financial statements. Critical estimates and judgments used by management to prepare these interim consolidated financial statements are detailed as follows:

a. Calculation of depreciation, amortization and estimate of associated useful lives:

Property, plant and equipment and intangible assets other than goodwill with definite useful lives are depreciated and amortized using the straight-line method over their estimated useful lives. Useful lives have been estimated and determined taking into consideration technical aspects, nature of the asset, and condition of the goods.

Estimated useful lives as of the dates of the Balances of Financial Position are detailed as follows:

(i) Useful lives of property, plant and equipment:

The useful lives of the main property, plant and equipment items are detailed as follows:

Classes of property, plant & equipment	Range of estimated useful lives	Average remaining useful life
Buildings and infrastructure	30 - 50	26
Machinery and equipment	20 - 50	27
Transport equipment	5 - 15	11
Office equipment	5 - 30	28
IT equipment	3 - 10	4
Other property, plant & equipment	30 - 50	33

The following provides additional detailed subdivided by type of plant:

Classes of plants	Range of estimated useful lives	Average remaining useful life
Generating facilities		
Hydraulic power plants		
Civil works	30 - 50	34
Electromechanical equipment	20 - 50	38
Thermoelectric power plants		
Civil works	20 - 50	27
Electromechanical equipment	20 - 35	20

(ii) Useful lives of intangible assets other than goodwill (with definite useful lives)

Useful lives of the Company's intangible assets correspond to software and similar and temporary easements, which are amortized in accordance with the term of the respective contract.

(iii) Useful lives of intangible assets other than goodwill (with indefinite useful lives)

The Company analyzed the useful lives of intangible assets other than goodwill, easements and water rights, among other items, concluding that there is no foreseeable limit to the period, in which the asset will generate net cash inflows. For these intangible assets it was determined that their useful lives are of an indefinite nature.

b. Impairment of non-financial assets (tangible and intangible assets, excluding goodwill)

As of each year end or on the dates considered necessary, the value of assets is analyzed to determine whether there is any indication that those assets have suffered and impairment loss. Should there be any indicator; an estimate of the recoverable amount of that asset is made to determine the necessary write-down. In the case of identifiable assets that do not generate cash flows in an independent manner, the recoverability is tested at the level of the Cash Generating Unit (CGU) to which the asset belongs. For this purpose, all assets are part of one CGU.

In the case of Cash Generating Units to which intangible assets with indefinite useful lives have been allocated, the analysis of their recoverability is performed systematically as of each year-end or under circumstances considered necessary to perform such analysis, except when it is considered that the most recent calculations of the recoverable amount, made in the previous year, can be used in the current year, provided that all of the following criteria is met:

(a) the assets and liabilities making up the unit have not changed significantly since the most recent recoverable amount calculation;

(b) the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin; and

(c) based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote.

The recoverable amount is the higher between the market value discounting the cost necessary for its sale and value in use, understanding this to be the current value of estimated future cash flows. In order to calculate the recovery value of material real estate, the Company uses the value in use criteria.

In order to estimate value in use, the Company prepares future cash flows provisions before taxes using the most recent budgets approved by the Company's management. These budgets incorporate the best estimates available of income and costs of Cash Generating Units using the best information available as of that date, past experience and future expectations.

These cash flows are discounted to calculate their current value at a rate, before taxes, which covers the cost of capital of the business in which it operates. To calculate it, one takes into account the current cost of money and risk premiums used in a general manner for the business.

Should the recoverable amount be less than the net book value of the asset, the corresponding impairment loss provision is recorded for the difference with a charge to the "depreciation and amortization expenses" account in the Statement of Income.

Impairment losses, recognized on an asset in previous years, are reverted when there is a change in the estimates of the recoverable amount increasing the value of the asset with a credit to income with the limit of the book value that the asset would have had, had no write-down been recognized.

As of March 31, 2015, the Company considers that there are no impairment indicators of fixed and intangible assets as well as intangibles with indefinite useful life.

c. Fair value of derivatives and other financial instruments

As described in Note 4.3, Management uses its criteria to select an appropriate valuation technique for financial instruments that are not traded in an active market using valuation techniques commonly used by market professionals. In the case of derivative financial instruments, assumptions are formed on the basis of quoted market rates, adjusted in accordance with the specific characteristics of the instrument. Other financial instruments are valued using an analysis of the restatement of cash flows based on support assumptions, whenever possible, by observable market prices or rates.

6. Operations by segments

Colbún's business is the generation and sale of electric energy. For this it has assets that produce that energy which is sold to various clients, that either have supply contracts or do not have contracts, in accordance with what is stipulated by Law.

Colbún's management control system analyzes the business from a perspective of a mix of hydraulic /thermoelectric assets that produce electric energy to serve a portfolio of customers. Consequently, the allocation of resources and performance measurements will be analyzed in aggregate terms.

Notwithstanding the above, internal management considers classification criteria for assets and clients for merely descriptive purposes, but in no case for business segmentation.

Some of these classification criteria are, for example production technology: hydroelectric plants (which in turn can be run-of-the-river or reservoir type) and thermoelectric plants (which in their turn can be coal, combined cycle, open cycle, etc.). In turn, clients are classified following the concepts contained in the regulation. The classifications are as follows: unregulated clients, regulated clients and spot market (see Note 2).

There is no direct relationship between each of the generating plants and the supply contracts, but these are established based on Colbún's total capacity, and it is supplied with the generation of any of the plants or else with the purchase of energy from other generating companies.

Colbún is part of the CDEC-SIC dispatch system; therefore the generation of each of the plants is defined by this dispatch system, in accordance with the definition of economic optimum for the entire SIC. Since Colbún S.A. operates only in the Central Interconnected System, no geographic segmentation is applicable.

Electrical regulation in Chile contemplates a conceptual distinction between energy and power capacity, not because they are different physical elements, but rather for the purpose of an economically efficient pricing. Hence, the energy is valued in monetary units per unit of energy (KWh, MWh, etc.) and power capacity is valued in monetary units per unit of power – unit of time (KW-month).

Consequently, for the purpose of application of IFRS 8, the entire aforementioned business is defined as the only operating segment for Colbún S.A.

Information on products and services

Services	January - March	
	2015 ThUS$	2014 ThUS$
Energy	239,733	273,882
Capacity	38,908	44,373
Other	38,369	94,990
Total sales	**317,010**	**413,245**

Information on sales to main clients

Main clients	January - March			
	2015		2014	
	ThUS$	%	ThUS$	%
CGE Distribución S.A.	83,368	26%	81,002	30%
Corporación Nacional del Cobre Chile	57,459	18%	122,046	20%
Chilectra S.A.	49,871	16%	59,083	14%
Sociedad Austral del Sur S.A.	24,502	8%	29,237	7%
Anglo American S.A.	22,076	7%	23,215	6%
Others	79,734	25%	98,662	23%
Total sales	**317,010**	**100%**	**413,245**	**100%**

7. Classes of cash and cash equivalents

a. Account composition

Cash and cash equivalents are detailed as follows:

Cash and cash equivalent	03.31.2015 ThUS$	12.31.2014 ThUS$
Cash	49	34
Banks balances	1,422	359
Time deposits	466,504	164,218
Other fixed-income instruments	87,878	89,479
Total	**555,853**	**254,090**

Time deposits maturity in a term of less than three months and accrue market interest for this type of current investment.

The Other Net Instruments correspond to fixed income funds in Chilean pesos, Euros and in US dollars, of very low risk, which are recorded at the value of the respective unit as of the closing date of these interim consolidated financial statements.

In addition, the Company has invested in fixed-time deposits with an original maturity of more than three months that are described in Note 8.

b. Details by type of currency

Cash and cash equivalents, organized by type of currency, considering the effect of derivatives are detailed as follows:

Currency	03.31.2015		12.31.2014	
	Original currency ThUS$	Currency with derivative (1) ThUS$	Original currency ThUS$	Currency with derivative (1) ThUS$
EUR	526	526	992	992
CLP	232,053	83,698	193,427	43,720
USD	323,274	472,253	59,671	211,670
Total	**555,853**	**556,477**	**254,090**	**256,382**

(1) Considers the effect of the mark-to-market of foreign exchange forwards signed to re-denominate certain time deposits in Chilean Pesos to US dollars or Euros.

8. Other financial assets

Other financial assets are detailed as follows:

Description	Current		Non-current	
	03.31.2015	12.31.2014	03.31.2015	12.31.2014
	ThUS$	ThUS$	ThUS$	ThUS$
Time Deposits (1)	260,852	578,673	-	-
Hedge derivate instruments (2) (See Note 13.1)	5,915	5,711	-	-
Investment in the CDEC	-	-	240	248
Total	**266,767**	**584,384**	**240**	**248**

(1) Investments in fixed-time deposits classified in this category have an original investment maturity of less than six months. As of March 31, 2015, the remaining period to maturity is 30 days on average, whereas as of December 31, 2014 the remaining maturity period is 60 days on average.

(2) Corresponds to positive current and non-current mark-to-market of hedge derivatives current as of the date of the balance of financial position.

9. Trade and other accounts receivable

Trade and other accounts receivable are detailed as follows:

Description	Current	
	03.31.2015	12.31.2014
	ThUS$	ThUS$
Trade receivables with contract	146,521	132,321
Other receivables (1)	91,316	111,338
Total	**237,837**	**243,659**

(1) As of March 31, 2015 considers recoverable taxes by US$90MM. The Company estimates that the recovery period of these assets at March 31, 2015 is 12 months. For the December 31, 2014 balance it corresponds to recoverable taxes of US $109MM.

The average client collection period is 30 days.

Colbún's commercial counterparts are first level companies in terms of credit quality and distribution companies which due to their regulation and/or historical behavior do not show signs of significant impairment or delay in payment terms.

Considering the solvency of the debtors, the quality of the accounts receivable and the current regulations in accordance with the policy on allowance for doubtful accounts declared in our accounting policies (see Note 3.h.1.6); the Company believes that there is no objective evidence of impairment of trade and other accounts receivable requiring the need for an allowance as of each reported period, therefore it does not require an uncollectible provision.

The fair values of trade accounts receivable and other accounts receivable are the same as their commercial values.

As of March 31, 2015 and December 31, 2014, the analysis of Trade Accounts Receivable is as follows:

a) Portfolio distribution by profit, overdue but not impaired.

Trade accounts receivable invoiced	Balance as of 03.31.2015					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	91-more ThUS$	Total ThUS$
Regulated customers	410	4,859	-	-	159	5,428
Unregulated customers	493	132	135	-	-	760
Other receivables	1,322	1,675	186	-	232	3,415
Subtotal	**2,225**	**6,666**	**321**	**-**	**391**	**9,603**

Trade accounts receivable to be invoiced	Balance as of 03.31.2015					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	91-more ThUS$	Total ThUS$
Regulated customers	65,826	1,656	34,121	-	10,890	112,493
Unregulated customers	18,229	-	525	-	-	18,754
Other receivables	5,671	-	-	-	-	5,671
Subtotal	**89,726**	**1,656**	**34,646**	**-**	**10,890**	**136,918**
Total trade accounts receivable	**91,951**	**8,322**	**34,967**	**-**	**11,281**	**146,521**
Number of clients	**96**	**106**	**67**	**-**	**101**	

Trade accounts receivable invoiced	Balance as of 12.31.2014					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	91-more ThUS$	Total ThUS$
Regulated customers	-	1,574	132	70	32	1,808
Unregulated customers	46	364	-	-	-	410
Other receivables	36	923	74	36	766	1,835
Subtotal	**82**	**2,861**	**206**	**106**	**798**	**4,053**

Trade accounts receivable to be invoiced	Balance as of 12.31.2014					
	Al Día MUS$	**1-30 días** MUS$	**31-60** MUS$	**61-90** MUS$	**91-más** MUS$	**Total** MUS$
Regulated customers	1	68,879	8,194	184	18,528	95,786
Unregulated customers	19,598	7,768	203	-	478	28,047
Other receivables	-	3,401	517	517	-	4,435
Subtotal	**19,599**	**80,048**	**8,914**	**701**	**19,006**	**128,268**
Total trade accounts receivable	**19,681**	**82,909**	**9,120**	**807**	**19,804**	**132,321**
Number of clients	**8**	**87**	**75**	**48**	**77**	

b) Accounts Receivable in judicial collection

There are no trade accounts receivables or other accounts receivable recorded in the accounting in judicial collection.

10. Financial instruments

a. Financial instruments by category

Accounting policies related to financial instruments have been applied to the categories detailed below:

a.1 Assets

March 31, 2015	Held the maturity ThUS$	Loans and accounts receivable ThUS$	Assets fair value with changes in results ThUS$	Hedge derivatives ThUS$	Total ThUS$
Time Deposits and other liquid instruments (see Note 7)	466,504	-	87,878	-	554,382
Trade and other accounts receivable (see Note 9)	-	237,837	-	-	237,837
Accounts receivable from related parties (see Note 11.b.1)	-	8,097	-	-	8,097
Financial derivative instruments (see Note 13)	-	-	-	5,915	5,915
Other financial assets (see Note 8)	261,092	-	-	-	261,092
Total	**727,596**	**245,934**	**87,878**	**5,915**	**1,067,323**

December 31, 2014	Held the maturity ThUS$	Loans and accounts receivable ThUS$	Assets fair value with changes in results ThUS$	Hedge derivatives ThUS$	Total ThUS$
Time Deposits and other liquid instruments (see Note 7)	164,218	-	89,479	-	253,697
Trade and other accounts receivable (see Note 9)	-	243,659	-	-	243,659
Accounts receivable from related parties (see Note 11.b.1)	-	2,855	-	-	2,855
Financial derivative instruments (see Note 13)	-	-	-	5,711	5,711
Other financial assets (see Note 8)	578,921	-	-	-	578,921
Total	**743,139**	**246,514**	**89,479**	**5,711**	**1,084,843**

a.2 Liabilities

March 31, 2015	Other financial liabilities ThUS$	Hedge derivatives ThUS$	Total ThUS$
Loans that accrue interest (see note 21.a)	1,855,544	-	1,855,544
Financial derivative instruments (see note 13)	-	32,455	32,455
Trade accounts payables (see note 22)	122,096	-	122,096
Accounts payable to related parties (see Note 11.b.2)	4,356	-	4,356
Total	**1,981,996**	**32,455**	**2,014,451**

December 31, 2014	Other financial liabilities ThUS$	Hedge derivatives ThUS$	Total ThUS$
Loans that accrue interest (see note 21.a)	1,873,080	-	1,873,080
Financial derivative instruments (see note 13)	-	20,812	20,812
Trade accounts payables (see note 22)	161,031	-	161,031
Accounts payable to related parties (see Note 11.b.2)	21,032	-	21,032
Total	**2,055,143**	**20,812**	**2,075,955**

b. Financial assets credit rating

The credit rating of financial assets that have not matured yet and which have not suffered impairment losses can be evaluated on the basis of the credit rating granted to the counterparts of the Company by risk rating agencies with renowned national and international prestige.

Credit rating of financial assets	03.31.2015 ThUS$	12.31.2014 ThUS$
Customers with local credit rating		
AAA	11,450	19,437
AA+	7	9
AA	44,251	44,103
AA-	2	141
A+	76,386	51,985
Total	**132,096**	**115,675**
Customer without local credit rating		
Total	**14,425**	**16,646**
Banks balances and short-term time deposits - local market		
AAA	274,644	295,695
AA+	60,116	97,147
AA	53,320	60,238
AA-	55,101	72,894
Total	**443,181**	**525,974**
Banks balances and short-term time deposits - international market (*)		
BBB- o higher	286,221	217,310
Total	**286,221**	**217,310**
Financial assets with local counterpart		
AAA	340	91
AA+	679	1,011
AA-	-	4,120
Total	**1,019**	**5,222**
Financial assets derivatives with international counterpart (*)		
A o higher	4,896	489
Total	**4,896**	**489**

(*) International risk rating

11. Related party information

Operations between the Parent Company and its dependent subsidiaries, which are related parties form part of the Company's regular transactions related to their line of business and conditions and have been eliminated in the process of consolidation. The connection between the Controller, Subsidiary and Associates is detailed in Note 3.1.b.

a. Controlling shareholders

The distribution of the Parent Company's shareholders, as of March 31, 2015, is detailed as follows:

Shareholders name	Participation %
Minera Valparaíso S.A. (*)	35.17
Forestal Cominco S.A. (*)	14.00
Antarchile S.A.	9.58
AFP Habitat S.A. (**)	4.70
Banco de Chile por cuenta de terceros	4.56
AFP Provida S.A. (**)	4.53
AFP Capital S.A. (**)	4.03
AFP Cuprum S.A. (**)	3.92
Banco Itaú por cuenta de inversionistas	3.26
Banco Santander - JP Morgan	1.60
Other shareholders	14.65
Total	**100.00**

(*) The Company is directly controlled by Minera Valparaíso S.A. (35.17%), and through its subsidiaries Forestal Cominco S.A. (14.00%) and Inversiones Coillanca Ltda. (0.09%). See note 1.

(**) Correspond to the total participation of each pension fund administrator.

b. Balances and transactions with related entities

b.1. Accounts receivable from related entities

Taxnumber payer	Company	Country	Relationship	Currency	Current 03.31.2015 ThUS$	Current 12.31.2014 ThUS$	Non-current 03.31.2015 ThUS$	Non-current 12.31.2014 ThUS$
96.731.890-6	Cartulinas CMPC S.A.	Chile	Common group	Chilean pesos	83	82	-	-
96.853.150-6	Papeles Cordillera S.A.	Chile	Common group	Chilean pesos	77	115	364	368
96.529.310-8	CMPC Tissue S.A.	Chile	Common group	Chilean pesos	13	13	-	-
96.806.130-5	Electrogas S.A.	Chile	Asociated	US Dollar	7,550	2,265	-	-
77.017.930-0	Transmisora Eléctrica de Quillota Ltda.	Chile	Joint Venture	Chilean pesos	10	12	-	-
				Total	**7,733**	**2,487**	**364**	**368**

b.2. Accounts payable to related entities

Taxnumber payer	Company	Country	Relationship	Currency	Current 03.31.2015 ThUS$	Current 12.31.2014 ThUS$
90.412.000-6	Minera Valparaíso S.A.	Chile	Major Shareholder	US Dollar	-	14,862
79.621.850-9	Forestal Cominco S.A.	Chile	Major Shareholder	US Dollar	-	5,916
96.806.980-2	Entel PCS Comunicaciones S.A.	Chile	Common director	Chilean pesos	1	28
77.017.930-0	Transmisora Eléctrica de Quillota Ltda.	Chile	Joint Venture	Chilean pesos	214	214
97.080.000-K	Banco Bice	Chile	Common group	Chilean pesos	-	2
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Common director	Chilean pesos	4,140	6
96.565.580-8	Cía. Leasing Tattersall S.A.	Chile	Common director	Chilean pesos	1	4
				Total	**4,356**	**21,032**

(Translation of the Interim Consolidated Financial Statements originally issued in Spanish- See note 3.1)

b.3 Most significant transactions and their effects on income

Taxpayer number	Company	Origin Country	Relationship	Currency	Description	January - March 2015 Amount ThUS$	2015 Effect in income (expense) ThUS$	2014 Amount ThUS$	2014 Effect in income (expense) ThUS$
77.017.930-0	Transmisora Eléctrica de Quillota Ltda	Chile	Joint - Venture	Chilean pesos	Transmission line tolls	616	(517)	672	(565)
				UF	Services rendered	33	28	37	31
76.652.400-1	Centrales Hidroeléctricas de Aysén S.A.	Chile	Joint - Venture	Chilean pesos	Capital contributions (1)	2,753	-	4,731	-
96.806.130-5	Electrogas S.A.	Chile	Asociated	US Dollar	Gas transportation service	2,441	(2,051)	2,480	(2,084)
				US Dollar	Diesel transportation service	269	(226)	273	(229)
				US Dollar	Declared dividends (2)	7,550	-	6,118	-
96.853.150-6	Papeles Cordillera S.A.	Chile	Common group	Chilean pesos	Other minor leases	121	102	136	114
97.080.000-K	Banco Bice	Chile	Common director	Chilean pesos	Gastos por servicios recibidos	9	(8)	8	(7)
96.620.900-3	Empresa Chilena de Gas Natural S.A.	Chile	Common director	Chilean pesos	Purchases of natural gas	30,313	(25,473)	51,053	(42,902)
96.731.890-6	Cartulinas CMPC S.A.	Chile	Common group	Chilean pesos	Sale of energy, power and energy transport	296	249	294	247
79.621.850-9	Forestal Cominco S.A.	Chile	Major shareholder	US Dollar	Interim dividens (3)	5,916	-	2,574	-
90.412.000-6	Minera Valparaíso S.A.	Chile	Major shareholder	US Dollar	Interim dividens (3)	14,862	-	6,467	-
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Common director	Chilean pesos	Diesel supply service	22,038	(16,709)	13,174	(10,024)
96.565.580-8	Cía. Leasing Tattersall S.A.	Chile	Common director	Chilean pesos	Car leasings	325	(273)	289	(244)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common director	Chilean pesos	Phone service	113	(95)	65	(54)
96.697.410-9	Entel Telefonía Local S.A.	Chile	Common director	Chilean pesos	Phone service	1	-	20	(17)
96.722.460-k	Metrogas S.A.	Chile	Common director	US Dollar	Purchases of natural gas	-	-	432	(363)

(1) On March 2, 2015 Colbún carried out a second and last capital contribution to Centrales Hidroeléctricas de Aysén S.A. in the amount of MCh$ 1,715 (ThUS$2,753), as agreed upon at the 18th Extraordinary Shareholders' Meeting of Hidroaysén held on October 22, 2014. Likewise, on March 20, 2014

(2) At the Ordinary Shareholders' Meeting of Electrogas S.A. held on March 28, 2015, the shareholders established distribution of net profits for 2014 in the amount of MUS$ 17.8 of which Colbún is entitled to a 42.5% share. At the Ordinary Shareholders' Meeting of Electrogas S.A. held on March 28, 2014, the shareholders established distribution of net profits for 2013 in the amount of MUS$ 14.4 of which Colbún is entitled to a 42.5% share.

(3) Corresponds to the provisional dividend as decided by the Board of Directors in November 25, 2014 and paid on January 6, 2015. As of March 31, 2014, it corresponds to the provision of the minimum mandatory dividend as of 2013 year-end.

There are no guarantees, granted or received on transactions with related parties.

There are no doubtful account engagements related to pending balances meriting accrual or expenses recognized for this concept.

All transactions with related parties were performed under market terms and conditions.

c. Administration and Senior Management

Senior management and other people that assume the management of the Company, as well as the shareholders, individuals or companies, which they represent, have not participated in any unusual and/ or relevant transactions, as of March 31, 2015 and December 31, 2014.

The Company is managed by a Board of Directors composed of 9 members, who serve for a 3-year term with possibility of reelection.

d. Directors Committee

In conformity with Article 50 bis of Companies Law 18,046, Colbún and its subsidiaries have a Directors Committee composed of 3 members, with the faculties contemplated in that article.

e. Compensation and other services

In conformity with Article 33 of Companies Law 18,046, the remuneration of the Board is determined at the Company's Ordinary Shareholders' Meeting.

Amounts paid during the periods ended as of March 31, 2015 and 2014; include the members of the Directors Committee are detailed as follows:

e.1 Board's remuneration

Name	Tittle	January - March			
		2015		2014	
		Colbún Board ThUS$	Directors Committee ThUS$	Colbún Board ThUS$	Directors Committee ThUS$
Jorge Bernardo Larraín Matte	President	24	-	25	-
Luis Felipe Gazitúa Achondo	Vice-president	12	4	13	4
Arturo Mackenna Iñiguez	Director	12	-	13	-
Bernardo Matte Larraín	Director	-	-	13	-
Eduardo Navarro Beltrán	Director	12	-	13	-
Eliodoro Matte Larraín	Director	12	-	13	-
Juan Eduardo Correa	Director	12	-	-	-
Juan Hurtado Vicuña	Director	12	-	13	-
Sergio Undurraga Saavedra	Director	12	4	13	4
Vivianne Blanlot Soza	Director	12	4	13	4
		120	**12**	**129**	**12**

(*) At a meeting of the Board held on May 27, 2014, the director Mr. Bernardo Matte Larrain communicated his resignation, which became effective as of this date. Also at the same meeting and in accordance with the provisions of the Act and the Bylaws, the Board appointed in his place Mr. Juan Eduardo Correa Garcia, who shall hold office until the next Annual Meeting of Shareholders, where the new members of the Board will be appointed.

e.2 Board advisory expenses

During the periods ended December 31, 2014 and 2013, the Board had no advisory expenses.

e.3 Remuneration of members of Senior Management who are not Directors

Members of Senior Management

Name	Position
Thomas Keller Lippold	General manager
Juan Eduardo Vásquez Moya	Business and energy management division manager
Mauricio Cabello Cádiz	Generation manager
Sebastián Moraga Zúñiga	Finance and administration manager
Eduardo Lauer Rodríguez	Engineering & projects division manager
Juan Pablo Schaeffer Fabres (1)	Sustainable development division manager
Sebastián Fernández Cox	Development manager
Rodrigo Pérez Stiepovic	Legal counsel
Paula Martínez Osorio	Organization and people manager
Juan Andrés Morel Fuenzalida	Internal audit manager

(1) On February 1, 2015, Mr. Sr. Juan Pablo Schaeffer Fabres replaced Mr. Nicolás Cubillos Sigall as Manager of the Sustainable Development Division. As of the same date, the Occupational Health and Safety Management Department began reporting to the Sustainable Development Division Management.

Remunerations accrued for key management employees are detailed as follows:

Concept	January - March	
	2015 ThUS$	2014 ThUS$
Current employee benefits	1,055	1,051
Termination benefits	(23)	(73)
Total	**1,032**	**978**

e.4 Accounts Receivable, payable and other transactions

There are no accounts receivable or payable between the Company and its Directors and Management.

e.5 Other transactions

There are no other transactions between the Company and its Directors and the Company's Management.

e.6 Guarantees established by the Company in favor of Directors

During the periods ended as of March 31, 2015 and 2014, the Company has not undertaken this type of transaction.

e.7 Incentive plans for executives and managers

The Company has established bonuses for its entire executive staff on the basis of evaluation of their individual performance and achievement of goals at the company level as well as the Company and individual performance of each executive.

e.8 Indemnities paid to executives and managers

During the periods ending March 31, 2015 and 2014, payments were ThUS$93 and ThUS$226 respectively.

e.9 Guarantee clauses: Company Board of Directors and Management

The Company has not agreed upon guarantee clauses with its directors and management.

e.10 Retribution plans associated with shares traded

The Company does not engage in this type of operation.

12. Inventory

Inventory is detailed as follows:

Classes of inventory	03.31.2015 ThUS$	12.31.2014 ThUS$
Spare parts	79,617	74,000
Provision for obsolescence (1)	(4,400)	(4,400)
Coal	11,230	12,574
Petroleum	6,649	6,650
Gas Line Pack	274	274
Inventory in transit (2)	-	8,779
Total	**93,370**	**97,877**

(1) Corresponds to the obsolescence allowance of spare parts (Note 3.1.j.1).
(2) Corresponds to coal inventory to be used by Unit 1 of Santa María Complex power plant.

As of the dates of the statements of financial position, no impairment provision has been recorded.

No inventory items are pledge as debt guarantees.

Cost of inventory recognized as expense

Consumption recognized as expense during the periods ended are as follows:

Cost of inventory	January - March	
	2015 ThUS$	2014 ThUS$
Warehouse supplies	1,522	1,135
Petroleum (see Note 27)	22,497	22,910
Gas Line Pack (see Note 27)	95,078	143,059
Coal (see note 27)	26,611	23,416
Total	**145,708**	**190,520**

13. Derivative instruments

Following the financial risk management policy described in Note 4, the Company enters into financial derivatives to hedge its exposure to changes in interest rate, currency (exchange rate) and fuel prices.

Interest rate derivatives are used to establish or limit the variable interest rate of financial obligations and correspond to interest rate swaps and zero cost collars.

Currency derivatives are used to set the exchange rates of the US dollar in respect to the Peso (CLP), Unidad de Fomento (UF) and Euro (EUR), among others, due to existing obligations or investments in these currencies. These instruments correspond mainly to Forwards and Cross Currency Swaps.

Fuel price derivatives are used to mitigate the risk of changes in the Company's energy production costs due to changes in the price of fuel used for that purpose. Instruments used correspond mainly to options and forwards.

As of March 31, 2015, the Company classifies all its hedges as "Cash Flow Hedges".

13.1 Hedge instruments

The detail of this caption that includes the fair value of the financial instruments, by each risk hedged is as follows:

Hedge Assets		Current		Non-current	
		03.31.2015 ThUS$	12.31.2014 ThUS$	03.31.2015 ThUS$	12.31.2014 ThUS$
Exchange rate hedge	Cash flows hedge	536	2,378	-	-
Fuel price hedge	Cash flows hedge	5,379	3,333	-	-
	Total (see Note 8)	**5,915**	**5,711**	-	-

Hedge Liabilities		Current		Non-current	
		03.31.2015 ThUS$	12.31.2014 ThUS$	03.31.2015 ThUS$	12.31.2014 ThUS$
Exchange rate hedge	Cash flows hedge	1,097	624	21,358	16,385
Interest rate hedge	Cash flows hedge	3,526	1,179	6,474	2,624
	Total (see Note 21.a)	**4,623**	**1,803**	**27,832**	**19,009**

The hedge instrument portfolio of Colbún S.A. is detailed as follows:

Hedge Instrument	Fair value hedge instrument 03.31.2015 ThUS$	Fair value hedge instrument 12.31.2014 ThUS$	Hedged underlying	Hegded risk	Type of hedge
Currency forwards	225	-	Future disbursements project	Exchange rate	Cash flow
Currency forwards	311	2,378	Financial investment	Exchange rate	Cash flow
Interest rate swaps	(5,292)	(620)	Bank loans	Interest rate	Cash flow
Interest rate swaps	(3,754)	(2,851)	Obligations with the public (Bonds)	Interest rate	Cash flow
Cross Currency Swaps	(23,409)	(17,341)	Obligations with the public (Bonds)	Exchange rate	Cash flow
Gas option	-	22	Gas purchases	Gas price	Cash flow
Petroleum option	261	1,389	Petroleum purchases	Petroleum price	Cash flow
Coal option	5,118	1,922	Energy sales	Coal price	Cash flow
Total	**(26,540)**	**(15,101)**			

During the periods ended as of March 31, 2015, the Company has not recognized profits or losses due to hedge ineffectiveness on the cash flow hedges.

13.2 Fair value hierarchy

The fair value of financial instruments recognized in the Statement of Financial Position, has been determined using the following hierarchy, according to the entry data used to perform the valuation:

Level 1: Prices quoted in active markets for identical instruments.

Level 2: Prices quoted in active markets for similar assets or liabilities or other valuation techniques, for which all significant inputs are based on observable market data.

Level 3: Valuation techniques using all relevant inputs are not based on observable market data.

As of March 31, 2015, the calculation of fair value of all financial instruments subject to valuation has been determined on the basis of Level 2 of the aforementioned hierarchy.

14. Investments in subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and controlled companies. The following table includes detailed information of Subsidiaries as of March 31, 2015 and December 31, 2014:

Subsidiary	03.31.2015						
	Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Ordinary income ThUS$	Net profit (loss) ThUS$
Empresa Eléctrica Industrial S.A.	600	22,392	607	17,380	5,005	1,076	311
Colbun International Limited [(1)]	-	-	-	-	-	-	-
Sociedad Hidroeléctrica Melocotón Ltda.	4	9,995	719	6,659	2,621	876	470
Río Tranquilo S.A.	1,648	133,440	1,772	84,926	48,390	5,464	2,811
Termoeléctrica Nehuenco S.A.	338	37,013	1,112	49,126	(12,887)	1,995	301
Termoeléctrica Antilhue S.A.	104	68,169	714	43,179	24,380	1,200	327
Colbún Transmisión S.A.	3,459	134,558	1,362	47,333	89,322	6,928	2,374
Colbún Desarrollo S.P.A. [(2)]	160	-	-	-	160	-	-

Subsidiary	12.31.2014						
	Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Ordinary income ThUS$	Net profit (loss) ThUS$
Empresa Eléctrica Industrial S.A.	524	12,417	891	7,328	4,722	6,608	1,977
Colbun International Limited	489	-	9	-	480	-	(17)
Sociedad Hidroeléctrica Melocotón Ltda.	21	5,127	575	2,423	2,150	3,504	2,466
Río Tranquilo S.A.	1,723	57,791	1,385	12,551	45,578	5,692	(1,248)
Termoeléctrica Nehuenco S.A.	333	5,074	1,742	16,743	(13,078)	8,467	673
Termoeléctrica Antilhue S.A.	129	45,864	562	21,379	24,052	4,800	1,305
Colbún Transmisión S.A.	3,755	107,054	1,232	22,629	86,948	33,028	11,492

See note 3.b.
(1) On March 31, 2015 Colbún International Limited was dissolved.
(2) On March 18, 2015, Colbún Desarrollo S.P.A. was established with capital of ThUS$ 160. The company is a direct, wholly-owned subsidiary of Colbún S.A.

15. Investments accounted for using the equity method

a. Equity method

As of March 31, 2015 and December 31, 2014, the associates and joint controlled companies accounted for using the equity method and their movements are detailed as follows:

Type of relation	Company	Number of shares	Participation 03.31.2015	Balance as of 01.01.2015	Additions	Result of the period	Dividends (1)	Other reserves			Total 03.03.2015
								Translation reserves	Setting associate heritage	Change in income tax rate (law 20,780)	
			%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associate	Electrogas S.A.	175,076	42.50%	17,351	-	2,143	(5,285)	-	-	-	14,209
Joint venture	Centrales Hidroeléctricas de Aysén S.A.	8,433,096	49.00%	12,120	2,753	(902)	-	(1,176)	(1,537)	-	11,258
Joint venture	Transmisora Eléctrica de Quillota Ltda.	-	50.00%	10,644	-	239	-	(389)	-	-	10,494
			Totales	**40,115**	**2,753**	**1,480**	**(5,285)**	**(1,565)**	**(1,537)**	**-**	**35,961**

Type of relation	Company	Number of shares	Participation 12.31.2014	Balance as of 01.01.2014	Additions	Result of the period	Dividends	Other reserves			Total 12.31.2014
								Translation reserves	Setting associate heritage	Change in income tax rate (law 20,780)	
			%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associate	Electrogas S.A.	175,076	42.50%	18,424	-	7,255	(8,383)	55	-	-	17,351
Joint venture	Centrales Hidroeléctricas de Aysén S.A.	8,433,096	49.00%	127,398	5,570	(107,597)	-	(17,373)	-	4,122	12,120
Joint venture	Transmisora Eléctrica de Quillota Ltda.	-	50.00%	11,625	-	1,027	-	(1,613)	-	(395)	10,644
			Totales	**157,447**	**5,570**	**(99,315)**	**(8,383)**	**(18,931)**		**3,727**	**40,115**

(1) See note 11.b.3

b. Financial information on investment associates and companies under joint control

The following table includes information as of March 31, 2015 and December 31, 2014, from the financial statements of associates and companies under joint control in which the Company has an interest:

As of 03.31.2015

Type of relation	Company	Current Assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current Liabilities ThUS$	Ordinary income ThUS$	Ordinary expenses ThUS$	Profit (losses) ThUS$
Associate	Electrogas S.A.	15,732	69,927	27,919	24,308	8,977	(740)	5,042
Joint venture	Centrales Hidroeléctricas de Aysén S.A.	675	24,194	1,817	72	-	(1,584)	(1,840)
Joint venture	Transmisora Eléctrica de Quillota Ltda.	6,079	18,215	460	2,846	1,097	(272)	478

As of 12.31.2014

Type of relation	Company	Current Assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current Liabilities ThUS$	Ordinary income ThUS$	Ordinary expenses ThUS$	Profit (losses) ThUS$
Associate	Electrogas S.A.	10,022	71,284	16,594	22,953	34,463	(2,918)	18,402
Joint venture	Centrales Hidroeléctricas de Aysén S.A.	801	24,984	5,853	75	88	(8,003)	(222,722)
Joint venture	Transmisora Eléctrica de Quillota Ltda.	7,236	18,843	1,860	3,037	4,405	(778)	2,053

Additional information

i) Electrogas S.A.:

Company dedicated to the transportation of natural gas. It has a gas pipeline going from "City Gate III" located in the community of San Bernardo in the Metropolitan Region to "Plant Gate" located in the community of Quillota in the V Region, and a gas pipeline that goes from "Plant Gate" to the Colmo zone, in the community of Concón. Its main customers are Compañía Eléctrica San Isidro S.A., Colbún S.A., Empresa de Gas Quinta Región (Gasvalpo), Energas S.A. and Refinería de Petróleos de Concón (RPC). Colbún has a 42.5% direct ownership interest in this Company.

ii) Centrales Hidroeléctricas de Aysén S.A.:

Colbún has a 49% share of HidroAysén S.A.

Notwithstanding the natural uncertainty regarding the deadlines and contents of the resolutions of judicial instances to which HidroAysén has resorted to or will resort to in the future, as well as the guidelines, conditions or possible reformulations that the processes that are being carried out by the government on long-term energy policy and territorial planning of basins may determine in relation to the development of Aysén's hydroelectric potential, Colbún S.A. reiterates its conviction that current water rights, requests for additional water rights, the environmental qualification resolution, concessions, soil studies, engineering, authorizations and real estate of the project are assets that have been acquired and developed by the company during the last 8 years, in accordance with current institutional arrangements and international technical and environmental standards.

Colbún S.A., ratifies that the development of the referred hydroelectric potential has benefits for the country future growth and that the option of being a part of it represents for our company a potential source to add value in the long term. Colbún also ratifies the defense on the courts of the RCA of the project that is now in the Environmental Courts and the defense of the additional water rights that are in the process of being granted.

iii) Transmisora Eléctrica de Quillota Ltda.:

Company created by Colbún S.A and San Isidro S.A. (currently Compañía Eléctrica de Tarapacá S.A.), in June 1997, in order to jointly develop and operate the facilities necessary to evacuate the power and energy generated by their respective power plants to Transelec's Quillota Substation.

Transmisora Eléctrica de Quillota Ltda. owns the San Luis substation, located close to the combined cycle Nehuenco and San Isidro plants, in addition to the 220 KV high voltage line which joins that substation to the SIC's Quillota Substation. Colbún has a 50% interest in this company.

Colbún has a 50% share of Transmisora Eléctrica de Quillota Ltda..

16. Intangible assets other than goodwill

a. Details by class of intangibles

The detail as of the dates of the balances of financial position is as follows:

Intangible assets, net		03.31.2015 ThUS$	12.31.2014 ThUS$
Not generated internally	Particulate material emission rights	7,701	7,701
	Concessions	1	2
	Water rights	17,646	17,647
	Easements	55,835	55,880
licenses	Software	3,934	4,158
	Total	**85,117**	**85,388**

Intangible assets, gross		03.31.2015 ThUS$	12.31.2014 ThUS$
Not generated internally	Particulate material emission rights	7,701	7,701
	Concessions	11	11
	Water rights	17,651	17,651
	Easements	56,657	56,657
licenses	Software	9,172	9,172
	Total	**91,192**	**91,192**

Accumulated amortization		03.31.2015 ThUS$	12.31.2014 ThUS$
Not generated internally	Concessions	(10)	(9)
	Water rights	(5)	(4)
	Easements	(822)	(777)
licenses	Software	(5,238)	(5,014)
	Total	**(6,075)**	**(5,804)**

b. Movement of intangibles during the period

Movements during the periods are detailed as follows**:**

Movements 03.31.2015	Not generated internally				Licenses	Intangibles, net
	Water rights	Easements	Particulate material emission rights	Concessions	Software	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Beginning balance as of 01.01.2015	17,647	55,880	7,701	2	4,158	85,388
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Amortization expense (see Note 29)	(1)	(45)	-	(1)	(224)	(271)
Ending balance as of 03.31.2015	**17,646**	**55,835**	**7,701**	**1**	**3,934**	**85,117**

Movements 12.31.2014	Not generated internally				Licenses	Intangibles, Net
	Water rights	Easements	Particulate material emission rights	Concessions	Software	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Beginning balance as of 01.01.2014	16,701	52,970	12,644	8	4,935	87,258
Additions	950	2,881	-	-	157	3,988
Additions in progress	-	-	-	-	-	-
Disposals	-	(161)	(4,943)	-	-	(5,104)
Transfers	-	252	-	-	118	370
Amortization expense (see Note 29)	(4)	(62)	-	(6)	(1,052)	(1,124)
Ending balance as of 12.31.2014	**17,647**	**55,880**	**7,701**	**2**	**4,158**	**85,388**

In accordance with what was explained in Note 5.b) the Company management considers that there is no impairment of the carrying amount of intangible assets. The Company does not have intangible assets that guarantee compliance with these obligations.

17. Classes of property, plant and equipment

a. Details by classes of property, plant and equipment

Property, plant and equipment Intangible assets by class as of the dates of the balances of financial position are as follows:

Classes of Property, Plant & Equipment, net	03.31.2015 ThUS$	12.31.2014 ThUS$
Land	288,068	288,068
Buildings and infrastructure	139,855	141,577
Machinery and equipment	1,759,338	1,782,798
Transport equipment	335	346
Office Equipment	3,790	3,896
Hardware	929	1,091
Work in progress	385,345	358,925
Other property, plant & equipment	2,357,790	2,379,505
Total	**4,935,450**	**4,956,206**
Classes of Property, Plant & Equipment, gross	**03.31.2015** ThUS$	**12.31.2014** ThUS$
Land	288,068	288,068
Buildings and infrastructure	168,339	168,339
Machinery and equipment	2,186,565	2,186,565
Transport equipment	859	859
Office Equipment	8,297	8,297
Hardware	6,040	6,034
Work in progress	385,345	358,925
Other property, plant & equipment	2,831,384	2,831,384
Total	**5,874,897**	**5,848,471**
Classes of Property, Plant & Equipment, accumulated depreciation and impairment	**03.31.2015** ThUS$	**12.31.2014** ThUS$
Buildings and infrastructure	(28,484)	(26,762)
Machinery and equipment	(427,227)	(403,767)
Transport equipment	(524)	(513)
Office Equipment	(4,507)	(4,401)
Hardware	(5,111)	(4,943)
Other property, plant & equipment	(473,594)	(451,879)
Total	**(939,447)**	**(892,265)**

b. Movements of property, plant and equipment

Movements in property, plant and equipment were as follows:

Movements 03.31.2015	Land ThUS$	Buildings and infrastructure ThUS$	Machinery and equipment ThUS$	Transpot equipment ThUS$	Office equipment ThUS$	IT equipment ThUS$	Work in progress ThUS$	Other Property, plant & equipment ThUS$	Property, plant & equipment, net ThUS$
Beginning balance as of 01.01.2015	288,068	141,577	1,782,798	346	3,896	1,091	358,925	2,379,505	4,956,206
Additions	-	-	-	-	-	6	26,420	-	26,426
Disposals	-	-	-	-	-	-	-	-	-
Disposals- acumulated amortization	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Amortization expense (see Note 29)	-	(1,722)	(23,460)	(11)	(106)	(168)	-	(21,715)	(47,182)
Total Movements	**-**	**(1,722)**	**(23,460)**	**(11)**	**(106)**	**(162)**	**26,420**	**(21,715)**	**(20,756)**
Ending balance as of 03.31.2015	**288,068**	**139,855**	**1,759,338**	**335**	**3,790**	**929**	**385,345**	**2,357,790**	**4,935,450**

Movements 12.31.2014	Land ThUS$	Buildings and infrastructure ThUS$	Machinery and equipment ThUS$	Transpot equipment ThUS$	Office equipment ThUS$	IT equipment ThUS$	Work in progress ThUS$	Other Property, plant & ThUS$	Property, plant & equipment, net ThUS$
Beginning balance as of 01.01.2014	287,367	148,424	1,565,806	358	4,578	1,369	1,108,074	1,916,978	5,032,954
Additions	549	16	228	29	15	360	110,905	354	112,456
Disposals	(137)	-	(7,142)	-	(11)	(15)	-	(350)	(7,655)
Disposals- acumulated amortization	-	-	47	-	10	15	-	-	72
Transfers	289	26	312,234	-	3	125	(860,054)	547,007	(370)
Amortization expense (see Note 29)	-	(6,889)	(88,375)	(41)	(699)	(763)	-	(84,484)	(181,251)
Total Movements	**701**	**(6,847)**	**216,992**	**(12)**	**(682)**	**(278)**	**(749,149)**	**462,527**	**(76,748)**
Ending balance as of 12.31.2014	**288,068**	**141,577**	**1,782,798**	**346**	**3,896**	**1,091**	**358,925**	**2,379,505**	**4,956,206**

c. Other disclosures

i) The Company does not have property, plant and equipment pledge as a guaranty for the compliance of its obligations.

Note that the Company has insurance covering both their central physical damage such as loss of profit, with standard deductible.

ii) Colbún and subsidiaries have signed insurance policies to cover possible risks, which the different elements of its tangible property, plant and equipment are exposed to, as well as possible claims that might be filed against them for carrying out its line of business, in the understanding that such policies adequately cover the risks to which they are exposed.

In addition, the loss of benefits that might occur as a consequence of a shutdown is covered through insurance.

iii) As of March 31, 2015 and 2014 the Company had commitments for the acquisition of property, plant and equipment derived from construction contracts in the amount of ThUS$50,008 and ThUS$4,381, respectively. The companies with which it operates are: Compañía Puerto Coronel S.A., Ingetec S.A., ABB S.A., Zublin International GmbH Chile SpA, GLG Construcciones Limitada, Power Machines Agencia en Chile, Power Machines, Distribución Montaje y Comisiones Ltda, Hyundai Corporation, Andritz Hydro S.R.L. y Pozos Profundos S.A.

iv) Capitalized interest costs (IAS23) for the periods ended March 31, 2015 and 2014 amounted to:

Concept	January - March	
	2015	**2014**
Capitalized interest cost ThUS$ (Ver nota 30)	1,811	9,875
Corporate's average financing rate	4.85%	4.98%

v) As of March 31, 2015 and 2014 the Company has implicit operating leases corresponding to:

1) Transmission Line Contracts (220 KV Alto Jahuel-Candelaria and 220 KV Candelaria-Minero), signed between the Company and Codelco. Those contracts are for a term of 30 years.
2) Additional Toll contracts (Transmission Line – Substation Polpaico/ Substation Maitenes) signed between the Company ad Anglo American Sur. The term of the contract is 21 year.
3) Energy and capacity supply signed between the Company and Codelco. The term of the contract is 30 years.

Future collections derived from those contracts are detailed as follows:

March 31, 2015	**Next twelve months** ThUS$	**Between 1 and 5 years** ThUS$	**More than 5 years** ThUS$	**Total** ThUS$
Future collections derived from operating leases corresponding to Trasmission Line Contracts	115,604	470,497	2,762,093	3,348,194
Total	**115,604**	**470,497**	**2,762,093**	**3,348,194**

December 31, 2014	**Next twelve months** ThUS$	**Between 1 and 5 years** ThUS$	**More than 5 years** ThUS$	**Total** ThUS$
Future collections derived from operating leases corresponding to Trasmission Line Contracts	117,624	470,496	2,762,330	3,350,450
Total	**117,624**	**470,496**	**2,762,330**	**3,350,450**

vi) Information required by the XBRL taxonomy

The breakdown and the movement in property, plant and equipment as of the dates of the statements of financial position is as follows:

Disbursements recognized in work in progress	**03.31.2015** ThUS$	**12.31.2014** ThUS$
Work in progress	26,420	110,905
Total	**26,420**	**110,905**

Assets completely depreciated but being used, gross	**03.31.2015** ThUS$	**12.31.2014** ThUS$
Buildings and infrastructure	1	1
Machinery and equipment	5,135	5,131
Transport equipment	375	375
Office Equipment	2,808	2,796
Hardware	3,426	3,114
Other property, plant & equipment	1,399	1,398
Total	**13,144**	**12,815**

Assets completely depreciated but being used, accumulated depreciation and impairment	**03.31.2015** ThUS$	**12.31.2014** ThUS$
Buildings and infrastructure	1	1
Machinery and equipment	5,135	5,131
Transport equipment	375	375
Office Equipment	2,808	2,796
Hardware	3,426	3,114
Other property, plant & equipment	1,399	1,398
Total	**13,144**	**12,815**

18. Current tax assets

Tax accounts receivable as of the dates of the Balances of Financial Position, are as follows:

	Current	
	03.31.2015 ThUS$	12.31.2014 ThUS$
Monthly provisional payments	6,703	3,917
Provisional payment for absorbed earning	50,460	43,087
Total	**57,163**	**47,004**

19. Other non-financial assets

Other assets as of the dates of the Balances of Financial Position, are as follows:

	Current		Non- current	
	03.31.2015 ThUS$	12.31.2014 ThUS$	03.31.2015 ThUS$	12.31.2014 ThUS$
Installations and civil insurance premiums	15,021	21,050	-	-
Prepayments	17,704	19,423	17,261	17,352
Patents on non-use of water rights (1)	-	-	9,211	5,915
Other miscellaneous assets	193	196	1,434	1,511
Total	**32,918**	**40,669**	**27,906**	**24,778**

(1) Credit in accordance with Article 129 bis 20 of the Water Code DFL 1,122. As of March 31, 2015 an impairment not been recognized, whereas as of December 31, 2014, an impairment of ThUS$ 5,337 was recognized. Payment of these licenses is associated to the implementation of projects that will use this water; therefore it is an economic variable that the Company evaluates on an ongoing basis. In this context, the Company adequately controls payments made and recognizes estimates for project start-ups, in order to record impairment of the asset if it projects that the use will be subsequent to the period where it can take advantage of the tax credit.

20. Income taxes

a. Income taxes

Income Tax	January - March 2015 ThUS$	January - March 2014 ThUS$
Current income tax (expense) income		
Current income tax	(2,502)	(1,027)
Utilization of tax losses	8,609	7,541
Adjustments to current tax of prior period	-	-
Total current tax (expense) income	**6,107**	**6,514**
Deferred income tax (expense) income		
Temporary differences (1)	(24,271)	(9,358)
Other deferred tax expenses (2)	-	(16,790)
Total deferred tax (expense) income	**(24,271)**	**(26,148)**
Total income tax (expense) income	**(18,164)**	**(19,634)**

(1) Mainly includes effects such as tax loss, capitalized work in progress, expenses and recognition of income from derivative operations (paid and accrued).
(2) Effect produced by the temporary difference generated when comparing the balances of property, plant and equipment for tax purposes, converted to US Dollars at the closing exchange rate.

As of March 31, 2015 and 2014 the company does not have operations in other countries.

a.1 Reconciliation of tax expense

The total charge for the period can be reconciled to accounting for net income in the following manner:

Income tax expense	January - March 2015 ThUS$	January - March 2014 ThUS$
Profit before tax	25,133	71,170
Income tax using the legal rate (1)	**(5,655)**	**(14,234)**
Difference in rate of tax loss allocation	(3,104)	-
Difference between financial accounting expressed in USD and tax accounting in CLP with effect in deferred taxes (2)	(9,405)	(5,400)
Income tax expense	**(18,164)**	**(19,634)**

(1) As of March 31, 2015 the Income Tax charge was calculated using the 22,5% tax rate (Law 20,780) whereas in March 2014 the tax rate used was 20%.
(2) In accordance with International Financial Reporting Standards (IFRS) the Company records its operations in its functional US dollar currency and for tax purposes it keeps books in local Chilean pesos. The balances of assets and liabilities are converted as of each period closing date to compare them with balances under IFRS in functional currency (US dollar), and in this manner determine the deferred tax on differences existing between both amounts.

a.2 Effective rate calculation

Tax rate	January - March	
	2015 %	2014 %
Legal tax rate	22.5%	20.0%
Adjustments to legal tax rate	49.8%	7.6%
Effective tax rate	**72.3%**	**27.6%**

b. Deferred taxes

Deferred tax assets and by concept is as follows:

Deferred tax assets	03.31.2015 ThUS$	12.31.2014 ThUS$
Tax losses	7,431	4,531
Others	8,528	8,661
Provisions	1,249	2,869
Obsolescence	2,363	2,363
Hedge instruments	3,877	3,364
Employees post-employment benefits	4,028	3,883
Deferred tax assets	**27,476**	**25,671**
Deferred tax liabilities	**03.31.2015 ThUS$**	**12.31.2014 ThUS$**
Depreciation	918,064	892,923
Others	11,315	11,265
Deferred tax liabilities	**929,379**	**904,188**
Deferred tax assets and liabilities, net	**901,903**	**878,517**

The deferred tax position of each company is as follows:

Net position on deferred tax per company				
Company	**Net position**			
	Assets		**Liabilities**	
	03.31.2015 ThUS$	**12.31.2014** ThUS$	**03.31.2015** ThUS$	**12.31.2014** ThUS$
Empresa Eléctrica Industrial S.A.	-	-	295	171
Termoeléctrica Nehuenco S.A.	5,073	5,074	-	-
Soc. Hidroeléctrica Melocotón Ltda.	-	-	96	78
Colbún S.A.	-	-	863,225	839,643
Termoeléctrica Antilhue S.A.	-	-	8,577	8,520
Río Tranquilo S.A.	-	-	12,371	12,551
Colbún Transmisión S.A.	-	-	22,412	22,628
Subtotal	**5,073**	**5,074**	**906,976**	**883,591**
Deferred tax, net			**901,903**	**878,517**

At the end of September 2014 the Tax Reform was passed (Law 20,780), increasing the first category tax rate. As a consequence of this reform, and considering that the Company falls within the Partially Integrated System, the net deferred tax liability increased in the amount of US$ 212.5 million. Following Oficio Circular N°856 from the Superintendencia de Valores y Seguros, the effect was accounted for against equity.

c. Income taxes on other comprehensive income

	January - March	
	2015 ThUS$	**2014** ThUS$
Cash flow hedges	513	(545)
Defined benefits plans	371	148
Icome tax related to items in other comprehensive income	**884**	**(397)**

As of March 31, 2015 the Parent Company recorded a tax loss of ThUS$ 74,838 that has been assigned to the accumulated losses of the “Fondo de Utilidades Tributarias (FUT)”. In addition, its subsidiary Termoeléctrica Nehuenco S.A. recorded a loss for tax purposes of ThUS$ 17,048. On the other hand, its subsidiaries Rio Tranquilo S.A., Colbún Transmisión S.A., Termoelectrica Antilhue S.A and Sociedad Hidroeléctrica Melocotón Ltda recorded taxable income, and as a consequence an income tax provision of ThUS$ 2,502 has been recorded.

In accordance with IAS 12, the Company recognizes a deferred tax asset on tax losses when management has determined that it is probable that there will be future taxable net income to which these losses can be attributed.

As of March 31, 2015 Colbún S.A. recognizes a recoverable tax asset, derived from the absorption of accumulated net income in the taxable retained earnings registry in the amount of ThUS$ 8,609, in accordance with the standards indicated in the Income Tax Law.

21. Other financial liabilities

As of the date of the balances of financial position, other financial liabilities are detailed as follows:

a. Obligations with financial entities

Other financial liabilities	Current		Non- current	
	03.31.2015 ThUS$	12.31.2014 ThUS$	03.31.2015 ThUS$	12.31.2014 ThUS$
Loans from financial entities [1]	3,020	1,145	406,365	406,125
Negotiable instruments (Bonds, commercial papers) [1]	38,769	48,197	1,407,390	1,417,613
Hedge derivatives [2]	4,623	1,803	27,832	19,009
Total	**46,412**	**51,145**	**1,841,587**	**1,842,747**

[1] Interest accrued on loans with financial entities and obligations with the public have been determined at an effective rate.
[2] See detail in Note 13.1.

b. Financial debt by type of currency

The value of Colbún's financial debt (bank liabilities and bonds) considering only the effect of derivative instruments with a liability position is detailed as follows:

Financial debt by currency	03.31.2015 ThUS$	12.31.2014 ThUS$
US Dollars	1,703,429	1,705,818
UF	184,570	188,074
Total	**1,887,999**	**1,893,892**

c. Maturity and currency of obligations with financial entities

Obligations with banks

As of 03.31.2015			
Debtor's taxpayer No.	96505760-9	96505760-9	
Debtor's name	Colbún S.A.	Colbún S.A.	
Debtor's country	Chile	Chile	
Creditor's taxpayer No.	0-E	0-E	
Creditor's name	The Bank of Tokyo-Mitsubishi UFJ, Ltd	Scotiabank & Trust (Cayman) Ltd	
Creditor's country	USA	Cayman	
Currency or readjustment	US$	US$	
Type of amortization	Bullet	Anual	
Interest rate	Variable	Variable	
Base	Libor 6M	Libor 6M	
Effective rate	2.10%	2.08%	
Nominal rate	1.82%	1.84%	
Nominal amounts	**ThUS$**		**Total**
Up to 90 days	2,112	908	**3,020**
More than 90 days up to 1	-	-	**-**
More than 1 year up to 3	**-**	**80,000**	**80,000**
More than 1 year up to 2	-	40,000	40,000
More than 2 years up to 3	-	40,000	40,000
More than 3 years up to 5	**250,000**	**40,000**	**290,000**
More than 3 years up to 4	250,000	-	250,000
More than 4 years up to 5	-	40,000	40,000
More than 5 years	**-**	**40,000**	**40,000**
Subtotal nominal amounts	**252,112**	**160,908**	**413,020**
Book values	**ThUS$**		**Totales**
Up to 90 days	2,112	908	**3,020**
More than 90 days up to 1	-	-	**-**
Current bank loans	**2,112**	**908**	**3,020**
More than 1 year up to 3	**-**	**79,134**	**79,134**
More than 1 year up to 2	-	39,567	39,567
More than 2 years up to 3	-	39,567	39,567
More than 3 years up to 5	**248,097**	**39,567**	**287,664**
More than 3 years up to 4	248,097	-	248,097
More than 4 years up to 5	-	39,567	39,567
More than 5 years	**-**	**39,567**	**39,567**
Non-current banks loans	**248,097**	**158,268**	**406,365**
Bank loans total	**250,209**	**159,176**	**409,385**

As of 12.31.2014		
Debtor's taxpayer No.	96505760-9	96505760-9
Debtor's name	Colbún S.A.	Colbún S.A.
Debtor's country	Chile	Chile
Creditor's taxpayer No.	0-E	0-E
Creditor's name	The Bank of Tokyo-Mitsubishi UFJ, Ltd	Scotiabank & Trust (Cayman) Ltd
Creditor's country	USA	Cayman
Currency or readjustment	US$	US$
Type of amortization	Bullet	Annual
Interest rate	Variable	Variable
Base	Libor 6M	Libor 6M
Effective rate	2.10%	2.08%
Nominal rate	1.82%	1.84%

Nominal amounts	**ThUS$**		**Totales**
Up to 90 days	-	-	-
More than 90 days up to 1	974	171	1,145
More than 1 year up to 3	**-**	**80,000**	**80,000**
More than 1 year up to 2	-	40,000	40,000
More than 2 years up to 3	-	40,000	40,000
More than 3 years up to 5	**250,000**	**40,000**	**290,000**
More than 3 years up to 4	250,000	-	250,000
More than 4 years up to 5	-	40,000	40,000
More than 5 years	-	40,000	**40,000**
Subtotal nominal amounts	**250,974**	**160,171**	**411,145**

Book values	**ThUS$**		**Totales**
Up to 90 days	-	-	-
More than 90 days up to 1	974	171	1,145
Current bank loans	**974**	**171**	**1,145**
More than 1 year up to 3	**-**	**79,090**	**79,090**
More than 1 year up to 2	-	39,545	39,545
More than 2 years up to 3	-	39,545	39,545
More than 3 years up to 5	**247,945**	**39,545**	**287,490**
More than 3 years up to 4	247,945	-	247,945
More than 4 years up to 5	-	39,545	39,545
More than 5 years	-	**39,545**	**39,545**
Non-current banks loans	**247,945**	**158,180**	**406,125**
Bank loans total	**248,919**	**158,351**	**407,270**

(Translation of the Interim Consolidated Financial Statements originally issued in Spanish- See note 3.1)

Obligations with the public

As of 03.31.2015							
Debtor's taxpayer No.	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	Chile	
Registration number	234	499	537	538	-	-	
Series	Serie C	Serie F	Serie H	Serie I	144A/RegS	144A/RegS	
Maturity date	15-10-2021	01-05-2028	10-06-2018	10-06-2029	21-01-2021	10-07-2024	
Currency or readjustment unit	UF	UF	US$	UF	US$	US$	
Periodicity of amortization	Semiannual	Semiannual	Bullet	Semiannual	Bullet	Bullet	
Interest rate	Fixed	Fixed	Variable	Fixed	Fixed	Fixed	
Base	Fixed	Fixed	Libor 6M	Fixed	Fixed	Fixed	
Effective rate	8.10%	4.46%	2.91%	5.02%	6.26%	4.97%	
Nominal rate	7.00%	3.40%	2.44%	4.50%	6.00%	4.50%	
Nominal amounts	**ThUS$**						**Total ThUS$**
Up to 90 days	4,653	10,820	602	1,603	-	-	**17,678**
More than 90 days up to 1 year	3,136	7,859	-	-	5,750	5,000	**21,745**
More than 1 year up to 3	**13,347**	**31,434**	**-**	**-**	**-**	**-**	**44,781**
More than 1 year up to 2	6,509	15,717	-	-	-	-	22,226
More than 2 years up to 3	6,838	15,717	-	-	-	-	22,555
More than 3 years up to 5	**14,733**	**31,434**	**80,800**	**16,074**	**-**	**-**	**143,041**
More than 3 years up to 4	7,185	15,717	80,800	5,358	-	-	109,060
More than 4 years up to 5	7,548	15,717	-	10,716	-	-	33,981
More than 5 years	**16,263**	**133,595**	**-**	**101,804**	**500,000**	**500,000**	**1,251,662**
Subtotal nominal amounts	**52,132**	**215,142**	**81,402**	**119,481**	**505,750**	**505,000**	**1,478,907**
Book values	**ThUS$**						**Total ThUS$**
Up to 90 days	4,591	10,555	602	1,603	-	-	**17,351**
More than 90 days up to 1 year	3,074	7,594	-	-	5,750	5,000	**21,418**
Current obligations with the public	**7,665**	**18,149**	**602**	**1,603**	**5,750**	**5,000**	**38,769**
More than 1 year up to 3	**13,082**	**30,374**	**-**	**-**	**-**	**-**	**43,456**
More than 1 year up to 2	6,380	15,187	-	-	-	-	21,567
More than 2 years up to 3	6,702	15,187	-	-	-	-	21,889
More than 3 years up to 5	**14,440**	**30,374**	**74,514**	**15,615**	**-**	**-**	**134,943**
More than 3 years up to 4	7,042	15,187	74,514	5,205	-	-	101,948
More than 4 years up to 5	7,398	15,187	-	10,410	-	-	32,995
More than 5 years	**15,939**	**129,093**	**-**	**98,893**	**495,853**	**489,213**	**1,228,991**
Non-current obligations with the public	**43,461**	**189,841**	**74,514**	**114,508**	**495,853**	**489,213**	**1,407,390**
Obligations with the public total	**51,126**	**207,990**	**75,116**	**116,111**	**501,603**	**494,213**	**1,446,159**

As of 12.31.2014

Debtor's taxpayer No.	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	Chile	
Registration number	234	499	537	538	-	-	
Series	Serie C	Serie F	Serie H	Serie I	144A/RegS	144A/RegS	
Maturity date	15-10-2021	01-05-2028	10-06-2018	10-06-2029	21-01-2021	10-07-2024	
Currency or readjustment unit	UF	UF	US$	UF	US$	US$	
Periodicity of amortization	Semiannual	Semiannual	Bullet	Semiannual	Bullet	Bullet	
Interest rate	Fixed	Fixed	Variable	Fixed	Fixed	Fixed	
Base	Fixed	Fixed	Libor 6M	Fixed	Fixed	Fixed	
Effective rate	8.10%	4.46%	2.91%	5.02%	6.26%	4.97%	
Nominal rate	7.00%	3.40%	2.44%	4.50%	6.00%	4.50%	
Nominal amounts	**ThUS$**						**Totales ThUS$**
Up to 90 days	-	-	-	-	13,250	10,625	**23,875**
More than 90 days up to 1 year	7,147	17,445	109	301	-	-	**25,002**
More than 1 year up to 3	**13,786**	**32,468**	**-**	**-**	**-**	**-**	**46,254**
More than 1 year up to 2	6,723	16,234	-	-	-	-	22,957
More than 2 years up to 3	7,063	16,234	-	-	-	-	23,297
More than 3 years up to 5	**15,218**	**32,468**	**80,800**	**16,602**	**-**	**-**	**145,088**
More than 3 years up to 4	7,421	16,234	80,800	5,534	-	-	109,989
More than 4 years up to 5	7,797	16,234	-	11,068	-	-	35,099
More than 5 years	**16,797**	**137,987**	**-**	**105,151**	**500,000**	**500,000**	**1,259,935**
Subtotal nominal amounts	**52,948**	**220,368**	**80,909**	**122,054**	**513,250**	**510,625**	**1,500,154**
Book values	**ThUS$**						**Totales ThUS$**
Up to 90 days	-	-	-	-	13,250	10,626	**23,876**
More than 90 days up to 1 year	7,013	16,898	109	301	-	-	**24,321**
Current obligations with the public	**7,013**	**16,898**	**109**	**301**	**13,250**	**10,626**	**48,197**
More than 1 year up to 3	**13,497**	**31,374**	**-**	**-**	**-**	**-**	**44,871**
More than 1 year up to 2	6,582	15,687	-	-	-	-	22,269
More than 2 years up to 3	6,915	15,687	-	-	-	-	22,602
More than 3 years up to 5	**14,898**	**31,374**	**74,009**	**16,114**	**-**	**-**	**136,395**
More than 3 years up to 4	7,265	15,687	74,009	5,371	-	-	102,332
More than 4 years up to 5	7,633	15,687	-	10,743	-	-	34,063
More than 5 years	**16,445**	**133,338**	**-**	**102,056**	**495,624**	**488,884**	**1,236,347**
Non-current obligations with the public	**44,840**	**196,086**	**74,009**	**118,170**	**495,624**	**488,884**	**1,417,613**
Obligations with the public total	**51,853**	**212,984**	**74,118**	**118,471**	**508,874**	**499,510**	**1,465,810**

(Translation of the Interim Consolidated Financial Statements originally issued in Spanish- See note 3.1)

c.1 Projected interest on obligations with financial entities detailed by currency:

Liability	Currency	Interests as of 03.31.2015		Principal	Maturity Day	Maturity					Total interests	Total debt
		Accrued	Projected			Next 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years		
Crédito The Bank of Tokyo-Mitsubishi UFJ, Ltd	US$	2,111,912	16,364,157	250,000,000	15-10-2018	2,301,605	2,314,250	9,257,004	4,603,210	-	18,476,069	268,476,069
Crédito Scotiabank & Trust (Cayman) Ltdl (1)	US$	907,684	10,295,263	160,000,000	10-06-2021	1,488,275	1,496,452	4,491,400	2,606,525	1,120,295	11,202,947	171,202,947
Bono Serie C	UFR	40,568	309,071	1,286,198	15-04-2021	44,256	41,576	138,150	89,615	36,042	349,639	1,635,837
Bono Serie F	UFR	75,355	1,199,110	5,400,001	01-05-2028	91,033	87,662	316,930	262,985	515,855	1,274,465	6,674,466
Bono Serie H (1)	US$	601,890	6,292,774	80,800,000	10-06-2018	984,952	984,952	3,939,808	984,952	-	6,894,664	87,694,664
Bono Serie I	UFR	40,795	1,194,191	3,000,000	10-06-2029	66,756	66,756	267,024	257,920	576,530	1,234,986	4,234,986
Bono 144A/RegS 2010	US$	5,750,000	144,250,000	500,000,000	21-01-2020	-	30,000,000	60,000,000	60,000,000	-	150,000,000	650,000,000
Bono 144A/RegS 2014	US$	5,000,000	208,750,000	500,000,000	10-07-2024	-	22,500,000	45,000,000	45,000,000	101,250,000	213,750,000	713,750,000

Liability	Currency	Interests as of 12.31.2014		Principal	Maturity Day	Maturity					Total interests	Total debt
		Accrued	Projected			Next 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years		
Crédito The Bank of Tokyo-Mitsubishi UFJ, Ltd	US$	973,756	17,502,314	250,000,000	15-10-2018	-	4,615,856	9,257,004	4,603,210	-	18,476,070	268,476,070
Crédito Scotiabank & Trust (Cayman) Ltdl (1)	US$	171,724	10,933,543	160,000,000	10-06-2021	-	2,969,680	4,446,240	2,580,317	1,109,030.22	11,105,267	171,105,267
Bono Serie C	UFR	18,440	331,199	1,286,198	15-04-2021	-	85,832	138,150	89,615	36,042	349,639	1,635,837
Bono Serie F	UFR	29,839	1,244,626	5,400,001	01-05-2028	-	178,695	316,930	262,985	515,855	1,274,465	6,674,465
Bono Serie H (1)	US$	109,435	6,785,229	80,800,000	10-06-2018	-	1,969,904	3,939,808	984,952	-	6,894,664	87,694,664
Bono Serie I	UFR	7,417	1,227,569	3,000,000	10-06-2029	-	133,512	267,024	257,921	576,530	1,234,987	4,234,987
Bono 144A/RegS 2010	US$	13,250,000	151,750,000	500,000,000	21-01-2020	15,000,000	15,000,000	60,000,000	60,000,000	15,000,000	165,000,000	665,000,000
Bono 144A/RegS 2014	US$	10,625,000	214,375,000	500,000,000	10-07-2024	11,250,000	11,250,000	45,000,000	45,000,000	112,500,000	225,000,000	725,000,000

(1) Liabilities with variable rate, consider current set rate as of 03.31.2015 and 12.31.2014 respectively, to calculate projected interest.

d) Committed and uncommitted lines of credit

The Company has a committed line of credit with local financial entities for UF 4 million, with the possibility of drawing on the line up to 2016. The maturity is in 2019.

In addition, Colbún has uncommitted lines of credit amounting to US$150 million.

Other lines:

The Company has a line of credit for UF 2.5 million for the issuance of negotiable instruments, registered with the SVS in July 2008, for a 10-year period.

Additionally, the Company has registered two lines of bonds with the SVS for a joint amount of up to 7 million UF, with a ten and thirty-year maturity, respectively (since their approval in August 2009), and against which no placements have been made to date.

22. Trade and other accounts payable

Trade and other accounts payable as of the dates of the Balances of Financial Positions are as follows:

	Current		Non-current	
	03.31.2015 ThUS$	12.31.2014 ThUS$	03.31.2015 ThUS$	12.31.2014 ThUS$
Trade payable	117,739	156,544	-	-
Other accounts payable	1,140	1,270	3,217	3,217
Total	**118,879**	**157,814**	**3,217**	**3,217**

The main suppliers to March 31, 2015 are:

Suppliers	**%**
Transelec S.A.	30.59%
Transnet S.A.	23.10%
Campanario Generación S.A.	18.33%
Tesorería General de la República	8.62%
General Electric Energy Parts, Inc	6.99%
Cdec-Sic Ltda.	6.67%
Others	5.70%
	100.00%

a) The ageing of the trade payables balance that are no due is as follows:

Details	Balances as of 03.31.2015						
	1-30 días ThUS$	31-60 MUS$	61-90 MUS$	91-120 MUS$	121-365 MUS$	Más de 365 MUS$	Total ThUS$
Goods	48,409	-	-	-	-	-	**48,409**
Services	66,804	-	-	-	-	-	**66,804**
Others	2,452	-	-	-	-	-	**2,452**
Subtotal	**117,665**	**-**	**-**	**-**	**-**	**-**	**117,665**

Details	Balances as of 12.31.2014						
	1-30 días ThUS$	31-60 MUS$	61-90 MUS$	91-120 MUS$	121-365 MUS$	Más de 365 MUS$	Total ThUS$
Goods	38,582	-	-	-	-	-	**38,582**
Services	95,693	-	-	-	-	-	**95,693**
Others	20,946	-	-	-	-	-	**20,946**
Subtotal	**155,221**	**-**	**-**	**-**	**-**	**-**	**155,221**

As of March 31, 2015 there were accrued expenses for which the invoiced have not been received for an amount of ThUS$ 70 (ThUS$ 88 as of December 31, 2014).

b) The ageing of the trade payables balance that are overdue is as follows:

	Balances as of 03.31.2015				
	1-30 días ThUS$	31-60 ThUS$	61-90 ThUS$	More than 180 ThUS$	Total ThUS$
Goods	-	14	-	58	**72**
Services	-	-	-	2	**2**
Subtotal	**-**	**14**	**-**	**60**	**74**

	Balances as of 12.31.2014				
	1-30 días ThUS$	31-60 ThUS$	61-90 ThUS$	More than 180 ThUS$	Total MUS$
Goods	688	57	9	-	**754**
Services	211	348	2	-	**561**
Others	7	1	-	-	**8**
Subtotal	**906**	**406**	**11**	**-**	**1,323**

The average period for payments to suppliers is 30 days; therefore fair value does not significantly differ from book value.

23. Provisions

a. Classes of provisions

As of the dates of the balances of financial position, provisions are as follows:

Provisions	Current		Non-current	
	03.31.2015 ThUS$	12.31.2014 ThUS$	03.31.2015 ThUS$	12.31.2014 ThUS$
Other				
Other provisions, current	10,798	10,795	-	-
Total	**10,798**	**10,795**	**-**	**-**
Employee benefits				
Employee benefits (Note 23.f)	4,325	11,475	1,031	1,061
Severances, non-current (Note 23.g)	-	-	23,337	23,040
Total	**4,325**	**11,475**	**24,368**	**24,101**
Total provisions	**15,123**	**22,270**	**24,368**	**24,101**

b. Movement of provisions during the period

Movement of provisions during the period is as follows:

Movements as of 03.31.2015	Provisions				
	Holidays & vacation bonus ThUS$	SEC lawsuit reserves ThUS$	Power Purchase Agreements (1) ThUS$	Other provisions ThUS$	Total ThUS$
Beginning balance as of 01.01.2015	11,475	127	10,500	168	22,270
Increase (decrease) in existing provisions	1,216	-	-	3	1,219
Utilization	(8,366)	-	-	-	(8,366)
Ending balance as of 31.03.2015	**4,325**	**127**	**10,500**	**171**	**15,123**

Movements in 2014	Provisions				
	Holidays & vacation bonus ThUS$	SEC lawsuit reserves ThUS$	Prima seguros 2012-2013 MUS$	Other provisions ThUS$	Total ThUS$
Beginning balance as of 01.01.2014	13,093	858	-	152	14,103
Increase (decrease) in existing provisions	8,659	(344)	10,500	16	18,831
Utilization	(10,277)	(387)	-	-	(10,664)
Ending balance as of 12.31.2014	**11,475**	**127**	**10,500**	**168**	**22,270**

(1) Provisions that originate in differences related to supply agreed upon with customers.

c. Environmental restoration

The provision for decommissioning costs includes the future disbursements necessary for the removal of ash and rehabilitation of the seabed in the Santa Maria Complex Unit I, at the end of its useful life. The net present value of these disbursements is incorporated as part of the property, plant and equipment. The amount at the end of the period is ThUS$ 171.

d. Restructuring

The Company has not established provisions for this concept.

e. Litigation

As of March 31, 2015 and December 31, 2014 the Company records a provision for litigation, in accordance with IAS 37 (see Note 34.c).

f. Breakdown of provisions

Employee benefits The Company recognizes provisions for benefits and bonuses for its employees, such as vacation accrual, benefits from completion of project contracts and production incentives.

Employee benefits	Current		Non-current	
	03.31.2015 ThUS$	12.31.2014 ThUS$	03.31.2015 ThUS$	12.31.2014 ThUS$
Performance incentives, current	2,439	3,005	-	-
Vacation accrual, current	1,886	8,470	-	-
Termination of project term contracts	-	-	1,031	1,061
Total	**4,325**	**11,475**	**1,031**	**1,061**

g. Non-current employee benefits accrual

The Parent Company and certain subsidiaries have established a provision to cover the obligation for termination benefits that will be paid to its employees, in accordance with collective contracts signed with its employees. This provision represents the entire accrued provision (see Note 3.1 m).

The Company constantly assesses the basis used in the actuarial calculation of obligations with employees. At March 31, 2015 the Company updated certain indicators in order to better reflect current market conditions.

i) Composition of employee benefits provision - The main concepts included in the employee benefits accrual as of the dates of the balances of financial position, is detailed as follows:

Net present value of obligations defined	03.31.2015 ThUS$	12.31.2014 ThUS$
Beginnig balance	23,040	20,953
Service cost	379	1,672
Interests cost	85	293
Exchange rate difference	(729)	(2,836)
Actuarial (losses) gains on experience	(70)	(182)
Actuarial (losses) gains on hypotheses	1,502	4,458
Payments	(870)	(1,318)
Ending balance (see Note 23.a)	**23,337**	**23,040**

ii) Actuarial hypotheses - The main assumptions used in the actuarial calculation are:

Hypotheses used		03.31.2015	12.31.2014
Discount rate		1.54%	1.62%
Expected salary increase		2.65%	2.65%
Rotation index	Voluntary	3.10%	3.30%
	Dismissed	2.10%	2.60%
Retirement age	Men	65	65
	Women	60	60
Mortality table		RV-2009	RV-2009

Discount rate: corresponds to the interest rate to be used to bring estimated services to be paid in the future to the current moment. This is determined using the discount rate for Chilean Central Bank Bonds in UF at a 20-year term as of the dates of the balances of financial position. The source for this rate is Bloomberg.

Expected salary increase rate: is the salary growth rate estimated by the Company for its employee remunerations, based on the internal compensation policy.

Turnover Index: correspond to turnover rates calculated by the Company based on its historical information.

Retirement Age: corresponds to the legal retirement age, both for men and women, as stated in DL 3,500 which contains the standards that govern the current pension system.

Mortality Table: corresponds to the mortality table published by the Superintendency of Securities and Insurance.

iii) Sensitivity to actuarial assumptions - for sensitivity purposes, only the discount rate has been considered to be a relevant parameter. The results of changes in actuarial liabilities, due to sensitivity to the discount rate are detailed as follows:

Sensibility	Rate		Obligation	
	03.31.2015 %	12.31.2014 %	03.31.2015 ThUS$	12.31.2014 ThUS$
Discount rate used	1.54	1.62	23,337	23,040
Decrease of 50 basis points	1.04	1.12	24,618	24,226
Increase of 50 basis points	2.04	2.12	22,162	21,947

iv) Projection for actuarial calculation for the following year - the following table shows the projection of the liability one year later than the date of the balance of financial position as of March 31, 2015 for the concept of employee benefits under IAS 19, using actuarial assumptions and data reported by the Company.

Projections	Obligation ThUS$
Situation as of 03.31.2015	23,337
Projection to 03.31.2016	23,486
Projected increase	149

v) Future disbursements - according to the estimate available to the Company, the projection of expected payment cash flows for the following periods is detailed as follows:

Period	Payments ThUS$
April 2015	1,076
May 2015	150
June 2015	242
July 2015	86
August 2015	317
September 2015	248
October 2015	94
November 2015	84
December 2015	84
January 2016	83
February 2016	83
March 2016	83
Total	**2,630**

24. Other non-financial liabilities

As of the dates of the balances of financial position, other non-financial liabilities are detailed as follows:

	Current		Non-current	
	03.31.2015 ThUS$	**12.31.2014** ThUS$	**03.31.2015** ThUS$	**12.31.2014** ThUS$
Withholdings	3,599	3,259	-	-
Unearned income (1)	-	601	10,000	9,800
Dividens payable	85	61	-	-
Other liabilities	22	3	-	-
Total	**3,706**	**3,924**	**10,000**	**9,800**

(1) Corresponds to prepayments received related to maintenance operations and services. Income is recognized when the services are provided. The balance classified as non-current includes ThUS$ 3,048 for the leasing with Anglo American (duration of the contract is 30 years).

25. Net equity information to be disclosed

a. Subscribed and paid-in capital and number of shares

At the General Shareholders' Meeting of Colbún S.A. held on April 29, 2009, the shareholders approved a change in the currency in which stock capital is expressed. The change came into force on December 31, 2008. The currency stock capital is expressed in US Dollars and using the exchange rate used as of December 31, 2008, divided 17,536,167,720 into the same number of registered ordinary shares, each of the same value and without par value.

As of the dates of the balances of financial position, subscribed and paid-in capital and number of shares is detailed as follows:

Number of shares

Series	Number of subscribed shares	Number of paid shares	Number of shares with voting rights
Single	17,536,167,720	17,536,167,720	17,536,167,720

Capital (Amount US$)

Series	Subscribed capital ThUS$	Paid-in capital ThUS$
Single	1,282,793	1,282,793

Number of shares

Series	Number of subscribed shares	Number of paid shares	Number of shares with voting rights
Single	17,536,167,720	17,536,167,720	17,536,167,720

Capital (Amount US$)

Series	Subscribed capital ThUS$	Paid-in capital ThUS$
Single	1,282,793	1,282,793

a.1 Reconciliation of shares

The following table details the conciliation between the number of outstanding shares at the beginning and end of the reported periods:

Shares	**03.31.2015**	**12.31.2014**
Number of outstanding shares at the beginning of the period	17,536,167,720	17,536,167,720
Changes on the number of outstanding shares		
Increase (decrease) in the number of outstanding shares	-	-
Number of outstanding shares at the end of the period	17,536,167,720	17,536,167,720

a.2 Number of shareholdes

As of March 31, 2015 Colbún, S.A. had 3,349 shareholders.

b. Social capital

Stock capital corresponds to paid-in capital indicated in a).

c. Share premiums

As of March 31, 2015 and December 31, 2014 issuance premiums amount to ThUS$ 52,595 and are generated by an amount of ThUS$ 30,700, corresponding to the surcharge received in the subscription period from issuance of shares approved at the Extraordinary Shareholders' Meeting held on March 14, 2008, plus a surcharge of ThUS$ 21,895, product of capital increases prior to 2008.

d. Dividends

The general policy and procedure for distributing dividends agreed upon by the shareholders at the shareholders' meeting held on April 23, 2014, established the distribution of a minimum dividend of 30% of net income. In accordance with IFRS, there is a legal obligation that requires a liability to be recorded only at the end of the year.

In the Board of Directors held in November 25, 2014 it was decided that a provisional dividend will be paid in cash against the profit of 2014 for a total amount of ThUS$42,262, corresponding to US$ 0,002410 per share. This dividend started to be paid on January 6, 2015.

e. Composition of other reserves

Following is a detail of other reserves:

Other reserves	03.31.2015 ThUS$	12.31.2014 ThUS$
Effect of first-time adoption deflation of paid-in capital. Official Circular No.456 SVS	517,617	517,617
Effect of first-time adoption, conversion IAS 21	(230,797)	(230,797)
Effect of conversion associates	(48,525)	(46,960)
Hedge reserves	(8,888)	(9,094)
Subtotal	**229,407**	**230,766**
Merger reserve, Hidroélectrica Cenelca S.A.	500,761	500,761
Subsidiaries reserves	(13,770)	(13,634)
Subtotal	**486,991**	**487,127**
Total	**716,398**	**717,893**

Effect of first-time adoption deflation of paid-in capital: Official Circular No. 456 issued by the SVS and effect of first-time adoption conversion IAS 21: Reserves generated by first-time adoption of IFRS, which are considered susceptible to being capitalized, if accounting standards and the law allow it.

Effect of conversion in associates: corresponds to foreign currency translation generated by variations in exchange rates on investments in associates and joint businesses, which maintain the Chilean peso as the functional currency.

Hedge reserve effect: represents the effective unrealized portion of transactions that have been designated as cash flow hedges.

Subsidiaries reserves: corresponds to reserves originated from the merger and increased participation of subsidiaries; they are considered susceptible to being capitalized if accounting standards and the law allows it.

f. Retained earnings (losses)

The movement of retained earnings reserve has been as follows:

Distributable Retained earnings	03.31.2015 ThUS$	12.31.2014 ThUS$
Beginning Balance	908,307	1,073,603
Income for the period	6,969	79,526
Effect of adjustment performed on first-time application of IFRS	2,100	8,580
Effect profit (losses) actuarial	(869)	(2,329)
Effect of Law 20,780 [1]	-	(212,538)
Effect of Law 20,780 in associates (see note 15.a)	-	3,727
Setting associate heritage	(1,537)	-
Dividends	-	(42,262)
Total distributable retained earnigs	**914,970**	**908,307**
Non-distributable adjustments on first-time application of IFRS		
Revaluation of property, plant & equipment	477,673	480,298
Deferred tax revaluation	(80,802)	(81,329)
Total non-distibutable retained earnings	**396,871**	**398,969**
Total retained earnings	**1,311,841**	**1,307,276**

[1] On October 17, 2014 the Superintendencia de Valores y Seguros (SVS) issued the Oficio Circular N°856 that set forth as an exception that the change in the deferred tax assets and liabilities arising as a consequence of Law 20,780 should be accounted against equity, resulting in a charge of 212.5 million.

The following table shows the detail of adjustments on first-time adoption of IFRS, as required by Circular No. 1,945 issued by the SVS, to present the adjustment on first-time application of IFRS recorded as a credit on retained earnings and their corresponding realization in period 2014.

Realized amounts and amounts pending realization as of the dates of the balances of financial position are detailed as follows:

Concepts	03.31.2015		12.31.2014	
	Realized during the period ThUS$	Pending to be realized ThUS$	Realized during the period ThUS$	Pending to be realized ThUS$
Revaluation of property, plant & equipment [1]	(2,625)	477,673	(10,725)	480,298
Revaluation deferred tax[2]	525	(80,802)	2,145	(81,329)
Total	**(2,100)**	**396,871**	**(8,580)**	**398,969**

[1] <u>Revaluation of Property, plant and equipment:</u> The method used to quantify the assets under this concept corresponds to the application of the useful lives by asset type used for the depreciation method at the revaluation amount determined on the date of adoption.

[2] <u>Deferred taxes:</u> Adjustments to the valuation of assets or liabilities generated by the application of IFRS have meant the determination of new temporary differences that were recorded against the Retained Income account in Equity. The realization of this concept has been determined in the same proportion as the entries that led to it.

g. Capital management

Capital management is framed within the Company's Investing and Financing Policies, which establishes that investments must have appropriate financing, depending on the project, in accordance with the Financing Policy. Total investments for each year shall not exceed 100% of the Company's equity and must be in accordance with the Company's financial capacity.

The Company shall attempt to maintain sufficient liquidity to allow it to have adequate financial leeway to cover its commitments and the risks associated with its businesses. The Company's cash surpluses shall be invested in securities issued by financial institutions and marketable securities in accordance with the criteria for selection and diversification of portfolio determined by the Company's management.

Investments shall be controlled by the Board, who will approve specific investments, both their amount and financing, with a reference framework of what is stated in the Company's Bylaws. Additionally, the approval of the Shareholders' Meeting is required.

Financing must endeavor to provide the funds necessary for adequate operation of existing assets, as well as for making new investments in accordance with the Investing Policy. Internal resources and external resources available shall be used to a limit that does not compromise the Company's equity position or limit its growth.

Consistent with the above, the Company's consolidated debt is intended to be limited to a ratio of 1.2 times the Company's equity. For this purpose non-controlling interest shall be understood to form part of the Company's equity.

The Company shall endeavor to maintain multiple financing options open, for which the following sources of financing shall be preferred: bank loans (both national and international), non-current bond market (both international and domestic), supplier credit, retained earnings and capital increases.

As of the dates of the balances of financial position, leverage ratios are detailed as follows:

	03.31.2015 ThUS$	**12.31.2014** ThUS$
Total liabilities	**2,978,125**	**3,021,790**
Total current liabilities	191,977	258,334
Total non-current liabilities	2,786,148	2,763,456
Total equity	**3,363,627**	**3,360,557**
Attributable company	3,363,627	3,360,557
Non-controlling interests	-	-
Debt ratio	**0.89**	**0.90**

On a quarterly basis, the Company has to report compliance with its obligations with financial entities. As of March 31, 2015, the Company has complied with all the financial indicators specified in those contracts (See note 35).

h. Restrictions on disposal of funds of subsidiaries

There are no restrictions on disposal of funds of Colbún's subsidiaries.

i. Earnings per share and distributable net income

Earnings per share have been obtained by dividing income for the period attributed to the shareholders of the controller by the weighted average of outstanding ordinary shares during the reported periods.

	03.31.2015	03.31.2014	12.31.2014
Profit (loss) attributable to holders of equity instruments in the net equity of the parent company (ThUS$)	6,969	51,536	79,526
Income (loss) available for common shareholders, basic (ThUS$)	6,969	51,536	79,526
Weighted average number of shares, basic (No. of shares)	17,536,167,720	17,536,167,720	17,536,167,720
Basic earnings (loss) per share (US Dollars per share)	**0.00040**	**0.00294**	**0.00453**

The Company has not performed any type of operation with a dilutive effect that assumes diluted earnings per share other than basic earnings per share during the reported period.

By virtue of what is established in Circular No. 1,945 of September 29, 2009, Colbún S.A., agreed to establish a general policy for determining distributable net income. To effectively calculate Obligatory Minimum and Additional Dividend on the basis realized, one must purge relevant changes in the fair value of unrealized assets and liabilities, which must be reintegrated when calculating net income for the year in which those variations are realized.

Consequently, additions and deductions to be made from distributable net income due to changes in the fair value of unrealized assets or liabilities and which have been recognized in "profit (loss) attributable to holders of equity", instrument in the net equity of the controller and non-controlling interest, correspond to the possible effects generated by variations in the fair value of derivative instruments held by the Company as of each period-end, net of the corresponding income tax.

As of the dates of the balances of financial position, the calculation of the distributable net profit is detailed as follows:

Calculated distributable liquid net income (cash flows)	**03.31.2015** ThUS$	**31.03.2014** ThUS$	**12.31.2014** ThUS$
Net income according to the Financial Statements	**6,969**	**51,536**	**79,526**
Cash flows in the year with a charge to prior years	1,208	(702)	(2,688)
Effect on unearned financial income that does not generate cash flows	1,011	1,005	4,518
Net cash flows for the period	**2,219**	**303**	**1,830**
Distributable net income	**9,188**	**51,839**	**81,356**
Minimum mandatory dividend (*)	-	-	**24,406**

(*) As of December 31, 2014 the Company paid a dividend higher than the minimal mandatory percentage. As a consequence no provision has been set up. See Note 25.d)

26. Income from ordinary activities

Income from ordinary activities is as follows:

	January - March	
	2015 ThUS$	**2014** ThUS$
Sale to distribution clients	167,637	165,979
Sale to industrial clients	73,032	150,772
Toll	36,025	41,156
Sale to other generators	37,972	1,503
Other income	2,344	53,835
Total	**317,010**	**413,245**

27. Raw materials and consumables used

Consumption of raw materials and secondary materials is as follows:

	January - March	
	2015 ThUS$	**2014** ThUS$
Petroleum consumption (see Note 12)	(22,497)	(22,910)
Gas consumption (see Note 12)	(95,078)	(143,059)
Coal consumption (see Note 12)	(26,611)	(23,416)
Purchase of energy and power	(4,519)	(18,031)
Tolls	(39,095)	(48,868)
Third party work and supplies	(17,363)	(19,067)
Total	**(205,163)**	**(275,351)**

28. Employee benefits expenses

Employee benefits are as follows (see Note 3.1.m and 3.1.n.2):

	January - March	
	2015 ThUS$	**2014** ThUS$
Wages and salaries	(11,340)	(10,754)
Current benefits to employees	(1,070)	(1,022)
Termination benefits	(156)	(131)
Other employee expenses	(1,388)	(1,604)
Total	**(13,954)**	**(13,511)**

29. Depreciation and amortization expenses

Depreciation and amortization expenses are as follows:

	January - March	
	2015 ThUS$	2014 ThUS$
Depreciation (see Note 17.b)	(47,182)	(41,649)
Amortization of intangibles (see Note 16.b)	(271)	(303)
Total	**(47,453)**	**(41,952)**

30. Financial income and financial costs

Finance income and costs are as follows:

Income (loss) from investment	January - March	
	2015 ThUS$	2014 ThUS$
Cash income and other equivalent means	955	1,466
Total financial income	**955**	**1,466**
Financial costs	**January - March**	
	2015 ThUS$	**2014** ThUS$
Bond expenses	(17,515)	(12,479)
Financial provision expense	(2,220)	(2,605)
Expense from valuation of net financial derivatives	(2,347)	(2,452)
Bank loan expenses	(1,874)	(2,830)
Other expenses (bank expenses)	(81)	(136)
Capitalized financial expenses (see note 17.c.v.)	1,811	9,875
Total financial cost	**(22,226)**	**(10,627)**
Total financial result	**(21,271)**	**(9,161)**

31. Exchange rate differences and income from indexation units

The items that cause the effect on income by net foreign exchange items and results of indexed units are detailed as follows:

Exchange rate differences

Exhange difference	Currency	January - March 2015 ThUS$	January - March 2014 ThUS$
Cash and cash equivalents	Chilean peso	(1,186)	(5,698)
Trade and other accounts receivable	Chilean peso	(490)	(6,165)
Current tax assets	Chilean peso	(5,013)	(10,838)
Other non-current non-financial assets	Chilean peso	(211)	(610)
Non-current accounts receivable from related entities	Chilean peso	(118)	(180)
Exchange rate differences on assets		**(7,018)**	**(23,491)**
Other current financial liabilities	UF	6,118	9,925
Trade and other accounts payable	Chilean peso	556	508
Other non-financial liabilities	Chilean peso	(286)	1,154
Employee benefits provision accrual	Chilean peso	1,039	1,929
Other non-current financial liabilities	Chilean peso	-	1,110
Exchange rate differences on liabilities		**7,427**	**14,626**
Total exchange difference		**409**	**(8,865)**

Income from indexation units

Indexation units	Currency	January - March 2015 ThUS$	January - March 2014 ThUS$
Current tax assets	UTM	57	2,387
Total income from indexation units		**57**	**2,387**

32. Income (loss) from investments accounted for using the equity method

Income from investments accounted for using the equity method is as follows:

	January - March 2015 ThUS$	January - March 2014 ThUS$
Net share in profits of associates (see Note 15)	1,480	1,329
Total	**1,480**	**1,329**

33. Other profits (losses)

The others profits (losses) are as follows:

Other income	January - March 2015 ThUS$	January - March 2014 ThUS$
Adjustment insurance Nehuenco material damages [1]	-	16,252
Sell property, plant and equipment	-	162
Other income	128	322
Total other income	**128**	**16,736**

Other expenses	January - March 2015 ThUS$	January - March 2014 ThUS$
Results derivative contracts	(582)	(1,005)
Legal fees	(39)	(259)
Disposals of property, plant and equipment [2]	-	(6,967)
Write offs and fines	-	(72)
Other	(374)	(754)
Total other expenses	**(995)**	**(9,057)**
Total other income (loss)	**(867)**	**7,679**

[1] Amount recognized by the insurance company from the failure in Nehuenco I and II, physical damage during the 2014 period.
[2] Corresponds to the recognition of the failure in Blanco Power Plant period 2014.

34. Committed guarantees with third parties, contingent assets and liabilities

a. Third party guarantees

a. 1 Direct guarantees

Guarantee creditor	Debtor		Commited assets			Outstanding balances	Liberation of guarantees		
	Name	Relationship	Type of guarantee	Currency	Book value	03.31.2015 ThUS$	2015	2016	2099
Director Regional de Vialidad Región Biobío	Colbún S.A.	Creditor	Guarantee deposit	CLP	600,000,000	958	958	-	-
Fisco de Chile Servicio Nacional de Aduanas	Colbún S.A.	Creditor	Guarantee deposit	CLP	10,710,000	3	3	-	-
Ministerio de Obras Públicas	Colbún S.A.	Creditor	Guarantee deposit	UF	206,765	8,125	604	7,522	-
Chilectra S.A.	Colbún S.A.	Creditor	Guarantee deposit	UF	100	4	-	-	4
Empresa de Ferrocarriles del Estado	Colbún S.A.	Creditor	Guarantee deposit	UF	11	-	-	-	-
Fisco de Chile Servicio Nacional de Aduanas	Colbún S.A.	Creditor	Guarantee deposit	USD	2,092,004	2,092	2,092	-	-

b. Guarantees obtained from third parties

Current guarantees in US Dollars, as of March 31, 2015 are as follows:

Deposited by	Relationship	Total ThUS$
Punta Palmeras S.A.	Supplier	10,297
Posco Engineering and Construction Co.	Supplier	10,000
Siemens Energy Inc.	Supplier	9,000
Power Machines Ztl.	Supplier	8,586
Alstom Hydro France S.A.	Supplier	1,393
Andritz Chile Ltda.	Supplier	551
Ingetec S.A.	Supplier	195
Aguas Industriales Ltda.	Supplier	193
Aguasin Spa.	Supplier	193
Carpi Tech S.A.	Supplier	140
Bilfinger Water Tegnologies Lts. S.A.	Supplier	105
Abb Ltda.	Supplier	100
Asesoría y Ventas Industriales Avi S.A.	Supplier	100
Hyundai Corporation	Supplier	100
Rhona S.A.	Supplier	100
Weg Chile S.A.	Supplier	100
Abb S.A.	Supplier	58
Hyosung Corporation	Supplier	34
P&H Mining Equipment Inc. Joy Global	Supplier	33
Energía Teknica Ltda.	Supplier	30
Química del Sur y Cía. Ltda.	Supplier	16
Distribuidora Perkins Chilena S.A.C.	Supplier	11
Rolec Comercial e Industrial S.A.	Supplier	6
Servicios Industriales y Técnica Científica Ltda.	Supplier	3
Autoflame Chile Ltda.	Supplier	2
	Total	**41,346**

Current guarantees in Euros, as of March 31, 2015 are as follows:

Deposited by	Relationship	Total ThUS$
Alstom Hydro France S.A.	Supplier	3,679
Andritz Hydro S.R.L.	Supplier	1,847
Andritz Chile Ltda.	Supplier	865
	Total	**6,391**

Current guarantees in CLP, as of March 31, 2015 are as follows:

Deposited by	Relationship	Total ThUS$
Metalizaciones Industriales Soc. Com. e Ind.S.A.	Supplier	279
Constructora del Valle Ltda.	Supplier	133
Ingeniería, Mantención y Servicios Imasel Ltda.	Supplier	92
Hydro Quality Tratamiento de Aguas Ltda.	Supplier	72
Ingeniería, Constr. y Mant. Ind. Aconcagua Ltda.	Supplier	55
Abb S.A.	Supplier	53
Hidráulica, Construcción y Conservación S.A.	Supplier	50
Luis Virginio Leal Fernández	Supplier	50
Constructora Propuerto Ltda.	Supplier	45
Serv. y Asesorías Grles. en Ingeniería Inf. y Tecnología Ltda.	Supplier	35
Construcciones y Mont. Indust. Javier Olivares	Supplier	33
Constructora R2 Ltda.	Supplier	31
Wilfredo Parra Lobos Cía. Ltda.	Supplier	30
Soc. Andesminerals Ltda.	Supplier	25
Soc. Com. Camin Ltda.	Supplier	24
Rodrigo López y Cía. Ltda.	Supplier	20
Empresa Constructora RS Ltda.	Supplier	18
Eulen Seguridad S.A.	Supplier	18
Montajes Industriales Piping Chile Ltda.	Supplier	16
Sistema Integral de Telecomunicaciones Ltda.	Supplier	15
Transporte José Carrasco Retamal E.I.R.L.	Supplier	10
Juan Angel Ortiz Soto	Supplier	8
Max Control Spa	Supplier	8
Soc. Com. y de Inversiones Conyser Ltda.	Supplier	8
Soc. de Transporte, Turismo e Inversiones Kemelbus Ltda.	Supplier	8
Corrosión Integral y Tecnología Ltda.	Supplier	6
Soc. Com. e Ingeniería y Gestión Ingher Ltda.	Supplier	6
Mantención de Jardines Arcoiris Ltda.	Supplier	4
Eulen Chile S.A.	Supplier	3
Rocha S.A.	Supplier	3
Serv. Empresariales Mol Ltda.	Supplier	1
	Total	**1,159**

Current guarantees in UF, as of March 31, 2015 are as follows:

Deposited by	Relationship	Total ThUS$
Zublin International Gmbh Chile Spa	Supplier	16,993
Empresa Constructora Angostura Ltda.	Supplier	14,472
Alstom Hydro France S.A.	Supplier	2,011
Andritz Chile Ltda.	Supplier	1,084
Abb S.A.	Supplier	239
Constructora CVV Conpax Ltda.	Supplier	239
Egesa Ingeniería S.A.	Supplier	216
Kdm Industrial S.A.	Supplier	202
Endress Hauser Chile Ltda.	Supplier	118
Transportes Bretti Ltda.	Supplier	105
G4S Security Services Regiones S.A.	Supplier	95
Luis Juan Nuñez Torres	Supplier	92
Jaime Illanes y Asociados Consultores S.A.	Supplier	84
Max Control Spa	Supplier	65
Edic Ingenieros S.A.	Supplier	56
Constructora Santa María Ltda.	Supplier	46
Oma Topografía y Construcciones Ltda.	Supplier	41
Ingeniería y Servicios S.A.	Supplier	39
Aseos Industriales de Talca Ltda.	Supplier	37
Arrigoni Modular Spa	Supplier	36
Centro de Ecología Aplicada Ltda.	Supplier	31
Transportes Pola Ltda.	Supplier	31
Autoflame Chile Ltda.	Supplier	29
Eulen Seguridad S.A.	Supplier	27
Montajes del Pacífico S.A.	Supplier	24
Knight Piesold S.A.	Supplier	23
Constructora del Valle Ltda.	Supplier	21
Transportes Castro Ltda.	Supplier	21
Sodexo Chile S.A.	Supplier	18
Vertisub Chile Spa	Supplier	18
Universidad de Concepción	Supplier	17
Glg Construcciones Ltda.	Supplier	16
Ecosystem S.A.	Supplier	15
Pozos Profundos S.A.	Supplier	15
Servicios Emca Spa	Supplier	12
Jaime Rodríguez Veloz Seguridad Privada E.I.R.L.	Supplier	11

Deposited by	Relationship	Total ThUS$
Nutrición y Alimentos V Región S.A.	Supplier	11
Ingeniería Geomática S.A.	Supplier	9
Félix Atilio Valenzuela Pérez	Supplier	7
Instr. Menchaca Amador Industrial Ltda.	Supplier	6
Constructora Hernán Ortega y Cía.	Supplier	5
Servicios Integrales de Seguridad Marítima y Terrestre Ltda.	Supplier	5
Comercial Calle-Calle Ltda.	Supplier	3
Asesorías Informáticas y Automatización Oyaneder S.A.	Supplier	2
	Total	**36,647**

c. Detail of litigations and others

With the information available to date, Colbún's management considers that the provisions recorded in the Consolidated Statement of Financial Position adequately covers the risks of litigation and other operations described in this note, therefore it does not expect that liabilities other than those recorded will result from them.

Due to the characteristics of the risks covered by these provisions, it is not possible to determine a reasonable schedule of payment dates, if any.

In accordance with IAS 37, as of March 31, 2015 a description of the most important litigations is included:

1.- <u>Fine of 1,800 UTM (ThUS$ 128) applied by the Superintendency of Electricity and Fuel ("SEC") – Exempt Resolution N° 4233/2014.</u>

On July 15, 2014, the SEC fined Colbún S.A. with 1,800 UTM (ThUS$128) as part of the charges presented because of a contract signed with Arauco Bioenergía S.A. that was informed to the CDEC-SIC between the preliminary and final balance of production and retirements. Against that resolution the Company filed an appeal against the Court of Appeals in Santiago, which is now being processed.

<u>2.- Arbitrage with CGE Distribution on the application of Sub Transmission Decree N°14</u>

In October 7, 2014 Colbún S.A. filed an arbitrage demand against the Arbitrage and Mediation Center with the Cámara de Comercio de Santiago A.G. against CGE Distribution S.A. because of the unilateral modification of the invoicing methodology of two supply contracts signed between the two parties as a consequence of the application of the Sub Transmission Decree N°14, issued by the Ministry of Energy, that set the tariffs to be paid for the use of the sub transmission system. Colbún demanded the fulfillment of the contract indicating that the invoicing methodology cannot be modified unilaterally, and any change must be implemented by mutual agreement, or by default, determined by the mechanism set forth in the contract to settle any discrepancy. Currently, the discussion stage of the Arbitration process has ended, and the Parties have filed the respective Complaint, Response, Reply and Rejoinder. The next step is the beginning of the stage of trials.

3.- Arbitrage ADM International SarL as a consequence of over demurrage and load in excess

In October 14, 2014, Colbún S.A. was notified of the arbitrage initiated by ADM International against the Company, under the freight contract subscribed August 30, 2014 in New York under the rule of the Society of Maritime Arbitrators because of an over demurrage and load in excess for an approximate amount of ThUS$ 137 plus interests and costs. The panel of arbitrators was formed and the parties have until May 1, 2015, to file their initial arguments

35. Commitments

Commitments entered into with financial entities and others

Loan agreements entered into by Colbún S.A. with financial entities and bond and commercial paper issuance agreements impose various obligations on the Company in addition to their payment, including financial indicators of various types during the term of those agreements, usual for this type of financing.

The Company must report compliance with these obligations in a quarterly manner. As of March 31, 2015 the Company is in compliance with all the financial indicators required in those contracts. These obligations are detailed as follows:

Covenants	Condition	03.31.2015		Maturity
Bank Loans				
Total liabilities/Net Tangible Equity	< 1,2	0.92		jun-2021
Minimum Equity	> ThUS$ 2.022.000	ThUS$	3,363,627	jun-2021
Bonds				
Ebitda/Net interest expense	>3,0	6.18		jun-2029
Debt ratio	<1,2	0.89		jun-2029
Minimun equity	> ThUS$ 1.348.000	ThUS$	3,363,627	jun-2029
Commited lines				
Total liabilities/Net equity of the Controller	< 1,2	0.89		jun-2016
Minimun equity	> ThUS$ 1.995.000	ThUS$	3,363,627	jun-2016

Calculation methodology

Indicator	Headings	Value at 03.31.2015	
Net Equity of the Parent Compa	Total Equity - Non-controlling Interests	ThUS$	3,363,627
Net Tangible Equity	Equity - Investments accounted for using the equity method - Intangible Assets other than Goodwill	ThUS$	3,242,549
Minimum Equity	Total Equity - Non-controlling Interests	ThUS$	3,363,627
Total liabilities	Total current liabilities + Total non-current liabilities	ThUS$	2,978,125
Debt Ratio	Total liabilities/Equity		0.89
Ebitda (*)	Income from ordinary activities - Raw materials and supplies used - Employees benefits expenses - Other expenses by nature	ThUS$	509,583
Net financial cost (*)	Financial costs - Financial income	ThUS$	82,518

(*) 12 moving months

36. Environment

The companies of the Company with disbursements associated with the environment are the following: Colbún S.A., Empresa Eléctrica Industrial S.A., Río Tranquilo S.A. and Termoeléctrica Antilhue S.A.

Disbursements made for the concept of the Environment are mainly associated with facilities; therefore they will be made based on their useful lives, except for the development of Studies and Declarations of Environmental Impact, which correspond to environmental permits prior to the construction phase.

The main projects in progress including a brief description of them are detailed as follows:

San Pedro hydroelectric power plant: Reservoir hydroelectric power plant located in the Los Ríos Region, minimally regulating the river’s flow, maintaining hydrological conditions downstream of the power plant unaltered.

La Mina hydroelectric power plant: run-of-the-river hydropower plant located in the high basin of the Maule River, in the Maule Region. During the last quarter of 2014, the contracts for the civil works and the supply and assembly of the hydromechanics equipment, in addition to the supply and assembly of the electro mechanic equipment have been signed. This marks the start of the construction period.

To this we add the disbursements associated to the 23 generation plants (and annex facilities) that are in operation.

Expenditures related to the environment mad by the companies are as follows:

Accumulated disbursements made as of 03.31.2015

Company	Name of the project associated to disbursement	Concept	Asset / Expense	Description asset / expense	Amount ThUS$	Estimated date
Colbún S.A.	Compromisos Ambientales - Angostura	Power Plants Environmental management	Expense	Cost	532	03-31-2015
Colbún S.A.	Compromisos Ambientales - Santa María	Power Plants Environmental management	Expense	Cost	117	03-24-2015
Colbún S.A.	Compromisos Ambientales - Quilleco	Power Plants Environmental management	Expense	Cost	83	03-30-2015
Colbún S.A.	Prefactibilidad Ambiental - Candelaria	Project of Environmental management	Asset	Work in progress	81	02-11-2015
Termoeléctrica Nehuenco S.A.	Compromisos Ambientales - Nehuenco	Power Plants Environmental management	Expense	Cost	65	03-30-2015
Río Tranquilo S.A.	Compromisos Ambientales - Hornitos	Power Plants Environmental management	Expense	Cost	61	03-30-2015
Colbún S.A.	Compromisos Ambientales - Los Quilos	Power Plants Environmental management	Expense	Cost	54	03-31-2015
Colbún S.A.	Compromisos Ambientales - Los Pinos	Power Plants Environmental management	Expense	Cost	51	03-31-2015
Colbún S.A.	Compromisos Ambientales - Candelaria	Power Plants Environmental management	Expense	Cost	40	03-30-2015
Colbún S.A.	Compromisos Ambientales - Antilhue	Power Plants Environmental management	Expense	Cost	37	03-31-2015
Colbún S.A.	Gestión Forestal	Parent of Environmental management	Expense	Expense	19	03-31-2015
Colbún S.A.	Compromisos Ambientales - Canutillar	Power Plants Environmental management	Expense	Cost	15	03-25-2015
Colbún S.A.	Gestión Ambiental Proyectos	Parent of Environmental management	Expense	Expense	13	03-30-2015
Colbún S.A.	Parque Coronel Proy.Sta.María 1	Project of Environmental management	Asset	Work in progress	12	03-30-2015
Empresa Eléctrica Industrial S.A.	Compromisos Ambientales - Carena	Power Plants Environmental management	Expense	Cost	10	03-31-2015
Colbún S.A.	Rezago RCA/RSE Medio Ambiente - Angostura	Project of Environmental management	Asset	Work in progress	8	03-02-2015
Colbún S.A.	Compromisos Ambientales - Colbún	Power Plants Environmental management	Expense	Cost	7	03-30-2015
Colbún S.A.	Gestión Ambiental Centrales	Parent of Environmental management	Expense	Expense	7	03-30-2015
Colbún S.A.	Compromisos Ambientales - Rucue	Power Plants Environmental management	Expense	Cost	5	03-31-2015
Colbún S.A.	Medio Ambiente - La Mina	Project of Environmental management	Asset	Work in progress	5	03-31-2015
Colbún S.A.	Medio Ambiente administración - San Pedro	Project of Environmental management	Asset	Work in progress	5	03-24-2015
Colbún S.A.	Asesorías Medioambientales Santa María	Project of Environmental management	Asset	Work in progress	4	03-19-2015
Colbún S.A.	Gerente de Medio Ambiente	Parent of Environmental management	Expense	Expense	3	03-01-2015
Colbún S.A.	Estudio de impacto ambiental - San Pedro	Project of Environmental management	Asset	Work in progress	1	01-30-2015
Colbún S.A.	Estudios de Impacto Ambiental -Guaquivilo Melado	Project of Environmental management	Asset	Work in progress	1	02-02-2015
				Total	**1,236**	

Future expenses as of 03.31.2015

Company	Name of the project associated to disbursement	Concept	Asset / Expense	Description asset / expense	Amount ThUS$	Estimated date
Colbún S.A.	Compromisos Ambientales Angostura	Power Plants Environmental management	Expense	Cost	555	06-30-2015
Colbún S.A.	Compromisos Ambientales Santa María	Power Plants Environmental management	Expense	Cost	285	05-19-2015
Termoeléctrica Nehuenco S.A.	Compromisos Ambientales	Power Plants Environmental management	Expense	Cost	168	05-27-2015
Colbún S.A.	Compromisos Ambientales Candelaria	Power Plants Environmental management	Expense	Cost	154	12-09-2015
Colbún S.A.	Compromisos Ambientales Los Quilos	Power Plants Environmental management	Expense	Cost	129	06-26-2015
Río Tranquilo S.A.	Compromisos Ambientales	Power Plants Environmental management	Expense	Cost	76	05-23-2015
Colbún S.A.	Compromisos Ambientales Antilhue	Power Plants Environmental management	Expense	Cost	74	12-28-2015
Colbún S.A.	Gestión Forestal	Parent of Environmental management	Expense	Cost	34	07-31-2015
Colbún S.A.	Compromisos Ambientales Los Pinos	Power Plants Environmental management	Expense	Cost	33	07-28-2015
Colbún S.A.	Gestión Ambiental Proyectos	Parent of Environmental management	Expense	Cost	25	05-17-2015
Colbún S.A.	Medio Ambiente administración - San Pedro	Project of Environmental management	Asset	Work in progress	22	12-25-2015
Colbún S.A.	Compromisos Ambientales Canutillar	Power Plants Environmental management	Expense	Cost	19	05-14-2015
Colbún S.A.	Gestión Ambiental Centrales	Parent of Environmental management	Expense	Cost	14	05-17-2015
Colbún S.A.	Compromisos Ambientales Colbun	Power Plants Environmental management	Expense	Cost	11	06-30-2015
Colbún S.A.	Compromisos Ambientales Rucúe	Power Plants Environmental management	Expense	Cost	10	08-06-2015
Colbún S.A.	Estudio de impacto ambiental - San Pedro	Project of Environmental management	Asset	Work in progress	6	12-12-2015
Empresa Eléctrica Industrial S.A.	Compromisos Ambientales Carena	Power Plants Environmental management	Expense	Cost	4	08-20-2015
				Total	**1,619**	

Accumulated disbursements made as of 03.31.2014

Company	Name of the project associated to disbursement	Concept	Asset / Expense	Description asset / expense	Amount ThUS$	Estimated date
Colbún S.A.	Cementos Bío Bío S.A. Santa María	Project of Environmental management	Asset	Fixed asset	1,712	01-28-2014
Colbún S.A.	Asesorias Medio Ambiente Angostura	Project of Environmental management	Asset	Work in progress	109	03-20-2014
Colbún S.A.	Compromisos Ambientales Los Pinos	Power Plants Environmental management	Gasto	Cost	58	03-31-2014
Río Tranquilo S.A.	Compromisos Ambientales Hornitos	Power Plants Environmental management	Gasto	Cost	46	03-27-2014
Colbún S.A.	Compromisos Ambientales Canutillar	Power Plants Environmental management	Gasto	Cost	29	03-31-2014
Colbún S.A.	Compromisos Ambientales Colbun	Power Plants Environmental management	Gasto	Cost	18	03-24-2014
Colbún S.A.	Compromisos Ambientales Candelaria	Power Plants Environmental management	Gasto	Cost	18	02-10-2014
Termoeléctrica Nehuenco S.A.	Compromisos Ambientales Nehuenco 1	Power Plants Environmental management	Gasto	Cost	16	03-27-2014
Colbún S.A.	Compromisos Ambientales Los Quilos	Power Plants Environmental management	Gasto	Cost	15	03-27-2014
Colbún S.A.	Parque Coronel Santa María	Project of Environmental management	Asset	Fixed asset	5	03-31-2014
Empresa Eléctrica Industrial S.A.	Compromisos Ambientales Carena	Power Plants Environmental management	Gasto	Cost	3	03-31-2014
Colbún S.A.	Compromisos Ambientales Antilhue	Power Plants Environmental management	Gasto	Cost	1	03-13-2014
				Total	**2,030**	

Future expenses as of 03.31.2014

Company	Name of the project associated to disbursement	Concept	Asset / Expense	Description asset / expense	Amount ThUS$	Estimated date
Colbún S.A.	Rezago- Rca/Rse Medio Ambiente Angostura	Project of Environmental management	Asset	Work in progress	217	12-31-2014
Colbún S.A.	Compromisos Ambientales Los Quilos	Power Plants Environmental management	Gasto	Cost	101	12-31-2014
Río Tranquilo S.A.	Compromisos Ambientales Hornitos	Power Plants Environmental management	Gasto	Cost	63	12-31-2014
Colbún S.A.	Compromisos Ambientales Los Pinos	Power Plants Environmental management	Gasto	Cost	42	12-31-2014
Colbún S.A.	Compromisos Ambientales Canutillar	Power Plants Environmental management	Gasto	Cost	27	12-31-2014
Colbún S.A.	Compromisos Ambientales Colbun	Power Plants Environmental management	Gasto	Cost	4	12-31-2014
Colbún S.A.	Parque Coronel Santa María	Project of Environmental management	Asset	Fixed asset	3	12-31-2014
Empresa Eléctrica Industrial S.A.	Compromisos Ambientales Carena	Power Plants Environmental management	Gasto	Cost	2	12-31-2014
				Total	**459**	

37. Events occurred after the statement of position date

a. The 29th Ordinary Shareholders' Meeting was held on April 22, 2015. Among other things, the shareholders adopted the following agreements:

- **Final dividend**: the shareholders approved the distribution of a final dividend, charged to profits for the year ended December 31, 2013, in the sum of US$12,764,661.38 as an additional dividend, equivalent to US$ 0.000728 per share, payable as of May 6, 2015.

- **Designation of external auditor**: the shareholders agreed to designate Ernst & Young Servicios Profesionales de Auditoría y Asesorías Limitada as the external auditor for 2015.

- **Election of Board of Directors**: The Company's Board of Directors was reelected as follows: Vivianne Blanlot Soza, Luz Granier Bulnes, Bernardo Larraín Matte, Luis Felipe Gazitúa Achondo, Arturo Mackenna Iñiguez, Eliodoro Matte Larraín, Juan Hurtado Vicuña, Eduardo Navarro Beltrán and Juan Eduardo Correa García. Vivianne Blanlot Soza and Luz Granier Bulnes were elected as independent directors.

b. On April 28, 2015 the Board of Directors approved the interim consolidated financial statements for the period ended March 31, 2015, prepared in accordance with the financial reporting standard issued by the SVS that are in accordance with IFRS as issued by the IASB, except for the provisions included in the Oficio Circular N°856.

No subsequent events have occurred between March 31, 2015 and the date of issue of these interim consolidated financial statements.

38. Foreign currency

The detail of Assets and Liabilities in foreign currency with effects upon profits due to the foreign currency translation is as follows:

Assets	Foreign currency	Functional currency	03.31.2015 ThUS$	12.31.2014 ThUS$
Total current assets				
Cash and cash equivalents	Chilean peso	US Dollar	83,698	43,720
Cash and cash equivalents	Euro	US Dollar	526	992
Other current non-financial assets	Chilean peso	US Dollar	3,085	5,395
Trade and other current accounts receivable	Chilean peso	US Dollar	234,809	225,730
Current accounts receivable from related companies	Chilean peso	US Dollar	183	222
Current tax assets	Chilean peso	US Dollar	57,163	47,004
Total current assets			**379,464**	**323,063**
Non-current assets				
Other non-current financial assets	Chilean peso	US Dollar	240	248
Other non-current non-financial assets	Chilean peso	US Dollar	10,245	7,026
Total non-current assets			**10,485**	**7,274**
Total assets			**389,949**	**330,337**

Liabilities	Foreign currency	Functional currency	03.31.2015 ThUS$	12.31.2014 ThUS$
Total current liabilities				
Other current financial liabilities	UF	US Dollar	13,805	11,539
Trade and other accounts payable	Chilean peso	US Dollar	104,820	110,165
Current accounts payable to related entities	Chilean peso	US Dollar	4,356	254
Other current provisions	Chilean peso	US Dollar	10,798	10,794
Current tax liabilities	Chilean peso	US Dollar	3,501	2,149
Current employee benefits accruals	Chilean peso	US Dollar	4,325	11,475
Other current non-financial liabilities	Chilean peso	US Dollar	3,622	3,863
Total current liabilities			**145,227**	**151,517**
Non-current liabilities				
Other non-current financial liabilities	UF	US Dollar	205,429	200,532
Non-current employee benefits liabilities	Chilean peso	US Dollar	24,368	24,101
Other non-current non-financial liabilities	Chilean peso	US Dollar	217	217
Total non-current liabilities			**230,014**	**224,633**
Total liabilities			**375,241**	**376,150**

The detail of assets and liabilities in foreign currency does not include Investments reported using the share method, as the differences originated from foreign currency translation are reported in equity as foreign currency translation adjustments (see note 25.e).

The maturity of other financial liabilities in foreign currency is detailed as follows:

As of 03.31.2015	Foreign currency	Functional currency	Next 91 days ThUS$	From 91 days to 1 year ThUS$	From 1 year to 3 years ThUS$	From 3 years to 5 years ThUS$	More than 5 years ThUS$	Total ThUS$
Other financial liabilities	UF	Us Dollar	8,833	4,973	20,676	37,649	147,105	219,236
		Totales	**8,833**	**4,973**	**20,676**	**37,649**	**147,105**	**219,236**

As of 12.31.2014	Moneda Extranjera	Moneda funcional	Next 91 days ThUS$	From 91 days to 1 year ThUS$	From 1 year to 3 years ThUS$	From 3 years to 5 years ThUS$	More than 5 years ThUS$	Total ThUS$
Other financial liabilities	UF	Us Dollar	-	11,539	21,341	38,856	151,836	223,572
		Totales	**-**	**11,539**	**21,341**	**38,856**	**151,836**	**223,572**

39. Staffing

As of the dates of the balances of financial position, the Company's staffing is detailed as follows:

	Number of employees	
	03.31.2015	12.31.2014
Managers and main executives	71	70
Professional & technicians	588	593
Employees and others	296	298
Total	955	961
Average for the period	**957**	**970**

Annex No. 1 additional information required for XBRL taxonomy

This annex forms an integral part of the Company's consolidated financial statements.

Remunerations paid to external auditors

Remunerations paid to the external auditors during the periods are detailed as follows:

	03.31.2015 ThUS$	03.31.2014 ThUS$
Audit services	75	39
Tax services	19	-
Other services	2	17
Total	**96**	**56**

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