Interim Consolidated Financial Statements
for the period ended September 30, 2014

(Translation of Interim 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 Consolidated Statements of Financial Position
as of September 30, 2014 (unaudited) and December 31, 2013
(In thousands of US dollars – ThUS$)

ASSETS	Note N°	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Cash and cash equivalents	7	878,252	260,453
Other financial assets, current	8	9,264	2,670
Other non-financial assets, current	19	16,620	33,656
Trade and other accounts receivable, current	9	254,782	328,625
Accounts receivable form related companies, current	11	192	4,451
Inventory	12	82,406	70,228
Current tax assets	18	59,681	44,046
Total current assets		**1,301,197**	**744,129**
Non-current assets			
Other financial assets	8	251	3,496
Other non-financial assets	19	30,172	27,178
Accounts receivable from related companies	11	372	384
Investment accounted for using equity method	15	142,171	157,447
Intangible assets other than goodwill	16	84,386	87,258
Property, plant and equipment	17	4,967,624	5,032,954
Deferred taxes	20.b	5,989	5,220
Total non-current assets		**5,230,965**	**5,313,937**
TOTAL ASSETS		**6,532,162**	**6,058,066**

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

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Colbún S.A. and Subsidiaries
Interim Consolidated Statements of Financial Position
as of September 30, 2014 (unaudited) and December 31, 2013
(In thousands of US dollars – ThUS$)

LIABILITIES AND NET EQUITY	Note N°	September 30, 2014 ThUS$	December 31, 2013 ThUS$
Current liabilities			
Other financial liabilities	21	197,043	149,471
Trade and other accounts payable	22	101,342	150,120
Accounts payable to related entities	11	928	10,146
Other provisions	23	290	1,010
Tax liabilities	20	3,494	4,691
Provision for employee benefits	23	9,202	13,093
Other non-financial liabilities	24	4,073	13,377
Total current liabilities		**316,372**	**341,908**
Non-current liabilities			
Other financial liabilities	21	1,848,008	1,550,640
Trade and other accounts payable	22	3,217	3,217
Deferred taxes	20.b	864,659	575,322
Provision for employee benefits	23	23,935	22,581
Other non-financial liabilities	24	9,491	8,092
Total non-current liabilities		**2,749,310**	**2,159,852**
Total liabilities		**3,065,682**	**2,501,760**
Net equity			
Issued capital	25.a	1,282,793	1,282,793
Retained earnings	25.f	1,407,569	1,481,152
Share premiums	25.c	52,595	52,595
Other reserves	25.e	723,523	739,766
Net Equity attributable to equity holders of the parent		3,466,480	3,556,306
Total net equity		**3,466,480**	**3,556,306**
TOTAL LIABILITIES AND NET EQUITY		**6,532,162**	**6,058,066**

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 Consolidated Statements of Comprehensive Income by Nature
for the periods ended September 30, 2014 and 2013 (Unaudited)
(In thousands of US dollars – ThUS$)

STATEMENT OF COMPREHENSIVE INCOME BY NATURE	Note	January - September		July - September	
		2014	2013	2014	2013
	N°	ThUS$	ThUS$	ThUS$	ThUS$
Net income from ordinary activities	26	1,172,511	1,346,384	351,244	461,055
Raw materials and consumables used	27	(734,689)	(1,037,379)	(213,761)	(413,565)
Personnel expenses	28	(44,186)	(46,241)	(14,944)	(15,888)
Depreciation and amortization expenses	29	(134,479)	(119,894)	(46,342)	(40,092)
Other expenses, by nature	-	(16,082)	(17,187)	(5,568)	(5,675)
Other profit (losses)	33	8,598	(19,980)	1,555	4,569
Profit (loss) from operating activities		**251,673**	**105,703**	**72,184**	**(9,596)**
Financial income	30	4,377	3,831	1,735	778
Financial costs	30	(51,768)	(37,998)	(22,235)	(10,685)
Share of profit of associated and joint ventures accounted for using the equity method	32	3,891	4,129	977	1,071
Exchange rate differences	31	(17,557)	2,323	(4,358)	(1,907)
Readjustment profit (loss)	31	6,675	2,983	1,008	2,231
Profit (loss) before taxes		**197,291**	**80,971**	**49,311**	**(18,108)**
Income tax expense	20.a	(55,975)	(24,950)	(31,107)	7,986
Profit (loss) of continuing operations		**141,316**	**56,021**	**18,204**	**(10,122)**
PROFIT (LOSS)		**141,316**	**56,021**	**18,204**	**(10,122)**
Attributable to:					
Equity holder of the parent	25.i	141,316	56,021	18,204	(10,122)
Non-controlling interests		-	-	-	-
PROFIT (LOSS)		**141,316**	**56,021**	**18,204**	**(10,122)**
Earnings per share					
Basic earnings per share from continuing operations	25.i	0.00806	0.00319	0.00104	(0.00058)
Basic earnings per share		**0.00806**	**0.00319**	**0.00104**	**(0.00058)**
Diluted earning per share from continuing operations	25.i	0.00806	0.00319	0.00104	(0.00058)
Diluted earnings per share		**0.00806**	**0.00319**	**0.00104**	**(0.00058)**

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

Colbún S.A. and Subsidiaries
Interim Consolidated Statements of Comprehensive Income
for the periods ended September 30, 2014 and 2013 (Unaudited)
(In thousands of US dollars – ThUS$)

STATEMENTS OF OTHER COMPREHENSIVE INCOME BY NATURE	Note	January - September		July - September	
		2014	2013	2014	2013
	N°	ThUS$	ThUS$	ThUS$	ThUS$
Profit (loss)	25.i	**141,316**	**56,021**	**18,204**	**(10,122)**
Components of other comprehensive income not being reclassified to profit or loss in subsequent periods, before tax:					
Actuarial gains (losses) on defined benefit plans	23.i	(3,616)	(2,086)	(475)	(250)
Other comprehensive income not being reclassified to profit or loss in subsequent periods, before tax		**(3,616)**	**(2,086)**	**(475)**	**(250)**
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	(17,387)	(7,330)	(10,630)	1,416
Gain / (Loss) on cash flow hedges		1,354	15,750	2,104	2,110
Other comprehensive income to be reclassified to profit or loss in subsequent periods, before tax		**(16,033)**	**8,420**	**(8,526)**	**3,526**
Other comprohensive income before tax		**(19,649)**	**6,334**	**(9,001)**	**3,276**
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	1,228	417	600	50
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	209	(3,150)	59	(422)
Income tax from components of other comprehensive income		**1,437**	**(2,733)**	**659**	**(372)**
Other comprehensive income, net of tax		**(18,212)**	**3,601**	**(8,342)**	**2,904**
Total other comprehensive income, net of tax		**123,104**	**59,622**	**9,862**	**(7,218)**
Attributable to:					
Equity holder of the parent		123,104	59,622	9,862	(7,218)
Non-controlling interests		-	-	-	-
Total other comprehensive income, net of tax		**123,104**	**59,622**	**9,862**	**(7,218)**

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Colbún S.A. and Subsidiaries
Interim Consolidated Statements of Cash Flows
for the periods ended September 30, 2014 and 2013 (Unaudited)
(In thousands of US dollars – ThUS$)

CASH FLOW STATEMENTS - DIRECT METHOD	Note N°	September 30, 2014 ThUS$	September 30, 2013 ThUS$
Cash flow provided by (used in) operating activities			
Proceeds			
Proceeds provided by sale of goods and providing services		1,330,573	1,494,680
Receipts from premiums and benefits, annuities and other income from written polices		49,852	135,071
Other receipts provided by operating activities		9,314	40,511
Payments			
Payments to suppliers for supplying goods and services		(879,364)	(1,240,998)
Payments to and on account of employees		(46,838)	(51,087)
Payments for premiums and claims, annuities and other obligations from underwritten policies		(25,732)	(18,707)
Other payments		(14,843)	(15,802)
Net cash flows provided by (used in) operating activities		**422,962**	**343,668**
Dividends received		8,740	7,829
Interest received		5,257	3,849
Income taxes refunded (paid)		(1,591)	(9,741)
Other cash inflows (outflows)		(6,554)	(9,216)
Net cash flows provided by (used in) operating activities		**428,814**	**336,389**
Cash flows provided by (used in) investing activities			
Other payments to acquire equity in joint ventures	15	(4,731)	(9,918)
Payments to related companies		-	(135)
Additions to property, plant and equipment		(82,725)	(256,955)
Other cash inflows (outflows)		299	1,900
Net cash flows (used in) investing activities		**(87,157)**	**(265,108)**
Cash flows provided by (used in) financing activities			
Proceeds provided by loans		**660,000**	**135,189**
Amounts provided by noncurrent loans		660,000	-
Amounts provided by current loans		-	135,189
Loan payments		(275,159)	(141,880)
Dividends payments		(18,058)	(13,372)
Interests payments		(54,030)	(59,896)
Other cash inflows (outflows)		(12,052)	-
Net cash flows provided by (used in) financing activities		**300,701**	**(79,959)**
Net increase (decrease) in cash and cash equivalents, before the effect of exchange rate differences		**642,358**	**(8,678)**
Effects of exchange rate differences on cash and cash equivalents			
Effects of changes in foreign exchange rate on cash and cash equivalents		(24,559)	(1,068)
Net increase (decrease) in cash and cash equivalents		**617,799**	**(9,746)**
Cash and cash equivalents at beginning of period		260,453	217,740
Cash and cash equivalents at end of period	7	**878,252**	**207,994**

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Colbún S.A. and Subsidiaries
Interim Consolidated Statements of Changes in Equity
for the periods ended September 30, 2014 and 2013 (Unaudited)
(In thousands of US dollars – ThUS$)

Statements of changes in net equity	Note	Attributable to equity holders of the parent									
				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 reserves ThUS$	Retained earnings ThUS$	Attributable to equity holders of the pareny ThUS$	Total Equity 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
Changes in Equity											
Comprehensive income (loss)											
Profit (loss)									141,316	141,316	141,316
Other comprehensive income				(17,387)	1,563	(2,388)	-	(18,212)		(18,212)	(18,212)
Dividends									-	-	-
Increase (decrease) due to transfers and other changes		-	-	-	-	2,388	(419)	1,969	(214,899)	(212,930)	(212,930)
Total changes in equity		**-**	**-**	**(17,387)**	**1,563**	**-**	**(419)**	**(16,243)**	**(73,583)**	**(89,826)**	**(89,826)**
Ending balance as of 09/30/2014	**25**	**1,282,793**	**52,595**	**(260,872)**	**(5,009)**	**-**	**989,404**	**723,523**	**1,407,569**	**3,466,480**	**3,466,480**

Statements of changes in net equity	Note	Attributable to equity holders of the parent									
				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 reserves ThUS$	Retained earnings ThUS$	Attributable to equity holders of the parent ThUS$	Total Equity ThUS$
Beginning balance as of 01/01/2013		1,282,793	52,595	(230,494)	(21,797)	-	990,233	737,942	1,439,452	3,512,782	3,512,782
Changes in equity											
Comprehensive income (loss)											
Profit (loss)									56,021	56,021	56,021
Other comprehensive income				(7,330)	12,600	(1,669)	-	3,601		3,601	3,601
Dividends									-	-	-
Increase (decrease) due to transfers and other changes		-	-	-	-	1,669	(292)	1,377	(1,669)	(292)	(292)
Total changes in equity		**-**	**-**	**(7,330)**	**12,600**	**-**	**(292)**	**4,978**	**54,352**	**59,330**	**59,330**
Ending balance as of 09/30/2013	**25**	**1,282,793**	**52,595**	**(237,824)**	**(9,197)**	**-**	**989,941**	**742,920**	**1,493,804**	**3,572,112**	**3,572,112**

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

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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 September 30, 2014 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.

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 plants: Colbún, Machicura, San Ignacio, Chiburgo and San Clemente located in the Maule Region; Rucúe and 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 of Chilectra S.A., and Aguas Andinas S.A. La Farfana Plant 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 with a market share of around 20%.

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 (May-September), 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.

The legislation establishes the concepts of the Trunk Transmission System, Sub-transmission and Additional Transmission in order to determine the rates.

3. Summary of significant accounting policies

3.1 Accounting principles

These interim consolidated financial statements for the period ended September 30, 2014 have been prepared in accordance with "IAS 34 Intermediate Financial Information" incorporated in International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board (hereinafter the "IASB").

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 October 28, 2014.

The following are the accounting principles adopted in the preparation of these interim consolidated financial statements. As required by IAS 1, these policies have been defined in compliance with the existing IFRS as of September 30, 2014, 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 September 30, 2014 and December 31, 2013, the Statements of Comprehensive Income, of Changes in Net Equity and of Cash Flows for the period ended as of September 30, 2014 and 2013 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 IFRS) 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).

Subsidiaries companies are those that Colbún, S.A. controls, either directly or indirectly, the majority of the voting rights or when, without having the majority, it has rights that gives the capacity of directing its relevant activities, considering to this aim, its own voting rights or those from third parties, exercisable or convertible at the end of the period.

Colbun is exposed or has rights to the variable returns of these companies and has the ability to influence on them.

Subsidiaries are detailed as follows:

Subsidiary	Country	Functional currency	Taxpayer number	Percentage of interest				
				09.30.2014			09.30.2013	12.31.2013
				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	Cayman Islands	US Dollar	0-E	99,9999	-	99,9999	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

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 September 30, 2014, Colbún provided ThUS$ 898 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	Company	Country	Functional currency	Taxpayer number	Percentage of interest as of		
					09.30.2014	09.30.2013	12.31.2013
					Direct	Direct	Direct
Associate	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	09.30.2014	09.30.2013	12.31.2013
Chilean Pesos	599.22	504.20	524.61
Euros	0.7916	0.7393	0.7243
UF	0.0248	0.0218	0.0225

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 and 23.d).

Work in progress is transferred to operational fixed assets once the testing period has 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.

Based on the results of the impairment test explained in Note 5.b), the Company's management considers that the book value of the assets does not exceed their recoverable value. As of September 30, 2014 there are no indicators of impairment of the CGU, except for the impairment disclosed in note 17.c) for certain assets that have been damaged.

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, expired 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 September 30, 2014, 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 90 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 product of changes in the fair value of this type of instruments are recorded in the Statement of Comprehensive Income, to the extent that they have been designated as a hedge instrument for accounting purposes and all the requirements set forth in IFRS to apply 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. As the inventory includes raw materials and spare parts, they are not tested for impairment if it is expected that the finished goods (electricity) will be sold with a positive margin.

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 criteria previously mentioned, and in conformity with the Circular N°856 of the SVS issued on October 17, 2014, the variation in deferred assets and liabilities arising from the step increase in the corporate income tax rate introduced by Lay 20,780, of September 29, 2014, has been recorded through equity.

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.

Deferred tax assets and liabilities has been compensated in the interim consolidated Statement of Financial Position only if, they are related to the income tax with the same tax authority and it has the right to compensate the current tax assets and liabilities.

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 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 Interim 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) is recorded on a net basis and therefore is excluded from income in the Interim 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.

Taking into consideration that due to Colbún's issued capital structure, it is practically impossible to reach a unanimous agreement, as of each year-end the amount of the obligation with shareholders is determined, net of interim 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.

Interim and final dividends are recorded as lower equity when they are approved by the competent organization, which in first place is generally the Company's Board of Directors, and in second place 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 (Note 23.c).

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. Reclassifications – For comparative purposes there have been made the following reclassifications to December 31, 2013: i) from "other non-financial assets" to "trade and other receivables" ThUS$ 195,603 in taxes recoverable related to the business of the Company; ii) interest paid from the net flow from operating activities to net cash flow from financing activities were reclassified.

v. 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 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 prospective" model for credit losses accounting and substantially different approach to hedge accounting. The entities also have the option to apply in advance accounting gains and losses on changes in fair value related to "own credit risk" for financial liabilities designated at fair value through profit or loss, without applying the other requirements of IFRS 9. The standard is mandatory for annual periods beginning on or after 1 January 2018. Early application is permitted.

IFRS 14 “Regulated Deferral Accounts”

Issued in January 2014, is an interim 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.

The Company is reviewing the impacts that these new standards may have in the consolidated financial statements.

Amendments to IFRS	Date of mandatory application
IAS 19, Employee benefits	July 1, 2014
IFRS 3, Business Combinations	July 1, 2014
IAS 40, Investment Properties	July 1, 2014
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, Investments in associates and joint ventures	January 1, 2016
IFRS 10, Consolidated financial statements	January 1, 2016
IFRS 5, Assets held for sale and discontinued operations	January 1, 2016
IFRS 7, Financial instruments: disclosures	January 1, 2016

IAS 19 “Employee Benefits”

Amendments to IAS 19, issued in November 2013, are applicable to the contributions of employees or third parties to defined benefits plans. The purpose of the amendments is to simplify the accounting for contributions that are independent of the employee’s years of service. For example, contributions of employees that are calculated based on a fixed percentage of the salary. Amendments are applicable as of July 1, 2014. Early application is allowed.

IFRS 3 “Business Combinations”

“Annual Improvements cycle 2010–2012”, issued in December 2013, clarifies certain aspects of the accounting for contingent considerations in a business combination. The IASB notes that IFRS 3 Business Combinations requires that the subsequent measurement of a contingent consideration must be at fair value, and therefore eliminates references to IAS 37 Provisions, Contingent Liabilities and Contingent Assets or other IFRS that potentially have other bases of valuation that do not constitute fair value. Reference is made to IFRS 9 Financial Instruments; however, it modifies IFRS 9 Financial Instruments, clarifying that a contingent consideration, whether it is a financial asset or liability, is measured at fair value through profit or loss or other comprehensive income, depending on the requirements of IFRS 9 Financial Instruments. Amendments are applicable as of July 1, 2014. Early application is allowed.

IAS 40 “Investment Properties”

“Annual Improvements cycle 2011–2013”, issued in December 2013, clarifies that judgment is required to determine whether the acquisition of an investment property is an asset, a group of assets or a business combination within the scope of IFRS 3 Business Combinations .This judgment is based on the guidelines of IFRS 3 Business Combinations. In addition the IASB concludes that IFRS 3 Business Combinations and IAS 40 Investment Properties are not mutually exclusive and judgment is required to determine whether the transaction is only an acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination that includes an investment property. Amendments are applicable as of July 1, 2014. Early application is allowed.

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"

Issued in September 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"

Issued in September 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.

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 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 and instructions 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 interim 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 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 and 5.d).
- 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 Electricity business risks

Colbún faces risks associated with exogenous factors such as the economic cycle, hydrology, the level of competition, demand patterns, the structure of the industry, changes in the regulation and levels of fuel prices. Moreover, it faces risks associated with project development and failures of generating units. The main risks for this year are associated with hydrology, fuel prices, failure risks in operating plants and risks in project development.

Regarding the risks related to the electric sector, for 2014 the main risks are related to hydrology and fuel prices as described below.

a. Hydrological risk

Approximately 60% of the installed capacity of Colbún corresponds to hydroelectric and thermal plants with coal, which enables the Company to deliver its commitments to low operating costs. However, in dry hydrologic conditions Colbún must operate its combined cycle thermal plants mainly with natural gas purchases or with diesel, allowing for lower hydraulic generation supply to complement the efficient coal-fired generation. In extreme conditions it may be necessary to operate open cycle plants operating with diesel.

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. Additionally our sales to customers are agreed upon on the basis of indexes that reflect the cost structure of the Company. However, given extreme hydrological conditions the variability in the results may increase. This situation is constantly under analysis in order to take timely mitigating actions required.

In this sense, given the hydrological conditions of the past three years, in several instances the Company has closed purchase agreements of natural gas to operate in its combined cycles. These agreements incorporate operational flexibility allowing the use of this fuel in different power plants.

b. Fuel prices risks

As mentioned in the description of hydrological risks, 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, Colbún's production costs or the marginal costs are directly affected by fuel prices, with a risk for the 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 and considering factors such as hydrological conditions, the evolution of commodities markets, the level of correlation of contract prices to commodities prices, coverage programs have been implemented with different derivative instruments such as call options, put options, etc.

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 I power plant, awarding the supply contract to well supported competitive companies. This is in line with an early purchasing policy in order to prevent any risk of not having this fuel available.

d. Equipment failure and maintenance risks

The availability and reliability of generating units and transmission assets is essential to ensure the levels of production to adequately cover our commitments. This is why Colbún's policy to conduct regular maintenance on its equipment according to the recommendations of its suppliers and the accumulated experience in its long operational history about failures and accidents. We have seen that the thermal generation equipment that can operate with gas or diesel (originally designed to operate with natural gas) increases their equivalent operating hours when using diesel as compared to when using gas. As a result, if the units operate on diesel they require more frequent maintenance than usual and have lower levels of availability. Given this, we have adopted maintenance policies, processes and procedures as well as the investments needed to increase levels of reliability and availability of thermal units.

As policy covers such risks, Colbún maintains insurance for its physical assets, including coverage for physical damage and/or other loss of profit.

Despite the regular maintenance as well as the day-to-day management, on January 12, 2014 Blanco power plant (60MW), located on the Aconcagua river basin, suffered a failure which is now under investigation. This failure damaged the turbine as well as auxiliary equipment so it has been unavailable since then. With the information available, it is estimated that the plant will resume operations in the first quarter of 2015.

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 incorporated in 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.

f. Electric market risks

We face a very challenging electrical market, which shows an imbalance between a growing demand and efficient and competitive supply. The stagnation in the development of new SIC-based power plant projects due to the impediments faced by investment processes generates greater uncertainty regarding the manner in which future demand will be supplied once the existing capacity is reached and the few projects currently under construction.

The problem is not lack of interest in investing (there are many projects that have been approved or are in the approval process in the Environmental Assessment System), the central issue is that only a small fraction of these projects are being built.

Some of the causes of this situation are:

1. Neighborhood communities and the company legitimately demanding greater participation and a more protagonist role.
2. Long and uncertain environmental procedures followed by legal processes with the same characteristics.

Colbún has worked intensely on developing a social bond that will allow it to work together with neighboring communities and society in general. The basic challenge is to generate conditions for the communities to be better off with the projects than without them. In order to achieve the above, we focused our efforts on beginning a process of citizen participation and generating trust at the early stages of our projects, maintaining an open and transparent presence in the communities during their entire life cycle (design, construction and operation).

In addition, it is necessary to reach a broad social and political agreement to drive an agenda destined to the reactivation of investments and in the short-term concreting the generation of efficient base power plant projects in order to enable sustained development of the economy and safeguard the environment.

g. Regulatory risks

Regulatory stability is fundamental for a sector such as electricity generation where the development of investment projects is long-term in respect to their development, execution and return on investment. Such regulatory stability has been a valuable characteristic in the Chilean electricity sector.

Notwithstanding the above, there is always room for regulations improvement. We believe that it is currently important to develop new initiatives to resolve some uncertainties in the balanced and logical operation of the system and in the lack of initiatives for new generation projects with significant capacities.

The energy agenda promoted by the government includes several regulatory changes that could represent an opportunity or a risk for the company, depending on how they are implemented. The Company considers especially relevant the changes that are being discussed in Congress related to the modification of the Electric Law in matters such as tenders to supply regulated costumers and the Water Code. Also important are the new project laws being prepared to ease the development of new projects at the local level, like the law of associativity. The necessary and balanced development of the electric market in the following years will depend on the quality of this new regulation and the signals provided from the authority.

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, exchange 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 payments that must be made in currencies other than the dollar for the power generation process; by investments in power generation plants existing or new plants under construction, and contracted debt in currencies other than the functional currency of the Company. The instruments used to manage foreign exchange risk are currency swaps and forwards.

In terms of the net position in currencies other than the functional currency, the Company's Statement of Financial Position as of September 30, 2014 shows a surplus of assets over liabilities in Chilean pesos. This "long" position generates exchange rate differences of approximately US$2.0 million for each Ch$10 variation in the CLP/USD exchange rate.

b. Interest rate risk

Refers to changes in interest rates that affect the value of future cash flows tied to variable interest rate, and changes in the fair value of assets and liabilities linked to fixed interest rate that are measured at fair value.

The objective of this risk management is to achieve a balanced debt structure, reduce the cost impacts driven by fluctuations in interest rates and in this way to reduce volatility in the income statement of the Company. To meet those objectives and according to Colbún estimates, hedge derivatives are contracted in order to mitigate these risks. The instruments used are fixed interest rate swaps.

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

Interest rate	09.30.2014	09.30.2013	12.31.2013
Fixed	100%	89%	90%
Floating	0%	11%	10%
Total	**100%**	**100%**	**100%**

c. Credit risk

The Company is exposed to the risk arising from the possibility that counterparty fails to meet its contractual obligations and produces economic or financial loss. Historically, all counterparties with which Colbún has maintained energy delivery commitments have made the corresponding payments correctly. In addition to this, many of the charges invoiced by Colbún are to members of the Chilean Central Interconnected System, highly solvent entities. Notwithstanding the above, during the past year there have been specific problems of insolvency of some members of the CDEC-SIC.

With respect to cash and derivatives statements, Colbún completes the transactions with high credit ratings agencies, recognized nationally and internationally, so as to minimize the credit risk of the Company. Additionally, the Company has established participation limits by counterparty, which are approved by the Board of Directors and reviewed periodically.

As of September 30, 2014, cash surpluses are invested in mutual funds of subsidiaries of banks and 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". Local banks have a credit rating equal or superior to AA-, and in the case of foreign banks, they all have investment grade credit rating. At the end of the period, the financial institution that concentrates the highest share reaches 16%. Regarding existing derivatives, the Company's international counterparts have a credit rating equivalent to BBB+ or above and national counterparts have local credit rating of AA+ or higher. It should be noted that no counterpart concentrates more than 14% in notional terms.

d. Liquidity risk

This risk results from different funding requirements to meet investment commitments and business expenses, debt payments, etc. 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 September 30, 2014, Colbún has cash in excess for an amount of US$ 887.4 million, invested in mutual funds and time deposits with a maturity of less than 90 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.

It should be noted that on October the Company prepaid an international loan with BBVA Bancomer with original maturity in August 2015 for an amount of 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 September 30, 2014 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 interim 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 Statements 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	Remaining useful lives Average years
Buildings and infrastructure	30 – 50	26
Machinery	20 – 50	28
Transport equipment	5 – 15	11
Office equipment	5 – 30	27
Hardware	3 -10	4
Other property, plant & equipment	30 – 50	34

The following provides additional detailed subdivided by type of plant:

Classes of plants	Range of estimated useful lives	Remaining useful lives Average years
Generating facilities		
Hydraulic power plants		
Civil works	30 – 50	35
Electromechanical equipment	20 – 50	39
Thermoelectric power plants		
Civil works	20 – 50	28
Electromechanical equipment	20 – 35	22

(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 September 30, 2014, 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 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 - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Energy	859,118	994,790	267,125	337,111
Capacity	133,166	133,463	44,591	47,101
Other	180,227	218,131	39,528	76,843
Total	**1,172,511**	**1,346,384**	**351,244**	**461,055**

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

Information on sales to main clients

Main clients	January - September				July - September			
	2014		2013		2014		2013	
	ThUS$	%	ThUS$	%	ThUS$	%	ThUS$	%
Codelco Chile	327,147	28%	386,644	29%	99,925	28%	160,778	35%
CGE Distribución S.A.	260,846	22%	268,015	20%	88,354	25%	86,236	19%
Chilectra S.A.	165,652	14%	205,759	15%	52,944	15%	68,905	15%
Sociedad Austral del Sur S.A.	101,872	9%	92,992	7%	37,181	11%	29,742	6%
Anglo American S.A.	68,775	6%	72,123	5%	21,990	6%	23,712	5%
Others	248,219	21%	320,851	24%	50,850	15%	91,682	20%
Total	**1,172,511**	**100%**	**1,346,384**	**100%**	**351,244**	**100%**	**461,055**	**100%**

7. Classes of cash and cash equivalents

a. Account composition

Cash and cash equivalents are detailed as follows:

Cash and cash equivalent	09.30.2014 ThUS$	12.31.2013 ThUS$
Cash	41	54
Banks balances	2,807	163
Time deposits	807,168	161,511
Other fixed-income instruments	68,236	98,725
Total	**878,252**	**260,453**

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.

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	09.30.2014		12.31.2013	
	Original currency ThUS$	Currency with derivative (1) ThUS$	Original currency ThUS$	Currency with derivative (1) ThUS$
EUR	775	775	979	979
CLP	364,644	64,867	156,496	136,429
USD	512,833	821,833	102,978	123,335
Total	**878,252**	**887,475**	**260,453**	**260,743**

(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:

	Current		Non-current	
	09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
Hedge derivate instruments (1) (See Note 13.1)	9,264	2,670	-	3,209
Investment in the CDEC	-	-	251	287
Total	**9,264**	**2,670**	**251**	**3,496**

(1) 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	
	09.30.2014 ThUS$	12.31.2013 ThUS$
Trade receivables with contract	124,811	128,897
Other receivables (1)	129,971	199,728
Total	**254,782**	**328,625**

(1) As of September 30, 2014 this balance includes the account receivable for an amount of US$129MM related to tax assets (mainly VAT), whereas as of December 31, 2013 these are mainly accounts receivables from sales of CER and the tax assets for an amount of US$196MM. The company estimates that these assets will be recovered in the next 12 months.

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 September 30, 2014 and December 31, 2013, the analysis of Trade Accounts Receivable is detailed as follows:

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

Trade accounts receivable invoiced	Balance as of 09.30.2014					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	91-more ThUS$	Total ThUS$
Regulated customers	-	199	302	6	-	507
Unregulated customers	-	-	-	-	-	-
Other receivables	42	5,543	725	-	613	6,923
Subtotal	**42**	**5,742**	**1,027**	**6**	**613**	**7,430**

Trade accounts receivable to be invoiced	Balance as of 09.30.2014					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	91-more ThUS$	Total ThUS$
Regulated customers	62,657	-	7,446	33	15,024	85,160
Unregulated customers	27,882	-	-	-	319	28,201
Other receivables	4,020	-	-	-	-	4,020
Subtotal	**94,559**	**-**	**7,446**	**33**	**15,343**	**117,381**
Total trade accounts receivable	**94,601**	**5,742**	**8,473**	**39**	**15,956**	**124,811**
Number of clients	**19**	**137**	**48**	**24**	**59**	

Trade accounts receivable invoiced	Balance as of 12.31.2013					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	91-more ThUS$	Total ThUS$
Regulated customers	944	4,380	14	1	15	5,354
Unregulated customers	28	144	138	-	8	318
Other receivables	1,250	801	3	-	-	2,054
Subtotal	**2,222**	**5,325**	**155**	**1**	**23**	**7,726**

Trade accounts receivable to be invoiced	Balance as of 12.31.2013					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	91-more ThUS$	Total ThUS$
Regulated customers	68,414	-	10,134	-	3,832	82,380
Unregulated customers	36,302	-	457	253	184	37,196
Other receivables	1,595	-	-	-	-	1,595
Subtotal	**106,311**	-	**10,591**	**253**	**4,016**	**121,171**
Total trade accounts receivable	**108,533**	**5,325**	**10,746**	**254**	**4,039**	**128,897**
Number of clients	**96**	**65**	**33**	**9**	**44**	

b) Accounts Receivable in judicial collection

There is no trade accounts receivable 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

September 30,2014	Held the maturity ThUS$	Loans and accounts receivable ThUS$	Assets fair value with changes in results ThUS$	Hedge derivatives ThUS$	Total ThUS$
Mutual Funds and Time Deposits (see Note 7)	807,168	-	68,236	-	875,404
Trade and other accounts receivable (see Note 9)	-	254,782	-	-	254,782
Accounts receivable from related parties (see Note 11.b.1)	-	564	-	-	564
Financial derivative instruments (see Note 13)	-	-	-	9,264	9,264
Other financial assets (see Note 8)	251	-	-	-	251
Total	**807,419**	**255,346**	**68,236**	**9,264**	**1,140,265**

December 31, 2013	Held the maturity ThUS$	Loans and accounts receivable ThUS$	Assets fair value with changes in results ThUS$	Hedge derivatives ThUS$	Total ThUS$
Mutual Funds and Time Deposits (see Note 7)	161,511	-	98,725	-	260,236
Trade and other accounts receivable (see Note 9)	-	328,625	-	-	328,625
Accounts receivable from related parties (see Note 11.b.1)	-	4,835	-	-	4,835
Financial derivative instruments (see Note 13)	-	-	-	5,879	5,879
Other financial assets (see Note 8)	287	-	-	-	287
Total	**161,798**	**333,460**	**98,725**	**5,879**	**599,862**

a.2 Liabilities

September 30,2014	Held the maturity ThUS$	Loans and accounts receivable ThUS$	Assets fair value with changes in results ThUS$	Hedge derivatives ThUS$	Total ThUS$
Loans that accrue interest (see note 21.a)	-	2,026,255	-	-	2,026,255
Financial derivative instruments (see note 13)	-	-	-	18,796	18,796
Trade accounts payables (see note 22)	-	104,559	-	-	104,559
Accounts payable to related parties (see Note 11.b.2)	-	928	-	-	928
Total	**-**	**2,131,742**	**-**	**18,796**	**2,150,538**

December 31, 2013	Held the maturity ThUS$	Loans and accounts receivable ThUS$	Assets fair value with changes in results ThUS$	Hedge derivatives ThUS$	Total ThUS$
Loans that accrue interest (see note 21.a)	-	1,692,270	-	-	1,692,270
Financial derivative instruments (see note 13)	-	-	-	7,841	7,841
Trade accounts payables (see note 22)	-	153,337	-	-	153,337
Accounts payable to related parties (see Note 11.b.2)	-	10,146	-	-	10,146
Total	**-**	**1,855,753**	**-**	**7,841**	**1,863,594**

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	09.30.2014 ThUS$	12.31.2013 ThUS$
Customers with local credit rating		
AAA	19,437	32,155
AA+	9	9
AA	44,082	47,201
AA-	141	6
A+	51,985	39,471
A	-	97
A-	-	1
BBB	-	153
Total	**115,655**	**119,093**
Customer without local credit rating		
Total	**9,156**	**9,804**
Banks balances and short-term time deposits - local market		
AAA	398,178	92,934
AA+	96,419	15,022
AA	60,212	5
AA-	117,065	28,651
Total	**671,874**	**136,612**
Banks balances and short-term time deposits - international market (*)		
BBB- o higher	138,142	25,116
Total	**138,142**	**25,116**
Financial assets with local counterpart		
AAA	5,635	1,340
AA+	1,395	807
AA-	-	1,909
Total	**7,030**	**4,056**
Financial assets with international counterpart (*)		
A o higher	2,234	-
BBB- o higher	-	1,823
Total	**2,234**	**1,823**

(*) 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 September 30, 2014, 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 Provida S.A. (**)	4,90
AFP Habitat S.A. (**)	4,70
Banco de Chile on behalf of investors	3,45
AFP Capital S.A. (**)	3.41
Banco Itaú on behalf of investors	3,21
AFP Cuprum S.A. (**)	3.20
Banco Santander JP Morgan	2.70
Other shareholders	15.68
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%). Control is exercised by being majority shareholder and with an agreement that ensures majority on the Board of Directors of Colbún S.A.

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

b. Balances and transactions with related entities

b.1. Accounts receivable from related entities

Accounts receivable from related entities are detailed as follows:

Taxnumber payer	Company	Country	Relationship	Currency	Current		Non-current	
					09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
96.731.890-6	Cartulinas CMPC S.A.	Chile	Common group	Chilean peso	81	-	-	-
96.853.150-6	Papeles Cordillera S.A.	Chile	Common group	Chilean peso	75	1,202	372	384
96.529.310-8	CMPC Tissue S.A.	Chile	Common group	Chilean peso	13	447	-	-
96.806.130-5	Electrogas S.A.	Chile	Associate	US Dollar	-	2,622	-	-
77.017.930-0	Transmisora Eléctrica de Quillota Ltda.	Chile	Joint Venture	Chilean peso	23	180	-	-
				Total	**192**	**4,451**	**372**	**384**

b.2. Accounts payable to related entities

Accounts payable to related entities are detailed as follows:

Taxnumber payer	Company	Country	Relationship	Currency	Current	
					09.30.2014 ThUS$	12.31.2013 ThUS$
90.412.000-6	Minera Valparaíso S.A.	Chile	Major Shareholder	US Dollar	-	6,467
79.621.850-9	Forestal Cominco S.A.	Chile	Major Shareholder	US Dollar	-	2,574
96.731.890-6	Cartulinas CMPC	Chile	Common group	Chilean pesos	-	432
96.806.980-2	Entel PCS Comunicaciones S.A.	Chile	Common director	Chilean pesos	-	49
96.806.130-5	Electrogas S.A.	Chile	Associate	US Dollar	9	-
97.080.000-K	Banco Bice	Chile	Common group	Chilean pesos	3	9
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Common director	Chilean pesos	785	468
96.565.580-8	Leasing Tattersall S.A.	Chile	Common director	Chilean pesos	131	147
				Total	**928**	**10,146**

(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

Most significant transactions and their effects on income are detailed as follows:

Taxpayer number	Company	Country	Relationship	Currency	Description	January - September				July - September			
						2014		2013		2014		2013	
						Amount	Effect in income (expense)	Amount	Effect in income (expense)	Amount	Effect in income (expense)	Amount	Effect in income (expense)
						ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
77.017.930-0	Transmisora Eléctrica de Quillota Ltda.	Chile	Joint - Venture	Chilean pesos	Transmission line tolls	1,964	(1,651)	2,028	(1,704)	636	(535)	665	(559)
				UF	Services rendered	109	92	105	101	36	30	37	33
76.652.400-1	Centrales Hidroeléctricas de Aysén S.A.	Chile	Joint - Venture	UF	Loan provided	-	-	4,873	-	-	-	4,738	-
				UF	Loan repaid [1]	-	-	4,738	-	-	-	4,738	-
				UF	Interest from loan provided	-	-	89	89	-	-	35	35
				Chilean pesos	Capital contributions [1]	4,731	-	9,918	-	-	-	7,151	-
96.806.130-5	Electrogas S.A.	Chile	Asociated	US Dollar	Gas transportation service	7,472	(6,279)	7,605	(6,391)	2,457	(2,065)	2,559	(2,150)
				US Dollar	Diesel transportation service	818	(687)	844	(709)	270	(227)	286	(240)
				US Dollar	Declared dividends [2]	6,118	-	-	-	-	-	-	-
				US Dollar	Dividends received [2]	8,740	-	7,829	-	2,790	-	2,729	-
96.853.150-6	Papeles Cordillera S.A.	Chile	Common group	Chilean pesos	Sale of energy, power capacity and transportation of electricity	-	-	11,879	9,982	-	-	3,906	3,282
				Chilean pesos	Other leases	403	339	-	-	131	110	-	-
96.731.890-6	Cartulinas CMPC S.A.	Chile	Common group	Chilean pesos	Sale of energy, power capacity and transportation of electricity.	-	-	16,792	14,111	-	-	5,558	4,671
				Chilean pesos	Other leases	878	738	-	-	290	244	-	-
96.529.310-8	CMPC Tissue S.A.	Chile	Common group	Chilean pesos	Sale of energy, power capacity and transmission tolls	-	-	4,568	3,939	-	-	1,515	1,273
79.621.850-9	Forestal Cominco S.A.	Chile	Major shareholder	US Dollar	Dividends paid [3]	2,574	-	1,893	-	-	-	-	-
90.412.000-6	Minera Valparaíso S.A.	Chile	Major shareholder	US Dollar	Dividends paid [3]	6,467	-	4,757	-	-	-	-	-
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Common director	Chilean pesos	Diesel supply service	107,002	(80,857)	130,803	(98,076)	44,214	(33,335)	68,636	(51,597)
96.565.580-8	Leasing Tattersall S.A.	Chile	Common director	Chilean pesos	Car leasings	1,217	(1,028)	1,581	(1,328)	502	(423)	635	(534)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common director	Chilean pesos	Phone service	265	(223)	1,334	(1,121)	57	(48)	323	(275)
96.697.410-9	Entel Telefonia Local S.A.	Chile	Common director	Chilean pesos	Phone service	69	(58)	-	-	25	(21)	-	-
96.722.460-k	Metrogas S.A.	Chile	Common director	US Dollar	Purchases of natural gas	6,085	(5,113)	44,092	(37,052)	84	(70)	21,538	(18,099)
96.620.900-3	Empresa Chilena de Gas Natural	Chile	Common director	US Dollar	Purchases of natural gas	106,472	(89,470)	104,282	(87,632)	2	(2)	-	-
97.080.000-K	Banco Bice	Chile	Common director	Chilean pesos	Services received	23	(19)	22	(19)	9	(8)	11	(9)

(1) On March 20, 2014 Colbún made the second and last capital contribution to Centrales Hidroeléctricas de Aysén S.A. of Ch$ 2,695 million (ThUS$ 4,731), as part of the agreement reached in the 15th Extraordinary shareholders meeting held on August 30, 2013.

(2) At the Electrogas S.A. Board Meeting held on March 28, 2014, it was decided that the 2013 fiscal year income, for an amount of US$20.6 million, would be distributed. 30% of that amount was declared on December 2013 and the remaining 70% was declared in March 2014. Of that, 42.5% corresponds to Colbún (ThUS$ 2,622 and ThUS$ 6,118, respectively). In May 2014 a payment of ThUS$ 5,950 was received, and a remaining amount of ThUS$ 2,790, was received on September.

(3) Correspond to the provision of the minimum dividend from fiscal year 2013 as per Colbún's Shareholders meeting from April 23, 2014.

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 September 30, 2014 and December 31, 2013.

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 September 30, 2014 and 2013; include the members of the Directors Committee are detailed as follows:

e.1 Board's remuneration

Name	Tittle	January - September				July - September			
		2014		2013		2014		2013	
		Colbún Board ThUS$	Directors Committee ThUS$	Colbún Board ThUS$	Directors Committee ThUS$	Colbún Board ThUS$	Directors Committee ThUS$	Colbún Board ThUS$	Directors Committee ThUS$
Jorge Bernardo Larraín Matte	President	75	-	88	-	25	-	24	-
Luis Felipe Gazitúa Achondo	Vice-president	38	12	42	14	12	4	14	5
Vivianne Blanlot Soza	Director	38	12	42	14	12	4	14	5
Arturo Mackenna Iñiguez	Director	38	-	42	-	12	-	14	-
Eduardo Navarro Beltrán	Director	38	-	42	-	12	-	14	-
Eliodoro Matte Larraín	Director	38	-	42	-	12	-	14	-
Bernardo Matte Larraín (*)	Director	21	-	42	-	-	-	14	-
Juan Hurtado Vicuña	Director	38	-	42	-	12	-	14	-
Sergio Undurraga Saavedra	Director	38	12	42	14	12	4	14	5
Juan Eduardo Correa	Director	17	-	-	-	12	-	-	-
		379	**36**	**424**	**42**	**121**	**12**	**136**	**15**

(*) 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. In 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, at which the Board will appoint the members of the Board.

e.2 Board advisory expenses

During the periods ended September 30, 2014 and 2013, the Board had no advisory expenses.

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

Name	Position
Ignacio Cruz Zabala (2)	General Manager
Juan Eduardo Vásquez Moya	Business and Energy Management Division Manager
Mauricio Cabello Cádiz	Generation Division Manager
Sebastián Moraga Zúñiga (1)	Finance & Administration Division Manager
Eduardo Lauer Rodríguez	Engineering & Projects Division Manager
Nicolás Cubillos Sigall	Sustainability Division Manager
Rodrigo Pérez Stiepovic	Legal Manager
Paula Martínez Osorio	Organization and People Manager
Javier Cantuarias Bozzo	Occupational Health and Safety Manager
Juan Andrés Morel Fuenzalida	Internal Auditing Manager

(1) On April 1, 2014 Mr. Cristián Morales Jauregiberry resigned. Mr. Sebastián Moraga Zuñiza took on the position.
(2) On October 1, 2014, Mr. Thomas Keller Lippold took over as General Manager replacing Mr. Ignacio Cruz Zabala.

Remunerations accrued for key management employees are detailed as follows:

Concept	January - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Short term employee benefits	3.203	3.327	1.002	1.093
Termination benefits	(21)	43	(203)	(39)
Total	**3.182**	**3.370**	**799**	**1.054**

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 September 30, 2014 and the year ended December 31, 2013, 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 September 30, 2014 and 2013, payments were ThUS$226 and ThUS$581, 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	09.30.2014 ThUS$	12.31.2013 ThUS$
Spare parts	56,955	40,555
Coal	16,522	18,017
Petroleum	7,747	8,720
Gas Line Pack	274	274
Inventory in transit (1)	908	2,662
Total	**82,406**	**70,228**

(1) 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 - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Warehouse supplies	4,954	5,160	2,198	1,409
Petroleum (see Note 27)	106,520	128,001	40,599	53,729
Gas Line Pack (see Note 27)	322,971	288,249	64,624	67,918
Coal (see note 27)	73,117	79,714	24,230	26,289
Total	**507,562**	**501,124**	**131,651**	**149,345**

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 and in supplies to be used in electrical generation power plant construction projects. Instruments used correspond mainly to options and forwards.

As of September 30, 2014, 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	
		09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
Exchange rate hedge	Cash flows hedge	8,620	2,092	-	3,209
Fuel price hedge	Cash flows hedge	644	578	-	-
	Total (see Note 8)	**9,264**	**2,670**	**-**	**3,209**

Hedge Liabilities		Current		Non-current	
		09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
Exchange rate hedge	Cash flows hedge	741	-	10,746	-
Interest rate hedge	Cash flows hedge	4,008	2,209	3,301	5,632
	Total (see Note 21.a)	**4,749**	**2,209**	**14,047**	**5,632**

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

Hedge instrument	Fair value hedge instrument 09.30.2014 ThUS$	Fair value hedge instrument 12.31.2013 ThUS$	Hedged underlying	Hegded risk	Type of hedge
Currency forwards	-	(139)	Fixed assets acquisitions	Exchange rate	Cash flow
Currency forwards	-	(233)	Suppliers	Exchange rate	Cash flow
Currency forwards	8,620	325	Financial investment	Exchange rate	Cash flow
Interest rate swaps	(3,413)	(4,709)	Bank loans	Interest rate	Cash flow
Interest rate swaps	(3,029)	(3,132)	Obligations with the public (Bonds)	Interest rate	Cash flow
Cross Currency Swaps	-	1,909	Bank loans	Exchange rate	Cash flow
Cross Currency Swaps	(12,354)	3,439	Obligations with the public (Bonds)	Exchange rate	Cash flow
Gas options	644	578	Gas purchases	Gas price	Cash flow
Total	**(9,532)**	**(1,962)**			

During the periods ended as of September 30, 2014, 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 September 30, 2014, 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 September 30, 2014 and December 31, 2013:

Subsidiary	09.30.2014						
	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.	3,723	13,365	15,043	685	1,360	1,250	(1,379)
Colbun International Limited	494	-	2	-	492	-	(6)
Sociedad Hidroeléctrica Melocotón Ltda.	7,020	5,110	10,624	-	1,506	2,628	1,822
Río Tranquilo S.A.	69,580	58,115	60,505	13,148	54,042	2,989	(2,463)
Termoeléctrica Nehuenco S.A.	27,399	5,150	43,098	2,563	(13,112)	6,398	633
Termoeléctrica Antilhue S.A.	20,170	46,466	34,349	8,596	23,691	3,600	943
Colbún Transmisión S.A. (1)	32,845	106,019	18,647	22,838	97,379	24,736	8,922

Subsidiary	12.31.2013						
	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.	1,326	12,899	10,852	624	2,749	1,816	(1,485)
Colbun International Limited	498	-	1	-	497	-	(13)
Sociedad Hidroeléctrica Melocotón Ltda.	3	4,753	5,072	-	(316)	3,504	2,497
Río Tranquilo S.A.	17,346	61,914	2,917	10,111	66,232	24,480	12,715
Termoeléctrica Nehuenco S.A.	191	4,261	16,925	2,251	(14,724)	11,597	3,012
Termoeléctrica Antilhue S.A.	121	48,272	17,606	5,888	24,899	5,200	1,696
Colbún Transmisión S.A.	5,710	109,890	3,825	17,660	94,115	29,410	16,926

See note 3.b.

15. Investments accounted for using the equity method

a. Equity method

As of September 30, 2014 and December 31, 2013, 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 09.30.2014 %	Balance as of 01.01.2014 ThUS$	Additions ThUS$	Result of the period ThUS$	Dividends (1) ThUS$	Reserves ThUS$	Total 09.30.2014 ThUS$
Associate	Electrogas S.A.	175,076	42.50%	18,424	-	5,999	(6,118)	-	18,305
Joint venture	Centrales Hidroeléctricas de Aysén S.A.	3,237,675	49.00%	127,398	4,731	(2,871)	-	(15,899)	113,359
Joint venture	Transmisora Eléctrica de Quillota Ltda.	-	50.00%	11,625	-	763	-	(1,881)	10,507
			Total	**157,447**	**4,731**	**3,891**	**(6,118)**	**(17,780)**	**142,171**

Type of relation	Company	Number of shares	Participation 12.31.2013 %	Balance as of 01.01.2013 ThUS$	Additions ThUS$	Result of the period ThUS$	Dividends ThUS$	Reserves ThUS$	Total 12.31.2013 ThUS$
Associate	Electrogas S.A.	175,076	42.50%	18,861	-	8,446	(8,995)	112	18,424
Joint venture	Centrales Hidroeléctricas de Aysén S.A.	3,237,675	49.00%	133,989	9,918	(4,427)	-	(12,082)	127,398
Joint venture	Transmisora Eléctrica de Quillota Ltda.	-	50.00%	11,796	-	850	-	(1,021)	11,625
			Total	**164,646**	**9,918**	**4,869**	**(8,995)**	**(12,991)**	**157,447**

(1) See note 11.b.3

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

The following table includes information as of September 30, 2014 and December 31, 2013, from the financial statements of associates and companies under joint control in which the Company has an interest:

As of 09.30.2014

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$
Asociate	Electrogas S.A.	9,379	72,253	13,012	25,549	25,955	(1,828)	14,117
Joint venture	Centrales Hidroeléctricas de Aysén S.A.	15,221	222,278	5,423	382	84	(5,993)	(5,510)
Joint venture	Transmisora Eléctrica de Quillota Ltda.	7,272	17,578	833	3,094	3,304	(586)	740
	Total	**31,872**	**312,109**	**19,268**	**29,025**	**29,343**	**(8,407)**	**9,347**

As of 12.31.2013

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$
Asociate	Electrogas S.A.	8,799	75,906	18,314	23,041	35,490	(2,804)	19,571
Joint venture	Centrales Hidroeléctricas de Aysén S.A.	18,293	250,224	7,719	343	208	(11,193)	(8,498)
Joint venture	Transmisora Eléctrica de Quillota Ltda.	7,612	19,515	1,360	2,612	4,564	(887)	1,701
	Total	**34,704**	**345,645**	**27,393**	**25,996**	**40,262**	**(14,884)**	**12,774**

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, together with Endesa-Chile, participates in the development of hydroelectric projects in the Baker and Pascua Rivers in the Aysén region. These hydroelectric plants will have a total installed capacity of approximately 2,750 MW. Once operational, this capacity would be sold independently by the two companies.

On 30 January 2014 the Committee of Ministers ruled on the complaint lodged by Hidroaysén and 16 PAC claims, however on the remaining 18 claims pending PAC the Committee said that two new studies were needed. Subsequently a new Committee of Ministers met on 19 March 2014 and decided to initiate a process of invalidation of decisions issued by the Committee of Ministers in January. Hidroaysén took part in this process of invalidation insisting on the grounds the legality of the RCA Project.

In June 2014, the Committee of Ministers decided to invalidate the decision of the previous Committee of Ministers and to revoke the previous RCA Project, hosting some of the claims filed against Hidroaysén. As a consequence, in August 2014 Hidroaysén lodged a complaint recourse on the Environmental Courts in Santiago and Valdivia. Ruling on these complaints are pending as of the date of this document.

In October 2014, Hydoaysen restructured its executive team in order to focus on legal matters to preserve the rights and assets of the company.

Beyond the proper jurisdictional contingency, Colbún coincides with what publicly declared by the Board of Hidroaysén in May 2014 in that: (i) subject to the resolutions adopted by the Committee of Ministers and later instances under the Institutional into effect, the Company will wait for the times of the long-term energy policy and energy regional planning process for future hydroelectric development, both processes announced as part of the recently released government energy Agenda; and (ii) the RCA, relative rights of water use, grants, applications, studies, engineering, permits and real estate, among others, are assets acquired and developed by Hidroaysén for the past eight years under the current institutional framework and in accordance with international technical and environmental standards, represent necessary and valuable elements to the development of the hydroelectric potential of the Baker and Pascua rivers in Aysen region. Colbún has a 49% interest in this Company.

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.

16. Intangible assets other than goodwill

a. Details by class of intangibles

As of September 30, 2014 and December 31, 2013, intangible assets by class as of the dates of the balances of financial position are as follows:

Intangible assets, net		09.30.2014 ThUS$	12.31.2013 ThUS$
Not generated internally	Particulate material emission rights	7,701	12,644
	Concessions	4	8
	Water rights	17,648	16,701
	Easements	54,753	52,970
licenses	Software	4,280	4,935
	Total	**84,386**	**87,258**
Intangible assets, gross		**09.30.2014** ThUS$	**12.31.2013** ThUS$
Not generated internally	Particulate material emission rights	7,701	12,644
	Concessions	11	11
	Water rights	17,651	16,701
	Easements	55,515	53,685
licenses	Software	9,054	8,897
	Total	**89,932**	**91,938**
Accumulated amortization		**09.30.2014** ThUS$	**12.31.2013** ThUS$
Not generated internally	Concessions	(7)	(3)
	Water rights	(3)	-
	Easements	(762)	(715)
licenses	Software	(4,774)	(3,962)
	Total	**(5,546)**	**(4,680)**

b. Movement of intangibles during the period

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

Movements in 2014	Not generated internally				Licenses	Intangibles, net
	Water rights	Easements	Software	Particulate material emission rights	Concessions	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Beginning balance	16,701	52,970	12,644	8	4,935	87,258
Additions	950	1,957	-	-	157	3,064
Disposals	-	(188)	(4,943)	-	-	(5,131)
Transfers	-	61	-	-	-	61
Amortization expense (see Note 29)	(3)	(47)	-	(4)	(812)	(866)
Ending balance as of 09.30.2014	**17,648**	**54,753**	**7,701**	**4**	**4,280**	**84,386**

Movements in 2013	Not generated internally				Licenses	Intangibles, Net
	Water rights	Easements	Software	Particulate material emission rights	Concessions	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Beginning balance	16,680	47,053	4,300	-	5,352	73,385
Additions	21	8,861	5,294	11	268	14,455
Additions in progress	-	-	2,375	-	-	2,375
Disposals	-	(2,301)	-	-	-	(2,301)
Transfers	-	-	675	-	265	940
Amortization expense (see Note 29)	-	(643)	-	(3)	(950)	(1,596)
Ending balance as of 12.31.2013	**16,701**	**52,970**	**12,644**	**8**	**4,935**	**87,258**

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	09.30.2014 ThUS$	12.31.2013 ThUS$
Land	288,056	287,367
Buildings and infrastructure	143,258	148,424
Machinery and equipment	1,804,641	1,565,806
Transport equipment	356	358
Office Equipment	4,058	4,578
Hardware	1,157	1,369
Work in progress	325,504	1,108,074
Other property, plant & equipment	2,400,594	1,916,978
Total	**4,967,624**	**5,032,954**
Classes of Property, Plant & Equipment, gross	**09.30.2014** ThUS$	**12.31.2013** ThUS$
Land	288,056	287,367
Buildings and infrastructure	168,297	168,297
Machinery and equipment	2,184,665	1,881,245
Transport equipment	859	830
Office Equipment	8,295	8,290
Hardware	5,925	5,564
Work in progress	325,504	1,108,074
Other property, plant & equipment	2,830,678	2,284,373
Total	**5,812,279**	**5,744,040**
Classes of Property, Plant & Equipment, accumulated depreciation and impairment	**09.30.2014** ThUS$	**12.31.2013** ThUS$
Buildings and infrastructure	(25,039)	(19,873)
Machinery and equipment	(380,024)	(315,439)
Transport equipment	(503)	(472)
Office Equipment	(4,237)	(3,712)
Hardware	(4,768)	(4,195)
Other property, plant & equipment	(430,084)	(367,395)
Total	**(844,655)**	**(711,086)**

b. Movements of property, plant and equipment

Movements in property, plant and equipment were as follows:

Movements in 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 & equipment 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	571	-	229	29	2	361	74,373	353	75,918
Disposals	(137)	-	(7,131)	-	-	-	-	(350)	(7,618)
Disposals - Accumulated depreciation	-	-	44	-	-	-	-	-	44
Transfers	255	-	310,322	-	3	-	(856,943)	546,302	(61)
Amortization expense (see Note 29)		(5,166)	(64,629)	(31)	(525)	(573)		(62,689)	(133,613)
Total Movements	**689**	**(5,166)**	**238,835**	**(2)**	**(520)**	**(212)**	**(782,570)**	**483,616**	**(65,330)**
Ending balance as of 09.30.2014	**288,056**	**143,258**	**1,804,641**	**356**	**4,058**	**1,157**	**325,504**	**2,400,594**	**4,967,624**

Movements in 2013	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 01.01.2013	279,717	155,248	1,616,542	396	5,064	1,652	845,172	2,000,360	4,904,151
Additions	10,003	18	57,158	-	257	430	274,109	1,388	343,363
Disposals	(2,354)	-	(56,780)	-	(1)	(104)	-	(16,438)	(75,677)
Disposals - Accumulated depreciation	-	-	20,479	-	1	100	-	2,483	23,063
Transfers	1	44	5,195	-	26	83	(11,207)	4,918	(940)
Amortization expense (see Note 29)		(6,886)	(76,788)	(38)	(769)	(792)		(75,733)	(161,006)
Total Movements	**7,650**	**(6,824)**	**(50,736)**	**(38)**	**(486)**	**(283)**	**262,902**	**(83,382)**	**128,803**
Ending balance as of 12.31.2013	**287,367**	**148,424**	**1,565,806**	**358**	**4,578**	**1,369**	**1,108,074**	**1,916,978**	**5,032,954**

c. Other disclosures

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

ii) On January 12, Blanco power plant (60 MW), located in the Aconcagua River Basin, reported a failure whose origin is investigated, causing damage to the equipment of the turbine-generator and associated equipment, which has kept it out of operation. According to the information available as to date, the plant will be available during the first quarter of 2015.

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

iii) 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.

vi) As of September 30, 2014 and December 31, 2013 the Company had commitments for the acquisition of property, plant and equipment derived from construction contracts in the amount of ThUS$8,023 and ThUS$11,578, respectively. The most important suppliers are: Constructora y Montajes Industriales Javier Olivares e Ingrid Bustos Novoa Limitada, Construcción y Conservación, S.A., Rodrigo Lopez y Compañía, Ltda., Compañía Puerto Coronel, S.A., Ingeniería Construcción y Mantención Industrial Aconcagua, Ltda., ABB, S.A. Constructora Santa Maria, Ltda. Hyundai Corporation, Endress y Hausser Chile, Ltda, Andritz Hydro S.R.L. and Pozos Profundos, S.A..

v) Capitalized interest costs (IAS23) for the periods ended September 30, 2014 and 2013 were:

Concept	January - September		July - September	
	2014 ThUS$	**2013** ThUS$	**2014** ThUS$	**2013** ThUS$
Capitalized interest cost ThUS$	13,445	30,472	2,055	10,523
Corporate's average financing rate	5.03%	5.41%	5.03%	5.41%

vi) As of September 30, 2014 and December 31, 2013 the Company has implicit operating leases corresponding to:

- 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.
- Additional tolls (Transmission line "Polpaico substation – "Maitenes substation"). Those contracts are for a term of 20 yers.

Future collections derived from those contracts are detailed as follows:

September 30th, 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	1,128	28,992	88,756	118,876
Total	**1,128**	**28,992**	**88,756**	**118,876**

December 31st, 2013	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	6,140	24,562	77,026	107,728
Total	**6,140**	**24,562**	**77,026**	**107,728**

vii) Additional information required by WRBL taxonomy:

1. Disbursements in recognized during work in progress

Disbursement recognized during work in progress	09.30.2014 ThUS$	12.31.2013 ThUS$
Work in progress	74,373	274,079
Total	**74,373**	**274,079**

2. Assets completely depreciated but being used:

Assets completely depreciated but being used, gross	09.30.2014 ThUS$	12.31.2013 ThUS$
Buildings	1	1
Machinery	1,721	1,652
Transport equipment	375	375
Office equipment	998	928
Hardware	2,807	2,509
Other property, plant & equipment	16	11
Total	**5,918**	**5,476**

Assets completely depreciated but being used, accumulated depreciation and impairment	09.30.2014 ThUS$	12.31.2013 ThUS$
Buildings	1	1
Machinery	1,721	1,652
Transport equipment	375	375
Office equipment	998	928
Hardware	2,807	2,509
Other property, plant & equipment	16	11
Total	**5,918**	**5,476**

18. Current tax assets

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

	Current	
	09.30.2014 ThUS$	12.31.2013 ThUS$
Monthly provisional payments	6,409	3,126
Provisional payment for absorbed earning	53,272	40,920
Total	**59,681**	**44,046**

19. Other non-financial assets

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

	Current		Non-current	
	09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
Installations and civil insurance premiums	2,301	19,576	-	-
Prepayments	14,211	13,775	17,443	17,716
Patents on non-use of water rights (1)	-	-	11,158	7,599
Other miscellaneous assets	108	305	1,571	1,863
	16,620	**33,656**	**30,172**	**27,178**

(1) Credit in accordance with Article 129 bis 20 of the Water Code DFL 1,122. As of September 30, 2014 there is no impairment recognized, whereas as of December 31, 2013, an impairment of ThUS$ 4,809 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 - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Current income tax (expense) income				
Current income tax	(3,494)	(3,863)	(1,573)	(411)
Utilization of tax losses	25,008	-	21,507	-
Adjustments to current tax of prior period	(50)	311	82	-
Total current tax (expense) income	**21,464**	**(3,552)**	**20,016**	**(411)**
Deferred income tax (expense) income				
Temporary differences (1)	(36,589)	(3,809)	(15,978)	496
Other deferred tax expenses (2)	(40,850)	(17,589)	(35,145)	7,901
Total deferred tax (expense) income	**(77,439)**	**(21,398)**	**(51,123)**	**8,397**
Total income tax (expense) income	**(55,975)**	**(24,950)**	**(31,107)**	**7,986**

(1) Mainly includes effects such as tax loss, capitalized work in progress, expenses and recognition of income from derivative operations (received 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, versus the balances of property, plant and equipment for accounting purposes.

As of September 30, 2014 and December 31, 2013 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 - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Profit before tax	197,291	80,971	49,311	(18,108)
Income tax using the legal rate (1)	**(41,431)**	**(16,194)**	**(11,835)**	**3,622**
Tax income (expense) using the effective rate	(41,431)	(16,194)	(11,835)	3,622
Difference between financial accounting expressed in USD and tax accounting in CLP with effect in deferred taxes (2)	(14,544)	(8,756)	(19,272)	4,364
Income tax expense	**(55,975)**	**(24,950)**	**(31,107)**	**7,986**

(1) Calculated using the corporate tax rate of 21% (Law 20,780).
(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. The main accumulated impacts were generated in property, plant and equipment (expense of ThUS$ 9,500) and CPI valuation of tax non-monetary items (ThUS$ 14,200 income).

a.2 Effective rate calculation

Tax rate	January - September		July - September	
	2014 %	2013 %	2014 %	2013 %
Legal tax rate	21.0%	20.0%	20.0%	20.0%
Adjustments to the legal taz rate	7.4%	10.8%	39.1%	24.1%
Effective tax rate	**28.4%**	**30.8%**	**59.1%**	**44.1%**

b. Deferred taxes

Deferred tax assets and by concept is as follows:

Deferred tax assets	09.30.2014 ThUS$	12.31.2013 ThUS$
Tax losses	5,807	5,312
Others	3,249	3,176
Provisions	3,035	2,796
Hedge instruments	1,853	1,643
Employees post-employment benefits	3,794	2,408
Deferred tax assets	**17,738**	**15,335**
Deferred tax liabilities	**09.30.2014 ThUS$**	**12.31.2013 ThUS$**
Depreciation	866,270	579,919
Others	10,138	5,518
Deferred tax liabilities	**876,408**	**585,437**
Deferred tax assets and liabilities, net	**858,670**	**570,102**

The deferred tax position of each company is as follows:

Net position on deferred tax per company				
Company	Net position			
	Assets		Liabilities	
	09.30.2014 ThUS$	31.12.2013 ThUS$	09.30.2014 ThUS$	31.12.2013 ThUS$
Empresa Eléctrica Industrial S.A.	840	815	-	-
Termoeléctrica Nehuenco S.A.	5,149	4,261	-	-
Soc. Hidroeléctrica Melocotón Ltda.	-	144	-	-
Colbún S.A.	-	-	820,076	541,663
Termoeléctrica Antilhue S.A.	-	-	8,596	5,888
Río Tranquilo S.A.	-	-	13,149	10,112
Colbún Transmisión S.A.	-	-	22,838	17,659
Subtotal	**5,989**	**5,220**	**864,659**	**575,322**
Deferred tax, net			**858,670**	**570,102**

At the end of September 2014 the tax reform Law (Law 20,780) was promulgated, increasing the first category tax rate. As a consequence, and considering that the Company will be under the Partially Integrated System, the previously mentioned increase in the tax rate has generated an increase in the net deferred tax liability of US$212.9 million. Finally, as a consequence of the Circular N°856 of the "Superintendencia de Valores y Seguros", the effect was recognized through equity.

c. Income taxes on other comprehensive income

	January - September		July - September	
	2014 ThUS$	**2013** ThUS$	**2014** ThUS$	**2013** ThUS$
Cash flow hedges	209	(3,150)	59	(422)
Defined benefits plans	1,228	417	600	50
Income tax related to items in Other comprehensive Income	**1,437**	**(2,733)**	**659**	**(372)**

As of September 30, 2014 the Parent Company recorded a tax loss of ThUS$ 128,206 that have been assigned to the accumulated losses of the "Fondo de Utilidades Tributarias (FUT)". In addition, its subsidiaries, Empresa Eléctrica Industrial S.A., Termoeléctrica Nehuenco S.A. and Río Tranquilo, S.A. recorded tax losses for a total of ThUS$ 22,446. On the other hand, its subsidiaries 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$ 3,494 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 September 30, 2014 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$25,008, 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	
	09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
Loans from financial entities [1]	152,563	27,746	405,900	554,741
Negotiable instruments (Bonds, commercial papers) [1]	39,731	39,961	1,428,061	990,267
Notes payable	-	79,555	-	-
Hedge derivatives [2]	4,749	2,209	14,047	5,632
Total	**197,043**	**149,471**	**1,848,008**	**1,550,640**

(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	09.30.2014 ThUS$	12.31.2013 ThUS$
US Dollars	1,712,679	1,357,812
UF	332,372	342,299
Total	**2,045,051**	**1,700,111**

c. Maturity and currency of obligations with financial entities

Obligations with banks

As of 09.30.2014				
Debtor's taxpayer No.	96505760-9	96505760-9	96505760-9	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	
Debtor's country	Chile	Chile	Chile	
Creditor's taxpayer No.	0-E	0-E	0-E	
Creditor's name	BBVA Bancomer	The Bank of Tokyo-Mitsubishi UFJ, Ltd	Scotiabank & Trust (Cayman) Ltd	
Creditor's country	Mexico	USA	Cayman	
Currency or readjustment	US$	US$	US$	
Type of amortization	Bullet	Bullet	Annual	
Interest rate	Floating	Floating	Floating	
Base	Libor 6M	Libor 6M	Libor 6M	
Effective rate	2.25%	2.10%	2.06%	
Nominal rate	1.83%	1.82%	1.82%	
Nominal amounts		**ThUS$**		**Total**
Up to 90 days	-	2,125	907	**3,032**
More than 90 days up to 1	150,381	-	-	**150,381**
More than 1 year up to 3	**-**	**-**	**80,000**	**80,000**
More than 1 year up to 2	-	-	40,000	40,000
More than 2 years up to 3	-	-	40,000	40,000
More than 3 years up to 5	**-**	**250,000**	**40,000**	**290,000**
More than 3 years up to 4	-	-	-	-
More than 4 years up to 5	-	250,000	40,000	290,000
More than 5 years	**-**	**-**	**40,000**	**40,000**
Subtotal nominal amounts	**150,381**	**252,125**	**160,907**	**563,413**
Book values		**ThUS$**		**Total**
Up to 90 days	-	2,125	907	**3,032**
More than 90 days up to 1	149,531	-	-	**149,531**
Current bank loans	**149,531**	**2,125**	**907**	**152,563**
More than 1 year up to 3	**-**	**-**	**79,050**	**79,050**
More than 1 year up to 2	-	-	39,525	39,525
More than 2 years up to 3	-	-	39,525	39,525
More than 3 years up to 5	**-**	**247,800**	**39,525**	**287,325**
More than 3 years up to 4	-	-	-	-
More than 4 years up to 5	-	247,800	39,525	287,325
More than 5 years	**-**	**-**	**39,525**	**39,525**
Non-current banks loans	**-**	**247,800**	**158,100**	**405,900**
Bank loans total	**149,531**	**249,925**	**159,007**	**558,463**

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

As of 12.31.2013								
Debtor's taxpayer No.	96505760-9	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.	Colbún S.A.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
Creditor's taxpayer No.	0-E	97023000-9	0-E	0-E	0-E	0-E	0-E	
Creditor's name	BBVA Bancomer	Corpbanca	The Bank of Tokyo-Mitsubishi UFJ, Ltd	The Bank of Tokyo-Mitsubishi UFJ, Ltd	HSBC Bank USA	Banco Estado NY	Scotiabank & Trust (Cayman) Ltd	
Creditor's country	Mexico	Chile	USA	USA	USA	USA	Cayman	
Currency or readjustment	US$	CLP	US$	US$	US$	US$	US$	
Type of amortization	Bullet	Annual	Bullet	Bullet	Bullet	Bullet	Bullet	
Interest rate	Floating	Floating	Floating	Floating	Floating	Floating	Floating	
Base	Libor 6M	TAB 6M	Libor 6M	Libor 6M	Libor 6M	Libor 6M	Libor 6M	
Effective rate	2.40%	7.00%	2.14%	2.42%	2.04%	2.55%	2.60%	
Nominal rate	1.98%	6.40%	1.86%	2.11%	1.73%	2.23%	2.24%	
Nominal amounts	**ThUS$**							**Total**
Up to 90 days	355	26,465	-	44	35	46	18	**26,963**
More than 90 days up to 1	-	-	996	-	-	-	-	**996**
More than 1 year up to 3	**150,000**	**-**	**-**	**40,000**	**40,000**	**40,000**	**40,000**	**310,000**
More than 1 year up to 2	150,000	-	-	40,000	40,000	40,000	40,000	310,000
More than 2 years up to 3	-	-	-	-	-	-	-	-
More than 3 years up to 5	**-**	**-**	**250,000**	**-**	**-**	**-**	**-**	**250,000**
More than 3 years up to 4	-	-	-	-	-	-	-	**-**
More than 4 years up to 5	-	-	250,000	-	-	-	-	250,000
More than 5 years	-	-	-	-	-	-	-	**-**
Subtotal nominal	**150,355**	**26,465**	**250,996**	**40,044**	**40,035**	**40,046**	**40,018**	**587,959**
Book values	**ThUS$**							**Total**
Up to 90 days	355	26,252	-	44	35	46	18	**26,750**
More than 90 days up to 1	-	-	996	-	-	-	-	**996**
Current bank loans	**355**	**26,252**	**996**	**44**	**35**	**46**	**18**	**27,746**
More than 1 year up to 3	**148,754**	**-**	**-**	**39,690**	**39,690**	**39,690**	**39,686**	**307,510**
More than 1 year up to 2	148,754	-	-	39,690	39,690	39,690	39,686	307,510
More than 2 years up to 3	-	-	-	-	-	-	-	-
More than 3 years up to 5	**-**	**-**	**247,231**	**-**	**-**	**-**	**-**	**247,231**
More than 3 years up to 4	-	-	-	-	-	-	-	-
More than 4 years up to 5	-	-	247,231	-	-	-	-	247,231
More than 5 years	-	-	-	-	-	-	-	**-**
Non-current banks loans	**148,754**	**-**	**247,231**	**39,690**	**39,690**	**39,690**	**39,686**	**554,741**
Bank loans total	**149,109**	**26,252**	**248,227**	**39,734**	**39,725**	**39,736**	**39,704**	**582,487**

Obligations with the public

As of 09.30.2014							
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	10/15/2021	5/1/2028	6/10/2018	6/10/2029	1/21/2021	7/10/2024	
Currency or readjustment unit	UF	UF	US$	UF	US$	US$	
Periodicity of amortization	Bi-annual	Bi-annual	Bullet	Bi-annual	Bullet	Bullet	
Interest rate	Fixed	Fixed	Floating	Fixed	Fixed	Fixed	
Base	Fixed	Fixed	Libor 6M	Fixed	Fixed	Fixed	
Effective rate	8.10%	4.46%	2.90%	5.02%	6.26%	4.97%	
Nominal rate	7.00%	3.40%	2.42%	4.50%	6.00%	4.50%	
Nominal amounts	**ThUS$**						**Total ThUS$**
Up to 90 days	4,797	11,219	598	1,646	5,750	5,000	**29,010**
More than 90 days up to 1 year	3,141	8,067	-	-	-	-	**11,208**
More than 1 year up to 3	**13,368**	**32,272**	**-**	**-**	**-**	**-**	**45,640**
More than 1 year up to 2	6,519	16,136	-	-	-	-	22,655
More than 2 years up to 3	6,849	16,136	-	-	-	-	22,985
More than 3 years up to 5	**14,756**	**32,272**	**80,800**	**11,001**	**-**	**-**	**138,829**
More than 3 years up to 4	7,196	16,136	80,800	-	-	-	104,132
More than 4 years up to 5	7,560	16,136	-	11,001	-	-	34,697
More than 5 years	**20,618**	**145,220**	**-**	**110,015**	**500,000**	**500,000**	**1,275,853**
Subtotal nominal amounts	**56,680**	**229,050**	**81,398**	**122,662**	**505,750**	**505,000**	**1,500,540**
Book values	**ThUS$**						**Total ThUS$**
Up to 90 days	4,730	11,043	598	1,646	5,750	5,000	**28,767**
More than 90 days up to 1 year	3,072	7,891	-	-	-	-	**10,963**
Current obligations with the public	**7,802**	**18,934**	**598**	**1,646**	**5,750**	**5,000**	**39,730**
More than 1 year up to 3	**13,076**	**31,566**	**-**	**-**	**-**	**-**	**44,642**
More than 1 year up to 2	6,377	15,783	-	-	-	-	22,160
More than 2 years up to 3	6,699	15,783	-	-	-	-	22,482
More than 3 years up to 5	**14,433**	**31,566**	**79,033**	**10,760**	**-**	**-**	**135,792**
More than 3 years up to 4	7,038	15,783	79,033	-	-	-	101,854
More than 4 years up to 5	7,395	15,783	-	10,760	-	-	33,938
More than 5 years	**20,167**	**142,044**	**-**	**107,609**	**489,066**	**488,742**	**1,247,628**
Non-current obligations with the public	**47,676**	**205,176**	**79,033**	**118,369**	**489,066**	**488,742**	**1,428,062**
Obligations with the public total	**55,478**	**224,110**	**79,631**	**120,015**	**494,816**	**493,742**	**1,467,792**

As of 12.31.2013						
Debtor's taxpayer No.	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.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	
Registration number	234	499	537	538	-	
Series	Serie C	Serie F	Serie H	Serie I	144A/RegS	
Maturity date	10/15/2021	5/1/2028	6/10/2018	6/10/2029	1/21/2021	
Currency or readjustment unit	UF	UF	US$	UF	US$	
Periodicity of amortization	Bi-annual	Bi-annual	Bullet	Bi-annual	Bullet	
Interest rate	Fixed	Fixed	Floating	Fixed	Fixed	
Base	Fixed	Fixed	Libor 6M	Fixed	Fixed	
Effective rate	8.10%	4.46%	2.92%	5.02%	6.26%	
Nominal rate	7.00%	3.40%	2.44%	4.50%	6.00%	
Nominal amounts	**ThUS$**					**Total ThUS$**
Up to 90 days	-	-	-	-	13,250	**13,250**
More than 90 days up to 1 year	7,582	19,194	110	330	-	**27,216**
More than 1 year up to 3	**14,364**	**35,540**	**-**	**-**	**-**	**49,904**
More than 1 year up to 2	7,004	17,770	-	-	-	24,774
More than 2 years up to 3	7,360	17,770	-	-	-	25,130
More than 3 years up to 5	**15,855**	**35,540**	**80,800**	**6,058**	**-**	**138,253**
More than 3 years up to 4	7,732	17,770	-	-	-	25,502
More than 4 years up to 5	8,123	17,770	80,800	6,058	-	112,751
More than 5 years	**26,921**	**168,814**	**-**	**127,216**	**500,000**	**822,951**
Subtotal nominal amounts	**64,722**	**259,088**	**80,910**	**133,604**	**513,250**	**1,051,574**
Book values	**ThUS$**					**Total ThUS$**
Up to 90 days	-	-	-	-	13,250	**13,250**
More than 90 days up to 1 year	7,444	18,827	110	330	-	**26,711**
Current obligations with the public	**7,444**	**18,827**	**110**	**330**	**13,250**	**39,961**
More than 1 year up to 3	**14,067**	**34,807**	**-**	**-**	**-**	**48,874**
More than 1 year up to 2	6,860	17,403	-	-	-	24,263
More than 2 years up to 3	7,207	17,404	-	-	-	24,611
More than 3 years up to 5	**15,528**	**34,807**	**79,135**	**5,933**	**-**	**135,403**
More than 3 years up to 4	7,572	17,403	-	-	-	24,975
More than 4 years up to 5	7,956	17,404	79,135	5,933	-	110,428
More than 5 years	**26,366**	**165,335**	**-**	**124,594**	**489,695**	**805,990**
Non-current obligations with the public	**55,961**	**234,949**	**79,135**	**130,527**	**489,695**	**990,267**
Obligations with the public total	**63,405**	**253,776**	**79,245**	**130,857**	**502,945**	**1,030,228**

(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 09.30.2014		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		
Loan BBVA Bancomer (1)	US$	380,896	2,392,026	150,000,000	8/10/2015	-	2,772,922	-	-	-	2,772,922	152,772,922
Loan The Bank of Tokyo-Mitsubishi UFJ, Ltd (1)	US$	2,125,667	18,675,500	250,000,000	10/15/2018	2,315,458	2,302,806	9,274,486	6,908,417	-	20,801,167	270,801,167
Loan Scotiabank & Trust (Cayman) Ltdl (1)	US$	1,745,089	10,826,619	160,000,000	6/10/2021	1,481,405	1,473,310	5,190,990	2,946,620	1,479,381.55	12,571,708	170,614,739
Bond Serie C	UFR	43,745	352,765	1,362,161	4/15/2021	46,869	44,256	149,553	102,202	53,629	396,509	1,758,670
Bond Serie F	UFR	20,404	1,348,465	5,600,000	5/1/2028	94,405	91,033	330,417	276,471	576,544	1,368,869	6,968,870
Bond Serie H (1)	US$	608,686	7,217,279	80,800,000	6/10/2018	978,246	978,246	3,912,982	1,956,491	-	7,825,965	88,625,965
Bond Serie I	UFR	41,538	1,260,205	3,000,000	6/10/2029	66,756	66,756	267,024	263,990	637,217	1,301,743	4,301,743
Bond 144A/RegS 2010	US$	5,916,667	159,083,333	500,000,000	1/21/2020	-	30,000,000	60,000,000	60,000,000	15,000,000	165,000,000	665,000,000
Bond 144A/RegS 2014	US$	5,125,000	219,875,000	500,000,000	7/10/2024	-	22,500,000	45,000,000	45,000,000	112,500,000	225,000,000	725,000,000

Liability	Currency	Interests as of 12.31.2013		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		
Loan BBVA Bancomer (1)	US$	355,025	4,796,557	150,000,000	8/10/2015	652,088	1,499,832	2,999,662	-	-	5,151,582	155,151,582
Loan Corpbanca (1)	CLP	384,000,000	57,600,000	13,500,000,000	1/24/2014	441,600,000	-	-	-	-	441,600,000	13,941,600,000
Loan Bank of Tokio-Mitsubishi UFJ (1)	US$	43,537	1,183,750	40,000,000	6/8/2015	186,585	614,680	426,022	-	-	1,227,287	41,227,287
Loan HSBC Bank USA (1)	US$	34,787	965,416	40,000,000	6/8/2015	149,085	500,930	350,188	-	-	1,000,203	41,000,203
LoanCrédito Banco Estado (1)	US$	46,453	1,256,528	40,000,000	6/8/2015	199,085	652,596	451,300	-	-	1,302,981	41,302,981
Loan Scotiabank (1)	US$	24,394	1,283,432	40,000,000	6/20/2015	201,803	655,944	450,079	-	-	1,307,826	41,307,826
Loan Club Deal (1)	US$	996,401	10,691,677	250,000,000	10/15/2018	-	2,556,828	4,581,250	4,550,000.00	-	11,688,078	261,688,078
Bond Serie C	UFR	20,591	425,336	1,436,271	4/15/2021	-	96,289	160,678	114,482	74,479	445,927	1,882,198
Bond Serie F	UFR	32,049	1,434,597	5,800,000	5/1/2028	-	192,181	343,903	289,958	640,604	1,466,646	7,266,646
Bond Serie H (1)	US$	109,619	9,016,014	80,800,000	6/10/2018	-	2,027,918	4,055,837	3,041,878	-	9,125,633	89,925,633
Bond Serie I	UFR	7,417	1,361,081	3,000,000	6/10/2029	-	133,512	267,024	267,024	700,938	1,368,498	4,368,498
Bond 144A/RegS	US$	13,250,000	181,750,000	500,000,000	1/21/2020	15,000,000	15,000,000	60,000,000	60,000,000	45,000,000	195,000,000	695,000,000

(1) Liabilities with floating rate, consider current set rate as of each closing date 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	
	09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
Trade payable	100,169	147,652	-	-
Other accounts payable	1,173	2,468	3,217	3,217
Total	**101,342**	**150,120**	**3,217**	**3,217**

The main suppliers as of September 30, 2014 are the following:

Suppliers	%
Transnet S.A.	10.16%
Transelec S.A.	7.41%
Andrizt Hydro S.R.L	7.26%
Chilquinta Energía S.A.	7.12%
Siemens A.G	6.90%
Ace Seguros S.A.	6.15%
Others	55.00%
	100.00%

a) Ageing of accounts payables: balances not due.

	Balances as of 09.30.2014						
	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	91-120 ThUS$	121-365 ThUS$	More than 365 ThUS$	Total ThUS$
Goods	8,452	-	-	-	-	-	**8,452**
Services	90,516	-	-	-	-	-	**90,516**
Subtotal	**98,968**	**-**	**-**	**-**	**-**	**-**	**98,968**

	Balances as of 12.31.2013						
	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	91-120 ThUS$	121-365 ThUS$	More than 365 ThUS$	Total ThUS$
Goods	35,433	-	-	-	-	-	**35,433**
Services	110,422	-	-	-	-	-	**110,422**
Subtotal	**145,855**	**-**	**-**	**-**	**-**	**-**	**145,855**

As of September 30, 2014 the amount of invoices pending to be received is US$78 million (US$121 million as of December 31, 2013).

b) Ageing of account payables: balance due.

	Balances as of 09.30.2014						
	1-30 days	31-60 ThUS$	61-90 ThUS$	91-120 ThUS$	121-365 ThUS$	More than 365 ThUS$	Total ThUS$
Goods	-	266	-	459	-	350	**1,075**
Services	-	61	42	-	-	23	**126**
Subtotal	**-**	**327**	**42**	**459**	**-**	**373**	**1,201**

	Balances as of 12.31.2013						
	1-30 días ThUS$	31-60 ThUS$	61-90 ThUS$	91-120 ThUS$	121 - 180 ThUS$	Más de 180 ThUS$	Total ThUS$
Goods	-	25	53	128	566	-	**772**
Services	-	62	33	469	461	-	**1,025**
Subtotal	**-**	**87**	**86**	**597**	**1,027**	**-**	**1,797**

The average payment to suppliers is 30 days, so the fair value does not differ significantly from the 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	
	09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
Other				
Other provisions, current	290	1,010	-	-
Total	**290**	**1,010**	**-**	**-**
Employee benefits				
Employee benefits (Note 23.f)	9,202	13,093	1,315	1,628
Severances, non-current (Note 23.g)	-	-	22,621	20,953
Total	**9,202**	**13,093**	**23,935**	**22,581**
Total	**9,492**	**14,103**	**23,935**	**22,581**

b. Movement of provisions during the period

Movements in provisions during the periods are as follows:

Movements in 2014	Provisions			
	Holidays & vacation bonus ThUS$	SEC lawsuit reserves ThUS$	Other provisions ThUS$	Total ThUS$
Beginning balance as of 01.01.2014	13,093	858	152	14,103
Increase (decrease) in existing provisions	5,447	(344)	11	5,114
Utilization	(9,338)	(387)	-	(9,725)
Ending balance as of 09.30.2014	**9,202**	**127**	**163**	**9,492**

Movements in 2013	Provisions			
	Holidays & vacation bonus ThUS$	SEC lawsuit reserves ThUS$	Other provisions ThUS$	Total ThUS$
Beginning balance as of 01.01.2013	14,103	1,696	138	15,937
Increase (decrease) in existing provisions	9,111	-	14	9,125
Utilization	(10,121)	(838)	-	(10,959)
Ending balance as of 12.31.2013	**13,093**	**858**	**152**	**14,103**

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$ 163.

d. Restructuring

The Company has not established provisions for this concept.

e. Litigation

As of September 30, 2014 and December 31, 2013 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	
	09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
Performance incentives, current	6,321	3,469	-	-
Vacation accrual, current	2,881	9,624	-	-
Termination of project term contracts	-	-	1,315	1,628
Total	**9,202**	**13,093**	**1,315**	**1,628**

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. In 2014 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 employee defined plan benefits	09.30.2014 ThUS$	12.31.2013 ThUS$
Beginnig balance	20,953	18,355
Service cost	1,366	1,861
Interests cost	261	423
Exchange rate difference	(2,608)	(1,560)
Actuarial (losses) gains on experience	(181)	(72)
Actuarial (losses) gains on hypotheses	3,919	4,132
Payments	(1,089)	(2,186)
Ending balance (see Note 23.a)	**22,621**	**20,953**

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

Hypotheses used		09.30.2014	12.31.2013
Discount rate		1.90%	2.50%
Expected salary increase		2.65%	2.65%
Retirement age	Voluntary	3.20%	3.60%
	Dismissed	3.40%	2.50%
Retirement age	Men	65	65
	Women	60	60
Mortality table		RV-2009	RV-2004

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 statements 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	
	09.30.2014 %	12.31.2013 %	09.30.2014 ThUS$	12.31.2013 ThUS$
Discount rate used	1.90	2.50	22,621	20,953
Decrease of 50 basis points	1.40	2.00	23,700	21,978
Increase of 50 basis points	2.40	3.00	21,622	20,005

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 September 30, 2014 for the concept of employee benefits under IAS 19, using actuarial assumptions and data reported by the Company.

Projections	Obligation ThUS$
Situation as of 09.30.2014	22,621
Projection to 09.30.2015	22,752
Projected increase	131

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$
October 2014	570
November 2014	377
December 2014	160
January 2015	105
February 2015	247
March 2015	200
April 2015	392
May 2015	151
June 2015	101
July 2015	101
August 2015	100
September 2015	128
Total	**2,632**

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	
	09.30.2014 ThUS$	12.31.2013 ThUS$	09.30.2014 ThUS$	12.31.2013 ThUS$
Withholdings	2,685	3,142	-	-
Unearned income (1)	1,325	817	9,491	8,092
Dividens payable (2)	63	9,412	-	-
Other liabilities	-	6	-	-
Total	**4,073**	**13,377**	**9,491**	**8,092**

(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$ 2,591 from the leasing with Anglo American (term of the contract: 30 years).

(2) Corresponds to the provision for the minimum mandatory dividend of 30%.

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

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	09.30.2014	12.31.2013
Number of outstanding shares at beginning of period	17,536,167,720	17,536,167,720
Changes in 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 shareholders

As of September 30, 2014 Colbun, S.A. had **3,375** shareholders.

b. Social capital

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

c. Share premiums

As of September 30, 2014 and December 31, 2013 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.

As of December 31, 2013 the Company determined a dividends provision of ThUS$ 18,386.

At the Ordinary Shareholders' Meeting held on April 23, 2014, it was agreed that a minimum obligatory final dividend would be distributed, charged to the profits corresponding to the period ending December 31, 2013, payable in cash for a total amount of ThUS$ 18,386, which corresponds to US$0.00105 per share. This dividend started to be paid in May 5, 2014.

e. Composition of other reserves

Following is a detail of other reserves in each period:

Other reserves	09.30.2014 ThUS$	12.31.2013 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	(45,417)	(28,029)
Hedge reserves	(5,009)	(6,572)
Subtotal	**236,394**	**252,219**
Merger reserve, Hidroélectrica Cenelca S.A.	500,761	500,761
Subsidiaries reserves	(13,632)	(13,214)
Subtotal	**487,129**	**487,547**
Total	**723,523**	**739,766**

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	09.30.2014 ThUS$	12.31.2013 ThUS$
Beginning Balance	1,073,603	1,022,803
Income for the period	141,316	62,965
Effect of adjustment performed on first-time application of IFRS	6,435	9,100
Effect profit (losses) actuarial	(1,969)	(2,879)
Effect Law 20,780 (1)	(212,930)	-
Interim dividends	-	(18,386)
Total distributable reatained earnigs	**1,006,455**	**1,073,603**
Non-distributable adjustments on first-time application of IFRS		
Revaluation of property, plant & equipment	482,979	491,023
Deferred tax revaluation	(81,865)	(83,474)
Total non-distibutable retained earnings	**401,114**	**407,549**
Total	**1,407,569**	**1,481,152**

(1) On October 17, 2014 the SVS issued the Circular N°856 that instructs to record through equity the changes in deferred assets and liabilities arising from Law 20,780. As a consequence, as of September 30, 2014 a charge of US$ 212.9 million is recognized in equity.

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	09.30.2014		12.31.2013	
	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]	(8,044)	482,979	(10,964)	491,023
Revaluation deferred tax [2]	1,609	(81,865)	1,864	(83,474)
Total	**(6,435)**	**401,114**	**(9,100)**	**407,549**

[1] Revaluation of Property, plant and equipment: 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] Deferred taxes: 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:

	09.30.2014 ThUS$	12.31.2013 ThUS$
Total liabilities	**3,065,682**	**2,501,760**
Total current liabilities	316,372	341,908
Total non-current liabilities	2,749,310	2,159,852
Total equity	**3,466,480**	**3,556,306**
Attributable company	3,466,480	3,556,306
Non-controlling interests	-	-
Debt ratio	**0.88**	**0.70**

On a quarterly basis, the Company has to report compliance with its obligations with financial entities. As of September 30, 2014, 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.

	09.30.2014	09.30.2013	12.31.2013
Profit (loss) attributable to holders of equity instruments in the net equity of the parent company (ThUS$)	141,316	56,021	62,965
Income (loss) available for common shareholders, basic (ThUS$)	141,316	56,021	62,965
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)	**0.00806**	**0.00319**	**0.00359**

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)	09.30.2014 ThUS$	12.31.2013 ThUS$
Net income according to the Financial Statements	**141,316**	**62,965**
Cash flows in the year with a charge to prior years	(2,338)	(1,847)
Effect on unearned financial income that does not generate cash flows	1,882	171
Net cash flows for the period	**(456)**	**(1,676)**
Distributable net income	**140,860**	**61,289**
Minimum mandatory dividend	**-**	**18,386**

(*) See Note 25.d.

26. Income from ordinary activities

Income from ordinary activities is as follows:

	January - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Sale to distribution clients	541,113	557,627	186,636	181,419
Sale to industrial clients	395,357	515,217	120,663	202,681
Toll	125,429	145,785	39,179	68,922
Sale to other generators	55,813	55,409	4,416	113
Other income	54,799	72,346	350	7,920
Total	**1,172,511**	**1,346,384**	**351,244**	**461,055**

27. Raw materials and consumables used

Consumption of raw materials and secondary materials is as follows:

	January - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Petroleum consumption (see Note 12)	(106,520)	(128,001)	(40,599)	(53,729)
Gas consumption (see Note 12)	(322,971)	(288,249)	(64,624)	(67,918)
Coal consumption (see Note 12)	(73,117)	(79,714)	(24,230)	(26,289)
Purchase of energy and power	(41,759)	(361,352)	(20,369)	(200,433)
Tolls	(121,636)	(123,971)	(36,232)	(46,621)
Third party work and supplies	(68,686)	(56,092)	(27,707)	(18,575)
Total	**(734,689)**	**(1,037,379)**	**(213,761)**	**(413,565)**

28. Employee benefits expenses

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

	January - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Wages and salaries	(33,402)	(35,104)	(11,200)	(11,651)
Current benefits to employees	(3,764)	(3,795)	(1,414)	(1,135)
Termination benefits	(2,208)	(2,082)	(945)	(933)
Other employee expenses	(4,812)	(5,260)	(1,385)	(2,169)
Total	**(44,186)**	**(46,241)**	**(14,944)**	**(15,888)**

29. Depreciation and amortization expenses

Depreciation and amortization expenses are as follows:

	January - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Depreciation (see Note 17.b)	(133,613)	(119,192)	(46,077)	(39,822)
Amortization of intangibles (see Note 16.b)	(866)	(702)	(265)	(270)
Total	**(134,479)**	**(119,894)**	**(46,342)**	**(40,092)**

30. Financial income and financial costs

Finance income and costs are as follows:

Income (loss) from investment	January - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Cash income and other equivalent means	4,377	3,831	1,735	778
Total financial income	**4,377**	**3,831**	**1,735**	**778**
Financial costs	**January - September**		**July - September**	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Bond expenses	(41,998)	(42,511)	(16,994)	(13,949)
Financial provision expense	(6,186)	(11,598)	(1,039)	(2,639)
Expense from valuation of net financial derivatives	(8,502)	(5,451)	(3,427)	(1,887)
Bank loan expenses	(8,201)	(8,845)	(2,662)	(2,706)
Other expenses (bank expenses)	(326)	(65)	(168)	(26)
Capitalized financial expenses (1)	13,445	30,472	2,055	10,522
Total financial cost	**(51,768)**	**(37,998)**	**(22,235)**	**(10,685)**
Total financial result	**(47,391)**	**(34,167)**	**(20,500)**	**(9,907)**

(1) See note 17.c.vi.

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 - September 2014 ThUS$	January - September 2013 ThUS$	July - September 2014 ThUS$	July - September 2013 ThUS$
Cash and cash equivalents	Chilean peso	(14,519)	(1,898)	(8,852)	(1,059)
Trade and other accounts receivable	Chilean peso	(11,811)	(3,106)	(5,967)	3,980
Current tax assets	Chilean peso	(26,726)	(10,327)	(15,044)	1,140
Other non-current non-financial assets	Chilean peso	(1,452)	(882)	(1,092)	522
Non-current accounts receivable from related entities	Chilean peso	(465)	(200)	(275)	-
Exchange rate differences on assets		**(54,973)**	**(16,413)**	**(31,230)**	**4,583**
Other current financial liabilities	UF	27,868	14,939	22,079	(5,783)
Trade and other accounts payable	Chilean peso	2,257	1,770	2,014	(425)
Other non-financial liabilities	Chilean peso	1,395	134	11	(18)
Employee benefits provision accrual	Chilean peso	4,786	1,464	2,768	(215)
Other non-current financial liabilities	Chilean peso	1,110	429	-	(49)
Exchange rate differences on liabilities		**37,416**	**18,736**	**26,872**	**(6,490)**
Total exchange difference		**(17,557)**	**2,323**	**(4,358)**	**(1,907)**

Income from indexation units

Income from indexation units	Indexation unit	January - September 2014 ThUS$	January - September 2013 ThUS$	July - September 2014 ThUS$	July - September 2013 ThUS$
Current tax assets	UTM	6,675	2,983	1,008	2,231
Total income from indexation units		**6,675**	**2,983**	**1,008**	**2,231**

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

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

	January - September 2014 ThUS$	January - September 2013 ThUS$	July - September 2014 ThUS$	July - September 2013 ThUS$
Net share in profits of associates (see Note 15)	3,891	4,129	977	1,071
Total	**3,891**	**4,129**	**977**	**1,071**

33. Other profits (losses)

The others profits (losses) are as follows:

Other income	January - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Carbon credits Hornitos and Quilleco hydroelectric plants	-	-	-	(6,356)
Adjustment insurance Nehuenco material damages [1]	16,252	14,068	-	13,299
Sell property, plant and equipment	694	9,011	-	1
Other income	742	517	126	133
Total other income	**17,688**	**23,596**	**126**	**7,077**

Other expenses	January - September		July - September	
	2014 ThUS$	2013 ThUS$	2014 ThUS$	2013 ThUS$
Results derivative contracts	(1,900)	(537)	(368)	(417)
Legal fees	(507)	(3,067)	(65)	(757)
Disposals of property, plant and equipment [2]	(6,967)	(35,985)	-	172
Write offs and fines	777	(34)	881	-
Other	(493)	(3,953)	981	(1,506)
Total other expenses	**(9,090)**	**(43,576)**	**1,429**	**(2,508)**
Total other income (loss)	**8,598**	**(19,980)**	**1,555**	**4,569**

(1) Amount recognized by the insurance company from the failure in Nehuenco II, physical damage.
(2) Corresponds to the recognition of the failure in Blanco Power Plant during 2014. See Note 17.c.iii. As of December 2013, the amount corresponds to the recognition of the failure in the turbine in Nehuenco II and in Los Pinos power plant.

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	09.30.2014 ThUS$	2014	2015	2099
Director Regional de Vialidad Región Biobí	Colbún S.A.	Creditor	Guarantee deposit	CLP	600,000,000	1,001	-	1,001	-
Comité Innova Chile	Colbún S.A.	Creditor	Guarantee deposit	CLP	41,200,000	69	-	69	-
Fisco de Chile Servicio Nacional de aduana	Colbún S.A.	Creditor	Guarantee deposit	CLP	28,000,000	47	-	47	-
Ministerio Obras Públicas	Colbún S.A.	Creditor	Guarantee deposit	UF	354,856	14,312	620	13,692	-
Chilectra S.A. [1]	Colbún S.A.	Creditor	Guarantee deposit	UF	100	4	-	-	4
Empresa de los Ferrocarriles del Estado	Colbún S.A.	Creditor	Guarantee deposit	UF	10	1	-	1	-

(1) Guarantees with indefinite release date.

b. Guarantees obtained from third parties

Current guarantees in US Dollars, as of September 30, 2014 are as follows:

Deposited by	Relationship	Total ThUS$
Posco Engineering and Construction Co.	Creditor	10,000
Punta Palmeras S.A.	Creditor	8,722
Alstom Hydro France S.A.	Creditor	1,393
Hyundai Corporation	Creditor	730
Andritz Hydro Gmbh-Andritz Chile Ltda.	Creditor	551
Andritz Hydro Srl	Creditor	300
Power Machines Ztl.	Creditor	300
Abb S.A	Creditor	245
Carpi Tech S.A.	Creditor	140
Ingetec S.A	Creditor	132
Bilfinger Water Tegnologies Lts. S.A.	Creditor	105
Invensys Systems Chile Ltda.	Creditor	81
Hyosung Corporation	Creditor	75
Joy Global Surface Mining Inc	Creditor	33
Electrónica e Industrial Schadler y Cia. Ltda.	Creditor	19
Distribuidora Perkins Chilena S.A.C	Creditor	11
	Total	**22,837**

Current guarantees in Euros, as of September 30, 2014 are as follows:

Deposited by	Relationship	Total ThUS$
Alstom Hydro France S.A.	Creditor	4,329
Andritz Chile Ltda.	Creditor	982
Andritz Hydro Gmbh-Andritz Chile Ltda.	Creditor	905
	Total	**6,216**

Current guarantees in CLP, as of September 30, 2014 are as follows:

Deposited by	Relationship	Total ThUS$
Metalizaciones Industriales Soc. Comercial e Ind. S.A.	Creditor	335
Andes Mainstream Spa	Creditor	167
Fotovoltaico Norte Grande	Creditor	167
Solarpack Corporation	Creditor	167
Constructora del Valle Ltda.	Creditor	139
Ingeniería, Mantención y Servicios Imasel Ltda.	Creditor	96
Constr. y Montj. Industr. A. Olivares Garridos	Creditor	70
Constr. y Montj. Industr. Javier Alejandro	Creditor	70
Sociedad Diving Service Ltda.	Creditor	67
Ing. Constra y Mant. Ind. Aconcagua Ltda.	Creditor	58
Abb S.A	Creditor	56
Constructora Propuerto Ltda.	Creditor	47
Rodrigo Lopez y Cia. Ltda.	Creditor	42
Servicios y Asesorías Generales en Ingeniería y F.	Creditor	36
Contructora R2 Ltda.	Creditor	33
Leal Fernandez Luis	Creditor	31
Wilfredo Parra Lobos Cia. Ltda.	Creditor	31
Servicios Empresariales Mol Ltda.	Creditor	29
Wfs Food Services S.A.	Creditor	29
Soc. Andes Minerals Ltda.	Creditor	25
Sociedad Comercial Camin Ltda.	Creditor	25
Luis Virginio Leal Fernández	Creditor	21
Montaje Industriales Piping Chile Ltda.	Creditor	16
Sistema Integral de Telecomunicaciones Ltda.	Creditor	16
Universidad de Concepción	Creditor	14
Ingeniería y Servicios S.A.	Creditor	12
Transportes Jose Carrasco Retamal E.I.R.L.	Creditor	11
Eulen Seguridad S.A.	Creditor	10
Servicios de Ingeniería Imc Ltda.	Creditor	9
Alejandra Barbara Oyanedel Perez	Creditor	8
Max Control Spa	Creditor	8
Sociedad Comercial y de Inv. Conyser Ltda.	Creditor	8
Corrosión Integral y Tegnología Ltda.	Creditor	7
Constructora y Maquinarias Pulmahue Spa.	Creditor	6
Sociedad Klagges y Cia. Ltda.	Creditor	6
Exar Construcciones Ltda.	Creditor	5
Sociedad Vba Servicios y Montaje Ltda.	Creditor	5
Mantención de Jardínes Arcoiris Ltda.	Creditor	4
Aguas Industriales Ltda.	Creditor	3
Eulen Chile S.A.	Creditor	3
María Angélica Alvarez Gonzalez	Creditor	3
Ortiz Soto Juan Angel	Creditor	3
Empresa Constructora Rs Ltda.	Creditor	2
Ingeniería en Servicio de Mejoramiento Industrial Ltda.	Creditor	2
Rightcleaning Ltda.	Creditor	2
	Total	**1,904**

Current guarantees in UF, as of September 30, 2014 are as follows:

Deposited by	Relationship	Total ThUS$
Empresa Constructora Angostura Ltda.	Creditor	14,853
Alstom Hydro France S.A.	Creditor	2,064
Constructora CVV Conpax Ltda.	Creditor	1,183
Andritz Hydro Gmbh-Andritz Chile Ltda.	Creditor	1,073
Kdm Industrial S.A.	Creditor	207
Constructora Santa María Ltda.	Creditor	183
Construcciones y Montajes Com S.A.	Creditor	141
Ferrovial Agroman Chile S.A.	Creditor	141
Zublin International Gmbh Chile Spa	Creditor	141
Endress Hauser Chile Ltda.	Creditor	121
Luis Juan Nuñez Torres	Creditor	94
Pozos Profundos S.A.	Creditor	89
Jaime Illanes y Asociados Consultores S.A.	Creditor	80
Transporte Bretti Ltda.	Creditor	76
Brotec Construcción Ltda.	Creditor	71
Claro Vicuña Valenzuela S.A.	Creditor	71
Constructora Con-Pax S.A.	Creditor	71
Constructora Valko S.A.	Creditor	71
Hochtiep Construction Chilena Ltda.	Creditor	71
Obras Especiales Chile S.A	Creditor	71
Abb S.A	Creditor	63
Constructora del Valle Ltda.	Creditor	54
Aseos Industriales de Talca Ltda.	Creditor	38
Arrigoni Modular Spa	Creditor	37
Empresa Constructora Rs Ltda.	Creditor	31
Centro de Ecología Aplicada Ltda.	Creditor	31
Ecosystem S.A.	Creditor	31
Eulen Seguridad S.A.	Creditor	28
Buses Ahumada Ltda.	Creditor	27
Ingeniería Chozas y Allen Ltda.	Creditor	24
Fernando Enrique Berrios Martínez	Creditor	24
Knight Piesold S.A.	Creditor	24
Transportes Castro Ltda.	Creditor	21
Edic Ingenieros S.A.	Creditor	21
Universidad de Concepción	Creditor	21
Vertisub Chile Spa	Creditor	18
Dupla Diseño Urbano y Planificación Ltda.	Creditor	17
Asesoría Forestal Integral Ltda.	Creditor	17
Prosegur Tecnología Chile Ltda.	Creditor	13
Servicios Emca Spa	Creditor	12
Jaime Rodríguez Veloz Seguridad Privada E.I.R.L.	Creditor	12
Nutrición y Alimentos V Region S.A.	Creditor	11
Ima Tegnologías Ltda.	Creditor	10
Ingeniería Geomatica	Creditor	10
Hernandez Fernandez Pedro Arturo	Creditor	8
Alfredo Edwards Ingenieros Consultores Ltda.	Creditor	7
Servicios e Inversiones Pramar Ltda.	Creditor	7
Oma Topografía y Construcciones Limitada.	Creditor	6
Constructora Hernán Ortega y Cia.	Creditor	5
Muñoz y Henríquez Ltda.	Creditor	4
Asesorías Informáticas y Automatización Oyaneder S.A.	Creditor	4
Comercial Calle-Calle Limitada.	Creditor	3
Cmf Sondajes Limitada	Creditor	2
	Total	**21,513**

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 September 30, 2014 a description of the most important litigations is included:

Fine of 1,800 UTM (ThUS$ 127) applied by the Superintendency of Electricity and Fuel ("SEC") – Exempt Resolution 4223:

On July 15, 2014, the SEC fined Colbún S.A. with 1,800 UTM (ThUS$127). As per point 1 of the previously mentioned Resolution, the cause is that Colbún did not fulfill the obligation to preserve the security of the Electric System and to guarantee the economic optimum of the system assets as a whole. Colbún lodged an administrative reposition against this resolution to modify the Resolution according to the Law. As of today, the decision on this reposition has not been communicated.

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 September 30, 2014 the Company is in compliance with all the financial indicators required in those contracts. These obligations are detailed as follows:

Covenants	Condition	09.30.2014		Maturity
Bank Loans				
Total liabilities/Net Tangible Equity	< 1.2	0.95		jun/2018
Minimum Equity	> ThUS$ 2.022.000	ThUS$	3,466,480	jun/2018
Bonds				
Ebitda/Net interest expense	>3.0	8.31		jun/2029
Debt ratio	<1.2	0.88		jun/2029
Minimun equity	> ThUS$ 1.348.000	ThUS$	3,466,480	jun/2029
Commited lines				
Total liabilities/Net equity of the Controller	< 1.2	0.88		jun/2016
Minimun equity	> ThUS$ 1.995.000	ThUS$	3,466,480	jun/2016

Calculation methodology

Indicator	Headings	Values as of 09.30.2014	
Net Equity of the Parent Company	Total Equity - Non-controlling Interests	ThUS$	3,466,480
Net Tangible Equity	Equity - Investments accounted for using the equity method - Intangible Assets other than Goodwill	ThUS$	3,239,923
Minimum Equity	Total Equity - Non-controlling Interests	ThUS$	3,466,480
Total liabilities	Total current liabilities + Total non-current liabilities	ThUS$	3,065,682
Debt Ratio	Total liabilities/Equity	ThUS$	0.88
Ebitda (*)	Income from ordinary activities - Raw materials and supplies used - Employees benefits expenses - Other expenses by nature	ThUS$ ThUS$	484,394
Net financial cost (*)	Financial costs - Financial income	ThUS$	58,299

(*) Last 12 months

36. Environment

The companies of the Company with disbursements associated with the environment are the following: Colbún 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.

All these projects in construction or execution have their respective Environmental Qualification Resolutions and Sector Environmental Permits granted by the corresponding environmental authorities.

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 09.30.2014

Company	Name of the project associated to disbursement	Concept	Asset / Expense	Description asset / expense	Amount ThUS$	Estimated date
Colbún S.A.	Asesorias Medio Ambiente Angostura	Power Plants Environmental management	Asset	Construction in progress	109	06/20/14
Colbún S.A.	Rezago- Rca/Rse Medio Ambiente Angostura	Power Plants Environmental management	Asset	Construction in progress	210	09/03/14
Colbún S.A.	Serv Compromisos Ambientales Santa María	Power Plants Environmental management	Asset	Fixed assets	169	06/03/14
Colbún S.A.	Parque Coronel Santa María	Power Plants Environmental management	Asset	Fixed assets	57	09/15/14
Colbún S.A.	Cementos Bío Bío S.A. Santa María 2	Power Plants Environmental management	Asset	Fixed assets	1,712	01/28/14
Colbún S.A.	Compromisos Ambientales Antilhue	Power Plants Environmental management	Expense	Cost of goods sold	1	04/01/14
Colbún S.A.	Compromisos Ambientales Candelaria	Power Plants Environmental management	Expense	Cost of goods sold	18	04/01/14
Colbún S.A.	Compromisos Ambientales Chacabuquito	Power Plants Environmental management	Expense	Cost of goods sold	(1)	01/15/14
Colbún S.A.	Compromisos Ambientales Canutillar	Power Plants Environmental management	Expense	Cost of goods sold	88	09/30/14
Colbún S.A.	Compromisos Ambientales Colbun	Power Plants Environmental management	Expense	Cost of goods sold	24	09/22/14
Colbún S.A.	Compromisos Ambientales Los Quilos	Power Plants Environmental management	Expense	Cost of goods sold	98	09/25/14
Colbún S.A.	Compromisos Ambientales Los Pinos	Power Plants Environmental management	Expense	Cost of goods sold	194	09/30/14
Colbún S.A.	Compromisos Ambientales Rucue-Quilleco	Power Plants Environmental management	Expense	Cost of goods sold	1	07/17/14
Empresa Eléctrica Industrial S.A.	Compromisos Ambientales Carena	Power Plants Environmental management	Expense	Cost of goods sold	8	09/30/14
Termoeléctrica Nehuenco S.A.	Compromisos Ambientales Nehuenco 1	Power Plants Environmental management	Expense	Cost of goods sold	50	08/01/14
Río Tranquilo S.A.	Compromisos Ambientales Hornitos	Power Plants Environmental management	Expense	Cost of goods sold	83	09/17/14
				Total	**2,822**	

Future expenses as of 09.30.2013

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	Power Plants Environmental management	Asset	Construction in progress	34	12/31/14
Colbún S.A.	Parque Coronel Santa María	Power Plants Environmental management	Asset	Fixed assets	32	12/31/14
Colbún S.A.	Compromisos Ambientales Canutillar	Power Plants Environmental management	Expense	Cost of goods sold	16	12/31/14
Colbún S.A.	Compromisos Ambientales Colbun	Power Plants Environmental management	Expense	Cost of goods sold	16	12/31/14
Colbún S.A.	Compromisos Ambientales Los Quilos	Power Plants Environmental management	Expense	Cost of goods sold	46	12/31/14
Colbún S.A.	Compromisos Ambientales Los Pinos	Power Plants Environmental management	Expense	Cost of goods sold	31	12/31/14
Empresa Eléctrica Industrial S.A.	Compromisos Ambientales Carena	Power Plants Environmental management	Expense	Cost of goods sold	1	12/31/14
Río Tranquilo S.A.	Compromisos Ambientales Hornitos	Power Plants Environmental management	Expense	Cost of goods sold	36	12/31/14
				Total	**212**	

Accumulated disbursements made as of 12.31.2013

Company	Name of the project associated to disbursement	Concept	Asset / Expense	Description asset / expense	Amount ThUS$	Estimated date
Colbún S.A.	Parque Coronel Rse Subgcia.Med Santa María	Sustentabililty and climate change	Asset	Work in progress	3	11/11/13
Colbún S.A.	Administración Medio Ambiente Angostura	Power Plants Environmental management	Asset	Fixed asset	24	11/04/13
Colbún S.A.	Asesorias Medio Ambiente Angostura	Power Plants Environmental management	Asset	Fixed asset	473	12/31/13
Colbún S.A.	Serv Compromisos Ambientales Santa María	Power Plants Environmental management	Asset	Fixed asset	374	08/08/13
Colbún S.A.	Parque Coronel Santa María	Power Plants Environmental management	Asset	Fixed asset	15	04/16/13
Colbún S.A.	C_Medio Ambiente Santa María	Power Plants Environmental management	Asset	Fixed asset	65	08/01/13
Colbún S.A.	Cementos Bío Bío S.A. Santa María	Power Plants Environmental management	Asset	Fixed asset	4,920	07/11/13
Colbún S.A.	Asesorías Servidumbres La Mina Loma Alta	Power Plants Environmental management	Asset	Fixed asset	13	12/20/13
Colbún S.A.	Compromisos Ambientales Antilhue	Power Plants Environmental management	Expense	Cost	206	12/31/13
Colbún S.A.	Compromisos Ambientales Candelaria	Power Plants Environmental management	Expense	Cost	275	12/30/13
Colbún S.A.	Compromisos Ambientales Chacabuquito	Power Plants Environmental management	Expense	Cost	58	12/30/13
Colbún S.A.	Compromisos Ambientales Canutillar	Power Plants Environmental management	Expense	Cost	58	12/23/13
Colbún S.A.	Compromisos Ambientales Colbun	Power Plants Environmental management	Expense	Cost	55	12/31/13
Colbún S.A.	Subgerencia Medio Ambiente Corporativo	Sustentabililty and climate change	Expense	General expenses	2	01/02/13
Colbún S.A.	Compromisos Ambientales Los Quilos	Power Plants Environmental management	Expense	Cost	54	12/30/13
Colbún S.A.	Compromisos Ambientales Los Pinos	Power Plants Environmental management	Expense	Cost	253	12/31/13
Colbún S.A.	Compromisos Ambientales Rucue-Quilleco	Power Plants Environmental management	Expense	Cost	217	12/20/13
Colbún S.A.	Ambiental Ch Santa Barbara Angostura	Power Plants Environmental management	Asset	Fixed asset	63	12/27/13
Empresa Eléctrica Industrial S.A.	Compromisos Ambientales Carena	Power Plants Environmental management	Expense	Cost	31	12/30/13
Termoeléctrica Nehuenco S.A.	Compromisos Ambientales Nehuenco 1	Power Plants Environmental management	Expense	Cost	274	12/31/13
Río Tranquilo S.A.	Compromisos Ambientales Hornitos	Power Plants Environmental management	Expense	Cost	160	12/31/13
				Total	**7,593**	

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

Future expenses as of 12.31.2013

Company	Name of the project associated to disbursement	Concept	Asset / Expense	Description asset / expense	Amount ThUS$	Estimated date
Colbún S.A.	Parque Coronel Rse Subgcia.Med Santa María	Sustentabililty and climate change	Asset	Work in progress	3	12/31/14
Colbún S.A.	Administración Medio Ambiente Angostura	Power Plants Environmental management	Asset	Fixed asset	24	12/31/14
Colbún S.A.	Asesorias Medio Ambiente Angostura	Power Plants Environmental management	Asset	Fixed asset	473	12/31/14
Colbún S.A.	Serv Compromisos Ambientales Santa María	Power Plants Environmental management	Asset	Fixed asset	374	12/31/14
Colbún S.A.	Parque Coronel Santa María	Power Plants Environmental management	Asset	Fixed asset	15	12/31/14
Colbún S.A.	C_Medio Ambiente Santa María	Power Plants Environmental management	Asset	Fixed asset	65	12/31/14
Colbún S.A.	Cementos Bío Bío S.A. Santa María	Power Plants Environmental management	Asset	Fixed asset	4,920	12/31/14
Colbún S.A.	Asesorías Servidumbres La Mina Loma Alta	Power Plants Environmental management	Asset	Fixed asset	13	12/31/14
Colbún S.A.	Compromisos Ambientales Antilhue	Power Plants Environmental management	Expense	Cost	208	12/31/14
Colbún S.A.	Compromisos Ambientales Candelaria	Power Plants Environmental management	Expense	Cost	275	12/31/14
Colbún S.A.	Compromisos Ambientales Chacabuquito	Power Plants Environmental management	Expense	Cost	58	12/31/14
Colbún S.A.	Compromisos Ambientales Canutillar	Power Plants Environmental management	Expense	Cost	58	12/31/14
Colbún S.A.	Compromisos Ambientales Colbun	Power Plants Environmental management	Expense	Cost	55	12/31/14
Colbún S.A.	Subgerencia Medio Ambiente Corporativo	Sustentabililty and climate change	Expense	General expenses	2	12/31/14
Colbún S.A.	Compromisos Ambientales Los Quilos	Power Plants Environmental management	Expense	Cost	54	12/31/14
Colbún S.A.	Compromisos Ambientales Los Pinos	Power Plants Environmental management	Expense	Cost	253	12/31/14
Colbún S.A.	Compromisos Ambientales Rucue-Quilleco	Power Plants Environmental management	Expense	Cost	217	12/31/14
Colbún S.A.	Ambiental Ch Santa Barbara Angostura	Power Plants Environmental management	Asset	Fixed asset	63	12/31/14
Empresa Eléctrica Industrial S.A.	Compromisos Ambientales Carena	Power Plants Environmental management	Expense	Cost	31	12/31/14
Termoeléctrica Nehuenco S.A.	Compromisos Ambientales Nehuenco 1	Power Plants Environmental management	Expense	Cost	274	12/31/14
Río Tranquilo S.A.	Compromisos Ambientales Hornitos	Power Plants Environmental management	Expense	Cost	160	12/31/14
				Total	**7,595**	

37. Events occurred after the statement of position date

a. Colbún filed an essential fact to the SVS to inform the following:

Considering that according to Law 20,780 ("Tax reform"), the Company is subject to the Partially Integrated System. That situation will have effects on the financial statements as a consequence of the first category new tax rates used in the calculation of the income tax expense. This effect, as per IAS 12, needs to be recognized once the Law has been promulgated.

As a consequence, and according to information available as of that date, management prepared and informed the Board that the increase in the first category tax rates will have the following estimated significant effects:

1. A charge of approximately US$ 210 million in the Statement of Comprehensive Income that will affect the distributable income for the 2014 fiscal year.
2. An increase on net deffered tax liabilities, included in non-current liabilities of the Statement of Financial Position, of approximately US$ 210 million.

Those effects will be included in the consolidated interim financial statements as of September, 2014.

b. On October 21, 2014 Colbún prepaid in full a syndicated international loan of US$150 million, in which BBVA Bancomer acted as Agent. The original maturity of this loan was August 2015. Additionally, on the same date certain interest rate swaps with the same notional amount were terminated. These swaps were signed to fix the interest rate of these loans.

c. On October 22, 2014 Colbún informed, through an essential fact that:

On October 3, 2014, through an essential fact, the Company informed that the approximate impact on the result of the period and the distributable income from Law 20,780, on the net deferred tax liability was US$210 million, as per IAS 12.

However, on October 17 the SVS issued a Circular by means of which instructed that the difference in net deferred tax liability should be recognized through equity.

As a consequence, and in conformity with the above mentioned Circular, the effect arising from the increase in the first category income tax rate will not affect the distributable income for the 2014 fiscal year and will be recorded in the financial statements as of September 2014 through equity.

d. On October 28, 2014 these financial statements, prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB), and instructions from the SVS, were approved by Board.

No subsequent events have occurred between September 30, 2014 and the date of issue of the present 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	09.30.2014 ThUS$	12.31.2013 ThUS$
Total current assets				
Cash and cash equivalents	Chilean peso	US Dollar	67,867	136,429
Cash and cash equivalents	Euro	US Dollar	775	979
Other current non-financial assets	Chilean peso	US Dollar	3,060	195,855
Trade and other current accounts receivable	Chilean peso	US Dollar	234,259	113,944
Current accounts receivable from related companies	Chilean peso	US Dollar	192	1,829
Inventory	Chilean peso	US Dollar	64,976	49,548
Current tax assets	Chilean peso	US Dollar	59,682	44,046
Total current assets			**430,811**	**542,630**
Non-current assets				
Other non-current financial assets	Chilean peso	US Dollar	251	287
Other non-current non-financial assets	Chilean peso	US Dollar	12,329	9,062
Total non-current assets			**12,580**	**9,349**
Total assets			**443,391**	**551,979**

Liabilities	Foreign currency	Functional currency	09.30.2014 ThUS$	12.31.2013 ThUS$
Total current liabilities				
Other current financial liabilities	UF	US Dollar	14,182	18,756
Trade and other accounts payable	Chilean peso	US Dollar	91,770	120,611
Current accounts payable to related entities	Chilean peso	US Dollar	927	10,146
Other current provisions	Chilean peso	US Dollar	290	1,011
Current tax liabilities	Chilean peso	US Dollar	3,494	4,691
Current employee benefits accruals	Chilean peso	US Dollar	9,202	13,093
Other current non-financial liabilities	Chilean peso	US Dollar	5,433	3,965
Total current liabilities			**125,298**	**172,273**
Non-current liabilities				
Other non-current financial liabilities	UF	US Dollar	217,339	323,542
Non-current employee benefits liabilities	Chilean peso	US Dollar	23,935	22,582
Total non-current liabilities			**241,274**	**346,124**
Total liabilities			**366,572**	**518,397**

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 09.30.2014	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	9,137	5,045	20,968	33,085	163,286	231,521
		Total	**9,137**	**5,045**	**20,968**	**33,085**	**163,286**	**231,521**

As of 12.31.2013	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	-	18,756	34,371	41,765	247,406	342,298
		Total	**-**	**18,756**	**34,371**	**41,765**	**247,406**	**342,298**

39. Staffing

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

	Number of employees	
	09.30.2014	**12.31.2013**
Managers and main executives	68	67
Professional & technicians	589	613
Employees and others	302	311
Total	959	991
Average for the period	**974**	**984**

Annex No. 1 additional information required for XBRL taxonomy

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

Remunerations paid to external auditors

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

	09.30.2014 ThUS$	12.31.2013 ThUS$
Audit services	186	380
Tax services	-	24
Other services	223	363
Total	**409**	**767**

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