



COLBÚN'S PRESENTATION
BICE INVERSIONES CORREDORA DE BOLSA S.A.
SEPTEMBER 2015



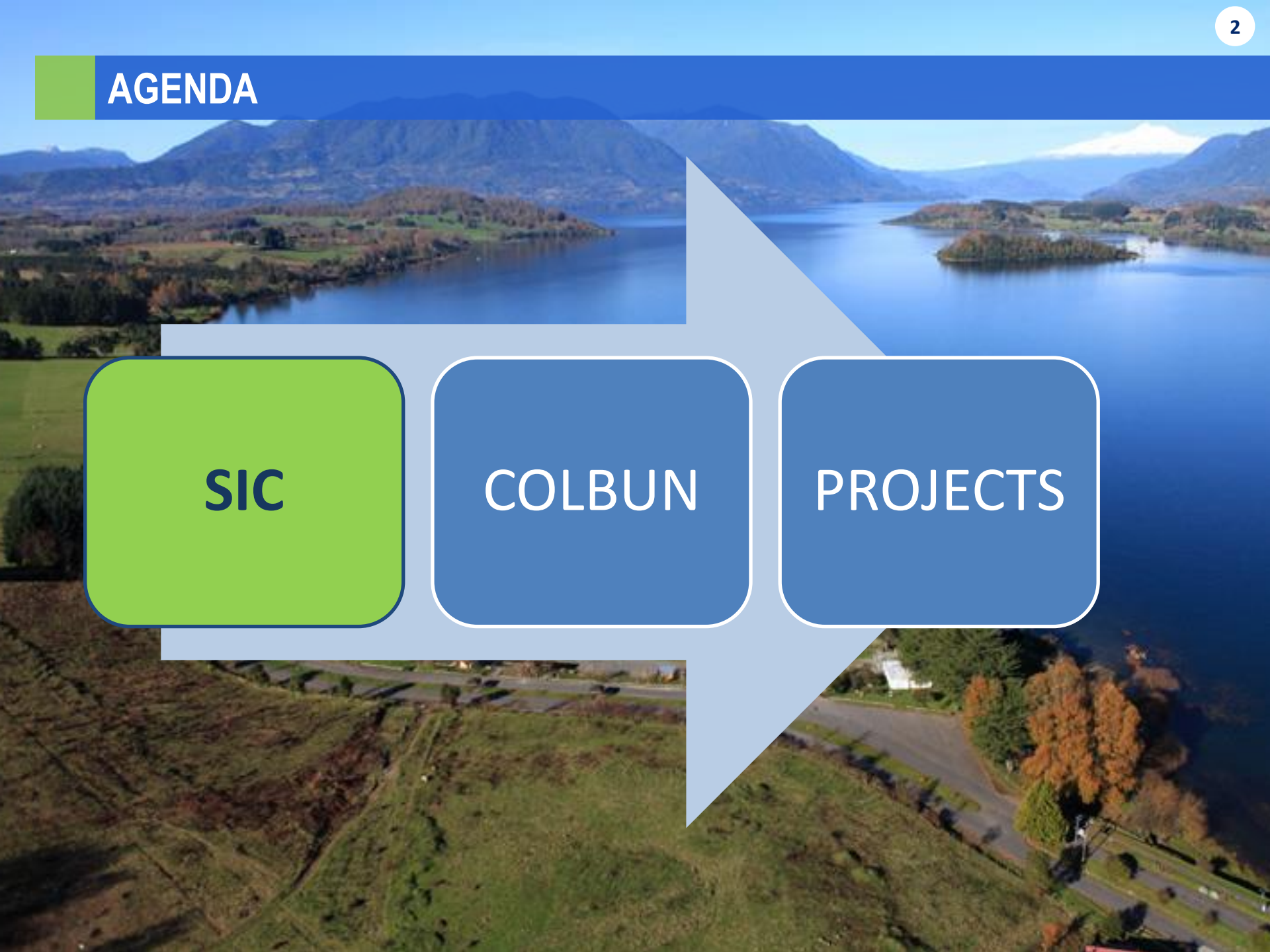


AGENDA

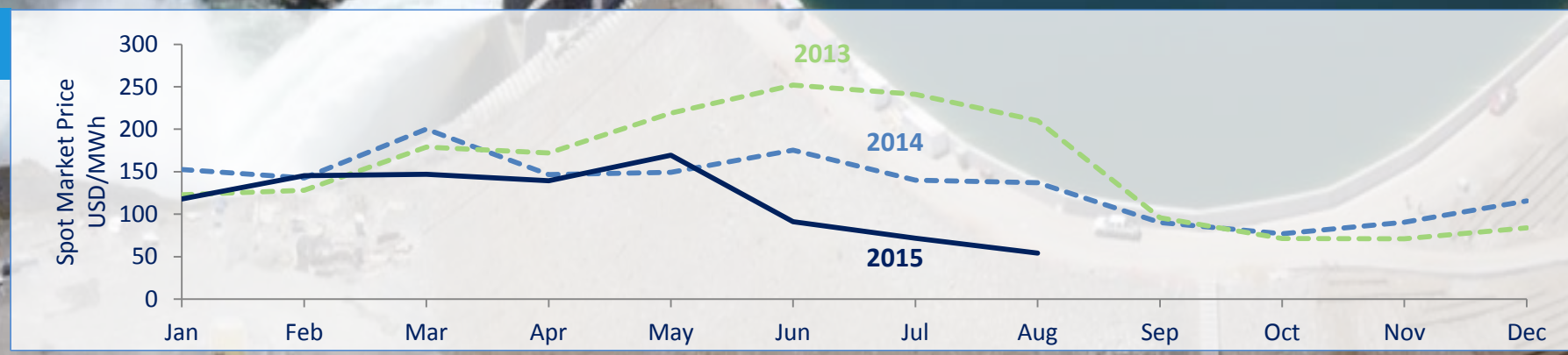
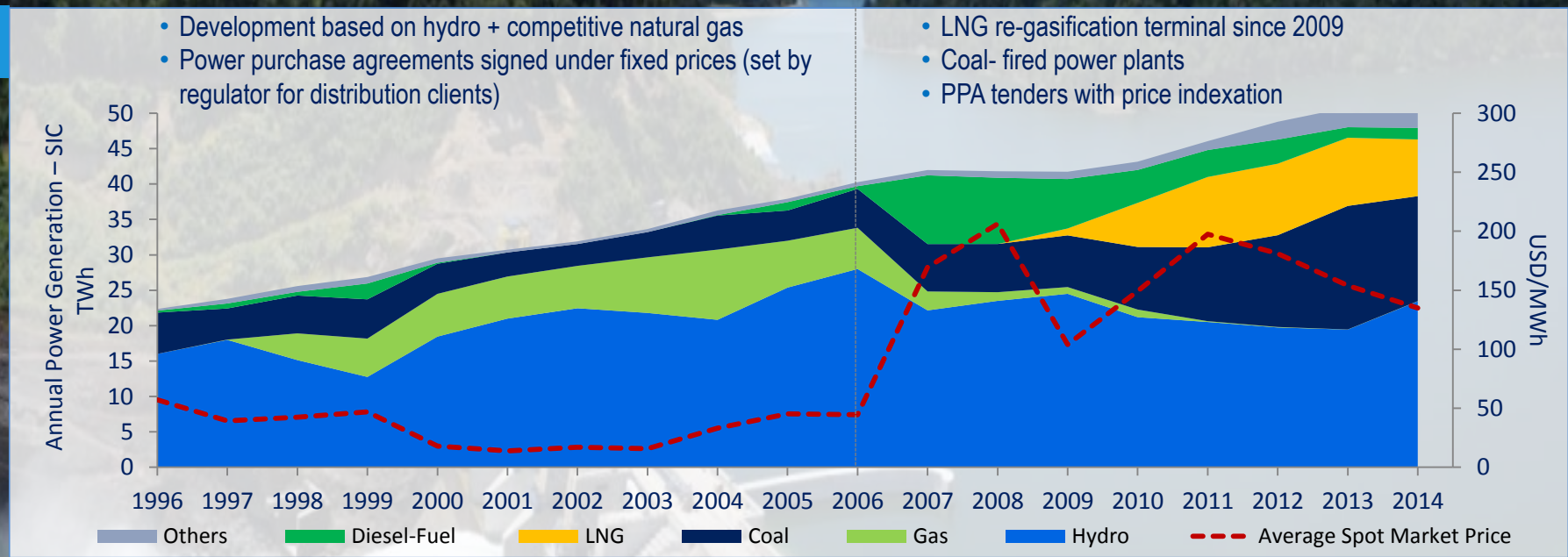
SIC

COLBUN

PROJECTS

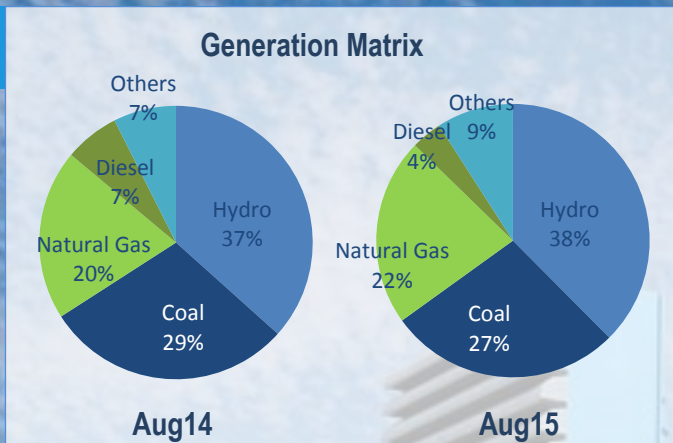


GENERATION AND PRICE EVOLUTION IN CHILE'S CENTRAL GRID

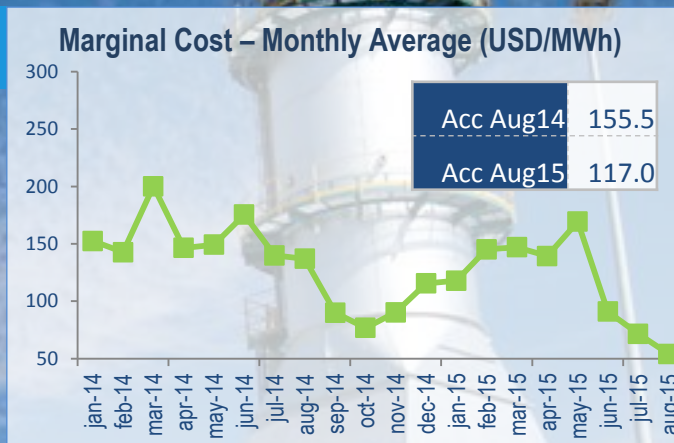


SIC OVERVIEW

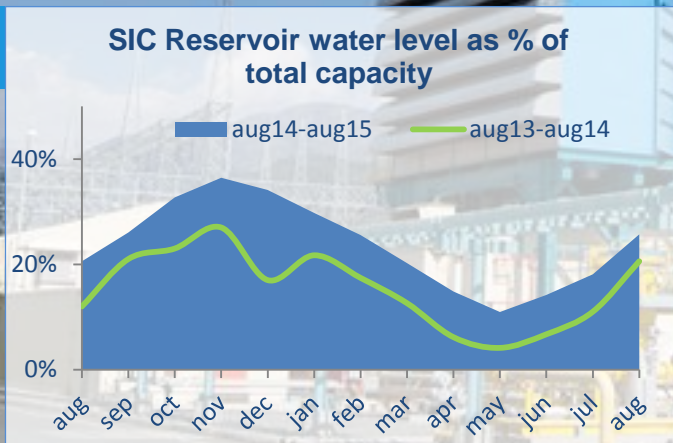
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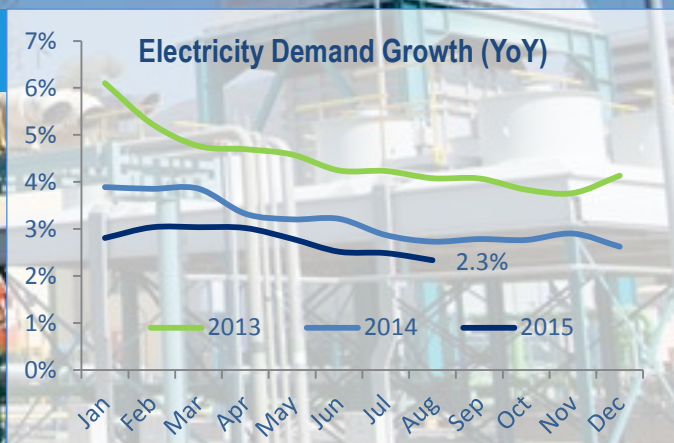
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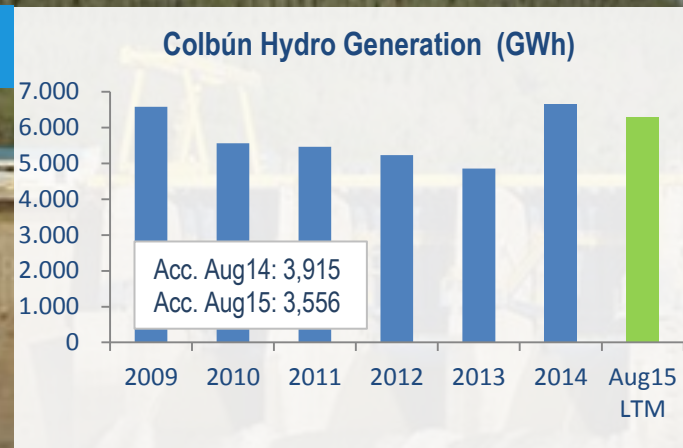
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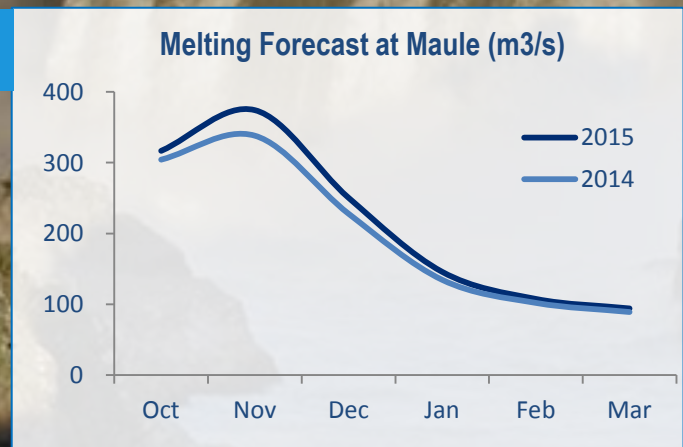
Graphs Sources: 1), 2), 3), 4) CNE and CDEC-SIC.

HYDROLOGICAL CONDITIONS

1



2



Source: Colbún.

Acc. Rainfalls Aug14/Aug15

Los Quilos (mm)

2014	2015
144	209

Armerillo (mm)

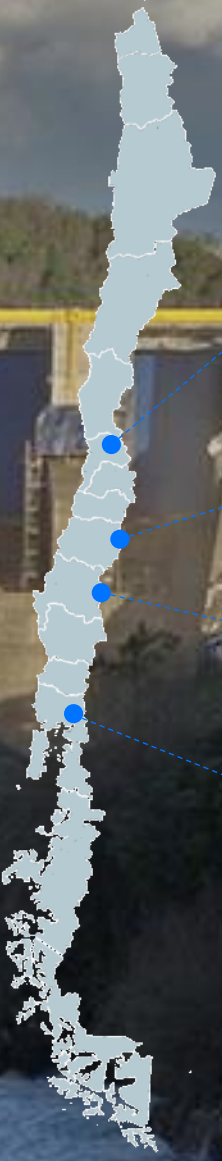
2014	2015
1,647	1,497

Abanico (mm)

2014	2015
1,665	1,487

Canutillar (mm)

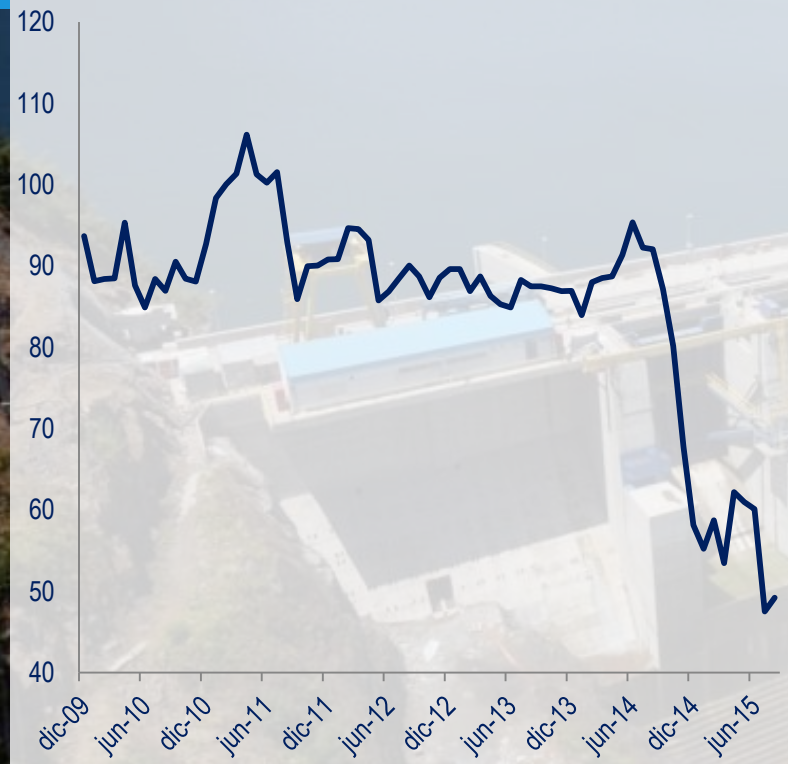
2014	2015
2,599	2,478



END OF HIGH COMMODITY PRICES

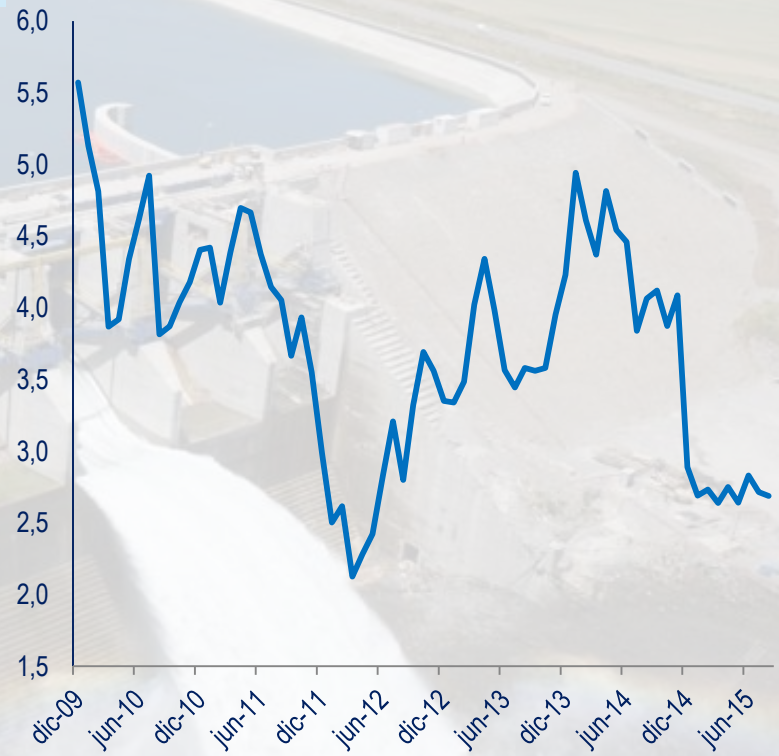
1

WTI (US\$/Barrel)



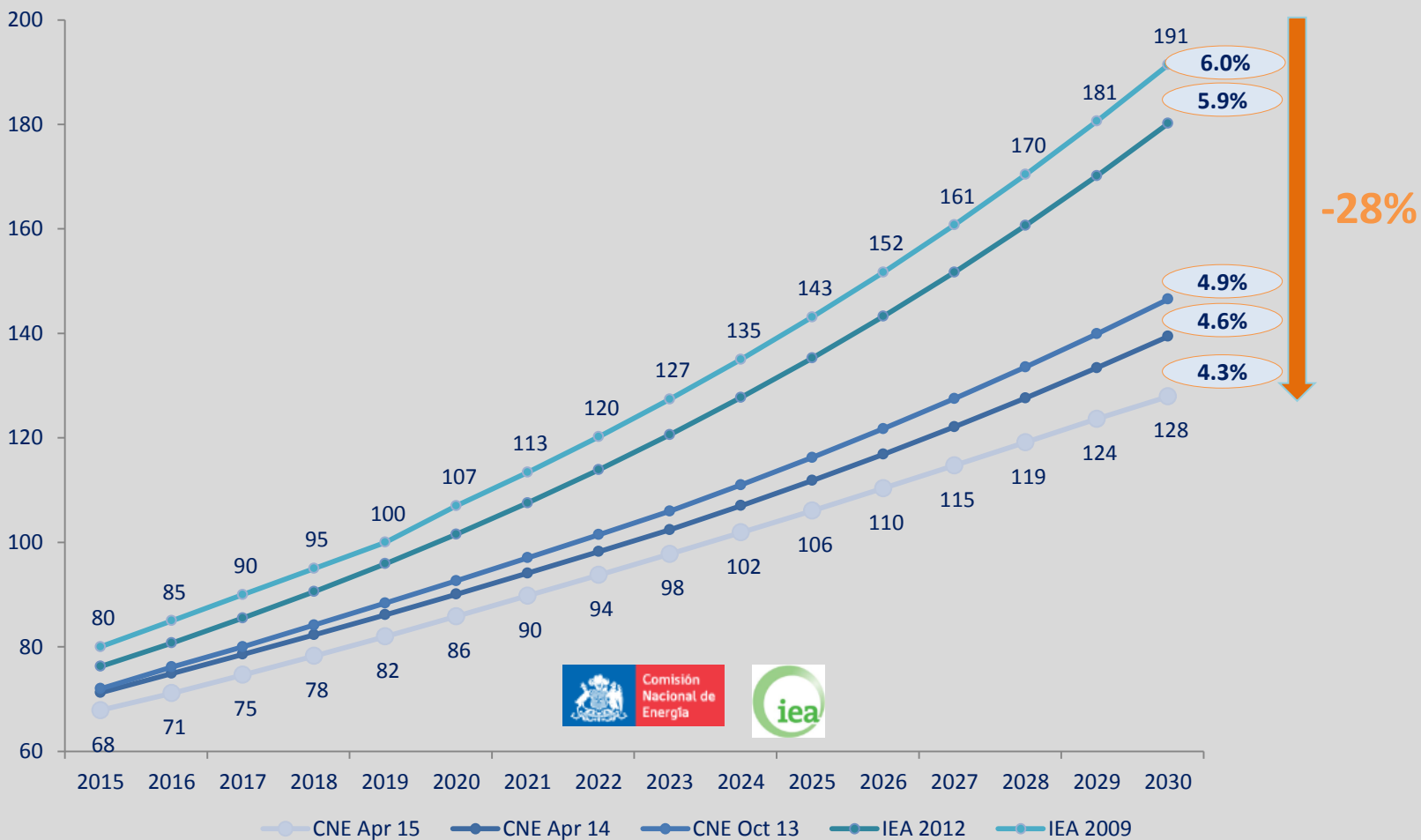
2

HENRY HUB (US\$/MMBTU)



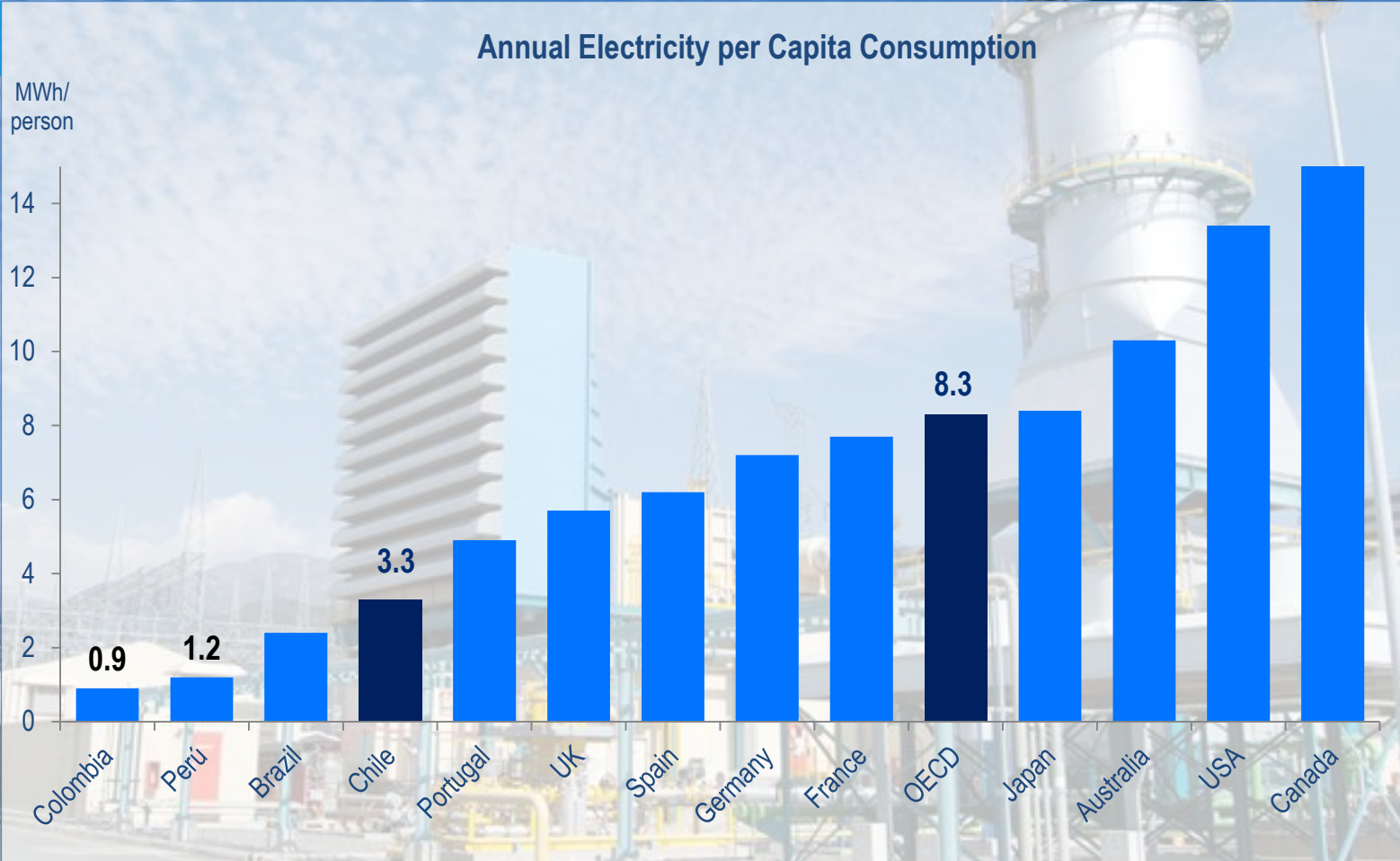
POWER DEMAND FORECAST FOR CHILE IS DECREASING

1



ELECTRIC POWER GROWTH POTENTIAL

1



Graphs Sources: World Bank.

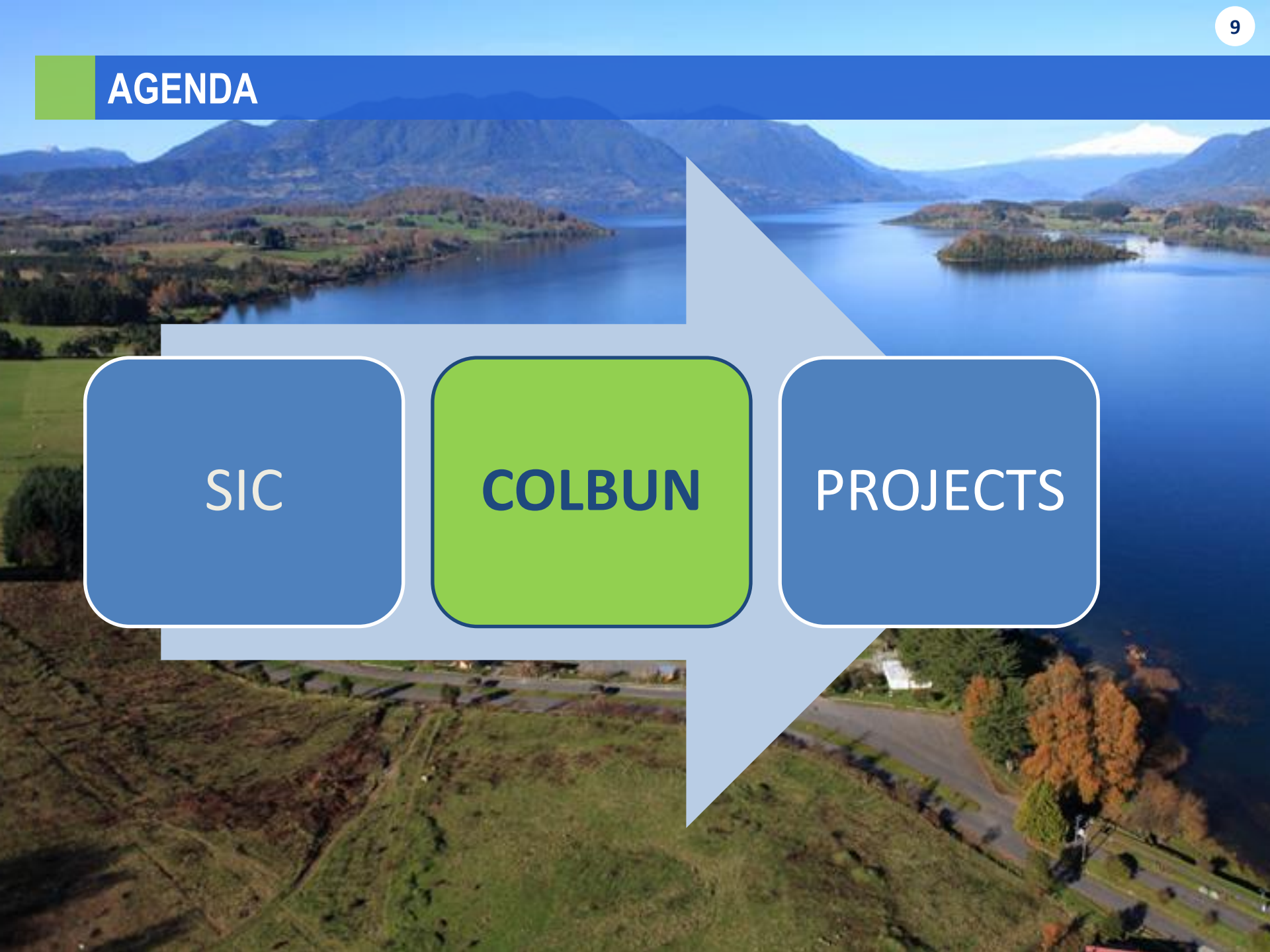


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PROJECTS



OVERVIEW

Installed capacity of 3,278 MW ~ 21% Market Share / 25% by Generation

Dec2014

Gx. Asset Diversification

(MW)



Reservoir: 1,057



Run-of-the-river: 532



CCGT/Peaking: 1,347



Coal: 342



Wind Farm: 46*



Biomass: 26*

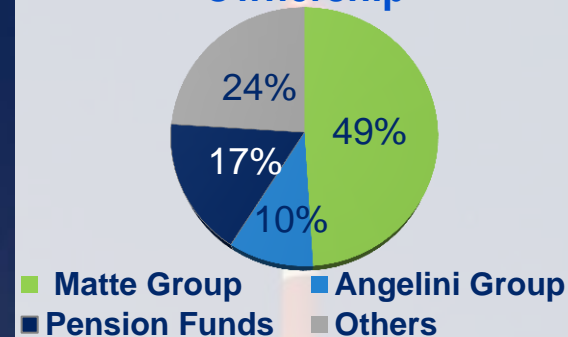
*Through PPAs

Main Figures

As of Jun15 (US\$ million)

- Assets: 6,400
- Equity: 3,400
- Mkt Cap: 4,900
- EBITDA LTM: 505
- Net Debt: 965

Ownership



Tx. Assets

- ~900 Km
- 27 Substations



Intern. Ratings

- Fitch: BBB
- S&P: BBB-

Local Ratings

- Fitch: A+
- Humphreys: AA-

- **Committed** Controlling Group
- **High Standards of Corporate Governance**
- 2 out of 9 **female** directors

COLBUN IS THE SECOND LARGEST GENERATOR IN THE SIC

With over 3.2 TW of World Class Facilities

48% Hydro
1,589 MW

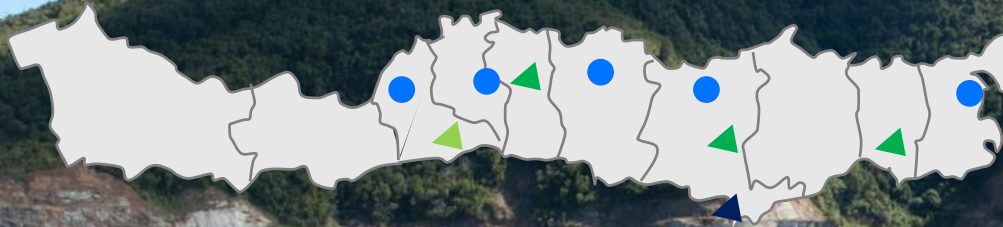


532 MW Run-of-the-river – 33%



1,057 MW Reservoir – 67%

3,278 MW



52% Thermal
1,689 MW



766 MW CCGT – 45%



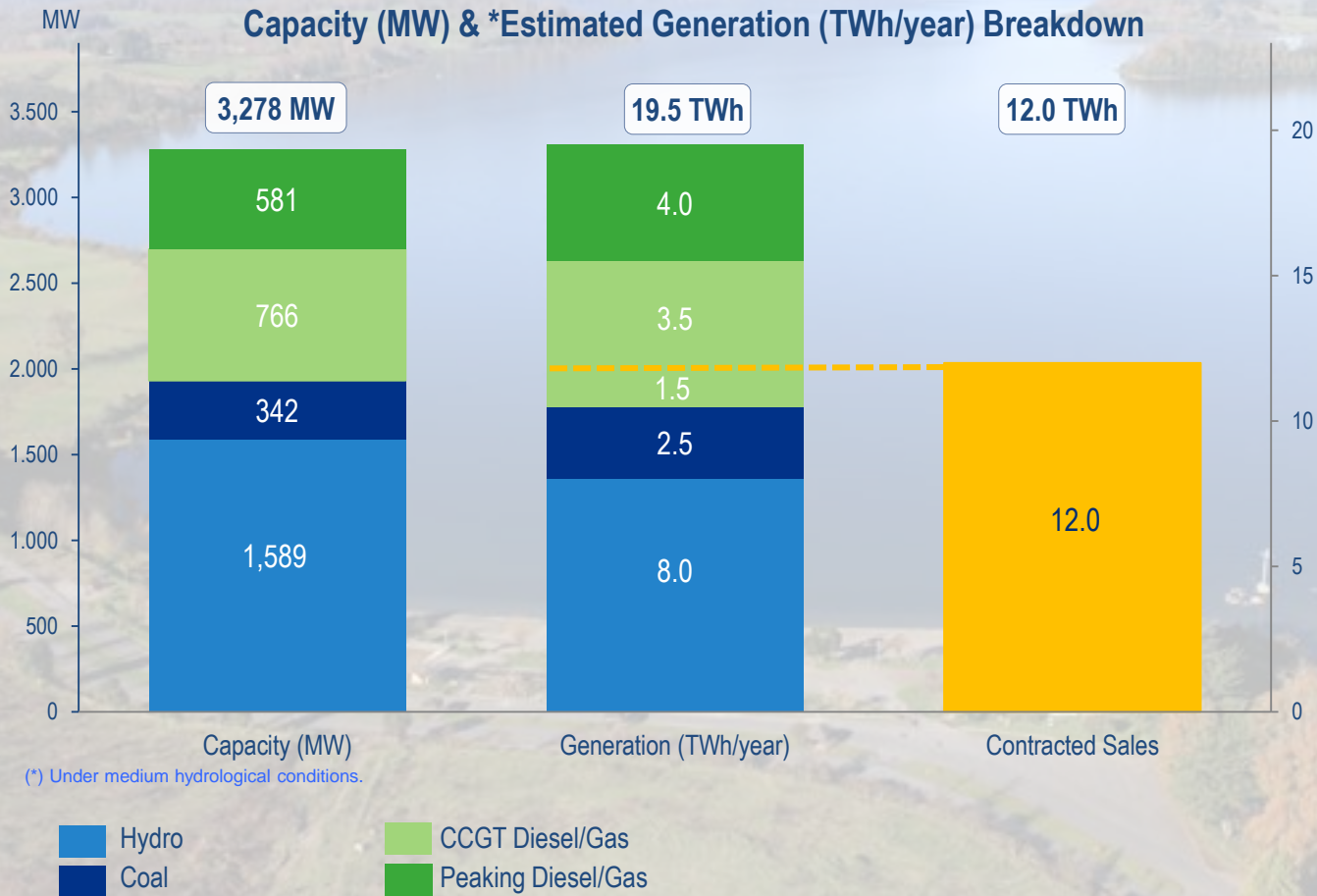
342 MW Coal – 20%



581 MW Diesel – 35%

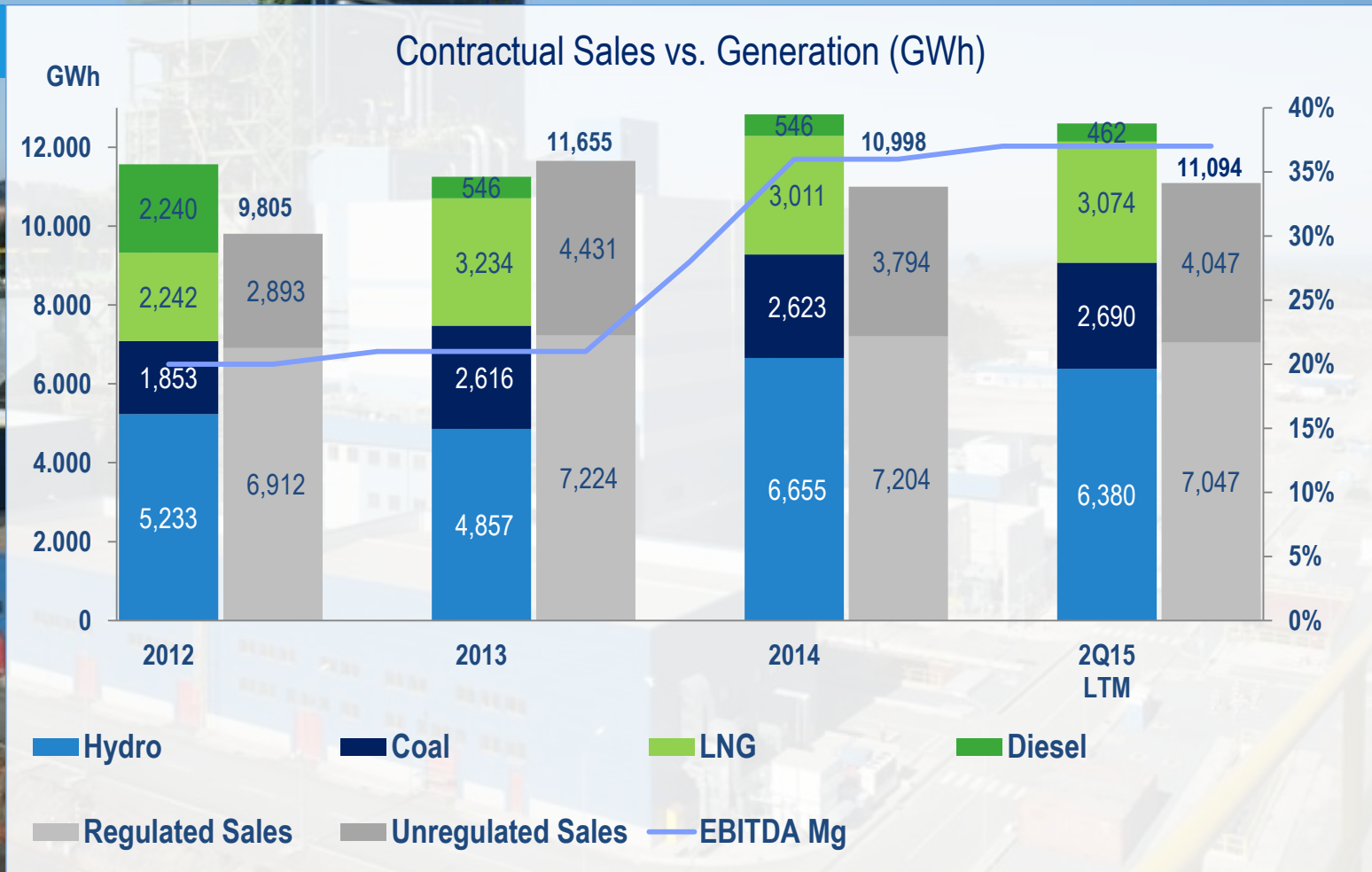
COMMERCIAL STRATEGY

1



This graph is shown for illustrative purposes and represents estimated and potential output of our power plants and approximate level of contractual commitments. Real output from our power plants and variable production costs are dependent on many factors, such as hydrology, plant availability, access to fuels (coal and LNG) and commodity prices, among others.

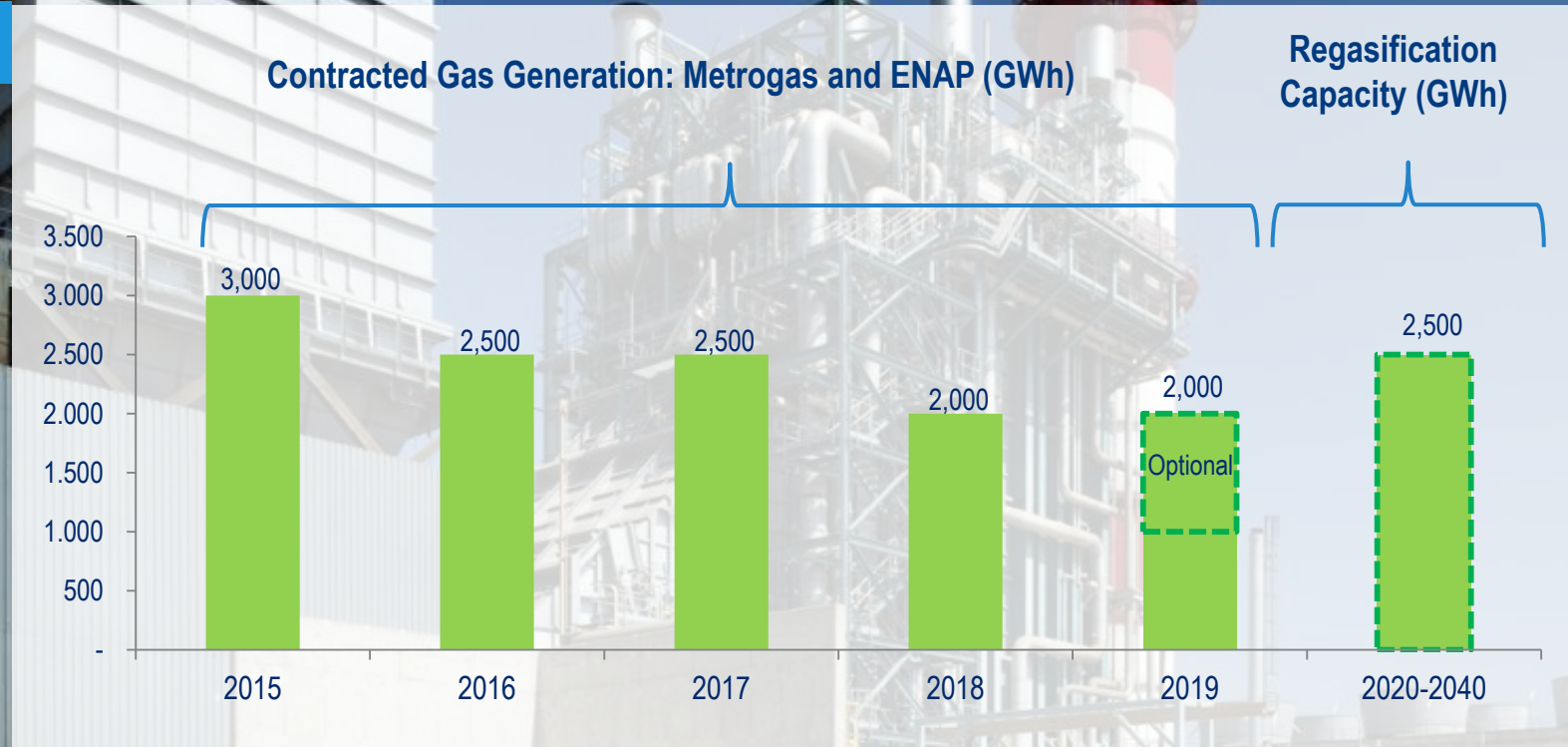
COMMERCIAL POSITION



Graph Source: Colbun. Unregulated Sales 2013 & 2014 excludes sales to Codelco at Marginal Cost

LEVERAGING OUR COMBINED CYCLES

1

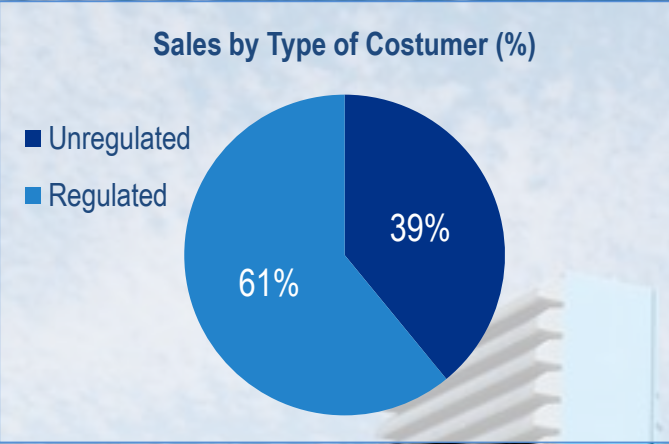


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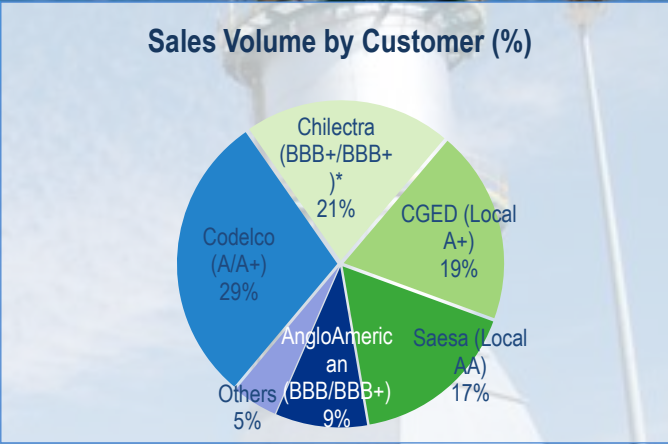
- Long-term flexible gas price, providing flexibility to our LNG production
- Good complement to hydro and coal

HIGH QUALITY CLIENTS

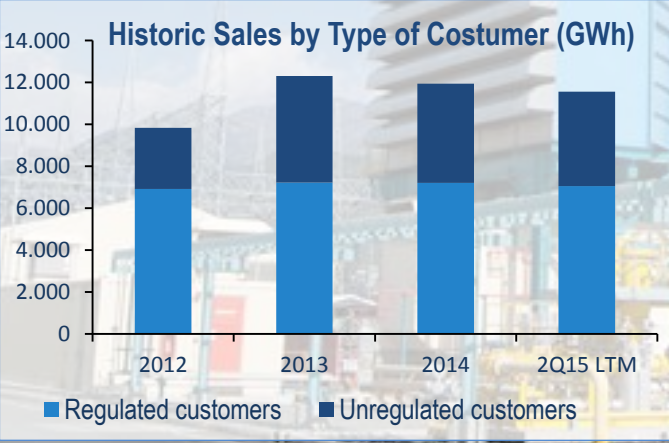
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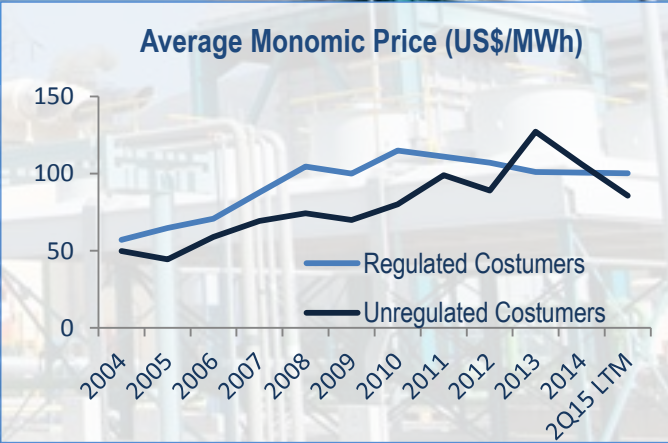
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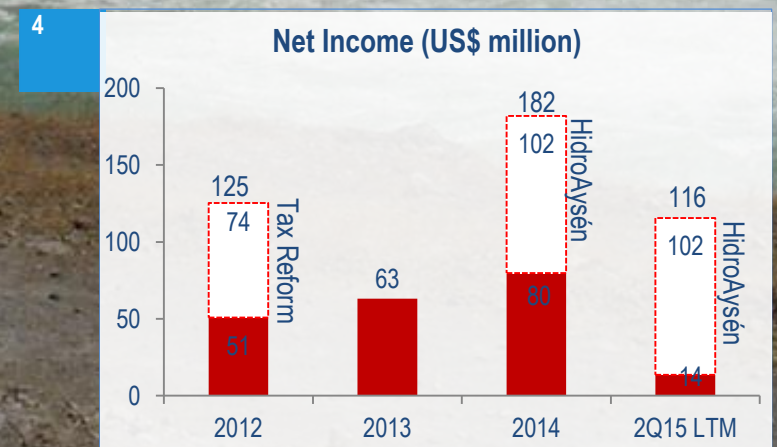
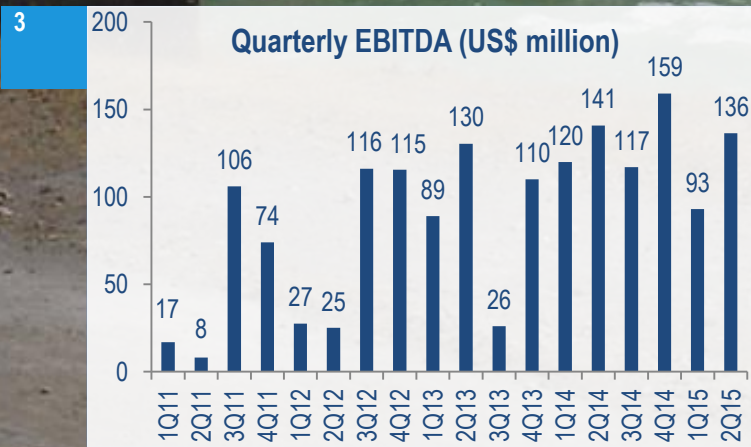
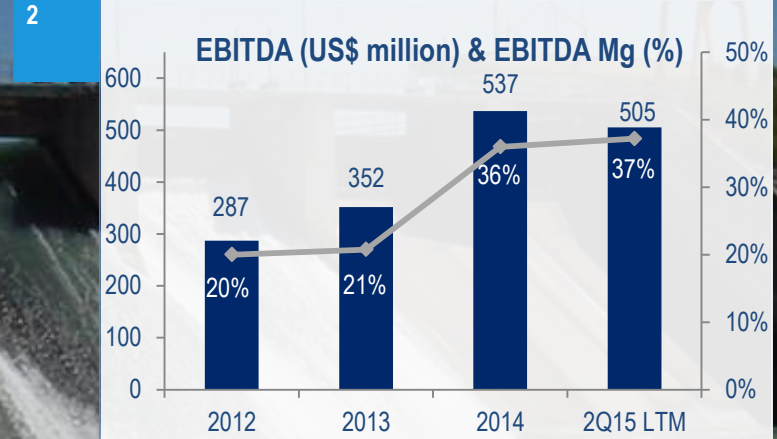


4



Graphs Sources: 1), 2), 3), 4) Colbun as of June15 LTM. 4) Average monomic prices are calculated by dividing the total amount of sales in US\$, by physical energy sales in MWh.

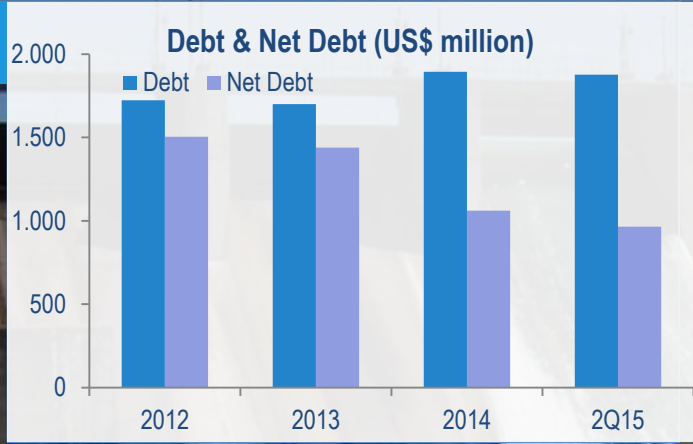
MAIN FIGURES AND METRICS



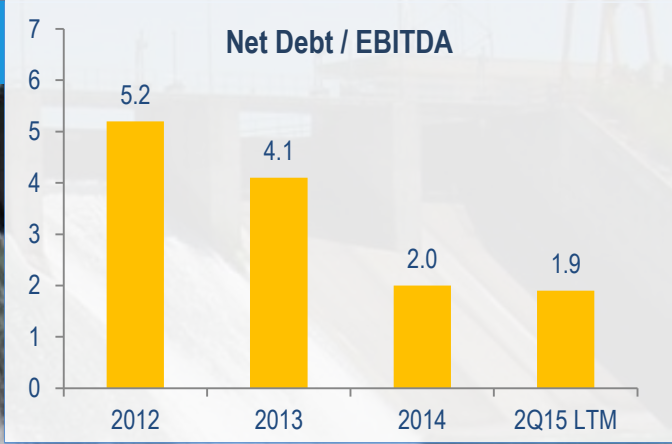
Source: Colbún's Financial Statements

MAIN FIGURES AND METRICS

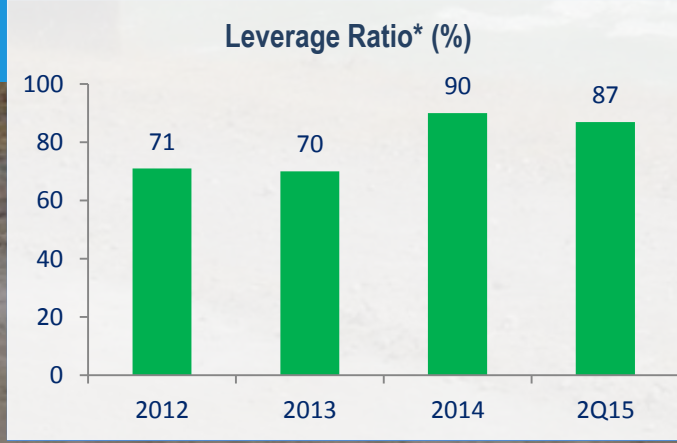
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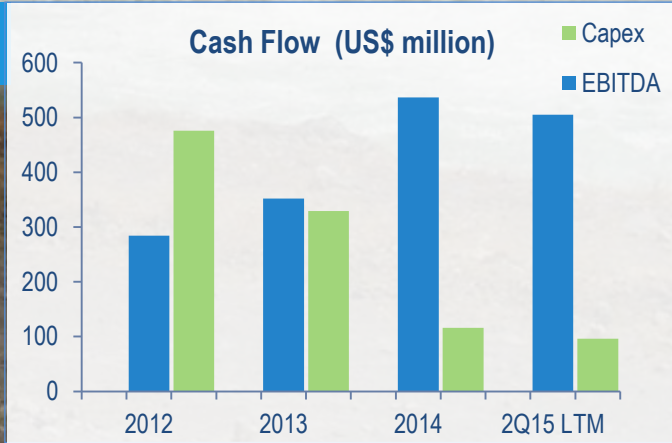
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3



4



Source: Colbún's Financial Statements. (*) Calculated as Liabilities/Equity

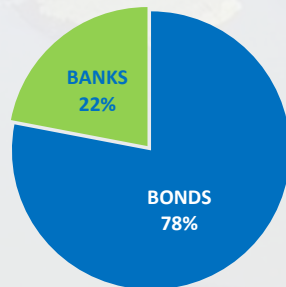
DEBT AND LIQUIDITY

1

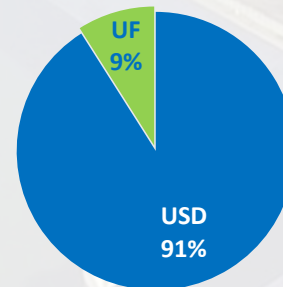
- Total Debt: MMUS\$ 1,877
- Avg. Maturity: 6.0 years
- Avg. USD Interest Rate: 4.9%
- Cash: MMUS\$ 913
- Net Debt: MMUS\$ 965
- Dividend Policy 30%
(As of Jun15)

Debt Profile

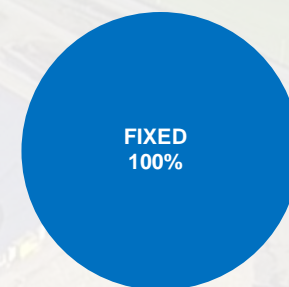
Type



Currency

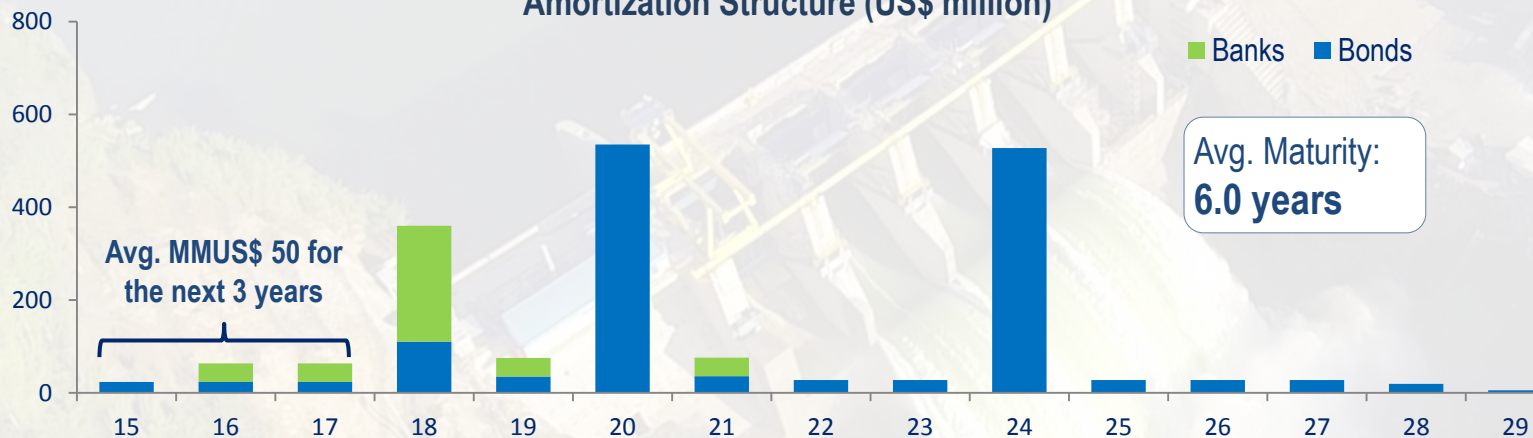


Interest Rate



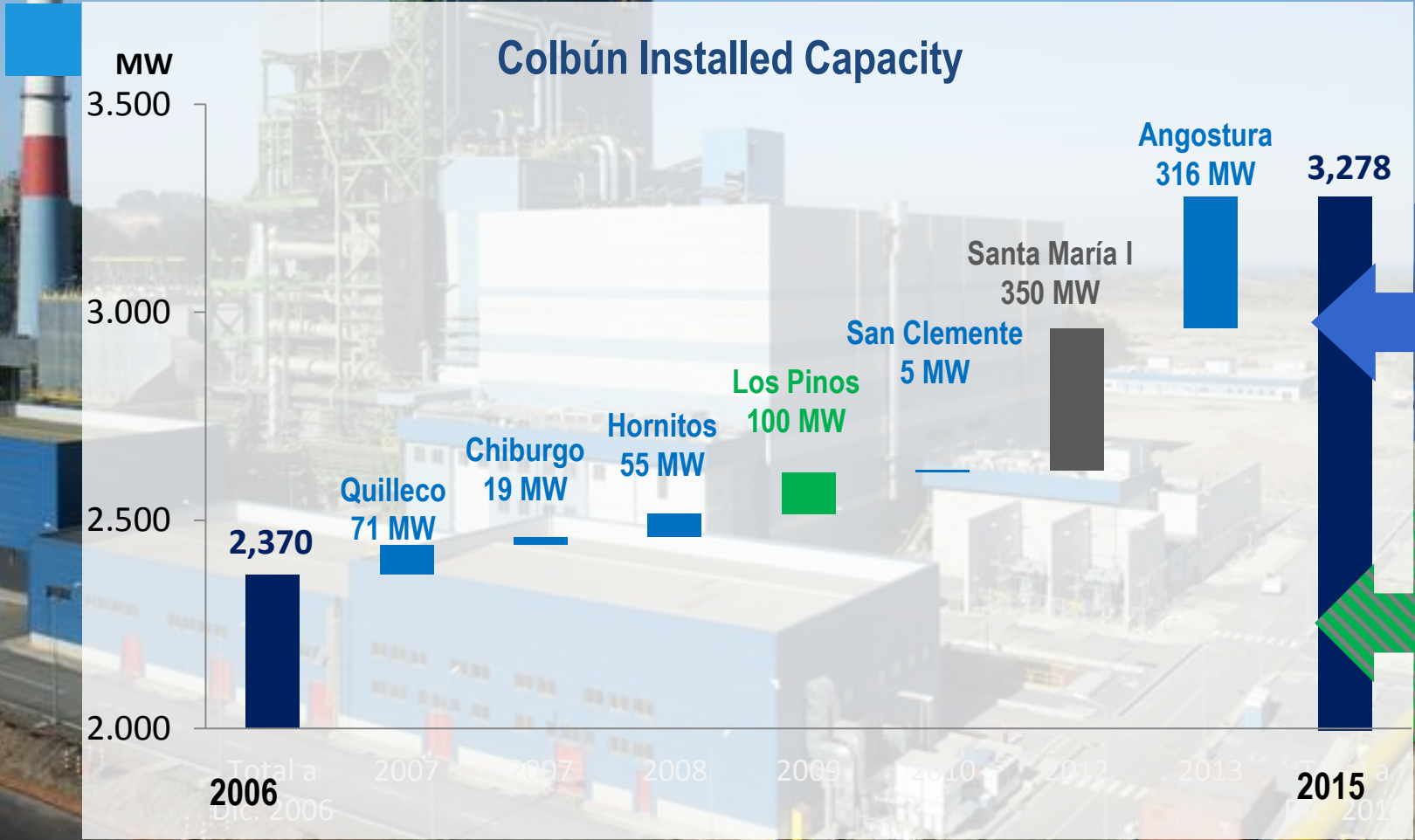
2

Amortization Structure (US\$ million)



Source: Colbun's Financial Statements

~900 MW OF NEW CAPACITY WITH OVER 2 BILLION INVESTED



48% Hydro
1,589 MW

52% Thermo
1,689 MW

RELEVANT ASSETS FOR THE POWER SYSTEM

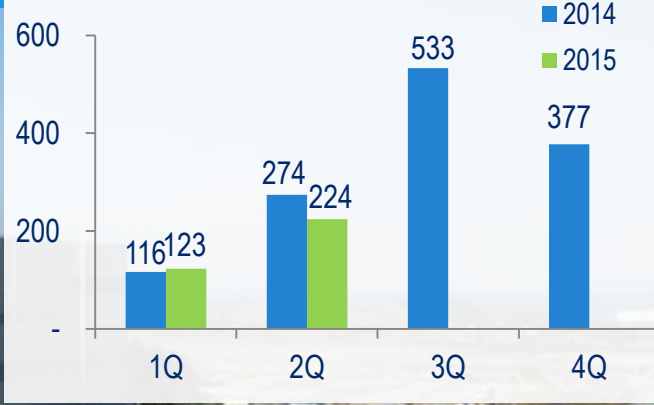
1

Angostura's Figures

- Capacity : 316 MW
- Expected Annual Gx.: 1,500 GWh
- 2014 Availability: 97%
- CAPEX (Including Tx. Lines):~ MMUS\$760
- Start up: Abr14
- 46 families reallocated

2

Angostura Generation (GWh)



3

Santa María I's Figures

- Capacity: 342 MW
- Expected Annual Gx: 2,500 GWh
- CAPEX (Including the Tx line):~ MMUS\$ 750
- Start up: Aug12

4

Santa María I Generation (GWh)



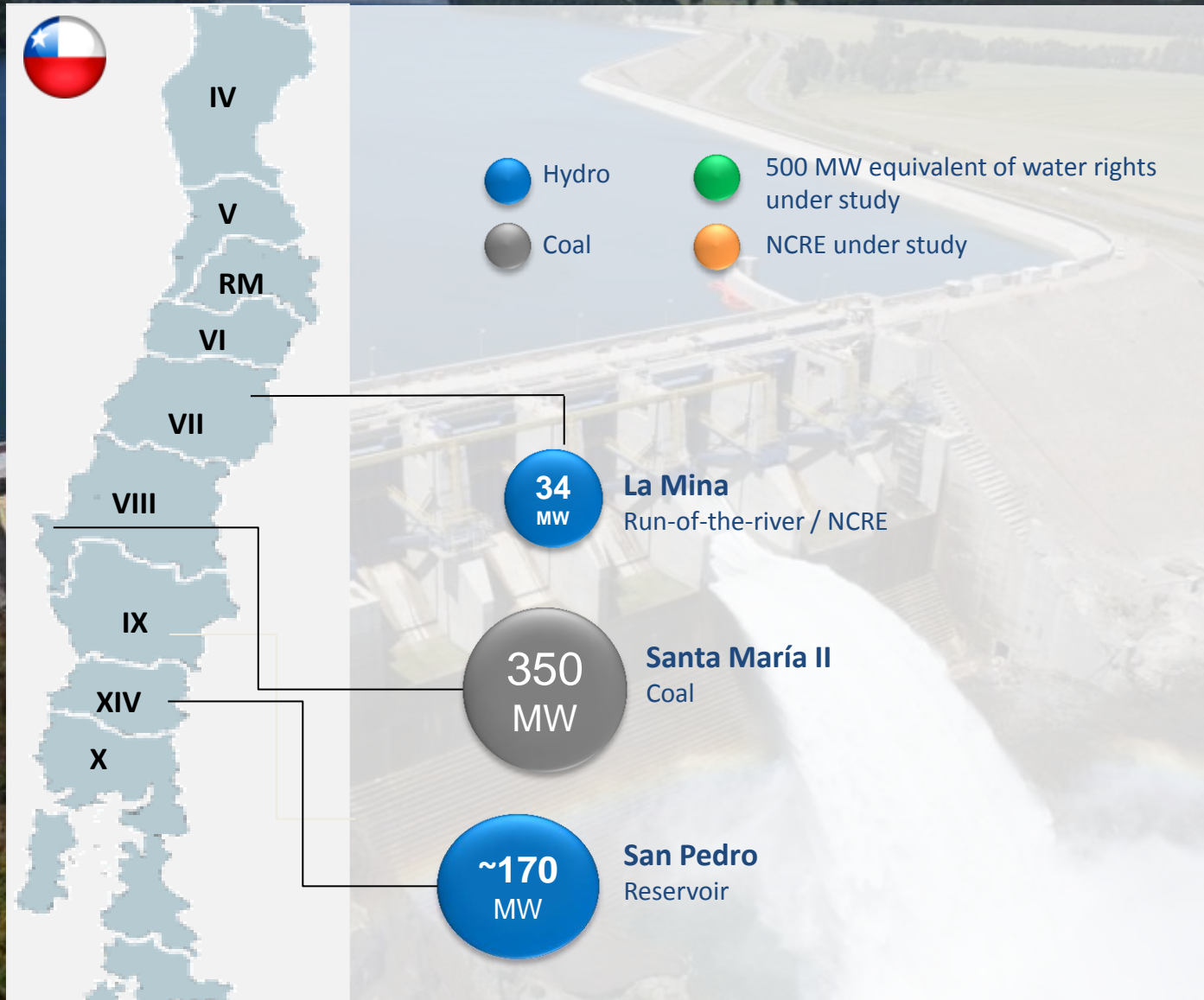
AGENDA

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PROJECTS

GROWTH OPPORTUNITIES IN CHILE



LA MINA CONSTRUCTION SITE

- 34 MW of Installed Capacity and 190 GWh of expected annual generation
- Under construction since Dec14 and to date is on schedule
- Expected to be commissioned in early 2017







SAN PEDRO HYDROELECTRIC PROJECT

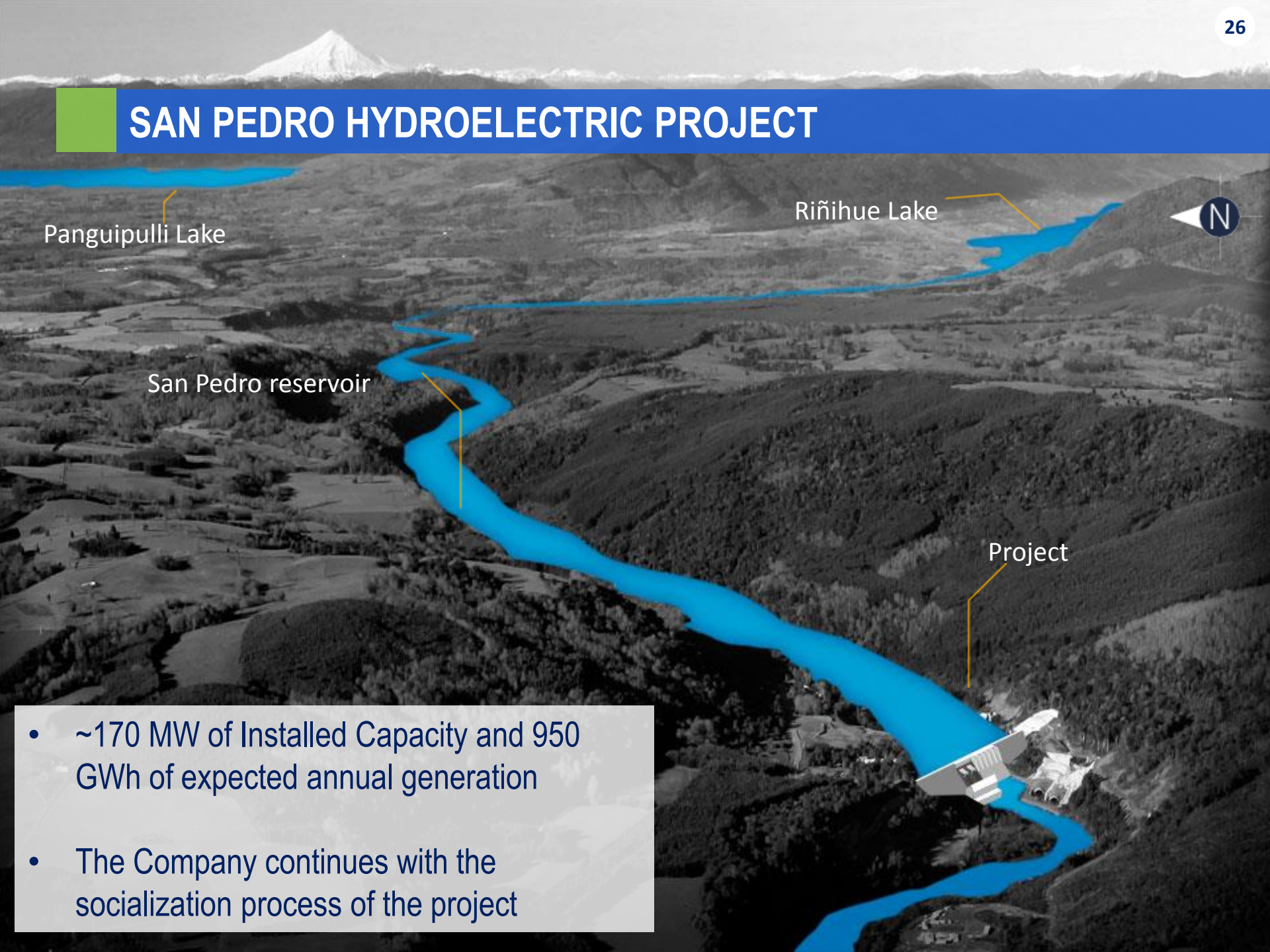
Panguipulli Lake

Riñihue Lake

San Pedro reservoir

Project

- ~170 MW of Installed Capacity and 950 GWh of expected annual generation
- The Company continues with the socialization process of the project





Compensation Works: Los Lagos Bus Terminal, Panguipulli Information Center, Habilitation and beach equipment in Panguipulli, Camping in Riñihue



SANTA MARIA II COAL-FIRED PROJECT

- 350 MW of Installed Capacity and 2,500 GWh of expected annual generation
- Environmentally Approved
- Social, economic and commercial dimensions of the project are being analyzed, in order to timely define the beginning of its construction



SEARCHING FOR INVESTMENT OPPORTUNITIES IN THE REGION

Special Focus on Colombia and Peru

✓ Growing Electricity Consumption

✓ Well established regulatory framework

✓ Diversification:

- Hydrological Conditions
- Generation Technology
- Fuel Access
- Regulatory Risks



OUR STRATEGY

Be a leading and growing company of profitable and sustainable power generation in selected countries of Latin America



This document provides information about Colbún S.A. In no case this document constitutes a comprehensive analysis of the financial, production and sales situation of the company. To evaluate whether to purchase or sell securities of the company, the investor must conduct its own independent analysis.

This presentation may contain forward-looking statements concerning Colbun's future performance and should be considered as good faith estimates by Colbún S.A.

In compliance with the applicable rules, Colbún S.A. publishes on its Web Site (www.Colbún.cl) and sends the financial statements of the Company and its corresponding notes to the Superintendencia de Valores y Seguros, those documents should be read as a complement to this presentation.

INVESTOR RELATIONS TEAM CONTACT

Miguel Alarcón

malarcon@colbun.cl

+(562) 2 460 4394

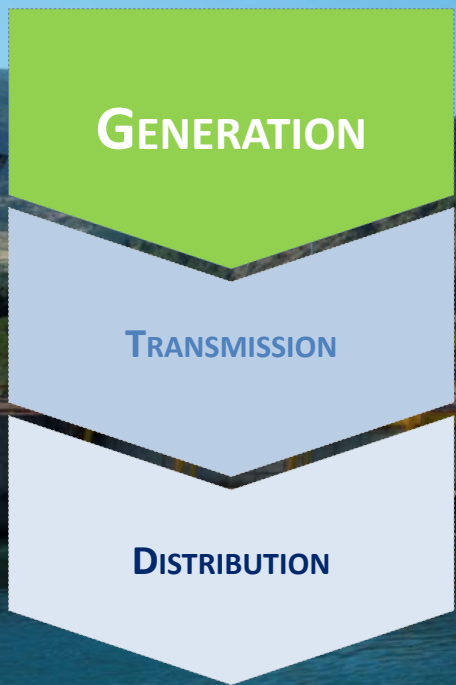
María Elena Palma

mpalma@colbun.cl

+(562) 2 460 4450

SECTOR SEGMENTATION

3 SUB-SECTORS

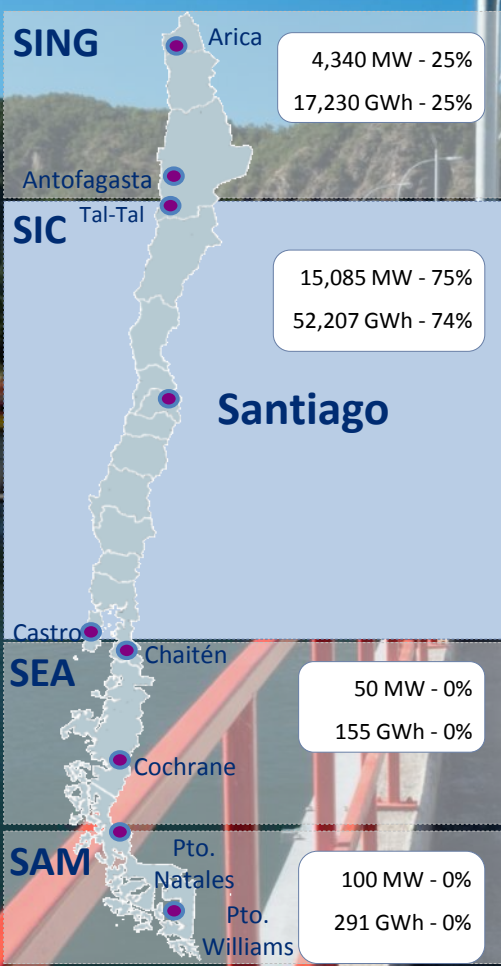


Regulated sectors (concessions)

RELEVANT INSTITUTIONS

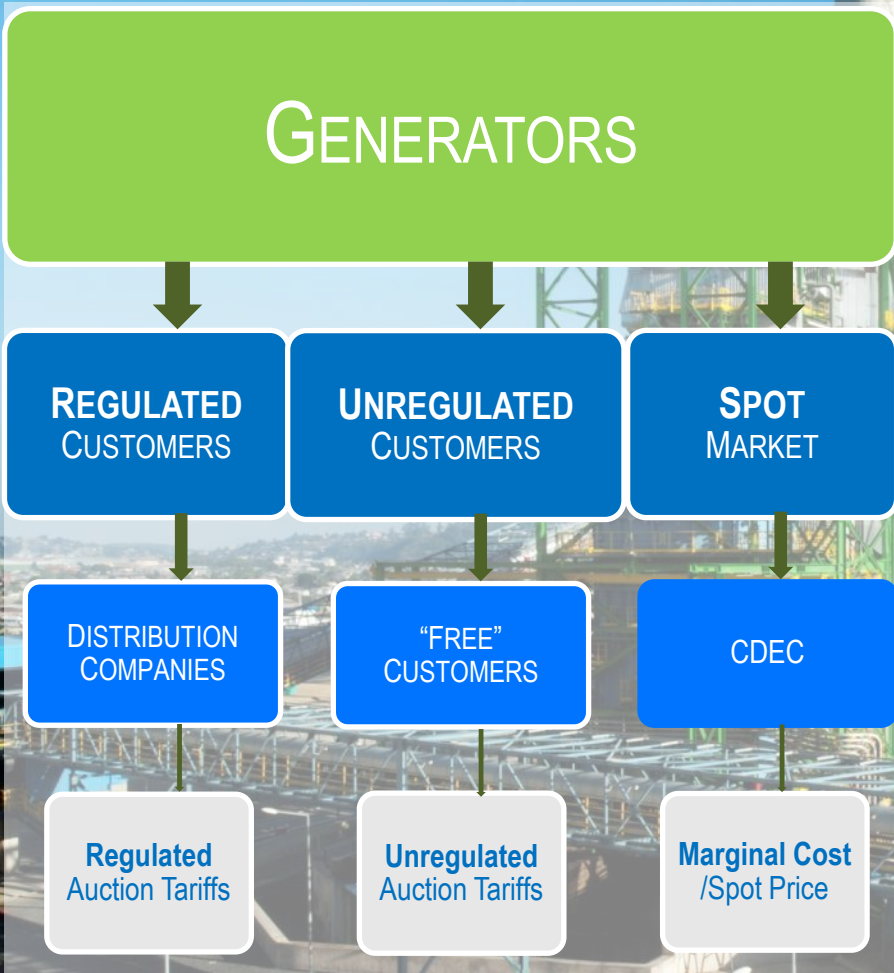
- Ministry of Energy
- Regulator: CNE
- Supervisor: SEC
- Coordinator: CDEC

4 SEPARATE GRIDS

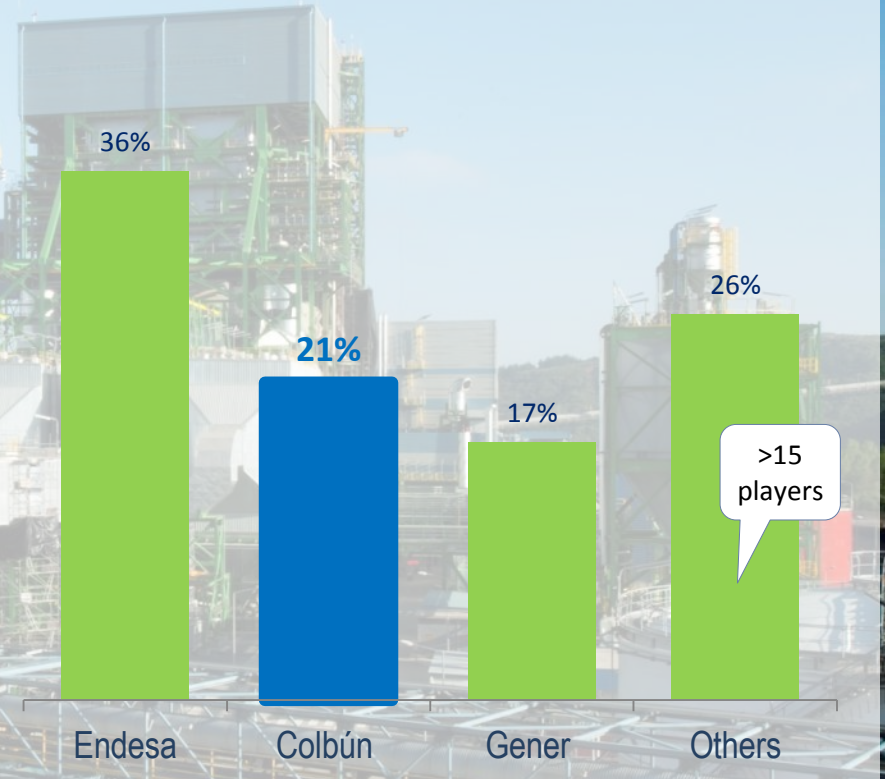


Source: CNE, December 2014

MARKET STRUCTURE



Main Players in the Generation Sector-SIC



Source: Colbún Dec14