



COLBÚN PRESENTATION
BTG Pactual IV Andean CEO Conference 2015
November 2015



AGENDA

SIC OVERVIEW

COLBUN OVERVIEW

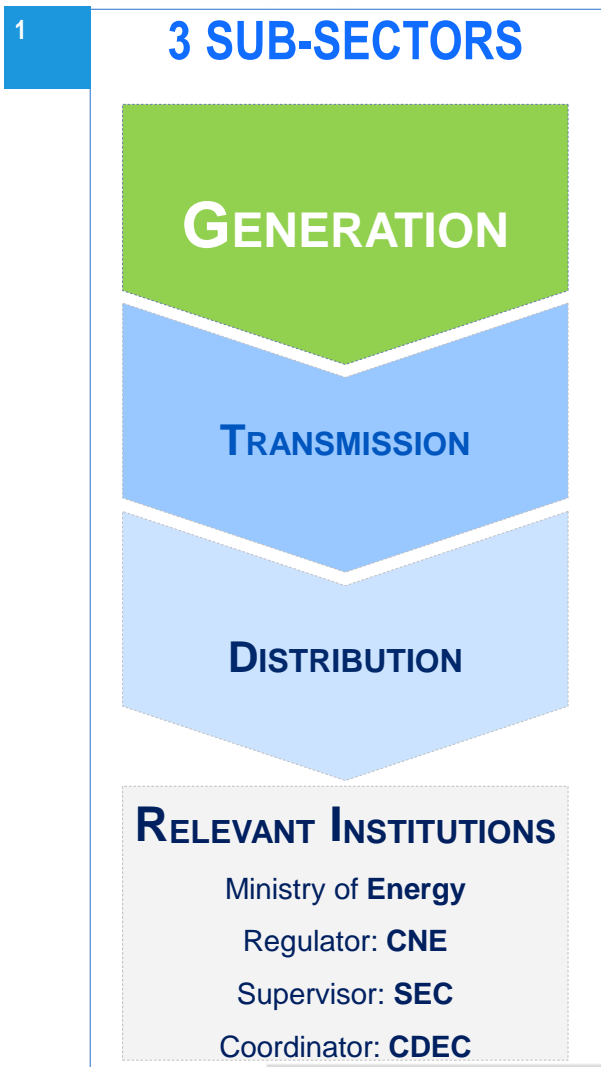
OPERATIONS

FINANCIALS

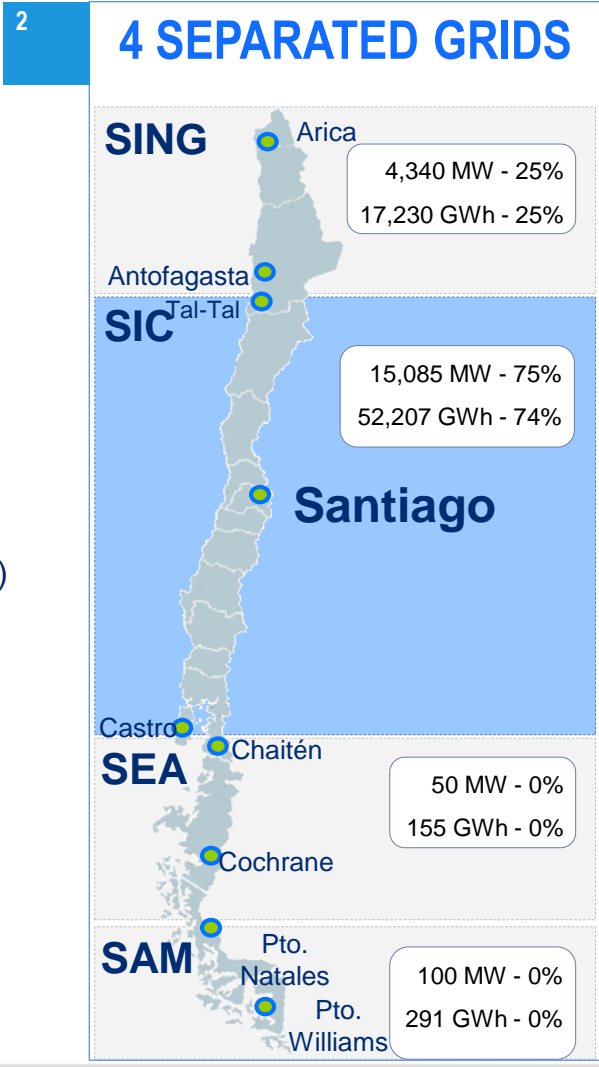
PROJECTS

CORPORATE GOVERNANCE

SECTOR SEGMENTATION



Regulated sectors
(concessions)



MARKET STRUCTURE

GENERATORS

REGULATED CUSTOMERS

UNREGULATED CUSTOMERS

SPOT MARKET

DISTRIBUTION COMPANIES

"FREE" CUSTOMERS

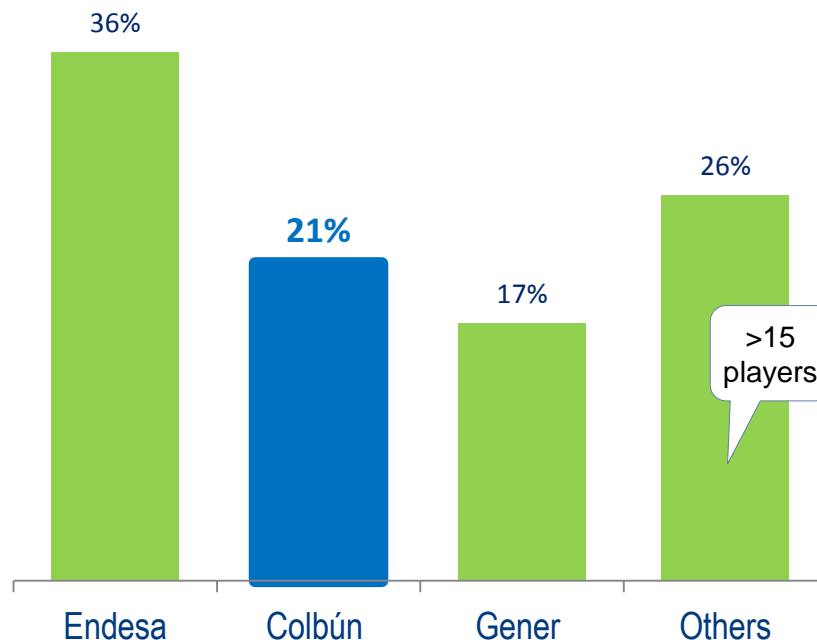
CDEC

Regulated Auction Tariffs

Unregulated Auction Tariffs

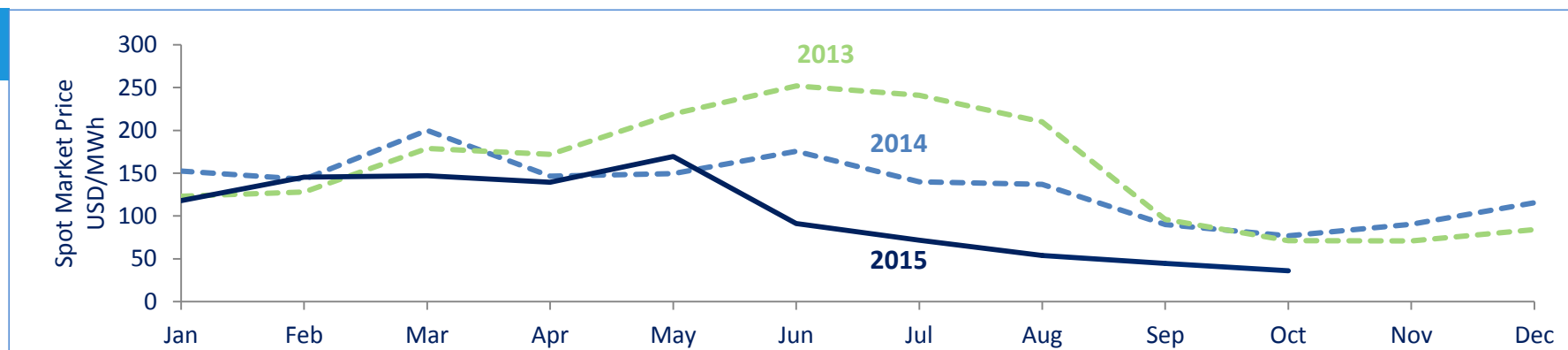
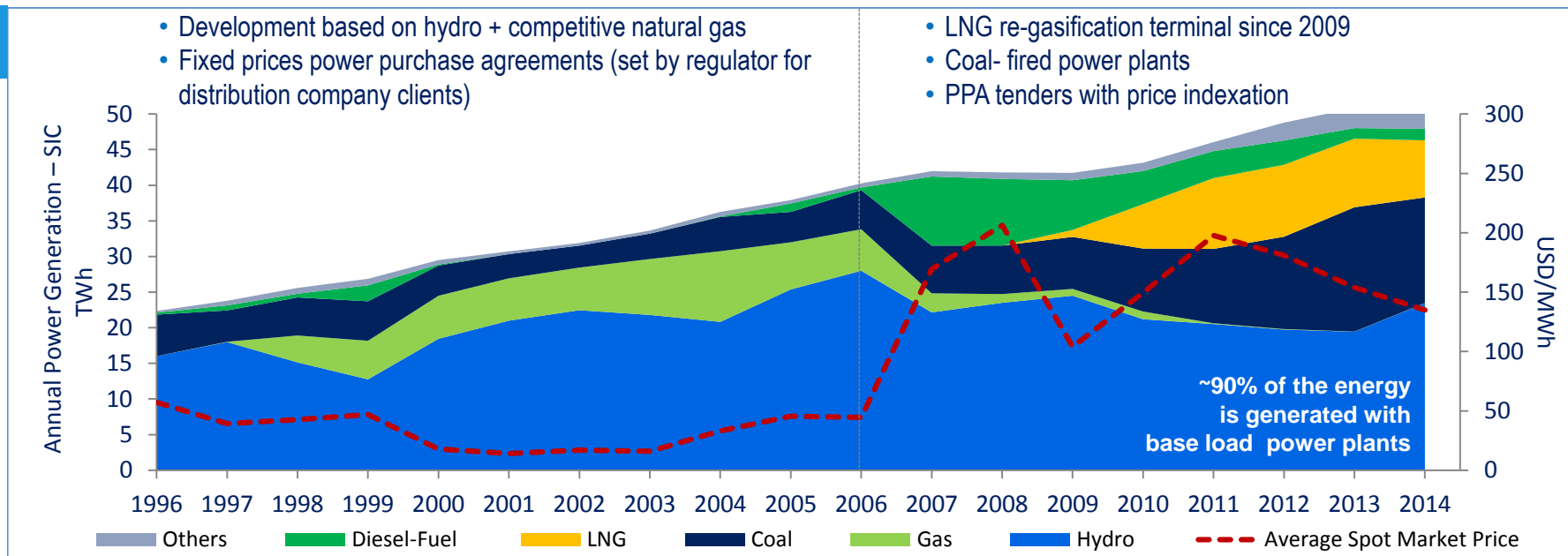
Marginal Cost /Spot Price

Main Players in the Generation Sector-SIC (Market Share by Installed Capacity)

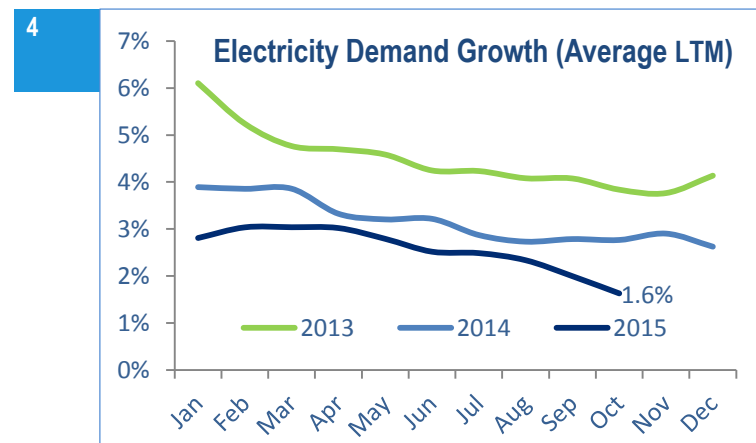
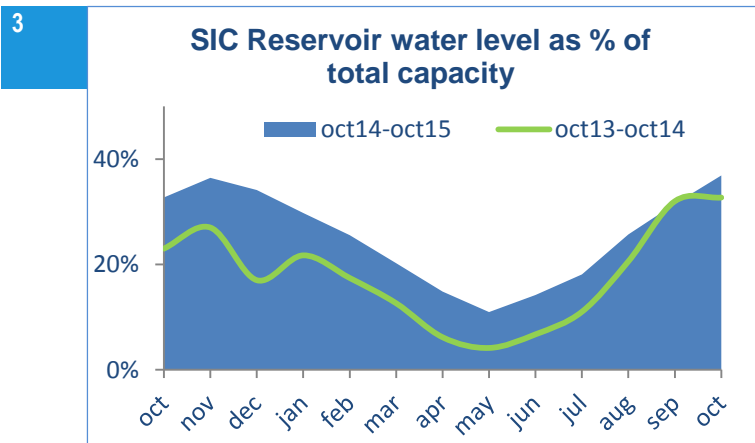
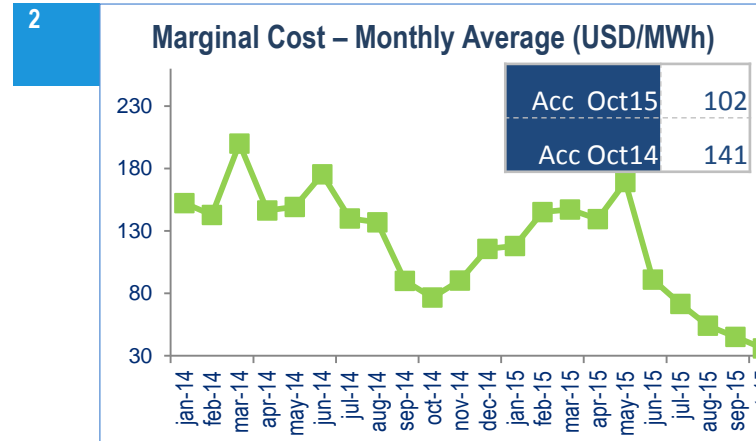
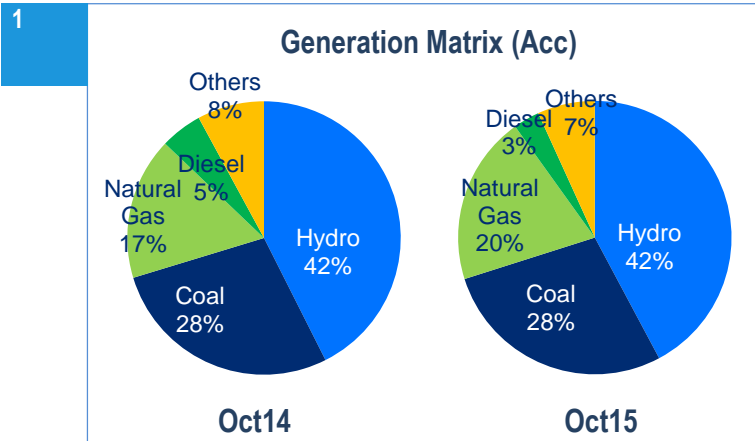


Source: Colbún Dec14

GENERATION AND PRICE DEVELOPMENT IN CHILE'S CENTRAL GRID

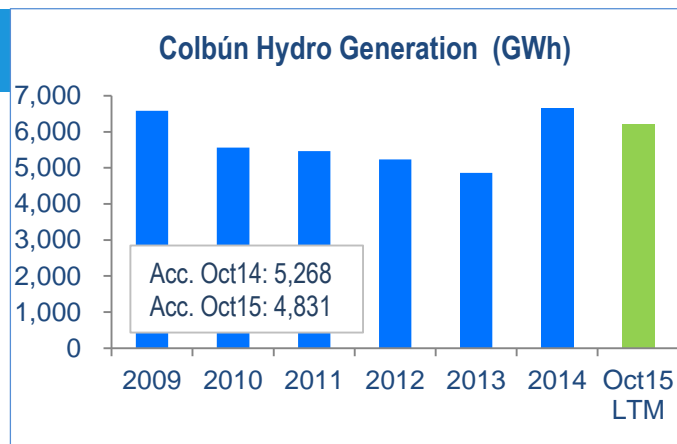


SIC OVERVIEW

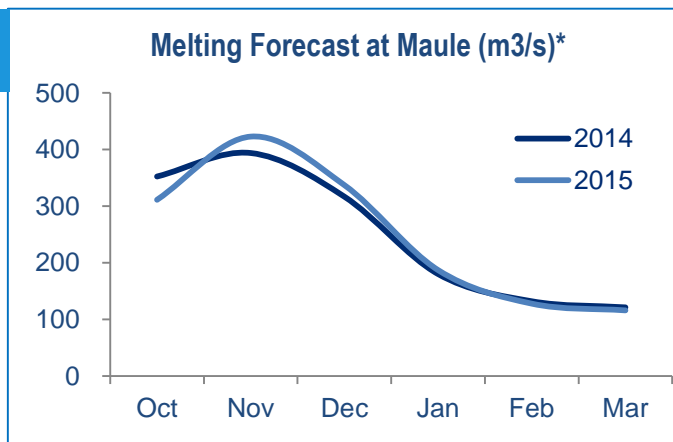


HYDROLOGICAL CONDITIONS

1



2



Acc. Rainfalls Oct14/Oct15

Los Quilos (mm)

2014	2015
157	329

Armerillo (mm)

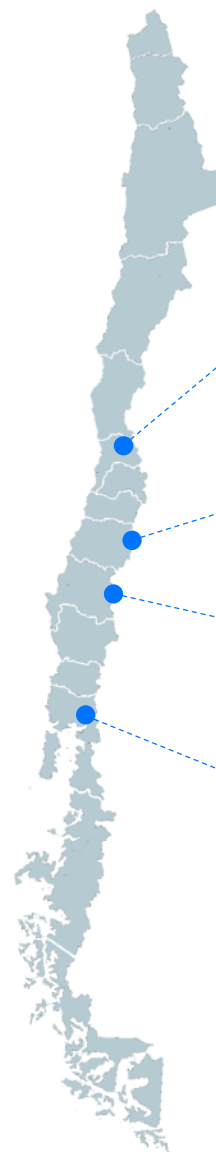
2014	2015
1,977	1,927

Abanico (mm)

2014	2015
2,019	1,825

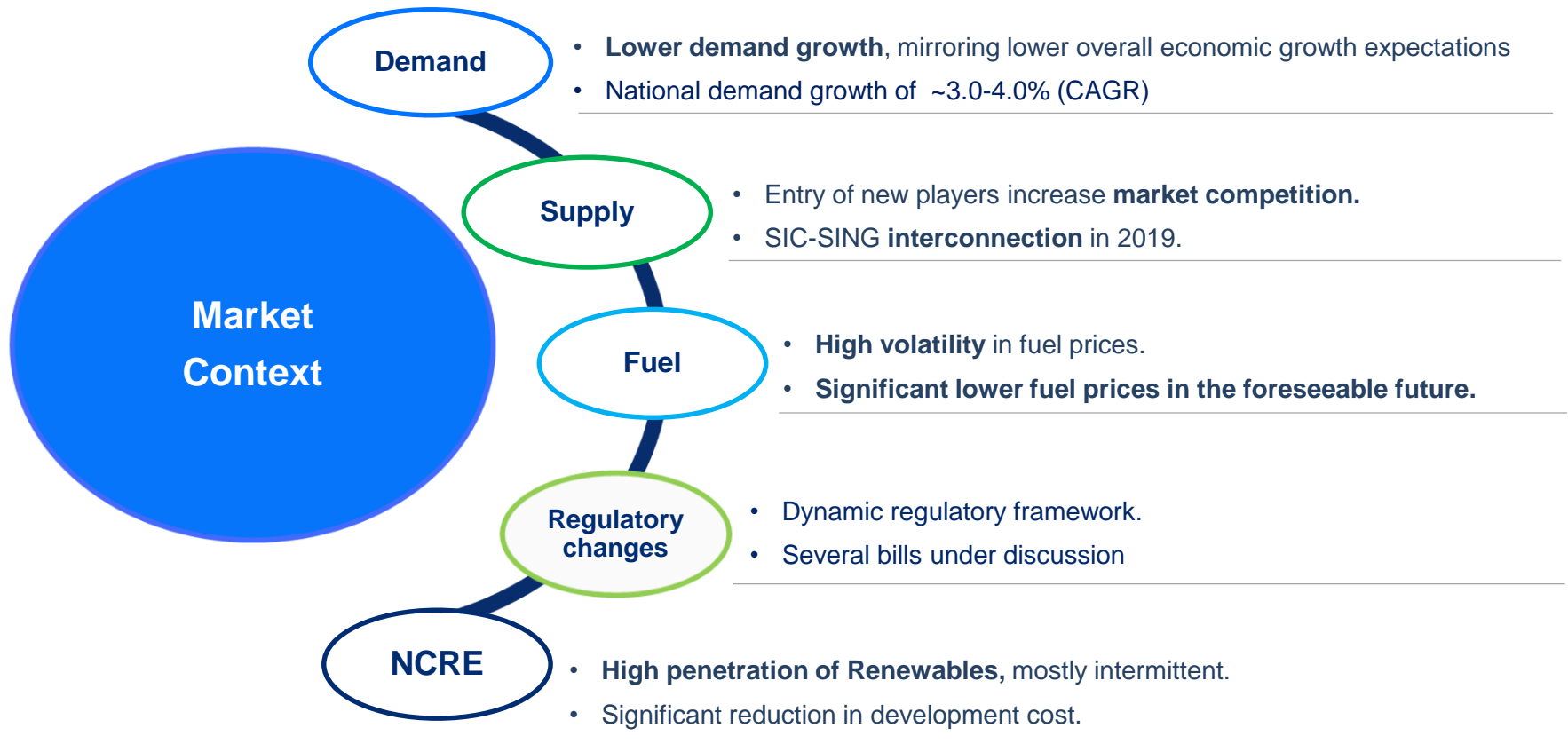
Canutillar (mm)

2014	2015
3,361	2,788

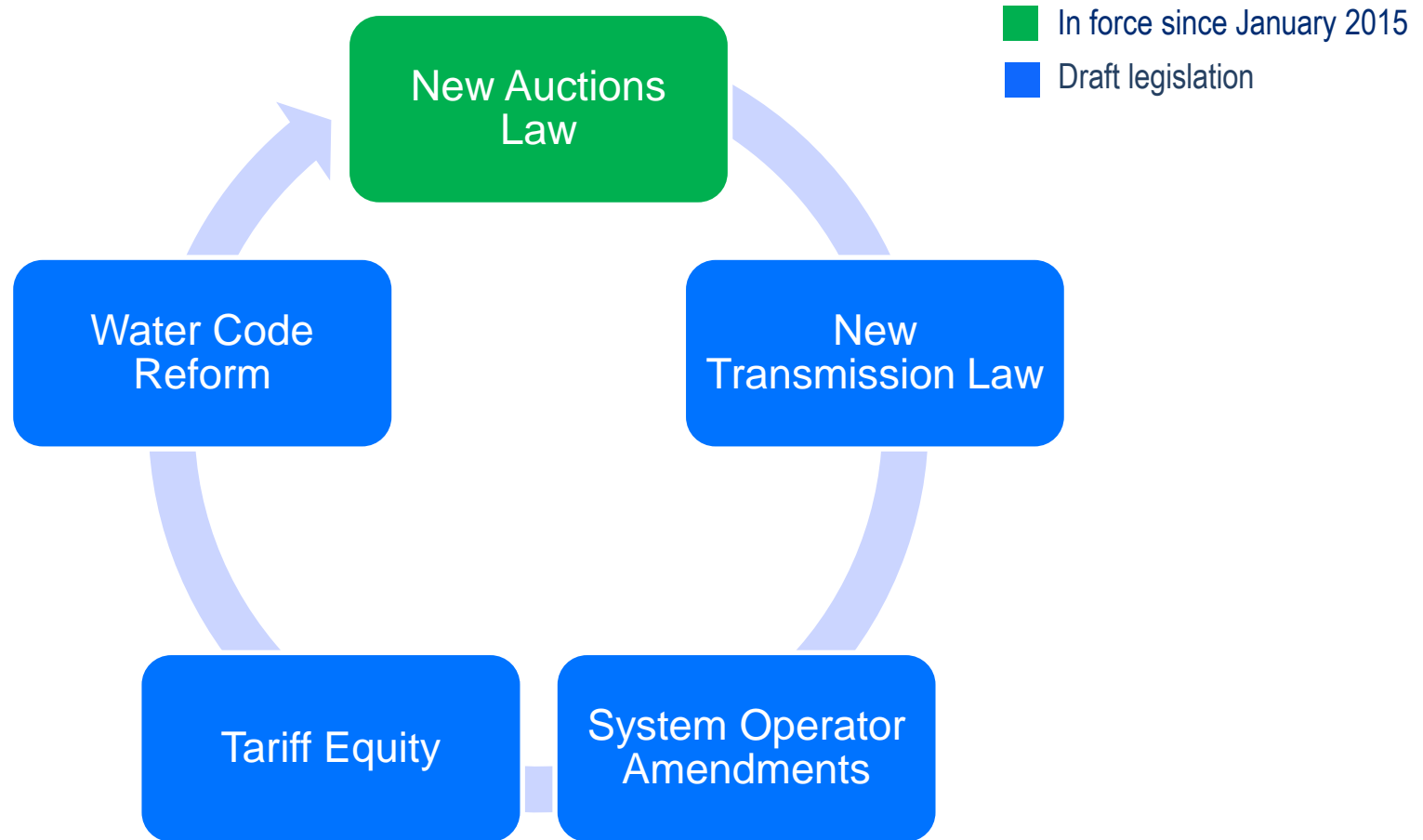


*Updated in November 4th, October 2015 considers real figures. Nov-Mar Exceedence Probability: 64% in 2015 versus 67% in 2014.

A DYNAMIC MARKET WITHIN A STABLE INDUSTRY



THE GOVERNMENT IS PROMOTING SEVERAL REGULATORY CHANGES IN THE SECTOR



AGENDA

SIC OVERVIEW

COLBUN OVERVIEW

OPERATIONS

FINANCIALS

PROJECTS








CORPORATE GOVERNANCE

OVERVIEW

Installed capacity of 3,278 MW - 25% Market Share by Generation

Gx. Asset Diversification

(MW)

-  4 Reservoir: 1,057
-  12 Run-of-the-river: 532
-  2 CCGT: 766
-  4 Diesel: 581
-  1 Coal: 342
-  1 Wind Farm: 46*
-  1 Biomass: 26*

*Through PPAs

Tx. Assets

- ~900 Km
- 27 Substations

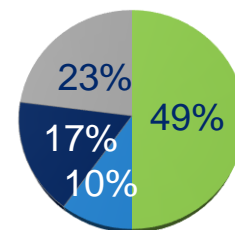


Financials

As of Sep15 (US\$ million)

- Assets: 6,400
- Equity: 3,500
- Mkt Cap: 4,700
- EV: 5,500
- **EBITDA LTM: 569**
- Cash: 1,091
- Net Debt: 780
- **Net Debt/EBITDA: 1.4x**
- Dividend Policy: 30%

Ownership



- Matte Group
- Angelini Group
- Pension Funds
- Others

- **Committed** Controlling Group
- **High Standards of Corporate Governance**

Intern. Ratings

- Fitch: BBB
- S&P: BBB-

Local Ratings

- Fitch: A+
- Humph.: AA-

COLBUN IS THE SECOND LARGEST GENERATOR IN THE SIC

48% Hydro
1,589 MW

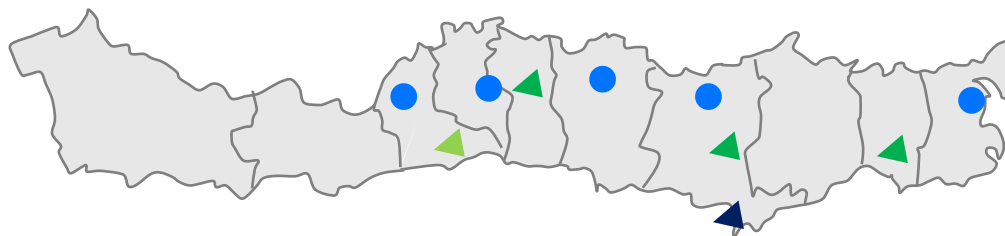


532 MW Run-of-the-river – 33%



1,057 MW Reservoir – 67%

3,278 MW



World Class
Technology-
diversified
Facilities
spread in
different
basins

52% Thermal
1,689 MW



766 MW CCGT – 45%



342 MW Coal – 20%



581 MW Diesel – 35%

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CORPORATE GOVERNANCE

COMMERCIAL POLICY

- **Balanced Position between existent and future efficient generation capacity and medium to long-term power supply commitments**



Hydro: contract output considering medium to dry hydrology



Coal: contract output considering an efficient load factor



LNG: secure long-term competitive LNG Supply for Combined Cycle units



NCRE: add additional assets to our generation matrix



Back-up capacity: available for the spot market and other opportunities

- **Secure long term contracts with creditworthy counterparties**

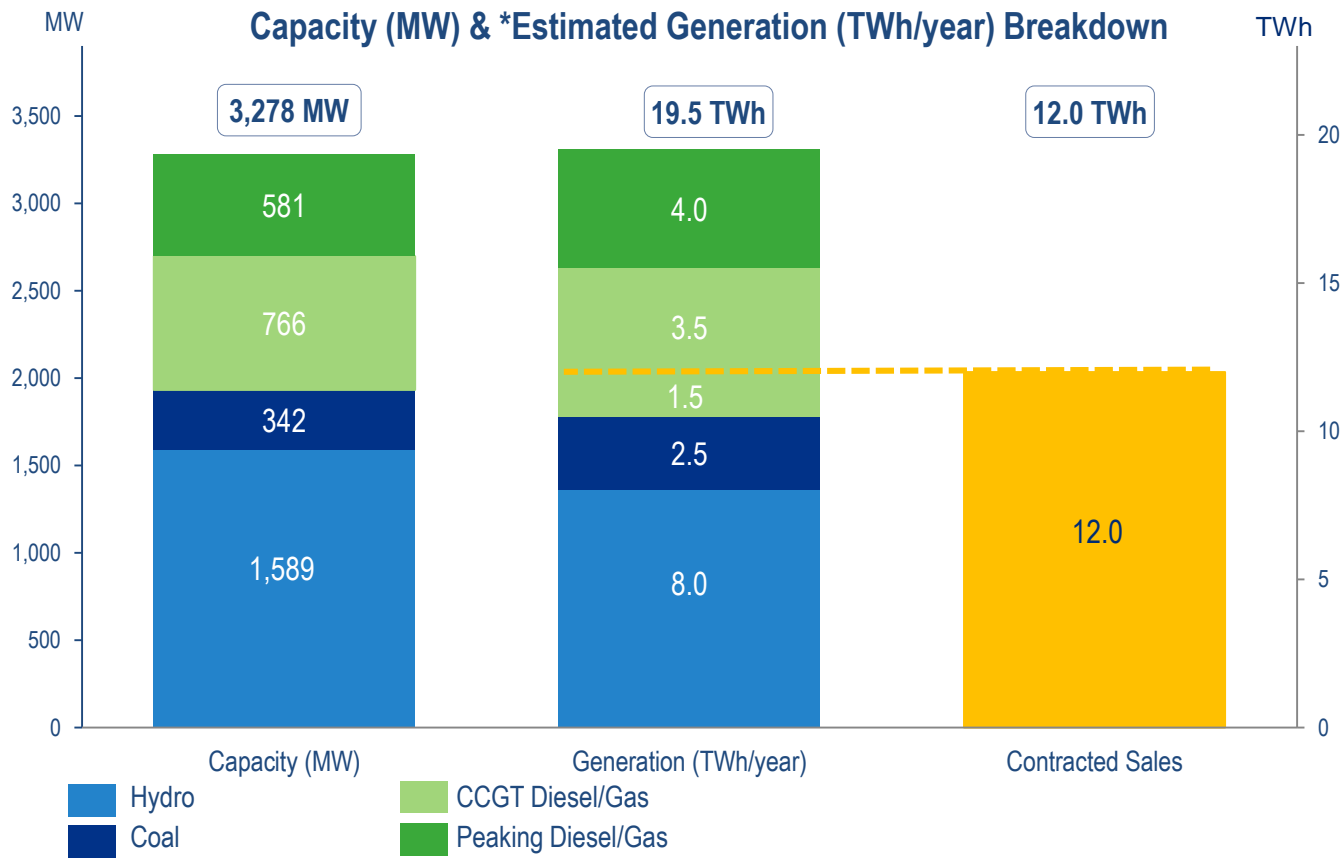
- Balanced mix between Regulated and Unregulated clients
- Incorporate risk-sharing mechanisms

- **Expand operations to selected Latam countries and maintain a relevant market share in the SIC**

- Diversify geography, markets, technologies and regulation frameworks

COMMERCIAL STRATEGY: MAXIMIZE RETURNS, WHILE MANAGING VOLATILITY

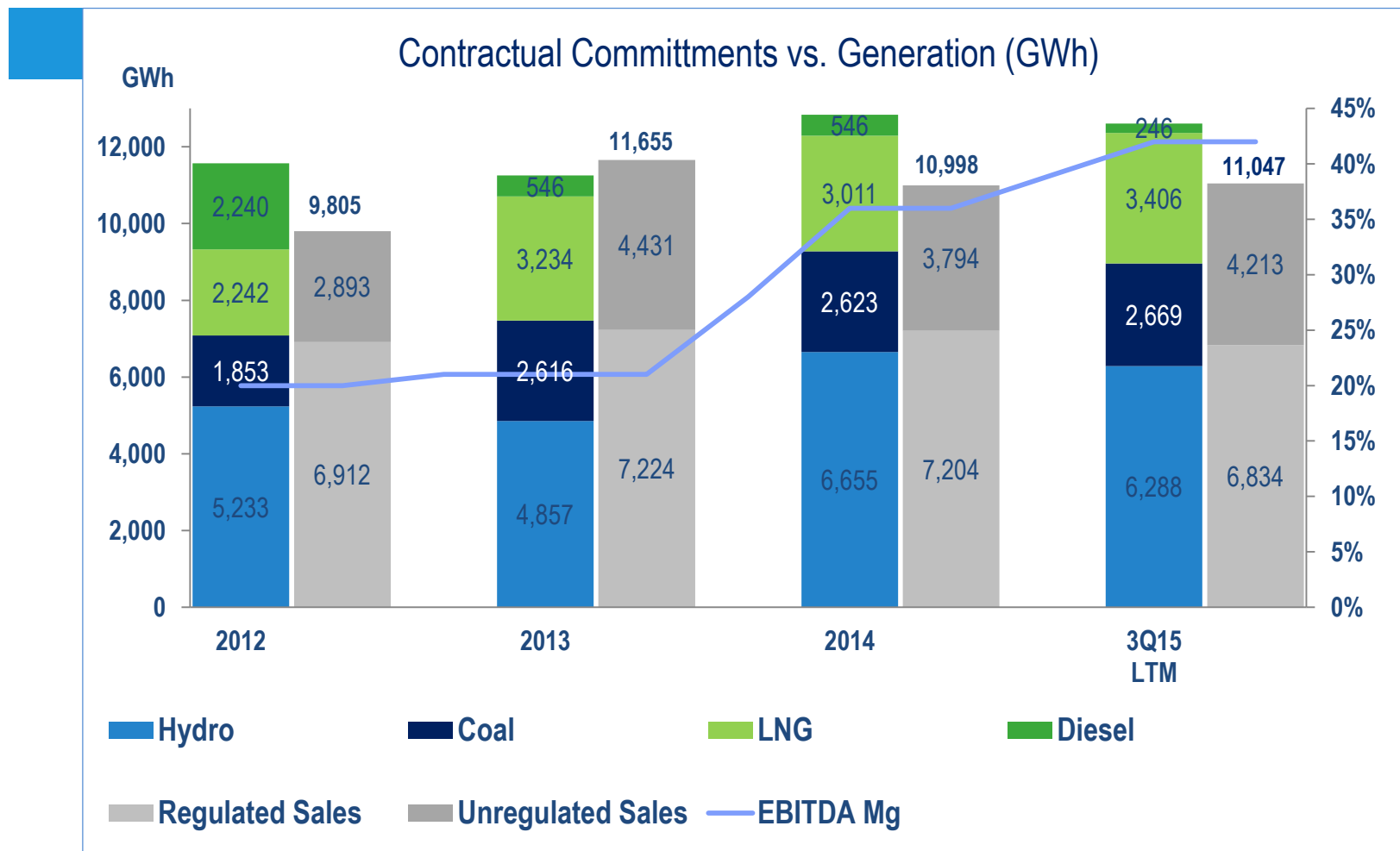
1



(*) Under medium hydrological conditions.

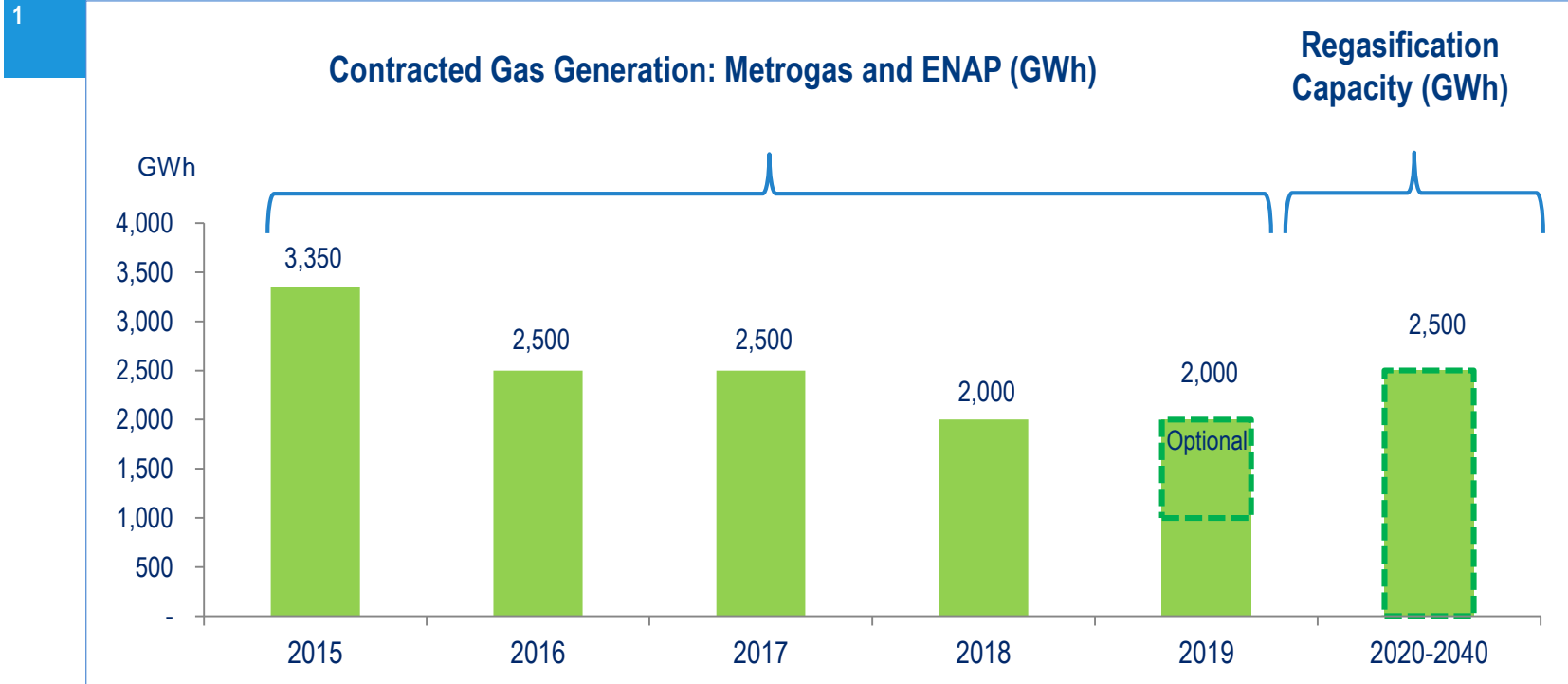
This graph is shown for illustrative purposes and represents estimated and potential output of our power plants and approximate level of contractual commitments. Real output from our power plants and variable production costs are dependent on many factors, such as hydrology, plant availability, access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

COMMERCIAL POSITION



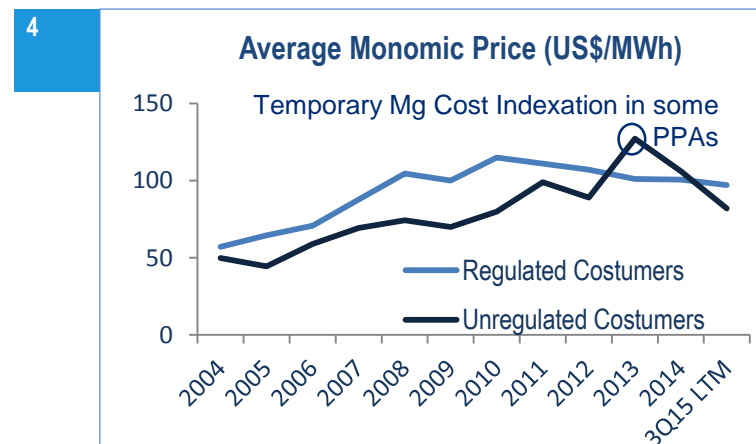
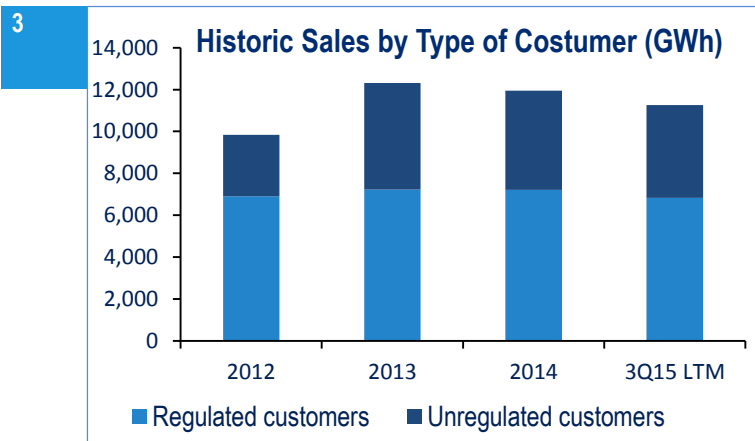
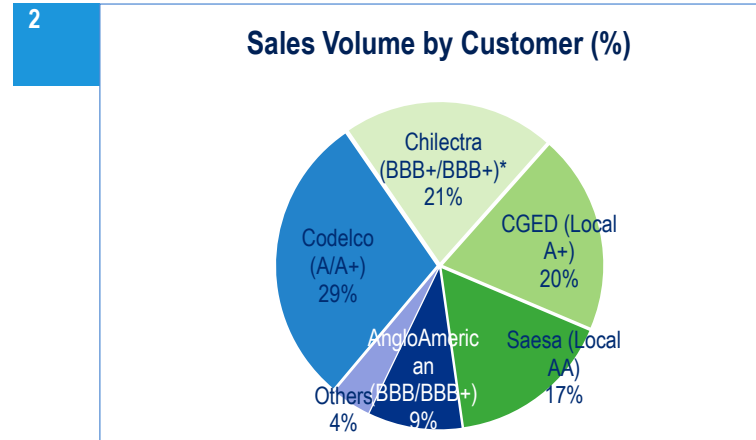
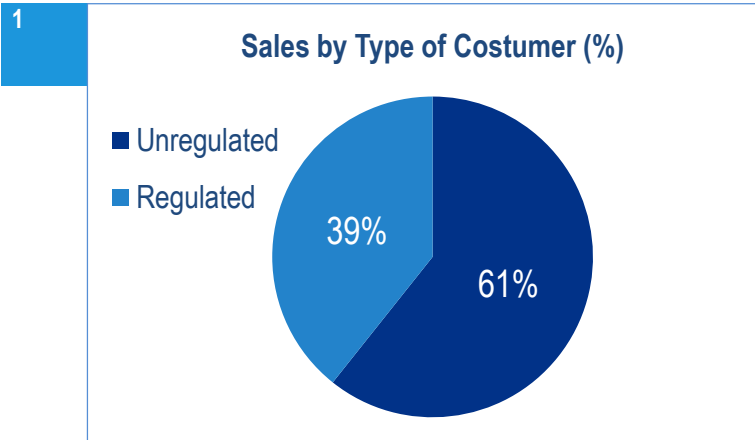
Graph Source: Colburn. Unregulated Sales 2013 & 2014 excludes sales to Codelco at Marginal Cost

LEVERAGING OUR COMBINED CYCLES (NEHUENCO I & II – 766 MW)



- 2
- Long- term flexible production and gas price
 - Efficient complement to hydro and coal

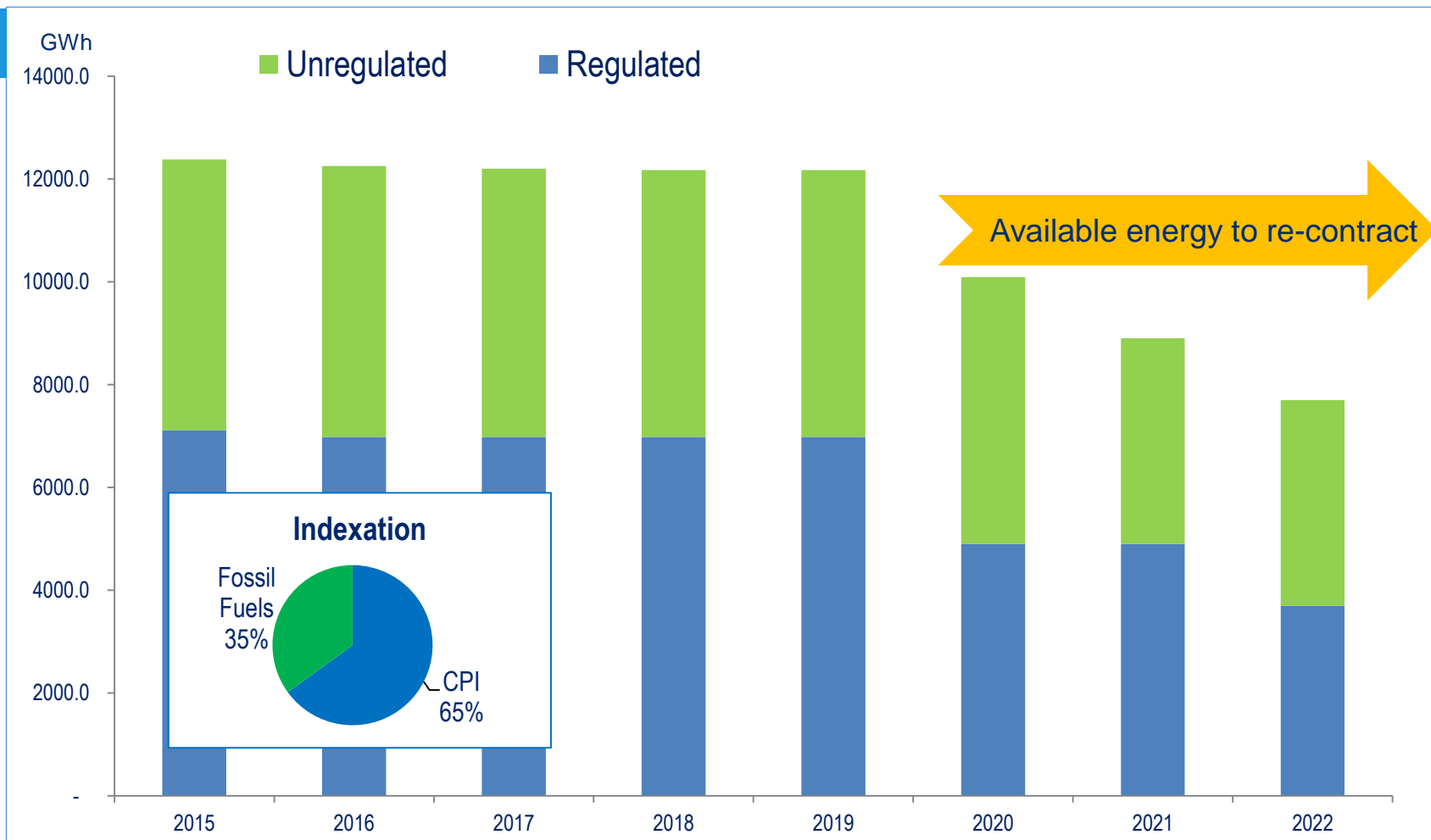
HIGH QUALITY CLIENTS



Graphs Sources: 1), 2), 3), 4) Colbun as of Sept15 LTM. 4) Average monomic prices are calculated by dividing the total amount of sales in US\$, by physical energy sales in MWh.

OUR PPAS: 9.5 YEARS AVERAGE MATURITY

1



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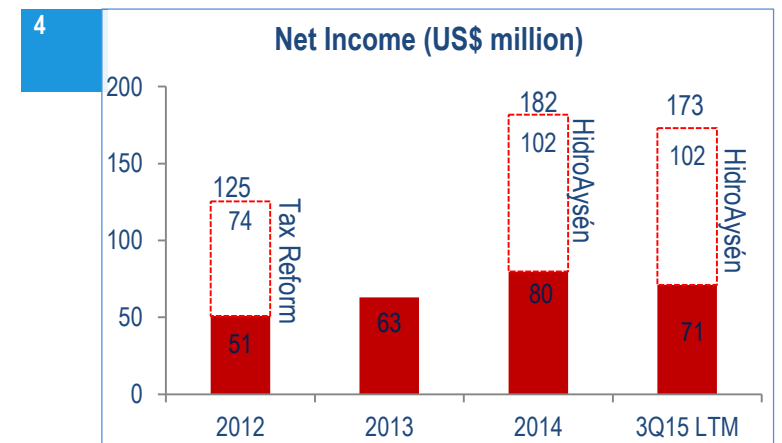
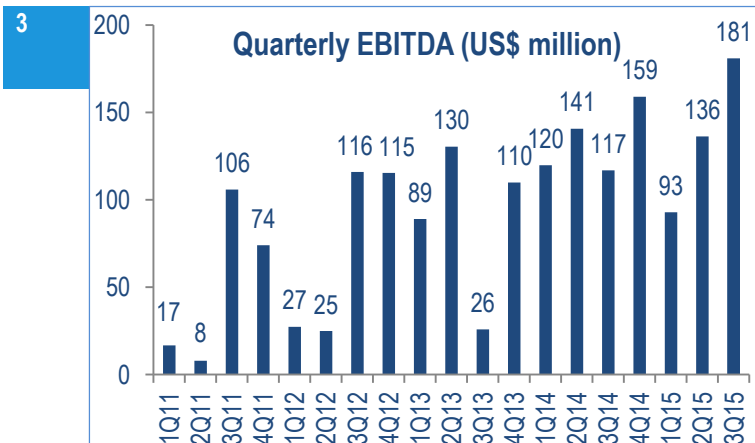
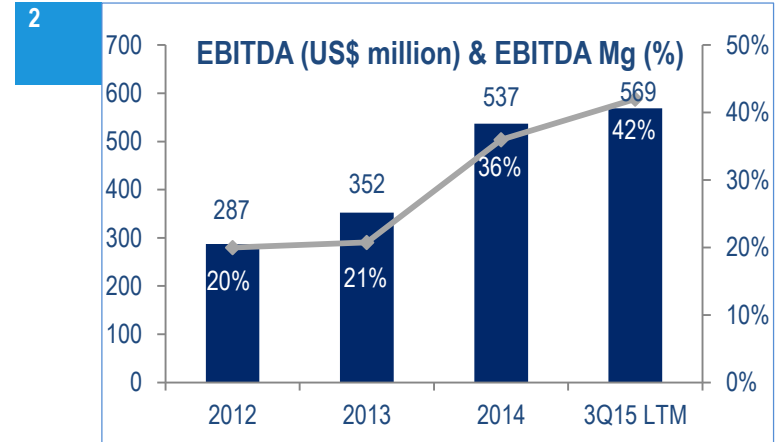
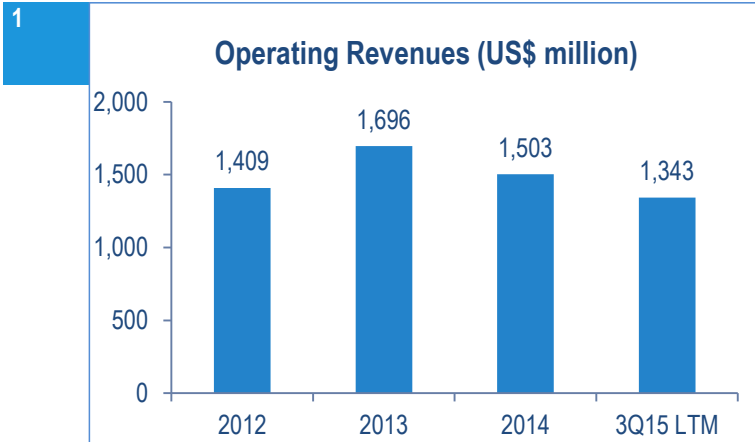
OPERATIONS

FINANCIALS

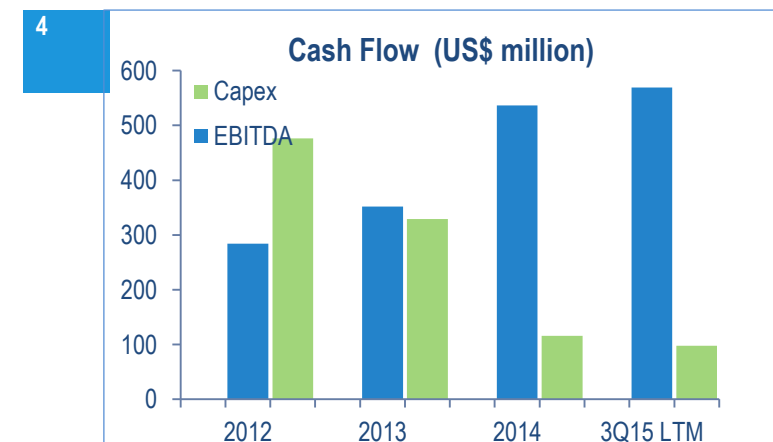
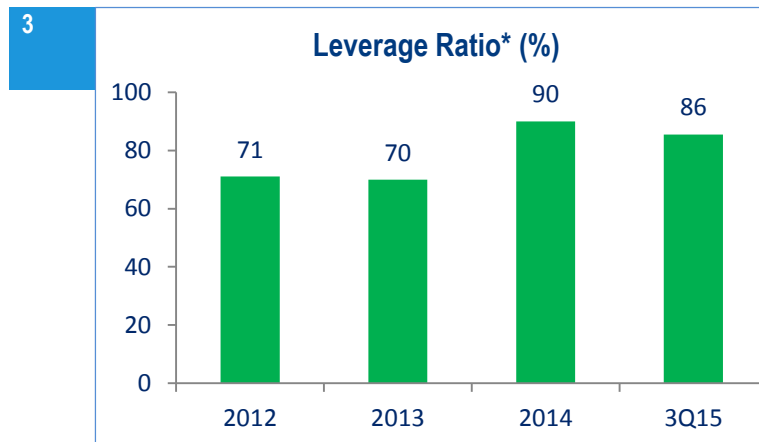
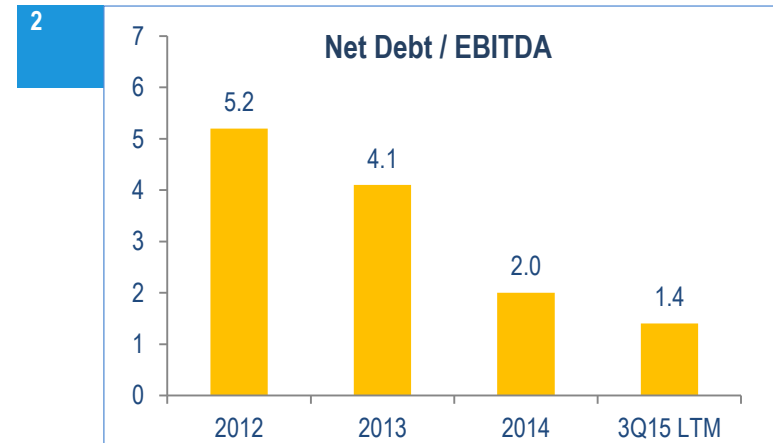
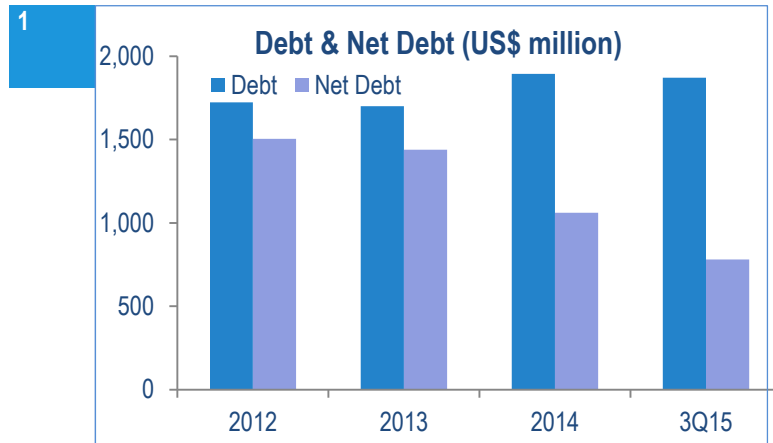
PROJECTS

CORPORATE GOVERNANCE

IMPROVING RESULTS AND LOWERING VOLATILITY



SOLID CREDIT METRICS



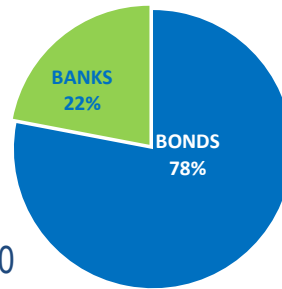
BALANCED DEBT POSITION AND HIGH LIQUIDITY

1

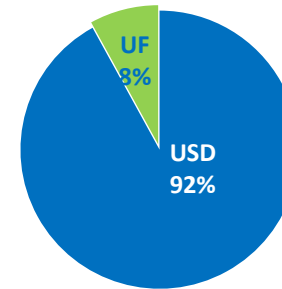
- Total Debt: MMUS\$ 1,871
- Avg. Maturity: 5.7 years
- Avg. USD Interest Rate: 4.8%
- Cash: MMUS\$ 1,091
- Net Debt: MMUS\$ 780
- Dividend Policy 30%
- Banks Committed Lines: MMUS\$ 150
(As of Sep15)

Debt Profile

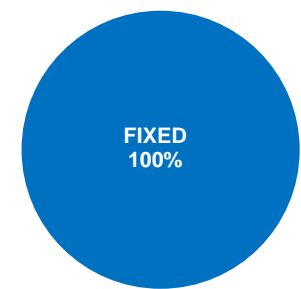
Type



Currency

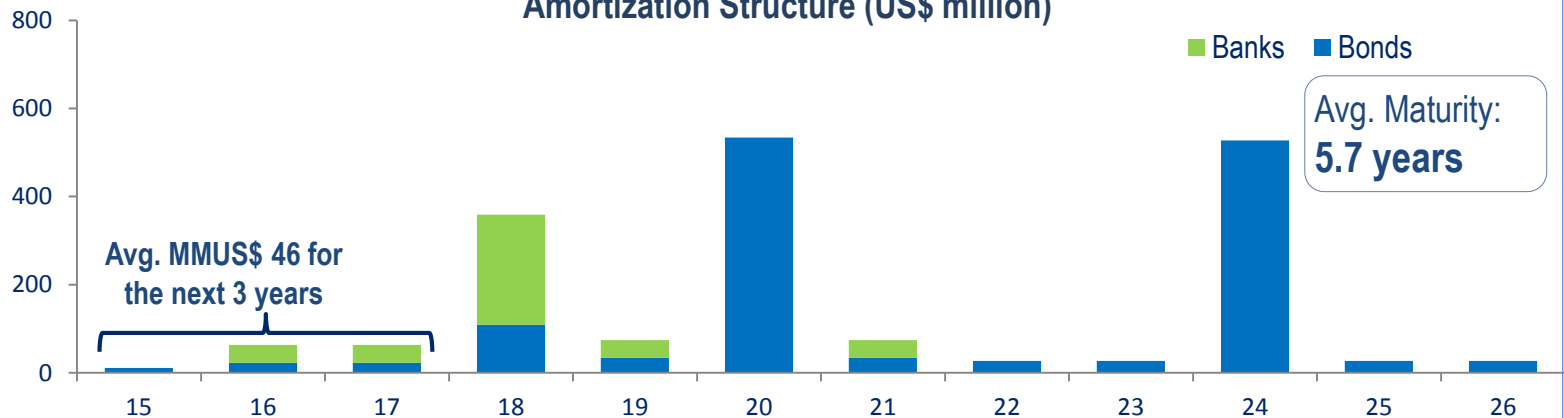


Interest Rate



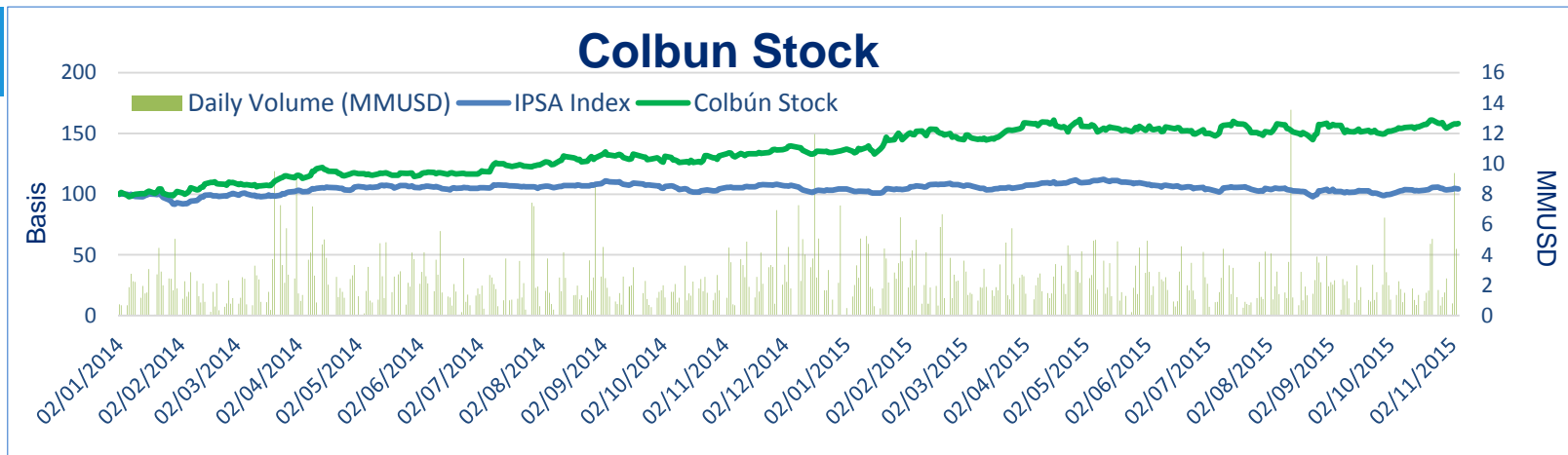
2

Amortization Structure (US\$ million)

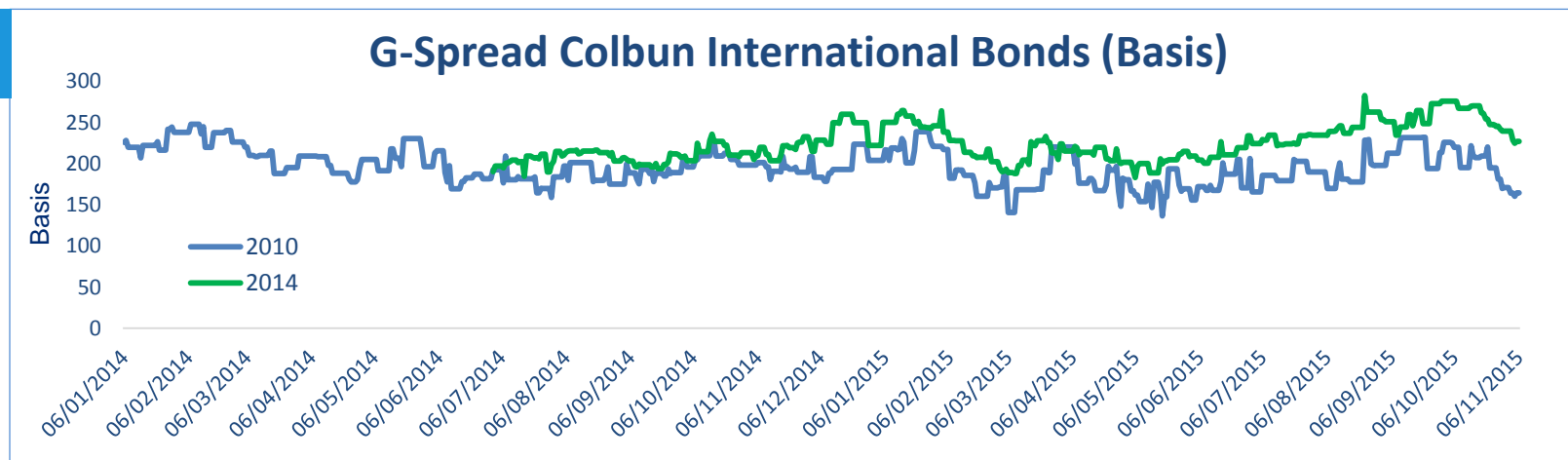


DEBT & EQUITY MARKET WATCH

1



2



AGENDA

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COLBUN OVERVIEW

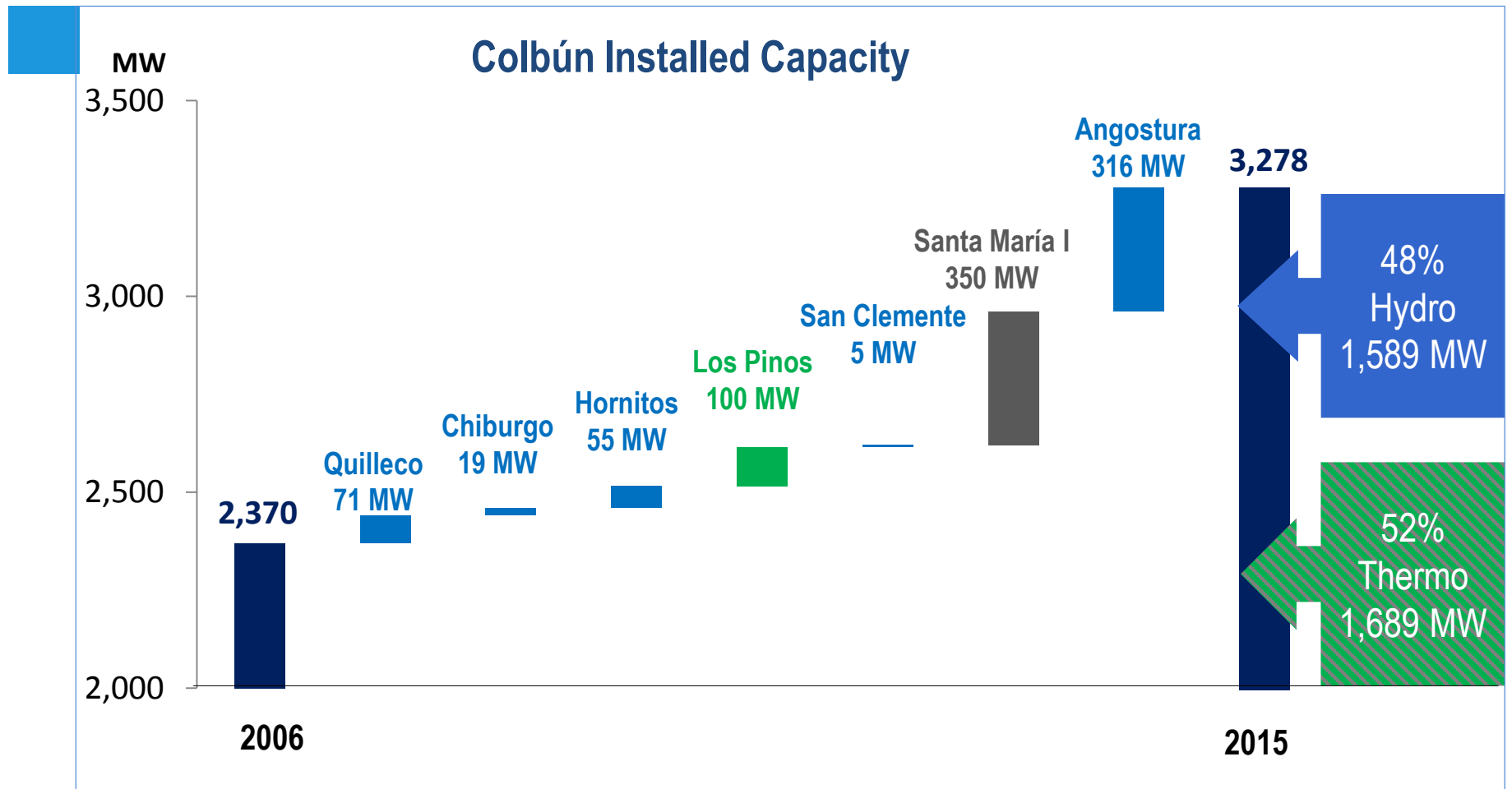
OPERATIONS

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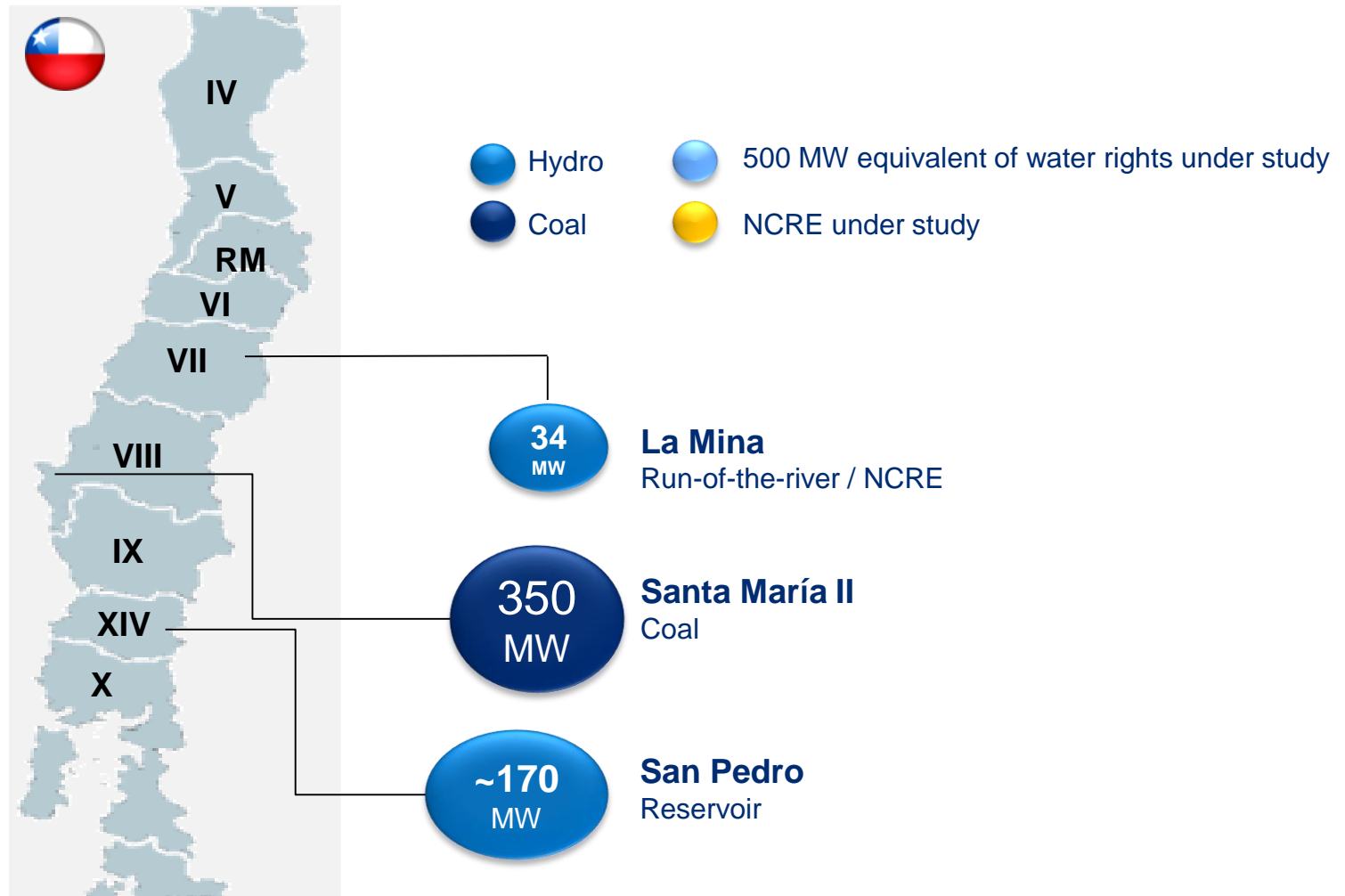
PROJECTS

CORPORATE GOVERNANCE

~900 MW OF NEW CAPACITY WITH OVER US\$2,000 MILLION INVESTED



GROWTH OPPORTUNITIES IN CHILE: BASE LOAD CAPACITY AND RENEWABLES



LA MINA – RENEWABLE ENERGY FOR THE SYSTEM

- 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

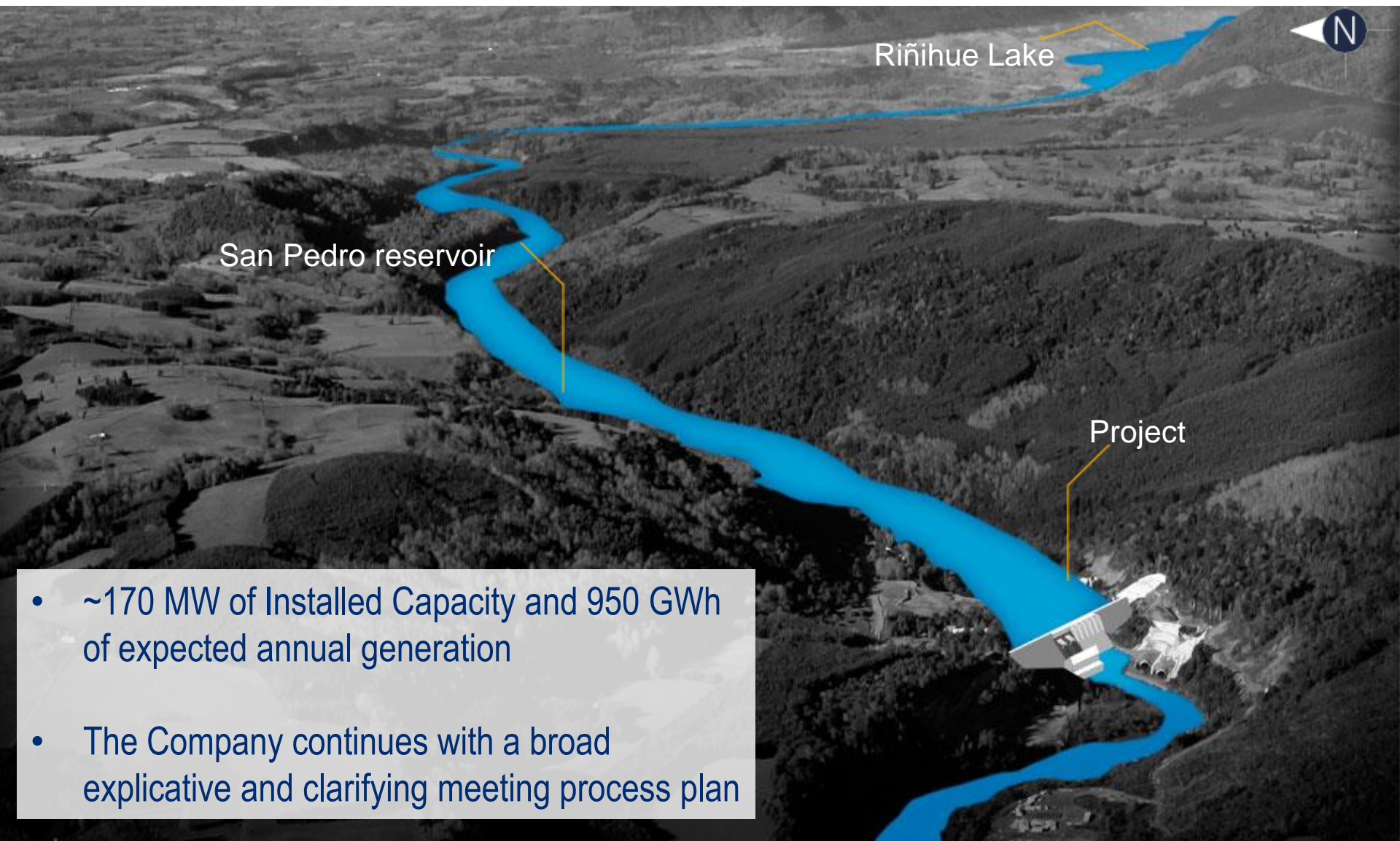


SANTA MARIA II COAL-FIRED – BASE LOAD CAPACITY

- 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



SAN PEDRO – HYDROELECTRIC PROJECT



- ~170 MW of Installed Capacity and 950 GWh of expected annual generation
- The Company continues with a broad explicative and clarifying meeting process plan

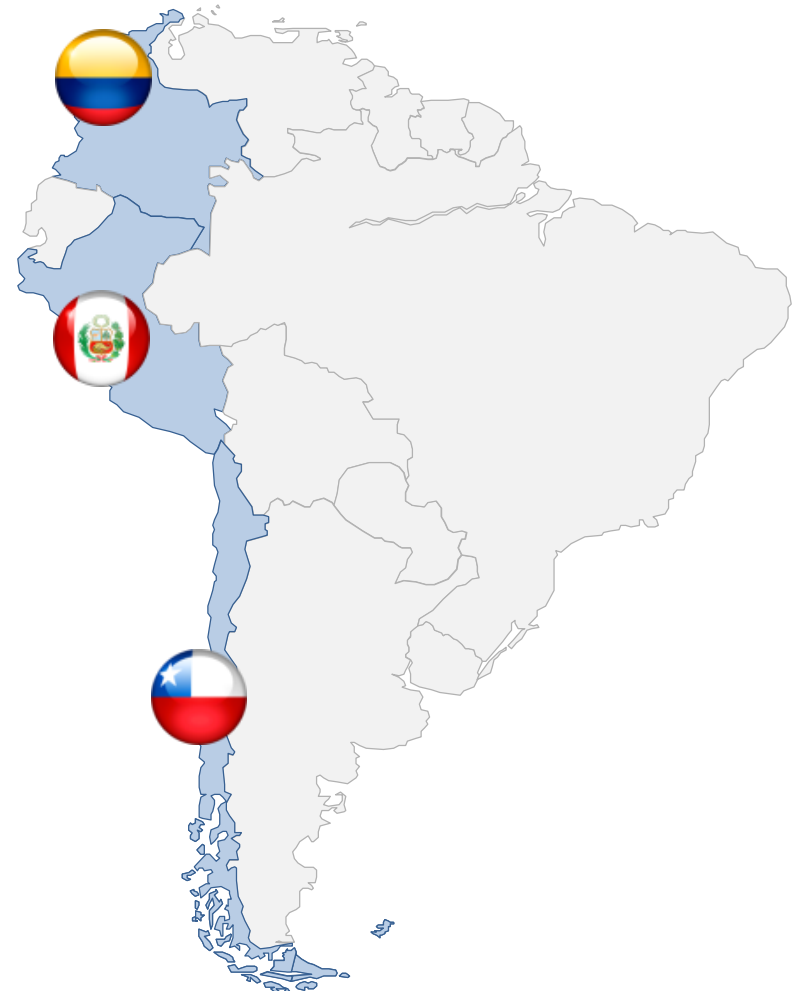
SEARCHING FOR INVESTMENT OPPORTUNITIES IN THE REGION

Special Focus on Colombia and Peru

✓ Growing Electricity Consumption

✓ Well established regulatory framework

- ✓ Diversification:
- Hydrological Conditions
 - Generation Technology
 - Fuel Access
 - Regulation



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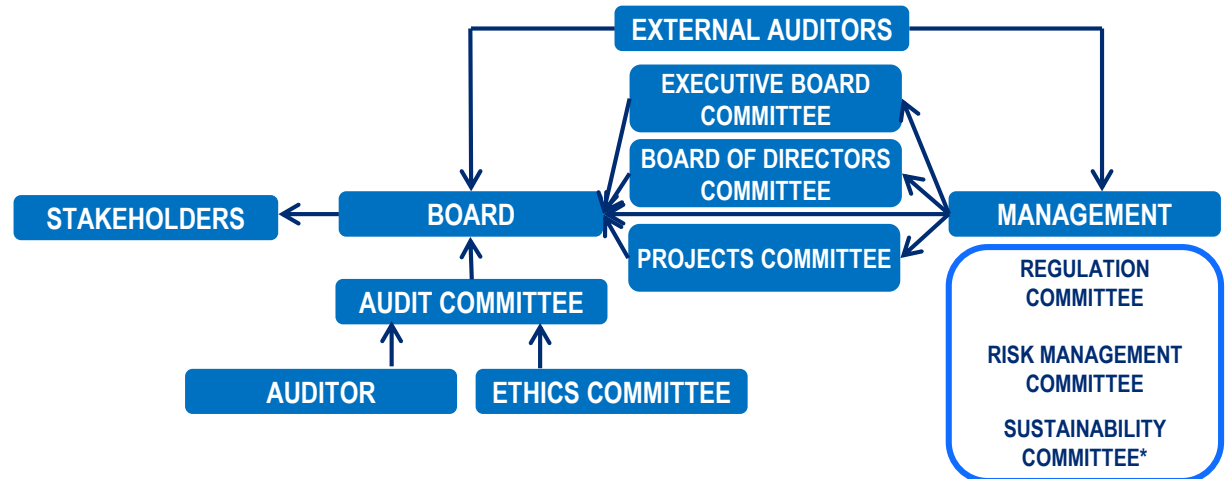
PROJECTS

CORPORATE GOVERNANCE

HIGH STANDARDS OF CORPORATE GOVERNANCE



Structure



Communications

Equitable Treatment

- Website, IR Team, Media Team, Quarterly Financial Statements & Conference Calls, Others.

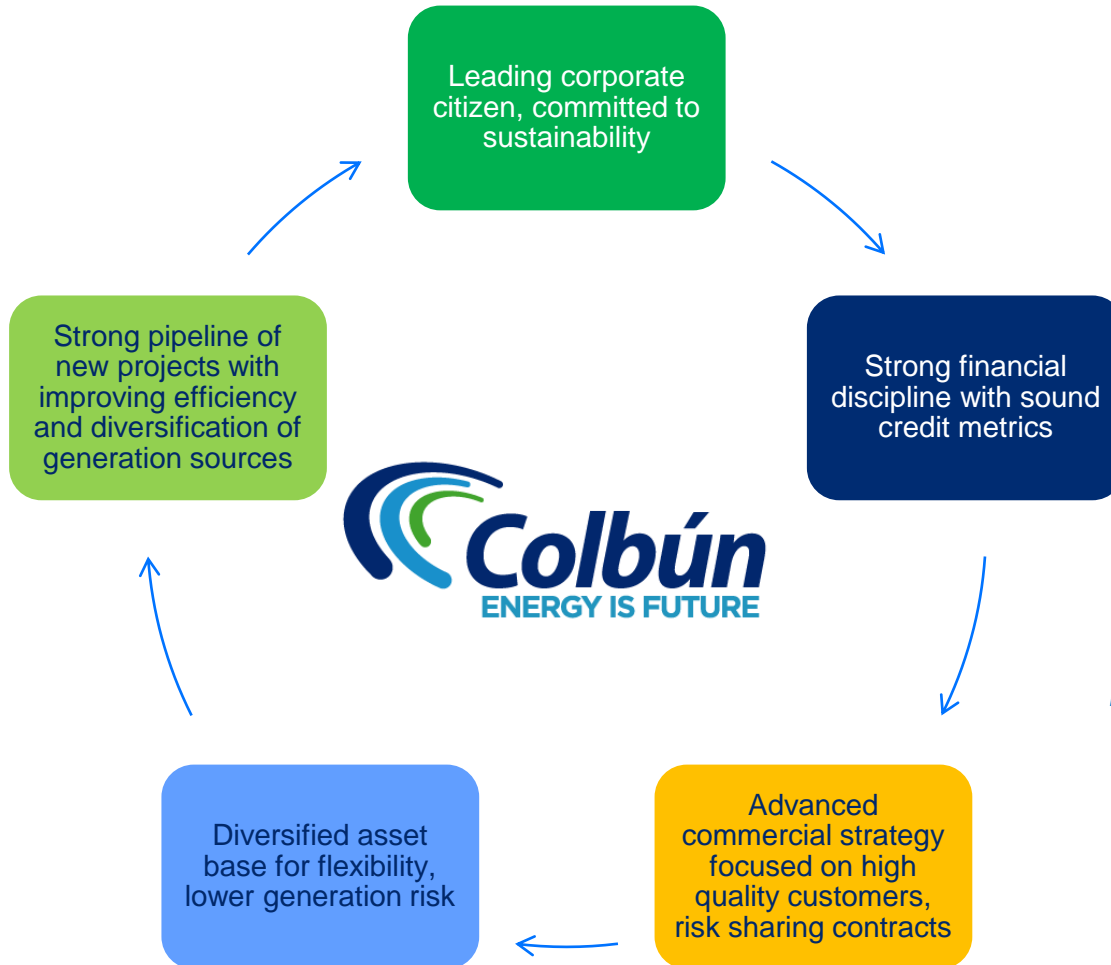
- DISCLOSURE INFORMATION POLICY / PUBLIC INFORMATION MANUAL
- DELEGATION OF AUTHORITY
- CODE OF ETHICS: Anonymous Whistleblowing Channel



Regulation

- Our Board is ruled by Law N°18,046, Law N°20,393 (Criminal Liability) and “Colbún’s Board policies and procedures”
- Internal Ruling: Policies, Procedures and Code of Ethics
- SVS Corporate Governance Practices (NCG 385)

OUR VALUE PROPOSAL



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

DISCLAIMER

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.

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