



Company Presentation
Itaú BBA Andean Conference
August 2015

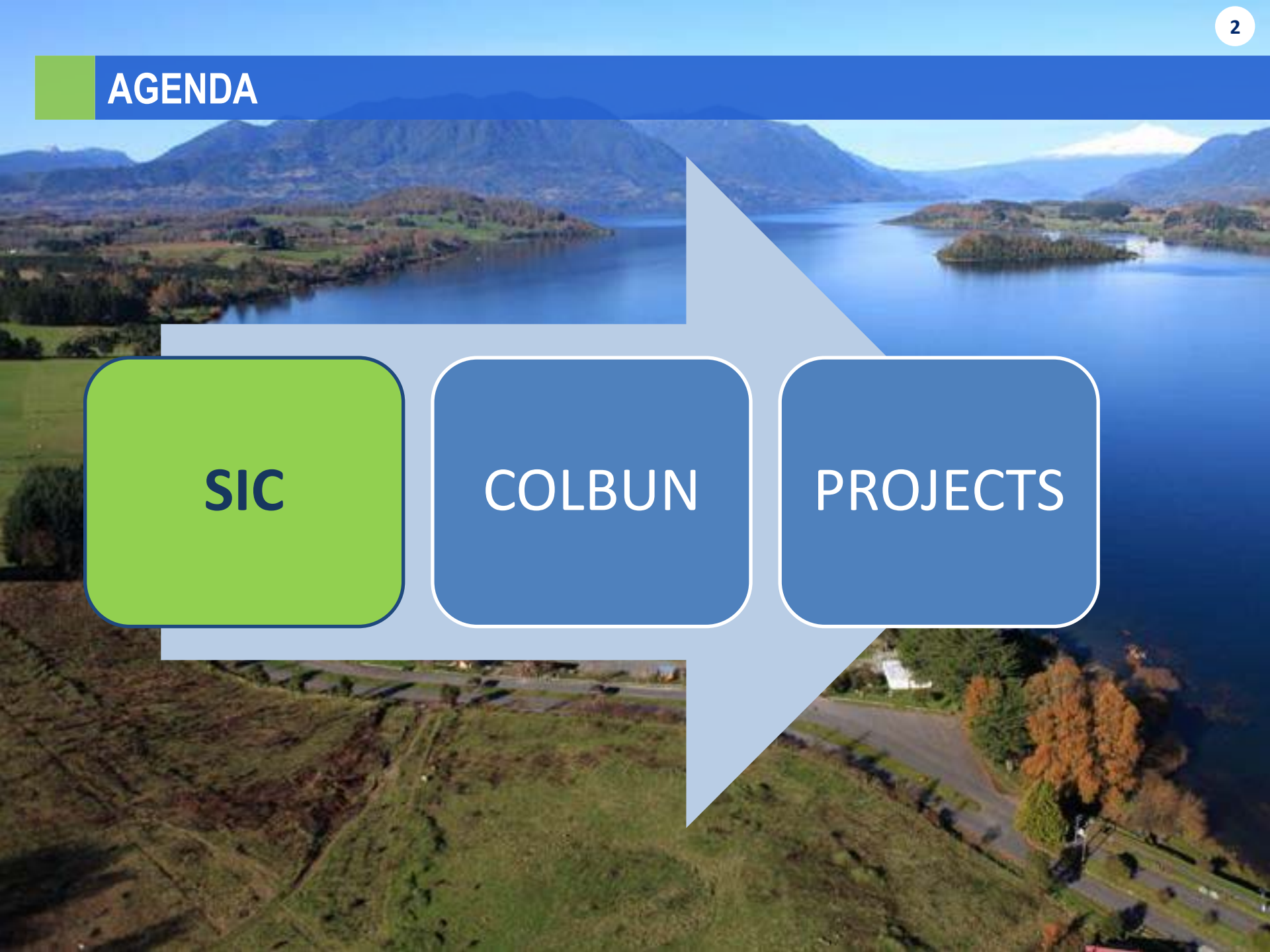


AGENDA

SIC

COLBUN

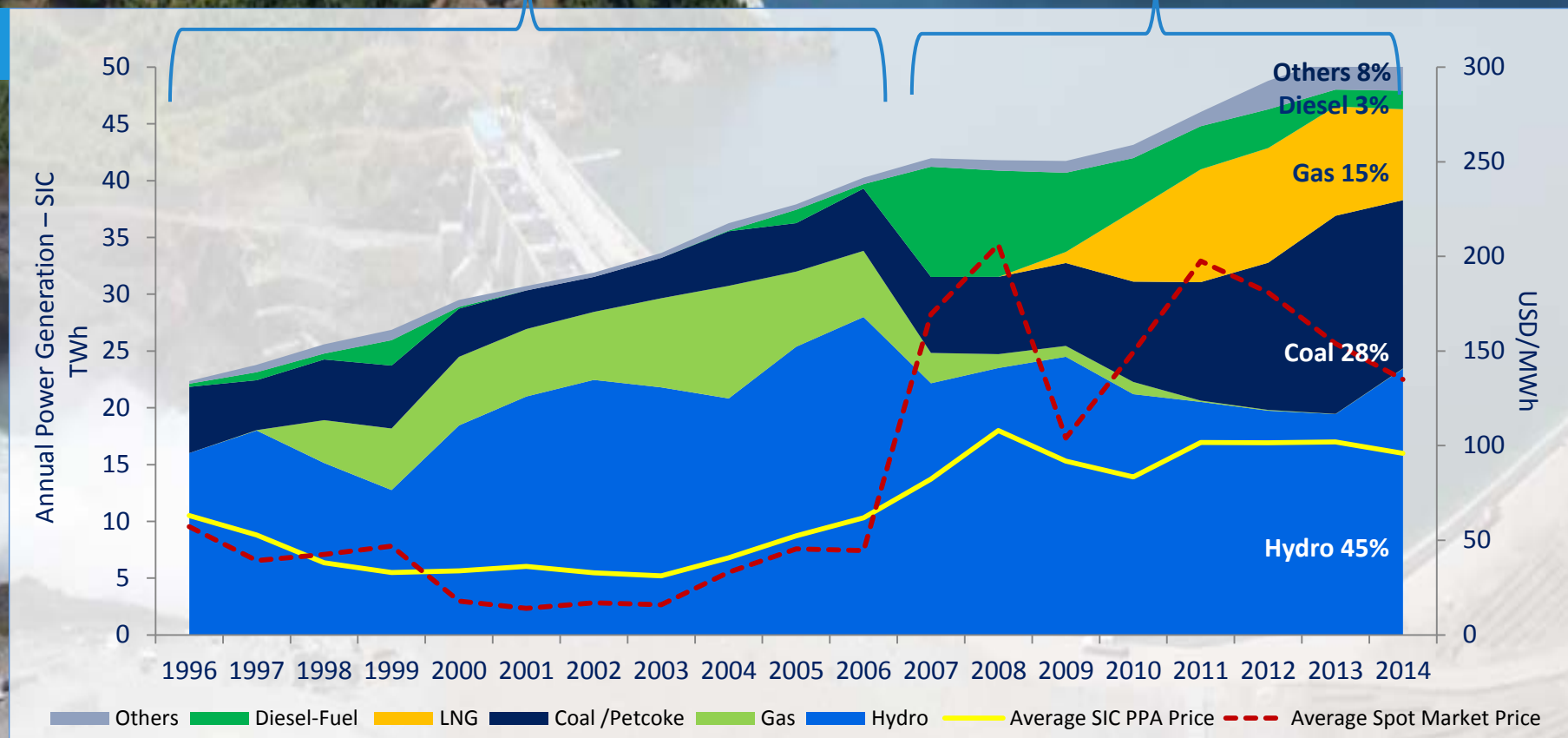
PROJECTS



GENERATION AND PRICE EVOLUTION IN CHILE'S CENTRAL GRID

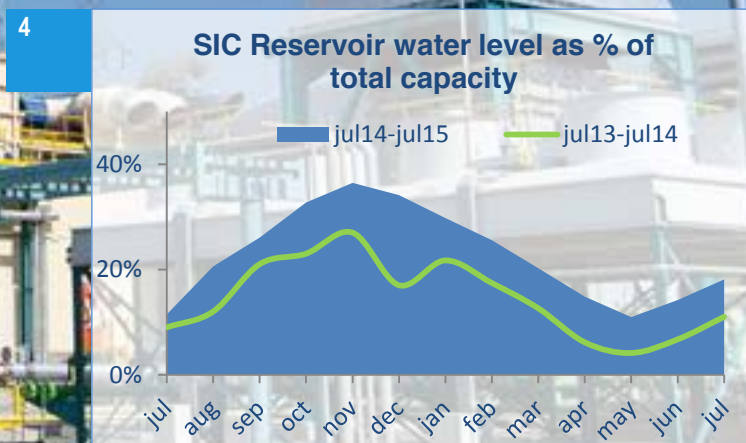
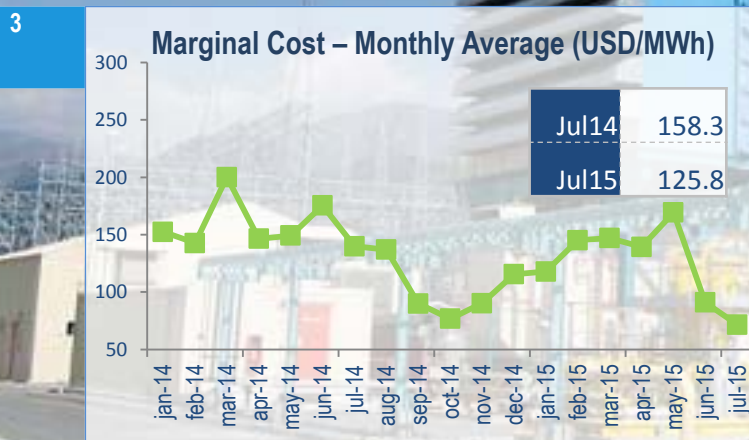
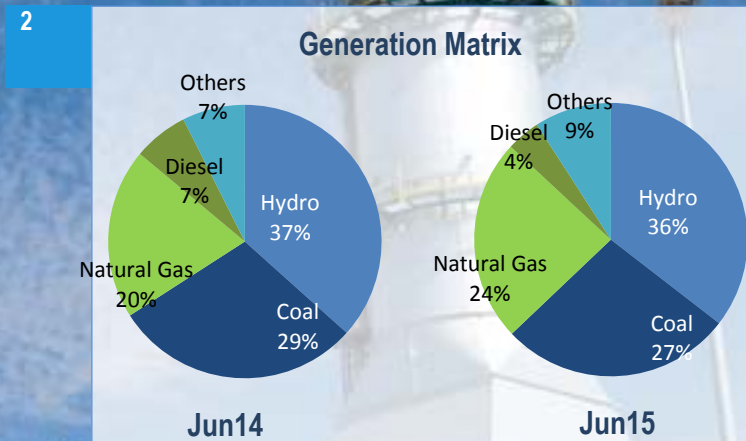
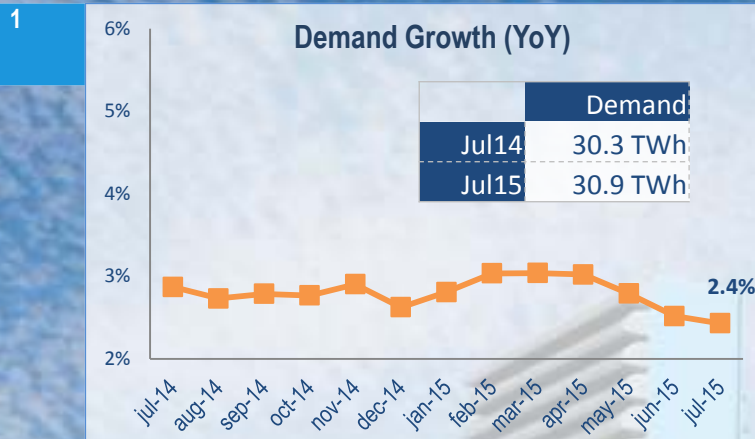
- Development based on hydro + competitive natural gas
- Power purchase agreements signed under fixed prices (set by regulator for distribution clients)

- (+) Development based on gas turbine (diesel)
- (+) LNG re-gasification terminal since 2009
- (+) Coal power plants
- New law: PPA tenders with price indexation



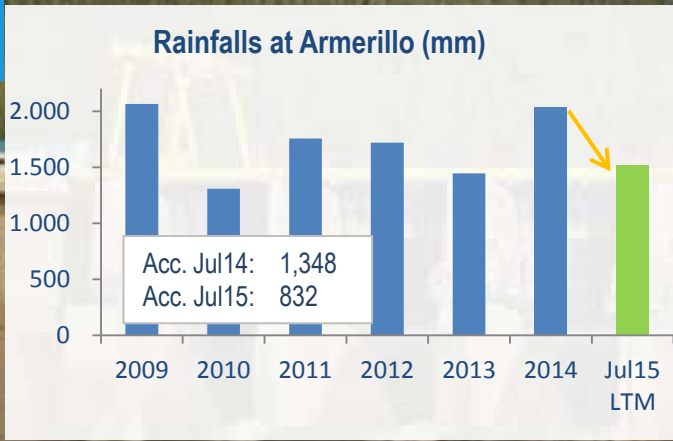
Source: CNE; CDEC; www.systep.cl

SIC OVERVIEW

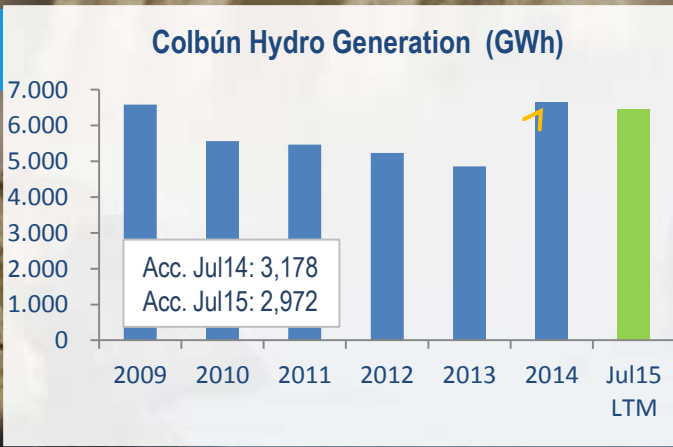


HYDROLOGICAL CONDITIONS

1



2



Source: Colbún.

Acc. Rainfalls Jul15/Jul14

Los Quillos (mm)

2014	2015
112	71

Armerillo (mm)

2014	2015
1,348	832

Abanico (mm)

2014	2015
1,448	1,046

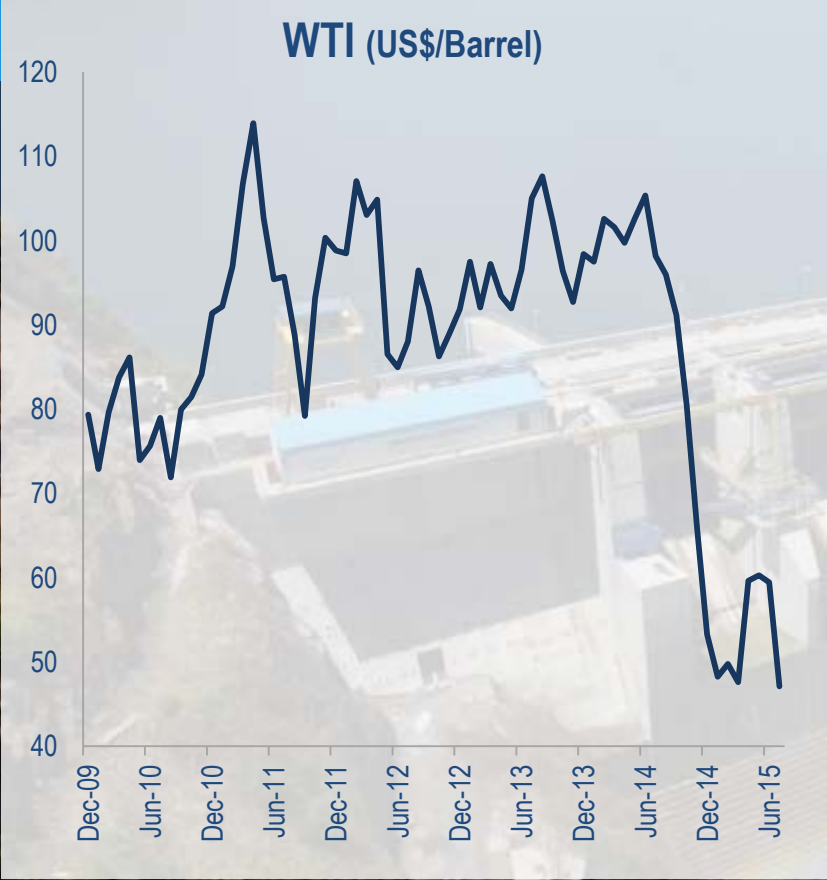
Canutillar (mm)

2014	2015
2,306	1,905

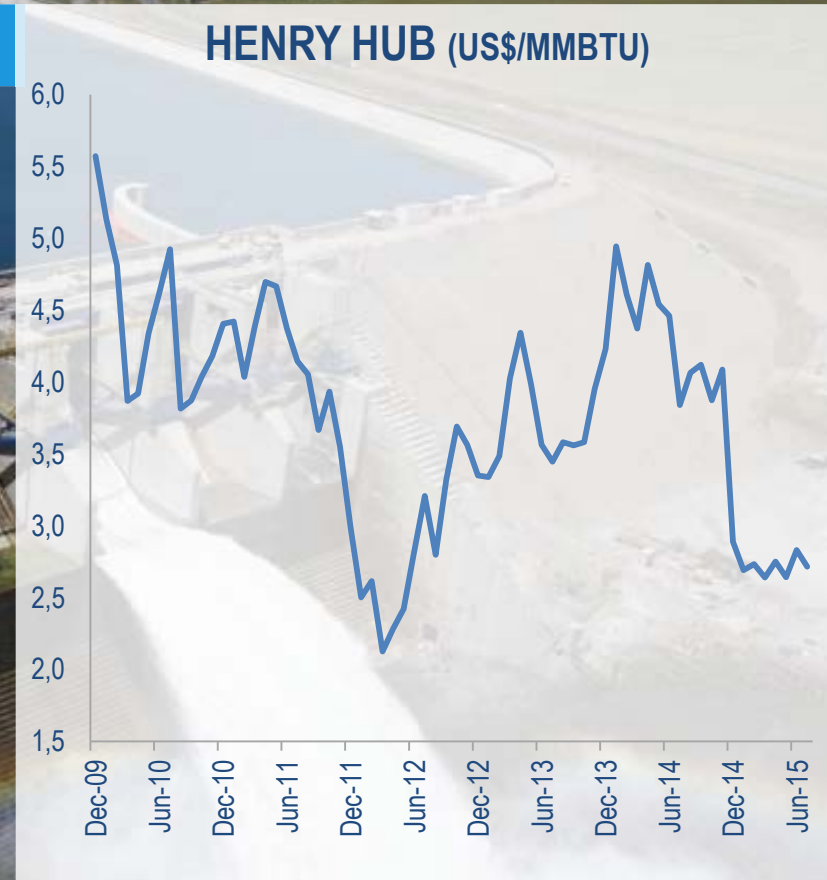


END OF HIGH COMMODITY PRICES

1

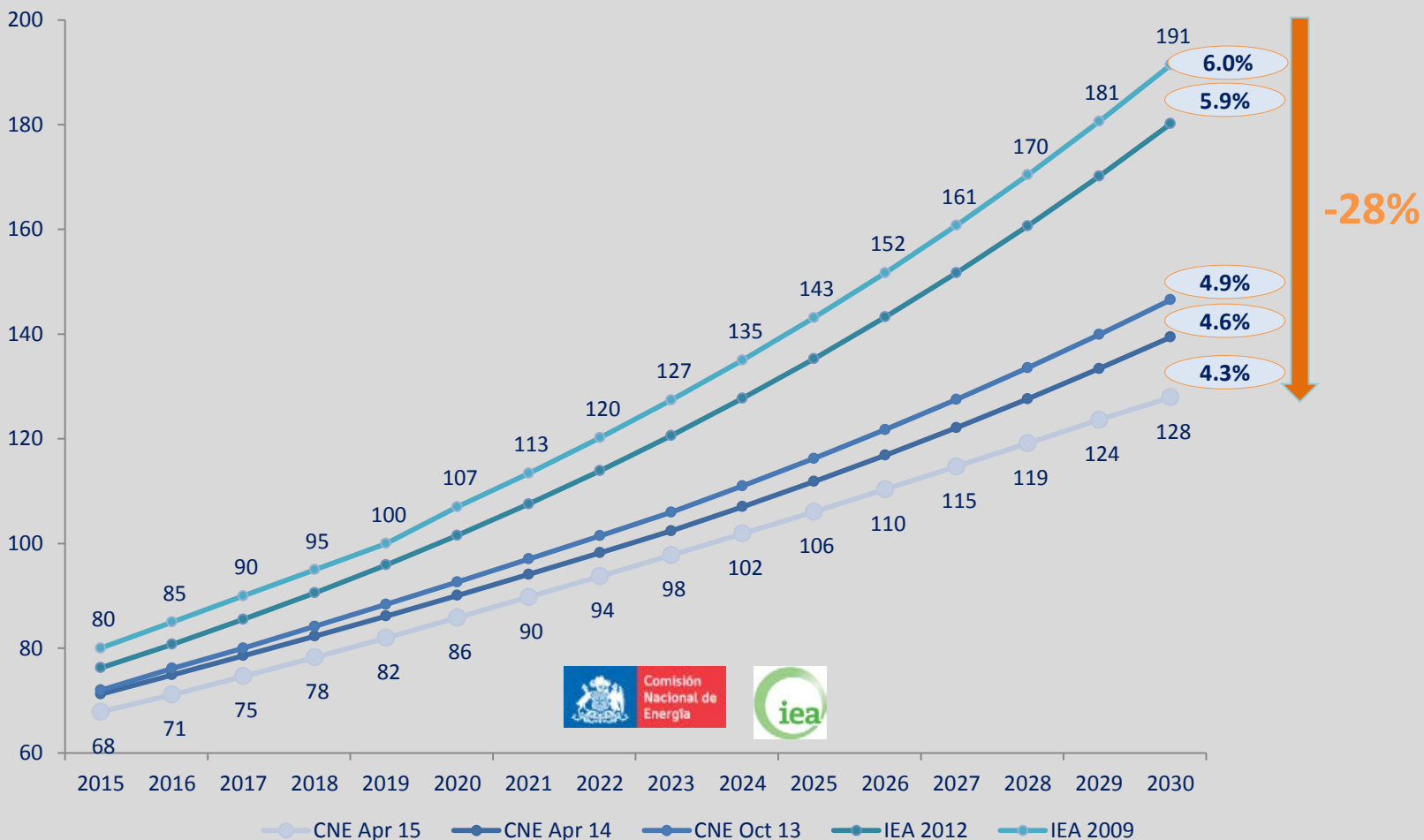


2



POWER DEMAND FORECAST FOR CHILE IS DECREASING

1



AGENDA

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COLBUN

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*

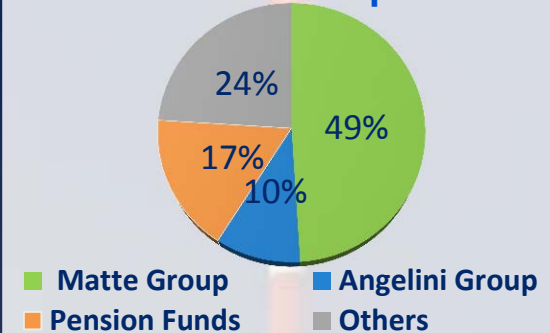
*Through PPAs

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-

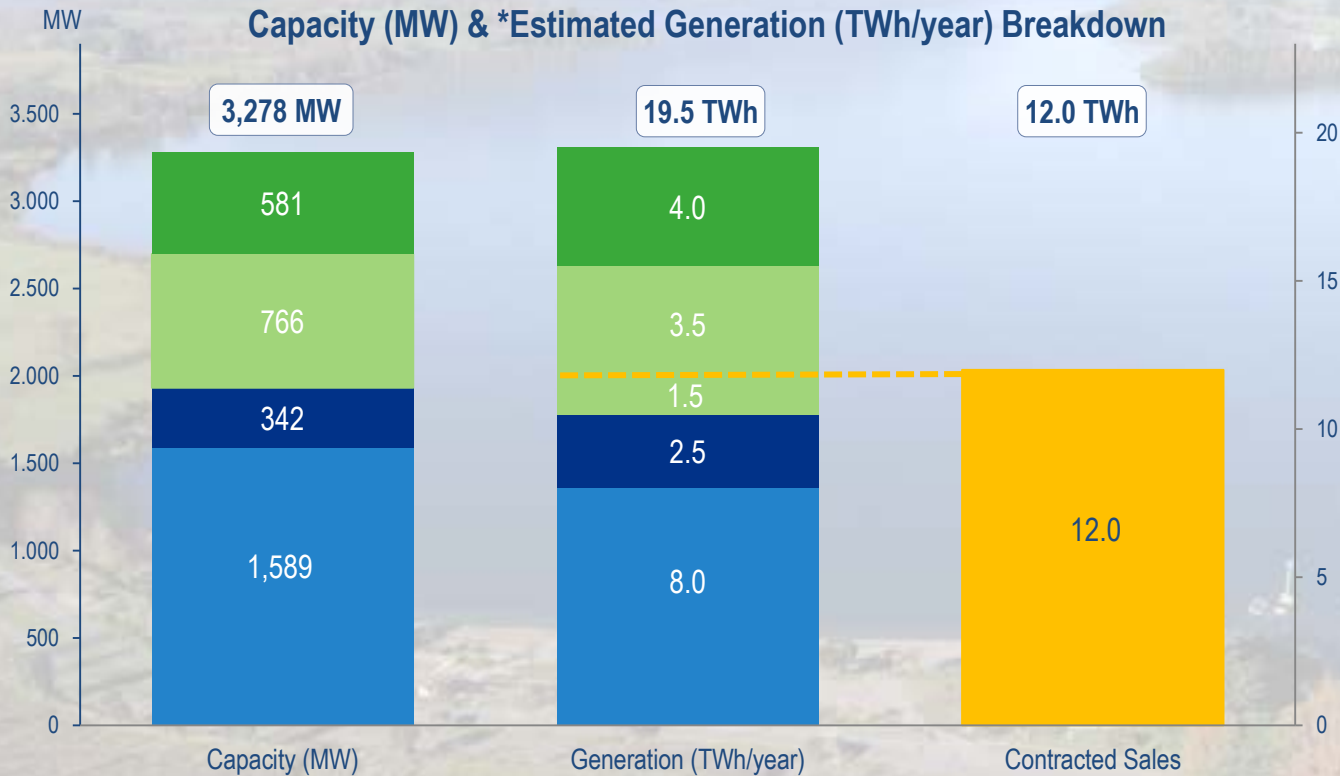
Local Ratings

- Fitch: A+
- Humphreys: AA-

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

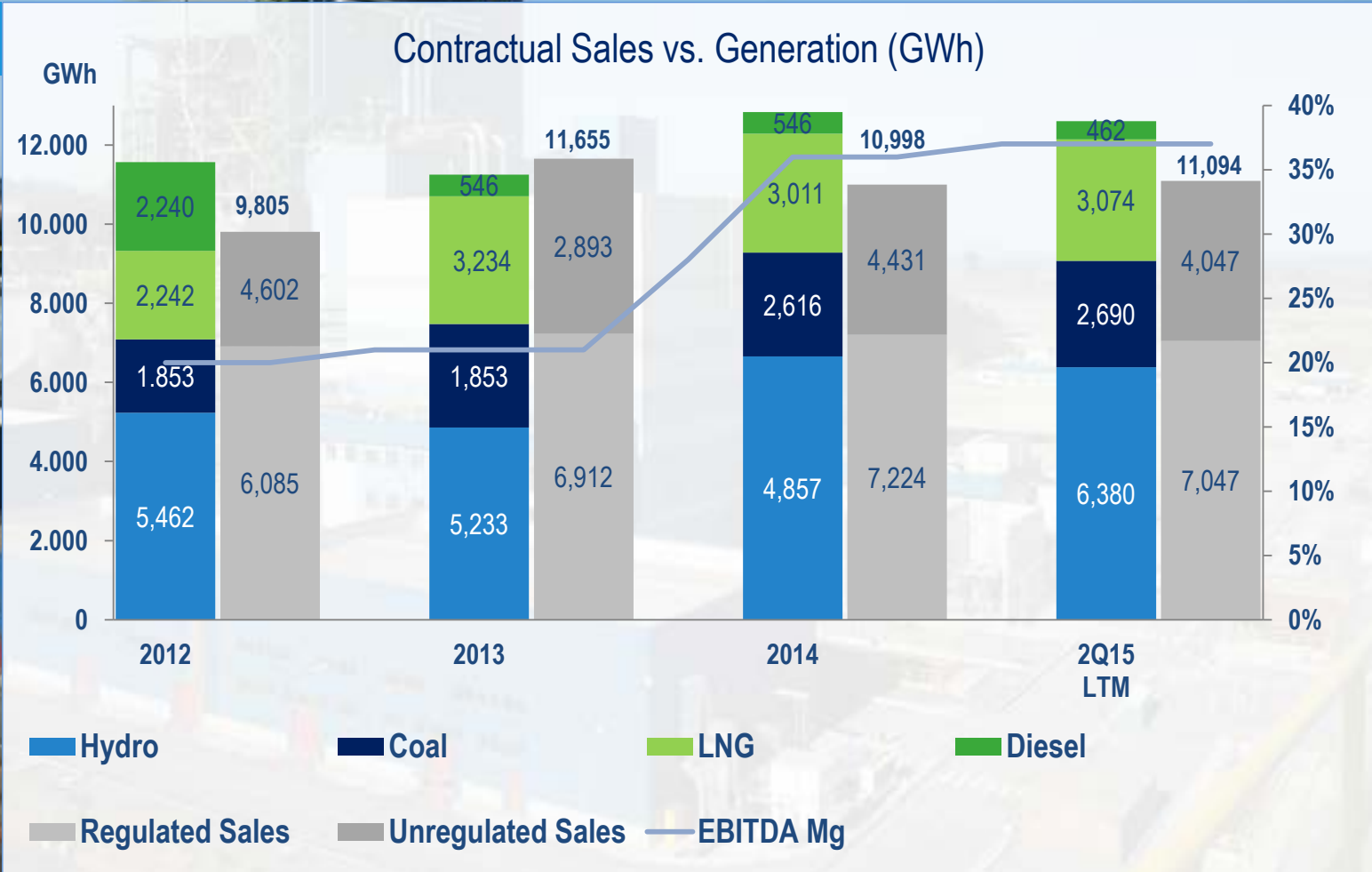
COMMERCIAL STRATEGY

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

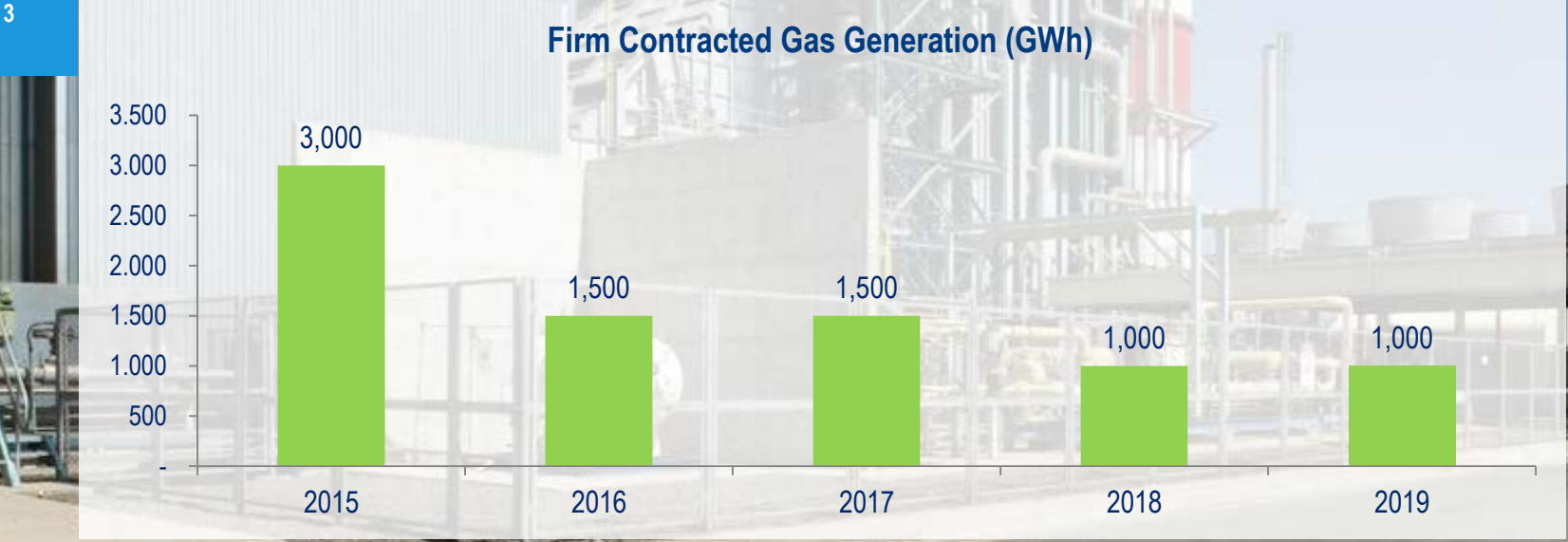
LEVERAGING OUR COMBINED CYCLES

1 **Metrogas extension contract**

- Signed in Aug14
- Supply until 2019
- Flexible gas price
- Allowing to cover long term needs in order to fulfill our contracts

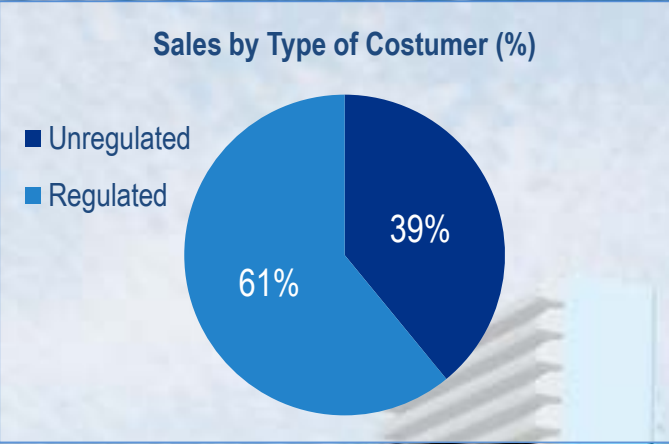
2 **ENAP contract**

- Signed in Nov14
- Supply during 2015
- Flexible gas price
- Providing flexibility to our LNG production

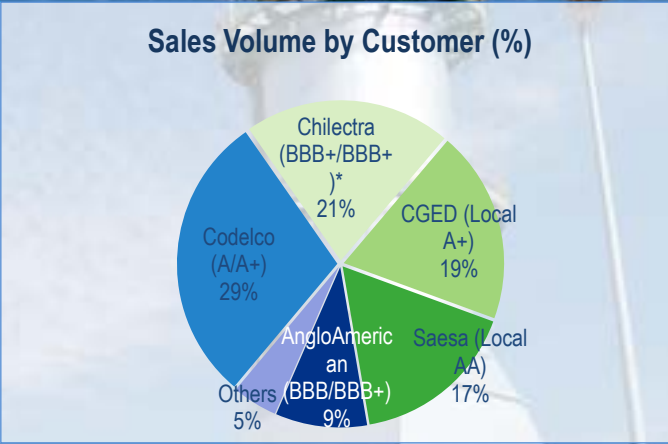


HIGH QUALITY CLIENTS

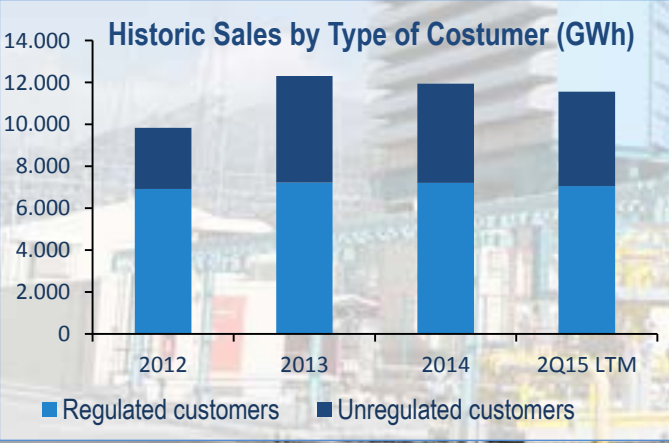
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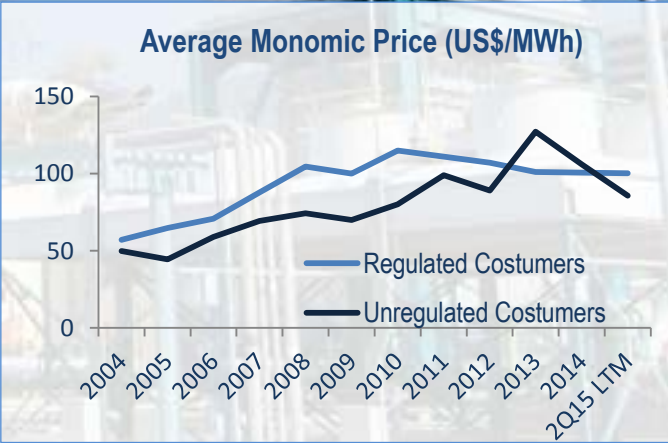
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3

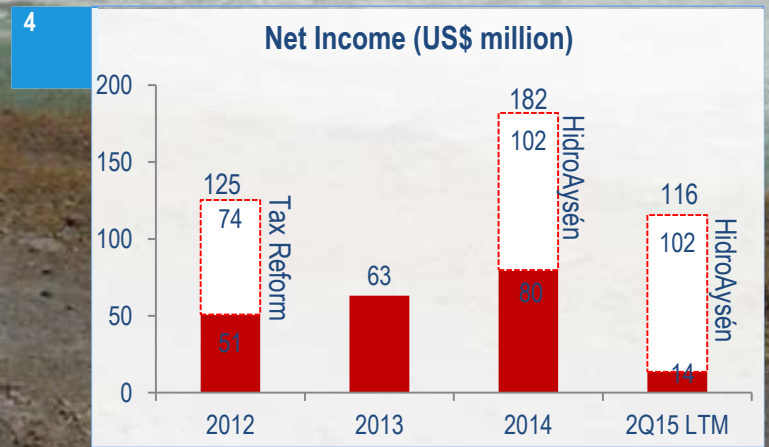
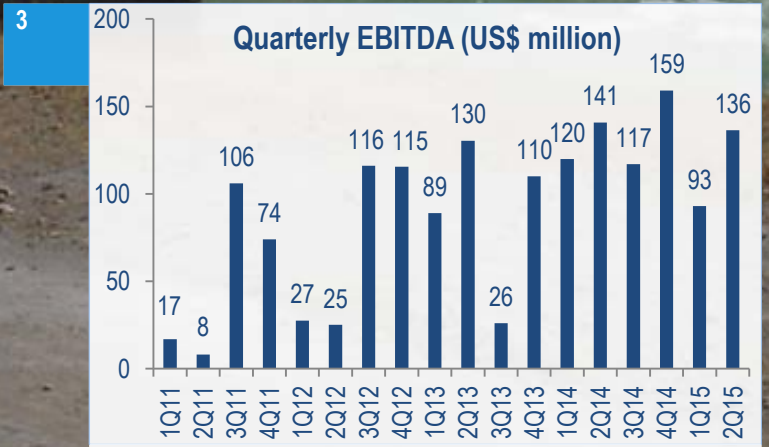
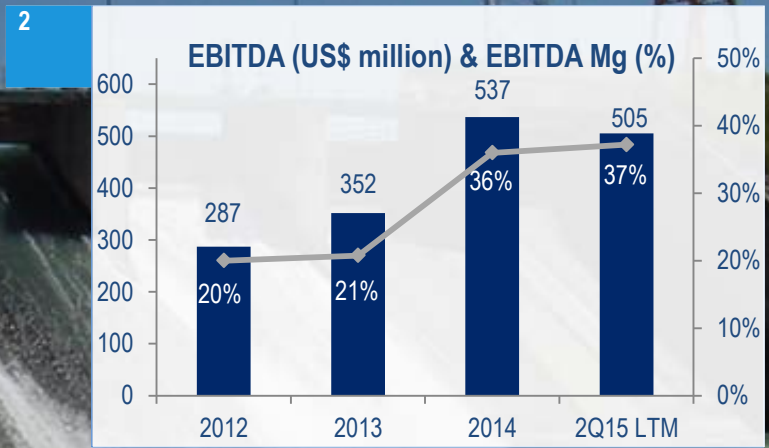
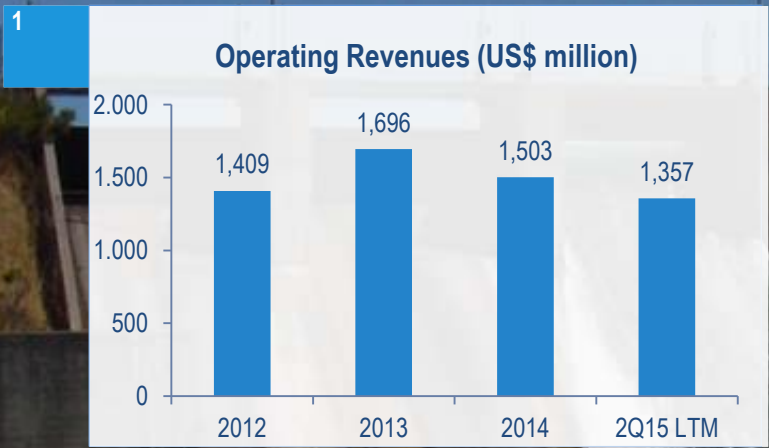


4



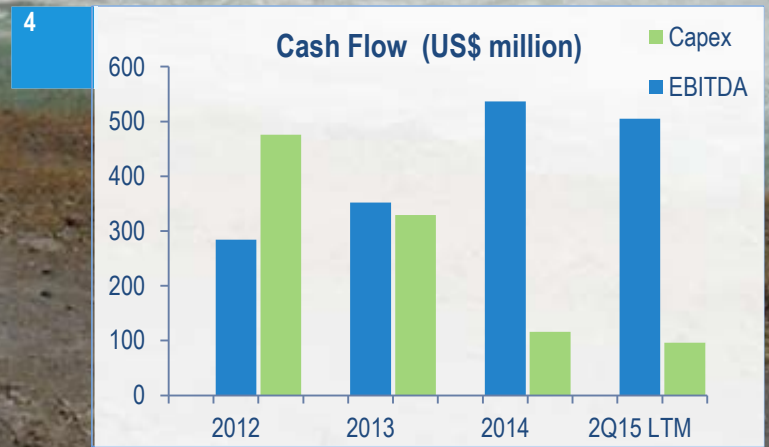
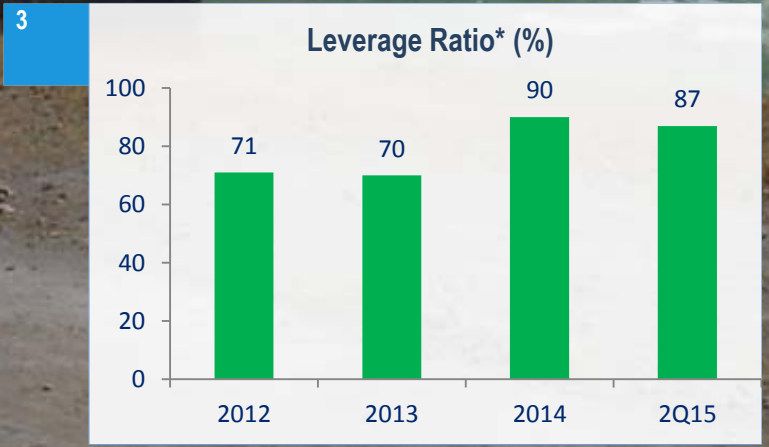
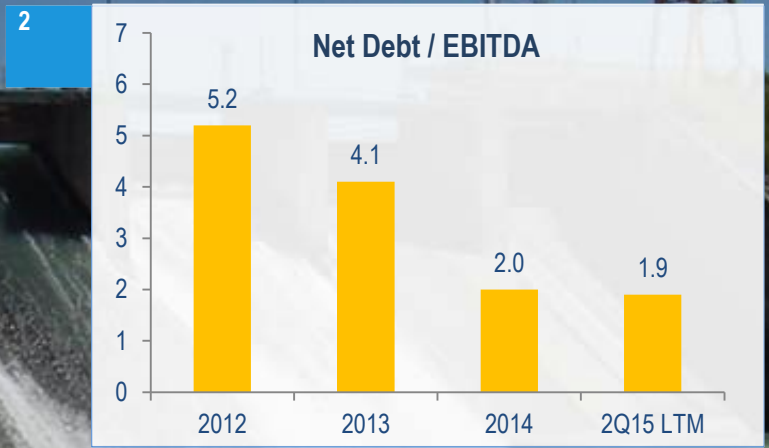
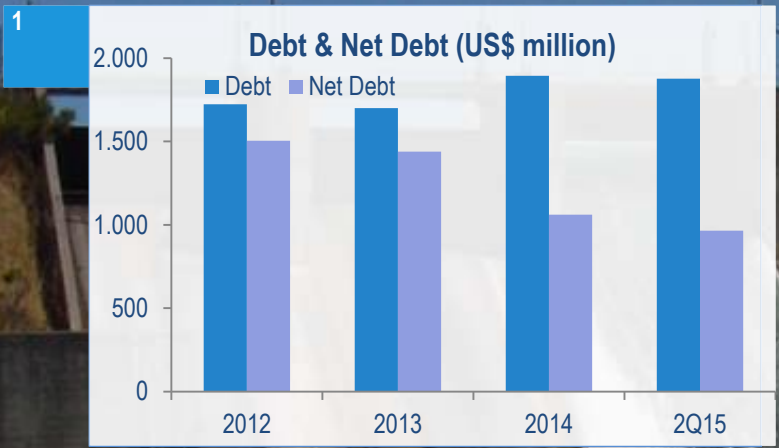
Graphs Sources: 1), 2), 3), 4) Colbun as of June15 LTM. 4) Average monomic prices are calculated by dividing the total amount of sales in US\$, by physical energy sales in MWh.

MAIN FIGURES AND METRICS



Source: Colbún's Financial Statements

MAIN FIGURES AND METRICS



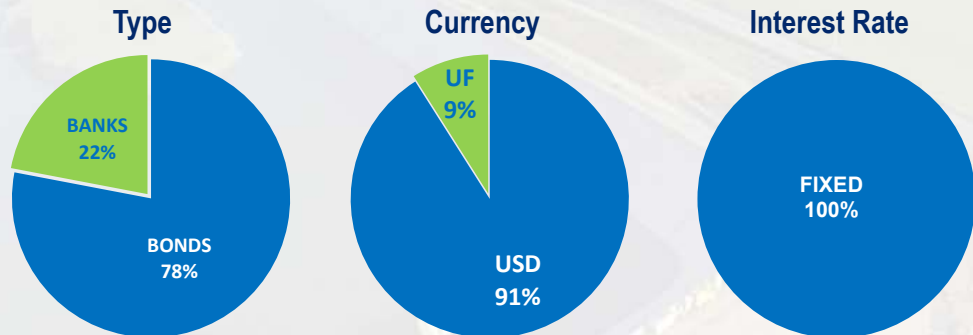
Source: Colbún's Financial Statements. (*) Calculated as Liabilities/Equity

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



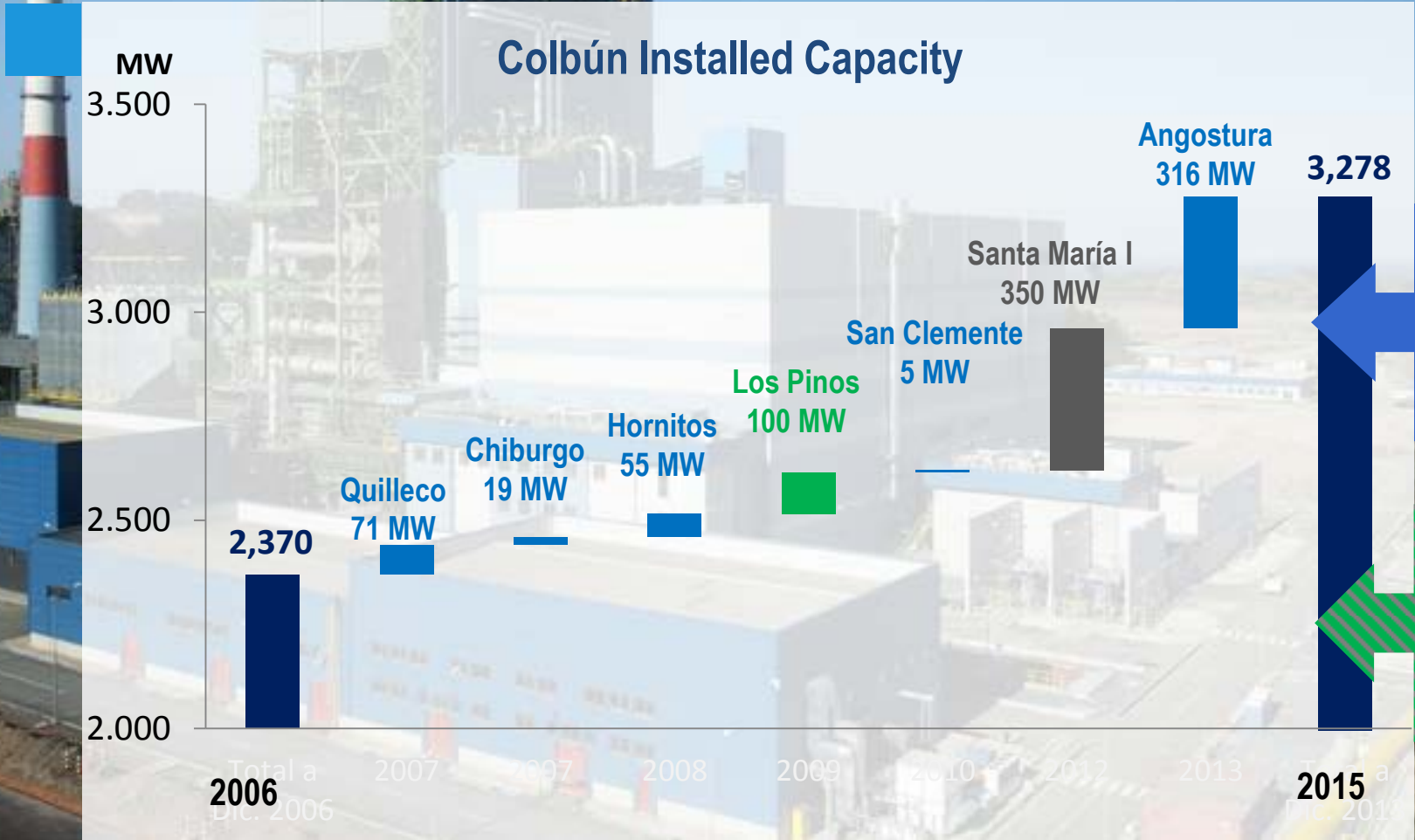
2

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

ANGOSTURA: SUCCESSFUL COMMISSIONING

1

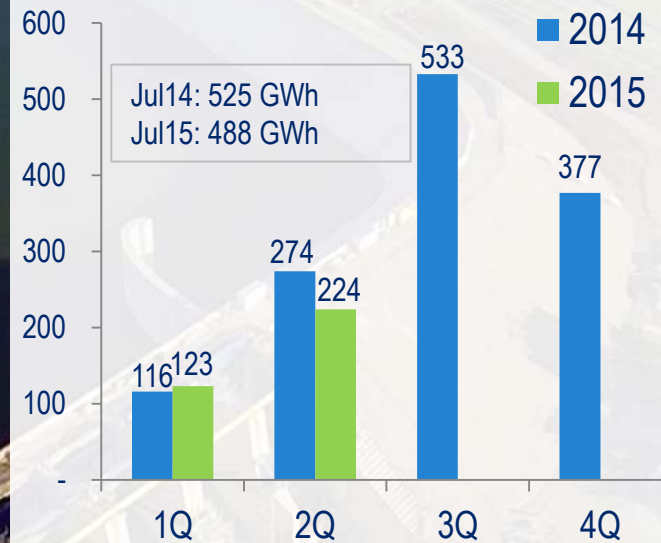
Angostura's Figures

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

3

2

Angostura Generation (GWh)



ANGOSTURA: ENVIRONMENTAL AND SOCIAL INTEGRATION



- Socialization prior to EIA
- Public-Private Work: Tourism table
- Individual reallocation plan
- Human capital and local entrepreneurship support

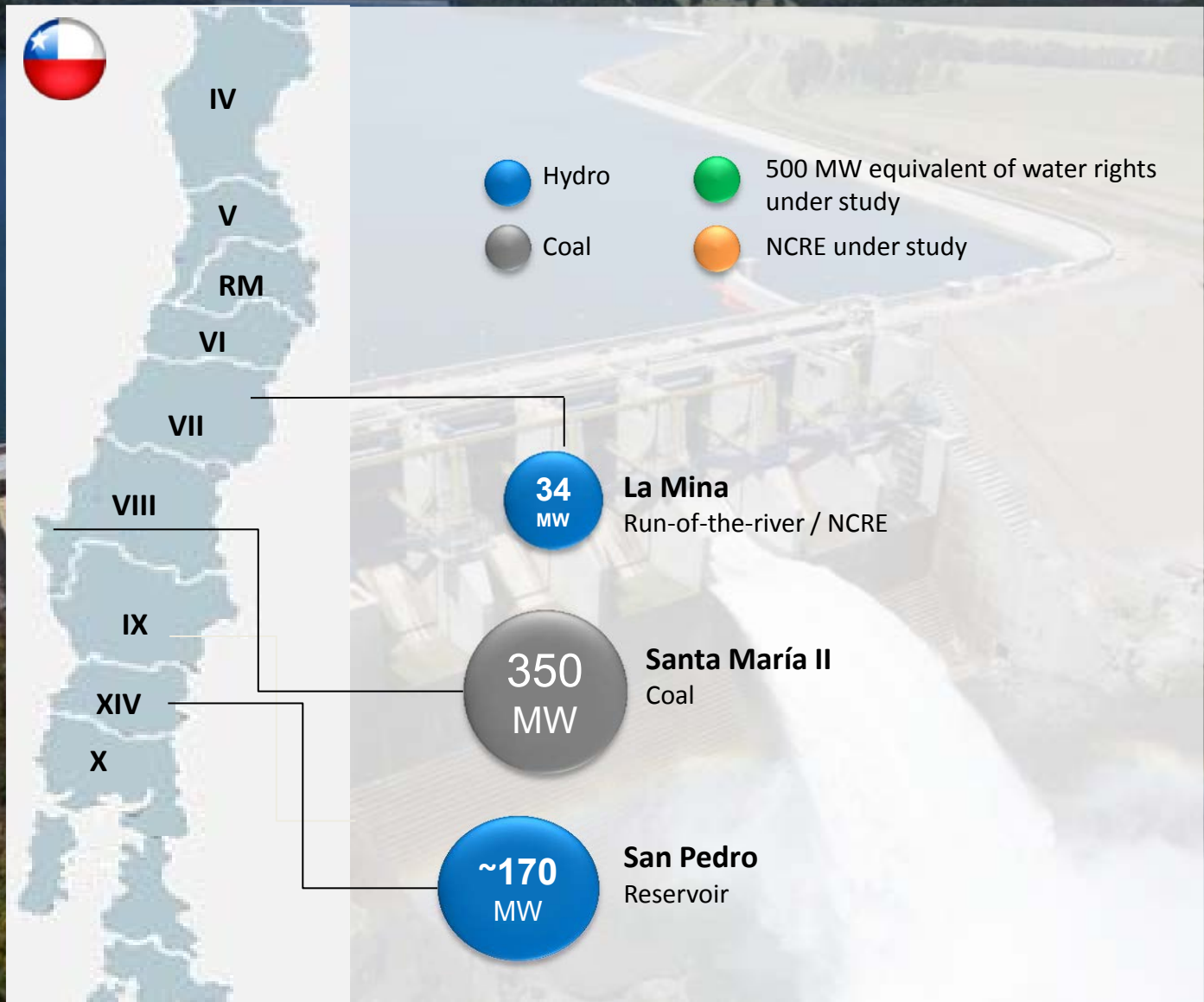
AGENDA

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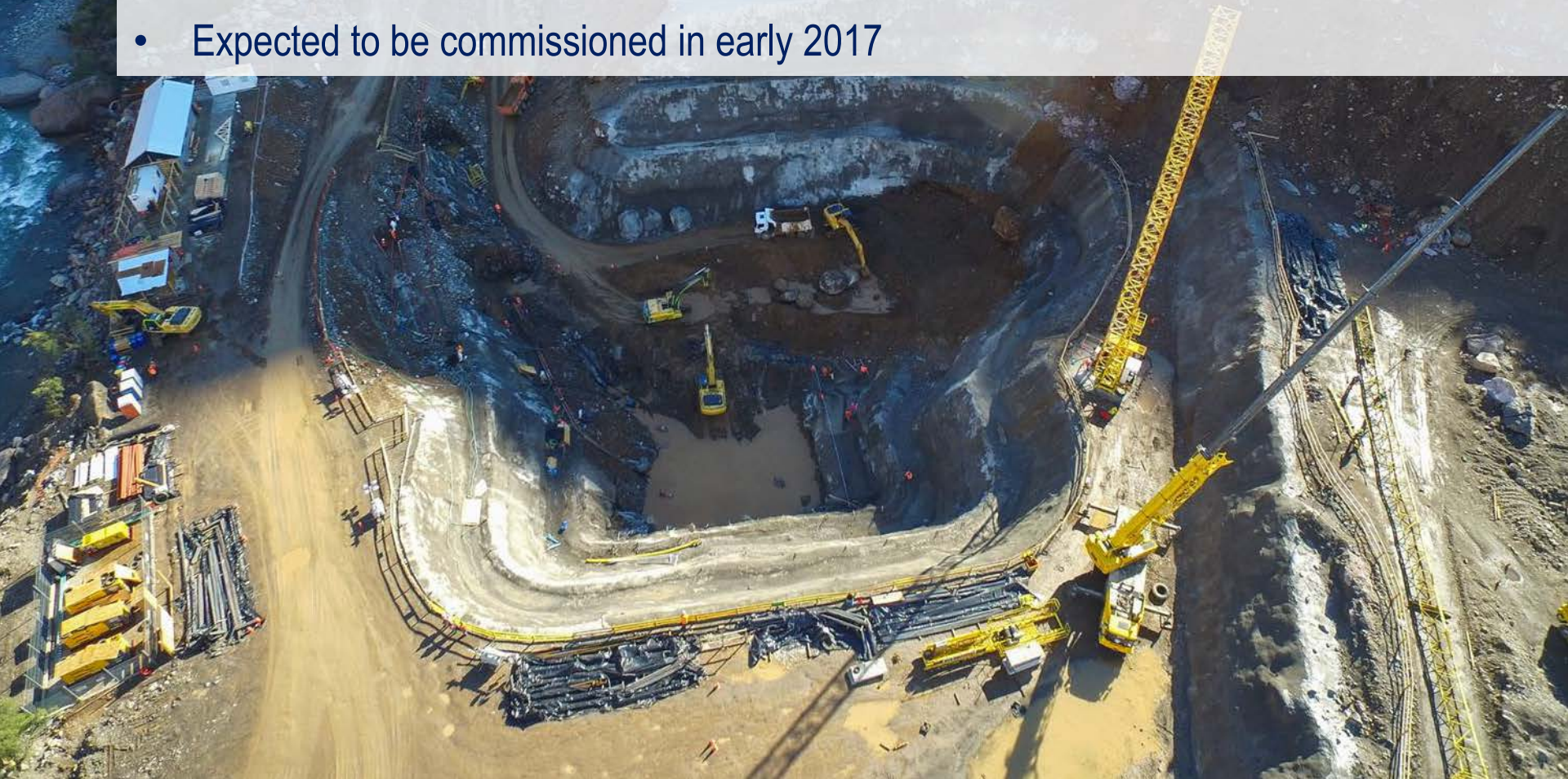
PROJECTS

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

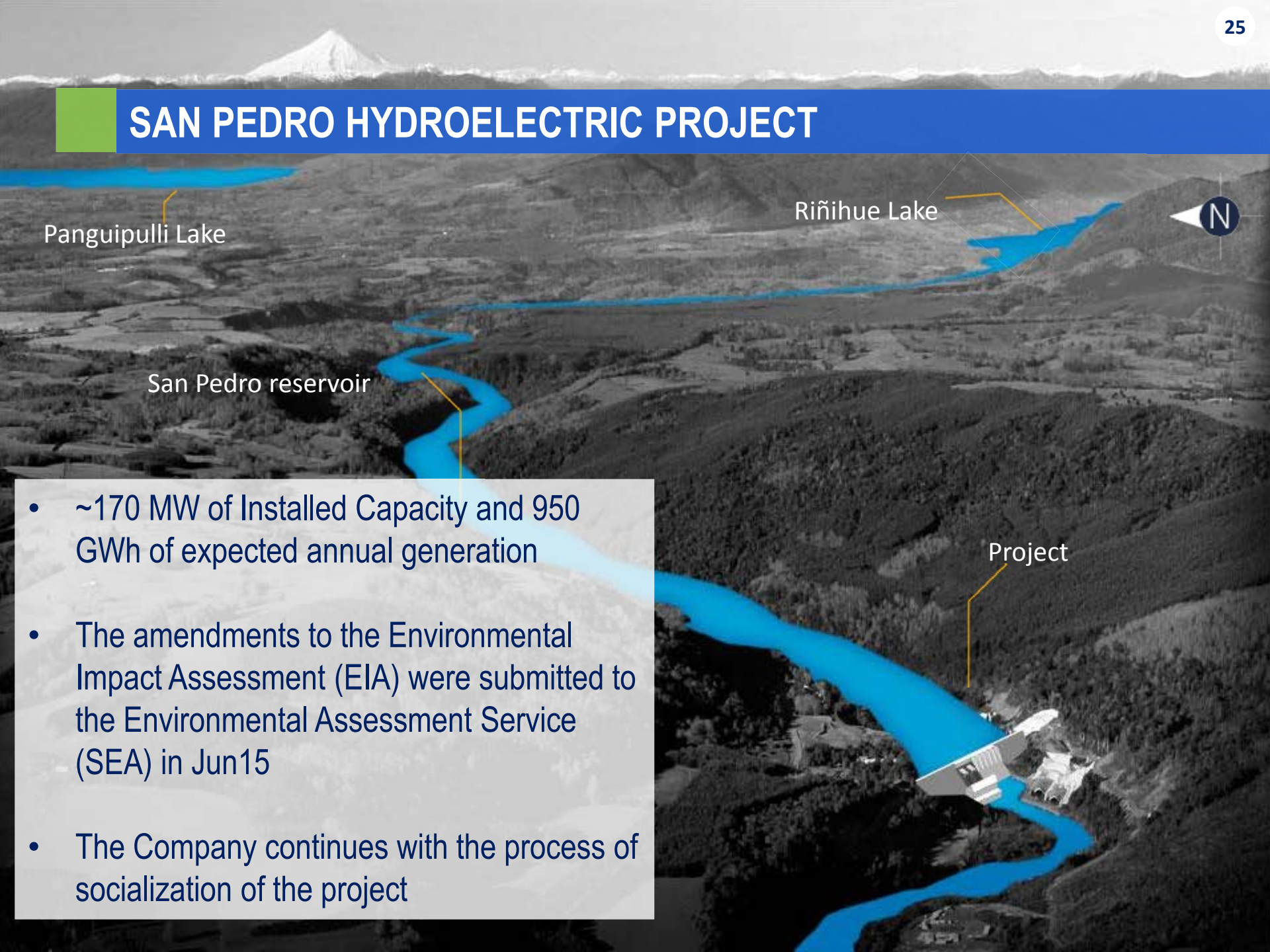
Panguipulli Lake

Riñihue Lake

San Pedro reservoir

Project

- ~170 MW of Installed Capacity and 950 GWh of expected annual generation
- The amendments to the Environmental Impact Assessment (EIA) were submitted to the Environmental Assessment Service (SEA) in Jun15
- The Company continues with the process of socialization of the project





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



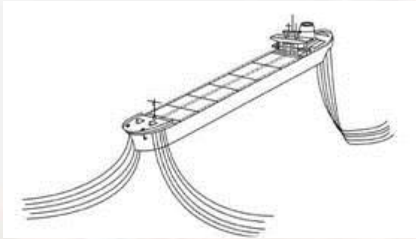
SANTA MARIA II COAL-FIRED PROJECT

- 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



LONG-TERM LNG

FSRU



- Anchored Floating Terminal
- Higher Availability
- Higher Flexibility
- 10 CCGT of capacity

GNL Quintero



- Expansion of the existent terminal
- Lower Availability
- Lower Flexibility
- 2 CCGT of capacity available for third parties

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

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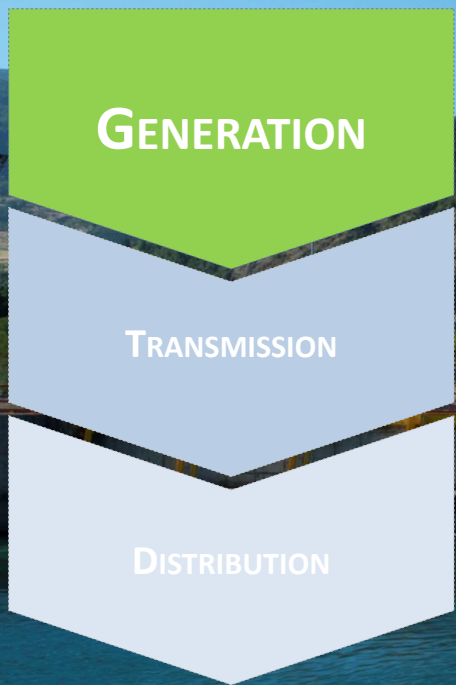
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SECTOR SEGMENTATION

3 SUB-SECTORS

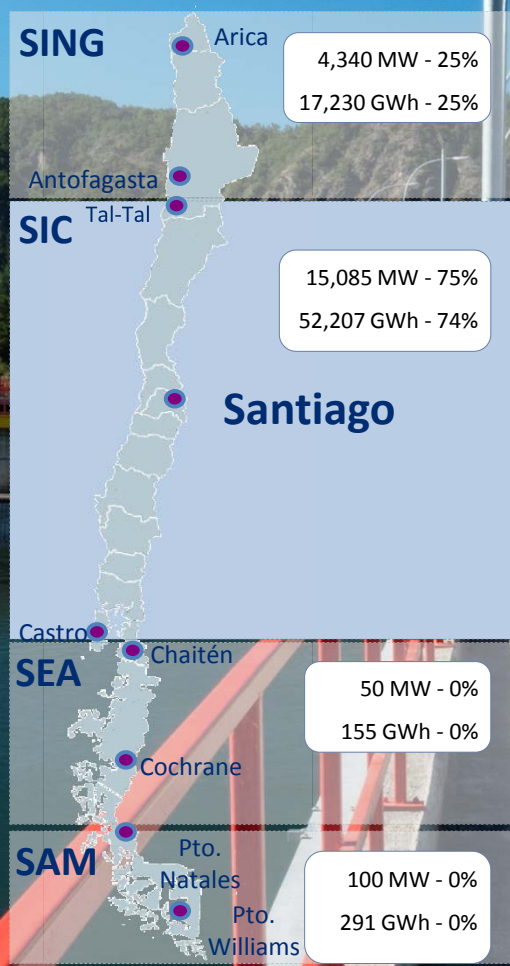


Regulated sectors (concessions)

RELEVANT INSTITUTIONS

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

4 SEPARATE GRIDS



Source: CNE, December 2014

MARKET STRUCTURE

