



Scotiabank - Investor Roadshow

COMPANY PRESENTATION

AUGUST 2017



AGENDA

1. Company overview
2. Market overview
3. Operations in Chile & Peru
4. Growth opportunities



1.

COMPANY OVERVIEW



Company overview

Leading position in Chile & Peru

THE COMPANY



Installed Capacity

3,852 MW

 3,282 MW /  570 MW



Market Share¹

 21% /  7%



Ownership

- 49.96% Matte Group
- 9.58% Angelini Group
- 19.44% Pension Funds
- 21.02% Others



Power-Plants

24

 23 /  1



Transmission Lines

~900 km

KEY FINANCIALS



Total Assets

US\$6.8 bn



EBITDA LTM

US\$594 mm

 US\$541 mm /  US\$53 mm

Rating

BBB

Fitch



BBB

S&P



Cash

US\$681 mm



Net Debt / EBITDA

1.7 x

Company Overview

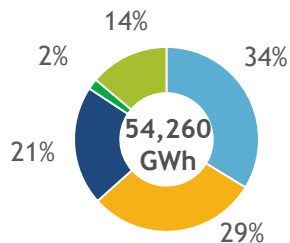
Well diversified generation assets

1 COLBUN'S PRESENCE IN CHILE & PERU.

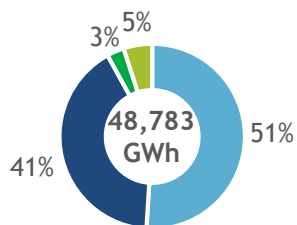
- **3,852 MW** Inst. Capacity
- Hydro: 1,597 MW
 - 4 Reservoir: 1,065 MW
 - 12 Run-of-the-river: 532 MW
- Thermal: 1,685 MW
 - 3 CCGT: 1,337 MW
 - 4 Diesel: 568 MW
 - 1 Coal: 350 MW

2 GENERATION MATRIX LTM. (%)

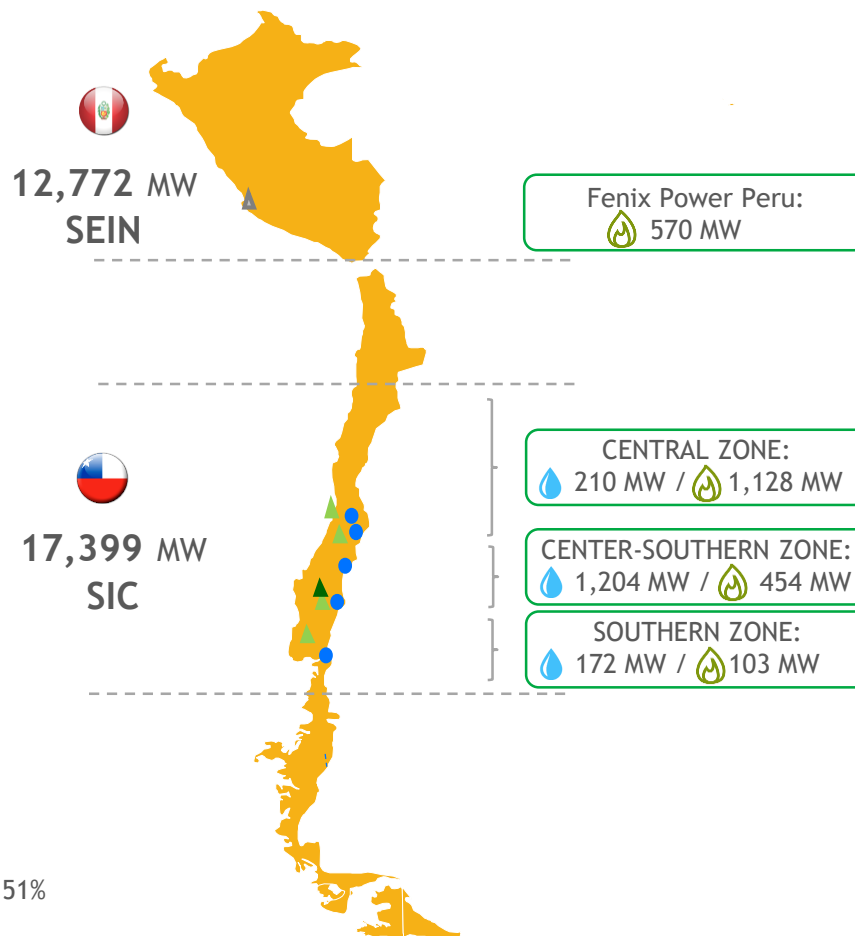
- Hydro
- Coal
- Natural Gas
- Diesel
- Others



SIC



SEIN



Sources: Coordinador Eléctrico Nacional SIC (Chile) & COES (Peru)
 Note: All figures as of Jun17

Company overview

Fenix Power: Most efficient CCGT in Peru ¹

1 KEY OPERATING HIGHLIGHTS.



most efficient CCGT in Peru
Based on fuel consumption



40 miles south of Lima
Largest City and Capital of Peru



570 MW
Gross Effective Capacity⁽¹⁾



3.5 TWh
Net Annual Generation



3 TWh / Year
Long-term Contracts (80% Capacity)



2 GE Gas Turbines
192 MW Each



192 MW Steam Turbine
With Chillers and Cooling Water System



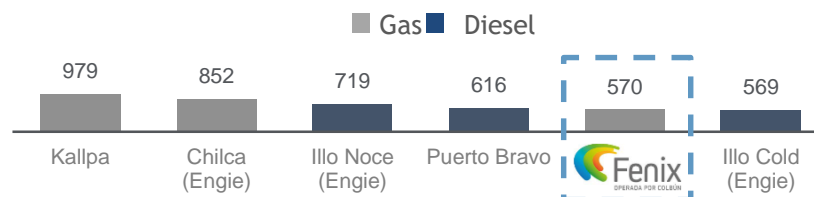
500 kv Transmission Line
Reducing Congestions Issues



1st Gas-fired Plant in Dispatch Order
Following hydro generators on a consistent basis



2 LARGEST GENERATION PLANTS IN PERU - Effective Capacity MW



80%
Contracted capacity through 2023

6.9 years
PPAs average life / Strong AAA Locally-rated off takers

NG Supply
Sufficient for 100% of the generation for the next 6 years

3 OWNERSHIP. (%)

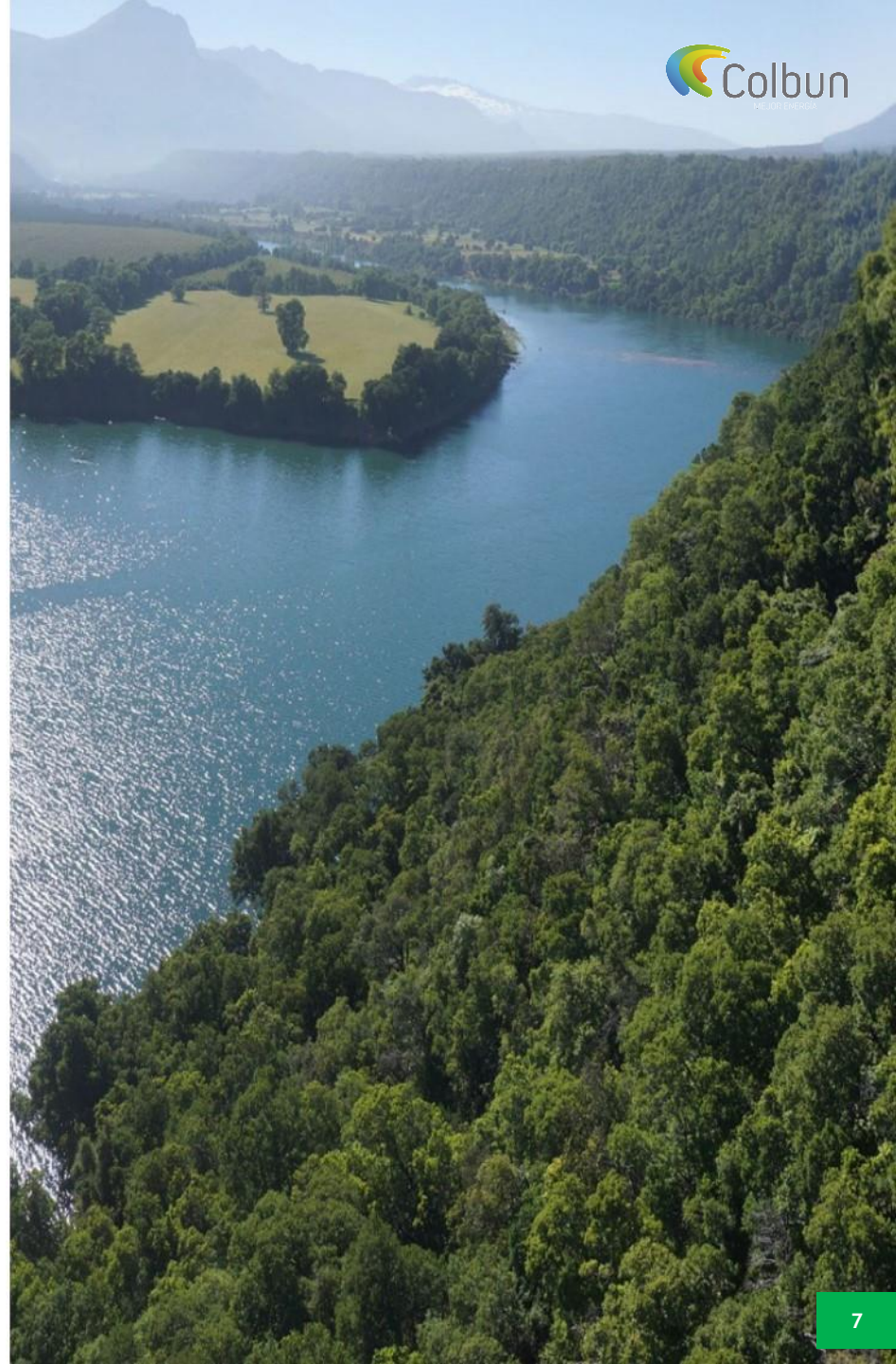


Note: All figures as of Jun17
¹ Based on fuel consumption



2.

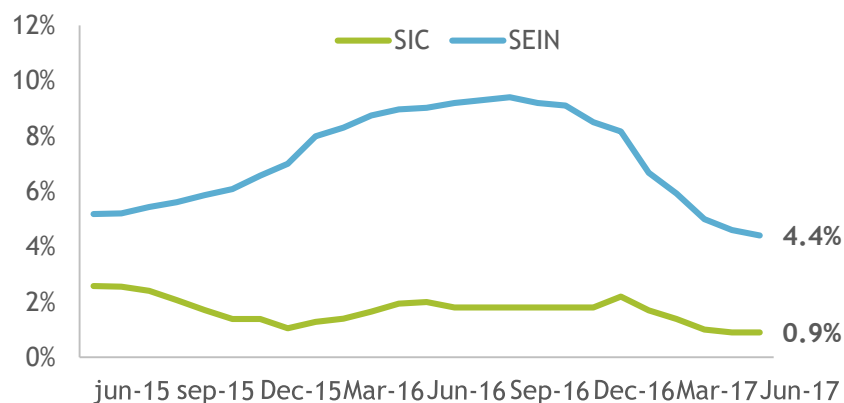
MARKET OVERVIEW



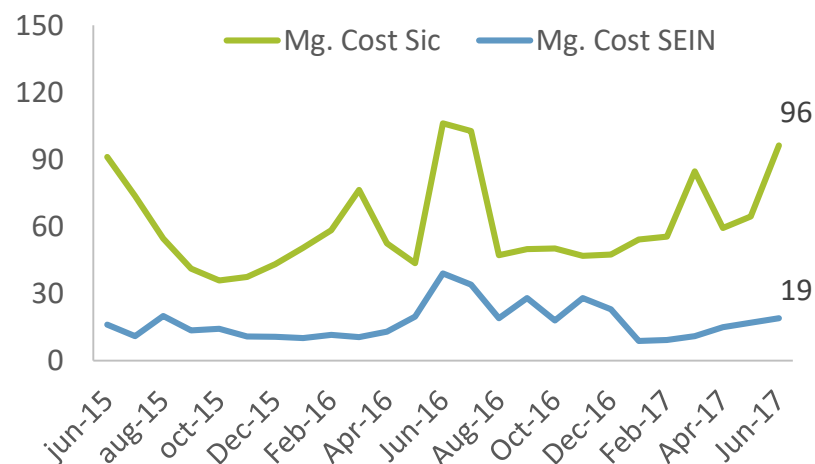
Market overview

Marginal costs & demand in Chile and Peru

1 DEMAND GROWTH. (12 month average %)



2 MARGINAL COST IN SIC & SEIN. (US\$ / MWh)



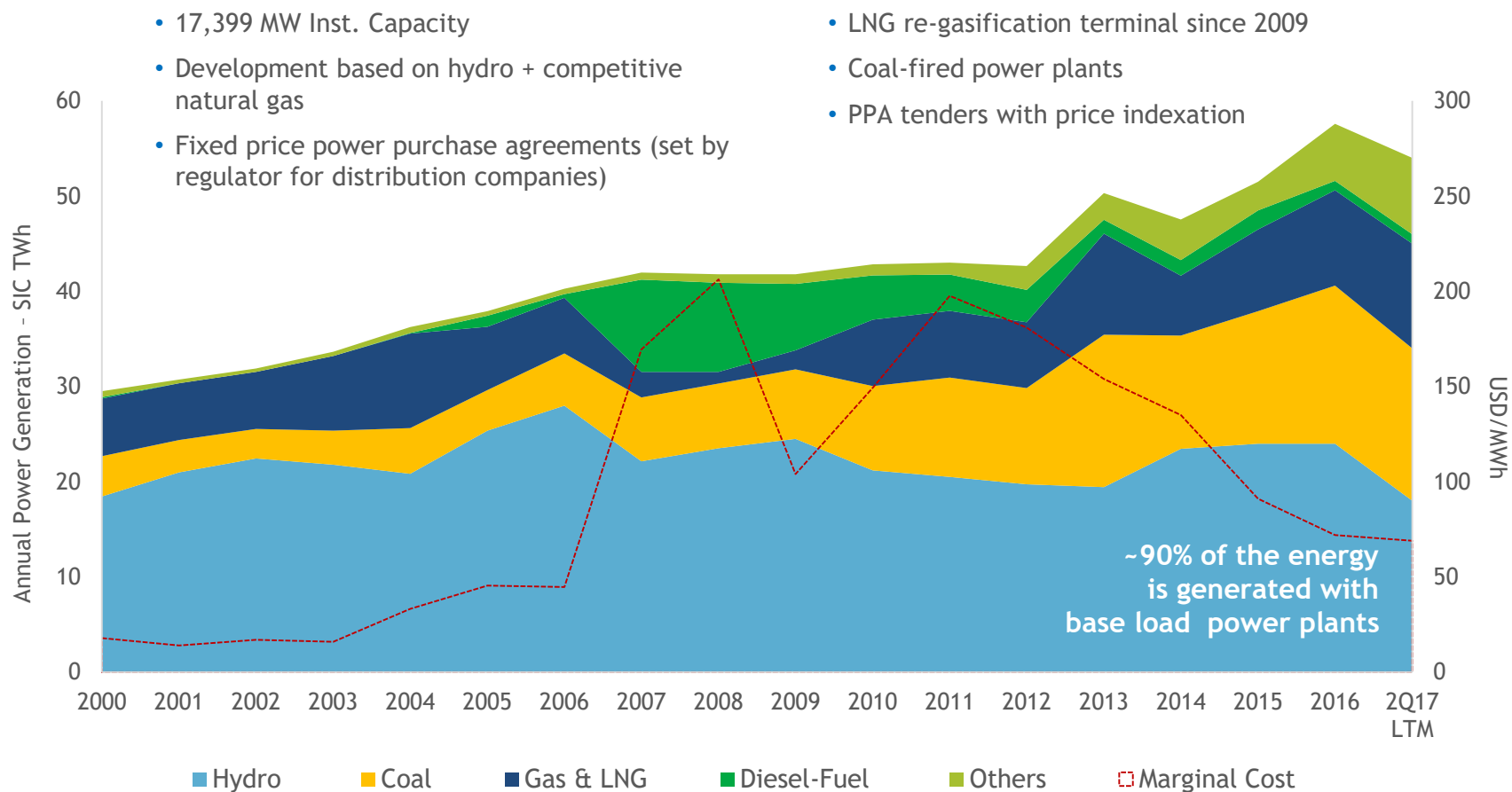
- Marginal costs in the SIC have fallen in the last years, mainly due to the entrance of NCRE, the drop in commodity prices and to the sluggish demand.



- Marginal costs in Peru are lower than in Chile, mainly due to the low cost of natural gas.
- However, marginal costs have been particularly low over the past years because of an oversupply due to the entrance into operation of relevant hydro projects.

Market overview

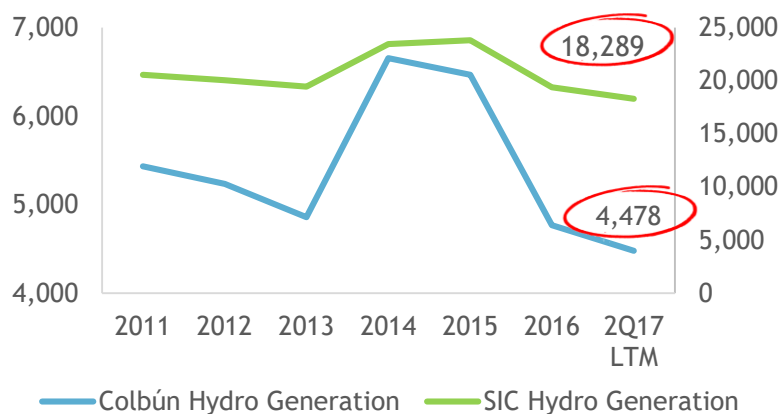
Generation and price development in Chile's central grid (SIC)



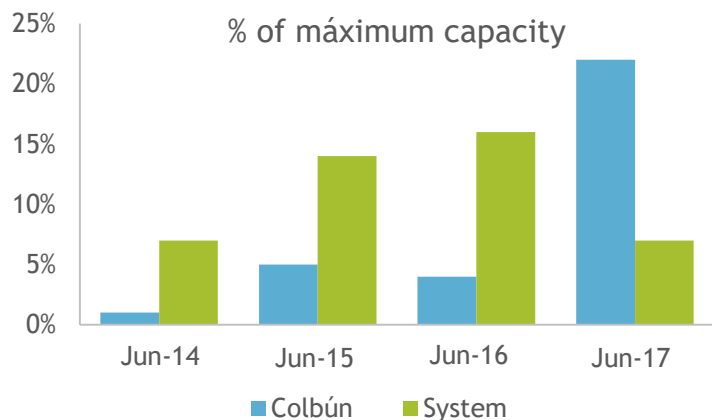
Market overview

Main reservoirs condition

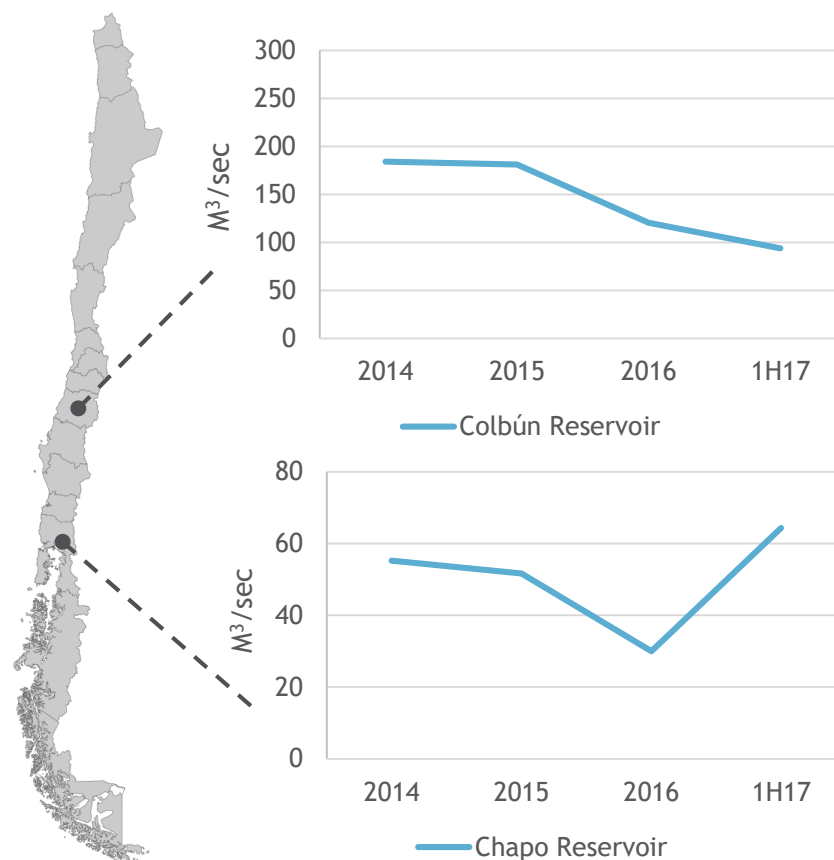
1 HYDRO GENERATION. (GWh)



2 STORED ENERGY. (%)



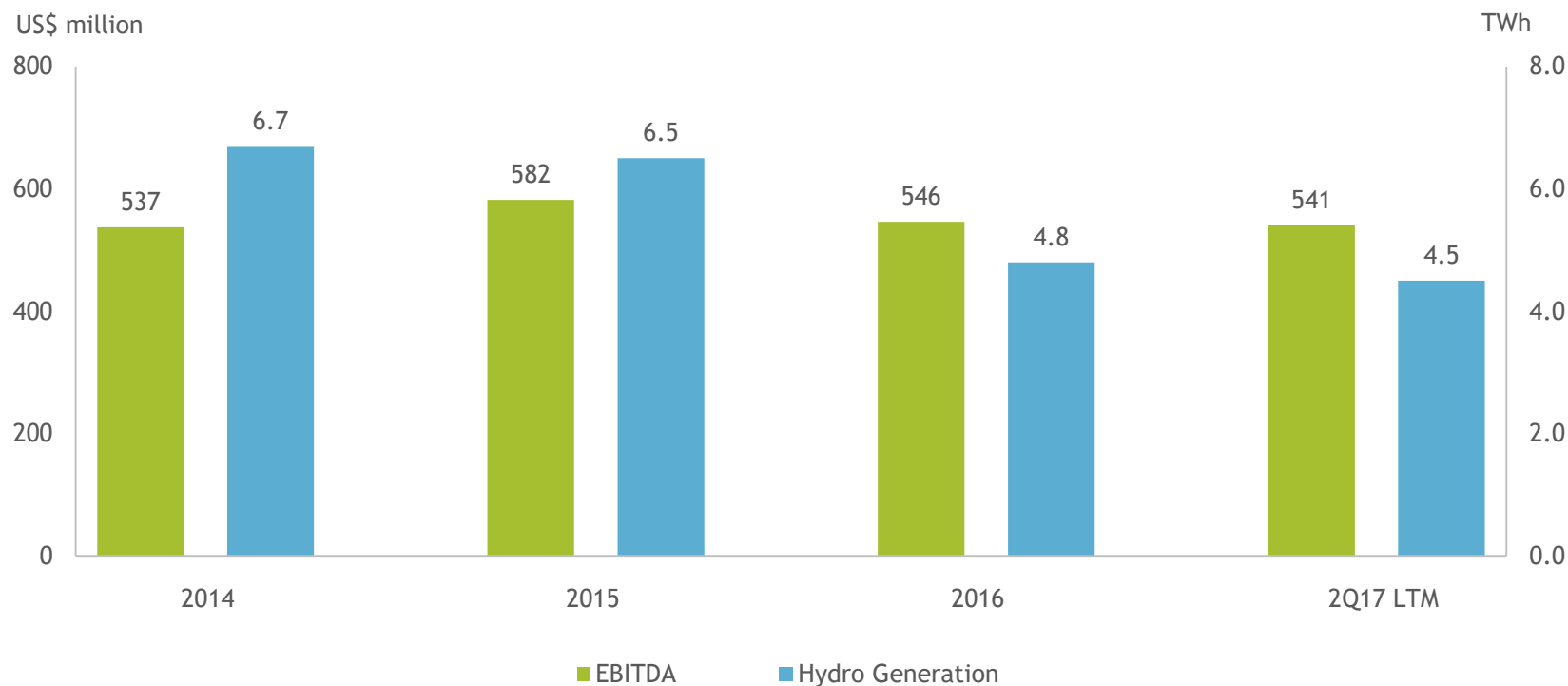
3 WATER FLOWS. (m³/sec)



Company Overview

Stable EBITDA¹ despite severe hydrological conditions

COLBUN'S EBITDA VS. HYDRO GENERATION. (US\$ million & TWh)

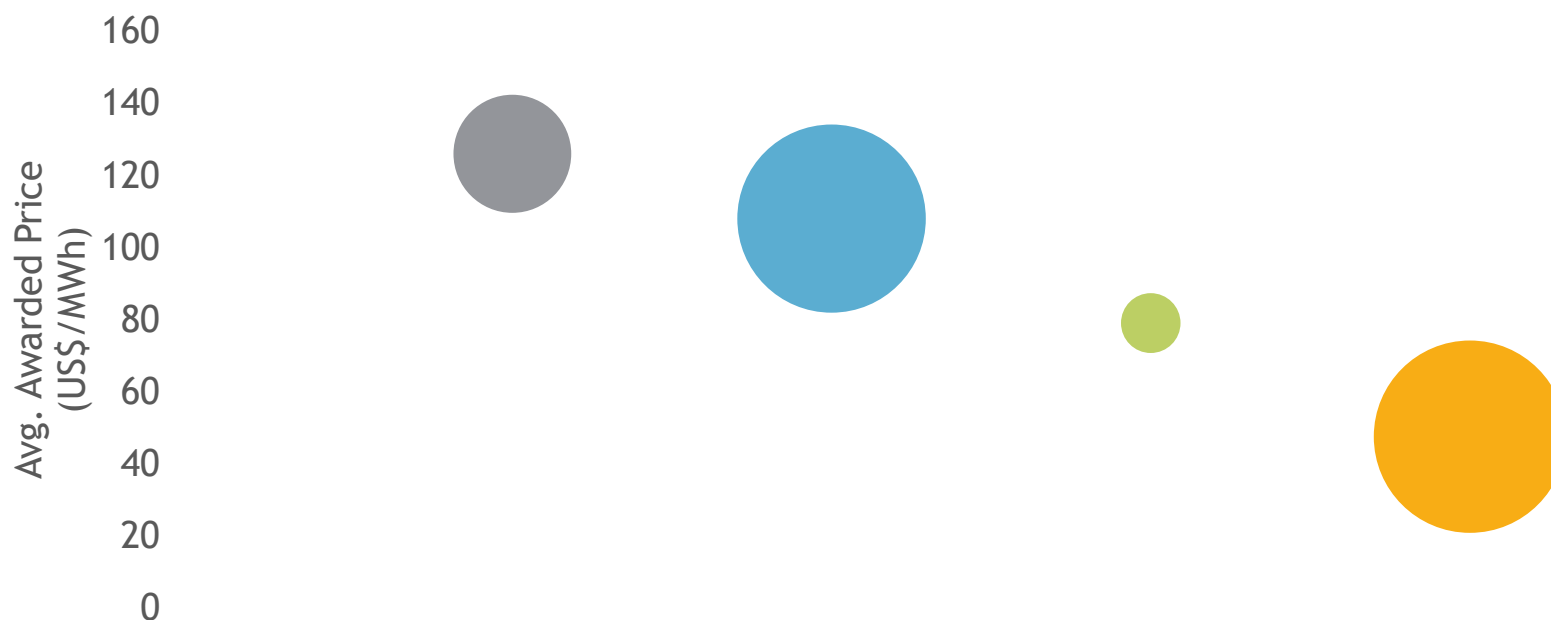


Note: All figures as of Jun17

¹ Excludes EBITDA's contribution from Fenix.

Market overview

Decreasing prices in the last regulated auctions in Chile

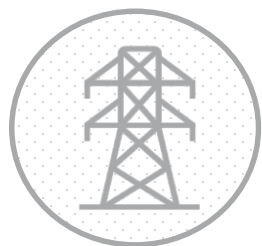


Year	2013	2014	2015	2016
Energy (TWh)	4.7	12.0	1.2	12.5
Avg. Awarded Price (US\$/MWh)	126	108	79	48
Supply starting	2016/2019	2016/2019	2023	2023
Duration (years)	15	15	20	20

Market Overview

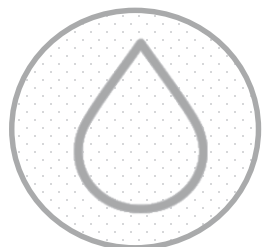
Relevant regulatory changes in Chile

1 TRANSMISSION AND COORDINATOR LAW.



- Enacted in July, 2016.
- Pricing and remuneration mechanisms were modified.
- The former coordinators, Centers of Economic Dispatch (CDEC) were replaced by a single National Electric Coordinator, with a new structure and functions.
- New attributions were given to the CNE and the functions of the Experts Panel were reduced.

2 WATER CODE.



- Under discussion.
- Water rights extinction if they are not used.
- Setting of a retroactive ecological flow for already granted water rights.

3.

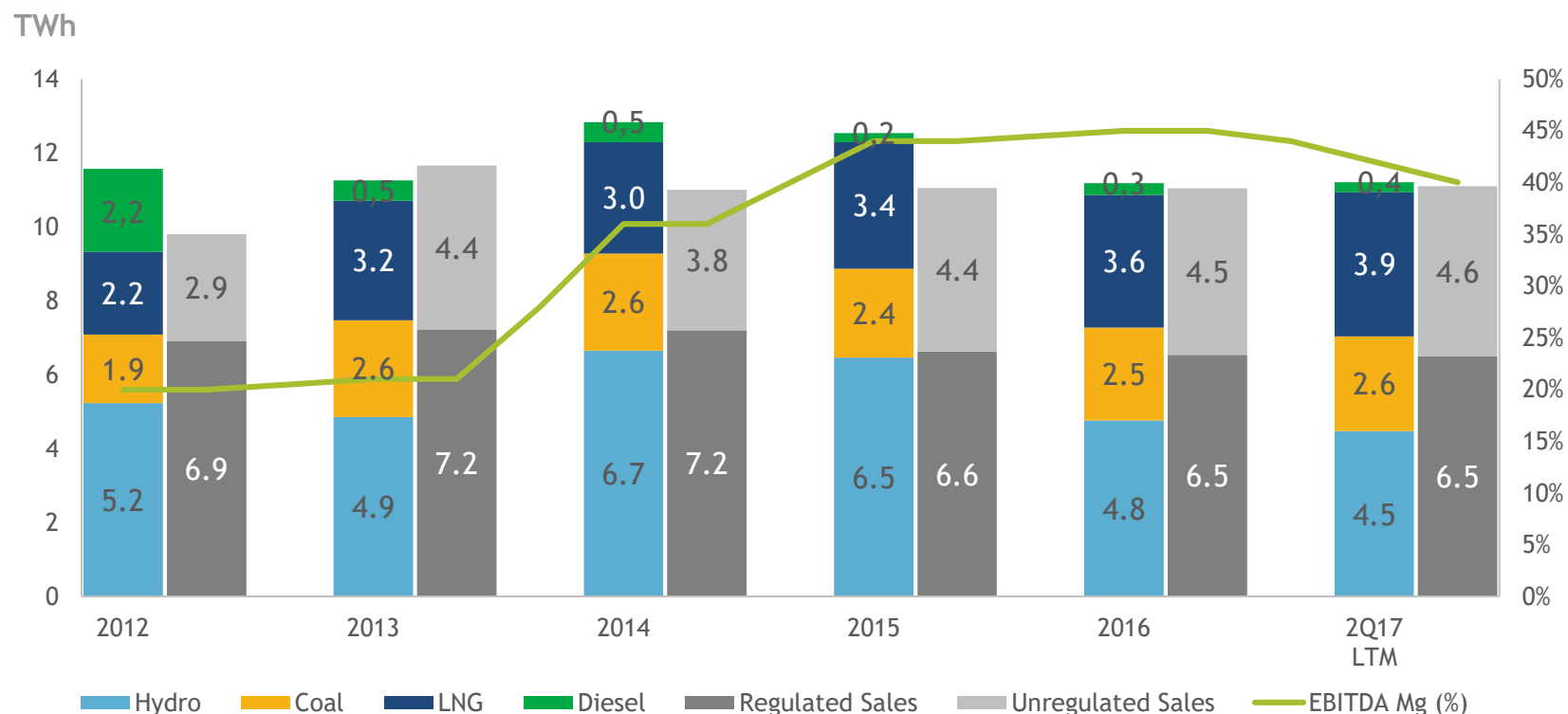
OPERATIONS IN CHILE & PERU



Operations in Chile & Peru

Balanced commercial position in Chile

CONTRACTUAL COMMITMENTS VS GENERATION. (TWh)

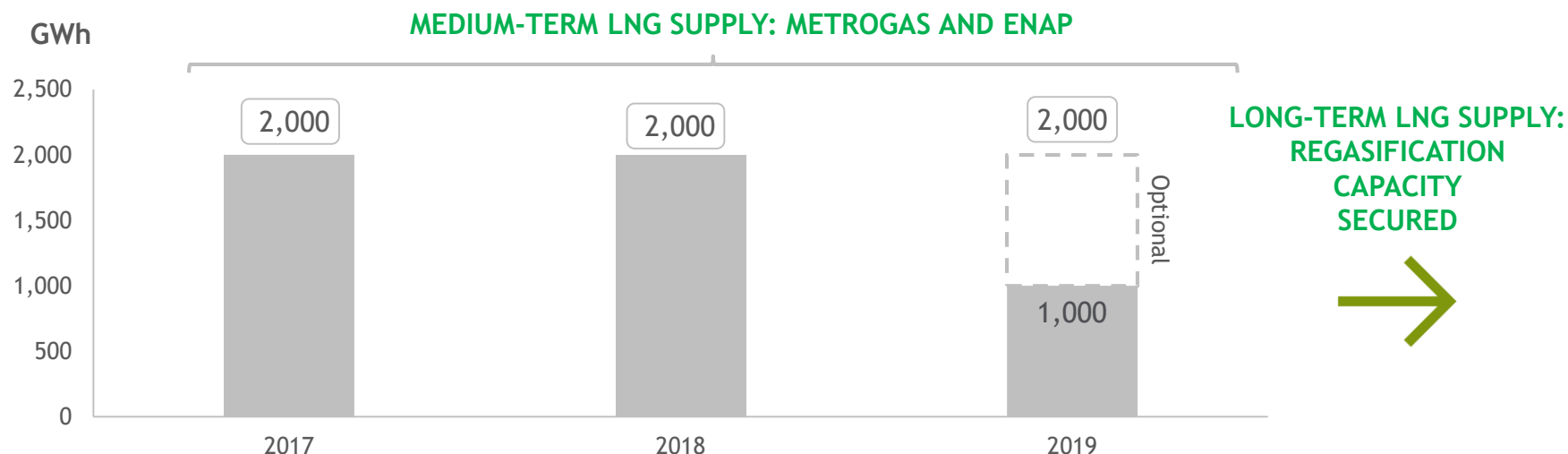


Source: Colbún S.A. Unregulated Sales, excludes sales to Codelco at Marginal Cost

Operations in Chile & Peru

Ensured long-term regasification capacity and LNG supply

- 1 **Long-term strategy:** leveraging our efficient natural gas power facilities and diversifying our supply sources; contributing to provide competitive, flexible, secure and sustainable power supply



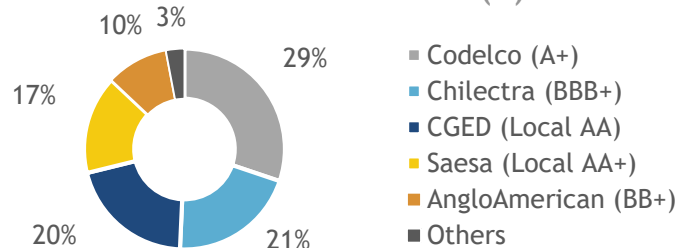
- 2 **Long-term regasification capacity and supply contract with ENAP:**

- On May, 2017, Colbún and Enap entered into a contract for the supply of natural gas with regasification capacity from LNG.
- Effective as of January 1, 2018, for a period of 13 years.
- GNL supply with Enap and international providers.
- Capacity for up to two combined cycle units per year.

Commercial Strategy

High quality clients In Chile

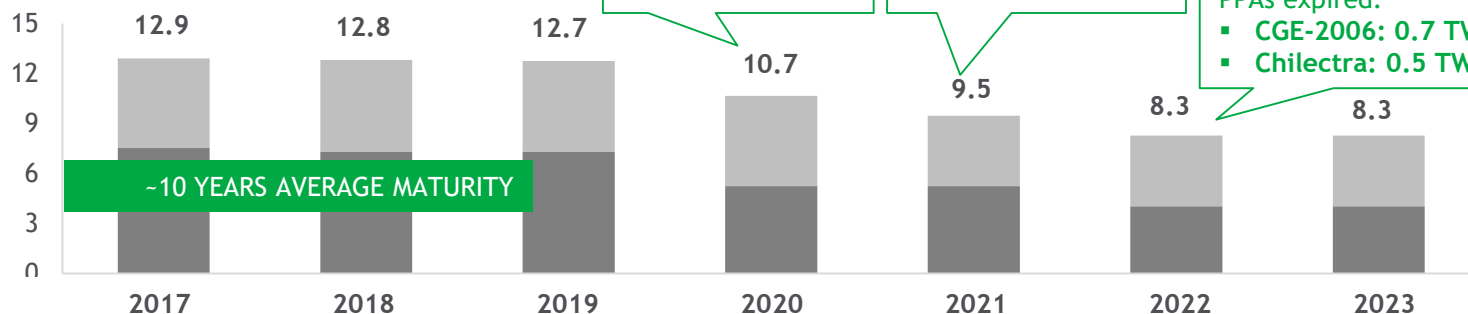
1 SALES BY TYPE OF CUSTOMER. (%)



- Long-term energy supply contracts with creditworthy counterparties.

3 PPAs IN CHILE. (TWh)

■ Regulated Customers ■ Unregulated Customers



contracts expired (%)¹

0 1% 1% 17% 27% 36% 36%

(TWh)¹

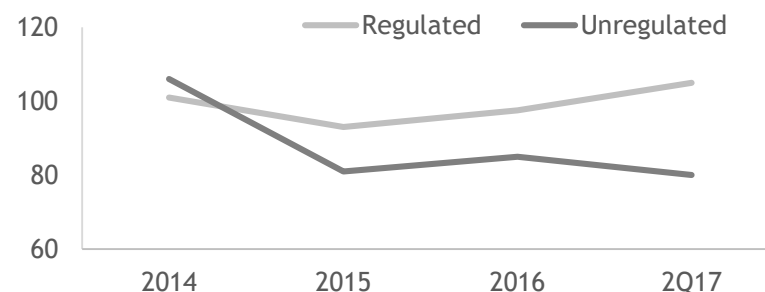
0.0 0.1 0.2 2.2 3.4 4.6 4.6

Note: All figures as of Jun17

¹ Cumulative, base 2017.

² Average monomic prices are calculated by dividing the total amount of sales in US\$, by physical energy sales in MWh

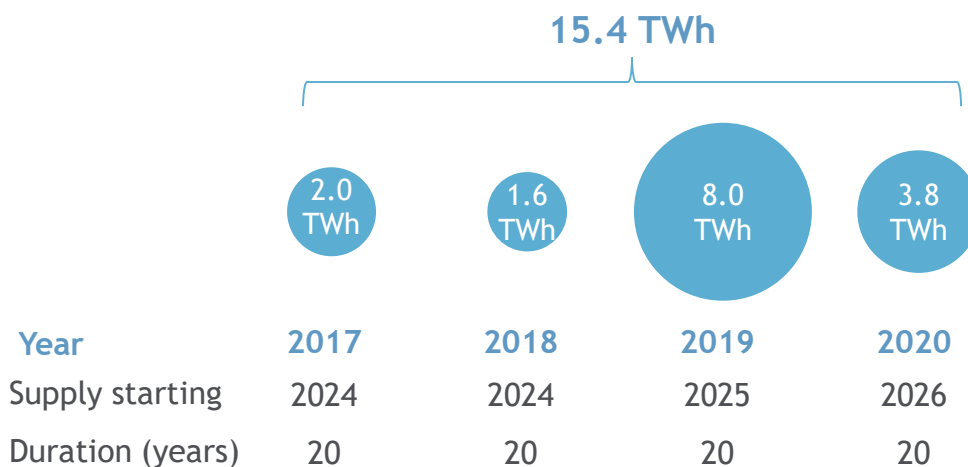
2 AVERAGE MONOMIC PRICE ². (US\$/MWh)



Commercial Strategy

PPAs renewal opportunities in Chile

1 UPCOMING REGULATED AUCTIONS ¹.



2 UNREGULATED CLIENTS.

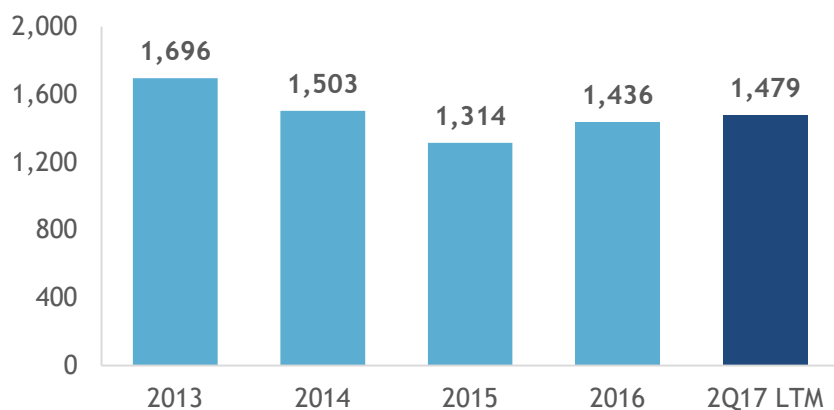
- In the coming years there is a **relevant amount of energy for large unregulated clients to be re-contracted.**
- Colbun is currently participating in auctions with unregulated customers (mining and industrials).
- **Opportunities in medium-size clients:** In the last months, Colbun has signed new contracts with medium-size clients for a total of ~800 GWh/year and average tenor of ~ 6 years. The prices and volumes offered reflect the current market conditions and the cost structure of the Company.

¹ Latest available information.

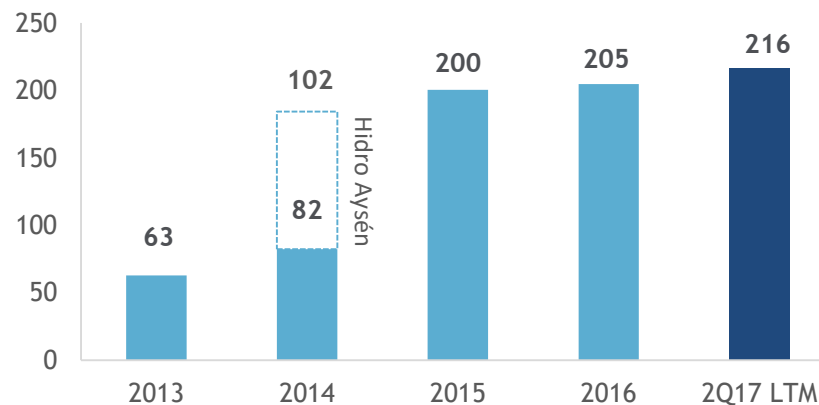
Financial Review

Consolidated financial results

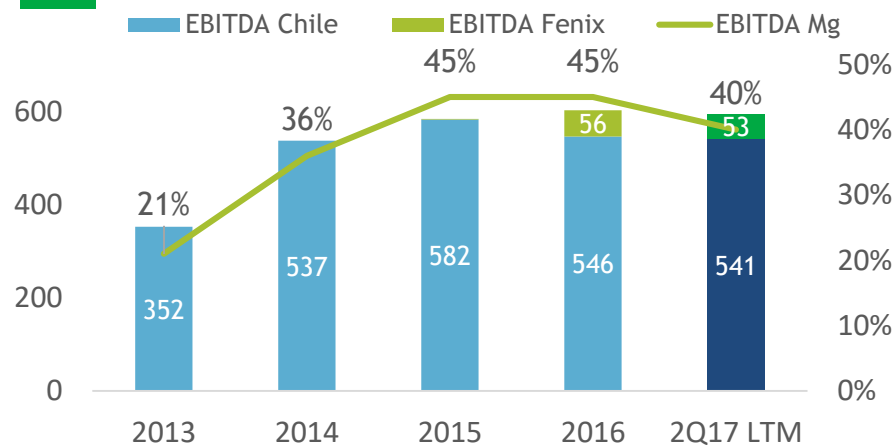
1 OPERATING REVENUES. (US\$ million)



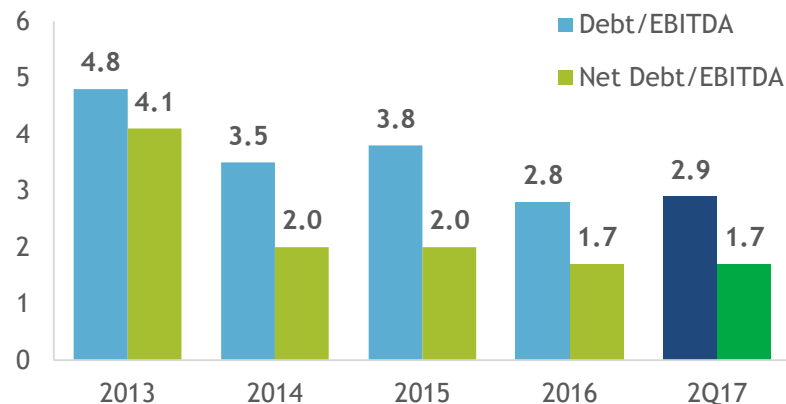
3 NET INCOME. (US\$ million)



2 EBITDA & EBITDA MG. (US\$ million & %)



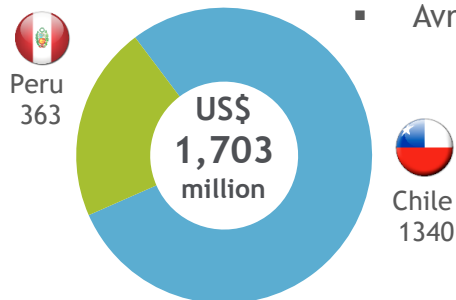
4 DEBT/EBITDA & NET DEBT/EBITDA. (x)



Financial Review

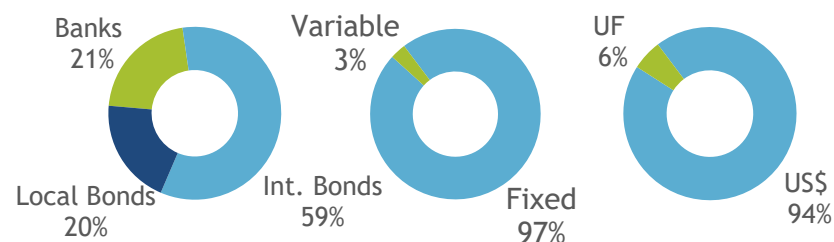
Consolidated Debt Profile

1 FINANCIAL DEBT.

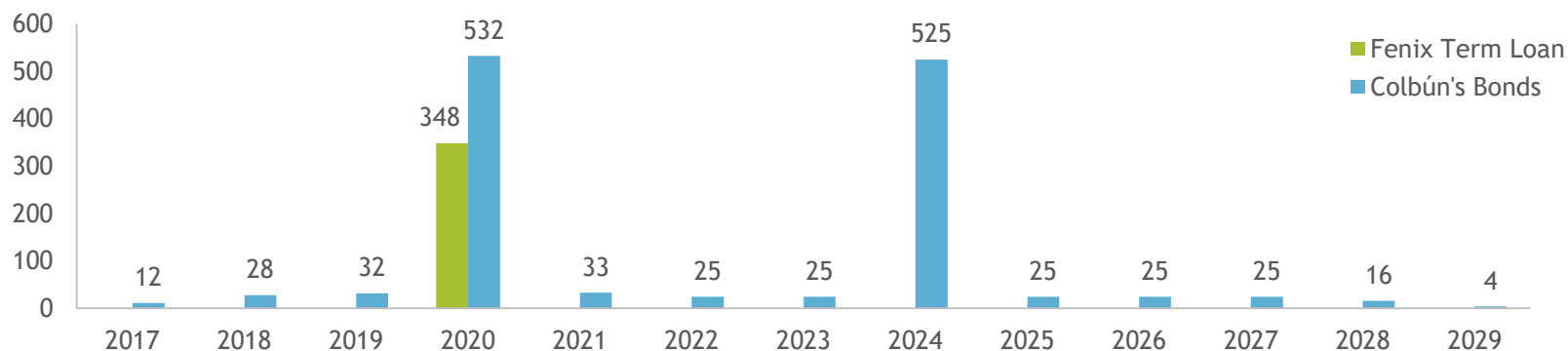


- Avrg. Maturity: **4.6** years
- Avrg. US\$ Interest Rate: **4.95%**

2 DEBT PROFILE.



3 AMORTIZATION STRUCTURE. (US\$ million)





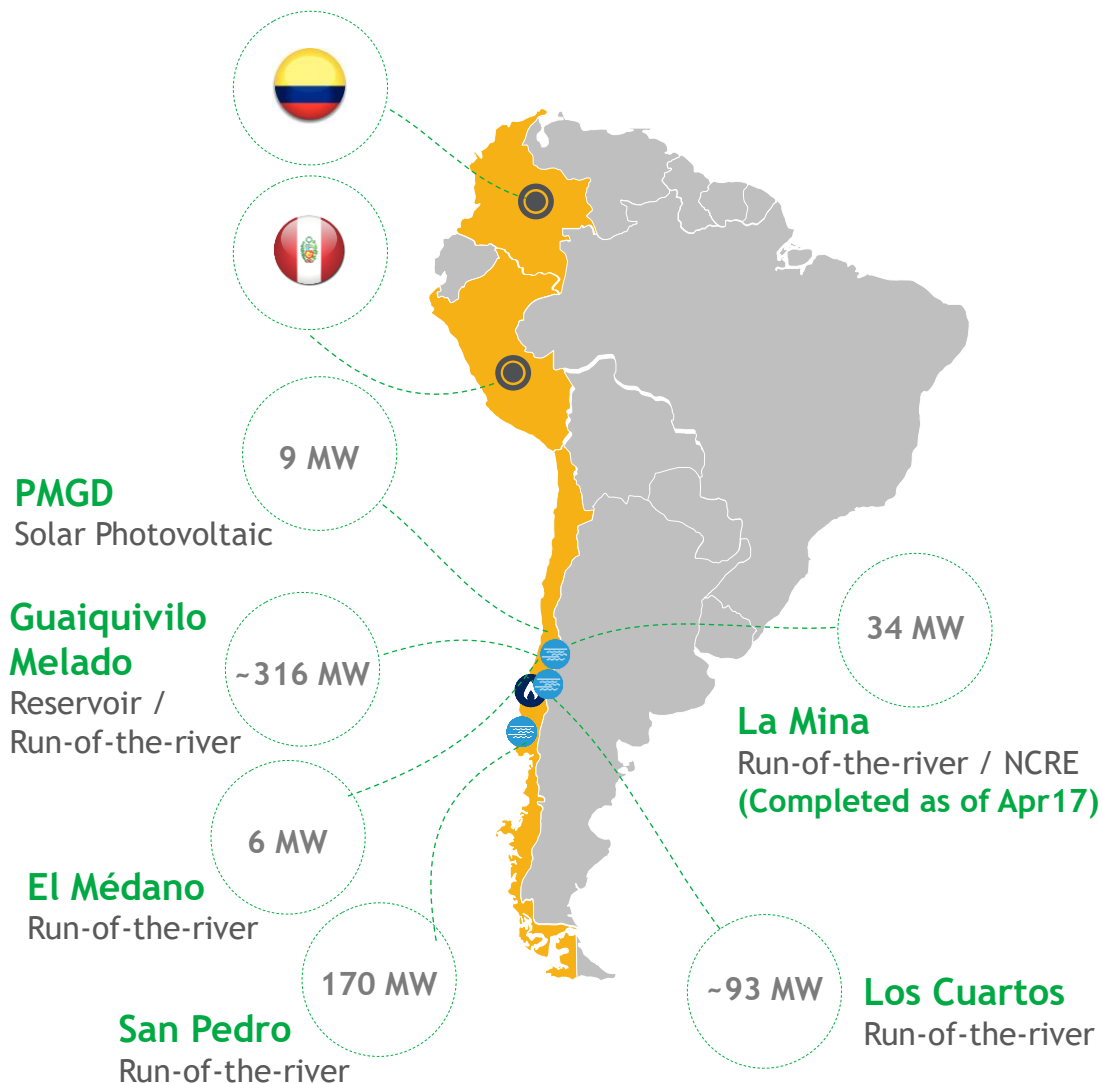
4.

GROWTH OPPORTUNITIES



Growth opportunities

Growth opportunities in Chile & the Region



1 SPECIAL FOCUS IN PERU AND COLOMBIA.

- Growing electricity consumption
- Well established regulatory framework
- Diversification:
 - Hydrological conditions
 - Generation technology
 - Fuel access
 - Regulation

2 GROWTH OPPORTUNITIES IN CHILE: BASE LOAD CAPACITY AND RENEWABLES.

- Hydro projects
- NCRE under study

Concluding remarks

- 1 **Size:** Second-largest generation company in Chile's largest electricity grid and a relevant presence in Peru.
- 2 **Customers:** Diversified, solid and creditworthy portfolio of clients.
- 3 **High standards of environmental and social management:** Complete integration with all of our Stakeholders.
- 4 **Shareholders:** Strong, reliable controlling group with a strategic and long-term vision of the business.
- 5 **Management:** Experienced management and high standards of corporate governance.
- 6 **Financial flexibility:** Strong metrics, conservative financial strategy and ample access to financial markets.

Disclaimer And contact information

- 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 Colbún'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.colbun.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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