



# 2014 Results Review

Feb 3rd, 2015



## AGENDA

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HIGHLIGHTS

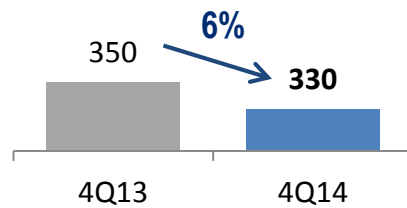
FINANCIAL REVIEW

PROJECTS UNDER DEVELOPMENT UPDATE

## Highlights of 4Q 2014

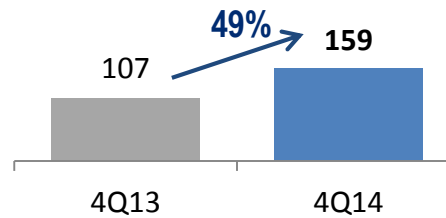
1

### Revenues (MMUS\$)



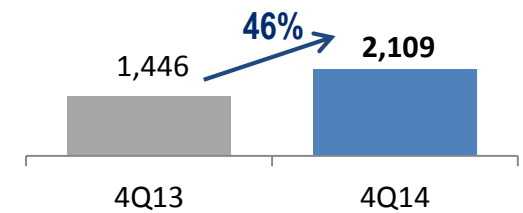
2

### EBITDA (MMUS\$)



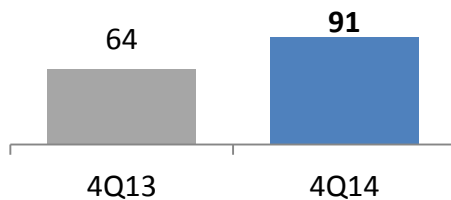
3

### Hydro Generation (GWh)



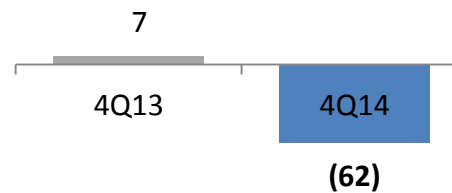
4

### Efficient Capacity over Commitments (%)



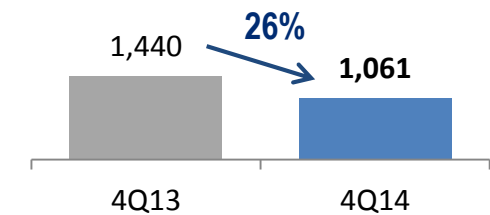
5

### Net Income (MMUS\$)



6

### Net Debt (MMUS\$)



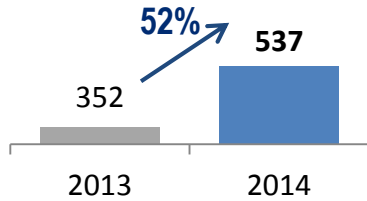
## Recent Events

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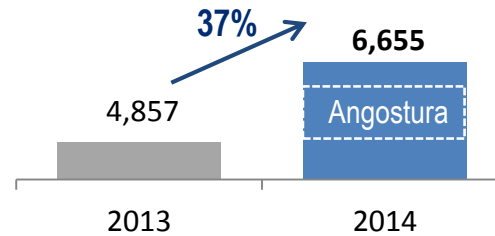
- In October, **Wind Farm Punta Palmeras** started commercial operations.
- January 1st, 2015 two new long term contracts with **Codelco** came into effect.
- In January 2015 a **new gas supply contract** with ENAP was signed.

## Highlights of 2014

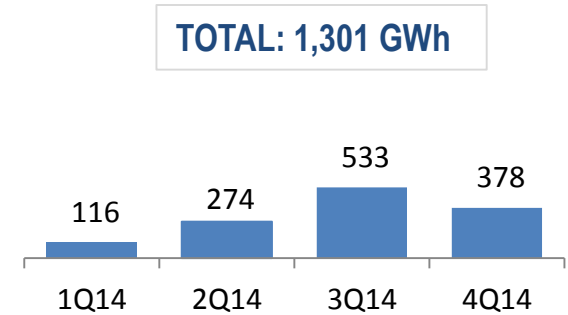
1 EBITDA (MMUS\$)



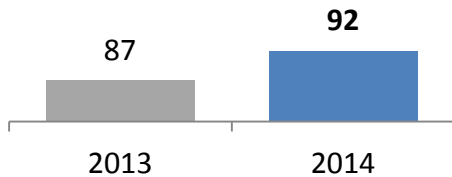
2 Hydro Generation (GWh)



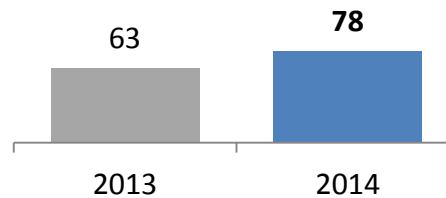
3 Angostura (GWh)



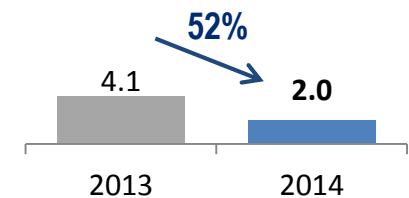
4 Plant Availability (%)



5 Efficient Capacity over Commitments (%)



6 Net Debt/EBITDA



## AGENDA

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## Physical Sales and Generation Balance Analysis

Sales Volumes GWh	2013	2014	%
Regulated Customers	7,241	7,204	(1%)
Free Customers	5,082	4,737	(7%)
<b>Total Commitments</b>	<b>12,323</b>	<b>11,941</b>	<b>(3%)</b>
Spot Market Sales	519	791	52%
<b>Total Energy Sales</b>	<b>12,843</b>	<b>12,731</b>	<b>(1%)</b>

Generation GWh	2013	2014	%
Hydroelectric	4,857	6,655	37%
Thermal – Gas	3,234	3,011	(7%)
Thermal – Diesel	546	546	0%
Thermal - Coal	2,616	2,623	0%
<b>Total Own Generation</b>	<b>11,253</b>	<b>12,835</b>	<b>14%</b>

Spot Market GWh	2013	2014	%
Sales	519	791	52%
Purchases	1,802	144	(92%)
<b>Net Spot Market</b>	<b>(1,283)</b>	<b>647</b>	

### Key Drivers of 2014

- Higher **hydroelectric generation** explained by the Angostura power plant production and by better hydro conditions
- Efficient and reliable operation of **Santa María I**
- **Spot market sales** of 647 GWh versus 1,283 GWh of purchases in 2013

## EBITDA Analysis

US\$ million	2013	2014	%
Revenues	1,696.0	1,502.6	(11%)
Raw Materials and Consumables Used	(1,260.1)	(883.7)	(30%)
Personnel and other operating expenses	(83.5)	(82.3)	(1%)
<b>EBITDA</b>	<b>352.4</b>	<b>536.6</b>	<b>52%</b>
EBITDA Margin (%)	21%	36%	

### Key Drivers of 2014

- Higher EBITDA given by a **better generation mix**
- Effective **Cost control** (US\$/MW)



## Non-Operating Income Analysis

US\$ million	2013	2014	%
Financial Income	5.0	5.6	11%
Financial Expenses	(50.1)	(76.0)	52%
Results of Indexation Units	5.1	9.1	78%
Exchange Rate Differences	2.3	(22.4)	-
Share of profit (loss) from equity-accounted associates	4.8	2.8	(43%)
Other non-operating income/expense	(38.0)	(103.5)	172%
<b>NON-OPERATING INCOME</b>	<b>(70.8)</b>	<b>(184.5)</b>	<b>161%</b>

### Key Drivers of 2014

- Impairment provision of US\$102 million on the **Hidroaysén** associated company investment
- **Higher Financial Expenses** of US\$76 million due to higher level of debt along with lower capitalization of financial expenses (Angostura Start-up)

## Net Income Analysis

US\$ million	2013	2014	%
Net Income Before Tax	119.0	169.7	43%
Income Tax	(56.0)	(90.1)	61%
<b>NET INCOME</b>	<b>62.9</b>	<b>79.5</b>	<b>26%</b>

### Key Drivers of 2014

- **Net Income Before Tax** recorded a **profit** of US\$169.7 million mainly explained by the impairment provision on the Hidroaysén associated company
- The impairment provision in the HidroAysén affiliated company **does not affect the tax calculation**

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## Projects Under Development Update

### La Mina - Hydroelectric Project

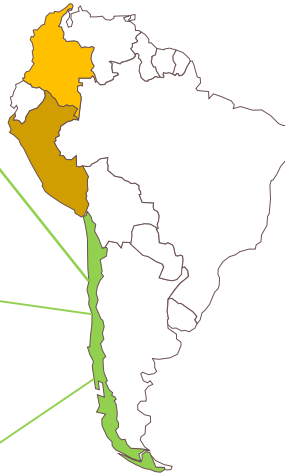
- 34 MW of Installed Capacity
- 190 GWh of expected annual generation
- **Phase:** Construction
- Qualifies as **NCRE**

### Santa María II - Coal-fired Project

- 350 MW of Installed Capacity
- 2,500 GWh of expected annual generation
- **Phase:** Environmentally Approved

### San Pedro - Hydroelectric Project

- 144 MW of Installed Capacity
- 930 GWh of expected annual generation
- **Phase:** Existing Environmental Approval to be modified



### Searching for investment opportunities in the region:

Special focus on assets in Colombia and Perú

### Country Attractiveness:

- Attractive business environment
- Positive economic perspective
- Well established regulatory framework
- Growing electricity consumption
- Diversification of:
  - Geography
  - Generation technology
  - Access to fuel sources

## La Mina hydroelectric run-of-the-river project

- **Location:** San Clemente community, Maule region
- **Capacity:** 34 MW
- **Annual Generation:** 180-195 GWh
- **CAPEX:** US\$120-130 million
- **Construction + commissioning time:** 25-30 months
- Qualifies as **NCRE**





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