



2Q15 Results Review

July, 2015

AGENDA

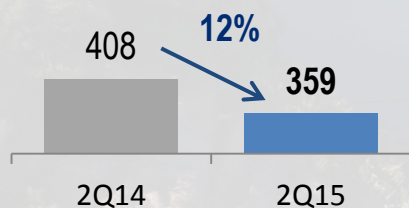
- 1. HIGHLIGHTS
- 2. FINANCIAL REVIEW
- 3. RECENT EVENTS
- 4. GROWTH OPTIONS



HIGHLIGHTS OF 2Q 2015

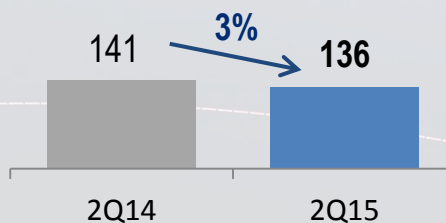
1

Revenues (MMUS\$)



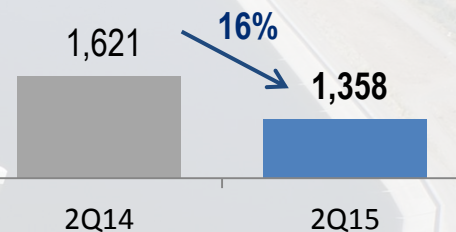
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EBITDA (MMUS\$)



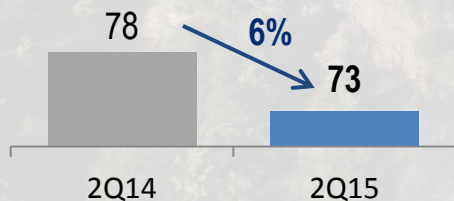
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Hydro Generation (GWh)



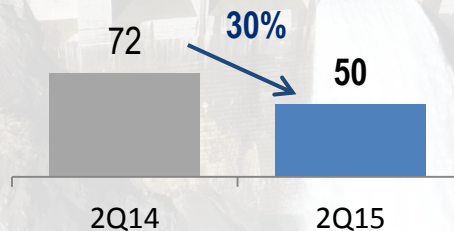
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Efficient Capacity over Commitments (%)



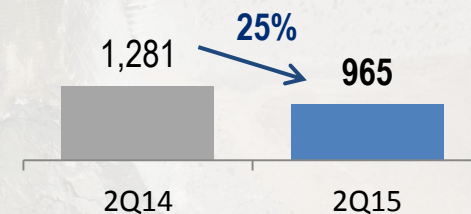
5

Net Income (MMUS\$)



6

Net Debt (MMUS\$)



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PHYSICAL SALES AND GENERATION BALANCE ANALYSIS

Sales Volumes GWh	2Q14	2Q15	YoY
Regulated Customers	1,838	1,699	(8%)
Free Customers	1,159	1,125	(3%)
Total Commitments	2,997	2,823	(6%)
Spot Market Sales	425	484	14%
Total Energy Sales	3,422	3,307	(3%)

Generation GWh	2Q14	2Q15	YoY
Hydroelectric	1,621	1,358	(16%)
Thermal – Gas	929	1,202	29%
Thermal – Diesel	231	102	(56%)
Thermal - Coal	718	699	(3%)
Eolic - Punta Palmeras	-	28	-
Total Own Generation	3,499	3,388	(3%)

Spot Market GWh	2Q14	2Q15	YoY
Sales	425	484	14%
Purchases	0	0	-
Net Spot Market	425	484	14%

Key Drivers of 2Q15

■ Sales reduction:

- Contracts maturity: Conafe and Codelco
- Higher sales in the spot market

- Lower hydroelectric generation, offset by higher natural gas generation at a competitive cost.

EBITDA ANALYSIS

US\$ million	2Q14	2Q15	YoY
Revenues	408.0	358.5	(12%)
Raw Materials and Consumables Used	(245.6)	(201.3)	(18%)
Personnel and other operating expenses	(21.6)	(20.8)	(4%)
EBITDA	140.8	136.4	(3%)
EBITDA Margin (%)	35%	38%	

Key Drivers of 2Q15

- **Lower sales** given by the termination of contracts.
- **Reduction in thermal generation costs** (US\$/MWh) given by renegotiated gas supply agreements and lower fuel prices

NON-OPERATING INCOME ANALYSIS (SUMMARY)

US\$ million	2Q14	2Q15	YoY
Financial Income	1.2	1.1	(5%)
Financial Expenses	(18.9)	(22.7)	20%
Share of profit (loss) from equity-accounted associates	1.6	1.7	6%
Others	(1.7)	(2.6)	53%
NON-OPERATING INCOME	(17.8)	(22.4)	26%

Key Drivers of 2Q15

- **Higher Financial expenses** given by higher gross debt

NET INCOME ANALYSIS

US\$ million	2Q14	2Q15	YoY
Net Income Before Tax	76.8	65.5	(15%)
Income Tax	(5.2)	(15.4)	195%
NET INCOME	71.6	50.1	(30%)

Key Drivers of 2Q15

- **Income Tax expense** of US\$15.4 million mainly given by:
 - 2% CLP/ US\$ exchange rate depreciation
 - Corporate Tax Rate increase (Tax Reform)

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RECENT EVENTS

- The divestiture process of the 57% of **ISAGEN** was suspended on May 15th until further notice.
- In May, **S&P revised the outlook for Colbún from Negative to Stable** on a BBB- international rating.
- In July, a **new natural gas supply contract with Metrogas was signed** for additional volume from August to October.

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SEARCHING FOR INVESTMENT OPPORTUNITIES IN THE REGION

Special focus in Colombia and Perú

✓ Growing electricity consumption

✓ Well established regulatory framework

✓ Diversification:

- Hydrological conditions
- Generation technologies
- Access to fuel sources
- Regulatory Risks



LA MINA CONSTRUCTION SITE

✓ **34 MW of Installed Capacity and 190 GWh of expected annual generation**



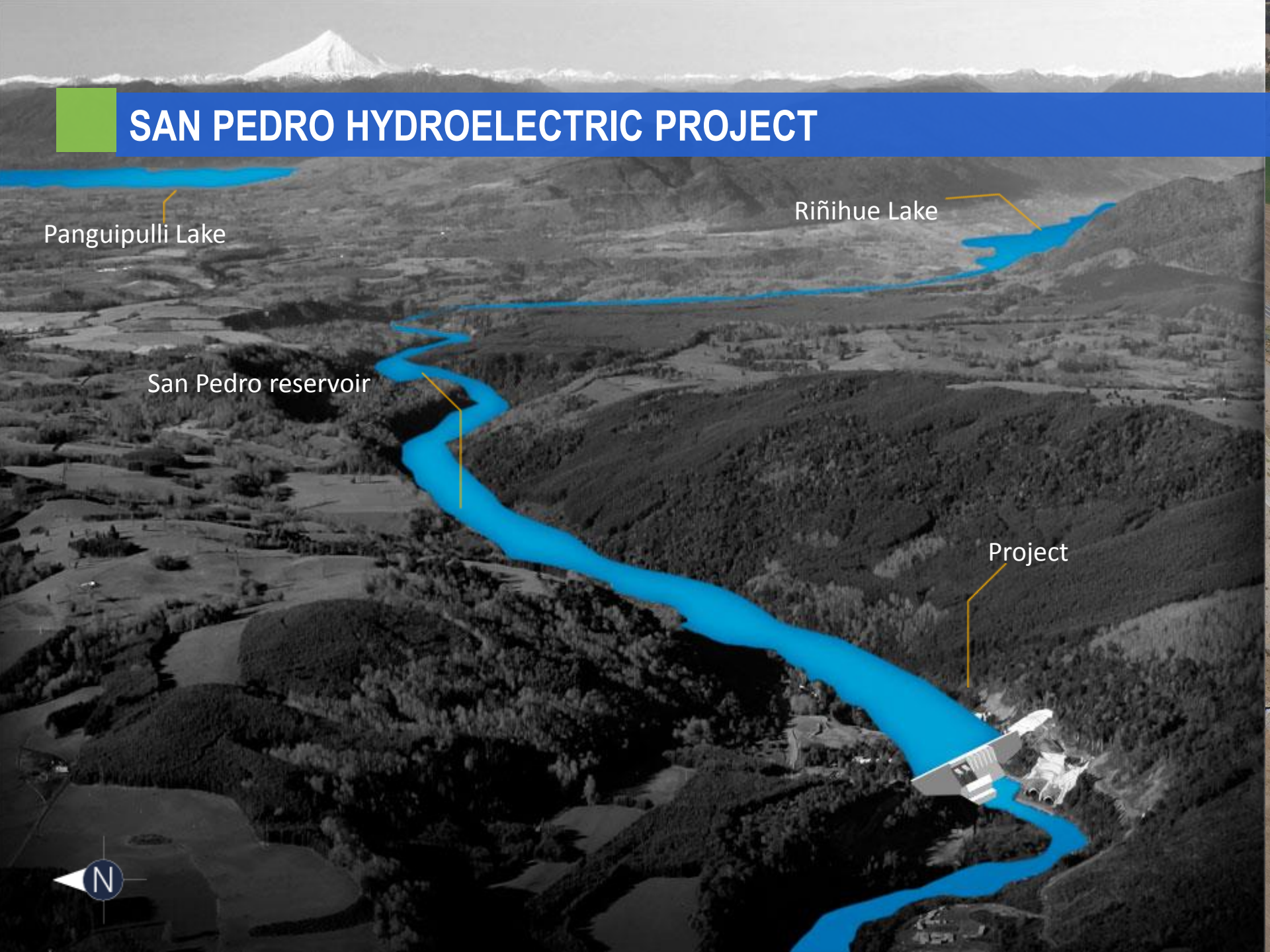
SAN PEDRO HYDROELECTRIC PROJECT

Panguipulli Lake

Riñihue Lake

San Pedro reservoir

Project



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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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