



# COLBÚN

## 2Q16 Results Review

July 29, 2016



# A G E N D A

## CONSOLIDATED HIGHLIGHTS



RECENT EVENTS



FINANCIAL REVIEW



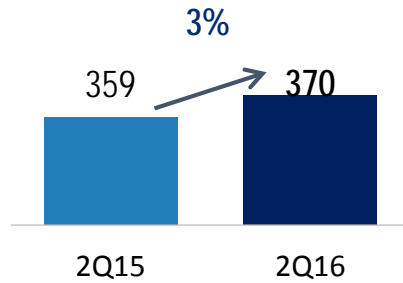
GROWTH  
OPPORTUNITIES



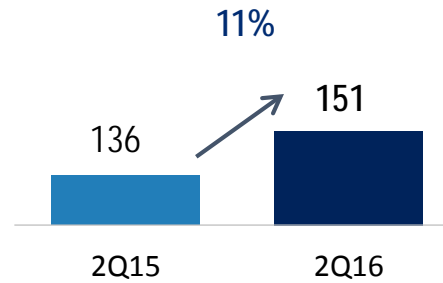
# CONSOLIDATED HIGHLIGHTS

## 2Q 2016

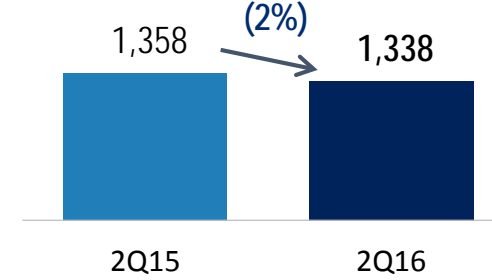
1 REVENUES. (MMUS\$)



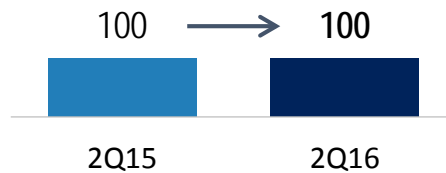
2 EBITDA. (MMUS\$)



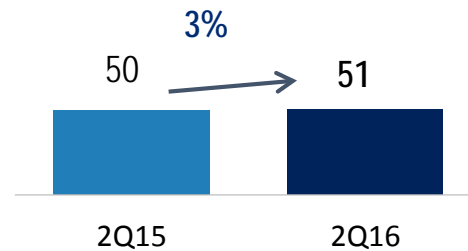
3 HYDRO GENERATION CHILE. (GWh)



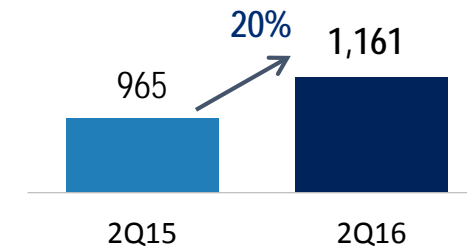
4 EFFICIENT CAPACITY OVER COMMITMENTS. (%)



5 NET INCOME. (MMUS\$)



6 NET DEBT. (MMUS\$)



# A G E N D A



CONSOLIDATED HIGHLIGHTS



FINANCIAL REVIEW



GROWTH OPTIONS

RECENT EVENTS





## RECENT EVENTS 2Q 2016

- Colbún purchased part of SunEdison's assets in Chile.
- Colbún awarded a 15-year power purchase agreement to Total and its affiliated SunPower for 500 GWh of PV energy per year.
- Colbún prepaid debt for a total amount of US\$240 million.
- Nehuenco 2 (Unit 2) transformer affected by a fire.



# A G E N D A

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 CONSOLIDATED HIGHLIGHTS

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 RECENT EVENTS

**FINANCIAL REVIEW**



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 GROWTH OPPORTUNITIES



# CHILE: PHYSICAL SALES AND GENERATION BALANCE

Sales Volume GWh	2Q15	2Q16	QoQ
Regulated Customers	1,699	1,622	(5%)
Unregulated Customers	1,125	1,109	(1%)
<b>Total Commitments</b>	<b>2,823</b>	<b>2,731</b>	<b>(3)%</b>
Spot Market Sales	484	513	6%
<b>Total Energy Sales</b>	<b>3,307</b>	<b>3,244</b>	<b>(2)%</b>

Spot Market GWh	2Q15	2Q16	QoQ
Sales	484	513	6%
Purchases	-	-	-
<b>Net Spot Market</b>	<b>484</b>	<b>513</b>	<b>6%</b>

Generation GWh	2Q15	2Q16	QoQ
Hydroelectric	1,358	1,338	(1%)
Thermal – Gas	1,202	1,028	(14%)
Thermal – Diesel	102	205	101%
Thermal - Coal	699	724	4%
Eolic - Punta Palmeras	28	18	(33%)
<b>Total Generation</b>	<b>3,388</b>	<b>3,313</b>	<b>(2)%</b>

## KEY DRIVERS OF 2Q16.

- **Lower energy demand** from regulated and unregulated customers.
- **Spot market sales** of 513 GWh.
- **Lower natural gas generation**, offset by higher thermal coal-fired generation and diesel generation.
- **Base load efficient generation accounted for 100% of commitments.**



# FINANCIAL REVIEW

## CHILE: EBITDA ANALYSIS

US\$ million	2Q15	2Q16	QoQ
Revenues	358.5	315.2	(12%)
Raw Materials and Consumables Used	(201.3)	(150.2)	(25%)
Personnel and other operating expenses	(20.8)	(23.0)	11%
<b>EBITDA</b>	<b>136.4</b>	<b>142.0</b>	<b>4%</b>
EBITDA Margin (%)	38%	45%	

### KEY DRIVERS OF 2Q16.

- **Lower Revenues**, given by lower sales to customers under contract and spot market sales, which were partially offset by higher revenues from transmission tolls and sales to unregulated clients.
- **Raw Materials and consumables used decreased** mainly explained by lower cost of fuels (-35%) and lower purchases in the spot market.
- Given the above, **EBITDA increased 4%** (QoQ).





## PERU: PHYSICAL SALES AND GENERATION BALANCE

Sales Volumes GWh	2Q15	2Q16	QoQ
Customers Under Contract	763	855	12%
Spot Market Sales	910	640	(30%)
<b>Total Energy Sales</b>	<b>1,673</b>	<b>1,495</b>	<b>(11%)</b>

Spot Market GWh	2Q15	2Q16	QoQ
Sales	910	640	(30%)
Purchases	596	718	21%
<b>Net Spot Market</b>	<b>314</b>	<b>(78)</b>	<b>-</b>

Generation GWh	2Q15	2Q16	QoQ
Thermal – Gas	1,105	800	(28%)
<b>Total Own Generation</b>	<b>1,105</b>	<b>800</b>	<b>(28%)</b>

## KEY DRIVERS OF 2Q16.

- **Higher physical withdrawals from customers under contract**, mainly explained by a new short-term power purchase agreement with Distriluz.
- **Total generation** decreased (QoQ) given mainly by lower generation in June due to the major annual maintenance of the power-plant in that month.
- **Spot market net purchases** of 78 GWh.



# FINANCIAL REVIEW

## PERU: EBITDA ANALYSIS

US\$ million	2Q15	2Q16	QoQ
Revenues	56.7	55.0	(3%)
Raw Materials and Consumables Used	(36.8)	(41.8)	14%
Personnel and other operating expenses	(1.2)	(1.0)	(19%)
<b>EBITDA</b>	<b>18.4</b>	<b>9.1</b>	<b>(50%)</b>
EBITDA Margin (%)	32%	17%	

### KEY DRIVERS OF 2Q16.

- **Lower Revenues** from ordinary activities due to: major annual maintenance of the power-plant in June 2016, and the expiration of the contract with Termochilca in April 2016. Offset by higher income from transmission tolls.
- **Raw materials and consumables increased** given by higher purchases in the spot market and higher transmission tolls cost.
- **Lower EBITDA** given by lower generation due to the major annual maintenance of the power-plant in June 2016.



# FINANCIAL REVIEW

## CONSOLIDATED NON-OPERATING INCOME ANALYSIS

US\$ million	2Q15	2Q16	QoQ
Financial Income	1.1	2.7	146%
Financial Expenses	(22.7)	(32.0)	41%
Results of Indexation Units	1.2	(0.1)	-
Exchange Rate Differences	0.1	1.9	-
Share of profit (loss) from equity-accounted associates	1.7	1.7	-
Other non-operating income/expense	(3.9)	(4.2)	8%
<b>NON-OPERATING INCOME</b>	<b>(22.4)</b>	<b>(29.9)</b>	<b>34%</b>

US\$ million	2Q15	2Q16	QoQ
<b>NET INCOME</b>	<b>50.1</b>	<b>51.4</b>	<b>3%</b>

### KEY DRIVERS OF 2Q16.

- **Higher financial income** from favorable investment rates.
- **Lower non-operating income** given by:
  - Higher financial expenses due to the consolidation of Fenix Power's debt.
  - Impact of debt prepayment in Chile.

# A G E N D A

 HIGHLIGHTS

 RECENT EVENTS

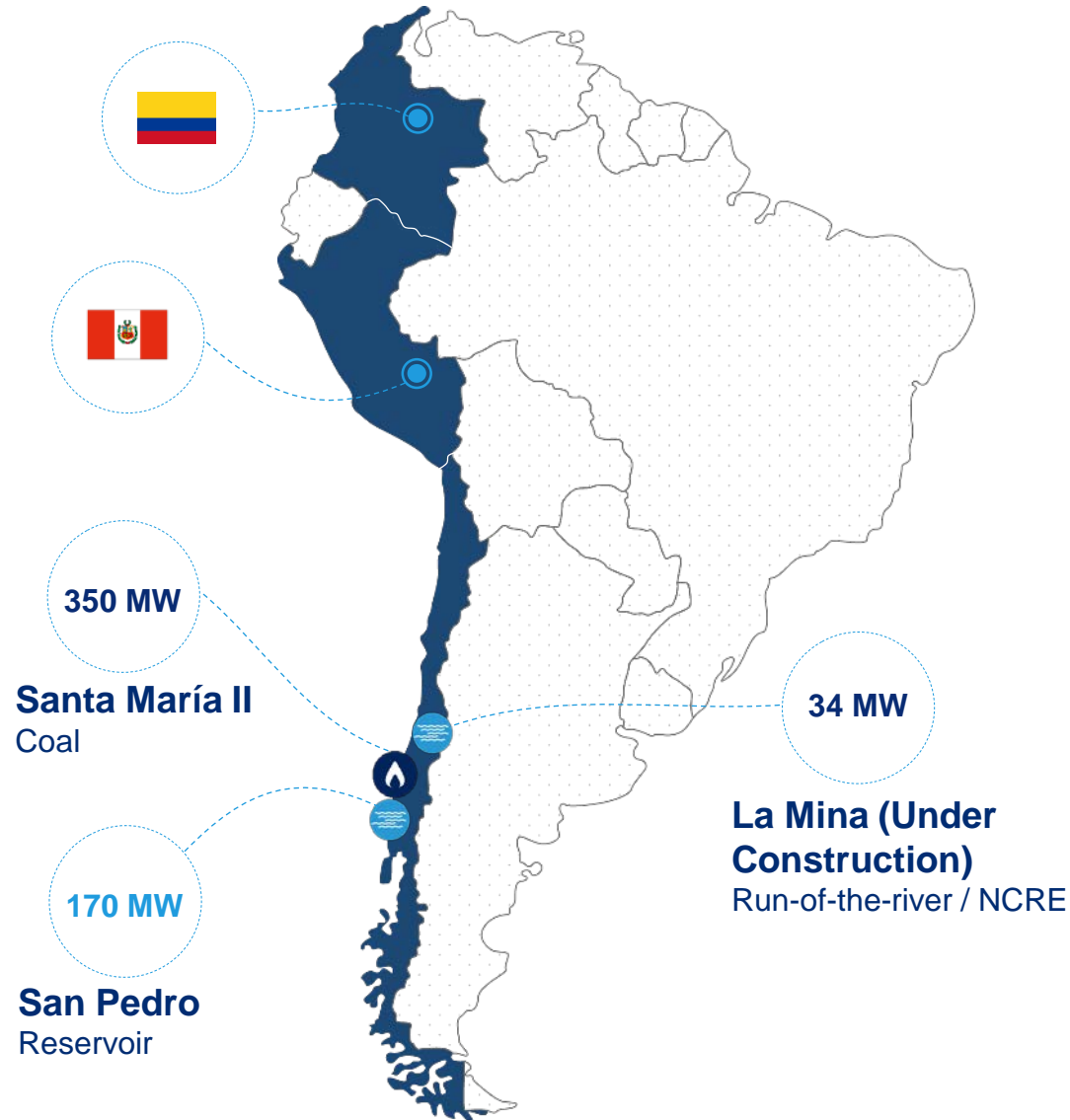
 FINANCIAL REVIEW

**GROWTH OPPORTUNITIES**





# GROWTH OPPORTUNITIES IN CHILE AND THE REGION



1

## SPECIAL FOCUS ON COLOMBIA AND PERU.

- 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
- Coal
- Water rights owned by Colbún mainly in the Maule Region (430 MW) and Biobío Region (170 MW).
- NCRE projects under study



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- 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](http://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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