



**J.P. Morgan 6th Annual
Global Emerging Markets Corporate Conference**
February 23-25, 2015

AGENDA

1. CHILEAN ELECTRICITY SECTOR

2. OVERVIEW

3. OPERATIONS

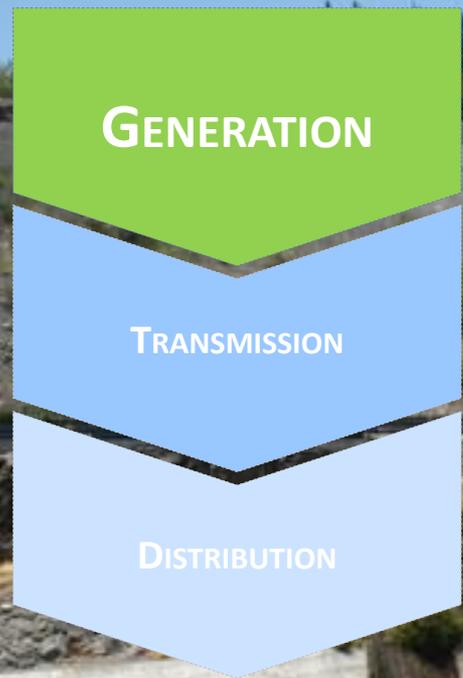
4. FINANCIALS

5. PROJECTS

6. KEY INVESTMENT HIGHLIGHTS

SECTOR SEGMENTATION

3 SUB-SECTORS

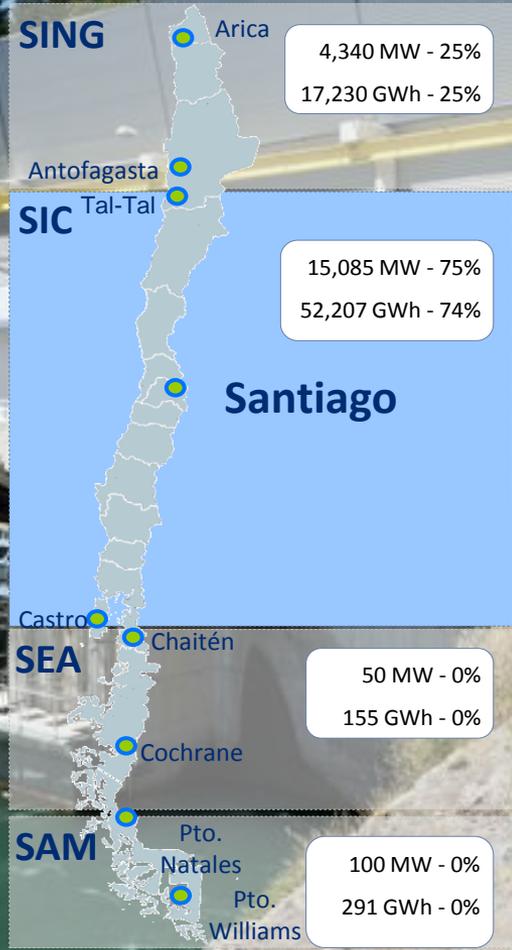


Regulated sectors
(concessions)

RELEVANT INSTITUTIONS

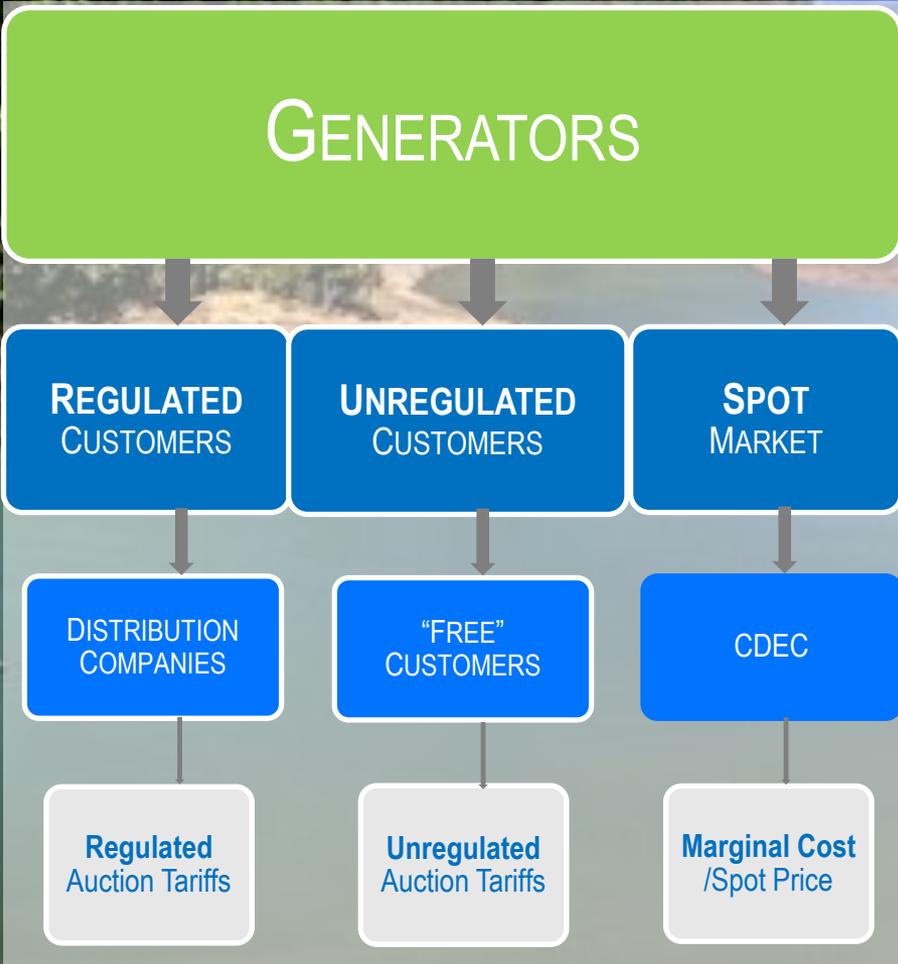
- Ministry of Energy
- Regulator: **CNE**
- Supervisor: **SEC**
- Coordinator: **CDEC**

4 SEPARATE GRIDS

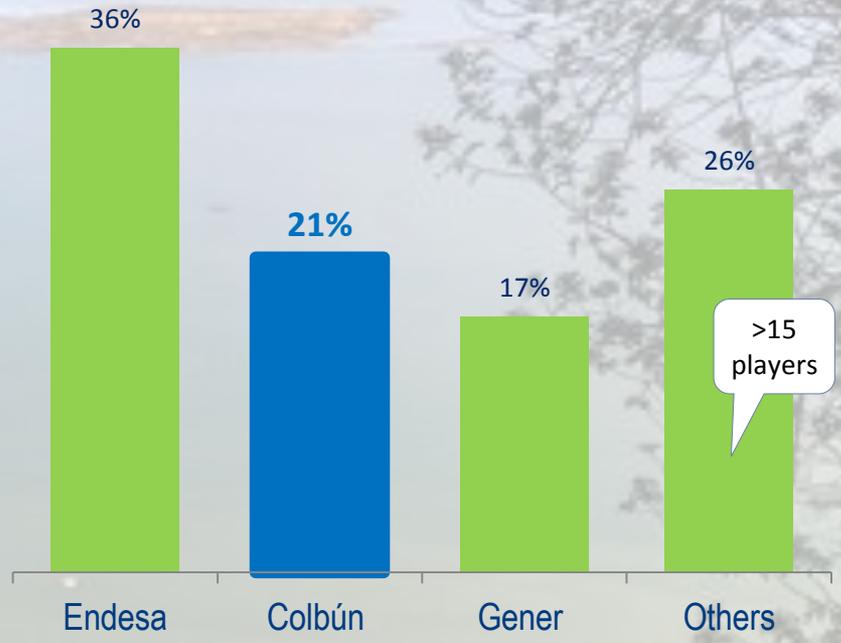


Source: CNE, December 2014

MARKET STRUCTURE



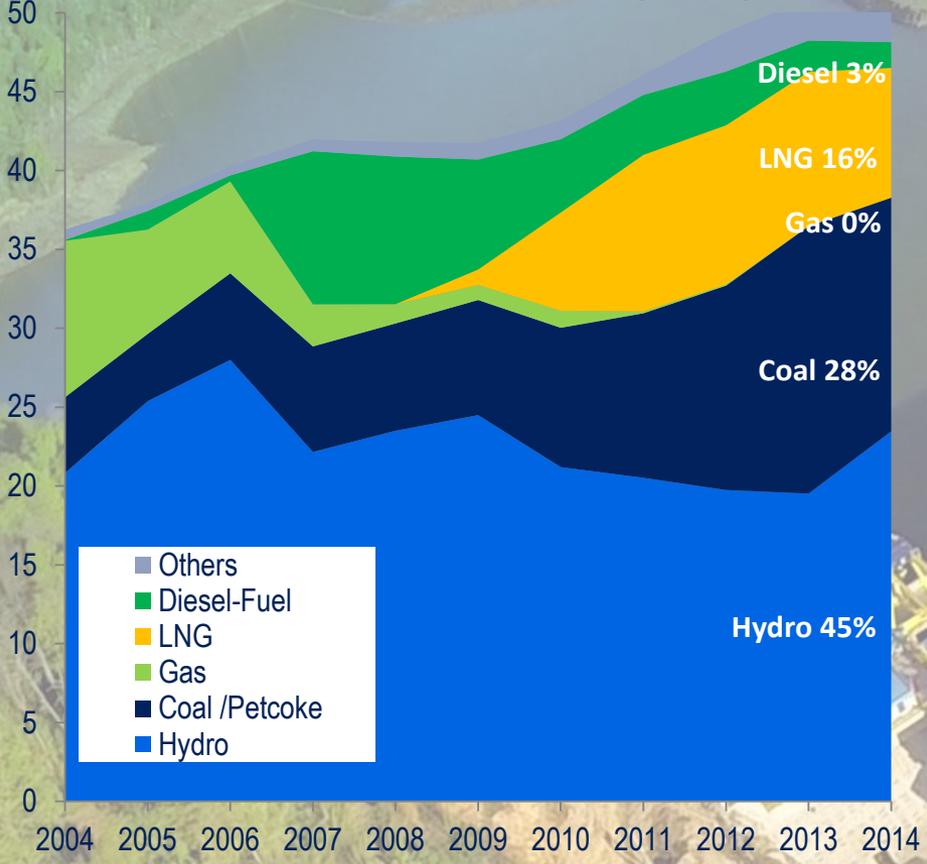
Main Players in the Generation Sector-SIC



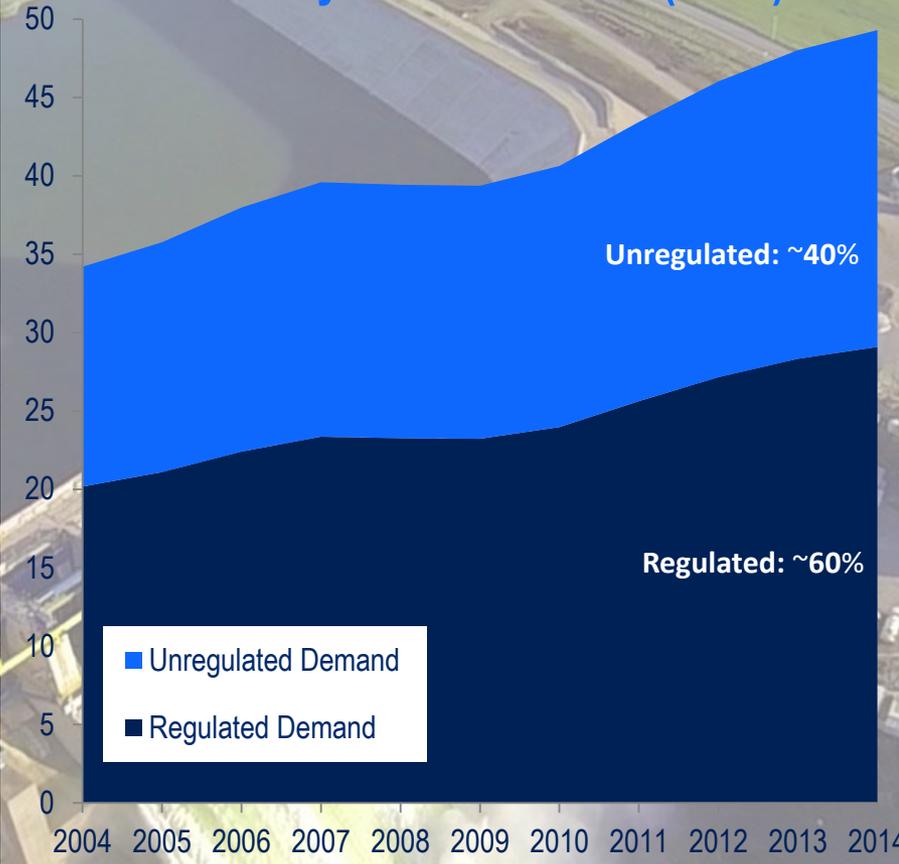
Source: Colbún Dec14

POWER GENERATION AND DEMAND IN CHILE

Power Generation – SIC (TWh)



Electricity Demand – SIC (TWh)



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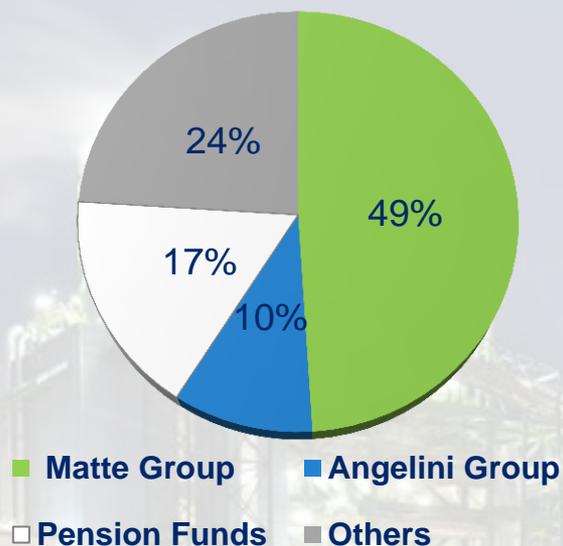
OVERVIEW

Main Figures

As of Dec14 (US\$ million)

- Assets: 6,400
- Equity: 3,400
- Mkt Cap: 5,000
- EBITDA LTM: 537
- Net Debt: 1,061

Ownership



Intern. Ratings

- Fitch: BBB
- S&P: BBB- (-)

Local Ratings

- Fitch: A+
- Humphreys: AA-

COLBUN IS THE SECOND LARGEST GENERATOR IN THE SIC

Installed capacity of 3,278 MW ~ 21% Market Share

48% Hydro
1,589 MW

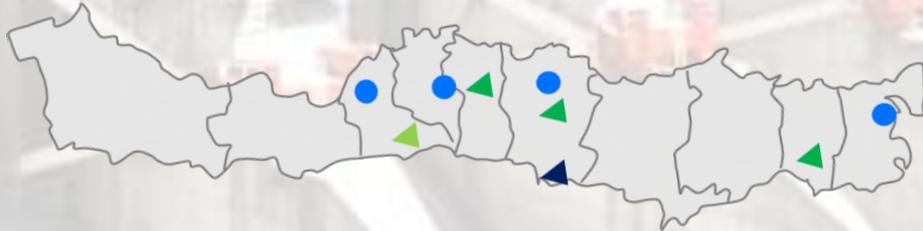


532 MW Run-of-the-river – 33%



1,057 MW Reservoir – 67%

3,278 MW



52% Thermal
1,689 MW



766 MW CCGT – 45%

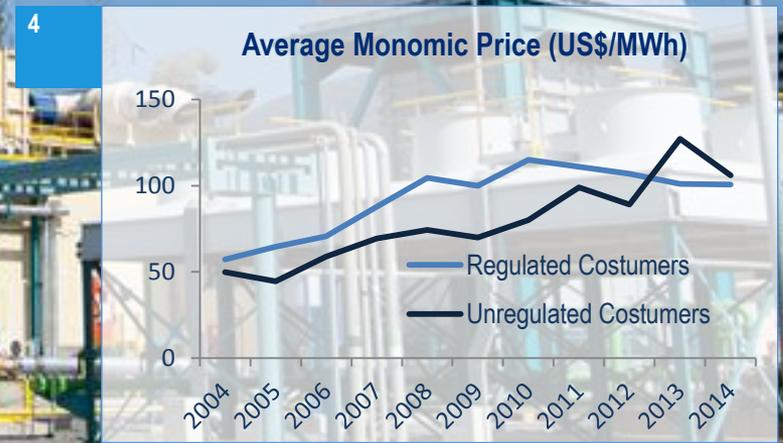
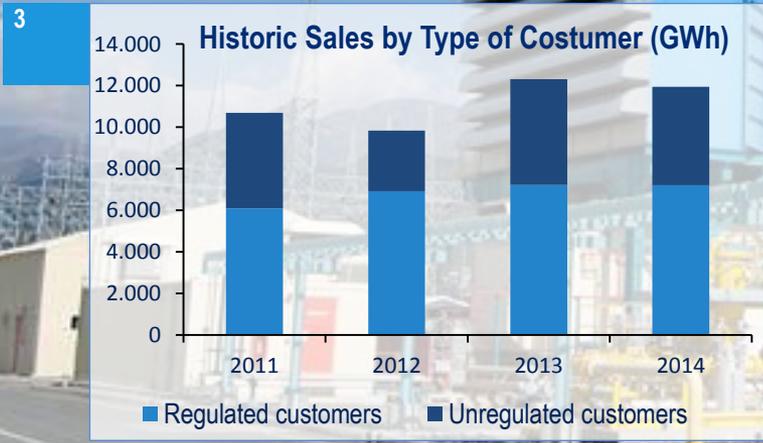
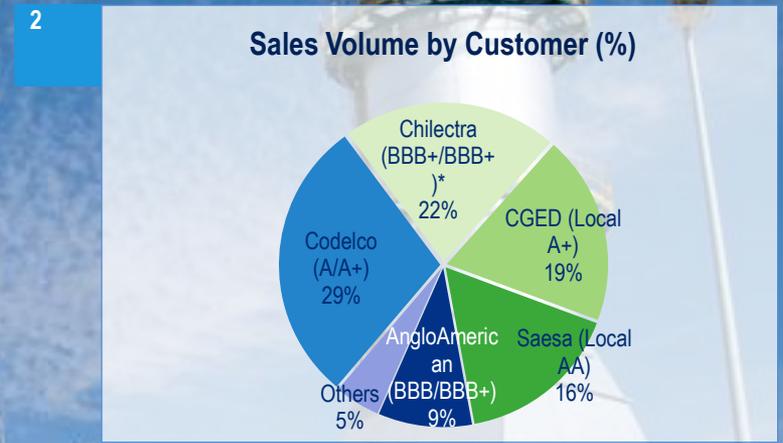
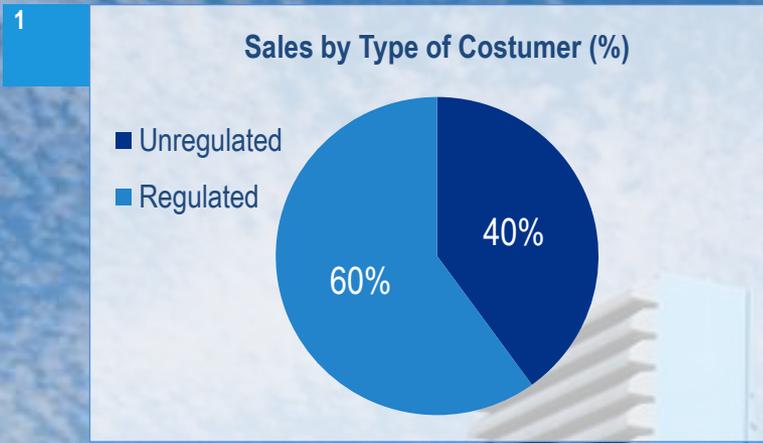


342 MW Coal – 20%



581 MW Diesel – 35%

HIGH QUALITY CLIENTS



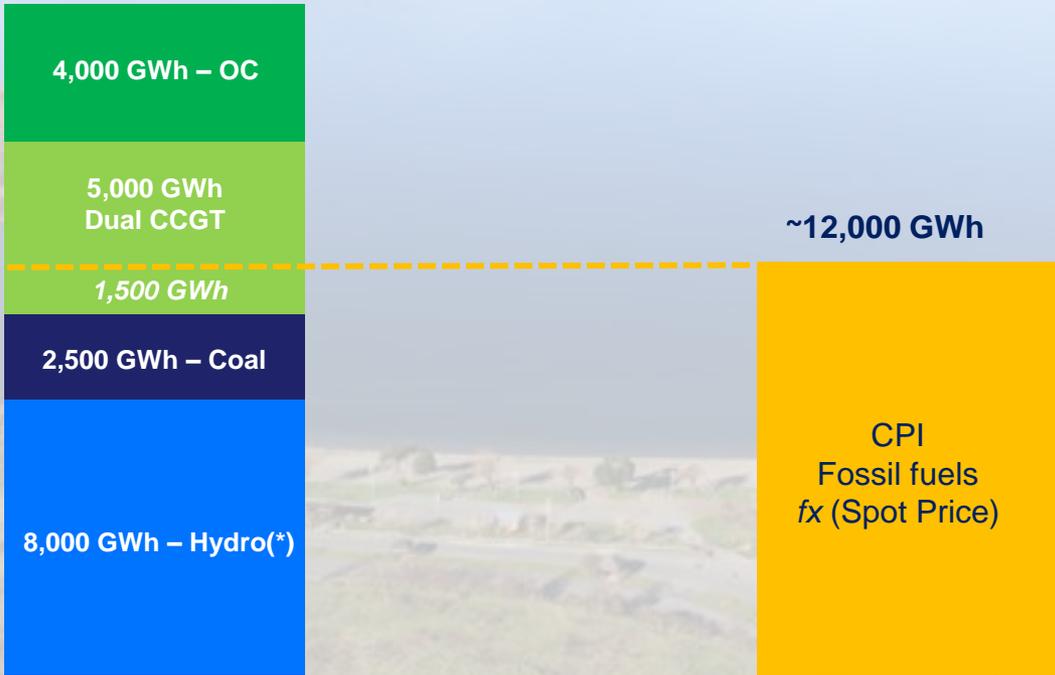
Graphs Sources: 1), 2), 3), 4) Colbun as of Dec14. 4) Average monomic prices are calculated by dividing the total amount of sales in US\$, by physical energy sales in MWh.

COMMERCIAL STRATEGY

Asset Base



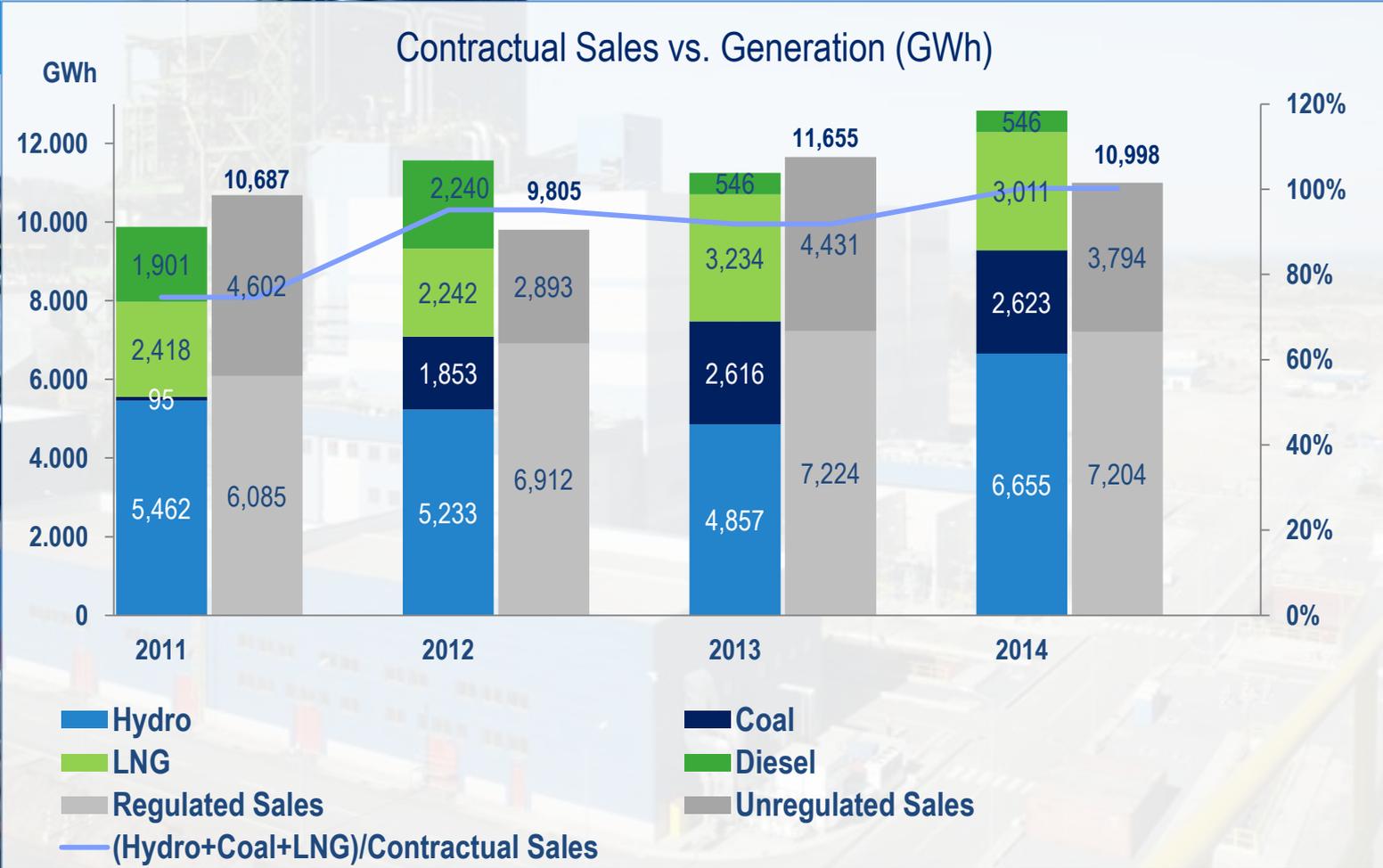
Define optimal PPA level
+
Risk sharing mechanisms



(*) Under medium-to-dry hydrological conditions. This includes output of the Angostura hydroelectric power project, which began commercial operations in April-14.

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

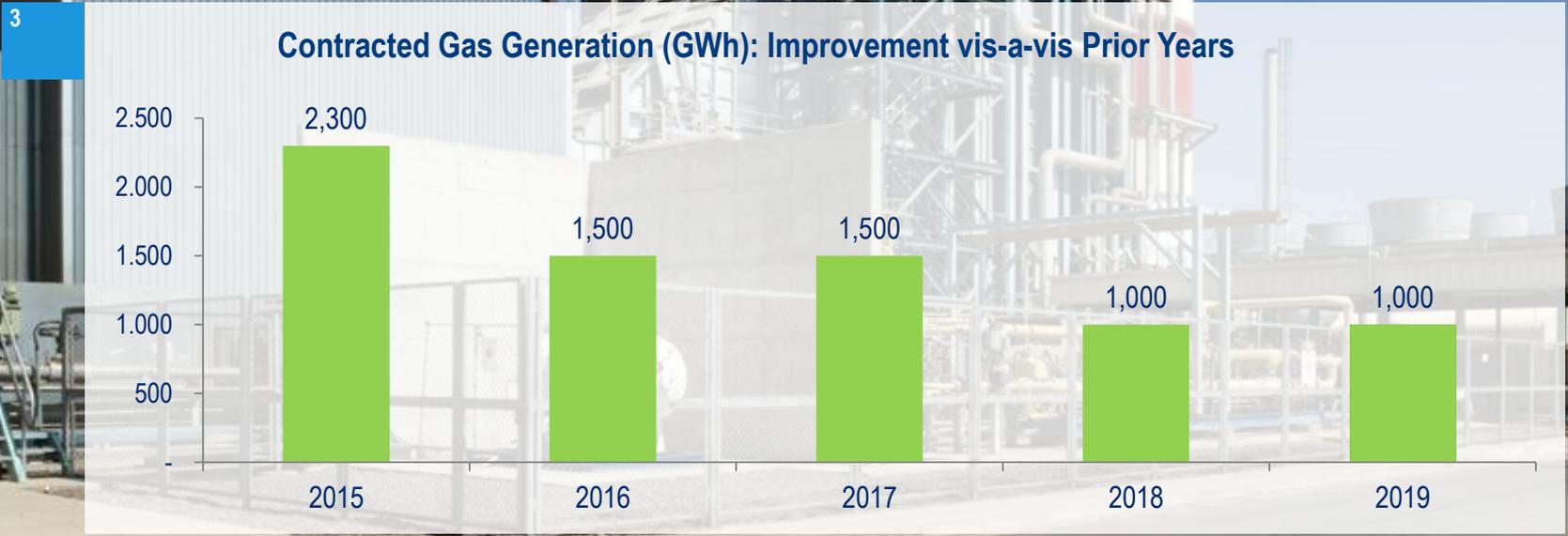
LEVERAGING OUR COMBINED CYCLES

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

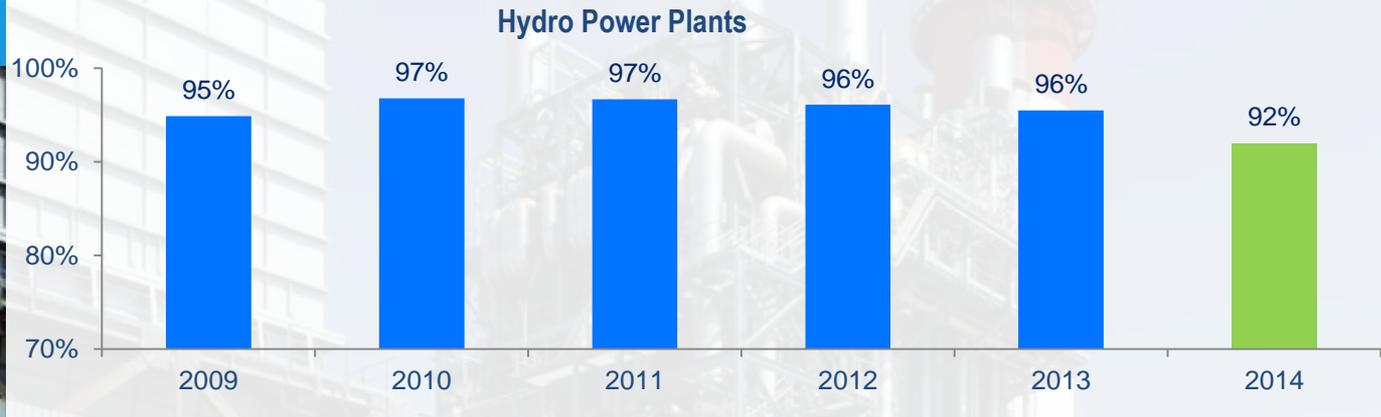


AGENDA

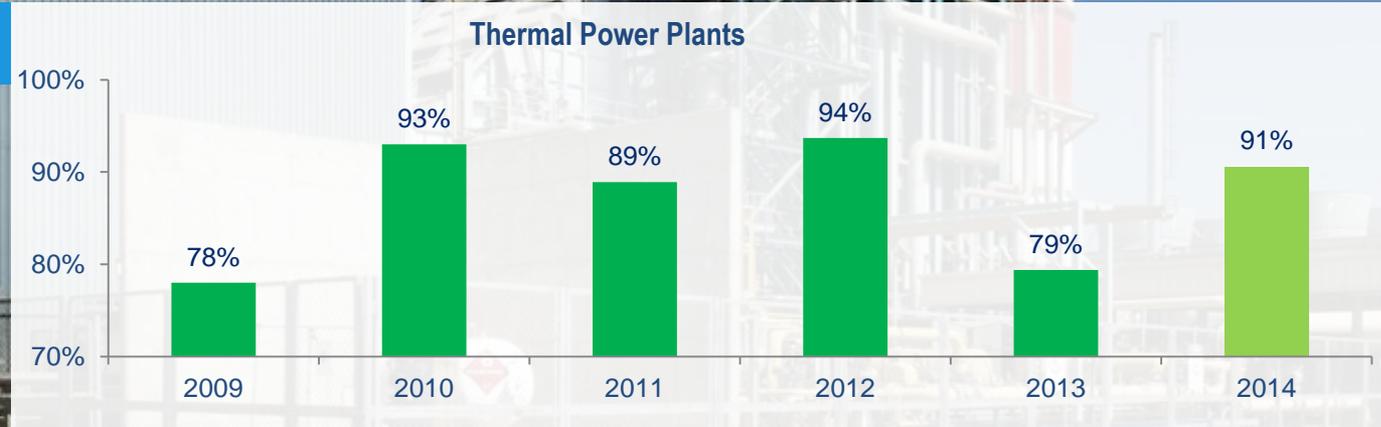
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POWER PLANT AVAILABILITY

1



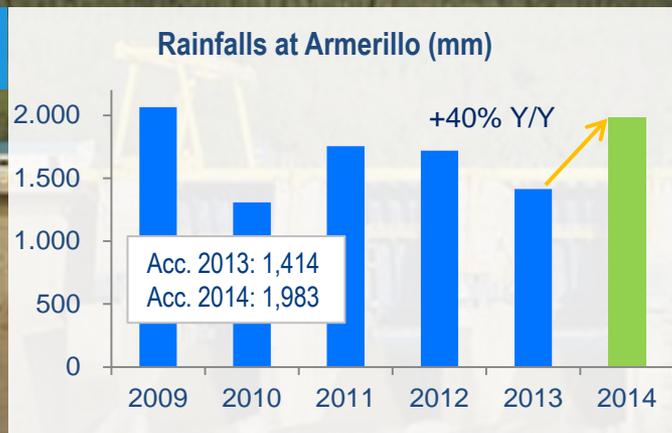
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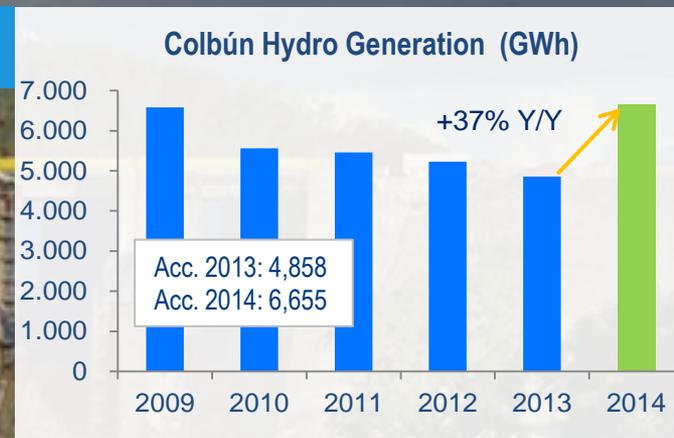
Graphs Sources: Colbún.

IMPROVING HYDROLOGICAL CONDITIONS

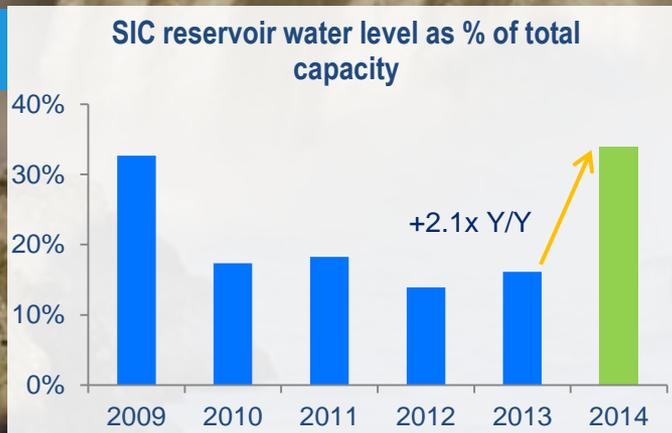
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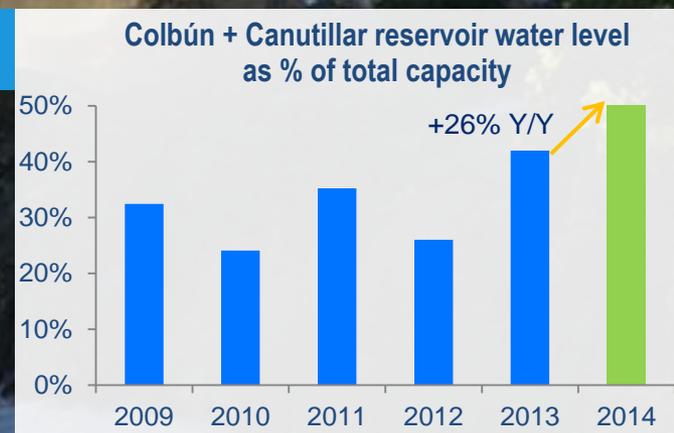
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3



4



Source: Colbún.

ANGOSTURA: SUCCESSFUL COMMISSIONING

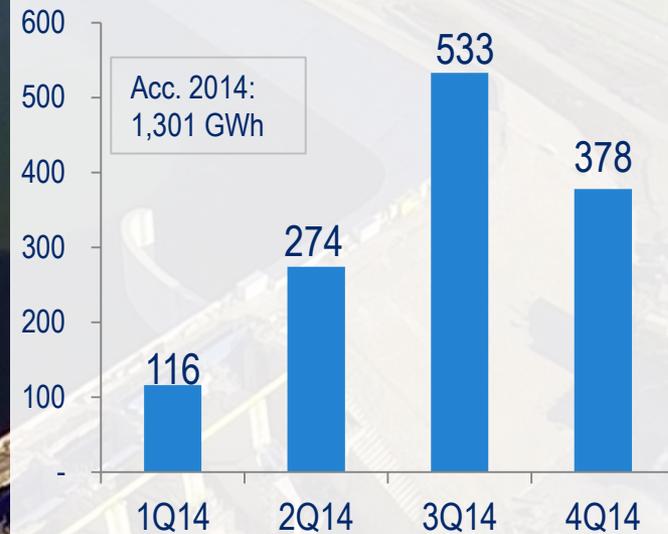
1

Angostura's Figures

- Capacity : 316 MW
- Expected Annual Gx.: 1,500 GWh
- 2014 Availability: 97%
- CAPEX (Including Tx. Lines):~ MMUS\$760
- Start up: Abr14
- 46 families reallocated

2

Angostura Generation (GWh)



3

SANTA MARÍA I: KEY BASE LOAD CAPACITY FOR THE SYSTEM

1

Santa María I's Figures

- Capacity: 342 MW
- Expected Annual Gx: 2,500 GWh
- CAPEX (including the Tx line): ~ MMUS\$ 750
- Start up: Aug12

2

Santa María I Generation (GWh)



SUSTAINABILITY AS A KEY FOR FUTURE GROWTH

2014 Awards

- Colbún received the third place distinction in the **"Recyclápolis - El Mercurio"** award in Coronel due to the company sustainable practices in emission compensation.
- Colbun obtained the **"HUB Sustainability"** award in the Entrepreneurship category due to promotion of local entrepreneurs in the Angostura community.
- Colbún's chairman, **Bernardo Larraín**, received the ALAS20 award for his leadership in integrating sustainability in Colbún.
- First Place in **Industrial Investment** to our new Angostura project plant - CBC. This award aims to promote investment projects that have contributed to the growth and benefit the country.

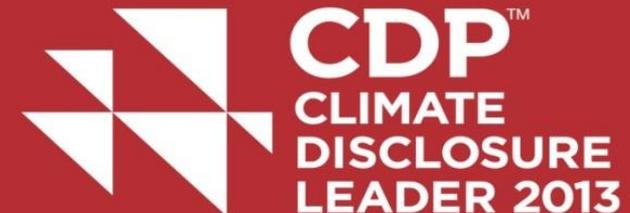


3,489,230.23  Metric tons of CO2e saved

872,307.56  Passenger vehicles removed for one year

6,978,460.45  Trees Planted

697,846.05  Annual emissions per capita



AGENDA

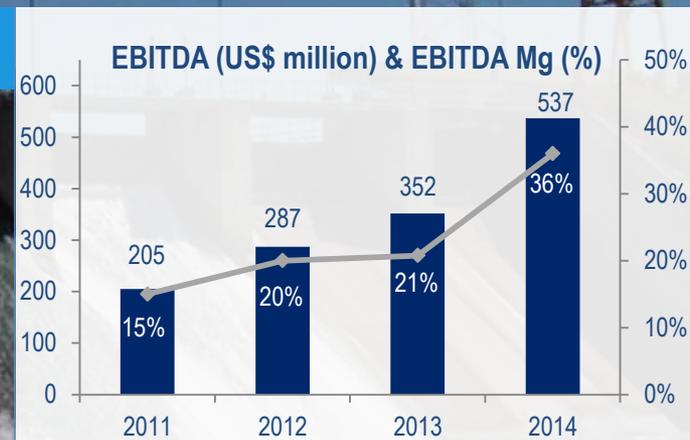
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MAIN FIGURES AND METRICS

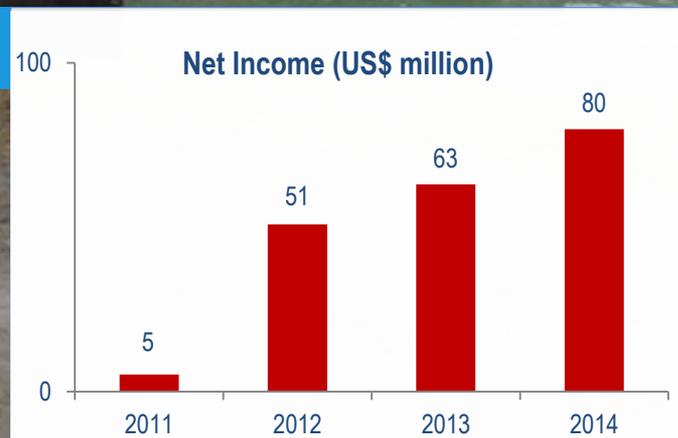
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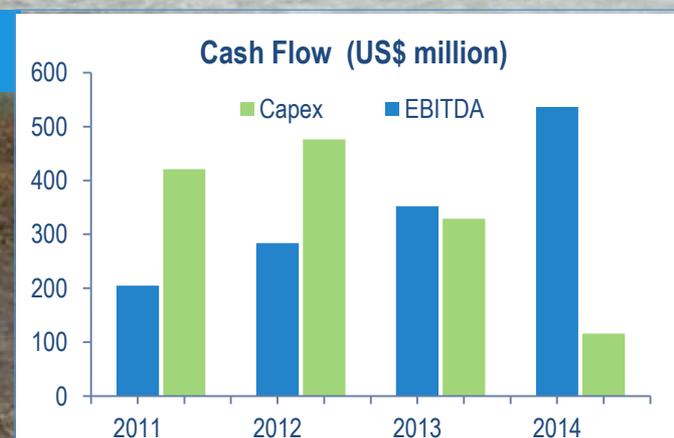
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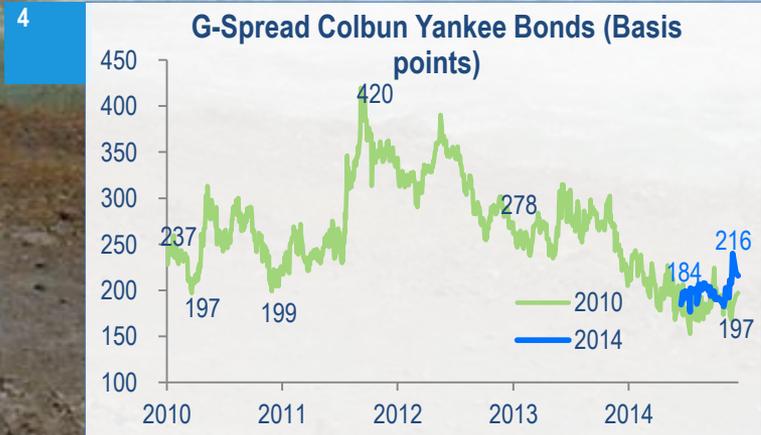
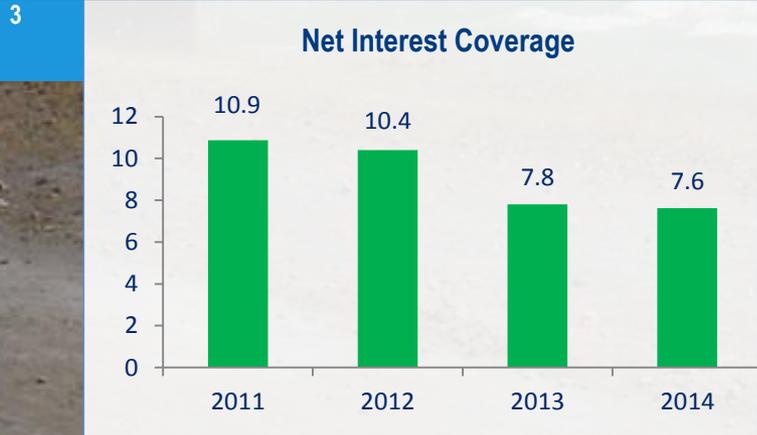
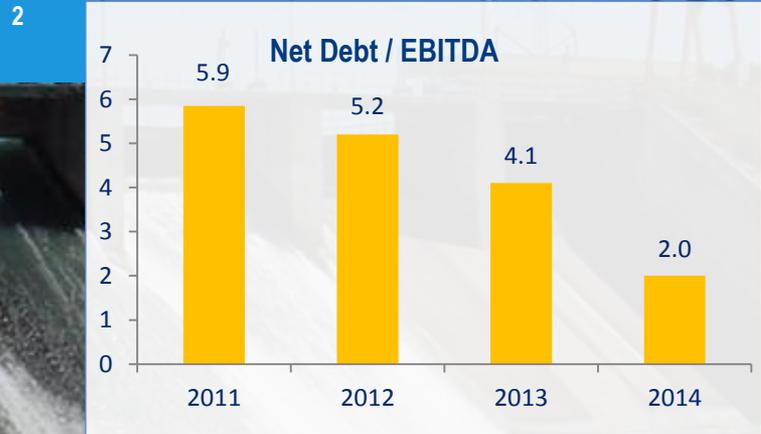
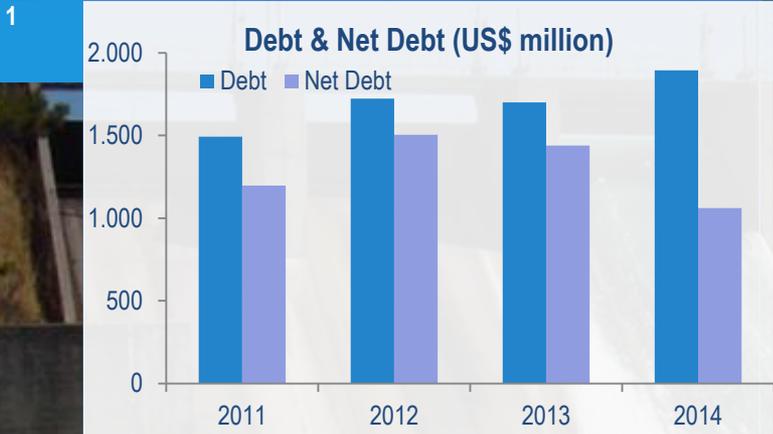


4



Source: Colbún's Financial Statements

MAIN FIGURES AND METRICS



Source: Colbún's Financial Statements

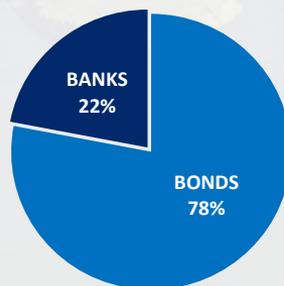
DEBT AND LIQUIDITY

1

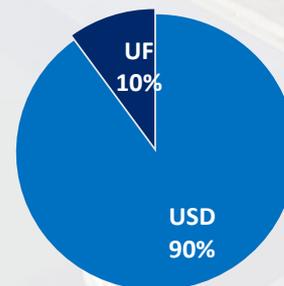
- Total Debt: MMUS\$ 1,894
- Avg. Maturity: 6.4 years
- Avg. USD Interest Rate: 4.9%
- Cash: MMUS\$ 833
- Net Debt: MMUS\$ 1,061
(As of Dec14)

Debt Profile

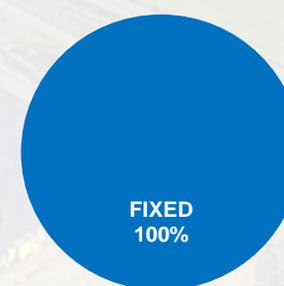
Type



Currency

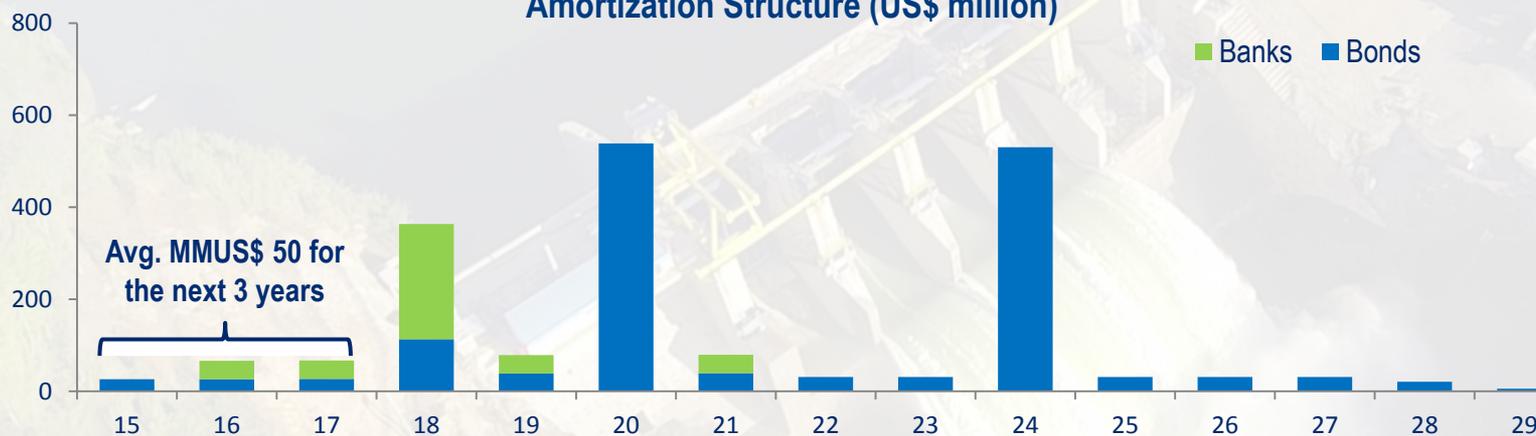


Interest Rate



2

Amortization Structure (US\$ million)



Source: Colbún's Financial Statements

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COLBÚN HAS SEVERAL GROWTH OPPORTUNITIES

Projects in Chile

La Mina – Hydroelectric Project

- 34 MW of Capacity
- 190 GWh of expected annual generation
- Phase: Under Construction since Dec14
- Qualifies as NCRE

Santa María II – Coal-fired Project

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

San Pedro - Hydroelectric Project

- 150 MW of Capacity
- 930 GWh of expected annual generation
- Phase: Preparation for submitting to EIA on the first half of 2015

LA MINA HYDROELECTRIC RUN-OF-THE-RIVER

1

Main Features

- **Location:** San Clemente, Maule region
- **Capacity:** 34 MW
- **Annual Generation:** ~ 180-195 GWh
- **CAPEX including the Tx. line:** ~US\$120-130 million
- **Construction + commissioning period:** ~25-30 months
- **Status:** Under construction since Dec14
- Qualifies as **NCRE**

2

Location



SANTA MARIA II COAL-FIRED POWER PLANT

1

Main Features

- **Location:** Coronel, Biobío region
- **Capacity:** 350 MW
- **Annual Generation:** ~2,500 GWh
- **Construction period:** ~43-45 months
- **2014 Main Events:**
 - RCA/RSE commitments compliance
 - Stakeholders socialization
 - EPC contract review

2

Location



SAN PEDRO HYDROELECTRIC POWER PLANT

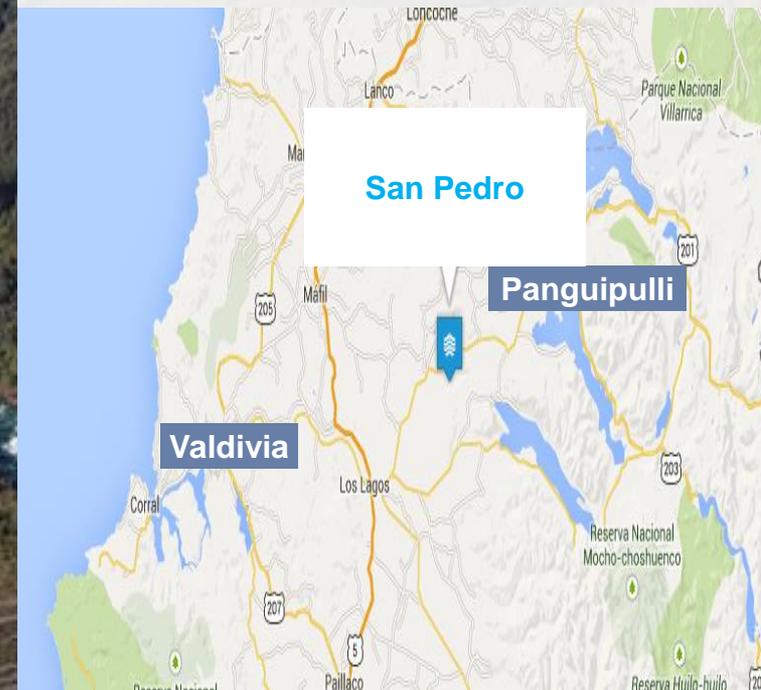
1

Main Features

- **Location:** Panguipulli and Los Lagos, Los Ríos region
- **Capacity:** 150 MW
- **Annual Generation:** ~900-950 GWh
- **Construction period:** ~40-45 months
- **2014 Main Events:**
 - Socialization process
 - Preparation for submitting to EIA on the first half of 2015

2

Location

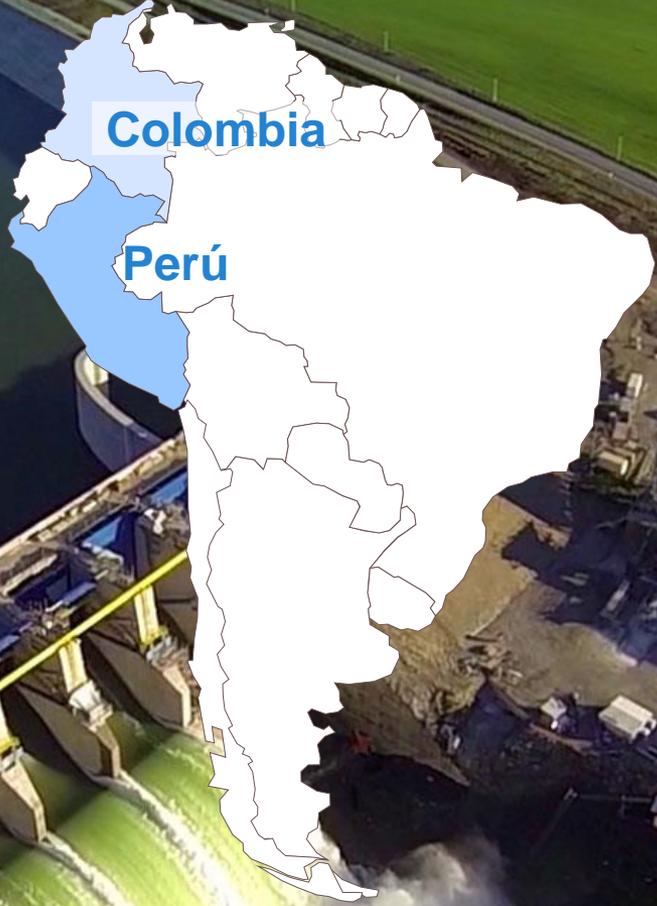


SEARCHING FOR INVESTMENT OPPORTUNITIES IN THE REGION

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 and Access to fuel sources

A map of South America is overlaid on the background image. The countries of Colombia and Perú are highlighted in a light blue color. The labels 'Colombia' and 'Perú' are written in blue text over their respective countries.

Colombia

Perú

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KEY INVESTMENT HIGHLIGHTS

- **Size:** Second-largest generation company in Chile's largest electricity grid.
- **Competitive:** High-quality and diversified asset portfolio.
- **Stable:** Diversified, solid and creditworthy customer portfolio.
- **Shareholders:** Strong, reliable controlling group with a strategic and long-term vision for the business.
- **Management:** Experienced management and high standards of corporate governance.
- **Growth Opportunities:** Strong pipeline of new projects in Chile and interest in expand operations in the region (Colombia and Perú).
- **Liquidity:** Conservative financial strategy that emphasizes keeping a strong liquidity position aiming to maintain our investment grade credit rating.

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.

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