



MEJOR ENERGÍA

BCI - BREAKFAST

1Q17 EARNINGS REVIEW

MAY 3rd 2017

AGENDA

1. OVERVIEW
2. OPERATIONS IN CHILE & PERU
3. GROWTH OPPORTUNITIES

1.

OVERVIEW



Overview

Company Overview

THE ASSETS



Installed Capacity

3,852 MW

 3,282 MW /  570 MW



Market Share¹

 21% /  7%



Power-Plants

24

 23 /  1



Transmission Lines

~900 km

KEY FINANCIALS



Total Assets

US\$6.8 bn



EBITDA

US\$154 mm

 US\$143 mm /  US\$11 mm

Rating

BBB

Fitch

BBB-

S&P



Cash

US\$664 mm



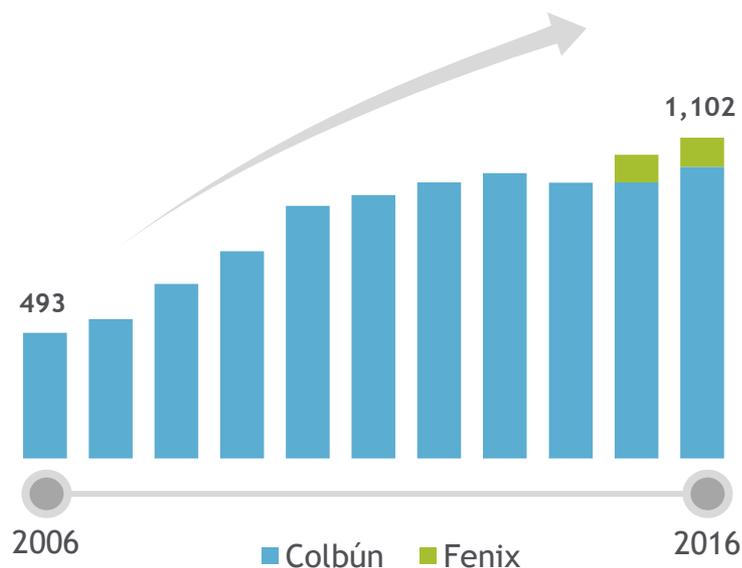
Net Debt / EBITDA

1.8 x

Overview

Substantial growth over the last 10 years

1 NUMBER OF EMPLOYEES. (N°)



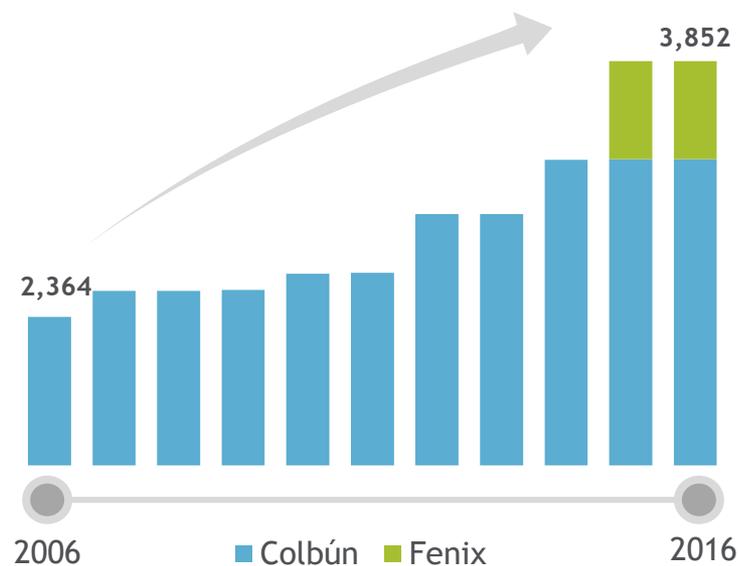
1,011



91

N° OF EMPLOYEES 2016

2 INSTALLED CAPACITY. (MW)



3,282



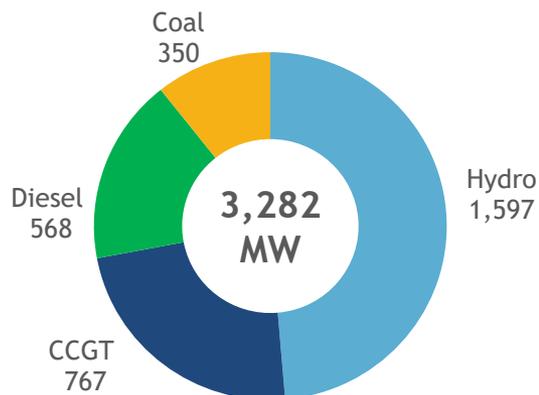
570

MW OF INSTALLED CAPACITY 2016

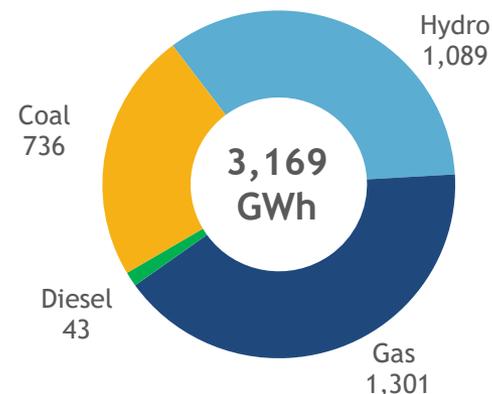
Overview

Colbún Chile: 1Q17 Company Overview

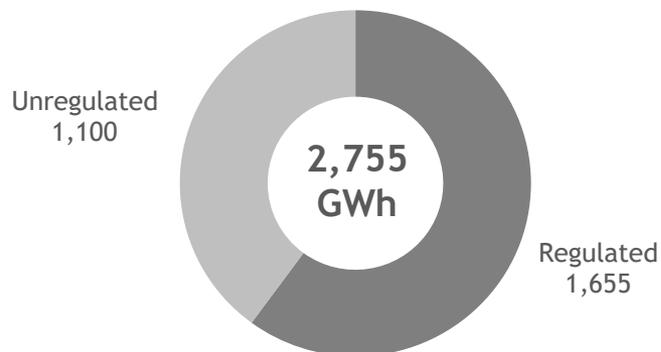
1 TOTAL INSTALLED CAPACITY. (MW)



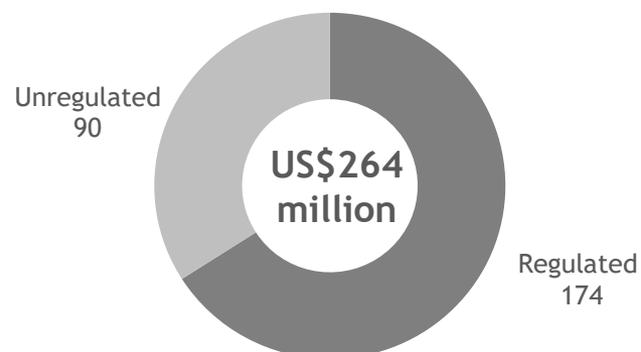
2 GENERATION. (GWh)



3 CONTRACTED ENERGY SALES. (GWh)



4 REVENUES FROM CONTRACTED SALES. (US\$ million)



Note: All figures as of Mar17

Operations In Chile & Peru

Fenix Power Peru Overview

1 OWNERSHIP. (%)

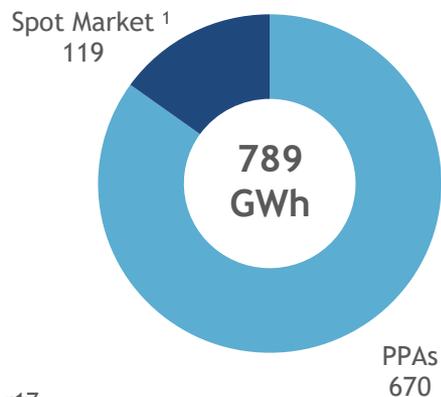


2 DESCRIPTION.

- Location: Chilca district, 64 km south of Lima, Peru
- US\$ currency market
- Installed capacity: 570 MW
- Long-term contracts: 3 TWh/year

Average PPAs Portfolio Maturity: 6.8 years

3 ENERGY SALES. (GWh)



Note: All figures as of Mar17

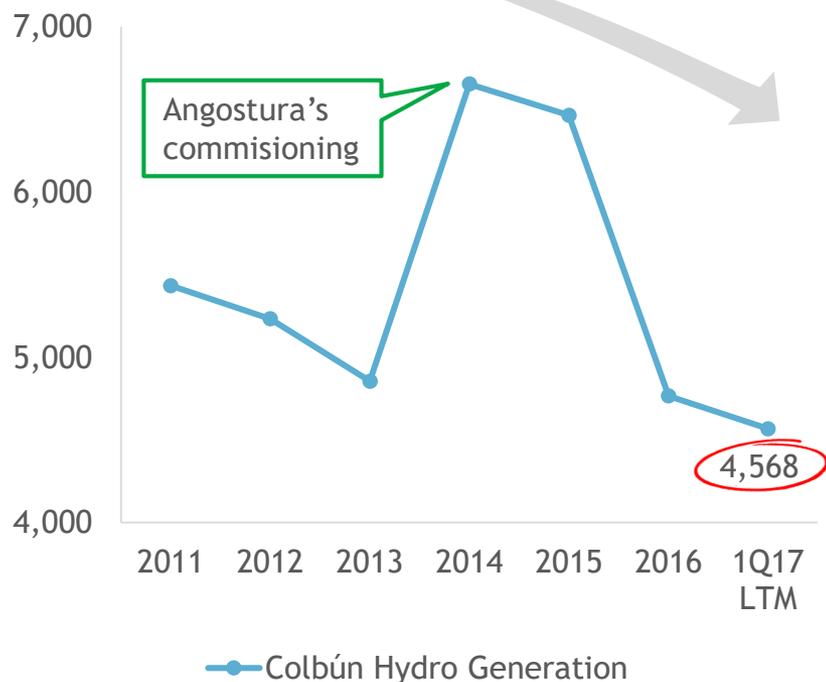
¹ Includes Celepsa contract

² Includes transmission tolls

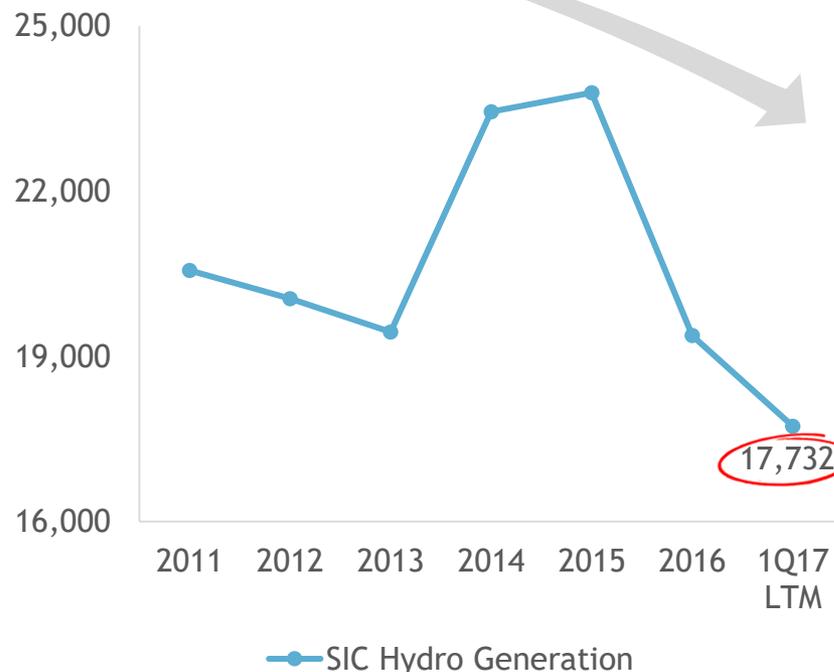
Overview

Driest hydrological year of the past 6 years

1 COLBÚN'S HYDRO GENERATION. (GWh)

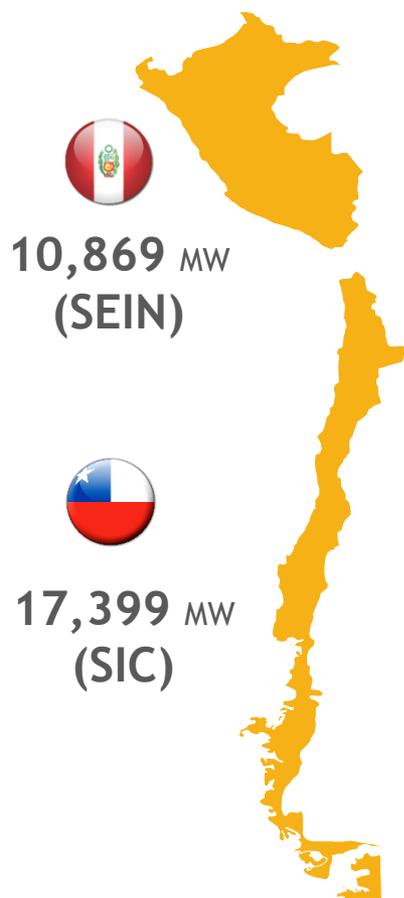


2 SIC HYDRO GENERATION. (GWh)

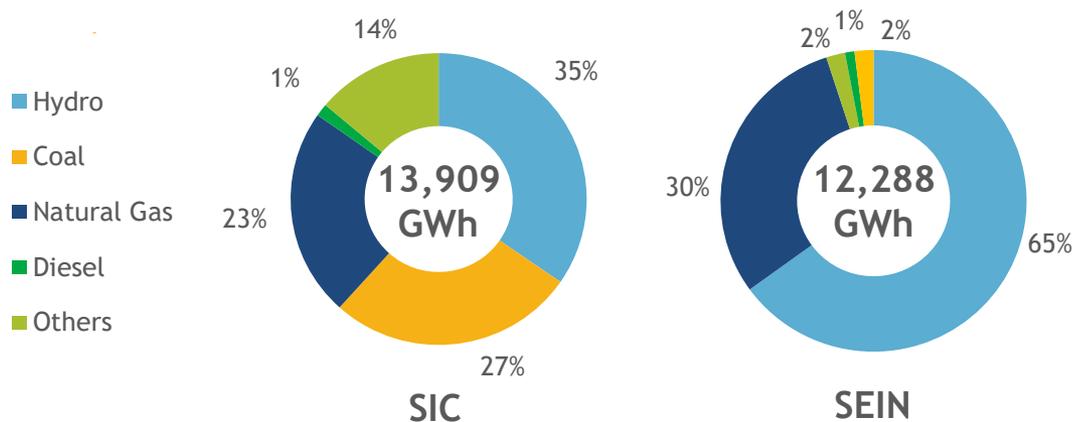


Overview

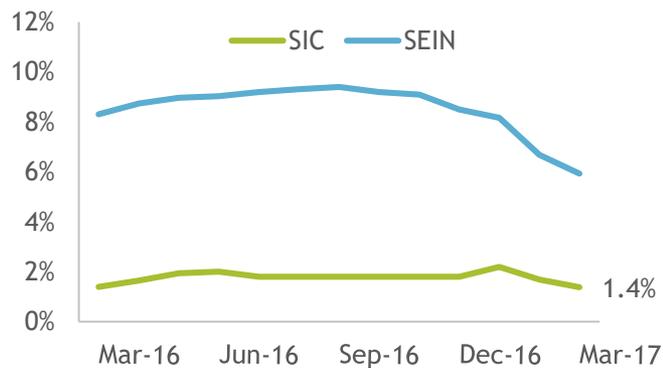
Market Overview



1 GENERATION MATRIX. (%)



2 DEMAND GROWTH. (12 month average %)

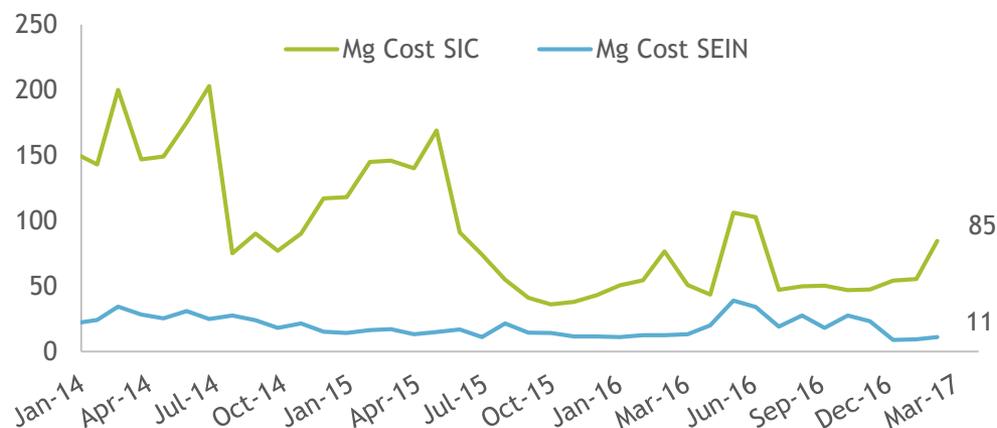


Sources: Coordinador Eléctrico Nacional SIC (Chile) & COES (Peru)
 Note: All figures fas of Mar17

Overview

Marginal costs in Chile and Peru

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



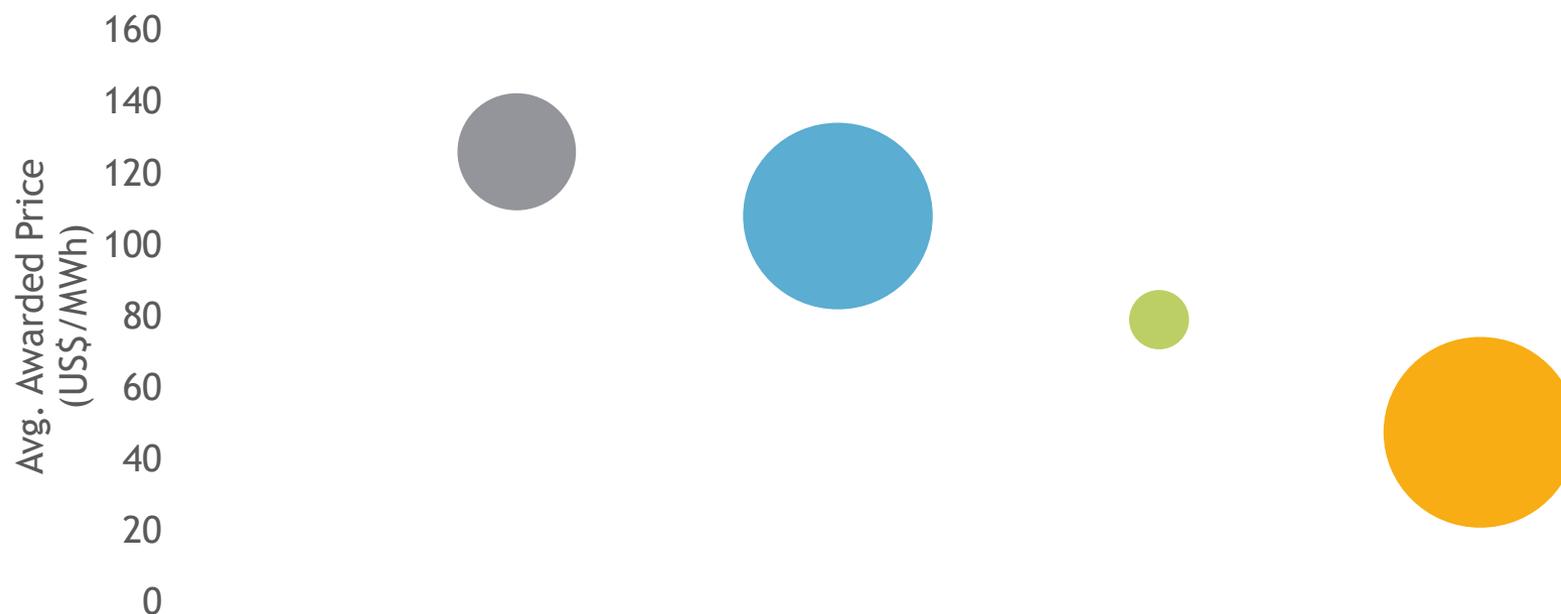
- Marginal costs in the SIC have fallen in the last years, mainly due to the entrance of NCRE, the drop in commodity prices and to the sluggish demand.



- 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 the oversupply due to the entrance into operation of relevant hydro projects.

Overview

Decreasing prices in bid processes in Chile

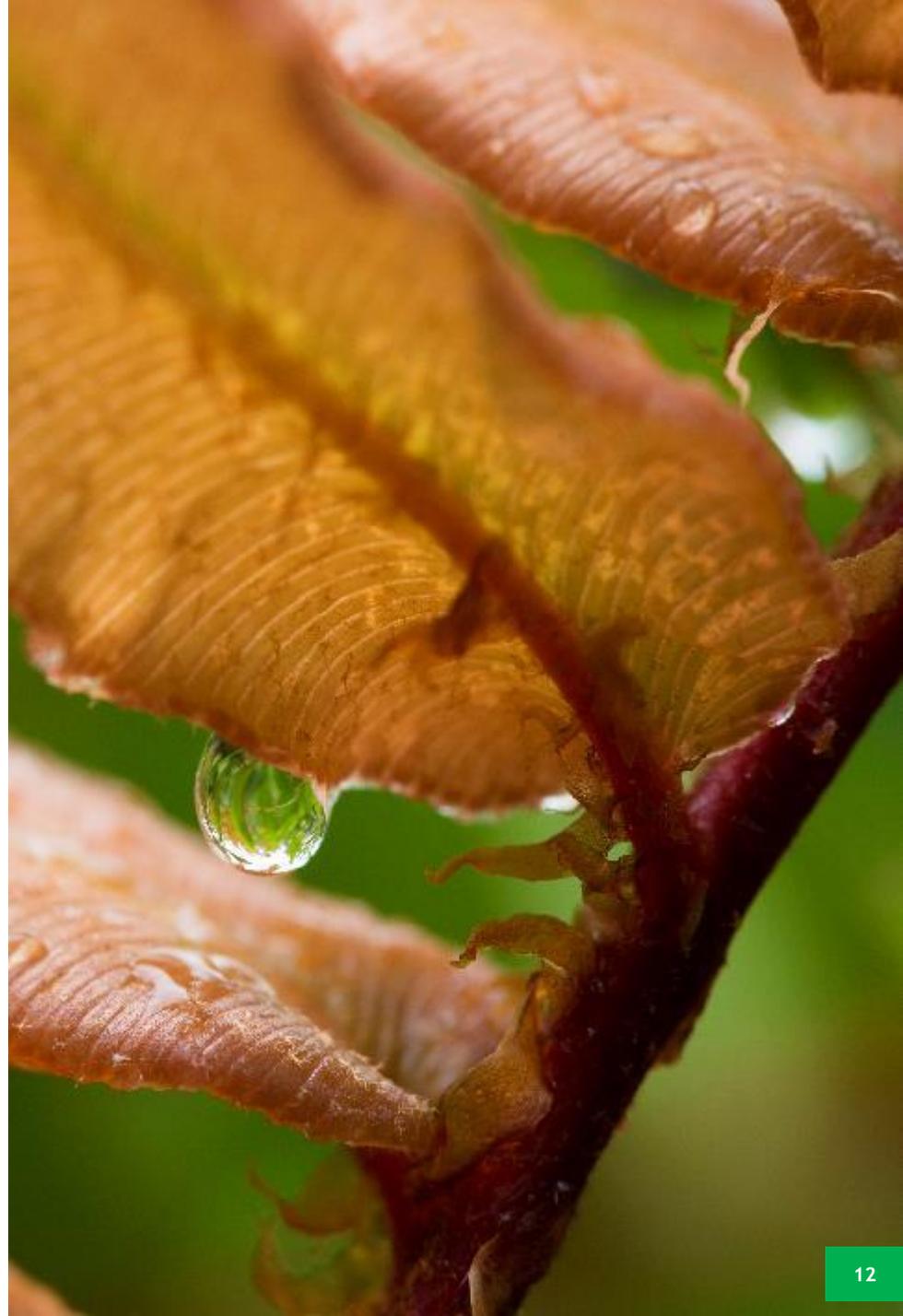


Year	2013	2014	2015	2016
Energy (TWh)	4.7	12.0	1.2	12.5
Avg. Awarded Price (US\$/MWh)	126	108	79	48
Supply starting	2016/2019	2016/2019	2023	2023
Duration (years)	15	15	20	20



2.

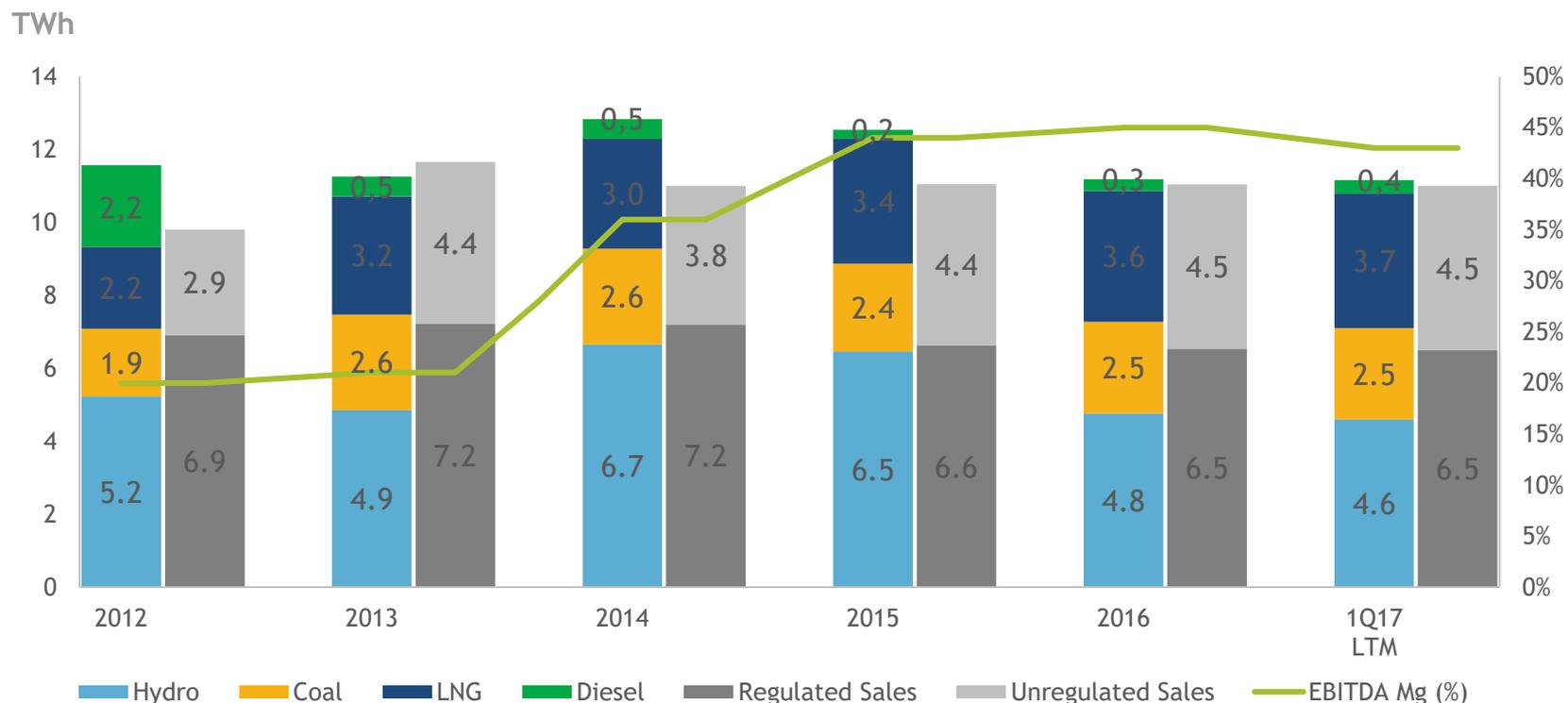
Operations In Chile & Peru



Operations In Chile & Peru

Commercial Position in Chile

CONTRACTUAL COMMITMENTS VS GENERATION. (TWh)



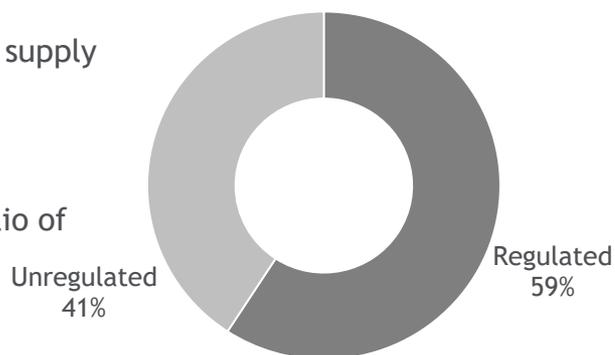
Source: Colbún S.A. Unregulated Sales, excludes sales to Codelco at Marginal Cost

Operations In Chile & Peru

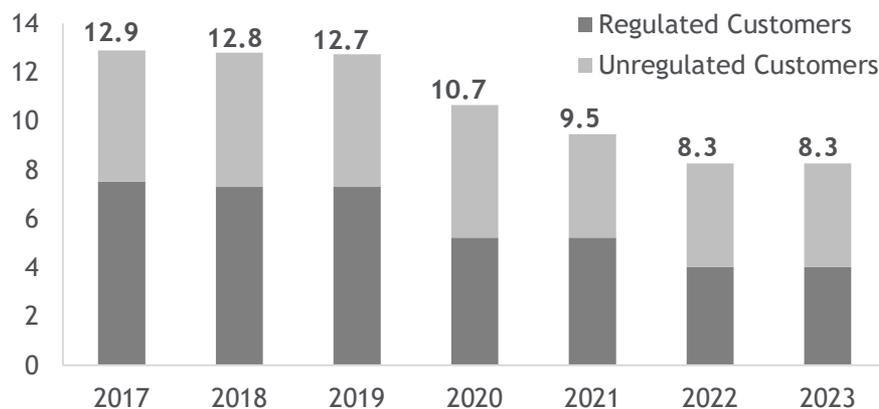
High Quality Clients In Chile

1 SALES BY TYPE OF CUSTOMER. (%)

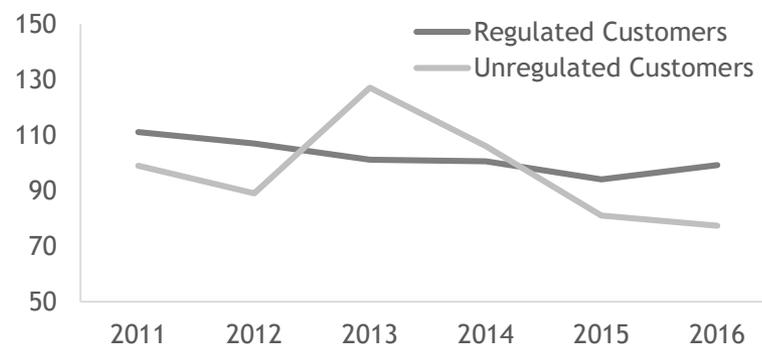
- Long-term energy supply contracts with creditworthy counterparties.
- Diversified portfolio of customers.



3 PPAs IN CHILE. (TWh)



2 AVERAGE MONOMIC PRICE ¹. (US\$/MWh)



100% HYDRO ENERGY

Contracted until **2023**

100% EFFICIENT THERMO ENERGY

Contracted until **2040**

Note: All figures as of Mar17

¹ Average monomic prices are calculated by dividing the total amount of sales in US\$, by physical energy sales in MWh

Operations In Chile & Peru

Contract Renewal Opportunities in Chile

1 UPCOMING REGULATED AUCTIONS.



* In recent declarations Andres Romero stated that the amount of energy being auctioned in 2017 might be reduced to ~2 TWh.

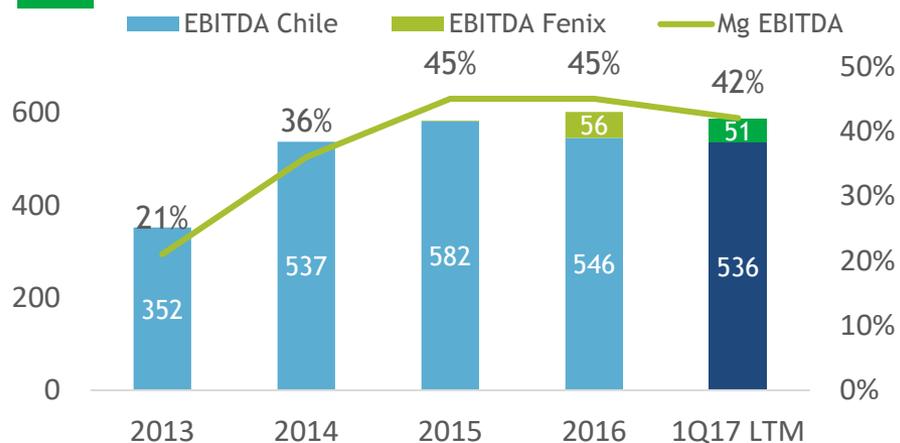
2 UNREGULATED CLIENTS.

- In the coming years there is a **relevant amount of energy for large unregulated clients to be re-contracted.**
- **Opportunities in medium-size clients:** In the last months, Colbún has signed new contracts with medium-size clients for a total of ~500 GWh/year. The prices and volumes offered reflect the current market conditions and the cost structure of the Company.

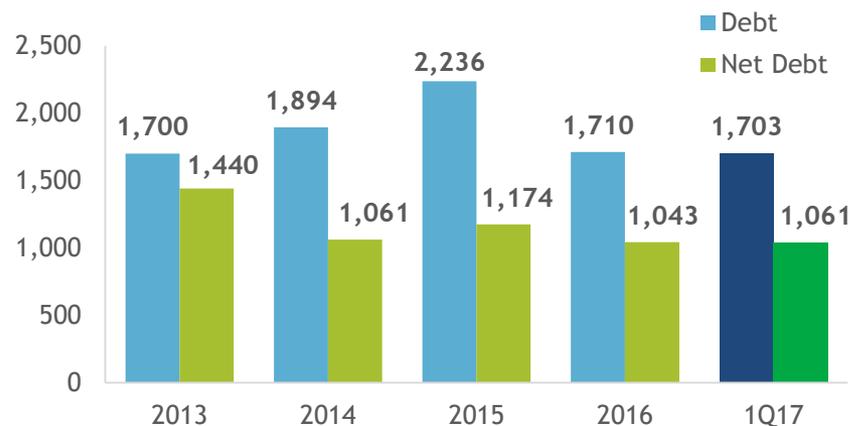
Operations In Chile & Peru

Consolidated Financial Results

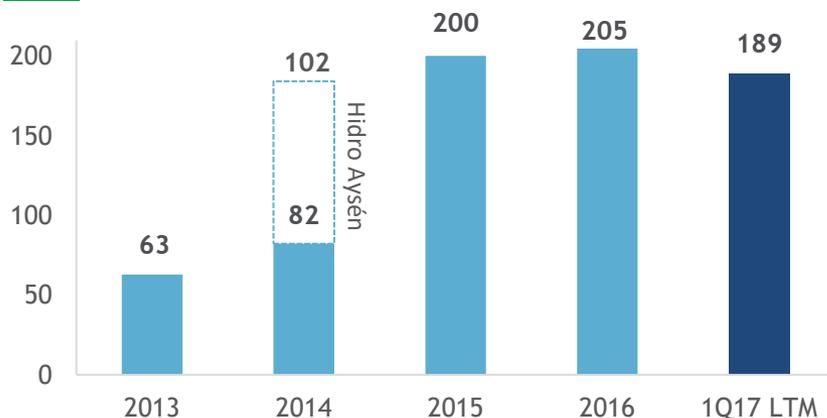
1 EBITDA & EBITDA MG. (US\$ million & %)



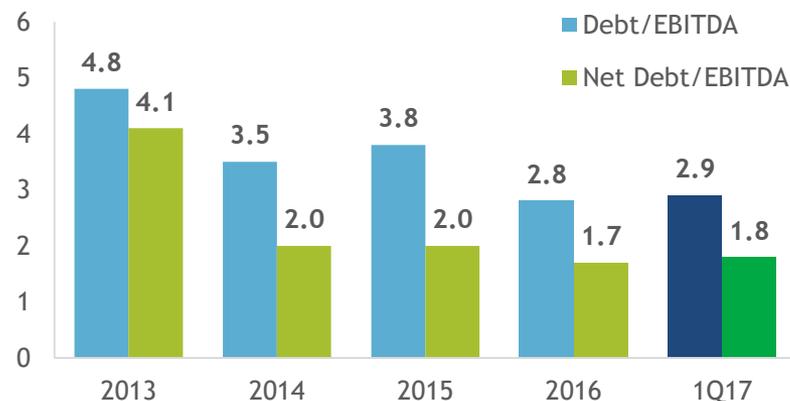
3 DEBT & NET DEBT. (US\$ million)



2 NET INCOME. (US\$ million)



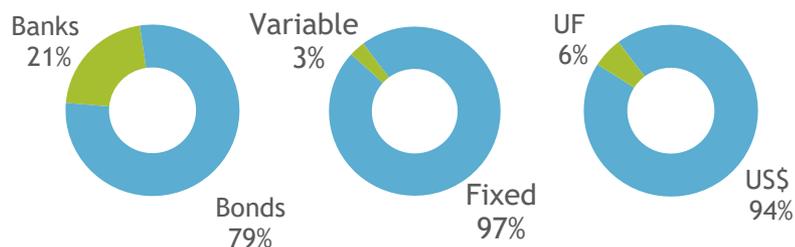
4 DEBT/EBITDA & NET DEBT/EBITDA. (x)



Operations In Chile & Peru

Consolidated Debt Profile

1 DEBT PROFILE.

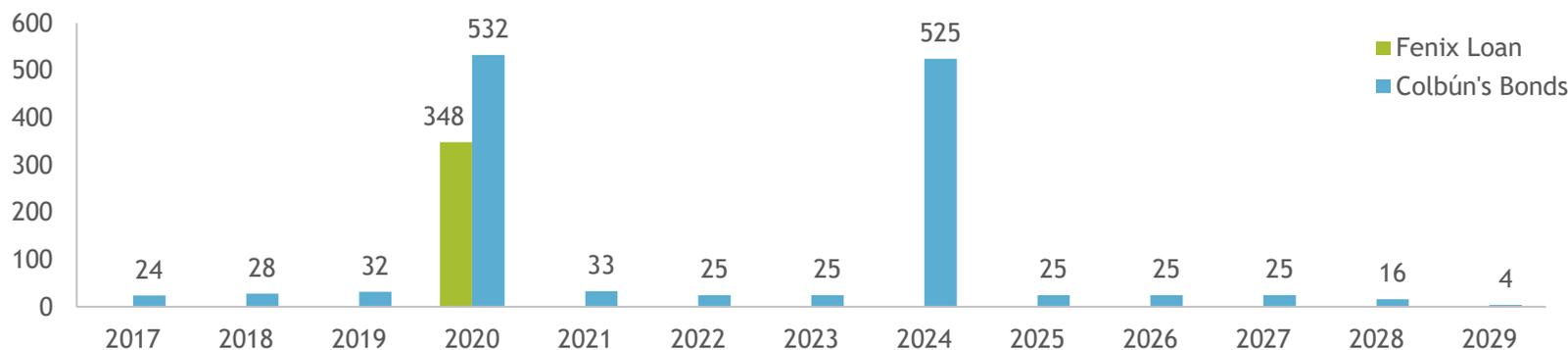


- Financial debt: US\$1,703 mm
 - 🇨🇱 US\$ 1,346 mm / 🇵🇪 US\$ 363 mm
- Avg. Maturity: 4.8 years
- Avg. US\$ Interest Rate: 4.9%

2 G-SPREAD 144A BONDS. (basis points)



3 AMORTIZATION STRUCTURE. (US\$ million)



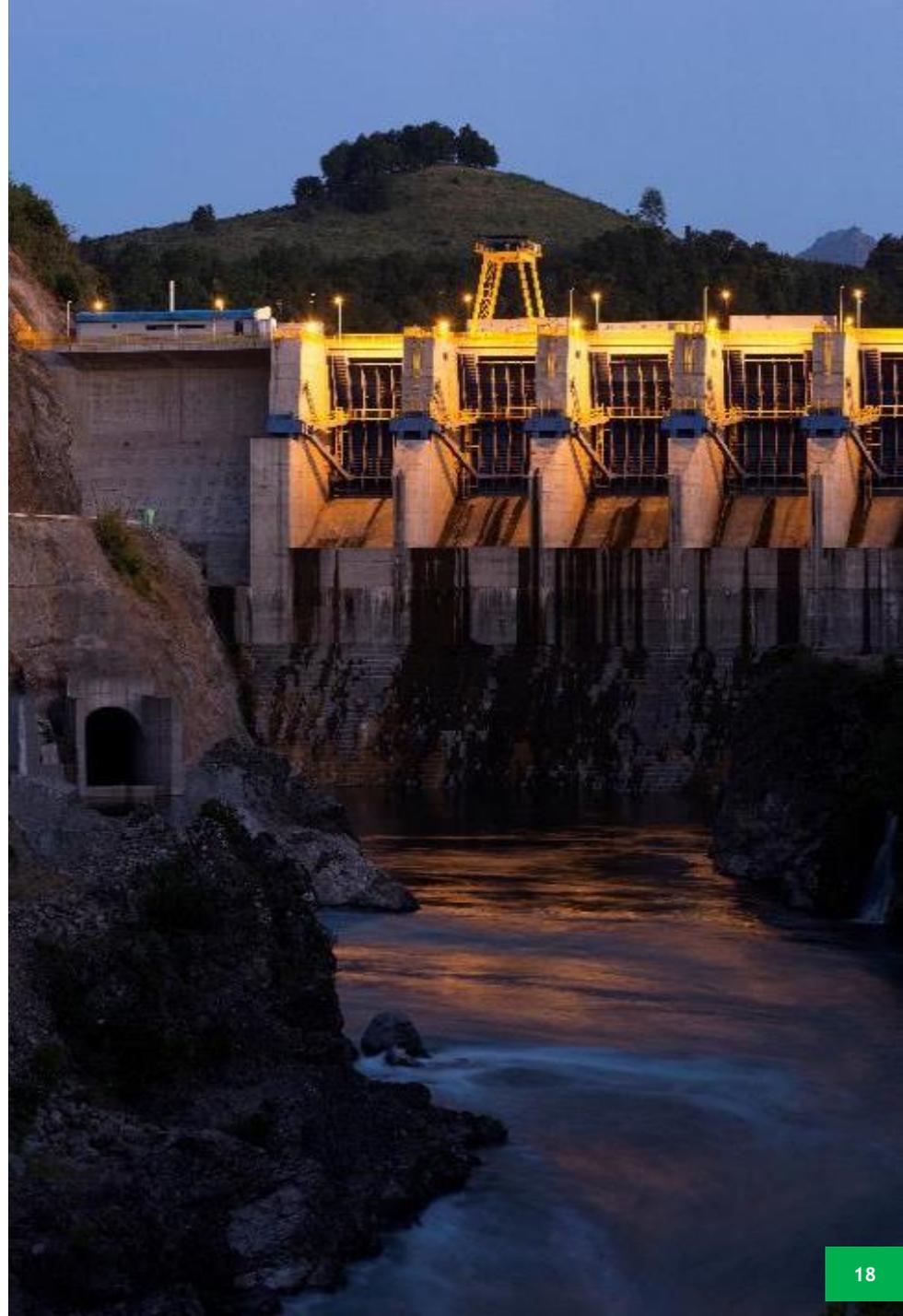
Note: All figures as of Mar17

Source: Colbun S.A.



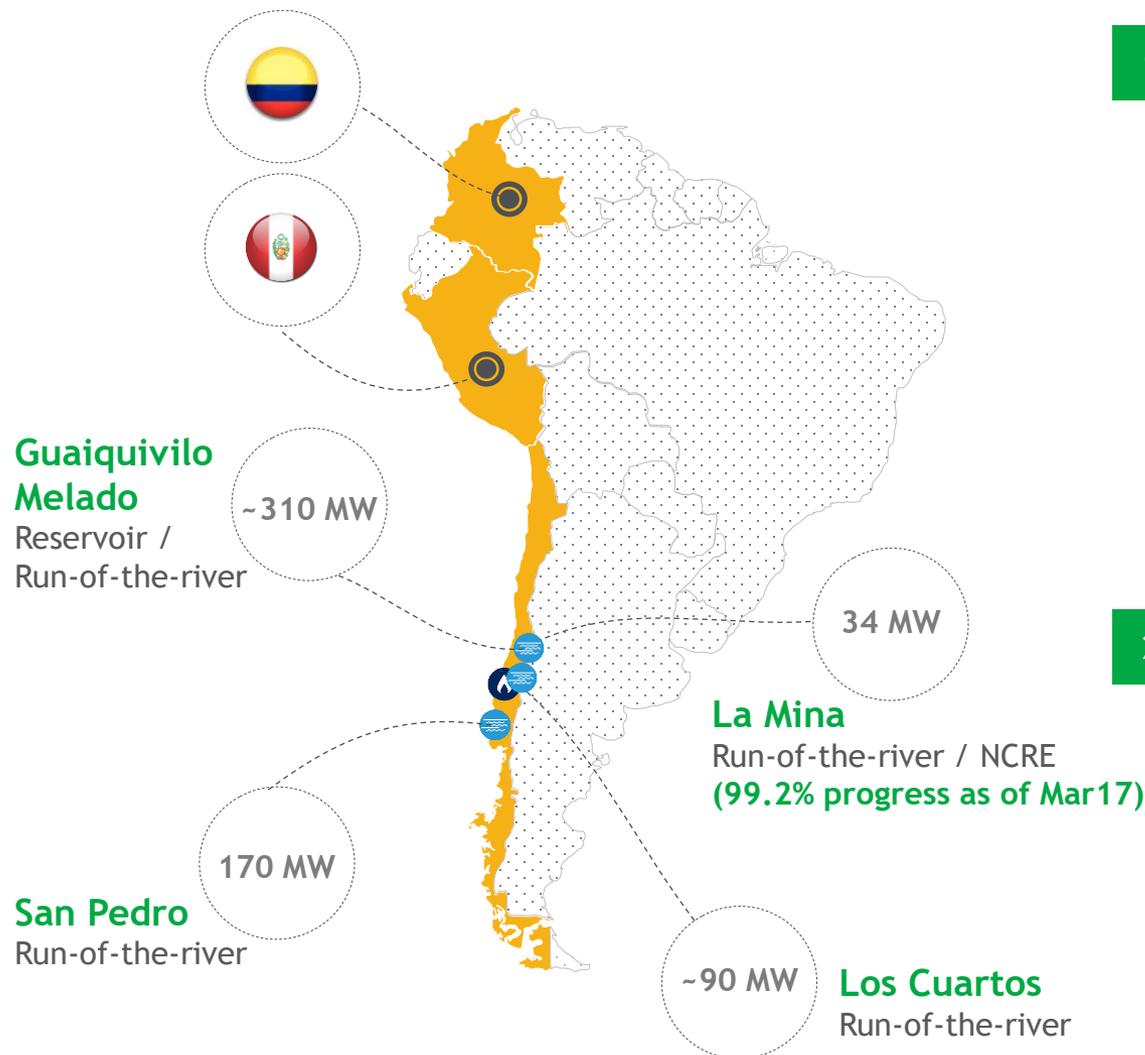
3.

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

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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Appendix

Solar Energy Transactions



1 SUNEDISON'S ASSETS AQUISITION

- **Long-term energy supply contracts with regulated customers:**
 - 350 GWh/year
 - 15 years, starting 2017

- **Two photovoltaic solar parks in the SIC:**
 - Olmué: 145 MW (Environmentally approved)
 - Santa Sofía: 57 MW (Environmental approval in process)

- **Long-term supply contract by which SunEdison will build a solar plant of 100 MW:**
 - 200 GWh/year
 - 15 years, starting 2021

2 15-YEAR CONTRACT WITH SUNPOWER

- 15-year PPA to Total with its affiliate SunPower, starting 2021
- 500 GWh/year
- Linked to the construction of a 164 MW solar power plant

Appendix

More than 50% of the total energy was awarded to new projects in the last bid process in Chile

- 2/3 of the total awarded energy comes from wind and solar technologies and at least 50% are from new projects.
- Particular conditions of 2016's bid process:
 - 6 years until supply starts.
 - Low guarantees and fines for delays.

Supplier	Technology	GWh Awarded ¹						% Awarded	Levelized Price (USD/MWh)
		B-1	B-2A	B-2B	B-2C	B-3	Total		
Mainstream	Wind	2,640	49	73	38	260	3,060	27%	41.0
WPD	Wind	0	247	227	161	80	715	6%	50.5
Cabo Leones	Wind	0	321	355	265	0	941	8%	50.5
Endesa	Portfolio	0	0	0	0	5,380	5,380	48%	50.7
Acciona	Wind	0	0	0	0	460	460	4%	54.9
Otros	-	160	0	255	9	320	744	7%	41.1
Total	-	2,800	618	909	473	6,500	11,300	100%	47.6

¹ Doesn't include the variable block, which amounts 1.13 TWh

Appendix

Stock Performance

STOCK COMPARISON. (base March 2014)

