The higher hydroelectric output during the 2Q13 was partially offset by lower coal-fired and natural gas generation. The quarter's EBITDA registers the favorable ruling for Colbún in the arbitration of the insurance compensation from business interruption, arising from the fire in Nehuenco I in December 2007.

2Q13 Financial Report

- **Colbún´s operating revenues for 2Q13 reached US$518.4 million**, a 41% increase compared to 1Q13 and a 56% increase compared to 2Q12. This rise is mainly explained by higher sales to non-regulated clients and by a US$63.9 million one-time profit of insurance compensation that covers the loss of profit caused by a fire in our Nehuenco I thermal power plant in December 2007.
- **2Q13 EBITDA reached US$130.4 million**, compared to 1Q13 of US$89.2 million and 2Q12 US$25.0 million. EBITDA margin for 2Q13 was 25% as compared to 24% during 1Q13 and 8% during 2Q12.
- **2Q13 net income posted US$41.7 million**, favorable compared to a US$24.4 million profit the previous quarter and a US$19.7 million profit during 2Q12.
- The **Angostura hydroelectric project (316 MW)** continues ahead in its lasts stages, with the compliance of the social commitments with the community. The dam construction is in the final phase along with the installation of the security gates, and the hydro mechanic assembly and the generation turbines installation. The filling of the reservoir is expected during the third quarter of 2013, to then start the testing phase towards the year end.
- Regarding the **San Pedro hydroelectric project (150 MW),** it continues consolidating the results, after the prospection and land studies campaign conducted between 2011-2012. Additionally, there have been other studies and monitoring in order to define the required adjustments in the civil works. Given the information gathered up until today, the consolidation is expected to continue throughout the third quarter.
- At 2Q13 closing, our **financial investments** reached US$223.0 million while **net debt** decreased to US$1,398 million.

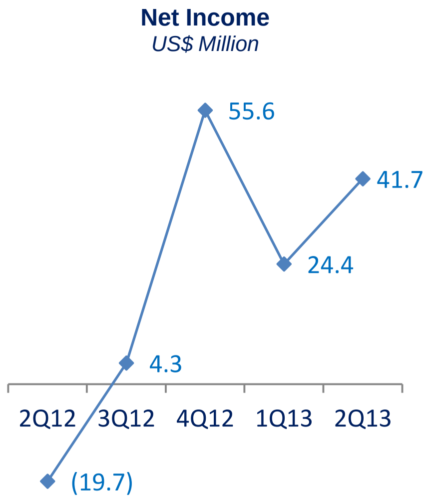
Summary
US$ million

	2Q12	1Q13	2Q13	Change QoQ	Change YoY
Revenues	331.6	367.0	518.4	41%	56%
EBITDA	25.6	89.2	130.4	46%	410%
Net Income	(19.7)	24.4	41.7	71%	(311%)
Net debt	1,489	1,476	1,398	(5%)	(6%)
Energy sales (GWh)	2,841	3,081	3,216	4%	13%
Hydraulic generation (GWh)	1,190	1,052	1,193	13%	0%
E-o-Q exchange rate (CLP/USD)	501.8	472.0	507.2	7.4%	1%

Conference Call 2Q13 Results

Date: Thursday August 29th 2013
Time: 3:30 PM Eastern Daylight Time
3:30 PM Chile
US Toll Free: 1 888 339 2688
International Dial: +1 617 847 3007
Password: 947 414 99

Colbún is the second largest generator of the SIC (the Sistema Interconectado Central is the main electricity grid covering 75% of Chilean demand). The Company has 2,962 MW of installed capacity (57% thermal and 43% hydraulic) spread over 22 plants. The facilities are located in 7 regions. Colbún sells energy and capacity to regulated customers (Distribution Companies), to non-regulated customers (Industrial Companies) and its surplus is sold to other Generators on the spot market.



Net income for 2Q13 posted a profit of US$41.7 million, which compares positively with previous quarter profit of US$24.4 million and with the US$19.7 million loss of 2Q12.

QoQ increase is mainly explained by:

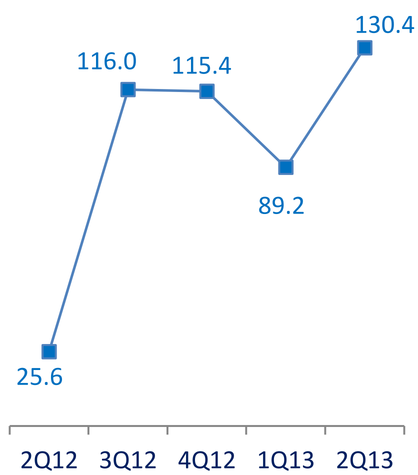
- **Higher operational results (∆+US$42.2 million):** mainly given by the US$63.9 million one-time profit from an insurance compensation, due to business interruption caused by a fire in our Nehuenco I power plant in December 2007.

- **Higher non-operational results (∆+US$18.3 million):** mainly explained by:

  - A profit in "Exchange rate differences" amounting US$7.1 million (∆+US$9.9 million), due to a 7.4% exchange rate depreciation during the 2Q13.

  - A lower expense in the "Other non-operational income (expense)" line. This quarter posted a non-recurrent loss of US$8.6 million due to asset impairment resulting from a breakdown in the open cycle thermal Los Pinos power plant (100 MW) occurred in April 21th. Concerning the failure, the repair works concluded on July 25. Then, the power plant operated reaching maximum operating capacity, however, it presented a new breakdown which is still under analysis, but is covered by General Electric guarantee. It is worth remaining that 1Q13 registered a non-recurrent loss of US$18.5 million for the same concept, due to the Nehuenco II (398 MW) breakdown, which is fully operational since July 24. Colbún has insurance which covers both physical damage as well as loss of profit, with standard deductibles. The settlement processes are currently underway.

EBITDA
US$ Million



2Q13 EBITDA was US$130.4 million, which compares positively with both the previous quarter EBITDA of US$89.2 million and with the US$25.6 million of 2Q12.

QoQ EBITDA increase is mainly explained by:

- **Commitments vs. Generation mix balance**
  Our commitments vs. generation mix balance was given by:

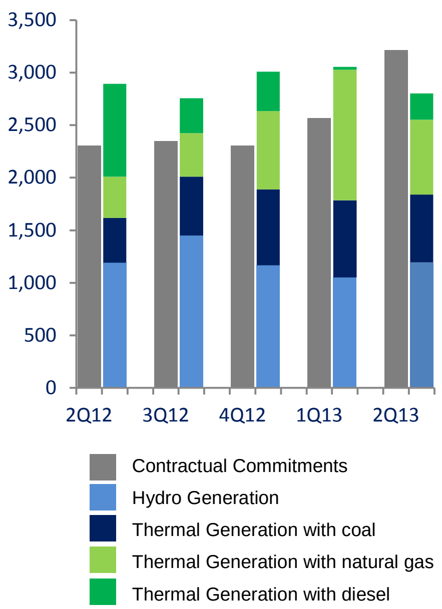
  - A higher hydroelectric generation (+Δ141 GWh/+13%) as compared to previous quarter, given by a higher dispatch of the Colbún reservoir power plant due to the CDEC operational program.
    The rainfalls during the new hydrological year (April 2013-March 2014), considering up until June, in the Company's 4 most relevant basins (Aconcagua, Maule, Laja and Chapo) registered a deviation of -51%, -41%, -18% y 19%, respectively, as compared to average historical conditions.

  - A lower thermal coal output (-Δ85 GWh/-12%) as compared to last quarter due to a lower availability of our Santa María I power plant.

  - A lower natural gas thermal generation (-Δ530 GWh/-43%) as compared to 1Q13, explained by the two supply agreements reached: the first, with Metrogas S.A., for one CCGT unit of the Nehuenco Complex for the January-April period of 2013, 2014, 2015, and which considers supply options for other periods during those years; and second, with Enap, for the other CCGT unit of Nehuenco, for the January-May 2013 period. It is worth mentioning that these agreements incorporate flexibility clauses that, after the Nehuenco II breakdown, allowed to burn the fuel in other power plants. Colbún is constantly managing, both with Enap and Metrogas, natural gas supply agreements depending on hydrological conditions.

  - Higher sale volumes to contracted clients (+Δ647 GWh/+25%), mainly due to a new long-term power purchase agreement with Codelco that entered into force in March, an in a lesser extent, due to an additional supply volume agreed during the 2Q13 with this same client, that will be in force until December 2014. The last contract mentioned considers a monthly supply close to 80 GWh and has no risk for our Company, since all costs are transferred to the client.

Commitments vs. Generation Balance
GWh



Sales Volume vs. Generation
GWh

	2Q12	1Q13	2Q13	Change QoQ	Change YoY
Sales Volumes					
Regulated customers	1,718	1,790	1,853	3%	8%
Free customers	589	779	1,363	75%	131%
Spot market sales	534	511	0	(100%)	(100%)
Total energy sales	**2,841**	**3,081**	**3,216**	**4%**	**13%**
Generation					
Hydraulic	1,190	1,052	1,193	13%	0%
Thermal - Gas	391	1,243	713	(43%)	82%
Thermal - Diesel	885	28	250	785%	(72%)
Thermal - Coal	428	732	646	(12%)	51%
Total own generation	**2,893**	**3,055**	**2,802**	**(8%)**	**(3%)**
Energy purchases (spot market)	**0**	**82**	**462**	**461%**	**-**

- **Spot Market Balance**
  During the quarter, the system presented higher marginal costs due to lack of rainfalls and to unavailability of competitive thermal power plants. As a reference, the average marginal cost measured in Alto Jahuel, was US$214/MWh in 2Q13 versus US$143/MWh in 1Q13. This implied a higher dispatch of our open-cycle diesel power plants (+Δ221 GWh). Furthermore, the company had to purchase 462 GWh in the spot market, equivalent to US$139.3 million. It is worth mentioning these greater spot market purchases, were partially compensated by the current commercial conditions stipulated in some power purchase agreements.

- **Fuel Costs**
  This quarter presented a higher average thermal generation cost (+22%), mainly because of higher diesel production which replaced part of the generation with natural gas.

- **Average sale prices to contracted clients**
  The average monomic sales price to contracted clients increased (+21%), primarily due to a higher average monomic sales price to free clients (+54%), given the current contractual conditions in the new contracts mentioned previously, slightly compensated by a lower average monomic sales price to regulated clients (-4%).

- **Insurance Payment**
  This quarter registered a one-time profit of US$63.9 million arising from an insurance compensation of the loss of profit caused by the December 2007 fire on our Nehuenco I power plant.

EBITDA
USD million

	2Q12	1Q13	2Q13	Change QoQ	Change YoY
Revenues	**331.6**	**367.0**	**518.4**	**41%**	**56%**
Sales to regulated customers	178.4	188.7	187.5	(1%)	5%
Sales to free customers	50.5	84.7	227.8	169%	351%
Sales to other generators (spot market)	24.5	55.3	0.0	(100%)	(100%)
Transmission tolls	35.3	37.9	39.0	3%	10%
Other operating income	42.8	0.4	64.0	15,458%	49%
Raw materials and consumables used	**(288.7)**	**(256.6)**	**(367.2)**	**43%**	**27%**
Transmission tolls	(33.3)	(40.9)	(36.4)	(11%)	9%
Energy and capacity purchases	(0.6)	(21.7)	(139.3)	543%	21756%
Gas purchases	(60.9)	(139.8)	(80.5)	(42%)	32%
Diesel purchases	(177.3)	(8.4)	(65.9)	688%	(63%)
Coal purchases	0.0	(27.7)	(25.7)	(7%)	-
Third party works and supplies	(16.6)	(18.1)	(19.5)	8%	17%
Personnel expenses and other operating expenses	**(17.3)**	**(21.2)**	**(20.7)**	**(2%)**	**20%**
EBITDA	**25.6**	**89.2**	**130.4**	**46%**	**410%**
Depreciation and amortization	**(31.2)**	**(40.4)**	**(39.4)**	**(3%)**	**26%**

- **Financial Income:** 2Q13 registered an income of US$1.4 million, consistent with the financial investments held during the period.

- **Financial Expenses:** 2Q13 registered expenses of US$12.1 million, a decrease of US$15.2 million as compared to 1Q13, due to a UF local bond maturity during the quarter.

- **Other Non-operating Income/Expense:** 2Q13 registered a loss of US$8.7 million, mainly explained by a non-recurrent loss of US$8.6 million due to asset impairment resulting from a breakdown in the open cycle thermal Los Pinos power plant (100 MW) occurred in the quarter, which was explained previously.

- **Exchange Rate Differences:** the US$7.1 million profit recorded during the 2Q13 is mainly due to the 7.4% CLP/USD exchange rate depreciation during the quarter, as a result of having a balance sheet with an excess of liabilities over assets denominated in local currency.

- **Income Tax:** the income tax item registered an expense of US$38.1 million for the 2Q13, which compares negatively to the US$5.1 million income registered for the 1Q13. The main variable affecting the income tax is the depreciation of the CLP over the USD, since the taxable fixed asset is carried out in Chilean pesos.

Para el **análisis del balance** cabe destacar el saldo de las siguientes cuentas:

Cash and cash equivalents

This account reached US$223.0 million at 2Q13 closing, decreasing US$14.5 million as compared to 1Q13 closing. This is mainly explained by the dividend payment, by a local UF bond maturity and by disbursements linked to our investment projects currently underway; effects mostly offset by inflows from operating activities (which includes the insurance payment mentioned before).

Trade and other accounts receivable

Registered US$184.3 million at 2Q13 closing, increasing in US$11.7 million as compared to the previous quarter, mainly due to higher contracted sales to clients during the period.

Current tax receivable

Current tax receivable reached US$230.0 million at 2Q13 closing, similar to 1Q13 closing, but with different composition. The remaining VAT Credit decreased due to higher margins, and was offset by the requested reimbursements under article 27 Bis of DL825, where part of the VAT Credit accumulated from disbursements linked to our investment projects are recovered in advance.

Non-current assets

Property, plant, and equipment reached US$4,955 million at 2Q13 closing, a US$21.4 million increase as compared to previous quarter closing. This is explained by the investment projects conducted by Colbún (particularly the Angostura project), which were partially offset by the depreciation of assets for the period.

Current Liabilities

Current liabilities reached US$535.5 million, a US$17.0 million decrease when compared to 1Q13 closing. This increase can be explained primarily by the UF bond amortization, in part offset by higher accounts payables.

Non-current liabilities

Non-current liabilities totaled US$1,904 million at 2Q13 closing, a slight decrease of US$4.2 million during the quarter. This decrease is mainly explained by the effect of the CLP/USD exchange rate depreciation over the UF or Chilean pesos liabilities when they are converted into US dollars, partially offset by an increase in the deferred taxes liabilities line.

Shareholders´ Equity

At 2Q13 closing, the Company reached a Net Shareholder Equity of USD US$3,580 million, a US$39.0 million increase, which is mainly explained by the net profit of the quarter.

Summarized Balance Sheet

USD million

	2Q12	1Q13	2Q13	Change QoQ	Change YoY
Current Assets	796.0	750.4	760.4	10.0	(35.6)
Cash and cash equivalents	255.8	237.6	223.0	(14.5)	(32.8)
Trade and other accounts receivable	196.2	172.6	184.3	11.7	(11.9)
Normal sales	*131.6*	*154.0*	*178.5*	*24.5*	*46.9*
Others	*64.6*	*18.6*	*5.8*	*(12.8)*	*(58.8)*
Current tax receivable	251.5	230.4	230.0	(0.4)	(21.5)
Other current assets	92.4	109.8	123.1	13.3	30.7
Non-Current Assets	5,039.5	5,251.4	5,259.3	7.9	219.8
Property, plant and equipment	4,751.1	4,933.2	4,954.7	21.4	203.5
Other non-current assets	288.4	318.2	304.6	(13.6)	16.2
Total Assets	**5,835.5**	**6,001.8**	**6,019.7**	**17.9**	**184.2**
Current liabilities	441.5	552.5	535.5	(17.0)	94.0
Non-current liabilities	1,942.5	1,908.1	1,903.9	(4.2)	(38.6)
Total net equity	3,451.5	3,541.3	3,580.3	39.0	128.8
Total Liabilities and Net Equity	**5,835.5**	**6,001.8**	**6,019.7**	**17.9**	**184.2**

Cash flow from operating activities during 2Q13 generated a net inflow of US$134.8 million, mainly explained by EBITDA, which includes the insurance compensation of the loss of profit caused by the December 2007 fire on our Nehuenco I power plant.

Cash flow from financing activities during 2Q13 generated a net outflow of US$54.0 million, mainly due to an amortization of a local bond and to dividend payments.

Cash flow from investment activities during 2Q13 generated a net outflow of US$92.8 million, mainly explained by capex, primarily for our Angostura project and in a lesser extent due to repair works in the Nehuenco II and Los Pinos power plants.

Cash Flow
USD million

	2Q12	1Q13	2Q13	Change QoQ	Change YoY
Cash and cash equivalents at beginning of period	**203.0**	**217.7**	**237.6**	**19.8**	**34.5**
Cash Flow from Operating Activities	(14.4)	135.5	134.8	(0.7)	149.2
Cash Flow from Financing Activities	203.0	(17.6)	(54.0)	(36.3)	(257.0)
Cash Flow from Investing Activities	(133.8)	(99.9)	(92.8)	7.1	41.0
Net increase (decrease) in cash and cash equivalents	**54.8**	**17.9**	**(12.0)**	**(29.9)**	**(66.8)**
Effects of exchange rate changes on cash and cash equivalents	(2.0)	2.0	(2.5)	(4.5)	(0.5)
Cash and cash equivalents at end of period	**255.8**	**237.6**	**223.0**	**(14.5)**	**(32.8)**

Net debt decreased by US$77.9 million during 2Q13, reaching US$1,398 million at closing, explained by cash flow generated by operating activities, partially offset by cash flow disbursed on our investment projects.

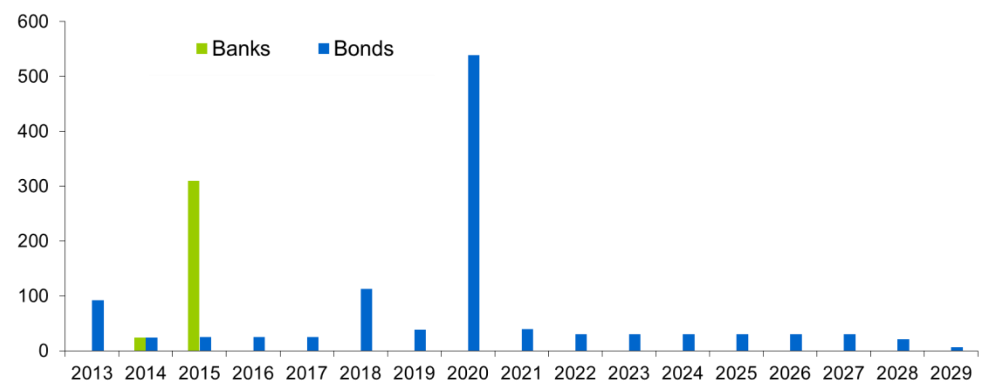
Liquidity Analysis
USD million

	2Q12	1Q13	2Q13	Change QoQ	Change YoY
Gross financial debt	1,745.7	1,713.4	1,620.9	(92.5)	(124.8)
Financial investments	257.2	237.6	223.0	(14.6)	(34.2)
Net financial debt	**1,488.5**	**1,475.8**	**1,397.9**	**(77.9)**	**(90.7)**

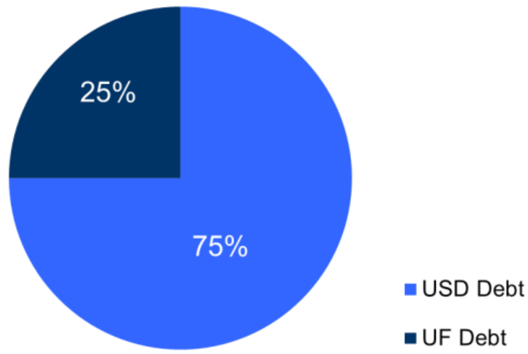
Financial investments reached US$223.0 million at 2Q13 closing, decreasing in US$14.6 million from the previous quarter.

Gross financial debt reached US$1,621 million at the end of 2Q13. This amount includes net effect of hedging derivatives, discounts on bond issuances, taxes, commissions and other upfront expenses. During the 2Q13, gross debt decreased in US$92.5 mainly due to the local UF bond amortization and to the CLP/USD exchange rate depreciation that impacts the debt denominated in local currency.

Long Term Debt amortization schedule at 2Q13 closing
US$ million



Long-term debt breakdown by currency at 2Q13 closing
As a % of total debt



The average USD long-term financial debt rate is 5.39%.

The average maturity of Colbún's long term financial debt is 5.6 years.

Taking into account the interest rate and currency derivatives, 75% of Colbún's long term financial debt is dollar-denominated and 89% has a fixed rate.

This document provides information about Colbún SA. 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.

In compliance with the applicable rules, Colbún S.A. publishes this document on its Web Site (www.Colbún.cl) and sends the financial statements of the Company and its corresponding notes to the Superintendencia

Quarterly Sales and Production
GWh

	2012					2013				
	1Q12	2Q12	3Q12	4Q12	Total	1Q13	2Q13	3Q13	4Q13	Total
Sales										
Regulated customers (GWh)	1,721	1,718	1,753	1,721	6,912	1,790	1,853			3,643
Free customers (GWh)	1,156	589	594	582	2,921	779	1,363			2,142
Spot market sales (GWh)	59	534	320	642	1,555	511	0			511
Total energy sales (GWh)	**2,935**	**2,841**	**2,667**	**2,945**	**11,389**	**3,081**	**3,216**			**6,297**
Capacity sales (MW)	1,523	1,486	1,513	1,492	1,503	1,564	1,806			1,685
Generation										
Hydraulic (GWh)	1,426	1,190	1,450	1,167	5,233	1,052	1,193			2,245
Thermal - Gas (GWh)	690	391	415	747	2,242	1,243	713			1,956
Thermal - Diesel (GWh)	650	885	331	374	2,240	28	250			278
Thermal - Coal (GWh)	145	428	560	721	1,853	732	646			1,378
Total own generation (GWh)	**2,911**	**2,893**	**2,755**	**3,009**	**11,568**	**3,055**	**2,802**			**5,856**
Energy purchases spot market (GWh)	**72**	**0**	**7**	**0**	**79**	**82**	**462**			**544**

Quarterly Income Statement

USD million

	2012					2013				
	1Q12	2Q12	3Q12	4Q12	Total	1Q13	2Q13	3Q13	4Q13	Total
Operating revenues	361.1	331.6	314.5	401.5	1,408.8	367.0	518.4			885.3
Raw materials and consumables used	(316.3)	(288.7)	(180.1)	(262.3)	(1,047.4)	(256.6)	(367.2)			(623.8)
GROSS MARGIN	**44.8**	**42.9**	**134.4**	**139.2**	**361.4**	**110.4**	**151.1**			**261.5**
Personnel expenses and other operating expenses	(17.7)	(17.3)	(18.4)	(23.8)	(77.2)	(21.2)	(20.7)			(41.9)
Depreciation & amortization	(31.1)	(31.2)	(34.2)	(39.5)	(136.0)	(40.4)	(39.4)			(79.8)
OPERATING INCOME	**(4.0)**	**(5.6)**	**81.8**	**75.9**	**148.1**	**48.8**	**91.0**			**139.8**
EBITDA	**27.1**	**25.6**	**116.0**	**115.4**	**284.2**	**89.2**	**130.4**			**219.6**
Financial income	1.4	0.8	1.6	1.2	5.0	1.7	1.4			3.1
Financial expenses	(4.6)	(4.0)	(8.7)	(15.3)	(32.5)	(15.2)	(12.1)			(27.3)
Results of indexation units	2.2	0.4	(0.1)	2.0	4.5	0.5	0.2			0.8
Exchange rate differences	10.3	(1.6)	3.7	(2.0)	10.4	(2.8)	7.1			4.2
Share of profit (loss) from equity-accounted associates	1.8	1.3	2.0	3.3	8.3	2.2	0.9			3.1
Other non-operating income/expense	(14.6)	(8.4)	(1.6)	(6.0)	(30.6)	(15.9)	(8.7)			(24.5)
NON-OPERATING INCOME	**(3.4)**	**(11.5)**	**(3.2)**	**(16.7)**	**(34.8)**	**(29.5)**	**(11.3)**			**(40.8)**
NET INCOME BEFORE TAX	**(7.4)**	**(17.1)**	**78.6**	**59.2**	**113.3**	**19.3**	**79.8**			**99.0**
Income Tax	16.4	(2.6)	(74.4)	(3.6)	(64.1)	5.1	(38.1)			(32.9)
NET INCOME FROM CONTINUING OPERATIONS	**9.0**	**(19.7)**	**4.3**	**55.6**	**49.1**	**24.4**	**41.7**			**66.1**
NET INCOME ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT COMPANY	**9.0**	**(19.7)**	**4.3**	**55.6**	**49.1**	**24.4**	**41.7**			**66.1**

Summarized Balance Sheet
USD million

	2012				2013			
	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
Current Assets	764.0	796.0	789.9	788.6	750.4	760.4		
Cash and equivalents	203.0	255.8	281.1	217.7	237.6	223.0		
Accounts receivable	213.2	196.2	171.3	184.8	172.6	184.3		
Normal sales	*157.6*	*131.6*	*123.6*	*121.7*	*154.0*	*178.5*		
Deudores varios	*55.7*	*64.6*	*47.7*	*63.1*	*18.6*	*5.8*		
Recoverable taxes	239.8	251.5	245.3	258.2	230.4	230.0		
Other current assets	107.9	92.4	92.1	127.9	109.8	123.1		
Non-Current Assets	4,941.1	5,039.5	5,156.6	5,214.8	5,251.4	5,259.3		
Property, Plant and Equipment , net	4,659.8	4,751.1	4,833.1	4,904.2	4,933.2	4,954.7		
Other non-current assets	281.3	288.4	323.5	310.6	318.2	304.6		
Total Assets	**5,705.1**	**5,835.5**	**5,946.5**	**6,003.4**	**6,001.8**	**6,019.7**		
Current liabilities	400.6	441.5	431.7	550.8	552.5	535.5		
Long-term liabilities	1,821.2	1,942.5	2,041.1	1,939.8	1,908.1	1,903.9		
Shareholders' equity	3,483.3	3,451.5	3,473.7	3,512.8	3,541.3	3,580.3		
Total Liabilities and Shareholders' Equity	**5,705.1**	**5,835.5**	**5,946.5**	**6,003.4**	**6,001.8**	**6,019.7**		
End-of-quarter exchange rate (CLP/USD)	487.4	501.8	473.8	480.0	472.0	507.2		