4Q13 Financial Report

- Colbún´s **operating revenues** for 4Q13 reached US$349.5 millon, a decrease of 13% compared to 4Q12 explained by a onetime income effect (US$39.6 million) and also a decrease of 24% compared to 3Q13 explained by lower physical sales to regulated clients and by lower monomic price to free costumers.

- Total **energy sales volume** amounted to 3.2 TWh, an increase of 8% and a decrease of 5% compared to 4Q12 and 3Q13, respectively. Sales to **unregulated clients reached** 1.5 TWh, in line with 3Q13 and almost threefold the figure for 4Q12.

- **Total generation** was 2.8 TWh, a decrease of 6% compared to 4Q12 due to less diesel oil generation and due to a programmed maintenance at our Santa María I coal power plant . Total generation increase 10% compared to 3Q13 given by higher hydroelectric generation typical of the melting season.

- 4Q13 **EBITDA** was US$116.8 million, down 9% from 4Q12 and more than fourfold the figure of 3Q13.

- Colbún reported a **net income** of US$6.9 million versus a net income of US$57.1 million in 4Q12 and a net loss of US$10.1 million in 3Q13.

- The **Angostura hydroelectric project (316 MW)** continues on schedule, the filling of the reservoir ended on mid Dec13 and on late Dec the first turbine (135 MW) synchronized and it is concluding the testing phase with water.

- At the end of 4Q13, **financial investments** reached US$260.5 million and **net debt** slightly decreased to US$1,440 million.

Conference Call 4Q13 Results

Fecha: Thursday January 30th 2014
Hora: 10:00 AM Eastern Standard Time
12:00 PM Chile Time
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Summary
USD million

	4Q12	3Q13	4Q13	12M12	12M13	Change YoY	QoQ	Ac/Ac
Revenues	401.3	461.1	349.5	1,409.5	1,695.9	(13%)	(24%)	20%
EBITDA	116.7	25.9	106.8	286.7	352.4	(8%)	312%	23%
Net Income	57.1	(10.1)	6.9	50.9	63.0	(88%)	(169%)	24%
Net debt	1,505	1,472	1,440	1,505	1,440	(4%)	(2%)	(4%)
Energy sales (GWh)	2,945	3,343	3,185	11,389	12,826	8%	(5%)	13%
Total generation (GWh)	3,009	2,571	2,825	11,568	11,253	(6%)	10%	(3%)
Hydraulic generation (GWh)	1,167	1,166	1,446	5,233	4,857	24%	24%	(7%)

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.

MANAGEMENT COMMENT

"After a particularly weak third quarter impacted by the drought, the failure at the Nehuenco II power plant (that had the plant unavailable for 132 days) and the subsequent maintenance of the Nehuenco I plant, we showed again an improvement in our result. This fourth quarter improvement is mainly due to an increase in hydroelectric generation typical of the melting period in these times of year, complemented with higher coal and gas complement. The increased gas-fired generation versus previous quarter is explained by the supply agreement reached with ENAP for the October-December period, anticipating a poor thaw. As a result, we posted a profit for the quarter, while EBITDA increased significantly.

For the year 2013, the Company showed a better position to face adverse scenarios through an improved cost structure (the Santa María I plant operating full year, more gas generation and lower diesel generation) and due to a one time insurance payment of US$63.9 million associated with the loss of profit caused by a fire at the Nehuenco I plant in Dec07. These effects more than offset an extremely dry hydrological year and a significant failure of one of our base-load plants. Meanwhile, the Santa María I plant completed its first full year in service obtaining an availability factor of 86% which compares favorably with an average of 84% of the coal plants in the SIC.

Looking forward, as the Angostura (316 MW) starts coming online (the first 135 MW-unit was synchronized and is now generating) we will continue advancing in re-balancing our own generation with our level of contracts. Therefore we enter this new consolidation cycle optimistically after concluding an important investment plan of over 900 MW since 2006 with an investment amount of more than US$2,000 million".

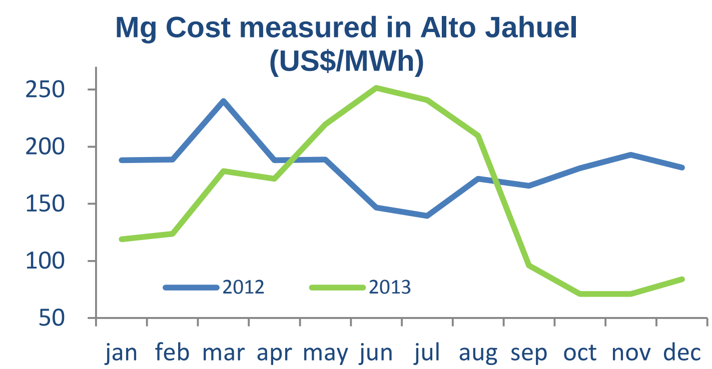
Angostura Reservoir

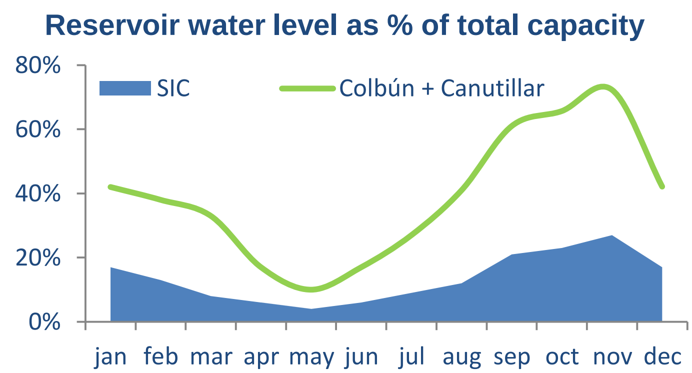
MARKET CONDITIONS

The SICs generation (Central Interconnected System) in 2013 **grew 4% due to higher demand** both from regulated and unregulated customers. Regarding the generation mix, hydroelectric generation reached a minimum holding below 40%, while **coal increased about ten points** (higher generation of Santa María I, Campiche and Bocamina II plants) reaching 33% of the total generation of the system, allowing a reduction in diesel oil generation which accounted for only 4%. Despite the drought, this increase in coal generation even allowed the average marginal cost measured in Alto Jahuel to fall by 21% when compared to 2012, from US$194/MWh to US$154/MWh.

The graph below shows the differences in patterns of marginal costs in 2012 and in 2013. While 2012 marginal costs were more stable and above the US$140/MWh level, the 2013 pattern is more erratic and has a countercyclical trend compared to the energy stored in the reservoirs of the system. Basically, during the first months of the year the energy reserves were consumed awaiting for the winter rainfalls, which turned out to be very slight, therefore the **stored capacity reached a minimum of 4%** of the total capacity and the winter months (counterintuitive) exhibited the highest marginal costs of the year.

Meanwhile, the last quarter showed an improvement in hydroelectric generation typical in the period of snowmelt, which begins around September each year. The increase in water resource brought down considerably the marginal costs. Notwithstanding the above, the average river flows for the quarter were approximately 20% to 40% lower than the flows of an average year in the relevant basins for Colbún





On the regulatory side, during the year, two new laws were approved and which we expect will impact the industry. The first seeks to encourage the development of **NCRE** development, requiring that by 2025 20% of the energy matrix comes from this energy source, which implies a challenging increase from the current level of 10%. The second, referring to **electrical concessions** aims to speed up the granting of these concessions, especially for the construction of transmission lines, partly mitigating current risks of delay in commissioning the new infrastructure required by the electrical system.

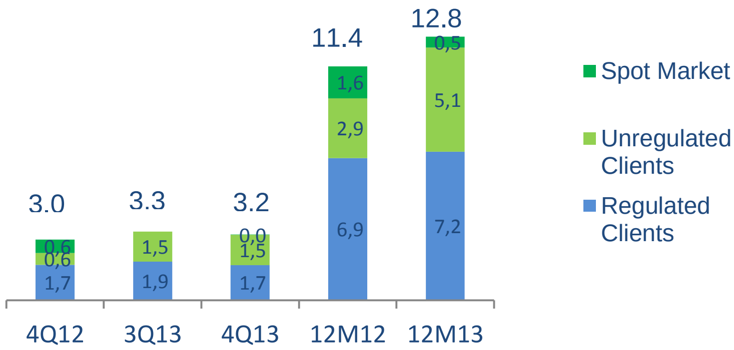
PHYSICAL SALES

Sales volume to customers under power purchase agreements during 4Q13 reached 3,177 GWh, 38% higher than the same period of the previous year, mainly explained by the new supply contracts with Codelco which began in Mar13 and May13. Sales were 5% lower as compared to 3Q13 mainly due to some regulated contracts which reached their maximum supply volume before the year ended.

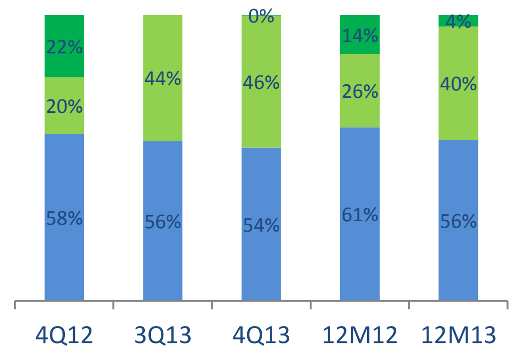
During the quarter sales to the spot market were only 8 GWh.

On a yearly basis, free customers grew 74% due to the new contracts aforementioned; meanwhile regulated customers increased their demand organically (5%).

Physical sales by Type of Client (TWh)



Physical Sales by Type of Clients(%)



GENERATION

The generation matrix of the company continued to be affected, for the fourth consecutive year, by extremely dry conditions in the northern and south-central areas of the country showing poor rainfalls compared to a normal year and even worse compared to those of year 2012. Despite this, the 4Q13 exhibited an improvement in hydroelectric generation characteristic of the melting season.

Hydroelectric generation increased 24% compared to 4Q12 and 3Q13 reaching 1.466 GWh. This is explained by higher river flows related to the melting period. Although rainfalls for the year were lower compared to 2012, snow accumulation was slightly higher, implying higher river flows (in Colbún´s most relevant basins) and therefore greater hydroelectric generation when compared to 4Q12.

Coal-fired generation during 4Q13 was 592 GWh, 18% and 8% lower compared to 4Q12 and 3T13, mainly because during the month of Oct13 the Santa María I power plant had a scheduled maintenance, which had the plant out of service for 19 days.

Gas-fired generation increased compared to 4Q12 and 3Q13 since the Company negotiated an agreement with ENAP for a gas supply to cover the operation of one combined cycle unit during the Oct13-Dic13 period, foreseeing a poor melting season. Also, remember gas generation for 3Q13 was negatively affected by the failure at the Nehuenco II power plant (out until July 24th) and the subsequent scheduled maintenance of the Nehuenco I plant.

Diesel-fired generation decreased almost 100% compared to 4Q12 and to 3Q13.

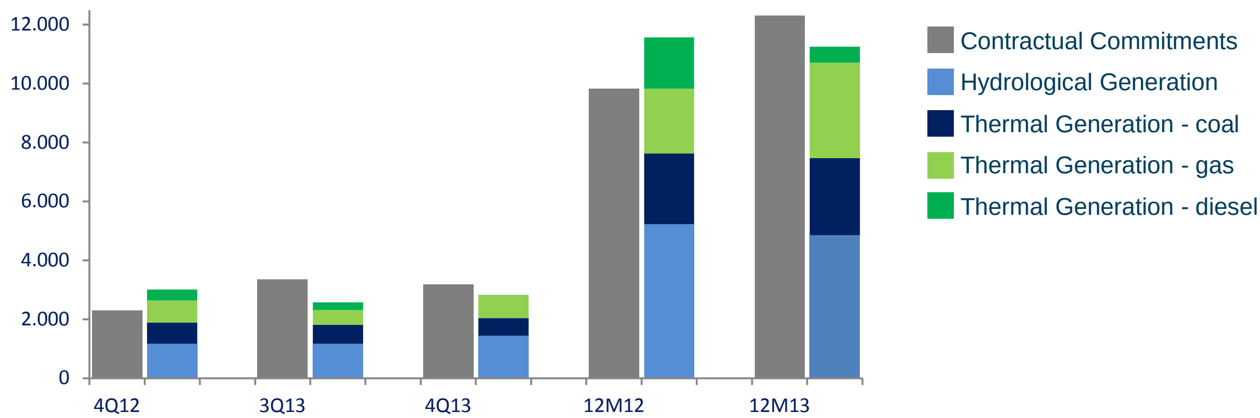
Annual generation exhibited a strong increase in coal-fired generation and gas-fired generation. These allowed to reduce diesel-fired generation and to mitigate the effect of lower hydroelectric generation.

PHYSICAL SALES & GENERATION BALANCE

The quarter shows a more balanced position compared to 4Q12 and 3Q13. Purchases on the spot market declined by almost 50% compared to 3Q13. In annual terms, there was a reversal of the 2012 position, ending the year with a net buyer position. Remember the Nehuenco II plant had a failure in Mar13, which had the power plant 132 days out of service. Therefore the buyer position could have been reduced significantly considering this plant can generate about 250 GWh per month and its variable cost is less than the marginal costs observed during several weeks of the year. Despite this, the increased purchases in the spot market during the year were partially offset by commercial conditions stipulated in certain energy supply contracts in force during the period.

Commitments vs. Generation

GWh



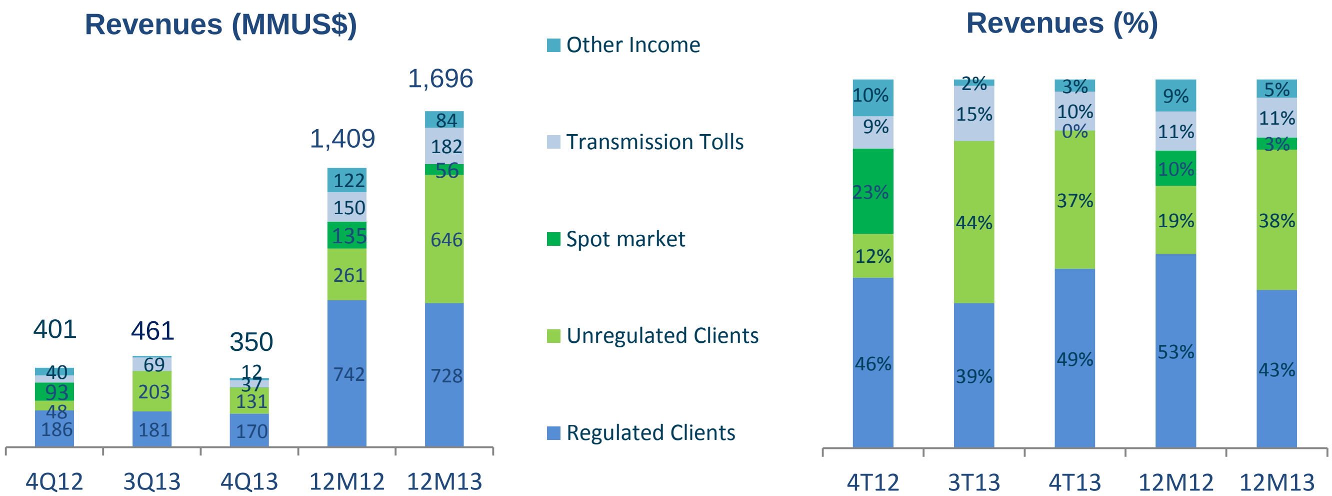
Sales Volume vs. Generation

GWh

	4Q12	3Q13	4Q13	12M12	12M13	Change QoQ	Change YoY	Change Ac/Ac
Sales Volumes								
Regulated customers	1,721	1,872	1,708	6,912	7,224	(9%)	(1%)	5%
Free customers	582	1,471	1,469	2,921	5,082	(0%)	152%	74%
Spot market sales	642	0	8	1,555	519	0%	(99%)	(67%)
Total energy sales	**2,945**	**3,343**	**3,185**	**11,389**	**12,826**	**(5%)**	**8%**	**13%**
Generation								
Hydraulic	1,167	1,166	1,446	5,233	4,857	24%	24%	(7%)
Thermal - Gas	747	499	779	2,242	3,234	56%	4%	44%
Thermal - Diesel	374	260	8	2,240	546	(97%)	(98%)	(76%)
Thermal - Coal	721	646	592	1,853	2,616	(8%)	(18%)	41%
Total own generation	**3,009**	**2,571**	**2,825**	**11,568**	**11,253**	**10%**	**(6%)**	**(3%)**
Energy purchases (spot market)	**0**	**789**	**411**	**79**	**1,744**	**(48%)**	**(100%)**	**2102%**

OPERATING REVENUES

Operating revenues from ordinary activities for 4Q13 totaled US$349.5 million, decreasing 13% and 24% compared to 4Q12 and to 3Q13, respectively. Remember the 4Q12 included a onetime payment of US$39.6 million as a result of the insurance compensation for the delay in commissioning of the Santa María I plant caused by the earthquake in Feb10.
Accumulated operating revenues from ordinary activities as of Dec13 totaled US$1,696 million, 20% higher than the same period of the previous year. Revenues are broken down as follow:



Regulated clients: Revenues from regulated clients were US$181.4 million in 4Q13, 8% and 6% lower compared to 4Q12 and 3Q13 respectively. The decrease compared to 4Q12 is due to a lower average monomic price, and in a lesser extent to lower sales volume. The decrease from the 3Q13 is explained by lower sales volume (some contracts reached the maximum energy supply), partly offset by a higher monomic price.

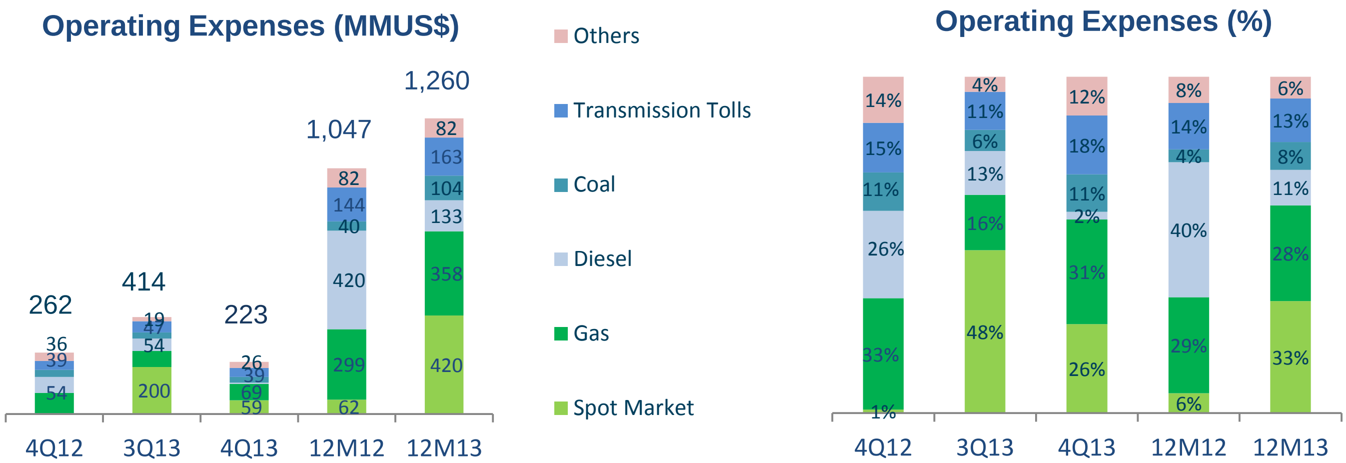
Unregulated clients: Revenue from unregulated clients reached US$130.8 million in 4Q13, increasing almost threefold compared to 4Q12 and decreasing 36% compared to 3Q13. The increase versus 4Q12 is mainly explained by higher physical sales, due to the new Codelco contracts that came into effect in Mar13 and May13, as well as higher average monomic prices due to the conditions stipulated in these contracts. The decrease from 3Q13 is the result of a **lower average monomic price given the indexation formulas of some contracts.**

Transmission Tolls: Revenue from transmission tolls totaled US$36.5 million in 4Q13, 3% up from 4Q12 and 47% down from 3Q13. The previous quarter was impacted by toll income reassessments and some decoupling of the transmission system observed during Jul13 and Agu13.

On a yearly basis, 2013 revenues increased year over year due to higher sales volumes (especially to free customers), to higher monomic prices (associated with certain contracts) and to a onetime insurance payment of US$63.9 million associated with the loss of profit caused by a fire at the Nehuenco I plant in Dec07.

OPERATING EXPENSES

Raw materials and consumables used totaled US$222.7 million on 4Q13, lower in 15% compared to 4Q12, and in 50% compared to 3Q13.
In cumulative terms, as of Dec13, raw materials and consumables used totaled US$1,260 million, a 20% increase compared to the same period in 2012. Operating expenses are broken down as follow:



Transmission Tolls: in 4Q13 totaled US$39.0 million, remaining relatively constant compared to 4Q12 and decreasing by 16% compared to 3Q13 given by lower costs of sub-transmission tolls.

Spot market purchases during the 4Q13 reached 411 GWh (US$59.0 million), an increase compared to 4Q12 were there were no purchases and a decrease compared to the 789 GWh (US$200.4 million) purchased in 3Q13, affected by the Nehuenco II power plant failure (out until July 24th) and the latter scheduled maintenance of the Nehuenco I causing a temporary unbalance position between our own generation and our contracted sales.

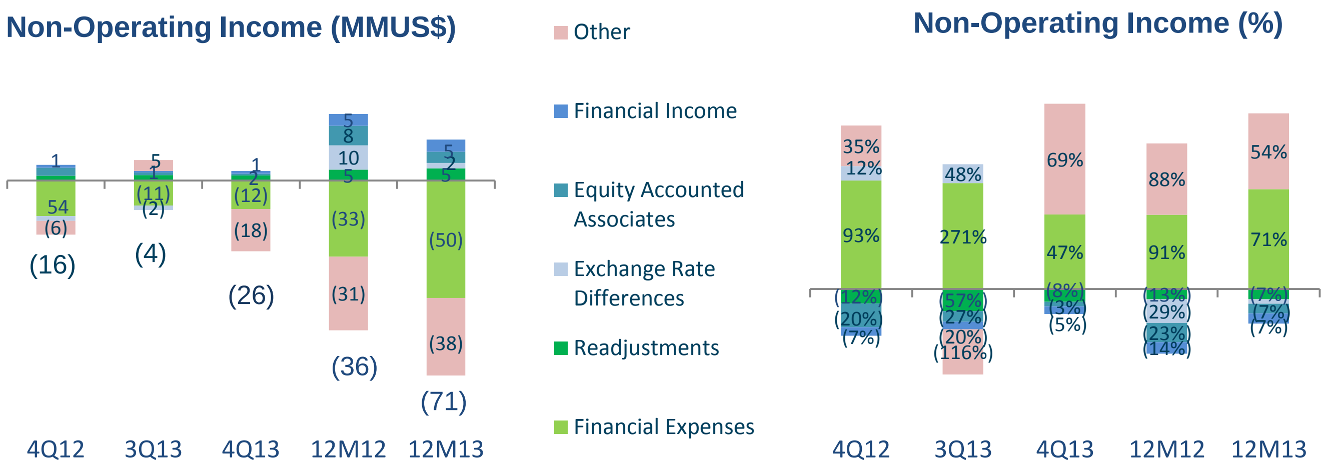
Fuel Costs reached US$99.0 million, 46% lower than 4Q12, due to lower gas and specially diesel consumption. Fuel costs fell 32% from 3Q13, explained by a decrease in diesel consumption.

Third Parties Work and Supply totaled US$25.7 million in 4Q13, compared to US$36.0 million in 4Q12 and to US$18.6 million in 3Q13. Remember the 4Q12 registered a non-recurring inventory adjustment of material and spare parts.

In cumulative terms of the year, purchases of energy and capacity significantly increased (severe drought and the Nehuenco II failure), partly offset by higher production and spending related to natural gas and coal, that reduced diesel consumption.

NON-OPERATING RESULT

The **non-operating result of 4Q13 registered a loss of US$26.1 million**, higher than the US$16.5 million and the US$3.9 in 4Q12 and 3Q13, respectively. In cumulative terms, Dec13 recorded a loss of US$70.8 million, which compares negatively to the loss of US$35.6 million in Dec12. The main non-operating factors are:



Net Financial Expenses: reached US$10.9 million in 4Q13, a decrease compared to the US$14.0 million registered in 4Q12 and an increase compared to the US$9.9 million in 3Q13. The decrease from the 4Q12 was mainly due to the maturity of a local bond in the 2Q13, the increase compared to the 3Q13 is due to a rise in debt given by the new international bank loan.

Exchange Rate Differences: posted a profit close to zero, compared to the loss of US$2.0 million in 4Q12 and the loss of US$1.9 million in 3Q13.

Other income (loss): during 4Q13 recorded a loss of US$18.0 million, which compares negatively with both 4Q12 (-US$5.7 million) and 3Q13 (US$4.6 million). The quarter included a non-recurring charge of US$9.7 million due to a reclassification from this line to the operational line "Other income". The charge is related to a partial advance payment made by the insurance companies in the 3Q13 (related to the Nehuenco II failure). And the reassessment was made considering a fraction of the advance payment is for loss of profit, which according to the Company's policy must be registered in the operating income.

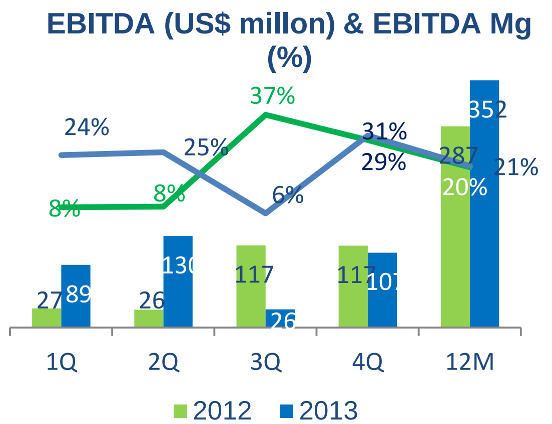
Tax Expense: the quarter registered a loss of US$31.1 million, mainly explained by a profit in the result before taxes, by a recalculation of tax rates given by PPUA (Pago provisional por Utilidades Absorbidas - *interim payment for absorbed profits*) and by the effect of depreciation of the exchange rate difference on the accounting of the fiscal fixed assets. This last effect impacted the deferred tax calculation since the fixed fiscal asset is carried in Chilean pesos.

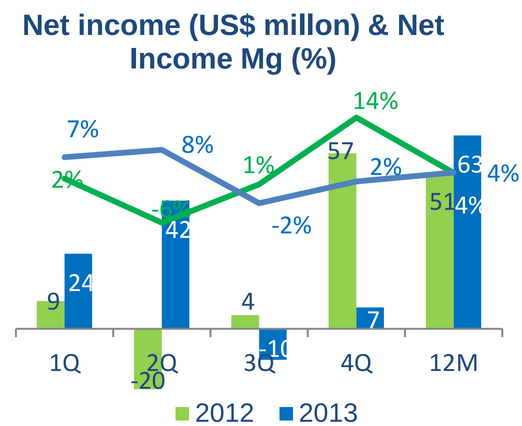
In cumulative terms, the higher loss was primarily due to lower interest expense capitalization as a result of the accounting treatment of the Santa María I power plant that entered into commercial operation in Aug12, together with a lower income in the exchange rate difference line and for two impairment of assets (Nehuenco II for US$18.5 million in 1Q13 and Los Pinos for US$8.6 million in 2Q13).

EBITDA AND NET INCOME ANALYSIS

4Q13 EBITDA was US$116.8 million, slightly lower than the US$116.7 million recorded in 4Q12, and higher than the US$25.9 million recorded in 3Q13. Remember in 4Q12 EBITDA included a onetime profit of US$39.6 million as a result of the insurance compensation for the delay in commissioning of the Santa María I plant caused by the earthquake in Feb10. If we eliminate this effect, EBITDA increased due to an improved generation mix.

In cumulative terms, as of Dec13 EBITDA reached US$352.4 million compared to US$286.7 million in Dec12. The increase is explained by a **better cost structure** (the coal plant Santa María I operated the entire year, higher access to gas and lower diesel generation), and by a **onetime income payment** for the loss of profit on the insurance claim of the Nehuenco I Dec07 for US$63.9 million. These effects more than offset the extreme low hydroelectric generation for the fourth consecutive year and a failure occurred in the Nehuenco II power plant in Mar13 which had the plant out of service for 132 days.





The Company posted a **profit of US$6.9 million during 4Q13** which compares with a net income of US$57.1 million in 4Q12 (due to higher tax payments) and loss of US$10.1 million in 3Q13. At year end, net income grew 24% year over year, but net income margin stayed similar.

EBITDA
USD million

	4Q12	3Q13	4Q13	12M12	12M13	Change QoQ	YoY	Ac/Ac
Revenues	**401.3**	**461.1**	**349.5**	**1,409.5**	**1,695.9**	**(24%)**	**(13%)**	**20%**
Sales to regulated customers	185.7	181.4	170.2	742.0	727.8	(6%)	(8%)	(2%)
Sales to free customers	47.8	202.7	130.8	261.0	646.0	(35%)	173%	147%
Sales to other generators (spot market)	92.5	0.1	0.5	134.7	55.9	341%	(99%)	(58%)
Transmission tolls	35.4	68.9	36.5	149.7	182.3	(47%)	03%	22%
Other operating income	39.9	7.9	11.6	122.1	83.9	46%	(71%)	(31%)
				0.0	0.0			
Raw materials and consumables used	**(262.3)**	**(413.6)**	**(222.7)**	**(1,047.4)**	**(1,260.1)**	**(46%)**	**(15%)**	**20%**
Transmission tolls	(38.7)	(46.6)	(39.0)	(144.3)	(163.0)	(16%)	1%	13%
Energy and capacity purchases	(2.8)	(200.4)	(59.0)	(61.7)	(420.3)	(71%)	2014%	581%
Gas purchases	(86.7)	(67.9)	(69.3)	(299.2)	(357.6)	2%	(20%)	19%
Diesel purchases	(68.3)	(53.7)	(5.0)	(420.1)	(133.0)	(91%)	(93%)	(68%)
Coal purchases	(29.8)	(26.3)	(24.7)	(40.1)	(104.5)	(6%)	(17%)	161%
Third party works and supplies	(36.0)	(18.6)	(25.7)	(82.0)	(81.8)	38%	(29%)	(0%)
Personnel expenses and other operating expenses	**(22.3)**	**(21.6)**	**(20.0)**	**(75.4)**	**(83.4)**	**(7%)**	**(10%)**	**11%**
EBITDA	**116.7**	**25.9**	**106.8**	**286.7**	**352.4**	**312%**	**(8%)**	**23%**

GROWTH PLAN

Colbún is executing a development plan focused on increasing its installed capacity, while diversifying its generation to achieve a balance between hydroelectric and efficient thermoelectric generation. This balance will enhance the Company's competitiveness and its ability to meet all contractual commitments.

The status of the projects that the Company is developing is detailed as follows:

	Angostura	San Pedro	La Mina	Sta. María II
Description	Hydro-Reservoir	Hydro-Reservoir	Mini Hydro	Coal
Capacity(MW)	316	150	34	350
Gwh/year expected	1,500	930	180	2,500
Phase	Final Construction	EIA Approved	EIA Approved	EIA Approved
Budget (MMUS$)	760*	Under revision	-	-
Completion	97%	-	-	-

*Includes the transmission line.

Completed Projects

- **Angostura Mulchén Transmission Line Project:** during Dec13 the project was energized and completed. This project consisted in the transmission line Angostura-Mulchén, 220kV, 470 MVA, and 40 km double circuit length; and the Mulchén substation. Both will enable the Angostura project to inject its energy to the Central Interconnected System (SIC).

Mulchén Substation

Projects under Construction

Angostura reservoir

- **Angostura Project (316 MW):** This hydroelectric project will use the water resources of the Biobío and Huequecura Rivers in the Biobío Region. At present, the project is in its final stages and advancing on the compliance with all relevant social commitments. On mid Dec13 the filling of the reservoir finished and on late Dec13 the first unit (135 MW) synchronized for the first time and now it's on its last tests with water. So far in 2014, this unit has shown a stable generation level. Meanwhile, we continue advancing with the other two generation units, performing dry testings, implementation and verification of software. The plant is expected to be fully operational by the end of Mar14. The sequential entry into service of the units is consistent with the design criteria of the plant which operates only with a unit during the summer months as rivers have low flows in summer. Once the project is completed, it will be the largest hydroelectric power plant built in the last decade in Chile.

Projects under Development

- **San Pedro Hydroelectric Project (150 MW):** the Company has completed the analysis phase of the field studies conducted in 2011-2013. With this we are working on defining the adjustments to the civil works and some design optimizations. It is estimated that this phase will last for the first half of 2014 to then present the new design to the appropriate authorities. The schedule for the construction of the project will be determined after these steps.

- **La Mina Hydroelectric Project (34 MW):** This project, located in the community of San Clemente, will use the waters of the Maule River. The project qualifies as an NCRE mini hydro power plant, having obtained its Environmental Qualification Resolution in November 2011 and its DIA optimization approval in May 2013. As of December 31, 2013, the tender for construction of civil works and hydro mechanical equipment were under evaluation.

- **Coal-fired thermal project Santa María II (350 MW):** Colbún has an environmental permit to build a second unit, similar to the first unit in operation. Currently the company is studying the possible modifications required by the new emissions standard enacted in 2011. It also is analyzing the technical, environmental, social and financial progress to define the timely start of development.

- **Floating LNG Regasification Terminal (*FSRU - floating storage regasification unit*):** the Company is developing the technical feasibility, environmental and economic studies for an LNG regasification project. The goal of this project is to access the international natural gas markets and secure this fuel under flexible and competitive conditions.

- **HidroAysén:** Colbún, together with Endesa-Chile, participates in the development of a hydroelectric project in the Baker and Pascua Rivers in the Aysén region. These hydroelectric plants will have a total installed capacity of approximately 2,750 MW. Once operational, this capacity would be sold independently by the two companies. To date, the total nominal amount invested in HidroAysén is US$159.7 million.

RELEVANT EVENTS

- **Natural gas supply agreements:** The Company has two agreements for the supply of natural gas. The first is a medium term agreement with Metrogas S.A. (signed in 3Q12) which contemplates supply for one unit of our Nehuenco Complex from January to April 2013 (already used), 2014 and 2015. The second agreement (signed in 3Q13), is a short term agreement with Enap Refinerías S.A. This agreement contemplates supply for the other combined cycle unit of the Nehuenco Complex, from October 2013 to March 2014 (a portion already used).

- In Jan14 a failure was recorded in our **Blanco hydro power plant (60 MW)** located in the Aconcagua River, which has kept the plant out of operation. The cause of the breakdown is under investigation. The failure caused damages to the turbine-generator equipment and some associated parts. Our technicians are on site performing engineering work to estimate the date of re-commissioning this plant.

- To date the **reposition recourse** filed in Oct13 against the Angostura project is held by the Supreme Court, after the **Court of Appeal of Concepción ruled in favor of Colbún**. Meanwhile, the injunction halting the filling of the Angostura reservoir was lifted a few days after its promulgation.

BALANCE SHEET ANALYSIS

Summarized Balance Sheet
USD million

	Dec12	Sep13	Dec13	Change YoY	Change QoQ
Current Assets	788.6	691.6	744.2	(44.5)	52.6
Cash and cash equivalents	217.7	208.0	260.5	42.8	52.5
Trade and other accounts receivable	184.8	146.5	133.0	(51.8)	(13.5)
Current tax receivable	15.7	12.3	44.0	28.3	31.7
Other current assets	370.4	324.8	306.6	(63.8)	(18.2)
Non-Current Assets	5,214.8	5,352.4	5,321.6	106.9	(30.8)
Property, plant and equipment	4,904.2	5,014.1	5,033.0	128.8	18.9
Other non-current assets	310.6	338.4	288.7	(21.9)	(49.7)
Total Assets	**6,003.4**	**6,044.0**	**6,065.8**	**62.4**	**21.8**
Current liabilities	550.8	547.8	341.9	(208.9)	(205.9)
Non-current liabilities	1,939.8	1,924.1	2,167.6	227.7	243.5
Total net equity	3,512.8	3,572.1	3,556.3	43.5	(15.8)
Total Liabilities and Net Equity	**6,003.4**	**6,044.0**	**6,065.8**	**62.4**	**21.8**

Cash and cash equivalents: totaled US$260.5 million, increasing compared to Dec12 and Dec13, mainly explained by higher cash inflows from operating activities and by the new international loan, partly offset by disbursements from investment projects (mainly the Angostura project) and by debt amortization payments.

Trade and other accounts receivable: were US$133.0 million, 28% lower than the figure as of Dec12 due to lower other accounts receivable and 9% lower than Sep13, mainly explained by a decrease in sales to free clients.

Property, Plant and Equipment, net: was US$5,033 million as of Dec13, an increase compared to Dec12 and Sep13. This is explained by the investment carried out by Colbún (mainly the Angostura Project), partially offset by the depreciation expense registered in the period.

Current Liabilities: totaled US$341.9 million, about US$200 million decrease compared to Dec12 and Sep13. This variation is due to the maturity of two local bonds denominated in UF (in 2Q13 and in 4Q13) and a decrease of "revolving" debt.

Non-current liabilities: Non-current liabilities totaled US$2,168 million at the end of Dec13, an increase of US$227.7 million and of US$243.5 million compared to Dec12 and Sep13. These increases are explained primarily by the new international bank loan signed during the quarter, partially offset by the transfer of a portion of the long-term debt to the short-term debt.

Shareholders' Equity: At the close of 4Q13, the Company had Net Shareholder Equity of US$3,556 million, a 1.2% increase from the end of 2012, explained by the net income of the period.

DEBT AND CREDIT METRICS

Liquidity Analysis & Indicators
USD million

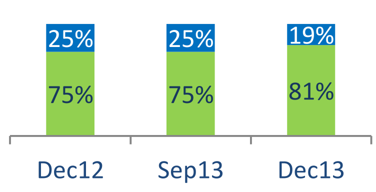
	4Q12	3Q13	4Q13	Change YoY	Change QoQ
Gross financial debt	1,723	1,680	1,700	(23)	21
Financial investments	217.7	208.0	260.5	43	53
EBITDA LTM	286.7	362.3	352.4	66	(10)
Net financial debt	**1,505.2**	**1,471.6**	**1,439.6**	**(66)**	**(32)**
Net Debt / EBITDA LTM	**5.2**	**4.1**	**4.1**	**(1.2)**	**0.0**
Leverage (%)	71%	69%	71%	(0.6%)	1.4%
Short Term Liabilities(%)	17%	22%	14%	(3.8%)	(8.5%)
Financial Expense Coverage	4.1	3.1	3.4	(0.7)	0.2
Equity Profitability (%)	(0.2%)	1.6%	1.8%	2.0%	0.2%
Asset Profitability (%)	(0.1%)	0.9%	1.0%	1.2%	0.1%
EBITDA/Operational Assets (%)	1.6%	2.6%	3.8%	2.3%	1.3%

Gross debt increased slightly compared to 3Q13 mainly due to the new international bank loan signed during the fourth quarter, partially offset by short-term debt amortization. Despite this, the Net Debt/LTM EBITDA ratio continues in line with the 3Q13 and with the downward trend observed in the last years.

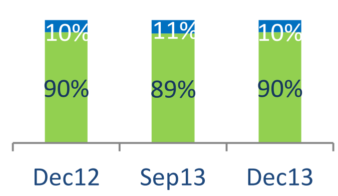
In Oct13, Colbún subscribed an **international bank loan** for a total amount of **US$250 million** and a bullet maturity of 5 years. The use of funds is to refinance short-term debt, part of which has already been paid during 4Q13, thus the operation will not increase the level of debt.

The **average maturity** of Colbún's long term financial debt is **5.4 years**.
The average USD long-term financial **debt interest rate is 5.03%.**

Debt by Currency*

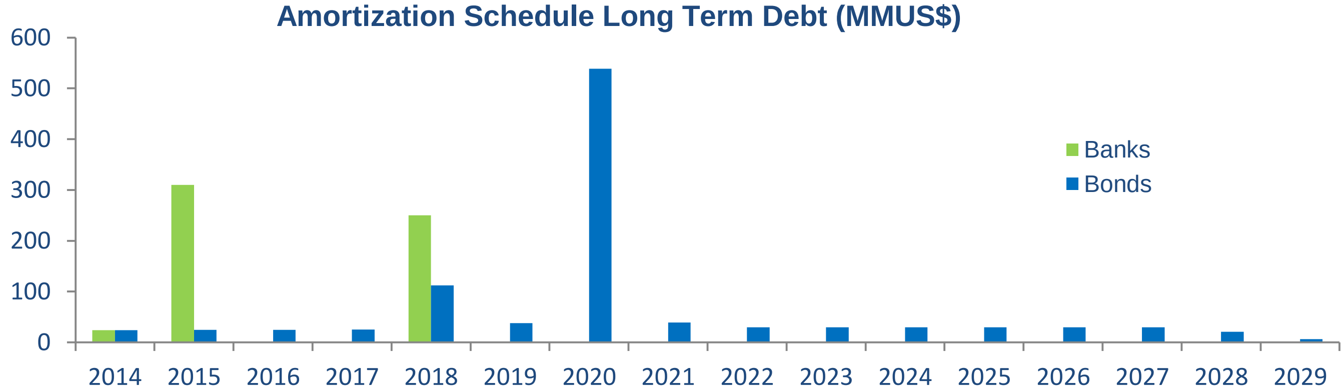


Debt by Interest Rate*



*Includes los derivatives asociated.

Amortization Schedule Long Term Debt (MMUS$)



CASH FLOW ANALYSIS

Cash Flow
USD million

	4Q12	3Q13	4Q13	12M12	12M13	Change QoQ	Change YoY	Change Ac/Ac
Cash and cash equivalents at	**281.1**	**223.0**	**208.0**	**295.8**	**217.7**	**(15.0)**	**(73.1)**	**(78.1)**
Cash Flow from Operating Activities	119.6	28.6	87.1	320.7	423.5	58.5	(32.5)	102.8
Cash Flow from Financing Activities	(57.3)	29.2	32.2	83.5	(47.8)	3.0	89.5	(131.4)
Cash Flow from Investing Activities	(124.5)	(72.3)	(64.2)	(491.3)	(329.3)	8.1	60.3	162.0
Net increase (decrease) in cash and cash equivalents	**(62.2)**	**(14.5)**	**55.1**	**(87.1)**	**46.4**	**69.6**	**117.3**	**133.5**
Effects of exchange rate changes on cash and cash equivalents	(1.1)	(0.5)	(2.7)	9.0	(3.8)	(2.2)	(1.6)	(12.8)
Cash and cash equivalents at end of period	**217.7**	**208.0**	**260.5**	**217.7**	**260.5**	**52.5**	**42.8**	**42.8**

During 4Q13, the Company presented a **net cash inflow of US$55.1 million** and as of Dec13, an accumulated positive net cash flow in the amount of US$46.4 million, which compares favorably to the same period of 2012.

Operating activities during 4Q13 generated net cash inflows of US$87.1 million, higher than the net inflows of US$28.6 million in 3Q13, explained by an improved generation mix.

Financing activities generated net cash inflows of US$32.2 million during 4Q13, mainly explained by the new international bank loan subscribed during the quarter (US$250 million), partly offset by the payment of an amortization of a local UF bond, by a decrease in the "revolving" debt and by interest payments.

Investing activities generated net cash outflows of US$64.2 million during 4Q13, lower than 3Q13 and 4Q13. This was largely the result of additions to property, plant and equipment, associated with the Angostura Project, and to a lesser extent to repairs in the Nehuenco II power plants.

In annual terms, operating activities generated 32% of additional inflow than the previous year, mainly given by the insurance income (Santa María I US$56 million recorded in 4Q12, but collected in 1Q13 and Nehuenco I, US$64 million in 2Q13). During the year we were net payers of debt and we reduced the amount of investment mainly because in Agu12 we commissioned the Santa María I power plant and disbursements in 2013 were associated mainly to the Angostura project. We also invested US$9.9 million in the associate company HidroAysén.

DISCLAIMER

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.

This press release 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 report.

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	1,872	1,708	7,224
Free customers (GWh)	1,156	589	594	582	2,921	779	1,363	1,471	1,469	5,082
Spot market sales (GWh)	59	534	320	642	1,555	511	0	0	8	519
Total energy sales (GWh)	**2,935**	**2,841**	**2,667**	**2,945**	**11,389**	**3,081**	**3,216**	**3,343**	**3,185**	**12,826**
Capacity sales (MW)	1,523	1,486	1,513	1,492	1,503	1,564	1,806	1,898	1,806	1,769
Generation										
Hydraulic (GWh)	1,426	1,190	1,450	1,167	5,233	1,052	1,193	1,166	1,446	4,857
Thermal - Gas (GWh)	690	391	415	747	2,242	1,243	713	499	779	3,234
Thermal - Diesel (GWh)	650	885	331	374	2,240	28	250	260	8	546
Thermal - Coal (GWh)	145	428	560	721	1,853	732	646	646	592	2,616
Total own generation (GWh)	**2,911**	**2,893**	**2,755**	**3,009**	**11,568**	**3,055**	**2,802**	**2,571**	**2,825**	**11,253**
Energy purchases spot market (GWh)	**72**	**0**	**7**	**0**	**79**	**82**	**462**	**789**	**411**	**1,744**

Appendix 2
Income Statement

Quarterly Income Statement
USD million

	2012					2013				
	1Q12	2Q12	3Q12	4Q12	Total	1Q13	2Q13	3Q13	4Q13	Total
Operating revenues	361.1	331.6	315.5	401.3	1,409.5	367.0	518.4	461.1	349.5	1,695.9
Raw materials and consumables used	(316.3)	(288.7)	(180.1)	(262.3)	(1,047.4)	(256.6)	(367.2)	(413.6)	(222.7)	(1,260.1)
GROSS MARGIN	**44.8**	**42.9**	**135.4**	**139.0**	**362.1**	**110.4**	**151.1**	**47.5**	**126.9**	**435.9**
Personnel expenses and other operating expenses	(17.7)	(17.3)	(18.1)	(22.3)	(75.4)	(21.2)	(20.7)	(21.6)	(20.0)	(83.4)
Depreciation & amortization	(31.1)	(31.2)	(34.2)	(39.5)	(136.0)	(40.4)	(39.4)	(40.1)	(42.7)	(162.6)
OPERATING INCOME	**(4.0)**	**(5.6)**	**83.1**	**77.2**	**150.7**	**48.8**	**91.0**	**(14.2)**	**64.1**	**189.8**
EBITDA	**27.1**	**25.6**	**117.3**	**116.7**	**286.7**	**89.2**	**130.4**	**25.9**	**106.8**	**352.4**
Financial income	1.4	0.8	1.6	1.2	5.0	1.7	1.4	0.8	1.2	5.1
Financial expenses	(4.6)	(4.0)	(8.7)	(15.3)	(32.5)	(15.2)	(12.1)	(10.7)	(12.1)	(50.1)
Results of indexation units	2.2	0.4	(0.1)	2.0	4.5	0.5	0.2	2.2	2.1	5.1
Exchange rate differences	10.3	(1.6)	3.7	(2.0)	10.4	(2.8)	7.1	(1.9)	0.0	2.3
Share of profit (loss) from equity-accounted associates	1.8	1.3	2.0	3.3	8.3	2.2	0.9	1.1	0.7	4.9
Other non-operating income/expense	(14.6)	(8.4)	(2.6)	(5.7)	(31.4)	(15.9)	(8.7)	4.6	(18.0)	(38.0)
NON-OPERATING INCOME	**(3.4)**	**(11.5)**	**(4.2)**	**(16.5)**	**(35.6)**	**(29.5)**	**(11.3)**	**(3.9)**	**(26.1)**	**(70.8)**
NET INCOME BEFORE TAX	**(7.4)**	**(17.1)**	**78.9**	**60.7**	**115.1**	**19.3**	**79.8**	**(18.1)**	**38.0**	**119.0**
Income Tax	16.4	(2.6)	(74.5)	(3.6)	(64.2)	5.1	(38.1)	8.0	(31.1)	(56.0)
NET INCOME FROM CONTINUING OPERATIONS	**9.0**	**(19.7)**	**4.5**	**57.1**	**50.9**	**24.4**	**41.7**	**(10.1)**	**6.9**	**63.0**
NET INCOME ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT COMPANY	**9.0**	**(19.7)**	**4.5**	**57.1**	**50.9**	**24.4**	**41.7**	**(10.1)**	**6.9**	**63.0**

Summarized Balance Sheet
USD million

	2012				2013			
	Mar12	Jun12	Sep12	Dec12	Mar13	Jun13	Sep13	Dec13
Current Assets	**764.0**	**796.0**	**789.9**	**788.6**	**750.5**	**760.4**	**691.5**	**744.2**
Cash and equivalents	203.0	255.8	281.1	217.7	237.6	223.0	208.0	260.5
Accounts receivable	182.8	155.7	148.4	184.8	161.0	184.3	146.5	133.0
Normal sales	*157.6*	*131.6*	*123.6*	*121.7*	*154.0*	*178.5*	*140.5*	*128.9*
Sales to regulated customers w/o contracts	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Deudores varios	*25.2*	*24.1*	*24.8*	*63.1*	*7.0*	*5.8*	*6.0*	*4.1*
Recoverable taxes	35.6	26.2	15.0	15.7	118.7	11.5	12.3	44.0
Other current assets	342.6	358.3	345.4	370.4	233.2	341.6	324.8	306.6
Non-Current Assets	**4,941.1**	**5,039.5**	**5,156.6**	**5,214.8**	**5,251.4**	**5,259.3**	**5,352.4**	**5,321.6**
Property, Plant and Equipment , net	4,659.8	4,751.1	4,833.1	4,904.2	4,933.2	4,954.7	5,014.1	5,033.0
Other non-current assets	281.3	288.4	323.5	310.6	318.2	304.6	338.4	288.7
Total Assets	**5,705.1**	**5,835.5**	**5,946.6**	**6,003.4**	**6,001.9**	**6,019.7**	**6,044.0**	**6,065.8**
Current liabilities	400.6	441.5	431.7	550.8	552.5	535.5	547.8	341.9
Long-term liabilities	1,821.2	1,942.5	2,041.1	1,939.8	1,908.1	1,903.9	1,924.1	2,167.6
Shareholders' equity	3,483.3	3,451.5	3,473.7	3,512.8	3,541.3	3,580.3	3,572.1	3,556.3
Total Liabilities and Shareholders' Equity	**5,705.1**	**5,835.5**	**5,946.5**	**6,003.4**	**6,001.8**	**6,019.7**	**6,044.0**	**6,065.8**
End-of-quarter exchange rate (CLP/USD)	487.4	501.8	473.8	480.0	472.0	507.2	504.2	524.6