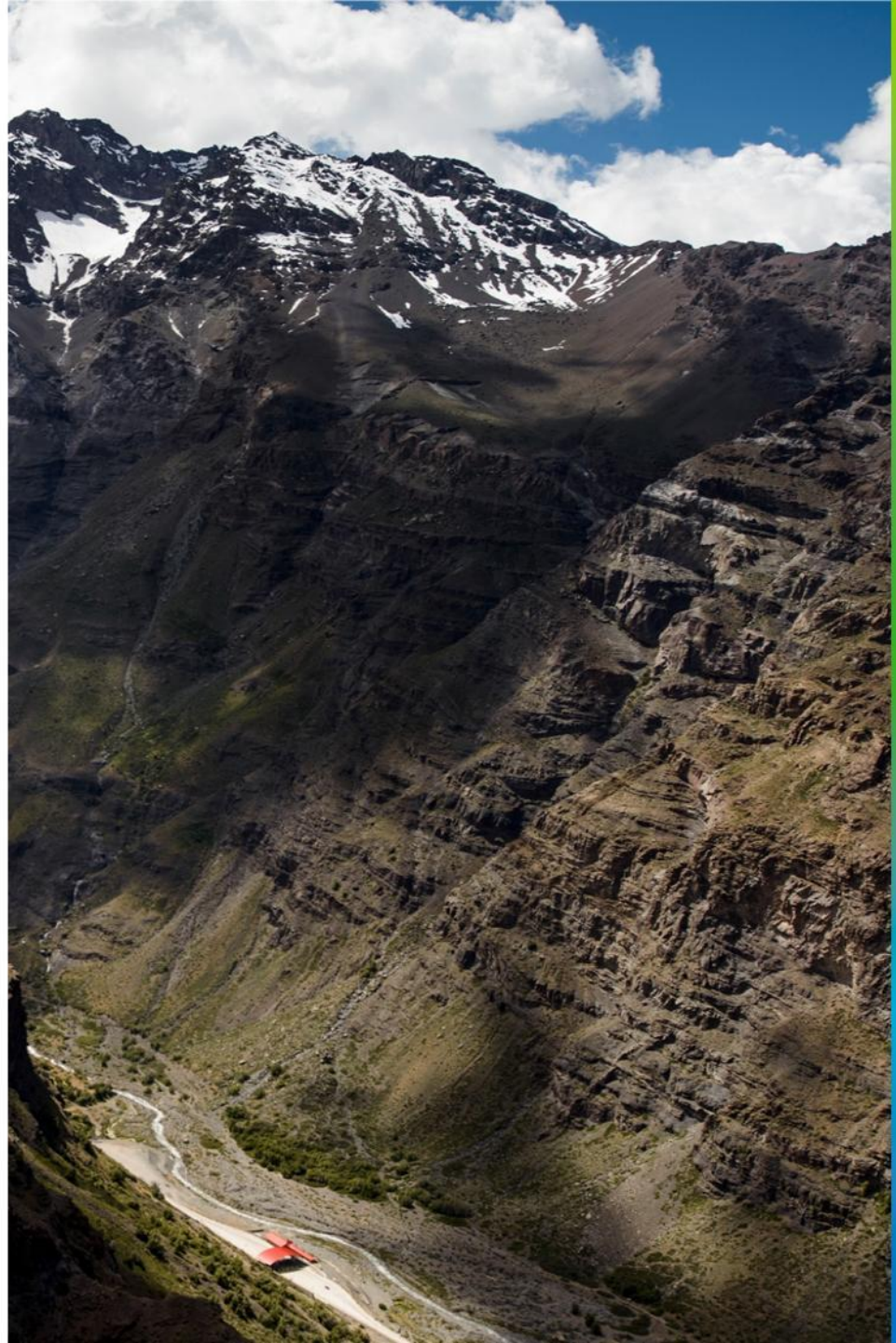




1Q17 EARNINGS REVIEW

APRIL 2017





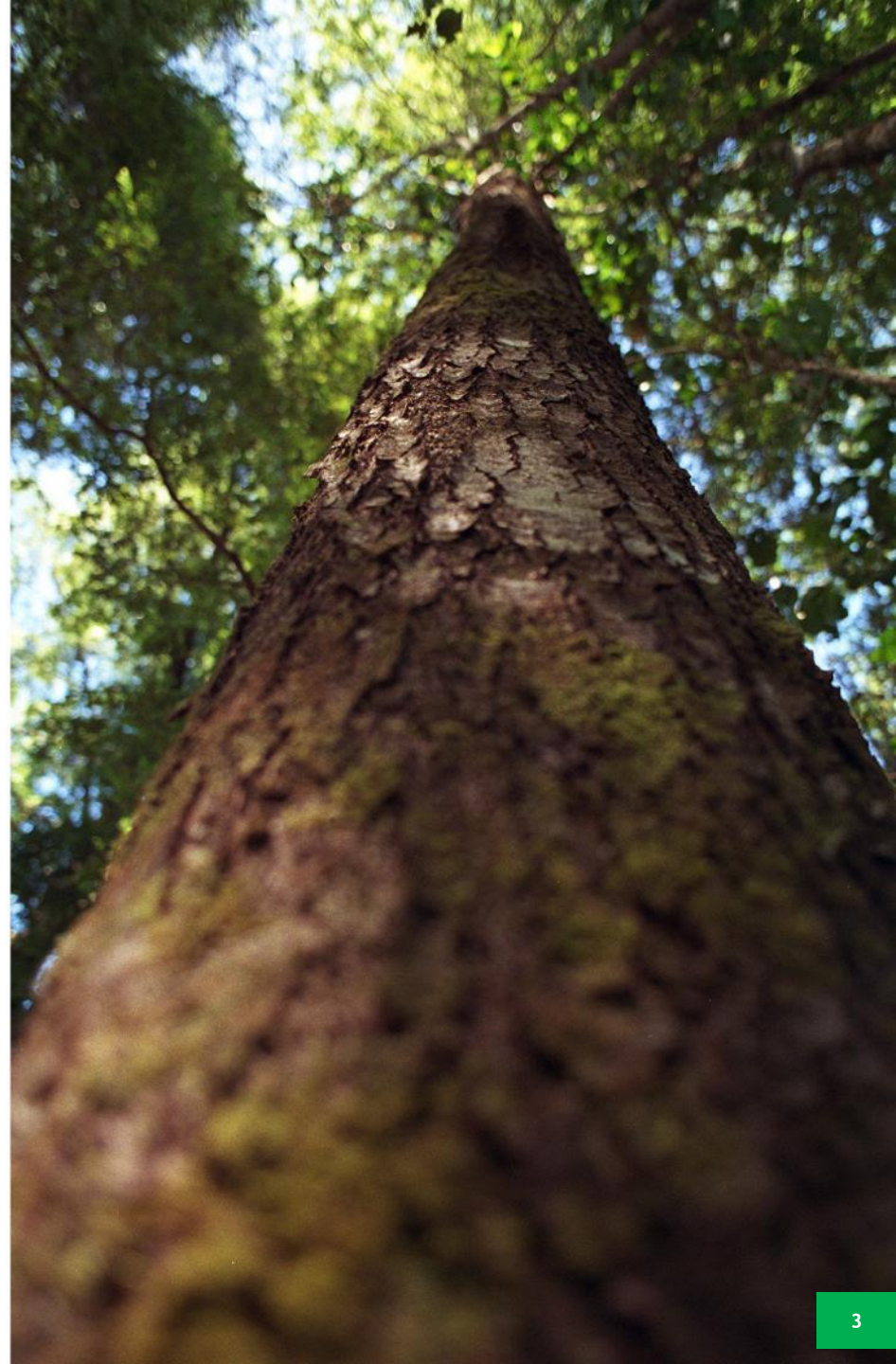
AGENDA

1. Company Highlights
 - Key Facts
 - 1Q17 Main Consolidated Figures
 - 1Q16 vs. 1Q17 Comparison
2. Financial Review
3. Growth Opportunities



1.

HIGHLIGHTS



Company Highlights

Key Consolidated Figures

US\$ **586** ^{MM}
EBITDA LTM



US\$ **189** mm
Net Income LTM



US\$ **664** mm
In Cash



1.8 x
Net Debt / EBITDA



4.9 %
Avg. Interest Rate*



* In US Dollars

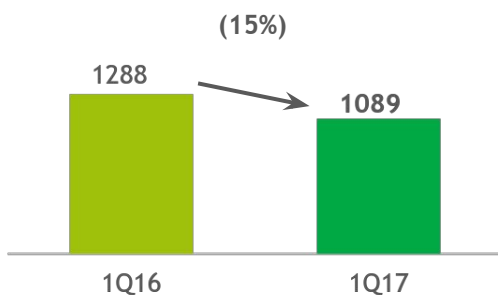
3,852 MW
Installed Capacity



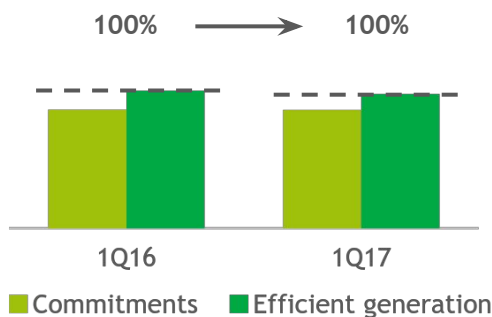
Company Highlights

1Q16 vs 1Q17 Comparison

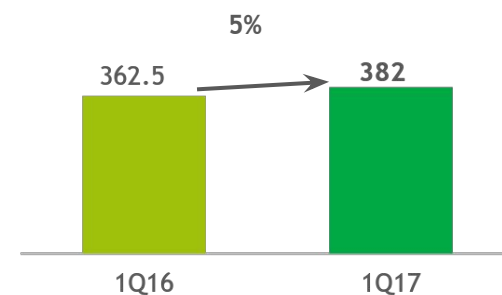
1 HYDRO GENERATION. (GWh)



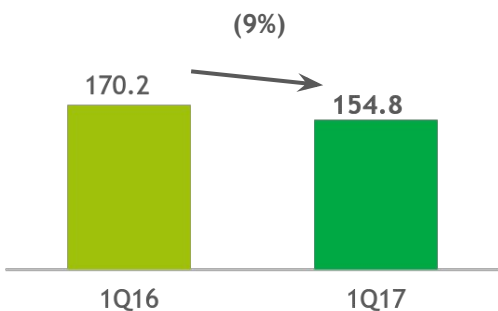
2 EFFICIENT GENERATION OVER COMMITMENTS IN CHILE. (%)



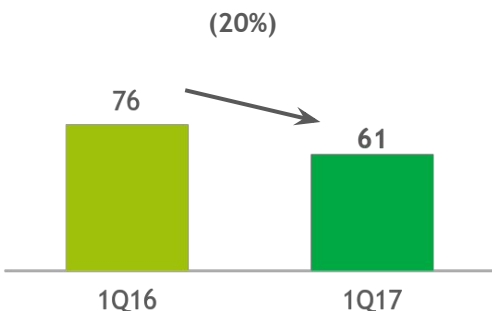
3 REVENUES. (MMUS\$)



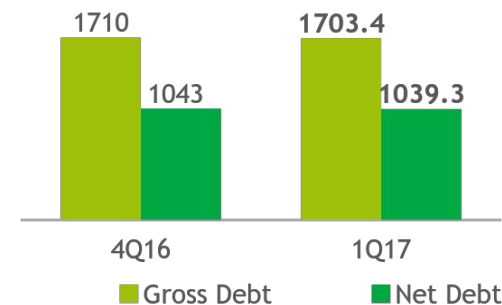
4 EBITDA. (MMUS\$)



5 NET INCOME. (MMUS\$)



6 GROSS DEBT AND NET DEBT. (MMUS\$)





2.

Financial Review



Financial Review

Chile: Physical Sales & Generation Balance

Generation (GWh)	1Q16	1Q17	Q/Q
Hydraulic	1,288	1,089	(15%)
Thermal - Gas	1,212	1,301	7%
Thermal - Diesel	4	43	-
Thermal - Coal	700	736	5%
Eolic - Punta Palmeras	19	22	16%
Total Generation	3,222	3,191	(1%)

Sales Volume (GWh)	1Q16	1Q17	Q/Q
Regulated Clients	1,645	1,655	1%
Unregulated Clients	1,112	1,100	(1%)
Total Commitments	2,757	2,754	0%
Sales to the Spot Market	403	356	(12%)
Total Energy Sales	3,159	3,110	(2%)

Spot Market (GWh)	1Q16	1Q17	Q/Q
Sales	403	356	(12%)
Purchases	0	0	-
Net Spot Market Balance	403	356	(12%)

MAIN VARIATIONS 1Q16 / 1Q17

- **Total generation** slightly decreased, mainly because of lower hydroelectric generation.
- **Physical sales** decreased due to lower sales in the spot market.
- **Spot market balance** registered net sales for 356 GWh.
- **100%** of total commitments were supplied with **cost-efficient base generation**.

Financial Review

Chile: EBITDA Analysis

US\$ million	1Q16	1Q17	Q/Q
Revenues	307	334	9%
Raw Materials and Consumables Used	133	167	26%
Personnel and other operating expenses	69	75	10%
Operating Income (Loss)	106	92	(13%)
EBITDA	154	143	(7%)
EBITDA Margin (%)	50%	43%	-

MAIN VARIATIONS 1Q16 / 1Q17

- **Revenues increased**, mainly due to:
 - Higher revenues from transmission tolls.
 - Higher sales to the spot market.

- **Raw Materials and Consumables Used increased**, mainly explained by higher gas and diesel consumption due to lower hydro generation.

Financial Review

Peru: Physical Sales & Generation Balance

Generation (GWh)	1Q16	1Q17	Q/Q
Thermal - Gas	663	715	8%
Total Own Generation	663	715	8%

Sales Volume (GWh)	1Q16	1Q17	Q/Q
Customers Under Contract	896	670	(25%)
Spot Market Sales	0	119	100%
Total Energy Sales	896	789	(12%)

Spot Market (GWh)	1Q16	1Q17	Q/Q
Sales	0	119	100%
Purchases	117	93	(21%)
Net Spot Market Balance	(117)	26	-

MAIN VARIATIONS 1Q16 / 1Q17

- **Physical withdrawals** from customers under contract decreased, mainly due to the end of bilateral short-term supply contracts.
- **Spot market balance** reached net sales for 26 GWh.
- **100%** of total commitments were supplied with own generation.

Financial Review

PERU: EBITDA Analysis

US\$ million	1Q16	1Q17	Q/Q
Revenues	56	48	(14%)
Raw Materials and Consumables Used	32	34	6%
Personnel and other operating expenses	15	10	(32%)
Operating Income (Loss)	9	3	(61%)
EBITDA	17	11	(32%)
EBITDA Margin (%)	30%	24%	-

MAIN VARIATIONS 1Q16 / 1Q17

- **Revenues decreased**, mainly due to:
 - Lower sales to customers under contract, mainly explained by the end of bilateral short-term supply contracts.

- **Raw materials and consumables used** increased due to higher gas consumption.

▶ Fenix EBITDA totalized US\$ 11.4 million as of Mar17.

Financial Review

Consolidated: Non-operating Income Analysis

US\$ million	1Q16	1Q17	Q/Q
Financial Income	3	3	(6%)
Financial Expenses	(27)	(20)	(26%)
Exchange Rate Differences	3	1	(82%)
Share of Profit (Loss) from Equity-Accounted Associates	1	1	(47%)
Other Non-Operating Income/Expense	(1)	(5)	826%
Non-Operating Income	(21)	(21)	1%
Profit (Loss) Before Taxes	94	74	(21%)
Income Tax Expense	(18)	(14)	(22%)
Net Income	76	61	(21%)

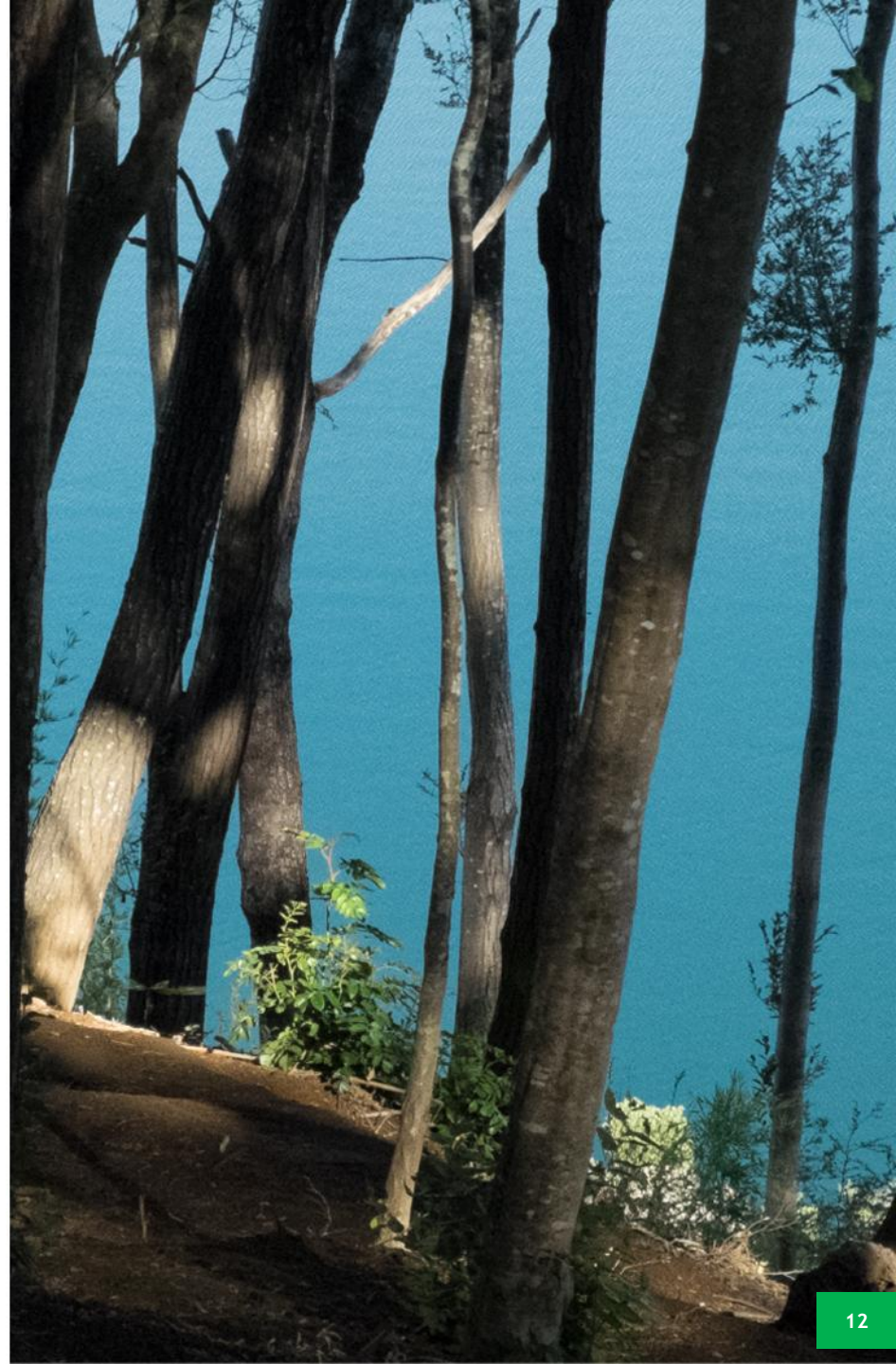
MAIN VARIATIONS 1Q16 / 1Q17

- **Non-operating income** in line compared to 1Q16:
 - Tax expenses on the emissions of thermal power plants (Law.20.780), which became effective as of Jan17.
 - Lower financial expenses, explained by the lower financial debt due to prepayments made in 2016.
 - Positive effect of the Exchange rate variation.



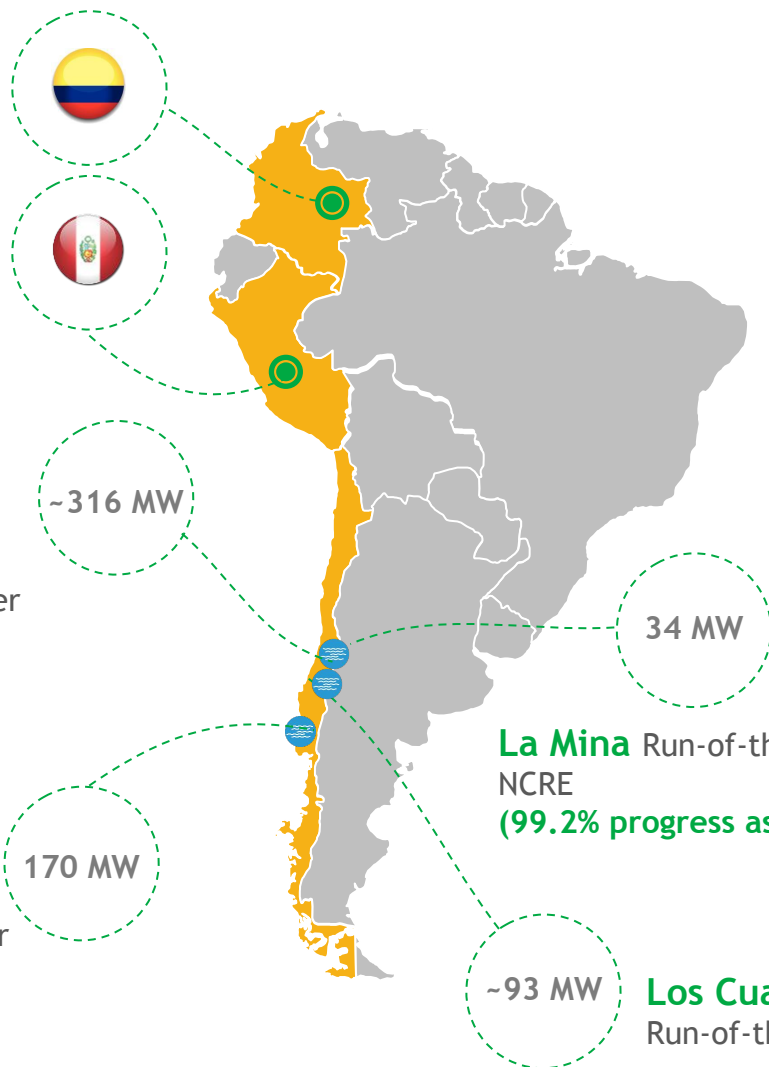
3.

Growth Opportunities



Growth Opportunities

Growth Opportunities in Chile & the Region



Guaiquivilo Melado
Reservoir /
Run-of-the-river

~316 MW

San Pedro
Run-of-the-river

170 MW

34 MW

La Mina Run-of-the-river /
NCRE
(99.2% progress as of Mar17)

~93 MW

Los Cuartos
Run-of-the-river

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.
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