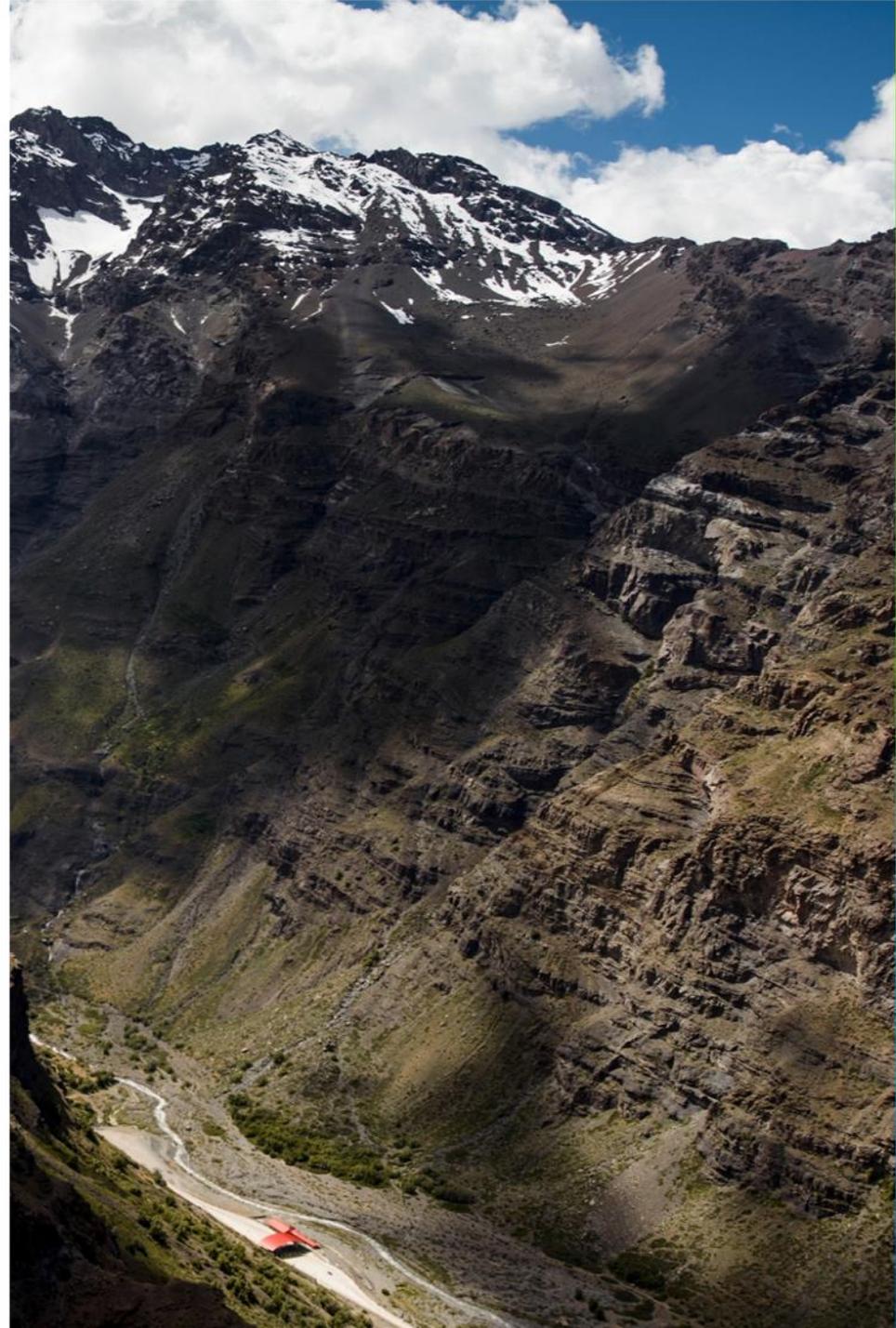




3Q17 EARNINGS REVIEW

NOVEMBER 2017





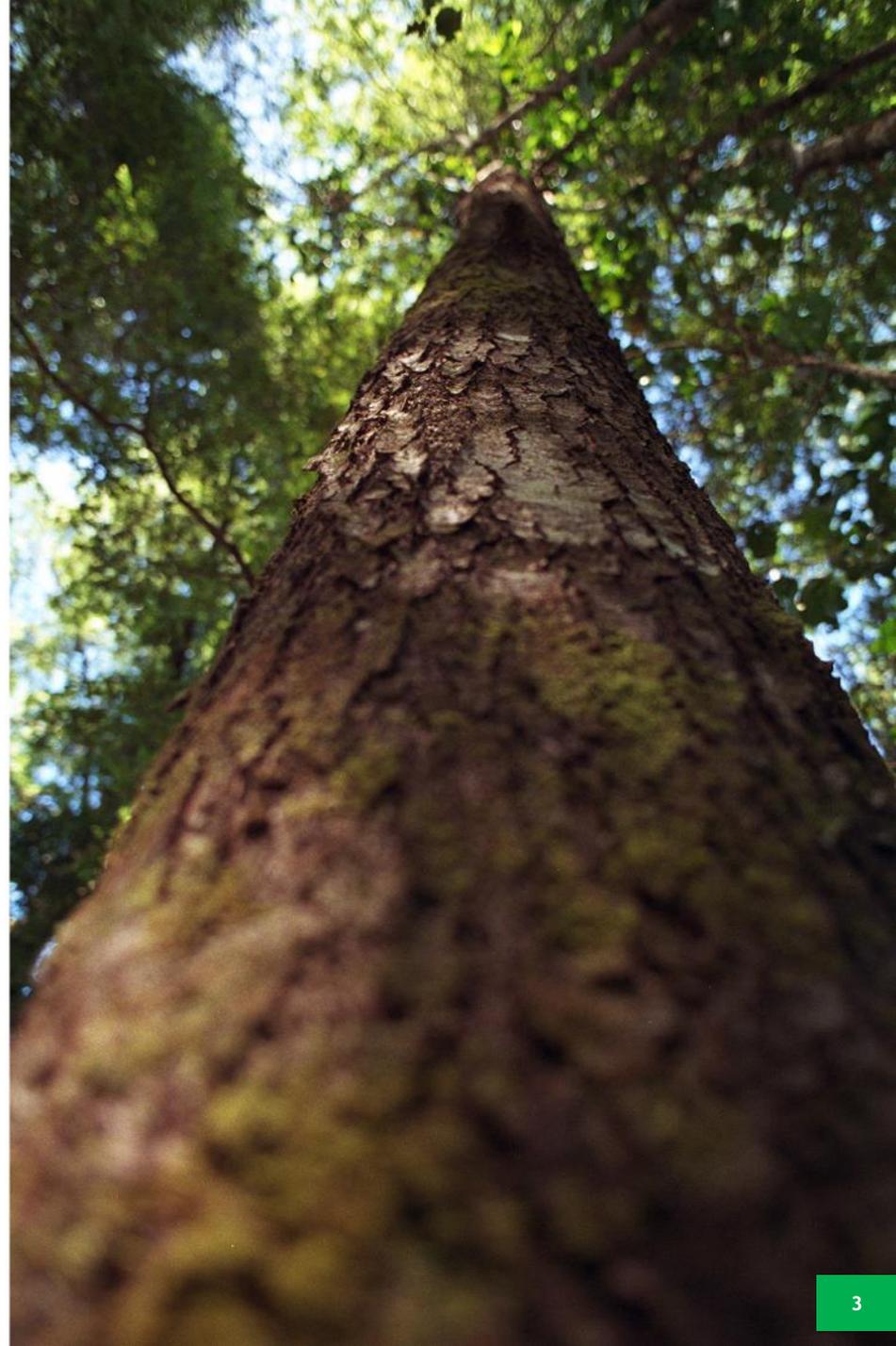
AGENDA

1. Company Highlights
 - Key Facts
 - 3Q17 Main Consolidated Figures
 - Sep16 vs. Sep17 Comparison
2. Financial Review
3. Growth Opportunities



1.

HIGHLIGHTS



Company Highlights

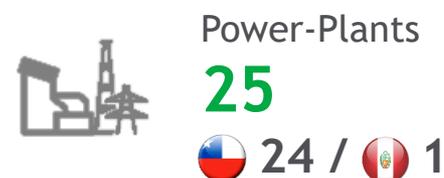
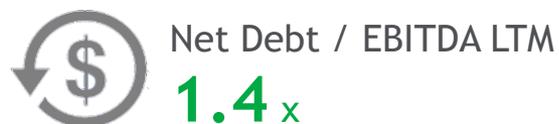
3Q17 Key Facts

1. La Mina Project (34 MW): The construction of the project finalized in April 2017 and is currently injecting energy into the system. The first synchronization of units 1 and 2 was carried out in May and is currently undergoing testing phase.
2. In September, Colbún was selected to list for the first time in the Dow Jones Sustainability Index Emerging Markets, in its 2017 version. Colbún is the only power-generation company of Chilean capitals that listed in this index.
3. In September, Colbún was awarded a 30-year land concession for the development, construction and operation of a wind farm called “Horizonte”, which considers 607 MW of installed capacity.
4. On September, Fenix materialized its first bond issuance in the international market (Rule 144A/Regulation S) for US\$340 million, with the purpose of refinancing its long-term debt, obtaining a coupon rate of 4.317%.
5. On October, Colbún issued a new series of bonds in the international market for US\$500 million (Rule 144A/Regulation S), with a maturity of 10 years, obtaining a coupon rate of 3.950%. The proceeds from this issuance were used to refinance bonds of the same type that expire in 2020 at a 6.000% rate.
6. During the last few months, Colbún has subscribed new medium-term supply contracts with unregulated customers for more than 1,600 GWh.

Company Highlights

3Q17 Main Consolidated Figures

KEY FIGURES



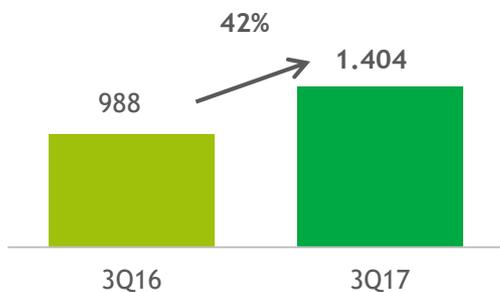
Note: All figures as of Sep17

* In US Dollars. Does not include the effects of the issuance of the new series of bonds in the international market for US\$500 million with a coupon rate of 3.950%

Company Highlights

3Q16 vs 3Q17 Comparison

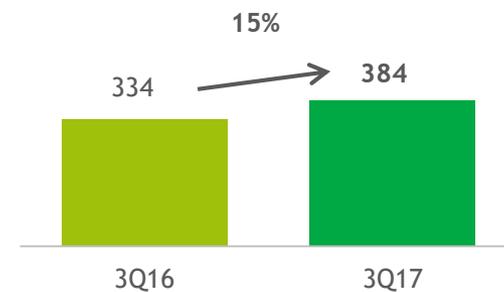
1 HYDRO GENERATION. (GWh)



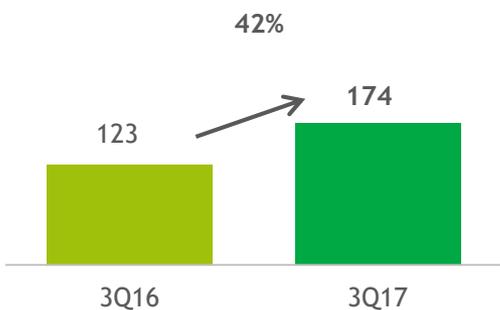
2 EFFICIENT GENERATION OVER COMMITMENTS IN CHILE. (%)



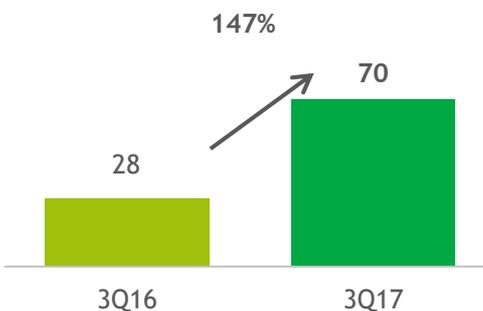
3 REVENUES. (MMUS\$)



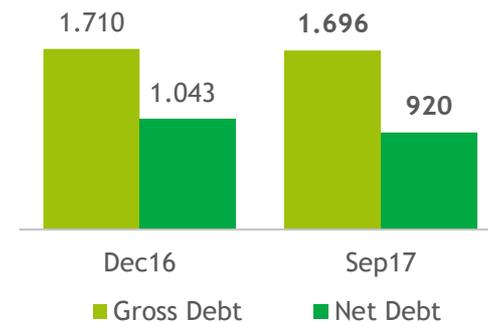
4 EBITDA. (MMUS\$)



5 NET INCOME. (MMUS\$)



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





2.

Financial Review



Financial Review

Chile: Physical Sales & Generation Balance

Generation (GWh)	3Q16	3Q17	QoQ
Hydraulic	988	1,404	42%
Thermal - Gas	559	846	51%
Thermal - Diesel	94	32	(66%)
Thermal - Coal	743	747	1%
Eolic - Punta Palmeras	28	29	5%
Total Generation	2,412	3,058	27%

Sales Volume (GWh)	3Q16	3Q17	QoQ
Regulated Clients	1,621	1,580	(3%)
Unregulated Clients	1,160	1,231	6%
Total Commitments	2,781	2,811	1%
Sales to the Spot Market	0	216	-
Total Energy Sales	2,781	3,027	9%

Spot Market (GWh)	3Q16	3Q17	QoQ
Sales	0	216	-
Purchases	433	3	(99%)
Net Spot Market Balance	(433)	213	-

MAIN VARIATIONS 3Q16 / 3Q17

- **Total generation** increased, mainly because of higher hydro generation and higher cost efficient gas generation.
- **Physical sales** up by 9% due to higher sales in the spot market and to unregulated customers.
- **Spot market balance** registered net sales for 213 GWh.
- **100%** of total commitments were supplied with **cost-efficient base load generation**.

Financial Review

Chile: EBITDA Analysis

US\$ million	3Q16	3Q17	QoQ
Revenues	285	333	17%
Raw Materials and Consumables Used	(155)	(147)	(5%)
Personnel and other operating expenses	(73)	(77)	5%
Operating Income (Loss)	57	109	90%
EBITDA	107	161	51%
EBITDA Margin (%)	37%	48%	-

MAIN VARIATIONS 3Q16 / 3Q17

- **Revenues increased**, mainly due to:
 - Higher sales to unregulated and regulated customers.
 - Higher revenues from energy and capacity sales in the spot market.

- **Raw Materials and Consumables Used decreased**, mainly explained by:
 - Lower energy and capacity purchases in the spot market.
 - Lower diesel consumption.

Financial Review

Peru: Physical Sales & Generation Balance

Generation (GWh)	3Q16	3Q17	QoQ
Thermal - Gas	907	1,188	31%
Total Own Generation	907	1,188	31%

Sales Volume (GWh)	3Q16	3Q17	QoQ
Customers Under Contract	661	809	22%
Spot Market Sales	271	355	31%
Total Energy Sales	931	1,163	25%

Spot Market (GWh)	3Q16	3Q17	QoQ
Sales	271	355	31%
Purchases	46	0	-
Net Spot Market Balance	224	355	58%

MAIN VARIATIONS 3Q16 / 3Q17

- **Physical withdrawals** from customers under contract increased, mainly due to the beginning of bilateral supply contracts and higher withdrawals from these customers.
- **Gas-power generation** increased due to higher availability of the power plant during the quarter.
- **Spot market balance** reached net sales for 355 GWh.
- **100%** of total commitments were supplied with own generation.

Financial Review

PERU: EBITDA Analysis

US\$ million	3Q16	3Q17	QoQ
Revenues	49	52	5%
Raw Materials and Consumables Used	31	36	16%
Personnel and other operating expenses	(10)	(10)	0%
Operating Income (Loss)	8	6	(31%)
EBITDA	16	14	(16%)
EBITDA Margin (%)	33%	26%	-

MAIN VARIATIONS 3Q16 / 3Q17

- **Revenues** increased mainly due to:
 - Higher sales to regulated customers due to the beginning of bilateral supply contracts.
 - Higher revenues from transmission tolls.
- **Raw materials and consumables used** increased due to:
 - Higher gas consumption as a result of the higher gas generation during the quarter.
 - Higher transmission tolls expenses.
- Fenix **EBITDA** totaled **US\$ 14 million** lower by 16% compared to 3Q16.

Financial Review

Consolidated: Non-operating Income Analysis

US\$ million	3Q16	3Q17	QoQ
Financial Income	2.1	3.2	50%
Financial Expenses	(23.5)	(21.8)	(7%)
Exchange Rate Differences	0.0	2.7	-
Share of Profit (Loss) from Equity-Accounted Associates	1.4	1.3	(33%)
Other Non-Operating Income/Expense	(1.4)	(4.4)	220%
Non-Operating Income	(21.3)	(19.1)	(11%)
Profit (Loss) Before Taxes	44.3	95.4	116%
Income Tax Expense	(15.8)	(25.2)	59%
Net Income	29.4	70.1	139%

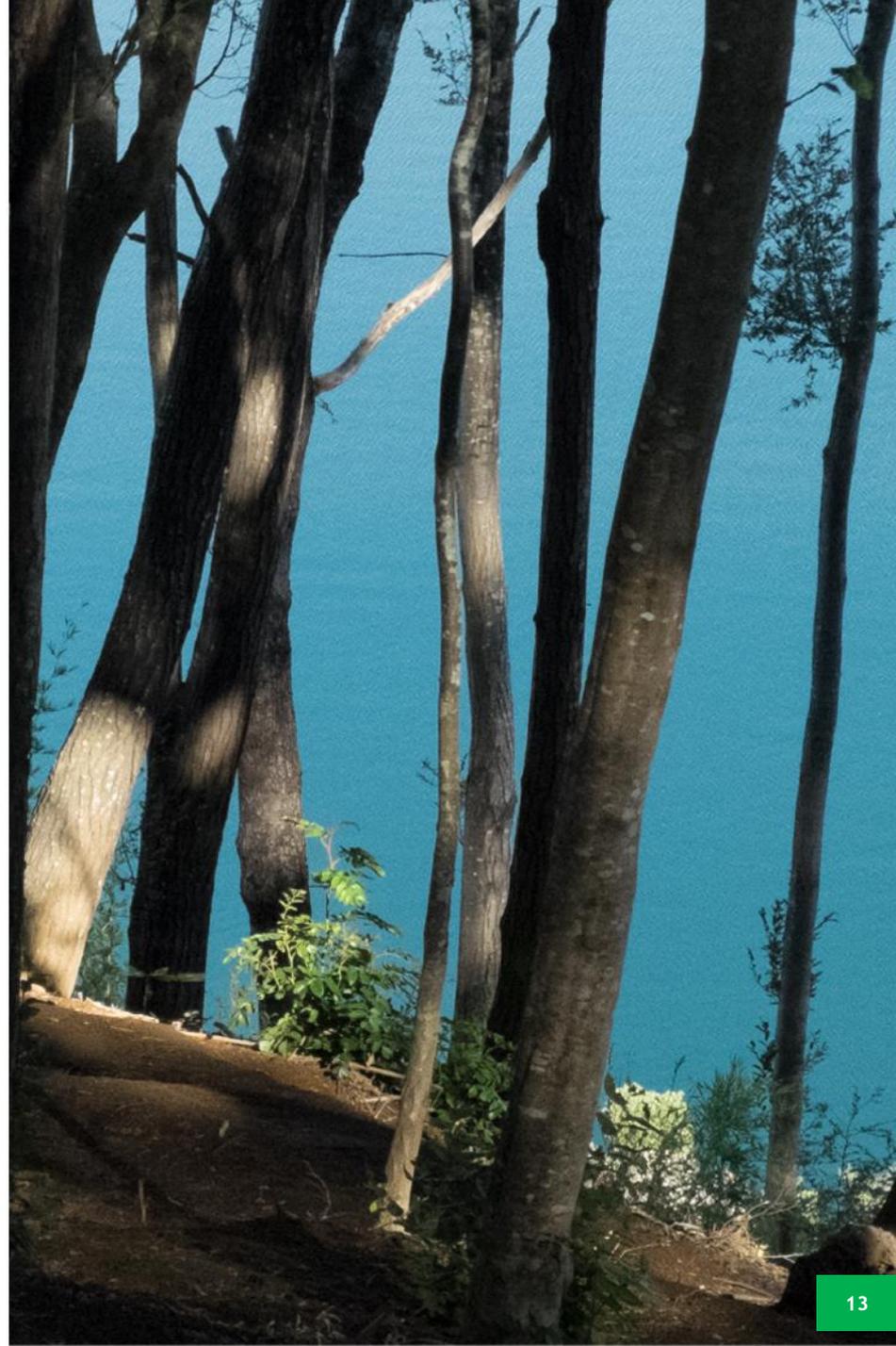
MAIN VARIATIONS 3Q16 / 3Q17

- **Non-operating income** recorded lower losses, mainly explained by:
 - Positive effect of the variation of the CLP/US\$ exchange rate over temporary balance accounts in local currency.
 - Lower financial expenses due to lower financial debt outstanding in the period.
 - Higher financial income due to a higher balance in Cash and Cash Equivalents.



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.

INVESTOR RELATIONS

TEAM CONTACT

Miguel Alarcón
malarcon@colbun.cl
+ 56 2 2460 4394

Verónica Pubill
vpubill@colbun.cl
+ 56 2 2460 4308

Soledad Errázuriz
serrazuriz@colbun.cl
+ 56 2 2460 4450

