2Q18 EARNINGS REVIEW

AUG 2018

Colbun

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AGENDA

1. COMPANY HIGHLIGHTS
2. FINANCIAL REVIEW
3. GROWTH OPPORTUNITIES

COMPANY HIGHLIGHTS
2Q18 KEY FACTS

1. Regarding commercial strategy, in June 2018, Colbún signed a **power supply agreement for 550 GWh/year with Minera Zaldivar**, from renewable power sources, for a period of 10 years, starting in July 2020.

2. In June 2018, **Moody's assigned the Baa2 category, with a stable outlook, to Colbún** and it's debt securities issued in the international market. This rating, in addition to the BBB (stable) rating assigned by Standard & Poor's and Fitch Ratings, consolidates its investment grade rating.

3. In terms of growth, in June 2018 the **Ovejería photovoltaic power plant begun its commercial operation.**

COMPANY HIGHLIGHTS

2Q18 MAIN CONSOLIDATED FIGURES

US$696mm
EBITDA LTM
US$649 mm / US$52 mm

1.3x
Net Debt/ EBITDA LTM

3,893MW
Inst. Capacity
3,328 MW / 565 MW

US$259mm
Net Income LTM

4.5%
Avg. Interest Rate[1]

26
Power Plants
25 / 1

US$696mm
Cash

Ratings
BBB S&P/Fitch
Baa2 Moody's

Market Share[2]
17%/8%

Note: All figures as of Mar18
[1] In US Dollars.
[2] In terms of generation in the SEN in Chile (23% in the SIC, prior to the interconnection with the SING effective as of October 2017) and in the SEIN in Peru.

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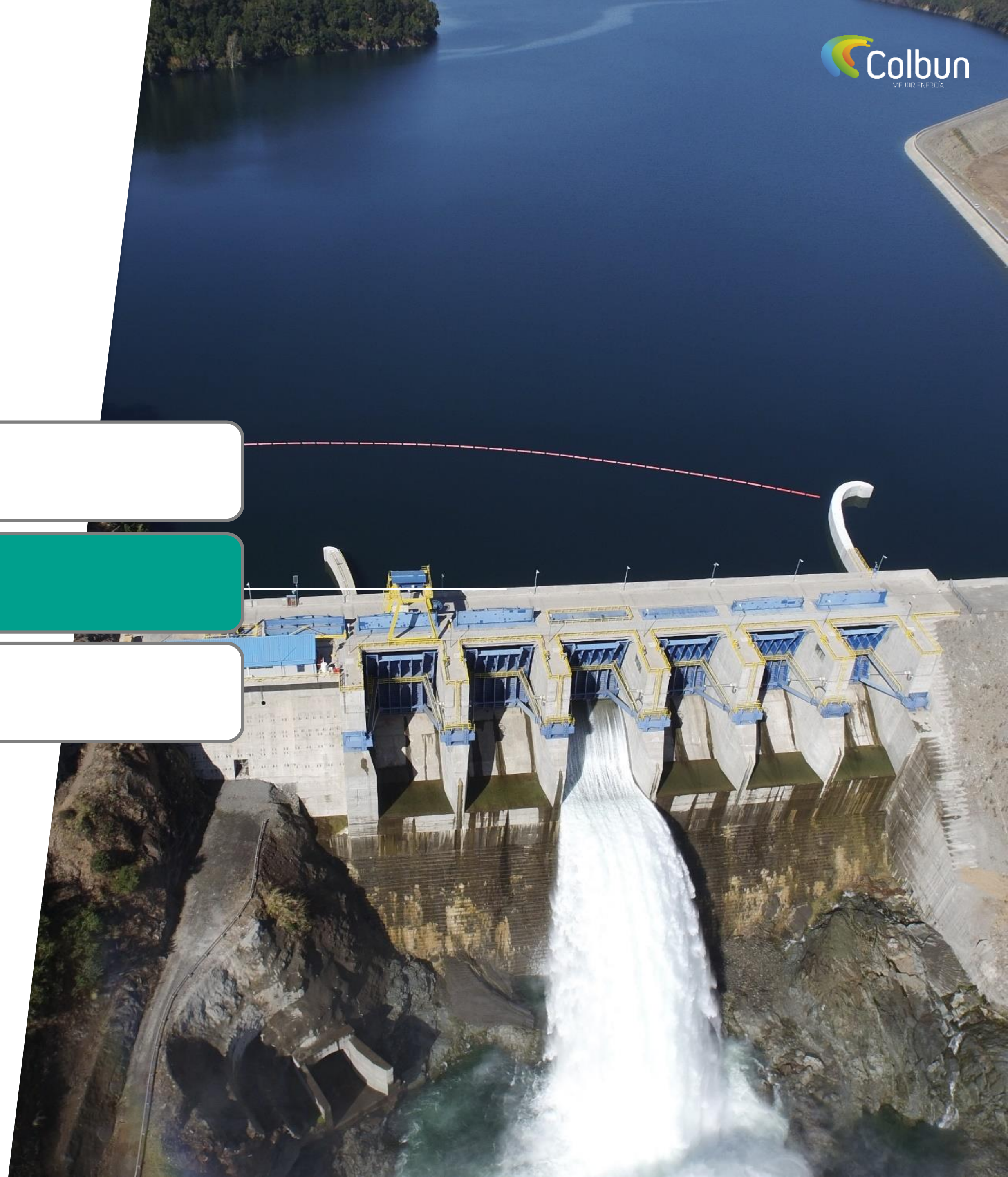

FINANCIAL REVIEW

CHILE: PHYSICAL SALES & GENERATION BALANCE

Generation (GWh)	2Q17	2Q18	QoQ
Hydraulic	**1,248**	**1,433**	**15%**
Thermal	**2,109**	**2,052**	**(3%)**
Gas	1,248	1,341	7%
Diesel	123	29	(77%)
Coal	738	682	(8%)
REVS*	**29**	**29**	**0%**
Wind Farm**	29	26	(10%)
Solar	0	3	-
Total Generation	**3,386**	**3,515**	**4%**

Sales Volume (GWh)	2Q17	2Q18	QoQ
Regulated Clients	1,579	1,377	(13%)
Unregulated Clients	1,217	1,531	26%
Total Commitments	**2,796**	**2,907**	**4%**
Sales to the Spot Market	476	507	6%
Total Energy Sales	**3,273**	**3,414**	**4%**

Spot Market (GWh)	2Q17	2Q18	QoQ
Sales	476	507	6%
Purchases	0	0	-
Spot Market Balance	**476**	**507**	**6%**

MAIN VARIATIONS 2Q18 / 2Q17

- **Total generation** increased, mainly because of:
  - Higher hydro and gas generation.
- **Physical sales** increased, mainly due to:
  - Higher sales to unregulated customers.
  - Higher sales in the spot market.
- **Spot market balance** registered net sales for 507 GWh.
- **100%** of total commitments were supplied with **cost-efficient base load generation.**

(*): Renewable energy from variable sources (REVS).
(**): Corresponds to the energy purchased from Punta Palmeras wind farm owned by Acciona.

FINANCIAL REVIEW
CHILE: EBITDA ANALYSIS

US$ million	2Q17	2Q18	QoQ
Revenues	346.6	348.5	1%
Raw Materials and Consumables Used	(175.8)	(181.1)	3%
Personnel and other operating expenses	(75.6)	(76.3)	1%
Operating Income (Loss)	**95.2**	**91.1**	**(4%)**
EBITDA	**147.6**	**141.7**	**(4%)**
EBITDA Margin (%)	43%	41%	

MAIN VARIATIONS 2Q18 / 2Q17

- **Revenues increased**, mainly due to:
  - Higher sales to unregulated customers.
  - Higher hydroelectric generation.
- **Raw Materials and Consumables Used increased**, mainly explained by:
  - Higher costs of gas and coal.
- **EBITDA totalized US$142 million,** decreasing by 4% compared to 2Q17.

FINANCIAL REVIEW
PERU: PHYSICAL SALES & GENERATION BALANCE

Generation (GWh)	2Q17	2Q18	QoQ
Thermal – Gas	1,074	1,002	(7%)
Total Own Generation	**1,074**	**1,002**	**(7%)**

Sales Volume (GWh)	2Q17	2Q18	QoQ
Customers Under Contract	713	805	13%
Spot Market Sales	336	174	(48%)
Total Energy Sales	**1,049**	**979**	**(7%)**

Spot Market (GWh)	2Q17	2Q18	QoQ
Sales	336	174	(48%)
Purchases	0	0	-
Spot Market Balance	**336**	**174**	**(48%)**

MAIN VARIATIONS 2Q18 / 2Q17

- **Gas generation** decreased, mainly explained by the lower availability of the power plant compared to 2Q17.
- **Physical withdrawals** from customers under contract increased, mainly explained by:

    - The beginning of bilateral supply contracts.

    - Higher withdrawals from customers under contract.

- **Spot market balance** reached net sales for 174 GWh.

FINANCIAL REVIEW
PERU: EBITDA ANALYSIS

US$ million	2Q17	2Q18	QoQ
Revenues	47.0	52.3	11%
Raw Materials and Consumables Used	(34.0)	(37.8)	11%
Personnel and other operating expenses	(10.1)	(10.4)	3%
Operating Income (Loss)	**2.9**	**4.1**	**42%**
EBITDA	**10.9**	**12.3**	**13%**
EBITDA Margin (%)	23%	24%	

MAIN VARIATIONS 2Q18 / 2Q17

- **Revenues** increased, mainly due to higher:
  - Sales to unregulated customers.
  - Revenues from transmission tolls.
- **Raw materials and consumables used** increased, mainly explained by the increase in:
  - Transmission toll costs.
  - Other operating costs.
  - Gas consumption costs.
- Fenix **EBITDA totalized US$12.3 million** higher by 13% compared to 2Q17.

FINANCIAL REVIEW

CONSOLIDATED: NON-OPERATING INCOME ANALYSIS

US$ million	2Q17	2Q18	QoQ
Financial Income	2.8	4.5	62%
Financial Expenses	(20.2)	(21.1)	4%
Exchange Rate Differences	0.8	(6.9)	-
Profit (Loss) of Companies Accounted for Using the Equity Method	1.1	2.1	89%
Other Profits (Losses)	14.6	(9.7)	-
Non-Operating Income	**(0.9)**	**(31.0)**	**-**
Profit (Loss) Before Taxes	**97.2**	**64.2**	**(34%)**
Income Tax Expense	(18.9)	(19.4)	3%
Net Income	**78.3**	**44.8**	**(43%)**

MAIN VARIATIONS 2Q18 / 2Q17

- **Non-operating income** recorded higher losses, mainly explained by:
  - A non-recurring income recorded in Fenix in 2Q17.
  - the negative impact of the variation of the CLP/US$.
  - Accounting record of provisions for impairment.
- **Tax expenses** in line with 2Q17, despite the lower profits before tax due to:
  - Increase in the income tax rate, in Chile.
  - The non-recurring income recorded in Fenix in 2Q17 is not taxable income.

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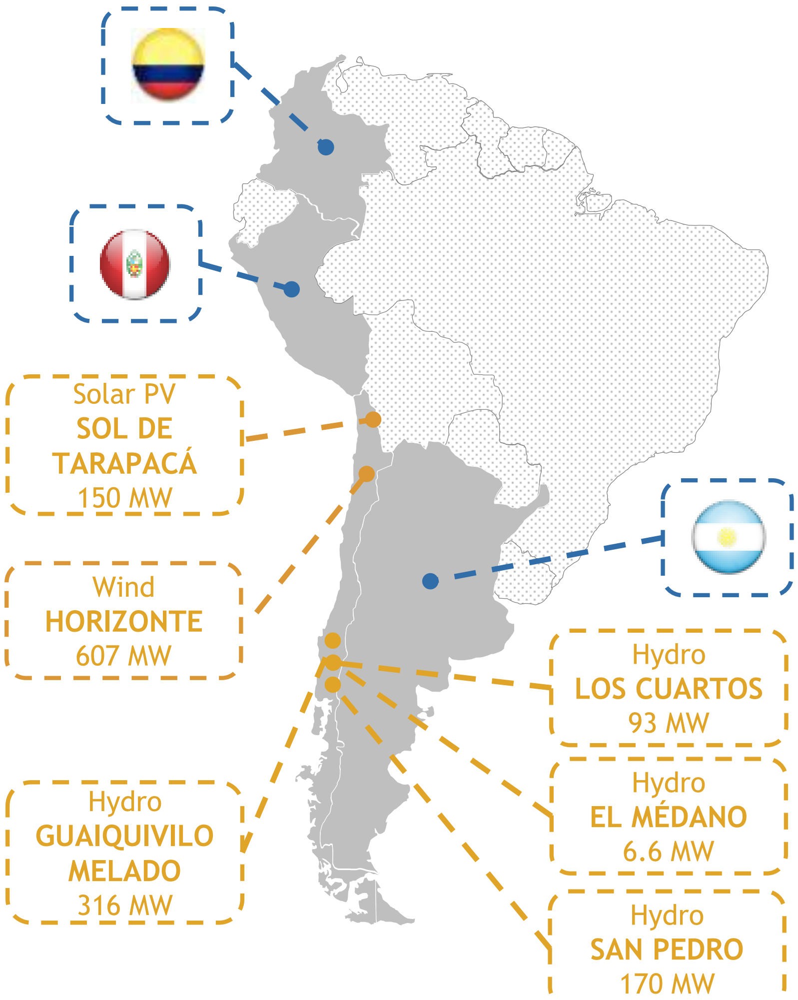
GROWTH OPPORTUNITIES

GROWTH OPPORTUNITIES IN CHILE & THE REGION



1 SPECIAL FOCUS IN PERU, COLOMBIA AND ARGENTINA.

- Growing power consumption
- Well established regulatory framework [1]
- Diversification:
  - Hydrological conditions
  - Generation technology
  - Fuel access
  - Regulation

2 GROWTH OPPORTUNITIES IN CHILE: BASE LOAD CAPACITY AND RENEWABLES.

- Pipeline of renewable projects
- Purchase of energy from third parties
- M&A opportunities

[1] Argentina under discussion to promote private investments.

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