



# Company Presentation

1Q 2015

# AGENDA

## 1. SIC OVERVIEW

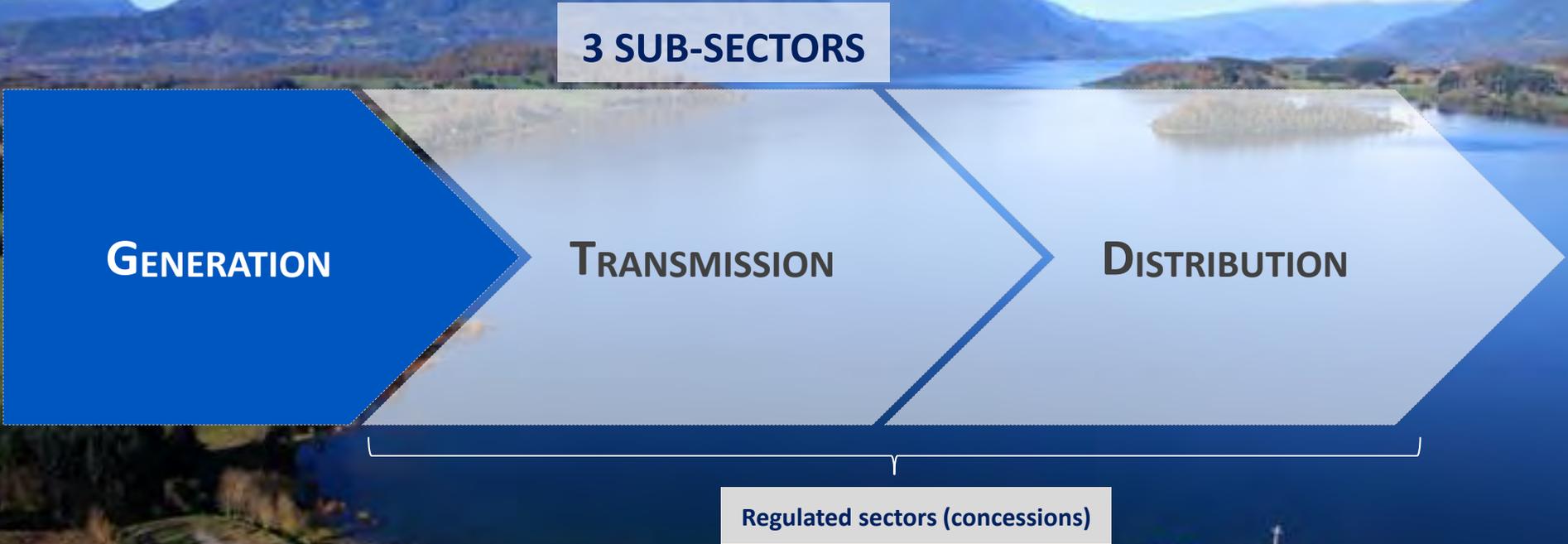
### 2. COLBÚN OVERVIEW

A. OPERATIONS

B. FINANCIALS

C. PROJECTS

# SECTOR SEGMENTATION



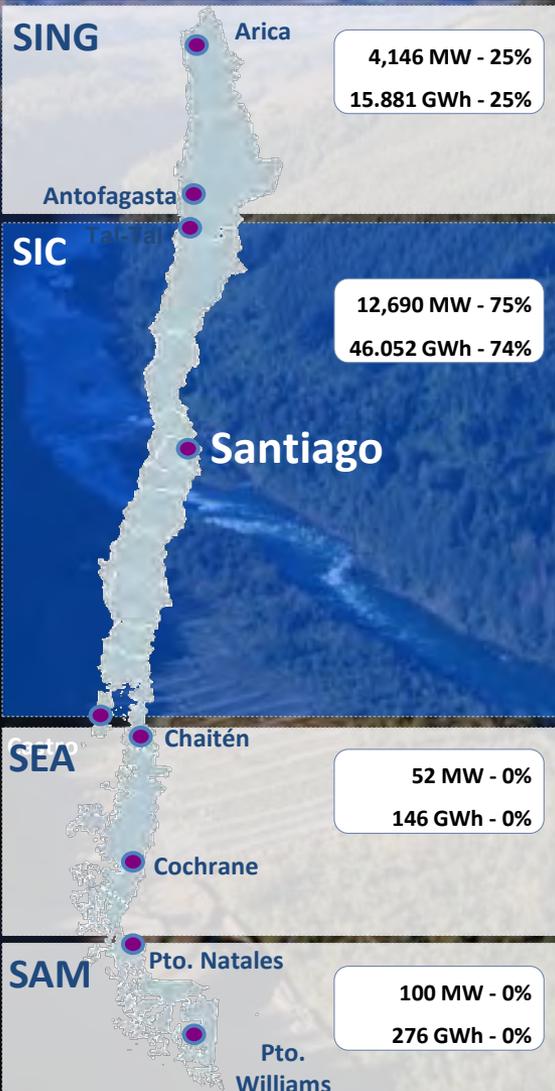
- ### RELEVANT INSTITUTIONS
- Ministry of Energy
  - Regulator: CNE
  - Supervisor: SEC
  - Coordinator: CDEC

# GEOGRAPHIC SEGMENTATION

## SING – Northern Grid

- Predominantly mining activity
- Mainly thermal capacity
- ~25% of national installed capacity
- ~25% of national electricity output

## 4 SEPARATE GRIDS



## SIC – Central Grid

- 90% of the country's population
- Mostly residential consumption, but also relevant industrial and some mining activity
- Large hydro capacity component
- ~75% of national installed capacity
- ~75% of national electricity output

Source: CNE

# MARKET STRUCTURE

## GENERATORS

REGULATED  
CUSTOMERS

UN-REGULATED  
CUSTOMERS

SPOT  
MARKET

DISTRIBUTION  
COMPANIES

"FREE"  
CUSTOMERS

CDEC

Regulated  
Auction Tariffs

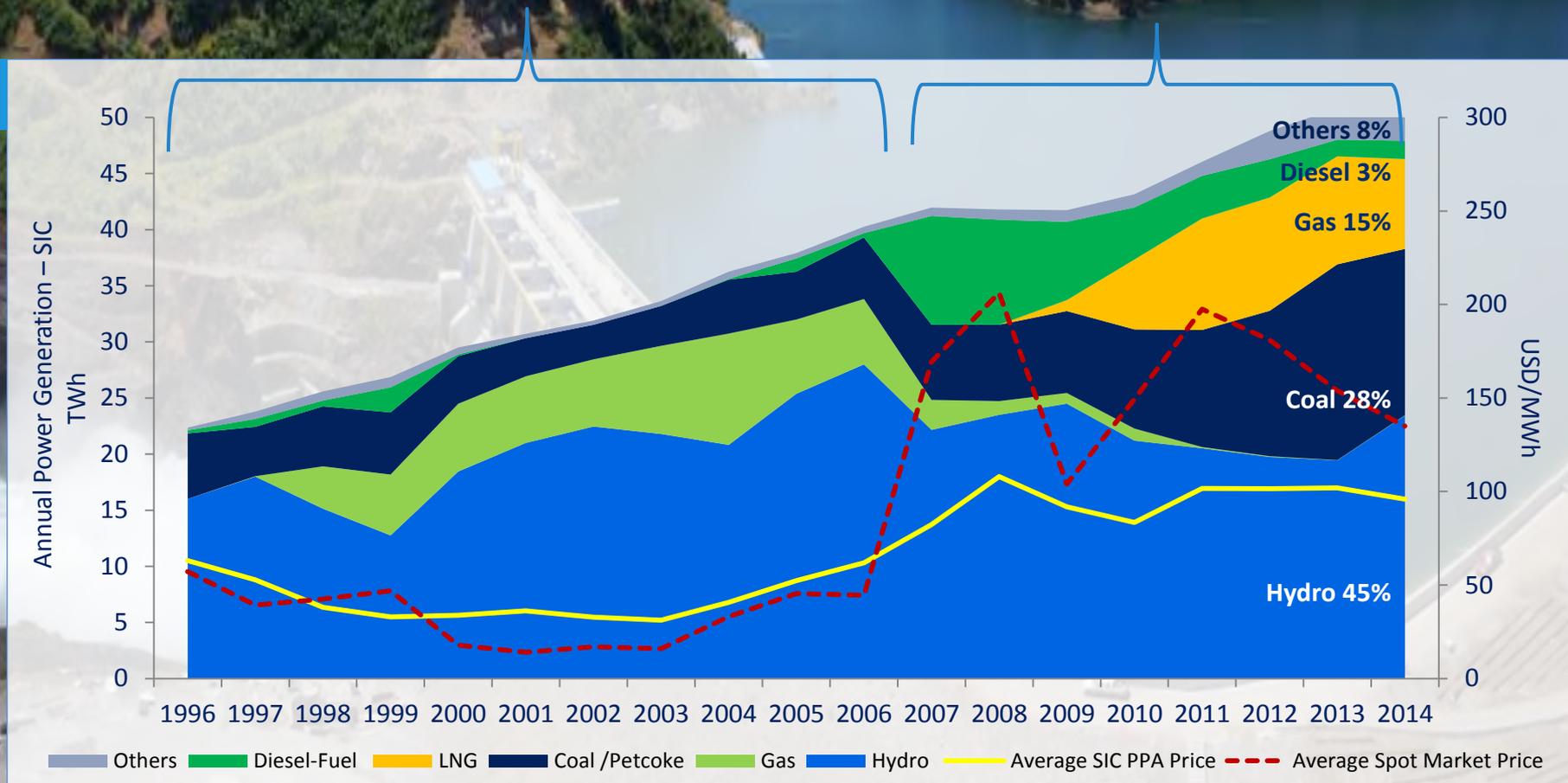
Unregulated  
Auction Tariffs

Marginal Cost/  
Spot Price

# GENERATION AND PRICE EVOLUTION IN CHILE'S CENTRAL GRID

- Development based on hydro + competitive natural gas
- Power purchase agreements signed under fixed prices (set by regulator for distribution clients )

- (+) Development based on gas turbine (diesel)
- (+) LNG re-gasification terminal since 2009
- (+) Coal- power plants
- New law: PPA tenders with price indexation



Source: CNE; CDEC; www.systep.cl

# AGENDA

1. SIC OVERVIEW

## 2. COLBÚN OVERVIEW

1. OPERATIONS

2. FINANCIALS

3. PROJECTS

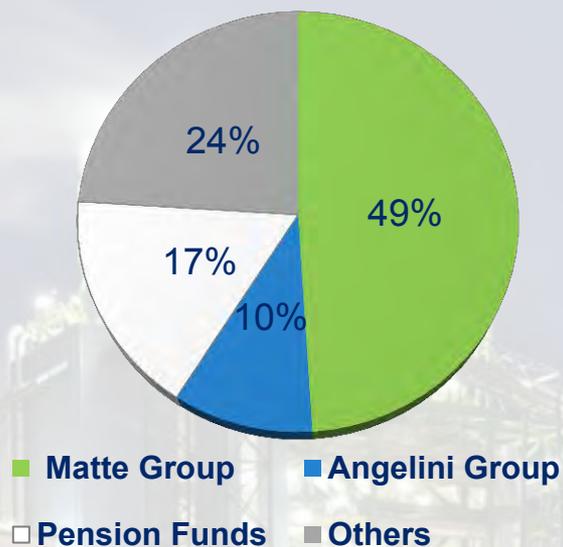
# OVERVIEW

## Main Figures

As of Mar15 (US\$ million)

- Assets: 6,300
- Equity: 3,400
- Mkt Cap: 5,100
- EBITDA LTM: 510
- Net Debt: 1,071

## Ownership



## Intern. Ratings

- Fitch: BBB
- S&P: BBB-

## Local Ratings

- Fitch: A+
- Humphreys: AA-

# HIGH STANDARDS OF CORPORATE GOVERNANCE

## Our Board

- **2 out of 9 are independent directors**
- Elected every 3 years (indefinitely reelection)
- 2 out of 3 independent directors in the Board Committee
- 2 female members
- Monthly meetings
- Two annual meetings with our external auditors
- No directors in management positions
- Board and board committee remunerations are approved in the Annual Shareholders Meeting (no equity options)
- **Code of ethics** ruling both workers and directors

# GENERATION ASSETS

Installed capacity of 3,278 MW ~ 21% Market Share / 25% by Generation\*

48% Hydro  
1,589 MW



532 MW Run-of-the-river – 33%



1,057 MW Reservoir – 67%

3,278 MW



52% Thermal  
1,689 MW



766 MW CCGT – 45%



342 MW Coal – 20%

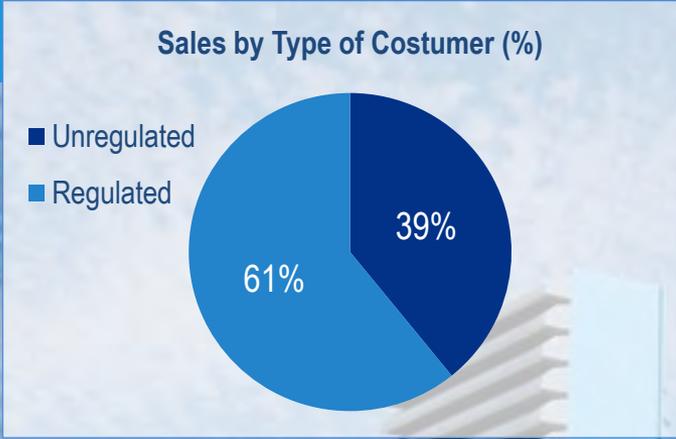


581 MW Diesel – 35%

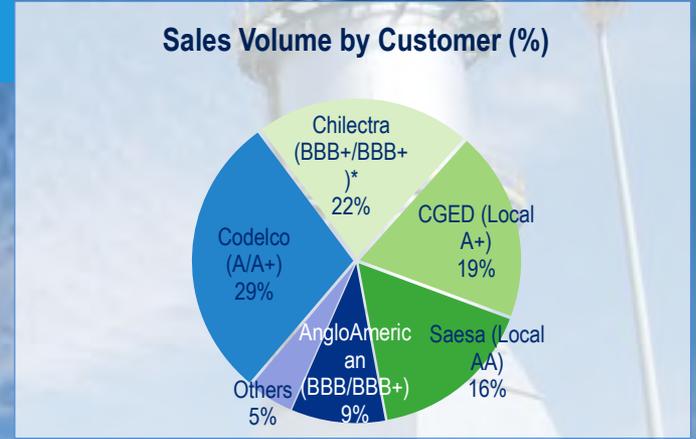
(\*): In 2014

# HIGH QUALITY CLIENTS

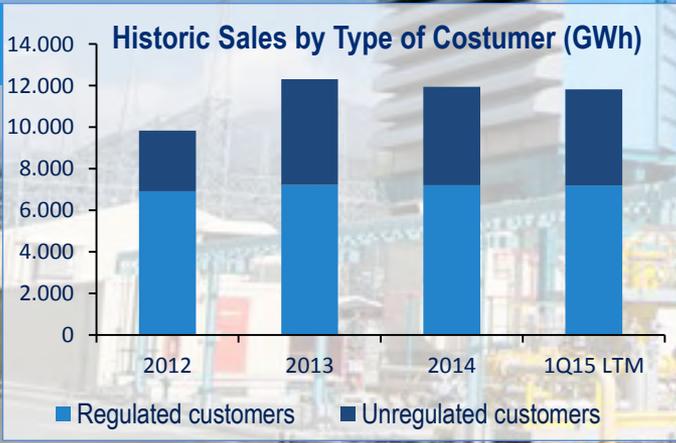
1



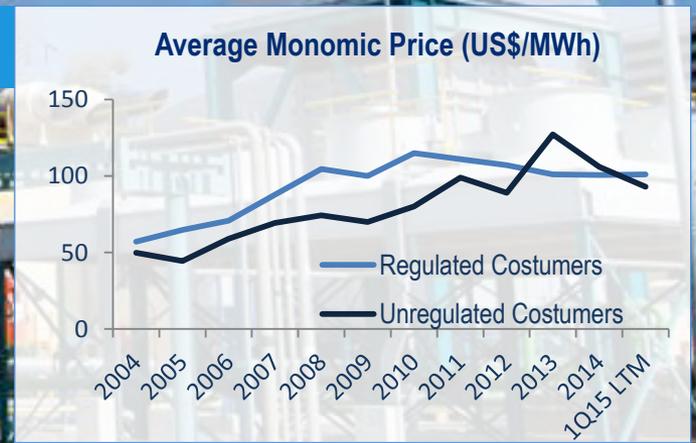
2



3

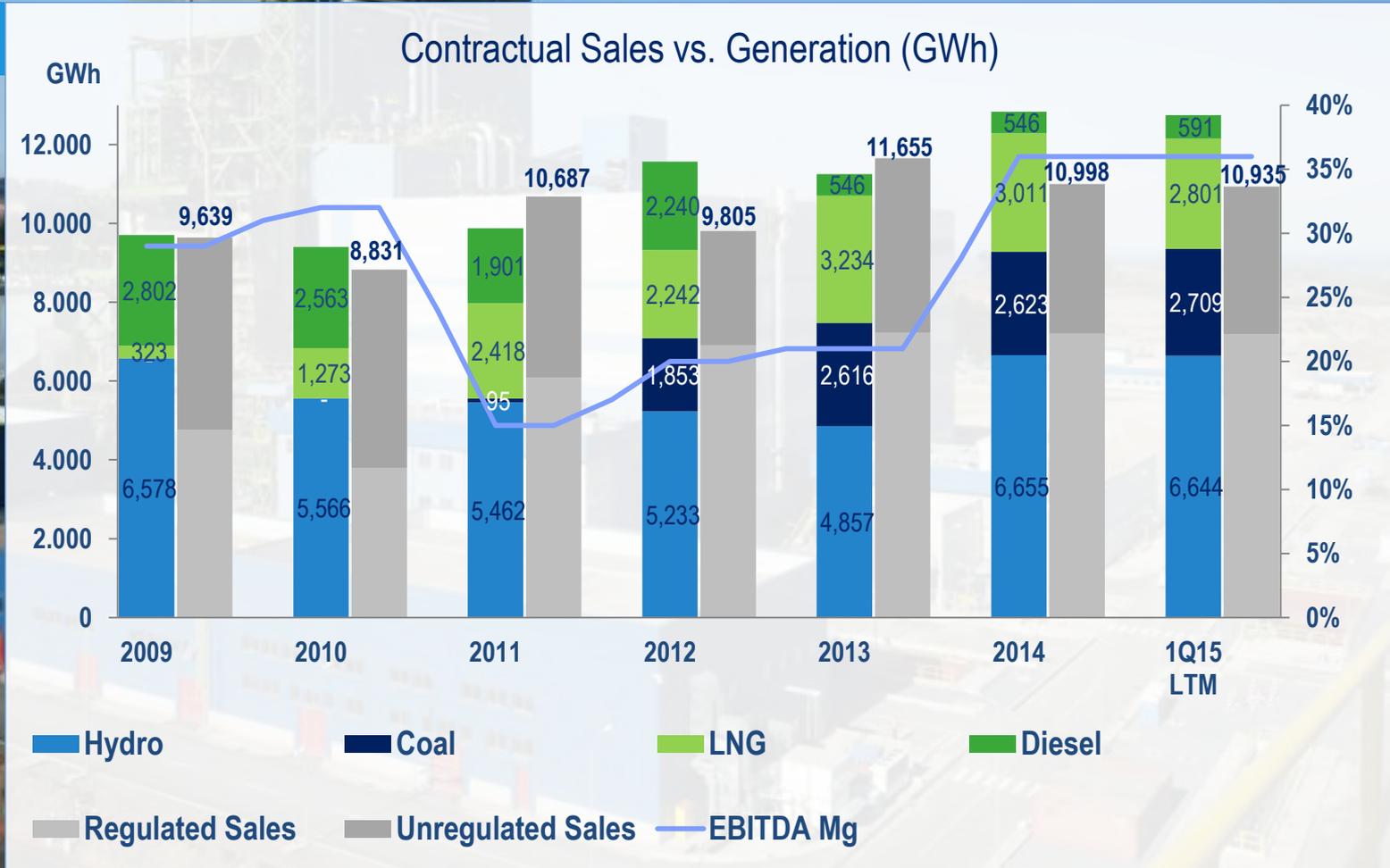


4



Graphs Sources: 1), 2), 3), 4) Colbun as of Mar15 LTM. 4) Average monomic prices are calculated by dividing the total amount of sales in US\$, by physical energy sales in MWh.

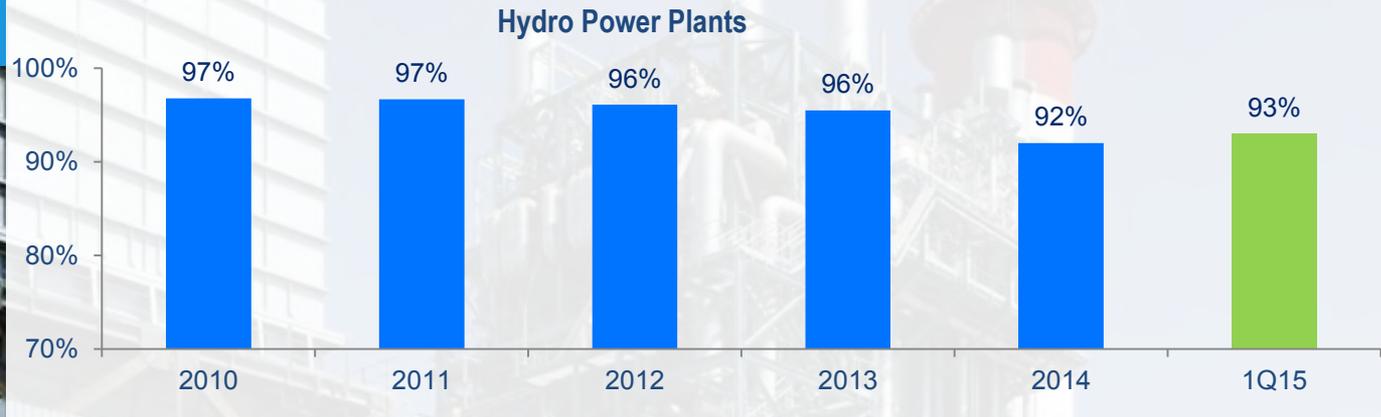
# COMMERCIAL POSITION



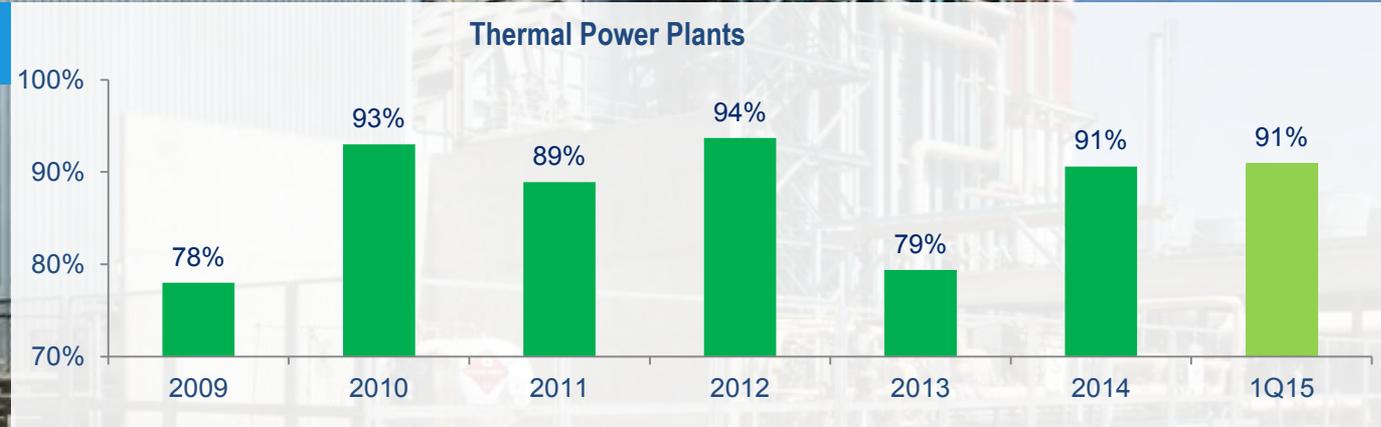
Graph Source: Colbun. Unregulated Sales 2013 & 2014 excludes sales to Codelco at Marginal Cost

# POWER PLANT AVAILABILITY

1



2



Graphs Sources: Colbún.

# AGENDA

1. SIC OVERVIEW

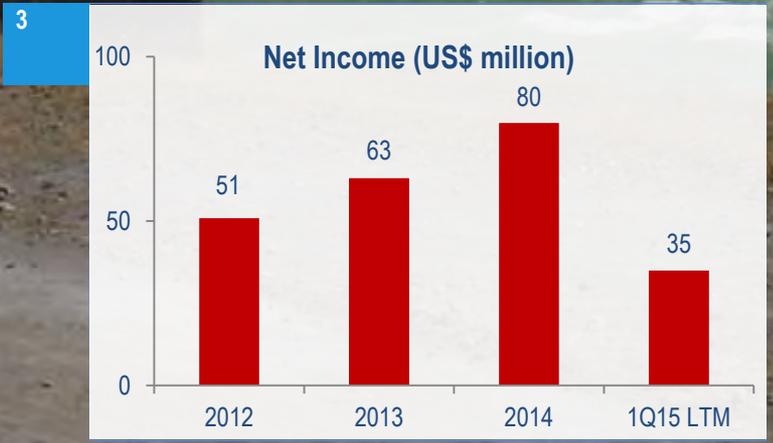
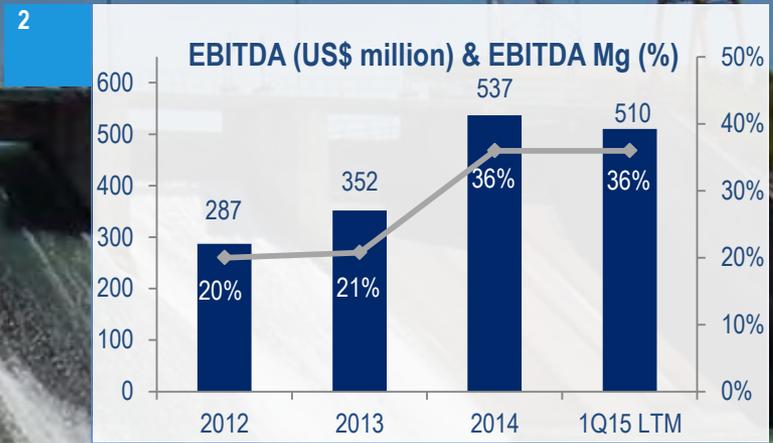
## 2. COLBÚN OVERVIEW

1. OPERATIONS

2. FINANCIALS

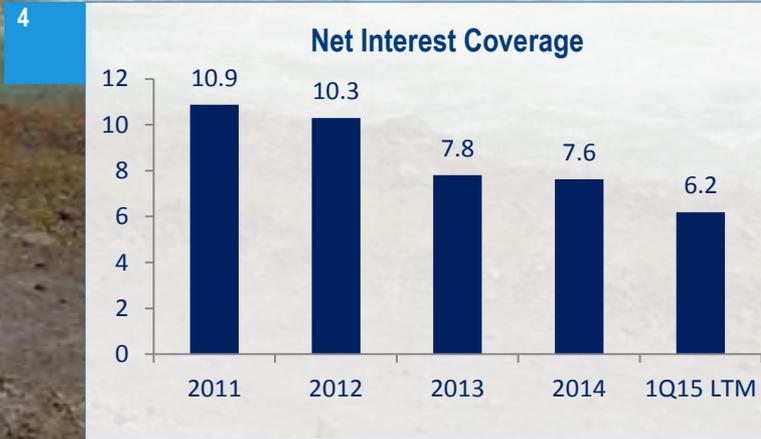
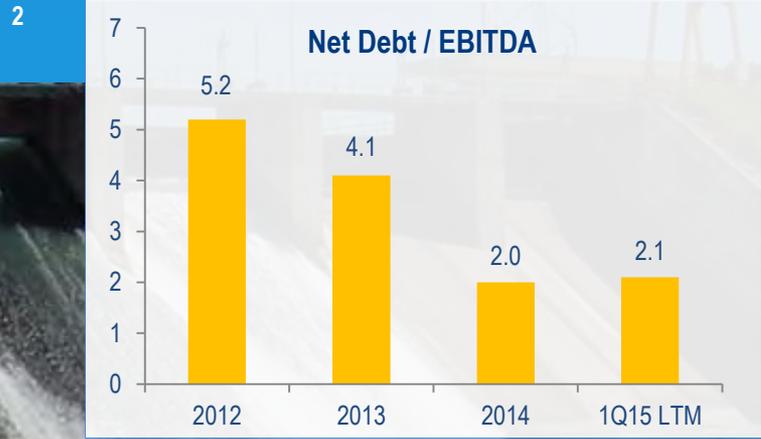
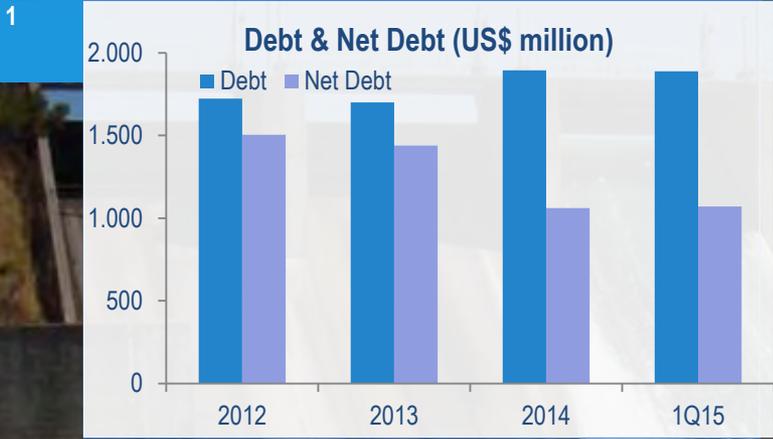
3. PROJECTS

# MAIN FIGURES AND METRICS



Source: Colbún's Financial Statements

# MAIN FIGURES AND METRICS



Source: Colbún's Financial Statements. (\*) Calculated as Liabilities/Equity

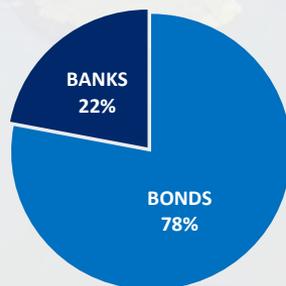
# DEBT AND LIQUIDITY

1

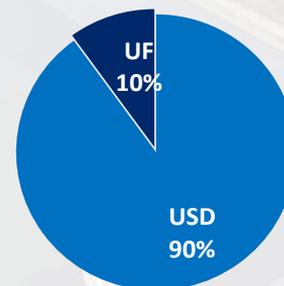
- Total Debt: MMUS\$ 1,888
- Avg. Maturity: 6.2 years
- Avg. USD Interest Rate: 4.8%
- Cash: MMUS\$ 817
- Net Debt: MMUS\$ 1,071
- Dividend Policy 30%  
(As of Mar15)

## Debt Profile

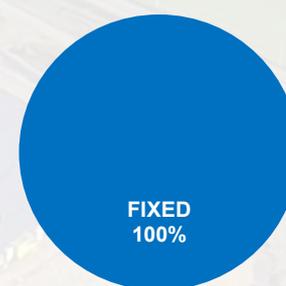
Type



Currency

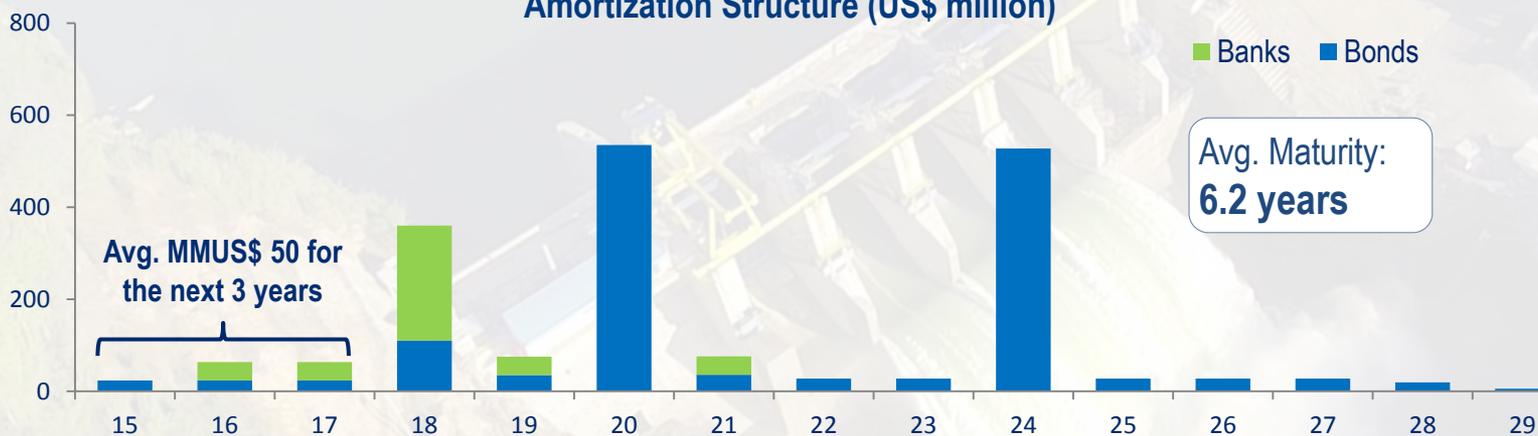


Interest Rate



2

## Amortization Structure (US\$ million)



Source: Colbún's Financial Statements

# AGENDA

1. SIC OVERVIEW

## 2. COLBÚN OVERVIEW

1. OPERATIONS

2. FINANCIALS

3. PROJECTS

# COLBÚN HAS SEVERAL GROWTH OPPORTUNITIES

## Projects in Chile

### La Mina – Hydroelectric Project

- 34 MW of Capacity
- 191 GWh of expected annual generation
- Phase: Under Construction since Dec14
- Qualifies as NCRE

### Santa María II – Coal-fired Project

- 350 MW of Capacity
- 2,500 GWh of expected annual generation
- Phase: Environmentally Approved

### San Pedro - Hydroelectric Project

- ~170 MW of Capacity
- 950 GWh of expected annual generation
- Phase: Submit EIA on 2015



# LA MINA HYDROELECTRIC RUN-OF-THE-RIVER

1

## Main Features

- **Location:** San Clemente, Maule region
- **Capacity:** 34 MW
- **Annual Generation:** ~ 180-195 GWh
- **CAPEX including the Tx. line:** ~US\$120-130 million
- **Construction + commissioning period:** ~25-30 months
- **Status:** Under construction since Dec14 and on schedule
- Qualifies as **NCRE**



2

## Location



# SANTA MARIA II COAL-FIRED POWER PLANT

1

## Main Features

- **Location:** Coronel, Biobío region
- **Capacity:** 350 MW
- **Annual Generation:** ~2,500 GWh
- **Construction period:** ~43-45 months
- **2014 Main Events:**
  - RCA/RSE commitments compliance
  - Stakeholders socialization
  - EPC contract review

2

## Location



# SAN PEDRO HYDROELECTRIC POWER PLANT

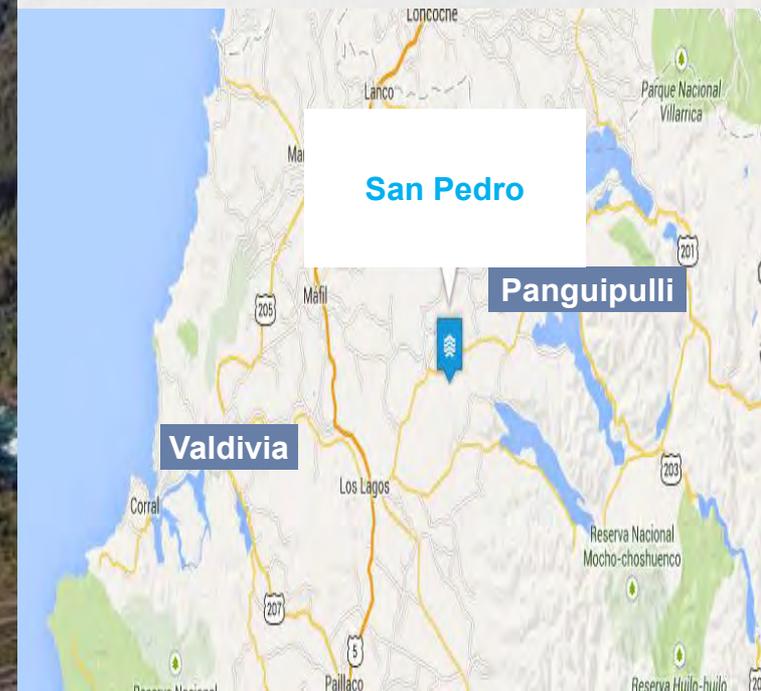
1

## Main Features

- **Location:** Panguipulli and Los Lagos, Los Ríos region
- **Capacity:** ~170 MW
- **Annual Generation:** ~900-950 GWh
- **Construction period:** ~40-45 months
- **2014 Main Events:**
  - Socialization process
  - Submit EIA on 2015

2

## Location



# SEARCHING FOR INVESTMENT OPPORTUNITIES IN THE REGION

## Special Focus on Colombia and Peru

- ✓ Growing Electricity Consumption
- ✓ Well established regulatory framework
- ✓ Diversification:
  - Hydrological Conditions
  - Generation Technology
  - Fuel Access
  - Regulatory Risks



# KEY INVESTMENT HIGHLIGHTS

- **Country:** Operates in Chile, the highest-rated country in the region (Aa3/AA/A+)
- **Size:** Second-largest generation company in Chile's largest electricity grid
- **Competitive:** High-quality, diversified asset portfolio and flexible commercial policy.
- **Stable:** Diversified, solid and creditworthy customer portfolio
- **Shareholders:** Strong, reliable controlling group with a strategic and long-term vision for the business
- **Management:** Experienced management and high standards of corporate governance
- **Projects:** Strong pipeline of new projects with improving efficiency and diversification of generation sources
- **Liquidity:** Conservative financial strategy that emphasizes keeping a strong liquidity position

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 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](http://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 presentation.

