



Company Presentation
VALORES SECURITY BREAKFAST
August 2015

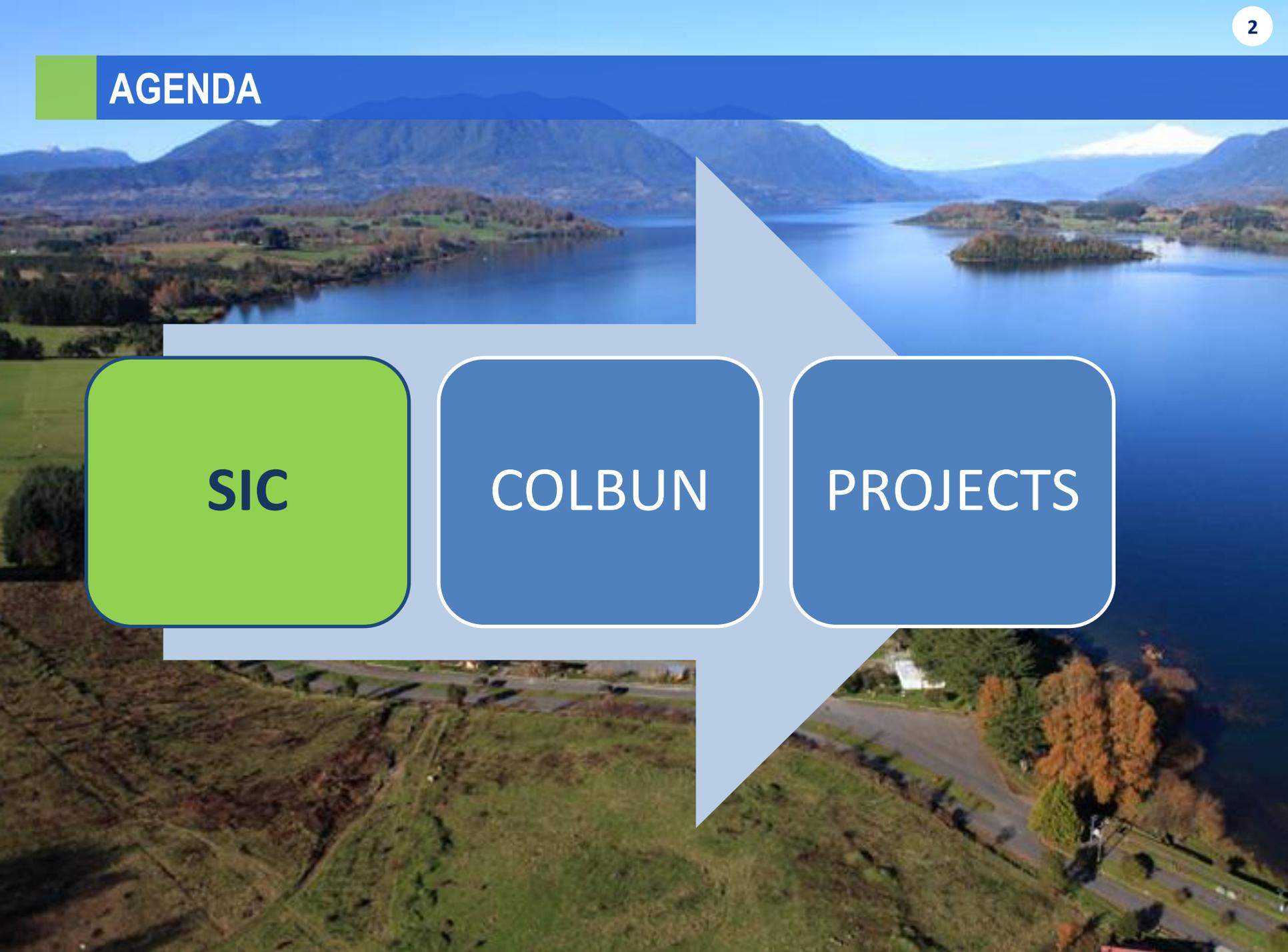


AGENDA

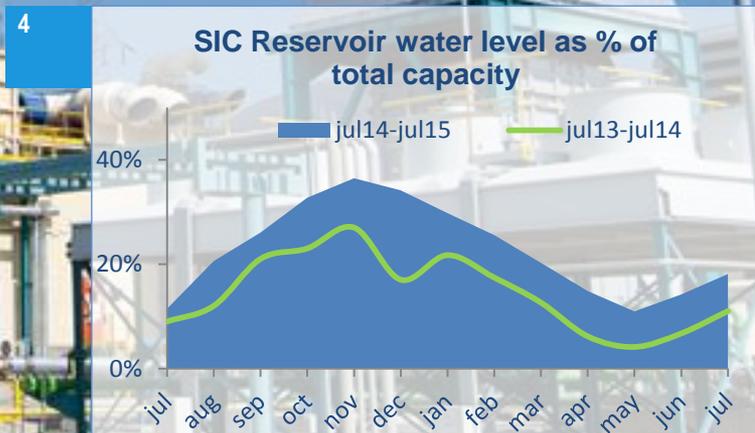
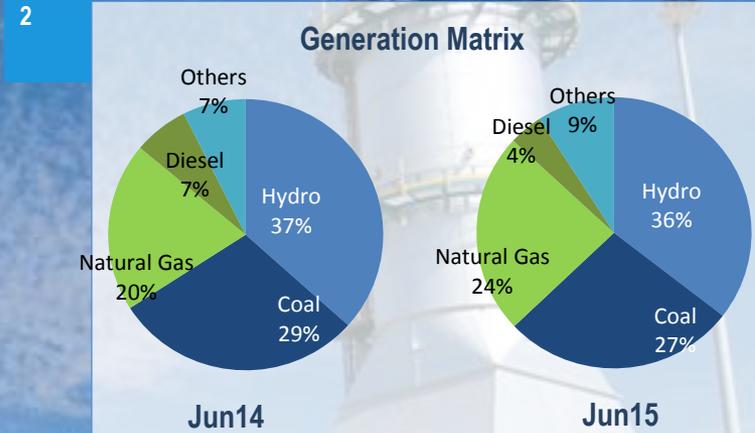
SIC

COLBUN

PROJECTS

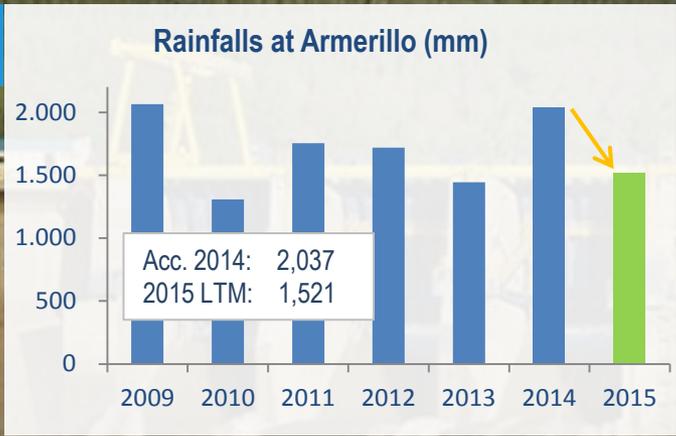


SIC OVERVIEW

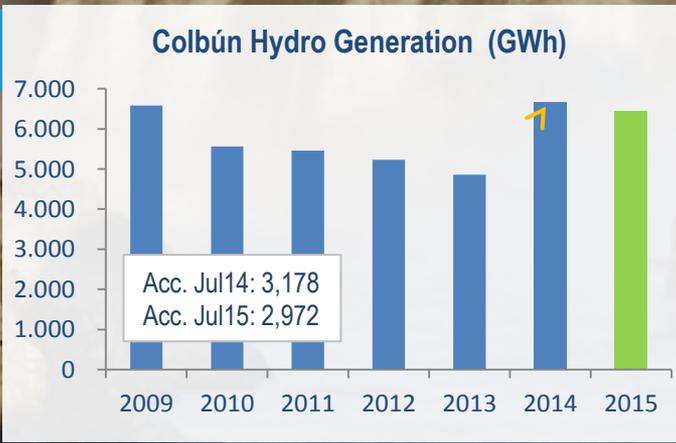


HYDROLOGICAL CONDITIONS

1



2



Source: Colbún.

Acc. Rainfalls Jul15/Jul14

Los Quilos (mm)	
2014	2015
112	71

Armerillo (mm)	
2014	2015
1,348	832

Abanico (mm)	
2014	2015
1,448	1,046

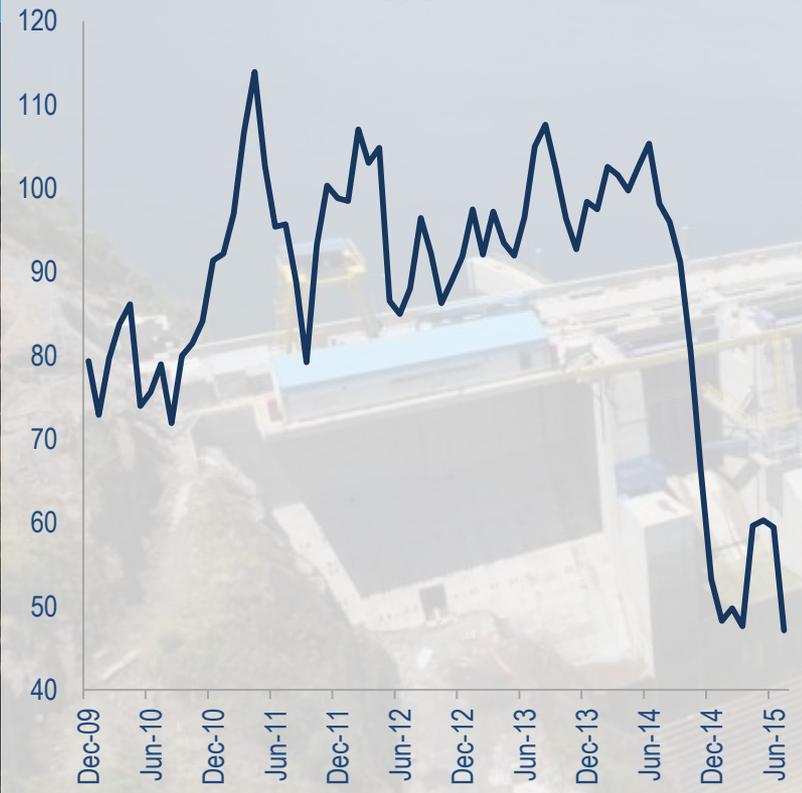
Canutillar (mm)	
2014	2015
2,306	1,905



END OF HIGH COMMODITY PRICES

1

WTI



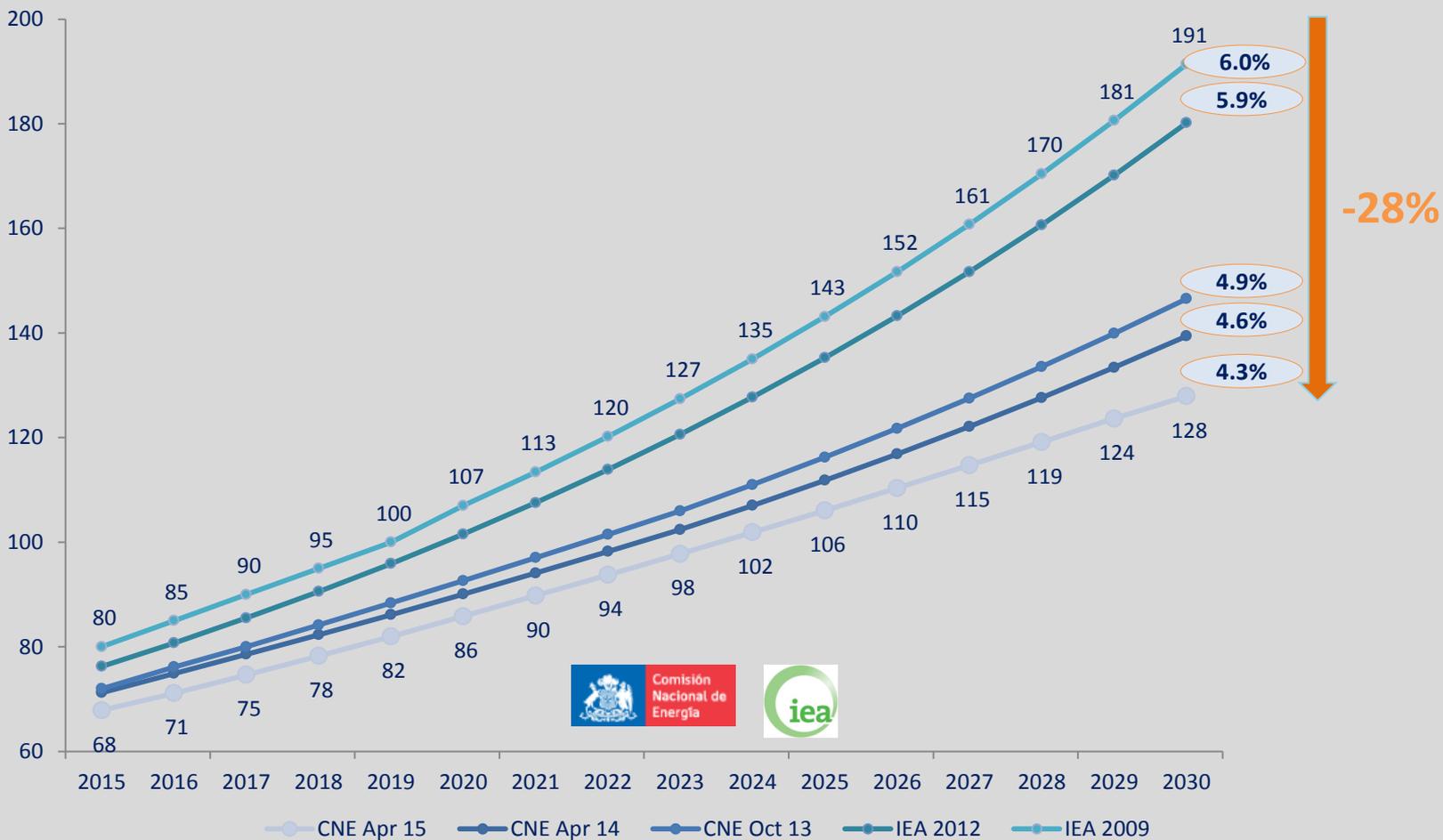
2

HENRY HUB



POWER DEMAND FORECAST FOR CHILE IS DECREASING

1



IMBALANCE BETWEEN POWER DEMAND AND A COMPETITIVE SUPPLY

Estimated annual
growth of Power
Demand by 2020:

4.8%

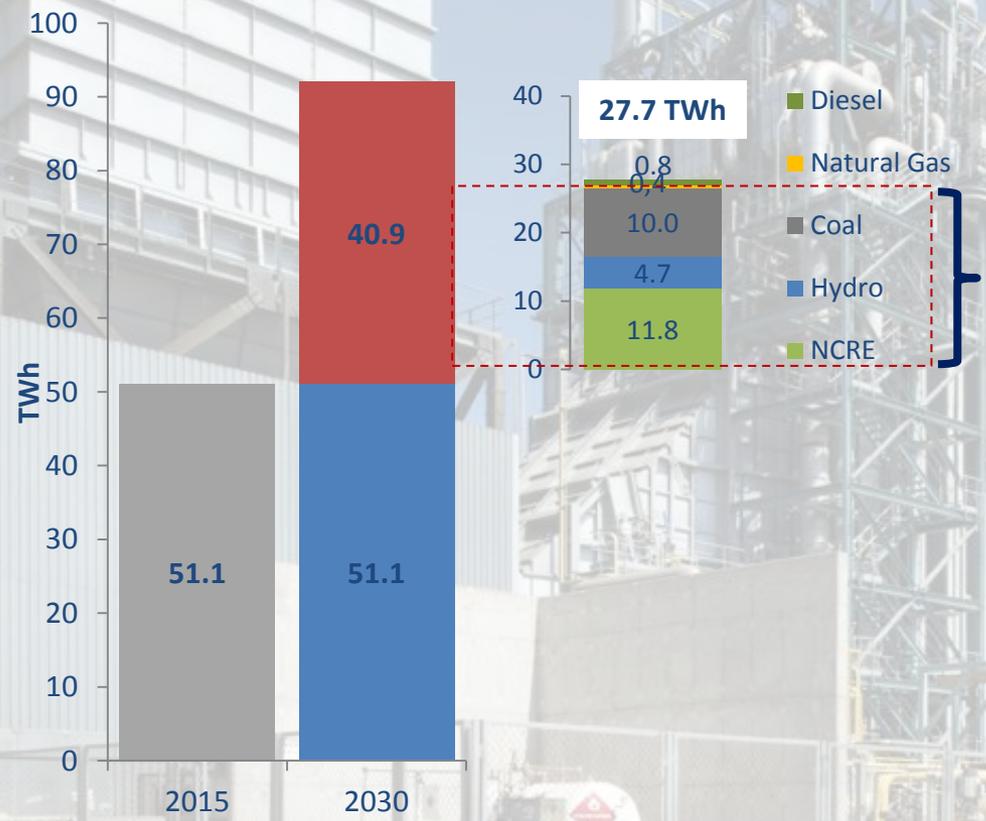
Estimated annual
growth of Supply
by 2020:

3.4%

Source: CNE

LACK OF EFFICIENT SUPPLY FOR 2030

1



Source: ITD Apr15 CNE

- By 2030, consumption growth will be 40.9 TWh
- Efficient generation forecasted would only cover **65% of the energy growth requirement**



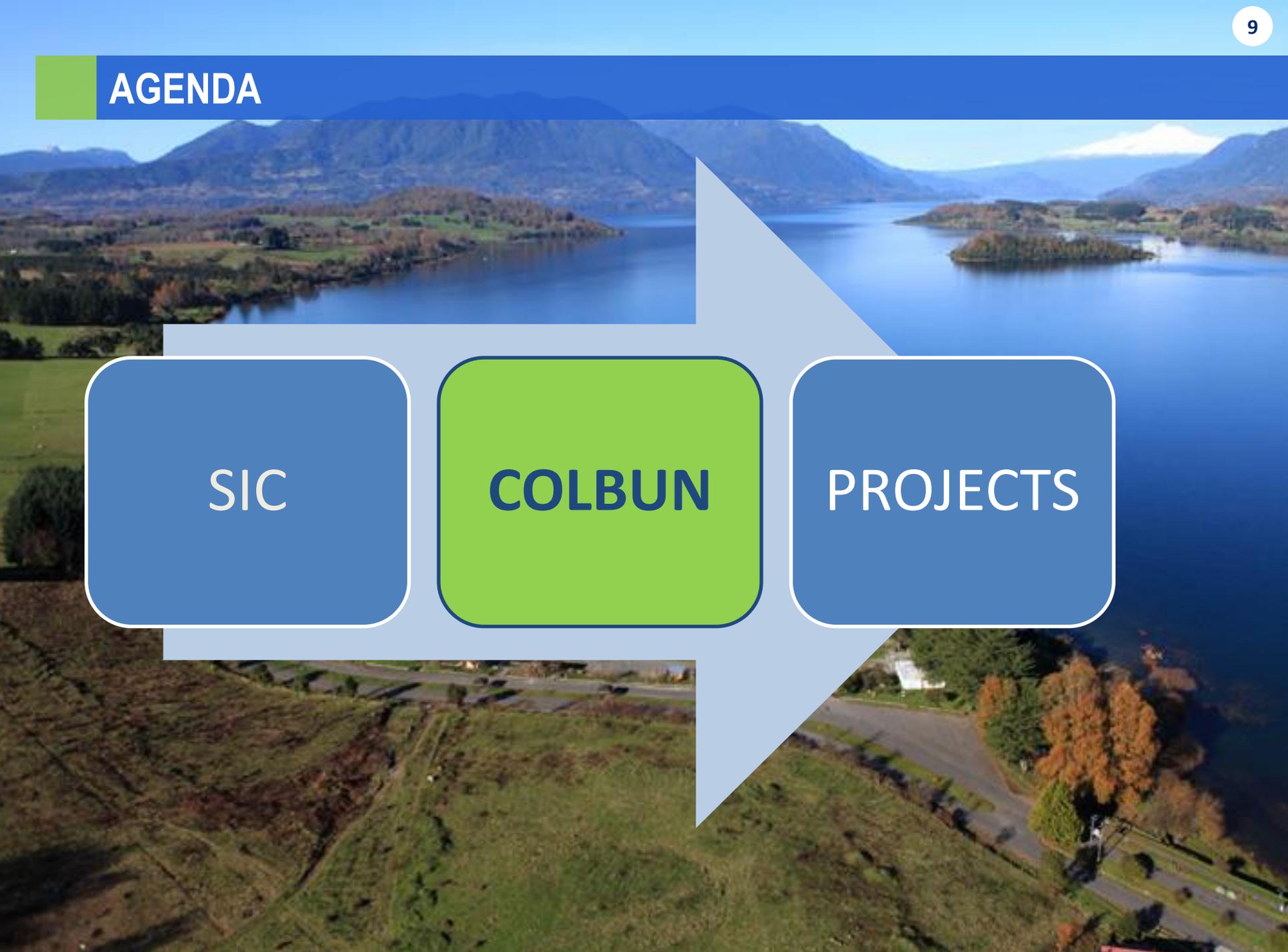


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PROJECTS



OVERVIEW

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

Dec2014

Gx. Asset Diversification

(MW)



Reservoir: 1,057



Run-of-the-river: 532



CCGT/Peaking: 1,347



Coal: 342



Wind Farm: 46*



Biomass: 26*

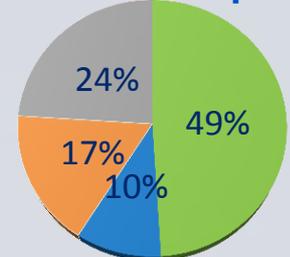
*Through PPAs

Main Figures

As of Jun15 (US\$ million)

- Assets: 6,400
- Equity: 3,400
- Mkt Cap: 4,900
- EBITDA LTM: 505
- Net Debt: 965

Ownership



■ Matte Group ■ Angelini Group
■ Pension Funds ■ Others

Tx. Assets

- ~900 Km
- 27 Substations



Intern. Ratings

- Fitch: BBB
- S&P: BBB-

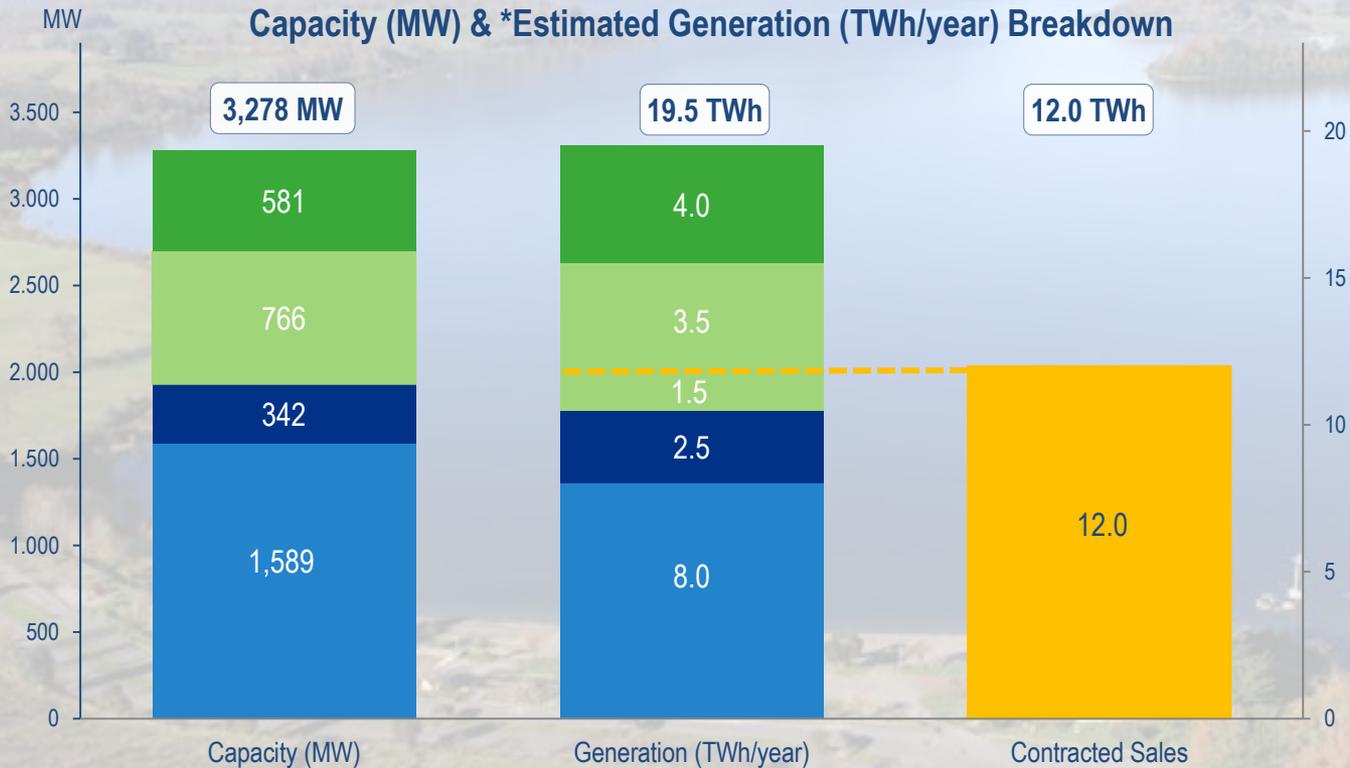
Local Ratings

- Fitch: A+
- Humphreys: AA-

- **Committed** Controlling Group
- **High Standards of Corporate Governance**
- 2 out of 9 **female** directors

COMMERCIAL STRATEGY

1

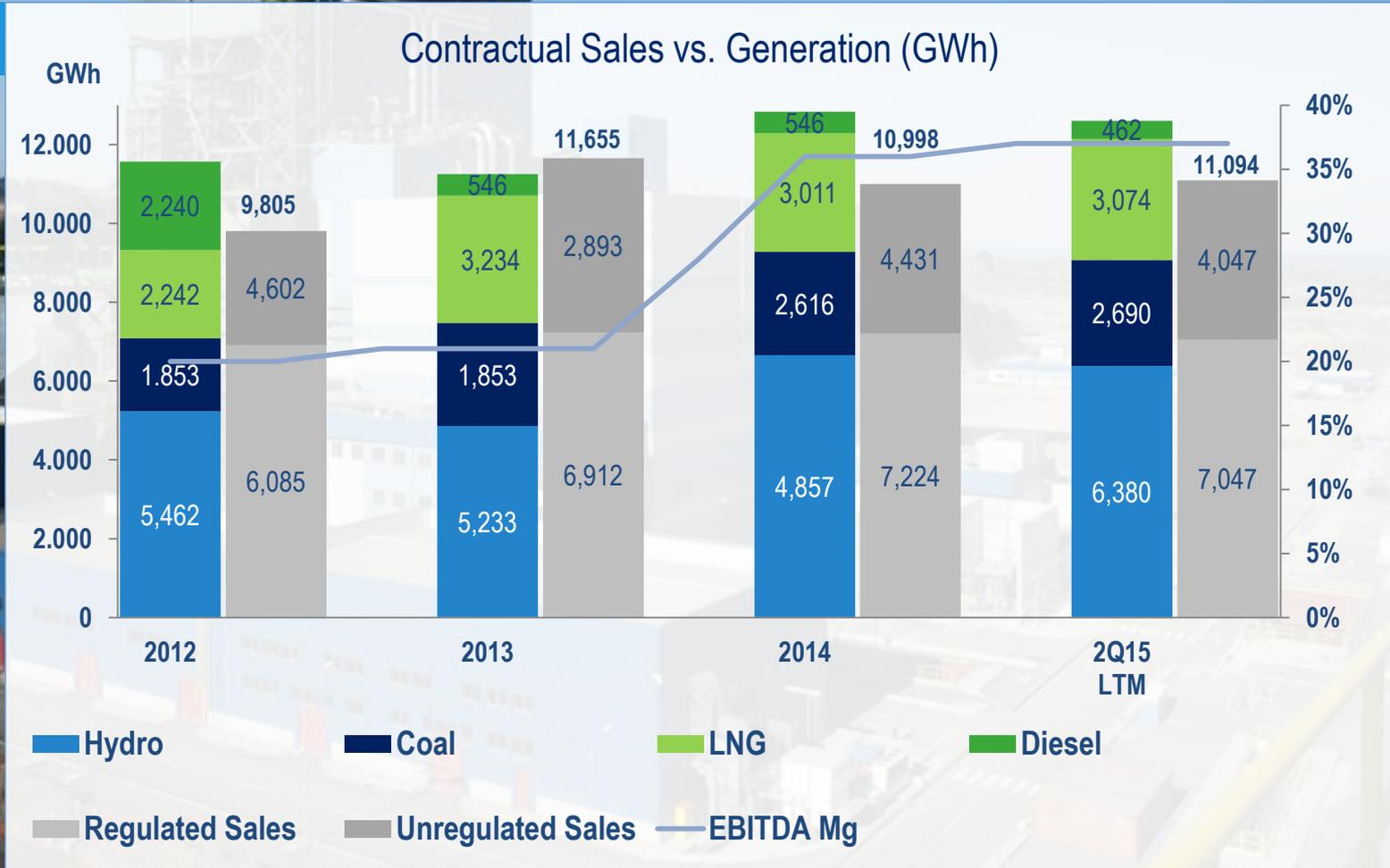


(*) Under medium hydrological conditions.



This graph is shown for illustrative purposes and represents estimated and potential output of our power plants and approximate level of contractual commitments. Real output from our power plants and variable production costs are dependent on many factors, such as hydrology, plant availability, access to fuels (coal and LNG) and commodity prices, among others.

COMMERCIAL POSITION



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

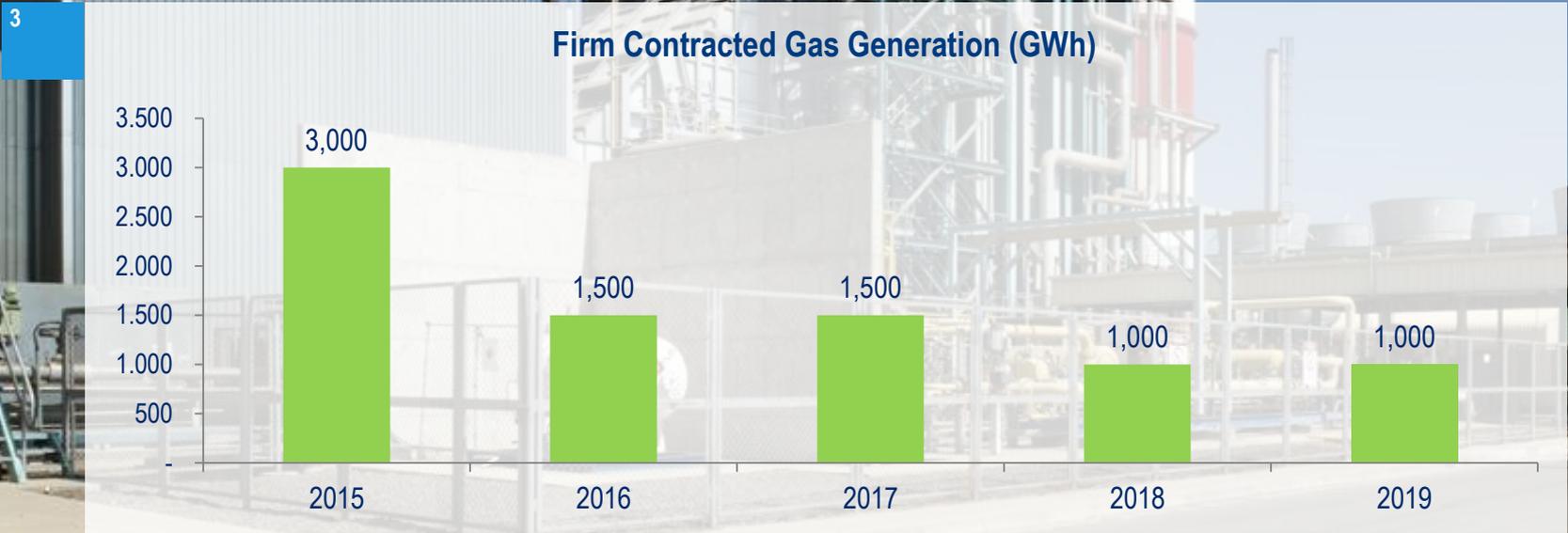
LEVERAGING OUR COMBINED CYCLES

1 **Metrogas extension contract**

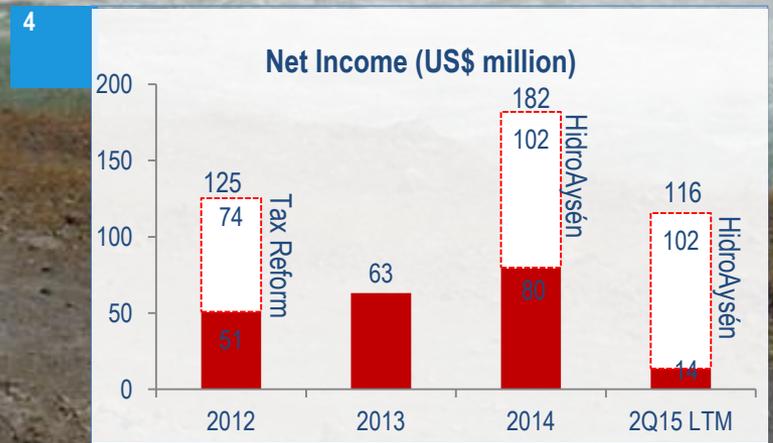
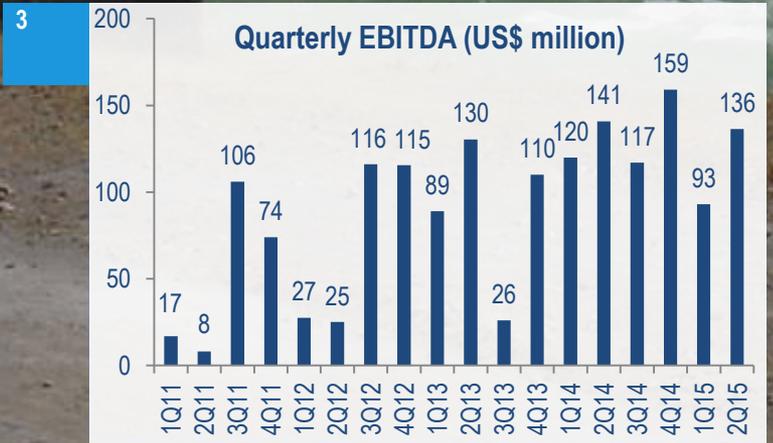
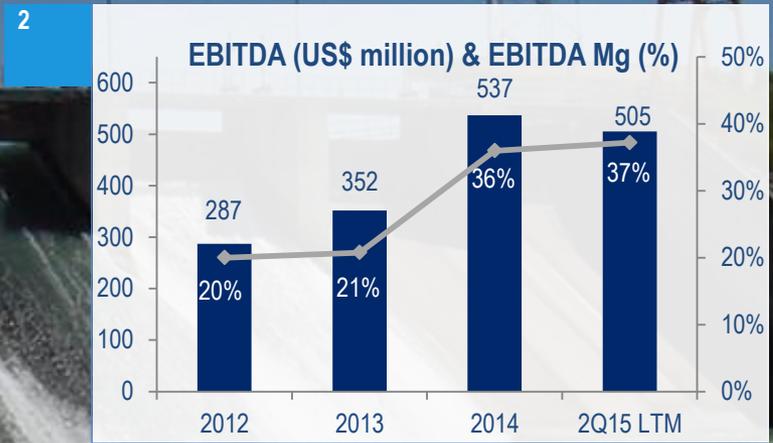
- Signed in Aug14
- Supply until 2019
- Flexible gas price
- Allowing to cover long term needs in order to fulfill our contracts

2 **ENAP contract**

- Signed in Nov14
- Supply during 2015
- Flexible gas price
- Providing flexibility to our LNG production

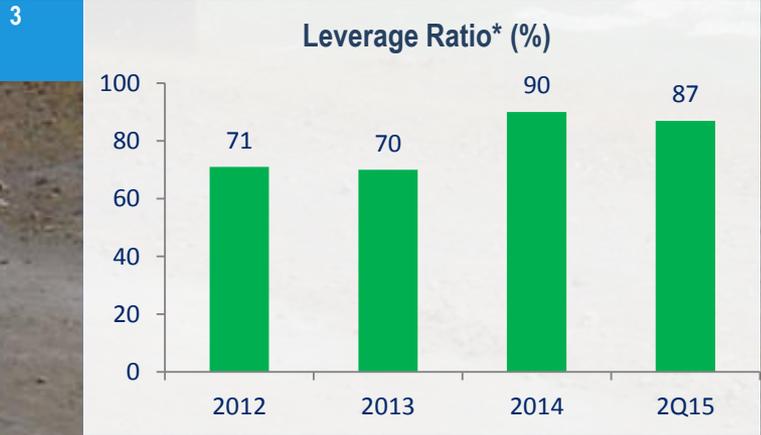
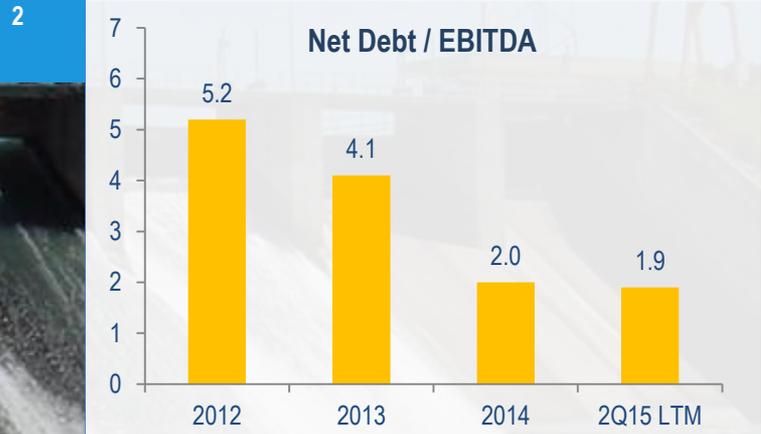
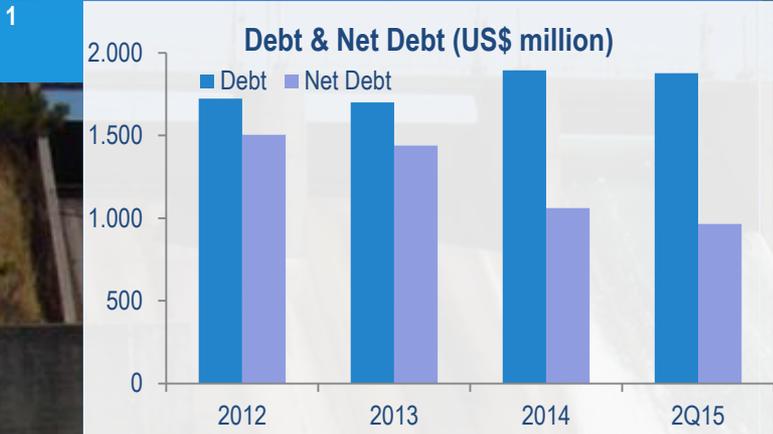


MAIN FIGURES AND METRICS



Source: Colbún's Financial Statements

MAIN FIGURES AND METRICS



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

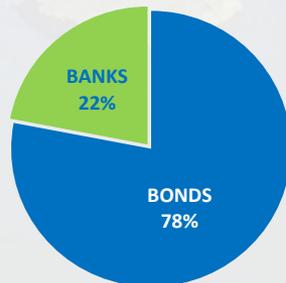
DEBT AND LIQUIDITY

1

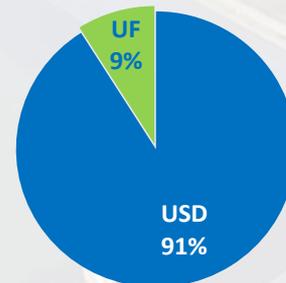
- Total Debt: MMUS\$ 1,877
- Avg. Maturity: 6.0 years
- Avg. USD Interest Rate: 4.9%
- Cash: MMUS\$ 913
- Net Debt: MMUS\$ 965
- Dividend Policy 30%
(As of Jun15)

Debt Profile

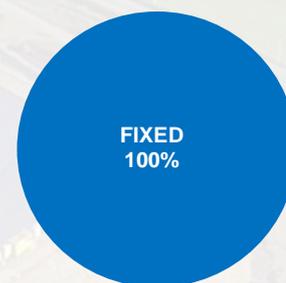
Type



Currency

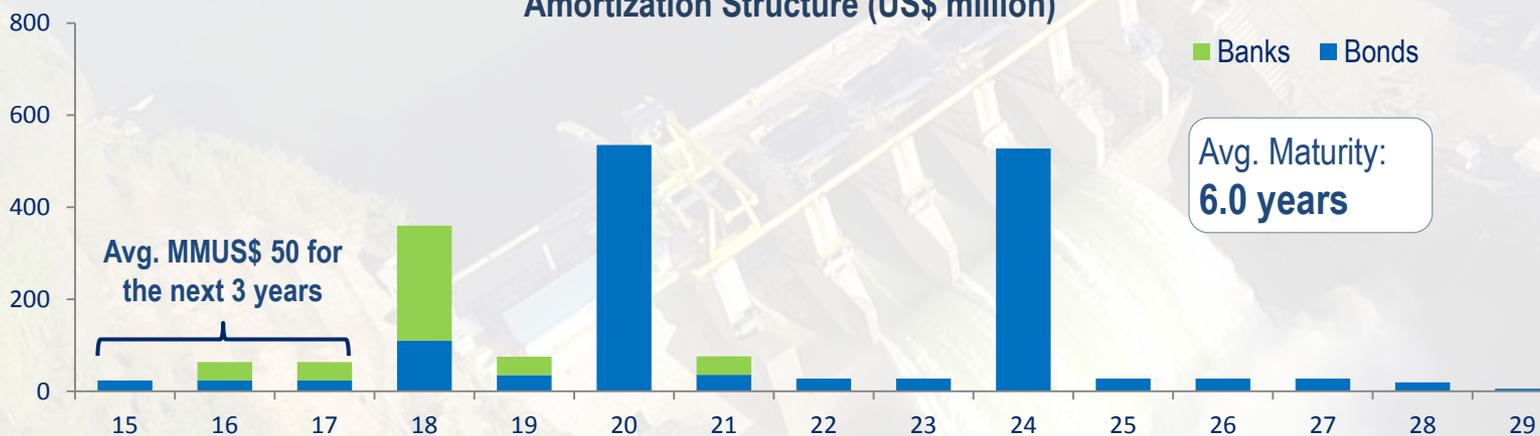


Interest Rate



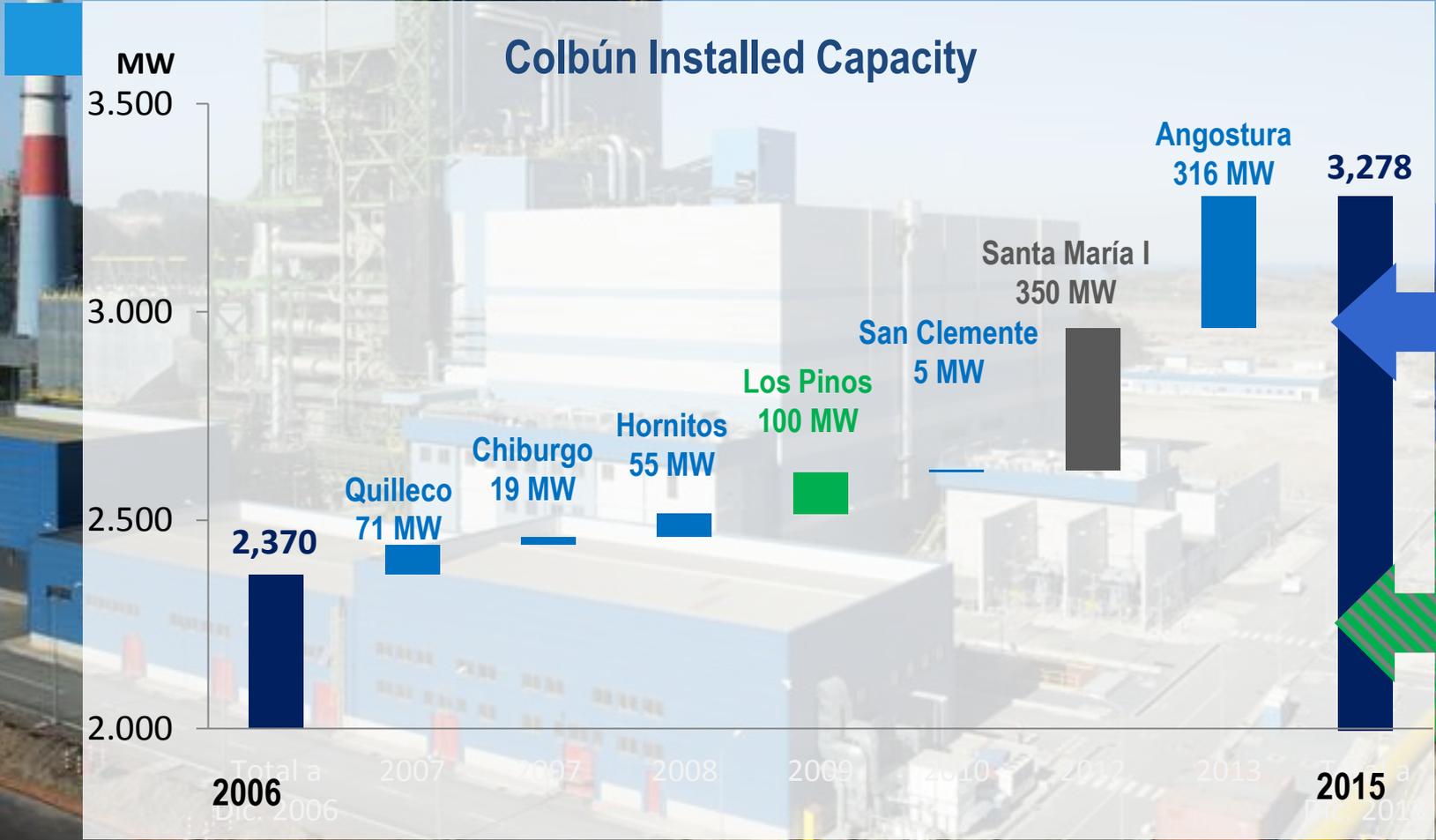
2

Amortization Structure (US\$ million)



Source: Colbun's Financial Statements

~900 MW OF NEW CAPACITY WITH OVER 2 BILLION INVESTED



48% Hydro
1,589 MW

52% Thermo
1,689 MW

ANGOSTURA: A SUSTAINABLE POWER PLANT

Contacto      LOS ÁNGELES 15°C



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[¿CÓMO LLEGAR?](#)
[CAMPINGS
-PRÓXIMAMENTE-](#)
[PARQUE
ANGOSTURA](#)
[QUILACO Y SANTA
BÁRBARA](#)
[FAUNA](#)
[PRENSA Y
MULTIMEDIA](#)
[QUIÉNES SOMOS](#)



TE ESPERAMOS EN SEMANA SANTA

Como cada año, miles de chilenos se preparan para aprovechar el descanso de Semana Santa. Por ello, en Parque Angostura queremos invitarte a que nos...

[> Ver más](#)

DESTACAMOS

Didymo
Parque Angostura dice ALTO AL DIDYMO
[> Ver más](#)

Quilaco
Quilaco es una palabra del mapudungún que significa "Tres Aguas". [> Ver más](#)

Central Angostura
Biobío sumará nuevo polo turístico a partir de central hidroeléctrica [> Ver más](#)

¿CÓMO LLEGAR?

QUILACO [>](#)

SANTA BÁRBARA



[> Ver mapa](#)

CAMPINGS

LOS NOTROS [>](#)

TROMPELHUENO DE QUILACO
LA PATAGUA DE LO NIEVE



[> Ver camping](#)

ATRATIVOS

 Puente Colgante	 Playas de libre acceso	 Centro de Visitantes
 Arboretum	 Senderos	 Mirador Huequecura

ANGOSTURA: ENVIRONMENTAL AND SOCIAL INTEGRATION



- Socialization prior to EIA
- Public-Private Work: Tourism table
- Individual reallocation plan
- Human capital and local entrepreneurship support

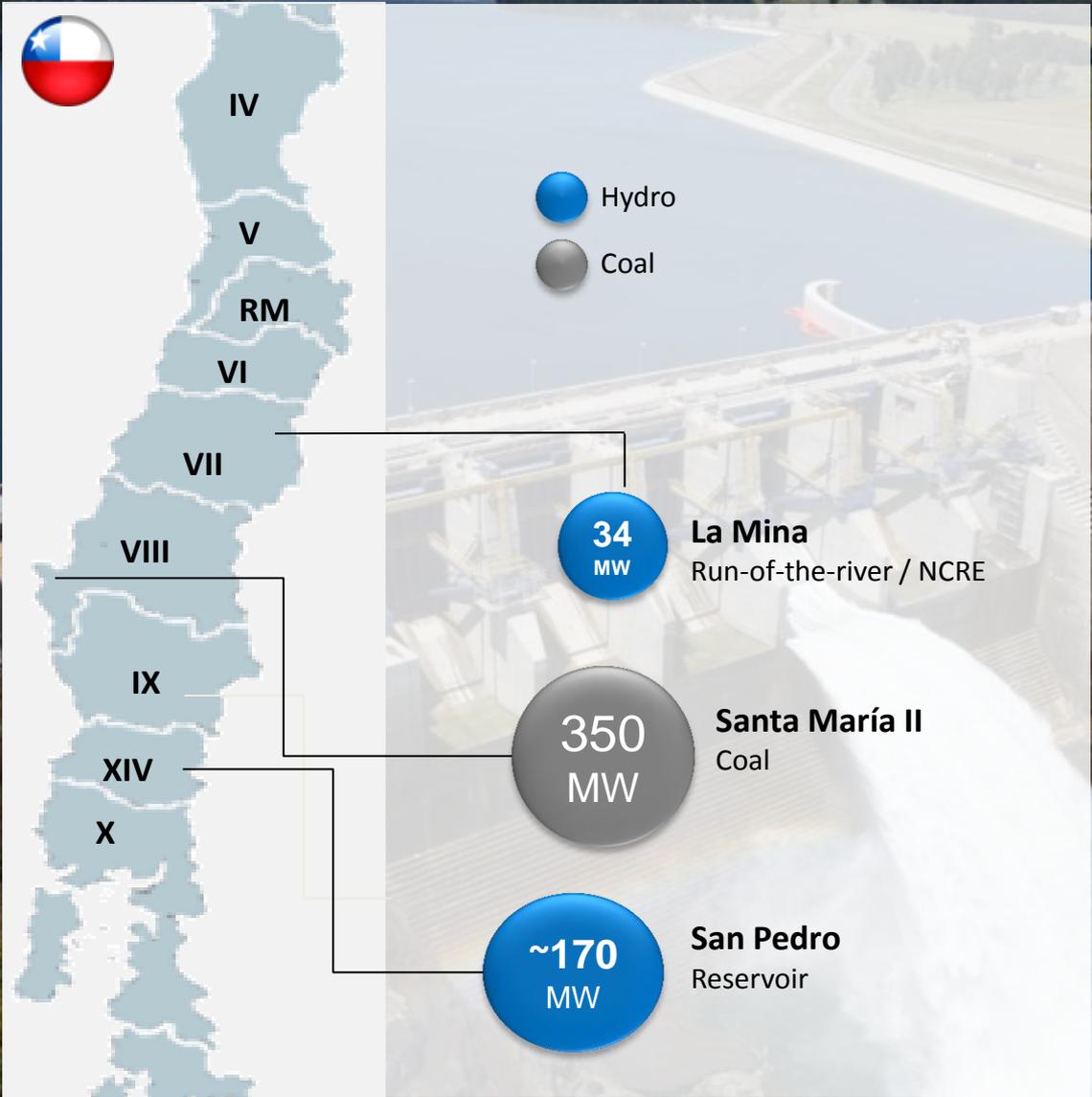
AGENDA

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COLBUN

PROJECTS

GROWTH OPPORTUNITIES IN CHILE



LA MINA CONSTRUCTION SITE

- ✓ **34 MW of Installed Capacity and 190 GWh of expected annual generation**



SAN PEDRO HYDROELECTRIC PROJECT

Panguipulli Lake

Riñihue Lake

San Pedro reservoir

Project

✓ ~170 MW of Installed Capacity and 950 GWh of expected annual generation



11 RENOWNED INDEPENDENT EXPERTS ANALYZED THE SITE

Giovanni Lombardi: swiss civil engineer

- Participated in the design of the tunnel under the English Channel – Canal de la Mancha
- Preliminary design of tunnel under the Strait of Gibraltar

<https://www.lombardi.ch/es-es/home>



Alfred Hendron, US geotechnical engineer

- Dam safety consultant of the Federal Energy Regulatory Commission in the US



Murray Gillon, civil engineer from New Zealand

- One of the foremost experts on dam safety in the world.
- Design Manager of Clyde Hydroelectric in New Zealand, in charge of the research and stabilization of 12 landslides point of shale rock type..
- President of the Dams Safety Committee of International Commission of Large Dams



11 RENOWNED INDEPENDENT EXPERTS ANALYZED THE SITE

Wynfrith Riemer, german geologist

- Specialist in geological engineering of dams, underground works and landslides
- He has worked as an independently expert advisor for more than 35 years in over 65 countries



Erick Mikkelsen, US geological engineering consultant specialist

- Expert with 45 years of experience in monitoring and instrumentation for measuring geological structures
- Inclinerometers specialist



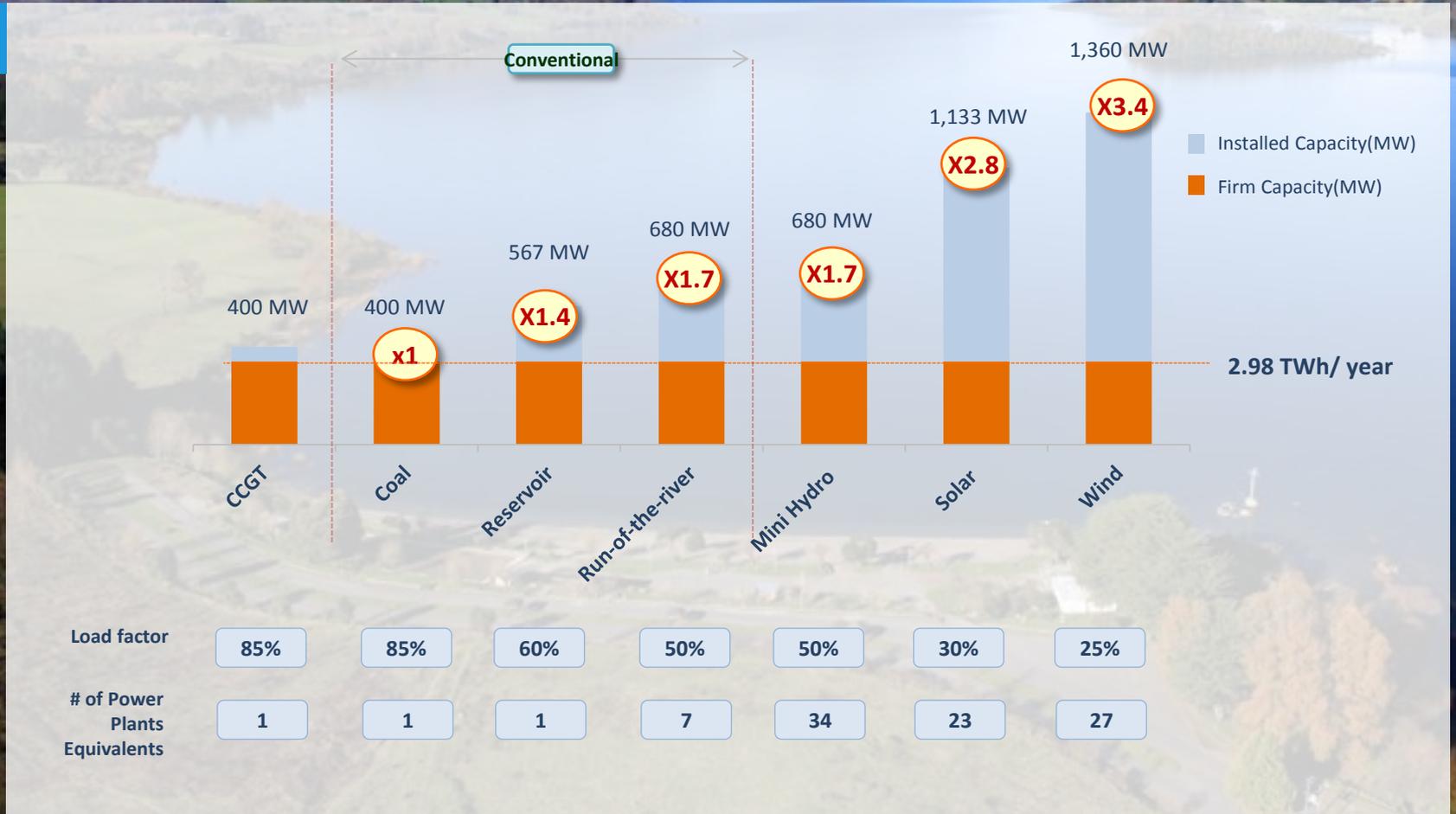
James McCalpin, US geologist

- Geological hazards independent specialist with over 150 projects in the US and worldwide

<http://geohaz.com/>

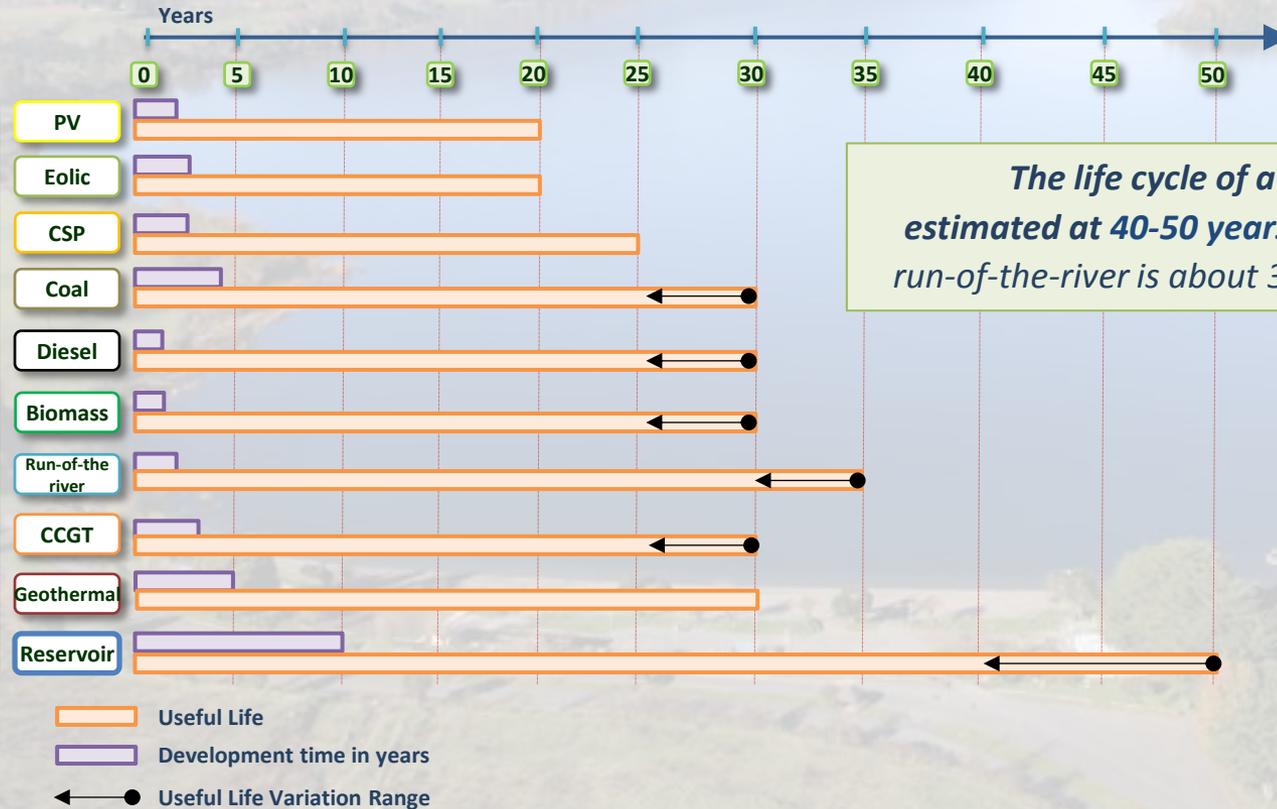


HYDROELECTRIC HAS COMPARATIVELY HIGHER LOAD FACTOR



(1) Considers: CCGT= 400 MW, Coal= 350 MW, Hydro - reservoir= 400 MW, Hydro Run-of-the-river= 100 MW, Mini Hydro = 20 MW, Solar= 50 MW, Eolic = 50 MW

HYDROPOWER HAS THE LONGEST USEFUL LIFE



The life cycle of a reservoir is estimated at 40-50 years. While the run-of-the-river is about 30-35 years.

(*) Incorporates studies and administrative formalities

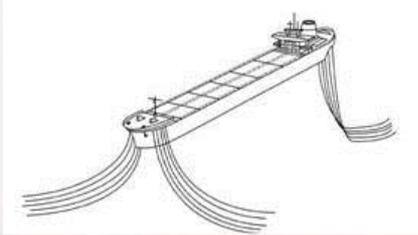
SANTA MARIA II COAL-FIRED PROJECT

- 350 MW of Installed Capacity and 2,500 GWh of expected annual generation
- Environmentally Approved
- Social, economic and commercial dimensions of the project are being analyzed, in order to timely define the beginning of its construction



LONG-TERM LNG

FSRU



- Anchored Floating Terminal
- Higher Availability
- Higher Flexibility
- 10 CCGT of capacity

GNL Quintero



- Expansion of the existent terminal
- Lower Availability
- Lower Flexibility
- 2 CCGT of capacity available for third parties

OTHER PROJECTS UNDER STUDY

Portfolio of Hydroelectric Projects:

In various stages of development, totaling approximately 500 MW projects

Located mainly in the Maule basin

Under study: NCRE projects; solar, wind, geothermal

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

- **Size:** Second-largest generation company in Chile's largest electricity grid.
- **Competitive:** High-quality and diversified asset portfolio.
- **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.
- **Growth Opportunities:** Strong pipeline of new projects in Chile and interest in expand operations in the region (Colombia and Perú).
- **Liquidity:** Conservative financial strategy that emphasizes keeping a strong liquidity position aiming to maintain our investment grade credit rating.

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) 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.

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