

COLBÚN 2016

PRESENTATION

SANTANDER BREAKFAST

AUGUST



A G E N D A

 OPERATIONS
IN CHILE AND PERU

 FINANCIALS

 PROJECTS

 VALUE PROPOSAL

OVERVIEW





POWER GENERATION BUSINESS IN CHILE AND PERU

OVERVIEW



CONSOLIDATED INSTALLED CAPACITY: 3,852 MW

1 COLBUN'S PRESENCE IN PERU.

- 570 MW Inst. Capacity
- Thermal: 570 MW
- 3,621 GWh annual generation
- 8% market share*

2 COLBUN'S PRESENCE IN CHILE.

- 3,282 MW Inst. Capacity
- Hydro: 1,597 MW
- Thermal: 1,685 MW
- 12,535 GWh annual generation
- 24% market share*

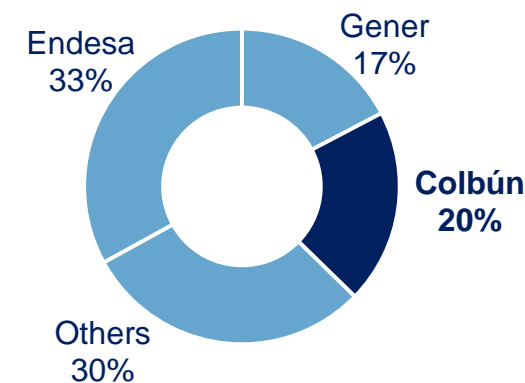
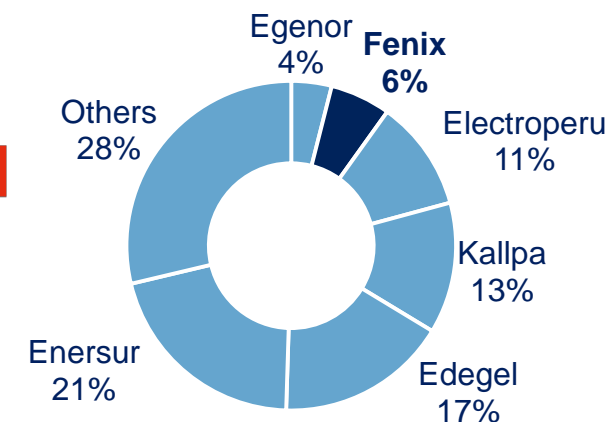
Tx. ASSETS.



- ~900 Km
- 27 Substations



3 MARKET SHARE BY INSTALLED CAPACITY.



* In terms of generation

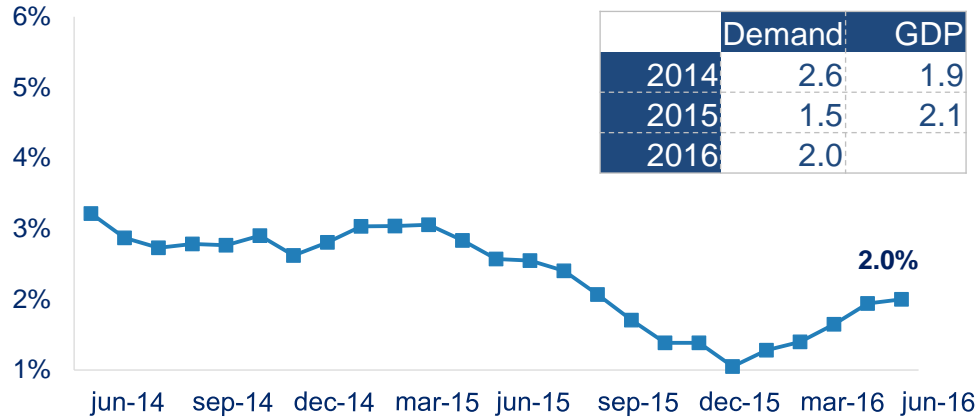
Source: Colbún S.A.



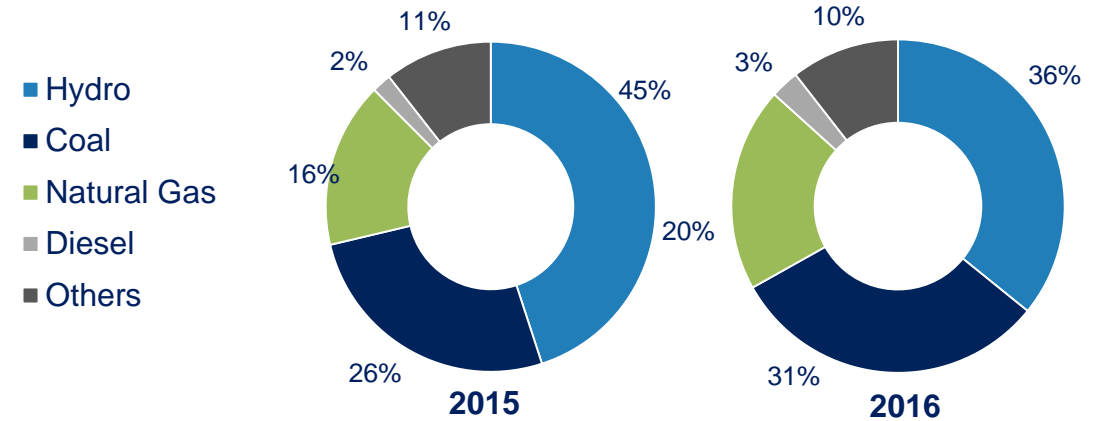
OVERVIEW

SIC OVERVIEW

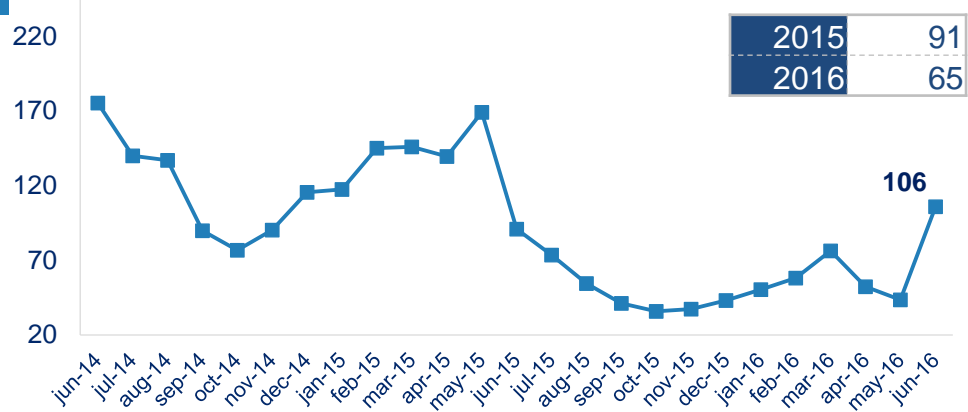
1 DEMAND GROWTH. (12 month average %)



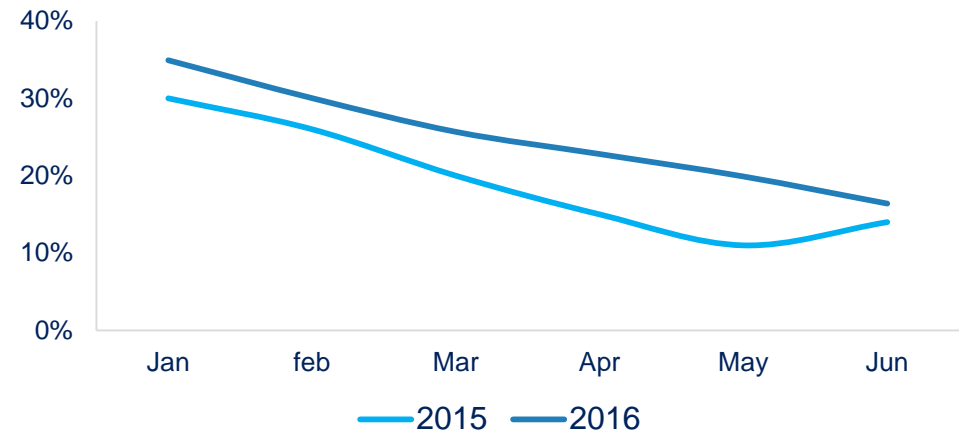
2 GENERATION MATRIX. (%)



3 MARGINAL COST – MONTHLY AVERAGE. (USD/MWh)



4 SIC RESERVOIR LEVEL. (as % of total capacity)

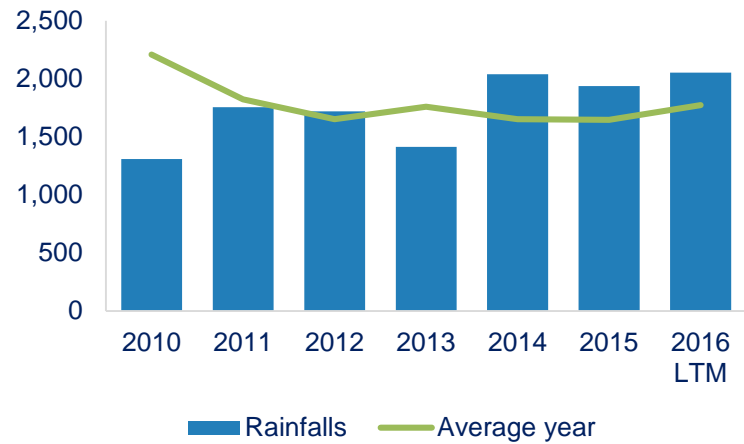




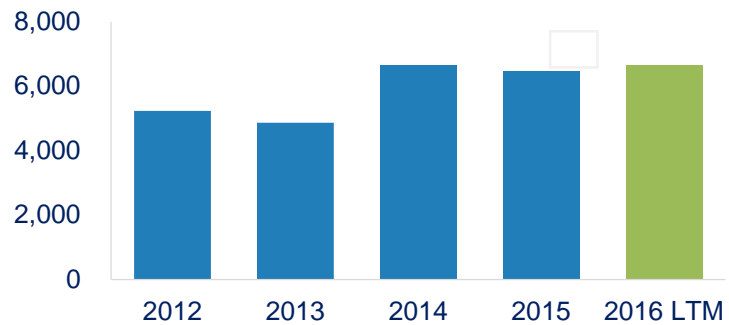
OVERVIEW

SIC OVERVIEW

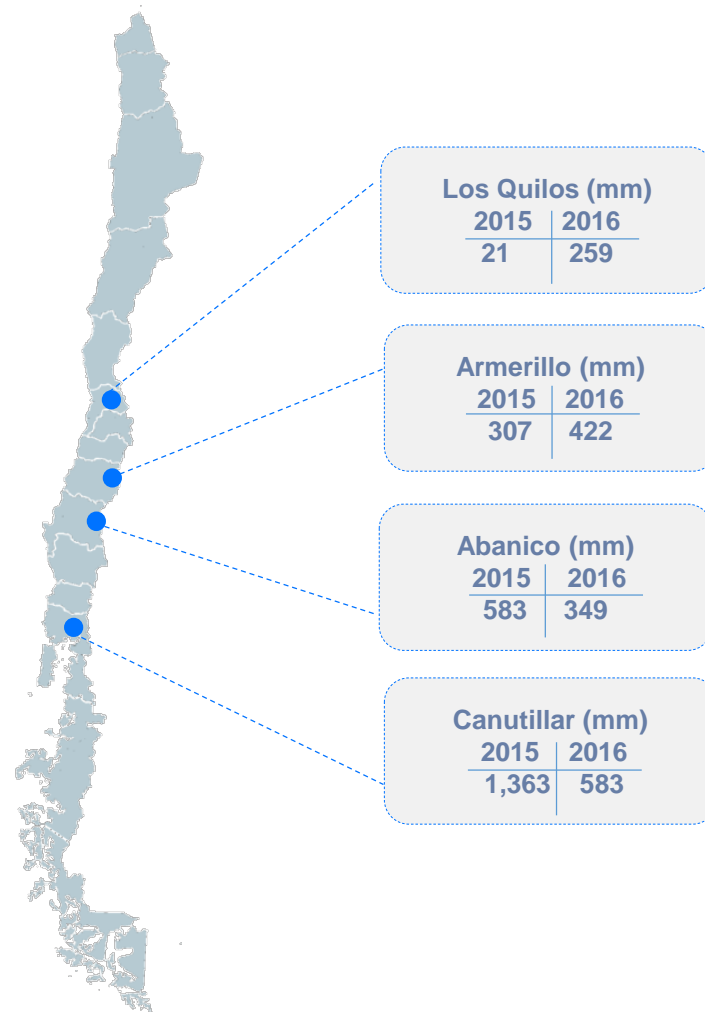
1 RAINFALLS AT ARMERILLO. (mm)



2 COLBÚN HYDRO GENERATION. (GWh)



2 ACC. RAINFALLS JUN15/JUN16. (mm)

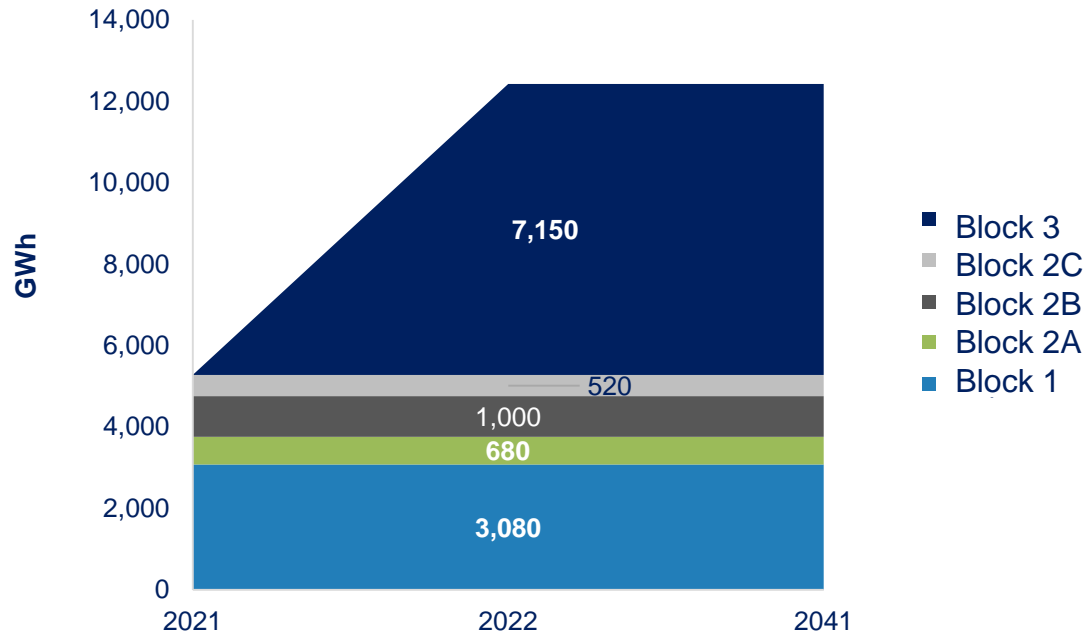




OVERVIEW

2016 AND UPCOMING BID PROCESS

1 TENDER BLOCKS 2016. (GWh)



2 HIGHLIGHTS OF 2016 BID PROCESS.

- **Total amount** bided was **12.5 TWh**.
- **Timings:** Offers were submitted on July 27th and the National Commission of Energy (CNE) will announce the results of the auction on August 17th.
- **84 offers** were received on Tuesday July 27th.

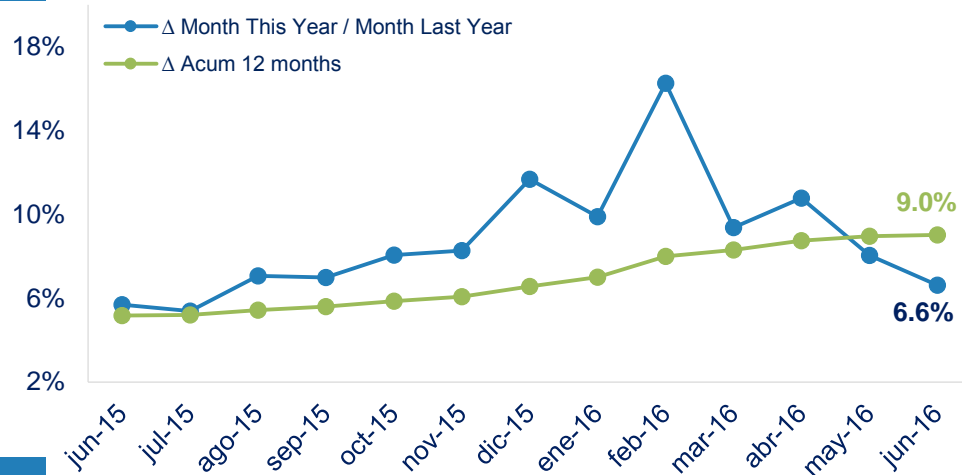
3 HIGHLIGHTS NEXT AUCTIONS.

- **11 TWh will be tendered** in the next 3 years.
- **Term:** each tender is for 20 years.

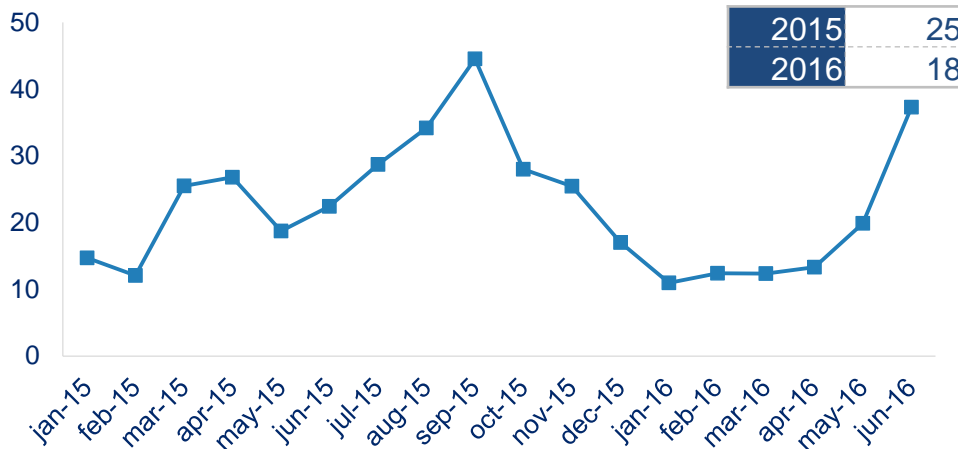


OVERVIEW SEIN OVERVIEW

1 DEMAND GROWTH. (%)

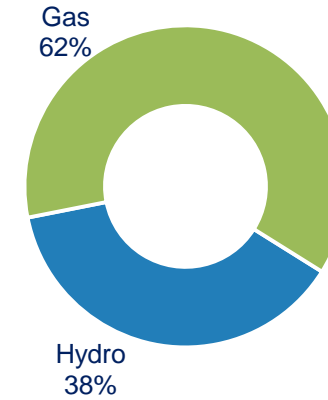


2 MARGINAL COST – MONTHLY AVERAGE. (USD/MWh)

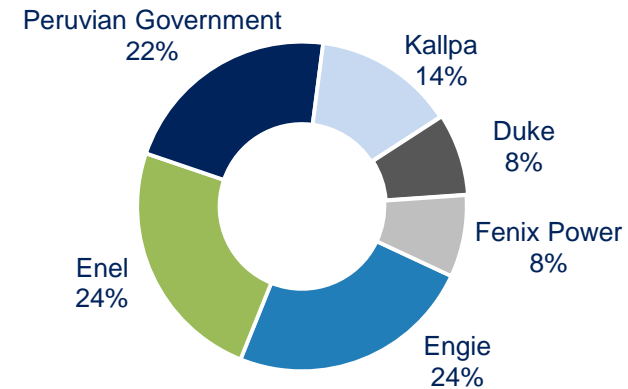


* In terms of generation

3 INSTALLED CAPACITY BY TECHNOLOGY. (%)



4 MAIN PLAYERS*. (%)



Source: Colbún S.A.

A G E N D A



OPERATIONS IN CHILE AND PERU



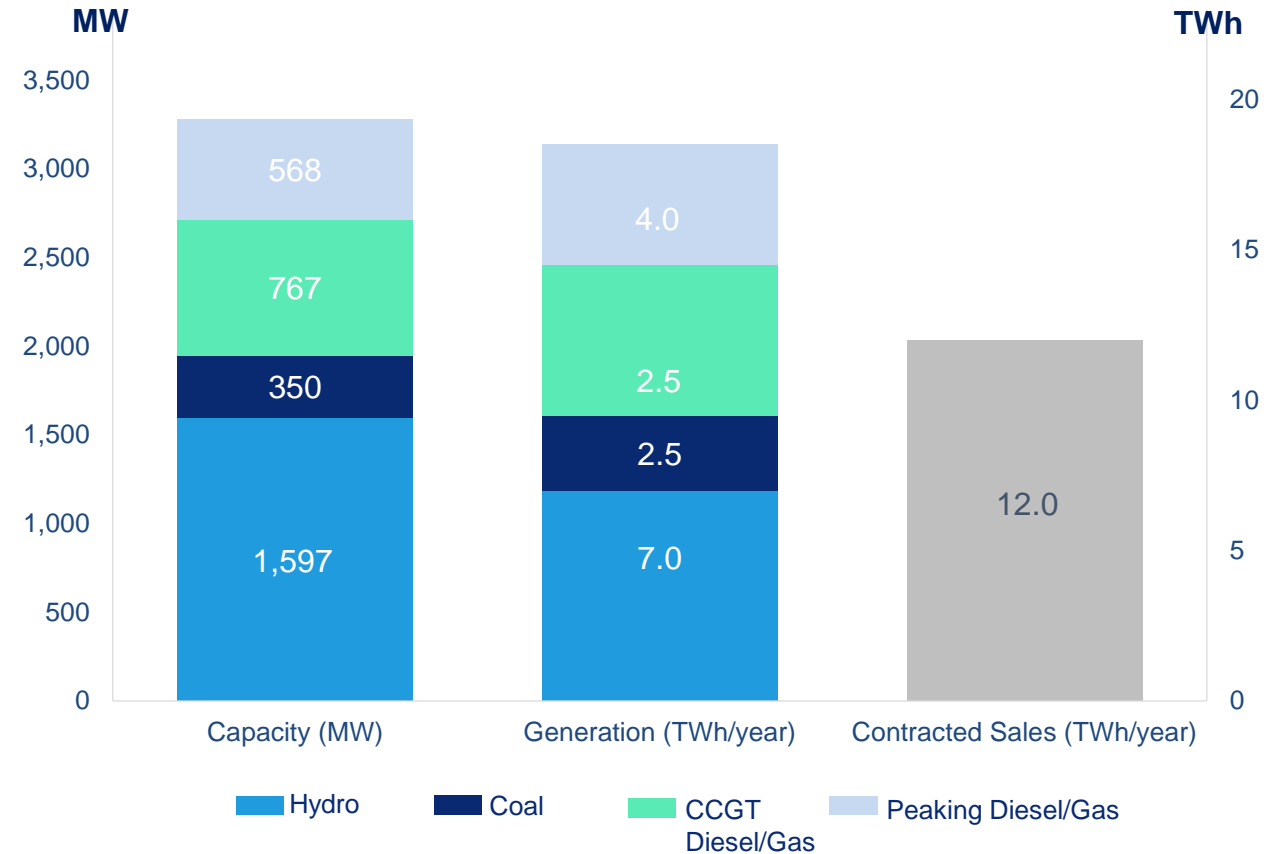


OPERATIONS IN CHILE AND PERU COMMERCIAL POLICY IN CHILE



CAPACITY (MW) & ESTIMATES GENERATION ¹ (TWh/year) BREAKDOWN.

- 1** BALANCED POSITION BETWEEN EXISTING AND FUTURE EFFICIENT GENERATION CAPACITY AND MEDIUM TO LONG-TERM POWER SUPPLY COMMITMENTS.
- 2** SECURE LONG-TERM CONTRACTS WITH CREDITWORTHY COUNTERPARTIES.
- 3** EXPAND OPERATIONS TO SELECTED LATAM COUNTRIES AND MAINTAIN A RELEVANT MARKET SHARE IN THE SIC.



¹ Under medium hydrological conditions.

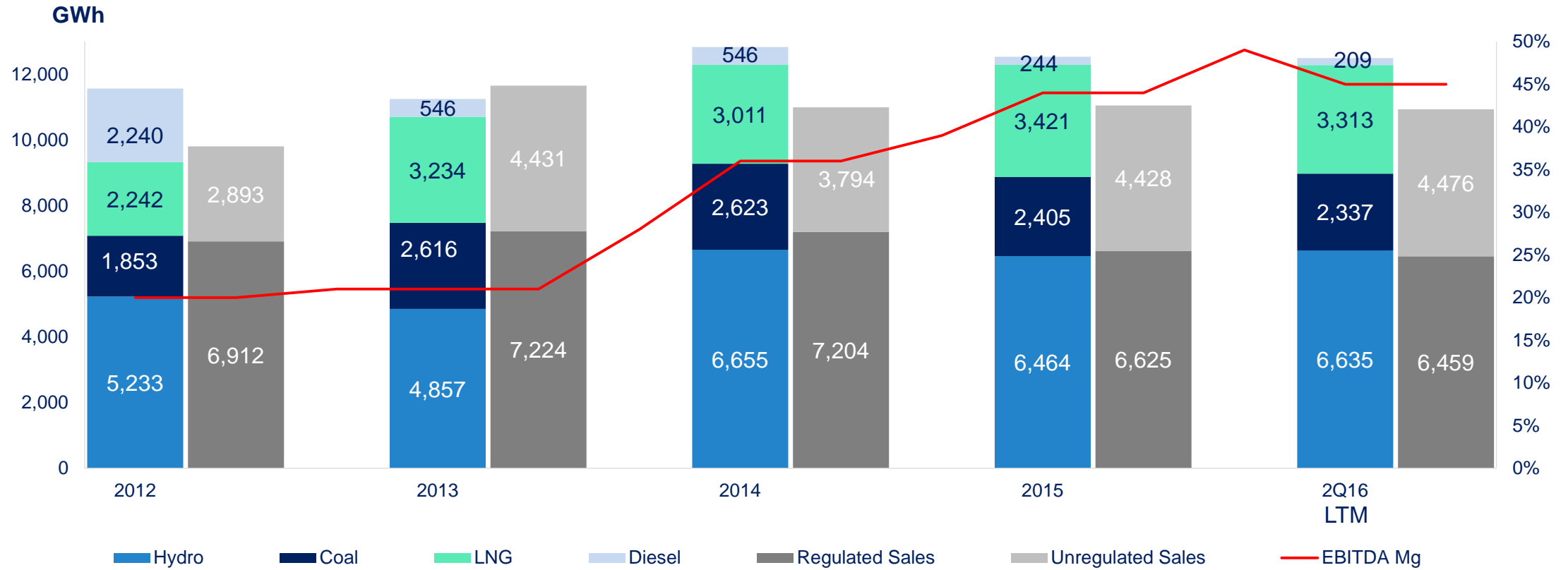
This graph is shown for illustrative purposes and represents estimated and potential output of our power plants and approximate level of contractual commitments. Real output from our power plants and variable production costs are dependent on many factors, such as hydrology, plant availability, access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



OPERATIONS IN CHILE AND PERU COMMERCIAL POSITION IN CHILE



CONTRACTUAL COMMITMENTS VS GENERATION. (GWh)

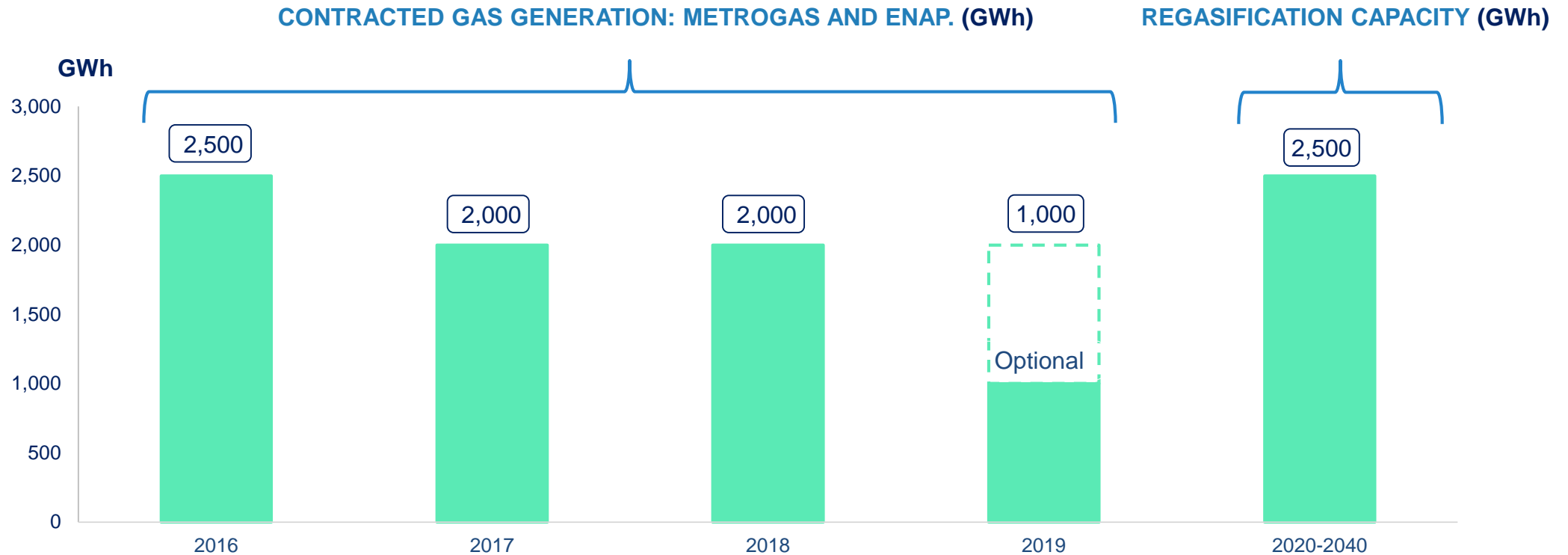


Source: Colbún S.A. Unregulated Sales, excludes sales to Codelco at Marginal Cost



OPERATIONS IN CHILE AND PERU

LNG: LONG TERM AGREEMENTS IN CHILE



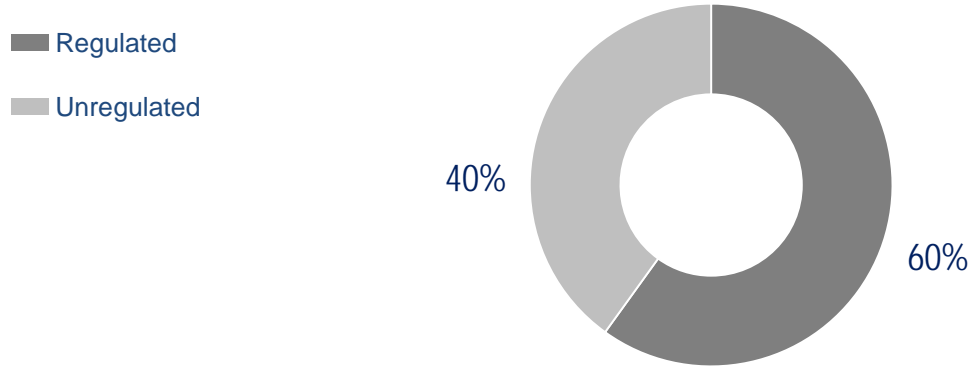
- Efficient complement to hydro and coal
- Nahuenco I & II – 766 MW (~5,000 GWh/year)
- Long-term strategy: leveraging our efficient natural gas power facilities



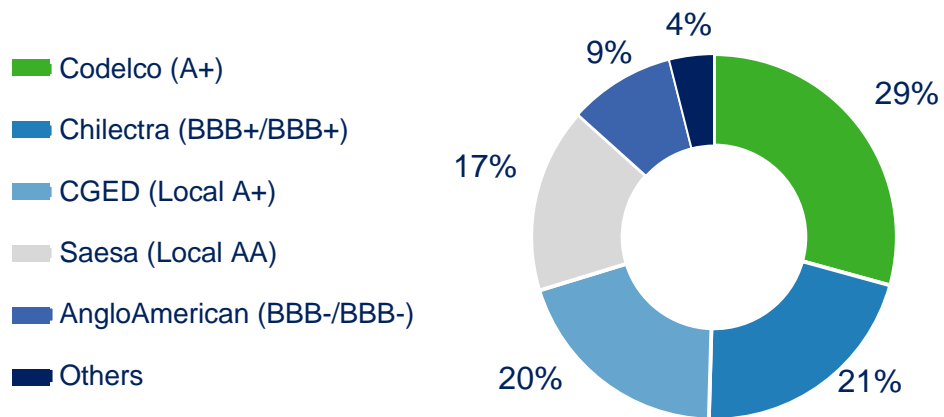
OPERATIONS IN CHILE AND PERU HIGH QUALITY CLIENTS IN CHILE



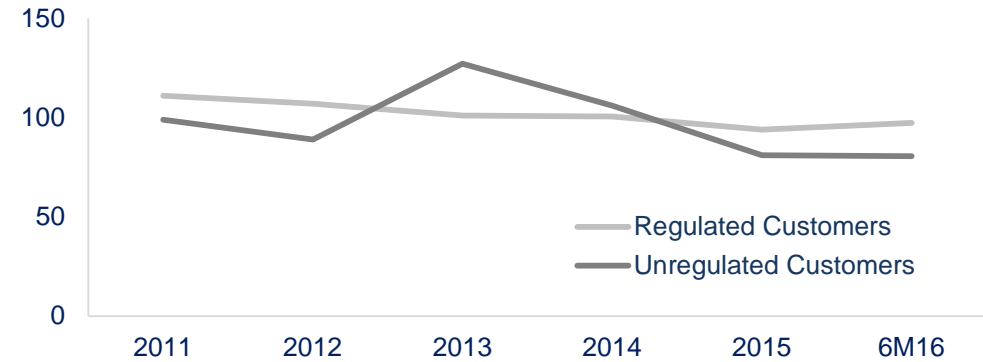
1 SALES BY TYPE OF CUSTOMER. (%)



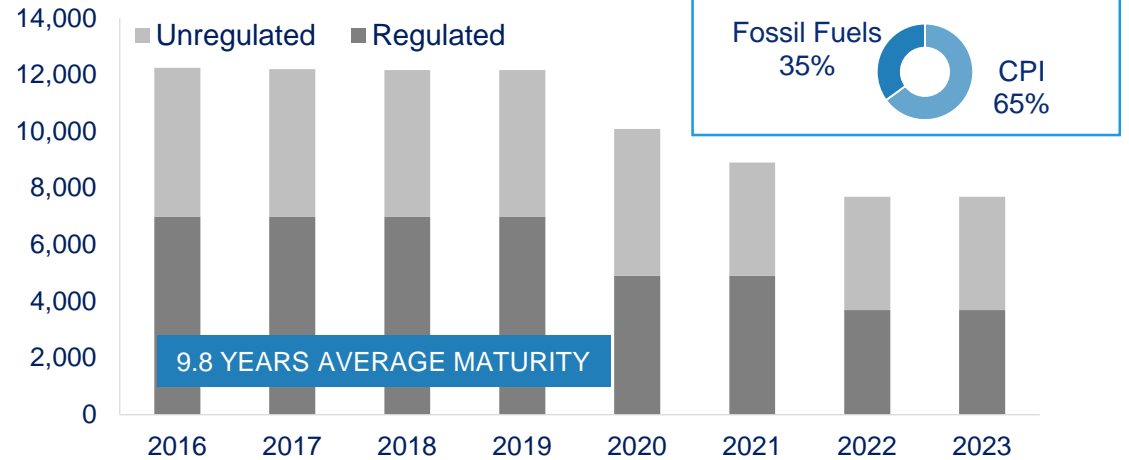
2 SALES VOLUME BY CUSTOMER. (%)



3 AVERAGE MONOMIC PRICE ¹. (US\$/MWh)



4 OUR PPAs IN CHILE. (GWh)



¹ Average monomic prices are calculated by dividing the total amount of sales in US\$, by physical energy sales in MWh.

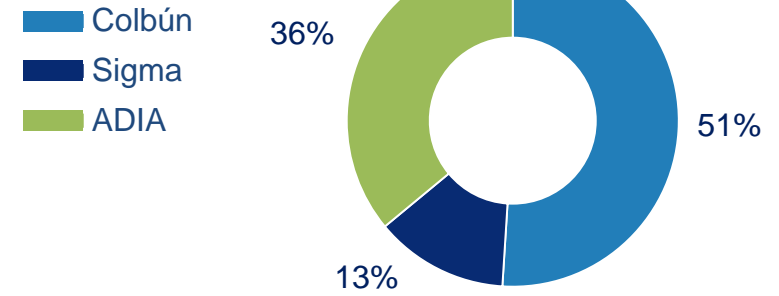


OPERATIONS IN CHILE AND PERU

FENIX POWER PERU: MOST EFFICIENT CCGT IN PERU



1 OWNERSHIP. (%)



2 DESCRIPTION.

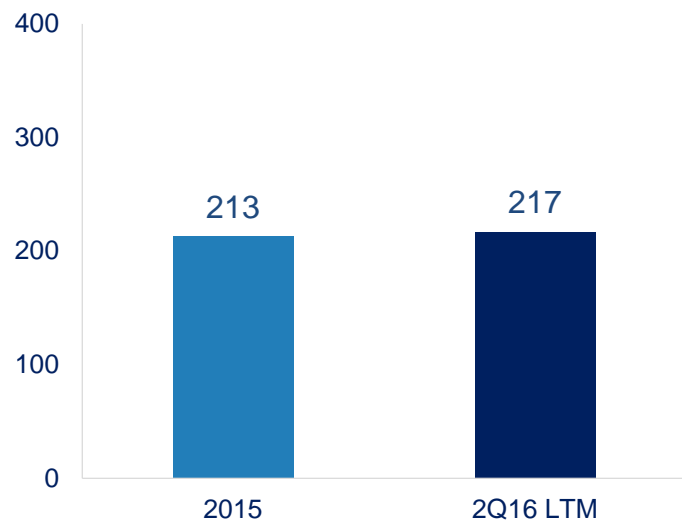
- Location: Chilca district, 64 km south of Lima, Peru
- US\$ currency market
- Installed capacity: 570 MW
- Long-term contracts: 3 TWh/year
- Average PPA Portfolio Maturity: 7.5 years



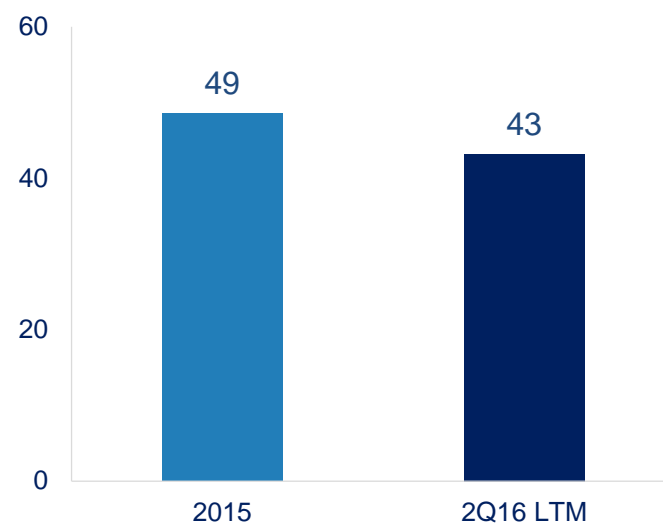
OPERATIONS IN CHILE AND PERU FENIX'S FINANCIAL FIGURES



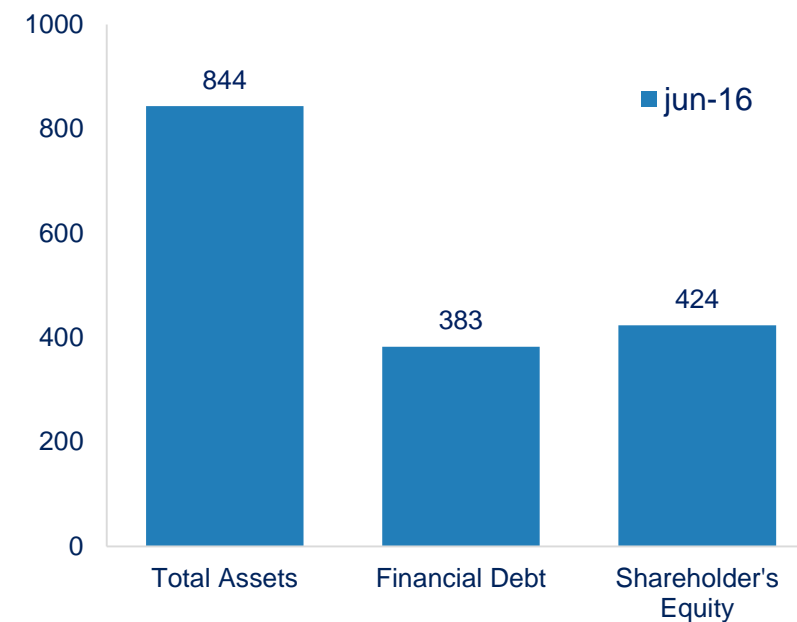
1 OPERATING REVENUES. (US\$ Million)



2 EBITDA. (US\$ Million)



3 BALANCE JUN-16. (US\$ Million)



A G E N D A



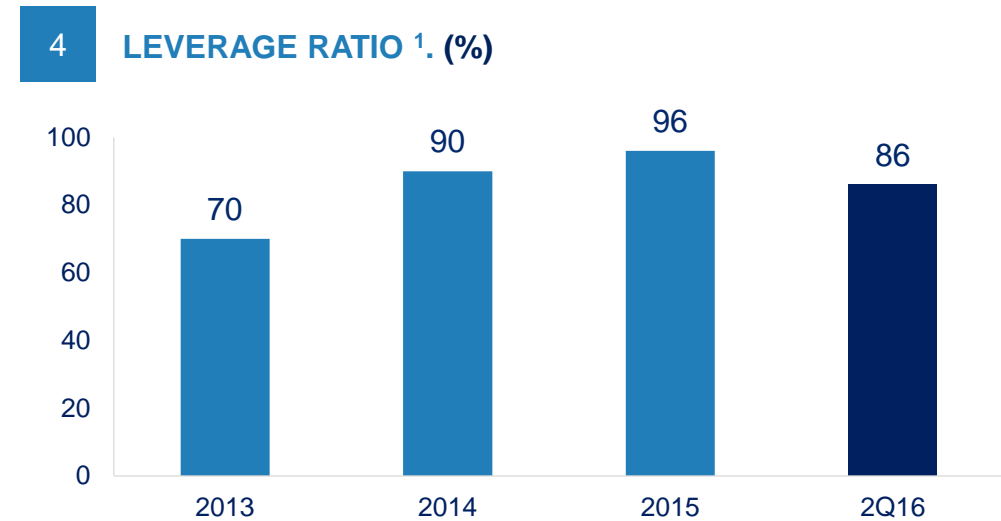
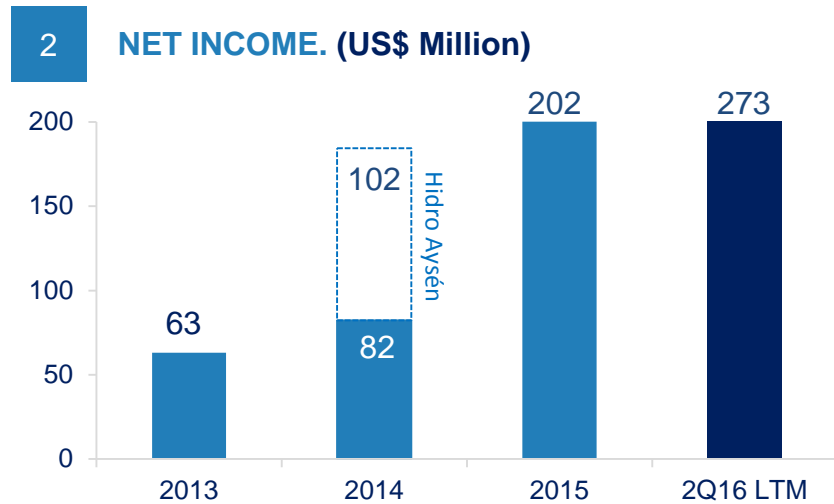
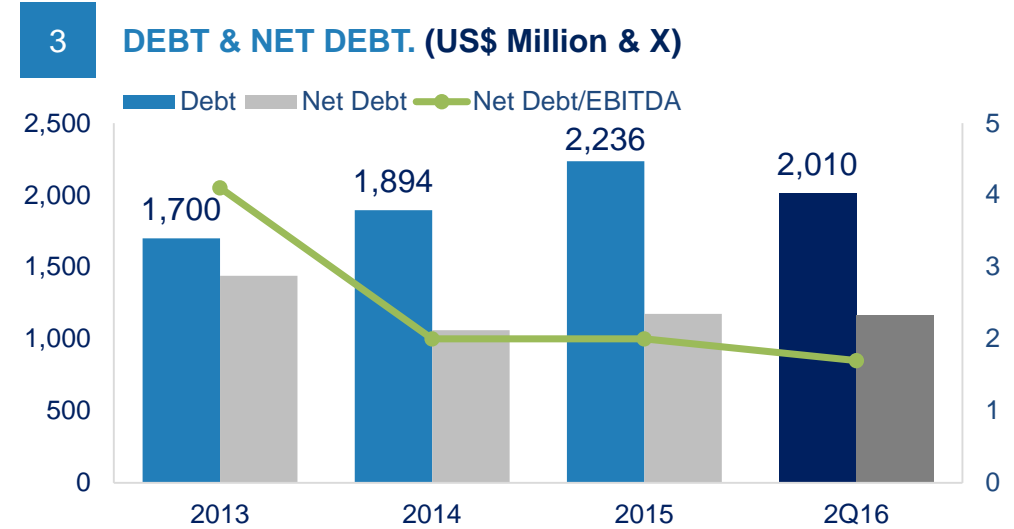
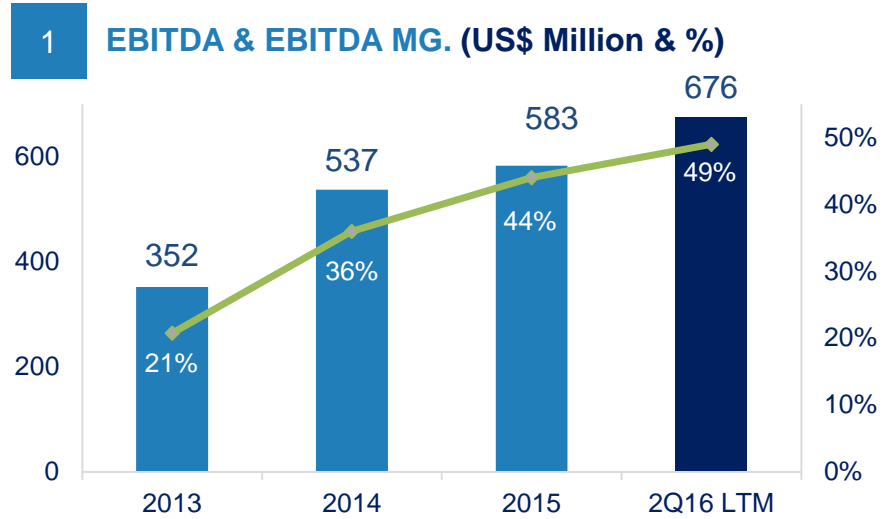
FINANCIALS





FINANCIALS

CONSOLIDATED FINANCIAL RESULTS



¹ Calculated as Liabilities/Equity

² As of Jun 2016



FINANCIALS

ADEQUATE DEBT PROFILE AND STRONG LIQUIDITY



1

SUMMARY.

- Total Debt: US\$ 2,010 Million
- Avg. Maturity: 5.1 years
- Avg. US\$ Interest Rate: 4.4%
- Cash: US\$ 849 Million
- Net Debt: US\$ 1,161 Million
- Dividend Policy 30%

INTER. RATINGS.

FitchRatings BBB

STANDARD & POOR'S BBB-

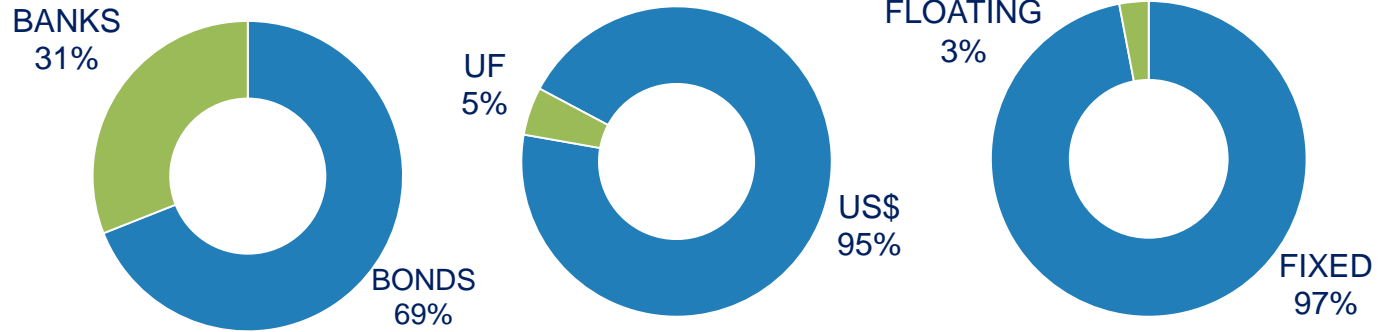
LOCAL RATINGS.

FitchRatings A+

Humphreys AA-
CLASIFICADORA DE RIESGO

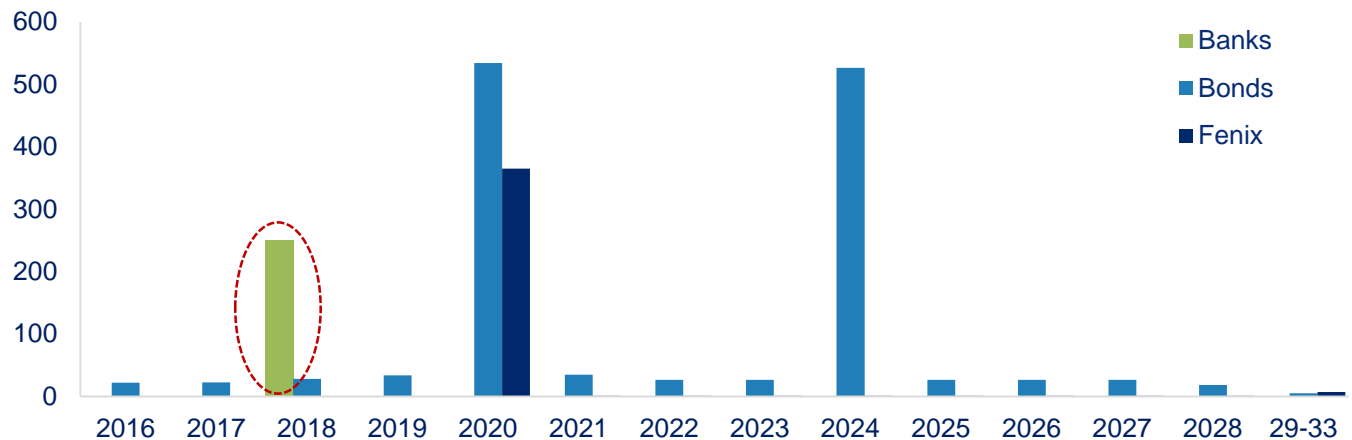
2

DEBT PROFILE.



3

AMORTIZATION STRUCTURE. (US\$ Million)



A G E N D A

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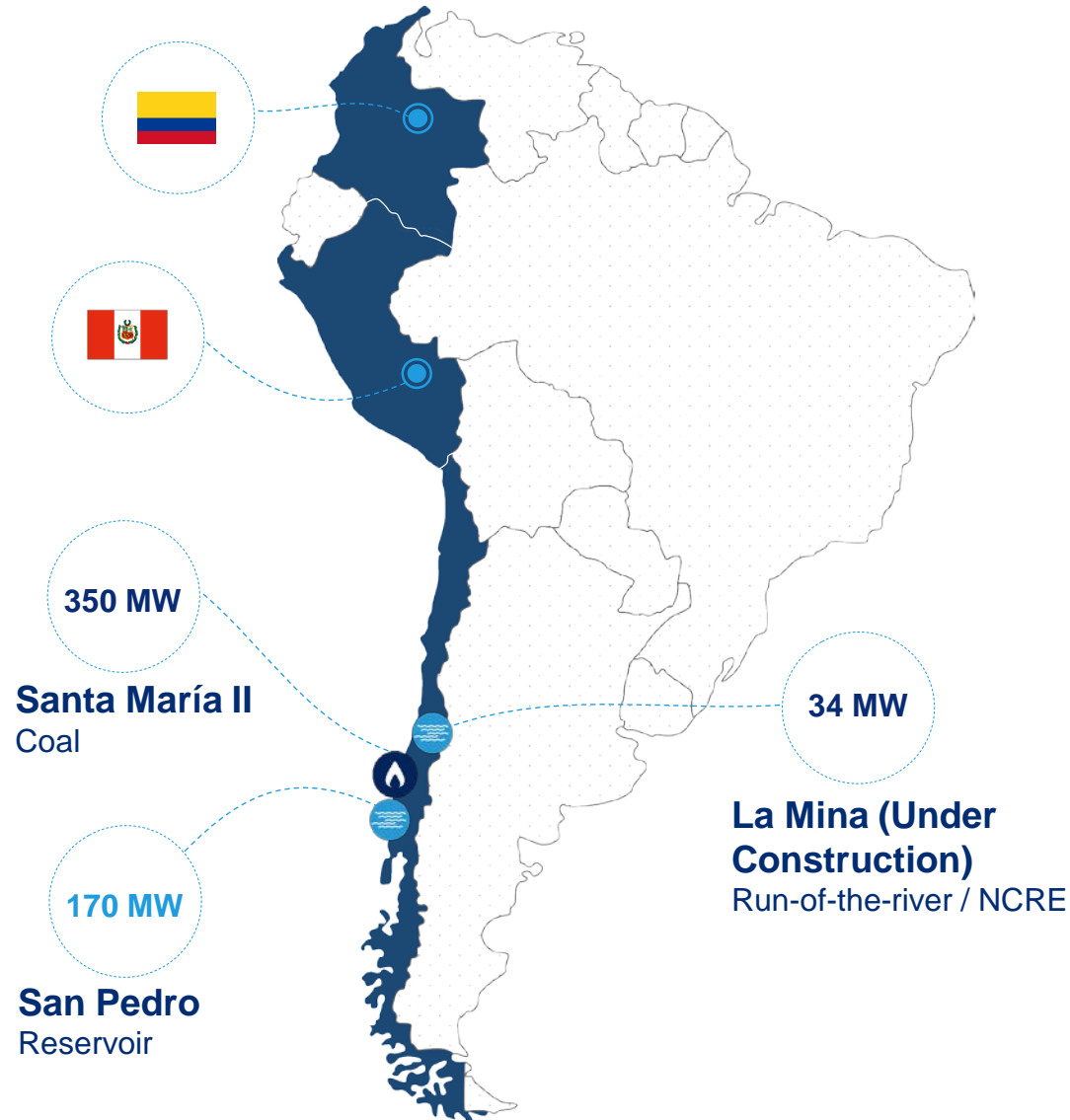


PROJECTS





GROWTH OPPORTUNITIES IN CHILE AND THE REGION



1

SPECIAL FOCUS ON COLOMBIA AND PERU.

- 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
- Coal
- 500 MW equivalent of water rights under study
- NCRE under study



PROJECTS UNDER CONSTRUCTION AND STUDY

1 LA MINA.



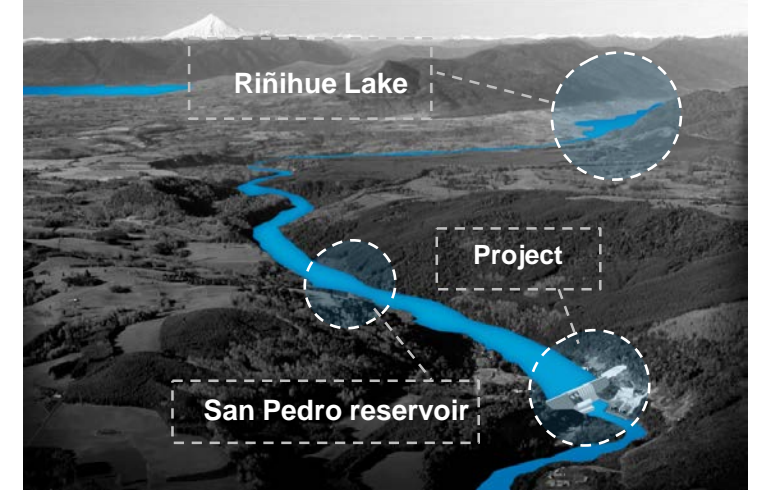
- **34 MW** of Installed Capacity and **190 GWh** of expected annual generation.
- Under construction since Dec-14. As of Jun-16 it has **77% progress**, according to plan.
- Expected to be commissioned in **early 2017**.

2 SANTA MARÍA.



- **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

3 SAN PEDRO.



- **~170 MW** of Installed Capacity and **950 GWh** of expected annual generation
- Broad explicative and clarifying meeting process plan



GROWTH OPPORTUNITIES SOLAR ENERGY TRANSACTIONS



1 SUNEDISON'S ASSETS AQUISION

- **Long-term energy supply contracts with regulated customers:**
 - 350 GWh/year
 - 15 years, starting 2017
- **Two photovoltaic solar parks in the SIC:**
 - Olmué: 145 MW (Environmentally approved)
 - Santa Sofía: 57 MW (Environmental approval in process)
- **Long-term supply contract by which Sunedison will build a solar plant of 100 MW:**
 - 200 GWh/year
 - 15 years, starting 2021

2 15-YEAR CONTRACT WITH SUNPOWER

- 15-year PPA to Total with its affiliate, SunPower
- 500 GWh/year
- Linked to the construction of a 164 MW solar power plant



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.

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