

COLBÚN 2016

PRESENTATION

JUNE

Emerging Markets Corporate Conference
Bank of America Merrill Lynch



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.

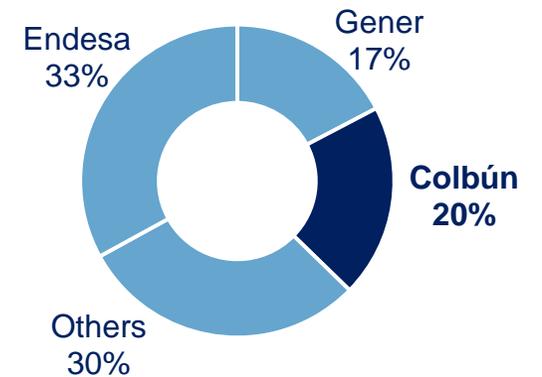
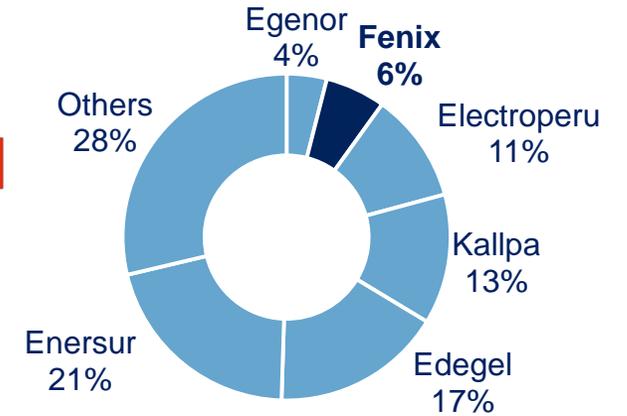
- 570 MW Inst. Capacity
- Thermal: 570 MW
- 3,621 GWh annual generation
- 8% market share*

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*



3 MARKET SHARE BY INSTALLED CAPACITY.

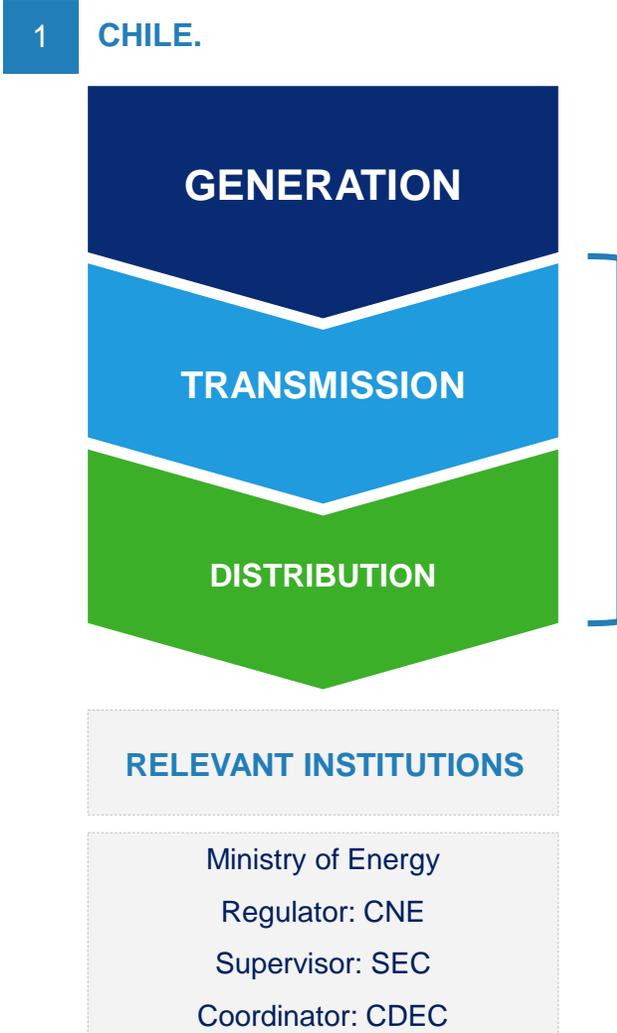


* In terms of generation

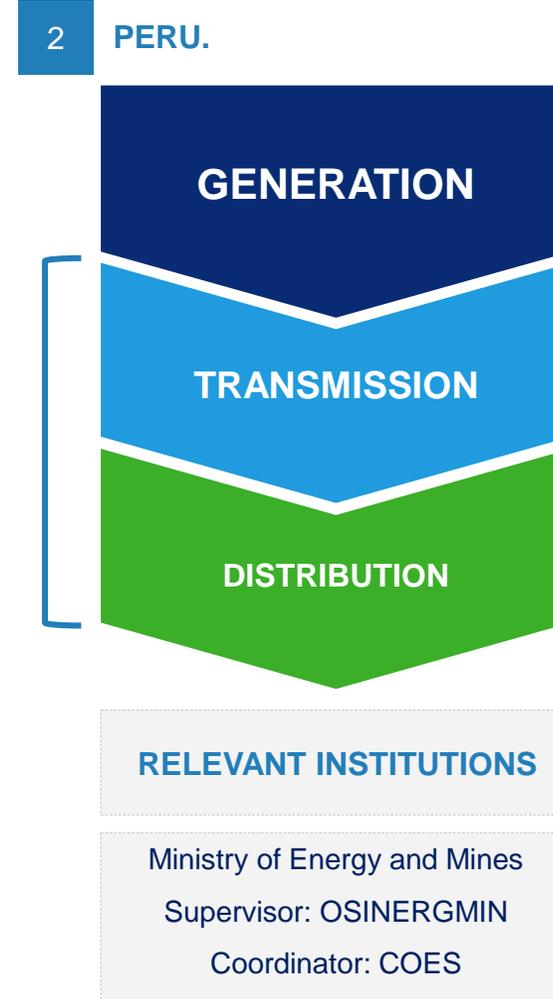
Source: Colbún S.A.



OVERVIEW SECTOR SEGMENTATION

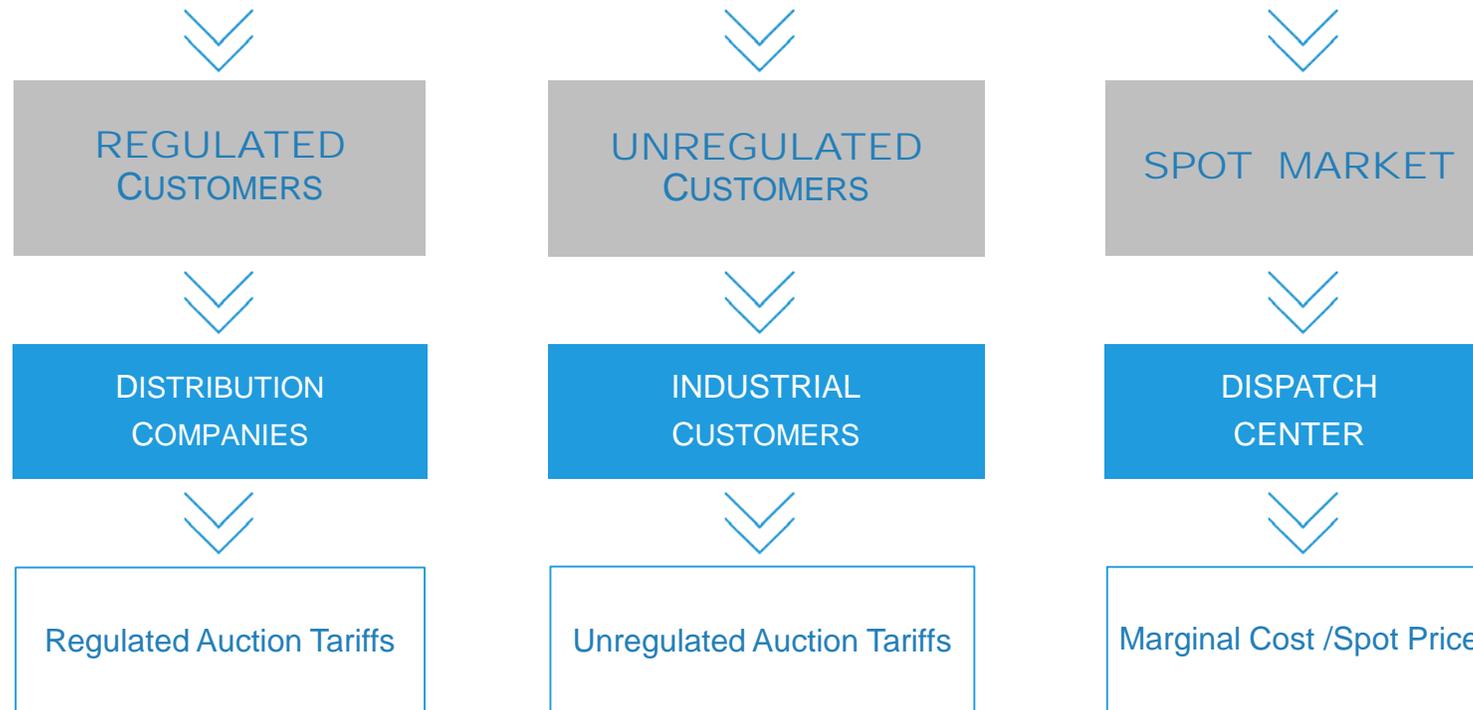


Regulated
sectors
(concessions)





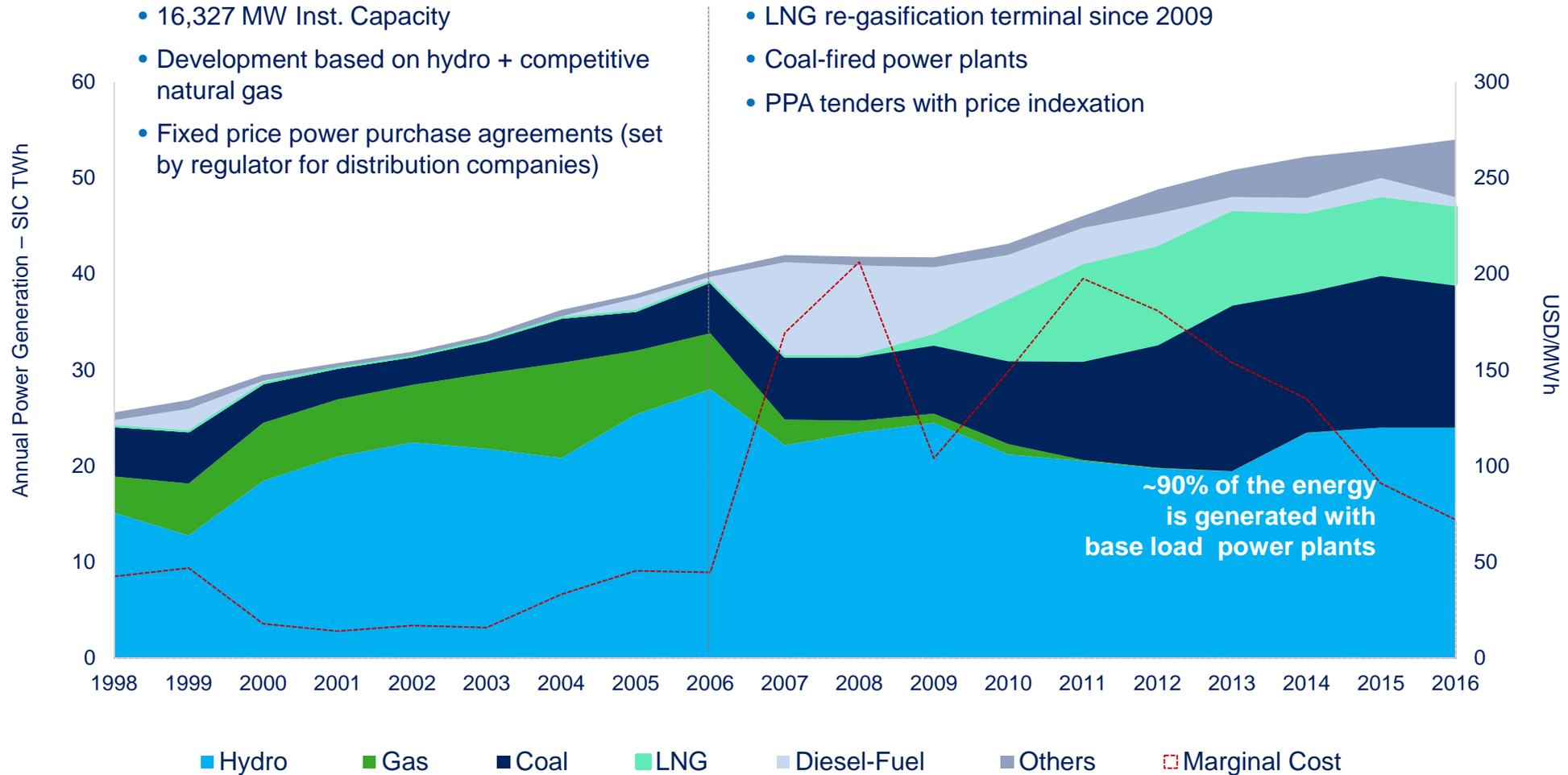
GENERATORS





GENERATION AND PRICE DEVELOPMENT IN CHILE'S CENTRAL GRID (SIC)

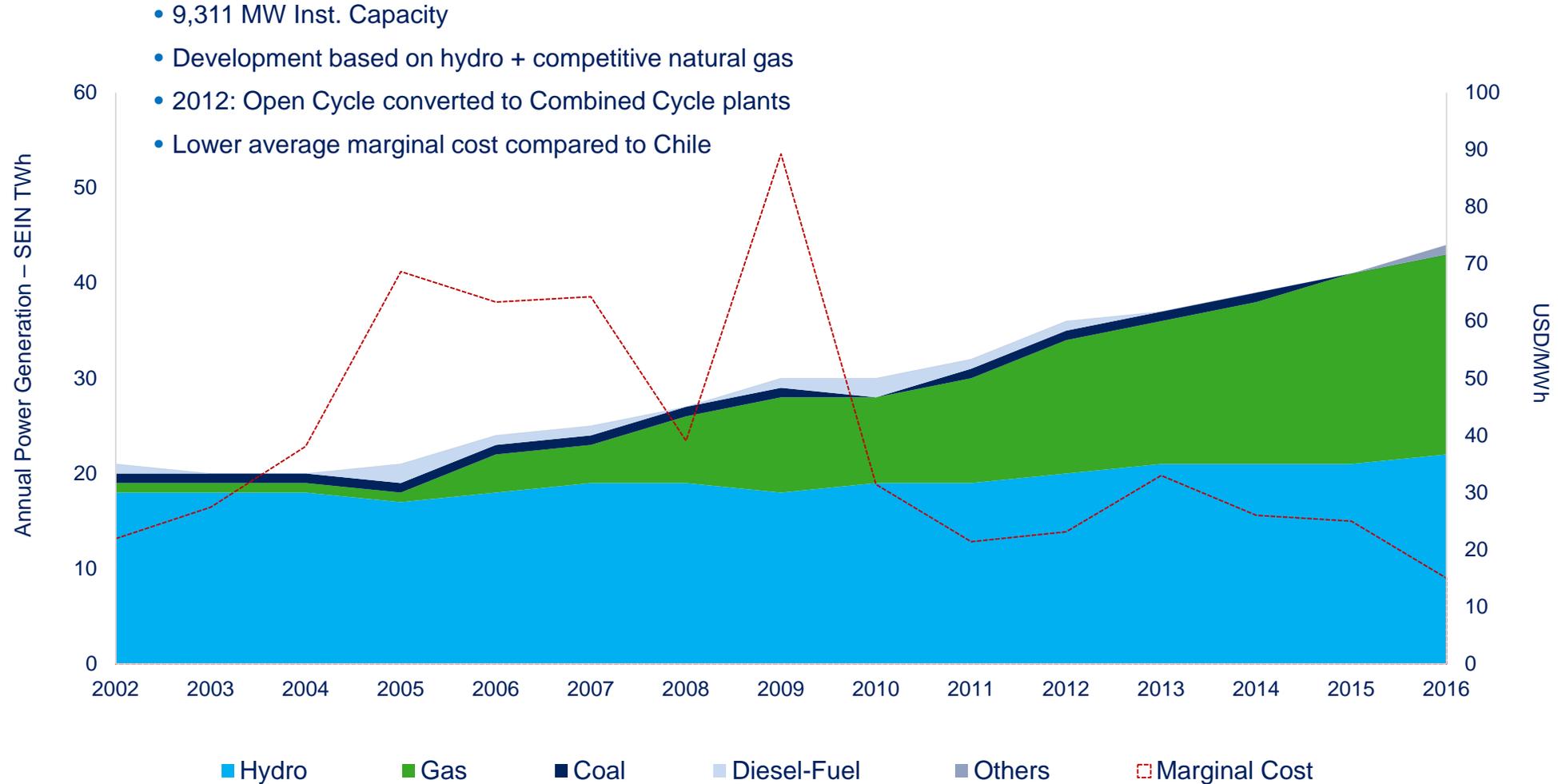
OVERVIEW



Source: Colbún S.A.



OVERVIEW GENERATION AND PRICE DEVELOPMENT IN PERU'S NATIONAL GRID (SEIN)



A G E N D A



OPERATIONS IN CHILE AND PERU





OPERATIONS IN CHILE AND PERU MAIN FIGURES



INSTALLED CAPACITY OF 3,852 MW - MARKET SHARE BY GENERATION: 24% IN CHILE (SIC); 8% IN PERU (SEIN)

Gx. ASSET DIVERSIFICATION. (MW)

-  4 Reservoir: 1,065
-  12 Run-of-the-river: 532
-  3 CCGT: 1,337
-  4 Diesel: 568
-  1 Coal: 350
-  1 Wind Farm: 46 ¹
-  1 Biomass: 26 ¹

¹ Through PPAs

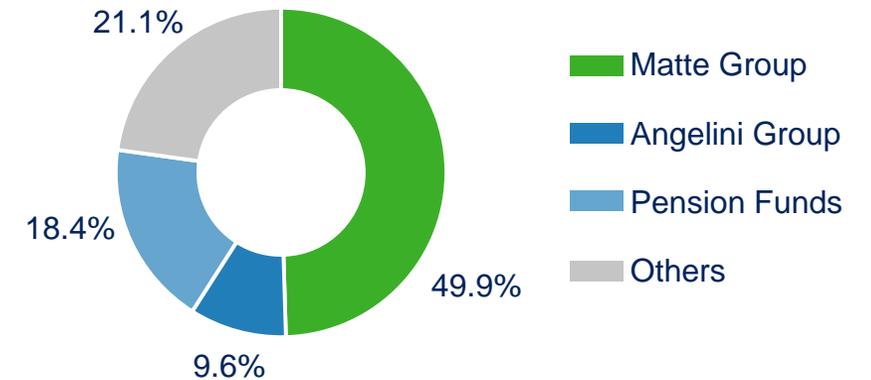
INTER. RATINGS.

FitchRatings BBB
STANDARD & POOR'S BBB-

LOCAL RATINGS.

FitchRatings A+
Humphreys AA-
CLASIFICADORA DE RIESGO

OWNERSHIP. (%)



- Committed **Controlling Group**
- High Standards of Corporate Governance

Tx. ASSETS.

-  ▪ ~900 Km
- 27 Substations



OPERATIONS IN CHILE AND PERU COMMERCIAL POLICY IN CHILE



1 BALANCED POSITION BETWEEN EXISTING AND FUTURE EFFICIENT GENERATION CAPACITY AND MEDIUM TO LONG-TERM POWER SUPPLY COMMITMENTS.

-  **Hydro:** contract output considering medium to dry hydrology
-  **Coal:** contract output considering an efficient load factor
-  **LNG:** secure long-term competitive LNG Supply for Combined Cycle units
-  **NCRE:** add additional assets to our generation matrix
-  **Back-up capacity:** available for the spot market and other opportunities

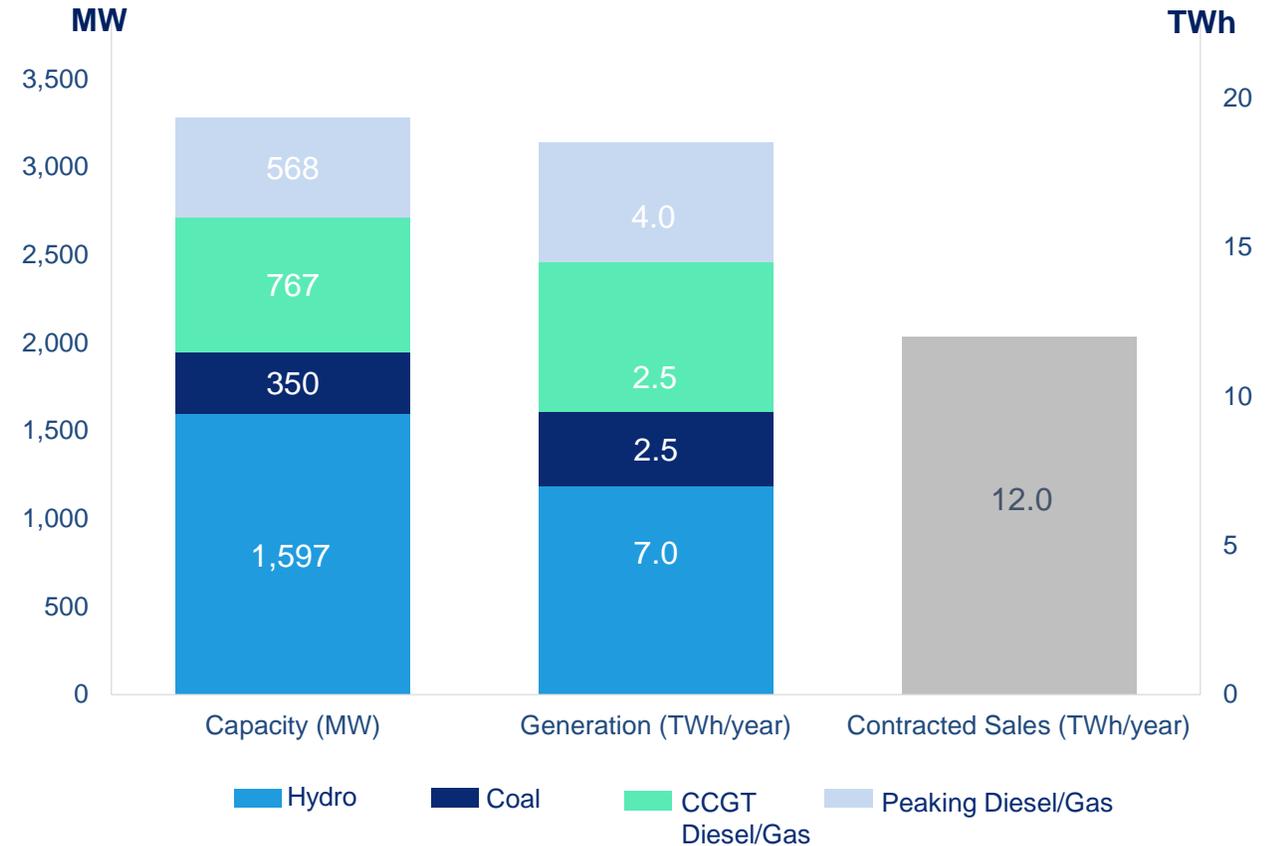
2 SECURE LONG-TERM CONTRACTS WITH CREDITWORTHY COUNTERPARTIES.

- Balanced mix between Regulated and unregulated clients
- Incorporate risk-sharing mechanisms

3 EXPAND OPERATIONS TO SELECTED LATAM COUNTRIES AND MAINTAIN A RELEVANT MARKET SHARE IN THE SIC.

- Diversify geography, markets, technologies and regulation frameworks

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



¹ Under medium hydrological conditions.

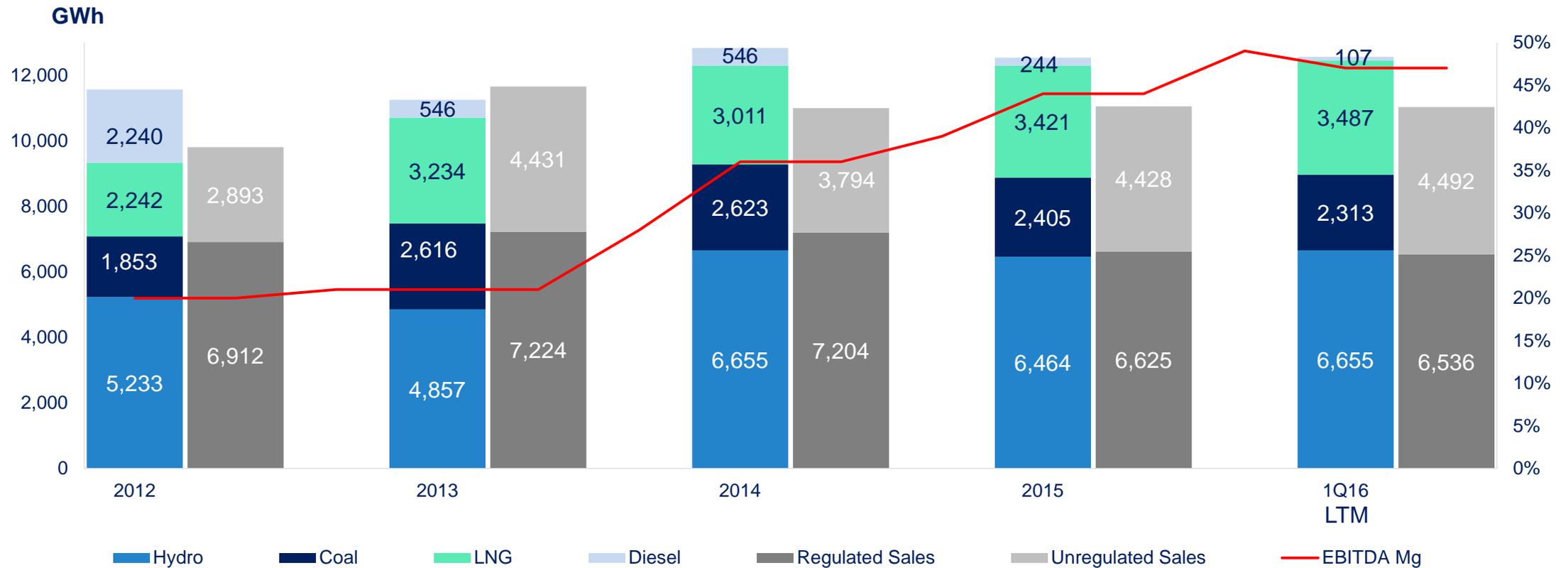
This graph is shown for illustrative purposes and represents estimated and potential output of our power plants and approximate level of contractual commitments. Real output from our power plants and variable production costs are dependent on many factors, such as hydrology, plant availability, access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



OPERATIONS IN CHILE AND PERU COMMERCIAL POSITION IN CHILE



CONTRACTUAL COMMITMENTS VS GENERATION. (GWh)

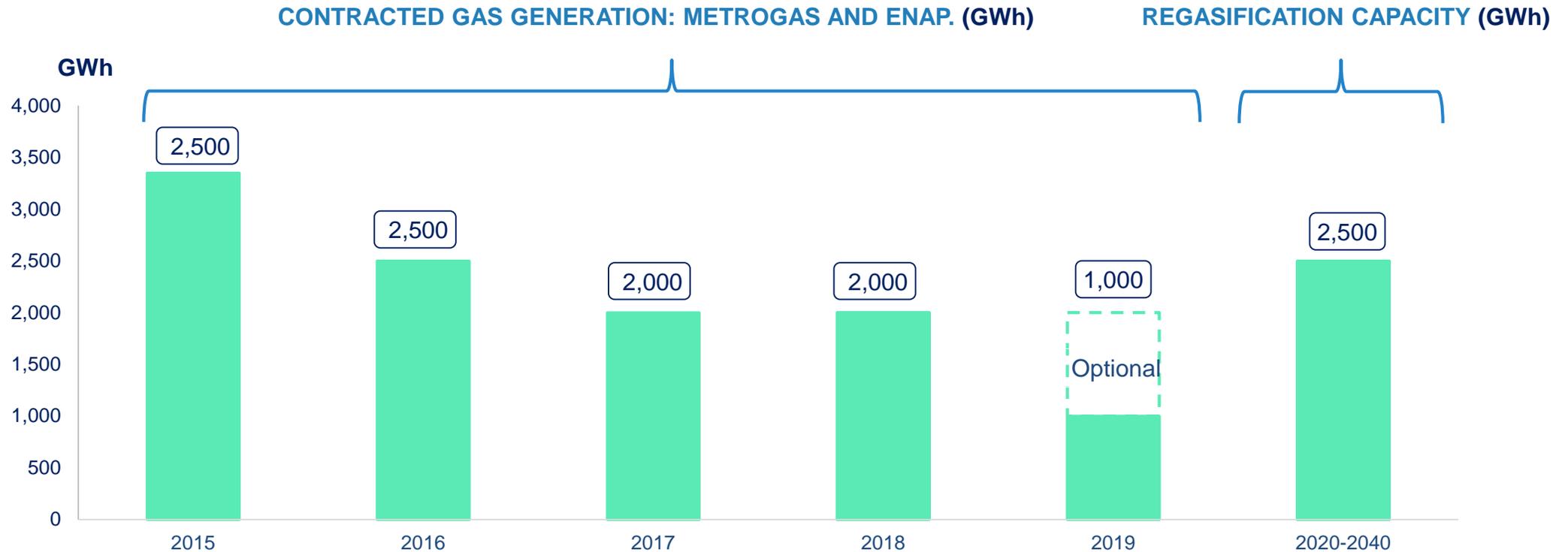


Source: Colbún S.A. Unregulated Sales, excludes sales to Codelco at Marginal Cost



OPERATIONS IN CHILE AND PERU

LNG: LONG TERM AGREEMENTS IN CHILE



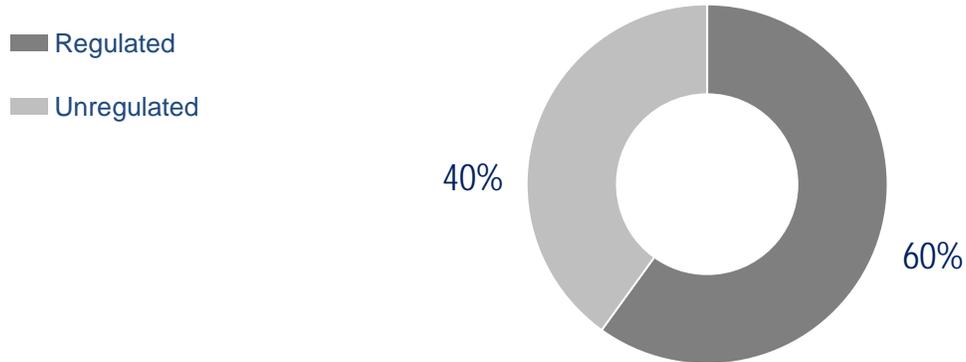
- Efficient complement to hydro and coal
- Nahuenco I & II – 766 MW (~5,000 GWh/year)
- Long-term strategy: leveraging our efficient natural gas power facilities



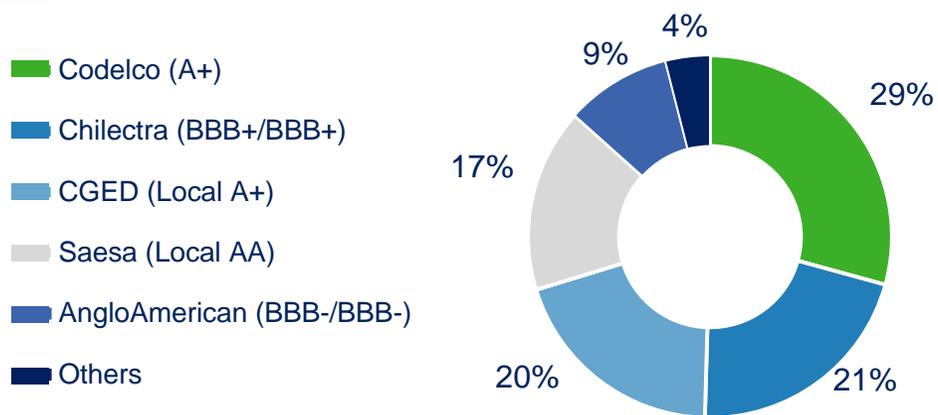
OPERATIONS IN CHILE AND PERU HIGH QUALITY CLIENTS IN CHILE



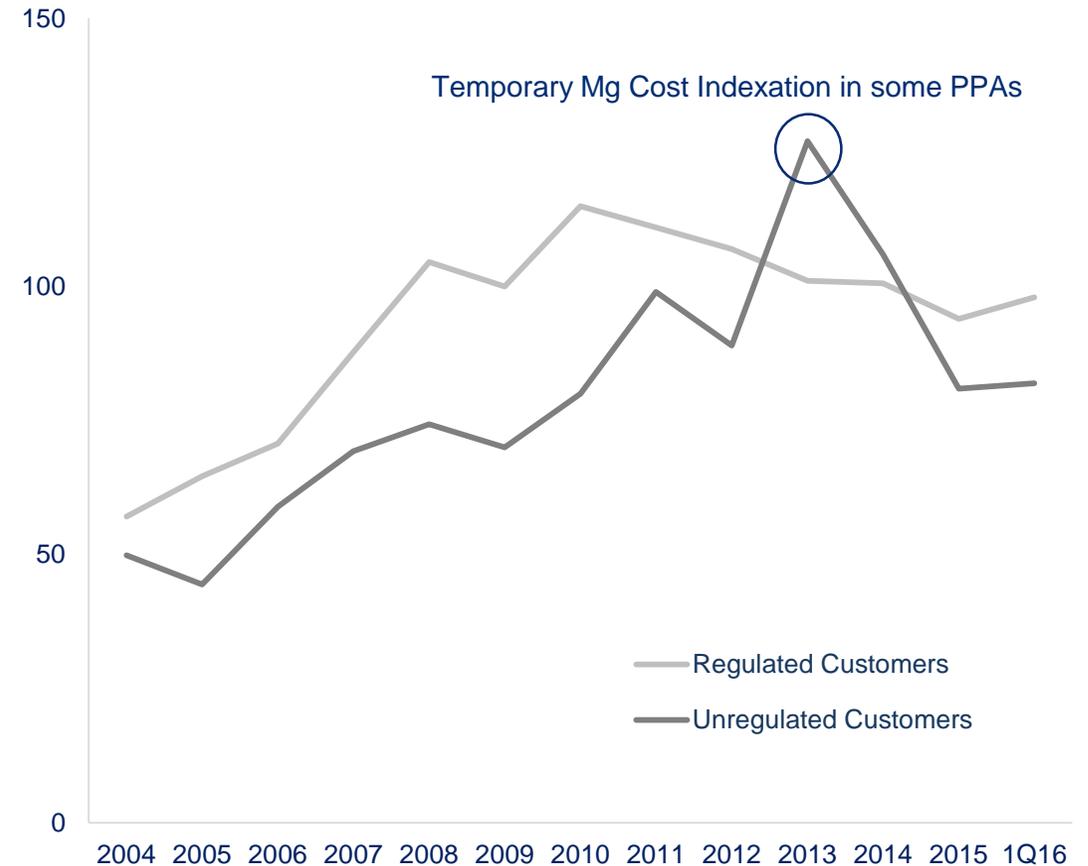
1 SALES BY TYPE OF CUSTOMER. (%)



2 SALES VOLUME BY CUSTOMER. (%)



3 AVERAGE MONOMIC PRICE ¹. (US\$/MWh)

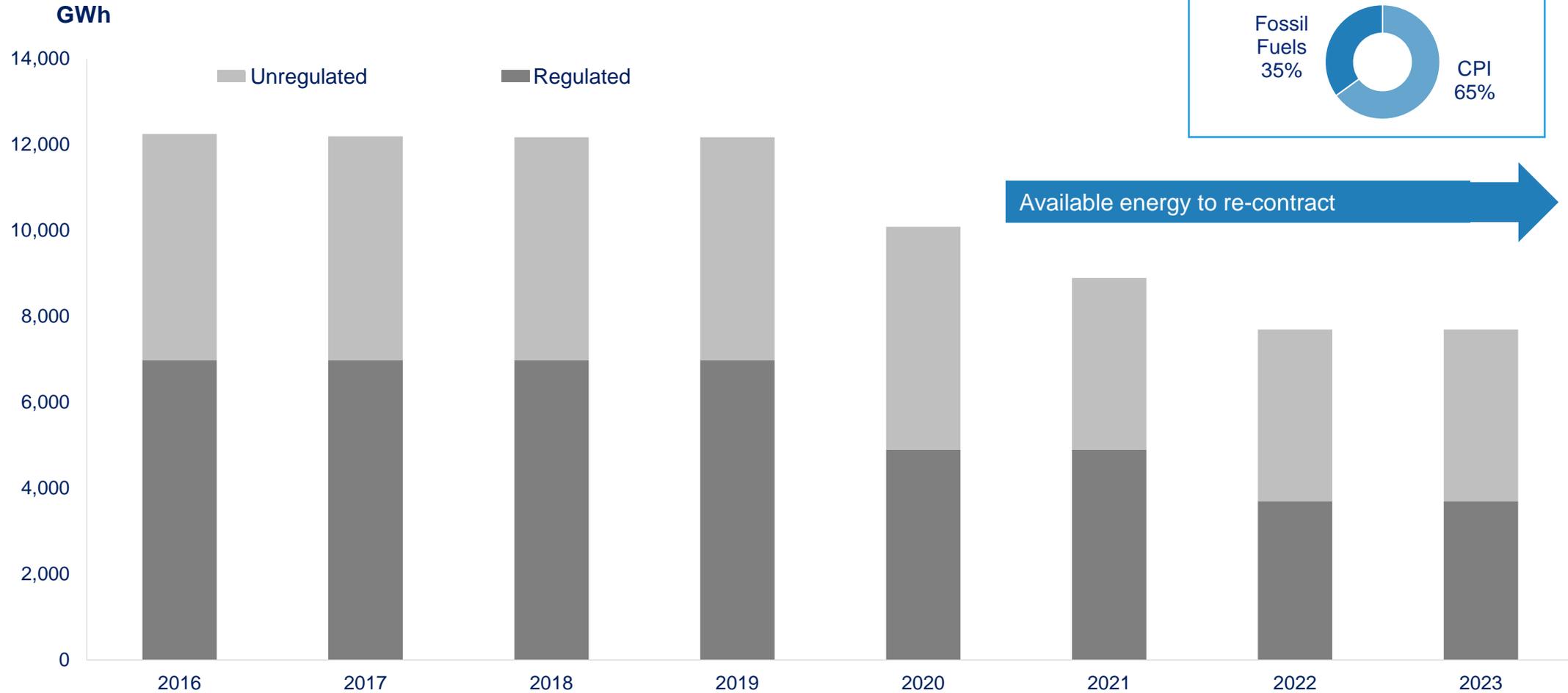


¹ Average monomic prices are calculated by dividing the total amount of sales in US\$, by physical energy sales in MWh.

Source: Colbún S.A.



OUR PPAs IN CHILE: 9.8 YEARS AVERAGE MATURITY



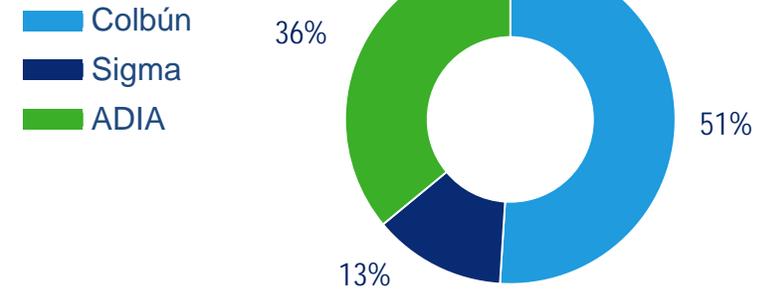


OPERATIONS IN CHILE AND PERU

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
- Expected annual generation: 4.4 TWh/year
- Market Share: 8% in terms of generation*
- Long-term contracts: 3 TWh/year
- Average PPA Portfolio Maturity: 7.5 years

(*) Source: Osinergmin

A G E N D A



FINANCIALS

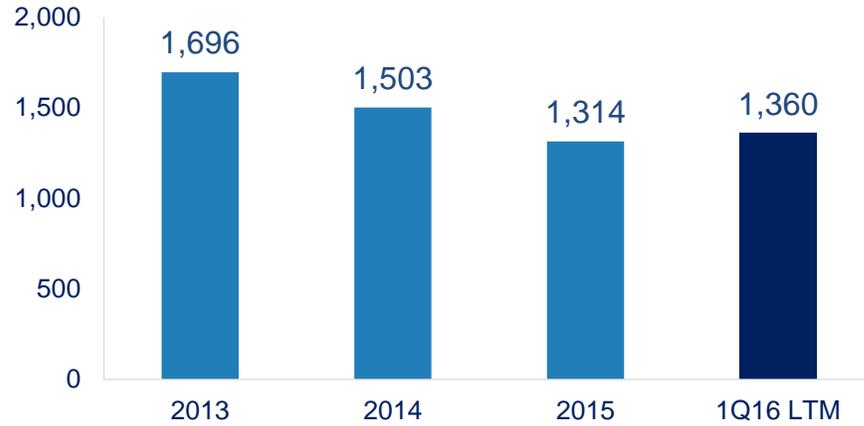




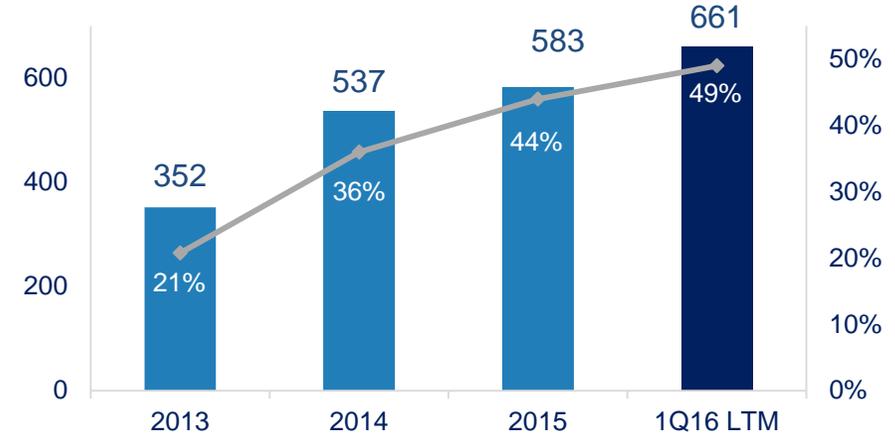
FINANCIALS

STRONG FINANCIAL RESULTS

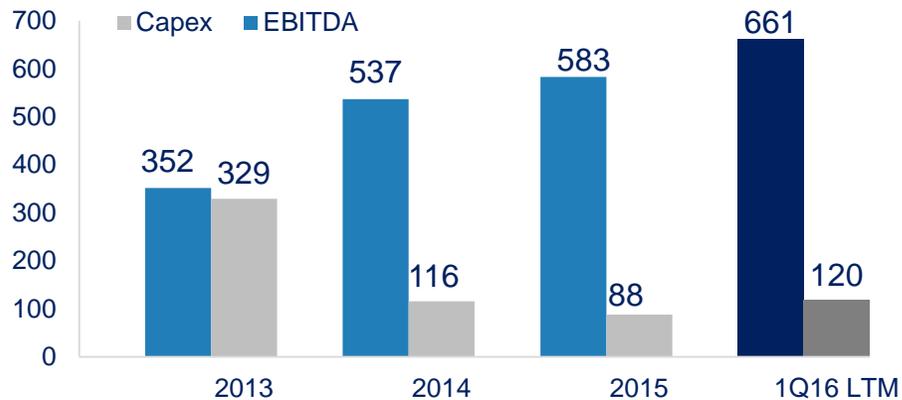
1 OPERATING REVENUES. (US\$ Million)



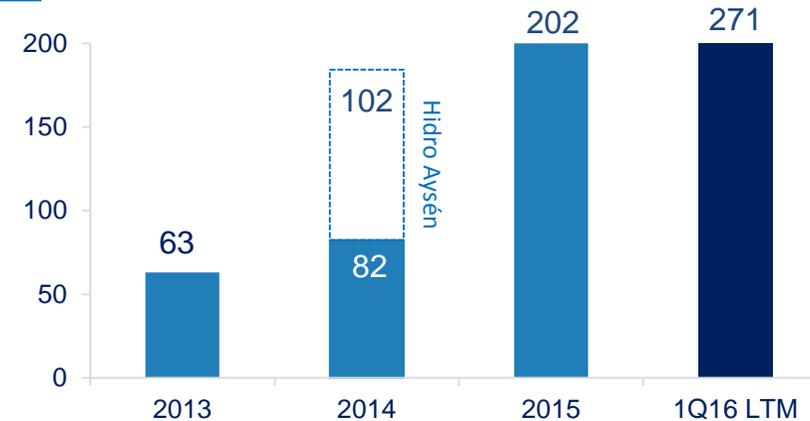
2 EBITDA & EBITDA MG. (US\$ Million & %)



3 CASH FLOW. (US\$ Million)



4 NET INCOME. (US\$ Million)

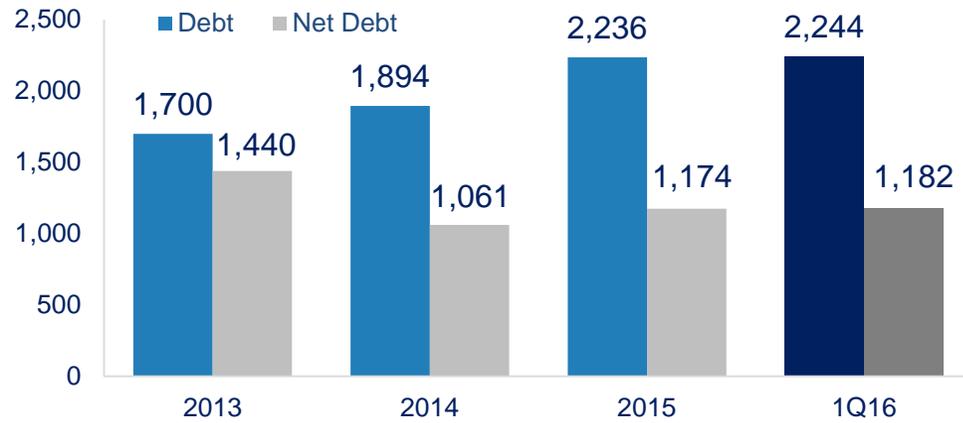




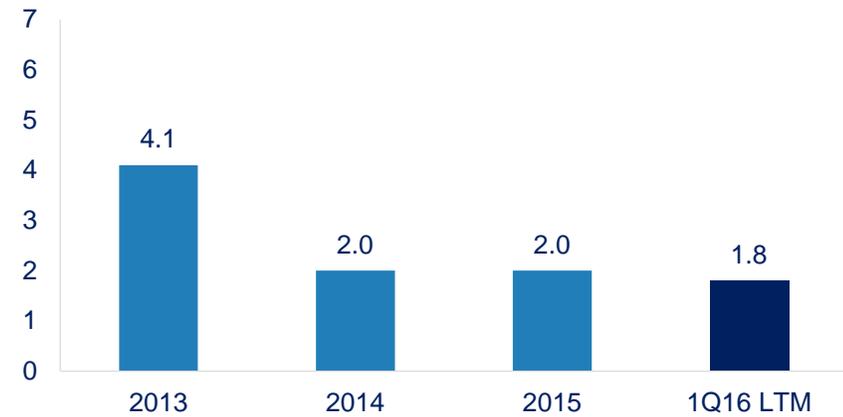
FINANCIALS

STRONG FINANCIAL RESULTS

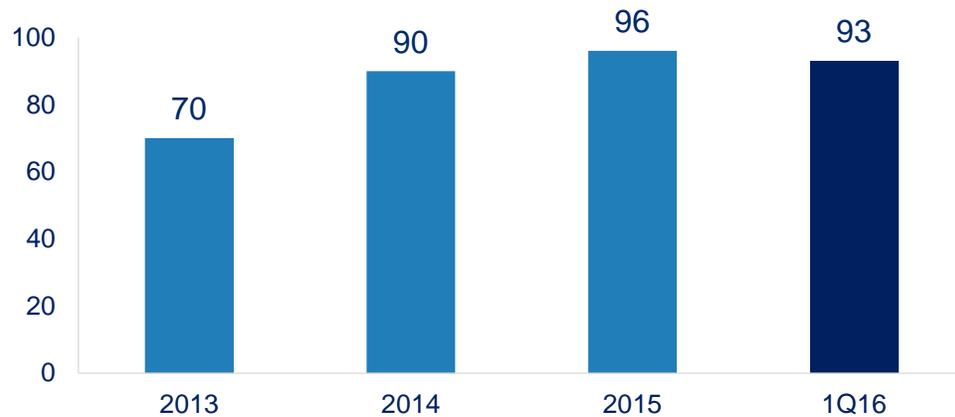
1 DEBT & NET DEBT. (US\$ Million)



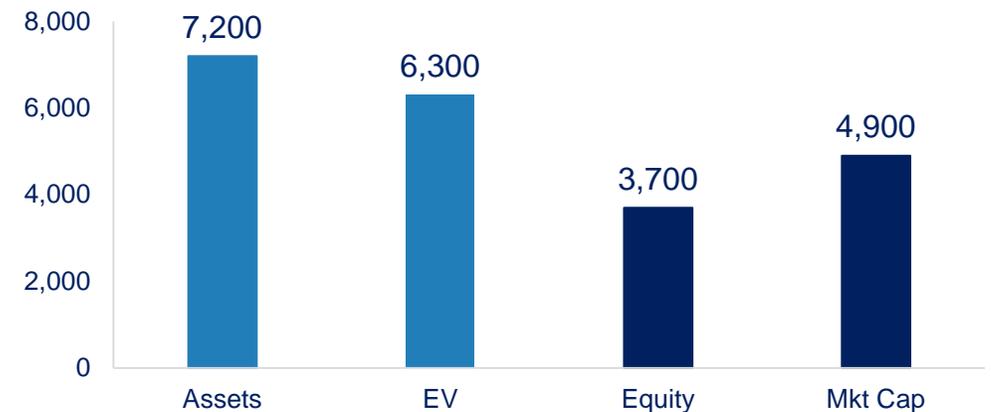
2 NET DEBT / EBITDA. (x)



3 LEVERAGE RATIO ¹. (%)



4 MAIN FIRM VALUE FIGURES ². (US\$ Million)



¹ Calculated as Liabilities/Equity

² As of March 2016



FINANCIALS

ADEQUATE DEBT PROFILE AND STRONG LIQUIDITY

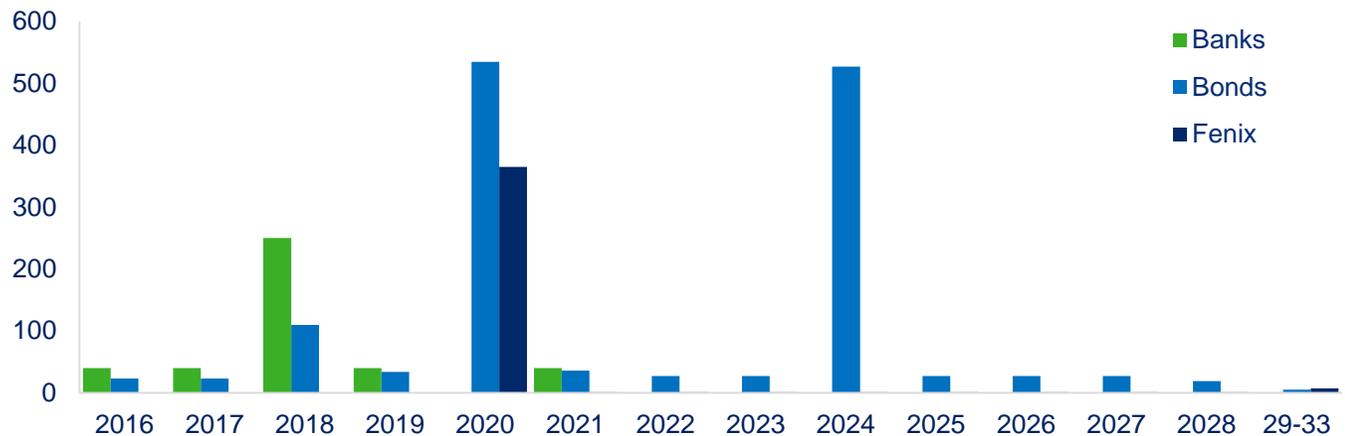
1 KEY DRIVERS.

- Total Debt: US\$ 2,244 Million
- Avg. Maturity: 5.2 years
- Avg. US\$ Interest Rate: 4.7%
- Cash: US\$ 1,063 Million
- Net Debt: US\$ 1,182 Million
- Dividend Policy 30%
- Banks Committed Lines: US\$ 146 Million

2 DEBT PROFILE.



3 AMORTIZATION STRUCTURE. (US\$ Million)



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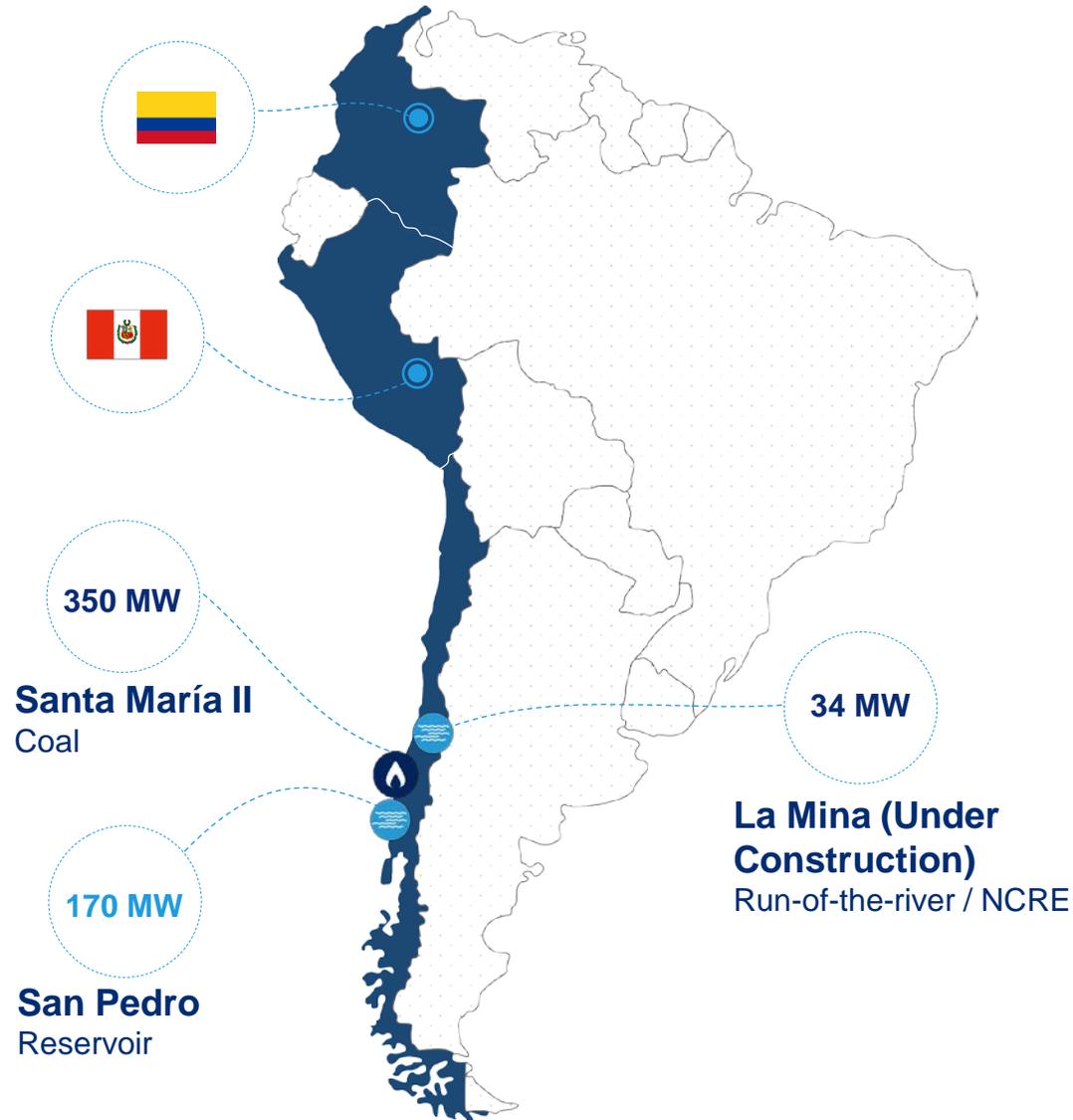


PROJECTS INSTALLED CAPACITY EVOLUTION: LAST 10 YEARS





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

LA MINA – RENEWABLE ENERGY FOR THE SYSTEM

1 **34 MW** of Installed Capacity and **190 GWh** of expected annual generation

2 Under construction since Dec-14. As of Mar-16 it has **63% progress**, according to plan

3 Expected to be commissioned in **early 2017**





SANTA MARIA II – COAL FIRED BASE LOAD CAPACITY

1 **350 MW** of Installed Capacity and **2,500 GWh** of expected annual generation

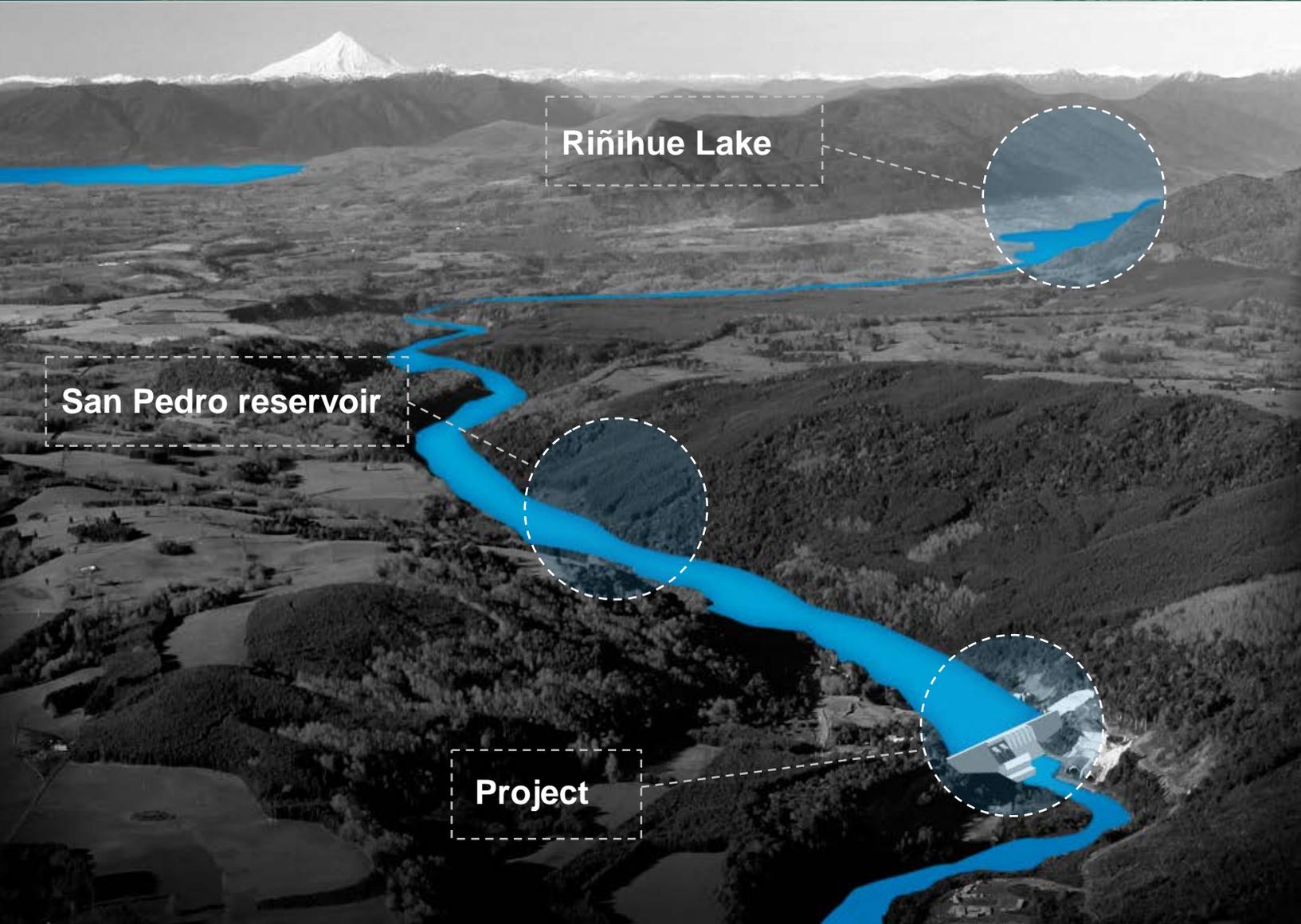
2 Environmentally **Approved**

3 Social, economic and commercial dimensions of the project are being analyzed, in order to timely define the beginning of its construction





PROJECTS UNDER STUDY SAN PEDRO – HIGHLY EFFICIENT HYDROELECTRIC PROJECT



- 1 ~170 MW of Installed Capacity and 950 GWh of expected annual generation
- 2 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
- Makes viable the construction of a 164 MW solar power plant



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- To evaluate whether to purchase or sell securities of the company, the investor must conduct its own independent analysis.
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