ENGIE ENERGÍA CHILE S.A.
Presentation to investors

4Q 2016 Results

AGENDA

- Highlights
- Industry and Company
- Projects
- Financial Results

01

Highlights

FINANCIAL SUMMARY
2016

- **EBITDA** reached **US$285 million**, a 9% decrease. Cost saving initiatives partially offset the effect of the decrease in gas sales and higher emission-reduction costs. The **EBITDA margin increased to 29.4%** in 2016.
- **Net income** amounted to **US$255 million**, mainly due to non-recurring income primarily explained by the sale of 50% of the TEN project.
- **Net debt** decreased 23% despite heavy expansion CAPEX. Cash balances increased due to strong operating cash flow, proceeds from the TEN sale, and refunding of advances made to TEN following the successful closing of the TEN project financing.

Financial Highlights	2015	2016	Variation
Operating Revenues (US$ million)	1,142.7	967.4	*- 15%*
EBITDA (US$ million)	312.9	284.8	*- 9%*
EBITDA margin (%)	27.4%	29.4%	*+ 2.1 pp*
Net income (US$ million)	94.2	254.8	*+ 171%*
Net debt (US$ million)	613.2	470.0	*- 23%*

HIGHLIGHTS - Industry

- On July 11, 2016, the government published the **new Transmission Law**, ruling the functioning of the country's electric power transmission systems. This new law aims at fostering more investments in the country's power transmission systems so as to avoid bottlenecks and ensure greater security of supply.
- On August 17, the CNE communicated the results of an **up to 12,430 GWh/year Energy Supply Auction** covering regulated clients' power supply needs for 20 years starting in 2021. 84 companies bid for 5 power supply blocks accounting for approximately 1/3rd of distribution companies' current energy demand. The resulting **weighted average energy price was US$47.6/MWh**.
- A **new coordination body, the *"Coordinador Eléctrico Nacional"*,** took office on January 1, 2017, in replacement of the CDEC-SING and CDEC-SIC, to manage the integrated, nationwide power grid (the "SEN" or *"Sistema Eléctrico Nacional"*) that will result from the interconnection of both power grids beginning 2018.
- **CO_2 taxes** resulting from the 2014 tax reform will begin to apply in 2017, with the first payment due in April 2018. The tax is equivalent to **US$5/ton of CO_2** generated.

HIGHLIGHTS - Company

- The key **milestones of EECL's 2016 Financial Plan were successfully met**:
  - On January 27, 2016, EECL sold 50% of its shares in the TEN transmission project to Red Eléctrica Chile SpA, an indirect subsidiary of Red Eléctrica Corporación S.A. (Spain) for US$217.6 million. As a result, TEN began to be joint-controlled by EECL and Red Eléctrica, and was deconsolidated from EECL's books.
  - On December 6, 2016 TEN closed a multi-tranche, long-term Project Financing with 10 financial institutions. Total committed amounts under the senior facilities reached US$-eq.745 million. In addition, TEN closed a US$-eq.110 million VAT financing facility. The first disbursement (~US$457 million) allowed TEN to repay US$171 million to EECL.

PFI AWARDS

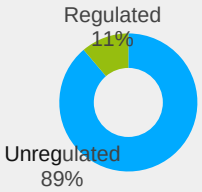
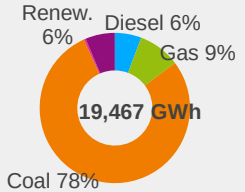
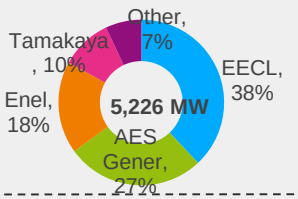
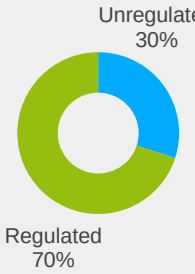
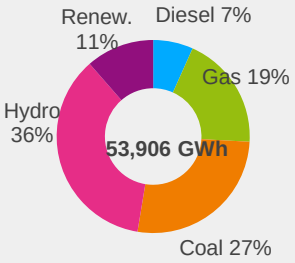
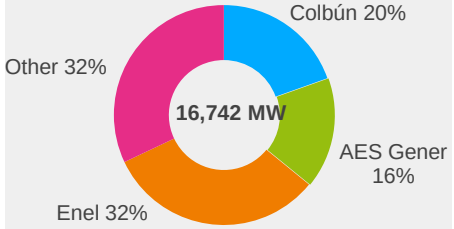
The TEN project financing was named **Latin America Power Deal of the Year** by PFI, a Thomson Reuters company.

- EECL filed an **environmental impact study for the Las Arcillas combined-cycle gas project** with the regional Environmental Evaluation Service. The Las Arcillas CCGT Project includes a power plant, a gas pipeline and a transmission line in the south of Chile.
- EECL **signed two power supply agreements with Minera El Abra** for an aggregate 110MW over 11 years starting January 2018. The contracts with **Lomas Bayas and Alto Norte** were extended through 2028 and 2032, respectively. This will allow EECL to continue supplying some of Chile's most relevant copper mining projects.

02

Industry and Company

CHILEAN ELECTRICITY INDUSTRY
12M 2016

Market	Growth (2016-2025)[1]	Clients	Generation GWh (12M16)	Main players (% installed capacity 12M16)
SING **25%** capacity **26%** demand	**3.5%**			
SIC **74%** capacity **73%** demand	**3.3%**			

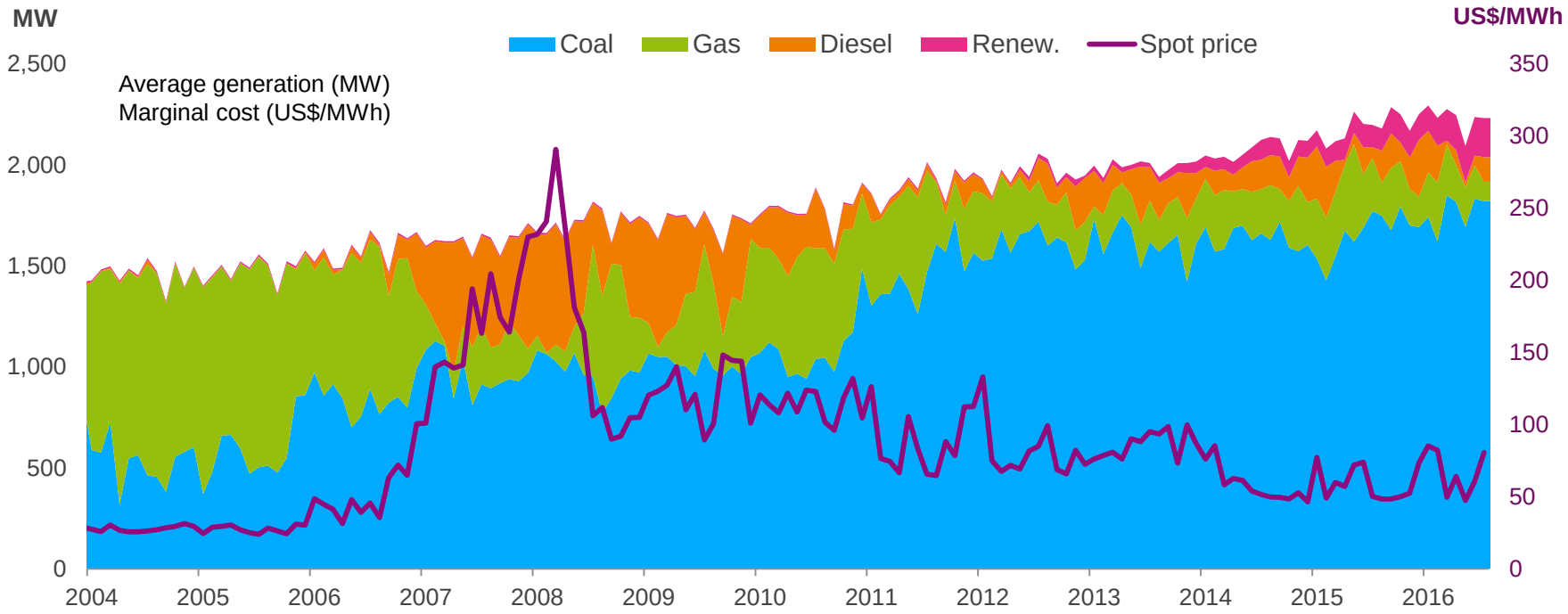
(1) Compounded annual sales growth based on projection by the Comisión Nacional de Energía (CNE) as per the *Informe de Previsión de Demanda* – December 2016.

Notes:
- Sources: CNE, CDEC-SING and CDEC-SIC
- Excludes AES Gener's 643MW Termoandes plant located in Argentina, since it is no longer dispatching electricity to the SING.
- In the SIC, Endesa includes Pangue and Pehuenche.
- AES Gener includes EE Guacolda as well as EE Ventanas, and E. Santiago.

THE SING

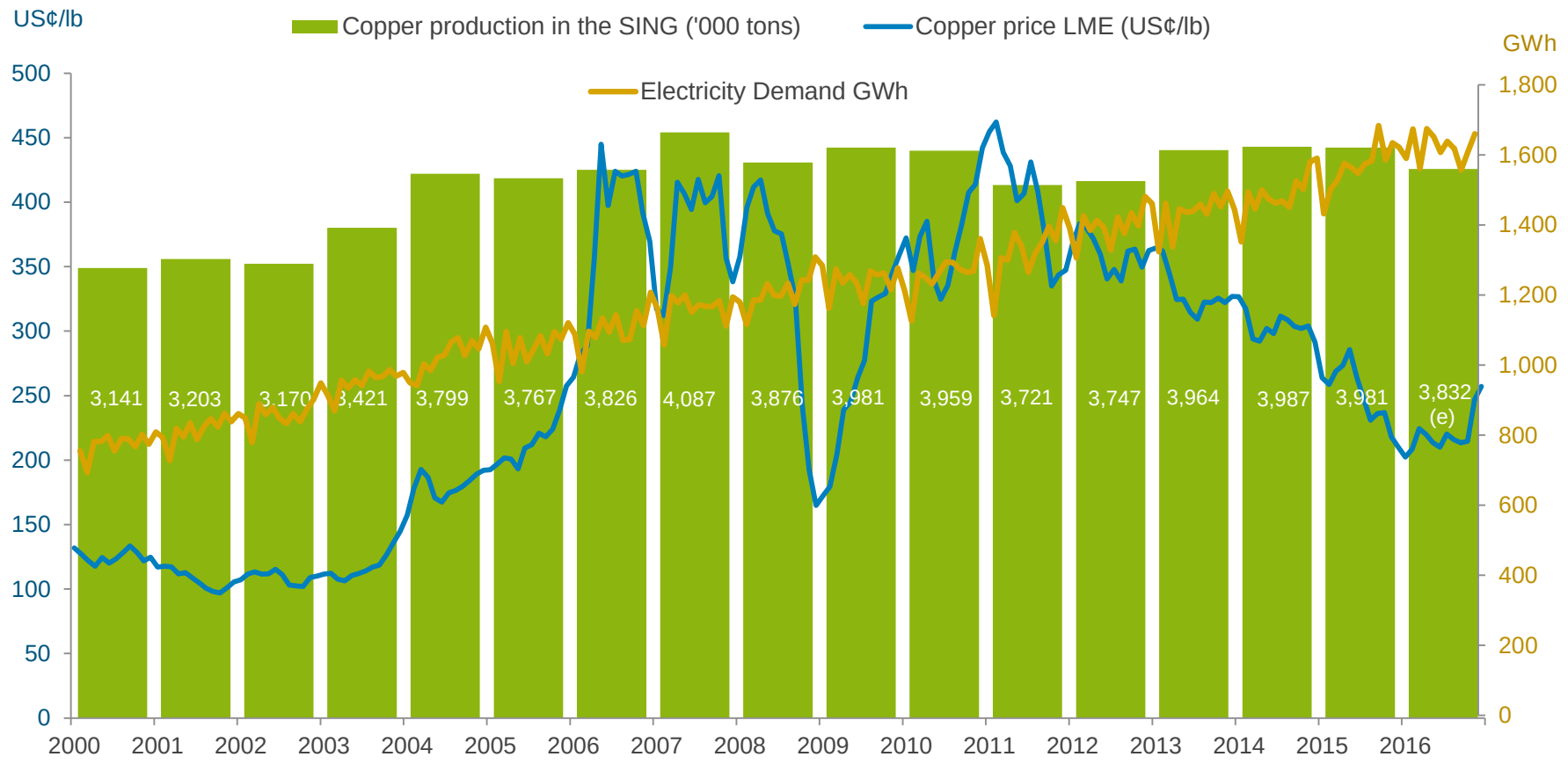
A predominantly thermal system, with growing presence of renewables

- No exposure to hydrologic risk
- Long-term contracts with unregulated clients (mining companies) accounting for 89% of demand (bilateral negotiation of prices and supply terms)
- Maximum demand: ~ 2,555 MW in February 2016; expected 3.5% compounded average annual growth rate for the 2016-2025 period



CHILE, A WORLD-CLASS COPPER PRODUCER

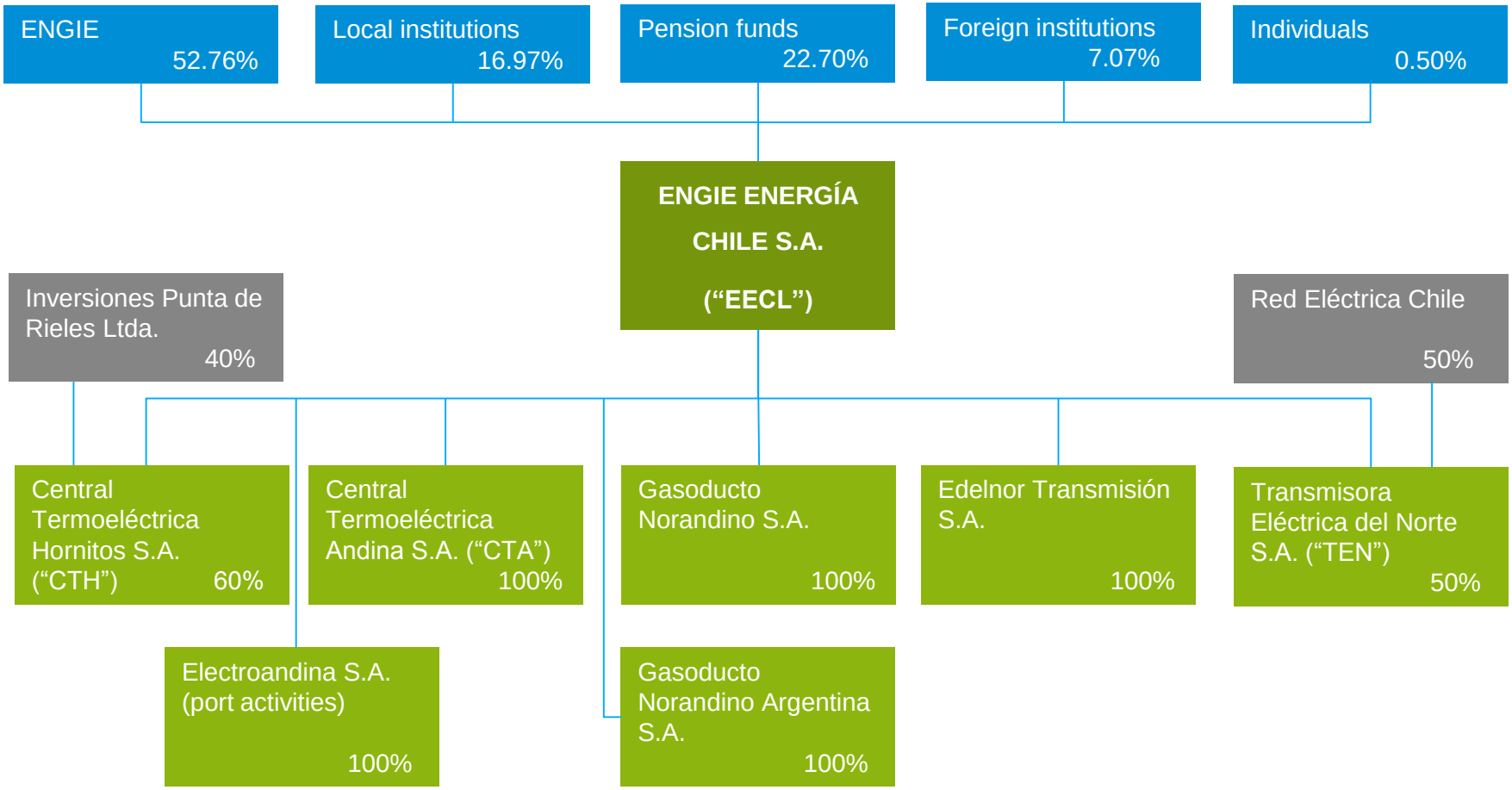
Power demand growth due to declining ore grades and water pumping needs



(1) Copper Produced by SING producers calculated as Chile's total copper production less El Teniente, Andina, Salvador, Los Pelambres, Anglo American Sur, Candelaria and Caserones. Source: COCHILCO

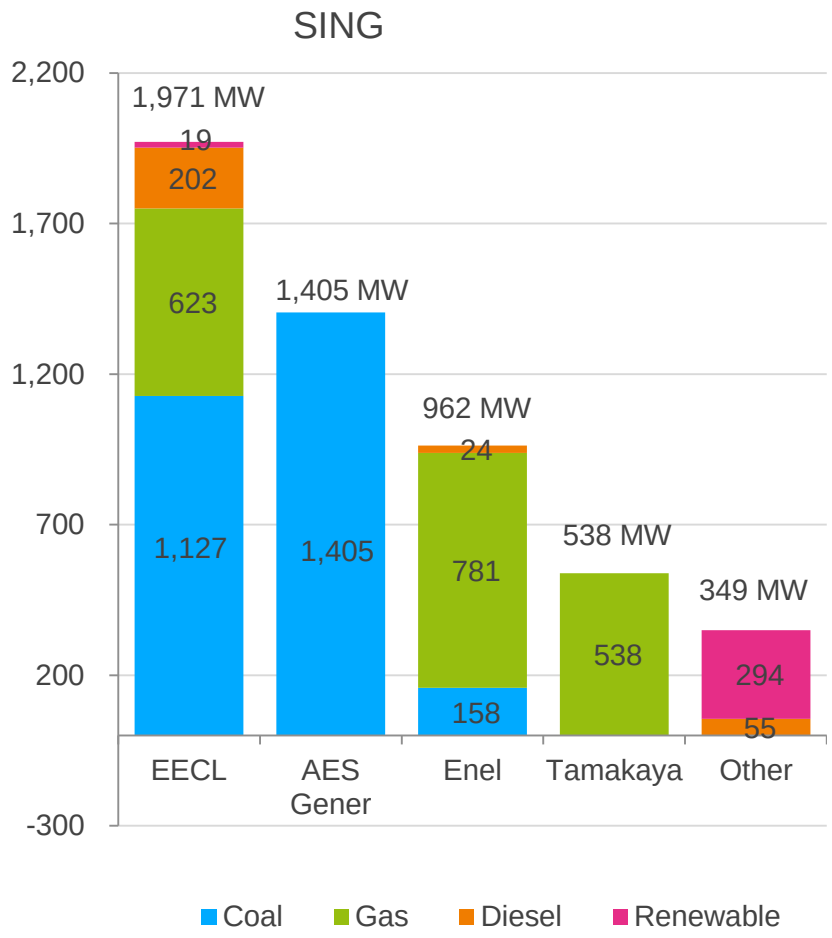
OWNERSHIP STRUCTURE AS OF DECEMBER 31, 2016

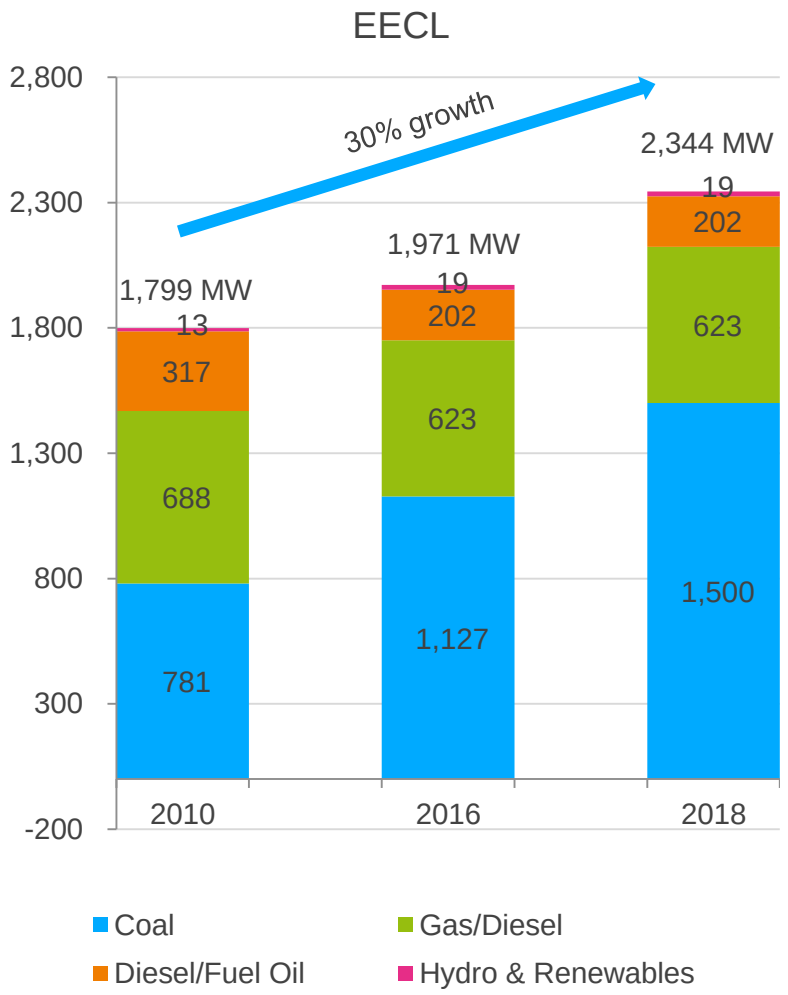
A world-class controller and a diversified ownership base



GROSS INSTALLED CAPACITY

SING and EECL as of December 31, 2016





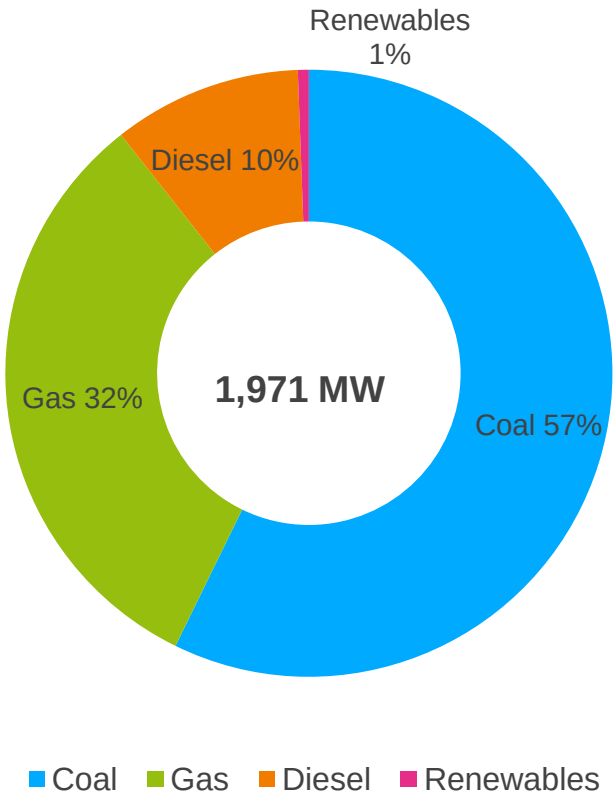
Sources: CNE & CDEC-SING

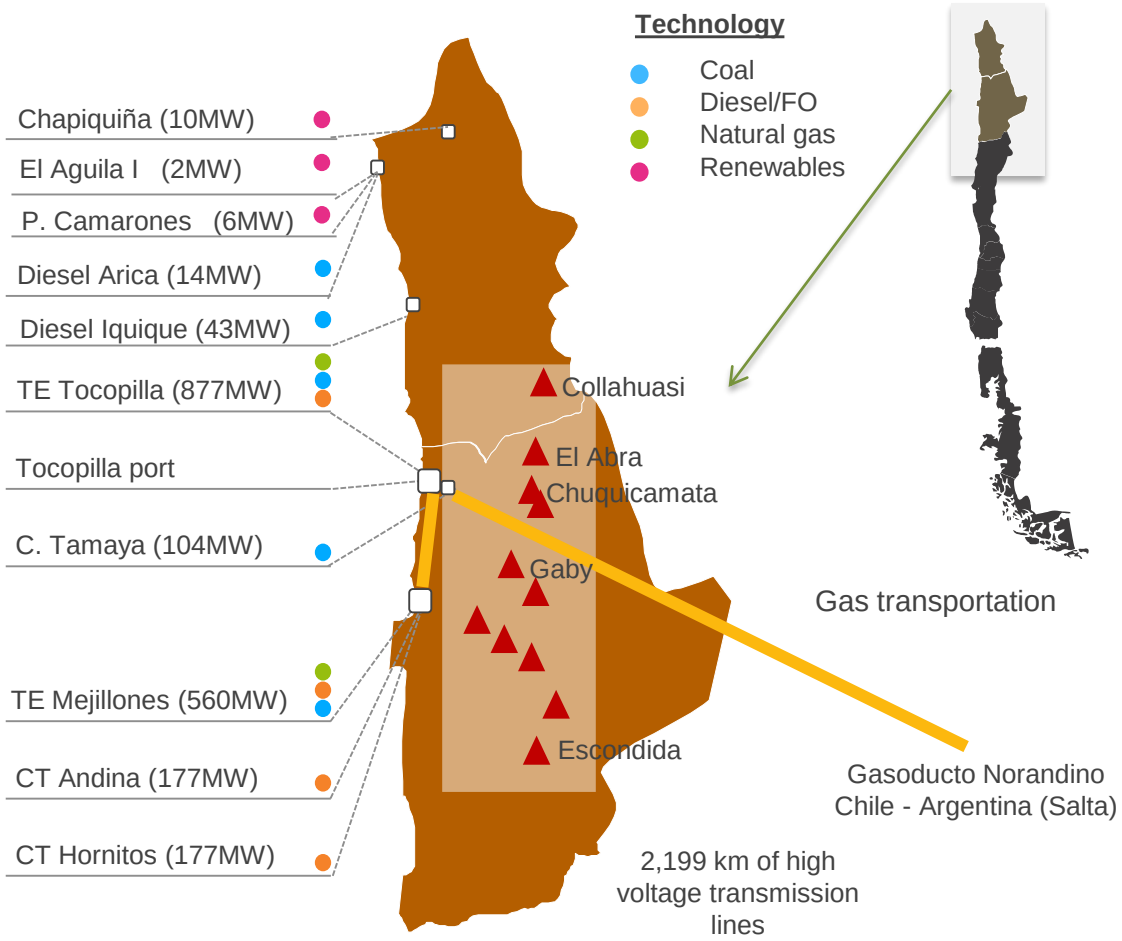
AES Gener excludes Termoandes (located in Argentina and not available for the SING)

INSTALLED CAPACITY AND OPERATING ASSETS

Efficient thermal power plants, port, transmission lines and gas pipelines

Installed Capacity (December 2016)

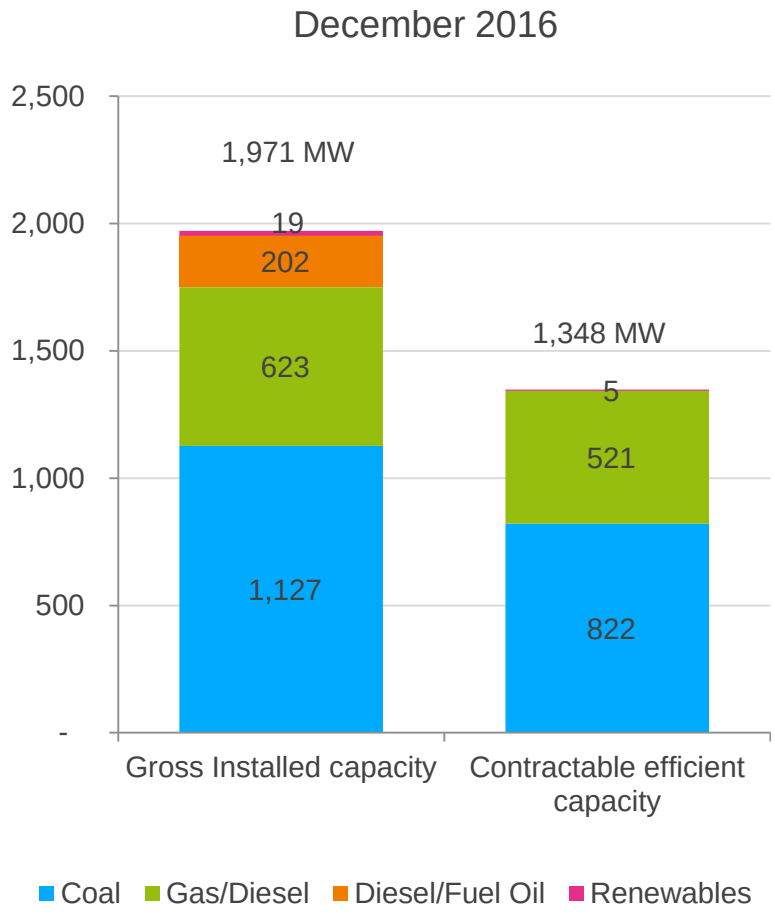


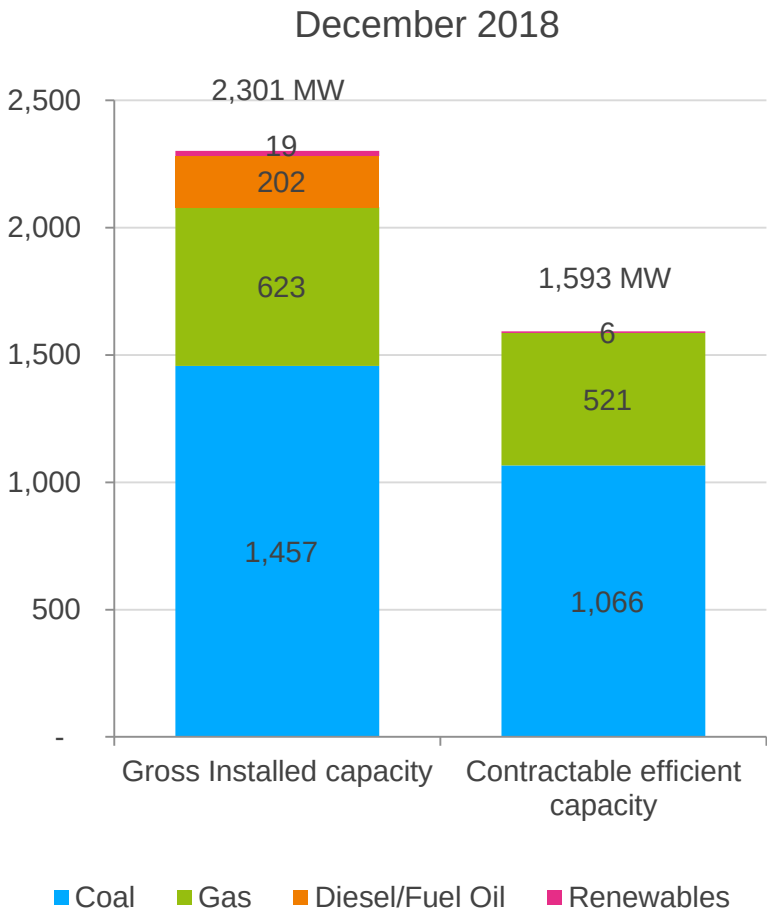


Sources: CNE & CDEC-SING

CONTRACTABLE EFFICIENT CAPACITY

IEM to contribute additional capacity in 2018





Source: Engie Energía Chile

"Contractable" efficient capacity is measured as net installed capacity of coal, gas and renewable plants *minus* spinning reserve, estimated maintenance, degradation & outage rates, and transmission losses

SIC DISTRIBUTION COMPANIES AUCTION

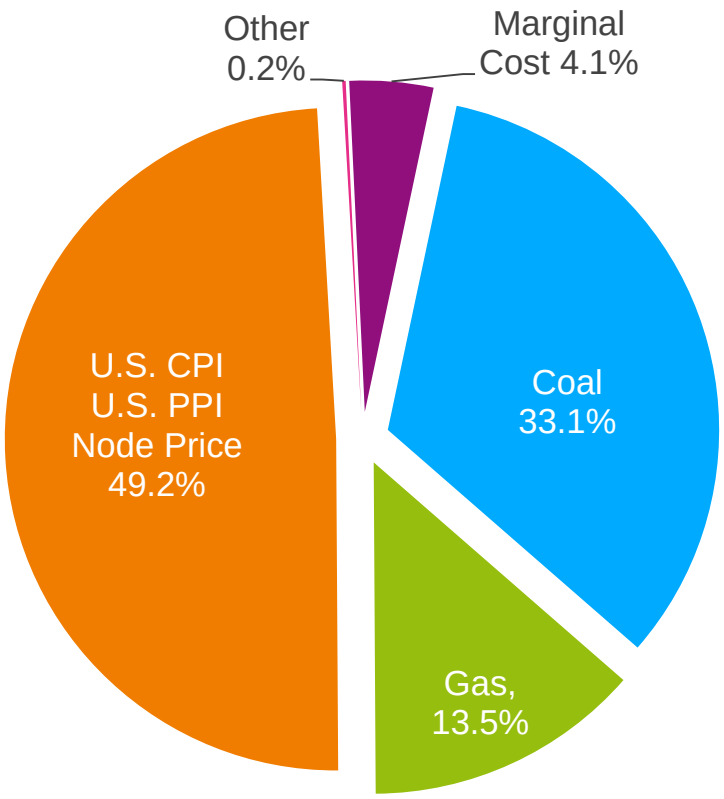
A larger, more balanced commercial portfolio was secured

- In December 2014, EECL secured 15-year sale contracts to supply electricity to distribution companies in the SIC:
  - Up to 2,016 GWh in 2018, equivalent to 230 MW-average
  - Up to 5,040 GWh per year between 2019-2032, equivalent to 575 MW-average
  - **Monomic price: US$ 111.4/MWh** (until March 2017)
- This will represent a significant increase in contracted sales, a more diversified client portfolio, and access to the SIC, Chile's main market and three times larger than the SING.
- To meet these commitments, EECL took the following main initiatives to expand its generation capacity:
  - Construction of a new US$1.1 billion coal-fired plant (IEM1) and associated port;
  - New 15-year LNG supply contracts for use at its existing combined-cycle units (2 LNG cargoes in 2018, 3 LNG cargoes per year as from 2019 onwards)

PPA PORTFOLIO INDEXATION

Matched with cost structure

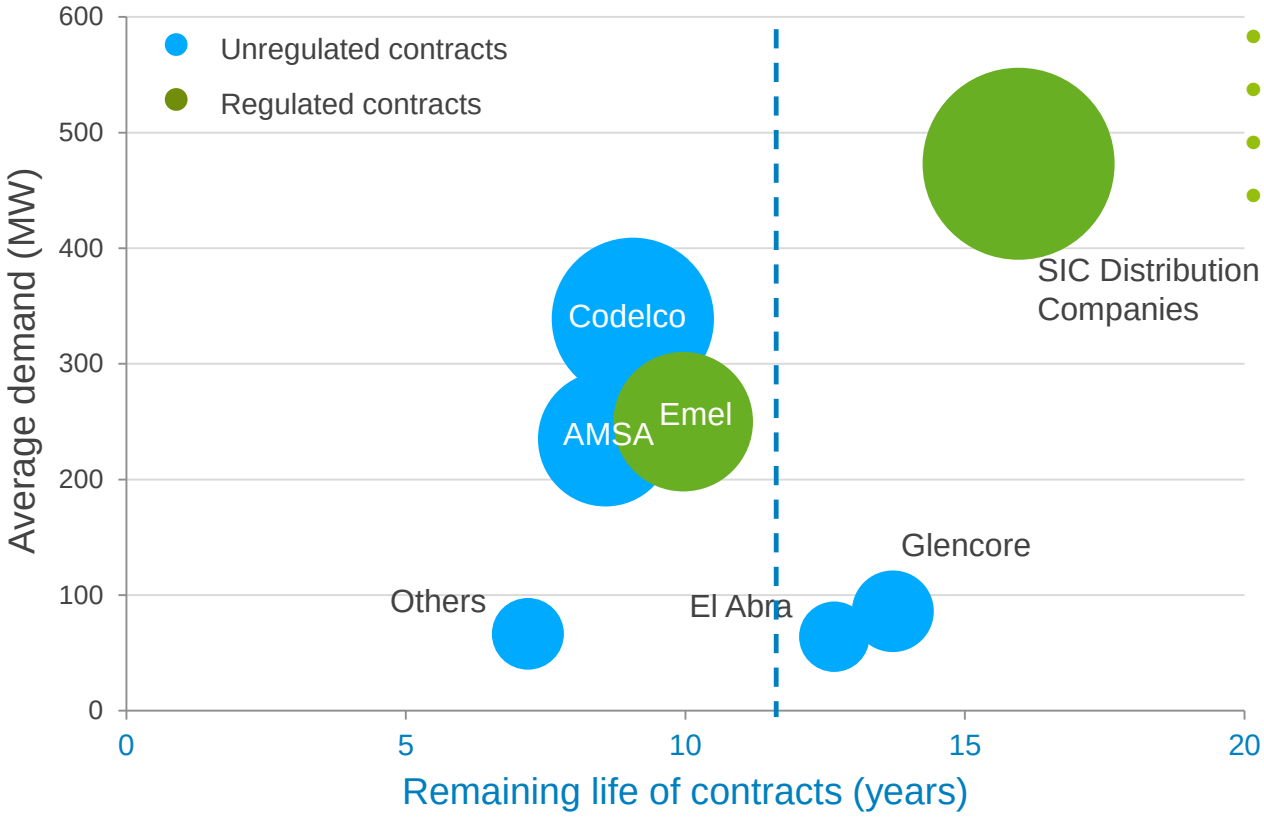
Overall indexation applicable to electricity and capacity sales (as of December 2016)



LONG-TERM CONTRACTS WITH CREDITWORTHY CLIENTS

With average remaining life of 11.5 years

Average demand[1] [MW] and remaining life [years] of current contracts



Clients' international credit ratings:

- Codelco: A+
- Freeport-MM (El Abra): BB
- Antofagasta PLC (AMSA + Zaldívar): NR
- Glencore (Lomas Bayas, Alto Norte): BBB-
- EMEL: AA-(cl)

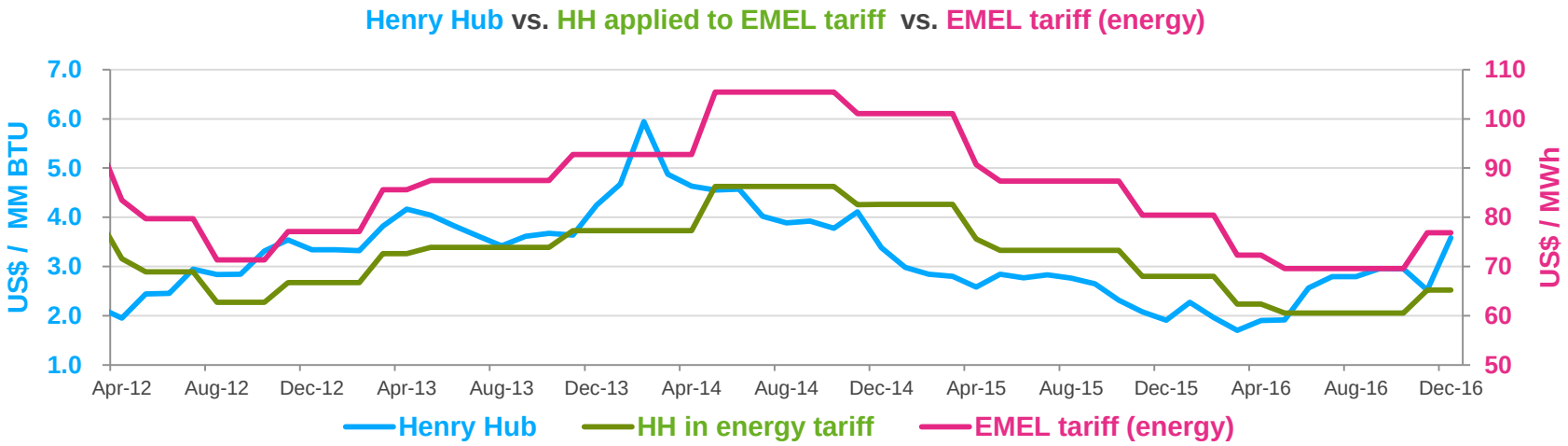
Source: EECL

[1] Average demand based on actual 2-year records, except for new contracts, for which an average 85% load factor has been assumed, and distribution companies in the SIC, for which average contracted demand has been used.

PPA PORTFOLIO INDEXATION

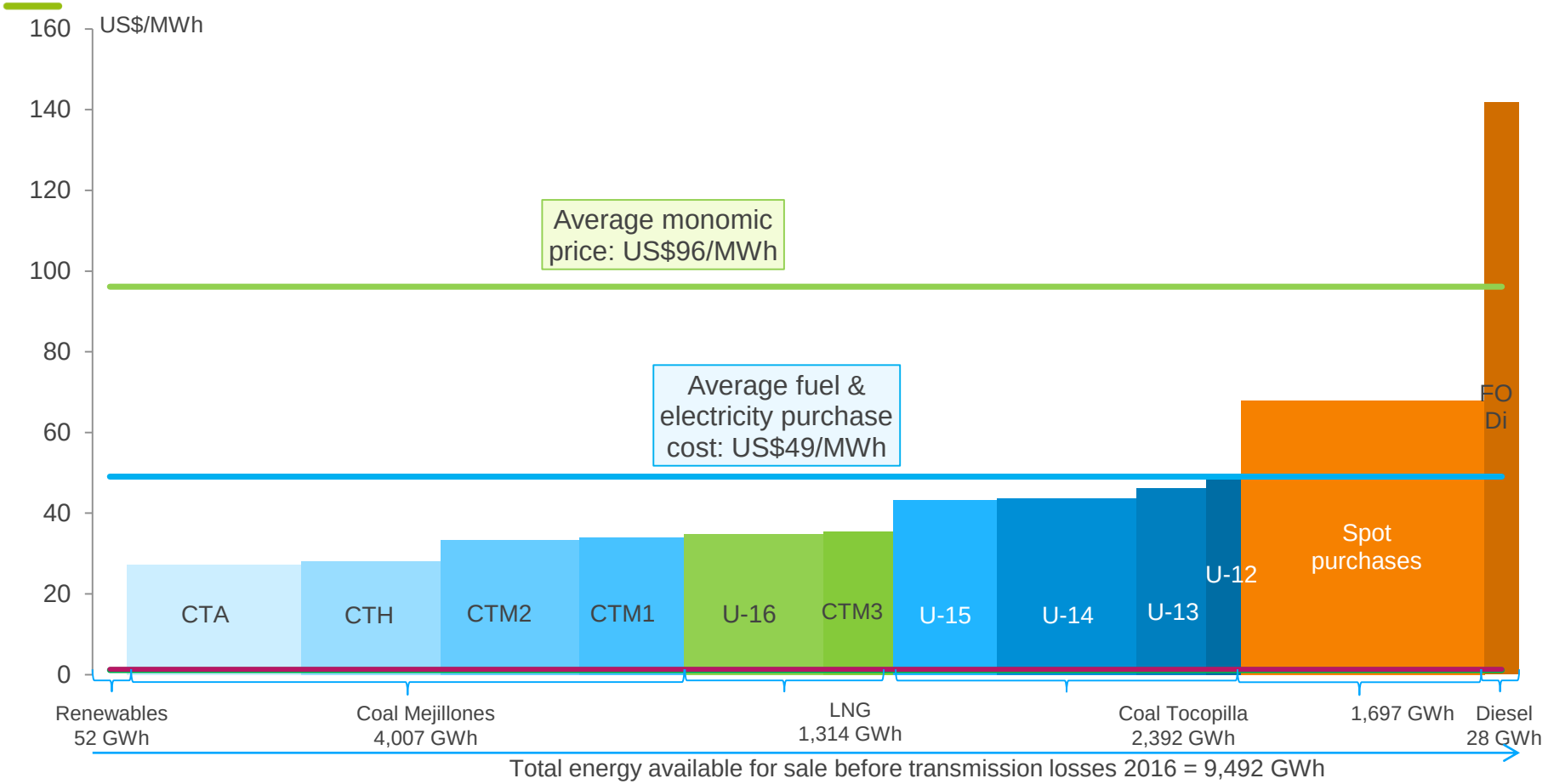
Distribution company tariff indexed to H.H. and U.S. CPI

- EMEL PPA tariffs fixed for 6-month periods every April and October (modified by Res. Ext. 641 y 778)
  - The tariff is set in US dollars and converted to CLP at the average observed CLP/USD rate of May and November of each year.
- Capacity tariff per node price published by the National Energy Commission (“CNE”)
- Energy tariff: ~40% US CPI, ~60 % Henry Hub gas price (“HH”):
  - Based on average HH reported in months n-3 to n-6
  - Immediate tariff adjustment triggered in case of any variation of 10% of more



ENERGY SUPPLY CURVE – 12M16

Supply curve based on generation costs and purchases from the spot



- Generation and operating costs of each unit based on actual data declared to CDEC-SING (does not include regasification cost)
- Average realized monomic price, spot purchase costs and average cost per MWh based on EECL's accounting records and physical sales per CDEC data.
- Average fuel & electricity purchase cost per MWh sold includes the LNG regasification cost
- System over-costs paid to other generators averaged US$1.4 per each MWh withdrawn by EECL to supply demand under its PPAs.

GENERATION OVERCOSTS IN THE SING
Strong reduction in 2016

- Starting March 2016, the Complementary Services (“Servicios Complementarios”) became effective, superseding RM39, one of the mechanisms ruling the so-called “overcosts” (“sobrecostos”) stemming from the SING’s operational characteristics:
  - Units that cannot operate under a technical minimum level;
  - A higher spinning reserve required to prevent black-outs;
  - Units operating in test mode.
- Overcosts generated by units operating at their technical minimum level continue to be ruled by Supreme Decree 130/2012 (“DS130”). These units do not set the spot price, but their operating cost is paid pro-rata by generation companies.
- In 2016, overcosts in the SING decreased 76% (-US$121.6 million) due mainly to lower fuel prices, the entrance of new power plants and revised operating parameters of existing units.
- EECL’s stake in the SING’s overcosts decreased by US$66 million.

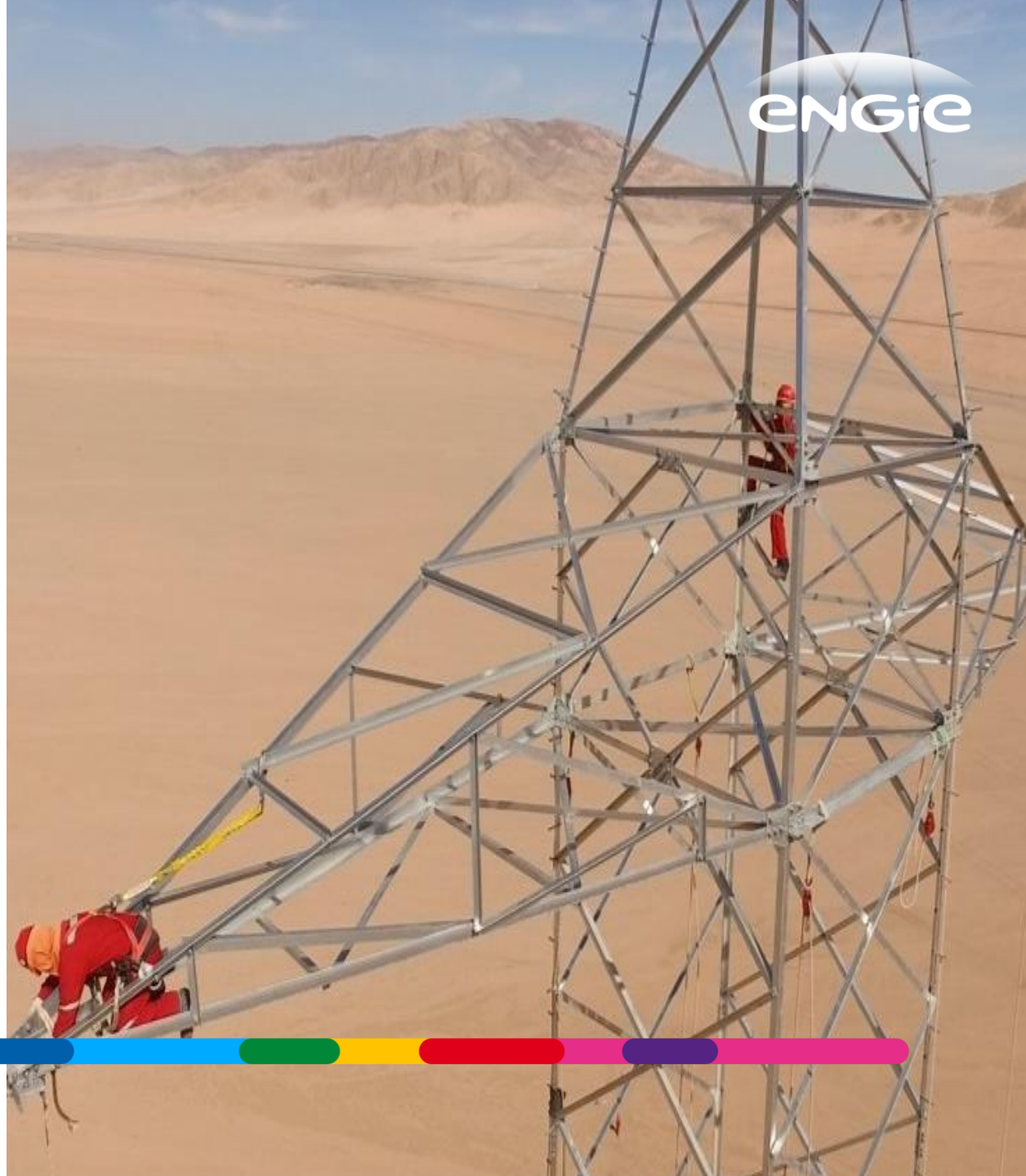
OVERCOSTS IN THE SING IN US$ MILLION						
	2015		2016		2016 vs. 2015	
	Total	EECL Prorata	Total	EECL Prorata	Total	EECL Prorata
1Q	35.8	16.0	9.4	4.8	(26.4)	(11.2)
2Q	52.3	27.6	13.6	4.5	(38.7)	(23.1)
3Q	44.5	24.0	8.9	3.9	(35.6)	(20.1)
4Q	27.6	14.4	6.7	3.3	(20.9)	(11.1)
FY	**160.2**	**82.0**	**38.6**	**16.5**	**(121.6)**	**(65.5)**

~62% of prorata cost passed through to prices

Source: CDEC-SING
CLP figures converted to USD at the average monthly observed FX rate.

03

Projects



INFRAESTRUCTURA ENERGÉTICA MEJILLONES (“IEM”)

A major project with strict environmental standards

- Pulverized coal-fired power plant in Mejillones
- 375MWe gross capacity; 337MWe net capacity
- Mechanized port, suitable for cape-size carriers
- Developed to supply SIC distribution companies
- ~US$1.0 billion investment including port and associated infrastructure
- Turnkey EPC contracts with:
  - IEM plant: SK Engineering and Construction (Korea)
  - Port: BELFI (Chile)
- Scheduled completion dates:
  - IEM: 3Q 2018
  - Port: 3Q 2017 (ready for load testing)

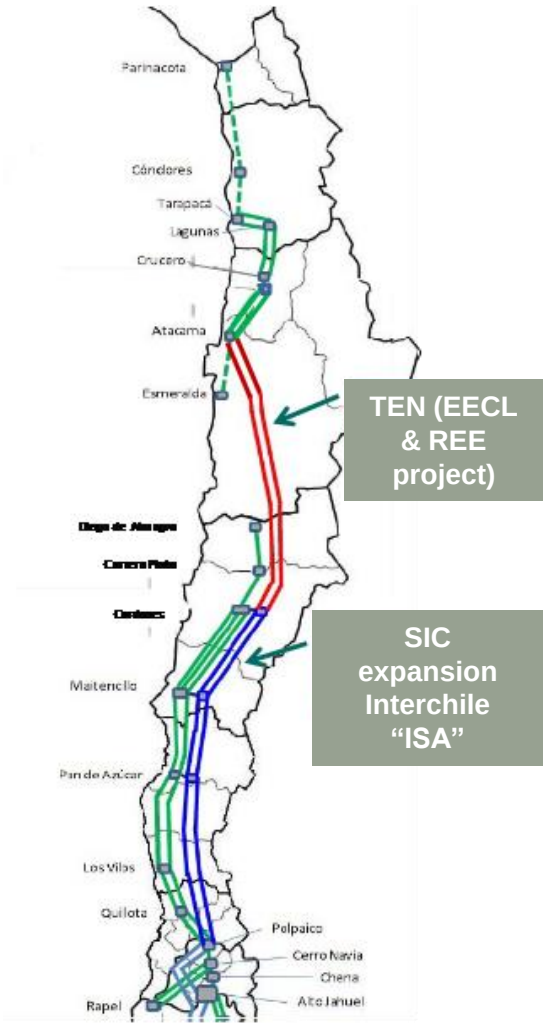
INFRAESTRUCTURA ENERGÉTICA MEJILLONES (“IEM”)
is progressing according to budget and schedule

- Status as of December 31, 2016
  - Procurement:
    - Boiler feed water pumps, pulverizers, condenser, deaerator, feed water preheaters, steam turbine, steam turbine generator, step-up transformer, auxiliary transformer on-site
  - Construction:
    - Boiler steam drum lifted and fixed in final position
    - Heavy equipment installation ongoing (generator, condenser, deaerator and transformer); generator soleplate completed
    - Step up transformer in final position
    - Boiler air and gas ducts installation started
  - Permits:
    - Environmental Impact Study (EIS) approved, with a new minor modification submitted through an Environmental Impact Declaration (EID)
    - Land owned by EECL; approved marine & port concessions owned by 100%-owned CTA subsidiary
  - Key contractual protections:
    - Advance payment, performance and retention money bonds, securing EPC contractor obligations including delay and performance liquidated damages

- PPAs with SIC distribution companies consider up to 24-month delay in PPA start-up under certain force-majeure circumstances
- Construction insurance package

TRANSMISORA ELÉCTRICA DEL NORTE ("TEN")

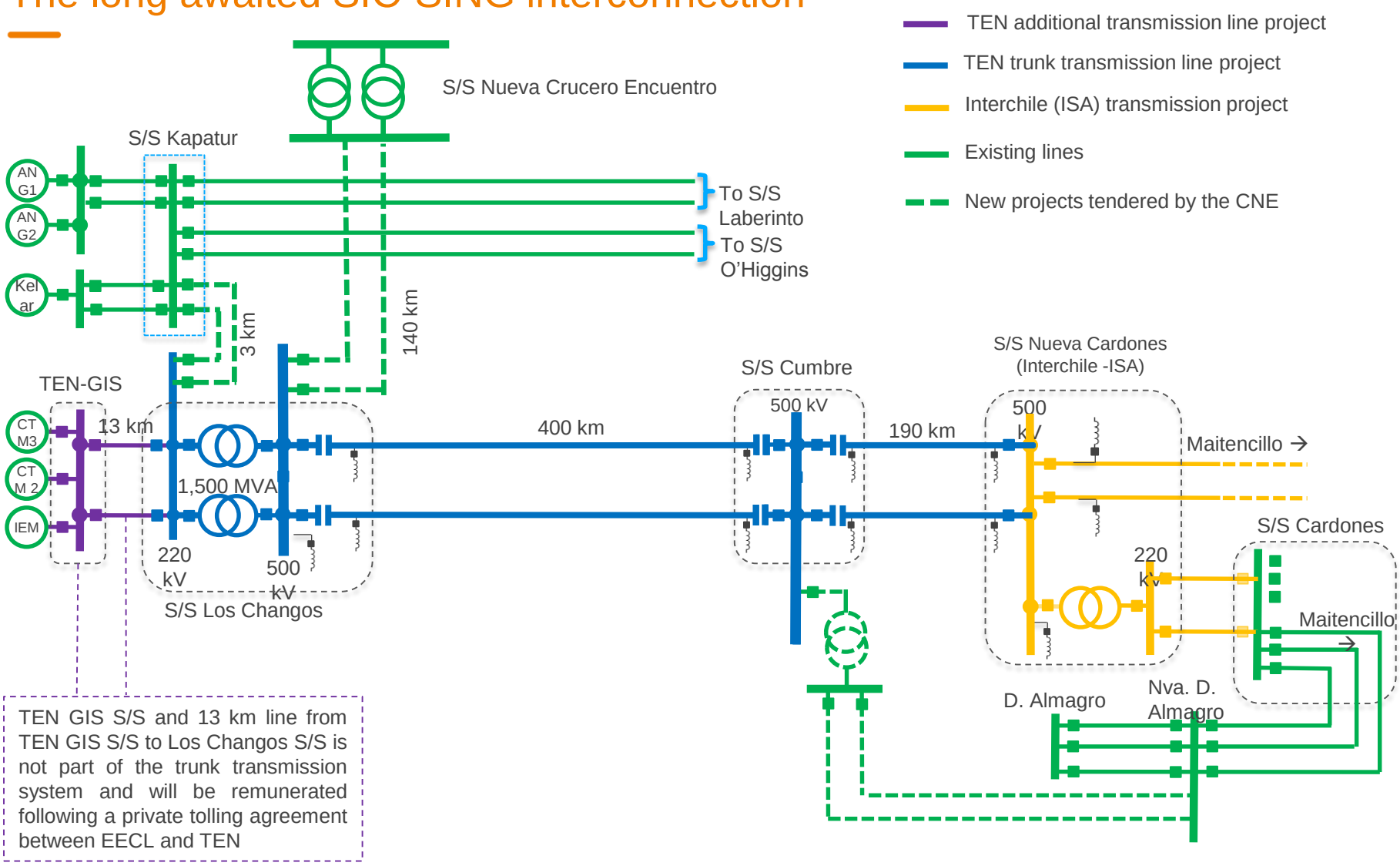
The long awaited SIC-SING interconnection



- TEN, a 50/50 joint venture between EECL and Red Eléctrica (Spain)
- Double circuit, 500 kV, alternate current (HVAC), 1,500 MW, 600-km long transmission line
- Key part of the "trunk" transmission system interconnecting the SIC and SING grids
- ~US$ 827 million CAPEX (@ Dec. 31, 2016 FX rates - including engineering costs, easement payments, contingencies, etc.); close to US$1 bn total investment including financing costs and VAT
- Two EPC contracts with GE (former Alstom Grid) for substations and Sigdo Koppers for transmission lines
- Regulated revenues for the trunk transmission system already defined by the authorities for the first regulatory period
- Financing:
  - 50% sale to Red Eléctrica completed in January 2016
  - Project Finance closed, financing 80% of project costs + VAT
- Scheduled completion date: September 2017
- Legal deadline to start operations (Decree #158): December 31, 2017

TRANSMISORA ELÉCTRICA DEL NORTE ("TEN")

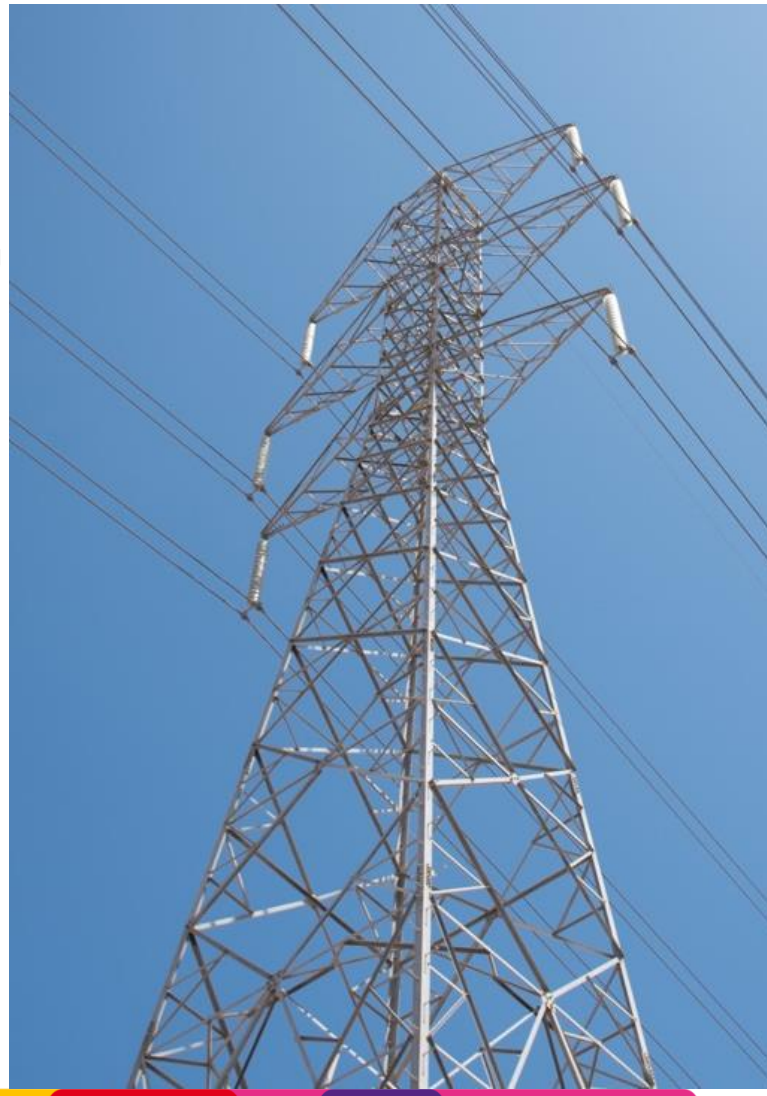
The long awaited SIC-SING interconnection



TRANSMISORA ELÉCTRICA DEL NORTE ("TEN")

The long awaited SIC-SING interconnection

- Status as of December 31, 2016
  - Relevant events:
    - In January 2016, Red Eléctrica acquired 50% of TEN's share capital for US$217.6 million plus 50% of TEN's debt with EECL
    - In December 2016, TEN signed a multi-tranche long-term project financing for a total equivalent of US$745 million plus a US$111 million VAT financing. The first disbursement (~US$457 million) allowed TEN to repay US$171 million of the funds provided by EECL to develop the project
    - TEN's trunk revenues were defined as described in next slide
    - Interchile (ISA) N.Cardones-Polpaico transmission line project (TEN's south-end connection to the SIC) is progressing, but has announced delays in the project's southern segment
    - EECL signed an EPC contract to build Transelec's 3-km long Changos-Kapatur line, which is a condition precedent for TEN to begin receiving trunk transmission revenue
    - As of December 31, 2016, the project's overall progress rate was 75%
  - Construction: Critical path on schedule and within the approved budget:
    - Substations: Excavation and foundation concrete pouring; testing of main equipment; first reactors, transformers and other equipment erection ongoing
    - Lines: Close to 1,000 towers erected, conductor cable stringing works ongoing



TRANSMISORA ELÉCTRICA DEL NORTE ("TEN")

Tariff setting

VI	Indexation		AVI	COMA	VATT	AVI	COMA	VATT
In MUSD @ Oct 2013 FX Rates	In CLP to Chile CPI	In USD to US CPI	(In MUSD @ Oct 2013 FX Rates)			(In MUSD @ December 2016 FX Rates)		
738.3	41%	59%	75.1	10.2	85.3	71.8	8.6	80.4

$$A.V.I_{n,k} = A.V.I_{n,0} \cdot \left(\alpha_j \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k} + \beta_j \cdot \frac{CPI_k}{CPI_0} \right)$$

$$COMA_{n,k} = COMA_{n,0} \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k}$$

α_j	41%	β_j	59%
IPC_0	100.90	IPC_k	113.88
CPI_0	233.55	CPI_k	241.43
CLP/USD_0	500.81	CLP/USD_k	669.47

TEN's annual revenues (values at December 30, 2016 exchange rates):

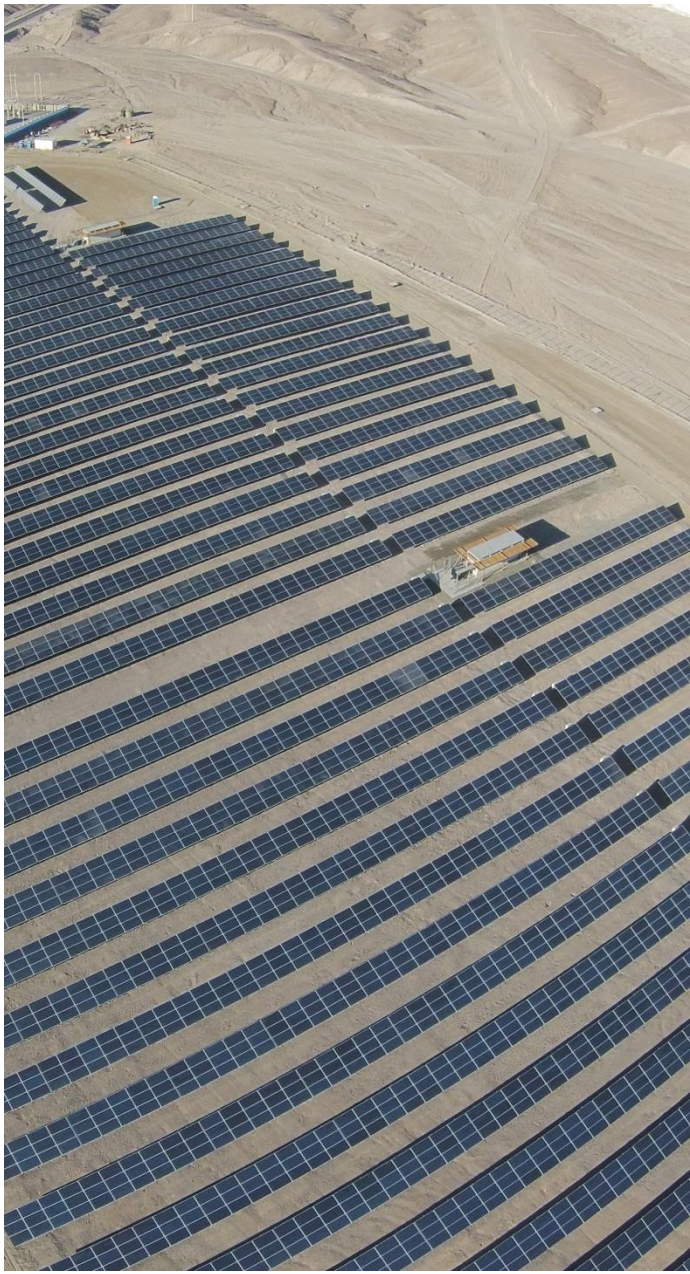
	AVI	US$ 71.8 million
+	COMA	US$ 8.6 million
=	**VATT**	**US$ 80.4 million**

+ Additional tolling fees payable by EECL on TEN's non-trunk assets

RENEWABLE ENERGY PROJECTS

Several initiatives in different stages

- Pampa Camarones I began commercial operations in 2016:
  - PV Plant 1st stage (6MW) ready and injecting to the SING
  - Approved environmental permits for up to 300MW
- Calama wind farm is under study:
  - Approved environmental permits and wind assessment performed for up to 183MW
- Other initiatives in SIC and SING on early screening phase for the potential development of NCRE projects.



PROJECTS UNDER STUDY

Las Arcillas CCGT, a long-term initiative in development stage

- Combined-Cycle Gas Turbine (CCGT) project, with gross installed capacity of 480 MW
- Located in Pemuco, Southern Chile (“SIC”)
- Early development and socialization stage performed
- Environmental impact assessment (“EIA”) filed in September, 2016, with the *“Servicio de Evaluación Ambiental (SEA)”*
- Gas procurement and transportation alternatives under study
- US$ 450 million CAPEX
- Long-term initiative, subject to positive outcome of feasibility studies, permits, and committed offtake through PPAs

CAPITAL EXPENDITURE PROGRAM

An intensive CAPEX program is ongoing

CAPEX (US$ million)	2015	2016	2017e	2018e	TOTAL
EECL-Current business	88	56	80	84	308
IEM (including port)	109	314	433	158	1,014
TOTAL	**197**	**370**	**513**	**242**	**1,322**

TEN CAPEX (US$ million)	2015	2016	2017e	2018e	TOTAL
TEN CAPEX (100%)	160	290	363		813(*)
EECL Equity contr. (10%)	16	29	36		81

— Notes:

- The TEN transmission line project is being developed off-balance sheet. EECL's equity contribution is assumed to be equal to 10% of the total investment amount (50% ownership; 80:20 debt-to-equity ratio)
- Without assuming any new CAPEX for renewable projects
- CAPEX figures without VAT (IVA) and interests during construction. (*) US$14 million were invested in TEN prior to 2015

CAPEX FINANCING PROGRAM
A responsible plan is underway

- EECL is committed to maintaining its strong investment grade rating
- EECL has a flexible dividends policy; pay-out has been reduced to cope with the required investments
- IEM and new port: financed within EECL's balance sheet, with a mix of funding sources, in the following order of priority:
  - Available cash (US$279 million as of December 2016) and cash flow from operations
  - New senior debt, mostly a US$270 million, 5-year, Committed Revolving Credit Facility closed on September 30, 2015 with five top-tier banks (undrawn as of 12/31/16)
  - Other (e.g., non-core asset sales proceeds; non-recourse project financing of non-controlled subsidiaries)
- TEN: is being developed in a 50/50 partnership and financed with non-recourse project finance facilities closed in December 2016
  - Long-term, non-recourse debt: ~80%
  - Equity: ~20% (10% from EECL, 10% from Red Eléctrica)

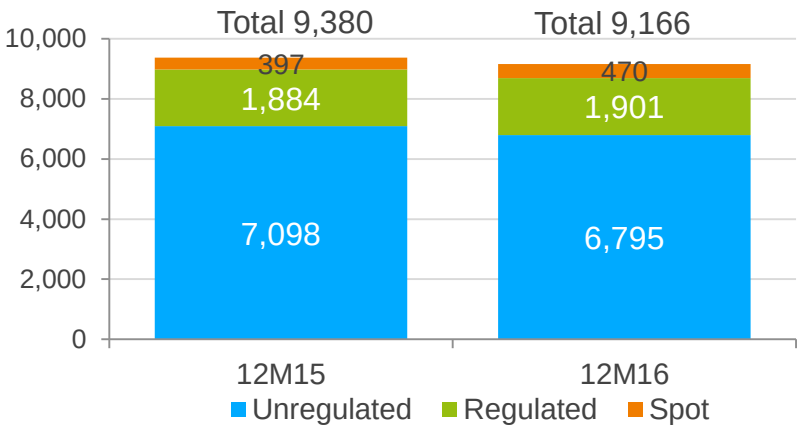
04

Financial Results

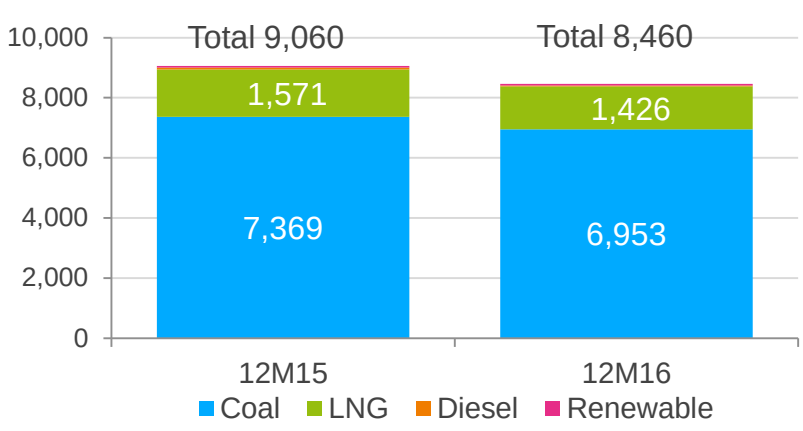
FINANCIAL RESULTS

Slow physical growth and declining energy prices

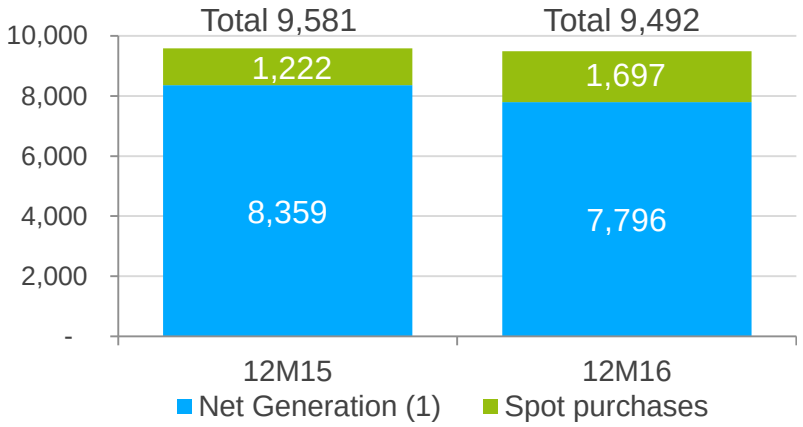
Electricity sales (GWh)



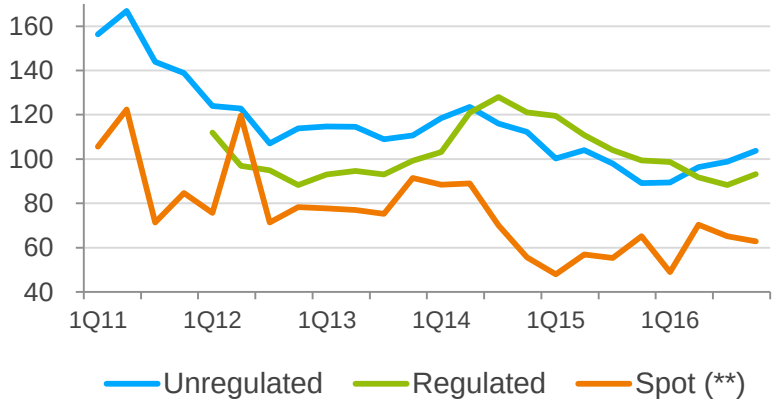
Gross electricity generation (GWh)



Electricity available for sale (GWh)



Average monomic prices (US$/MWh)



(1) Net generation = gross generation minus self consumption
(2) Electricity available for sale before transmission losses

(**) The spot price curve corresponds to monthly averages and does not include overcosts ruled under RM39 or DS130. It does not necessarily reflect the prices for EECL's spot energy sales/purchases.

FINANCIAL RESULTS

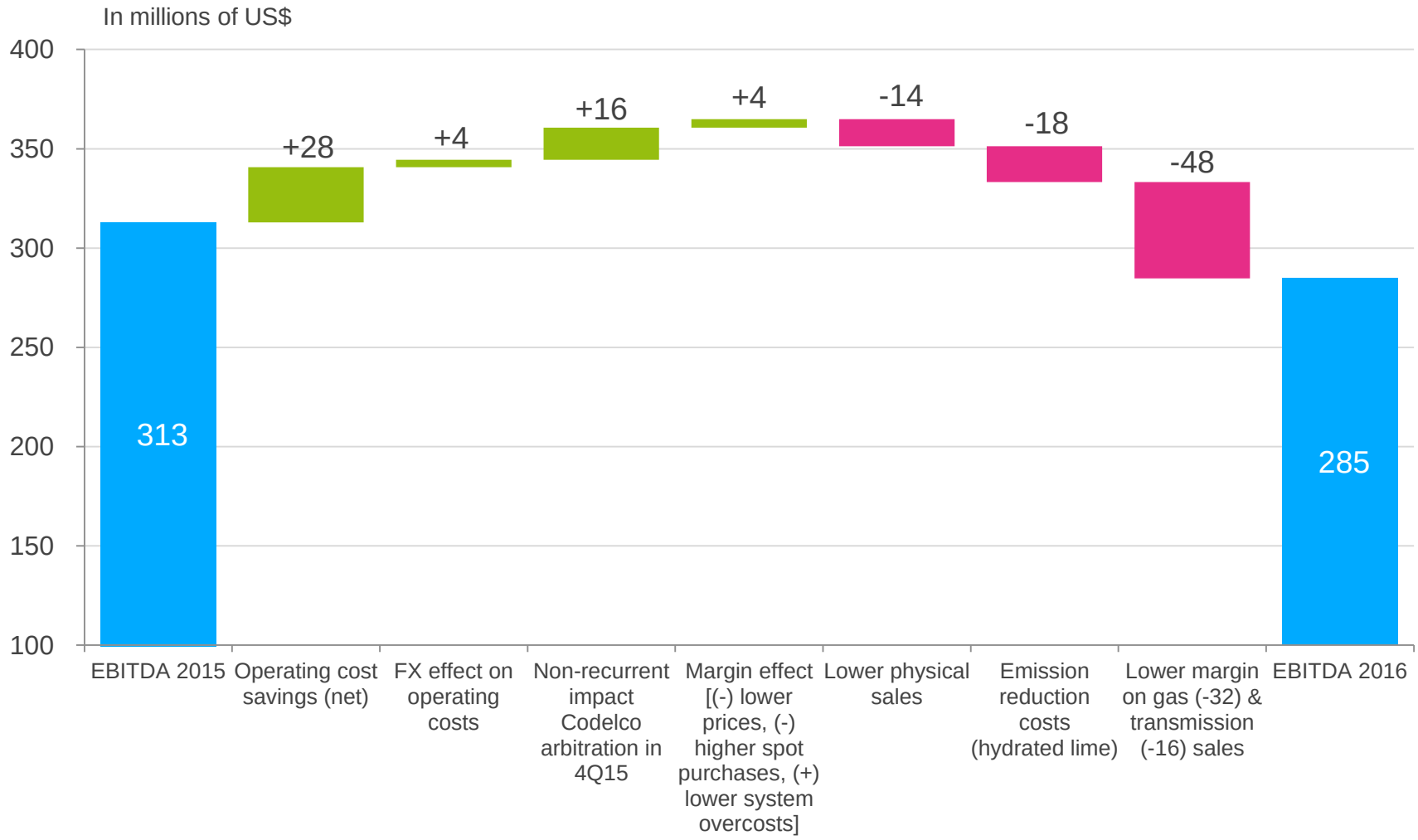
Non-recurring income offset narrower operating margins

Income Statement (US$ millions)	2015	2016	% Var.
Operating revenues	1,142.7	967.4	*-15%*
Operating income (EBIT)	174.8	145.2	*-17%*
EBITDA	312.9	284.8	*-9%*
Net income	94.2	254.8	*+170%*
Average realized monomic sale price (US$/MWh)	100.9	96.1	*-5%*

- Operating revenues decreased 15% mainly due to lower gas sales and the 5% decrease in average prices explained by lower indices used in the PPAs (fuel prices, PPI, CPI).
- EBITDA decreased 9% to US$284.8 million as a result of the following main factors:
  - (+) Lower operating costs attributed to cost savings and favorable FX impact (CLP depreciation)
  - (-) Higher emission-reduction costs
  - (-) Lower gas sales
- Net income reached US$254.8 million mainly due to non-recurring income on asset sales (50% of TEN).

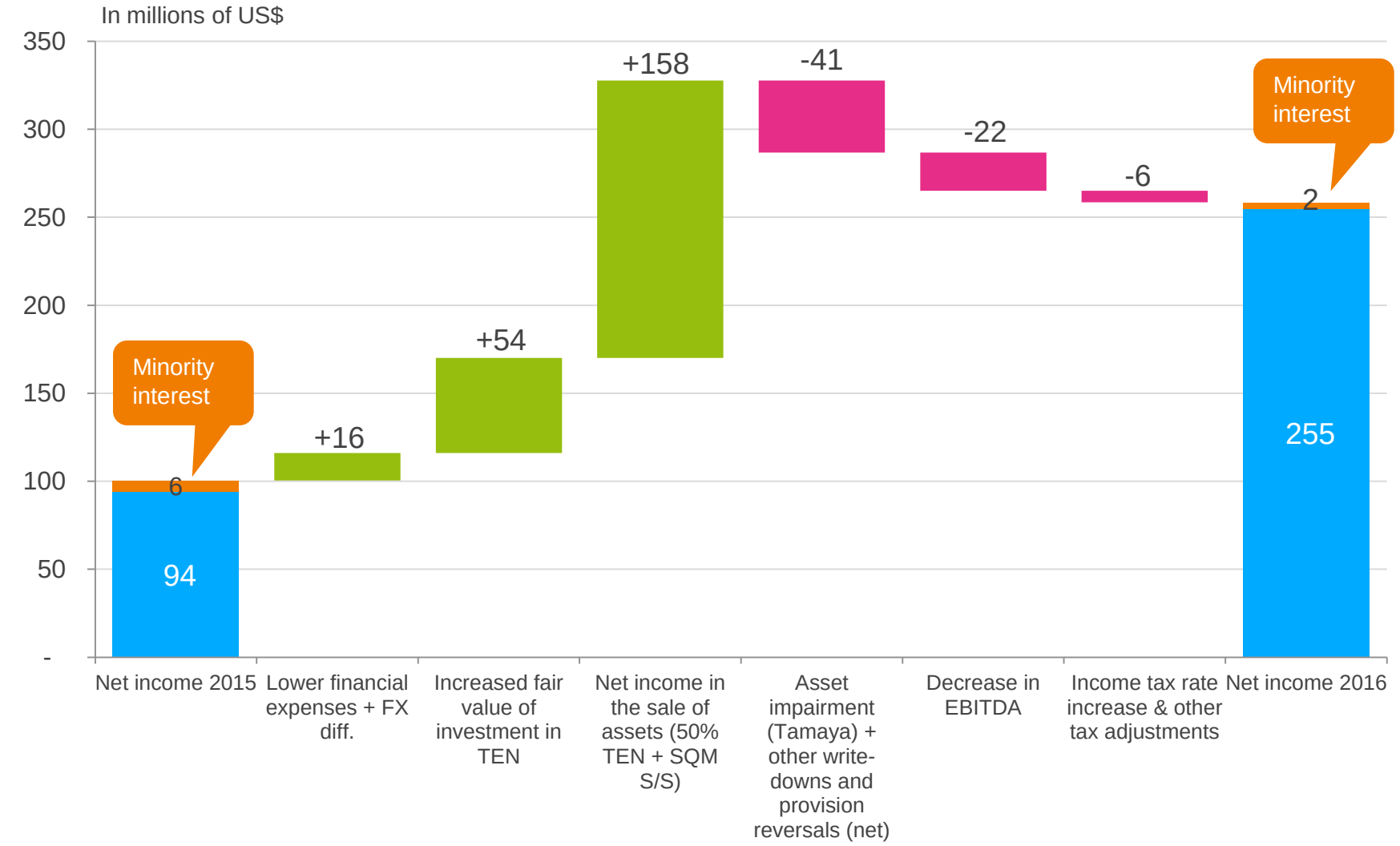
EBITDA COMPARISON 2016 vs. 2015

Cost reductions helped offset the effect of lower prices and lower gas sales



NET INCOME COMPARISON 2016 vs. 2015

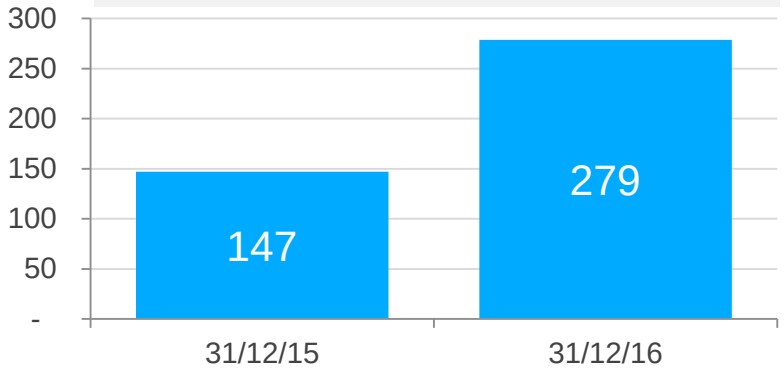
Positively impacted by non-recurrent income on the sale of 50% of TEN



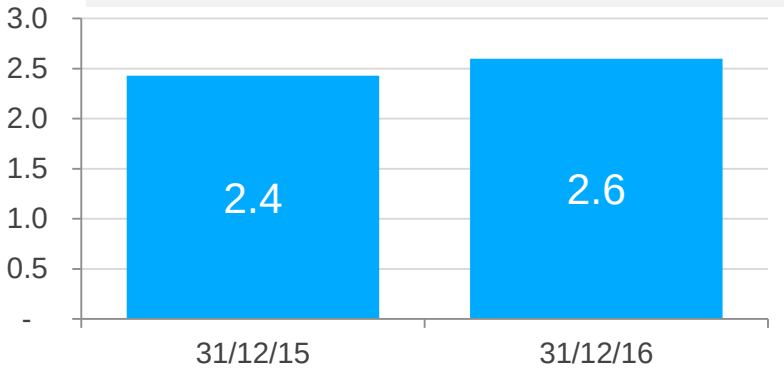
FINANCIAL RESULTS

Strong liquidity and low leverage ratios

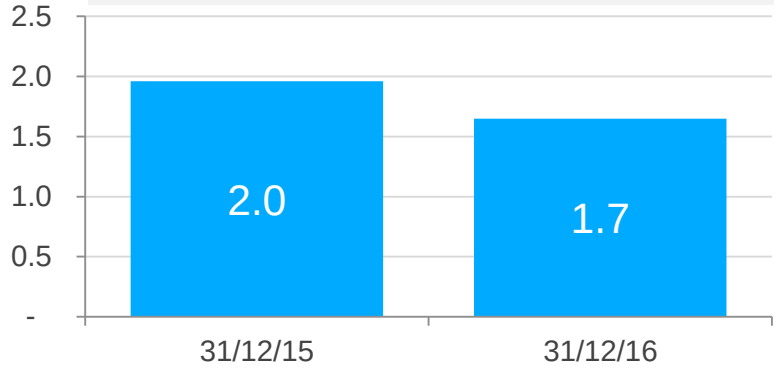
Available cash (in millions of US$)



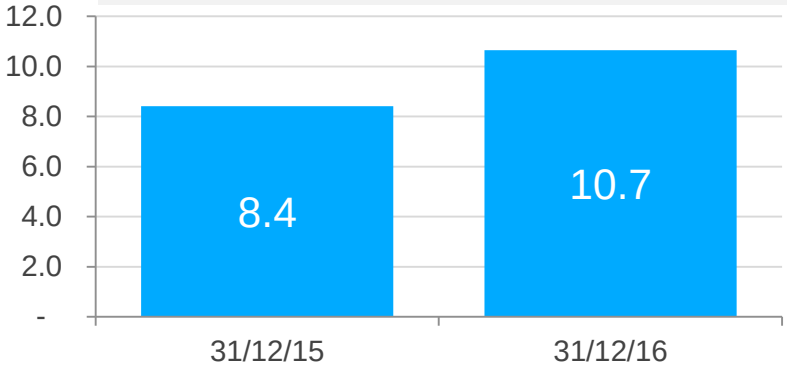
Gross debt / LTM[1] EBITDA (years)



Net debt / LTM[1] EBITDA (years)



LTM[1] EBITDA / Gross interest exp. (x)



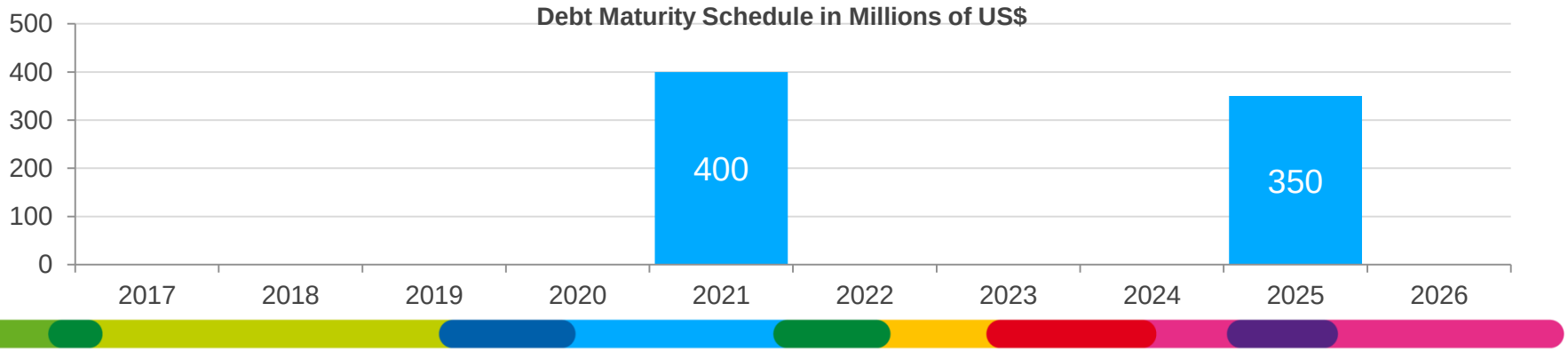
(1) LTM = Last twelve months

DEBT BREAKDOWN

Long-term maturity, with no exposure to FX or interest-rate risk

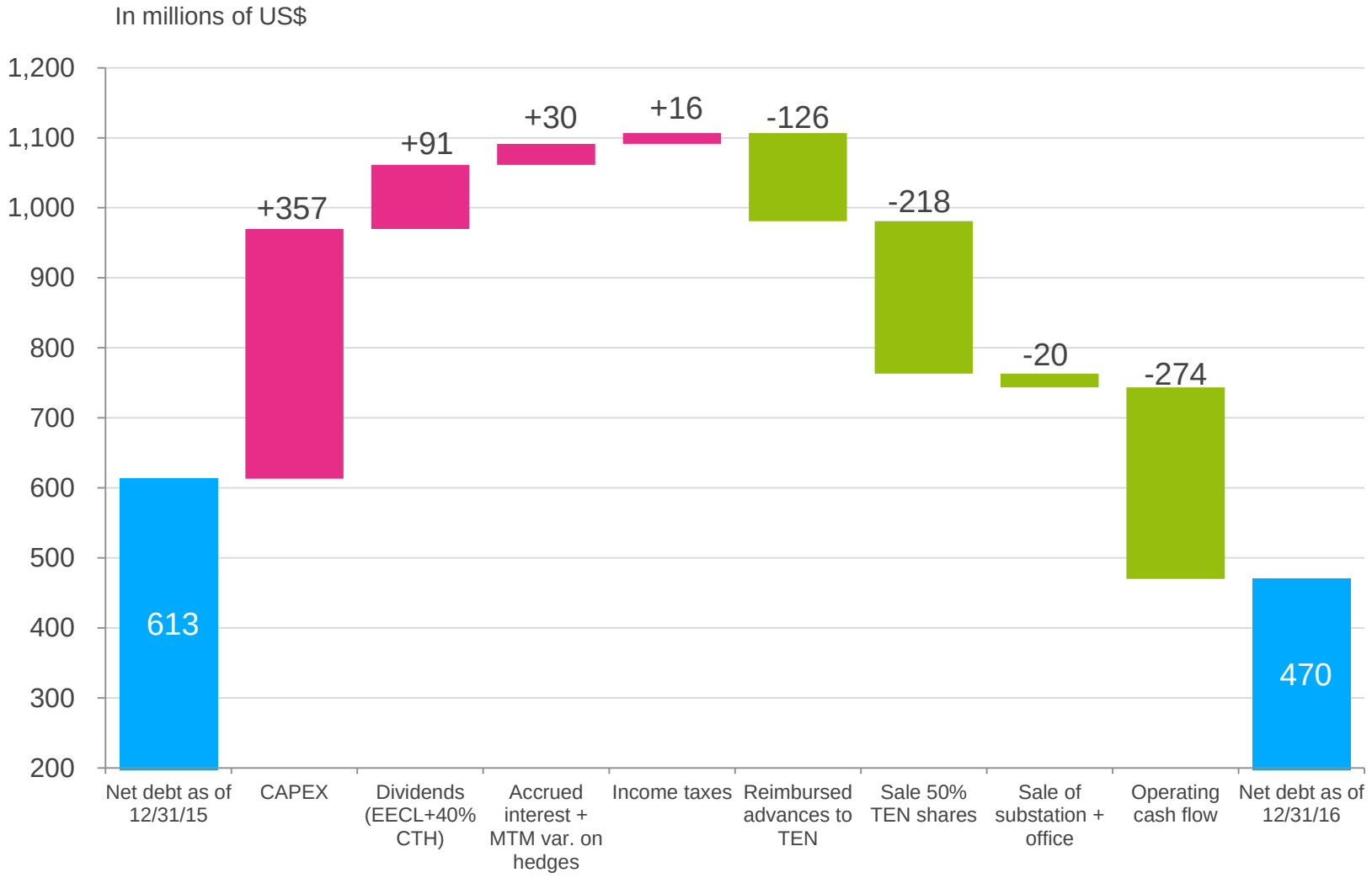
- US$750 million in 144-A/Reg-S notes at EECL corporate level. Bullet, unsecured with no financial covenants:
  - 5.625%, US$400 million 144-A/Reg-S notes maturing January 2021 (YTM = 3.599% as of December 30, 2016)
  - 4.500%, US$350 million 144-A/Reg-S notes maturing January 2025 (YTM = 4.570% as of December 30, 2016)
- 5-year Revolving Credit Facility for US$270 million maturing September 2020 (undrawn)
  - Bullet, unsecured, only balance sheet covenants (Minimum Equity, Net Financial Debt/Equity)
  - Club deal: Mizuho, Citi, BBVA, HSBC, Caixa
- Committed credit line in local currency (~US$50 million) maturing December 2017 (undrawn)
  - Banco de Chile; bullet, unsecured, only balance sheet covenants (Minimum Equity, Net Financial Debt/Equity)

EECL debt figures	Average coupon:	5.1%	Average life:	5.9y	Duration:	4.6y



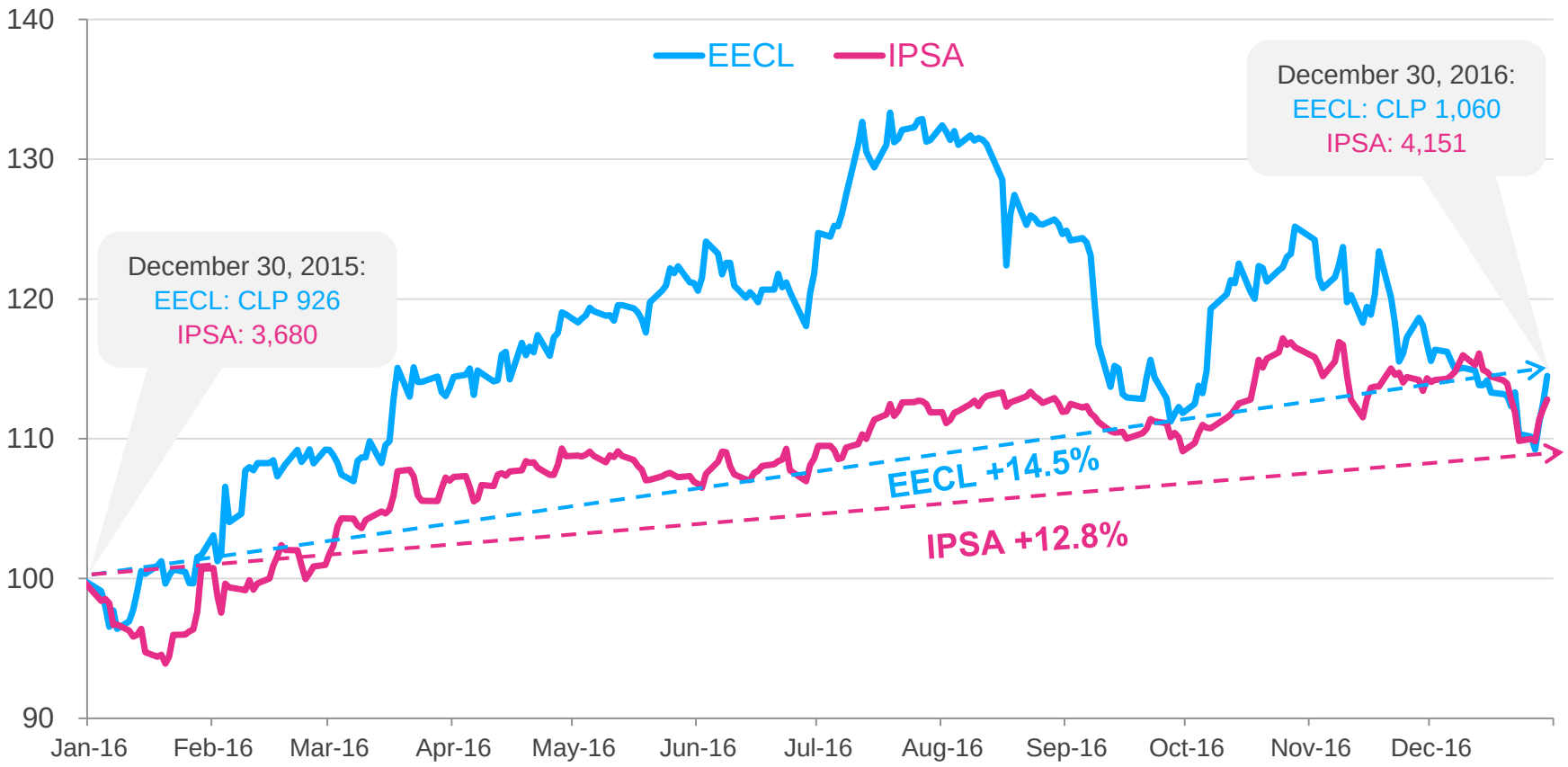
NET DEBT EVOLUTION 2016

CAPEX and dividends financed with operating cash flow and TEN sale and project financing proceeds



EECL SHARE PRICE EVOLUTION LTM (*)

EECL has outperformed the IPSA despite lower performance of the Utility index



(*) EECL share price including dividend distribution adjustments

RATINGS

Strong investment-grade ratings reaffirmed

International ratings			
	Rating	**Perspective**	**Date last review**
Standard & Poor's	BBB	Stable	July 2016
Fitch Ratings	BBB	Stable	July 2016

National ratings				
	Rating	**Perspective**	**Shares**	**Date last review**
Feller Rate	A+	Stable	1st Class Level 2	December 2016
Fitch Ratings	A+	Stable	1st Class Level 2	July 2016

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