April 30, 2019

ENGIE ENERGÍA CHILE REPORTED EBITDA OF US$96 MILLION AND NET INCOME OF US$43 MILLION IN THE FIRST QUARTER OF 2019.

EBITDA AMOUNTED TO US$96.3 MILLION IN THE FIRST QUARTER, A 5% INCREASE COMPARED TO THE FIRST QUARTER OF 2018. THE EBITDA IMPROVEMENT IS LARGELY EXPLAINED BY THE INCREMENTAL VOLUMES CONTRACTED WITH DISTRIBUTION COMPANIES IN THE CENTER-SOUTH SEGMENT OF THE NATIONAL GRID ("SEN"), WHICH OFFSET A DECREASE IN DEMAND FROM UNREGULATED CLIENTS, HIGHER SPOT ELECTRICITY PRICES, AND LOWER PLANT AVAILABILITY.

- **Operating revenues** amounted to US$343.8 million in the first quarter, a 15% increase compared to the first quarter of 2018, mainly due to the step-up in contracted volumes under the power supply contract with distribution companies in the center-south segment of the SEN.
- **First-quarter EBITDA** amounted to US$96.3 million; that is, a 5% increase compared to the first quarter of 2018, mainly due to the increase in regulated sales to distribution companies, which offset (i) a decrease in demand from mining companies as a result of adverse weather conditions and environmental improvement works at some mining operations; (ii) higher energy supply costs; and (iii) external as well as internal factors affecting our power plant dispatch levels.
- **Net income** amounted to US$42.9 million in the first quarter of 2019, a 9% increase compared to the first quarter of 2018.

Financial Highlights (in US$ millions)

	1Q18	1Q19	Var %
Total operating revenues	**299.1**	**343.8**	***15%***
Operating income	57.9	62.2	*7%*
EBITDA	**91.7**	**96.3**	***5%***
EBITDA margin	30.7%	28.0%	*-2,7 pp*
Total non-operating results	(1.6)	0.1	
Net income after tax	41.7	45.6	*9%*
Net income attributed to controlling shareholders	**39.2**	**42.9**	***9%***
Net income attributed to minority shareholders	2.4	2.7	*11%*
Earnings per share (US$/share)	0.037	0.041	
Total energy sales (GWh)	2,408	2,649	*10%*
Total net generation (GWh)	1,414	888	*-37%*
Energy purchases on the spot market (GWh)	929	1,729	*86%*
Energy purchases - back up (GWh)	215	122	*-43%*

ENGIE ENERGÍA CHILE S.A. ("EECL") is engaged in the generation, transmission and supply of electricity and the transportation of natural gas in Chile. EECL is the fourth largest electricity generation company in Chile and one of the largest electricity generation companies in the northern segment of the SEN national grid (formerly known as SING). As of March 31, 2019, EECL accounted for 8% of the SEN's installed capacity. EECL primarily supplies electricity to large mining and industrial customers, and it also supplies the entire electricity needs of CGE (ex-EMEL), the sole electricity distribution group in the northern segment of the SEN. On January 1, 2018, EECL began supplying electricity to distribution companies in the center-south segment of the SEN. EECL is currently 52.76% indirectly owned by ENGIE (formerly known as GDF SUEZ). The remaining 47.24% of EECL's shares are publicly traded on the Santiago stock exchange. For more information, please refer to www.engie-energia.cl.

Contents

HIGHLIGHTS:

RECENT EVENTS

- **Annual Ordinary Shareholders' Meeting**: On April 30, 2019, the Company's shareholders agreed the following:

  a) **Definitive Dividends:** To pay a final dividend of US$22,137,935.42 (or US$0.021017493 per share) on account of 2018's net income, payable on May 24, 2019, to be converted to Chilean pesos at the observed exchange rate published by the Central Bank of Chile on the Shareholders' Meeting date; that is, April 30, 2019.

  b) **Auditors:** To appoint EY Servicios Profesionales de Auditoría y Asesorías SpA as the Company's external auditors.

  c) **Local Rating Agencies:** To confirm "Feller Rate Clasificadora de Riesgo" and "Fitch Chile Clasificadora de Riesgo Ltda." as the agencies that will rate the company's shares according to the national rating scale.

1Q2019

- **Material Event-Acquisitions of the Los Loros and Andacollo solar PV plants**: On March 29, 2019, the company delivered a Material Event notice to the Financial Market Commission ("CMF") communicating the execution of share purchase agreements for the acquisition the Los Loros solar PV plant with an approximate capacity of 54 MWp in the amount of US$34.9 million and the Andacollo solar PV plant with an approximate capacity of 1.3 MWp in the amount of 220.6 million Chilean pesos. The acquisition of both assets was materialized on April 17, 2019.

- **Tamaya-Solar environmental approval**: At the end of March, 2019, the Environmental Assessment Commission of Antofagasta (CEA) unanimously approved the Tamaya Solar project situated in the Tocopilla District in the Antofagasta region. Specifically, the project consists of the construction and operation of a set of photovoltaic panels with nominal capacity of 100 MW and peak capacity of approximately 122.4 MW. The plant will be connected to the grid through the 11 kV bar at EECL's Central Barriles substation, while electricity will be transported to the National Electricity System through the 110 kV Tocopilla transmission line. The construction decision is subject to market conditions.

- **Local Rating Upgrade**: In January 2019, Feller Rate upgraded ECL's national-scale solvency ratio to 'AA-(cl)' from 'A+(cl)', with stable outlook. The upgrade responds to the achievement of a more diversified client base, strong credit quality of its counterparties, and a more stable and predictable cash flow generation, which contribute to improve the company's business profile.

- **Decarbonization roundtable:** The Minister of Energy announced the conclusion of the Decarbonization Roundtable, an initiative stemming from a voluntary agreement between the government and the companies belonging to the Chilean Association of Generation Companies. The roundtable sought to discuss the possibilities of closing and reconverting coal-fired generation plants in the future. Upon the conclusion of the roundtable, a period of bilateral meetings between the authority and each generation company will follow.

- **Increase in contracted demand under PPA with distribution companies:** The power supply contract signed with distribution companies back in 2014 became effective on January 1, 2018, with a step-up from a maximum of 2,016 GWh in 2018 to an annual maximum of 5,040 GWh over the period starting January 1, 2019, through December 31, 2032. This contract will be supplied with diverse sources including existing power plants, additional gas supply arrangements for use in gas-fired plants, the Infraestructura Energética Mejillones ("IEM") project and renewable power plants. Since the interconnection between the SIC and the SING grids is not yet operating at full capacity due to delays in the completion of the southernmost segment of the transmission line, EECL has been supplying this contract with energy purchases from the spot market and through bilateral agreements with other generation companies. In November 2018, Engie Energía Chile ("EECL") signed a power supply contract with Enel Generación Chile under which EECL will buy energy from Enel for 12 years beginning January 2019, considering annual volumes of 0.5 TWh over the 2019-2021 period, 1 TWh in 2022, and 1.5 TWh over the 2023-2030 period.

- **PPA renegotiations**: In March 2019, the company executed commercial agreements with some of its clients consisting of amendments to power supply agreements, including tariff reductions, a change in price indexation clauses, and the extension of the contracts' life. These clients include Antucoya (~319 GWh), Molycop (~100 GWh), Quiborax (~21 GWh), Mall Plaza (~24 GWh), Puerto Mejillones and Puerto Angamos (~10 GWh). Pursuant to these amendments, supply will be provided by renewable power sources starting in different dates as agreed in each of the contracts. Consequently, energy prices will begin to be readjusted according to the variation reported by the CPI index rather than to coal price variations. The contracts' life extension and tariff CPI indexation further supports the company's plans to invest in renewable capacity so as to gradually replace some of its aging coal capacity, in accordance with its energy transformation plan.

PROJECT STATUS AS OF MARCH 31, 2019:

i. **Infraestructura Energética Mejillones Project ("IEM"):** This 375MW coal-fired project is in its commissioning phase. The plant was synchronized with the SEN grid on October 29, 2018. Since then, IEM has been injecting power to the grid on a test mode, and it is currently carrying out its reliability run test at the end of which the company will request approval from the national grid coordinator ("CEN") to confirm IEM's commercial operation date. During the first quarter of 2019, IEM injected 206 GWh into the SEN grid. The IEM project represented a total investment of approximately US$896 million. The EPC contractor is S.K. Engineering and Construction (Korea) ("SKEC"). The main SKEC subcontractors were Salfa for civil works and Belfi for the marine works.

ii. **New Port in Mejillones ("Puerto Andino"):** This new port was built by the EPC contractor, Belfi, and it cost approximately US$122 million. The project began its operational tests on December 22, 2017, following the arrival of the first coal shipment unloaded through this port. Since that date, Puerto Andino has unloaded 32 shipments carrying a total of 1,993.399 tons of coal and 128,837 tons of limestone. It is worth noting that Puerto Andino has been able to successfully handle 160,000-ton loads from three Capesize carriers since the port began its operational tests at year-end 2017.

INDUSTRY OVERVIEW

The SING and SIC power grids operated independently until November 24, 2017, when the interconnection of both grids was perfected and gave birth to the SEN (*"Sistema Eléctrico Nacional"*). Currently, the company's generation assets are located in the northern segment of the SEN, in the area that used to be covered by the so-called SING Grid (*"Sistema Interconectado del Norte Grande"*), which serves a major portion of the country's mining industry. Given local conditions, the northern segment of the SEN is predominantly a thermoelectric system, with generation based on coal, LNG, and diesel and fuel oil, with growing penetration of renewable sources, including wind, solar, and geothermal. Energy flows through the interconnection are variable, reaching a maximum of approximately 900 MW. Flows through the interconnection have so far been predominantly in the south-north direction comprising inflows of renewable power generated in the area known as Norte Chico into the SING grid.

Marginal Costs

2018	Minimum				Average				Maximum			
Mes	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220
Jan	-	-	-	-	50.9	48.9	54.2	49.4	61.0	58.3	236.5	189.2
Feb	4.1	4.0	-	-	54.7	53.2	45.2	48.5	110.6	107.2	268.7	159.2
Mar	36.2	35.5	-	-	75.3	73.5	43.4	59.4	174.6	169.9	168.6	160.2

2019	Minimum				Average				Maximum			
Mes	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220
Jan	15.0	14.7	-	-	63.1	61.5	51.5	55.1	166.6	161.3	148.0	161.4
Feb	41.5	40.8	-	-	64.0	62.6	51.2	55.8	162.1	157.2	155.0	155.6
Mar	45.4	44.7	-	-	63.5	62.1	49.2	53.0	152.2	148.9	118.1	123.5

Source: Coordinador Eléctrico Nacional

Marginal costs have been stabilizing following the SIC-SING interconnection. However, during the first quarter of 2019, marginal costs in the north were relatively lower than those in the south given the dry weather conditions in central-south Chile. At the Crucero node in the ex-SING, the most significant spikes have been related to specific plant trips or transmission issues, and troughs have been explained by the lack of operational flexibility of the CCGTs, which have been prompted to consume their LNG supply, leading to occasional zero marginal-cost episodes at the Crucero node. Furthermore, the growing participation of renewable power, both power generated in the northern region and power imported through the interconnection, has occasionally driven all thermal power plants to operate at their technical minimum levels. Per local regulations, units operating at their technical minimum do not set the marginal cost, thereby contributing to zero marginal-cost episodes at the Crucero Node.

It should be noted that, given the renewable production intermittence, a larger number of power plants have been required to lower their load. The operating costs reported by plants operating at their technical minimum are remunerated through the over-cost mechanism pursuant to Supreme Decree 130. System over-costs reached US$19.7 million in the first quarter of 2019, down from US$34 million in the first quarter of 2018. In 1Q19, EECL's pro-rata was US$5.5 million, approximately 60% of which was passed through to energy prices.

Fuel prices

International Fuel Prices Index

	WTI (US$/Barrel)			Brent (US$/Barrel)			Henry Hub (US$/MMBtu)			European coal (API 2) (US$/Ton)		
	2018	2019	% Variation YoY	2018	2019	% Variation YoY	2018	2019	% Variation YoY	2018	2019	% Variation YoY
Jan	63.7	52.3	*-18%*	69.1	60.3	*-13%*	3.88	3.15	*-19%*	95.3	81.8	*-14%*
Feb	62.2	55.0	*-12%*	65.3	64.1	*-2%*	2.67	2.72	*2%*	85.8	74.4	*-13%*
March	62.6	58.3	*-7%*	66.0	66.3	*0%*	2.69	2.94	*9%*	79.5	69.6	*-12%*
April	66.6			71.9			2.80			81.8		
May	70.1			77.1			2.80			89.5		
June	67.8			74.4			2.97			96.4		
July	71.0			74.2			2.84			100.8		
August	68.3			72.7			2.95			97.6		
September	70.2			78.9			3.00			100.4		
October	70.2			81.8			3.28			100.3		
November	56.2			90.9			4.18			88.5		
December	49.2			56.9			4.04			87.5		

Source: Bloomberg, IEA

Through most of 2018 international fuel prices increased, particularly oil, with year-on-year increases in the 50% area, followed by coal, which reported year-on-year price increases of up to 20%. However, toward the end of the year, the oil and coal prices upward trend reversed, and we could watch WTI and API2 prices fall to levels in the surroundings of US$49/Barrel and US$87.5/ton, respectively, in December 2018. Henry Hub prices did not follow suit, reporting significant year-on-year increases in the area of 40% in November and December 2018.

In the first quarter of 2019, fuel prices reported year-on-year drops averaging 10% to 15%. The price decrease is even more noticeable compared to the last quarter of 2018, when fossil fuel prices reached their annual records.

Generation

The following table provides a breakdown of generation in the northern segment of the SEN (ex – SING) by fuel type:

Total North SEN Generation by Fuel Type (in GWh)

	2018									
	1Q 2018		2Q 2018		3Q 2018		4Q 2018		12M 2018	
Fuel Type	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*	**GWh**	*% of total*
Coal	3,356	*68%*	3,421	*70%*	3,415	*73%*	2,840	*63%*	13,032	*69%*
LNG	842	*17%*	895	*18%*	616	*13%*	884	*20%*	3,237	*17%*
Diesel / Fuel oil	30	*1%*	16	*0%*	12	*0%*	13	*0%*	71	*0%*
Renewable	682	*14%*	577	*12%*	638	*14%*	783	*17%*	2,680	*14%*
Total gross generation N-SEN	**4,910**	*100%*	**4,909**	*100%*	**4,681**	*100%*	**4,520**	*100%*	**19,020**	*100%*

	2019	
	1Q 2019	
Fuel Type	**GWh**	*% of total*
Coal	2,878	*66%*
LNG	810	*19%*
Diesel / Fuel oil	4	*0%*
Renewable	670	*15%*
Total gross generation N-SEN	**4,362**	*100%*

Source: Coordinador Eléctrico Nacional

In the first quarter of 2019, gross power generation in the northern segment of the SEN decreased 11.1% compared to the first quarter of 2018, mainly due to two main factors affecting demand from mining companies: (i) floods caused by the Altiplanic Winter, which led to temporary shutdowns in some mining operations; and (ii) environmental improvement works at smelters such as Chuquicamata in order to comply with gas emission norms. The generation mix showed a decrease in coal generation and an increase in gas generation, partly due to abundant gas supply and inflexible operation in certain periods, and partly due to LNG's greater suitability to cope with renewable power intermittence. Renewable sources accounted for 15% of total generation, while diesel generation accounted for less than 1%. Renewable energy flows from the interconnection, in addition to the increased gas production, as well as the decrease in demand contributed to the decrease in coal generation in the northern segment of the SEN in the first quarter.

Power demand in the northern segment of the SEN reached a maximum of 2,877 MW in the first quarter of 2019, up from 2,820 MW in the first quarter of 2018.

Electricity production in the northern segment of the SEN (ex-SING), broken down by company, was as follows:

Generation by Company (in GWh)

2018

Company	1Q 2018 GWh	1Q 2018 % of total	2Q 2018 GWh	2Q 2018 % of total	3Q 2018 GWh	3Q 2018 % of total	4Q 2018 GWh	4Q 2018 % of total	12M2018 GWh	12M2018 % of total
AES Gener	2,171	*44%*	2,396	*49%*	2,092	*45%*	2,051	*45%*	8,710	*46%*
EECL (with 100% of CTH)	1,538	*31%*	1,411	*29%*	1,465	*31%*	988	*22%*	5,402	*28%*
Enel Generación	34	*1%*	22	*0%*	21	*0%*	63	*1%*	139	*1%*
Other	1,167	*24%*	1,081	*22%*	1,102	*24%*	1,419	*31%*	4,769	*25%*
Total gross generation N-SEN	**4,910**	*100%*	**4,909**	*100%*	**4,681**	*100%*	**4,520**	*100%*	**19,020**	*100%*

2019

Company	1Q 2019 GWh	1Q 2019 % of total
AES Gener	2,094	*48%*
EECL (with 100% of CTH)	966	*22%*
Enel Generación	249	*6%*
Other	1,054	*24%*
Total gross generation N- SEN	**4,362**	*100%*

Source: Coordinador Eléctrico Nacional

During the first quarter of 2019, EECL reported a 37% year-on-year decrease in electricity generation, and accounted for 22% of the system's power production. AES Gener continued being the leading contributor, while other non-traditional players maintained their 24% share of total generation in the area. When comparing the first quarter of 2019 with the fourth quarter of 2018, EECL's generation decreased by 2%.

Regarding EECL's plant maintenance schedule, the U-16 CCGT, which was out of service for 28 days for scheduled maintenance, resumed operations on February 8. The rest of the plant fleet; that is, the coal fired plants CTA, CTH, CTM1, CTM2, U14 and U15 and the CTM3 CCGT, reported periods of unavailability or technical limitations during the quarter for different reasons including economic dispatch considerations, high temperature of the sea around the water discharge structures, and other technical limitations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

The following discussion is based on our consolidated financial statements for the quarters ended March 31, 2019, and March 31, 2018. These financial statements have been prepared in U.S. dollars in accordance with IFRS, and should be read in conjunction with the financial statements and the notes thereto published by the Comisión para el Mercado Financiero (www.cmfchile.cl).

1Q 2019 compared to 4Q 2018 and 1Q 2018

Operating Revenues

Quarterly Information (In US$ millions)

	1Q 2018		4Q 2018		1Q 2019		% Variation	
Operating Revenues	Amount	% of total	Amount	% of total	Amount	% of total	QoQ	YoY
Unregulated customers sales…………………..	173.6	62%	180.7	65%	163.0	52%	-10%	-6%
Regulated customers sales…………………….	102.5	37%	96.3	35%	150.6	48%	56%	47%
Spot market sales……………………………..	2.1	1%	1.1	0%	1.6	0%	41%	-26%
Total revenues from energy and capacity sales	**278.3**	93%	**278.1**	86%	**315.1**	92%	***13%***	***13%***
Gas sales…………………………..	3.4	1%	4.6	1%	4.1	1%	-12%	20%
Other operating revenue……………………….	17.5	6%	41.9	13%	24.6	7%	-41%	41%
Total operating revenues………………….	**299.1**	100%	**324.6**	100%	**343.8**	100%	***6%***	***15%***
Physical Data (in GWh)								
Sales of energy to unregulated customers (1)……	1,485	62%	1,609	66%	1,423	54%	-12%	-4%
Sales of energy regulated customers……	915	38%	811	34%	1,220	46%	50%	33%
Sales of energy to the spot market……………	8	0%	-	0%	6	0%	n.a	-21%
Total energy sales………………………….	**2,408**	100%	**2,420**	100%	**2,649**	100%	***9%***	***10%***
Average monomic price unregulated customers(U.S.$/MWh)(2)	**117.7**		**113.0**		**115.2**		***2%***	***-2%***
Average monomic price regulated customers (U.S.$/MWh)(3)	**105.2**		**118.7**		**123.4**		***4%***	***17%***

(1) Includes 100% of CTH sales.

(2) Calculated as the quotient between unregulated and spot revenues from energy and capacity sales and unregulated and spot physical energy sales.

(3) Calculated as the quotient between regulated revenues from energy and capacity sales and regulated physical energy sales.

Energy and capacity sales reached US$315.1 million in the first quarter, representing a US$37 million or 13% increase compared to the fourth quarter of 2018, due mainly to higher regulated revenues under the contract with distribution companies in the center-south segment of the SEN, which has a contracted demand step-up beginning 2019. Physical sales to unregulated clients decreased due to the floods caused by the Altiplanic Winter and environmental improvement works, which caused temporary stoppages at mining operations. Clients such as Chuquicamata and El Abra reported lower energy demand.

The year-on-year comparison shows lower sales to unregulated clients mainly due to decreased demand from Codelco, which was partially offset by increased demand from El Abra, Zaldívar and Lomas Bayas, among others. Physical sales to regulated clients increased due to the increased demand under the contract with distribution companies in the center-south segment of the SEN. Power demand under such contract was 806 GWh in the first quarter of 2019, representing a 365 GWh increase compared to the first quarter of 2018.

In the first quarter, sales to regulated clients amounted to US$150.6 million, a significant increase as compared to both the first and fourth quarters of 2018, due to the contracted demand step-up in the PPA with distribution companies in the center-south segment of the SEN, which became effective on January 1st 2019. Revenues from this PPA amounted to US$105 million in the first quarter.

Physical sales to the spot market amounted to 6 GWh in the first quarter.

In the first quarter of 2019, gas sales were not relevant and remained at similar levels as those reported in previous periods. The most relevant items in the ‘Other operating revenue’ account are sub-transmission tolls and regulatory transmission revenues, which starting 2018 include a single charge called *“cargo único”*. In addition, this account includes port and maintenance services.

Operating Costs

Quarterly Information (In US$ millions)

	1Q 2018		4Q 2018		1Q 2019		% Variation	
Operating Costs	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Fuel and lubricants……………………………….	(91.9)	*38%*	(54.8)	*21%*	(66.5)	*24%*	*21%*	*-28%*
Energy and capacity purchases on the spot market……………………………	(57.8)	*24%*	(95.1)	*36%*	(122.9)	*44%*	*29%*	*113%*
Depreciation and amortization attributable to cost of goods sold…………………………….	(32.8)	*14%*	(35.0)	*13%*	(33.2)	*12%*	*-5%*	*1%*
Other costs of goods sold…………………….	(51.1)	*21%*	(68.1)	*26%*	(52.9)	*19%*	*-22%*	*4%*
Total cost of goods sold………………..	**(233.6)**	*97%*	**(252.9)**	*96%*	**(275.5)**	*98%*	***9%***	***18%***
Selling, general and administrative expenses…	(9.2)	*4%*	(10.3)	*4%*	(9.0)	*3%*	*-12%*	*-2%*
Depreciation and amortization in selling, general and administrative expenses…………	(1.0)	*0%*	(1.3)	*0%*	(0.9)	*0%*	*-31%*	*-8%*
Other operating revenue/costs……………………….	2.6	*-1%*	0.9	*0%*	3.9	*-1%*		
Total operating costs…..………………..	**(241.2)**	*100%*	**(263.6)**	*100%*	**(281.5)**	*100%*	***7%***	***17%***
Physical Data (in GWh)								
Gross electricity generation								
Coal………………………………………….	1,167	*76%*	759	*71%*	594	*62%*	*-22%*	*-49%*
Gas…………………………………………..	347	*23%*	284	*27%*	356	*37%*	*25%*	*3%*
Diesel Oil and Fuel Oil…………………….	2	*0%*	4	*0%*	2	*0%*	*-62%*	*-24%*
Hydro/Solar……………………………………….	20	*1%*	16	*1%*	14	*1%*	*-10%*	*-30%*
Total gross generation…………………	**1,536**	*100%*	**1,063**	*100%*	**965**	*100%*	***-9%***	***-37%***
Minus Own consumption………………..	(123)	*-8%*	(89)	*-8%*	(78)	*-8%*	*-13%*	*-37%*
Total net generation……………………	**1,414**	***55%***	**974**	***40%***	**888**	***34%***	***-9%***	***-37%***
Energy purchases on the spot market………..	929	***36%***	1,221	***50%***	1,729	***66%***	*42%*	*86%*
Energy purchases- bridge………..	215	***8%***	253	***10%***	122	***n,a***	*n.a*	*n.a*
Total energy available for sale before transmission losses………………………	**2,558**	***100%***	**2,449**	***100%***	**2,617**	***100%***	***7%***	***2%***

Gross electricity generation decreased 37% in the first quarter compared to the same quarter the year before due to dispatch order reasons, plant maintenance schedules and plant failures. Despite the maintenance of the U-16 gas plant, gas generation presented a higher relative weight in the company’s generation mix due to its greater flexibility to cope with the intermittence of renewable generation.

In the first quarter, fuel costs increased when compared to the fourth quarter of 2018 due to the use of coal and gas inventory acquired at higher prices in the last months of 2018, and also due to more frequent plant start-ups as a result of the cycling required to cope with the intermittent output of renewable plants, which require the use of diesel oil. These higher costs were partially offset by the decrease in generation. The year-on-year comparison shows a US$25.4 million, or 28%, decrease in the fuel cost item due to lower generation levels.

The spot electricity purchase cost item increased by US$27.8 million (29%) compared to 4Q18 due to increases in physical energy purchases and in spot energy prices. The increase in energy purchase volumes was explained by plant dispatch reasons, the unavailability of some power plants and the need to supply the contract with distribution companies in the center-south region since the southernmost segment of the Cardones-Polpaico transmission line is not yet in operation. When compared to the first quarter of 2018, physical energy purchases rose 62% because of the decline in our own generation and the need to meet the increased demand from distribution companies. In the first quarter, this contract was supplied with energy purchases under contracts with other generation companies (122 GWh in the first quarter) and spot energy purchases (684 GWh). Both types of energy purchases are accounted for under the same item labelled 'Energy and capacity purchases on the spot market'. The drought in center-south Chile impacted spot energy prices, with average marginal costs of US$63/MWh at the Charrúa-Alto Jahuel nodes compared to US$59/MWh in the first quarter of 2018.

Depreciation costs in the costs-of-goods-sold item remained at similar levels as compared to both the 1Q18 and the 4Q18.

Other direct operating costs included, among others, operating and maintenance costs, transmission tolls, insurance premiums and cost of fuels sold.

SG&A expenses remained at similar levels as those reported in the first and last quarters of 2018.

The Other operating revenue/cost item includes water sales and miscellaneous income as well as recoveries and provisions. EECL's share in TEN's net income, which amounted to US$1.8 million in the first quarter, is also included in this item. A review of TEN's fixed assets' useful lives last October caused an increase in depreciation costs and affected TEN's net results in the last quarter.

Electricity Margin

Quarterly Information (In US$ millions)

	2018					**2019**
	1Q18	**2Q18**	**3Q18**	**4Q18**	**12M18**	**1Q19**
Electricity Margin						
Total revenues from energy and capacity sales………	**278.3**	**284.9**	**280.3**	**278.1**	**1,121.6**	**315.1**
Fuel and lubricants…………………..	(91.9)	(92.0)	(81.3)	(54.8)	(320.0)	(66.5)
Energy and capacity purchases on the spot market……	(57.8)	(70.3)	(78.3)	(95.1)	(301.5)	(122.9)
Gross Electricity Profit	**128.5**	**122.6**	**120.7**	**128.2**	**500.1**	**125.7**
Electricity Margin	*46%*	*43%*	*43%*	*46%*	*45%*	*40%*

In the first quarter, the electricity margin, or the gross profit from the electricity generation business, decreased by US$2.8 million when compared to the first quarter of 2018, and reached 40% in percentage terms. On the one hand, lower revenues from the unregulated client segment were offset by the increase in regulated revenue from the contract with distribution companies, which translated into a US$36.8 million net increase in energy and capacity revenues. On the other, despite lower fuel costs (US$25.4 million) explained by the decrease in generation, the company reported a US$65.1 million increase in energy purchase costs owing to higher volumes and prices. Sufficiency capacity purchase costs also increased during the first quarter due to higher demand previsions under the PPA with distribution companies in the center-south region. In sum, higher operating revenues were accompanied by an increase in average energy supply costs, explaining the decrease in the electricity margin in the first quarter.

Operating Results

Quarterly Information (in US$ millions)

EBITDA	**1Q 2018**		**4Q 2018**		**1Q 2019**		**% Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Total operating revenues………………………	299.1	*100%*	324.6	*100%*	343.8	*100%*	*6%*	*15%*
Total cost of goods sold……………………	(233.6)	*-78%*	(252.9)	*-78%*	(275.5)	*-80%*	*9%*	*18%*
Gross income………………………….	**65.5**	*22%*	**71.7**	*22%*	**68.3**	*20%*	***-5%***	***4%***
Total selling, general and administrative expenses and other operating income/(costs).	(7.6)	*-3%*	(10.7)	*-3%*	(6.0)	*-2%*	*-44%*	*-20%*
Operating income….……………….	**57.9**	*19%*	**61.0**	*19%*	**62.2**	*18%*	***2%***	***7%***
Depreciation and amortization……...…………	33.8	*11%*	36.2	*11%*	34.1	*10%*	*-6%*	*1%*
EBITDA………………..….…………….	**91.7**	*30.7%*	**97.3**	*30.0%*	**96.3**	*28.0%*	***-1%***	***5%***

First-quarter EBITDA reached US$96.3 million, a US$4.6 million increase compared to the same quarter the year before. This was due to the increase in other operating income, which offset the above-explained electricity margin decrease.

EBITDA decreased by US$1 million compared to the immediately preceding quarter mainly due to the electricity margin decrease.

Financial Results

Quarterly Information (In US$ millions)

	1Q 2018		**4Q 2018**		**1Q 2019**		**% Variation**	
Non-operating results	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Financial income………..………………………	1.2	*0%*	1.2	*0%*	1.2	*0%*	*4%*	*3%*
Financial expense……………..…………….…	(2.8)	*-1%*	(3.4)	*-1%*	(3.2)	*-1%*	*-6%*	*14%*
Foreign exchange translation, net…………..	(0.1)	*0%*	(1.7)	*-1%*	1.1	*0%*		*-2093%*
Other non-operating income/(expense) net…	0.1	*0%*	(13.2)	*-4%*	0.9	*0%*		*822%*
Total non-operating results…………….	**(1.6)**	*-1%*	**(17.1)**	*-6%*	**0.1**	*0%*		
Income before tax…………………. ………	56.4	*21%*	43.9	*14%*	62.4	*20%*	***42%***	***11%***
Income tax…………………………………….	(14.7)	*-5%*	(11.8)	*-4%*	(16.8)	*-6%*	*43%*	*14%*
Net income from continuing operations after taxes …	41.7	*15%*	32.2	*11%*	45.6	*15%*	*42%*	*9%*
Net income attributed to controlling shareholders…….	**39.2**	*14%*	**30.1**	*10%*	**42.9**	*14%*	***43%***	***9%***
Net income attributed to minority shareholders……….	2.4	*1%*	2.1	*1%*	2.7	*1%*	*27%*	*11%*
Net income to EECL's shareholders	**39.2**	*14%*	**30.1**	*10%*	**42.9**	*14%*	***43%***	***9%***
Earnings per share……………………..	**0.037**		**0.029**		**0.041**			

Interest expense remained at similar levels as those reported in the first and fourth quarters of 2018. It should be noted that this item has remained low due to the interest capitalization in the IEM project.

Foreign-exchange income reached US$1.1 million in the first quarter of 2019 due to a slight appreciating trend of the Chilean peso since the beginning of the year. Foreign exchange variations affect the valuation of certain assets and liabilities denominated in currencies other than the US dollar --the company's functional currency--, such as accounts receivable and payable, advances to suppliers, and value-added tax credit.

The account labelled 'Share of profit (loss) of associates accounted for using the equity method' used to include the proportional result in the jointly-controlled TEN project, which has been included in the operating accounts above EBITDA since 2018.

The 'Other net non-operating income' account increased compared to both the first and fourth quarters of 2018 as it includes a US$2 million partial insurance recovery related to a past loss at the Unit 16 combined-cycle plant.

Net Earnings

The applicable income tax rate for both 2018 and 2019 is 27%.

In the first quarter of 2019, after-tax net income reached US$42.9 million, a 43% increase from the last quarter of 2018, when results were impacted by US$12 million in non-recurring asset write-downs. Excluding non-recurring effects in both quarters, net recurring income would have been US$41.5 million in the first quarter of 2019, accounting for a 4.3% increase compared to net recurring income of US$39.8 million in the fourth quarter of 2018.

The comparison with the first quarter of 2018 shows a 9% or US$3.7 million net income increase as in the first quarter of 2018 no non-recurring effects were reported.

Liquidity and Capital Resources

As of March 31, 2019, EECL reported consolidated cash balances of US$113.7 million, in addition to US$100 million available under a committed revolving credit facility. It should be noted that the company requested the cancellation of this facility beginning April 8, 2019. This position compares with a total nominal financial debt[1] of US$840 million, with US$90 million maturing within one year.

For the 3-month period ended March 31 (in US$ millions)

Cash Flow	**2018**	**2019**
Net cash flows provided by operating activities…	68.4	69.1
Net cash flows used in investing activities………	(86.2)	(13.3)
Net cash flows provided by financing activities..	(2.2)	(4.0)
Change in cash…………………..………….	**(20.0)**	**51.9**

Cash Flow from Operating Activities

In the first quarter of 2019, cash flow generated from operating activities reached approximately US$81.2 million; however, the cash flow statement shows US$69.1 million since this figure is presented after income-tax payments of US$11 million and interest payments of US$1.1 million. It should be noted that cash interest payments

(1) Nominal amounts differ from the debt amounts recorded under the IFRS methodology in the Financial Statements, which considers deferred financial expenses and mark-to-market valuations on derivative transactions. The above amount excludes the financial lease related to the long-term tolling agreement with TEN.

actually amounted to US$20.2 million, US$19.2 million of which were capitalized and accounted for as investments in fixed assets.

Cash Flow Used in Investing Activities

In the first quarter of 2019, cash flows from investing activities resulted in a net cash expenditure of US$13.3 million, mainly due to cash investments in the IEM project (US$28 million), which includes capitalized interest, as well as expenditures in plant maintenance and transmission assets (US$6.3 million). This item also shows a US$21.6 million cash inflow corresponding to debt repayments from the related company, TEN, in January 2019. This payment was in great part possible because Engie Energía Chile issued a corporate guarantee in favor of TEN's project-finance lenders, which allowed TEN to release cash deposited in the debt service reserve account required by the project-finance terms.

Capital Expenditures

Our capital expenditures in the first quarter of 2018 and the first quarter of 2019 amounted to US$84.7 million and US$35.5 million, respectively, as shown in the following table. These amounts include VAT payments and capitalized interest.

For the 3-month period ended march 31 (in US$ millions)

CAPEX	**2018**	**2019**
CTA ……………………………………………….	-	
CTA (New Port) ……………………………………..	2.4	0.2
CTH ………………………………………………		
IEM …………………………………………………	80.6	28.0
Overhaul power plants & equipment maintenance and refurbishing…………………	0.1	3.2
Environmental improvement works………………		0.2
PV Power Plant……………………………………….		
Overhaul equipment & transmission lines …………………	1.1	3.1
Others…………………………………………	0.5	0.8
Total capital expenditures……………………….	**84.7**	**35.5**

Cash Flow from Financing Activities

Financing cash flows include a US$4 million dividend paid to the minority shareholder in Inversiones Hornitos (CTH). At the end of March, the company renewed a US$40 million loan with Scotiabank with original maturity on March 29, and extended its loan maturity to June 26, 2019.

Contractual Obligations

The following table sets forth the maturity profile of our debt obligations as of March 31, 2019.

Contractual Obligations as of 3/31/19

Payments Due by Period (in US$ millions)

	Total	< 1 year	1 - 3 years	3 - 5 years	More than 5 years
Bank debt……………………………………..….	90.0	90.0	-	-	-
Bonds (144 A/Reg S Notes)……………………..	750.0	-	400.0	-	350.0
Financial lease - Tolling Agreement TEN……..	58.5	1.2	2.7	3.3	51.3
Deferred financing cost………………………...	(14.6)	-	(8.3)	(4.0)	(2.3)
Accrued interest………………………………...	8.5	8.5	-	-	-
Mark-to-market swaps………………………….	0.3	0.3	-	-	
Total	**892.7**	**100.0**	**394.4**	**(0.7)**	**399.0**

During 2017 and 2018, EECL took one-year debt to finance the remainder of its 2015-2018 investment plan. All of these loans are in US dollars and accrue interest at a fixed rate. They are documented by simple promissory notes (*"pagarés"*) reflecting the payment obligation on the due date, with no operational or financial restrictions and permitted prepayment at any time with no penalties for the company.

As of March 31, 2019, EECL reported three outstanding loans: (i) US$40 million with Scotiabank maturing at the end of June, 2019; (ii) US$10 million with Banco Estado, which was subsequently repaid at maturity on April 5; and (iii) US$40 million with Banco Estado maturing in July 2019. The company's short-term debt reached a maximum of US$150 million between April and July 2018, and has since fallen to US$ 90 million at the end of March 2019.

The bonds include our US$400 million, 10-year, 5.625% 144-A/Reg.S notes maturing January 15, 2021 and our 144 A/Reg S issue for a total amount of US$350 million with a single principal payment in January 2025 and a 4.5% p.a. coupon rate.

Leasing obligations refer to a long-term tolling agreement signed with TEN for the use of dedicated transmission assets connecting EECL's plants in Mejillones with the national grid at the Los Changos substation. The tolling agreement is out to 20 years at which time EECL will take ownership of the asset. The agreement has a present value of approximately US$58 million, and it is payable in monthly instalments adding up approximately US$7 million per year.

In the first quarter of 2019, due to the completion of its 2015-2018 investment plan, strong liquidity and open access to financial markets, EECL requested the cancellation of its US$100 million committed revolving credit facility with a group of international banks.

Dividend Policy

Our dividend policy consists of paying the minimum legal required amounts (30% of net income), although higher amounts may be approved if the company's conditions so allow. Our dividend payment for each year is proposed by our Board of Directors based on the year's financial performance, our available cash balance and anticipated financing requirements for capital expenditures and investments. The dividend payment proposed by our Board is subsequently approved at a Shareholders' Meeting as established by law.

On April 30, 2019, at the Annual Ordinary Shareholders Meeting, our shareholders approved the Board's proposal to pay a final dividend of US$22,137,925.42 (US$0.021017493 per share) payable on May 24, 2019, in Chilean pesos using the peso-dollar observed rate published by the Official Gazette on April 30, the date of the Shareholders' Meeting.

On September 25, 2018, the company's Board of Directors approved the distribution of a provisional dividend on account of 2018's net earnings, in an amount of US$26,000,000 or US$0.024684096 per share, which was paid on October 25, 2018.

The record of dividends paid since 2010 is shown in the following table:

Cash Dividends paid by Engie Energía Chile S.A.

Payment Date	Dividend Type	Amount (in US$ millions)	US$ per share
May 4, 2010	Final (on account of 2009 net income)	77.7	0.07370
May 4, 2010	Additional (on account of 2009 net income)	1.9	0.00180
May 5, 2011	Final (on account of 2010 net income)	100.1	0.09505
Aug 25 2011	Provisional (on account of 2011 net income)	25.0	0.02373
May 16 2012	Final (on account of 2011 net income)	64.3	0.06104
May 16 2013	Final (on account of 2013 net income)	56.2	0.05333
May 23 2014	Final (on account of 2013 net income)	39.6	0.03758
Sept 30,2014	Provisional (on account of 2014 net income)	7.0	0.00665
May 27 ,2015	Final (on account of 2014 net income)	19.7	0.01869
Oct 23 ,2015	Provisional (on account of 2015 net income)	13.5	0.01280
Jan 22, 2016	Provisional (on account of 2015 net income)	8.0	0.00760
May 26, 2016	Final (on account of 2015 net income)	6.8	0.00641
May 26, 2016	Provisional (on account of 2016 net income)	63.6	0.06038
May 18, 2017	Final (on account of 2016 net income)	12.8	0.01220
May 22,2018	Final (on account of 2017 net income)	30.4	0.02888
Oct 25 ,2018	Provisional (on account of 2018 net income)	26.0	0.02468
May 24 ,2019	Final (on account of 2018 net income)	22.1	0.02102

Risk management policy

In the normal course of business, EECL is exposed to several risk factors that may impact its operating and financial performance.

EECL has established risk management procedures, which include a description of the risk assessment methodology and a risk matrix. Additionally, the company established a Risk and Insurance Committee, responsible for the risk matrix review, analysis and approval as well as the proposal of risk mitigation measures. The risk matrix is updated and reviewed semiannually, while action plans are monitored on a permanent basis. Management presents the company's risk management performance to the board on an annual basis.

The company's financial risk management strategy seeks to safeguard EECL's operating stability and sustainability in a context of risk and uncertainty.

Hedging Policy

Our hedging policy intends to protect the company against our exposure to certain risks, as follows:

Business Risk and Commodity Hedging

Our business is subject to the risk of variations in the availability of fuels and their prices. Our policy has been to hedge as much as possible against these risks through the indexation of the energy tariffs incorporated in our PPAs, and the fuel mix taken into consideration in the tariffs. However, given (i) the volume fluctuations that our PPAs may have; (ii) the variability that our plant dispatch profile may experience; (iii) our inability to perfectly match at all times our fuel cost mix with the tariff indexation in our PPAs, and (iv) the recent trend to dissociate PPA price indexation from fossil fuel price fluctuations, we maintain residual exposure to certain international commodity prices. For example, the tariff of the EMEL contract, which became effective at the beginning of 2012, is readjusted semiannually according to the Henry Hub and the U.S. CPI indices. However, there is a mismatch between the Henry Hub index used to define the EMEL tariff (4-month average prior to the tariff fixing, which takes place every six months) and the Henry Hub index prevailing at the time each LNG shipment is made. In the specific case of this contract, this risk is somewhat naturally hedged by a contractual indexation triggered any time the price formula reports a fluctuation of 10% or more. We periodically define and execute financial hedging strategies to cover our residual exposure to international commodity price risks. Therefore, we have occasionally taken financial swap contracts to reduce our residual exposure to Brent and Henry Hub.

Currency Hedging

Given that most of our revenues and costs are denominated in U.S. dollars and that we seek to incur debt in U.S. dollars, we face limited exposure to foreign exchange risk. Our main costs denominated in Chilean pesos are personnel and administrative expenses, which account for approximately 10% of our total operating costs. In the specific case of regulated contracts, their price is calculated in dollars and is converted to pesos at the average monthly exchange rate; therefore, the foreign currency exposure related to these contracts has been substantially reduced. Given the dollarized nature of most of our revenues, the portion of operating and administrative costs in pesos represents our main exposure to foreign-currency risks. Therefore, we have hedged a portion of our recurrent costs in pesos through forward contracts and zero-cost collars.

The company and its CTA subsidiary signed foreign-currency derivative contracts to hedge the UF and EUR cash flows stemming from the EPC contracts with S.K. Engineering and Construction and Belfi, respectively, to avoid variations in cash flows and the final value of the investment resulting from foreign currency fluctuations out of management's control. As of March 31, 2019, there were no outstanding derivative contracts associated to EPC contract cash flows.

Interest Rate Hedging

We seek to maintain a significant portion of our long-term debt at fixed rates in order to minimize interest-rate exposure. As of March 31, 2019, 100% of our financial debt, for a principal amount of US$840 million, was at fixed rates, including US$90 million in short-term loans with interest rates fixed for one year at the time of disbursement.

As of March 31, 2019
Contractual maturity date (in US$ millions)

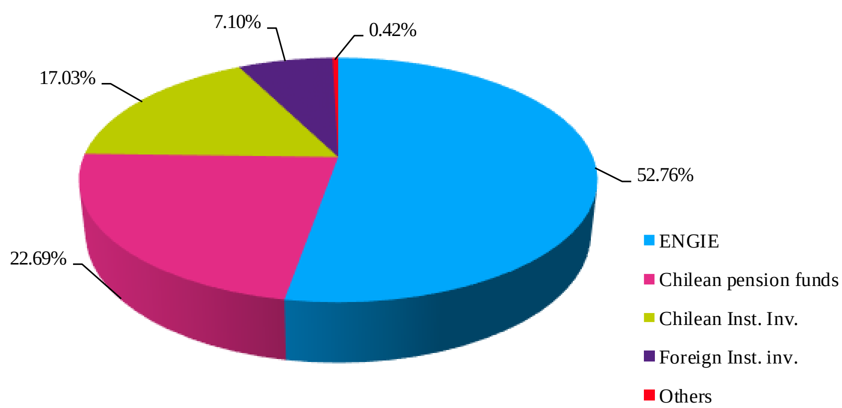
	Average interest rate	2019	2020	2021	2022	Thereafter	Grand Total
Fixed Rate							
(US$)	5.625% p.a.	-	-	400.0	-	-	400.0
(US$)	4.500% p.a.	-	-	-	-	350.0	350.0
(US$)	2.874% p.a.	90.0	-	-	-	-	90.0
Total		**90.0**	**-**	**400.0**	**-**	**350.0**	**840.0**

Credit Risk

In the normal course of business, and when investing our cash, we are exposed to credit risk. In our regular electricity generation business, we deal mostly with financially strong mining companies, which report low level of credit risk. However, these companies are exposed to variations in commodity prices, particularly copper. Although our clients have demonstrated significant resilience to down-cycles, our company closely follows up this exposure through its commercial counterparty risk policy. We also sell electricity to regulated clients, which provide electricity supply to residential and commercial clients, and report low levels of credit risk. Our cash management policy is to invest in investment-grade institutions only and only within the short term. We also measure our counterparty risk when dealing with derivatives, and we have individual counterparty limits to manage our exposure.

OWNERSHIP STRUCTURE AS OF MARCH 31, 2019

Number of shareholders: 1,785



TOTAL NUMBER OF SHARES: 1,053,309,776

APPENDIX 1

PHYSICAL DATA AND SUMMARIZED QUARTERLY FINANCIAL STATEMENTS

Physical Sales

Physical Sales (in GWh)

	2018					2019
	1Q18	**2Q18**	**3Q18**	**4Q18**	**12M18**	**1Q19**
Physical Sales						
Sales of energy to unregulated customers.	1,485	1,552	1,584	1,609	6,230	1,423
Sales of energy to regulated customers	915	871	876	811	3,473	1,220
Sales of energy to the spot market………	8	7	11	-	25	6
Total energy sales…………………………..	**2,408**	**2,430**	**2,471**	**2,420**	**9,729**	**2,649**
Gross electricity generation						
Coal………………………………………….	1,167	1,001	1,135	759	4,063	594
Gas…………………………………………..	347	391	313	284	1,334	356
Diesel Oil and Fuel Oil…………………….	2	3	2	4	11	2
Renewable…………………………………….	20	14	15	16	66	14
Total gross generation…………………..	**1,536**	**1,410**	**1,465**	**1,063**	**5,474**	**965**
Minus Own consumption……………..	(123)	(110)	(120)	(89)	(441)	(78)
Total net generation……………………..	**1,414**	**1,301**	**1,345**	**974**	**5,033**	**888**
Energy purchases on the spot market………..	929	942	917	1,221	4,009	1,729
Energy purchases- bridge	215	204	208	253	880	122
Total energy available for sale before transmission losses………………………	**2,558**	**2,447**	**2,469**	**2,449**	**9,922**	**2,617**

Quarterly Income Statement

Quarterly Income Statement (in US$ millions)

IFRS						
Operating Revenues	**1Q18**	**2Q18**	**3Q18**	**4Q18**	**12M18**	**1Q19**
Regulated customers sales………………………	102.5	99.3	100.5	96.3	398.7	150.6
Unregulated customers sales…………………..	173.6	184.3	174.1	180.7	712.7	163.0
Spot market sales……………………………..	2.1	1.3	5.6	1.1	10.2	1.6
Total revenues from energy and capacity sales……………………………	**278.3**	**284.9**	**280.3**	**278.1**	**1,121.6**	**315.1**
Gas sales…………………………..	3.4	1.6	34.8	4.6	44.4	4.1
Other operating revenue……………………….	17.5	17.8	32.2	41.9	109.3	24.6
Total operating revenues…………………	**299.1**	**304.3**	**347.3**	**324.6**	**1,275.3**	**343.8**
Operating Costs						
Fuel and lubricants………………………………	(91.9)	(92.0)	(81.3)	(54.8)	(320.0)	(66.5)
Energy and capacity purchases on the spot	(57.8)	(70.3)	(78.3)	(95.1)	(301.5)	(122.9)
Depreciation and amortization attributable to cost of goods sold..	(32.8)	(32.1)	(33.7)	(35.0)	(133.5)	(33.2)
Other costs of goods sold…………………….	(51.1)	(41.2)	(90.4)	(68.1)	(250.8)	(52.9)
Total cost of goods sold………………..	**(233.6)**	**(235.6)**	**(283.7)**	**(252.9)**	**(1,005.8)**	**(275.5)**
Selling, general and administrative expenses…	(9.2)	(8.4)	(9.4)	(10.3)	(37.3)	(9.0)
Depreciation and amortization in selling, general and administrative expenses…	(1.0)	(0.9)	(1.0)	(1.3)	(4.2)	(0.9)
Other revenues………..……………………….	2.6	2.6	3.9	0.9	10.0	3.9
Total operating costs…..………………	**(241.2)**	**(242.3)**	**(290.2)**	**(263.6)**	**(1,037.3)**	**(281.5)**
				0	0	0
Operating income…..………………	**57.9**	**62.0**	**57.1**	**61.0**	**238.0**	**62.2**
				0	0	0
EBITDA……………….…………………	**91.7**	**95.0**	**91.8**	**97.3**	**375.7**	**96.3**
Financial income………..………………………	1.2	1.8	1.6	1.2	5.8	1.2
Financial expense…………….…………………	(2.8)	(2.3)	(4.3)	(3.4)	(12.8)	(3.2)
Foreign exchange translation, net……………	(0.1)	(1.5)	1.0	(1.7)	(2.3)	1.1
Share of profit (loss) of associates accounted for using the equity method	-	-	-	0.0	0.0	-
Other non-operating income/(expense) net………………………	0.1	(66.2)	0.0	(13.2)	(79.2)	0.9
Total non-operating results…………..	**(1.6)**	**(68.2)**	**(1.6)**	**(17.1)**	**(88.4)**	**0.1**
Income before tax…………………..………	56.4	(6.2)	55.5	43.9	149.6	62.4
Income tax………………………………………	(14.7)	3.4	(15.3)	(11.8)	(38.3)	(16.8)
Net income from continuing operations after taxes …….	41.7	(2.9)	40.3	32.2	111.2	45.6
Net income attributed to controlling shareholders………………	**39.2**	**(4.0)**	**37.3**	**30.1**	**102.6**	**42.9**
Net income attributed to minority shareholders………………	2.4	1.1	3.0	2.1	8.6	2.7
Net income to EECL's shareholders…….	**39.2**	**(4.0)**	**37.3**	**30.1**	**102.6**	**42.9**
Earnings per share…………………….. (US$/share)	**0.037**	**(0.004)**	**0.035**	**0.029**	**0.097**	**0.041**

Quarterly Balance Sheet

Quarterly Balance Sheet (in U.S.$ millions)

	2018 December	2019 March
Current Assets		
Cash and cash equivalents (1)	61.5	113.7
Other financial assets		-
Accounts receivable	187.9	178.4
Recoverable taxes	10.2	11.2
Current inventories	158.9	148.5
Other non financial assets	9.1	16.3
Total current assets	**427.6**	**468.2**
Non-Current Assets		
Property, plant and equipment, net	2,635.7	2,630.7
Other non-current assets	399.4	393.1
TOTAL ASSETS	**3,462.7**	**3,492.0**
Current Liabilities		
Financial debt	111.0	100.0
Other current liabilities	194.7	210.2
Total current liabilities	**305.8**	**310.2**
Long-Term Liabilities		
Financial debt	792.2	792.7
Other long-term liabilities	226.7	227.3
Total long-term liabilities	**1,018.9**	**1,020.0**
Shareholders' equity	2,069.8	2,095.0
Minority' equity	68.2	66.9
Equity	**2,128.0**	**2,161.9**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,462.7**	**3,492.0**

(1) Includes short-term investments classified as available for sale.

Main Balance Sheet Variations

The main balance-sheet variations between December 31, 2018, and March 31, 2019, are the following:

Cash and cash equivalents: The company’s cash balances increased by US$52.2 million mainly because of (i) strong operating cash flow generation and (ii) the US$21.6 million debt repayment from TEN, which allowed the company to comfortably finance insurance premium payments (US$9.4 million); income taxes (US$11 million) and interest expense (US$20.2 million) among other uses of funds. Cash balances were invested in time deposits with strongly rated banks.

Accounts receivable: The US$7.7 million decrease is made up of changes in two different accounts: On the one hand, accounts receivable from third parties increased by US$15.3 million mainly due to increased business volumes, not only because of the expanded contracts with distribution companies but also because of the larger transaction volumes given the increased number of industry players and the interconnection. It should be noted that the delay in the publication of average node prices by the authority gives birth to temporary differences between the amounts actually invoiced to distribution companies and the amounts that should be charged according to the contractual price formulas. These differences, which may be in favor or against the generation companies, are reliquidated in future invoices once the corresponding node-price decrees are published. These differentials explain most part of the accounts receivable increase in the first quarter of 2019. On the other hand, intercompany receivables decreased by US$24.8 million mainly due to the US$21.6 million debt payment by TEN last January and a US$2.4 million payment of trade accounts by Engie Gas.

Current inventories: A US$9.2 million inventory decrease can be observed due to a decrease in fuel inventories (coal US$5.1 million; LNG US$2.3 million, and hydrated lime US$1.9 million) as well as in spare-part inventories (US$1.6 million).

Other non-financial assets – current: The US$7.1 million increase in this item is explained by a US$9.4 insurance premium advanced payment that was partially offset by lower value-added tax credit (US$1.7 million).

Property, plant and equipment, net: Two main factors in opposite directions explain the US$5 million decrease in this account: (i) the construction of the IEM project and other investments in fixed assets (US$24.7 million) and (ii) the period's depreciation cost (US$29.8 million). Capital expenditures in the IEM project include capitalized interest as well as the net value of revenues and costs reported during the plant's commissioning period.

Other non-current assets: The decrease in this item is explained by the amortization of intangible assets (US$4.3 million) and the lower value in the investment in TEN because of the impact of the mark-to-market variations of hedging instruments on TEN's net worth (US$3.5 million). The decrease in these items was slightly offset by a US$0.7 million increase in accounts receivable from related parties.

Financial debt – current: This item reported an US$11.2 million net decrease mainly explained by US$19.1 million in interest payments due last January on the 144-A bonds and the US$1 million interest payment on the US$40 million loan with Scotiabank that matured at the end of March. These amounts were partially offset by US$9.6 million in interest expense accrued during the quarter.

Other current liabilities: The increase in this item is explained by (i) a US$7.1 million increase in accounts payable to related companies due to the dividend payment provision; (ii) a US$10.5 million increase in the income tax provision; and (iii) a US$2.9 million increase in the VAT debit account. These increases were offset by a US$3.4 million decrease in obligations with the company's personnel and a US$1.1 million decrease in other commercial accounts payable.

Long-term financial debt: No significant changes were reported in the first quarter of 2019 in this item.

Other long-term liabilities: This item reported no significant changes in the first quarter of 2019.

Shareholders' equity: The US$38 million increase in shareholders' equity is made up of (i) the quarter's net income (US$42.9 million), minus (ii) a US$4.8 million decrease in the mark-to-market of hedging instruments, minus (iii) US$12.9 million corresponding to dividend payment provisions up to 30% of net income. This last amount was deducted from equity and included in accounts payable to related companies, in the proportion corresponding to our controlling shareholder, and in other accounts payable, in the proportion payable to our minority shareholders.

Minority interest: The US$1.3 million decrease in minority interest is explained by US$4 million in dividends paid to the minority shareholder in Inversiones Hornitos, which was partially offset by the US$2.7 million proportional net income reported in the first quarter of 2019.

APPENDIX 2

Financial information

	FINANCIAL RATIOS				
			Dec/18	Mar/19	Var.
LIQUIDITY	Current ratio (current assets / current liabilities)	(times)	1.40	1.51	***8%***
	Quick ratio ((current assets - inventory) / current liabilities)	(times)	0.88	1.03	***17%***
	Working capital (current assets – current liabilities)	MMUS$	121.8	158.0	***30%***
LEVERAGE	Leverage ((current liabilities + long-term liabilities) / networth)	(times)	0.62	0.62	***-1%***
	Interest coverage * ((EBITDA / interest expense))	(times)	29.42	28.90	***-2%***
	Financial debt –to- LTM EBITDA*	(times)	2.40	2.35	***-2%***
	Net financial debt – to - LTM EBITDA*	(times)	2.38	2.20	***-8%***
PROFITABILITY	Return on equity* (LTM net income attributed to the controller / net worth attributed to the controller)	%	5.0%	5.1%	***1%***
	Return on assets* (LTM net income attributed to the controller / total assets)	%	3.0%	3.0%	***1%***

*LTM = Last twelve months

Financial Ratios

	1Q18	2Q18	3Q18	4Q18	1Q19
EBITDA*	91.7	95.0	91.8	97.3	96.3
Net income attributed to the controller	39.2	(4.0)	37.3	30.1	42.9
Interest expense	2.8	2.3	4.3	3.4	3.2

* Operating income + Depreciation and Amortization for the period

	Mar/18	Mar/19
LTM EBITDA	301.8	380.3
LTM Net income attributed to the controller	121.0	106.3
LTM Interest expense	9.9	13.2

Financial debt	900.6	892.7
Current	109.9	100.0
Long-Term	790.7	792.7
Cash and cash equivalents	59.1	113.7
Net financial debt	841.5	779.0

As of March 31, 2019, the current ratio and the quick ratio were 1.57x and 1.07x, respectively. Current assets increased, particularly cash balances, while current liabilities decreased slightly. As a result, working capital, as measured by total current assets minus total current liabilities, increased. Liquidity remained strong due to the company's cash balances and strong cash generation ability.

The leverage ratio, as measured by total liabilities-to-equity, reached 0.61x as of March 31, 2019, a slight decrease compared to December 2018's 0.62x.

As of March 31, 2019, interest coverage was 28.90x, slightly below December 2017's 29.42x, despite the EBITDA increase. This was explained by a modest increase in interest expense.

The leverage ratio, as measured by Gross financial debt-to-EBITDA, decreased to 2.35 times, as a result of the EBITDA increase and the debt reduction. Net financial debt-to-EBITDA decreased further to 2.2 times due to the larger EBITDA and higher cash balances at quarter end.

Return on equity and return on assets reached 5.0% and 3.0%, respectively, in line with year-end 2018's ratios.

CONFERENCE CALL 1Q2019

ENGIE Energía Chile is pleased to inform you that it will conduct a conference call to review its results for the period ended March 31, 2019, on Tuesday, May 7, 2019
at 12:00 p.m. (USA-NY) – 12:00 p.m. (Chile)

hosted by:
Eduardo Milligan, CFO Engie Energía Chile S.A.

To participate, please dial:
+1(412) 317-6378, international or
+**56 44 208 1274** Chile or
+1(844) 686-3841 (toll free US).

To join the conference, please state the name of the conference (**ENGIE Energía Chile**); no other Conference ID will be requested. Please connect approximately 10 minutes prior to the scheduled starting time.

To access the phone replay, please dial +**1 (877) 344-7529 / +1 (412) 317-0088**
Passcode I.D.: 10127719. A conference call replay will be available until May 16, 2019.