



DYNEGY

Dynergy to Acquire Energy Capital's Interest in Atlas Joint Venture

June 15, 2016



Powering communities

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This presentation contains certain non-GAAP financial measures. A “non-GAAP financial measure” is defined as a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows of the company. Pursuant to the requirements of Regulation G, Dynegy has provided in the appendix to this presentation a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures.

To the extent required, statements disclosing the definitions, utility and purposes of these measures are set forth in Item 2.02 to our current report on Form 8-K filed with the SEC on May 3, 2016, which is available free of charge, www.dynegy.com.

Highlights of ECP Purchase

Dynegy to exercise purchase right on ECP's 35% interest in Atlas joint venture at a discount to initial floor price

	Joint Venture Structure Announced 2/25/16	Dynegy 100% Ownership Structure ⁽¹⁾ Announced 6/15/2016
Attractive Value ⁽²⁾	<ul style="list-style-type: none"> ECP JV funding commitment of \$415 MM Acquisition floor price of \$519 MM 	<ul style="list-style-type: none"> DYN assumes ECP's capital commitment at closing Acquisition floor price of \$375 MM
FCF Accretive at Dynegy Level ⁽³⁾	2-10%	20-30%
Credit Metrics		Neutral between the two structures
Reduces Cost of Capital		Expected annual cash interest savings of ~\$40 MM compared to initial structure

Dynegy's acquisition of ECP's interest in Atlas joint venture at a discount results in a more accretive transaction

(1) Assumes October 1, 2016 close

(2) At deal announcement on 2/25/2016 ECP's expected net investment under the joint venture structure equaled \$415 MM. Original floor price under joint venture structure is \$415 MM x 2.25 for \$934 MM. \$934 MM less \$415 MM net investment/funding commitment equals \$519 MM acquisition floor price under joint venture structure

(3) Excludes non-recurring ENGIE CapEx of \$93 MM in 2017

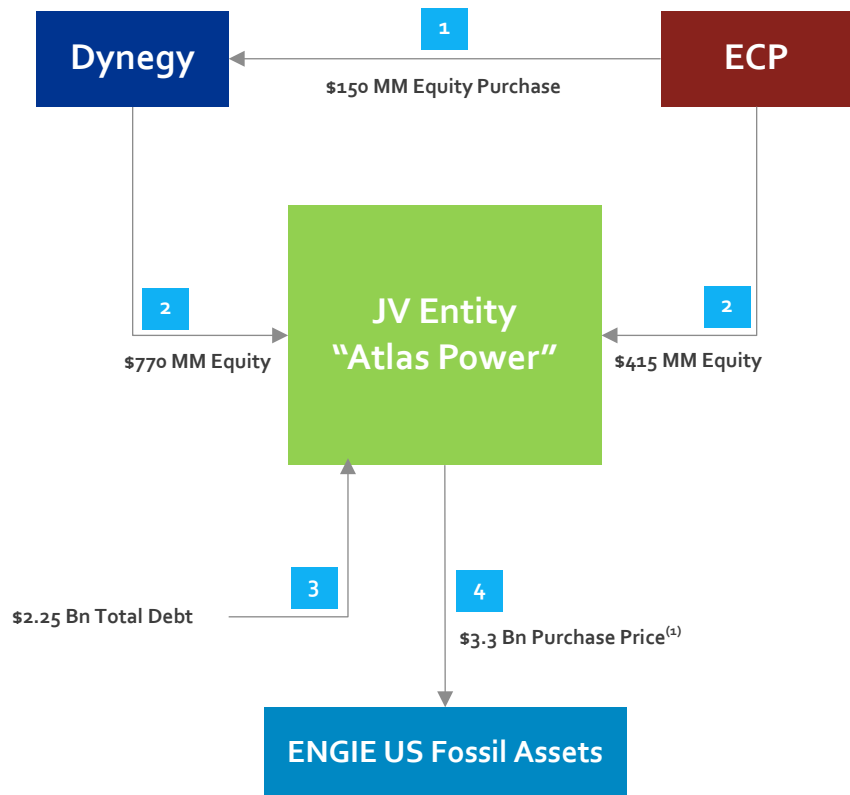
Transaction Comparison

	Joint Venture Structure	Dynegy 100% Ownership Structure
	2/25/2016	6/15/2016
Ownership	<ul style="list-style-type: none"> Dynegy and ECP form Atlas joint venture to acquire ENGIE's US fossil generation portfolio 65% owned and operated by Dynegy 	<ul style="list-style-type: none"> Elimination of joint venture 100% owned and operated by Dynegy
ECP Investment	<ul style="list-style-type: none"> ECP purchases \$150 MM of Dynegy equity at \$10.94 per share Established put/call structure to facilitate Dynegy's eventual purchase of ECP's 35% interest in Atlas joint venture 	<ul style="list-style-type: none"> ECP purchases \$150 MM of Dynegy equity at \$10.94 per share Dynegy to acquire ECP's 35% interest in Atlas joint venture at an estimated 20% discount to initial floor price
Financing	<ul style="list-style-type: none"> Joint venture level financing including term loan and second lien / unsecured notes Assumed all-in interest rate of ~7.5% 	<ul style="list-style-type: none"> Parent level financing primarily with term loans, equity linked securities, and Dynegy liquidity Expect to achieve lower financing costs
Closing	<ul style="list-style-type: none"> Target closing in Q4 2016 Significant synergies of ~\$90 MM 	<ul style="list-style-type: none"> Target closing in Q4 2016 Expect to exceed ~\$90 MM synergy target

Updated deal structure accelerates benefits to Dynegy

Transaction Structure

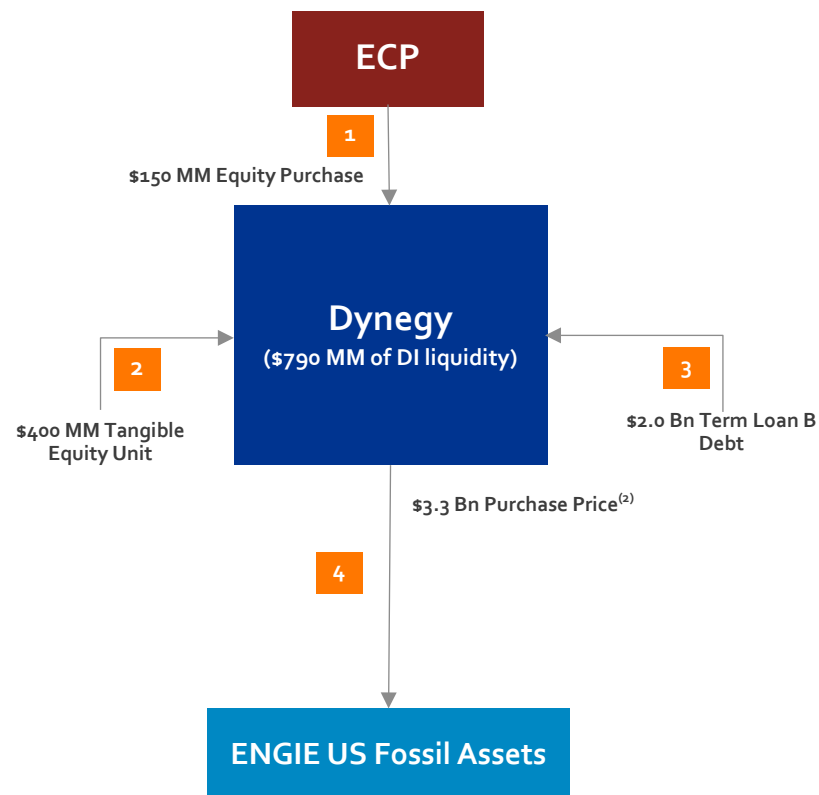
Joint Venture Structure (initial structure announced 2/25/2016)



- 1 ECP purchases \$150 MM of DYN common stock at \$10.94 per share
- 2 Dynege and ECP create and capitalize joint venture with ownership of 65% and 35% respectively
- 3 Joint venture incurs non-recourse debt to fund remainder of purchase
- 4 Joint venture acquires 100% of ENGIE's US fossil generation portfolio for \$3.3 Bn

4 (1) Excludes \$105 MM of fees and expenses and \$30 MM working capital funding
 (2) Excludes \$120 MM of fees and expenses and (\$80 MM) purchase price adjustment (assumes 10/1/2016 closing)

Dynege 100% Ownership Structure (revised structure announced 6/15/2016)



- 1 ECP purchases \$150 MM of DYN common stock at \$10.94 per share
- 2 Dynege issues \$400 MM tangible equity units
- 3 Dynege to raise corporate debt of \$2.0 Bn to fund remainder of purchase
- 4 Dynege acquires 100% of ENGIE's US fossil generation portfolio for \$3.3 Bn

Capital Structure and Credit Metrics

Capital Structure	Dynergy Standalone (excluding IPH and ENGIE U.S.)		Dynergy Pro Forma (excluding IPH)	
	B2 / B+		NA	
Issuer Rating	\$ MM	%	\$ MM	%
Revolver	\$0	0%	\$450	5%
Term Loan	778	12%	2,778	31%
Unsecured Notes	5,600	88%	5,660	64%
Total Debt ⁽¹⁾	\$6,378	100%	\$8,888	100%
Total Debt / LTM Adjusted EBITDA	6.6x		6.3x	
Secured Debt / LTM Adjusted EBITDA	0.8x		2.3x	
LTM Adjusted EBITDA as of 3/31/2016	\$965		\$1,417	

Credit metrics remain consistent

5 (1) Excludes ECP purchase obligation as well as existing forward capacity, inventory financing, and equipment financing agreements

Note: LTM Adjusted EBITDA is a non-GAAP measure; a reconciliation to GAAP can be found in the Appendix

Acquisition of ECP's Interest in Atlas JV

ECP Purchase Terms⁽¹⁾

Assuming an October 1, 2016 transaction close, the amount owed to ECP will be:

Date	Purchase Price (\$ MM)
On or before January 1, 2017	\$375
Between January 2, 2017 and April 1, 2017	\$400
Between April 2, 2017 and July 1, 2017	\$425
Between July 2, 2017 and October 1, 2017	\$450
After October 1, 2017	\$469

Sources of Liquidity to Complete Purchase

- Free cash flow generation / available liquidity
- Asset sale proceeds
- Non-recourse project level financing
- Capacity revenue monetization
- Capital market financing

Multiple avenues to complete purchase

6 (1) In the event the ENGIE transaction has closed (or the ENGIE Purchase Agreement is terminated due to breach by Dynegy) and the purchase price (as escalated) has not been paid by March 31, 2017, then Dynegy is required to pay ECP \$10 MM, which will be deducted from the ultimate purchase price.

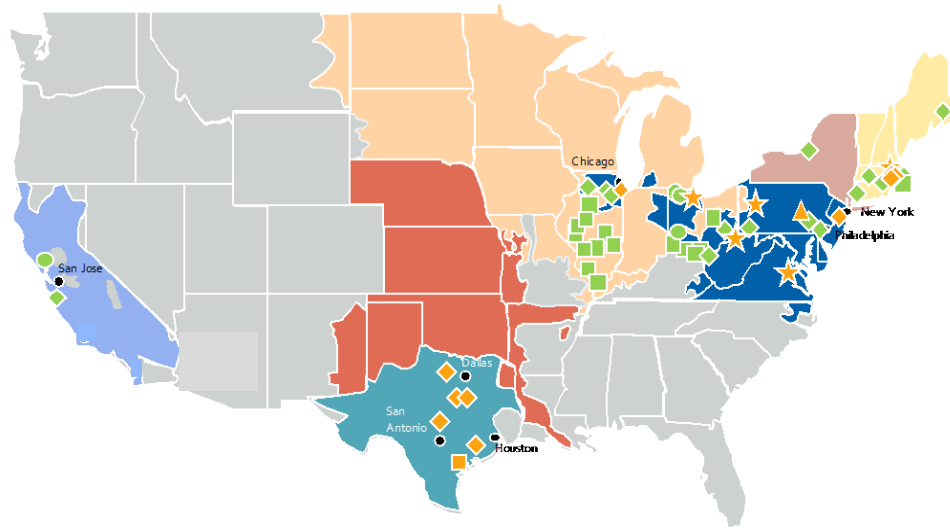
ENGIE Portfolio Acquisition Highlights

Right Assets	Continues Shift Toward Gas	✓ Over 90% of the acquired portfolio consists of modern and efficient natural gas plants
	Builds Scale and Longevity	✓ Adds scale to further leverage Dynegey's low cost platform ✓ Clean environmental profile
Right Markets	Expansion in Premium Markets	✓ Expands footprint in desirable markets of PJM and ISO-NE ✓ Establishes scale footprint in ERCOT at attractive price
	Visible Earnings Growth	✓ ~40% of gross margin from the ENGIE portfolio will be from capacity payments by 2018
Right Structure	Simplified Capital Structure	✓ Parent level financing lowers the cost of capital
	Simplified Organizational Structure	✓ Eliminates joint venture structure ✓ Allows full access to Dynegey's NOLs
Right Price	Significant Synergies	✓ Expect to exceed ~\$90 MM synergy target
	Compelling Valuation	✓ Overall cost of 100% ownership ~\$400 per kW before synergies

Transformation of Dynegey continues

Reshaping the Dynegy Portfolio

Combined Company Footprint

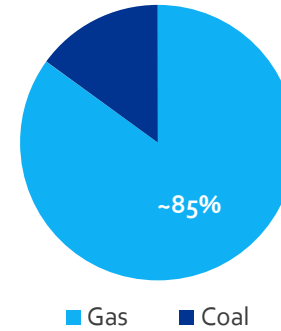


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|----------------------|---------------------|----------------|
| Dynegy Plants | ENGIE Plants | Regions |
| ■ Coal | ■ Coal | ■ ISO-NE |
| ◆ Gas | ◆ Gas | ■ NYISO |
| ● Oil | ★ Gas and Oil | ■ PJM |
| | ▲ Other | ■ ERCOT |
| | | ■ CAISO |
| | | ■ MISO Classic |

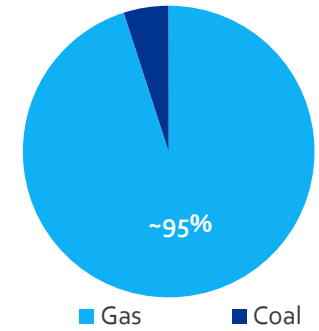
Dynegy's generation portfolio is complemented by a healthy and growing retail business in Ohio, Illinois and Pennsylvania which services more than 22 terawatt-hours of load for more than 931,000 residential and 41,000 commercial, industrial and municipal accounts

Combined Company Contribution Sources⁽¹⁾

Adjusted EBITDA by Fuel Type

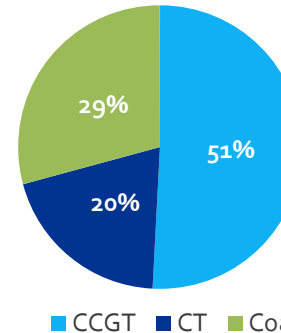


Free Cash Flow by Fuel Type⁽⁴⁾

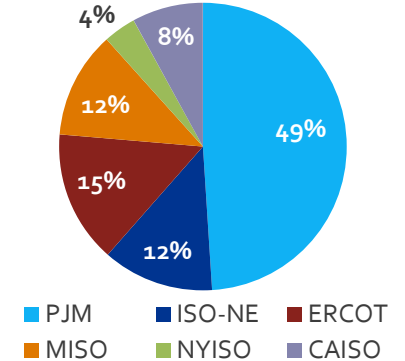


Combined Company Capacity⁽²⁾

Capacity by Asset Type



Capacity by Region⁽³⁾



Increasing presence in most desirable markets with high quality assets

(1) Last Twelve Month (LTM) estimates as of 3/31/2016 including ENGIE

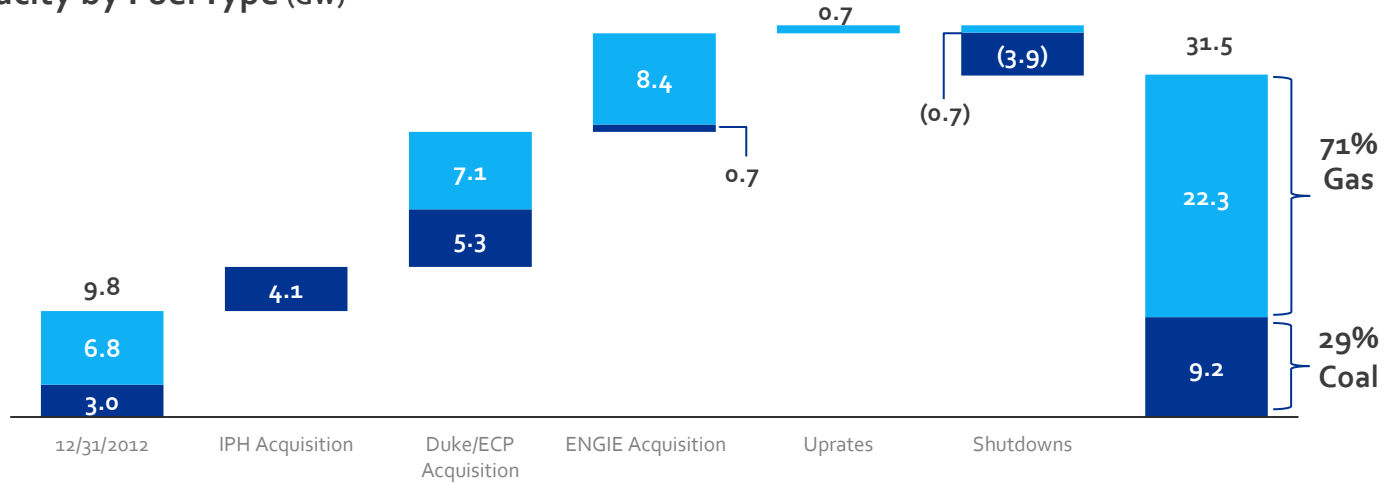
(2) Includes ENGIE and uprates. Excludes MW from the planned shutdowns of Wood River, Baldwin Units 1 & 3, Newton Unit 2, and Brayton Point

(3) PJM Includes 1.2 GW of pseudo-tied capacity from MISO (~900 MW from IPH and ~300 MW from Hennepin)

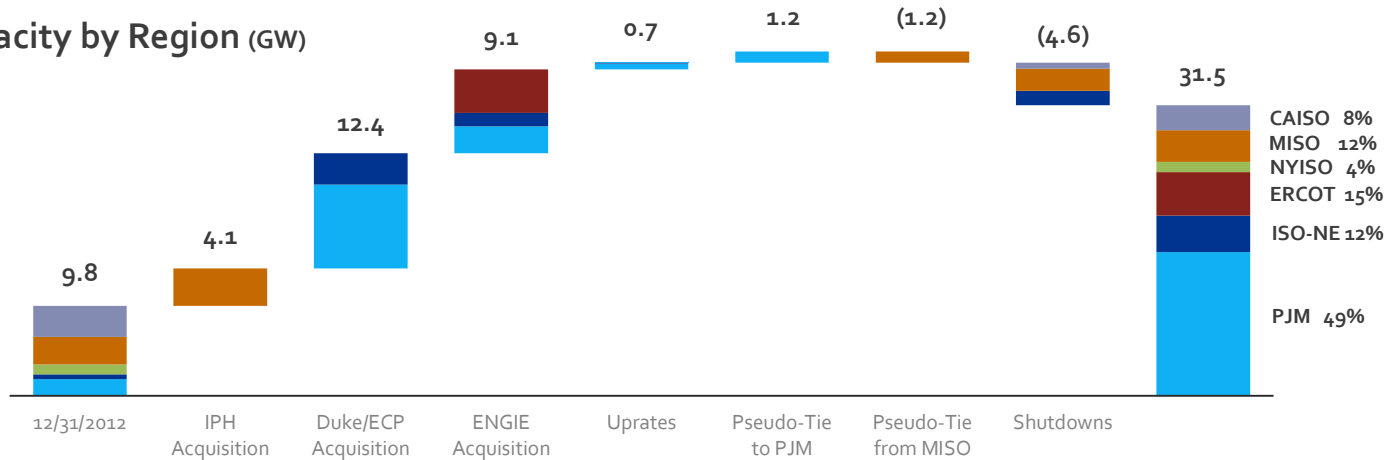
(4) Represents plant level Adjusted EBITDA less plant level CapEx. Excludes G&A, interest expense, and other corporate level items

Continued Evolution of Dynegy

Capacity by Fuel Type (GW) ⁽¹⁾



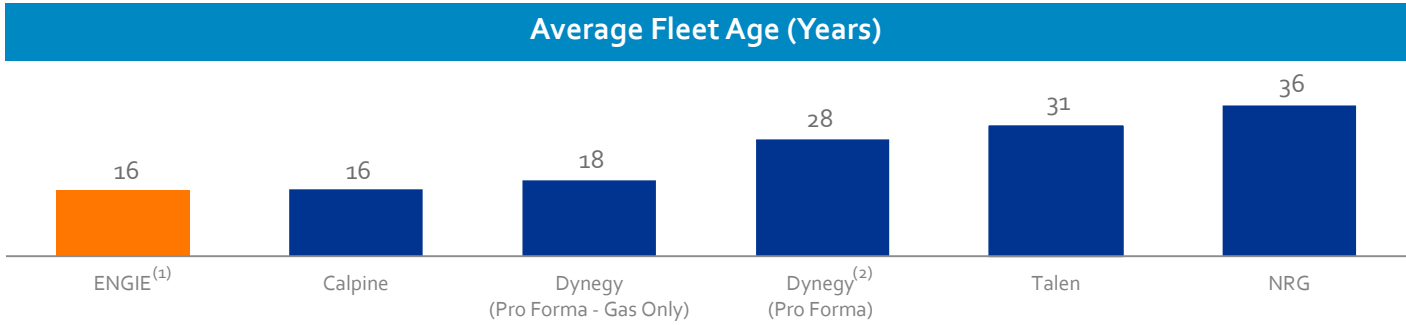
Capacity by Region (GW)



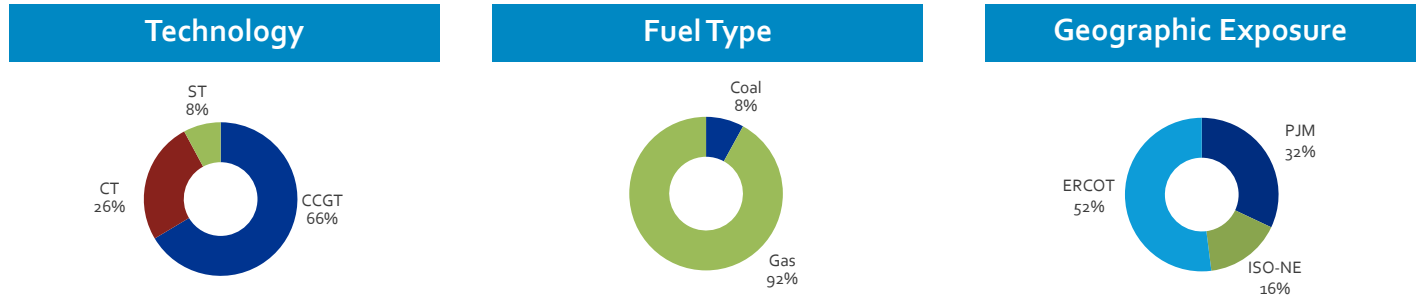
Accelerating the transformation of Dynegy

Modern Portfolio of Assets with Advantaged Plant Fuel Type & Technology

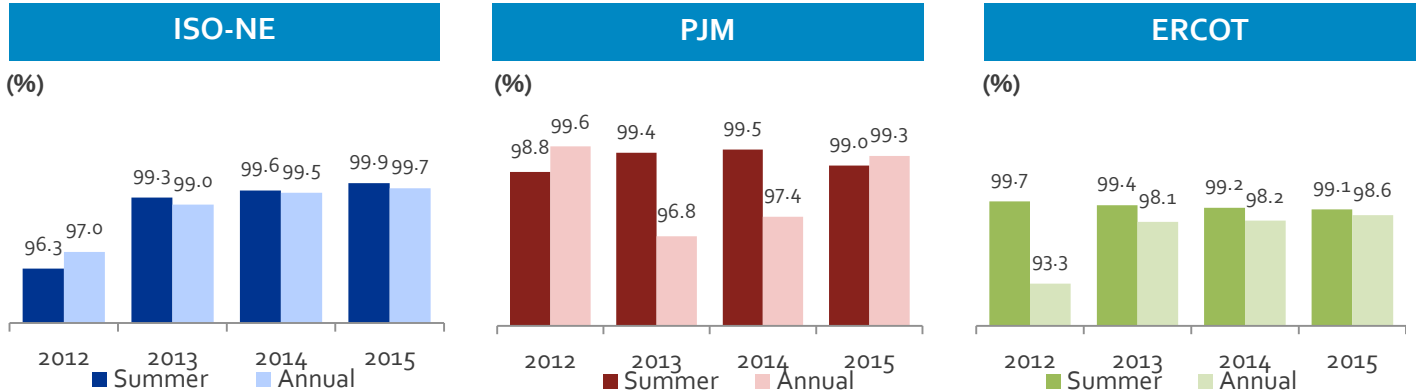
Fleet Age



ENGIE Portfolio Composition



ENGIE Historical Reliability⁽³⁾



(1) Does not include Coletto Creek and NEPCO

(2) Includes ENGIE and excludes MW from the planned shutdowns of Wood River, Baldwin Units 1 & 3, Newton Unit 2, and Brayton Point

(3) Data reflects historical reliability (100% minus forced outages) of the portfolio's assets by market, weighted by net capacity

Key Takeaways

Agreement to acquire ECP's interest in Atlas joint venture at a discount to initial floor price

Free cash flow accretive to shareholders

Eliminates uncertainty around initial put/call structure

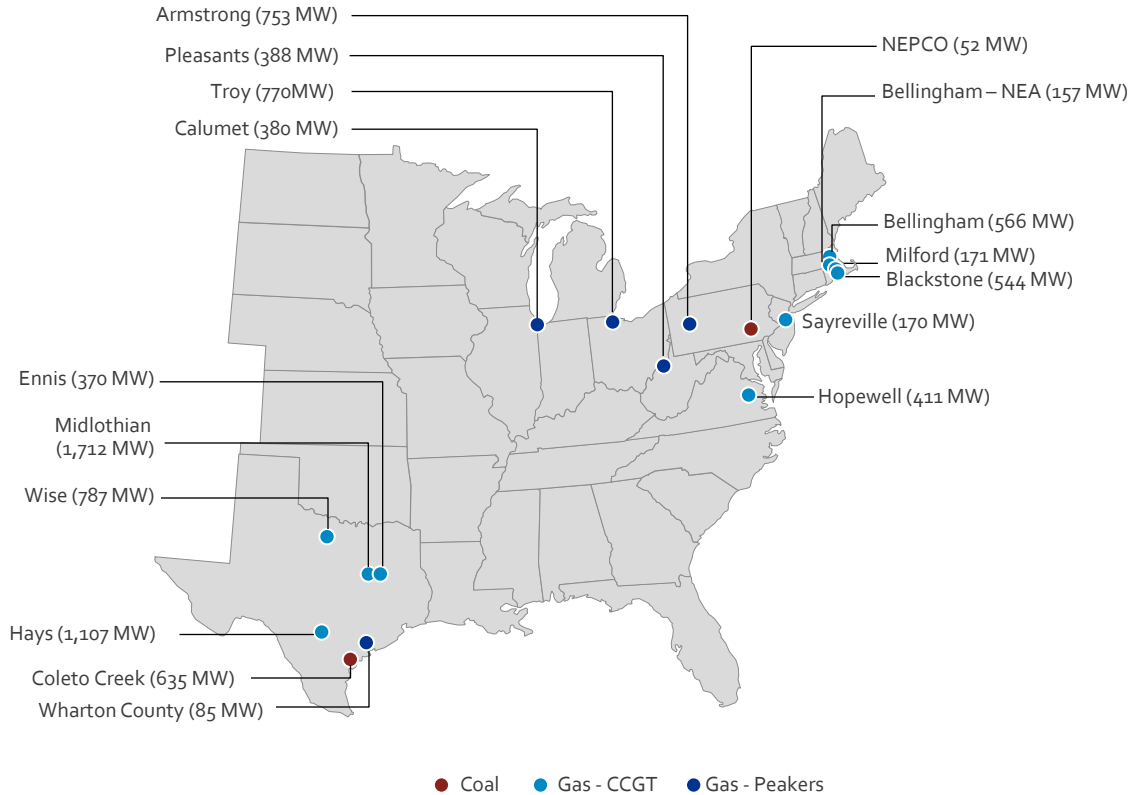
Accelerates transformation of the company with quality assets in the best markets

Appendix

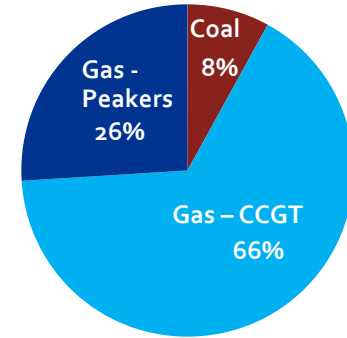
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ENGIE Power Portfolio Overview

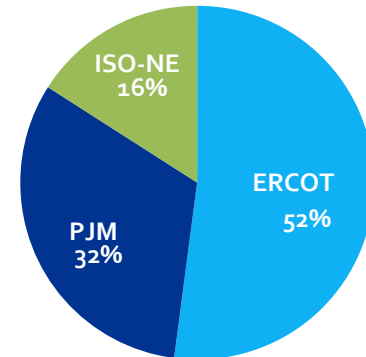
ENGIE Power Fossil Generation Portfolio



Capacity by Fuel Type



Capacity by Geography



With 92% gas-fired plants, the ENGIE transaction creates a CCGT driven portfolio in desirable markets that complements Dynegy's existing business

ENGIE Power Portfolio Summary

Asset Name	Commercial Operations Date	Ownership	Fuel Type	Full Load Heat Rate (Btu/kWH)	Technology	ISO Net MW ⁽¹⁾
ISO-NE						
Bellingham	2002	100%	Gas	7,408	CCGT	566
Bellingham - NEA	1991	50%	Gas	8,219	CCGT	157
Blackstone	2001	100%	Gas	7,350	CCGT	544
Milford	1993	100%	Gas	8,291	CCGT	171
Total ISO-NE						1,438
PJM						
Sayreville	1991	50%	Gas	8,122	CCGT	170
Armstrong	2002	100%	Gas	10,274	CT	753
Calumet	2002	100%	Gas	9,333	CT	380
Pleasants	2002	100%	Gas	10,130	CT	388
Troy	2002	100%	Gas	10,036	CT	770
NEPCO	1989	100%	Coal	13,800	ST	52
Hopewell	1990	100%	Gas	8,100	CCGT	411
Total PJM						2,924
ERCOT						
Coletto Creek	1980	100%	Coal	9,900	ST	635
Wharton County	1984	100%	Gas	11,775	CT	85
Ennis	2002	100%	Gas	6,952	CCGT	370
Midlothian	2000	100%	Gas	7,122	CCGT	1,712
Hays	2002	100%	Gas	7,135	CCGT	1,107
Wise	2004	100%	Gas	7,170	CCGT	787
Total ERCOT						4,696
Total Capacity						9,058

(1) Unit capabilities are based on winter capacity ratings

Appendix

Reg G Reconciliations

Reg G Reconciliation – DYN Pro Forma LTM Adj EBITDA for the 12 months 3/31/2016

Reconciliation of Dynegy, (excluding IPH) Pro Forma AEBITDA

Dynegy Pro Forma Last Twelve Months' ("LTM") Adjusted EBITDA for the twelve months ended March 31, 2016:

Dynegy	\$	1,016	(1)
IPH general and administrative expense		25	(2)
Less: IPH		(76)	(3)
Dynegy, excluding IPH		965	
ENGIE U.S.		452	(4)
Dynegy Pro Forma, excluding IPH	\$	1,417	

- (1) Represents Dynegy's Adjusted EBITDA amounts reported in Dynegy's Forms 10-K and 10-Q for the respective periods. LTM Adjusted EBITDA for the twelve months ended March 31, 2016 is calculated by adding Adjusted EBITDA for the twelve months ended December 31, 2015 and for the three months ended March 31, 2016 and subtracting Adjusted EBITDA for the three months ended March 31, 2015.

	Year Ended	Three Months Ended March 31,		March 31, 2016
	December 31, 2015	2016	2015	LTM
Net income (loss) attributable to Dynegy Inc.	\$ 50	\$ (10)	\$ (180)	\$ 220
Income tax expense (benefit)	(474)	16	-	(458)
Interest expense	546	142	136	552
Depreciation expense	587	171	64	694
Amortization expense	(6)	14	(4)	12
Loss attributable to noncontrolling interest	(3)	-	(1)	(2)
EBITDA	700	333	15	1,018
Earnings from unconsolidated investments	-	(2)	-	(2)
Cash distributions from unconsolidated investments	12	5	-	17
Acquisition and integration costs	124	4	90	38
Loss attributable to noncontrolling interest	3	-	1	2
Mark-to-market adjustments	(67)	(105)	(31)	(141)
Change in fair value of common stock warrants	(54)	(1)	5	(60)
Impairments	99	-	-	99
Loss (gain) on sale of assets	1	-	-	1
ARO accretion expense	21	5	4	22
Baldwin transformer project	7	-	-	7
Wood River energy margin and O&M	-	5	-	5
Non-cash compensation expense	-	7	-	7
Other	4	-	1	3
Adjusted EBITDA	\$ 850	\$ 251	\$ 85	\$ 1,016

- (2) Represents IPH related general and administrative expenses included in Dynegy's Other segment for the twelve months ended March 31, 2016.

- (3) Represents IPH's Adjusted EBITDA amounts reported in Dynegy's Forms 10-K and 10-Q for the respective periods. TM Adjusted EBITDA for the twelve months ended March 31, 2016 is calculated by adding Adjusted EBITDA for the twelve months ended December 31, 2015 and for the three months ended March 31, 2016 and subtracting Adjusted EBITDA for the three months ended March 31, 2015.

Reg G Reconciliation – DYN Pro Forma LTM

Adj EBITDA for the 12 months 3/31/2016 (continued)

	Year Ended	Three Months Ended March 31,		March 31, 2016
	December 31, 2015	2016	2015	LTM
Net income (loss) attributable to Dynegey Inc.	\$ 49	\$ 14	\$ 22	\$ 41
Depreciation expense	29	9	8	30
Amortization expense	(6)	(1)	(1)	(6)
EBITDA	72	22	29	65
Loss attributable to noncontrolling interest	3	-	1	2
Mark-to-market adjustments	(10)	(3)	(11)	(2)
ARO accretion expense	12	2	3	11
Adjusted EBITDA	<u>\$ 77</u>	<u>\$ 21</u>	<u>\$ 22</u>	<u>\$ 76</u>

- (4) Represents ENGIE U.S. historical amounts reported in Dynegey's Form 8-K filed on June 15, 2016 (in millions). TM Adjusted EBITDA for the twelve months ended March 31, 2016 is calculated by adding Adjusted EBITDA for the twelve months ended December 31, 2015 and for the three months ended March 31, 2016 and subtracting Adjusted EBITDA for the three months ended March 31, 2015.

	Year Ended	Three Months Ended March 31,		March 31, 2016
	December 31, 2015	2016	2015	LTM
Net income (loss)	\$ (493)	\$ (2)	\$ 8	\$ (503)
Plus/(Less):				
Income tax expense (benefit)	53	(1)	5	47
Interest expense	58	11	14	55
Depreciation	229	57	56	230
EBITDA	(153)	65	83	(171)
Plus/(Less):				
Loss on sale of assets	11	3	1	13
Mark-to-market (income) loss, net	(5)	(8)	(33)	20
Impairments	576	6	-	582
Earnings from unconsolidated investments	(46)	(10)	(10)	(46)
Cash distributions from unconsolidated investments	47	14	6	55
Change in fair value of employee-related warrants	(1)	-	-	(1)
Non-cash compensation expense	(1)	-	-	(1)
Other, net	-	1	-	1
Adjusted EBITDA	<u>\$ 428</u>	<u>\$ 71</u>	<u>\$ 47</u>	<u>\$ 452</u>