1Q2017 Results

transelec
Uniendo a Chile con Energía

May, 2016

Executive Summary

- Transelec is the largest transmission company in Chile with 9,609 kilometers of transmission lines (as of Dec./2016) through the ownership and operation of strategic assets for the country, and serving approximately 98% of the Chilean population.
- Transelec continues to generate stable cash flows and maintains an EBITDA margin above 80% (in Mar 2017, 84% on a LTM basis).
- The company generated funds from operations (FFO) of CLP194 billion, during the LTM ended March 30, 2017.
- Reaffirming the solid financial performance of the Company, in January 2017, Fitch reaffirmed our current international rating (BBB) and local rating (AA-); and Humphreys reaffirmed our local rating (AA-), as well.
- As of March 31, 2017, Transelec recorded a net income of MCLP21,250 and an EBITDA of MCLP58,220.

(USD figures have been translated with the FX of the end of March 2017 ($663,97), for referential purposes only)

Business Update

- Current ratings of the Company are the following:

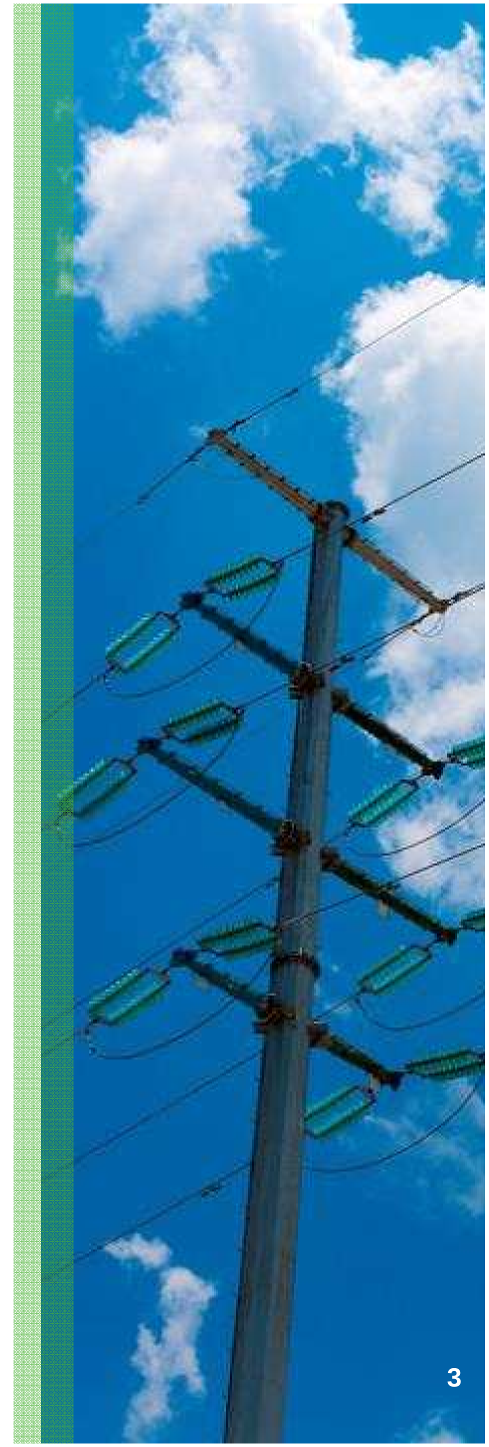
Local Market	
Rating Agencies	**Current Rating**
Humphrey's	AA-
Feller-Rate	AA-
Fitch Ratings	AA-

International Market	
Rating Agencies	**Current Rating**
Moody's	Baa1
S&P	BBB
Fitch Ratings	BBB

- During this first quarter, the company incorporated US$32.3 million of new facilities, which include the commissioning of two national system upgrade projects and a zonal project

- On March 31, 2017, Transelec acquired Transmisora del Melao Spa from Besalco. This new facility will generate revenues amounting to MUSD 2.6 annually.

- Zonal system tariff is one of the important changes introduced by the New Transmission Bill of Law. This system will change from a volume based remuneration system to an annuity over the capacity installed (as well as in the National System) since 2018.
  - ✓ Currently, the first tariff process as defined last year for this system is taking place and will determine the tariffs for 2018-2019.



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Financial Results

CLP billion	1Q2017	1Q2016	Var.
Revenues	68	69	-3%
Ebitda	58	61	-5%
Operating Income	45	47	-5%
Non-Operating Income	-17	-18	-7%
Tax	-7	-7	-6%
Net Income	21	22	-3%
Gross Debt	-1.414	-1.335	6%
Net Debt	-1.374	-1.310	5%
FFO (LTM)	194	192	1%

- EBITDA decreased 5% compared with the same period last year. For the first quarter, revenues decreased 3%, reaching CLP68 billion, mainly due to the maturity of the umbrella contracts with Enel. The assets associated to those contracted are now totally regulated National System facilities.

- Non-Operating Income decreased 7%, reaching CLP-17 billion, mainly due to lower inflation effect in our local bonds.

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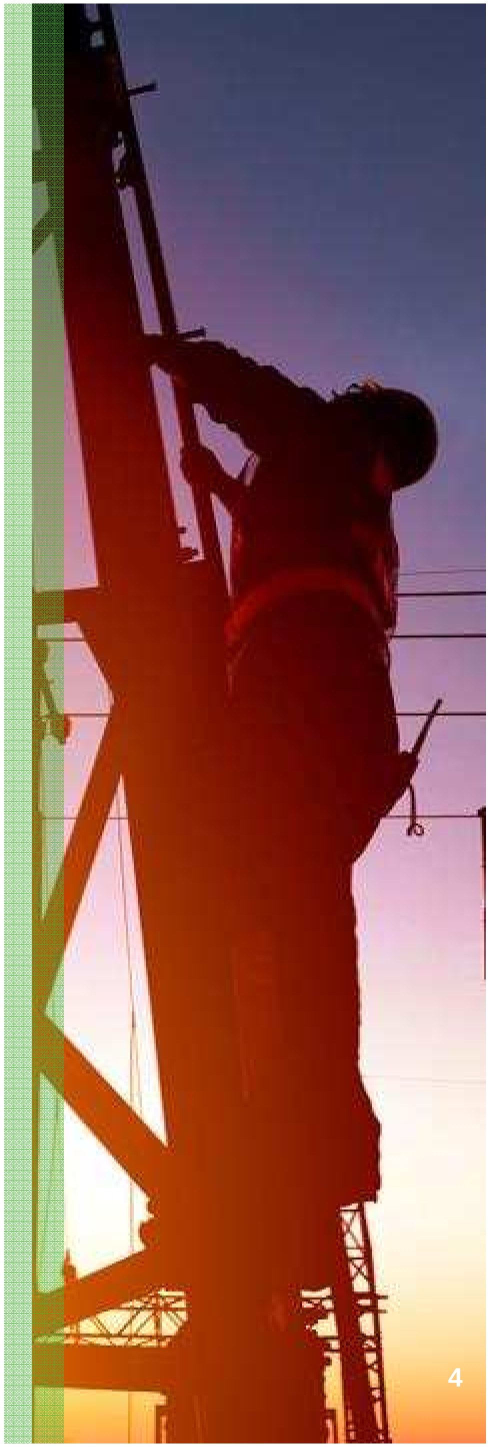
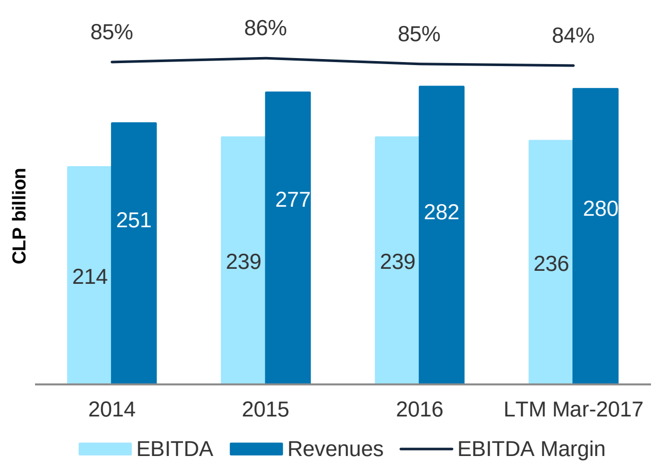


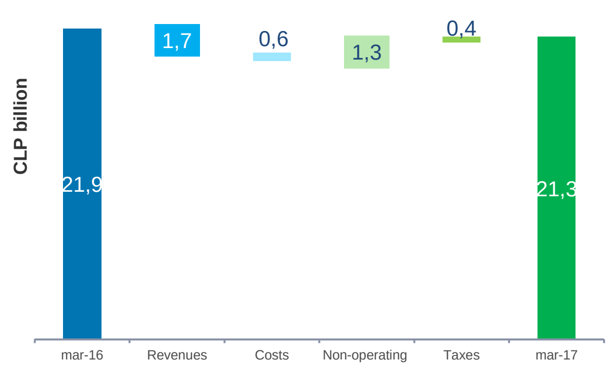
Revenue and Profitability

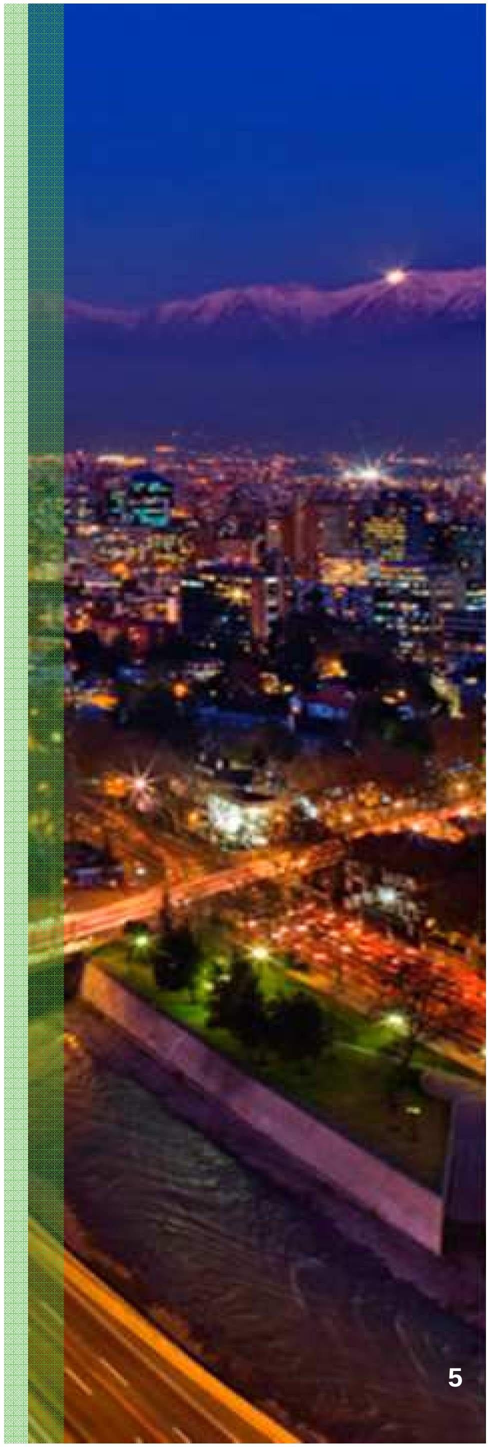
- Transelec's revenues and EBITDA have grown steadily and are in line with its shareholders' expectations.
- The company has a low business risk profile with more than 80% of revenues coming from strong counterparties with take-or-pay agreements.
- As of March 31st, 2017, Transelec recorded a net income 5% lower than the same period in 2016 mainly due to:
  - ✓ Lower Revenues (2.5%)
- The company has historically maintained an EBITDA margin above 80%, driven by a low and stable cost structure mainly comprised of labor and maintenance expenses (in March 2017, 84% on a LTM basis).

EBITDA[1] and Revenues



Net Income





[1] EBITDA: Earnings before taxes, interest, depreciation, amortization, price-level restatement, net and foreign currency translation, net, plus income from leasing

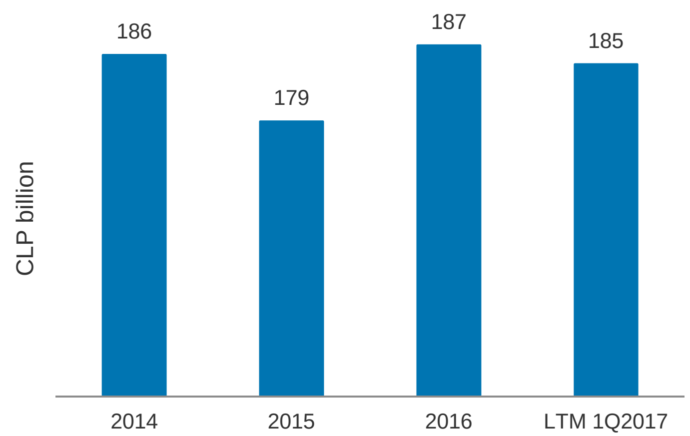
Solid Liquidity Position

- In March 2017, Transelec's liquidity reached CLP192 billion (equiv. USD270 million).
  - ✓ This includes USD250 million available on a 3-year committed revolving credit line (completely undrawn).

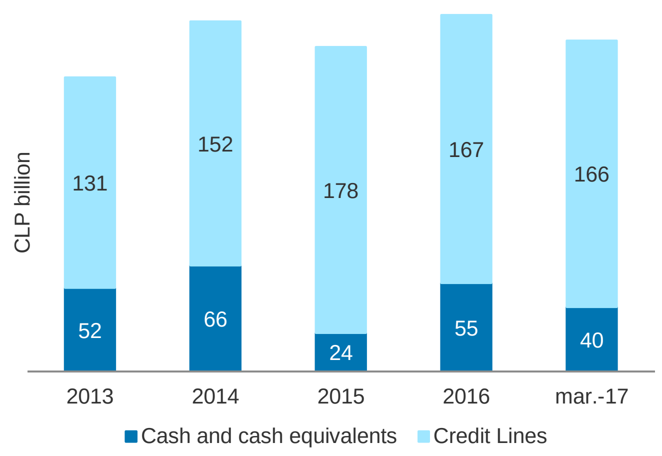
- In addition, the company generated during the LTM ended March 31, 2017, CLP194 billion of funds from operations (FFO) and CLP185 billion of cash flow from operations (CFO).

- Transelec also has UF 36.9 million (USD1.5 billion) available under its local shelf registration programs.
  - ✓ Furthermore, the Company's bonds have a 6-month DSRA.

Cashflow From Operations



Liquidity



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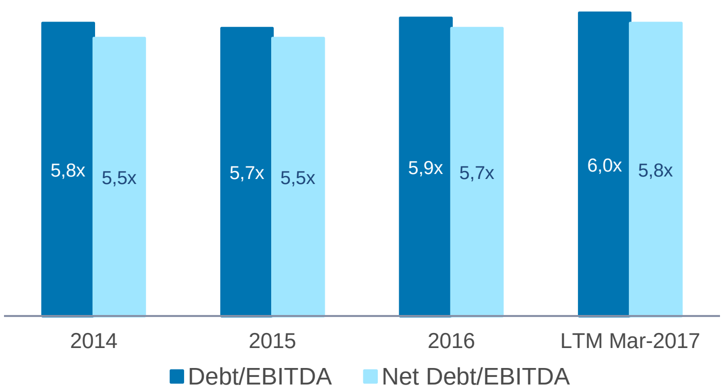
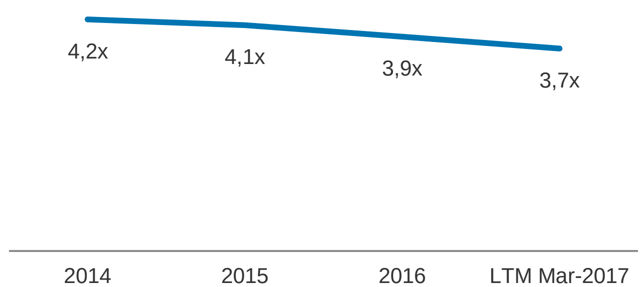
Strong Coverage Ratios

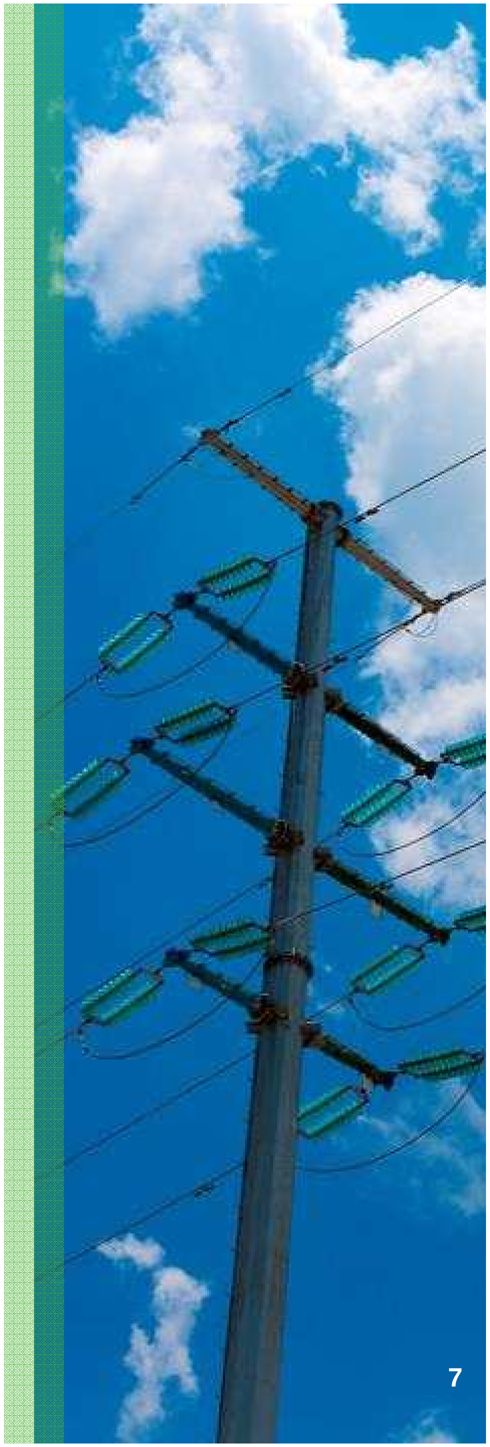
- Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows and have improved since acquisition.
- The company has maintained Debt to EBITDA ratio within the limits it has defined.
- Transelec is committed to maintaining investment grade credit rating.

Leverage



Interest Expense Coverage





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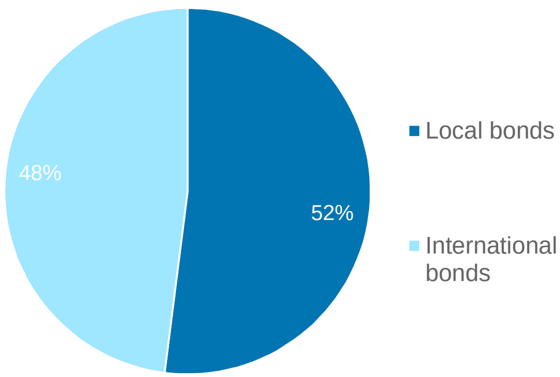
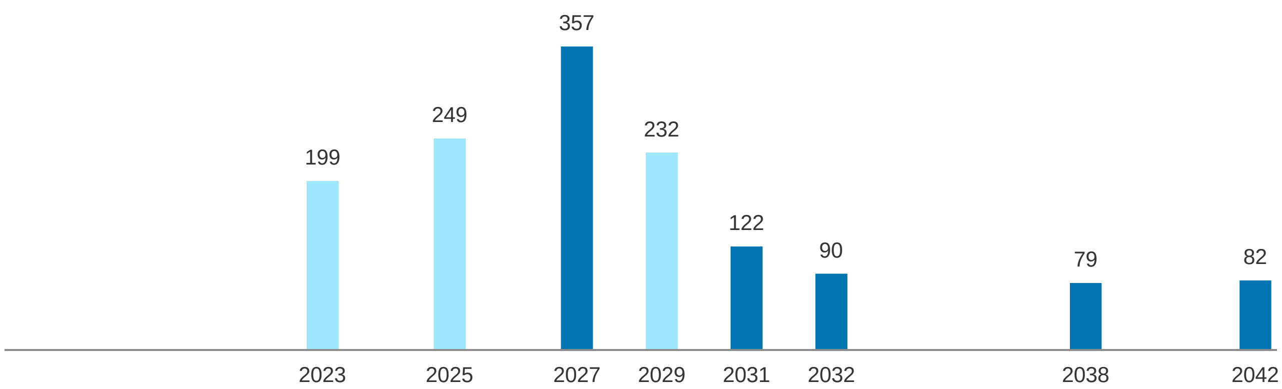
Debt Profile

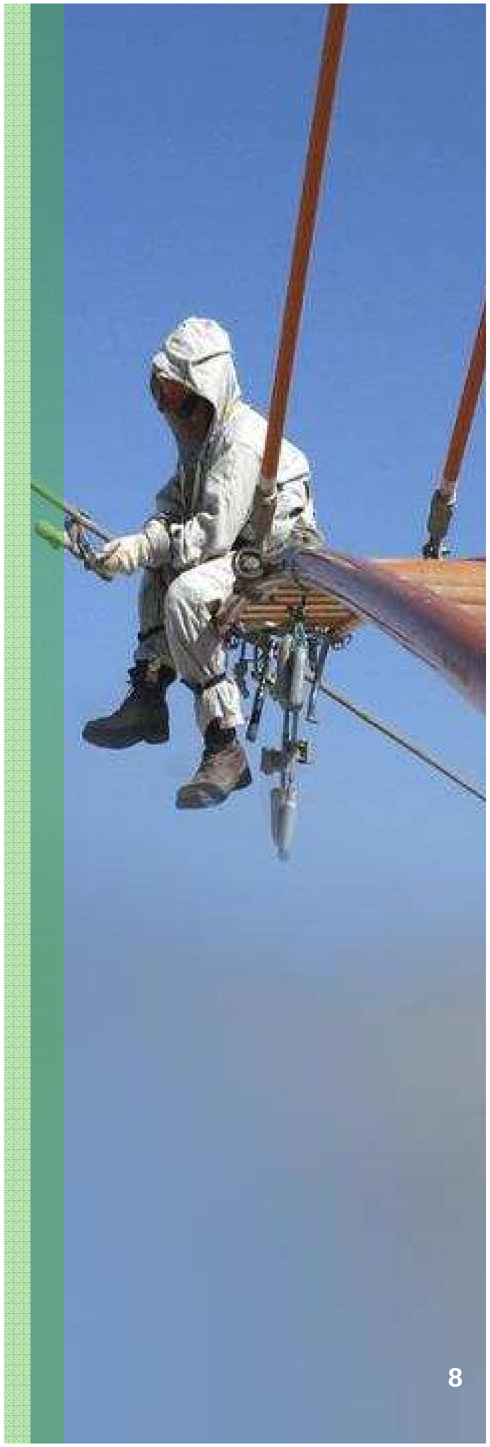
- Transelec maintains a very manageable debt maturity profile with no debt refinancing in the next years.
- The Company has been able to obtain flexibility and a variety of sources for funding.
- All public debt has fixed rates.

Debt breakdown by type



Public debt maturity profile (CLP Billion)





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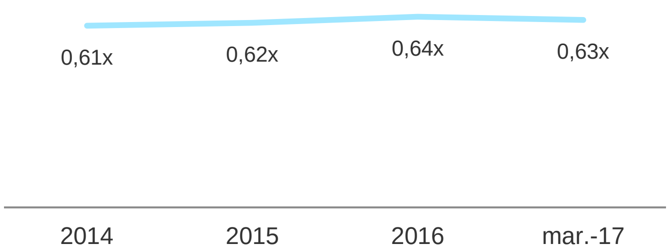
Covenants

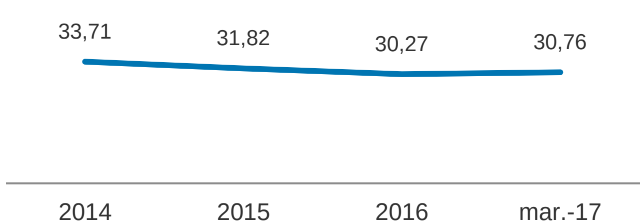
- Transelec's financial covenants (included in the local bond indentures) are balance sheet focused.
- As of March 31, 2017, the company is in full compliance with all debt covenants.

Debt / Capital < 0.7x (1)



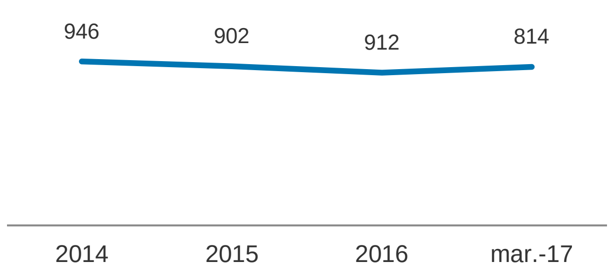
(1) Total Debt /(Total Debt +Interest + Shareholder's Equity + Accumulated amortization of goodwill)

Minimum Equity > UF15 million(2)

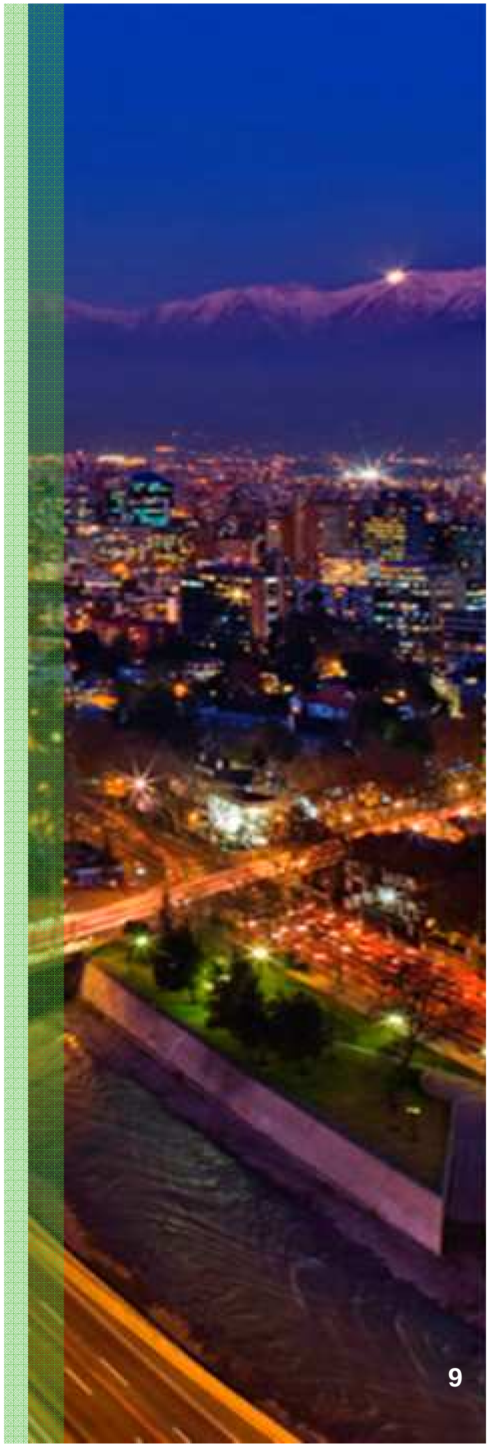


(2) Equity attributable to the owners + Accumulated amortization of goodwill

Minimum Equity > CLP 350 billion (3)



(3) Equity attributable to the owners + Accumulated amortization of goodwill



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You can find additional information in our web page:
http://www.transelec.cl/index.php/inversionistas-2/

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1