1Q2018 Results

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Uniendo a Chile con Energía

May, 2018

Executive Summary

- Transelec is the largest transmission company in Chile with 9,648 kilometers of transmission lines (as of Dec./2017) 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 2018, 83% on a LTM basis).

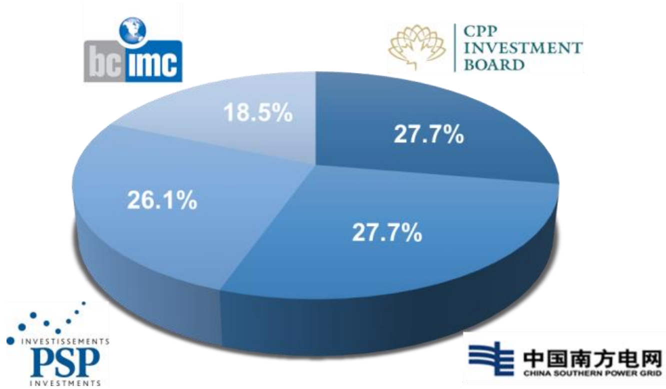
- The company generated funds from operations (FFO) of CLP174 billion, during the LTM ended March 30, 2018.

- Reaffirming the solid financial performance of the Company, in January 2018, Fitch reaffirmed our current international rating (BBB) and local rating (AA-); and in February, Humphreys reaffirmed our local rating (AA-) as well, changing the outlook from stable to *positive*.

- As of March 31, 2018, Transelec recorded a net income of MCLP19,404 and an EBITDA of MCLP58,442.

Business Update

- On March 15th, China Southern Power Grid (CSG) purchased the 27.7% of the company from Brookfield Asset Management in USD1.3 bn. The other 3 shareholders have not changed. Therefore, shareholders are currently the following:



- 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$44.4 million of new facilities, which include the commissioning of one national system expansion project and two upgrade projects in the national and zonal system.
  - ✓ The Company incorporated facilities for US$146.37 million LTM.

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Financial Results

CLP billion	1Q2018	1Q2017	Var.
Revenues	68	68	1%
Ebitda	58	58	0%
Operating Income	44	45	-1%
Non-Operating Income	-18	-17	7%
Tax	-7	-7	4%
Net Income	19	21	-9%
Gross Debt	-1.413	-1.414	0%
Net Debt	-1.353	-1.374	-2%
FFO (LTM)	174	194	-10%

- EBITDA remained pretty similar to previous year. Even though revenues increased 1%, costs were higher offsetting the increase in revenues. Revenues increased due to toll sales, and costs due to higher maintenance costs.

- Non-Operating Income increased 7%, reaching CLP-18 billion, mainly due to higher inflation effect in our local bonds.

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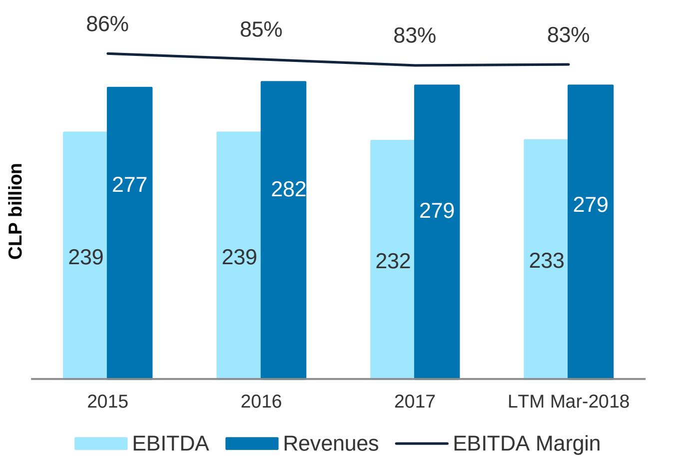
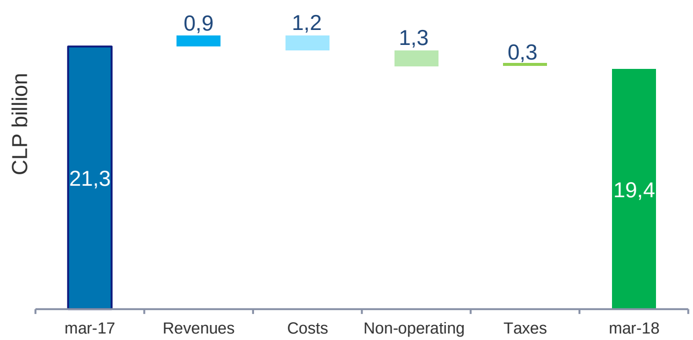
Revenue and Profitability

- Transelec's revenues and EBITDA have grown steadily in last years.
- The company has a low business risk profile with more than 70% of revenues coming from strong counterparties.
- As of March 31st, 2018, Transelec recorded a net income 9% lower than the same period in 2017 mainly due to:
  - ✓ Higher inflation effect in our local bonds
- 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 2018, 83% on a LTM basis).

EBITDA[1] and Revenues



Net Income



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

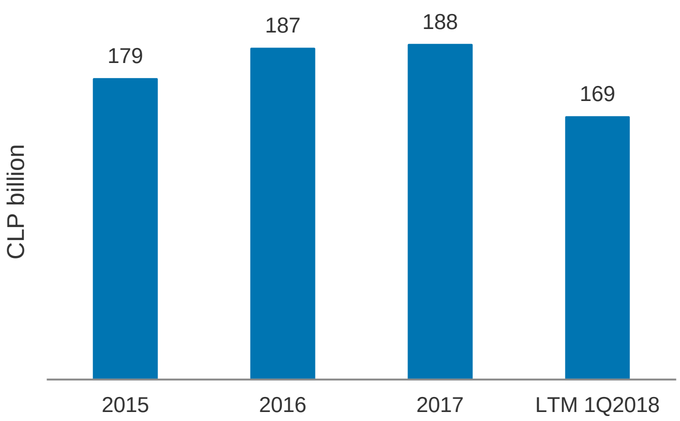
Solid Liquidity Position

- In March 2018, Transelec's liquidity reached CLP218 billion (equiv. USD362 million).
  - ✓ This includes ~ USD250 million available on a 3-year committed revolving credit line completely undrawn (denominated in USD & UF).

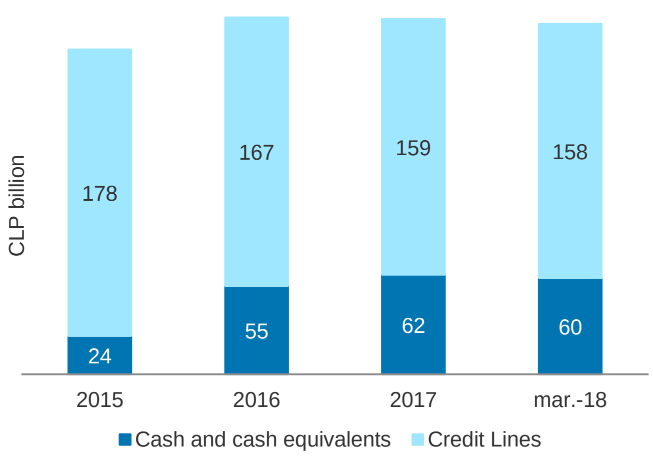
- In addition, the company generated during the LTM ended March 31, 2017, CLP174 billion of funds from operations (FFO) and CLP169 billion of cash flow from operations (CFO).

- Transelec also has UF 20 million (USD894 million) available under its local shelf registration programs.
  - ✓ Furthermore, the Company's bonds have a 6-month DSRA.

Cashflow From Operations



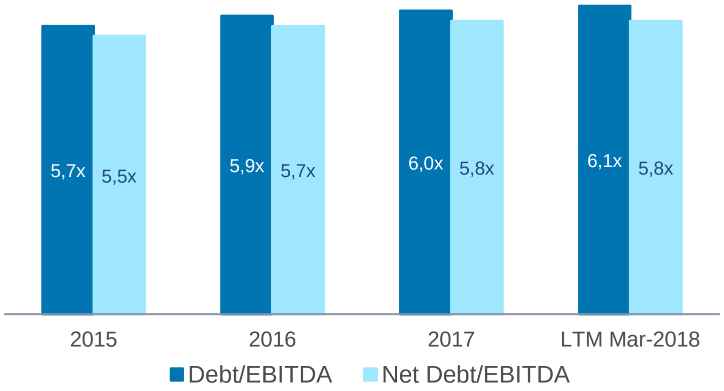
Liquidity



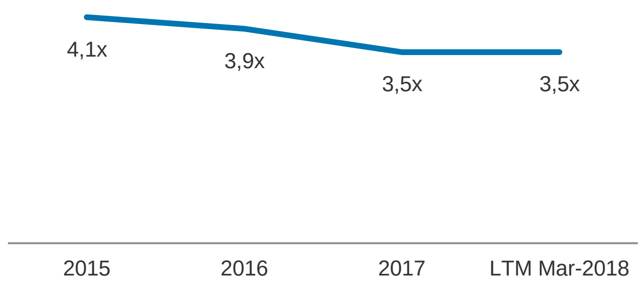
Strong Coverage Ratios

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

Leverage



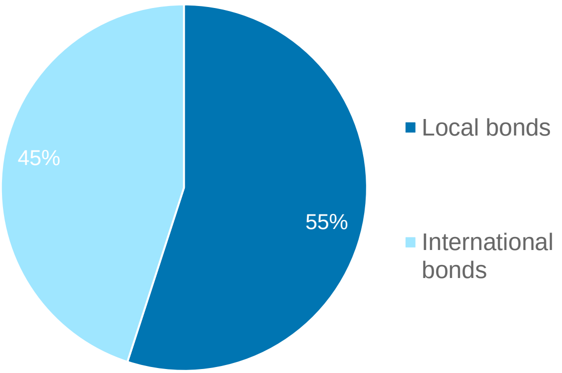
Interest Expense Coverage



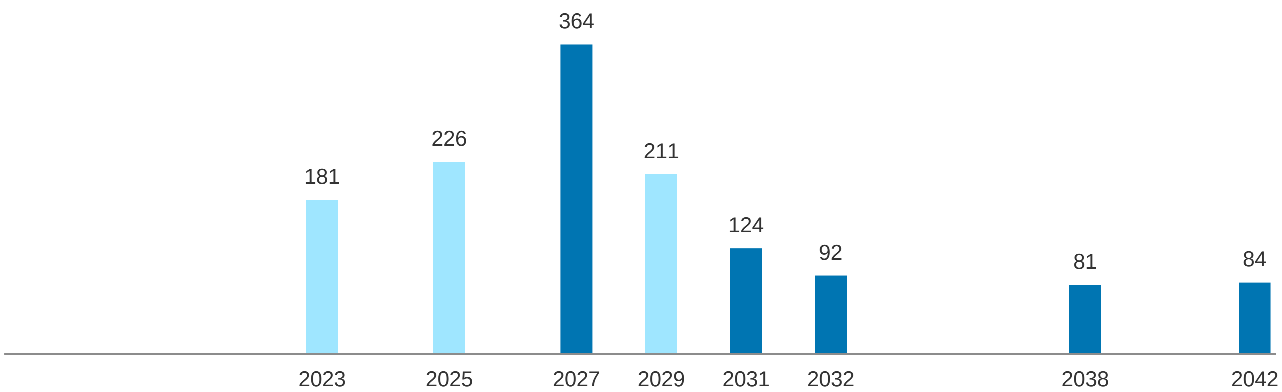
Debt Profile

- 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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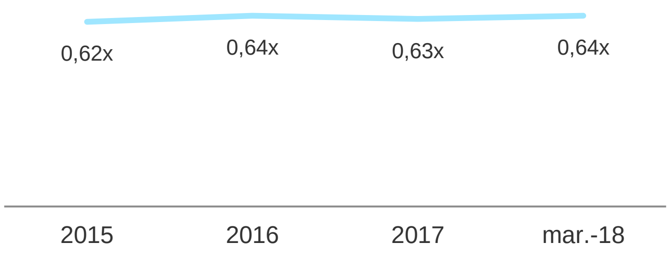
Covenants

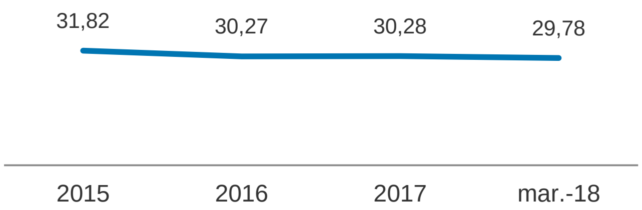
- Transelec's financial covenants (included in the local bond indentures) are balance sheet focused.
- As of March 31, 2018, the company is in full compliance with all debt covenants.

Debt / Capital < 0.7x [1]



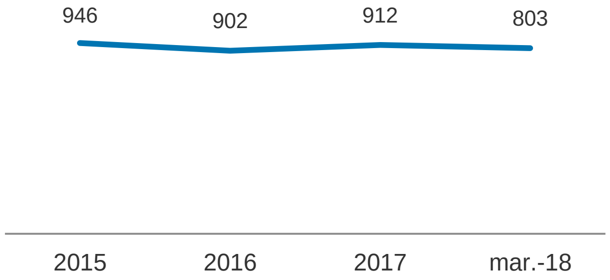
(1) Total Debt /(Total Debt +Interest + Shareholder's Equity + Accumulated amortization of goodwill)

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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Contact Information

For additional information, please contact:

Martha Peredo
Head of Investor Relations
mperedo@transelec.cl
56 2 24677237

Javier Sauvageot
Finance Manager & Treasurer
jsauvageot@transelec.cl
56 2 24677068

You can find additional information in our web page:
http://www.transelec.cl/investors/?lang=en

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