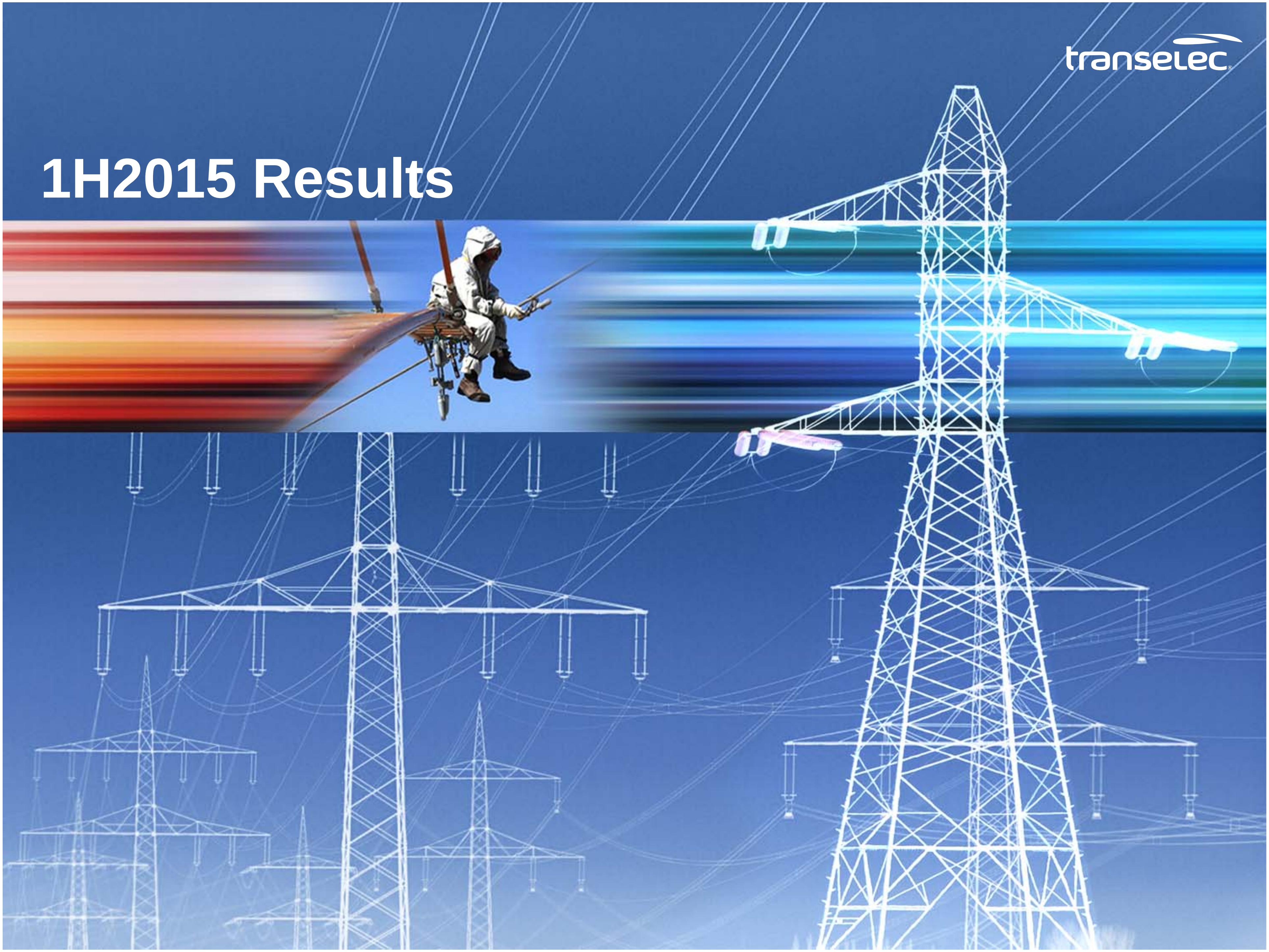
1H2015 Results



Executive Summary

- **Transelec is the largest transmission company in Chile with more than 9,500 kilometers of transmission lines (as of Dec./2014) 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 June 2015, 88% on a LTM basis).**

- **The company generated funds from operations (FFO) of CLP176 billion, during the LTM ended June 30, 2015.**

- **Reaffirming the solid financial performance of the Company, in January 2015:**
  - Fitch Ratings upgraded Transelec's international rating to 'BBB' from 'BBB-'.
  - Fitch Ratings and Humphreys updated Transelec's local rating to 'AA-' from 'A+'.

- **As of June 30, 2015, Transelec recorded a net income of MCLP43,122 and an EBITDA of MCLP119,680.**

(USD figures have been translated with the FX of the end of June 2015 ($ 639,04), for referential purposes only)

Business Updates

1. **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**
Fitch Ratings	BBB
Moody's	Baa1
S&P	BBB

2. **In December 2014, Board of Directors of Transelec approved the absorption of Inversiones Eléctricas Transam Chile , aiming to obtain administrative efficiencies and processes optimization. This process will be finalized during 2H2015.**

   Background:

   – In December 2012, Transelec acquired TransAm Chile, which included Abenor, Araucana and Huepil transmission lines

   – The total consideration for this acquisition was USD 70 million

3. **On April 2, 2015, Transelec S.A. subscribed a loan agreement with "Banco Estado" (1 year bullet), amounting MCh$16,000, maturing on April 2, 2016, in order to totally prepay the debt of its subsidiary Transmisora Huepil Ltda. (April 10th).**

4. **In June, the Company distributed CLP 16,355 million as first interim dividend.**

5. **During the first semester of 2015, the company incorporated US$86.7 million of new facilities, where US$70.5 correspond to the commissioning of the trunk expansion project “S/E Lo Aguirre”.**

Financial Results

CLP billion	1H2014	1H2015	Var.
Revenues	121	135	12%
Ebitda	102	120	17%
Operating Income	78	89	14%
Non-Operating Income	-51	-33	-34%
Tax	-3	-13	270%
Net Income	25	43	76%
Gross Debt	-1.248	-1.288	3%
Net Debt	-1.182	-1.267	7%
FFO (LTM)	177	176	-1%

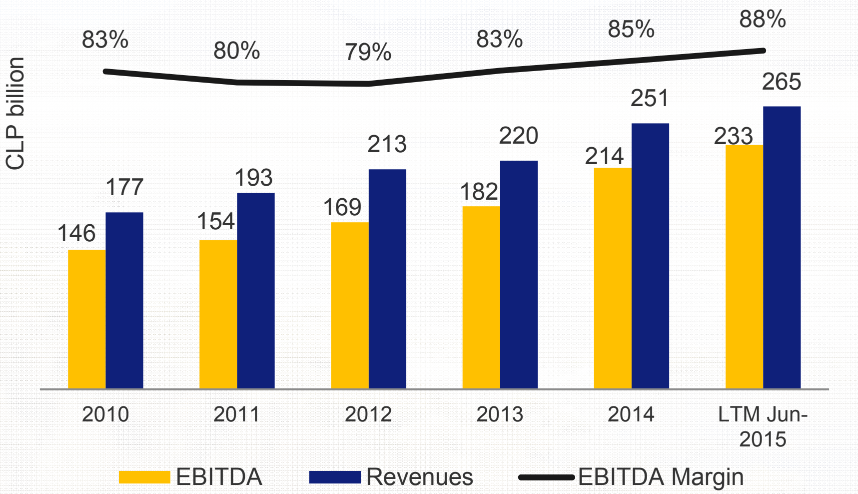
- **EBITDA increased 17% compared with the same period last year. Revenues for the first semester increased 12%, reaching CLP135 billion, mainly due to macro economical effects (indexation and foreign exchange), the negotiation of certain pending agreements with ENDESA and higher subtransmission revenues.**

- **Non-Operating Income decreased 34%, reaching CLP-33 billion, mainly due to lower inflation (1,4% for the current period compared to 3,1% the same period in 2014) and lower loss from Foreign exchange differences. Taxes increased due to higher profits and a slightly higher tax rate.**

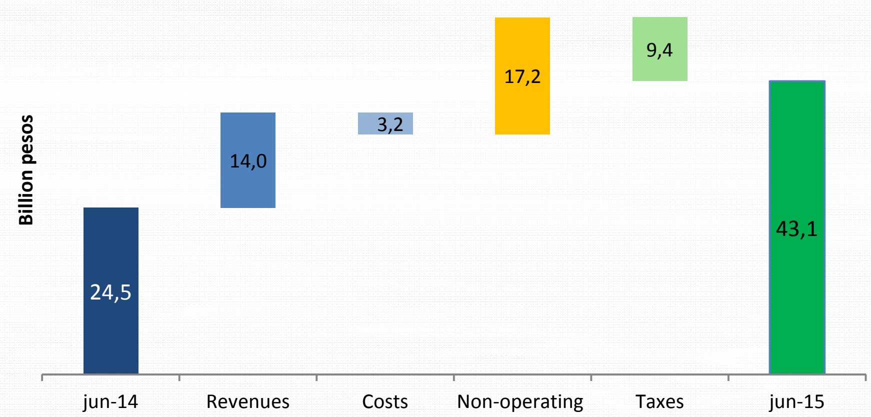
Revenue and Profitability

- **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.**
- **During the first semester of 2015, Transelec recorded a net income 76% higher than the same period in 2014 mainly due to:**
  - Higher Operating Income (13.7%)
  - Lower loss in the Non-Operating Income (-34.1%)
- **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 June 2015, 88% on a LTM basis).**

EBITDA and Revenues



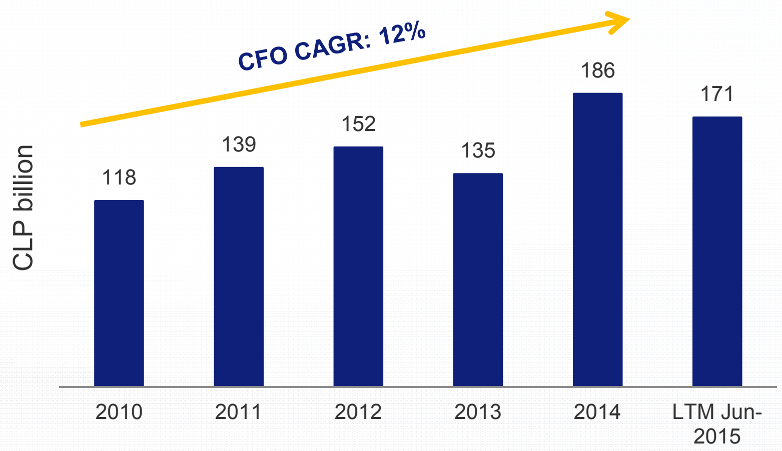
Net Income



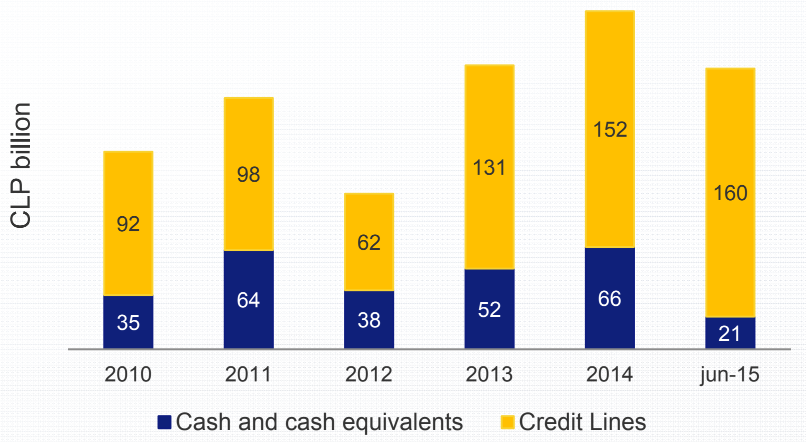
Solid Liquidity Position

- **In June 2015, Transelec's liquidity reached CLP181 billion (equiv. USD283 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 June 30, 2015, CLP176 billion of funds from operations (FFO) and CLP171 billion of cash flow from operations (CFO).**
- **Transelec also has UF 16.9 million (USD661 million) available under its UF 20 million (USD782 million) local shelf registration program.**
  - Furthermore, the Company's bonds have a 6-month DSRA.

Cashflow From Operations



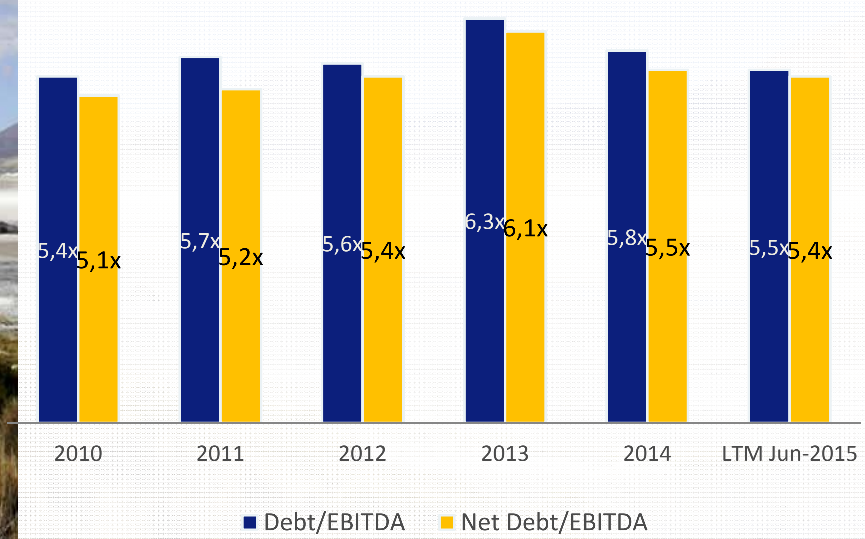
Liquidity



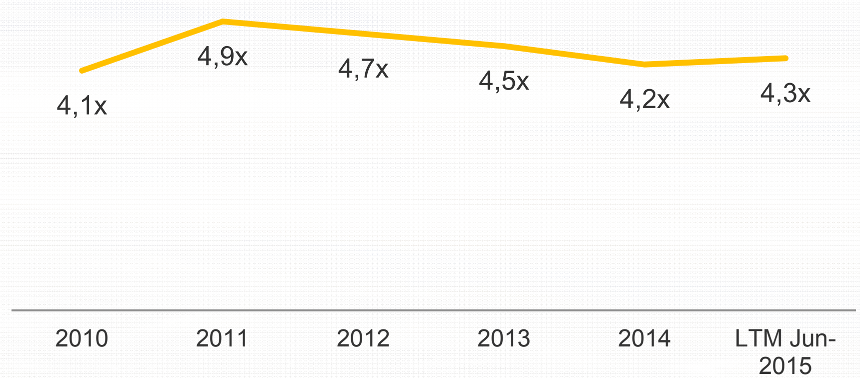
Strong Coverage Ratios

- **Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows 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



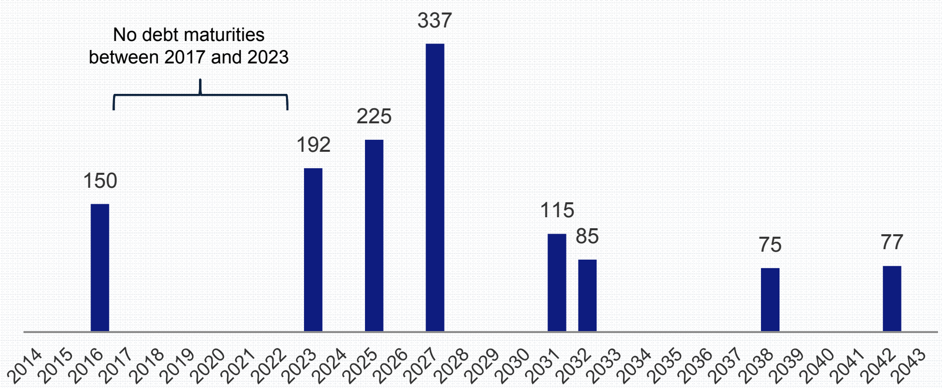
Interest Expense Coverage



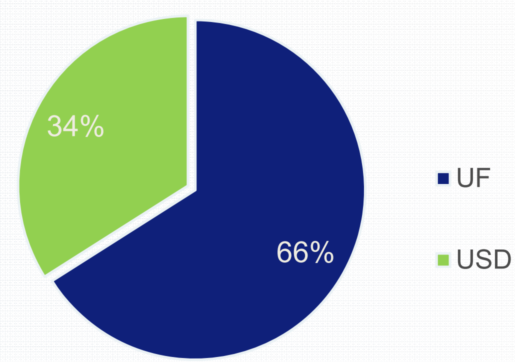
Debt Profile

- **Transelec maintains a very manageable debt maturity profile.**
  - With ~CLP150 billion (~ USD235 million) maturing in 2016.
  - No further maturities up to 2023.
- **The Company has been able to obtain flexibility and a variety of sources for funding.**
- **To mitigate exposure to interest rates volatility, we have long-term fixed rate financing.**
- **To mitigate currency exposure, the Company hedges its USD balance.**

Public Debt Maturity Profile (CLP billion)



Debt Breakdown by Currency

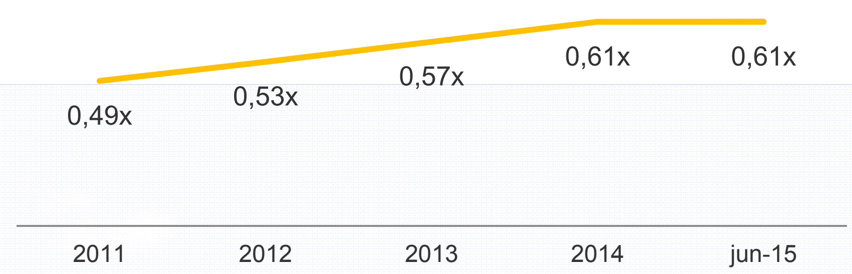


Covenants

Transelec's financial covenants (included in the local bond indentures) are balance sheet focused, which provides significant cushion against short term fluctuations in financial results.

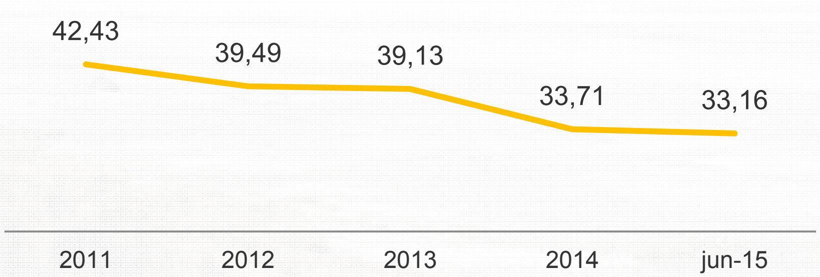
As of June 30, 2015, the company is in full compliance with all debt covenants.

Debt / Capital < 0.7x [(1)]



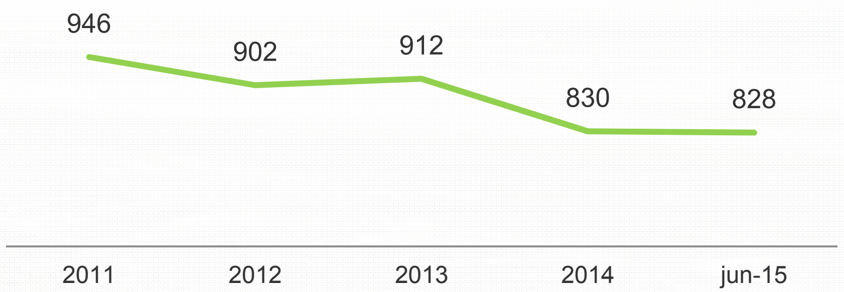
(1) Total Debt /(Total Debt +Interest + Shareholder's Equity + Accumulated amortization of goodwill)

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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