

3Q2015 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 Sep 2015, 88% on a LTM basis).**
- **The company generated funds from operations (FFO) of CLP193 billion, during the LTM ended September 30, 2015.**
- **Reaffirming the solid financial performance of the Company, in July and September 2015, S&P and Moody's reaffirmed our current ratings BBB and Baa1, respectively.**
- **As of September 30, 2015, Transelec recorded a net income of MCLP66,600 and an EBITDA of MCLP179,883.**
- **In September, the Company was successfully awarded with Nueva Charrúa Substation & Line project with a total VI of US\$76.8 million.**

(USD figures have been translated with the FX of the end of September 2015 (\$ 698,72), 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. 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).
3. The absorption of Inversiones Eléctricas Transam Chile was finalized as of August 31, 2015. Therefore, Transelec's financial statements as of September 30, 2015 are individual.
4. The Company distributed in June, CLP 16,355 million as 1st interim dividend and in September, CLP 18,167 million as 2nd interim dividend
5. During this year 2015 (until September), the company incorporated US\$94.6 million of new facilities, where US\$70.5 correspond to the commissioning of the trunk expansion project "S/E Lo Aguirre".
6. On October 20, 2015, the Chilean Panel of Experts made public its resolution regarding the pending claims submitted in August. The Tariff Decree is expected to be enacted in December 2015. Effective tariff for the period 2016-2019 should show no material changes for Transelec.

Financial Results

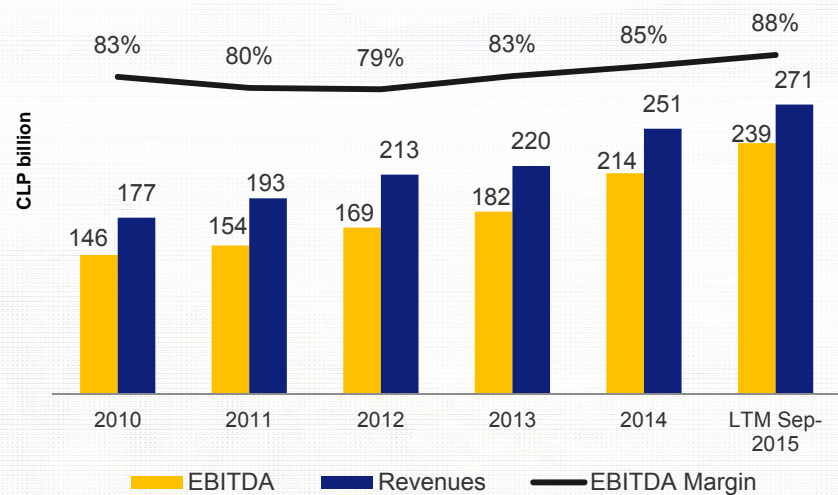
CLP billion	9M2014	9M2015	Var.
Revenues	184	205	11%
Ebitda	156	180	16%
Operating Income	119	132	11%
Non-Operating Income	-67	-55	-17%
Tax	-9	-10	16%
Net Income	43	67	55%
Gross Debt	-1.297	-1.338	3%
Net Debt	-1.171	-1.306	12%
FFO (LTM)	150	193	29%

- **EBITDA increased 16% compared with the same period last year. Revenues for the first semester increased 11%, reaching CLP205 billion, mainly due to macro economical effects (indexation and foreign exchange), new projects commissioning and higher subtransmission revenues.**
- **Non-Operating Income decreased 17%, reaching CLP-55 billion, mainly due to lower inflation effect (lower UF debt) and lower loss from Foreign exchange differences. Taxes increased due to higher profits and a slightly higher tax rate.**

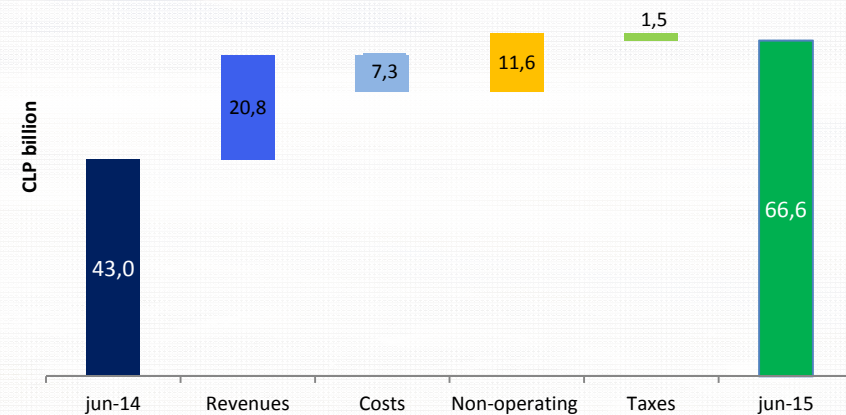
Revenue and Profitability

- 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.
- As of September 30th, 2015, Transelec recorded a net income 55% higher than the same period in 2014 mainly due to:
 - Higher Revenues (11.3%)
 - Lower loss in the Non-Operating Income (-17.5%)
- 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 September 2015, 88% on a LTM basis).

EBITDA and Revenues



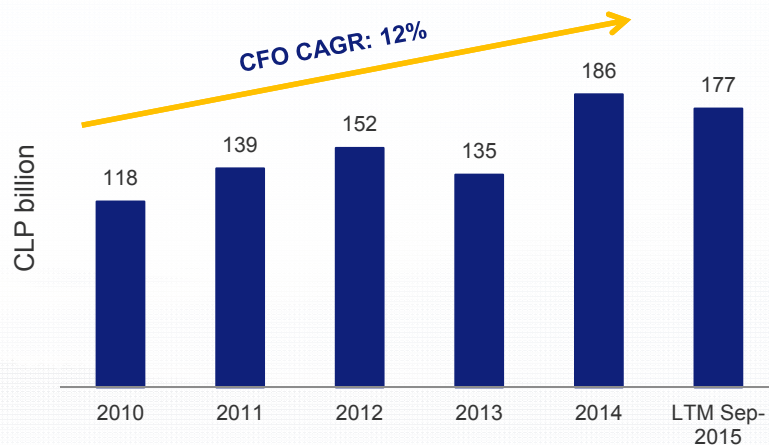
Net Income



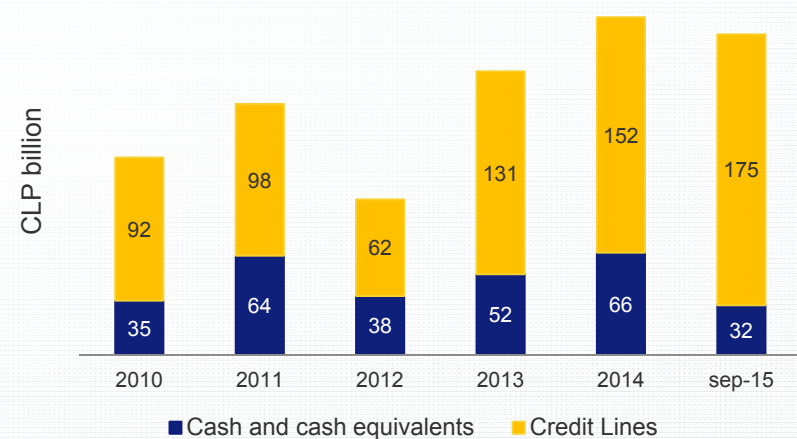
Solid Liquidity Position

- In September 2015, Transelec's liquidity reached CLP207 billion (equiv. USD296 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 September 30, 2015, CLP193 billion of funds from operations (FFO) and CLP177 billion of cash flow from operations (CFO).
- Transelec also has UF 16.9 million (USD613 million) available under its UF 20 million (USD725 million) local shelf registration program.
 - Furthermore, the Company's bonds have a 6-month DSRA.

Cashflow From Operations



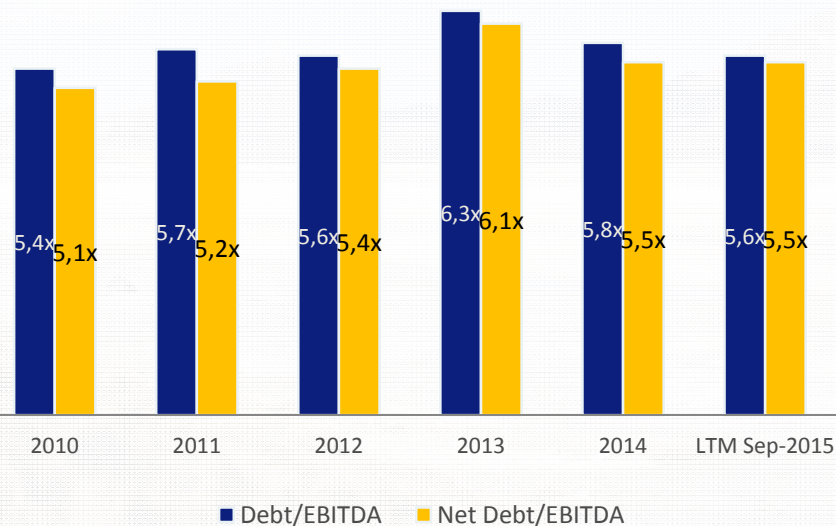
Liquidity



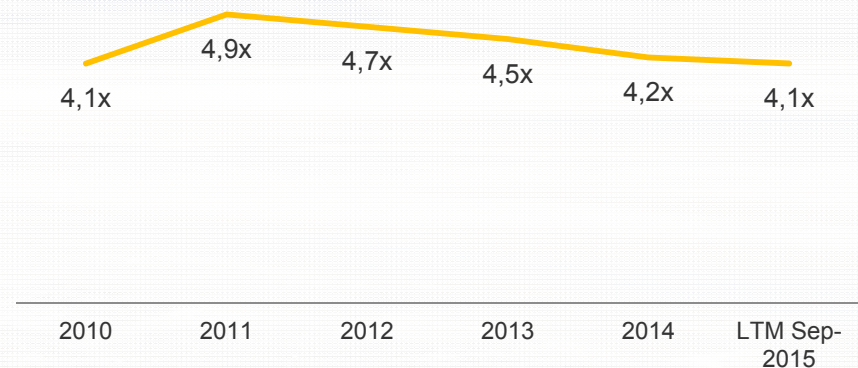
Strong Coverage Ratios

- 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



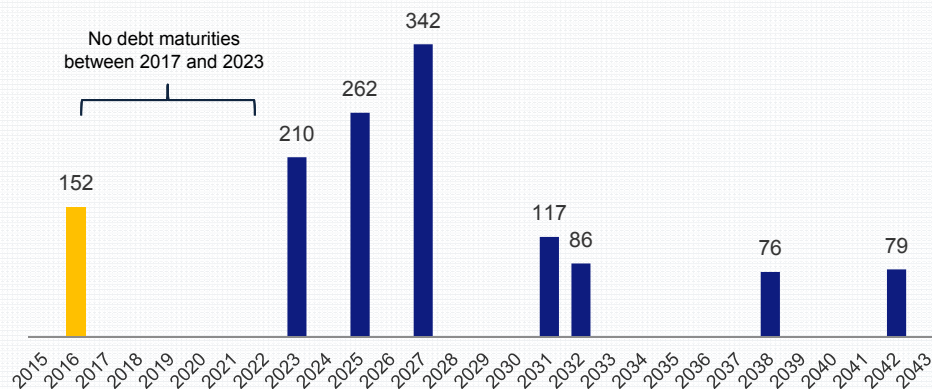
Interest Expense Coverage



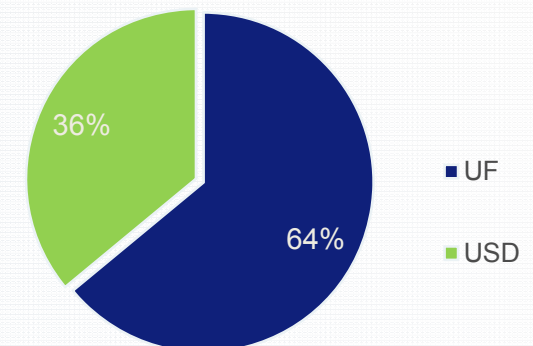
Debt Profile

- **Transelec maintains a very manageable debt maturity profile.**
 - With ~CLP152 billion (~ USD218 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

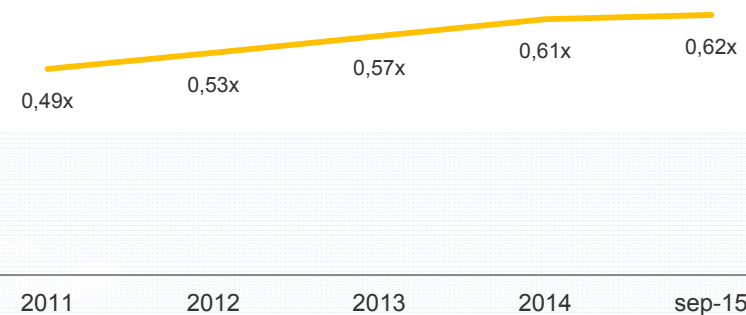


Covenants

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.

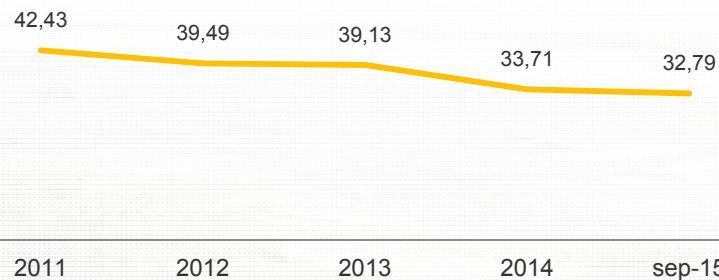
As of September 30, 2015, the company is in full compliance with all debt covenants.

Debt / Capital < 0.7x ⁽¹⁾



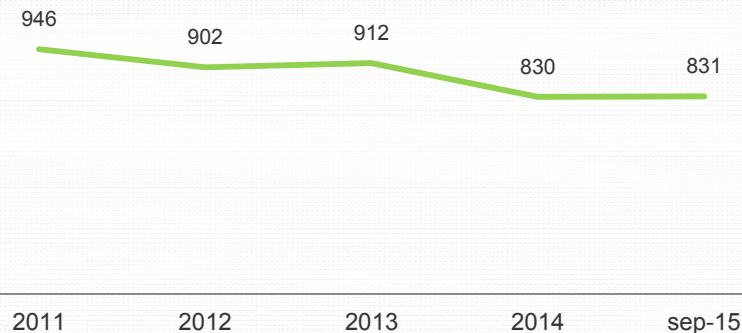
(1) Total Debt / (Total Debt + Interest + Shareholder's Equity + Accumulated amortization of goodwill)

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

Contact Information

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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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