

3Q2016 Results



November, 2016



Executive Summary

- Transelec is the largest transmission company in Chile with 9,560 kilometers of transmission lines (as of Dec./2015) 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. 2016, 85% on a LTM basis).
- The company generated funds from operations (FFO) of CLP190 billion, during the LTM ended September 30, 2016.
- Reaffirming the solid financial performance of the Company, in July 2016, Moody's and S&P reaffirmed our current ratings Baa1 and BBB, respectively.
- As part of its prudent financial strategy and considering upcoming debt maturities, Transelec successfully issued a MUS\$350 144A / Reg. S bond on July 12, 2016.
- As of September 30, 2016, Transelec recorded a net income of MCLP64,783 and an EBITDA of MCLP185,179.



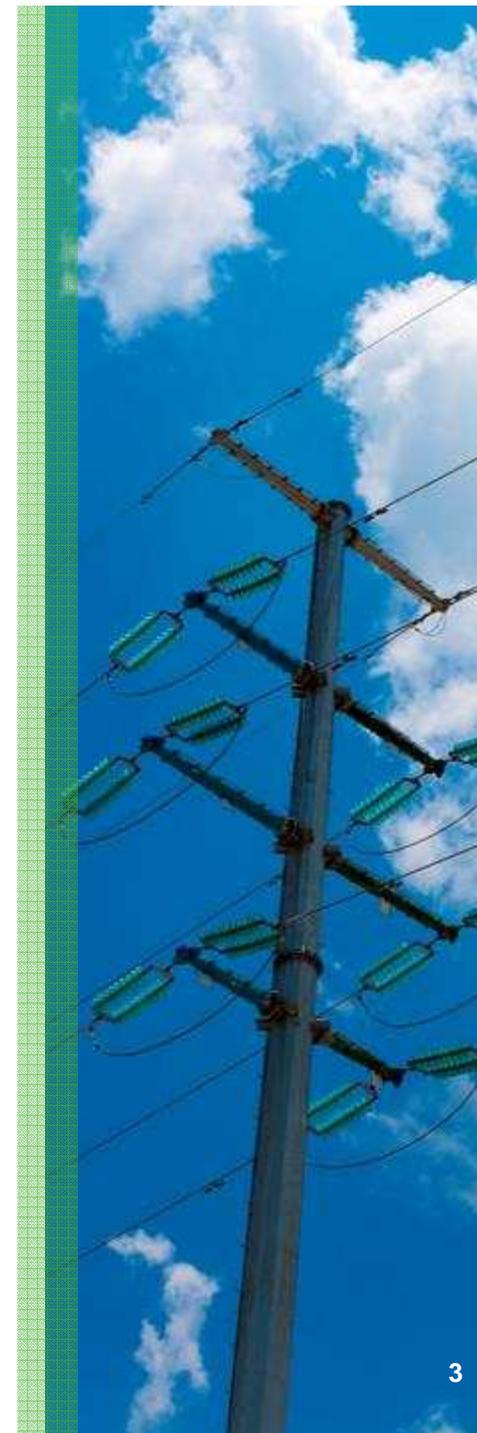
Business Update

- 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

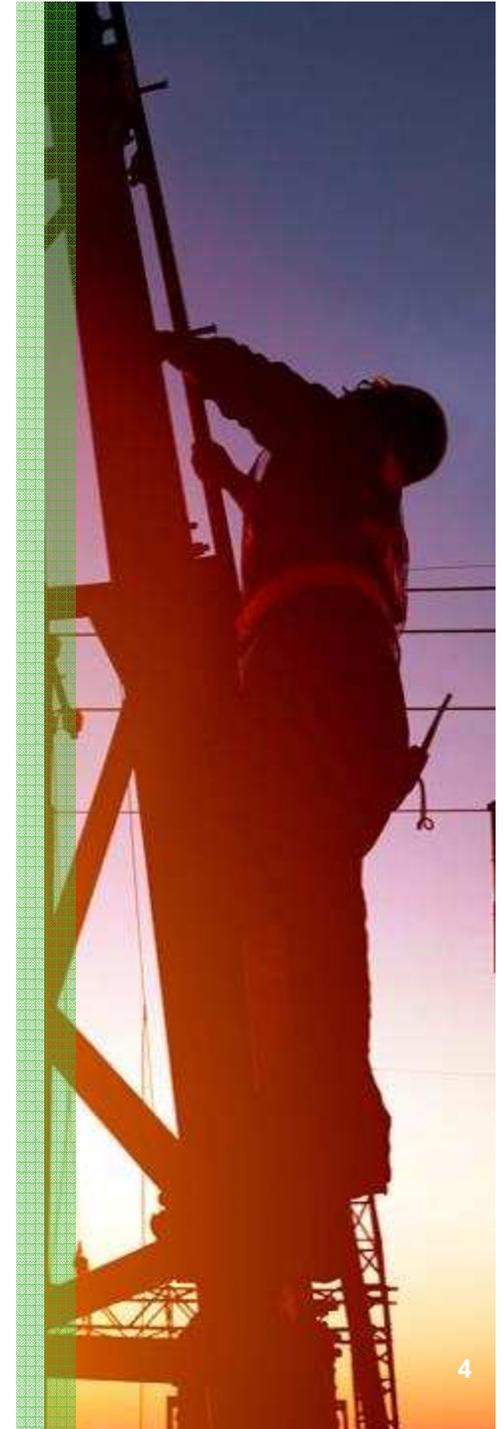
- During these three quarters, the company incorporated MUS\$75 of new facilities, which include the commissioning of eight trunk upgrade projects and a transmission assets acquisition from Enel Green Power.
- Final trunk tariffs Decree was enacted as of February 3, 2016 in US dollars terms, as mandated by Electricity Law. In the other hand, Subtransmission decree, which sets tariffs in CLP term, is still pending.
- A new Transmission law was approved in July 2016. This new Law is one step within the government program to try to lower prices of electricity to the end consumer and it strengthens the current transmission regulatory framework.
- In July 12, 2016, Transelec issued a very successful MUSD350 144a/RegS bond @ 3.875% due in January 2029. Use of proceeds was dedicated to existing debt refinancing and capex.
 - ✓ Principal of Series C bonds were totally paid at maturity on September 1, 2016.
 - ✓ A short-term bank loan debt with Banco Estado was totally paid.



Financial Results (Cumulative)

CLP billion	3Q2016	3Q2015	Var.
Revenues	215	205	5%
Ebitda	185	180	3%
Operating Income	142	132	7%
Non-Operating Income	-56	-56	1%
Tax	-21	-10	101%
Net Income	65	67	-3%
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Gross Debt	-1.395	-1.338	4%
Net Debt	-1.357	-1.306	4%
FFO (LTM)	190	193	-2%

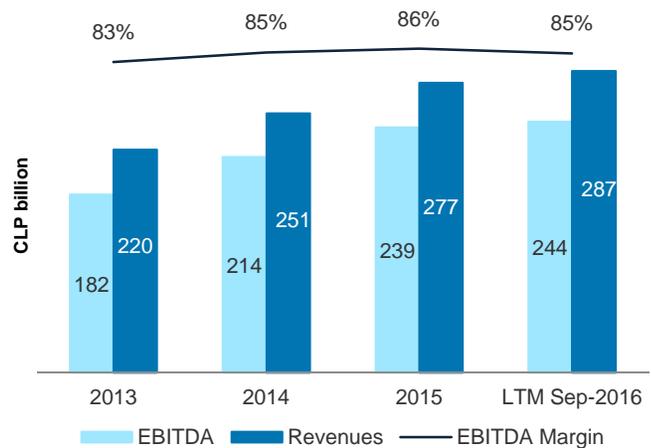
- EBITDA increased 3% compared with the same period last year. For this period, revenues increased 5%, reaching CLP215 billion, mainly due to higher toll revenues (positive indexation formula, new revenues from recently commissioned projects and a renegotiation of Endesa contracts).
- Non-Operating Income are constant, reaching CLP-56 billion.
- Taxes have increased 101%, because in 2015 the absorption of Transam and its subsidiaries reduced the taxes for that year. Taxes registered in September 2016 correspond to the expected figures.



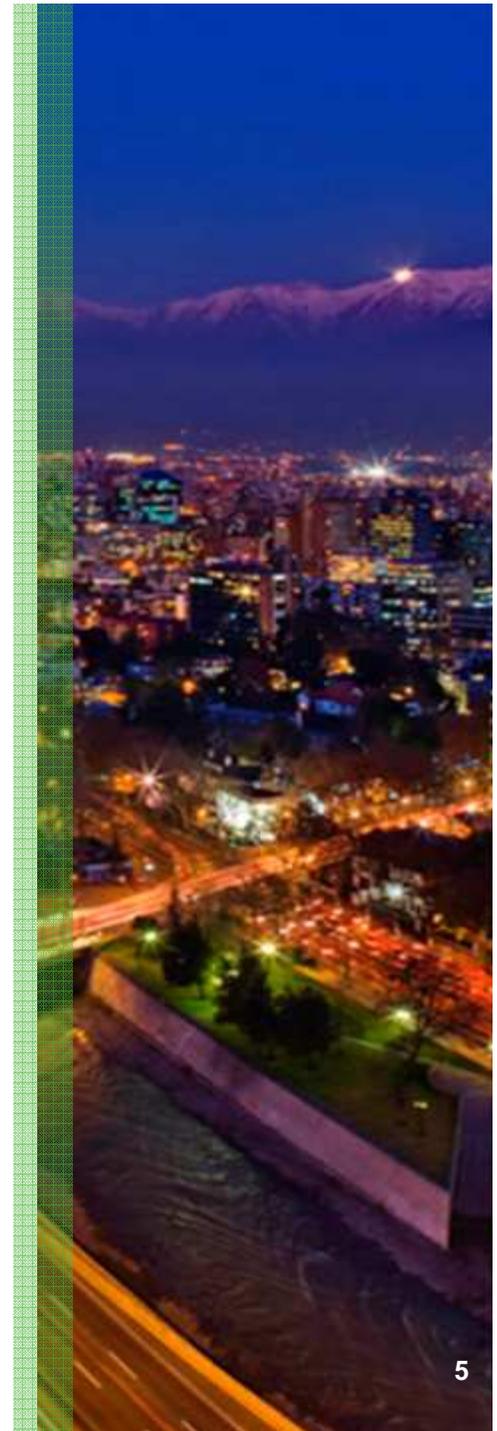
Revenue and Profitability

- 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, 2016, Transelec recorded a net income 3% lower than the same period in 2015 mainly due to:
 - ✓ Higher Taxes (101%)
- 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 2016, 85% on a LTM basis).

EBITDA¹ and Revenues



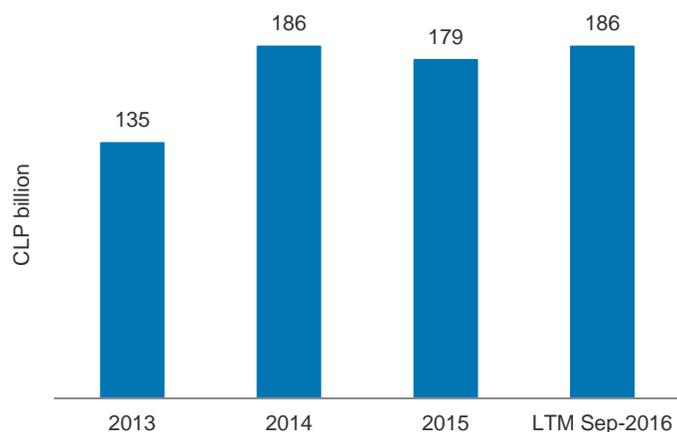
Net Income



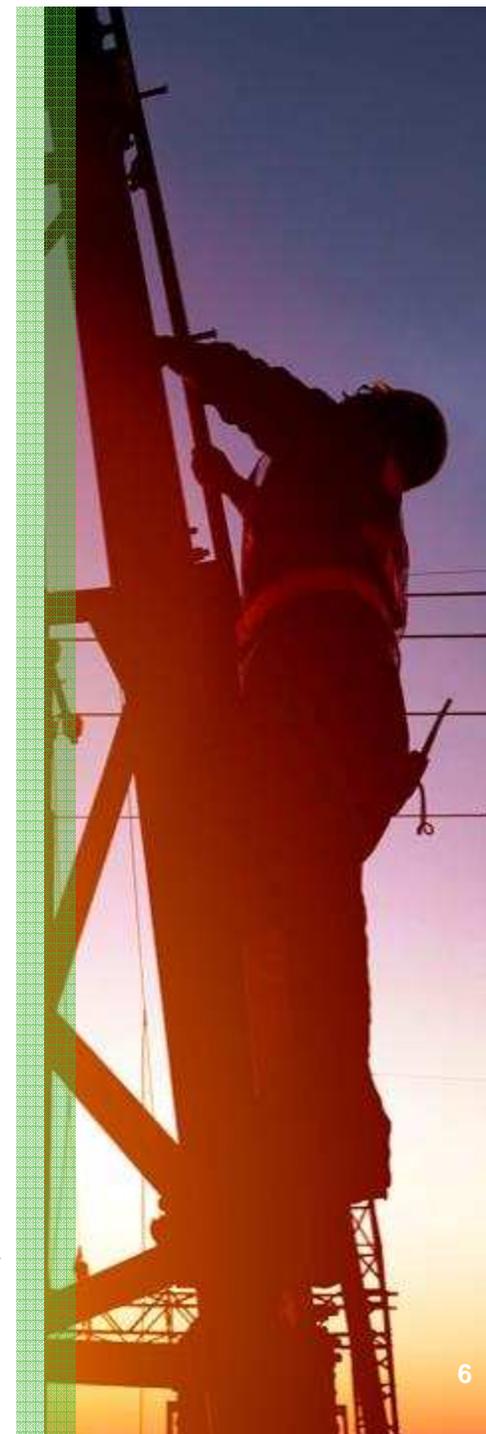
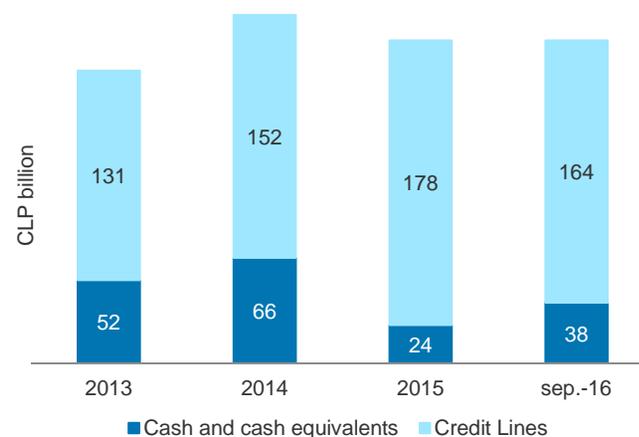
Solid Liquidity Position

- In September 2016, Transelec's liquidity reached CLP202 billion (equiv. USD308 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, 2016, CLP190 billion of funds from operations (FFO) and CLP186 billion of cash flow from operations (CFO).
- Transelec also has UF 36.9 million (USD1,471 million) available under local shelf registration programs.
 - ✓ Furthermore, the Company's bonds have a 6-month DSRA.

Cashflow From Operations



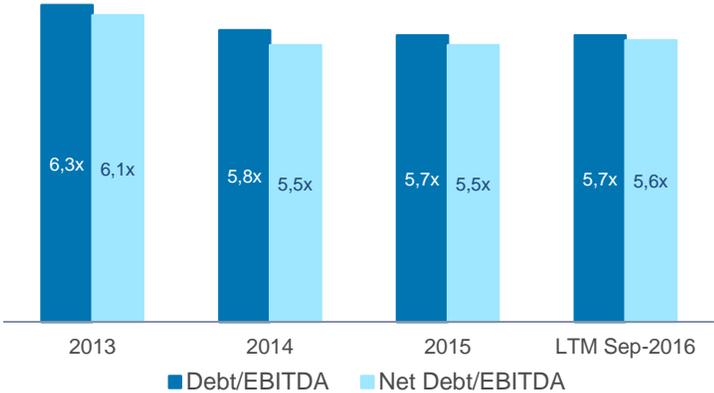
Liquidity



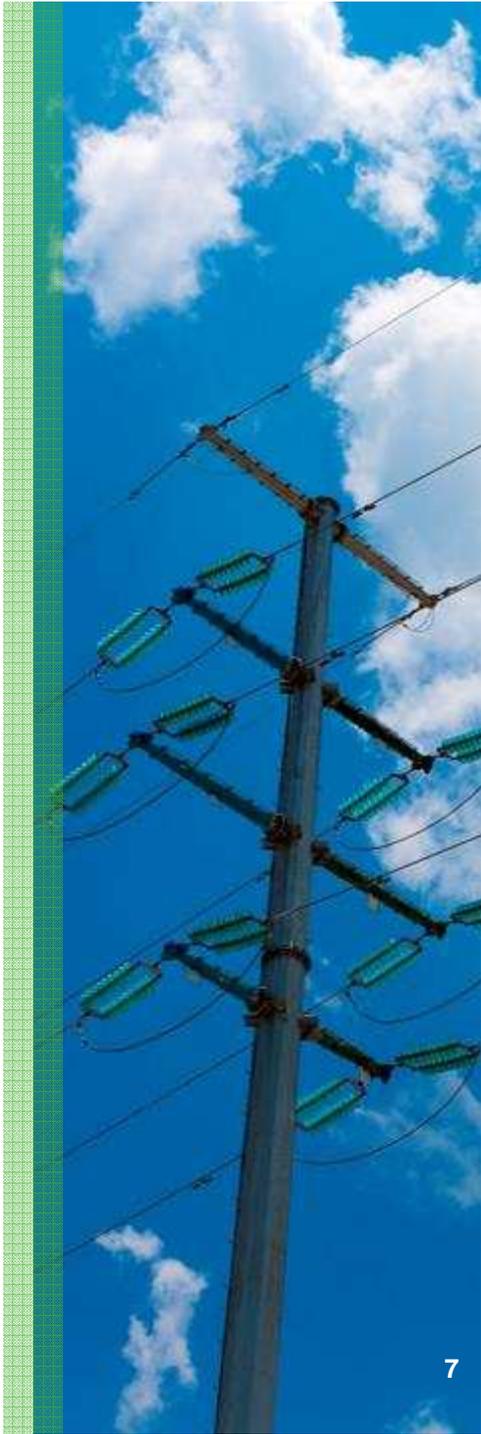
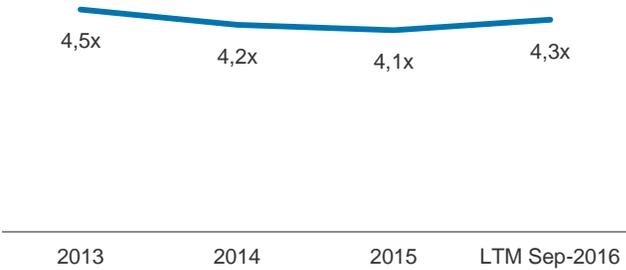
Strong Coverage Ratios

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



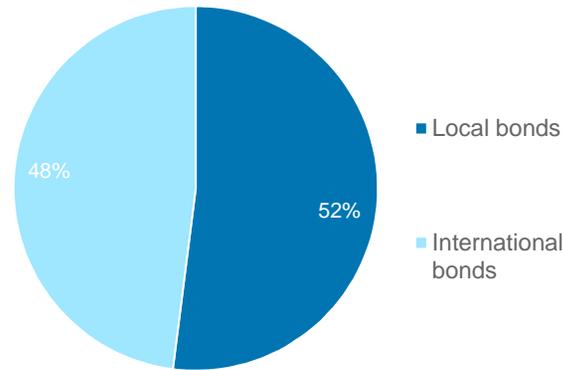
Interest Expense Coverage



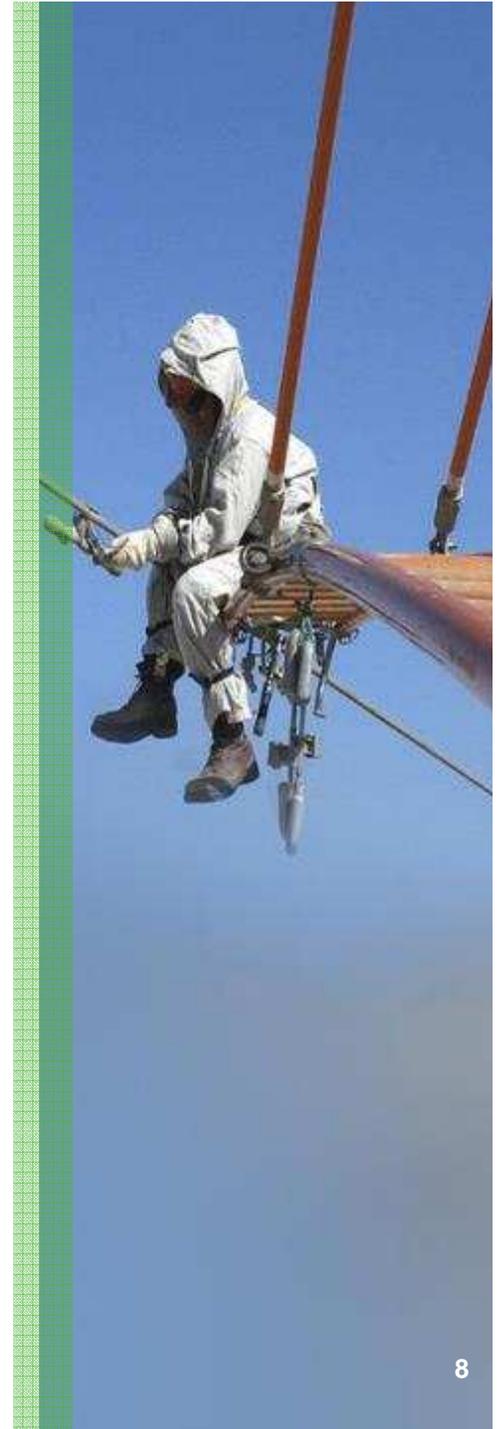
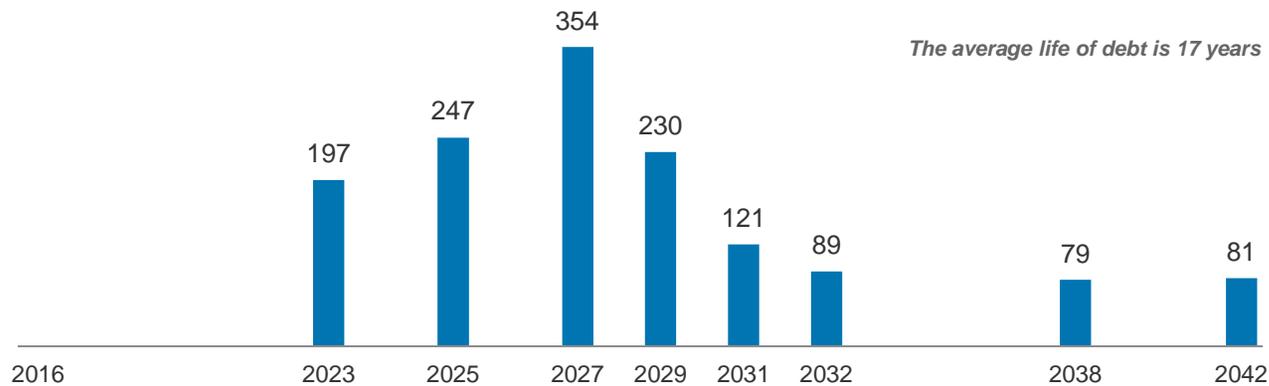
Debt Profile

- Transelec maintains a very manageable debt maturity profile.
 - ✓ No maturities up to 2023.
- The Company has been able to obtain flexibility and a variety of sources for funding.
- 2016 maturity was refinanced in July 2016.

Debt breakdown by type



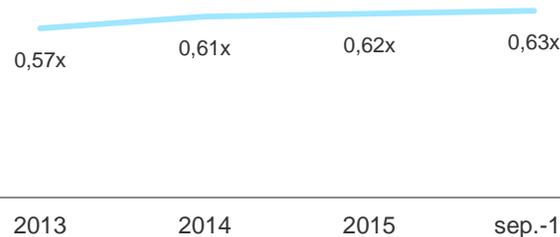
Public debt maturity profile (CLP Billion)



Covenants

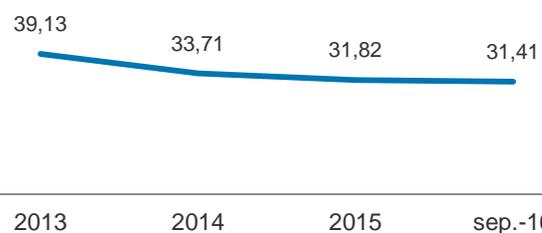
- Transelec's financial covenants (included in the local bond indentures) are balance sheet focused.
- As of September 30, 2016, the company is in full compliance with all debt covenants.

Debt / Capital < 0.7x ⁽¹⁾



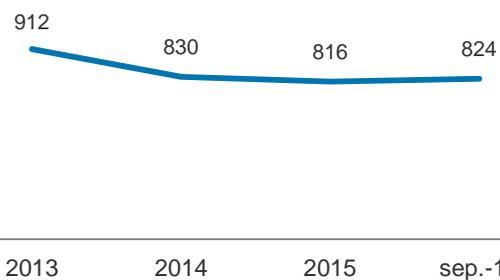
(1) Total Debt / (Total Debt + Interest + Shareholder's Equity + Accumulated amortization of goodwill)

Minimum Equity > UF15 million⁽²⁾

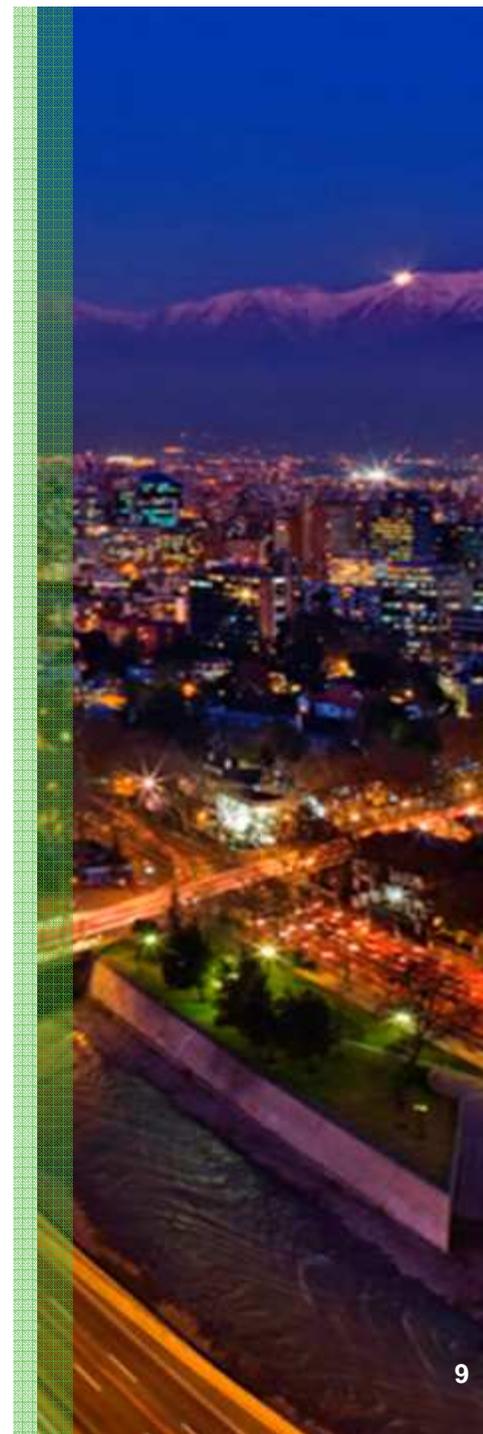


(2) Equity attributable to the owners + Accumulated amortization of goodwill

Minimum Equity > CLP 350 billion ⁽³⁾



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



Contact Information

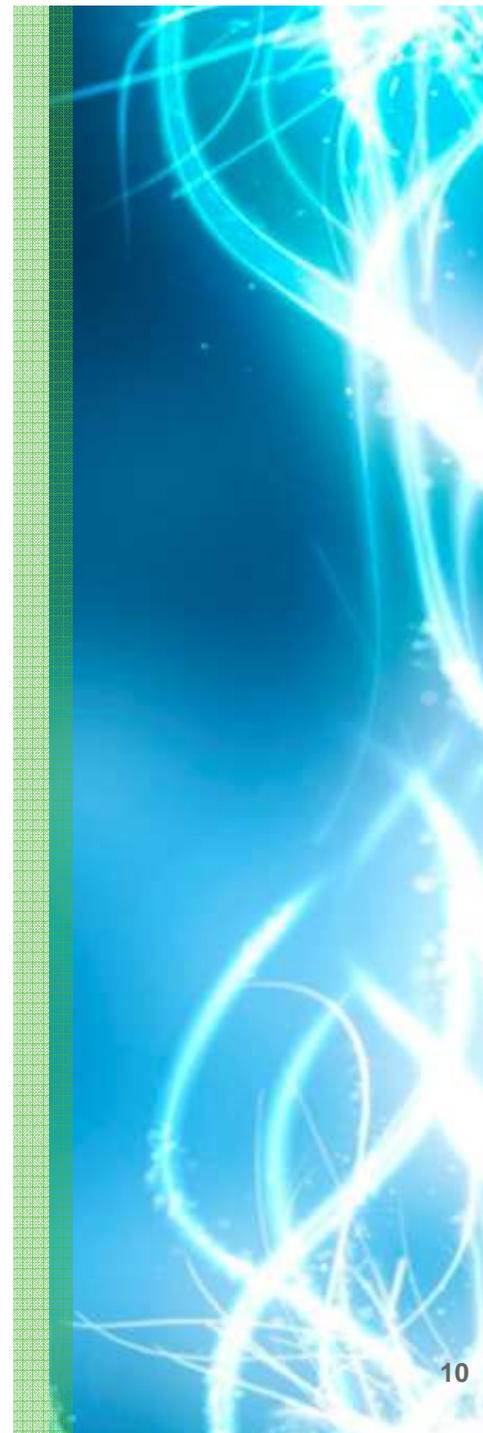
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You can find additional information in our web page:

<http://www.transelec.cl/index.php/inversionistas-2/>



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