3Q2018 Results

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Uniendo a Chile con Energía

November 2018

Executive Summary

- Transelec continues to maintain its strong market position in Chile, operating 9,648 kms of transmission lines and 61 substations, in a safe and reliable manner, which serve 98% of the population
- Financial results reflect the stability of Transelec's business
  - Generated EBITDA of CLP240 billion (~MUSD364) in LTM ended September 30, 2018.
  - Maintains an EBITDA margin above 80% (LTM September 2018, 83%).
  - The company generated FFO of CLP184 billion (~ MUSD279) during LTM ended September 30, 2018.
- During 2018, the Company was awarded with:
  - MUSD19.5 of new national transmission projects
  - MUSD38.7 of new zonal transmission projects
- In July 2018, S&P reaffirmed Transelec's current international rating ('BBB') ratifying the solid financial performance of the Company.
- As of September 30, 2018, Transelec recorded a net income of CLP62 billion (~ MUSD94) and an EBITDA of CLP184 billion (~ MUSD278).

(USD figures have been translated with the FX of the end of September 2018 ($660,42), for referential purposes only)

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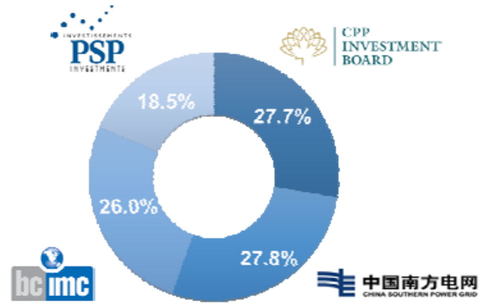
Business Update

- On March 15th, China Southern Power Grid (CSG) purchased the 27.8% of the company from Brookfield Asset Management. The other 3 shareholders remained in the ownership. Therefore, final shareholders are currently the following:



- As of September 30, 2018 ratings of the Company are the following:

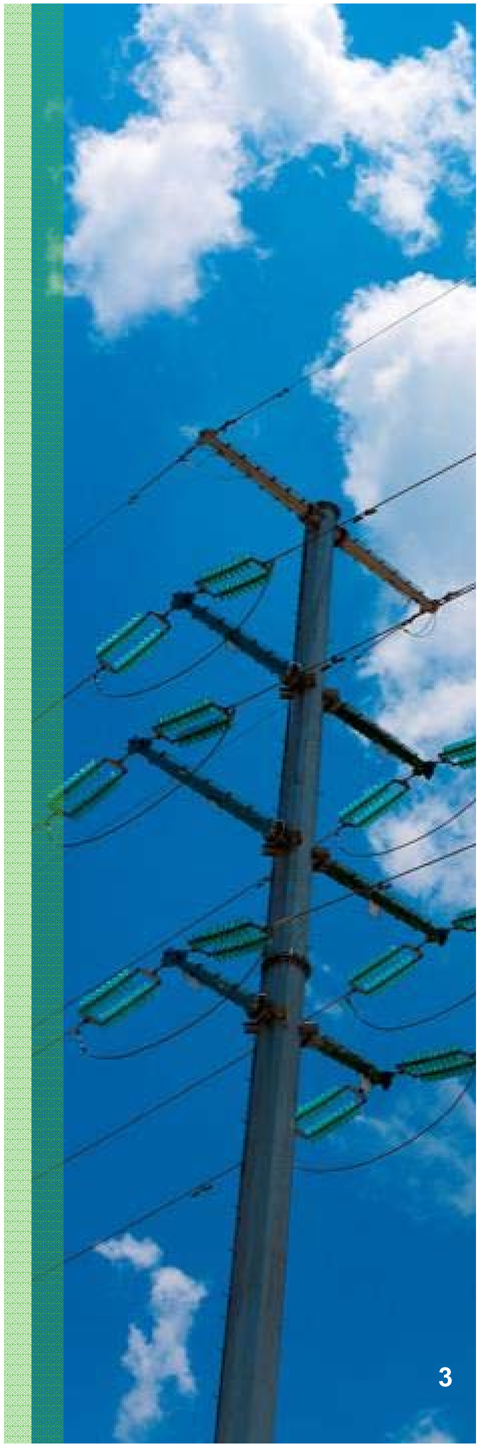
Local Market	
Rating Agencies	**Current Rating**
Humphrey's	AA-
Feller-Rate	AA-
Fitch Ratings	AA-

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

- As of September 30, 2018, the company incorporated US$48.2 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$97.6 million LTM.

- On August 3rd, 2018, Transelec paid CLP20 billion Promissory Note held with Banco BCI.

- During 2018, Transelec paid the following dividends to shareholders:
  - ✓ 2017 definitive dividend amounting CLP18.7 billion
  - ✓ 1st interim dividend amounting CLP19.4 billion
  - ✓ 2nd interim dividend amounting CLP20.5 billion



Financial Results

CLP billion	9M2018	9M2017	Var.
Revenues	220	208	6%
Ebitda	184	176	5%
Operating Income	141	132	7%
Non-Operating Income	-58	-51	13%
Tax	-22	-20	10%
Net Income	62	62	1%
Gross Debt	-1.449	-1.410	3%
Net Debt	-1.409	-1.389	1%
FFO (LTM)	184	188	-2%

- EBITDA increased 5% mainly because:
  - ✓ Revenues increased 6% due to toll sales related to new commissioned projects
  - ✓ Costs were 4% higher mainly due to an increase in maintenance costs (mainly preventive activities nearby transmission lines).

- Non-Operating Income increased 13%, reaching CLP-58 billion, mainly due to higher inflation effect in our local bonds.

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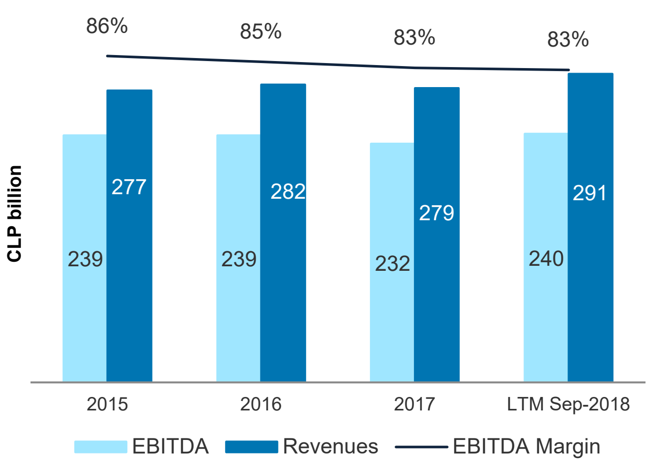
In October, Decree 6T establishing revenues for Zonal and Dedicated system for 2018 and 2019 was published. 2018 effect will be retroactively recognized as revenues in last quarter.

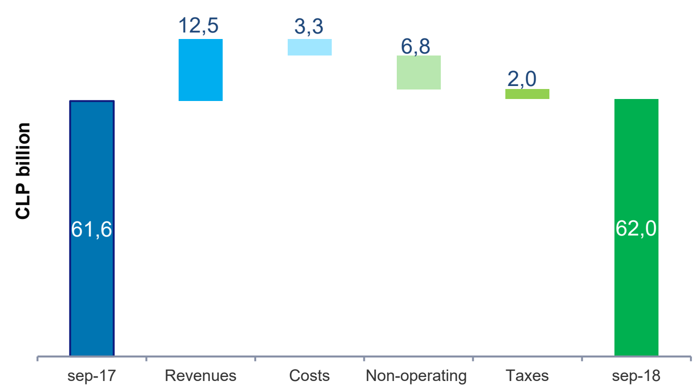
Revenue and Profitability

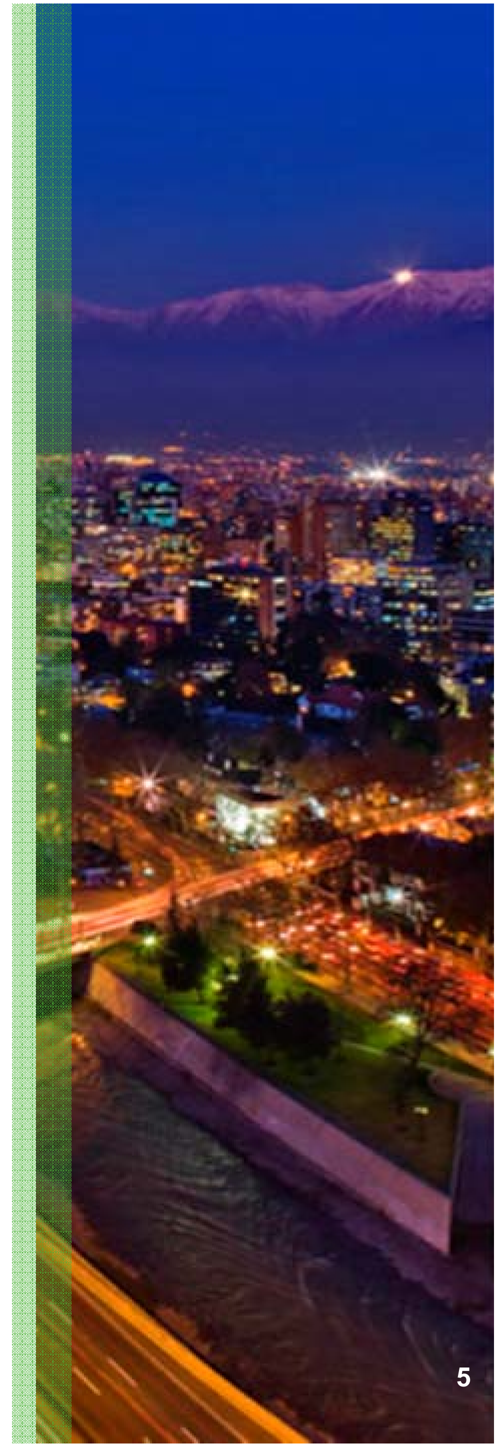
- Transelec's revenues and EBITDA have grown steadily in last years.
- As of September 30th, 2018, Transelec recorded a net income very similar to the same period in 2017.
- The company has historically maintained an EBITDA margin above 80%, driven by a low and stable cost structure mainly comprised of labor and maintenance expenses (in September 2018, 83% 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

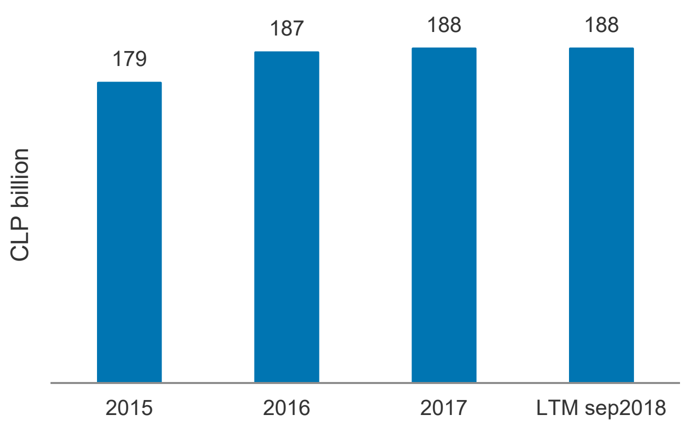
Solid Liquidity Position

- In September 2018, Transelec's liquidity reached CLP208 billion (equiv. USD315 million).
  - ✓ This includes ~ USD250 million available on 3-year committed revolving credit lines completely undrawn (denominated in USD & UF).

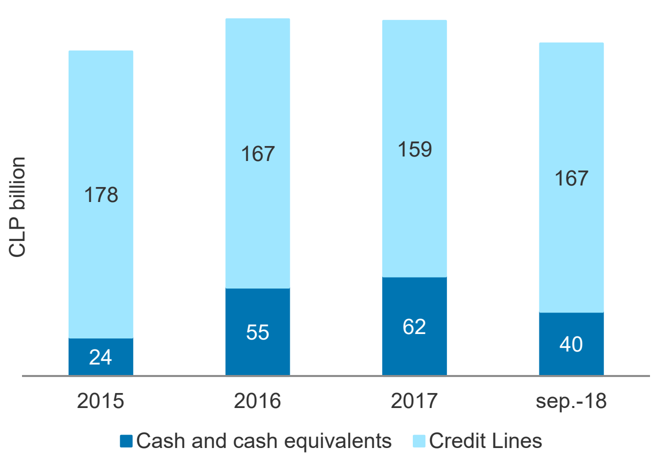
- In addition, the company generated during the LTM ended September 30, 2018, CLP184 billion of funds from operations (FFO) and CLP188 billion of cash flow from operations (CFO).

- Transelec also has UF 20 million (USD834 million) 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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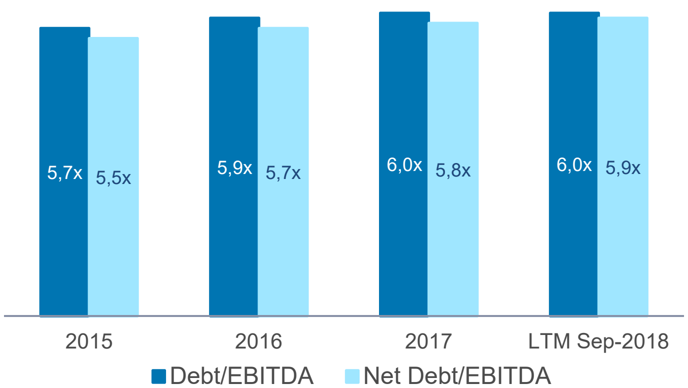
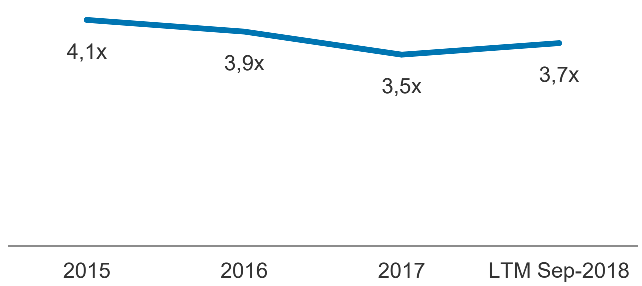
Strong Coverage Ratios

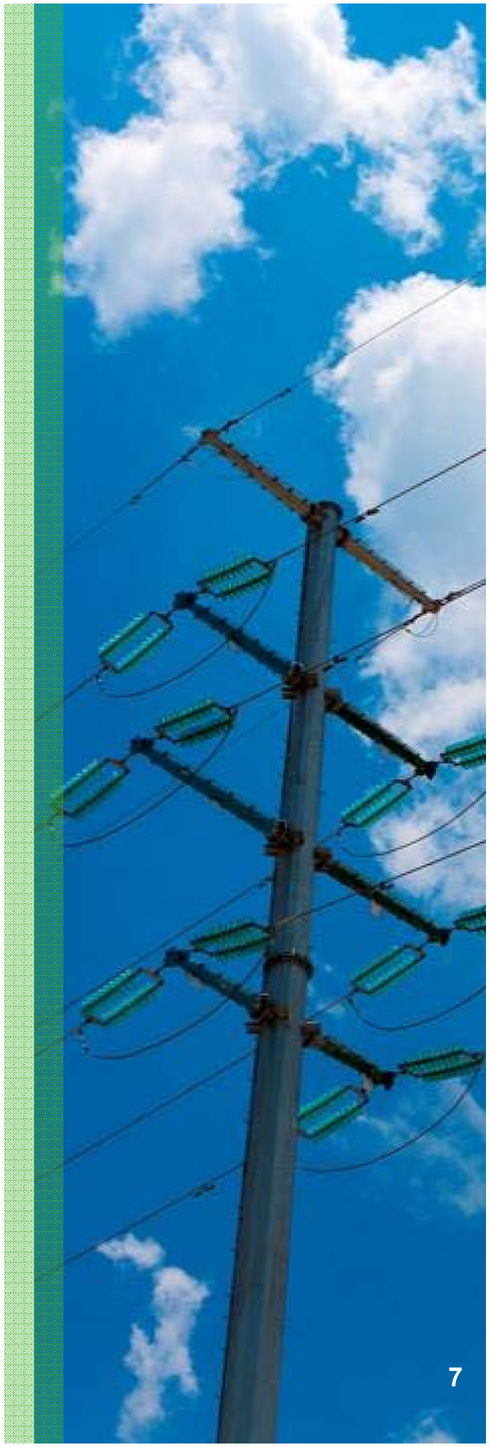
- Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows that have improved through time.
- The company has maintained Debt to EBITDA ratio within the limits it has defined.
- Transelec is committed to maintaining investment grade credit rating.

Leverage



Interest Expense Coverage





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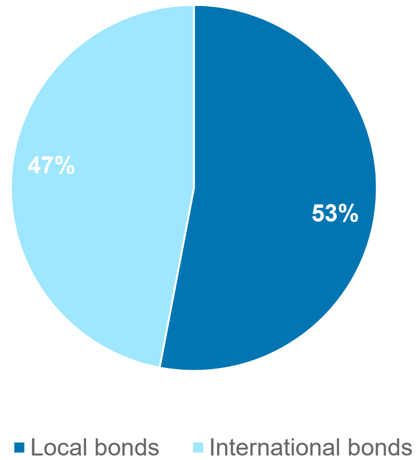
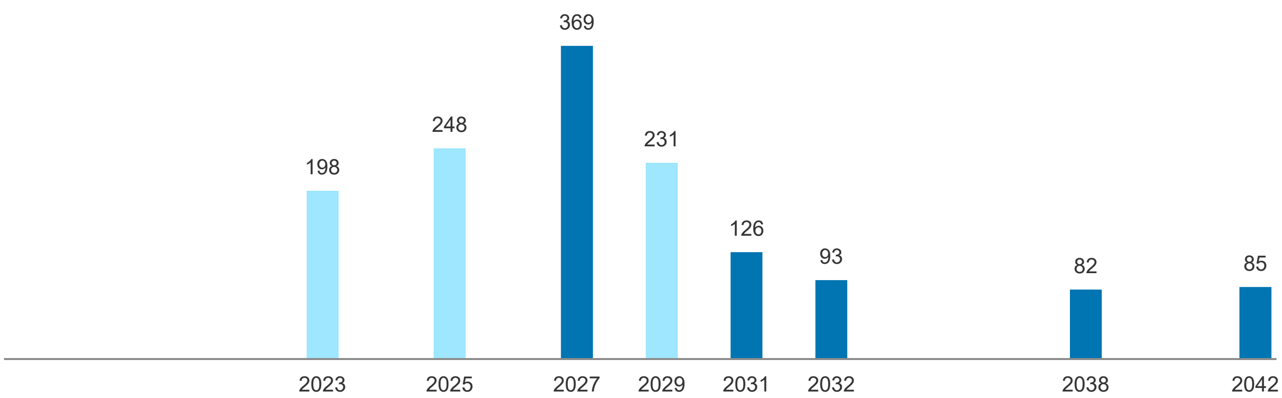
Debt Profile

- 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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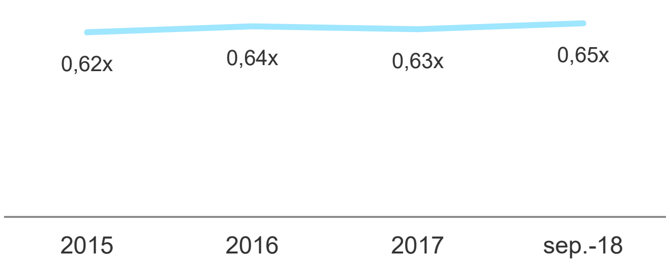
Covenants

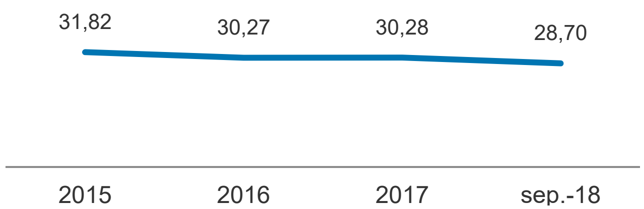
- Transelec's financial covenants (included in the local bond indentures) are balance sheet focused.
- As of September 30, 2018, the company is in full compliance with all debt covenants.

Debt / Capital < 0.7x (1)



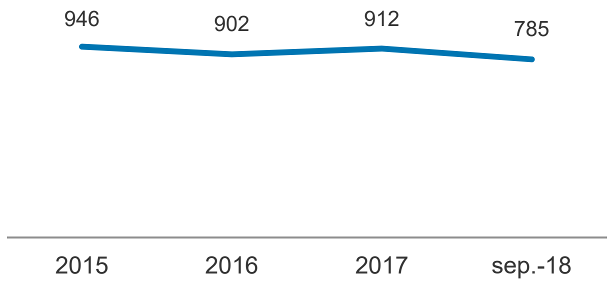
(1) Total Debt /(Total Debt +Interest + Shareholder's Equity + Accumulated amortization of goodwill)

Minimum Equity > UF15 million(2)

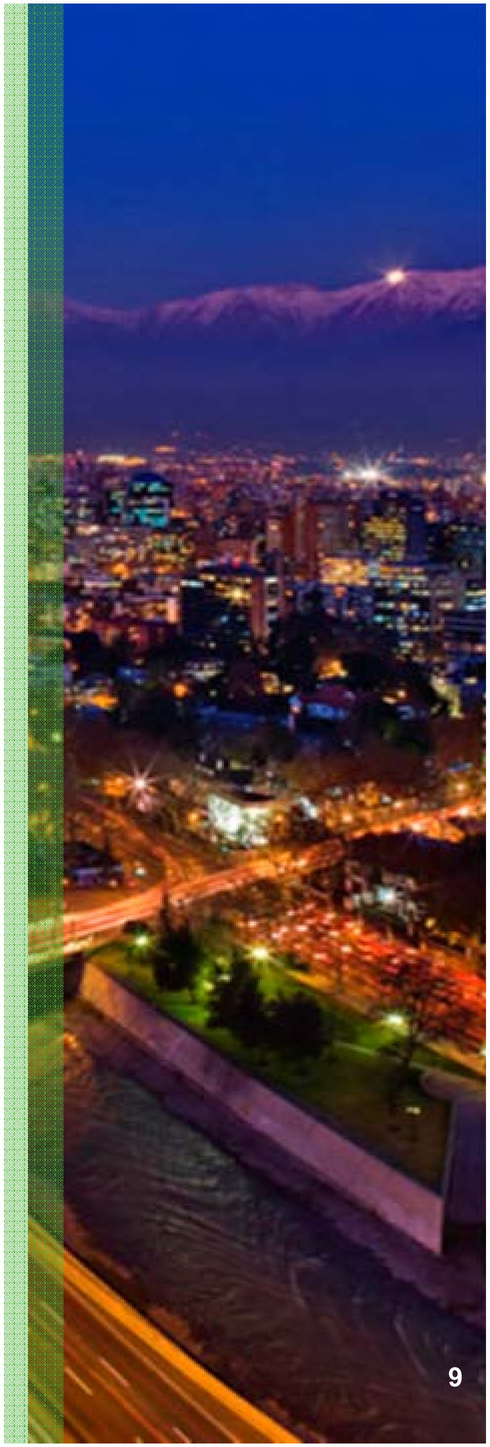


(2) Equity attributable to the owners + Accumulated amortization of goodwill

Minimum Equity > CLP 350 billion (3)



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



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

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