TRANSELEC S.A. AND SUBISIDIARIES

REASONED ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2013

INTRODUCTION

During the first nine months of 2013, Transelec S.A. and subsidiaries recorded a net income of MCh$42,182 (MCh$51,987 in the same period 2012) which is 18.9% lower than the same period in 2012. This decrease is mainly due to a higher loss of non-operating income (MCh$39,736 in 2013 and MCh$32,743 in 2012), mainly explained by an increase in financial costs and loss for indexed assets and liabilities, reaching MCh$35,442 and MCh$4,055 respectively (MCh$27,351 and MCh$299 in the same period of 2012). However, the EBITDA for the period was MCh$130,612, which is 2.6% higher than the same period in 2012 (MM$51,987) with an EBITDA over revenues of 82.2% (78.6% in 2012), mainly due to lower operating costs, that reached MM$55,864 to September 2013 (MM$62,220 in 2012).

On July 23rd, 2013, Transelec S.A. closed an international bond issuance for an amount of US$300 million under rule 144A Regulation S of the United State Securities Act of 1933. This bond was placed at 10-year maturity, with an annual nominal rate of 4.625%. Interests will be paid on a semiannual basis and the principal will be repaid in a single payment at the due date.

Transelec S.A. and its subsidiary Transelec Norte S.A. have prepared their financial statements as of September 30, 2013, in conformity with International Financial Reporting Standards (IFRS) and correspond to the comprehensive, explicit and non-reserved adoption of the above mentioned international standard. The figures of this ratio analysis are expressed in million of Chilean pesos (MCh$) as the Chilean peso is the functional currency of Transelec S.A.

1. INCOME STATEMENT ANALYSIS

Items	September 2013 MCh$	September 2012 MCh$	Variation 2013/2012 %
Operating Revenues	158,954	161,954	-1.9%
Toll sales (*)	154,988	148,527	4.4%
Work and services	3,966	13,427	-70.5%
Operating costs	-55,864	-62,220	-10.2%
Fixed costs	-20,090	-28,295	-29.0%
Depreciation	-35,774	-33,925	5.4%
Administraton and sales expenses	-10,954	-7,957	37.7%
Fixed costs	-8,972	-7,548	18.9%
Depreciation	-1,981	-409	384.4%
Operating Income	**92,137**	**91,777**	**0.4%**
Interest from Leasing	0	0	-
Other Financial Income (*)	8,079	3,851	109.8%
Financial Costs	-35,442	-27,351	29.6%
Foreign exchange differences, net	-4,055	-299	1257.3%
Gain (loss) for indexed assets and liabilities	-9,037	-10,177	-11.2%
Other income	720	1,233	-41.6%
Non-Operating Income	**-39,736**	**-32,743**	**21.4%**
Income before Income Taxes	**52,401**	**59,034**	**-11.2%**
Income tax	-10,218	-7,047	45.0%
Net Income	**42,182**	**51,987**	**-18.9%**
EBITDA	**130,612**	**127,344**	**2.6%**

EBITDA= Net income +abs(Income tax)+abs(Depreciation)+abs(Non-operating income)+abs(Other gains)+Lease financial income.

(*) In order to show a comparable presentation, MM$631.2 in 2012 balance have been reclassified from Other Financial Income to Toll sales, because they correspond to operational revenues resulting from leasing contracts.

a) Operating income

During the first nine months of 2013, revenues reached MCh$158,954 (MCh$161,954 in 2012), which is 1.9% lower compared with the same period in 2012 (MM$161,954). This decrease is mainly explained by lower engineering services revenues that reached MM$3,966 in 2013 and MM$13,427 in 2012. During this period of 2013, these engineering services resulted in 2.5% of the total revenues and 8.3% during the same period in 2012. On the other hand, Toll sales revenues are higher mainly due to new commissioned projects with an investment of MM$72,991 during 2013 (MM$62,089 in 2012) that resulted in revenues of MM$6,431. In addition, the Transam S.A acquisition by Transelec Norte S.A contributed MM$2,473 during this period of 2013. Retroactive tariff adjustments have a negative impact of MM$4,807 in Toll sales revenues.

During this period the operating costs reached MCh$55,864 (MCh$62,220 in 2012). These costs are mainly related to the maintenance and operation of the Company´s facilities and, in percentage terms, 64.0% of the company's cost correspond to property, plant and equipment depreciation (54.5% in 2012), while the remaining 36.0% (45.5% in the comparison period) correspond to personnel, supplies and contracted services. The decrease, compared to the same period of 2012, is mainly due to lower engineering services hired that amounted MM$9,371 for the first nine months of 2012.

Administrative and selling expenses amounted MCh$10,954 (MCh$7,957 during the same period of 2012) and primarily consist in 81.9% (94.9% in 2012) of personnel and work expenses, supplies and services contracted, and 18.1% of depreciation (5.1% in 2012). The increase in administrative and selling expenses is mainly due the retirement of assets by obsolescence.

b) Non-operating income

Net income for the first nine months of 2013, was negatively impacted by the non-operating loss of MCh$39,736 (MCh$32,743 in the same period of 2012), mainly generated by higher financial costs that reached MCh$35,442 (MCh$27,351 in 2012). This higher Financial Costs are mostly explained by short terms loans obtained from the Revolving Credit Facility (RCF), the Q series bond issuance and Senior Notes bonds issuance. The interests paid due to these liabilities reached MM$4,479 during this first 9 months of .2013. The remaining higher financial costs in 2013 compared with the same period of 2012 correspond mainly to a lower capitalized interest.

Loss from Foreign exchange differences amounted MCh$4,055, which is 1,257.3% higher in comparison with the same period of 2012 (MCh$299), mainly explained by the increase of the exchange rate related to the use of the RCF (MM$7,416) and other capital market transactions in US dollars (MM$ 2,576). This negative impact is partially offset by accounts receivable to related companies (accrued and realized), that reached MM$7,197 during this period of 2013 compared to MM$67 in 2012.

Loss for indexed assets and liabilities reached MM$9,037, which is 11.2% lower than the same period of 2012 (MM$10,177), mainly due to a lower variation of the UF value that reach a 1.1% in 2013 and 1.3% in 2012.

2. BALANCE SHEET ANALYSIS

The increase in current assets between September 2013 and December 2012 is explained by an increase in cash and cash equivalents. The increase in non-current assets is due to an increase in accounts receivable to related entities, mainly to Transelec Holdings Rentas Ltda and an increase in fixed assets.

The increment in equity and liabilities is mainly explained by the increase in non-current liabilities mostly generated by the international Senior Notes bond issuance, and the national Q

series bond issued in the prior quarter. The decrease in current liabilities is mainly due to lower bank loans payable and other financial liabilities.

Items	September 2013 MCh$	December 2012 MCh$	Variation 2013/2012 %
Current assets	249,165	189,399	31.6%
Non-current assets	1,916,896	1,808,124	6.0%
Total Assets	**2,166,061**	**1,997,524**	**8.4%**
Current liabilities	112,973	178,058	-36.6%
Non current liabilities	1,179,450	942,493	25.1%
Equity	873,638	876,971	-0.4%
Total liabilities & Equity	**2,166,061**	**1,997,524**	**8.4%**

VALUE OF THE MAIN PP&E IN OPERATION

Assets	September 2013 MCh$	December 2012 MCh$	Variation 2013/2012 %
Land	21,190	20,983	1.0%
Building, Infraestucture, works in progress	958,790	930,526	3.0%
Machinery and equipment	492,733	458,330	7.5%
Other fixed assets	4,356	4,468	-2.5%
Depreciation (less)	-287,817	-254,764	13.0%
Total	**1,189,252**	**1,159,544**	**2.6%**

CURRENT DEBT

					Amount in original currency (million) Unpaid capital	
Debt	Currency or index	Interest rate	Type of rate	Maturity Date	September 2013	December 2012
Series C bond	UF	3.50%	Fixed	Sep 1st, 2016	6.0	6.0
Series D bond	UF	4.25%	Fixed	Dec 15 th, 2027	13.5	13.5
Series E bond	UF	3.90%	Fixed	Aug 1st, 2014	3.3	3.3
Series F bond	CLP	5.70%	Fixed	Aug 1st, 2014	33,600.0	33,600.0
Series H bond	UF	4.80%	Fixed	Aug 1st, 2031	3.0	3.0
Series I bond	UF	3.50%	Fixed	Sep 1st, 2014	1.5	1.5
Series K bond	UF	4.60%	Fixed	Sep 1st, 2031	1.6	1.6
Series L bond	UF	3.65%	Fixed	Dec 15 th, 2015	2.5	2.5
Series M bond	UF	4.05%	Fixed	Jun 15 th, 2032	3.4	3.4
Series N bond	UF	3.95%	Fixed	Dec 15 th, 2038	3.0	3.0
Series Q bond	UF	3.95%	Fixed	Oct 15 th, 2042	3.1	-
Series Senior Notes bond	USD	4.63%	Fixed	Jul 26 th, 2023	300.0	-
Revolving Credit Facility	USD	2.76%	Variable		0.0	120.0
Portigon Westlb	USD	1.77%	Variable	Oct 10 th, 2023	22.7	23.1

3. MAIN CASH FLOWS DURING THE YEAR

Items	September 2013 MCh$	September 2012 MCh$	Variation 2013/2012 %
Cash flows provided by (used in) operating activities	123,076	77,610	59%
Cash flows provided by (used in) investing activities	-94,998	-79,504	19%
Cash flows provided by (used in) financing activities	116,178	-33,790	-444%
Net increase (decrease) of cash and cash equivalent	**144,256**	**-35,684**	**-504%**
Cash and cash equivalent at the begining of the period	37,956	64,212	-41%
Cash and cash equivalent at the end of the period	**182,212**	**28,528**	**539%**

During the first nine months of 2013, cash flows from operating activities reached MCh$123,076 (MCh$77,610 in the same period of 2012), which represent an increase of 59%, mainly explained by lower payments to suppliers for goods and services, that reached MCh$27,560 as of September 30, 2013, in comparison to the same period of 2012 MCh$56,548.

During this period, investing activities generated a negative cash flow for an amount of MCh$94,998, mainly due to loans to related parties (MCh$92,316), sale of property, plant and equipment (MCh$85,558) and investments in fixed assets (MCh$64,530). For the comparison period in 2012, cash flows from investing activities were negative by MCh$79,504, as a result of net additions of fixed assets.

During the same period, financing activities generated a positive net cash flows of MCh$116,178, due to long and short term loans for an amounts of MCh$121,126 and MCh$222,842 respectively, partially offset by repayment of loans (MCh$182,434) and dividends payment (MCh$48,753).

The closing balance of cash and cash equivalents as of September 30, 2013, amounted to MCh$182,212 considering an initial balance of MCh$37,956. As of September 30, 2012, the final balance of cash and cash equivalents amounted to MCh$28,528, with an initial balance of MCh$64,212.

In addition, the Company has secured the following committed credit line to ensure funds are available to cover working capital needs:

Bank	Amount (up to)	Maturity	Type of Credit
Scotiabank, Bank of Tokyo-Mitsubishi y DnB NOR	US$250,000,000	Jul 9th, 2015	Working Capital

4. INDICATORS

Bonds	Covenant	Limit	September 2013	December 2012
All local Series	Distribution Test (**)	FNO/Financial Expenses > 1,5	5.69	5.30
	Capitalization Ratio (***)	< 0,7	0.57	0.53
	Shareholder's Equity (million UF)	> ThUF15.000	38.92	39.49

(*) FNO = Cash flow from operating activities plus the absolute value of finance costs, plus the absolute value of the expenditure for Income Taxes.
(**) This is only a test to distribute restricted payments such as dividends.
(***) Equity = Total equity attributable to owners of the parent plus accumulated amortization of Goodwill. The accumulated amortization of Goodwill between June 30, 2006 and September 30, 2013 amounted to MCh$24.970.

Ratios *Figures as of June are annualized	June 2013	December 2012	Variation 2012/2011
Profitability			
Shareholders' Equity profitability *	8.82%	7.04%	25.3%
Assets profitability *	3.79%	3.09%	22.7%
Operating assets profitability *	6.01%	4.70%	27.9%
Earnings per share ($) *	79,620.85	61,749.31	28.9%
Liquidity & Indebtedness			
Current Ratio	1.11	1.06	4.7%
Acid-Test Ratio	1.11	1.06	4.5%
Debt to Equity	1.32	1.28	3.1%
% Short term debt	14.69	15.89	-7.5%
% Log term debt	85.31	84.11	1.4%
Financial expenses coverage	4.20	4.65	-9.7%

5. THE MARKET

Transelec S.A. carries out its activities in the electricity market, which has been divided into three sectors: generation, transmission and distribution. The generation sector includes companies that are dedicated to generating electricity that will subsequently be used throughout the country by end users. The purpose of the distribution sector is to carry electricity to the physical location where each end user will use the electricity. Lastly, the primary goal of the transmission sector is to transport the generated electricity from where it is produced (electrical power plants) to the "points of entry" of the distribution company networks or those of large end users.

Transelec's business mainly focuses on commercializing the capacity of its facilities to transport and transform electricity, in accordance with established quality standards. The transmission system of Transelec S.A. and its subsidiary, which stretches between "Arica y Parinacota" Region to "Los Lagos" Region, encompasses the majority of the trunk transmission lines and substations in the Central Interconnected System (SIC) and the Great North Interconnected System (SING). This transmission system transports the electricity that supplies approximately 98.5% of Chile's population. The Company owns all of the 500 kV electricity transport lines, approximately 51% of the 220 kV lines and 86% of the 154 kV lines.

The legal framework that governs the electrical transmission business in Chile is contained in DFL No. 4/2006, which establishes the modified, coordinated and systemized text of Decree with Force of Law No. 1 from the Ministry of Mining, issued in 1982; and the General Electricity Services Law. (DFL No. 1/82) and its subsequent modifications, including Law 19,940 ("Ley Corta I") published on March 13, 2004, Law 20,018 ("Ley Corta II") published on May 19, 2005, Law 20,257 (Generation with Non-Conventional Renewable Energy Resources) published April 1, 2008, Law 20,701 (Procedure to grant Electrical Concessions) published on October 14, 2013, and Law 20,698 (Contribute with the Generation mix expansion through Non-Conventional Renewable Energy) published on October 22, 2013. These standards are complemented by the Regulations of the General Electricity Services Law of 1997 (Supreme Decree No. 327/97 from the Ministry of Mining) and its respective modifications; the Regulations to Establish the Structure, Functioning and Financing of Load Dispatch Centers (Supreme Decree No. 291/2007), the Regulations of Complementary Services in 2012 (Supreme Decree No. 130, Ministry of Energy) and also the Technical Standard on Reliability and Service Quality (Exempt Ministerial Resolution No. 40 of May 16, 2005) and its subsequent modifications.

Law 19,940, also called "Ley Corta I", modified the General Electricity Services Law of 1982 in matters relating to electricity transmission activity, subdividing the transmission network into

three types of systems: trunk transmission, sub-transmission and additional transmission. It also establishes that electricity transmission – both by trunk transmission as well as sub-transmission systems – is considered a public service and is subject to regulated tariffs.

Finally, Law 19,940 established that the new payment regime for using trunk facilities would become effective as of March 13, 2004 and determined a transitory period that was in effect until the first trunk transmission decree was issued. Thus, from 2004 to 2007, collection and payment for using transmission facilities was carried out provisionally using subsequent recalculations in accordance with legal and regulatory standards in effect until "Ley Corta I" was published.

On January 15, 2008, a decree from the Ministry of Economy, Development and Reconstruction was published and set the new Investment Value (VI), the Annuity of the Investment Value (AVI), the Operation, Maintenance and Administration Costs (COMA) and the Annual Transmission Value per Segment (VATT) for trunk facilities for the period from March 14, 2004 to December 31, 2010, as well as the indexation formulas applicable during that period. New rates for the trunk transmission system began being applied in April 2008 and during 2008 trunk income was recalculated for the period from March 13, 2004 to December 31, 2007. The determination of trunk facilities and their Annual Transmission Value (VATT) is updated every four years using an internationally-tendered study. During 2010, the second Trunk Transmission Study was conducted which will allow setting the tariffs and the corresponding indexation formulas for the period 2011-2014.

Decree 61, published on November 17, 2011 contains the tariffs that will be retroactively applicable from January 1, 2011. During 2012 and 2013 the new tariffs have been applied and particularly the assessment process form 2011 was published on March and April for SING and SIC respectively. The SIC assessment for 2011 was modified on September 2012 according to the Expert Panel Report N°2-2012.

Decree No. 320 from the Ministry of Economy, Development and Reconstruction, which sets tariffs for subtransmission facilities, was published in the Official Gazette on January 9, 2009 and the new tariffs begin to be applied on January 14, 2009 and will be in effect until December 31, 2010. On April 9, 2013, the Supreme Decree N°14 was published by the Ministry of Energy, setting subtransmission tariffs from January 2011 to December 2014 has been issued. The difference between amounts invoiced using these provisional tariffs since January 2011 to the decree publish date will be reassessment by the CDEC based on the difference between the provisional tariff and the definitive values on decree N°14.

6. MARKET RISK FACTORS

Due to the nature of the electrical market and the legislation and standards that regulate this sector, the Company is not exposed to significant risks in developing its principal business. However, the following risk factors should be mentioned and considered:

6.1 Regulatory Framework

Electricity transmission tariffs are set by law and are indexed in order to guarantee real annual returns for the operator. The nature of the industry enables transmission income to be stable over time. In addition, this income is complemented with income obtained from private contracts with large clients.

However, the fact that these tariffs are revised every four years in Trunk Transmission Studies could place the Company at risk of new tariffs that are detrimental or less attractive given the investments it has made.

The Company cannot guarantee that other regulatory changes will not negatively affect it or its

clients or creditors, thus compromising Transelec's income.

6.2 Operating Risks

Although the Company's management believes it has adequate risk coverage, in line with industry practices, it cannot guarantee the sufficiency of its insurance policy coverage for certain operating risks to which it is exposed, including forces of nature, damages to transmission facilities, on-the-job accidents and equipment failure. Any of these events could negatively affect the Company's financial statements.

6.3 Application of regulations and / or Environmental Law

The operations of Transelec are subject to Law No. 19.300, on Chilean environment ("Environmental Law"), enacted in 1994. According to its recent modification, through Law N° 20.417 which was published in the official journal on January 26, 2010, created, among others, new institutions consisting of: (i) the Ministry of Environmental Affairs; (ii) the Minister Council for Sustainability; (iii) the Environmental Evaluation Service; and (iv) the Superintendence of Environmental Affairs; these institutions are in charge of the regulation, evaluation and inspection of the activities involving environmental impacts. These new institutions replaced the National Commission of Environmental Affairs ("CONAMA") and the Regional Commissions of Environmental Affairs and are fully operative through the enactment of an updated regulation, that is under review by the Comptroller General of the Republic.

Law No. 20.600 of the official journal was published on June 28, 2012 that creates the environmental courts, last step so the Superintendence of Environmental Affairs (SMA) can begin to implement in full its powers of control and sanction. On December 28 with the implementation of the Environmental Court (Second Environmental Court in Santiago) the SMA assumes the full monitoring and control of the Environmental Qualification Resolution (RCA) among other matters.

Notwithstanding that Transelec meets the environmental requirements of the environmental law, it is not possible to assure that these filings (EIA o DIA) before the environmental authority will be approved by government authorities, neither that the possible opposition of public opinion will not generate delays or changes in the proposed projects, nor that the laws and regulations will not change or will be interpreted in a way that may adversely affect the company's operations and plans, as the new institutional structure is just in progress.

6.4 Delays in the Construction of New Transmission Facilities

The success of the program for extending the trunk transmission network and building new facilities will depend on numerous factors, including financing cost and availability. Although Transelec has experience with large-scale construction projects, the construction of new facilities could be negatively affected by factors commonly associated with such projects including delays in obtaining regulatory authorizations, scarcity of equipment, materials or labor, etc. Any of these factors could cause delays in the partial or total completion of the capital investment program, and could increase the costs of the projects.

6.5 Technological Changes

Transelec is compensated for investments that makes in electrical transmission facilities through an annual valuation of the existing facilities (AVI), which is performed every four years using current market prices. Any important technological changes in the equipment at its facilities could lower this valuation, which would prevent partial recovery of the investments made.

6.6 Foreign Exchange Risk

The following factors expose Transelec to foreign exchange risk:

- The revenues of its subsidiary Transelec Norte are denominated in U.S. dollars.
- Transelec carries out several types of transactions in U.S. dollars (construction contracts, import purchases, etc.).
- Transelec uses forward contracts to sell U.S. dollars to hedge future revenues denominated in the U.S. dollars. Transelec also uses a currency forward contract with its parent; this allows it to finance U.S. dollar-denominated assets of its subsidiary.

Exchange rate exposure is managed using a policy that involves fully hedging the Company's net balance sheet exposure using diverse instruments such as foreign exchange forward contracts and cross currency swaps.

The following table details the amounts of monetary assets and liabilities as of September 30, 2013 and December 31, 2012:

	September 2013		December 2012	
In million pesos	Assets	Liabilities	Assets	Liabilities
Dollar (amounts associated with balance sheet items)	188,447	205,909	75,916	102,918
Dollar (amounts associated with income statement items)	0	18,605	0	31,389
Chilean peso	1,982,882	1,084,747	1,878,852	974,211

(*) Indexing polynomials of the Company's revenues contain formulas for setting these revenues in the short term, differing from the long-term indexing. In order that the short-term indexing is consistent with long-term indexing, the Company, periodically (every six months) sell a percentage of their semi-annual fixed dollar income using currency forwards. These forwards are considered as cash flow hedges and therefore changes in fair value, meanwhile they are not done, are included in other comprehensive income.

EXCHANGE RATES (Observed exchange rates)

Month	Average 2013 ($)	Last Day 2013 ($)	Average 2012 ($)	Last Day 2012 ($)
January	472.67	471.44	501.34	488.75
February	472.34	472.96	481.49	476.27
March	472.48	472.03	485.40	487.44
April	472.14	471.31	486.00	484.87
May	479.58	499.78	497.09	519.69
June	502.89	507.16	505.63	501.84
July	504.96	515.42	491.93	481.94
Agoust	512.59	509.74	480.99	480.25
September	504.57	504.2	474.97	473.77
Average of the period	**488.25**	**491.56**	**489.43**	**488.31**

The indexation formulas, updated semiannually for toll contracts and sub-transmission fees and updated monthly for regulated trunk income, take into account variations in the value of the facilities and operating costs, maintenance and administrative costs. In general, those indexation formulas take into consideration variations in the international prices of equipment, materials and local labor.

6.7 Credit Risk

Credit risk corresponding to receivables from commercial activities, is historically very low due

to the nature of the business of the Company's clients and the short term of collection to clients, which explain the fact of not having large accumulated amounts

As of September 30, 2013, the company has four main clients which represent individually more than 10% of the total revenues. These are Endesa Group (MCh$42,710), Colbún Group (MCh$45,064), Pacific Hydro-LH-LC (MCh$32,797) and AES Gener Group (MCh$20,322). The total revenues recognized for these clients represent an 88.6% of the total revenues of the company. In the period of comparison, the company has the same structure of clients which represent individually more than 10% of the total revenues, whose amounts reached to MCh$65,721, MCh$17,917, MCh$16,428 and MCh$19,561 respectively, with a percentage of the total incomes of 74.2%.

Income from these companies will generate a large part of the Company's future cash flows and, therefore, a substantial change in their assets, financial condition and/or operating income could negatively affect the Company. In the year 2011, it's observed some punctual problems insolvency of some integrants of CDEC-SIC.

In terms of the Company's credit risk associated with financial assets (time deposits, fixed-return mutual funds and sell-back agreements), its treasury policy establishes certain limits on a particular institution's exposure; such limits depend on the risk rating and capital of each institution. Likewise, for investments in mutual funds, only funds with a risk rating qualify.

6.8 Liquidity Risk

Liquidity risk is the risk of the Company not satisfying a need for cash or debt payment upon maturity. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

a) Risk from Company's Management Processes

In order to guarantee that Transelec is able to quickly react to investment opportunities and pay its obligations by their maturity dates, in addition to its cash balances and short-term receivables, the Company has committed line of credit for working capital of US$ 250 million, equivalent to MCh$126,050. Until now this line doesn´t file a utilized amount. This committed line of credit was contracted on July 9, 2012, is granted for a period of three years by a bank syndicate consisting of Scotiabank, Bank of Tokyo-Mitsubishi and DnB NOR.

The Company is exposed to risks associated with indebtedness, including refinancing risk when its debt matures. These risks are mitigated by using long-term debt and appropriately structuring maturities over time.

The following table presents the capital amortizations corresponding to the Company's financial liabilities, according to their maturity date, as of September 30, 2013 and December 31, 2012.

Debt Maturity (Capital) MCh$	0 to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	More than 10 years	Total
September 30, 2013	145,451	198,551	2,763	156,016	637,425	1,140,206
December 31, 2012	57,640	200,293	137,045	-	559,598	954,576

Debt Maturity (Interest) MCh$	0 to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	More than 10 years	Total
September 30, 2013	46,847	80,546	67,713	168,854	223,669	587,629

b) Associated risk to the settlement of trunk transmission system tariff revenues

According to Decree N°4/20.018 from the Ministry of Economy, Fomentation and Reconstruction, in its articles 81, 101, 104 and 106, and complementary rules, Transelec has

the right to perceive on a provisory basis the real tariff income (IT for its name in Spanish) of the trunk transmission system generated for every period. In order to get their own revenues set up in the first paragraph of article N°101 of the above mentioned Decree N°4/20.018, the real tariff income perceived on a provisory basis must be settled by Transelec according to the repayment schedule prepared by the respective CDEC (Center of Economic Dispatch of Charge) through the collection or payment to the different companies, owners of generation facilities.

Transelec could face the risk of not timely collecting the IT that some of the companies owners of generation facilities should pay as determined in the energy balances prepared by CDEC, what may temporarily affect the Company's liquidity position. In this sense, and in the opinion of the Company, the function that Transelec fulfills in the above-mentioned collection process consists not of the collection of amounts for its own benefit, but it is merely collection and subsequent transfers to third parties of credits and debts that belong to the generating companies, with the exception of the expected IT.

6.9 Interest Rate Risks

Significant changes in fair values and future cash flows of financial instruments that can be directly attributable to interest rate risks include changes in the net proceeds from financial instruments whose cash flows are determined in reference to floating interest rates and changes in the value of financial instruments with fixed cash flows.

The Company's assets are primarily fixed and long-lived intangible assets. Consequently, financial liabilities that are used to finance such assets consist primarily of long-term liabilities at fixed rates. This debt is recorded in the balance sheet at amortized cost.

The objective of interest rate risk management is to achieve a balanced debt structure, decrease the impact on costs due to interest rate variations and, reduce volatility in the income statement.

The majority of the debt as of September 30, 2013, and as of December 31, 2012, was at fixed rate. However, in the case of UF-indexed debt, variations in inflation rates could potentially impact the Company's financial expenses.

UF Values

Month	Average 2013 ($)	Last Day 2013 ($)	Average 2012 ($)	Last Day 2012 ($)
January	22,811.83	22,807.54	22,346.12	22,408.36
February	22,818.59	22,838.48	22,447.54	22,462.79
March	22,857.28	22,869.38	22,492.50	22,533.51
April	22,898.59	22,940.02	22,567.73	22,591.21
May	22,933.69	22,885.95	22,608.96	22,620.80
June	22,857.11	22,852.67	22,626.49	22,627.36
July	22,949.89	22,888.71	22,609.47	22,579.16
Agoust	23,002.78	23,038.71	22,562.02	22,559.48
September	23,067.92	23,091.03	22,571.05	22,591.05
Average of the period	**22,910.85**	**22,912.50**	**22,536.88**	**22,552.64**