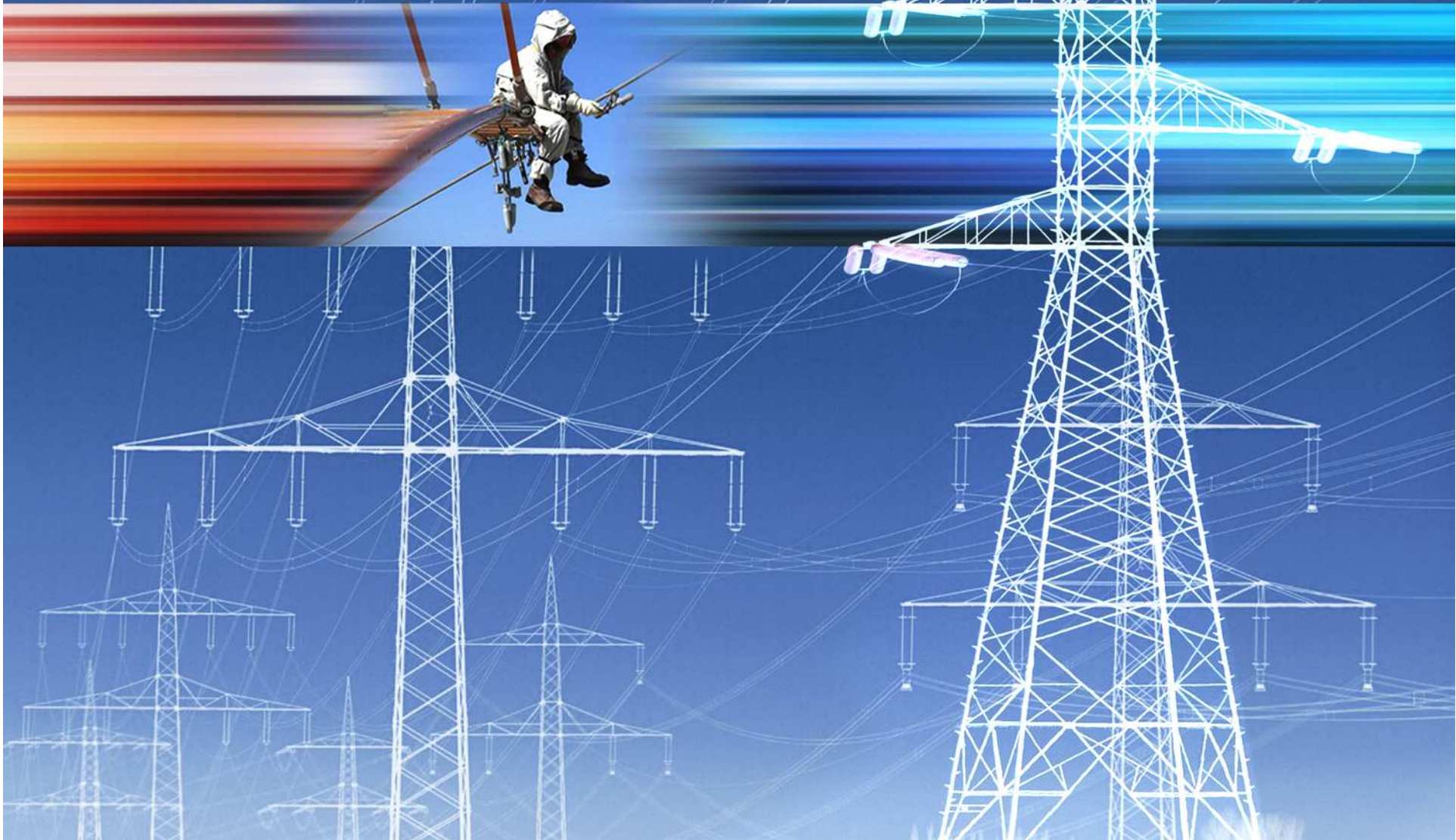


3Q2014 Earnings



Executive Summary

- **Transelec is the largest transmission company in Chile with 9,454 kilometers of transmission lines (as of Dec./2013) located in areas that serve approximately 98% of the Chilean population**
- **Transelec continues to generate stable cash flows and is on track to generate over CLP200 billion of EBITDA while maintaining an EBITDA margin above 80%**
- **Additionally, as part of its prudent financial strategy and considering upcoming debt maturities, Transelec successfully issued a USD375 million 144A / Reg. S bond on July 14, 2014, which will be used to repay existing 2014/2015 maturities and extend its average debt duration**
- **In September 2014, the Company bid for and was successfully awarded with 2 new projects in the Trunk System with a total VI of MUSD 124.6.**
- **In October 2014, the Board of Directors of Transelec approved the absorption of Transelec Norte, aiming to obtain administrative efficiencies and processes optimization.**
- **As of September 30, 2014, Transelec recorded a net income of MCLP43,010 (MUSD72 equiv.) and an EBITDA of MCLP155,658 (MUSD259).**

Business Updates

1. **Transelec continues to generate stable cash flows and is on track to generate over CLP200 billion of EBITDA while maintaining an EBITDA margin above 80%**
2. **In July 14, 2014, Transelec issued a very successful 144a/RegS bond @ 4.25%. Use of proceeds (MUSD375) is totally dedicated to existing debt refinancing.**
 - Principal of Series E and F bonds were totally paid at maturity on August 1, 2014.
 - Principal of Series I bonds was totally paid at maturity on September 1, 2014.
 - Company already called early prepayment of series L expected to be executed on December 15, 2014.
3. **In September 2014, Transelec successfully renegotiated its Revolving Credit Facility.**
 - Amount: USD250 million
 - Term: 3years
 - Interest Rate: Libor + 1.25%
 - Banks: Scotiabank, BTMU, DNB, Citibank, JP Morgan and EDC
4. **In October 2014, the Board of Directors of Transelec approved the absorption of Transelec Norte. All the process was legally finalized on December 1st, 2014.**

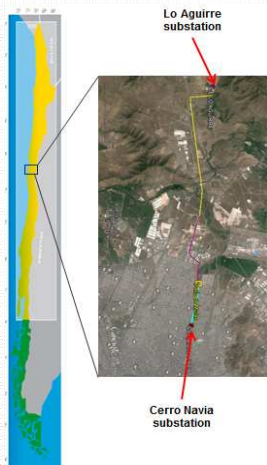
Background:

- In 2003, TRNO was created for the acquisition of transmission assets of *Celta* and *GasAtacama* (USD110 million)
- As of December 2013, it only owned assets for USD270 million (consolidated), representing 6.5% of the assets and 7.1% of revenues of Transelec

Business Updates (cont'd)

5. **During the first 9 months of 2014, the company added to its portfolio USD93.5 million of new facilities:**
 - USD38.8 million of new trunk upgrades commissioned, and
 - Acquisition of Maitencillo – Cardones 2x220 kV trunk transmission line from Guacolda S.A with a VI of USD54.7 million.
6. **Under the New Law Decree 201, Transelec was assigned new upgrade projects to be commissioned starting in 2015. Total turn-key contracts amount USD45 million.**
7. **In September 2014, according to its prudent growth strategy, Transelec was successfully awarded with 2 new projects in the Trunk System with a total referential VI of MUSD 124.6.**

1) 2x220kV Line Lo Aguirre – Cerro Navia



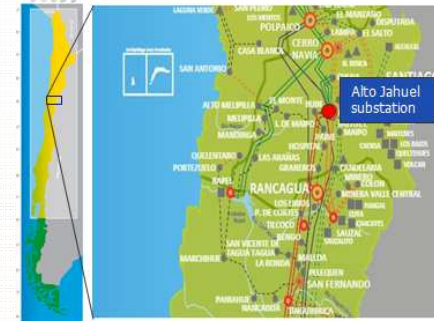
VI
MUSD
92.5

This new line of 1500 MVA of capacity, has a length of approximately 18 kilómetros and considers the construction of part of the line underground. This line will help to manage growing demand of the Trunk System and to give more reliability to the Metropolitan Region.

2) Alto Jahuel 3rd Autotransformer Bank

VI
MUSD
32.1

The project will reinforce the capacity for energy transport from the south to the center of the country. Additionally, security of service will be improved reaching N-1 in this substation, one of the most important in the SIC.



Industry and Regulatory Update: Tax Reform Bill

President Bachelet presented a comprehensive tax reform bill to the National Congress on April 1, 2014. On September 29th, 2014 the tax reform law was enacted.

Based on our best preliminary interpretation of the Tax Reform new rules application, relevant changes that have impact in Transelec are the following:

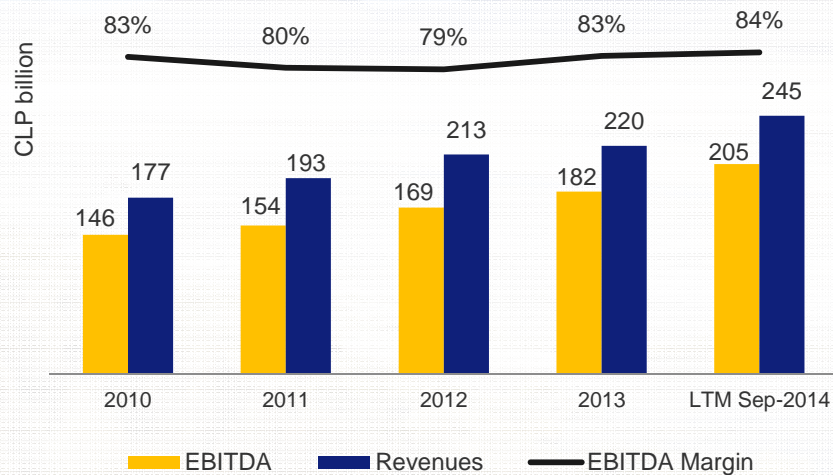
- a) New income tax law establishes two systems: Partially integrated System (default option for Transelec) and Attributable tax system. The Corporate income tax rate increases from 20% to 27% or 25% respectively on a progressive basis. Dividends distributed to final tax payer will be taxable at 44,45% or 35% depending on the elected tax system. Entities, like Transelec, are allowed to adopt the Attributable tax system. **(On or before 2017)**
- b) Current tax system (FUT) is eliminated since Year 2017 and Withdrawals in excess from Year 2015. The outstanding balance of FUT remained to be taxable to the extent that distributions exceed the current taxable income in the respective periods.
- c) Distributions in excess above taxable income during Years 2015-2016 will be taxable anyway by the final tax payer. Distributions after Year2016 and above of current taxable income will be imputed against FUT and levied consequently.

The Tax Reform is not expected to significantly impact Transelec

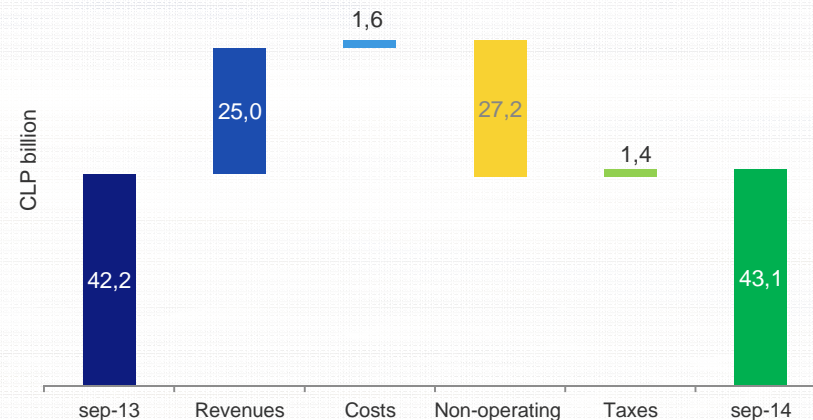
Revenue and Profitability

- Transelec's revenues and EBITDA have grown steadily and are in line with its shareholders' original plan
- During the first three quarters of 2014, Transelec recorded a net income 2% higher than the same period in 2013 mainly due to:
 - higher Operating Income (28.9%) and lower Income Tax (14%)
 - partially offset by higher loss in the Non-Operating Income (68.6%)
- The company has historically maintained an EBITDA margin of approximately 80%, driven by a low and stable cost structure mainly comprised of labor and maintenance expenses

EBITDA and Revenues



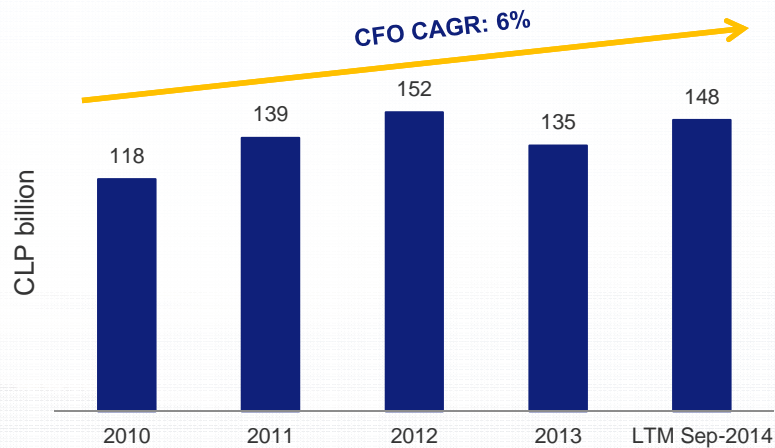
Net Income



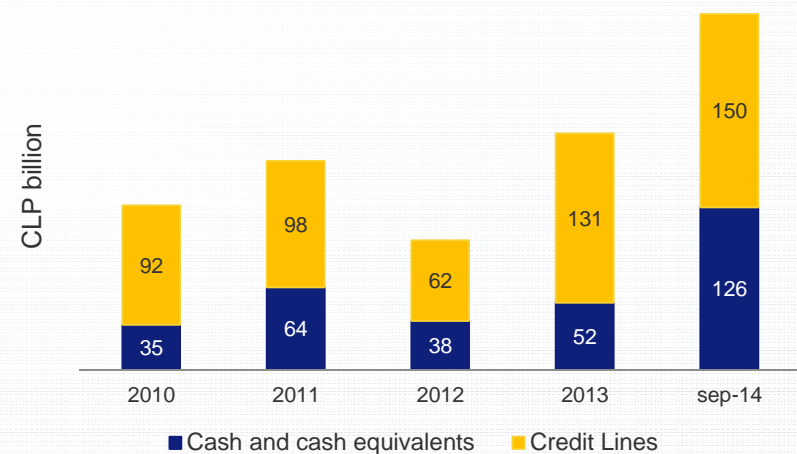
Solid Liquidity Position

- **In September 2014, Transelec’s liquidity increased to CLP276 billion (USD460 million)**
 - This includes the funds Transelec has for the prepayment of Series L
 - This includes USD250 million available on a committed revolving credit line (completely undrawn).
 - Furthermore, the Company’s bonds have a 6-month DSRA.
- **In addition, the company generated during the LTM ended September 30, 2014, CLP150 billion of funds from operations (FFO) and CLP148 billion of cash flow from operations (CFO)**
- **Transelec also has UF 16.9 million (USD682 million) available under its UF 20 million (USD807 million) local shelf registration program**

Cashflow From Operations



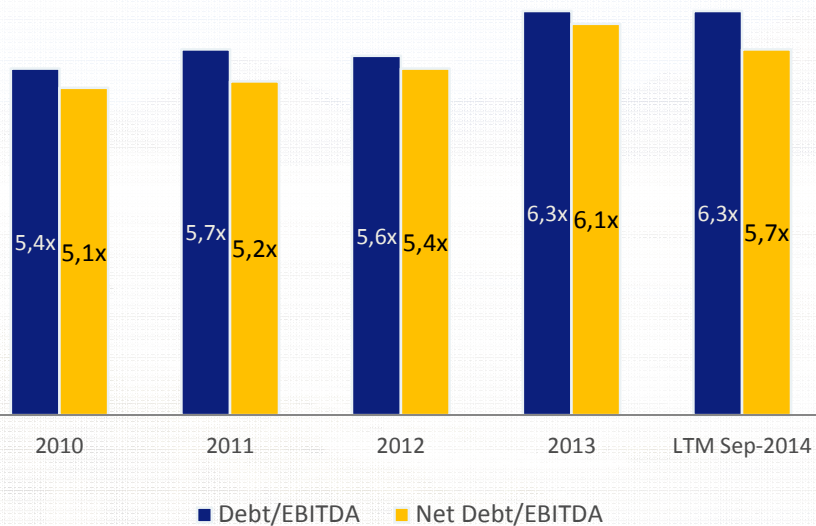
Liquidity



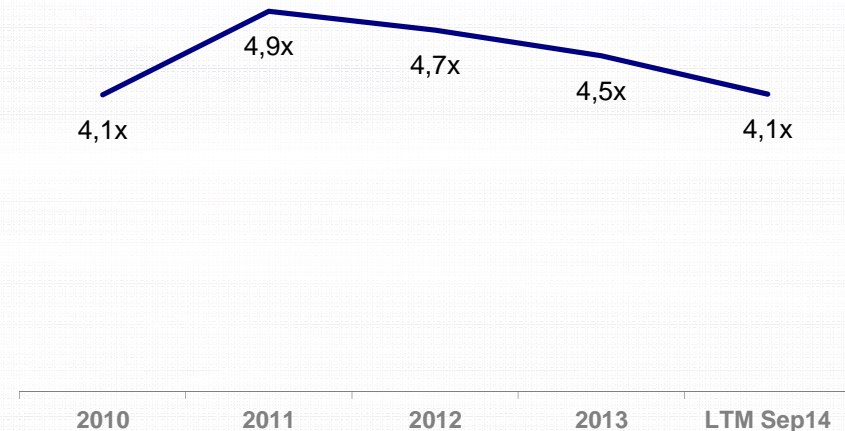
Strong Coverage Ratios

- Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows and have improved since acquisition
- Since July 14, the company has paid series E, F and I with the proceeds of the 144A/RegS issuance of 2014 and will prepay series L bonds in December 2014. Therefore, coverage ratios should improve by year-end.

Leverage



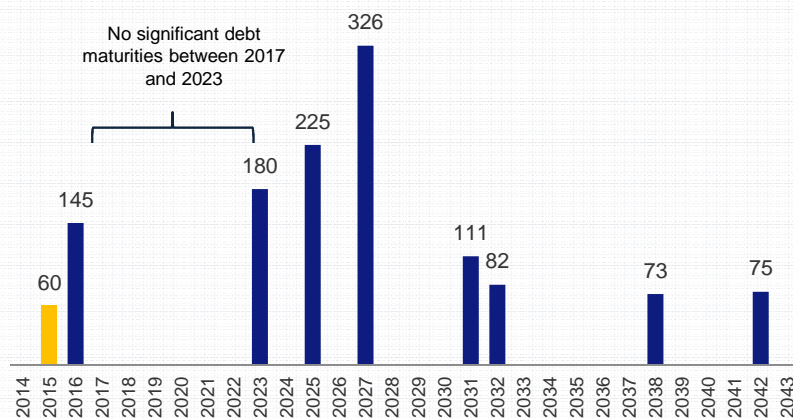
Interest Expense Coverage



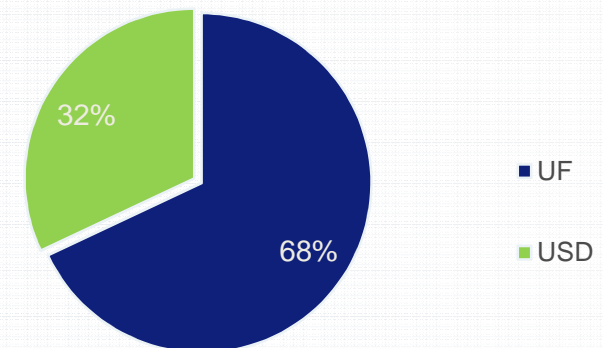
Debt Profile

- **Transelec maintains a very manageable debt maturity profile**
 - With ~CLP60 billion (~ USD100 million) maturing in 2015, which Transelec will prepay in December 15, 2014.
- **To mitigate exposure to interest rates volatility, we have long-term fixed rate financing**
 - As of September 30, 2014, ~99% of total obligations are fixed rate
- **To mitigate currency exposure, the Company manages its balance assets and liabilities in USD**
- **Series L Bonds, maturing in 2015, will be early prepaid in December 2014**

Public Debt Maturity Profile (CLP billion)



Debt Breakdown by Currency

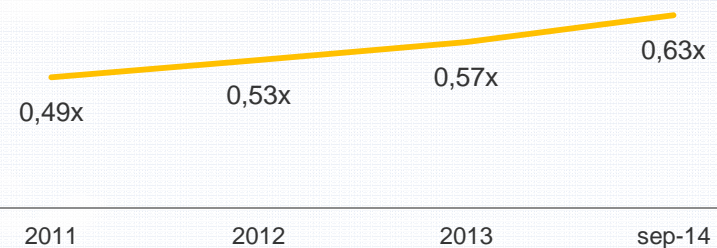


Covenants

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

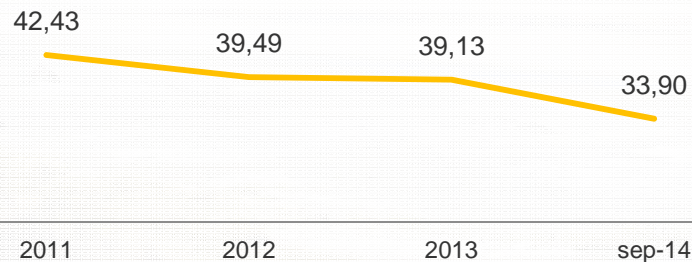
As of September 30, 2014, the company is in full compliance with all debt covenants

Debt / Capital < 0.7x ⁽¹⁾



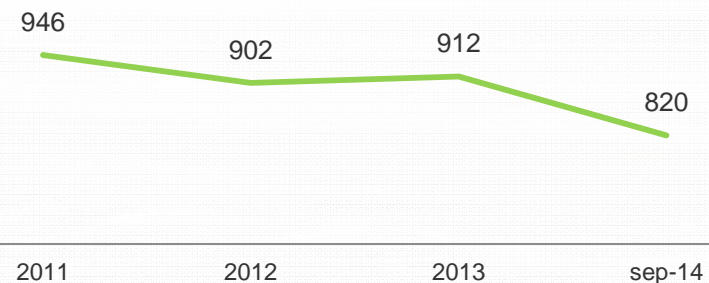
(1) Total Debt / (Total Debt + Interest + Shareholder's Equity + Accumulated amortization of goodwill)

Minimum Equity > UF15 million⁽²⁾



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

Minimum Equity > CLP 350 billion ⁽³⁾



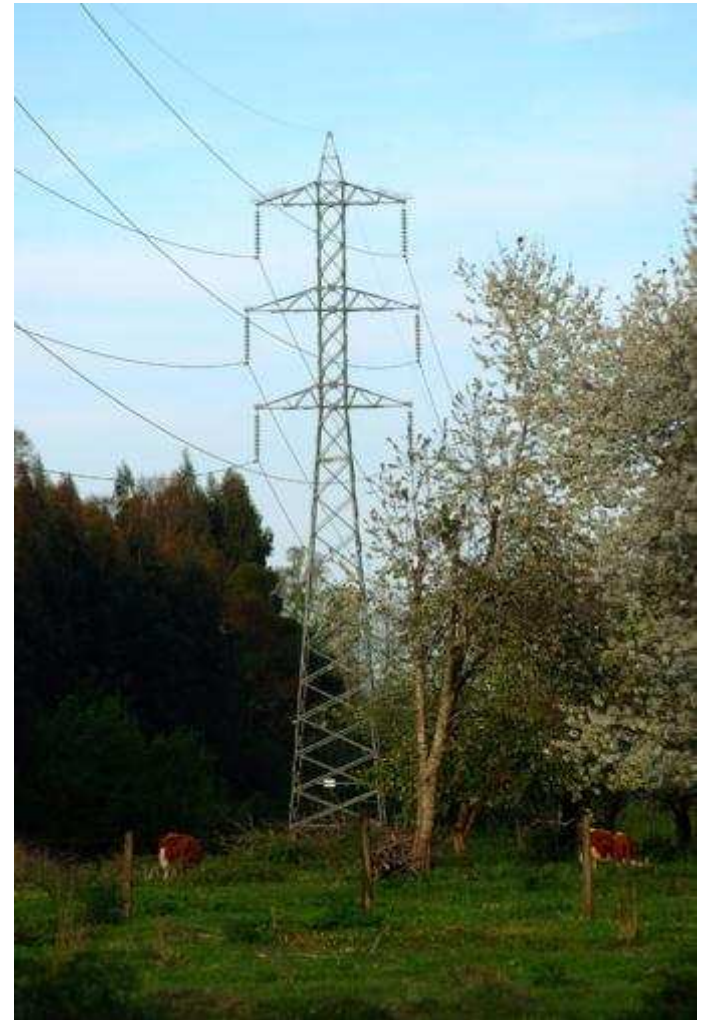
(3) Equity attributable to the owners + Accumulated amortization of goodwill

Contact Information

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You can find additional information in our web page:
<http://www.transelec.cl/index.php/inversionistas-2/>



3Q2014 Earnings

