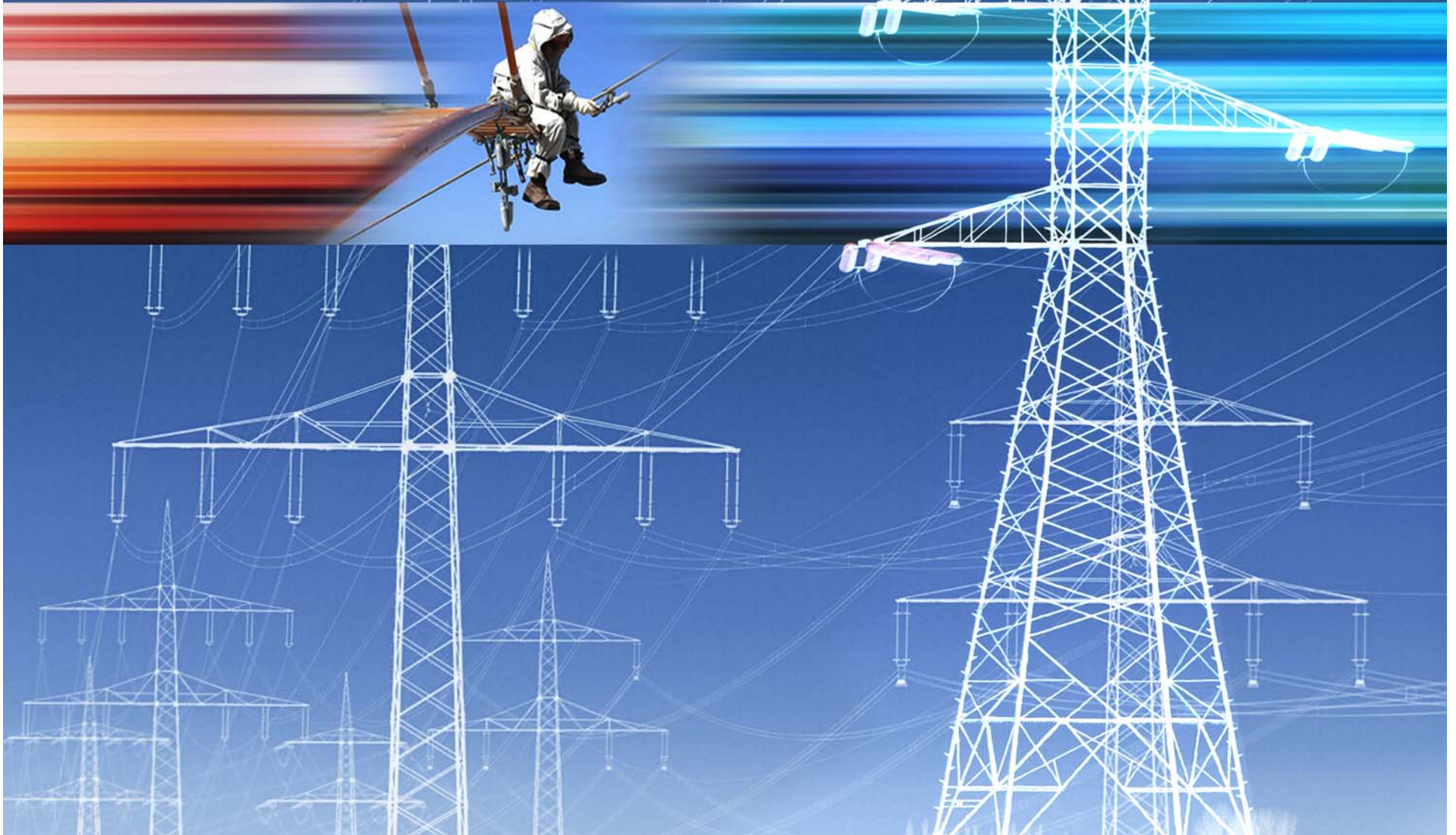


2014 Performance



Executive Summary

- Transelec performed exceptionally well in 2014, executing on a number of its operating and financial objectives
 - Generated EBITDA and FFO of CLP 214 billion (equiv. USD353 million) and CLP 182 billion (equiv. USD301 million), respectively, representing a 18% and 11% increase over prior year results
 - Executed a productivity initiative which resulted in CLP 5 billion (equiv. USD 8 million) of annual cost savings, and increased EBITDA margins to 85%
 - Commissioned USD 39 million of new projects, while being awarded an aggregate of USD 170million of upgrade and expansion projects which increases our capital backlog to USD 362million as of December 31st, 2014.
 - Refinanced near term debt maturities on an investment grade basis and extended the maturity profile by our debt stack by 1.2 years
 - Ended the year with CLP 218 billion (equiv. USD359 million) of liquidity to fund future growth initiatives

* USD figures have been translated with the FX of end of December 2014, for referential purposes only

Key Credit Highlights

Dominant and strategic position in stable sector

- Largest transmission company in Chile
- 91% market share in the Central Interconnected System (SIC) and 100% of the Interconnected System of the Norte Grande (SING) trunk system
- Limited competition and high barriers to entry

Strong sovereign backdrop and predictable regulatory environment

- Chile is the highest rated country in Latin America (Aa3/AA-/A+)
- Regulator ensures a real rate of return with explicit pricing rules for existing transmission assets, and encourages new investments in transmission by defining the pricing rules for new assets as required

Long term stable cash flows

- 82% of revenues come from take-or-pay contracts with strong credit counterparts, which do not depend on transmission volumes neither GDP growth in Chile.
- EBITDA has grown at a compounded average rate of 10% annually, while maintaining stable EBITDA margins of approx. 83% since 2007
- Approx. USD726 million in cash flow has been reinvested in growth projects since 2007.
- In the short and medium term, an inflationary environment provides additional cash flows as per our indexation formulas.

Solid liquidity and financial position, and demonstrated track record of access to bank and debt capital markets

- USD250 million undrawn committed revolver (maturing in September 2017)
- UF 16.9 million (USD664 million) available under its UF 20 million (USD786 million) local shelf registration program
- Transelec is the largest local corporate bond issuer in Chile
- DSRA of approx. USD50 million
- Transelec will face only one debt refinancing in the next eight years and has proven successful access to markets.

Strong and committed shareholders

- Transelec is owned by a group of strong investment grade Canadian investors with over USD600 billion in assets under administration (AUA)
- Invested capital has increased by more than USD700 million since acquisition as shareholders have deferred their distributions when prudent and supported growth initiatives

Dominant and strategic
position in stable sector

Dominant and strategic position in stable sector

9,555 kms
of circuits

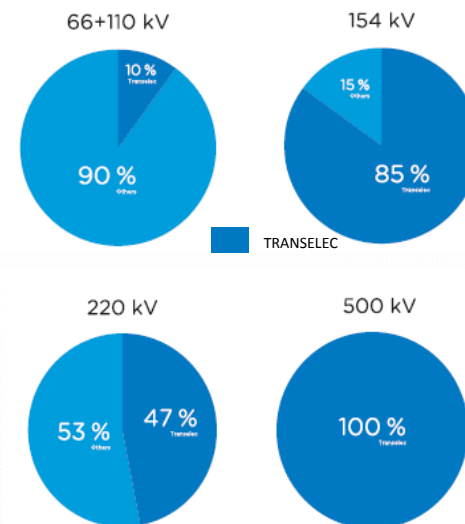
56
substations

91.3% of SIC
Trunk System

100% of SING
Trunk System

Transelec is the largest electric transmission company in Chile through the **ownership** and **operation** of strategic assets for the country

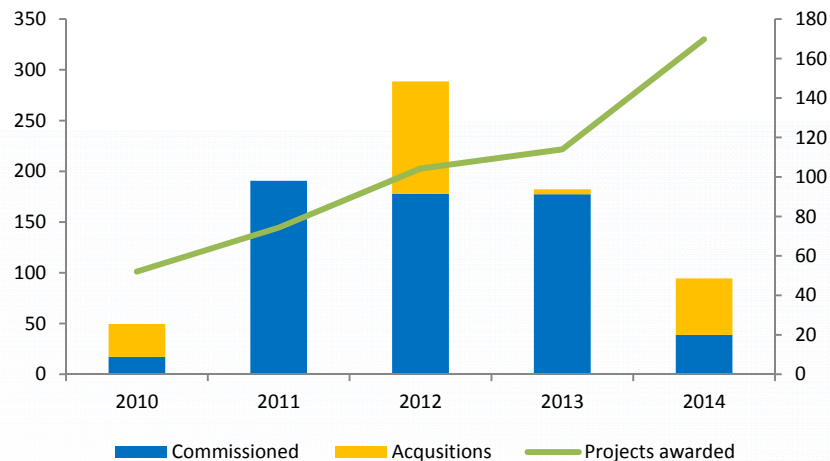
Market Share



- Chile's Transmission System is Critical National Infrastructure
- Transelec is Chile's largest electricity transmission company.
- We are constantly analyzing and improving our operational processes.
- Transelec looks continuously to deliver the best quality and availability of service.

Growth opportunities

Projects (VI in USD million)



- During 2014, the company added to its portfolio US\$94 million of new facilities:
 - US\$39 million of new trunk upgrades commissioned, and
 - Acquisition of Maitencillo – Cardones 2x220 kV trunk transmission line from Guacolda S.A with a VI of US\$54.7 million
- During 2014, Transelec booked USD 45mm of upgrade projects which will be commissioned in the next couple of years
- In September 2014, the Company was successfully awarded with 2 expansion projects with a total VI of MUSD 124.6 to be commissioned in 2017/2018.

Strong sovereign backdrop and
regulatory environment

Solid and Stable Regulatory Framework

- **Chile has a regulatory framework that encourages private investments in electricity infrastructure**
 - Chile was one of the first countries to deregulate and privatize its electric system (in early 1980s)
 - Since then, Chile has focused on continuously improving the regulatory framework to ensure the robustness of the nation's electric infrastructure
- **The enactment of the “Short Law I” (“Ley Corta I”) in 2004 provides further incentive to invest**
 - Establishes a robust regulatory framework that has remained stable over time
 - Ratifies an annual return on Value of Investment (VI) of 10% over economic useful life of assets
 - Encourages new investments in transmission by defining the pricing rules for new assets as required
 - Enhances transparency in calculating revenues and dispute resolution mechanism using Experts Panel. The Experts Panel comprises of seven independent members, five of whom are engineers and economists and two are lawyers. These members are chosen by the Chilean Antitrust Court
- **Regulated annual revenues are based on the replacement value of the assets, considering a real pre-tax discount rate of 10% and the useful life of the current assets**
 - Study conducted every four years to determine the trunk transmission tariff
 - Tariff is based on the VI, the annuity of the VI (AVI, 10%, useful life), and the Cost of Operation Maintenance and Administration (COMA)
 - AVI and COMA are indexed periodically, within each tariff-setting process
- **Authorities have been continuously trying to improve the regulatory environment. Topics in discussion are detailed in the following slides.**

Regulatory changes to reinforce transmission system

Energy Agenda

Connectivity for energy development (Transmission)

The CNE formed a working group together with industry participants and Universities to prepare a draft bill of law for the Transmission segment, in order to reinforce and optimize the current system. Main topics are:

Trunk	<ul style="list-style-type: none"> • Incorporate <u>strategic long-term vision</u> with social, environmental, technical and economic efficiency criteria • Incorporate transmission capacity gaps into the System planning to <u>robustly expand it over long term</u>. This will allow Transelec to improve even more its quality of service and it represents opportunities for new investments. • Eventually, a <u>swing in payment source will be passed</u>. Our Take-or-Pay contracts will be paid probably via a demand stamping • Associativity and territorial planning. <u>Flatter rates throughout the country</u>
Sub-transmission	Remuneration in the segment should be revisited in order to attract further investment. <u>Governmental Expansion Plans (like in Trunk)</u> are being discussed as a solution
Additional	<u>Clarify open access rules</u> , definition and scope. Coordination of investment that will drive power generation poles.

Efficient energy sector with consumption management

The CNE will form a working group with the Trade Association of Electrical Companies (*Empresas Eléctricas A.G.*) and its member companies, including Transelec, to prepare the law draft on Energy Efficiency.

2015 – 2018 Tariff-setting process

- 2015 tariffs level in our regulated segments remained applying the previous 2010-2014 tariff level, as per a one year extension passed as law.
- New tariff studies carried on during 2014 and 2015 will be used for the period 2016-2019.
- Trunk Transmission and Subtransmission studies final tariff reports from external consultant was presented to CNE by Feb 2015. Law Decrees should be enacted during 3Q2015.

Tax Reform

- In 2014, Tax Reform was finally approved and enacted. Full force is expected to be in 2018.
- Transelec is affected by this reform, but impact is considered to be moderate due to tax breaks that Transelec has in the next few years.
- The Company will have an impact on future corporate tax rate increasing from 20% to 25% or 27% in 2017, depending on which of two tax regimes we choose.
 - Transelec forecasts no cash impact until 2018, due to historical tax losses credits
- Currently, the Company is working in the analysis of the different regimes with two consultant firms to make an informed decision on which regime to choose, based on internal analysis already prepared.

Long term stable cash flows

Low business risk profile: Stable and Predictable Cash Flows

Stable sources of revenues

- Revenues are well diversified: 48% of revenues are regulated and 82% of revenues are generated from strong counterparties with take-or-pay agreements:
 - Regulated revenues: from Trunk systems and Subtransmission systems
 - Contractual revenues: from bilateral contracts which include, mainly, Additional Systems' assets
- Transelec's revenues are not substantially impacted by the amount of energy transmitted or hydrology

Revenues vary based on transmission systems

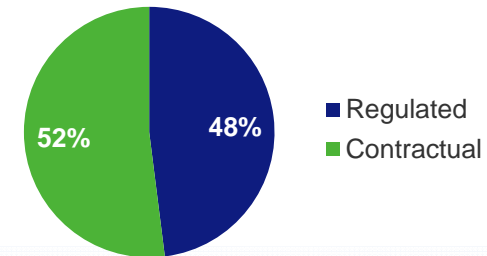
- Trunk Systems: take-or-pay
- Subtransmission Systems: volume-based
- Bilateral contractual revenues: take-or-pay

Important clients

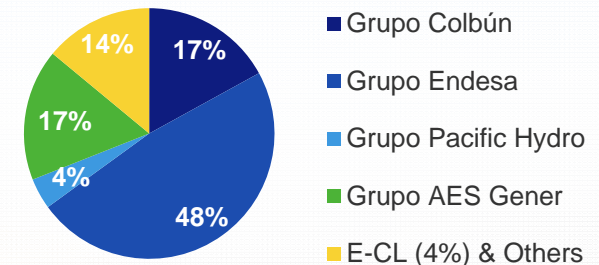
- 82% of revenues come from the most important energy generation companies in Chile

Company	International Rating
endesa Chile	BBB+/BBB+/Baa2
AES Gener <small>energía confiable</small>	BBB-/BBB-/Baa3
Colbún	BBB-/ BBB/NR

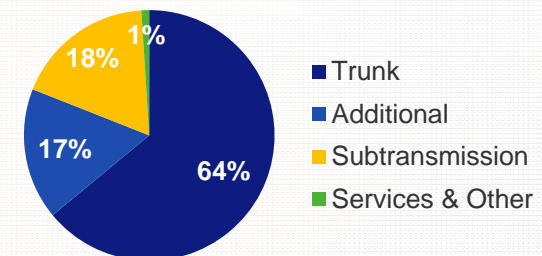
Revenue per Type



Revenue per Client

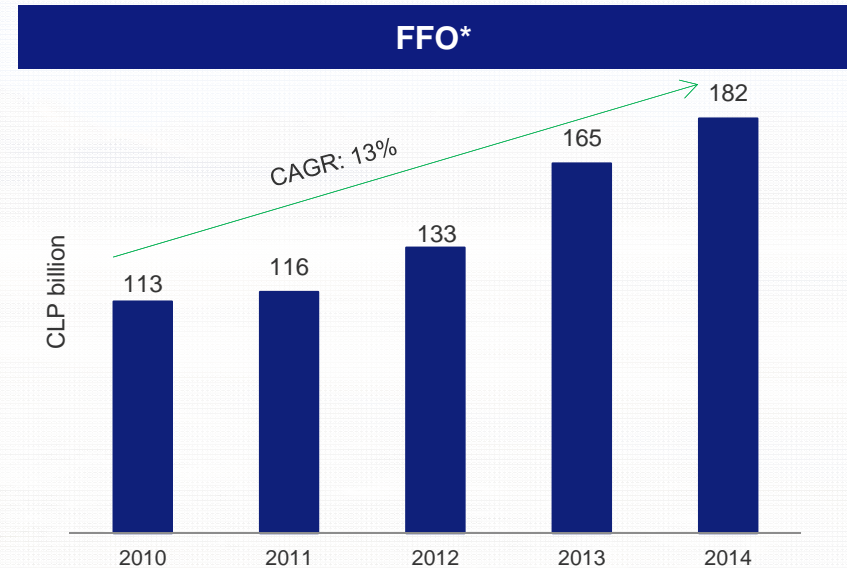
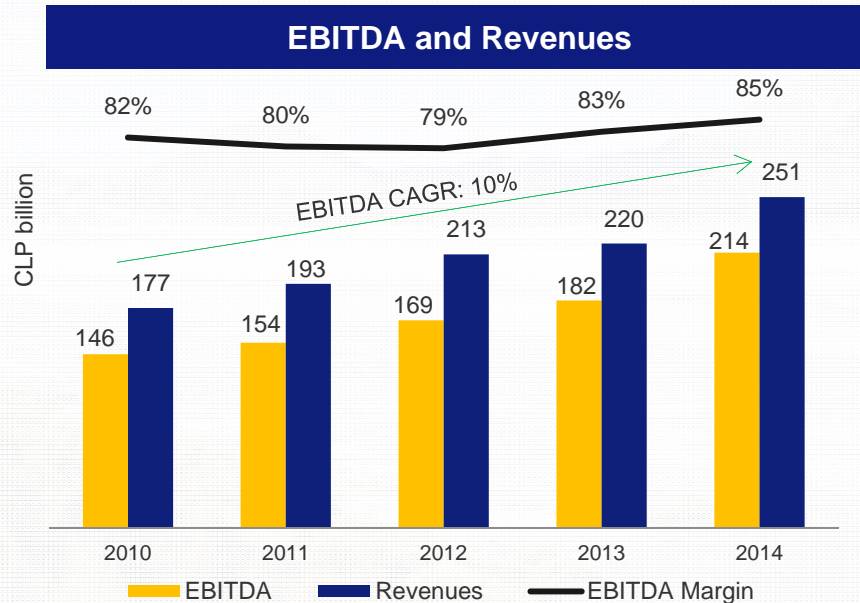


Revenue per System



Long term Stable Cash Flows: Revenue and Profitability

- Since 2007, the company has maintained an EBITDA margin of approximately 83%, driven by a low and stable cost structure mainly comprised of labor and maintenance expenses
 - During 2014, revenues were 14% higher than in 2013. This increase is mainly due to new commissioned projects.
 - In 2014, management applied productivity initiatives and increased EBITDA margin to 85%
- Transelec's EBITDA and FFO have grown steadily at a 10% and 13% CAGR respectively since 2010.



* FFO calculated as Cash Flows from Operations (CFO) excluding changes in working capital and effect of Transelec Norte merger

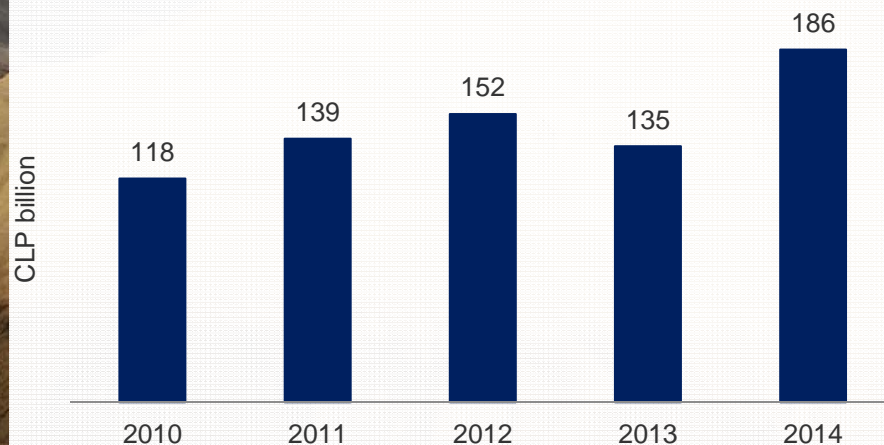
Solid liquidity and financial position, and demonstrated track record of access to bank and debt capital markets

- Financial strength
- Stable capital structure
- Debt profile

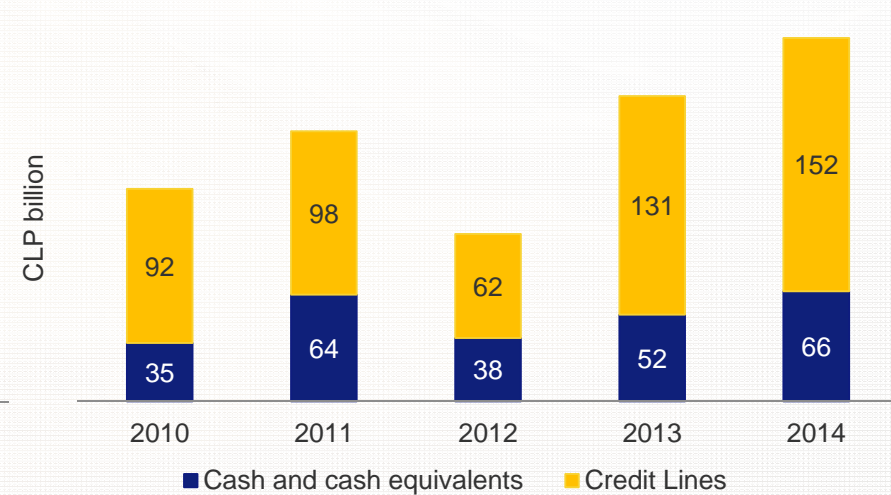
Solid Liquidity Position: Financial strength

- During 2014, Transelec's liquidity increased to CLP218 billion (USD351 million) as of December 31, 2014
 - This includes USD250 million available on a 3-year committed revolving credit line which matures in September 2017 and can be extended.
- Transelec also has UF 16.9 million (USD664 million) available under its UF 20 million (USD786 million) local shelf registration program.
 - Furthermore, the Company's bonds have a 6-month DSRA, supported by standby letter of credits.

Cash Flow from Operations



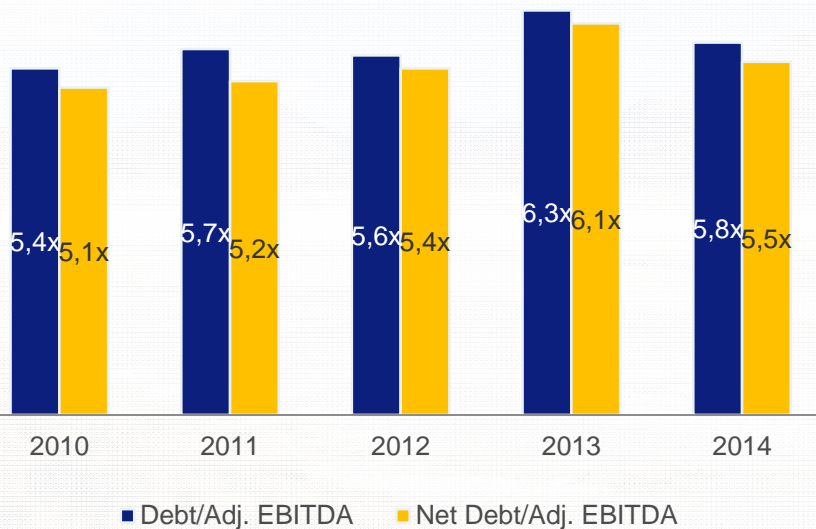
Liquidity



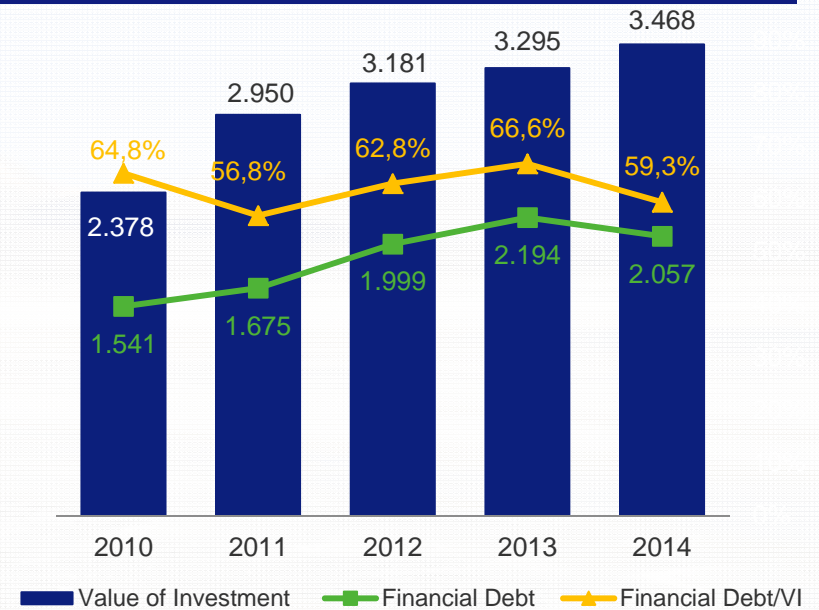
Solid Liquidity Position: Stable Capital Structure

- Debt to EBITDA has been disciplined maintained within the limits the Company has defined, while debt as a percentage of regulated assets has declined to ~ 59% in 2014.

Leverage



Indebtedness vs. VI (USD mm)

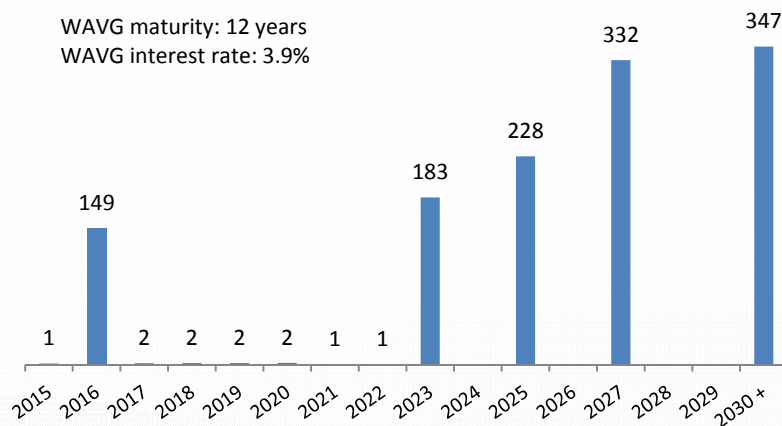


Solid Liquidity Position: Debt Profile

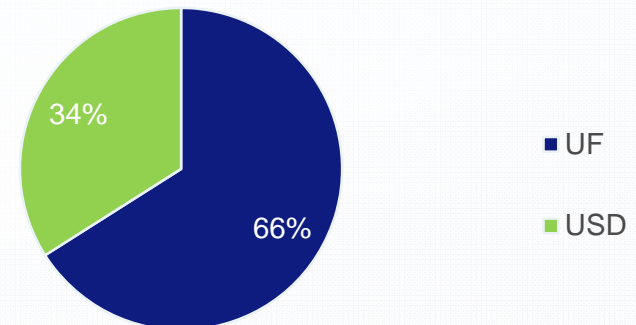
- Transelec maintains a very manageable debt maturity profile.
 - In July 14, 2014, Transelec issued a very successful 144a/RegS bond @ 4.25%. Use of proceeds (net MUSD370) was completely for debt refinancing.
- The Company has been able to obtain flexibility and a variety of sources for funding. Transelec has a track record of accessing the local and international markets whenever is needed at very successful conditions.

Debt Maturity Profile (CLP billion)

WAVG maturity: 12 years
WAVG interest rate: 3.9%



Debt Breakdown by Currency

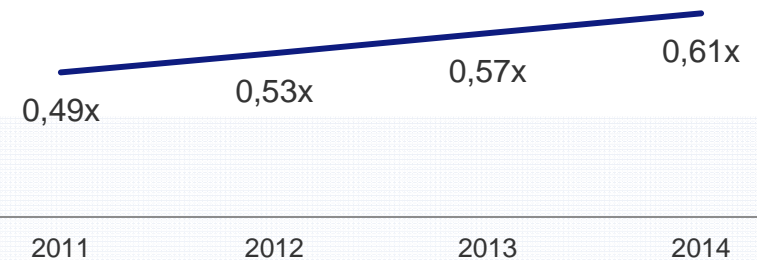


Covenants

Our covenants are balance sheet focused, which provides significant cushion against short term fluctuations in financial results.

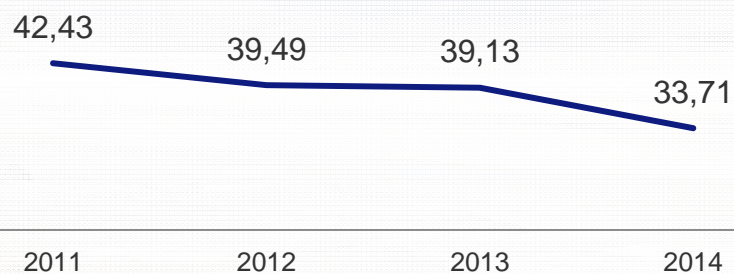
As of December 31, 2014, the company is in full compliance with all debt covenants.

Debt / Capital < 0.7x ⁽¹⁾



(1) Total Debt / (Total debt + Interests + 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 million⁽³⁾



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

Strong and committed shareholders

Strong and committed shareholders

Transelec is owned by four committed shareholders with extensive experience in the power and utilities sector worldwide

Stake in Transelec:	27.7%	27.7%	26.1%	18.5%
Assets Under Management:	USD200 billion	CAD\$239 billion	USD114 billion	USD94 billion
Power & Utilities AuM:	\$38 billion	\$10 billion	\$4 billion	\$2 billion

Background:

- 100 year history as a global investor, operator and leading asset manager of high quality real assets
- Investment portfolio includes renewable power, electric utilities, toll roads, railroads and real estate investments
- Leading global investment management organization
- Invests globally in public equities, private equities, private debt, real estate, infrastructure and fixed income instruments
- One of the largest institutional investors in Canada
- Invests on behalf of public sector clients in British Columbia
- Invests in all major asset classes, including: real estate, infrastructure & renewable resources
- One of Canada's largest pension investment managers
- Infrastructure portfolio focused in transportation, power, regulated utilities, social infrastructure, and energy and resources

Transelec's Shareholders Long-Term Goals Include:

Be a best-in class owner / operator of transmission infrastructure

Generate long-term stable cashflow

Reinvest capital organically to maintain and expand Transelec's operating portfolio

Maintain a strong balance sheet and investment grade credit ratings

Conclusion

Conclusion

- Transelec has a strong track record as a responsible owner and operator of transmission lines across Chile.
- We continue to advance our strategy to maintain our leadership position in the industry, and to prudently grow our business while ensuring that we provide quality service.
- The company's shareholders remain committed to the business as demonstrated by the reinvestment of cashflows generated since acquisition and the deferral of distributions when prudent.
- Shareholders continue to support a conservative financial strategy which has resulted in a significant improvement in credit metrics since 2007.
- Transelec's successful international bond issuance demonstrates its access to both local and international debt capital markets and the company continues to maintain strong relationships with its banks.

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



2014 Performance

