2013 Performance

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Executive Summary

- 2013 was a very successful year as Transelec achieved numerous objectives
  - Refinanced ~ USD150 million of debt in local markets
  - Raised USD300 million in international markets at attractive rates
  - Completed its first project financing for USD146 million
- Transelec remains the largest transmission company in Chile with over 9,200 kilometers of transmission lines located in areas that serve approximately 98% of the Chilean population
- The Company also continues to generate stable cash flash flows, and recorded year-over-year improvements in financial results including improvements in EBITDA margins
- Today's meeting is intended to provide an overview of Transelec's 2013 financial and operating performance, and to provide an update on recent achievements thus far in 2014
- We are confident that Transelec's results continue to support its current ratings

Key Strengths

Key strategic asset for Chile

Strong sovereign backdrop and stable regulatory environment

Stable and highly predictable cash flow generation

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Strong committed shareholders and experienced professional management

Solid liquidity and financial position

Key Strategic Asset for Chile

Transelec Highlights

- Largest transmission company in Chile
- Only Transelec owns & operates 500 kV lines
- 98% of Chile's population is served by Transelec
- 100% trunk market share in the SING (northern network)
- 85% trunk market share in the SIC (central network)
- High economies of scale
- Proven and consistent cash generation

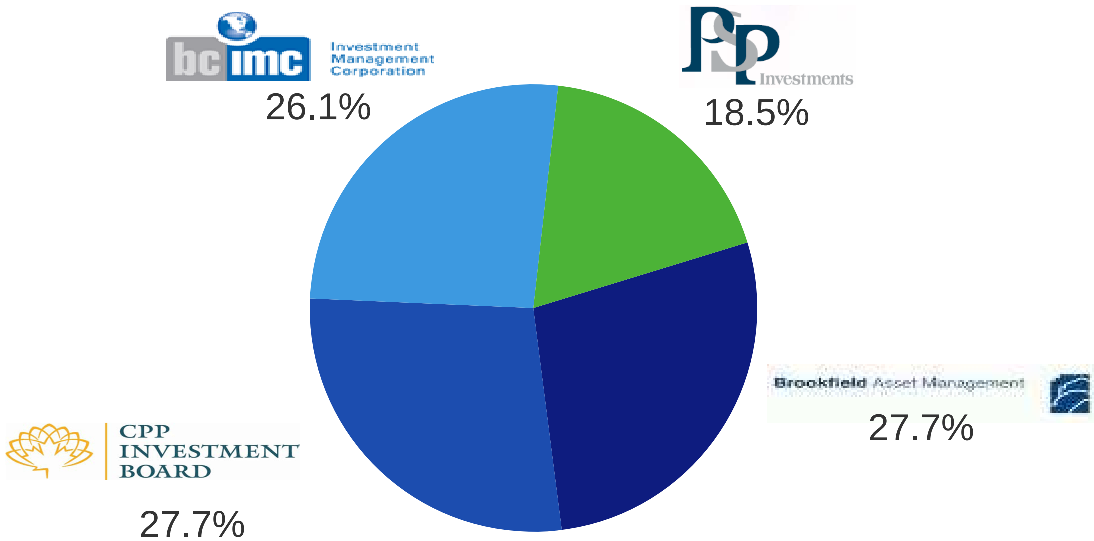
2013 Commissioned Projects

Project	Commissioning Date	VI* MUSD	Expected annual Revenues MUSD
Trunk Upgrade			
Banco Autotransformador S/E Charrúa 500/220 kV, 750 MVA	31-Aug-13	35.4	5.1
Normalizacion S/E Chena 220 kV	10-Aug-13	17.8	2.3
Aumento de Capacidad de Línea 1x220 kV Crucero-Lagunas N°1	16-jul-13	12.5	1.5
Ampliación S/E Ancoa	11-Apr-13	11.5	1.7
S/E Seccionadora Rahue 220 kV	29-sep-13	10.0	1.3
Ampliación S/E Alto Jahuel	23-nov-13	9.0	1.3
Aumento de capacidad de Línea 1x220 kV Crucero - Lagunas N°2	07-may-13	8.0	1.0
Barra Transf. 220kV S/E Carrera Pinto	08-Aug-13	7.4	1.0
Barra Transferencia 220 KV S/E Valdivia	27-Aug-13	7.2	0.9
Cambio Int SS/EE A.Jahuel y Polp 220Kv	28-Apr-13	5.0	0.7
Instalación CCEE en S/E Pan de Azúcar	25-Jan-13	3.8	0.5
Cambio de interruptores S/E Ancoa 220kV	14-Apr-13	1.5	0.2
Trunk Expansion			
CER Cardones	13-Dec-13	22.0	2.5
Transmission Solution			
SVC Plus Diego de Almagro	03-may-13	26.3	3.8
TOTAL		**177.4**	**23.8**

(*) VI: Value of Investment

Strong Committed Shareholders and Experienced Professional Management

Transelec is owned by a group of strong investment grade Canadian investors. The Company was acquired for USD1.9 billion (1.2x its regulatory Value of Investment or “VI” of USD1.6 billion) in June 2006 and currently has a VI of USD3.2 billion



Transelec’s shareholders long-term goals include:

1. Maintain investment grade rating
2. Maintain current operating and business strategy
3. Generate long-term stable cashflow
4. Reinvest to maintain and expand Transelec’s transmission infrastructure

Solid and Stable Regulatory Framework

Regulatory Framework

- **Designed to ensure a robust system and incentivize investment in a world-class transmission network**
- **Track record of success since privatization in the 1980's**
- **2004 changes increased investment incentives**
- **Guarantee a return of 10% based on VI for the trunk system**
  - The return is based on the replacement cost for new transmission assets, adjusted based on inflation and other relevant factors (such as USD asset costs), plus operation and maintenance costs
  - Transmission assets are appraised every 4 years, with returns and tariffs having remained stable through 2 valuation cycles

Changes to Regulation during 2013

- **Electric Concession Legislative Bill:**
  - The Electric Concession Bill project was passed by the National Congress and enacted as Law in 2013 and is expected to expedite the process for new right-of-way assignments
  - Its main benefits are that it entitles a concessionaire to suspend any claims pursuing a work stoppage, enhances notification mechanisms and shortens deadlines to obtain concessions
- **Electric Highway Bill:**
  - It is aimed at strengthening the role of the State in planning the trunk transmission network, speeding up transmission projects and fostering the interconnection of new generation projects to the transmission network
- **Energy Mix (20/25 Bill)**
  - The Energy Mix bill was passed by the National Congress and enacted as Law in October 22nd. It increases the use of conventional renewable energy sources by up to 20% on a gradual basis before 2025
  - The bill is still being discussed in Congress (Chamber of Deputies) .

2013 Achievements

- 2013 was a very strong year for Transelec as EBITDA grow by 7% driven by the addition of new assets and reduction in operating costs

Goal	Achievement
Drive value and increase cash flows through operational excellence	• Achieved CLP$182 billion in EBITDA driven by the commissioning of new assets and lowering operating expenses • Operating costs were 12% lower than the prior year as the company has implemented a risk based maintenance program which aims to improve the lifespan of our assets • In addition, management has initiated a program to identify productivity gains with the objective to reach a sustainable EBITDA margin above 82%
Secure accretive growth opportunities	• Commissioned USD177 million of new projects' VI during the year, have a capital expenditure backlog of USD251 million and booked an additional USD95 million of upgrade projects which will be commissioned in the next 3 years • The acquisition of Transam in December 2012 contributed CLP3.6 billion to revenues in 2013 • Early in 2014, we also completed the acquisition of Guacolda for USD55 million and were awarded USD95 million of expected VI of additional upgrade projects
Maintain significant access to liquidity and fund business on a cost effective basis	• Our liquidity is CLP183 billion (USD350 million) as at December 31, 2013 • Raised ~ UF3.1 million (USD150 million) of debt in local and USD300 million in international markets in 2013 on an investment grade rating • Increased the average maturity of our debt portfolio from 9 years to 12 years and kept interest expenses within historical level

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STRONG BALANCE SHEET AND FINANCIAL FLEXIBILITY

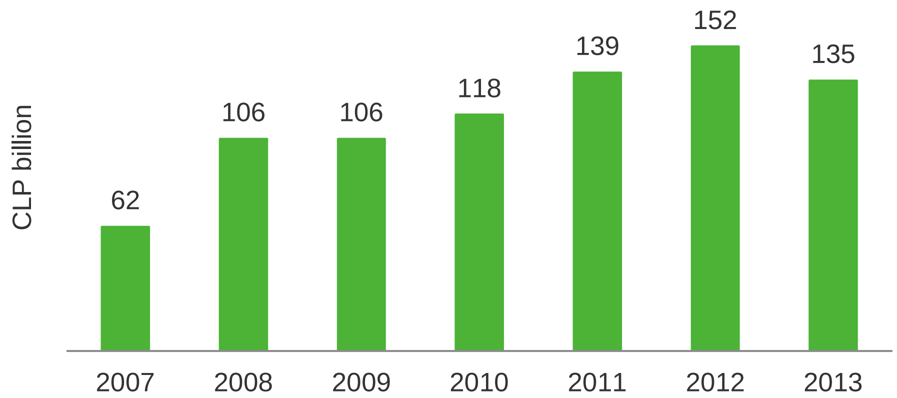
Investment Grade Financing Strategy

- We continue to maintain a financing strategy which is based on the following principles:
  - Use flexible sources of funding to provide efficient liquidity
  - Align average debt maturity to match our long-life assets
  - Borrow at fixed rates to avoid exposure to fluctuations in interest rates
  - Mitigate exposure to foreign exchange rates by matching our borrowing currency to our asset base
  - Maintain investment grade ratings

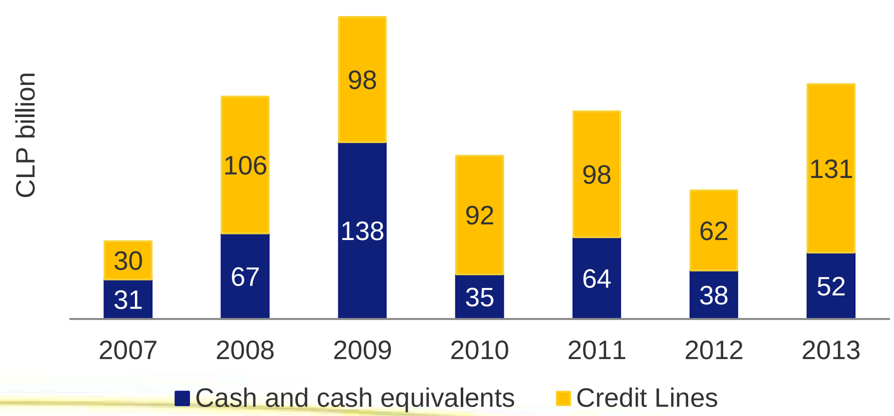
Solid Liquidity Position

- During 2013, Transelec's liquidity increased to CLP183 billion (USD350 million) as of December 31, 2013
  - This includes USD250 million available on a 3-year committed revolving credit line which matures in July 2015 and can be extended to 5-years after the second anniversary, subject to lender approval.
- In addition, the company generated CLP165 million of funds from operations (FFO) and CLP135 billion of cash flow from operations (CFO)
- Transelec also has UF 16.9 million (USD762 million) available under its UF 20 million (USD902 million) local shelf registration program.
  - Furthermore, the Company's bonds have a 6-month DSRA, supported by standby letter of credits, which have been fully funded by its shareholders.

Cashflow From Operations



Liquidity

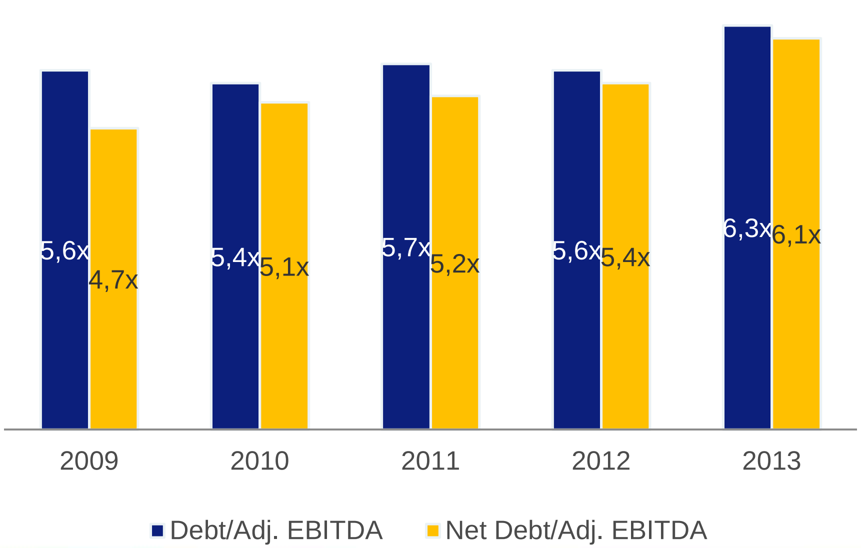


Stable Capital Structure

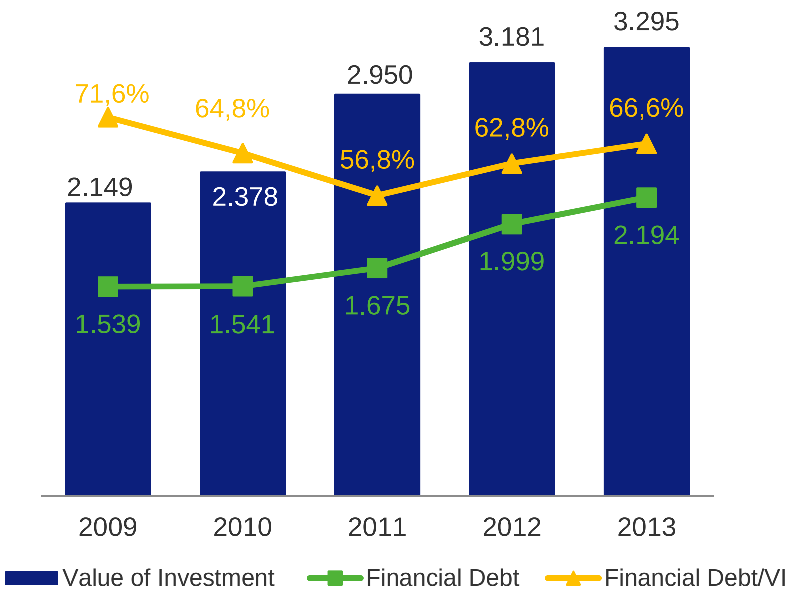
- The company also maintains a stable and conservative capital structure

- Debt to EBITDA has decreased to 6.3x since acquisition, while debt as a percentage of regulated assets has declined to ~67% over the same period

Leverage



Indebtedness vs. VI (USD mm)

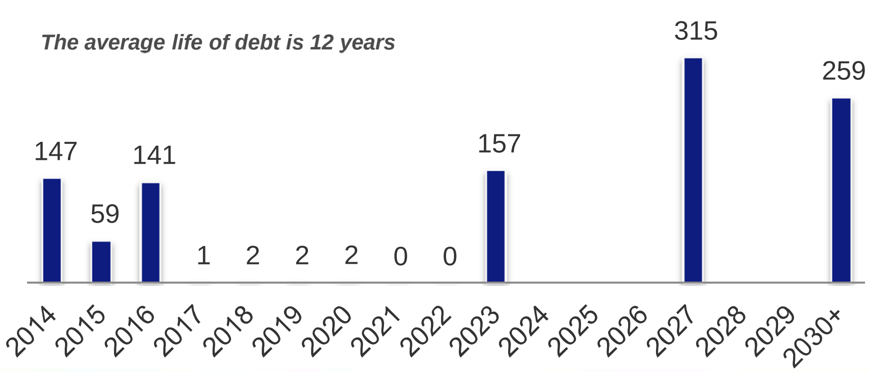


Source: Transelec
Note: Financials translated to USD based on average and end-of-period exchange rates as applicable
Ratios calculated in local currency

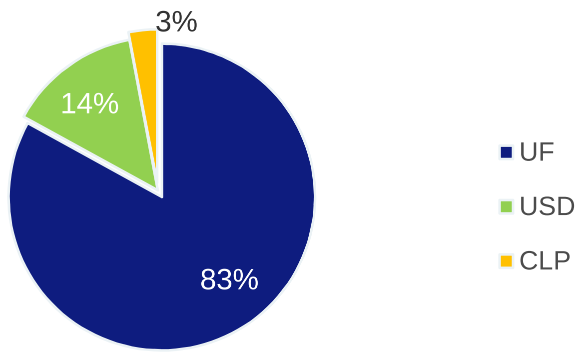
Debt Profile

- Transelec maintains a very manageable debt maturity profile
  - With CLP147 billion (~ USD 280 million) maturing in 2014, we will seek to refinance these at maturity
  - The company has a proven track record of accessing the capital markets having raised CLP454 billion (~ USD 865 million) over the last 3 years
- To mitigate exposure to interest rates volatility, we have long-term fixed rate financing
  - Where applicable, we also use interest swaps to lock-in rates and further reduce exposure
  - As of December 31, 2013, ~99% of total obligations are fixed rate
- To mitigate currency exposure, the Company manages its balance assets and liabilities in USD.

Debt Maturity Profile (CLP billion)



Debt Breakdown by Currency



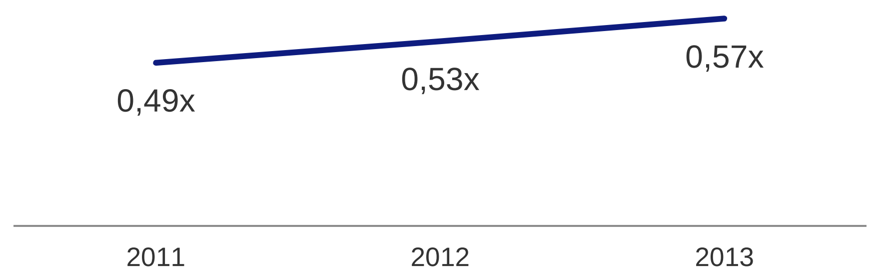
Source: Transelec
Note: Financials translated to USD based on average and end-of-period exchange rates as applicable

Covenants

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

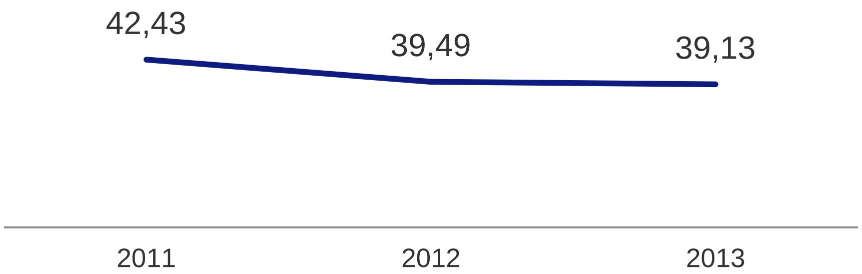
As of December 31, 2013, the company is in full compliance with all debt covenants

Debt / Capital < 0.7x (1)



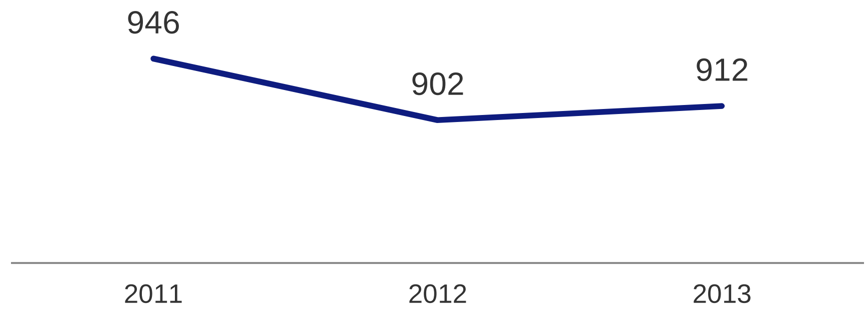
(1) Total Debt /(Total Debt +Interest + Shareholder's Equity + Accumulated amortization of goodwill)

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

Source: SVS and Transelec's information as of December 31, 2013. The company reports under IFRS since January 2010

LONG-TERM STABLE CASH FLOWS

Strong Predictable Cash Flows

- Our portfolio benefits from real rate of return with explicit pricing rules for existing transmission assets, low and predictable operating costs, and high EBITDA margins

- Approximately 79% of our revenues come from strong counterparties with take-or-pay contracts, which do not depend on transmission volumes

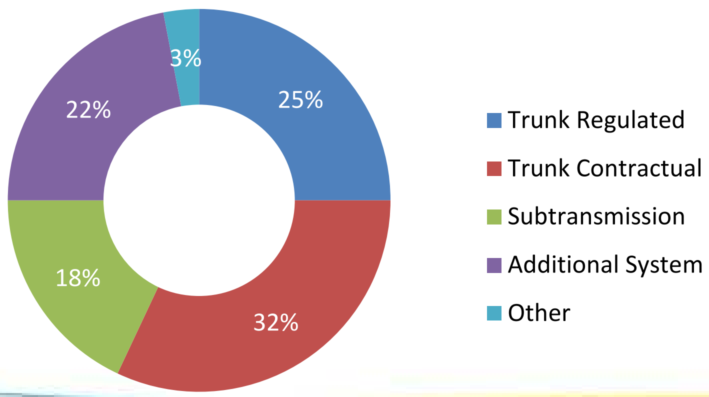
- Additionally, we have a track record of growing our businesses with approximately USD 700 million reinvested in growth projects since 2008
  - Our growth strategy is designed to ensure that we invest in accretive opportunities, whether through bids for new transmission lines or through the acquisition of brownfield projects which immediately contribute to earnings

Stable and Highly Predictable Cashflow Generation

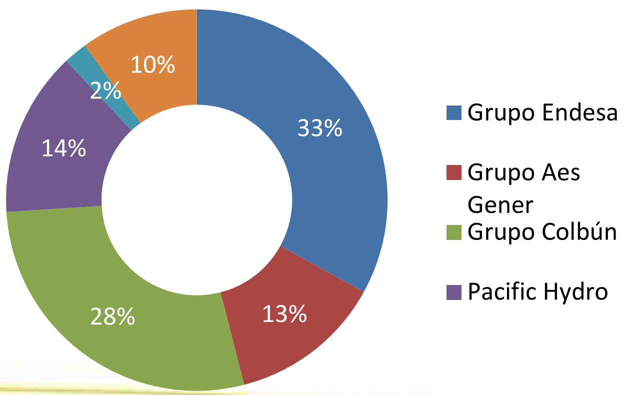
System	% of Revenue[1]	Type of Revenue	Regulation	Indexation
Trunk[2]	57%	Take-or-pay	Regulated[2]	Basket of Chile and U.S. inflation and commodity prices
Additional	22%	Take-or-pay	Contractual	Indexation is defined within each contract
Subtransmission	18%	Volume-based	Regulated	Basket of Chile and U.S. inflation and commodity prices

Note: The 3% revenue remaining is related to additional services provided by Transelec included in contractual revenues in breakdown below
[1]As of December 31st, 2013
[2]Trunk regulated revenues include Endesa Contracts

Revenue by Type (as of December 2013)



Revenue by Client (as of December 2013)

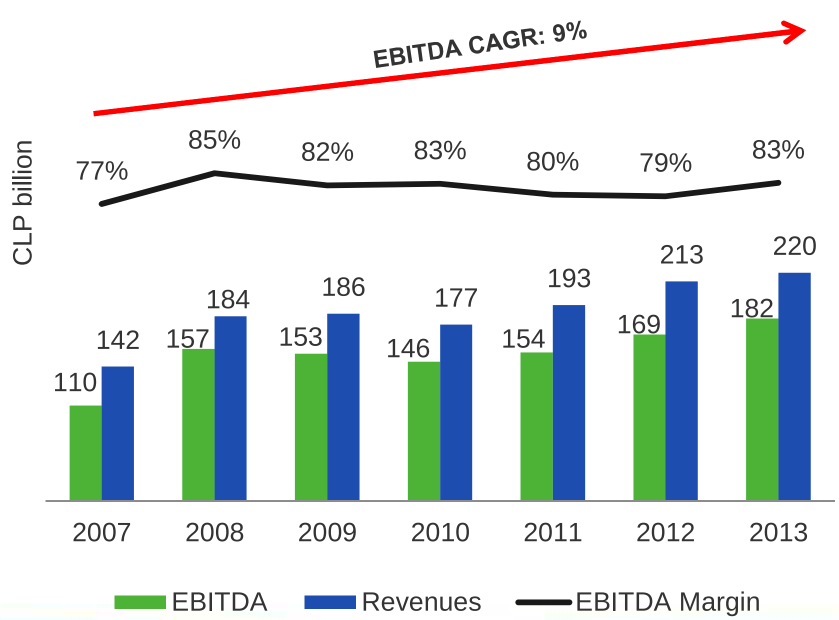


Source: SVS and Transelec

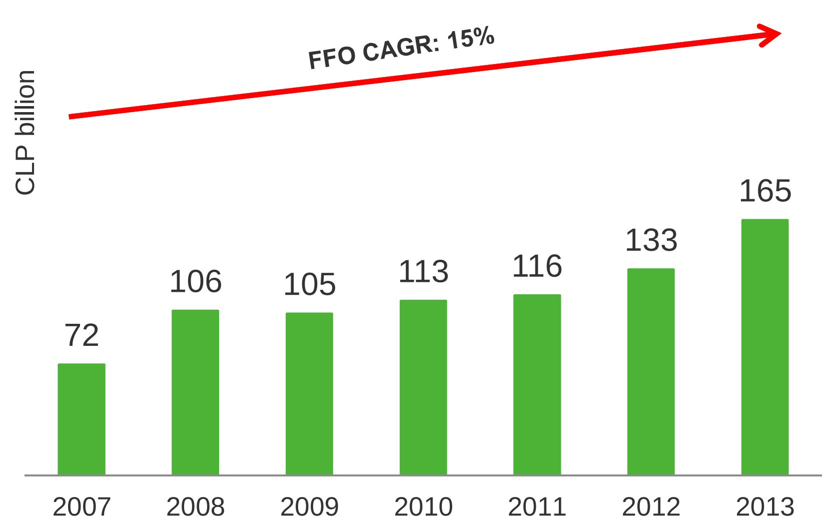
Revenue and Profitability

- Transelec's revenue and profitability have grown steadily since 2007 and are in-line with its shareholders' original plan
- The company has 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



FFO*



* FFO calculated as Cash Flows from Operations (CFO) excluding changes in working capital

2014 YTD UPDATE

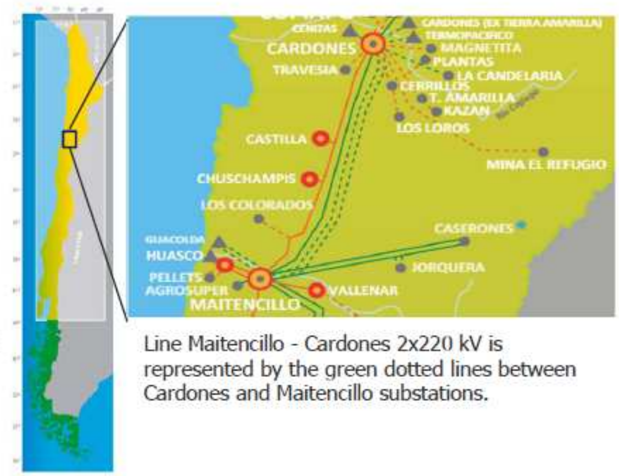
Thus far in 2014, we have made significant progress securing ~USD 150 million in new assets

The acquisition of Guacolda is expected to contribute ~USD 5 million to earnings in the current year, while the upgrade projects that have been awarded will be constructed over the next three years

Upgrade Projects assigned to Transelec

Project	Original Commissioning Date	Expected VI MUSD
Trunk Upgrade		
Barra seccionadora en 220 kV en la S/E Tarapacá	Mar-16	5,0
Reemplazo de desconectadores en la S/E Quillota y S/E Polpaico	Jul-16	3,1
Ampliación S/E Lagunas 220 Kv	Jul-15	5,4
Ampliación S/E Encuentro 220 kV	Apr-16	6,2
S/E Seccionadora Nueva Encuentro 220 kV	Jan-16	12,9
Ampliación S/E Diego de Almagro 220kV	Jan-16	5,8
Ampliación S/E Cardones 220 kV	Jul-15	2,6
Ampliación S/E Maitencillo 220 kV	Jul-15	3,7
Ampliación S/E Pan de Azúcar 220 kV	Apr-15	1,2
Ampliación S/E Las Palmas 220 kV	Jan-16	4,0
Ampliación S/E Polpaico 500 kV	Jul-15	6,3
Ampliación S/E Cerro Navia 220 kV	Jul-15	3,3
Cambio interruptor paño acoplador 52JR S/E Alto Jahuel	Jan-16	2,6
Ampliación S/E Rapel 220 kV	Sep-15	4,1
Ampliación S/E Charrúa 500 kV	Jan-16	11,5
Ampliación S/E Ciruelos 220 kV	Jan-17	17,3
TOTAL		**95,0**

Guacolda Acquisition



Line Maitencillo - Cardones 2x220 kV is represented by the green dotted lines between Cardones and Maitencillo substations.

- Completed the acquisition of the 2x220 kV Maitencillo-Cardones line (including RoW and related contracts) on February 16
- The asset has a trunk VI of USD 46 million
- Provides an opportunity to achieve significant economies of scale given its proximity to existing assets owned by Transelec

CONCLUSION

Conclusion

- We have a strong track record as a responsible owner, 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
- Shareholders continue to support a conservative financial strategy which has resulted in a significant improvement in credit metrics since 2007, and they also remain committed to the continued growth of our business
- Future growth will be funded through a prudent combination of available liquidity and debt financing, while ensuring that we continue to support our current credit ratings

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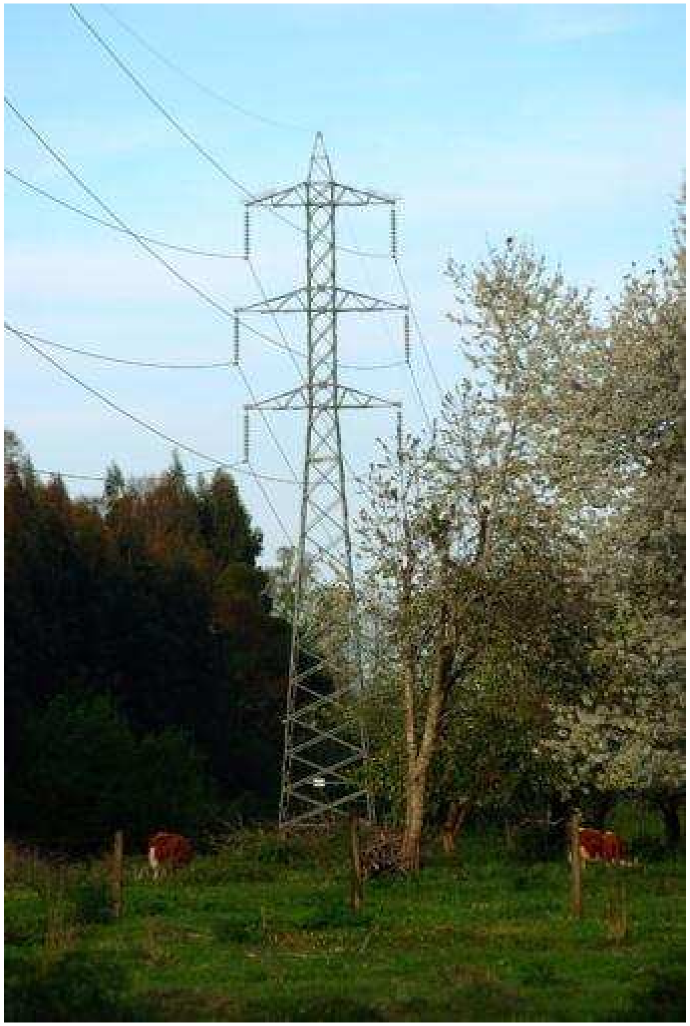
You can find additional information in our web page:
http://www.transelec.cl/index.php/inversionistas-2/



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