

## TEXT CONFERENCE CALL

### Results and Key Developments EEB 1H 2013 Investors Report

**Moderator:**

Good morning, ladies and gentlemen. Welcome to Grupo Energía de Bogotá's Results and Significant Facts Conference Call for Investors, first semester of 2013. My name is Lorena and I will be your operator during today's conference call. At this moment, all participants are in listen-only mode and their lines will be silenced. At the end of the presentation there will be some time for questions and answers. Please keep in mind that this conference is being recorded. I now turn the floor over to Mr. Antonio Angarita, Investor Relationship Manager at Grupo Energía de Bogotá. Mr. Angarita, you can start the conference.

**Antonio Angarita:**

Thank you, Lorena. Good morning everyone. My name is Antonio Angarita, Investor Relationship Manager at Grupo Energía de Bogotá. Welcome to the consolidated results conference of the second quarter of 2013 by Energía de Bogotá EEB, Grupo Energía de Bogotá's holding. Mrs. Sandra Fonseca, Group Chairman, and Mr. Jorge Quintana, financial Vice President at EEB will lead the presentation. They will present the results and then will answer your questions. The conference will be held in Spanish and there will be simultaneous translation into English. The question session will start with questions in Spanish and then in English. I now turn the floor over to Mrs. Sandra Fonseca.

**Sandra Fonseca:**

Thank you very much, Antonio, and warm greetings to everyone. I would like to take this opportunity to tell you about some of our achievements in the first six months of the year. Our group is currently a leader in sustainability and is recognized as a model that generates economic, social and environmental values. This is demonstrated by our commitment to the global responsibility model, our leadership in the global pact, and our inclusion in the Dow Jones Sustainability Index, which only six Colombian companies are part of. We are looking forward to this year's results, which will be announced next week. I would like to tell you that *Transparencia por Colombia's* 2012 results have just been presented and we occupied the 89th position, going up in comparison to the previous year. Our investment portfolio, as you know, currently focuses on Colombia, Peru and Guatemala, and this has allowed us to find a position as a relevant player with diversified participation in the energy business supply chain and related business. We have been exposed to natural monopolies in more than 80%, in particular regarding electricity and natural gas, in regulatory, objective environments whose

payment principles guarantee stable, growing and deductible income. We are proud to have participated actively in the four latest transmission projects tendered by the Colombian Government, which we have been granted. This has allowed us to increase our electricity transportation services and we continue growing in the gas field, both in Colombia and Peru. We are strengthening the growth of efficient, responsible energy demand in Colombia as a way to promote more competitive prices of energy and we promote additional projects that improve internal and external demand. In addition, we are investing in a paid project, based on the decision made by the Government, which guarantees the attention of the type of demand of Bogotá in 2014. I'm talking about variable, capacitive compensation known as SDT.

International markets are another growth source. In that area, Peru is an ideal market of growth because its economy and energy demand is going very well. As you know, we are in Calidda, the distributor of gas in Callao and Lima, serving today 30% of potential users, whose target is 1.5 million for 2020. We are actively developing the market of areas in Southern Peru with the current transport and distribution of gas taking place with the Contugas project. Regarding provision of electric power, we continued with the Guatemala project through our subsidiary Trecca, where we are building 850 kilometers of 220 kV transmission network with the inclusion of 24 substations and 12 extended substations. In addition, we are experiencing a very interesting moment in the capital markets. As you know, last April we were able to issue the U\$320 million Calidda bonus at one of the lowest coupon rates, 4.375%, ever achieved by a Latin American investment-grade issuer. Our current cash flow allows for project investments and new acquisitions of energy companies. The group's goal is to expand its operations to countries like Panama, Brazil, Chile, Mexico and Ecuador, trying to become a holding company with strong presence in America because of its growth and competitiveness.

The group's current synergy facilitates cost savings and will help us to achieve greater efficiency. Also, our solid energy assets, together with our regulated investment portfolio, will allow us to grow and reach the goals we have set. This is a brief summary of the presentation we will now develop. As you can see in the agenda, we are basically reviewing and recalling Grupo Energía de Bogotá's strategy. We are going to tell you the most relevant facts of these first six months. Then, we are going to explain the investments we are making. Subsequently, we will summarize the financial results and indicators of Empresa de Energía de Bogotá's consolidated results. Later on, we will gladly answer all questions and concerns you may have. All documents have supporting annexes for your reference.

Regarding the strategy, I just want to remind you how the strategy is supported on transport and distribution of energy, which allows us to participate in relevant markets and supports our investments in the energy sector. As you know, we are

in Guatemala, Colombia and Peru. We have an ambitious plan to get new projects and new investments throughout the continent. Basically we maintain the guidelines, focusing on keeping revenues that allow us to have participation in businesses that are natural monopolies. We are focused on growing in a controlled way in businesses that allow us to improve the results of those companies where we invest. We are executing several ambitious projects both in transmission and distribution of electricity and gas. All of this is supported in a wide access to the capital market. With this purpose, we support ourselves in the appropriate regulatory frameworks of the markets where we operate, thinking in capitalizing on the experience and knowledge of our executives, managers and partners.

We are present in highly growing markets with high growth potential, such as Colombia, which gives us access to Central America and South America in terms of electricity, natural gas, energy exports and energy exchange. We are present in Peru, which is a regional leader in mining and industry, as you know. These are intensive energy industries that generate a very high growth potential for us. We are in Guatemala, which is a window for future investment both in this country and the rest of Central America, and we continue exploring every opportunity for energy integration in America.

Let's now turn to the relevant facts, where I want to explain several issues. On May 22 this year, minority shareholders were paid the total dividends stated by the shareholders board, with a total value of 95,746 million Colombian pesos, corresponding to 43.96 pesos per share, as you know. Also, 50% of dividends have already been paid to majority shareholders and these are worth 153,929 million. The remaining 50% payment to majority shareholders is pending and will take place on November 27 this year, for the same set value.

The second important fact that I want to mention is that on April 16 EEB was granted the "Upme 03 2010" transmission call, which allows strengthening the national transmission system in the Bogota area. This project includes the design, purchase of equipment, construction, operation and maintenance of Chivor II and North substations. Both of them work at 230 kV and have a double transmission line which is more than 160 kilometers long. Execution of this project has already started and it's estimated to be worth 101 million dollars.

The third relevant fact that I would like to mention is that on April 18 the Board of Directors authorized our management area to create a company for the provision of engineering services in the areas of transportation and distribution of natural gas and electric power transmission in Peru. We want to follow the example of the same type of services company that we have created in Guatemala, which has allowed us to support investments associated to service providing infrastructure.

I also want to mention that last June 24 EEB's board approved a change to the organizational structure and the parent company's staff, which aims at supporting the company's current reality, its growth through subsidiaries and its future growth. This change simply reflects a better organization and a moderate increase of staff, allowing us to continue supporting our investment and continue the exploration and analysis of investments in the sectors where we have been working.

The fifth significant fact that I want to mention is the authorization granted by the Ministry of Finance and Public Credit to start negotiations and operate public external credit for up to 469 million or its equivalent in other currencies, to partially finance the expansion plan that we are currently executing in Colombia, Guatemala and Peru for the 2013-2017 period. This includes all the steps to grant guarantees to subsidiaries in Guatemala, Trecca and Eebis, for up to 230 million or its equivalent in other currencies.

The next significant event, if you have taken notice of the market, is that last July 18th Ecopetrol announced the sale of its participation in EEB as part of the financing program of its investment plan. I would like to tell you that this is an announcement made by Ecopetrol based on a decision made by its board and they still have to process all the authorization decisions required for the enforcement of Law 226, issued in 2005 in Colombia, which regulates participation in regards to the companies' shareholding democratization. We believe that this is an interesting process and that it will improve the position of Empresa de Energía's stock shares in the market.

The next relevant fact that I want to mention is that last August 15 the Board of Directors approved the participation of Empresa de Energía de Bogotá in the purchase of shares owned by the nation in Isagen. I would like to point out that this is an opportunity in the country's energy sector that must be seriously evaluated and structured by EEB. It will allow us to consolidate ourselves as an energy group, as long as we achieve the best possible participation in the transaction. We believe that we have the operational and technical capacity, as well as the historical knowledge of more than 117 years as Grupo Energía de Bogotá and we have the financial capacity to face this transaction. We also consider that there is synergy between Grupo Energía de Bogotá and Isagen's vision regarding corporate global responsibility and we believe this can be strengthened when this transaction is finalized.

The next significant event has to do with TGI. Last May, the international rating agency Standard & Poor's raised the rating of TGI's debt in foreign currency from BB to BBB, minus triple B, with a stable outlook. This rating increase took into account TGI's long-term income stability, the natural coverage offered by the regulation when the rate is set in dollars and the additional income it has been having due to operation expansion and implementation of expansion projects, as

well as the recent tariff reduction which ended with the transportation service fees for the next five years in Colombia. We also understand that this rating has the support of the major shareholder, us, Grupo EEB.

The next significant event has to do with Calidda. Calidda's general shareholders board agreed to increase its social capital under the form of capitalization of retained income accumulated to December, 2012, which were worth 62.2 million dollars. Also, as you know, a 320-million bond was issued in the capital market under rule 144A and the income obtained in this operation allow to finance Calidda's expansion plan for the 2013- 2014 period. This of course improves Calidda's debt profile and use its financial costs. This was completed with the construction of the main network expansion project. This increased Calidda's distribution capacity from 255 million cubic feet a day to 420 million cubic feet a day. It's worth mentioning that this expansion is currently operational. By July 2013, Calidda already had 124,000 clients and more than 162,000 vehicles working on natural gas in the operations area and our goal is reaching 455,000 users by 2016.

The next significant fact has to do with the company Contugas. Contugas is the company currently developing construction in the Ica area. Its accumulated investment for the first semester amounted to 234 million dollars. Contugas' growth has been prosperous. It has 2,711 enabled customers and more than 12,000 residential sales, with more than 10,000 internal installations built and waiting to be enabled. Our contractual obligation is to start commercial operation in April, 2014 and reach 50,000 residential users in the first six years of venture, after having started commercial operation in April, 2014. At this moment Contugas is in the process of closing medium-term financing. A 6-year bullet credit for up to U\$ 310 million is being finalized. This is a syndicated loan in which regional and multilateral banks are participating. Currently it has a bridging credit for up to \$215 million dollars which is syndicated with Banco de Bogota, Davivienda and BCP for a period of up to 18 months and a staggered variable range.

We also want to tell you that Contugas has been building some infrastructure. One of them is Chincha's operational center, which is partially operational. The President of the Republic of Peru, Mr. Ollanta Humala, was present at the inauguration. I was in Lima and Ica at that moment attending this inauguration and I can tell you that this new operational center is one of the most modern in Latin America. It is operated by Contugas and it features the highest standards of service, safety and quality. This center can already serve the residential, commercial and industrial sectors of the Chincha province, South of Lima.

The following relevant fact I want to tell you about has to do with Emgesa. Emgesa closed a very important contract with Ecopetrol for the supply of power for the next six years. This power is required by Ecopetrol for production in its wells and

production centers in the East and South areas of the country. This energy represents almost a 5,614 gigawatt/hour consumption, starting this year and up to 2018.

Regarding Codensa, I want to highlight that during the first half of 2013 the levels of physical losses have improved to a completely efficient level and the lowest in the last 10 years, reaching 7.14%.

Concerning projects to meet new demands, the development of the Nueva Esperanza substation continues with the procedures at Instituto de Licencias Arqueológicas to define handling of the remains that have been found in excavations at the substation site.

In regards to the Transmantaro company or CTM in Peru, on April 30 the company placed shares internationally under rule 144 and on May 7, 2013 it started the initial liquidation of bonds. The issuance amounted to 450 million dollars with a 99.002% emission price. This emission has a 10-year bullet amortization and semi-annual coupons that accrue interest at a 4.375 effective annual rate. We believe this was a successful issuance. It also allowed prepaying the existing debt and improve funding costs for the electric transmission expansion projects in Peru.

Also, Transmontaro's shareholders board accepted the cession of rights for the design and financing of the construction, operation and maintenance of a 500 kV, 900-kilometers long, transmission line tendered by the government and the corresponding substations. This project was granted by Proinversion to Emsa on July 18. The reference investment is 413 million dollars and will generate annual revenues of about 41.5 million dollars. This is a 30-year long concession after operations start and project management will be responsibility of the REP company of Peru.

After these important facts I've been telling you about, we are now going to present a summary of the investments we have been making in Grupo Energia de Bogota's companies. As you can see in the presentation, the first one refers to TGI. TGI has invested 337 million dollars. At this moment, La Sabana's compression station, close to Bogota, is being executed. This compression station already has an environmental license. Its equipment and development contracts are already signed and at this moment it is part of the execution timetable to deliver compression services at the end of 2014.

Concerning Calidda and the distribution of natural gas in Lima, it boasts a \$464 million dollar investment. Our central goal is to get 465,000 users by the end of 2016. I want to tell you that a large number of users is getting connected: more than 5,000 users each month, doubling the productivity rate we had last year.

Contugas continues developing the project, as I just mentioned, with a total investment of U\$345 million dollars. 81% has been executed as of the first half of this year. As I told you about, we must start commercial operations in April, 2014.

Trecca, in Guatemala, is executing an investment of \$373 million dollars in the electricity transmission project. Our timetable allows us to start partial operations with the delivery of four substations at the end of this year. We will continue with partial deliveries of the project to complete execution in September 2015. Thanks to the investment made by Trecca, we are discussing a contract for the connection of sugar mills with the company Ingeniería y Servicios de Guatemala. This represents an investment of \$43 million dollars. This ring allows us to connect five sugar factories in 90-kilometer transmission network with seven substations. Right now we are in the process of contracting environmental impact studies and design of substations.

In short, as you can see in the slide, Grupo Energía de Bogotá is investing \$814 million dollars, which are distributed as you can see. Additional investments being executed directly by Empresa Energía de Bogotá regarding transmission are summarized in those five projects you can see there: Armenia, Alferez, Tesalia, Chivor II North and El Tunal SBC.

In the Armenia project the investment is \$20 million dollars. A 230 kV substation must be made and the associated transmission lines. At this moment, it is in the process of environmental licensing.

The Alferez project, another substation in Valle, concerns a 230-kilovolt substation and the associated transmission lines. The investment is approximately \$12 million. This investment is in full implementation, since it already has an environmental license, and must be operational at the end of this year.

The Tesalia project is also another substation with 230 kV lines. It has an estimated investment of 124 million dollars. It has two parts. Both are in the licensing process and it should go into operation in 2015.

The Chivor II North project, which we have just been assigned, is the Chivor II substation, the 230-kV North substation and the transmission lines with an estimated investment of \$101 million dollars. It should start operations at the end of 2015 and we are executing directly El Tunal SBC. We have already signed contracts with the supplier. It is a \$52 million dollar investment and should be operational in December 2014.

We continue with the investments of the group's non-controlled companies. We basically have here five companies that you are already familiar with, with estimated investments of \$902 million dollars. In CTM, in Peru, electricity

transmission requires an investment of \$542 million dollars in several projects of extensions and new connections that must be operational between 2013 and 2014. In REP, also in Peru, electricity transmission requires investments of about \$128 million dollars, with extensions of the concessions, which must come into operations in 2013 and 2014. In Emgesa, as you know, the largest investment project is El Quimbo project, with an estimated investment of \$881 million dollars. At this point of the first semester there's an execution advance of about 44% and operations to be started in 2014. In Codensa, regarding distribution of electricity, investments of about \$50 million dollars are foreseen. We hope this continues emphasizing the improvement of service quality of service for users in Codensa's area of influence, as well as in Promigas, in charge of transportation and distribution of natural gas in Colombia. The estimated investments are about \$130 million dollars. As you can see in the graph, the largest investment is related to El Quimbo project, carried out by Emgesa.

The next slide shows an overview of the consolidated financial results and indicators for Empresa de Energía de Bogotá. As you can see, there has been an increase in operational income. Operational income grows mainly due to increased revenues from transportation and distribution of gas in Colombia and Peru. You can also see the cost of sales, which grows 29.4%. This is due to expenses incurred in natural gas distribution companies which are undergoing expansion and the connection of new users, basically at Calidda and Contugas, and operational utility, which grows 27%, because of the growth of operational income and a reduction of operational costs of natural gas transportation and electricity distribution. You can see here how operational revenues are originated by businesses -electricity transmission, electricity distribution, gas transmission, gas distribution- and how operational profit is also generated by the businesses, mainly gas transportation and other operational businesses.

In the next chart we can see how the participation of income plus the dividends of the first quarter of 2013 is distributed between generation of electricity, transmission and distribution of electricity, transportation of gas and natural gas distribution. I would like to point out that the dividends amount to 52.8%, basically because of the dividends received by non-controlled companies. We received dividends from Emgesa -405 billion pesos-, from Codensa -265 billion pesos- and from Gas Natural -52 billion pesos-. The non-operating net result has a negative impact basically because of the exchange difference due to the devaluation of the Colombian peso, which had an impact, changing from an income of \$197 billion in the first half of 2012 to an expenditure of \$218 billion in the first half of the 2013, given by the updating of the group's financial obligations, which are in dollars. Anyway, I want to emphasize that this only has accounting effects and this does not correspond to any expenditure in cash. Net income grew to 113 billion pesos, which correspond to 18.7% this semester.

The next graph shows Ebitda's evolution. You can see how the participation of operational Ebitda has changed between 2006 and 2013. It has had an increase from 15% to 50%, meaning that 50% of the management, the operational income in 2013, already represents half of the total received if compared to its evolution in the last years. Dividends from non-controlled companies participate with the remaining 50%.

When analyzing the evolution of the consolidated Ebitda, you can see how the increase of consolidated Ebitda in the past 12 months is basically explained by the best operational results of controlled businesses and higher dividends declared by non-controlled companies. You can see how the consolidated quarterly Ebitda decreases from the first quarter to the second quarter of 2013, since non-controlled companies announced their dividends during the first quarter. This is the profile that you can see and that you already know.

Concerning credit indicators, we maintain a very reserved profile. The net leverage indicator increased marginally by a more than proportional increase of net indebtedness if compared to Ebitda's moderate growth and the coverage indicator was slightly reduced due to a more than proportional increase of net expenditure of interests if compared to Ebitda's moderate growth. We maintain a very healthy debt profile.

The composition of debt has basically had a slight increase due to the disbursement of the syndicated short-term loan to Contugas for \$46 million dollars and Calidda's 320-million dollar bonus issuance minus the payment of the debt for nearly \$197 million dollars. The value of EEB and TGI's debt is higher basically due to the exchange-rate effect that I mentioned before.

The behavior of shares is one of the graphs I like the most. As you can see, as of June 30, 2013 EEB's market value was \$6,520 million, its trading volume tripled after November 2011 issuance and its shares are part of Bolsa de Colombia's general index, Colcap, Col 20 and Coligbc. Dividend yield per share, as you know, is 43.96.

This is the report for the first semester. We took some time before publishing this report taking into account consolidation considerations and several adjustments, but I am very pleased to make this presentation today and we are open to answer any questions you may have or concerns we can solve.

**Moderator:**

Thanks for your attention. It is now time for questions and answers. Those of you who have any questions please press “\* 1” on your phone. If you are using a speaker phone, you will have to raise the handset before pressing the buttons. Once again, if you have a question press “\*” and then “1” on your phone.

The first question comes from Maria Velasquez. Please proceed with your question.

**Maria Velasquez:**

Good morning and thank you very much for the teleconference. I have two questions. The first one is: as you mentioned in this presentation, this year we have seen a significant impact of costs and expenses in Peru due to the expansion taking place through Calidda and Contugas. When could we begin to see this issue getting back to normal and a consolidation of the strategy that will make those costs and spending levels go to a slightly lower level? The second question is: when analyzing individual financial statements of EEB's transmission activities, I could see that the operational part decreases both in income and operational profit. My question is why the decline in those items, since I know it is a regulated company, meaning that its income is regulated by a tariff, so I would like to know about this. Thank you.

**Sandra Fonseca:**

Well, we first must understand that both Calidda and Contugas in Peru are expansion projects. We have just made an investment in Calidda's capacity expansion, which obviously required an additional investment in order to increase capacity and, as I mentioned before, we are increasing the pace of user connection. As of today, we have twice as many connected users in comparison to the previous year and our expectations of improving connection productivity are very high. This is becoming a reality, but of course this makes us incur in more costs in the process of promoting and empowering Calidda's users. We anticipate there will be a one-year period when this productivity will continue to grow. Our goal is to get to twice as much as what we have today -having between 10,000 and 11,000 connected users per month to achieve the market's potential development goal. The same thing happens with Contugas. As I mentioned before, Contugas' operations are expected to start in April, 2014, and the first year is when they will get the largest number of connected users. This means that between April, 2014 and April, 2015 we will see the largest delivery of Contugas connections and this operation will stabilize from then on.

On the issue of transmission, what you see is precisely, as I mentioned, that at that point we were executing five projects that will become operational from late 2014 to late 2015. Therefore, income associated to transmission projects will be fully reflected from year 2016. We can say that this is the normal cycle of what you see reflected in the figures.

**Maria Velasquez:**

Ok, thank you.

**Moderator:**

Thank you. We have Mr. Juan Martinez on the line. Please go ahead with your question.

**Juan Martinez:**

Hello, good morning. My question is focused on the figures you explained about profit growth. I would like you to give me that number, given that in 2011 an advance payment of dividends from Codensa was made and this affected seriously EEB's income coming from dividends for all of 2012. Income from the first quarter of 2012 were passed to the fourth quarter of 2011, so that income from 2012 is quite low and that obviously makes your income growth report look large. How much would have utility growth been after making that adjustment, in case the advance payment of dividends had not happened? Thank you very much.

**Sandra Fonseca:**

Let's say that 2012 was atypical because due to some changes in the tax law there was an opportunity to change the way dividends were paid. We believe that this issue has to be stabilized this year and to be honest I would not like to speculate as to the results. In 2012 we had the accumulated effect of 2011. What is reflected in the numbers is the advance payment of 2012 dividends, but we believe that this year this must go back to normal. We do not expect any structural or drastic change regarding expectations.

**Juan Martinez:**

Yes, thank you very much. I also believe that they will already be 100% accounted for this year, since it is believed that there will be no more advance payments of dividends this year, but the question is related to how much would have profit growth been this semester if the same adjustment from last semester had been made. From what I can see, profit would have fallen more or less 10% and not grown by 19%, as the report says.

**Sandra Fonseca:**

I do not know what calculations you did, but actually accumulated dividends had an effect from 2010 and 2011. We consider that the profit results we are delivering right now are real and stable. We don't see the profit fall you mention. What we see, as I showed in the graph on page 3B, is the opposite: a very stable value, distributed between the participation of non-controlled companies' dividends and operational management. 50 and 50%. We think that situation will remain and it is foreseeable it will remain stable in the future.

**Juan Martinez:**

Alright, Sandra. Thank you.

**Moderator:**

Thank you. And we have Mr. Guillermo Alarcon, from Davivienda. Go ahead with your question.

**Guillermo Alarcon:**

Thank you, good morning. This is related to what you were discussing on the issue of growth. For example, on slide 12... dividend growth was almost 53%. My question is... can this be explained by the unusual phenomenon discussed in the previous question, which caused that dividends were low in 2012? Or was there a positive surprise in companies that report to you, meaning non-controlled companies? I would like you to please clarify, because a 53% variation is high and, in that case, if it is explained by small dividends in 2012, I don't know if in the other quarters we will see variations close to 50%. My second question would be what other strategy you have, apart from what you mentioned. Could you talk a little more about what is happening with ISAGEN? Thank you very much.

**Sandra Fonseca:**

Well, I don't know if... I want to explain this clearly. It is possible that the increase with respect to the second half of 2012 looks high precisely due to the accumulated effect of 2010 and 2011, but dividends received from Emgesa, Codensa and Gas Natural are stable operating results which we expect to remain like that, that is, they only reflect the expected operating result. We expect it to remain stable, so I want to highlight that clear sign towards the future.

Regarding Isagen, it is an opportunity to participate in the sale of shares proposed by the government. We believe this is an opportunity that should be seriously studied, assessed, evaluated and structured. The Board of Directors instructed us to analyze all possible actions to find the best participation strategy. It is an opportunity for our company to grow in a natural market like Colombia and it arose at a very particular moment. We are analyzing the best participation strategy. As you could read and hear, the board authorized us to form alliances, which we believe is the best participation strategy and we think this is an opportunity for consolidating Grupo de Energía de Bogotá in the regional energy sector. I can say that we have experience in the development of hydraulic generation infrastructure for more than one century. We have the operational and technical capacity to be able to optimize the results of this investment whenever it can be finalized. I believe, as I said, that we have the financial and business capacities to get the best participation in this process. I think it would be consistent to analyze the best participation of the company in this process.

**Moderator:**

Thank you. And we have Nicolas Garavito, from Ultrabursatiles. Proceed with your question.

**Nicolás Garavito:**

Good morning. Thank you very much for the presentation. My question is focused on the divestment process of state shares by EEB. I would like know... The company has announced that it has \$6.6 billion pesos to participate in this process, but I would like to know how or what financial capacity the company has to participate in this process, if you are planning on issuing bonds or shares, if you are seeking for strategic alliances or if you had had talks with some market participants. I would also like to know about the capital that would be required for this acquisition process. How much would it affect the company's current plan both locally and regionally?

**Sandra Fonseca:**

Right now we are analyzing the structuring options of our participation. For obvious reasons I not can say anything in this regard, but what I can tell you is that we will strive to keep our risk ratings and our indicators to respect all the covenants we have at this time, but we consider that we have great financing capacity as well as ability to find the best structuration to achieve participation in this process. I would like to say that we are facing it responsibly and in case this participation is obtained the priority of future investments would change, as it is obvious, but we will continue with our growth strategy in the energy field at the regional level and will continue with our vision to grow, both in projects in our areas of competence and in operational companies that allow us the best combination of income, cash flow management and keeping leveraging investments towards the future and, of course, with the optimistic vision that an investment like ISAGEN would even enhance this regional participation and growth and would promote our consolidation as energy group in the region.

**Nicolas Garavito:**

Thank you.

**Moderator:**

Thank you. Jaime is on the line. Go ahead with your question.

**Jaime:**

Good morning. Many of my questions have already been answered. I had a lot of questions regarding the financing of Isagen, but... well... we look forward to the answer later on, once the structure you intend to use is defined. But I do have a question about non-controlled investment and it is specifically about Promigas net income and growth. I would like to have some further details about this company's growth during the first half of the year. We see in the report submitted yesterday that PROMIGAS' net income would be 209%.

**Sandra Fonseca:**

Well, I would like to close the subject on Isagen by saying that we are analyzing the issue with dedication, but I want to ask for your patience because as you can

understand this is not going to be solved instantly. It is an issue that requires a development process lasting several months. It all depends on the pace set by the national government. We think that the government is handling this process very seriously and that it will take all the necessary steps for transparent and completely clear participation. We expect to participate in the same terms, so this is a long-term issue.

Concerning Promigas, I would like to address this issue in two ways. Promigas has, I would say, extraordinary results, basically because of two effects: first, the results of Promitel's sale are being capitalized and, second, Calidda's results on dividend capitalization are being accounted for. That is why you see such extremely positive results for this first half.

**Jaime:**

Thank you.

**Moderator:**

Thank you. And we have Natalia Abello, from Bancolombia. Please proceed with your question.

**Natalia Abello:**

Good morning. I have a question. I would like to know more about the legal interpretation for the purchase of Isagen by EEB, if EEB was focused on power transmission after the law from 91 was issued. What I believe is that every player was part of the chain as long as it had businesses before 91. I don't know if, since you have focused only on transmission, would be allowed to return to the issue of generation. I would like to know that legal interpretation.

**Sandra Fonseca:**

The legal interpretation is very simple. Law 142 issued in 1994 allows the companies that offered in an integrated way all the activities of the chain provision regarding service, generation, transmission, distribution and commercialization of electricity to continue to provide them in an integrated manner if it was their decision. EEB has never lost its legal nature and its ability to exercise all the activities in the power supply chain. It is true that it has focused on leveraging the transmission business, but it is legally enabled to exercise all of the activities provided for in the law and has no legal or regulatory restriction to do so. Of course, even though since the transformation of the company in 97 it has not been active in the generation implementation, it has not lost its regulatory ability or its operational capability to develop all of the other activities of the service delivery chain. We have no doubt about that interpretation. In fact, investments have been made through subsidiaries, for example concerning distribution, when Emgesa made an investment in electricity distribution. We think that there are no legal doubts about this participation.

**Natalia Abello:**

Thank you.

**Moderator:**

Once again, if you have any questions, please press “\* 1” on your phone.  
And we have Guillermo Alarcon, from Davivienda. Please ask your question.

**Guillermo Alarcon:**

Thank you. I'm sorry. I would like to ask one last question regarding slide 14, where you show the quarterly adjusted consolidated Ebitda and an important leap can be seen in the first quarter. The information says it is due to the fact that non-controlled companies issued their dividends. My question is... non-controlled companies usually issue dividends by distributing them throughout the year. Can you explain to me about such an important variation if compared, let's say, to figures for the other quarters, which is almost 800 billion? Thank you.

**Sandra Fonseca:**

From what I have seen, traditionally in the first quarter of each year dividends from the previous year are issued, that is why they are concentrated in this first quarter of 2013.

**Guillermo Alarcon:**

Ok, thank you. But if I looked back, for example 2012, I could see throughout the year amounts close to 200 billion and in this case I do not know if there was any income or atypical growth that might also explain the difference, which is as nearly 800 billion, or if simply that is what you point out, that everything was concentrated in that quarter.

**Sandra Fonseca:**

Yes. If you notice the first quarter, it is not reflected here, no. But the first quarter is not reflected here. The thing is that the graph does not reflect the first quarter of 2012. We probably forgot to include the first quarter of 2012 in the graph but, again, there is nothing extraordinary, except for the operating results of the three companies that provide the most dividends, which are Emgesa, Codensa and Gas Natural.

**Guillermo Alarcon:**

Perfect, thank you.

**Moderator:**

Thank you. We don't have any other questions.



Thank you. Grupo Energía de Bogotá thanks your participation in this teleconference. Have a nice day. You can get disconnected now.

**Sandra Fonseca:**

Thank you.

**Moderator:**

Thank you.