

# Investors Report 3Q 2015



Bogotá D.C., 25 November 2015

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**EXECUTIVE SUMMARY AND RELEVANT FACTS**

**1.1 Overview of the electric and gas sectors serviced**

**Electricity demand**

**Table No 1 – Overview of electric sectors 3Q 2015**

(GWh)	Colombia	Peru	Guatemala
Installed capacity – MW	15,653	8,792	3,217
Demand – GWh	17,061	3,658	2,689
Variation in demand 3Q 2015/ 3Q 2014 - %	4.6	0.4	8.0
Demand variation explanation	<p>In September 2015, energy demand of SIN reached 5,701 GWh, well above the high scenario established by UPME (5,562 GWh), as per updated conducted in July 2015. This is the third consecutive month in which the UPME highest scenario is exceeded, as a result, to a great extent, of the high temperatures registered in the country due to El Niño phenomenon.</p> <p>Transmission line Machupicchu – Abancay – Cotaruse in 220 thousand Watts, works improving the reliability of electric power supply in the south of the country and the National inter-connected System. It will contribute to the transport of energy generated by Santa Teresa and Machupicchu Hydroelectric Power Plant and the Southern Transmission System.</p> <p>Substations San Agustín, Pacífico, La Vega II and El Rancho are connected to the Control Center of TRECESA, among the most modern in Latin America, with 24 hour interconnection 365 days/year to the AMM (Whole Sale Market Control Center Management). By energizing these 4 substations with the new energy transport system in Guatemala it consolidates its operation.</p>		

Sources: XM, UPME, COES, Minem – Perú, AMM – Guatemala

**Natural Gas Demand**

**Table No. 2 – Overview of natural gas sectors 3Q 2015**

(mcf/d)	Colombia	Perú
Proven and probable reserves– TPC (2012)	5.5	21.1
Internal Demand - mm pcd	1,050	1,070
Variation of internal demand 3Q 2015/3Q 2014-%	1.3	-14.46
Explanation of demand variation	<p>The two main reasons behind the slowdown in growth were the petrochemical and GNV sectors. Thermal electric consumption decreased demand due to the production decline in La Guajira field and the reduction in thermal generation in the Atlantic Coast.</p> <p>Lower exported volume compared with the same period of last year.</p>	

Sources: UPME, CON, MEM, Osinergim

**1.2 Summary of EEB financial results 3Q 2015**

Table N° 3 – Consolidated financial indicators of EEB		
COP Millions	3T 2015	3T 2014
REVENUES	2,278,557	1,778,664
COSTS AND EXPENSES	1,282,904	1,564,035
Result of operational activities	714,522	495,760
EBITDA LTM	2,310,174	1,976,886
Earnings attributable to:[Controlling Party]	549,728	672,719
Last rating by agencies L/P:	<p>S&amp;P BBB-/Negative 03/Sep/2015 Fitch BBB/AAA(col)/Stable 27/Oct/2015 Moody's Baa2/Stable 04/Sep/2015</p>	

According to IFRS Comprehensive results statement, period results by expense

### Main IFRS changes during the year

The following adjustments or modifications have been carried out as regards the presentation of financial statements:

- ▶ Dividends in related companies: According to the validation performed, decreed dividends by these companies subsequent to 1 January 2014, will not be included as ordinary revenues by the Group and instead it will only include profit or loss resulting from the application of the equity participation method, which is shown in the financial results section of the Comprehensive Statement of Results.
  
- ▶ Change in functional currency in affiliate abroad: The affiliate Inversiones en Energía Latinoamérica Holdings S.L.U (IELAH), which offices are in Spain, had defined the Euro as its functional currency and as presentation currency it had defined COP. As per analyses conducted, the functional currency defined for this Affiliate was the US\$, given compliance with indicators established in AIS 21. The foregoing meant a reduced acknowledgement of expenses on account of the difference in the exchange rate resulting from the valuation of this company's debt.

Lastly, EEB is analyzing the likely application of the equity participation method to its controlled companies in its separate financial statements, taking into account that effective Colombian Laws compel this type of accounting treatment in these type of investments. Under IFRS, the treatment established by the subsequent measurement to investments in controlled companies was the historic cost, which meant, the cost attributed applying the previous accounting principles in the Opening of Financial Situation Statements – ESFA (For its Spanish acronym).

### Executive Summary

- i. Grupo Energía de Bogotá reported financial results at the closing of 3Q 2015; net earnings in EEB; parent company of Grupo Energía de Bogotá -GEB-, reached COP\$ 549,728 million, represented in the businesses of transport and distribution of natural gas and transmission of electricity and to increases in the results of operational activities +44.1%.
- ii. Earnings attributable to the controlling party of the Group corresponding to 3Q 2015, show a decrease vis-à-vis the previous period (Jan - Sep 2015), by 18.3% resulting from increase in expenses due to the difference on the exchange rate of +213.6%, as well as greater financial costs of +48.2%.
- iii. Consolidated operational revenues increased by +28.1%, resulting from the expansion of each of the business' segments. i) In electricity transmission, operational revenues grew by 64,9% resulting from the active participation in UPME development projects, among the most recent ones in operation, find Alférez and SVC Tunal; (ii) Natural gas transport, growing by 24.9% resulting from re-expressing revenues in COP\$; (iii) Electricity distribution, growing by 11.5%, Empresa de Energía de Cundinamarca –EEC, registered greater energy sales, due to a greater number of connected clients in the regulated market (iv) In natural gas distribution, Cálidda and Contugas, increased their operational revenues by 32.1% resulting from the enhancement of Cálidda's installation network and growth in number of enabled clients and large industrial clients in Contugas.
- iv. The result of Grupo Energía de Bogotá shows positive results by combining continuous growth in controlled companies and sound performance in related companies with consolidated EBITDA amounting to date to COP\$ 1,439,159 million.

### 1.3 Relevant facts in EEB and Grupo Energía de Bogotá

- ▶ **05.10.2015** Decisions by the Board of Directors: Capitalization of the subordinate inter-company loan granted by EEB to Contugás in October 2014, amounting to US\$ 11.5 million; likewise, capitalization of accrued and non-paid interests from the technical assistance contract amounting to US\$ 1.94 million.

At the same time, it authorized management to make capital contributions of up to US\$ 6.4 million required by Consorcio Transmantaro, in addition to conducting all the necessary processes and execute the respective documents.

- ▶ **02.10.2015** Consolidated Financial Statements of Grupo Energía de Bogotá as of 31 March 2015 under IFRS: compliance with remarks issued by the Technical Council on Public Accounting – CTCP – (for its Spanish acronym); as well as informing on the differences between Commercial law in force and that set forth in IFRS; it highlights changes and/or new guidelines in IFRS and submits application of conventions of such standard in companies belonging to the same sector.

Lastly, it analyzes the potential application of the equity participation method for controlled companies on its separate financial statements, taking into account Colombian laws in force, which demand this specific accounting treatment for these types of investments.

- ▶ **28.09.2015** EEB authorizes the merger of Decsa, EEC with Codensa, reiterating that it will not be part of such merger. Such authorization is the result of the group's stake (51%) in Decsa, an investment vehicle, which at the same time, jointly with Codensa, controls 82.34% in EEC.
- ▶ **25.09.2015** EEB FOR THE FOURTH CONSECUTIVE YEAR IN DOW JONES SUSTAINABILITY INDEX: it is among the best companies in the world and in the sector regarding its performance on sustainability; acknowledgement given by Dow Jones, which is a renowned sustainability index worldwide, which analyzes the performance of leading companies in social, environmental and economic aspects.
- ▶ **04.09.2015** **Moody's raised EEB's credit rating to Baa2 with stable perspective**, in addition, **Standard & Poor's** maintained its credit rating of Empresa de Energía de Bogotá in investment grade; last but not least, on October 10, **Fitch Rating** reaffirmed credit rating in investment grade at international and local level with stable perspective.
- ▶ **21.08.2015** EEB successfully closes a transaction in Brazil: it formalized the acquisition of 51% of four electric transmission concessions in said country, which consolidates the company among the main players in the Americas energy sector. The cost of such operation reached BRL 547.9 million (US\$ 157.9 million) and is part of the investment plan amounting to US\$1.8 billion approved by the Board of Directors for the next four years. The company was bought from JMalucelli Energía, JMalucelli Constructora de Obras and Desenvix
- ▶ **06.08.2015** Ecopetrol S.A. published the completion of the First Stage of the Shares Sales Process that Ecopetrol S.A. holds in EEB.

- ▶ **27.07.2015** Ecopetrol announced the results of the sales process of EEB shares: Price per share amounted to COP 1,740; Amount of shares offered 631,098,000; Amount of shares bought and validly accepted 352,872,414; Total amount of shares bought and validly accepted COP 613,998,000,360; Total amount awarded COP 613,998,000,360; awarding notification date July 27 of 2015; Compliance Date July 31 of 2015.
  
- ▶ **22.07.2015** Consorcio Transmantaro –CTM- affiliate of ISA (60%) and EEB (40%) were awardees by the Peruvian Government of the design, financing, construction, and operation and maintenance of the Carapongo substation and connecting links in existing lines in the Lima department.
  
- ▶ **06.07.2015** EEB Shareholders' Assembly approved freeing reserves amounting to COP\$ 458,851 million.

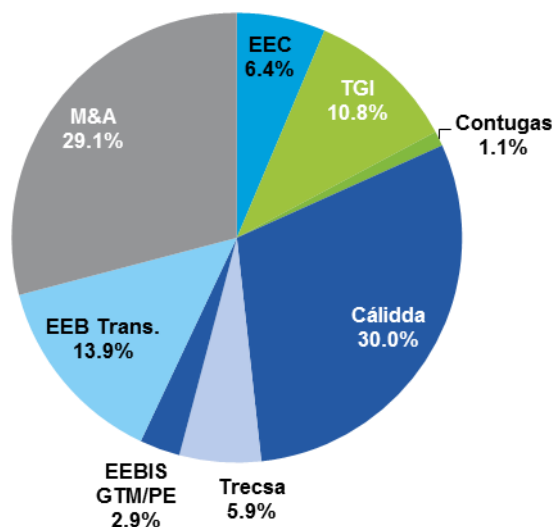
**1. PERFORMANCE OF SUBSIDIARY COMPANIES.**

Table No. 4 - Summary of expansion projects EEB Group - controlled companies

Project / Cia.	Country	Sector *	Inver. total USD MM	Been	in operation
Lima Callao – Cálidda	Perú	D GN – network expansion	273	In construction	2015-2017
TGI – Colombia	Colombia	T G N	185	In construction	2015-2016
EEC – Colombia	Colombia	D E	12	In construction	2015
Guatemala – TRECSA	Guatemala	T E	376	partial operation	2015
Proyectos UPME – EEB	Colombia	T E	940	In construction	2015-2018
Ingenios – EEBIS	Guatemala	T E	61	In construction	2015-2016

T: Transportation; D: Distribution; GN: Natural Gas ; E: Electricity

**Graph No. 1 Executed Capex by Company  
3Q - 2015  
USD 188 Mm**



**2.1. EEB – Transmission Business**

Table N° 5 - EEB's selected transmission business indicators


	3Q 2015	3Q 2014	Var %
Investments - USD Mm	26.2	45.6	-42.7
Infrastructure availability - % (1)	9.94	100	-90.1
Compensation for unavailability - % (2)	0.01	0.02	-58.5
Maintenance program compliance - % (3)	100	100	0.0
Participation in Colombia's transmission activity - % (4)	11.4	8.4	35.2

Table 6 - Progress Investment projects EEB transmission business

UPME Project	Status	EAR USD Mm	On stream
Chivor II	49.0%	5.5	08/07/2017
Cartagena Bolívar	25.7%	11.2	07/03/2017
Río Córdoba	24.1%	1.8	30/11/2016
Armenia	93.0%	1.3	26/11/2015
Tesalia	85.0%	11.0	14/02/2016
Sogamoso Norte	16.8%	21.1	30/09/2017
Refuerzo Suroccidental 500 Kv	2.4%	24.4	30/09/2018
Ecopetrol San Fernando	3.5%	N.A	30/04/2017
Río Córdoba Transformadores	15.0%	0.6	30/11/2016
La Loma	10.6%	1.3	30/11/2016

- ▶ **UPME 03-2010 – Project Chivor II NORTE:** The project is delayed by 416 business days due to causes and reasons foreign to Company's management resulting from the environmental licensing process. The delay currently impacts the start-up date from 31 October 2015 to official date 8 July 2017, as probable start-up date.

On 30 July it submitted to the Ministry of Mines and Energy an extension given the foregoing reasons, which are not attributable to EEB. The request was made with cut off date as of 2 July, with a total delay of 355 business days (525 calendar days) with which the new start up date would be 10 April 2017, no response has been received as of such request.

Official document 2568 is issued on 1 July 2015 ratifying Alternative 1 selected, thus the Company was notified on 2 July 2015. To be considered standing, it must notify all third parties intervening and must be published in the environmental gazette. As of 28 September 2015, 23 of the 26 third parties had been notified and therefore the issuance of the Environmental Licenses is not effective yet.

Actual execution of the project as of September 30, 2015 is 49%.

- ▶ **UPME-05-2012 –Project Cartagena-Bolívar:** Project progress is at 25.7% with an SPI (Schedule Performance Index) of 0.96. Accumulated delay is 47 business days attributable to issues foreign to Company's management during the environmental licensing process, and 4 additional weeks as a result of an accident in Cartagena.

In the aerial stretch, all design documents were approved, progress is now being made in the design of civil works and it continues with the electric design and the provision of insulated cable. Regarding the underground stretch, it continues with the preparation of civil and electrical works. The project has a 47-business day delay due to reasons foreign to the company's management on account of the environmental licensing process. It requested the Ministry of Mines and Energy to modify the operation start up date by 4 weeks due to an accident during an EIS (Environmental Impact Study). As of 30 September 2015, actual execution is 25.7%.

- ▶ **UPME 06-2014 Río Córdoba 220 kV:** The project is delayed by 79 business days as of 30-Sep-15 due to reasons foreign to Company's management related to the environmental licensing process. It is currently analyzing on whether it should add 103 additional days to ANLA given the non-Diagnosis to Environmental Alternatives – DAA. It is currently analyzing final design report of line connections adjusting them based on the information resulting from soil and topographic studies.

It is conducting the contracting process for substation's RPC, so on 30 September 4 offers were received related to offer to contract the construction of the substation.

As of 30 September 2015 project execution is at 24.06% with SPI of 0.99.

- ▶ **UPME 02-2009 – Project Armenia:** Operation start up is expected to occur on 26 November 2015, approved by means of Resolution 40843 of 31 July 2015, the delay is due to works having been stopped in the area of Barbas Bremen and La Marcada as a precautionary measure issued by ANLA. Should ANLA insist on changes to the licenses, start up could be displaced to mid-year 2016.

Regarding the substation, civil works progress is at 100%. Mounting is at 98%, and there are dismantling and mounting activities pending of communication equipment in La Hermosa and La Virginia substations. Tests show progress of 93%, End to End and communications tests are still pending, once FO arrives at the substation.

62 towers have been built, and with the changes, there will be 78 to be able to complete the construction of the line.

As of September 30 de 2015, progress of the Projects stands at 93% with a SPI of 0.99. This project is already generating revenues to EEB.

- ▶ **UPME 05-2009 - Project Tesalia:** The start up date approved is 28 November 2015, however, start up will take place on 14 February 2016 taking as reference the issuance of environmental license of 14 October 2015.

The Project is divided into two stretches:

1. Tesalia Substation, enhancement of Altamira S/E Altamira, transmission line Tesalia – Altamira and reconfiguration of Betania – Jamondino line that started operation on 16 December 2014. This phase has been completed.
2. The second stretch is made up of a 202-kilometer line from Tesalia substation in Huila to Alférez Substation in Cali, which is in the design approval phase, and entering into contract with the transmission line construction contractor.

The environmental licensing process is delayed by 174 days vis-à-vis the scheduled date (20 March 2015), The Company filed before ANLA on 25 August 201, the document containing additional information requested by ANLA on its official document No 2604 of 6 July 2015, in order to continue the environmental evaluation process to receive the project's environmental license, but we are still pending a pronouncement from such authority.

As of September 30, 2015 Project progress is at 85% with an SPI of 0.93. This project is already generating revenues to EEB.

- ▶ **UPME 01-2013 – Project Sogamoso Norte 500kV:** To date, project deviation is 6.0% given that it is still pending approval from ISA on the design of the plant distribution in the Sogamosos substation, which hinders us from continuing detail engineering for the project.

Project socialization meetings have been held in 3 departments located in the Project's area of influence (Santander, Boyacá and Cundinamarca) a total of 36 visits to municipalities and 178 townships, with the objective of conducting workshops to identify impact and environmental management measures as part of the social work related to the Project.

During the archeological rescue in the Nueva Esperanza substation, soil stripping, stratigraphic excavation 2.152,23 m<sup>2</sup>, and excavation of archeological traits have been completed. Lab activities have been initiated.

As of cut off date, 36.09% of the Sogamoso – Norte line has been reconfigured Sogamoso – Norte line, in addition to 7.21% of the Norte – Tequendama stretch. Works have been conducted to define the line in the municipality of Nemocón due to the restriction of the archeological area to be protected.

As of 30 September 2015, project progress is at 16.8% with an SPI of 0.93.

- ▶ **UPME 04-2014 – Project Refuerzo Suroccidente 500 kV:** The formal initiation of activities for EPC (Engineering Procurement Construction) contracts has began with “UT ALFEREZ 500”, as well as those of the contract to prepare environmental studies and the design of transmission lines with the consortium “HVM-MARTE”.

On 22 July 2015, environmental license No. 5054 was obtained, to conduct the archeological rescue in the bay area of Nueva Esperanza substation. It verified, jointly with Ingetec, the position of the 4 pegs that limit the area of interest. The archeological rescue began the Nueva Esperanza substation.

As of September 2015, project progress is at 2.04% with SPI of 0.98, calculated SPI corresponds to the reprogramming of the schedule, adjusted to actual dates of the Project. It is still pending the approval of the base line by UPME audits.

- ▶ **San Fernando Substation 230 kV - Ecopetrol:** As of September 30, 2015 the project's progress is at 3.48% with SPI of 0.98, changes were made to the base line given the delays as the environmental studies and design of lines processes were declared deserted; as a result, it reviewed the schedule and it shortened the critical route by reprogramming activities and conducting other at the same time. Likewise, it entered into a Contract to execute the detailed Engineering and Environmental studies of the transmission line with CONSORCIO INGEDISA DESSAU ANTEA SAN FERNANDO.

Project socialization visits were conducted with EMSA's (Electricadora del Meta S.A.) management to know their expectations as regards San Fernando project, as well as the infrastructure and other EMSA projects in the area of influence and their experiences in the execution of these Transmission projects from a social and land management perspective.

Similarly it awarded EPC contract of Substations for the San Fernando project.

- ▶ **Río Córdoba 220/110 kV UPME STR 07 – 2014:** The strategy of this project is to join synergies with the 220kV Rio Córdoba Projects so engineering and environmental and social parameters are conducted in a coordinated manner. It submitted before ANLA a document requesting PMA (Environmental Management Plan - *for its Spanish acronym*) modification of the 110kV Rio Córdoba substation to Electricaribe for comments, and the modified PMA document will be submitted before Corpamag.

As part of the scope of the RPC (Responsible for the Contracting Process) of STN (National Transmission System) Rio Córdoba Project it will include all that related to substations with this project. ABB was awarded the manufacturing of power transformers.



As of September 30, 2015 project's progress is at 15% with SPI of 0.86.

- ▶ **Project La Loma 500 kV UPME 01 – 2014:** The project shows a 2-month delay, of which 16 business days are attributable to ANLA and the rest is due to delays in EEB in contracting environmental studies.

The project is currently preparing environmental studies and design of lines as well as preparing the design of substation; it also selected Ecoforest as a contractor for the design of environmental studies and lines and JE Jaimes Ingenieros as EPC of substations.

By means of authorization N° 5241 dated 1-Oct-15, ICANH endorsed the go ahead for the archeological intervention.

As of September 30, 2015, project's progress is at 10.59% with SPI of 0.60

## 2.2 DECSA – EEC

Table N° 7 - EEC's selected indicators - Controlled by DECSA\*

	3Q 2015	3Q 2014	Var %
Number of clients	90.9	134.7	-32.5
Operating revenue - USD Mm	83.2	114.5	-27.3
Operating income - USD Mm	10.9	21.9	-50.4
EBITDA Qtrly. - USD M,	19.6	27.7	-29.0
EBITDA Margin LTM - %	21.8	22.9	-4.7
Net Income - USD Mm	5.6	11.2	-50.3
Losses - %	9.91	10.0	-1.3
Net Debt / EBITDA LTM	1.3	1.0	27.5
EBITDA LTM / interest LTM	11.6	15.5	-25.1


- ▶ YTD EBITDA equivalent to COP\$61,283 million as a result of a contribution margin amounting to COP\$ 131,087 million and fixed costs of COP\$ 69,804, on the other hand, financial expenses were affected by COP\$6,024 million as a result of the financial leverage obtained by the company during the year. In addition, during the quarter, it incurred income tax of COP\$9,623, which reveals the corresponding effect to deferred tax; the foregoing resulted in accrued net profits of COP\$17,401 million.
- ▶ A greater EBITDA of COP\$5,355 million when compared to the same period of the previous quarter in 2014, mainly due to greater revenues on energy sales, particularly in the regulated market. Furthermore, other revenues were greater due to increase sales of energy equipment and normalization activities and new supplies.
- ▶ This 3Q seen as 12 cumulative months, one may observe an improvement in the EBITDA margin amounting to COP\$ 5,249 million, driven mainly by results of July and August 2015, in which revenues increased from the sale of energy and lower fixed costs for the entire period.
- ▶ 3Q seen as 12 cumulative months, one may observe an improvement of EBITDA margin of COP\$4,069 million, mainly due to increases in energy sales and in other operational revenues.

### Progress of EEC projects

- ▶ As of September 2015, it achieved the execution of 55.3% of the investment plan, emphasizing the following programs:
  - Safety (Operating Risks): enhancement, construction and normalization of substations as well as repositioning of low and medium voltage infrastructure, hence improving quality indexes.
  - New Supplies: expansion of networks and rural electrification.

- Non-technical losses: actions related to the shock plan to recover energy losses, an investment, which is reflected by fulfilling the loss index objective.

## 2.3 TGI

	3Q 2015	3Q 2014	Var %
Operating revenue -USD MI	327,186	355,743	-8.0
Operating income -USD MI	206,854	227,758	-9.2
EBITDA YTD - USD MI	274,582	287,755	-4.6
Net income - USD MI	17,458	148,473	-88.2
Transported volume - Mm cfd	555	487	13.9
Firm contracted capacity - Mm cfd	672	652	3.1
International debt ratings			
S&P	BBB-/Negative/03/Sep/2015		
Fitch	BBB/Stable /27/Oct/2015		
Moody's	Baa3/Stable/12/Jun/2015		

- ▶ Operational revenues in US\$ at the closing of 3Q show a reduction of 8% when compared to the same period of the previous year, mainly due to: i) the devaluation of the Colombian peso throughout the year, which affects revenues in Colombian pesos (32% of the total: Fixed charges on account of AOM and other operational revenues) when expressing the same in US\$; and ii) a reduction of revenues on account of occasional charges, as TGI does not render this service since 2015 due to regulatory reasons.
- ▶ Compared to the same period in 2014, at the closing of September 2015, operational profit decreased by 9.2%, mainly due to a slight increase in depreciation of property, plant and equipment during 3Q 2015 when compared to the same period of the previous year, as well as on account of the expense related to tax on wealth.
- ▶ Net profit decreased in US\$ 131 million, as during 2015 there were greater expenses on account of the difference in the exchange rate<sup>1</sup>, valuation of hedging operations and deferred tax<sup>2</sup>.

### Relevant facts

- ▶ TGI continues the transition process to IFRS, as per legal Colombian provisions. The date to issue the first comparative financial statements under IFRS will be 31 December 2015.
- ▶ Currently, the methodology to calculate WACC rate for electric distribution and transmission activities and natural gas transport and distribution activities are to be issued by means of CREG Resolution 095 of 2015. To date, only the WACC rate of the gas distribution activity has been issued. The definite remuneration methodologies for electric Transmission/Distribution activities and for natural gas transport activities, have not been issued.
- ▶ According to the structuring defined by EEB for the acquisition of 31.92% of TGI's stake, the company is currently undertaking the merger process with IELAH, a special purpose vehicle domiciled in Spain, through which The Rohatyn Group (former Citi Venture Capital - CVCI), maintained such investment, acquired in July 2014 for EEB. It hopes to complete this process during 2016.

<sup>1</sup> The difference in the exchange rate was the result of the effect of greater devaluation at the closing of 3Q 2015 (30.5%) vis-a-vis the devaluation at the closing of 3Q 2014 (5.3%).


<sup>2</sup> Earning tax increased during 3Q 2015 vis-a-vis the same period of the previous year, an increase in the provision of deferred tax.

**Progress in TGI investment projects:**

Status of expansion projects in Colombia – 3Q 2015					
	Description	Capex (USD Mm)	Capacity expansion (Mmcf/d)	Execution (%)	On stream
Cusiana Fase III	Enhancement of compression capacity by supplying and starting up of three new units	31	20	37.8%	1T 16
Cusiana- Apiay- Ocoa	The project will increase the transport capacity of the gas pipeline Cusiana – Apiay by 32 Mcfd and the branch Apiay – Ocoa en 7 Mcfd.	48	39.0	4.2%	1T 17
Loop: Armenia / Dos Quebradas	Construction Loop Armenia of 28 Km in 8” and Loop Dos Quebradas of 8 Km in 3”.	24	9	20.5%	2T 17

For more details on financial, operational and commercial information of TGI; please move to the following [link](#).

**2.4 CALIDDA**

Table N° 9 - Cálidda's selected indicators			
 <b>Cálidda</b> <small>GAS NATURAL DEL PERÚ</small>	3Q 2015	3Q 2014	Var %
	Number of clients	317,387	235,274
Operating revenue - USD MI	394,838	443,603	-11.0
Operating income – USD MI	62,723	54,936	14.2
EBITDA YTD – USD MI	79,933	70,889	12.8
EBITDA Margin	20.2	16.0	26.7
Net Income – USD MI	30,567	29,171	4.8
Net Debt / EBITDA LTM	2.7	2.8	-5.9
EBITDA LTM / interest LTM	6.6	6.4	3.0

- ▶ During the first nine months of the year, around 61,473 new clients were connected, with which Cálidda reaches over 317,387 clients.
- ▶ Resulting from the renegotiation conducted during 1H 2015 of internal network contracts (internal installations) and external networks (polyethylene networks), currency was changed from US\$ to PEN. This meant an immediate reduction of labor costs of 10%, which has meant significant savings at the closing of September, amounting to approximately US\$ 1.7 million and US\$ 2.9 million in internal installations costs and laying of polyethylene networks, respectively.
- ▶ At the end of July, the bidding process for the construction on internal networks, polyethylene networks and sales was completed, with a favorable result for Cálidda. By September, it achieved additional savings amounting to approximately US\$0.8 million and US\$0.7 million in costs of internal installations and laying of polyethylene networks respectively.
- ▶ Greater EBITDA, mainly on account of greater distribution revenues, greater margin on installations and other services, resulting in improved financial soundness.
- ▶ Similarly, during this period it built 879 kilometer of networks, most of them in polyethylene (856 kms), hence the distribution system is made up of 5,557 kms of underground networks; its network grew in 13 new industrial clients and 10 new clients in GNV. Having a distribution system of 212,000 vehicles converted in Lima and Callao, Cálidda operates in over 34 districts.

### Progress of Cálidda investment projects:

- ▶ 80% of investments executed during 3Q focus on the expansion of the polyethylene network (US\$ 45 million) and the remaining US\$9.8 million correspond to steel network projects.

For more information on financial, operational and commercial information pertaining to Cálidda, please refer to the following [link](#).

### 2.5 CONTUGAS

- ▶ At the closing of September 2015, the company has 35,981 enabled clients (with over 38,389 residential sales accomplished and 37,692 internal installations built). The first fishing season (April-June) took place, which impacts are reflected on company revenues; invoicing on account of Distribution charges during the period April-June grew by 420%, from US\$2.15 million accumulated as of March to US\$9.04 million accumulated to June 2015.
- ▶ In April, it fulfilled one of BOOT obligations, enabling of 31,625 Residential Clients.
- ▶ On 17 July 2015 Issuance of Resolution N° 036-2015-EM approving entering into an Addendum to BOOT Contract, which content had been determined on 12 September 2013 during meetings held between the company and the State, and includes the following:
  - Modification to definitions “Closing Date”, “Partial Start-up” and “Service”, and to include in BOOT Contract the definition “Term of Contract Begin Date”. Contract begin date is understood as of 19 September 2011.
  - Changes to the tariff updating formula. – IPMo and Pplo values were established as the initial value the first business day of January 2011, modifying the reference to Commercial Operation Start Up. This would make the distribution tariff to increase on account of tariff update.
  - Accuracy on the applicable regime of the Partial Start Up and general conditions to Rendering Service thereof.
  - Modifications to Annex 2 with respect to initial consumers. – Given that we have no initial clients, the stated modification does not generate an obligation or contingency to CONTUGAS.
  - Modifications to Annex 7 as regards test and protocol minutes. – Requisites were established for the POC Test Minute.
  - Modification to Annex 13 “Goods and Services of National Production”. – It mentioned that three months prior to POC and tariff review, it would send to Concessionaire a report of purchases carried out (purchases exceeding 50 UIT).
  - It includes Protocol for POC.

### Progress of Contugas investment projects:

- ▶ The project is 100% completed and comprises over 340 KM of high-pressure trunking and branches network and over 900 KM of low-pressure polyethylene networks. The gas pipeline’s capacity will be in excess of 300 MMCFD and will connect 50,000 residential clients during the first six years after commercial start up.

### 2.6 TRECSA

#### Progress of Trezca investment projects:

General progress of the Project is at 84% and investment to 31 October 2015 amounts to US\$376 million, 7 substations have been energized and 7 are under construction, 56% progress in the construction of transmission lines and substations, 340 kilometers of transmission lines.

## Project Permits

- ▶ 91% of environmental licenses granted with respect to the current design approved. Likewise, 98% of equipment and supplies are already in Guatemala, which ensure the availability of supplies for the fulfillment of the Project. In addition to having 76% of easiness'.

## Construction

- ▶ Transmission lines: Progress is at (88%).
- ▶ Substations: 7 substations already energized, 5 ready to be energized and 7 under construction; passing through 15 departments, 74 municipalities and 340 communities in Guatemala (81%).

## 2.7 EEBIS Guatemala

### Progress of EEBIS investment project

- **Cementos Progreso:** a project with two transformation bays and the other with two bays in line (power equipment, PCM's and Communications) for the connection of a 50MVA230/69/13.8kV transformer and another transformer of 50MVA230/69kV.
- Double circuit transmission line, Finca San Gabriel with PET Project (Las Cruces–Sololá).
- FIRST PHASE: to build a line to be energized with 69kV in a 20-month term upon contract execution (at the latest 30 April 2016). Build civil works of the substation. Connection and energization of 69kV line.
- SECOND PHASE: Provision of equipment of 230kV substation, connection to PET-01-2009 project, tests and reception of works from Contracting party. Term:18 months.

### Current Situation:

First phase in under execution, in the Design stage.

**Anillo Pacífico Sur:** In 2013, a contract was entered into with engineers to build, operate and maintain approximately 90kilometers of 230kV transport network, 238 towers, 4 new substations, the enhancement of an existing substation and reconfiguration of 2 substations:

- Nueva Siquinalá-Pantaleón, single circuit in double circuit structures.
- Magdalena-Pacífico, double circuit.
- Nueva La Unión-Magdalena, single circuit in double circuit structures.
- Nueva Pantaleón-Madre Tierra, single circuit in double circuit structures.
- Nueva Madre Tierra-La Unión, single circuit in double circuit structures.

### Current Situation:

Civil works in substations and transmission lines have initiated.

### **Bonaire/ Genor:**

- S/E (substation) new in configuration I&M with two transformation bays and one bay in 230 kV line.
- Two transformers13.8/230 kV each at 100 MVA.
- A 230 kV transmission line, 48 kms. in length.
- The enhancement of a 230 kV bay line in the Morales substation.

### Current Situation:

Pending the signature of initiation minutes.

**Compañía Guatemalteca de Níquel (CGN)**

Preparation of the pre-engineering and electrical studies for the connection of the CGN plant by means of a substation in 230 KV breaker and a half scheme, located in the Municipality of El Estor, department of Izabal, Guatemala

**Current Situation:**

Preparing pre-engineering.

**2. PERFORMANCE OF RELATED COMPANIES**

Tabla No 10 - Non-controlled investments financial indicators 3Q 2015

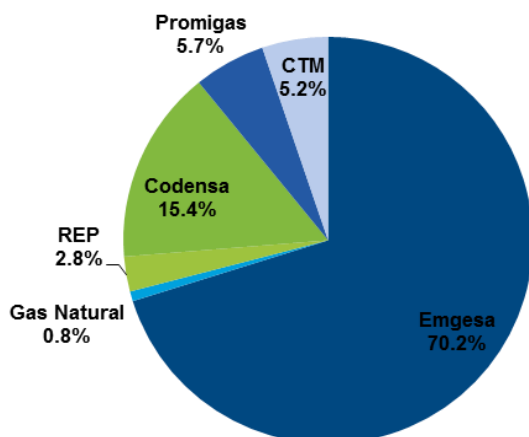
	Emgesa Cop Mm	Codensa Cop Mm	Gas Natural Cop Mm	Promigas Cop Mm	REP USD MI	CTM USD MI
Operating revenue	2,167,541	2,715,717	1,387,426	351,409	103,527	89,105
Operating income	1,136,412	641,007	256,029	195,178	49,199	50,535
EBITDA Quarterly	1,343,181	913,909	286,243	222,459	71,688	73,671
Net income	718,487	374,195	164,838	274,748	29,365	40,956

Tabla No 11 - Expansion projects of non controlled companies

Project	Company	Sector	Country	Capex executed USD MI	In operation
Quimbo	EMGESA	G electricity	Colombia	382.1	4Q-15
Attention new demand	CODENSA	D electricity	Colombia	83.9	15
expansion system	GAS NATURAL	T + D gas natural	Colombia	4.3	16
extensions system	CTM	D electricidad	Peru - Guatemala	28.4	15-16
Ampliaciones concesión	REP	T electricity	Peru	15.1	15-18
expansion system	PROMIGAS	T + D natural gas	Colombia	30.8	15-17


T: Transport; D: Distribution; GN: Natural Gas; E: Electricity

**Graph No. 2 Executed Capex by Company  
3Q - 15 USD 544.6 MM**



**3.1. EMGESA**

Table N° 12 Overview of Emgesa 3Q 2015

	
Installed capacity - MW	3,059
Capacity's Composition	10 Hidros y 2 thermal
Generation – Gwh	10,761
Sales – Gwh	12845
Controlled by	Enel Energy Group
Controlled by	51.5% corresponding to: 37.4% ordinary shares and 14.1% Preferred non-voting

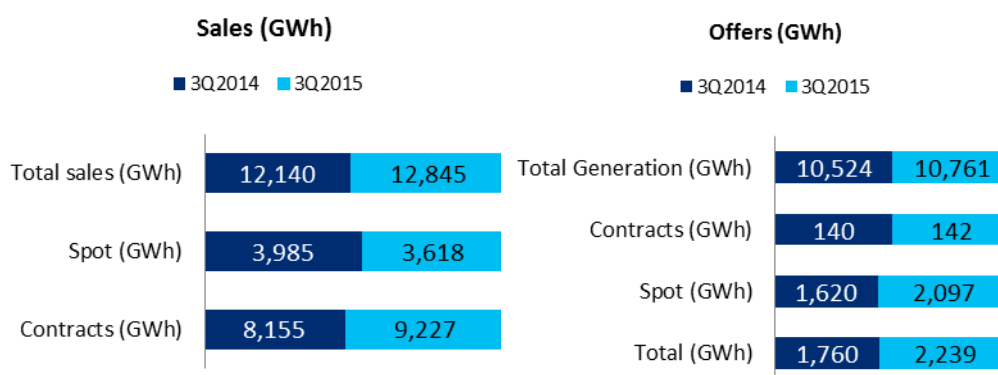



Table N° 16 - Selected financial indicators of Emgesa

	COP Mm			USD Mm		
	3Q 2015	3Q 2014	Var %	3Q 2015	3Q 2014	Var %
Operating revenue	2,167,541	2,037,145	6.4	818.2	1,047.3	-21.9
Gross income	1,485,632	1,460,983	1.7	562.1	752.1	-25.3
EBITDA YTD	1,343,181	1,373,208	-2.2	508.2	706.9	-28.1
EBITDA Margin %	62.0	67.4	-0.1	62.0	67.4	-0.1
Net income	718,487	807,033	-11.0	271.8	415.5	-34.6
Dividends decreed to EEB	687,630	524,522	31.1	260.2	270.0	-3.7
Debt / EBITDA LTM	2.6	0.0	0.0	2.6	0.0	0.0
EBITDA / Interests	12.8	11.8	9.0	12.8	11.8	9.0

**Relevant Facts of EMGESA**

- ▶ **16.09.2015** Enforceability of Resolution No. 1235 of 8 September 2015 was made effective by the Financial Superintendence of Colombia, whereby it approved modification to the Program to Issue and Place ordinary bonds of Emgesa (the "Program"): Renewal of the term authorizing the public offer of bonds of the Program for three (3) additional years, meaning to 14 September 2018; increase of total cap of the Program by six hundred and fifty thousand million pesos (\$650.000.000.000), with which the Program would reach a total authorized cap of COP\$ three billion seven hundred and fifteen thousand (COP\$3.715.000.000.000); the possibility of placing Public Offer ads of Lots subsequent to the first Lot, in broad coverage printed media, or digital version' thereof (Webpage) or in the BVC Bulletin.

- ▶ **01.09.2015** informed that by a request issued by the Colombian Financial Superintendence it retransmitted comparative financial statements of March 2014 and March 2015 and their respective notes.
- ▶ **08.28.2015** approved the execution of Addendum No. 14 to the main civil works contract of the El Quimbo Hydroelectric Project, with Consorcio Impregilo- OHL, related to the job know as "Pie de Presa" amounting to COP \$48,500 million."
- ▶ **08.21.2015** closed collective bargaining between EMGESA and SINTRAELECOL union with a total agreement between the parties.
- ▶ **07.27.2015** closed the stage of direct negotiation between the Company and SINTRAELECOL union, without having reached an agreement between the parties.

### Progress of EMGESA investment projects:

Capex Emgesa			
	3Q 2015	3Q 2014	Var %
COP Mm	1,192,942	620,264	92.3
USD MI	384.80	305.78	25.8

## 2.2. CODENSA

Table N° 14 Overview of Emgesa 3Q 2015

### codensa

Instaled capacity - MW	2,843,512
Capacity's Composition	22.94%
Generation - Gwh	14,996
Sales - Gwh	2.45
Operating revenue - COP mm	7.25%
Controlled by	Enel Energy Group
EEB's stake	51.5% (36.4% ordinary; 15.1% Preferred non-voting)

Table N° 16 - Selected financial indicators of Emgesa

codensa	COP Mm			USD Mm		
	3Q 2015	3Q 2014	Var %	3Q 2015	3Q 2014	Var %
	Operating revenue	2,715,717	2,559,598	6.1	1,022.5	1,047.3
Gross income	1,191,947	1,130,222	5.5	451.0	752.1	-40.0
EBITDA YTD	913,909	884,268	3.4	345.8	706.9	-51.1
EBITDA Margin %	33.7	34.5	-2.6	33.7	34.5	-2.6
Net income	374,195	518,840	-27.9	141.6	415.5	-65.9
Dividends decreed to EEB	378,026	330,778	14.3	143.0	170.3	-16.0
Debt / EBITDA LTM	91.9	N.A	-	91.9	N.A	-
EBITDA / Interests	8.8	15.3	-42.5	8.8	15.3	-42.5

### Relevant Facts of Codensa

- ▶ **17.09.2015** Codensa recommended submitting to the consideration of the Shareholders Assembly, for the approval of documents, which set the ground for the merger between Codensa S.A. ESP, EEC S.A. ESP and DECSA S.A. ESP.



- ▶ **17.09.2015** awarded Mindshare the contract to develop Media Agency services.
- ▶ **17.09.2015** awarded CAM Colombia the contract to develop commercial operations in the municipalities defined by CODENSA S.A. ESP. – in ZONA OESTE.
- ▶ **01.09.2015** informed that by a petition issued by the Colombian Financial Superintendence, comparative financial statements of March 2014 to March 2015 were transmitted, together with its respective notes.
- ▶ **31.08.2015** Fitch Ratings affirmed the national long term rating of Codensa S.A. E.S.P in 'AAA(col)' and allocated a national short term rating in 'F1+(col)'; with stable perspective.
- ▶ **27.07.2015** informed the market that it had closed the direct negotiation stage between CODENSA and SINTRAELECOL union, with a total agreement between the parties.
- ▶ **27.07.2015** approved the proposal to provide "Maintenance Service, Emergency Assistance and Works on Medium to Low pressure Networks in the South of Bogota and Sabana de CODENSA S.A. E.S.P., for a (3) three-year period as of 1 September 2015 amounting to COP\$321.796.710.807, with service providers DELTEC and CAM.
- ▶ **01.07.2015** informed that on Monday 25 May, union representatives of SINTRAELECOL submitted their petitions to the Company.

### Progress of CODENSA investment projects:

Capex Codensa			
	3Q 2015	3Q 2014	Var %
COP Mm	260,236	198,697	31.0
USD Mm	83.94	97.95	-14.30

### 2.3. PROMIGAS

Table N° 16 - Overview of Promigas 3Q 2015



 <b>PROMIGAS</b>	
Number of clients	11
Volume of sales - Mm cfd	313.7
Market share - %	40
Network – km	2,367
Profit from operating activities - COP MM	108,646
EEB's stake through EEB Gas - %	15.6

Table N° 17- Selected indicators of Promigas

 <b>PROMIGAS</b>	COP Mm			USD Mm	
	3Q 2015	3Q 2014	Var %	3Q 2015	3Q 2014
Operating revenue	108,646	109,583	-0.9	34.8	54.0
Cost of sales	21,755	27,482	-20.8	7.0	13.5
Operating income	61,205	57,019	7.3	19.6	28.1
EBITDA YTD	69,878	65,871	6.1	22.4	32.5
EBITDA Margin (%)	64.32	60.11	7.0	64.3	60.1
Net income	85,035	91,240	-6.8	27.2	45.0
Net debt (1) / EBITDA	5.1	3.8	36.3	5.1	3.8
EBITDA / Interests(2)	2.8	3.7	-25.2	2.8	3.7

- ▶ Operational revenues decrease due to reduced invoicing amounts during 2Q to Gases del Caribe, corresponding to the construction contract of the gas pipeline.
- ▶ Non-operational revenues decrease due to the reduction in dividends decreed by Cálidda during 2Q of this year.
- ▶ Non-operational expenses increase due to a greater balance of the 2015 debt, mainly on account of the issuance of bonds that took place in March 2015 amounting to COP\$400,000 million.
- ▶ Net profit shows a reduction explained by greater non-operational expenses derived from greater financial costs.

### Relevant Facts of Promigas

- ▶ **23.09.2015** BVC informs ex-dividends dates: distribution of profits will be made in a period of time between October 2015 and March 2016.
- ▶ **22.09.2015** Promigas S.A. approved a reform to its bylaws, hence complying with External Circular 028 of 2014 (New Country Code).
- ▶ **22.09.2015** Project to distribute profits approved in General Shareholders' Meeting
- ▶ **13.07.2015** ANLA – Environmental License for the construction of the San Mateo-Mamonal Loop (“Loop del Sur”), that will allow to begin this work to enhance Promigas’ natural gas transport capacity and will connect Hocol and Canacol reservoirs to the National Transport System, which have significant reserves to ensure the availability of this fuel in the country.

This gas pipeline will have an extension of 189.5 kms and will require investments of approx. US\$192 million.

Capex Promigas			
	3Q 2015	3Q 2014	Var %
COP Mm	89,941	47,923	87.7
USD Mm	28.8	23.6	21.9


### Progress of PROMIGAS investment projects:

- ▶ **Project 1 – Loop del Sur:** Construction of a gas pipeline from Hocol wells to Mamonal in 16” diameter pipe and approximately 190 kms in length to transport 60 MCFD. This construction will service Surigas and TEBSA. Progress is at 30% and estimated investment amounts to COP\$132,836 million. Start up scheduled for 4Q 2015.
- ▶ **Project 2 – Hub Cartagena:** Installation of a filtering system in the Heroica station and fitting in Mamonal station to connect gas arriving to Cartagena from the South and Barranquilla pipelines. Progress is at 31% and estimated investment amounts to COP\$33,214 million. Start up scheduled for: 4Q 2015.
- ▶ **Project 3 – CPF Hocol/Promisol:** Purchase of equipment that will be leased and transferred at the end of the contract to Promisol. Capex of said contract amounts to US\$48 million for 12 years for gas treatment services. Progress is at 109% and estimated investment amounts to COP\$ 29,696 million with the purchase of equipment that will be leased to Promisol. Start up date scheduled for: 4Q 2016.
- ▶ **Project 4 – Filadelfia Compressor:** Construction and mounting of a compressor station in the Sincelejo Cartagena gas pipeline to increase transport capacity (additional 30MCFD in Canacol), complimentary to the Loop del Sur project. Progress is at 4% and estimated investment amounts to COP\$20,273 million. Start up scheduled for 4Q 2015
- ▶ **Project 5 – Refitting of Sahagún Compressor:** Transfer of compressors and fitting in the Heroica station, complimentary to Loop del Sur project, Works are intended to service TEBSA: Estimated investment amounts to COP\$17,377 million. Progress is at 15%. Start up scheduled for: 4Q 2015.

- ▶ **Project 6 – Sincelejo Bypass:** Construction of a bypass to the Mamonal Sincelejo main gas pipeline between km-114+900 and km-122+190, in 10" diameter pipe and approximately 12 km in length that will allow avoiding urban areas in Sincelejo and increase system pressure. Estimated investment of this project amounts to COP\$17,377 million. Progress is at 30%, start up scheduled for: 4Q 2015.


## 2.4. GAS NATURAL

Table N° 18 - Overview of Gas Natural 3Q 2015



Controlled by	Natural Gas of Spain
EEB's stake	25%

Table N° 19 - Selected indicators of Gas Natural



	COP Mm			USD Mm	
	3Q 2015	3Q 2014	Var %	3Q 2015	3Q 2014
Operating revenue	502,735	303,158	65.8	161.0	149.5
Cost of sales	347,308	222,031	56.4	111.2	109.5
Operating income	81,188	90,604	-10.4	26.0	44.7
EBITDA Quarterly	91,974	99,970	-8.0	29.5	49.3
EBITDA Margin (%)	18.3	33.0	-44.5	18.3	23.7
Net income	46,941	60,596	-22.5	15.0	29.9
Net Debt / EBITDA LTM	3.3	1.7	87.7	3.3	0.5
EBITDA LTM / interest LTM	15.3	7.6	101.8	15.3	20.8

### Relevant Facts of Gas Natural

- ▶ **10.09.2015** The shareholders of the Company approved the changes to articles 32 and 74 of the bylaws regarding the fact that there is only one cut off of accounts as of 31 December of each year, with which the wording of the aforementioned articles will read as follows:
- ▶ "ARTICLE THIRTY TWO.- TYPES OF MEETINGS. General Shareholders Meetings may be ordinary or extraordinary in nature. The first will take place within the first three months of every year, at the company's headquarters, at the time, hour and place so determined by the Board of Directors. Extraordinary meetings will be summoned when unforeseen or urgent events so demand. However, the General Shareholders Meeting may meet without summoning prior thereto, at any place, when total subscribed shares are represented." Second. Modify article 74 of the bylaws to read as follows:
- ▶ "ARTICLE SEVENTY FOUR. GENERAL BALANCE SHEET. Annually, on 31 December of each year, there will be a cut off of accounts to prepare and disclose general financial statements duly certified. The balance sheet, inventories, books and other reporting elements will be kept at the company's administrative offices fifteen (15) business days prior to the date the Assembly will meet, so they may be examined by shareholders."
- ▶ **20.08.2015** Fitch confirms rating 'AAA(col)' of Gas Natural; with stable perspective; it has confirmed national long-term and short-term rating of Gas Natural S.A. E.S.P (Gas Natural) in 'AAA(col)' and 'F1+(col)', respectively. The perspective is stable. Similarly, it has confirmed rating of the Ordinary Bonds issuance for up to COP\$500,000 million in 'AAA(col)'. As key rating factors, it confirms: mature business with moderate growth, sound operating generation, robust credit profit, sound cash position, moderate regulatory risks and supplies.

**Progress of Gas Natural investment projects:**

Capex Gas Natural			
	3Q 2015	3Q 2014	Var %
COP Mm	13,317	8,119	64.02
USD Mm	4.3	4.0	6.6

**2.5. REP and CTM Peru**

Table N° 20 - Selected financial indicators of REP			
REP Perú	USD MI		
	3Q 2015	3Q 2014	Var %
Operating revenue	103,527	98,634	5.0
Cost of sales	-46,532	-54,908	-15
Operating income	49,199	35,606	38.2
EBITDA YTD	71,688	64,298	11
EBITDA Margin	69.2	65.2	6.2
Net income	29,365	20,674	42
Net debt (2) / EBITDA	2.1	2.2	-2.2
EBITDA / Interests (3)	7.2	7.1	0.9

- ▶ REP showed greater revenues as a result of the tariff update and new enhancements in operations.
- ▶ The transmission costs have decreased in 2015 due to changes in the estimate of major maintenance and replacements.
- ▶ Provisions are less due to the update in the methodology and with it, improvements in actual estimates.
- ▶ Reduced financial expenses resulting from greater capitalized expenses by enhancements in constructions.
- ▶ Greater EBITDA due to growth in revenues on account of operation and maintenance services, specialized technical services and complimentary services it has with third parties; and on account of the start up of enhancement 12; in addition to management services of companies related to Consorcio Transmantaro and ISA Peru.

**REP investment projects:**

- ▶ **Enhancement 12:** Amp. Transf 40MVA. Investment value US\$8.4 million. Start up scheduled for, 1Q 2014
- ▶ **Enhancement 13:** Nueva SE Pariñas 220kV, Rep. LT a 180 MVA (40 km). Investment value US\$ 17.2 million. Start up schedule for, 1Q 2016
- ▶ **Enhancement 14:** Nueva SE Reque 220 kV – New Transf. 100 MVA. Investment value US\$ 23.4 million. Start up schedule for, 2Q 2015
- ▶ **Enhancement 15:** Enhancement Capac LT 144.5 Km - Approx 700 MVA. Investment value US\$ 44.6 million Start up schedule for, 3Q 2015
- ▶ **Enhancement 16:** Nueva SE Amarilis Revamp LT 75 MVA. Investment value US\$ 16.5 million. Start up scheduled for, 1Q 2016.
- ▶ **Enhancement 7:** Amp. Capac. De SSEE. Investment value US\$ 28.8 million. Start up scheduled for 1Q 2017.

Table N° 21 - Selected financial indicators of CTM			
CTM Perú	USD MI		
	3Q 2015	3Q 2014	Var %
Operating revenue	89,105	81,075	9.9
Cost of sales	-37,886	-34,858	9
Operating income	50,535	45,792	10.4
EBITDA YTD	73,671	66,002	12
EBITDA Margin (%)	82.7	81.4	1.6
Net income	40,956	18,490	122
Net debt (2) / EBITDA	6.1	5.1	18.0
EBITDA / Interests (2)	4.3	4.5	-4.3

- ▶ For CTM, growth is the result of the coming of stream of Trujillo Chiclayo and Machu Picchu Cotarus0065 projects.
- ▶ Transmission costs increase on account of operation and maintenance services of new lines.
- ▶ On 22 July 2015, the award of Buena Pro was reported in favor of ISA regarding the concession of the project related to the design, construction, financing, operation and maintenance of the project "First Stage of the Carapongo Substation and Connecting Links to Related Lines", responsibility of ProInversión.

#### CTM investment projects:

- ▶ **CONCESSION LT MACC-ABAY-COT:** LT 421 Km. Investment values US\$107 million, start up scheduled for 3Q 2015.
  - ▶ **CONCESSION L.T. 500 kv MANTARO – MARCONA:** LT 916 Km Investment value US\$ 446.9 million, start up scheduled for 4Q 2016.
  - ▶ **CONCESSION- LT LA PLANICIE –INDUSTRIALES:** LT 17.3 Km. Investment value US\$ 51.5 million, start up scheduled for, 3Q 2016.
  - ▶ **CONCESSION- LT FRIASPATA MOLLEPATA and SE ORCOTUNA:** LT 94.0 Km Nueva SE Orcotuna. Investment value US\$52.2 million, start up scheduled for 4Q 2016.
- ▶ CTM and the Peruvian Ministry of Mines - MEM executed a concession contract that will strengthen the provision of electric power to the city of Lima. The project consists of the design, financing, construction, operation and maintenance of the "First stage of the Carapongo Substation and connection links to related lines" that will generate annual revenues amounting to US\$ 6.6 million. MEM and CTM. Executed on 11 November, concession-contract for the SGT Project "First Stage of the Carapongo Substation and Connection Links to related Lines". The project was awarded by ISA last 22 July 2015 by the Comité de ProInversión en Proyectos de Energía e Hidrocarburos – PROCONNECTIVIDAD, and will be executed by its affiliate CTM.
- The new Substation will allow to strengthen the provision of electric power to the city of Lima, which comes from natural gas thermal plants located in Chilca, and from hydroelectric plants in the basin of River Rimac (Huinco and Callahuanca), transporting energy from the 500kV system. The project foresees the future possibility of increases in transformation capacity of the Carapongo Substation and new 500 and 220 kV connections with the objective of servicing growing demand in Lima. The concession terms will be thirty years, plus the construction term, which would be 28 months as of the closing date.

### **3. ANNEXES**

#### **Annex 1: Legal Notice & Clarifications**

*This document contains projections and estimates, using words such as “anticipate,” “believe,” “expect,” “estimate”, and others having a similar meaning. Any information other than historical information included in this report, including but not limited to the Company’s financial condition, its business strategy, plans, and management objectives for future operations are projections.*

*Such projections are based on economic, competitive, regulatory and operational scenarios and involve known and unknown risks, uncertainties and other important factors that could cause the Company’s results, performance or actual achievements to be materially different from the results, performance or future achievements that are expressed or implicit in the projections. For these, reasons, the results may differ from the projections. Potential investors should not take them into consideration and should not base their decisions on them. Such projections are based on numerous assumptions concerning the Company’s present and future business strategies, and the environment in which the Company will operate in the future.*

*The Company expressly states that it will be under no obligation to update or revise any projections contained in this document.*

*The company’s previous results should not be taken as a pattern for the company’s future performance.*

#### **Clarifications**

- ▶ Only for information purposes, we have converted some of the figures in this report to their equivalent in USD, using the TRM rate for the end of the period as published by the Colombian Financial Superintendence. The exchange rates used are as follows:
  - TRM at September 30<sup>th</sup> de 2014: 2,028.4
  - TRM at September 30<sup>th</sup> de 2015: 3,121.9
- ▶ In the figures submitted, a comma (,) is used to separate thousands and a point (.) to separate decimals.

#### **Annex 2: Definitions of EBITDA included in this report. Consolidated adjusted EBITDA reconciliation**

- ▶ EBITDA is not an acknowledged indicator under Colombian or US accounting standards and may show some difficulties as an analytical tool. Therefore, it must not be taken on its own as an indicator of the company’s cash generation.
- ▶ EBITDA: EBITDA for a specific period of time (LTM; Q3) has been calculated by taking operating income (loss) and adding amortization of intangibles and depreciation of fixed assets for that period.
- ▶ EEB Consolidated EBITDA for a period, consists of operating revenues of EEB and its consolidated subsidiaries for such period, minus the sum of (i) cost of sales, (ii) administrative expenses allocated to cost, (iii) administrative expenses and (iv) interest income on investments of pension assets, plus dividends and interest earned (which includes dividends declared by EEB’s related companies, whether such dividends are actually paid or not), taxes (other than income taxes), amortization and depreciation, pension payments and provisions.
- ▶ EEB Consolidated Adjusted EBITDA for a specific period is calculated taking the Consolidated EBITDA for such period and adding the cash flows coming from investing activities during such period to the extent attributable to capital distributions by EEB’s related companies.

# Investors Report

## 3Q 2015



### Annex 3: Statement of preliminary unaudited consolidated results in September 2015.

	September 30, 2014 USD Thousands	September 30, 2015 USD Thousands	Variations	Relative variations
<b>REVENUE</b>	<b>876,846</b>	<b>729,853</b>	<b>146,993</b>	<b>16.8%</b>
Natural gas distribution	380,247	326,257	-53,989	-14.20%
Natural gas transportation	340,562	276,367	-64,195	-18.85%
Electricity distribution	115,044	83,319	-31,725	-27.58%
Electricity transmission	40,993	43,910	2,917	7.12%
<b>COST OF SALES</b>	<b>-632,446</b>	<b>-500,982</b>	<b>131,464</b>	<b>-20.79%</b>
Natural gas distribution	-344,107	-278,825	65,282	-18.97%
Natural gas transportation	-118,188	-98,279	19,909	-16.84%
Electricity distribution	-103,634	-74,694	28,940	-27.93%
Electricity transmission	-24,869	-22,799	2,070	-8.32%
Administrative expenses	-45,857	-28,947	16,910	-36.88%
Other income (expense), net	4,208	2,562	-1,646	-39.11%
<b>Profit from operating activities</b>	<b>244,400</b>	<b>228,871</b>	<b>-15,529</b>	<b>-6.35%</b>
Finance income	68,191	34,195	-33,996	-49.85%
Finance costs	-117,454	-113,093	4,361	-3.71%
Exchange gain (loss)	-41,119	-83,793	-42,674	103.78%
Share of profit (loss) of associates and joint ventures accounted for using equity method	231,488	225,025	-6,462	-2.79%
<b>Profit (loss) before tax</b>	<b>385,505</b>	<b>291,205</b>	<b>-94,299</b>	<b>-24.46%</b>
Tax income (expense)	-38,391	-101,807	-63,416	165.18%
<b>Profit (loss)</b>	<b>347,114</b>	<b>189,399</b>	<b>-157,715</b>	<b>-45.44%</b>
<b>Other comprehensive income</b>				
Net fair value gain (loss) on financial assets, net of taxes	-14,990	-10,699	4,291	-28.62%
<b>Comprehensive income</b>	<b>332,124</b>	<b>178,700</b>	<b>-153,424</b>	<b>-46.19%</b>
<b>Profit (loss), attributable to</b>				
Owners of parent	331,637	176,085	-155,552	-46.90%
Non-controlling interests	15,477	13,313	-2,163	-13.98%
<b>Other comprehensive income, attributable to</b>	<b>347,114</b>	<b>189,399</b>	<b>(157,715)</b>	<b>-45.44%</b>
Owners of parent	-14,990	-10,699	4,291	-28.62%

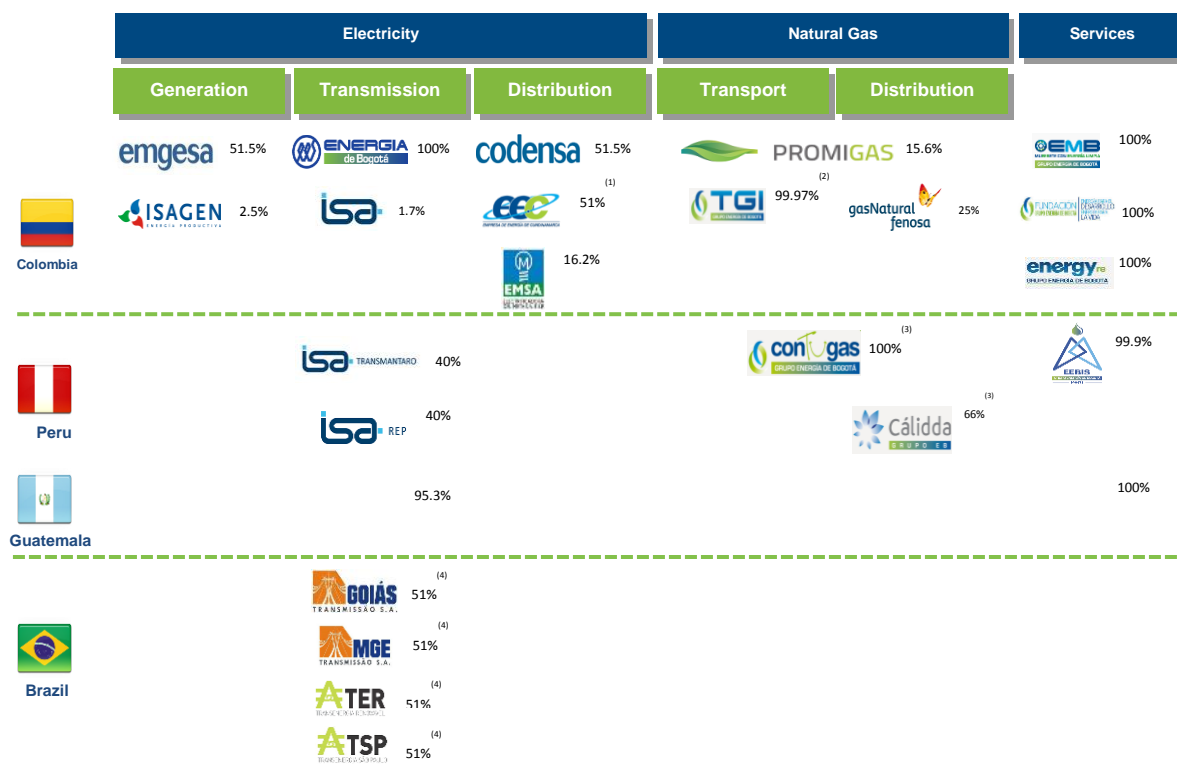
### Annex 4: Terms Technical and regulatory

- ▶ BLN: US billion (109)
- ▶ CAC: Compound Annual Growth
- ▶ COP: Colombian Peso
- ▶ CHB: Central Hidroeléctrica de Betania
- ▶ CTM: Consorcio Transmantaro
- ▶ CREG: Comisión de Regulación de Energía y Gas de Colombia. (Colombia's Energy and Gas Regulating Commission). Colombia's state agency in charge of regulating electric power and natural gas residential public utility services.
- ▶ DANE: Departamento Administrativo Nacional de Estadística (National Administrative Statistics Department). Agency responsible for planning, collecting, processing, analyzing, and disseminating official statistics in Colombia.
- ▶ Gwh: Gigawatt hour; unit of energy equivalent to 1,000,000 kwh
- ▶ GNV: Natural Gas for vehicles
- ▶ IPC: Colombian Consumer Price Index
- ▶ KM: Kilometers
- ▶ KWH: Unit of energy equivalent to the energy produced by a power of one kilowatt (kW) for one hour
- ▶ MEM: Mercado de Energía Mayorista de Colombia; Wholesale Energy Market in Colombia
- ▶ Mm: million
- ▶ MI: thousands
- ▶ MW: Megawatt, power unit or work which equals one million watts
- ▶ N.A. Not applicable.
- ▶ Non-Regulated Electricity User: electricity consumers who have a peak demand greater than 0,10 MW or a minimum monthly consumption above 55.0 MWh
- ▶ Natural Gas Non-Regulated User: user with consumption above 100 kcfd
- ▶ CFD: Cubic feet per day
- ▶ Proinversión: Peruvian agency that promotes private investment in Peru
- ▶ SIN: Sistema Interconectado Nacional, National Interconnected System
- ▶ STN: Sistema de Transmisión Nacional, National Transmission System
- ▶ SF: Superintendencia Financiera – Financial Superintendency. State entity in charge of regulating, overseeing and controlling the Colombian financial sector
- ▶ TRM: Market Representative Exchange Rate; it is an average of the transactions carried out in peso-dollar, and it is calculated daily by the SF
- ▶ UPME: State agency responsible for planning Colombia's mining and energy sectors
- ▶ USD: US dollars



**Annex 5: Overview of the parent company – EEB**

- ▶ EEB is an integrated energy company with interests in the natural gas and electricity sectors and operations in Colombia, Peru and Guatemala.
- ▶ EEB was founded in 1896 and is controlled by the District of Bogota (76.2% ownership). The company, as a public company in Colombia, adhered to global standards of corporate governance.
- ▶ EEB has an expansion strategy focused on the transmission and distribution of energy in Colombia and other countries within the region.
- ▶ EEB participates in the entire electricity value chain and in almost all the natural gas value chain, except for exploration and production.
- ▶ Since 2009, EEB shares have been traded on the Colombian stock market. In November 2011, EEB finished a Re-IPO in the Colombian stock market for approximately USD 400 million.
- ▶ EEB is one of the largest Colombian corporate debt issuers. In October 2007, EEB and TGI issued corporate bonds in the international markets for USD 1.36 billion. In 2011 and the beginning of 2012 both companies refinanced their notes extending their maturities and lowering its costs. Cálida, our Peruvian subsidiary also issued in April/2013 a USD 320 million bond.
- ▶ Since 2009, EEB is traded on the Colombian Securities Exchange and is part of the local indexes COLCAP, COLEQTY y COLIR.



Source: Company filings.

(1) EEB ownership through DECSA Special Purpose Vehicle. (2) EEB ownership directly and indirectly through IELAH Spain (additional 31.92%).

(3) EEB effective ownership via direct and indirect stakes. (4) Acquired on August 21, 2015 for ~USD158 mm.