

Mayor's office announces interest in democratizing up to 20% of Empresa de Energía de Bogotá total shares

- *"The proposal is a "win-win" for the city and the Empresa de Energía," says Mayor Enrique Peñalosa*
- *The construction of strategic works will be leveraged with the resources obtained in order to solve Bogotá's mobility problems.*
- *The District will maintain control and the majority shareholding of Empresa de Energía.*
- *Citizens will be able to purchase Empresa de Energía de Bogotá shares, thus benefiting from one of the most successful companies in the country,*

Bogotá D.C. – Colombia. Wednesday, September 28, 2016. The Capital District today submitted a draft Agreement unto the Bogotá City Council "Whereby the Capital District of Bogotá is authorized to dispose of a shareholding interest in Empresa de Energía de Bogotá S.A. E.S.P. through a Democratization Program."

The Mayor Enrique Peñalosa, when making the announcement, said: *"This is a win-win proposal for everyone: the company wins, the people of Bogotá win, the city wins."* Indeed, this is an initiative thanks to which Bogotá will be able to have the necessary resources to leverage a great transformation for Bogotá's mobility. *"We need to overcome more than a decade's worth of backwardness in mobility," Mayor Peñalosa noted.*

The main benefits of the democratization are listed below:

Benefits for Bogotá

1. The money collected will be invested in the construction of eight road infrastructure projects. Amongst these the fundamental entry and exit roads for the economic development of Bogotá are emphasized, such as the ALO, 13th Street and 63rd Street. These resources will also leverage the financing of a new trolley bus system along railway corridors and electric buses that will connect Soacha with the north of the city and will improve connectivity for the entire region.
2. The resources obtained thanks to the democratization will positively impact Bogotá's GDP. It will increase by up to 3.6 percentage points, which has a multiplying effect on the entire economy of the city, and it promotes the productivity and competitiveness of Bogotá and the Region.
3. The GDP increase will result in a positive impact on increased Industry and Commerce (ICA) tax revenue by up to \$3.4 trillion pesos between 2017 and 2027.

Benefits for citizens

1. Around 114,290 jobs will be created on the peak year, of which 58% (66.752) will be direct jobs and 42% (47.522) indirect jobs, between 2019 and 2021.
2. Time saved for the people of Bogotá. The implementation of close to 124.2 additional miles of transport infrastructure and public space, and complementary investments in the transport system, will reduce travel times by 48.6 million hours for private transport and 79.5 million hours for public transport.

3. Air pollution will be reduced (46.2 tons less of CO₂), and therefore likewise negative effects on health.

Benefits for Empresa de Energia

1. By increasing the shareholding of citizens in the Empresa de Energia de Bogota, the company and Corporate Group are strengthened in terms of Corporate Governance and transparency.
2. With more shareholders from the private sector there will be more independent representatives in its Board of Directors.
3. The Empresa de Energia is shielded from being left exposed to the fluctuations of eventual political scheming's. In this way continuity is given to the proposed long-term strategy, guaranteeing its execution regardless of the decisions of the government in office.

The Capital District will keep 56% of shares, with which it will continue to be the main shareholder and will maintain control of the Empresa de Energia de Bogota, which has been part of the city's heritage for the last 120 years.

The direct shareholding interest of citizens in Empresa de Energia de Bogota will increase with this democratization, which today add up to more than 3,300 shareholders.

"Besides giving the citizens of Bogota and the rest of the country the opportunity of being owners and earn return with an excellent investment alternative, we are going to be able to receive essential resources to invest them in mobility. This will allow us to continue to work on resolving many of the issues that we currently have in the city," Mayor Enrique Peñalosa explained.

No final figure was given regarding the funds the District expects to collect, as any speculation could affect share prices in the stock exchange. Nevertheless, it was established that 1,836,235,403 shares will be made available for citizens that wish to purchase them at the stock exchange price.

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