

Bogota D.C., November 8<sup>th</sup> 2013



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## 1. EXECUTIVE SUMMARY AND HIGHLIGHTS

### 1.1. Natural gas market in Colombia

**Table N° 1 – Natural gas demand in Colombia**

	GBTUD		Var. %
	AI 3Q* 13	AI 3Q* 12	
Thermal	317.9	234.5	35.6
Residential -Commercial	193.3	178.7	8.2
Industrial - Refineries	400.3	386.8	3.5
Vehicle	90.5	68.6	32.0
Petrochemical	22.0	21.8	0.8
<b>Others</b>	<b>25.4</b>		
<b>Domestic Demand</b>	<b>1,049.3</b>	<b>890.3</b>	<b>17.9</b>
Export	212.7	154.6	37.6
<b>Total</b>	<b>1,262.0</b>	<b>1,044.9</b>	<b>20.8</b>

Source: Concentra

\*Figures only include July and August

Natural gas keeps consolidating as one of the energetics with high growth in the country. Its consumption in 3Q 2013 compared to 3Q 2012, grew by 20.8% due mainly to high growth of internal demand, which reached 17.9%. The internal demand grew due to thermoelectric and GNV consumption. Thermoelectric consumption grew 35.6% mainly as a result of low rainfall levels in the country. GNV consumption grew due to the fact that many companies in the industry gave an incentive to the conversion of gasoline-powered vehicles to natural gas, which has driven the growth. During 2013 approximately 23,000 vehicles have been converted to natural gas, increasing by 5.4% the number of vehicles converted.

### 1.2. Summary of financial results TGI 3Q 2013

**Table N° 2 - TGI selected indicators**

	3Q 13	3Q 12	Var %
Operating revenue - COP million	648,369	516,318	25.6
Operating income - COP million	406,217	282,712	43.7
EBITDA accumulated - COP million	515,443	385,133	33.8
EBITDA LTM - COP million	650,060	499,841	30.1
Net Income - COP million	112,530	169,775	-33.7
Transported volume - Mm cfd	446.4	420.8	6.1
Firm Contracted capacity - Mm cfd	629.0	619.0	1.6
Latest international credit ratings:			
S&P - may. 13:	BBB-, stable		
Fitch - nov. 13:	BBB-, stable		
Moody's – mar. 12:	Baa3, stable		

- ▶ At the closing of the quarter, operational results grew by 43.7% due to increases in the operating revenue which grew by 25.6% compared to the same period of 2012. This increment was due to:
  - ▶ The new tariff scheme, which came into force at the beginning of this year.
  - ▶ The entry into operation of Cusiana Phase II.
  - ▶ Growth in firm contracts signed.
  - ▶ Increase on company's transported volume.
- ▶ Regarding non-operational accounts, the loss due to the valuation of hedging operations and the foreign exchange expense generated by the financial debt of the company, bookings that are made only for accounting purposes and does not correspond to a cash expenditure, represent the greater impact during the period, which resulted in a net income amounting COP 112,530 million during this last quarter, meaning COP 57,245 million less compared with the same period in 2012.

### 1.3. Highlights

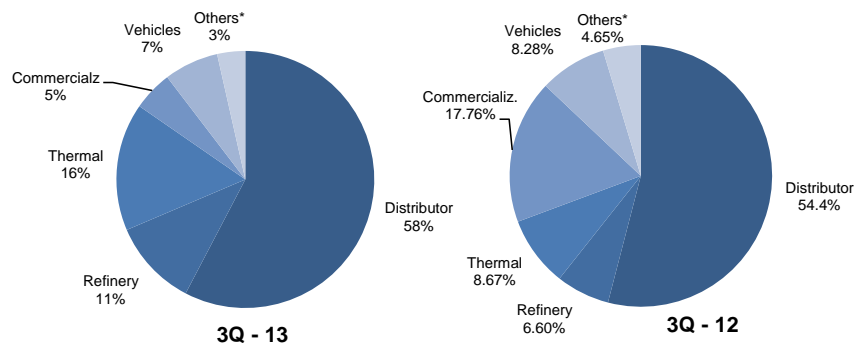
- ▶ During the year, the average transported volume through TGI's infrastructure reached 446.4 Mm cfd, exceeding the amount initially budgeted by the company. On September 22th the transported volume reached 570.3 Mm cfd, the highest volume in TGI's history.
- ▶ TGI keeps a market share of 47.6% at the closing of 3Q 2013.
- ▶ The company has significant enhancement projects in its infrastructure network in compression station La Sabana, Cusiana – Apiay and Coffee-growing Region.
- ▶ The board of directors approved investments amounting USD 20 million for adapt Ballena - Barrancabermeja pipeline so that it can transport natural gas in both directions. Likewise, investments for USD 5 million to adapt infrastructure at Ballena field to connect the Ballena-Barrancabermeja pipeline with Venezuela for import natural gas from this country.
- ▶ On November 1<sup>st</sup> Fitch Ratings has affirmed TGI foreign and local currency issuer default rating at BBB-, outlook stable.

## 2. COMMERCIAL PERFORMANCE

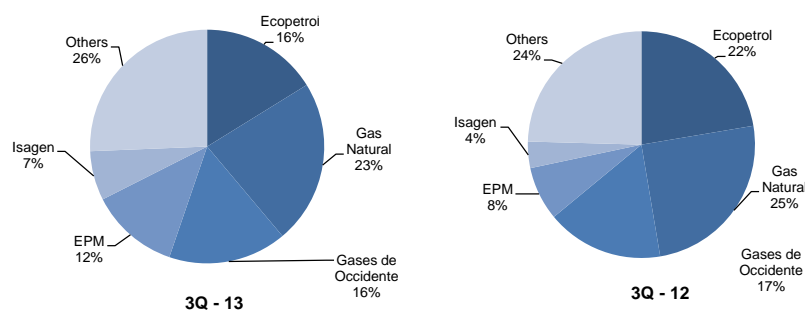
### 2.1. Sales by Sector

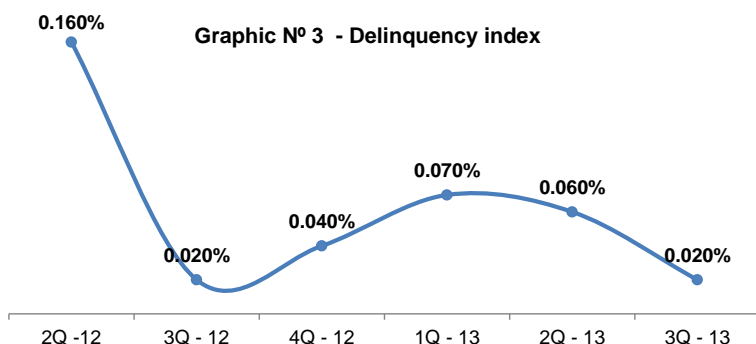
Due to growth in natural gas demand, the distribution industry, that includes household sector, continue being the main sources of revenue for the company, followed, to a lesser extent, by the refining and thermal industries. The latter, as previously explained, depends greatly on rainfall conditions in the country or when the transmission of electric power is affected. The participations of the different types of clients on company's sales did not experience relevant changes during the period. As a result, Ecopetrol Gas Natural and Gases de Occidente continue as TGI's main clients.

**Graphic N° 1 - Sales by industry**



**Graphic N° 2 - Sales by client**





The management scheme to support collection during 3Q 2013, led to a low delinquent index of 0,02% over invoiced revenues during the past twelve months, which further strengthens TGI's cash flow. At the moment, the company is resolving a controversial because of the new pair of charges set early this year with three thermal clients.

## 2.2. Contractual Structure

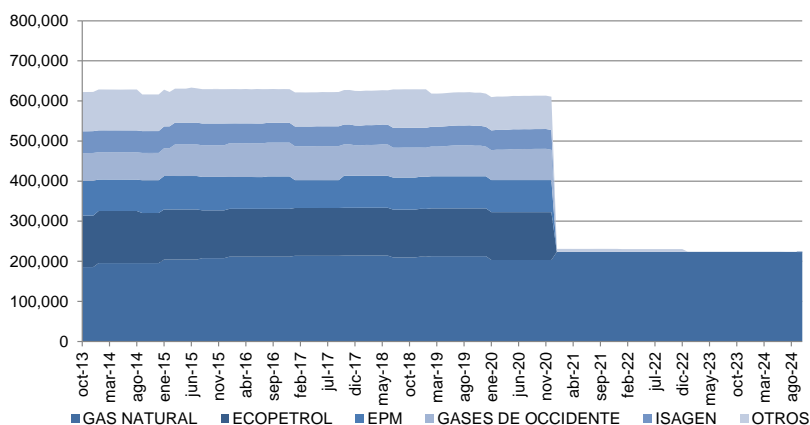
The main sectors serviced by TGI show steady consumption with low seasonality, thus 100% of its contracts are in firm and are entered into under approximately, an average of 90% fixed charges and 10% variable charges. At the end of the quarter, total contracted capacity amounted to 630 Mm cfd.

**Table N° 3 – Contractual structure**

Type of contract	3Q 13			3Q 12		
	No	Volume	Average remaining	No	Volume	Average remaining
Firms (1)	77	630	8.3	92	619	9.4
Interruptibles (2)	-	-	-	-	-	-

[Footnotes annex 6](#)

**Graphic N° 4 - TGI Contractual lifespan**



During the past twelve months, 20 contracts for natural gas transport expired. However, the markets serviced by those contracts were renewed by other contracts or serviced through other contracts with the same remitting company. On the other hand, a new firm contract with Geacom SA ESP company was entered into.

## 3. FINANCIAL PERFORMANCE

### 3.1. Financial Results

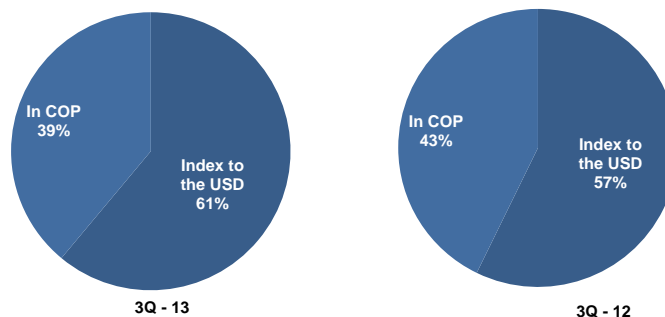
Similar to previous periods in 2013, approximately 83% of TGI's revenues generated by natural gas transport service, derive from fixed charges defined by firm contracts, so, therefore only 17% of the remaining revenues are affected by fluctuations in demand.

**Table N° 4 – Revenue Structure – COP mm - USD mm**

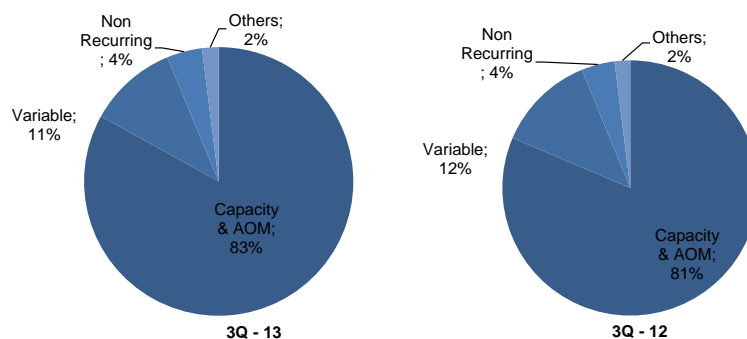
	COP Million		Variance		USD Million		Variance		
	3Q 13	3Q 12	COP	%	3Q 13	3Q 12	USD	%	
Operating Revenue	648,369	516,318	132,050	25.6	347.0	287.3	59.6	20.7	
<b>By currency</b>									
Sales linked to USD (1)	395,787	295,415	100,373	34.0	211.7	164.4	47.3	28.7	
Sales in COP (1)	252,581	220,904	31,678	14.3	135.3	123.0	12.4	10.1	
<b>By type of charge</b>									
Sales capacity charges and AO&M (2)	538,527	420,281	118,246	28.1	288.2	233.9	54.3	23.2	
Sales volume charges (3)	69,291	64,102	5,189	8.1	37.1	35.7	1.3	3.8	
Non - Recurring charges (4)	27,659	21,733	5,927	27.3	14.8	12.1	2.8	22.9	
Others (5)	12,891	10,202	2,689	26.4	6.9	5.7	1.2	20.9	

[Footnotes annex 6](#)

Sales indexed to the dollar show an increase of 34% when compared to the same period of 2012, these sales represent 61% of TGI total sales. The tariff scheme in force, which remunerates the investment and is indexed to USD, also has benefited the revenue of the company. Table 4 also shows as indexed sales to the dollar, expressed in millions of dollars, increased a 28.7% to the third quarter of 2013 in comparison with the same period of the previous year. The above due to the reasons mentioned in section 1.2 of this document.

**Graphic N° 5 - Total sales - Type of currency**


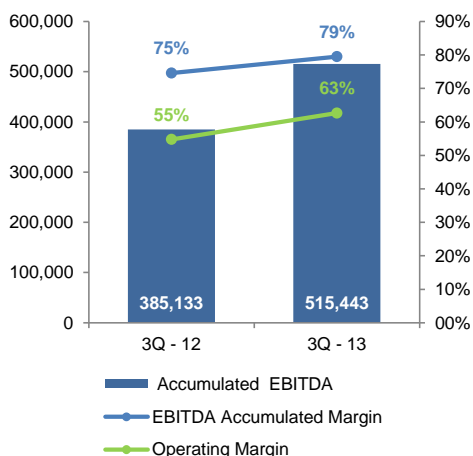
The current contractual structure is reflected in sales corresponding to capacity charges and AOM, which continue representing more than 80% of the company. The operational revenue coming from Cusiana Phase II and the charges (capacity and variable) under the new tariff scheme, contributed to that participation.

**Graphic N° 6 - Type of charge**


**Table N° 5 – Income Statement as of 3Q**

	COP Million		Variance		USD Million		Variance	
	3Q 13	3Q 12	COP	%	3Q 13	3Q 12	USD	%
Operating revenue	648,369	516,318	132,050	25.6	347.0	287.3	59.6	20.7
Operating costs and expenses	242,152	233,606	8,545	3.7	129.8	129.9	-0.1	-0.1
Operating income	406,217	282,712	123,505	43.7	217	157	59.8	38.0
Operating margin %	62.7%	54.8%		14.4	62.6%	54.8%		14.3
Provisions, depreciation and amortization	96,691	89,887	6,804	7.6	51.8	50.0	1.8	3.6
Equity tax	12,535	12,535	0	0.0	6.7	7.0	-0.3	-4.0
Accumulated EBITDA	515,443	385,133	130,309	33.8	275.7	214.4	61.3	28.6
EBITDA margin %	79%	75%		6.6	79%	75%		6.5
No Operational (Loss)/gain	(247,398)	(89,758)	157,641	175.6	(132.2)	(49.3)	82.8	167.9
Income Tax	46,289	23,179	23,109	99.7	24.6	12.8	11.8	92.5
Net Profit	112,530	169,775	-57,245	-33.7	60.4	95.3	-34.9	-36.6
<b>EBITDA LTM</b>	<b>650,060</b>	<b>499,841</b>	<b>150,219</b>	<b>30.1</b>	<b>350.20</b>	<b>274.13</b>	<b>76.1</b>	<b>27.8</b>
<b>EBITDA LTM margin</b>	<b>78%</b>	<b>74%</b>		<b>5.5</b>	<b>78%</b>	<b>74%</b>		<b>5.3</b>

**Graphic N° 7 - Accumulated EBITDA**



The entry into operation of Cusiana Phase II and the new tariff scheme that entered into force at the beginning of 2013, resulted in an increase in sales per capacity charges and variable charges, growing operational revenue by 25.6%. On the other hand, operational costs and expenses grew by 3.7% due mainly to an increase on personnel services, insurance and fees, and to lower increase in administrative expenses. Consequently, operational profit of this period grew by 43.7% compared to the same period in 2012. Year to date EBITDA grew 33.8%, reflecting higher revenues and a relative stability in operational costs.

Regarding non-operational income and expenses have a negative impact on the net profit of the period. As shown hereinabove, net expense grew by 175% compared to the same period of the previous year, due to the expense generated by hedging instruments and the foreign exchange of the financial debt denominated in USD, bookings done for accounting purposes and does not represent a cash expenditure. The company continues working in structuring derivative contracts in order to define a limit to the expense of the hedging instruments currently contracted.

Consequently, net profit at the closing of September 2013 shows a decrease of 33.7% compared to the result obtained in September 2012. For more information about income statement please see annex 7.

### 3.2. Debt indicators

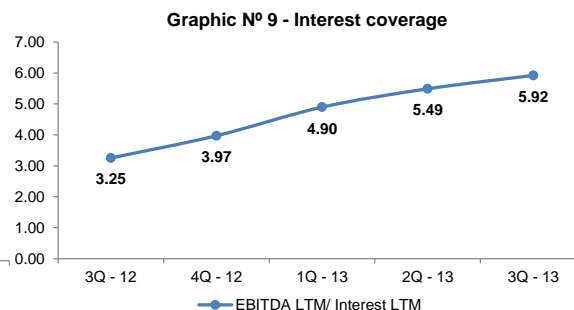
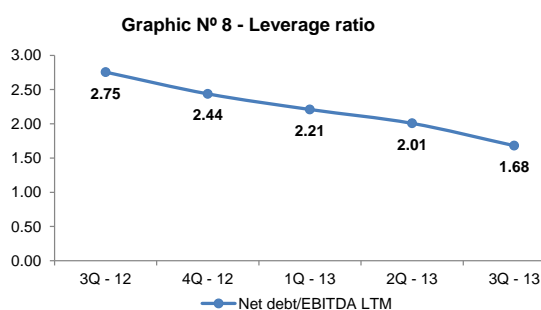
**Table Nº 6- Debt indicators**

	3Q 13	3Q 12	Unit		
Net Debt (1) / EBITDA LTM (2) OM: < 4,8	1.68	2.75	times		
EBITDA LTM (2) / Intereses UDM (3) OM: > 1,7	5.92	3.25	times		
Debt structure				Coupon (%)	Maturity
Senior – International bonds (4) S&P - may 13: BBB-; stable Fitch - nov 13: BBB-; stable Moody's – mar 12: Baa3; stable	750	750	M USD	5.7	20-mar-2022
Subordinated (5)	370	370	M USD	6.125	21-Dec-2022

[Footnotes annex 6](#)

**Table Nº 7 – Detailed - USD Million**

	3Q 13	3Q 12
EBITDA LTM	350.2	268.1
Total debt	864.1	861.1
Cash and temporary investments	293.5	91.2
Net debt	570.6	769.9
Interest LTM	57.3	95.0



Sound performance of debt indicators is due to the reduction of interest rates achieved by the issuance of notes in 2012 and performance of year-to-date EBITDA and LTM. Therefore, the company continues complying with the covenant set forth in the offering memo of the bonds that requires to keep a leverage ratio below 4.8.

Company's net debt shows a significant decrease of 25.9%, when compared to the same period of the previous year, due to material cash flow generated by the company and the reduction of financial expenses.

## 4. OPERATIONAL PERFORMANCE

TGI maintains its leadership in the natural gas transport market, with a market share of 47.6%. In the third quarter Promigas evidenced an small decrease in participation. However, its transported volume grew due to the fact that it concentrates most of the thermal generators, which natural gas demand increases during the dry season, as the one experienced by Colombia in 1Q 2013.

**Table Nº 8 – Volume by carrier – Mmscfd**

	3Q 13	Part. %	2Q 12	Part. %
TGI	446.4	47.6	420.8	48.2
Promigas	352.7	37.6	332.3	38.0
Otros*	139.2	14.8	120.6	13.8
<b>Total</b>	<b>938.36</b>	<b>100.0</b>	<b>873.7</b>	<b>100.0</b>

Source: Concentra.Inteligencia en Energía

\*Industries directly linked to transport


**Table Nº 9 – Selected operational indicators**

	3Q 13	3Q 12	Var %
Total capacity – mm cfd (1)	730.3	688	6.1
Transported volume – mm cfd (2)	446.4	420.8	6.1
Firm contracted capacity – mm cfd (3)	630	619	1.6
Load factor - % (4)	60.3	59.1	1.9
Availability - % (5)	100.00	99.97	0.03
Losses - % (6)*	0.240	0.472	-49.2
Gas pipeline length - Km	3,957	3,957	-0.01
Pipeline length - Mi	2,459	2,459	0.01

[Footnotesannex 6](#)

At the closing of 3Q, the increase of total capacity and firm contracted capacity is explained by the coming of stream of the enhancement capacity from Cusiana phase II. Similarly system losses continue below the level allowed by regulations.

**Table Nº 10 – Total capacity 3Q 13**

	Transport capacity	Average transported Volume 3Q 13
Ballena - Barracabermeja	260.0	79.99
Mariquita - Gualanday	15.0	0.48
Gualanday - Neiva	11.0	1.60
Cusiana - Porvenir	392.0	322.43
Cusiana - Apiay	29.6	31.65
Apiay - Usme	17.8	8.35
Morichal - Yopal	5.0	1.96
<b>TOTAL</b>	<b>730.3</b>	<b>446.4</b>

## 5. CAPITAL INVESTMENTS

**Table Nº 11 - Capex**

	COP Million		USD Million	
	3Q 13	2012	3Q 13	2012
Investment (1)	49,943	325,362	26.1	184.0
Maintenance (2)	3,962	5,747	2.1	3.3

[Footnotes annex 6](#)
**Table Nº 12 – Status of expansion projects in Colombia**

	La Sabana Station	Cusiana/Apiay
Capex - USD mm	55	247
Financing Plan	Own Resources	Own Resources
Additional capacity - mm cfd	75	70
New nominal capacity	215	100
Completed 3Q 13 - %	24	8.5
In operation	3Q 14	4Q 15



The construction of the natural gas compression station La Sabana, which is part of a gas pipeline expansion project, presents steady progress through the execution of two contracts.

- ▶ EPC Contract for the preparation of basic and detailed engineering, procurement (except the compression units) construction, mounting, installation and startup of the station: to date, basic project engineering has been completed, detailed engineering is in progress, as well as procurement of long term delivery items and the mobilization to the site of the temporary facilities for the construction stage. The EPC Oversight Contract was ordered to start on August 2013.
- ▶ Purchase of compression units and auxiliary systems, contracted with a German company, will deliver such equipment during 1Q 2014.
- ▶ Regarding licenses, the project has been awarded its environmental license by the National Authority for Environmental Licenses (ANLA – for its Spanish acronym) in January 2013. As regards the construction license, there is a strategy in place to obtain the license by stages. The first partial construction license was awarded in September and will allow conducting earth movements and closing of the station's perimeter area. Detailed engineering for the complete construction license was submitted in October 2013, which will allow carrying out foundation and structure works.

Taking into account the revamping and optimization by Ecopetrol of the thermal electric plants, Termo Ocoa and Termo Suria, the construction of the power generation plant of San Fernando and the decline of the Apiay field, the natural gas transport capacity from the Cusiana field must be increased to 100 MMSCFD. Capacity enhancement will be done by means of a loop and a new gas pipeline. Currently a contract is in execution for preparing the engineering and the environmental studies, showing the following progress: (i) Basic Engineering and Environmental Study of the 20" Loop of Cusiana-Apiay: completed (ii) Environmental Alternative Diagnostics of the new 10" gas pipeline Apiay-San Fernando: completed and submitted to ANLA, beginning the evaluation of the diagnostics and to date, the company is waiting field visit notice. (iii) Basic engineering and the Environmental Impact Study of the new gas pipeline Apiay - San Fernando: on going.

## 6. ANNEXES

### Annex 1: Legal notice and clarifications

This document contains words such as “anticipate”, “believe”, “expect”, “estimate” and others which meaning is similar. Any historic information, including, but without limiting to that referring to the Company’s financial situation, its business strategy, its plans and management objectives, relates to forecasts.

Forecasts in this report were made under assumptions related to the economic, competitive, regulatory and operational environment of the business and took into account risks beyond the Company’s control. Forecasts are uncertain and they may not materialize. One may also expect that unexpected events or circumstances occur. As a result of the foregoing, actual results may differ significantly from forecasts herein contained. Accordingly, forecasts in this report must not be considered as true facts. Potential investors must not take forecasts or assumptions in this report, neither should they base their investment decisions upon them.

The Company expressly waives any obligation or commitment to distribute updates or reviews of any of the forecasts herein contained.

Company’s past performance may not be considered as a pattern for future performance.

#### Clarifications to the report

- ▶ Only for information purposes, we have converted some of the figures in this report to their equivalent in USD, using the market representative rate (TMR – for its Spanish acronym) at the end of the period as listed by the Colombian Financial Superintendence. Exchange rates used in such conversion, are as follows:
  - TRM as of 30 September 2012: 1,800.52
  - TRM as of 30 September 2013: 1,914.65
- ▶ In the figures, a comma is used (,) to separate thousand and a full stop (.) is used to separate decimals.
- ▶ EBITDA is not an acknowledged indicator under accounting standards in Colombia or the United States, and may show some difficulties as an analytical tool. Therefore, it should not be taken into account in an isolated manner as a company cash flow indicator.
- ▶ EBITDA for the period was calculated taking operational profit (or loss), plus amortization of intangibles and depreciation of fixed assets for said period.

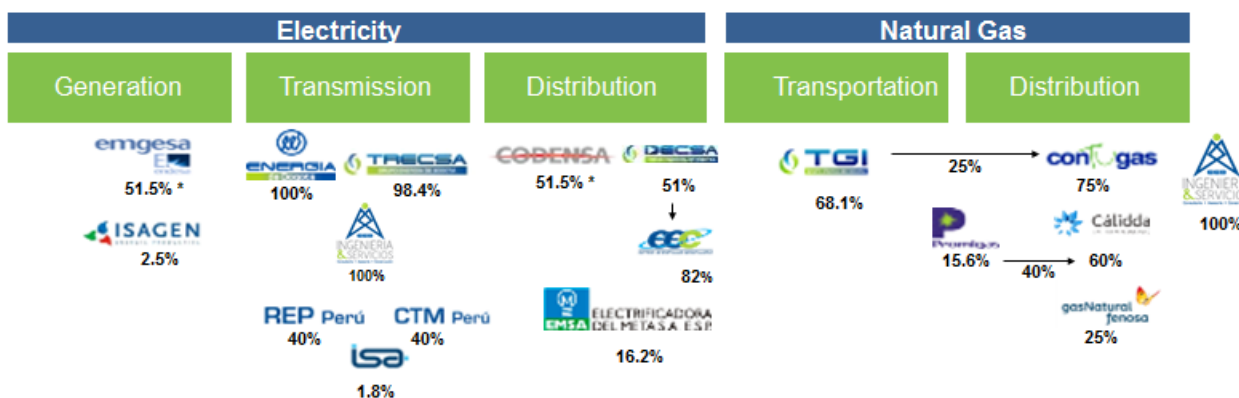
#### Annex 2: Link to consolidated financial statements 3Q 13:

<http://www.grupoenergiadebogota.com/inversionistas/estados-financieros>

#### Annex 3: Outlook of holding company – EEB

- ▶ EEB is an integrated company in the energy sector with operations in Colombia, Peru and Guatemala;
- ▶ The Company was founded in 1896 and controlled by the District of Bogota – 76.2%. Due to the fact that EEB’s share is listed in the Colombian public market, it abides by international standards of corporate governance.
- ▶ EEB has in place an expansion strategy focused on transport and distribution of electric power in Colombia and other countries within the American region.
- ▶ EEB participates in the entire power value chain and in almost the entire value chain for natural gas, it does not participate in E&P activities for this hydrocarbon.

- ▶ Grupo EEB is one of the most important Colombian issuers of corporate debt in the international capital market. In October 2007, EEB and TGI issued corporate bonds in the 144A market amounting to US\$ 1.36 billion. In 2011, TGI exercised its purchase option to reduce coupon rate in 263 basic points.
- ▶ As of 2009, EEB's share is traded in the Colombian stock market



#### Annex 4: TGI Outlook

- ▶ TGI is a key player in EEB's growth strategy;
- ▶ It is the leading natural gas transporter in Colombia and operates a natural monopoly in a sector with high growth potential and which development holds a special interest amidst the Colombian government.
- ▶ TGI is the only natural gas carrier in Colombia connecting the main sources of supply - Guajira and Cusiana – to the main consumption centers.
- ▶ TGI is subject to regulations from the Ministry of Mines and Energy and CREG. CREG defines maximum rates that TGI may charge its users based on principles of financial feasibility and economic efficiency. The rate scheme is designed so that investors have an adequate return on the capital invested and recover operation and maintenance costs. The percentage of the rate that pays back investments is indexed to the peso/US\$ exchange rate, giving the company natural hedging with respect to obligations in foreign currency.
- ▶ Most of the company's sales are supported by in firm contracts and long term contracts entered into with sound companies operating in Colombia.
- ▶ TGI is completing the execution of the most ambitious natural gas transport infrastructure expansion project in Colombia: enhancement of the Guajira and Cusiana gas pipelines, which approximate cost amounts to US\$ 650 billion.
- ▶ TGI holds 25% of ConTUGas stock, a Peruvian company – the remaining 75% is held by EEB -. ConTUGas is the awardee of a concession to build a natural gas transport and distribution network in the south of Peru – ICA department. The estimated cost of the project is US\$ 280 billion.

#### Annex 5: Terms and definitions

- ▶ ANH: Agencia Nacional de Hidrocarburos, National Hydrocarbons Agency. Colombian entity responsible of defining hydrocarbon related policies.
- ▶ BR: Banco de la República. Colombian Central Bank, responsible for monetary and exchange rate policies in the country..
- ▶ Bln or bln: Billion of US\$. Factor 109
- ▶ BOMT: Build, Operate, Maintain and Transfer Contract.
- ▶ COP / COP: Colombian pesos.

- ▶ CREG: Comisión de Regulación de Energía y Gas de Colombia – Colombian Energy and Gas Regulatory Commission. State owned agency in charge of regulating electric power and natural gas household utilities in Colombia.
- ▶ Cuota de Fomento – Development Quota: Relates to resources Ecogas collected from users to carry out new natural gas infrastructure projects.
- ▶ DANE: Departamento Administrativo Nacional de Estadística. National Administrative Department of Statistics. Is the entity in charge of planning, surveying, processing, analyzing and disclosing official statistics in Colombia.
- ▶ DNP: Departamento Nacional de Planeación – National Planning Department. Entity in charge of Economic Planning in the country.
- ▶ EEB: Empresa de Energía de Bogotá. Holding shareholder of TGI.
- ▶ GNV: Gas natural vehicular – Vehicle natural gas.
- ▶ GPC: Giga cubic feet. Factor  $10^9$
- ▶ IED: Foreign direct investment.
- ▶ IPC: Colombian consumer price index.
- ▶ Km: Kilometers
- ▶ MEM: Peruvian Ministry of Energy and Mines.
- ▶ Mi: US miles.
- ▶ Mm/mm: million
- ▶ Mlm / Mlm: trillion
- ▶ PBS: Basic points, equivalent to 0.01%
- ▶ Pcd or pcd: cubic feet per day.
- ▶ SF: Superintendencia Financiera. Financial Superintendence. State agency in charge of regulation, oversight and control of the Colombian financial sector.
- ▶ TGI: Transportadora de Gas del Internacional.
- ▶ Tpc / tpc: Tera cubic feet. Factor  $10^{12}$
- ▶ TRM: Tasa representativa del mercado – Market Representative Rate; is an average of prices in which peso-dollar transactions are traded, calculated on a daily basis by the SF.
- ▶ R/P: Reserves production ratio.
- ▶ UDM: Last twelve months.
- ▶ UPME: State entity in charge of planning in the mines and energy sectors in Colombia.
- ▶ USD: US\$

#### Annex 6: Footnotes to tables

##### Footnote delinquent portfolio index table

- (1) Delinquent index is calculated measuring in arrears portfolio – exceeding thirty days – on amounts invoiced in the past twelve months.

[Return](#)

##### Foot notes Nº 3: Contractual structure

- (1) Contractual modality ensuring maximum volume of transported gas during a specific period of time. Remuneration of this type of contract may be per capacity and/or variable.
- (2) Contractual modality in which transport service may be interrupted by any of the Parties, irrespective of the reason behind such interruption, without giving rise to a compensation from the Party suspending service.

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##### Footnotes table Nº 4: Revenue structure

- (1) Regulation for gas transport in Colombia divides the rate to users, one part acknowledges investments and the other administration, operation and maintenance costs and expenses - AOM. The portion acknowledging investments is expressed in US\$ it's adjusted annually with IPP "Capital Equipment" from the USA and payable in

COP at the TRM at the end of each month. Portion acknowledged by AOM is defined in pesos and expressed annually with Colombian IPC.

- (2) Capacity charges or fixed charges make carrier maintain an available transport capacity in the event the client so requires. On the other hand, the client commits to paying such capacity irrespective of the volume transported.
- (3) Variable charges make carrier maintain an available capacity in the event the client so requires. However, and contrary to the foregoing, the client only pays what was transported but at a higher rate. In general terms, TGI clients maintain contracting schemes combining fixed and variable charges.
- (4) Occasional charges are the result of a scheme that does not generate an obligation in firm for the carrier. In other words, carrier has the right to interrupt when, for example, it deems fit to service in firm contracts.
- (5) Additional services render by the company, such as new connections or odorization.

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#### Footnotes table N° 6: Debt indicators

- (1) According to the international notes contract, company's net debt only takes into account TGI senior debt less cash value and temporary investments.
- (2) The sum of operational profit, amortizations, depreciations and reserves.
- (3) Interests incurred derived from TGI's financial debt.
- (4) The value of notes issued by TGI Internacional and endorses by TGI.
- (5) Corresponds to intercompany loans between TGI with EEB.

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#### Footnotes table N° 9: Operational indicators in Colombia

- (1) Nominal system transport capacity.
- (2) Average of actual volume transported.
- (3) A contracting modality binding TGI to maintain a determined volume available in its transport capacity when the client so requires.
- (4) It is the percentage usage of the gas pipeline and it is obtained as the ratio between nomination and transport capacity.
- (5) Is the actual gas transport capacity in a specific period vis-à-vis nominal capacity.
- (6) It is the difference between gas volumes received less gas delivered taking into account changes in inventories. It is measured in percentage terms as regards the volume received from clients. CREG acknowledges through its rates maximum losses of 1%.

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#### Footnotes table N° 11: Capex

- (1) Corresponds to those investments aimed at increasing the company's transport capacity.
- (2) Correspond to those investments aimed at maintaining the adequate status of company assets to allow normal working thereof and maintain transport capacity at its current levels.

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**Annex 7: Results Statement and EBITDA LTM**
**Table N° 13 – Detailed income of statement**

	COP Million		Variance		USD Million		Variance	
	3Q 13	3Q 12	COP	%	3T 13	3T 12	USD	%
<b>Operating revenue</b>	648,369	516,318	132,050	25.6	347.0	287.3	59.6	20.7
<b>Cost of sales</b>	190,040	180,633	9,407	5.2	101.9	100.4	1.4	1.4
Operating and maintenance	100,087	98,041	2,045	2.1	53.7	54.5	0.8	-1.5
Provisions, depreciation and amortization	89,954	82,592	7,361	8.9	48.2	45.9	2.3	4.9
<b>Gross margin</b>	458,328	335,685	122,644	36.5	245.1	186.9	58.2	31.1
Operating and Admin. Expenses	52,111	52,973	-862	-1.6	27.9	29.5	-1.6	-5.3
Personnel and general services	45,375	45,679	-304	-0.7	17.6	18.4	-0.8	-4.6
Provisions, depreciation and amortization	6,737	7,294	-557	-7.6	3.6	4.1	-0.4	-11.0
<b>Operating income</b>	406,217	282,712	123,505	43.7	217.2	157.4	59.8	38.0
<b>Non operating revenues</b>	17,627	186,103	-168,477	-90.5	9.5	104.8	-95.3	-90.9
Financial (1)	12,603	8,625	3,979	46.1	6.7	4.7	2.0	43.2
Foreign exchange (2)	0	163,191	-163,191	-100.0	0.0	92.2	-92.2	-100.0
Hedging Valuation (3)	-	-	-	-	-	-	-	-
Others	5,023	14,288	-9,265	-64.8	2.8	7.9	-5.1	-64.7
<b>Non operating expenses</b>	265,025	275,861	-10,836	-3.9	141.7	154.1	-12.5	-8.1
Financial (1)	94,653	233,058	-138,405	-59.4	50.7	130.0	-79.3	-61.0
Foreign exchange (2)	163,360	0	163,360	-	86.9	0.0	86.9	-
Hedging Valuation (3)	6,840	44,304	-37,464	-84.6	3.9	24.9	-21.0	-84.2
Others	172	1,501	-1,673	-111.5	0.1	0.8	-0.9	-111.4
<b>Profit before income tax</b>	158,819	192,954	-34,135	-17.7	85.0	108.1	-23.1	-21.3
Income tax	46,289	23,179	23,109	99.7	24.6	12.8	11.8	92.5
<b>Net income</b>	112,530	169,775	-57,245	-33.7	60.4	95.3	-34.9	-36.6

- (1) Includes financial yields for temporary investments.
- (2) Reflects impact of the revaluation of the peso as regards the valuation in pesos of assets and liabilities in foreign currency.
- (3) Reflects the valuation of hedging contracted by the company to reduce risk of paying the capital of debt in foreign currency.
- (4) Financial expenses related to company's debt.
- (5) Reflects the impact of the devaluation on the valuation in pesos of assets and liabilities of the company in foreign currency.
- (6) Reflects the valuation of hedging contracted by the company to reduce the risk of paying the capital of its debt in foreign currency due to a devaluation of COP.

**Table N° 14 – EBITDA LTM broken down**

COP MM	2012		2013		
	3Q	4Q	1Q	2Q	3Q
Operating profit LTM	365,835	372,856	404,848	449,340	496,362
Dep- Amortization and prov. LTM	134,006	146,894	150,985	154,598	153,698
<b>EBITDA LTM</b>	<b>499,841</b>	<b>519,751</b>	<b>555,833</b>	<b>603,938</b>	<b>650,060</b>
<b>EBITDA Margin LTM</b>	<b>74%</b>	<b>74%</b>	<b>75%</b>	<b>76%</b>	<b>78%</b>
Quarterly Revenue.	186,255	185,990	205,662	216,022	226,684
Operating and maintenance exp. Quarterly	69,330	71,888	61,586	66,594	61,860
Personnel and general expenses. Quarterly	16,516	23,958	18,388	16,330	17,394
Equity Tax	4,178	4,178	4,178	4,178	4,178
Dep- Amortization and prov. Quarterly	32,913	40,294	33,412	31,265	32,014
<b>Quarterly EBITDA</b>	<b>137,501</b>	<b>134,618</b>	<b>163,278</b>	<b>168,542</b>	<b>183,623</b>
<b>EBITDA Margin Quarterly %</b>	<b>74%</b>	<b>72%</b>	<b>79%</b>	<b>78%</b>	<b>81%</b>

**Annex 8: Financial information of TGI's main clients**

Company	Overview	Main clients served
	<ul style="list-style-type: none"> <li>▶ Largest gas producer in Colombia.</li> <li>▶ Publicly traded company controlled by the Colombian government</li> <li>▶ Strong corporate governance</li> <li>▶ Ratings: Foreign: Baa2 (Moody's) / BBB-(Fitch) / BBB(S&amp;P) ; AAA local</li> <li>▶ Firm contract for 7 years</li> </ul>	<ul style="list-style-type: none"> <li>▶ Refineries</li> <li>▶ Thermal generators</li> <li>▶ Trading</li> </ul>
	<ul style="list-style-type: none"> <li>▶ Main gas distributor in Colombia</li> <li>▶ Controlled by Spanish Gas Natural Fenosa; EEB holds 25% of the company's shares.</li> <li>▶ Ratings: AAA local</li> <li>▶ Firm contract for 21 years</li> </ul>	<ul style="list-style-type: none"> <li>▶ Residential <sup>(1)</sup></li> <li>▶ Small businesses.</li> <li>▶ Industries</li> <li>▶ Natural Gas for Vehicles</li> <li>▶ 2'443,335 users</li> </ul>
	<ul style="list-style-type: none"> <li>▶ Gas distributor in the Southwest region of Colombia</li> <li>▶ Private company controlled by Promigas with dominant presence in the state of Valle del Cauca</li> <li>▶ Ratings: AAA local</li> <li>▶ Firm contract for 7 years</li> </ul>	<ul style="list-style-type: none"> <li>▶ Residential <sup>(1)</sup></li> <li>▶ Industries</li> <li>▶ Natural Gas for Vehicles</li> <li>▶ 900,997 users</li> </ul>
	<ul style="list-style-type: none"> <li>▶ Main electricity generator in Colombia and gas distributor in the Northwest region of the country</li> <li>▶ Controlled by the City of Medellin</li> <li>▶ Ratings: Foreign: Baa3 (Moody's) / BBB-(Fitch) / BBB- (S&amp;P) ; AAA local.</li> <li>▶ Firm contract for 7 years</li> </ul>	<ul style="list-style-type: none"> <li>▶ Residential <sup>(1)</sup></li> <li>▶ Thermal generation</li> <li>▶ 802,729 users</li> </ul>
	<ul style="list-style-type: none"> <li>▶ Third electricity generator in Colombia</li> <li>▶ 57% controlled by the Colombian government</li> <li>▶ Ratings: Foreign: Baa3 (Moody's) / BBB (Fitch); AA+/BB+ local</li> <li>▶ Firm contract for 7 years</li> </ul>	<ul style="list-style-type: none"> <li>▶ Thermal generation</li> <li>▶ Trading</li> </ul>

Source: Company information.

(1) Residential users refer to the number of residencies served, not the population, which would be approximately five times larger.