

EEB 3Q 2015 EARNINGS CALL – KEY RESULTS AND DEVELOPMENTS

Conference Call Text

Operator:

Good morning ladies and gentlemen, and welcome to the EEB's Earnings Call - Results and Key Developments. As a reminder, this conference call is being recorded. Under the tab "Downloads" you will find today's presentation. I would now like to turn the call over to Mr. Felipe Castilla, EEB's Chief Financial Officer, parent company of Grupo Energía de Bogotá. Please go ahead Mr. Castilla.

Felipe Castilla:

Good morning and welcome to our Earnings Conference Call for the third quarter 2015 of Empresa de Energía de Bogotá -EEB- the parent company of Grupo Energía de Bogotá. The presentation is divided into four parts. In our first part, we will make some introductory comments and key updates of our strategy execution. Second, we will briefly review the main developments on our projects during this quarter. Third, we will have a look of EEB's financial performance during these nine months and the most important financial indicators. To conclude this conference we will be pleased to open the call to a Q&A session. Now, please move into slide number three in our presentation.

Before we start, as you know, these quarter results are the third presented under IFRS –International Financial Reporting Standards– as a result some accounting adjustments are still taking place and will take place on the first adoption years.

I will remind you of a brief overview of the structure of the Group. First of all we would like to highlight that we keep our record of growth in our main two businesses: natural gas and electricity, with our brand new services related companies. We maintain our diversified portfolio in terms of businesses and

segments and also by geography providing EEB with unique, leading combination in the region. Here we have presence in Colombia, Peru and Guatemala, and recently incorporated Brazil assets. In terms of our natural gas business, TGI our largest controlled subsidiary transported during this third quarter 555 mmscf/d and reached an EBITDA in the last 12 months of USD \$358 million maintaining almost 55% of market share.

Meanwhile as of September 2015, our largest natural gas Peruvian subsidiary, Calidda, reached a total EBITDA in last 12 months of USD \$100 million due to an increase in the number of customers. Currently, Calidda has 380,000 clients connected to their network. Among them new industrial, residential and NGV clients are considered. Contugas, our natural gas distribution company in Peru, as of September of this year has already reached more than 36,000 clients complying its contractual obligation for the second year surpassing its contractual obligations.

With regard to our local electricity business, as we have previously announced, we have been awarded by UPME to invest approximately USD \$940 million for the period 2014-2019 to strengthen the National Transmission System in Colombia. This project will be operational in the next three years and will contribute to EEB's annual revenue generation in more than USD \$80 million and to achieve 70% of market share in the local market.

In terms of TRECSA, our Guatemalan subsidiary has already come into stream with seven substations and this year we expect to receive on average an amount of USD 7.5 million. For the next year, income in stream expectation of USD \$60 million, and for year 2017 of USD \$26 million.

In regards of our associate companies we highlight that they keep their good operational performance and some of them as you probably notice decreed dividends in an anticipated way to EEB last year, which would have been accounted this year. We would also like to announce that El Quimbo, a project of our partner Emgesa is already on stream at the beginning of this week. This project has 400 megawatts in capacity, an investment up to date of USD \$1.2 billion, and a progress to date of almost 100%.

Moreover, general shareholders assemblies of Empresa de Energía de Cundinamarca –EEC, Distribuidora de Energía de Cundinamarca –DECSA and Codensa, during their extraordinary session held on October 9th approved the merger process between them. The merger, seen as a city-region integration project, will bring significant operating, financial, and market benefits also for company customers allowing comprehensive economic and social development of the region based on an integrated and unified electric power distribution infrastructure.

We have also started meetings with the commission named by the recently elected Mayor Mr. Enrique Peñalosa. During these meetings we have shared information of the current status of the Group in order to explain all discoverable operations and financial results attained so that that process will be successfully carried out.

In summary, I'd like to highlight that EEB has had a positive balance during the first nine months of 2015 by reaching an EBITDA last twelve months of \$2.3 Colombian billions pesos. Our strategy remains focused on leading in relevant energy markets by creating value to shareholders. We keep growing in new markets with strong partnerships within a disciplined CapEx plan.

Now, moving on the key updates section, the slide number 6 please. In the graph as you can see we have some disclaimer convergence of our process to IFRS. This year is the first year in which EEB is implementing the new accounting standards in Colombia. We are making some adjustments during this quarter. And we are having the first comparative sheets under IFRS that will end on December 31st of this year.

We are also analyzing the possibility of applying some equity participation methodology. We are working with our advisors in order to use this kind of accounting procedure.

I guess, uh, going now to the shareholders assembly decisions. Our main decision taken in the recent time was one extraordinary shareholders meeting that we held in the month of September. Our idea is to have some kind of counter guarantee for the assets that we bought in Brazil. Those assets have some loans with the BNDS and Banco do Brazil and in order to substitute the sellers with the new...with EEB, we have to present a guarantee for some specific time. And in that sense, EEB is going to counter guarantee the vehicle that we incorporated recently in Brazil to acquire those assets.

Regarding the Ecopetrol sale process, they started selling in the first phase of the Law 226 of 1995; Ecopetrol is trying to sell 6.87% of EEB's shares. During the first phase was sold 3.87% and there is a remaining 3.03% and they were offering in an international investor auction, and at the moment no orders were placed. That process was held in the month of October. The 3.03% stake remains to be offered during further phases of this process. It is important to mention that Ecopetrol opened the bid at the level of the share of \$1,815 while at the market was at the moment \$1,740. And I guess that was one of the problems for which they didn't receive any orders for acquiring those shares.

Going to the next slide, um, the other relevant point is related to Emgesa and the weather conditions. By the end of the quarter, at the end of the third quarter, Emgesa was continuing filling the El Quimbo reservoir. There is a very good news, and is that the operation started at the beginning of this week on November 23rd and now we have the project on stream. As a relevant issue, reservoirs and rain levels of the Emgesa plants are higher than the historical average, even with the challenging conditions that has El Niño Phenomenon. As of September 30, 2015 Emgesa reservoirs represented almost 42% of the Interconnected National System (SIN) reservoirs.

For EEB is more, as a group, which offers a more neutral situation, maybe on the side of TGI operation there is more gas transported. On the transmission lines there is no change in the conditions because they have fixed tariffs. And maybe there is a small portion of the electricity that is not sold under bilateral conditions that can be sold, but at the end I guess that it is a more neutral operation for EEB this current El Niño phenomenon.

Going to the TRECSA situation, on September 18th the company received the extensions for completing the project. We were granted two additional years to complete the project, now the deadline was extended until September 18, 2015, I'm sorry, 2017. The progress of this project reaches 56% by the end of the quarter. We already have 7 energized substations, 5 ready to energize, and we are continuing developing seven substations. Our expectation is that by the end of the year we will have revenues on the Trecca project in the level of USD \$7.5 million. During 2016 we expect that once we place some additional infrastructure on line the revenues will increase up to USD \$16 million, and by the end of 2017 we expect that the project will be fully operational and we will receive something like USD \$26 million from that year.

Another relevant issue was that we are in the process of merging EEC - DECSA and Codensa. In the General Assembly on October the 9th Empresa de Energía de Cundinamarca, DECSA and Codensa held the General Shareholders Assembly and approved the merger process among the companies. This merger will bring significant operating, financial and market benefits also for companies' customers in the region, in the region of Cundinamarca. Please go to the next slide.

On the side of TGI, we continue with the merging between our vehicle in Spain and TGI. That process was already presented to the general assemblies and is now under review by the Spanish authorities. Once we have that completed, they will come to Colombia and start the process with local authorities. And we expect that during the first half of 2016 that process will be finished. The current outstanding debt of IELAH, our Spanish vehicle, is...we started with USD \$645 million, at this moment we have an outstanding debt of USD \$394, and we have made two repayments, one was in March of 2015 with dividends that were coming from TGI and we repaid USD \$76 million, and in September 2015 we injected cash through an intercompany loan from TGI and we repaid USD \$175. For that reason, our current balance is USD \$394. We are expecting that in the next interest payment that is due in March 2016 we will prepay another USD \$175 and at that moment we expect that the outstanding debt will be in the level of USD \$290 million.

As in the case of EEB, TGI is implementing the IFRS and the only important issue regarding IFRS is that they decided, the company has decided to pay dollar as the functional currency. And now we are reporting our financial statements under US dollars.

In Transported Volume, TGI's average transported volume through its infrastructure is 555.3 mmscf/d, and maintained more than 55% of the market share until the closing of the third quarter.

Calidda, at the end of the third quarter has a client base of more than 317,000 customers. And Calidda also enjoys a local market share of more than 80% in number of clients in Peru.

Contugas also surpassed the amount that was obligated by the contract with the Government, and by the end of the quarter we have more than 36,000 customers connected to the service.

Going to the next slide, we have the consolidated strategy. As you can see in the left, on the top left side, the investment that has been made in the Group by subsidiaries in the third quarter of 2015 we have invested almost USD \$190 million, and is a little bit higher than the level we have for the previous year. In that graph you can see that in Mergers & Acquisitions (M&A) we are also including the recent acquisition in Brazil and we are including just the portion that we made in equity.

In the pies that you see on the bottom of the graph, you can see that in the USD \$180 million that we have invested in M&A we have invested almost 29%, in Transmission 14%, and in TGI almost 11% and in Calidda, in which we are incorporating almost 100,000 new users per year, we have invested almost 30% of what we have invested in the total Group.

If you see by countries, Colombia is USD \$58 million; Brazil in the acquisitions, in the equity portion is USD \$55, and in Peru, for the most part related to our gas distribution we have invested also USD \$58 million.

Going to the next slide, in the Associates, our main project at this moment and as we already announced was El Quimbo project that is, that project was built by Emgesa. 70% of the investment corresponded to Emgesa and from those, as you can see in the graph, almost USD \$366 million corresponded to El Quimbo project. And in the numbers, you see that this year our associates have invested USD \$545 million, Emgesa is the largest one, but we also have on Codensa some ongoing projects like Nueva Esperanza, Norte as one of the main sources for that company.

Going to the next slide, the financial review, please go to slide number 13. As you see, the revenues have been increased by 28% and we are trying to split on different activities. Transmission has recent revenues of 65% and that corresponds to new projects that have been on stream like the Alférez Substation and SVC Tunal. We also have on electricity distribution in the case of EEC, an increase of 11%. We also have the natural gas transportation that corresponds to our projects in Peru that has an increase in pesos of 25%. And our main project that is the natural gas, sorry, the natural gas transportation has an increase of 25% and now the natural gas distribution with 32% increase. That shows that our revenues have been growing from almost \$1.8 billion Colombian pesos to almost \$2.4 billion by the end of the third quarter of 2015.

In the next portion of the graph you will see how our profits have been increasing 37%, in which our main contributors are natural gas distribution and TGI on the natural gas transportation, that is almost 80% or 70% of the total profit of the Company.

Going to the following slide, you see that profit has been increased 44%. Finance income decreased due to lower dividends received through the financial

instruments –ISA and ISAGEN– with which we have very small participation. We reduced something like \$34 thousand million Colombian pesos.

Also as you can see, finance costs have increased due to greater debt services during the ending quarter of 2015. And we have a new debt at the level of TRECSA. We disbursed by the end of last year USD \$87 million, but in this year we have accrued for the full year and that increased COP \$25,000 million; the exchange difference at the level of EEB is COP \$27,000 million; the difference conversion at the level of TGI is in the level of almost COP \$23,000 million; and Calidda with almost COP \$10,000 million. Please remind that the exchange rate has increased significantly in Colombia during the period, from September last year to September of this year we have seen a devaluation of almost 60%.

We have an exchange gain increase in the third quarter due to devaluation of the Colombian peso as follows: in the level of EEB of COP \$133,000 million and at the level of TGI COP \$92,000 million; TRECSA and IELAH and also our vehicle in Brazil with almost COP \$21,000 million.

We also have an increase in equity method of our Associates. That number will be estimated until the end of this year and at this moment we are trying to fix that number. But please take into consideration that that number will be final by the end of 2015.

And also there is an increase on tax but more related to deferred tax at the level of TGI and Calidda, considering that they are using as functional currency the US dollar. And if you compare the regular life with the tax life, that number will create that deferred increase for those two companies.

Going to the following slide, this graph is the one that we always show and that shows that at this moment we have almost 61% of our revenues, if they are measured in the EBITDA, corresponds to controlled businesses, and that number compared with the 19% that we had 10 years ago. And that shows that we have been successfully changing our strategy in having more controlled businesses at the level of the Group.

In the pie that you can see on the right side, TGI, Emgesa and Codensa correspond with almost 70% of the EBITDA generated, but in any quarter you will see that businesses like Calidda, Contugas, and Trecca will have higher shares in the way that they will be more operational and they will generate more EBITDA for the Company.

If you see in the bottom right side, in the way that we have split by segments: Natural Gas Transportation, that is TGI, incorporates something like 45% of our EBITDA. On the Natural Gas Distribution 15%, Electricity Distribution 14%, Electricity Generation 20%, and Electricity Transmission 6%.

In the way that we are able to place on line the new transmission projects in the following years we believe that that percentage of sharing of participation of those businesses will increase in time.

Going to the next slide, our main indicators, as you can see the Net Debt to Consolidated Debt has increased from 2.41 to 3.27. That number corresponds mainly not to the way that we increase our debt but to the way in which some portion of our businesses come in Colombian pesos and most of our debt is in US dollars and that has been expressed in our indicators. But if you see in the level of Consolidated Debt, our debt has been decreasing in the way that we have been repaying some portion of our debt, and as you see by the end of 2014

we have more than USD \$3 billion in debt but at the end of this quarter we have USD \$2,776 million in outstanding debt. Our idea is that for the next quarter maybe we will decrease another USD \$175 and in that way in the future we are trying to substitute our debt in US dollars for, some portion, in COP pesos. And we are trying to structure some kind of long-term financing in COP pesos at the level of EEB for the following year.

In Debt Maturity is basically the same that we have been presenting in previous presentations. The only issue is that for year 2019 there is a reduction of \$175 million that correspond to the prepayment that we made at the level of the vehicle in Spain.

Going to the next slide, this is the behavior of our shares compared to the market. As you see, in the previous year the COLCAP index, the Colombian share index, has been decreased from 100 to 73.42, while in our case it has been increasing up to 104.82. That shows that our share has behaved almost more than 30% compared to the market.

In the dividends per share you see that there is a growing trend in the last year. For the last quarter of 2014 please remind that we made some prepayment, some anticipated payment dividends, and for that reason we increased our payment of dividends, but in first quarter of 2015 we didn't pay. And if you normalize those two numbers, you will see that it will be in the trend that we have in the previous year. We have a market capitalization of USD \$5.6 billion. Our target price considered by different types of analysts is in the level of \$1,839 and our current level is a little bit lower than the \$1,800 pesos per share. Our Dividend Payout Ratio in 2014 is 74%, and if you consider the average previous for 2008 to 2014 is 65%. And our Dividend Yield has been for 2014 in the range of 4.5% and for the period 2010 to 2014 in the level of 3.5%.

Now I will leave, if you have any questions at this moment. And we have several people that can also complement any question that you may have.

Operator:

Thank you. Ladies and gentlemen if you have a question or comment at this time then press the star key and then number one in your touchtone telephone. If your question has been answered or you wish to remove yourself from the queue press the pound key. Again, for questions just press the star key and the number one. One moment while we wait.

And our first question is from the line of Matthew Blanc from [unintelligible]. Your line is now open.

Matthew Blanc:

Hi everyone. Good morning. Thank you very much for the call and I'd like to make a couple of questions. I would like to know if you have quantified the synergy that you expect at the level of the merger for DECSA and EEC. And if you have quantified, you know, any cost reduction per year. And the second subject would be more about the leverage. Where do you see the leverage ending the year 2015? I see leverage ratio in controlled around 3.5. I see revenues at 3.3 as of September. So I would just like to know, you know, what are your thoughts for the year-end. And the last but not least, if you would publish how you would conciliate the last month's EBITDA and I would like to review in particular where the last update of IFRS stands regarding how you will account for the subsidiaries, whether they are controlled or just with the minority rate. Thank you very much.

Felipe Castilla:

Thank you. Your first question related to synergies between the merger of EEC and Codensa. At this moment we have some estimation of some cost reduction in the way that we are able to merge, but there are other benefits. For example, at this moment we have at retained earnings at the level of EEC in the level of COP \$150,000 million. But the company EEC doesn't have the cash to pay those dividends. Once we are able to merge those two companies, we will be able to distribute those retained earnings that will come from cash that is retained at the level of Codensa. And that's one of the main benefits that we have. And that situation will happen in the future because EEC has more dividends generated than cash to pay. And in the way that we are able to merge with Codensa, we will be able to distribute more dividends at the level of Codensa, of the merged Codensa. And that's the benefit that we have and also we are expecting that if we join those two companies there are going to be some savings, but those at this moment are like estimations but not, we are not very materialized and we don't want to say what kind of number because maybe it can be changed in the future.

Related to the leverage, we don't expect to increase our leverage by the end of this year. The only issue in which we are working is to substitute a short-term credit at the level of Trecca for a long-term credit but in the same amount. But we are not expecting to disburse any new debt by this year end at the level of EEB or any of its subsidiaries.

And the third question, can you remind me? Sorry for...it's something related to subsidiaries but can you remind me the question please?

Matthew Blanc:

Sure. Sure. The question was just what is the latest date of the IFRS exchange and how you would account for the subsidiaries whether they are controlled, like let's say with a 50% interest, or you have just a minority interest.

Felipe Castilla:

Yeah. Let's say, at the level of our controlled subsidiaries, let's say, our international subsidiaries they are already in IFRS. Our companies in Peru or Trecca or even the Brazilian assets are already in IFRS and we are not expecting to make any thorough adjustments. The ones that at this moment are under IFRS is EEB, TGI and EEC and they have already presented numbers under IFRS. Considering that they are under Group 1, the subsidiaries are also obliged to comply with the IFRS. Also, we are working on a jointly manner with Emgesa, Codensa, Gas Natural in the implementation of IFRS. They already have their plans but we have been working on the way that any kind of adjustment we need to be very clear about how it is going to affect EEB financially. And that's what I can tell you.

One of the issues is that this is a year that for companies like ours have had some adjustments because it's a full change in the accounting standards. There are also obligations, for example, in the financial statements at the level of EEB not the consolidated ones. We are also, at this moment we have to again incorporate the participation method because Colombian law establishes that we have to do it. And I guess that we also expect that some clarification or adjustment has to be made by the Government related in the way that we have now our financial statements. As I told you, and we have presented in previous presentations, we expect that during the completion of this year we will stabilize our financial information, financials, and in that way we will have a more stable numbers. I guess that at the end of this year we can make some additional adjustments.

Matthew Blanc:

Ok. Thank you and sorry. I didn't mean controlled, I meant companies in which you have a significant influence because so far I understand that in 2016 the way that you're gonna account for the dividends declared in favor of EEB is gonna change. So before it was like a revenue was accounted for as soon as the dividends were declared, but now it's gonna change it's gonna be accounted for by the equity participation method, which is just the participation you have in the net income of the subsidiaries. Is this correct?

Felipe Castilla:

Yes. And we are just doing that. We are at this moment companies like Emgesa, Codensa, Gas Natural, Promigas, we are using the...

Matthew Blanc:

The equity participation method.

Felipe Castilla:

[Inaudible] they are, they are at that phase.

Matthew Blanc:

Okay, perfect. And then you're gonna then change the way you calculate the consolidated EBITDA including then this equity participation method.

Felipe Castilla:

That's correct. The only issue is that our previous numbers, let's say, maybe not 2014 but previous numbers will be under different ranges of calculation.

Matthew Blanc:

Okay, perfect. And you're gonna, you will publish any time soon the reconciliation of the consolidated EBITDA under the new IFRS changes, from the changes in accounting?

Felipe Castilla:

Yeah. Uh, let's say, at this moment I believe that it's going to be when we finalize our 2015 numbers. At this moment we are making some adjustments and I guess that the main moment in which we can do that is in 2016.

Matthew Blanc:

Okay, perfect. Thank you very much for the explanations.

Felipe Castilla:

Thank you.

Operator:

And our next question is from the line of Andrés Duarte from Corficolombiana. Your line is now open.

Andrés Duarte:

Hello and thank you for the presentation. I wanted to know what are the estimates that you put on regarding the expected change in the way that electricity transmission and distribution are being remunerated. That's the first question. I also wanted to know if you are expecting some changes in the way that the transportation of gas is being remunerated here in Colombia. I know that the CREG must be focused in El Niño related topics right now but this is something that will definitely impact your results in the coming years. Thank you.

Felipe Castilla:

If you allow me, I am going to answer the second one and I will leave the first one to our regulatory people that is here with me. On the side of gas transportation, in our projections we are considering that that process will start having some impact on TGI in 2018. And I would like to highlight two types of different effects: one is related to the regulatory WAC and in that sense we are expecting that it's going to be, at least in our projections, that it's going to be a reduction. But also in the way that our assets are going to be valued. And we are taking into consideration methodologies that have been used by the CREG in previous years with other gas transportation companies. In that sense at the end in our projections we are considering that there is going to be a little reduction because on one side there's going to be a reduction due to WAC but in the other side we are expecting an increase in the way that our assets can be remunerated. And also in our projections we are considering that that will start from year 2018. I don't want to enter into in what segments, in what proportions it will affect one or the other, but it's the way [inaudible].

Andrés Duarte:

Okay. But one thing related to the WAC in relation to transportation. Um, I would expect that the tax reform that was considered for the distribution of gas would also be included here in the WAC calculation for the transportation business, right?

MV (male voice):

Yes. Yes. We expect that that modification would be included in the gas remuneration methodology, too.

Andrés Duarte:

Okay.

Felipe Castilla:

And, uh, now related to... Our regulatory people is going to answer in Spanish related to the distribution and transmission. And if necessary we can translate it to you. Just one second please.

Andrés Duarte:

Okay.

MV:

Okay. We decided to respond in English. About the distribution and transmission new methodology there are a new proposals that hopes to change the actual methodology especially in the form that recognizes the cost of the assets. We in this moment have a methodology of new value of the assets and we hope that that methodology change to a depreciated asset methodology change. We expect that this modification of the methodology have an impact on the valuation of the assets because the annual revenues that we have in this moment could be higher than that, excuse me, than that we can receive for the methodology of the depreciated value of assets. I don't know if you understand.

Andrés Duarte:

Yes. And what kind of information would we expect like the market and us if this change in the methodology actually occurs as expected. I mean we need much more information in order to make the different estimates regarding this remuneration if the methodology is changed. So what's like, what are your thoughts regarding this.

MV:

Well, we hope that in the long term the remuneration is the same but the annual revenues could be lower than the actual that we are receiving from the

regulation. But we don't have an estimated number for this regulatory change at this moment.

Felipe Castilla:

I do want to make an additional clarification. At this moment if you see revenues that are generated at the level of the transmission business in EEB, something like 70% come from all kind of remuneration and 30% from the new bids made by UPME that they have pre-established tariffs for the full for 25 years in which we will receive US dollar tariffs and they will be adjusted by some kind of inflation adjustment.

Andrés Duarte:

Okay.

Felipe Castilla:

In the year 2018 in which we are expected to see new bids will come in place, will come on stream, we will switch that percentage and that will be something like 70% of our revenues in the transmission business will come from businesses that have pre-established US dollar tariffs for 25 years and just only 30% will come from all kind of remuneration. That's just for clarification.

Andrés Duarte:

Okay, and what year are we talking about here? This expectation is since when?

MV:

Next year. 2016.

Andrés Duarte:

Okay.

MV:

The new remuneration; the new methodology remuneration.

Andrés Duarte:

Déjeme hacer una última pregunta en español. Qué pena porque no me hice entender ahoritica. Lo que le estaba preguntando respecto al tema de los activos y el remplazo por el activo depreciado era que dada la complejidad que tiene este tema por la información que uno requiere pues de los activos, qué tipo de información o cómo le iban a dar esa información al mercado o a los analistas para que hicieran sus cálculos. O era un promedio de simplemente vida media de todos los activos a los que les acoge esto. Eso es como lo que quiero dimensionar. Y perdón por los demás que estaban esperando las preguntas en inglés pero me parece importante aclararlo.

MV:

La propuesta regulatoria dice que se va a diseñar una metodología para determinar la antigüedad de los activos. En este momento esa metodología no ha sido expedida.

Andrés Duarte:

Ah, okay. Okay.

MV:

Se espera que la CREG diga cómo se va a calcular esa antigüedad. De todas formas, una vez establecida esa metodología de cálculo de la antigüedad de los activos, para los casos en que las empresas no la apliquen, se establece en la misma propuesta de resolución qué nivel de antigüedad promedio le va a

asignar esa resolución a todos esos activos. Pero sólo con el [inaudible] de que no se haga el ejercicio pues de la valoración real de la antigüedad.

Andrés Duarte:

Okay. Muchas gracias. Muchas gracias de nuevo.

Operator:

And we have a follow-up question from the line of Matthew Blanc from [unintelligible]. Your line is now open.

Matthew Blanc:

Yes, and thank you for the explanations. Just one quick question. Do you have any guidance for the different yields that you will be paying next year?

Felipe Castilla:

Uh, yeah. Let's say, it's early but you can consider that we are in the range of something in the level of 70 to 75 percent payout ratio. But consider that our profit of this year, our net profit will be lower than previous years considering the anticipated dividends paid last year.

Matthew Blanc:

Considering what? Sorry.

Felipe Castilla:

Considering that we have anticipated dividends last year and we received dividends [unintelligible] and for that reason they will reduce, they will reduce the net profit of this but in year 2016 and ahead we will have a stabilized financials. Please also consider that as of this year we had an extraordinary general assembly in which we decreed an additional payment of dividends. And by mid

2015 we will pay to the minority shareholders more than five hundred, or one hundred five [unintelligible] million pesos in extraordinary dividends and for the majority portion, the city portion, we will finance the COP \$250,000 million for the following payment.

Matthew Blanc:

Okay. Yeah. Thank you very much.

Operator:

And I'm not showing any further questions at this time. I will like to turn the call back to Felipe Castilla for final remarks.

Felipe Castilla:

Thank you very much. I guess that this has been a very good year for EEB. And we expect you by the end of this year with the last quarter results and thank you very much for your attendance.

Operator:

Ladies and gentlemen thank you for participating in today's conference. This concludes the program and you may all disconnect. Have a wonderful day everyone.