Transportadora de Gas Internacional S.A. E.S.P. and Subsidiary

Consolidated Financial Statements as of and for the years ended December 31, 2012 and 2013 and Independent Auditors' Report.

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. – TGI S.A. E.S.P.:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. AND SUBSIDIARY (the "Companies"), which comprise the balance sheets as of December 31, 2012 and 2013, and the income statements, statements of changes in shareholders' equity, changes in financial position and cash flows for the years then ended, (all expressed in millions of Colombian pesos) and the summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Colombia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in Colombia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Companies as of December 31, 2012 and 2013, and the results of their operations, the changes in their financial position and their cash flows for the years then ended in conformity with accounting principles generally accepted in Colombia.

Our audits also comprehended the translation of the Colombian peso amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. The translation of the financial statement amounts into U.S. dollars and the translation of the financial statements into English have been made solely for the convenience of the readers in the United States of America.

Deloitte & Touche Ltda.

Deloitte & Touche Ltda.
February 20, 2014

Bogotá, Colombia

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2012 AND 2013
(Expressed in millions of Colombian pesos (Col$) and thousands of U.S. dollars (U.S.$) - see note 1)

		As of December 31,					
ASSETS	**Note**		**2012**		**2013**		
CURRENT ASSETS:							
Cash and cash equivalents	3	Col$	275,334	Col$	694,265	U.S.$	360,315
Restricted cash			7,114		7,752		4,023
Accounts receivable, net	4		96,934		124,436		64,581
Inventories, net			31,465		30,497		15,828
Other assets, net	7		3,067		4,206		2,183
Assets held for sale	6		-		8,246		4,280
Total current assets			413,914		869,402		451,210
Permanent investments	5		38,934		32,363		16,796
Long-term accounts receivable, net	4		8,440		18,415		9,557
Property, plant and equipment, net	6		2,959,824		2,872,731		1,490,910
Long-term other assets, net	7		1,311,717		1,312,351		681,093
Revaluation of assets			354,495		634,578		329,338
Total assets		Col$	5,087,324	Col$	5,739,840	U.S.$	2,978,904
MEMORANDUM ACCOUNTS	21	Col$	308,323	Col$	303,464	U.S.$	157,494
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES:							
Financial obligations	8	Col$	26,170	Col$	28,521	U.S.$	14,802
Accounts payable	10		66,513		79,837		41,434
Labor obligations			1,885		2,533		1,315
Deferred income			215		232		120
Collections on behalf of third parties	13		11,913		16,401		8,512
Provisions	14		13,818		7,692		3,992
Total current liabilities			120,514		135,216		70,175
LONG-TERM LIABILITIES:							
Financial obligations	8		2,196,459		2,389,592		1,240,168
Accounts payable	10		16,713		-		-
Provisions	14		5,947		16,654		8,643
Other liabilities	15		127,542		159,067		82,554
Total long-term liabilities			2,346,661		2,565,313		1,331,365
Total liabilities		Col$	2,467,175	Col$	2,700,529	U.S.$	1,401,540
SHAREHOLDERS' EQUITY:	16						
Capital stock			1,565,487		1,565,487		812,468
Premium on stock issuance			-		196		102
Reserves			455,565		702,947		364,820
Surplus from equity method			(3,078)		52		27
Surplus from revaluation of assets			354,495		640,562		332,444
Net income			247,680		130,067		67,503
Total shareholders' equity			2,620,149		3,039,311		1,577,364
Total liabilities and shareholders' equity		Col$	5,087,324	Col$	5,739,840	U.S.$	2,978,904
MEMORANDUM ACCOUNTS	21	Col$	308,323	Col$	303,464	U.S.$	157,494

The accompanying notes are an integral part of these consolidated financial statements.

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. AND SUBSIDIARY

CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013
(Expressed in millions of Colombian Pesos (Col$) and thousands of U.S. dollars (U.S.$) - see note 1)

	Note		For the years ended 2012		2013		
Operating revenues:							
Capacity charges		Col$	570,125	Col$	722,920	U.S.$	375,186
Variable charges			91,618		96,449		50,056
Non-recurring charges			25,955		37,400		19,410
Other revenues			14,610		17,876		9,277
			702,308		874,645		453,929
Cost of sales:	17						
Operating costs			(131,492)		(150,799)		(78,263)
Depreciation, amortization and provisions			(121,029)		(120,709)		(62,646)
			(252,521)		(271,508)		(140,909)
Gross margin			449,787		603,137		313,020
ADMINISTRATIVE EXPENSES:	18						
Operating expenses			(44,997)		(49,684)		(25,785)
Depreciation, amortization and provisions			(15,220)		(68,683)		(35,646)
Equity tax			(16,713)		(16,713)		(8,674)
			(76,930)		(135,080)		(70,105)
OPERATING INCOME			372,857		468,057		242,915
Exchange (loss) gain			194,276		(176,974)		(91,847)
Non-operating income	19		31,466		70,539		36,609
Non-operating expenses	20		(318,179)		(147,245)		(76,418)
INCOME BEFORE INCOME TAX			280,420		214,377		111,259
Income tax	12		(32,740)		(84,310)		(43,756)
NET INCOME		Col$	$ 247,680	Col$	$ 130,067	U.S.$	$ 67,503

The accompanying notes are an integral part of these consolidated financial statements.

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013
(Expressed in millions of Colombian Pesos (Col$) and thousands of U.S. dollars (U.S.$) - see note 1)

	Capital stock	Premium on stock issuance	Reserves	Surplus from equity method	Surplus from revaluation of assets	Net income	Total shareholders' equity
BALANCE AS OF DECEMBER 31, 2011	Col$ 1,139,054	Col$ 426,433	Col$ 429,951	Col$ 609	Col$ 354,682	Col$ 25,614	Col$ 2,376,343
Transfers	-	-	25,614	-	-	(25,614)	-
Capitalization of premium on placement of shares	426,433	(426,433)	-	-	-	-	-
Changes to valuation surplus	-	-	-	-	(187)	-	(187)
Surplus equity method	-	-	-	(3,687)	-	-	(3,687)
Net income	-	-	-	-	-	247,680	247,680
BALANCE AS OF DECEMBER 31, 2012	1,565,487	-	455,565	(3,078)	354,495	247,680	2,620,149
Transfers	-	-	247,680	-	-	(247,680)	-
Issue of shares	360	196	-	-	-	-	556
Repurchase of shares	(360)		(298)	-	-	-	(658)
Changes to valuation surplus	-	-	-	-	286,067	-	286,067
Surplus equity method	-	-	-	3,130	-	-	3,130
Net income	-	-	-	-	-	130,067	130,067
BALANCE AS OF DECEMBER 31, 2013	Col$ 1,565,487	Col$ 196	Col$ 702,947	Col$ 52	Col$ 640,562	Col$ 130,067	Col$ 3,039,311
BALANCE AS OF DECEMBER 31, 2013	U.S.$ 812,468	U.S.$ 102	U.S.$ 364,820	U.S.$ 27	U.S.$ 332,444	U.S.$ 67,503	U.S.$ 1,577,364

The accompanying notes are an integral part of these consolidated financial statements.

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013
(Expressed in millions of Colombian Pesos (Col$) and thousands of U.S. dollars (U.S.$) - see note 1)

	For the years ended					
		2012		2013		
WORKING CAPITAL PROVIDED:						
Net income	Col$	247,680	Col$	130,067	U.S.$	67,503
Depreciation and amortization		120,236		126,834		65,825
Unrealized exchange (gain) loss		(195,887)		178,053		92,407
Equity tax		16,713		16,713		8,674
Equity method		3,211		9,754		5,062
Deferred taxes		14,921		30,143		15,644
(Gain) loss on sale of assets		(92)		150		78
Hedging instruments		47,794		4,162		2,160
(Recoveries) Provisions		(2,387)		14,928		7,748
Working capital provided by operations		252,189		510,804		265,101
Transfer of assets held for sale		-		8,246		4,280
Increase in provisions		-		16		8
Increase in financial obligations		-		11,339		5,885
Total working capital provided		252,189		530,405		275,274
WORKING CAPITAL USED:						
Increase in permanent investments		(4,884)		(52)		(27)
Increase in long-term accounts receivable		(4,627)		(9,975)		(5,177)
Increase in property, plant and equipment		(325,362)		(57,785)		(29,989)
Payment of surplus in repurchase of shares		-		(102)		(53)
Increase in other assets		(1,339)		(4,992)		(2,591)
Equity tax		(16,713)		(16,713)		(8,674)
Total working capital used		(352,925)		(89,619)		(46,511)
(DECREASE) INCREASE IN WORKING CAPITAL	Col$	(100,736)	Col$	440,786	U.S.$	228,763
CHANGES IN COMPONENTS OF WORKING CAPITAL:						
Cash and cash equivalents		(69,442)		419,569		217,751
Restricted cash		(733)				-
Accounts receivable		(28,992)		27,502		14,273
Transfer of assets held for sale		-		8,246		4,280
Inventories		4,682		(968)		(502)
Other assets		374		1,139		591
Financial obligation - merger effect		10,011		-		-
Accounts payable		(8,098)		(15,675)		(8,135)
Labor obligations		(700)		(648)		(336)
Collections on behalf of third parties		(1,756)		(4,488)		(2,329)
Deferred income		12		(17)		(9)
Provisions		(6,094)		6,126		3,179
(DECREASE) INCREASE IN WORKING CAPITAL	Col$	(100,736)	Col$	440,786	U.S.$	228,763

The accompanying notes are an integral part of these consolidated financial statements.

TRANSPORTADORA DE GAS INTERNACIONAL S.A. E.S.P. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013
(Expressed in millions of Colombian Pesos (Col$) and thousands of U.S. dollars (U.S.$) - see note 1)

	For the years ended					
		2012		2013		
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income	Col$	247,680	Col$	130,067	U.S.$	67,503
RECONCILIATION BETWEEN NET INCOME AND NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Depreciation and amortization		120,236		126,834		65,825
Unrealized exchange (gain) loss		(200,272)		179,477		93,146
Equity method		3,211		9,754		5,062
Equity tax		16,713		16,713		8,674
Deferred taxes		14,921		30,143		15,644
(Gain) loss on sale of assets		(92)		702		364
Hedging instruments		47,794		4,162		2,160
Recoveries and provisions		8,017		13,257		6,880
		258,208		511,109		265,258
CHANGES IN OPERATING ASSETS AND LIABILITIES, NET:						
Restricted cash		733		(638)		(331)
Accounts receivable		16,133		(37,430)		(19,426)
Inventories		(5,169)		239		124
Other assets		(1,713)		(6,433)		(3,339)
Accounts payable		(4,178)		(2,545)		(1,321)
Labor obligations		700		648		336
Collections on behalf of third parties		1,756		4,488		2,329
Deferred income		(12)		17		9
Provisions		4,357		(3,659)		(1,899)
Net cash provided by operating activities		270,815		465,796		241,740
CASH FLOWS USED IN INVESTING ACTIVITIES:						
Increase in permanent investments		(4,884)		(52)		(27)
Increase in property, plant and equipment		(325,362)		(57,785)		(29,990)
Increase in other assets		-		(265)		(138)
Net cash used in investing activities		(330,246)		(58,102)		(30,155)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of surplus in repurchase of shares		-		(102)		(53)
(Decrease) increase in financial obligations		(10,011)		11,339		5,885
Net cash (used in) provided by financing activities		(10,011)		11,237		5,832
Net (decrease) increase in cash		(69,442)		418,931		217,420
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS		344,776		275,334		142,895
ENDING BALANCE OF CASH AND CASH EQUIVALENTS	Col$	275,334	Col$	694,265	U.S.$	360,315

The accompanying notes are an integral part of these consolidated financial statements.

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Operations – Transportadora de Gas Internacional S.A. E.S.P. ("TGI" or together with its subsidiary, the "Company"), is a stock corporation (*sociedad anónima*) organized as a public services company (*empresa de servicios públicos*) under the laws of Colombia and dedicated to the transportation of natural gas.

The Company was formed by public deed number 67 on February 16, 2007 by Notary eleven (11) of Bucaramanga registered at the Chamber of Commerce (*Cámara de Comercio*) of Bucaramanga on February 19, 2007 for an indefinite period. TGI's corporate purpose is the planning, organization, construction, expansion, extension, maintenance, operation and commercial use of its own natural gas transportation systems. It can also commercially benefit from the capacity of pipelines owned by third parties who pay an availability fee.

On March 2, 2007, TGI consummated the acquisition of the Ecogás Business for a purchase price of Col$ 3,25 trillion (approximately US$1,47 billion). As part of the Ecogás business, TGI acquired the TGI pipeline system, which consists of (i) six natural gas pipelines and several branches, which are either owned and operated by TGI or owned by TGI and operated by independent contractors pursuant to operation and maintenance contracts originally entered into with Ecogás and transferred to TGI as part of the Ecogás Disposition Program, and (ii) three natural gas pipelines, which are owned, operated and maintained by third parties and made available to TGI under certain build, operate, maintain and transfer contracts, or BOMT contracts, or under the Transfer Agreement *(Contrato de Enajenación de los Activos y Cesión de los Derechos y Contratos de Ecogás).*

Summary of Significant Accounting Policies and Practices - These financial statements have been prepared by the Company in accordance with accounting principles generally accepted in Colombia, or Colombian GAAP. The effects of the differences between Colombian GAAP and the accounting principles generally accepted in the countries in which these financial statements are to be used have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations, shareholders' equity or cash flows in accordance with accounting principles generally accepted in the countries of users of the financial statements, other than Colombia. For the convenience of English language readers outside Colombia, the financial statements have been translated into English.

The Company's financial statements are prepared pursuant to standards set forth in the Accounting Manual for Domiciliary Public Utilities Providers ("*Plan de Contabilidad para Entes Prestadores de Servicios Públicos Domiciliarios*"), established by the Office of the Superintendency of Domiciliary Public Services (SSPD), which conform to Colombian GAAP. The main accounting policies and practices followed by the Company are summarized below:

a. *Consolidation* – The consolidated financial statements include the accounts of Transportadora de Gas Internacional S.A. E.S.P. consolidated with its subsidiary, applying the method of global consolidation, which consists of incorporating into the consolidated financial statements, all assets, liabilities, equity and results of the subsidiary, with the elimination of the investments and the reciprocal operations. All significant intercompany operations were eliminated in the consolidation.

   The accompanying consolidated financial statements include the financial statements of TGI and subsidiary:

   - TGI International Ltd. is incorporated in the Cayman Islands in order to serve as an investment vehicle.

   Selected information from the individual balance sheets and income statements of TGI and subsidiary as of December 31, 2012 and 2013 and for the years then ended are as follows:

December 31, 2012

		TGI		TGI International Ltd.
Balance sheets:				
Total assets	Col$	5,087,326	Col$	2
Total liabilities		2,467,177		-
Shareholders' equity		2,620,149		2
Income statements:				
Operating revenues		702,308		-
Net income		247,680		-

December 31, 2013

		TGI		TGI International Ltd.
Balance sheets:				
Total assets	Col$	5,739,842	Col$	2
Total liabilities		2,700,531		-
Shareholders' equity		3,039,311		2

	TGI	TGI International Ltd.
Income statements:		
Operating revenues	874,645	-
Net income	130,067	-

b. *Accounting period* – The Company, in accordance with its by-laws, prepares and discloses general purpose financial statements once a year, as of December 31st. During the year, the board of directors may authorize other interim closings of the financial statements.

c. *Foreign currency transactions* – Foreign currency transactions and balances denominated in a currency other than the Colombian peso are translated into Colombian pesos at the official exchange rate (*Tasa Representativa del Mercado*) as certified by the Colombian Financial Superintendency. Exchange gains and losses resulting from accounts payable and liabilities denominated in foreign currency that resulted from the acquisition of inventories and property, plant and equipment are capitalized until the asset is in condition to be used or sold. All other exchange gains and losses are included in operations. The official year-end exchange rates (Col$/US$) used to translate the foreign currency assets and liabilities were:

December 31, 2012	Col$	1,768.23
December 31, 2013		1,926.83

d. *Inventories* – Inventories primarily consist of parts valued at their corresponding acquisition cost. The carrying values shown do not exceed their estimated net realizable values and are charged to income on the basis of weighted average cost.

e. *Allowance for doubtful accounts* – TGI determines the allowance on the basis of the aging and individual analyses of the creditworthiness of its customers.

f. *Temporary investments* – Are initially recorded at cost and subsequently valued at market prices. Profits and losses on valuation to market prices are recorded within the current period results.

g. *Permanent investments* – All investments made in shares of controlled companies are consolidated. Investments made in non-controlled companies are recorded at their acquisition cost. If the investee is not controlled by any other member in the group, the investment is valued at market value, if available, or at the Company's participation in the carrying value of equity of the investee, if market value information is not available. This adjustment is recognized through "Revaluation of assets" with a corresponding entry to "Surplus from revaluation of assets in equity". If the adjustment is unfavorable, once the surplus account in equity is exhausted, the excess is recognized within results. If the investee is controlled by other members of the group, the investment is valued using the equity method and the Company's participation in the results of the investee are recognized within results of the year.

h. *Property, plant and equipment* – The property, plant and equipment acquired is recorded at historical cost.

Depreciation is computed applying the straight-line method. Annual depreciation average rates applied are as follows:

	TGI
Buildings	2% to 6.67%
Gas pipelines	1.37% to 50%
Plants, ducts and stations	0.83% to 50%
Machinery and equipment	2.13% to 20%
Furniture and fixtures	4.35% to 100%
Communication equipment	2.04% to 50%
Computer equipment	5.56% to 100%
Transportation equipment	5%
Other equipment	20% to 50%

For accounting purposes, the Company does not estimate any salvage value for its assets since it deems such value to be relatively immaterial; consequently, assets are fully depreciated.

Maintenance and repair expenses are charged to operations as incurred. Retirement, sales and disposals of assets are recorded by removing the cost and accumulated depreciation from the asset and accumulated depreciation accounts with any related gain or loss reflected in other non-operating income or expense.

i. *Revaluation of assets*– This account corresponds to the difference between the net carrying value of assets, and their value determined by technical appraisals. Such revaluation of assets is recorded in the non-current assets account "Revaluation of assets" with the offsetting entry credited to the shareholders' equity account "Surplus from revaluation of assets". Assets are revalued every three years based on technical appraisals. Revaluations are performed on specific asset groups. If the revaluation results in a decrease in the carrying value of the assets, the charge is first recorded against any surplus associated with the individual assets or class of assets, and any decrease in excess of the existing surplus is charged against income.

This account also includes differences between the cost of permanent investments and their value under the equity book value *"valor intrínseco"*.

j. *Other assets* –

Prepaid O&M expenses under BOMT Contracts – These correspond to payments made in advance covering operating and maintenance costs of gas pipelines according to the BOMT contracts. Such costs are amortized using the straight-line method during the remaining lives of the BOMT contracts, as follows:

BOMT Contract	Annual depreciation rate	Period
Transgás BOMT Contract (Mariquita – Cali Pipeline)	9.61%	10.4 years

Rights paid for Ecogás – Corresponds to the difference between the amount paid by TGI and the net fair value of the assets, rights and contracts acquired in the Ecogás acquisition. They are amortized using the straight-line method using an estimated life of 65 years.

Other intangible assets from BOMT contracts – Corresponds to the net replacement cost of the construction portion of every pipeline asset built pursuant to a BOMT contract estimated by a technical appraisal. These costs are amortized using the straight-line method over the remaining estimated life of the pipelines, as follows:

BOMT Contract	Annual depreciation rate	Period
Transgás BOMT Contract (Mariquita – Cali Pipeline)	1.81%	55 years

Rights of way – Correspond to the net book value that is recorded at the time of disposal of the assets, rights and contracts. Rights of way are amortized using the straight-line method based on an estimated useful life of 65 years.

Software and licenses - Correspond to the costs incurred in the purchase of computer software and licenses, which are amortized using the straight-line method over a period of five years.

Trust rights – The Company records as trust rights the net value of the contractual rights and obligations arising from the commercial trust agreements. In addition, it accrues monthly, as income or expense, the net value of the income and expense earned or incurred by the Commercial Trust.

In accordance with Colombian GAAP, the Company does not consolidate the financial statements of the trust since it is a *"patrimonio autónomo"*.

k. *Income tax provision* – The income tax provision and income tax for equality CREE is determined based on the taxable profit or presumptive income, whichever is higher, estimated at rates specified in the tax law. The effect of temporary differences that implies the payment of a lower or greater tax in the current year, calculated at current rates, is recorded as a deferred tax asset or liability, as applicable, provided that there is reasonable expectation that those differences will reverse in the foreseeable future.

l. *Labor obligations* – Correspond to TGI's obligations for mandatory and voluntary fringe benefits under applicable labor agreements, as well as employee severance, interest on severance, bonuses, vacation accruals and contributions for social security. These obligations are recorded on an accrual basis.

m. *Collections on behalf of third parties* – Correspond to the obligations resulting from collection of taxes, contributions and other items in favor of public entities, based on legal regulations. These mainly include the transportation tax, industry contribution and development quota.

n. *Hedging instruments* – The Company carries out operations with derivative financial instruments, in order to reduce its exposure to fluctuations in the exchange rate of its obligations in foreign currency. These agreements are adjusted monthly to their market value and the resulting adjustment is recorded in the profit and loss account.

o. *Revenue recognition* – Revenues from the sales of gas transportation services are recorded based on output delivery and capacity provided at rates as specified under contract terms. Revenues include unbilled sales of transportation services for which services have been provided, but have not been billed at period-end. These amounts are included in current assets, as accounts receivable.

p. *Equity tax* – The Company records the equity tax expense as a deferred other asset to be amortized on a straight-line basis during four years.

q. *Use of estimates* – The preparation of financial statements in conformity with Colombian GAAP requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

r. *Statements of cash flows* – Statements of cash flows were prepared using the indirect method, which includes the reconciliation of annual net income or loss to net cash provided by operating activities.

s. *Cash equivalents* – For purposes of presentation in the statement of cash flows, the Company classifies current temporary investments within cash equivalents.

t. *Convenience translation to U.S. dollars* - The U.S. dollar amounts presented in the accompanying financial statements have been translated from the Colombian peso solely for the convenience of the readers at the exchange rate of Col$1,926.83 per U.S. dollar as of December 31, 2013. Such translations should not be construed as representations that the Colombian peso amounts represent or have been or could be converted into U.S. dollars at that rate or any other rate.

u. *Memorandum accounts* – Include contingent rights and obligations, as well as control and tax accounts.

v. *Reclassifications* - Certain amounts in the 2012 consolidated financial statements have been reclassified to conform to the presentation of the 2013 consolidated financial statements.

Convergence to International Financial Reporting Standards – According to the provisions of Law 1314 of 2009 and regulatory Decree 2784 of December 2012, the Company has the obligation to initiate the convergence process of accounting principles generally accepted in Colombia to International Financial Reporting Standards (IFRS). For this purpose, the Technical Council of Public Accounting issued the Strategic Guidelines classifying the companies into three groups.

Given that the Company belongs to Group 1 the mandatory transition period starts on January 1, 2014 and the issuance of the first comparative financial statements under IFRS will be December 31, 2015.

Derived from Decree 2784 of December 28, 2012, the Financial Superintendence of Colombia issued Circular Letter No. 10 of 2013 whereby it indicates that the Company must present an implementation plan to IFRS before February 28, 2013.

During year 2013 the Company performed the activities of preparation and adaptation of technical and human resources in order to carry out the process of convergence to International Financial Reporting Standards in accordance with legal requirements.

2. FOREIGN CURRENCY ASSETS AND LIABILITES

As of December 31, 2012 and 2013, the following assets and liabilities in foreign currency are included within the accompanying consolidated financial statements, which are recorded at their equivalent in Colombian pesos as of such date:

	2012				2013			
Assets	US$	39,681	Col$	70,166	US$	36,860	Col$	71,023
Liabilities		1,259,739		2,227,510		1,251,844		2,412,091
Net liability position	US$	1,220,058	Col$	2,157,344	US$	1,214,984	Col$	2,341,068

3. CASH AND CASH EQUIVALENTS

	2012		2013	
Cash	Col$	2	Col$	2
Banks		251,585		464,458
Temporary investments- Term deposit certificates		23,747		229,805
	Col$	275,334	Col$	694,265

4. ACCOUNTS RECEIVABLE

		2012		2013
Customers	Col$	63,715	Col$	90,502
Advances		10,785		13,963
Recoverable taxes		458		301
Deposits		13,845		14,001
Related parties (Note 11)		12,278		9,800
Others		12,611		22,595
		113,692		151,162
Less– Allowance for doubtful accounts		(8,318)		(8,311)
		105,374		142,851
Less – Short-term accounts receivable		(96,934)		(124,436)
Long-term accounts receivable	Col$	8,440	Col$	18,415

5. PERMANENT INVESTMENTS

Concentra Intelligence Energy	Col$	84	Col$	84
Contugás S.A.C.		38,859		32,288
		38,943		32,372
Less - Valuation allowance for investments		(9)		(9)
	Col$	38,934	Col$	32,363

Contugás S.A.C. – Contugás S.A.C. (formerly Transportadora de Gas Internacional del Perú S.A.C.) was incorporated on June 13, 2008. EEB and TGI own 75% and 25% of capital stock, respectively. During 2010, Contugás received a capital increase amounting to USD$80 million in order to undertake a gas distribution project in the department of Ica-Perú. EEB contributed USD$60 million and TGI USD$20 million, respectively. During 2012 TGI contributed US$2,725 and in 2013 there were no capitalizations. Financial information of Contugás is as follows:

Total assets	Col$	389,501	Col$	677,605
Total liabilities		(234,064)		(548,454)
Total shareholders´ equity	Col$	155,437	Col$	129,151
Net income (loss)	Col$	(12,843)	Col$	(39,019)

As of December 31, 2013, the investment value is Col$32,288, after recognizing a loss of Col$9,755 originating from the application of the equity method. As of December 31, 2012, the investment value amounts to Col$38,859, after recognizing a loss of Col$3,211 from the application of the equity method.

6. PROPERTY, PLANT AND EQUIPMENT, NET

	2012	2013
Current assets held for sale:		
Buldings (1)	Col$ -	Col$ 8,246
Non - current assets, non-depreciable:		
Land	Col$ 7,552	Col$ 7,279
Construction in-process (2)	40,468	22,812
Unused property, plant and equipment	114	115
Movable assets in the warehouse	151	153
Equipment and materials in the warehouse	22	23
	48,307	30,382
Non - current assets, depreciable:		
Buildings	37,915	71,238
Gas pipelines, Plant, ducts and stations (3)	3,235,252	3,272,516
Machinery and equipment	15,015	20,879
Furniture and fixtures	2,843	3,100
Communication and computer equipment	9,626	5,479
Transportation equipment	4	388
Other equipment	24	26
	3,300,679	3,373,626
Less- Accumulated depreciation	(316,650)	(407,746)
Property, plant and equipment impairment provision	(72,512)	(123,531)
	Col$ 2,911,517	Col$ 2,842,349

(1) Due do the transfer of the main office of TGI from Bucaramanga to Bogota in 2013, the Company decided to hold sale the facilities of the Bucaramanga´s offices.

(2) As of December 31, 2013 it corresponds mainly to the working progress contracts for the expansion project that is carried out in compression station the Sabana for Col$16, and Ecopetrol adequacy counterflow for Col$1.635. As of December 31, 2012 it correspond mainly to the progress of the works expansion project Ballenas – Barranca for $18.086, expansion project Cusiana Phase II for Col$576.874.

(3) In 2013 the following assets were recorded mainly within the item of plants and ducts: Rio Magdalena Crossing Project for $4,283 and Cusiana Phase II expansion project for $39,639 (Cusiana Phase II $576,874 in 2012).

7. OTHER ASSETS

		2012		2013
Prepaid expenses	Col$	47,010	Col$	38,880
Deferred charges - net		67,035		52,804
Trust rights		940		1,204
Intangibles (1)		1,389,846		1,391,977
		1,504,831		1,484,865
Less – Accumulated amortization		(143,688)		(168,308)
		1,361,143		1,316,557
Less – Impairment of BOMT rights		(46,359)		-
		1,314,784		1,316,557
Less – Current portion		(3,067)		(4,206)
	Col$	1,311,717	Col$	1,312,351

(1) As of December 31, 2012 and 2013, the balance corresponds mainly to the rights under BOMT contracts for Col$979,481 and rights paid for Ecogás Col$318,191.

8. FINANCIAL OBLIGATIONS

	Interest rate	Maturity date		2012		2013
Senior notes (1)	5.70%	20/03/2022	Col$	1,326,173	Col$	1,445,123
Related parties subordinated (Note 11) (2)	6.125%	21/12/2022		654,245		712,927
Leasing operations (3)	DTF+2.9 TA			-		11,339
Interest				26,170		28,521
Hedging instruments				216,041		220,203
				2,222,629		2,418,113
Less – Current portion				(26,170)		(28,521)
			Col$	2,196,459	Col$	2,389,592

(1) At the Board of Directors meeting held on December 16, 2011, the Directors approved various debt management operations whereby the senior credit obtained with HOLLANDSCHE BANK-UNIE N.V. (now ROYAL BANK OF SCOTLAND –RBS) dated October 3, 2007, which is mirror of the bonds issued by TGI International Ltd. on the same date, substituted by one or several issues of international bonds issued directly

by TGI for up to USD 750 million, from May 2, 2012 and April 6, 2012. The above mentioned bonds were paid off in advance and TGI issued directly new bonds under the following conditions:

Amount:	USD$ 750,000,000
Interest rate:	5.7% annual, biannually in arrears
Issue date:	March 20, 2012
Maturity date:	March 20, 2022

(2) As of December 31, 2013 and 2012, the debt in foreign currency with EEB majority stockholder amounts to USD$370 million . EEB, during its debt restructuring process exercised in December 2011, through its affiliate EEB International Ltd., the repurchase option of bonds for US$610 million with a rate of 6.125% and a term of 10 years improving the rate and other term conditions that existed. Accordingly, the Company modified the terms of the intercompany credit with EEB with similar terms to the bonds that EEB issued in 2007.

(3) On August 29 and October 31, 2013, the Company entered into leasing agreements for the purchase of the offices in Bogota, in which TGI is going to have its main domicile, these agreements were entered into with Leasing Banco de Occidente and Banco de Bogota. The conditions of these agreements are the following:

Amount:	$4,602
Interest rate:	DTF + 2.9 TA. monthly payments
Issue date:	August 29, 2013
Maturity date:	December 29, 2021

Amount:	$6,806
Interest rate:	DTF + 2.9 TA. monthly payments
Issue date:	November,18, 2013
Maturity date:	November,18, 2023

The intercompany debt with EEB is explicitly subordinated to TGI's Senior Notes. A subordination agreement was executed between TGI, EEB and the Trustee (Bank of New York). Although the interest payable under the intercompany debt is not subordinated, in the event of a bankruptcy event, subordination of the interest payment will depend on whether a default or event of default exists. Given the subordination of the debt, acceleration of the debt is not permitted until the Senior Notes have been paid in full.

The debt denominated in foreign currency as of December 31, 2012 and 2013 was US$750 million corresponding to the Senior Notes, and US$370 million corresponding to loans from related companies.

Covenants – TGI in its capacity as guarantor of the issuance of bonds made by TGI International Ltd. and under the provisions of the Issue Indenture is subject to the following covenants:

- TGI's net debt to EBITDA ratio must not exceed 4.8:1.0.

In the event that any of the previous commitments are not fulfilled, TGI and subsidiary would be subject to the following limitations:

- TGI must not create, incur, assume or allow the existence of any lien on any property or asset, profit or income (including accounts receivable) or rights.

- TGI must not merge or consolidate with any other corporation. This covenant excludes the merger of TGI with Transcogás.

- TGI must not engage in any business other than the business of gas transportation and the activities or business related to it.

- TGI must not create or acquire any subsidiary, or make any investment in another corporation, except related investments in the ordinary course of business.

- TGI must not dispose of any assets, except:

  - Sales of inventories, damaged, obsolete, used, nonproductive or surplus assets, waste and investments in the ordinary course of business; and

  - Other disposals for consideration that does not exceed, individually or jointly US$30 million (or its equivalent in other currencies) per year.

- TGI must not incur any debt and must not guarantee any obligation in favor of a third party.

In addition to the foregoing, TGI and its subsidiaries must not make any changes in the accounting treatment and practices of financial reports or in the treatment of taxes, except as required or permitted by Colombian GAAP, consistently applied during the period.

The above restrictions will have no effect if TGI is rated as investment grade, for at least two (2) of the credit rating agencies, situation in which TGI fulfilled the year 2013.

9. HEDGING INSTRUMENTS

As of December 31, 2013, the following agreements have been entered into:

Entity	USD$	Spot Rate	Forward rate	Expiration
Bancolombia (1)	50,000,000	2,230.00	3,478.50	October 2017
Bancolombia	50,000,000	2,210.00	3,439.87	October 2017
Bancolombia	50,000,000	2,225.00	3,348.16	October 2017
Citibank N.A. (1)	50,000,000	2,250.00	2,995.00	October 2017

(1) In February 2014 the Company assessed synthetically two hedging operations through opposing swap and forward structures. With these operations a maximum loss is guaranteed as of October 3, 2017. TGI expects during the first quarter of 2014 to limit the losses of the two operations that are left uncovered through this same type of structures.

As of December 31, 2012 and 2013, the market valuation was as follows:

		2012		2013
Rights on hedging instruments	Col$	(340,449)	Col$	(368,112)
Obligations on hedging instruments		556,490		588,315
Accumulated loss in valuation	Col$	216,041	Col$	220,203

10. ACCOUNTS PAYABLE

		2012		2013
Domestic suppliers	Col$	9,174	Col$	12,052
Miscellaneous creditors		5,401		6,934
Taxes		36,572		48,251
Advances		1,683		2,937
Related parties (Note 11)		2,292		23
Others		28,104		9,640
		83,226		79,837
Less – Current portion		(66,513)		(79,837)
	Col$	16,713	Col$	-

11. RELATED PARTIES

		2012		2013
Assets: (Note 4)				
Empresa de Energía de Bogotá S.A. E.S.P.				
Accounts receivable	Col$	-	Col$	652
Gas Natural S.A. E.S.P.(1)				
Accounts receivable		12,278		9,148
		12,278		9,800
Liabilities:				
Empresa de Energía de Bogotá S.A. E.S.P.				
Financial obligations (Note 8)		654,245		712,927
Interest		5,172		5,640
Gas Natural S.A. E.S.P. (2)				
Accounts payable (Note 10)		2,269		-
Promisol S.A. E.S.P.				
Accounts payable (Note 10)		23		23
	Col$	661,709	Col$	718,590

The transactions with related parties were as follows:

		2012		2013
Revenues:				
Gas Natural S.A. E.S.P.:				
Transportation services (1)	Col$	176,731	Col$	200,570
Gas losses		1,334		1,593
Operation and maintenance		11		21
Overdue debt interest		1		3
Parking service		-		212
Construction		197		-
	Col$	178,274	Col$	202,399
Expenses:				
Empresa de Energía de Bogotá S.A. E.S.P.				
Interest (Note 8)	Col$	40,718	Col$	39,454
Fees (4)		8,008		7,943
Commissions		743		-
	Col$	49,469	Col$	47,397
Promigás S.A.S. ESP				
Operation and maintenance (3)		1,930		2,508
	Col$	1,930	Col$	2,508
Gas Natural S.A. E.S.P.				
Operation and maintenance	Col$	2,233	Col$	3,842
Lease		4,615		5,127
Supply of gas compressor stations		1,532		-
Construction of variants and connections		72		-
	Col$	8,452	Col$	8,969

Gas Natural is one of TGI's main clients, and is 25% owned by EEB. TGI has entered into the following agreements with Gas Natural:

(1) TGI has entered into several firm transportation contracts with Gas Natural, in which TGI agrees to make available to the Gas Pipeline System and transport natural gas to the destinations required by Gas Natural and Gas Natural agrees to pay the rates established in those contracts. As of December 31, 2013 the following contracts were in effect:

- ESTF-13-2009-ADD 3: With an estimated value of US$798,712 plus Col $647,628 which expiration is December 31, 2024;

- ESTF-14-2009-ADD 4: With an estimated value of US$242,099 plus Col $200,911 which expiration is December 31, 2014;

- ESTF-18-2008: With an estimated value of US$37,117 plus Col $49,773, which expiration is December 31, 2019. This contract was initially signed with Dinagas and assigned to Gas Natural S.A. ESP, in November 2011, with effective date as of January 1, 2012.

(2) On June 16, 2005 Transcogas (currently TGI) and Gas Natural entered into a contract that replaces a contract entered into on February 1, 1999, according to which Gas Natural would perform the operation and maintenance of the Transcogas gas pipeline and TGI would pay to Gas Natural a monthly sum of Col$204, during years 2005 to 2014, adjustable to the CPI at the beginning of each year, as well as the adjustments of the CREG at AO&M (Administration, Operation and Maintenance) costs. The contract has expiration on February 1, 2019.

(3) On February 23, 2011, TGI and Promisol –PSI entered into a contract according to which Promisol would perform the operation and maintenance of the equipment and the facilities related to the dehydration system of TGI in the Ballena station and TGI will pay to Promisol a monthly sum of Col $169 plus taxes, adjustable according to the CPI at the beginning of each year. The contract has expiration on February 23, 2014, renewable for one year.

(4) On January 5, 2009 a contract was signed with Empresa de Energia de Bogota S.A. E.S.P. for a term of 20 years, which object is to provide advisory and technical, legal, administrative and financial support services in the performance of the activities that are required for the due performance of its corporate object. On May 28, 2010 an addendum No. 1 to the contract was signed, whereby the annual percentages to which the charge of the service is subject. The amount payable for year 2013 corresponds to 1.30% annually of EBITDA of TGI plus VAT.

Additionally, TGI entered into two swap agreements with Citibank N.A., subsidiary of Citigroup. Citigroup was until December 2, 2013 owner of CVCI. CVCI is the manager of the private capital fund that is one of the minority stockholders of TGI; one of these swap agreements was liquidated in advance in 2011, the following are the terms of the agreement in effect (See Note 9):

- *Swap agreement of 2009:* On January 20, 2009, TGI entered in a swap agreement with Citibank N.A. with effective date October 3, 2017, to cover the TGI debt risk for exchange rate risk, for US$50 million.

12. INCOME TAX

Income tax – The income tax rate applicable for the year 2013 is 25%. For 2012 the rate was of 33%. The reduction in the rate for 2013 was provided by law 1607 of December 2012, which is applicable to the net income or the presumptive income, whichever is higher.

The same law creates the income tax for equality – CREE with a rate of 9%, which entered into force as of Jannuary 1, 2013.

The detail of the provision for income tax is as follows:

		2012		2013
Current income tax	Col$	17,819	Col$	38,714
Current CREE		-		15,453
Deferred tax		14,921		30,143
	Col$	32,740	Col$	84,310

13. COLLECTIONS ON BEHALF OF THIRD PARTIES

Development quota	Col$	1,751	Col$	1,512
Transportation tax		7,519		12,175
Industries contribution		85		-
Ariari Gas pipeline		2,558		2,714
	Col$	11,913	Col$	16,401

Development quota – Corresponds to a 3.0% rate that affiliates Transcogás and TGI collected from customers for the gas effectively transported in accordance with the Law 401 of 1997. The proceeds are transferred to the Ministry of Mines and Energy.

Transportation tax – By delegation of the Ministry of Mines and Energy, quarterly basis consignors are billed for the transportation tax established by the code of petroleum, Decree No. 1056 of 1953 and based upon resolutions issued by the Ministry, payments are made to the municipalities through which the gas pipelines run, based upon the gas quantity transported.

Industries contribution – Contribution collected from the industry according to the provisions of Law 143 of 1994.

14. PROVISIONS

Provision for contingencies	Col$	1,068	Col$	11,338
Provision for social benefits		2,200		3,686
Other provisions (1)		15,870		8,799
Tax		627		523
		19,765		24,346
Less – Current portion		(13,818)		(7,692)
	Col$	5,947	Col$	16,654

(1) Correspond mainly to the accrual of the obligation to acquire the pipelines upon expiration of the BOMT contracts.

Contingencies – As of December 31, 2012 and 2013, the total value of the claims of the Company that corresponds to civil and arbitrations lawsuits amount to Col$12,346 million and Col$29,678 million, respectively. Based upon the evaluation of the likelihood of success in the defense of these cases, the Company has provisioned Col$1,068 million as of December 31, 2012 and Col$11,338 million as of December 31, 2013 for probable losses related to these contingencies.

The Company's management estimates that the results of the litigation corresponding to the non-provisioned portion shall be favorable to the Company's interests and will not result in significant losses, if any, that would significantly affect the Company's financial position.

15. OTHER LIABILITIES

Deferred tax	Col$	127,542	Col$	159,067

16. SHAREHOLDERS' EQUITY

Capital Stock– The authorized capital stock of TGI is 158,100,000 common shares with a face value of 10,000 pesos each, 156,548,678 of which were subscribed and paid-in as of December 31, 2013.

	Number of Shares	Percentage of authorized capital
Empresa de Energía de Bogotá S.A. E.S.P.	106,529,903	68.04906
Inversiones en Energía Latino América Holding SL.	49,965,959	31.91720
Other	52,816	0.03374
Capital stock	156,548,678	100.0000

Capitalization – In 2012, 42,643,252 shares were issued by capitalization of the premium on placement of shares for a total of 156,548,678 outstanding. At the closing of December 31, 2013, all are subscribed and paid. The authorized capital was increased by 43,000,000 shares for a total of 158,100,000 at the closing of December 31, 2013.

Premium on stock issuance – As of December 31, 2013 this item shows a balance of $196 resulting from the issue of 36,078 shares, which were repurchased immediately in compliance with the stock option program for the directors of the Company.

Reserves include the following:

Legal reserve – The Colombian Code of Commerce requires companies to appropriate at least 10% of the net income of each year to the legal reserve until such reserve is equal to at least 50% of paid-in capital. The legal reserve is not distributable as dividends before the liquidation of the Company, but it may be used to absorb net losses.

Reserve Article 130 of Tax Statute – This reserve is generated by a higher tax expense related to the depreciation of fixed assets amounting to Col$161,849 million (December 31, 2012 for Col$96,742), which is equivalent to 70% of the total higher value calculated.

Reserve for exchange gain – Occasional reserves are created through a decision made by the general shareholders.

17. COST OF SALES

	2012	2013
Operating costs		
Personnel services	Col$ 18,484	Col$ 24,708
General costs	4,484	20,648
Leases	9,554	11,870
Operation and maintenance	83,100	70,289
Insurance	12,036	15,864
Taxes	1,165	1,307
Other operating costs	2,669	6,113
	131,492	150,799
Depreciation, amortization and provisions		
Depreciation	84,627	90,661
Amortization	29,432	30,048
Provisions	6,970	-
	121,029	120,709
	Col$ 252,521	Col$ 271,507

18. ADMINISTRATIVE EXPENSES

	2012	2013
Operating expenses		
Personnel services	Col$ 10,660	Col$ 13,697
Imputed contributions	152	657
Effective contributions	1,335	1,729
Payroll contributions	253	213
General expenses (1)	25,345	26,652
Equity tax	16,713	16,713
Other tax	7,252	6,736
	61,710	66,397
Depreciation, amortization and provisions		
Depreciation	813	786
Amortization	5,364	5,339

	2012	2013
Provisions, including impairments	9,043	62,558
	15,220	68,683
	Col$ 76,930	Col$ 135,080

(1) The main items of General Expenses are:

	2012	2013
Fees	Col$ 18,397	Col$ 19,274
Organization and start up expenses	666	-
Services	707	921
Public utilities	505	587
Publicity and advertising	650	152
Subscriptions and enrollments	438	550
Insurance	147	184
Rent	111	202
Surveillance and security	576	724
Maintenance, materials and supplies	408	364
Cleaning, cafeteria and restaurant	151	208
Legal expenses	442	44
Travel expenses	135	219
Closing expenses	902	1,653
Promotion and disclosure	588	867
Communication services, setting	133	243
Apprenticeship contracts	103	130
Public relations	152	170
Other general expenses	134	160
Total	Col$ 25,345	Col$ 26,652

19. NON-OPERATING INCOME

	2012	2013
Financial interest	Col$ 12,278	Col$ 18,461
Recoveries	18,879	52,072
Other income	309	6
	Col$ 31,466	Col$ 70,539

20. NON-OPERATING EXPENSES

	2012	2013
Interest	Col$ 131,706	Col$ 122,937
Commissions	1,978	-
Other financial expenses	123,804	2
Valuations of hedging operations	47,794	4,162
Pay coupon	8,939	8,915
Equity method (Note 5)	3,211	9,755

	2012		2013	
Extraordinary expenses		747		1,474
	Col$	318,179	Col$	147,245

21. MEMORANDUM ACCOUNTS

Other contractual guarantees	Col$	1,621	Col$	7,388
Fiscal accounts		208,193		178,488
Fully depreciated fixed assets		23,264		24,745
Contingencies		66,519		84,117
Other memorandum accounts		8,726		8,726
	Col$	308,323	Col$	303,464

22. TAX REFORM

Following is a summary of some of the modifications to the Colombian tax regime for years 2013 and following, introduced by Law 1607 of December 26, 2012:

Income Tax – The rate on the taxable income of legal entity is modified to 25% as of January 1, 2013.

Income tax for equality–CREE (in spanish "Impuesto sobre la renta para la equidad") – The income tax for equality is created as of January 1, 2013. This tax is calculated based on the gross income obtained less the revenues that do not constitute income, costs, deductions, exempt income and capital gains; at a rate of 8%. For the years 2013, 2014 and 2015 the applicable rate will be of 9%.

Within the calculation of the taxable base of the CREE tax the offset of the income of the taxable period with tax losses or excesses of presumptive income of previous periods is not permitted.

Exoneration of Contributions – The legal entities who are filers of income tax returns are exonerated from the payment of payroll contributions in favor of the National Training Service – SENA and the Colombian Institute of Family Welfare – ICBF, corresponding to the workers who earn, individually considered, up to ten (10) minimum legal salaries in effect. This exoneration starts from the time that the withholdings systems is implemented for the collection of the income tax for equality CREE (and in any event prior to July 1, 2013).

Accounting Regulations – It is established that only for tax purposes referrals contained in tax regulations to accounting regulations, will continue in effect during the 4 years following the entry into effect of the International Financial Reporting Standards. Consequently, during the mentioned time, the tax basis of the items to be included in the tax returns will continue unchanged. In addition, the requirements of accounting treatments for the recognition of special tax situations will lose effectiveness as of the date of application of the new accounting regulatory framework.