GRUPO ENERGÍA
DE BOGOTÁ

Oficina principal:
Carrera 9ª # 73-44
PBX (571) 3268000
(571) 3268010

Sede Calle 61
Calle 61 # 7-78
PBX: (571) 3485450
Bogotá D.C. Colombia

Moody´s ratifica calificación de grado de inversión de EEB

- La calificadora reafirmó la calificación Baa2 para la Empresa de Energía de Bogotá S.A. ESP, tras el anuncio de democratización del 20% de las acciones del Distrito.
- La calificación refleja la solvencia en las métricas crediticias de EEB

Bogotá, 21 de noviembre de 2016. La calificadora de riesgo Moody's, ratificó la calificación de grado de inversión a EEB S.A. E.S.P. y a su deuda en nivel Baa2, después del anuncio de la democratización del 20% de las acciones que el Distrito Capital posee en la Empresa de Energía de Bogotá.

La calificación de Moody's refleja la solvencia de EEB en sus métricas crediticias. La calificadora asume además que EEB mantendrá su participación accionaria en subsidiarias claves para el desarrollo de su plan estratégico, generando un flujo de caja estable.

La calificación valora la naturaleza regulada de las operaciones de EEB y los flujos de dividendos de sus subsidiarias no controladas. La perspectiva de EEB es estable, bajo el supuesto que las métricas crediticias se mantendrán financieramente sólidas tanto a nivel individual como consolidada.

Se asume además, que la política de dividendos de EEB hacia sus accionistas seguirá siendo sostenible, y que no habrá cambios materiales en la estructura del Grupo.

Acerca del Grupo Energía Bogotá

El Grupo Energía de Bogotá es uno de los grupos líderes de la cadena energética de baja emisión de la región. Como Grupo Empresarial genera valor a sus accionistas y grupos de interés por medio de la gestión sostenible y rentable de sus negocios a lo largo de la cadena energética, tanto en la generación, transmisión, distribución y comercialización de electricidad, así como en transporte y distribución de gas natural.

El Grupo contribuye al desarrollo de los países donde opera y lidera proyectos que impactan la productividad, la competitividad y mejoran el bienestar y calidad de vida de los usuarios.

Contacto
Luis Miguel Gómez Henao
Asesor Comunicaciones Externas
Correo electrónico: lgomez@eeb.com.co
Celular: 3108124891
www.grupoenergiadebogota.com
www.eeb.com.co
@GrupoEnergiaBog

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's affirms EEB's Baa2 senior unsecured rating; stable outlook

Global Credit Research - 16 Nov 2016

Approximately US$749 million of debt securities affected

New York, November 16, 2016 -- Moody's Investors Service ("Moody's") affirmed today the Baa2 senior unsecured rating of Empresa de Energia de Bogota S.A. E.S.P. (EEB). The rating outlook is stable.

RATINGS RATIONALE

The affirmation of EEB's Baa2 senior unsecured rating follows the Municipal Council's approval of the sale by the District of Bogota (Baa2 stable) of an up to 20% interest stake in EEB. The affirmation factors in the fact that despite its ownership reduction, the District of Bogota will remain the majority shareholder with a 56.3% interest stake in EEB. It further considers that pursuant to Agreement 01, 1996 the District of Bogota is required to hold at least a 51% ownership-stake in the issuer. Moody's understands that the disposal is part of the District's plan to raise funds to finance its significant capital expenditure program.

Given the District's majority ownership stake, EEB falls under the scope of Moody's rating methodology for Government-Related Issuers (GRIs). The Baa2 senior unsecured rating reflects the application of Moody's joint default analysis (JDA) framework for government related issuers (GRIs). This takes into account the following four input factors: (i) the District of Bogota sub-sovereign Baa2 rating as the support provider as well as a (ii) strong probability of extraordinary support from the municipality, (iii) a moderate level of dependence and (iv) a Base Credit Assessment (BCA) of baa3.

The BCA is a representation of EEB's intrinsic creditworthiness before taking into account possible extraordinary support from the municipality. The BCA of baa3 largely reflects the structural subordination that results from (i) material amount of parent-only debt compared to consolidated indebtedness and (ii) its strong dependence on cash up-streams, particularly those from its non-controlled subsidiaries to service its debt despite its own profitable transmission operations. However, the BCA also captures the regulated nature of the operations of most of its subsidiaries and the aggressive dividend policy of its key non-controlled subsidiaries which enhances EEB's cash flow visibility.

Therefore, the BCA of baa3 assumes that EEB will maintain its ownership stakes in its key subsidiaries in terms of cash flows, that is in its non-controlled subsidiaries: the unregulated generation company Emgesa S.A. E.S.P. (43.6% of voting rights; unrated), the electric and natural gas utilities Codensa S.A. E.S.P. (42.85% of voting rights; unrated) and Gas Natural S.A. E.S.P. (25%; unrated). It also assumes that EEB will main its controlling stake in Transportadora de Gas Internacional S.A. E.S.P. (TGI; Baa3, stable; direct and indirect 99.97% ownership stake) and Gas Natural de Lima y Callao S.A. (Calidda Baa3, stable; total in and direct interest 66.2%). The BCA and senior unsecured rating are tempered by EEB's reliance on the capital markets to meet unexpected cash flow shortfalls in the absence of committed bank credit facilities. That said the ratings also acknowledges that its debt maturity profile is manageable.

The stable outlook is predicated on the assumption that the key credit metrics will remain commensurate with the Baa-rating category on a standalone and consolidated basis as well as EEB's debt/EBITDA will remain below 4.0x on a normalized basis. The outlook also assumes that the group's dividend policy will be reasonable and sustainable with a target dividend payout ratio that hovers around 70% assuming no material changes in the group's structure and/or new important investments after the completion of the current transmission investment program. The stable outlook assumes that the implementation of the liability management initiatives will fully eliminate its foreign exchange risk exposure via a combination of financial and natural hedges.

What Could Change the Rating - Up

The ratings of EEB could experience positive momentum if the ratings of Colombia and the District of Bogota would be upgraded in conjunction with a raise of EEB's BCA. The latter could result if EEB's current material structural subordination softens significantly either in terms of a reduction in its cash dependence from the non-

controlled subsidiaries and/or a material reduction in the percentage of parent only indebtedness over consolidated debt along with an improvement in financial metrics; Specifically, if EEB is able to record on a standalone and consolidated basis. Specifically, if its 3-year CFO pre W/C to debt and interest coverage exceeded 22% and 5x, respectively, on a sustainable basis.

What Could Change the Rating - Down

EEB's rating is likely to be downgraded if the ratings of Colombia and/or the District of Bogota experience negative momentum. The BCA could be lowered if Moody's perceives a deterioration in the Colombian regulatory environment, and/or increase in the structural subordination considerations and/or material changes in the portfolio of key subsidiaries. An aggressive dividend policy and/or investment program that results in incremental indebtedness above Moody's current anticipated levels is likely to also result in a lower BCA. Expansion initiatives that increase the group's exposure to unregulated operations and/or less transparent regulatory environments are likely to also have a negative impact on the BCA. Failure to significantly reduce EEB's current foreign exchange risk exposure would likely also result in a downgrade.

The methodologies used in these ratings were Regulated Electric and Gas Utilities published in December 2013 and Government-Related Issuers published in October 2014. Please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

Headquartered in Bogota, Colombia (Baa2 stable) , Empresa de Energia de Bogota S.A. E.S.P. (EEB) is a Colombian regulated transmission company. It is also a holding company with material equity interests in controlled and non-controlled subsidiaries that conduct their electric and natural gas operations in Colombia, Peru (A3 stable), Guatemala (Ba1 stable) and Brazil (Ba2 negative).

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

Natividad Martel
Vice President - Senior Analyst
Infrastructure Finance Group
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 212-553-0376

SUBSCRIBERS: 212-553-1653

Alejandro Olivo
Associate Managing Director
Infrastructure Finance Group
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

MOODY'S
INVESTORS SERVICE

in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY'S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.