



**Operator:** Good morning Ladies and Gentlemen, and welcome to the EEB's Earnings Call Results and Key Developments Second Quarter 2016. My name is Bianca and I'll be your operator for today's call. At this time all conference speakers are in listen-only mode. As a reminder this Conference Call is being recorded.

Under the tap download you will find today's presentation, I would now to turn the call over to Mr. Felipe Castilla (EEB CFO), header company of Grupo Energía de Bogotá, please go ahead Mr. Castilla.

**Mr. Castilla:** Thank you, good morning and welcome to our Earnings Conference Call for the second quarter 2016 Results and Key Developments of Empresa de Energía de Bogotá (EEB), the parent company of Grupo Energía de Bogotá.

My name is Felipe Castilla and I am EEB's CFO, today's presentation will be made by Ms Astrid Álvarez Chief Executive Officer of EEB and then by myself. The presentation is also divided into four parts; first our CEO will make some introductory comments and key updates, second we will briefly review the main development during the quarter, third we will have a look of EEB's Financial Performance during second quarter 2016 and the most important financial indicators, to conclude this Conference we will be pleased to open the call to a Question and Answer session, now I will turn the call over to our CEO Ms. Astrid Álvarez, please go ahead Astrid.

**Ms. Álvarez:** Good morning and welcome to our Earnings Conference Call Results



2Q 2016 of EEB, header company of Grupo Energía de Bogotá.

Firstly I should point out that EEB operations are fully regulated sectors and recall that we know the regulatory framework.

I would like to start by walking you through what we have done this first six months; we have continual growth in terms of consolidated EBITDA which by the end of June reached US\$ 16 million.

In terms of Natural Gas Transportation, leading company TGI, we are proud to inform that we have successfully completed the merger between our IELAH (100% EEB's ownership) and TGI, this has not affected EEB's consolidated balance sheet, furthermore, TGI's Board of Directors has also approved investment projects for approximately US\$ 147 million, which includes Cusiana Phase IV, increasing TGI's national gas transported capacity by 43 million cubic feet per day, and replacement of 10 tranches of TGI's System, with the intent of executing them in the near future.

In terms of Cálidda, we have enhanced our network system and our penetration rate in Lima and Callao, during the first half of 2016; 804 km of network were built, with five distribution systems which have reached a total of 6.793 km on underground pipelines in the city and around. Cálidda added in the first six months 49.980 new clients in the residential segment and 580 clients in the commercial segment. We expected commercial segment to be increased the next year. Finally, 10 new industrial plants were connected during first half of 2016.



We have also started by closing the reviewing of all of our control investments and assets, that's the case of TRECISA, which had recently renewed its long term financial long term facility with EDC and City Bank for an amount of US\$ 87 million.

We're also moving forward with this project, and a new CEO came into our new office, Mr Victor Rivera. He's an engineer and with a very well experience in the electrical sector, and he has new assignments in place to fulfill the Guatemalan project and to have a very good commitment with the Guatemalan government.

In terms of our main associated companies EMGESA and CODENSA, an aggregate EBITDA of US\$ 557 million was generated during the first half of 2016.

We are working with CODENSA in the process of merging with our subsidiary EEC (Empresa de Energía de Cundinamarca) and expected by the end for the fourth quarter of 2016 to have completed the absorption merger. This will enhance electricity distribution operation in Cundinamarca, the central region of Colombia, and reach 3 million clients in total. As I remind you, this is the best marketplace of Colombia because we have the best quantity of clients in the whole country.

As I mentioned in the previous conference, we are finalizing our strategic review, and we provide the market with other information in the coming months regarding our short and long term focus from now on.

Before I conclude I would like to highlight that on April 20<sup>th</sup> the first phase of ISAGEN was addressed to the solidarity sector and it was open until June 20<sup>th</sup> 2016, then during the second phase EEB is offering the shares to the to the



general public and Colombian investors through the open IPO, this phase will end in September 2016, as is rule, once the offer is accepted and the payment is made.

To conclude we would like to mention that we are committed to EEB and Colombia's development, especially in the central region of Colombia where there's a great market and great expectations of growth, we want to lead the next stage of Colombia's electricity development and we are keeping to bring strategic partners on board to do with us development operations with our companies.

Our CFO will let you know more about the financial developments during this quarter, and I will pass on the word to Mr. Castilla.

**Mr. Castilla:** Thank you Astrid, now we can go to the presentation, as you see in page 5, we have what we presented in all of our previous presentations, that is EEB's Corporate Structure but divided in activities, we are in the Electricity Business, which activities are in the Natural Gas business, and what companies we have on the Service side, given that it is the same presentation we will move to the next slide.

The first thing that I would like to mention is the Key Updates, the first one is the Dividends Payment, on July 5<sup>th</sup> EEB paid dividends for minority shareholders, in just one single payment, we paid an ordinary dividend almost COP 25 per share approved in the General Assembly in March, but also we paid an extraordinary dividend that has decreased from 2015, and corresponds to some kind of accounting reset we had, this payment was close to COP 50 per share, this



extraordinary dividend was approved in the General Assembly on July 6<sup>th</sup> 2015.

For our main shareholders, we have decided in the General Assembly that we pay in two installments, the first installment corresponded to the 40% of the ordinary dividend paid on July 5<sup>th</sup> 2016, and remaining 60% will be paid up to October 28<sup>th</sup> 2016. For the extraordinary dividend for our majority shareholders, we will pay in the next 10 years in 10 equal annual installments until year 2016 with the respective interest recognition.

As Astrid mentioned, we are in the process, in the final stages in the ISAGEN Divestiture, we started this year with the approval by the Bogota's municipality council, then we started the solidarity sector, it was open from April to June, we had open that offer for two months, and later on July we started the second phase that corresponds the general public and also the possibility to offer that in the Open Tender Offer made by the majority shareholders that acquired the company from the government, and on July 29<sup>th</sup> we presented our offer to this open OPA, and we offered our 68 million shares and the final part of the process will end in September, and we expect that the purchaser accepts our offer, we expect to receive COP 284 billion for this sale.

Then in the next page, page 7, we are making some comments on the ECOPETROL selling process. They started the process last year, in the last year they sold almost 3,68% and they have a remaining 3,03% hopefully they offered in the first Tender to the general public and they offered to international investors and that offer was accepted.



On May of this year, ECOPETROL announced the second offering of this process, and on June 1<sup>st</sup> 2016 the auction was open in the Colombian Securities Exchange, in this process they sold 77% of the package of the 3,03% to the pension funds, and the remaining 23% was allocated to retail investors. At This moment, they sold almost all the package and they are of keeping 0,94% of the total share that they have in the company.

And also mention that on June 15<sup>th</sup> the Ministry of Finance approved the guarantee payment obligation from EEB to TRECSA due to a loan in the amount of US\$ 87 million. On June 29<sup>th</sup> we signed a contract with City Bank and also with EDC (Exporting Development Canada) and the disbursement was made on August 8<sup>th</sup>.

We are also in Guatemala, in the process of finalizing the financing for all of our companies (EEBIS). And we received en June 23th the Ministry of Finance approval to make a guarantee payment obligation for this subsidiary; we are in the process of finalizing the signature of this loan for up to US\$ 48 million.

On page 8, we mention that we finalized the process of IELAH merging, on May 11<sup>th</sup> that process was finalized and now the assets of IELAH are part of TGI, on the debt sides, this purpose vehicle has a debt of US\$ 219 million, original outstanding amount was US\$ 645 million, but principal payment had been made on March 2015 by US\$ 76 million, on September 2015 US\$ 175 million and on March 2016 a payment of US\$ 175 million, for that reason the outstanding remaining amount is US\$ 219 million. Also on TGI, Moody's maintained the "Baa3" rating which means stable outlook.

On the Cálidda side, we have a client base increase of 32% compared to the first quarter of, I'm sorry the first half of 2015, and by the end of June 2016 we have almost 400.000 clients. During the first half of this year, more than 800 km of network were built, whereby the distribution system has reached a total of almost 6,800 km of underground pipelines. At the end of the first semester, the EBITDA finalized in US\$ 113 million. This increase was mainly due to higher distribution services, mainly from Take-or-Pay contracts, and residential clients' connection services and lower operational expenses in USD from services and contracts in local currency (Peruvian Soles).

Going to the expansion projects, we can go now to the expansion projects review in page 10. During the first half of the year, subsidiaries has spent almost US\$ 75 million, and as you can see in the pie chart, Cálidda is the company that has made more investments on that period by almost US\$ 48 million, followed by TGI with almost 21%, and as we have presented in previous conference calls, we are continuing development our Electricity Transmission Project mainly here in Colombia, and we have spent almost US\$ 31 million dollars. On the table located to the right on this slide, you will see the projects that we are developing, their status, its percentage of progress and the expected annual revenues, and when we expect the project will be concluded.

On next page, page 11, we are also presenting the investments with all our associates. As you see in the pie chart, CODENSA is the company that has spent more CaPex during the first semester, equivalent to almost US\$ 96 million. If you see compared to last year, electricity generation, considering that we were in the

development, the project was investing big amounts, but now once the project is finalized, they are maintaining the CaPex in normal conditions. At this moment, CODENSA and CTM which is the company we have in association with ISA (Consortio Transmantaro) in Perú, are the ones that are spending in the larger amounts. In the case of CTM (Consortio Transmantaro), the main project that we are developing is the Concession Mantaro – Marcona, also La Planicie – Industriales and the Friaspata Mollepata and Orcotuna Substation in Perú.

Going to the next slide, page 12, we are showing how our investment program for years 2013-2019 that is almost US\$ 2,9 billion. For what is remaining for 2016 and 2017, Our main investment will be made on the Transmission Line, mainly here in Colombia, but also in Guatemala, that's followed by the investment that we are making in Natural Gas Distribution, mainly by Cállida in Perú.

Then, we are going to our financial performance, on page 14, we are showing what has been our main results for the first semester of this year, if we compare with the first semester of 2015, our operating revenues has been increased in almost 14%, and the main reasons argue, and you can see in the bars of the graphic, on electricity transmission, mainly we are putting on stream some projects and also we have to mention that the fluctuations in the first semester were lower, were in the range of 2.600 COP per USD, by the end of June 2016 we were in the range of 2.900 COP per USD (20:00), in that sense we have to compare that with some devaluation and all the revenues that are based on USD hasn't increased.

Also, in the natural gas transportation, we have increased in 28%, mainly due to

the situation of electricity limitation and increase of natural gas transportation during the first months of this year.

Also, in the electricity distribution we have an increase of almost 20% in our company EEC here in the central part of Colombia. And we have a decrease of 1.6% in natural gas distribution, and that's due to Cálidda's, because there was a reduction in the gas transportation tariff, that is a portion of the tariff which is paid by the clients, but this is a pass-through, although the tariff was reduced, also the expense is reduced, in that sense, that' doesn't affect on the final results of Cálidda.

In the next part in that in the right side, we presented the growth of EEB's operating profit and we have been increased of almost 61% compared with the same period of last year, as in the main reasons, that are very similar to the ones that I mentioned for the increasing operating revenue. In the electricity Distribution we have an increase of 103%, that is mainly on energy save through EEC. On electricity transmission we have an increase of 54%, considering the new projects that are under execution and the ones that we will have during the period, we also have an increase of 140% in the natural gas distribution compared to the same period of last year, for new connected clients mainly in Cállida, and in the natural gas transportation we have an increase of the quarter volume as I mentioned due to the situation of electricity limitations for the first semester of this year.

Then, if we go to page 15, we have presented the net profit, we are reducing from the gross profit the administrative expenses and net of other expenses, other

gains. After that, we have an increase in the Net Profit from Operating Activities of 43%. As you see in the numbers that are presented in Financial Income, we have a little decrease of 6% due to some Valuation on hedging operations and less interest returns on financial investment.

We also have an increase on Financial Costs by 29%, and that's mainly due to the Exchange difference considering the devaluation between the two periods and also due to greater interest payments for some short term payments that we're taking at the level of EEB. On the Net Exchange, during the first semester 2015, we had a loss of COP 82 billion due to the devaluation, but in the same period of 2016 we have a gain of COP 143 billion, given that during the period we had a revaluation of the Colombian Peso (COP).

Also we have an Increase in equity method of Associates by 22% during the first half of this year, and in the Net Income we have a growth of by 87% due to operational results and equity method contribution from associates. We have a profit increase from almost COP 520 billion in 2015, to almost COP 970 billion by June 2016.

Going to the next page, on slide 16, we show how our EBITDA has been behaving, in the last bar of the graph you will see the EBITDA that has been generated during the last twelve months from ending on June 30th, and in that sense, compared to the last year we have an increase from COP 2.400 billion to COP 2.500 billion.

As you see in the lower pie chart, TGI is almost generating the half of our EBITDA, and followed by Cálidda and Contugas which correspond to natural gas



distribution.

On page 17, we are presenting our main financial indicators, on the side of Net Debt / Consolidated Adjusted EBITDA, we are on 2.6 times and that's below of our goal of 4.5 times. On the Consolidated Adjusted EBITDA / Net Interest, we are above of the level that we follow which is 2.25 times, and we are in 7.55 times. On the Consolidated Debt Composition, we are in the process of reducing our debt and our USD exposition, and in that sense, by the end of the period we have a debt of US\$ 2.6 billion which is lower than the US\$ 2.8 billion that we had at the end of 2015, and also we are increasing local currency exposure a little bit to 3.11%. On the next chart of Debt Maturity Profile, we have no changes in regards to the information that we have presented in previous conferences.

On page 18 we are showing the track record of how the EEB's shares has been behaving during the last months, and if you we compare with the same period of last year which started in 100, our share are behaving 14% above of the market while the market is a little bit lower by almost 0.3%.

Now... we are going to the question and answer session, and please go ahead with any question that you have.

**Operator:** Thank you, we will now begin the Question and Answer session, if you have a question please press "star" and then "1" on your touchstone phone, if you wish to be removed from the queue please press the "pond sign" or the "hash key", if you are using a speaker phone, you may need to pick up the handset first before pressing the numbers, once again if you have a question please press "star" then

“1” on your touchstone phone, please keep in mind that only English questions are allowed. And our first question comes from Andrés Duarte, please go ahead.

**Mr. Duarte:** Hello. Thank you for the presentation I have a couple questions. The first one has to do with the evaluation you were doing in terms of risk and cash, I wanted to know what result you had until now, specifically regarding TGI.

The other question has to do with the financial expenses, I wanted to know besides the US\$ 110 million Net negative position you guys have in TGI. What else should we account for in the hedging that you are mentioning there, and regarding the debt that you are consolidating from TGI and the other companies, I wanted to know if when considering the exchange rate changes. What considerations should I take or should we take taking to account that TGI, you say U.S. dollar denominated, but when you consolidate all the results, you guys are Colombian Pesos (COP) denominated. I really don't understand how to manage or to do the calculations that are needed, in order to have a difference in exchange.

And finally I wanted to know. What's your last, your last number regarding the retail, the position of retail customers in your company? After the selling of Ecopetrol's stake. Thank you.

**Mr. Castilla:** OK, I've made a mistake understanding your question, please correct me, but I understand that you have some questions regarding the negative position by the hedge that was taken by TGI.

**Mr. Duarte:** No, what I want to understand is if besides that negative hedge

position, if there was something else. I mean if that's the only thing that I should consider when calculating the...

**Mr. Castilla:** OK, perfect, that position was closed and the exposure is the one that you have mentioned, there's no additional exposure by any hedge. You are also asking for the exposure of the company regarding the exchange?

**Mr. Duarte:** Yes.

**Mr. Castilla:** Consider that the functional currency is US dollar, and also I understand that you are asking that at the level of TGI there is a functional currency of USD, when we consolidate we also have an exposure. I just want to mention that the exposure of TGI is not 100% USD, they have an exposure in local currency, I regard that 70% of the revenues are USD based, but 30% are in local currency, that tends that they have an exposure on local currency and there's some actions we'll be taken in the way we can tackle that that, but in that sense, the company have some exposure, and also at the level of EEB, we consolidated all of our revenues, and all of our debts we have a different exposure, we are realizing different types of analysis in which we not only consider at the global level but also at the company level in order to try to match how we are generating revenues and how we are getting debts in order of keeping, for example, indicators like Net Debt / EBITDA at some specific level, because as you know, some of the rating agencies consider that we cannot get above some specific level, but we are analyzing what sort of measure we can take in order to maintain those indicators on some specific levels.

On the side of the retail, we are at this moment considering that we are a little bit above of 4.1% of the retail of our shares, I don't know if I answered your questions.

**Mr. Duarte:** I mean, when considering your debt Consolidated, I should take the TGI position in USD? As a position that would affect your consolidated figure? I mean, let's say that we have an evaluation of the Colombian Peso, in terms of TGI, because of this, of being USD denominated, the effect would be different by the fact that you guys would have or had been Colombian Peso denominated. So I should take the USD debt of TGI as affecting you guys negatively in case that we had a devaluation of the Colombian Peso, right?

**Mr. Castilla:** No, not completely because as you know, our debt is in USD but the assets are also in USD denominated base. And in that sense, what we have in respect as is how our investments or all our assets compared with what we are exposed by the debt time. In that sense, the exposure will be at the level of EEB as a group, and for that reason what we are doing in our analysis is taking a company by company also measure that as a consolidated, for example our investment outside Colombia, almost all of them are in USD base, and in that sense they are included in our balances in USD. In the case of TGI you mentioned they are using functional currency USD, and for that reason our investments now are in USD, for that reason we have to measure what is the effect in TGI and if it is the opposite effect in EEB.

**Mr. Duarte:** OK. The first question that I mentioned, regarding the analysis that you guys were doing in terms of cash and the risk. I really wanted to have a statement

from you guys, like mentioning what the results of these evaluations regarding TGI, specifically.

**Mr. Castilla:** Let's say, what we are trying as a group, is to find a balance, let's say; we have almost all of our debts in USD base as I presented in our graph, but not in the same side that corresponds to revenues. We have a portion of our revenues that comes in USD base, I'm sorry; some of our revenues comes in local currency. What we are trying now at this moment is, on a natural way trying to make some kind of Compensation in which our revenues and our debts come in the same currency. And for example, one of the issues that we are analyzing at this moment is what can we do for the bond that has maturity at the level of EEB on 2021 and what are we able to let's say, substituting that debt for a portion in COP and a portion in USD in order to balance that exposure.

It's a long explanation but we are in the process of finding a balance with the revenues and the currencies in which we are getting debt.

**Operator:** Thank you. And our next question comes from Estefania Mosquera, please go ahead, your line is open.

**Ms. Mosquera:** OK, thank you very much for the presentation. My question is; will the merger company between CODENSA and EEC consolidate on EEB's Financial Statements?

**Mr. Castilla:** No, let's say; we will be in the same situation that we have now with CODENSA, we are changing a little bit our participation but it will not be a

controlled company because we don't declare control on CODENSA. They will have the same treatment that we have for CODENSA.

**Ms. Mosquera:** OK, so the results from the revenues from EEC will no longer be on the consolidated statements of EEB? right? I'm understanding, right?

**Mr. Castilla:** Yes, not as a controlled company but with some participation methods for associates.

**Ms. Mosquera:** OK perfect. Thank you.

**Operator:** And our next question comes from Diego Alexander Buitrago, please go ahead.

**Mr. Buitrago:** Thank you. I don't know if it was mentioned before but I want to know what is the stage, or in what state of process is the definition of the strategic plan from EEB in the last quarter, you mentioned that was under study. And the other question regarding the participation in new business as generation from not conventional sources, so is EEB going to participate in this new business?, and is EEB talking with EMGESA to participate joined with ENEL group in this type of business?. Thank you.

**Mr. Castilla:** OK, regarding the first question the strategic planning, we continue analyzing different possibilities of focus on our businesses, at this moment we haven't defined what is going to be our final thought. They have to be reviewed and approved by our board of directors, and once they are approved we will make the

relevant information to the market, in that sense, we are in the process of finalizing.

On regard to your second question, yes; EEB is at this moment interested in seizing opportunities in renewal, and now we have a group here at the level of EEB that is going to analyze in what kind of project we can participate, also we are decided to participate in some specific projects, we will see the possibility to participate with strategic partners, and as you know, the people of ENEL are our partners in EMGESA would be a possibility, but at his moment...sorry... hello... hello.

OK sorry for the interruption. But as I mentioned. We are interested and we are creating an specific group that will analyze for us all the possibilities here at the level of EEB. And yes we also have interest in seeing possibilities with strategic partners in which ENEL or EMPGESA can be one of them.

**Operator:** Thank you. Our next question comes from Andrés Cardona, please go ahead, your line is open.

**Mr. Cardona:** Good morning guys. I just was able to connect to the call, so sorry if I ask questions that were asked before. The first one is about the Tax Line at TGI, why is that so high? The second one is about the strategic review you mentioned earlier this year, have you defined non-strategic assets that you are willing to divest?, what is your position about the Brazilian assets in particular. Thank you very much.

**Mr. Castilla:** Just one second, just; I will... give you give me a couple of seconds in

order to answer your questions.

OK. In regards to your first question, the increasing at the level of TGI's Taxes line corresponds to differed tax. I guess that if you want to have more detail you can reach our Investor Relation Office; and they can give you in detail what are the main aspects related to that increase, but is related to the differed tax.

In regard to our assets in Brazil, at this moment we are continuing with the company, we recently named a General Manager for our vehicle in Brazil, is a person that is located in Rio de Janeiro, and we are just continuing with that operation, and we are in association with CURNAS and we are also in analysis of some possibilities of continuing growing or we are just maintaining the assets, but at this moment our decision is to keep the assets, and for that reason we have reinforced our team in Brazil

**Operator:** Our next question comes from Daniel Sanin, please go ahead.

**Mr. Sanin:** Hello. I have two questions specifically about EEB as an operator company; the first one is about the expansionary CapEx Transmission Projects. We wanna know how is it going to be financed? Is it gonna be additional debt issue and how much? And the second one is regarding FX risk. I wanna know which percentage of the income are indexed or originated in USD, and what changes have the F. X. policies had after the Swaps that are not being renewed from November 2014.

**Mr. Castilla:** OK. Regarding with the expansion projects, as I showed you in the

presentation, that's our main investment line during the next coming years, we are executing projects that range in the level of US\$ 900 million. For next year, we are expecting to issue a local bond debt for the equivalent of US\$ 400 million, and most of those resources will be used to leverage those expansion projects.

On regard to the F.X. efect, we are at this moment considering that almost 97% of the group debt is in USD but revenues can be in the range of half-half, half in USD and half in COP, what we are trying to match is getting a balance between the way that we generate revenues and a way that we are in debt, in that sense we are trying to see if we can switch our bond issue that is fully in dollars for some kind of portion in COP and a portion in USD.

Could you please clarify your question in regard to TGI? I couldn't follow.

**Mr. Sanin:** Is not regarding TGI, we saw in the Financial Statement that Swaps were not renewed from November 2014, and we wanted to know how the F.X risk policy has changed, or what other things are gonna be made to mitigate that F.X risk regarding derivative instruments.

**Mr. Castilla:** At the level of TGI, we had closed the open hedge that were at the level of the company, in that sense you will see the US\$ 110 million as the amount that was already fixed.

**Mr. Sanin:** OK, just to clarify on the former questions, this fifty-fifty income is indexed or originated in USD?

**Mr. Castilla:** No, when I mentioned fifty USD have both, companies that we

receive revenues in USD or companies that we will receive local currency but are USD based, in that sense we consider that are 50% in USD, and the other fifty comes from dividends we receive from CODENSA, EMGESA, GAS NATURAL, PROMIGAS, all of them are COP base and that creates that difference between the way that we generate revenues.

**Mr. Sanin:** OK. Do you mind if I ask you another question? We have not seen in former report TGI dividends, what is the outlook on that? are they going to be the declared or what is the outlook on that aspect?

**Mr. Castilla:** No, in this year the dividends were declared and also were declared in 2014, I don't see why, maybe its confusion, but during the first quarter of this year the dividends for TGI were declared.

**Mr. Sanin:** OK.

**Operator:** Our next question comes from Liliana Yeng, please go ahead.

**Ms. Yeng:** Hi thank you for the opportunity, and my question is more on strategy, your CaPex for 2017 and 2018 seem very light, but yes, seems like you are getting closer to receiving the big compensation from the new assets, but the question is, well, there are two questions, number one, did you included and booked accounting gains in the second quarter? But all the other Brazilian companies like (inaudible) and Eletrobras did book those gains this quarter, so how concerned are you that you might not be able to get these receivables in the terms highlighted by the (inaudible), and the second question is given the magnitude of these

receivables, how important are the Brazil assets for you with respect to Colombia or Peru, because Brazil seems to be showing lowest returns and this might be due to much less competition.

**Mr. Castilla:** Give me one second to answer your question.

**Ms. Yeng:** Sure

**Mr. Castilla:** Sorry, just a second, can you rephrase the first one?

**Ms. Yeng:** Yes, the first one is, I'm just comparing that ISA Colombia and (inaudible) did not book any gains in the second quarter, but we do have these receivables for Transmission from Brazil, and many other companies in Brazil did book those gains. So I'm wondering if you are concerned that you might not get the receivables in the terms highlighted by (inaudible, 52:24 – 52:36)

**Mr. Castilla:** Ok, one second please. I'm to going to try to answer your question but I'm not sure if that's what you're asking. When we acquired our projects in Brazil we bought some very new concession, they will finalize the concessions in almost 25 years, I don't know if your question is related to companies like ISA in which they are close or very close to the end of the period of concession, and in that sense maybe those payments that will be made regarding those concession that ends. In our case, we have a very new concession and we don't see until the next 25 year that payment. I don't know if that answered your question.

**Operator:** Our next question comes from Eva Benavides, please go ahead.

**Ms. Benavides:** So thank you so much for the presentation, my question is regarding the global COP bond you mentioned you plan to issue next year bonus for 50 million?, did I catch the idea? And it will be held at the EEB level?

**Mr. Castilla:** Yes, just one clarification, this is not a global bond, is a local bond, and is going to be at the level of EEB.

**Ms. Benavides:** Ok, thaks, that's the only question that I had.

**Operator:** Our next question comes from Juan Serrato, please go ahead.

**Mr. Serrato:** Hi, Yes thank you for taking the question, I understand that the government in Brazil needs to advance new investments in transmission lines in that country, so I would like to have a little bit more of color about if you're willing to invest in these businesses in Brazil. Maybe to understand what is your perspective regarding this opportunity, and which kinds of investment are you thinking to do or if you are willing to do it, do them. Thank you very much.

**Mr. Castilla:** Ok, I mentioned that at this moment we have not a specific view on increasing our activity in Brazil. I also mentioned we are in the process of analyzing our strategic planning, which sectors, which countries we will be involved. But at the moment we don't have a specific view on growing in Brazil.

As I also mentioned before we are just in the process of managing our recently acquired projects, we named a small team of our techs just to handle that. But we are not in the process of analyzing additional options in that country.

**Operator:** We have our following question from Liliana Yeng, please go ahead.

**Ms. Yeng:** Yes, you did kind of answer my question. My question was actually what your plans were going forward regarding CAPEX, and if you were going to be putting more money into Brazil or no... but also let me get back to my main question, my question put in a simple way is why you did not book the potential gains of payments due from transmission receivables? Given that it looks like you're getting very close to catching the transmission receivables from Brazil. Is this more... well, regarding your accounting, you know, views of this or how to book it or is because you do not feel so confident that you might indeed get the money in the coming twelve months? Thank you.

**Mr. Castilla:** Just one second. I think I don't have the precise answer to your question; I will take your information and we will answer through our Investor Relations Office just to give you a most precise answer on that.

**Ms. Yeng:** That's perfect, thank you.

**Operator:** This concludes the Question and Answer session. I will now pass the call back over to Mr. Felipe Castilla for closing remarks.

**Mr. Castilla:** Thank you very much for coming to this presentation. I hope that the information that we presented were clear and answered all of questions or most of all of your questions, we expected that the next quarter will be also a good quarter for the company and we will see you in the next coming Conference Call. Thank you very much to all.



**Operator:** Thank you ladies and gentlemen. This concludes today's Conference. Thank you for participating. You may now disconnect.