

Operator: Good morning Ladies and Gentlemen and welcome to the Earnings Conference Call TGI and Cálidda Results and Key Developments 1st Quarter 2017. As a reminder this Call is being recorded.

Under the tab download you will find today's presentation, today's presentation will be divided in two parts, first we will have with us Mr. Julián García CEO at TGI, and Mr. Antonio Angarita TGI's CFO presenting TGI's Key Developments and Results, and then we will have with us Mr. Martin Mejía Cálidda's CFO presenting Cálidda's Results and Key Developments.

I would now like to turn the call over to Mr. Antonio Angarita TGI's CFO, please go ahead Mr. Angarita.

Mr. Angarita: Thank you, good morning and welcome to our Earnings Conference Call for the 1st Quarter 2017 of TGI, my name is Antonio Angarita I'm TGI's CFO, today's presentation will be made by Mr. Julián García CEO of TGI and then by myself.

The presentation is divided into four parts, first our CEO will make some introductory comments, second we will briefly review the main Key Updates during this quarter, third we will have a look of TGI's Operational and Financial Performance during this quarter and the most important financial indicators, fourth our CEO will present the stage of the projects in execution, to conclude this Conference we will be pleased to open the call to a Question and Answer session. Mr. García, please go ahead.

Mr. García: Ok Good morning, as you can see in the first slide with the TGI highlights, I would like only to remind you that we are the largest natural gas transportation company in Colombia, we serve about 70% percent of the population.

We are in a regulated market but is a very constructive relation with the government in this regulation and our business is stable and predictable, as you will see in the presentation despite the fact that the volume that we transported during the first quarter is lower of what we did last year, the main reason is because where it is raining the thermal plants are down, anyway we have good take-or-pay firmed contracts, so in terms of our revenues are very stable and the transported volume decreased because when is raining the thermal plants are down, but I will let Antonio to start presenting the details about our performance in the first quarter.

Mr. Angarita: Thank you, moving on slide number seven related to the key updates, the first key update is related to the regulation schedule. Regulator has taken more time than planned in defining the final tariff methodology and regulatory Wacc, now this definition is expected for the second quarter of 2017 or maybe the third quarter of this year.

As you can see in slide number seven, according to this new schedule the new tariff will enter into effect in the second quarter of 2019, so this time will give to TGI more time for use the current tariff that were approved on 2013.

This is very important for us, as we mentioned before we worked with the regulator at the end of previous year, we sent comments about the methodology proposed, about of the calculation of the new Wacc proposed and we are expecting we are waiting the final decision from the regulator.

Moving on next slide number eight, we can see here new opportunities for growing our network in Colombia, the central government through the Ministry of

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Mines and the Unit of Planning for Mining and Energy defined Natural Gas Supply Plan with different projects, four of these projects are in the system of TGI and of course we will be building these projects according to the new rules for developing them, these projects are: *Bidirectionality from Yumbo to Mariquita, another Loop from Mariquita to Gualanday, Barrancabermeja – Ballena Bidirectionality and new Compressors from El Cerrito to Popayán.*

Additionally, there are two projects that are also of interest of TGI because they are complementary to network, these projects are the *Regasification Plant in the Pacific coast of Colombia* and the *Pipeline from Buenaventura to Yumbo* for connecting this new regasification plant to the system of TGI for transporting the new imported gas to all the country. TGI has announced that is very interested in developing all these projects and we will be working for that.

Now moving on slide number ten, you can see some indicators of our Operational Performance, first our Capacity continues in the level of 734 million cubic feet per day, the Firm Contracted Capacity at the end of this quarter is 672 million cubic feet per day is more less constant but if you see the Transported Volume it has decreased due to the fact that on the previous year we had the meteorological phenomena *El Niño* and now we have a very rainy period in Colombia, so thermal generators are not dispatched, this is the reason why the Transported Volume decreased.

Gas Losses are in the level below the regulation and the Load Factor has decreased due to the same fact explained related to the Transported Volume, now is in the level of 53% and this is very consistent with the volume transported.

Moving on slide number eleven, we have here some important numbers about our revenues and cash flow generation. First let me emphasize that 96% of revenues is coming from regulated tariffs, 66% is nominated in US dollars, 34% is nominated in Colombian pesos, 100% of the contracts are firm contracts with an average remaining life of more less 9 years, and the regulated revenues are composed 90% based on fixed tariffs and only 10% based on variable tariffs for the last twelve months.

The main customers are the same reported in the last quarters, they are Gas Natural, Gases de Occidente, Ecopetrol, EPM and Isagen.

Moving on next slide number twelve, we have here the main indicators of the Financial Performance. Revenues closed this quarter in 419 million dollars, this is last twelve months, complete year, you can see a decrease and this is due first because of lower volume transported and also because short term contractual suspensions of customers, mainly for maintenance in the installation in the city gates and other stations, this is only for maintenance and are included in our contracts.

The Gross Profit and also EBITDA showed the same behavior of the revenues, now at the end of this quarter the EBITDA is 344 million dollars with a margin of 82%, regarding Funds from Operations it has decreased to the level of 200 million dollars and this is only because of an increase in taxes. Since last year we are calculating our income tax based on our income not in the minimum tax as we have very important earnings before tax in the tax accounting books.

In the next slide number thirteen, we have the main indicators of the balance sheet. Total Assets closed this quarter in 2.8 billion dollars, Cash and

Equivalents is now in 343 million dollars including 65 million dollars of a short term loan to EEB that we considered almost cash. PPE is now in 2.2 billion dollars and our Equity is 0.75 billion dollars, remember that on 2016 we finished the merger with our shareholder IELAH and that is the reason why our Total Assets decreased as is shown in the graph.

Moving on the next slide, you can see the Debt Performance of the company. Total Debt to EBITDA is now in 4.1, a little higher than 4 but it is a controlled level and it will decrease in October 2017 when TGI will pay the hedge that the company contracted in 2009, we will have additional payment for debt for our projects in the future.

If you see the Interest Coverage is still in very good level of 4.9. We have informed the covenants of the bonds are suspended in this moment as the company has investment grades for at least two of the three main rating agencies of the world.

Now Mr. García will present the execution stage of our investment projects.

Mr. García: Ok I will go briefly through the different projects that we are executing at the moment, we are doing the third expansion of the *Cusiana System*, this is the system that takes out the gas from the Cusiana-Cupiagua fields to the market, we are in the third expansion, the project at this moment is in execution, we are finalizing the installation of the compressors which is the main objective of the project, and we expect that the startup will be early in the third quarter of this year.

Regarding the *Armenia Loop* which objective is to increase the capacity to deliver gas to what is known as the Coffee Region, the project as well is on execution, we are starting the construction of the pipelines which is really a loop to increase the capacity of the system.

As I said, we are already in the process of the construction of the pipeline having obtained all the permits already; we expect to complete the project before the end of the year.

With regard to the *Cusiana-Apiay-Ocoa* project which is to expand the capacity to move gas from Cusiana-Cupiagua fields to the south of those fields to serve mainly Ecopetrol projects, we are already in the stage of construction. So the project is on execution having obtained also all the permits.

I didn't mention but all of these projects have signed transportation contracts with customers, so all the projects have the revenues guaranteed.

Moving to the next page, the *Cusiana Phase IV* is a new expansion of the system to increase the capacity to move gas from Cusiana-Cupiagua to the interior of the country, is a new expansion which consist of increasing compression capacity and as well as some loops or additional pipelines, the project is also under execution, we are starting the actual activities in the field, it consists of several activities like as I said several compression units and pipelines.

So we already started with the first activities of the project on sight, having as well obtained the permitting as required, this project as well have signed transportation contracts.

And finally, a project that we call *Replacements for the Regulatory Life*, is a project for pipelines that are very old and we are in the process of replacement

of those pipelines, having the permits from the regulation authority.

So we are starting to plan those projects; that was agreed at the beginning of this year, so the project will be mostly executed in the second half and early 2018 to replace these old pipelines and change them for new pipelines.

Mr. Angarita: Thank you so much for your time, we are very happy with our results, and we plan to maintain and improve it during this year, now we will open the question and answer session.

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”, there will be a delay before the first question is announced, 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. And we’re standing by for questions.

Our first question comes from Mark Heins from BTG Pactual. Please go ahead your line is open.

Mr. Heins: Hey guys thank you for the presentation, I have a couple of questions the first one is regarding the regasification plan and also the new projects that you mentioned on the beginning of the presentation, I was just wondering to know how much CapEx would be needed for this four lines in case you are awarded with them? And also I wanted to know you know a total CapEx and your expectancy of the regasification plan in the region, how much CapEx is that? How much CapEx is going to be needed for the pipeline that connects Yumbo with Buenaventura? That’s my first question.

The second question is, I notice that you’re focusing a lot of your investments in Colombia, but I wanted to know if you’re planning to see other countries like for example Peru where there are interesting opportunities there, or perhaps Brazil or Argentina, I’m wondering to know a little about that, and also I was wondering what do you expect for volumes during the following quarters, gas volumes considering that *El Niño* is almost already over, so those are my three questions thank you.

Mr. Angarita: Ok let me answer the three questions, with regard to the first question about the CapEx for the projects that we foresee in Colombia, basically the projects that are directly assigned to us because they are part of our system, such as what is called Bidirectional Projects which consists mainly in putting compressor stations in the Mariquita-Cali pipeline, I will give you the figures of the government for this project that are directly awarded to us, is a little bit below 200 million dollars.

We are already working in the conceptual engineering for those projects, those projects are directly assigned to us and we have to agree with the government on the pricing and that type of things and this is what we are doing on the moment. Preparing all our engineering and budgeting of those projects, so that we can reach the agreement with the regulator on what is the costing for those projects to agree on the terms to execute the project, so roughly is a little bit 200 million dollars.

With regard to the projects of regasification and connecting pipelines what is called Yumbo-Buenaventura, those projects that the government has announced

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will be on tender and we are planning participating the tender, so I cannot give you the figures but what I can tell you is the figures that the government has put as their budgets, and of course the final figures will be subject to a bid, on which we will be one of the bidders, but the government has said that the cost of the two projects will be in the order of 560 million dollars, that's the estimate of the government that they have putted in the resolution.

So the final cost will depend on the bidding and of course the actual execution of the cost, this is more or less the cost of the projects.

With regard to your second question if we are looking another projects, yes; we are reviewing opportunities in other countries beyond Colombia and of course we are looking organic as well inorganic projects, this is our duty, we think we have the capabilities and a good financial position to seek for opportunities in other countries and as you can imagine, yes we are looking for projects in other countries in Latin America.

This is part of our strategy that we shared with this group last quarter, so we are in execution of our new strategy but we have to be very careful of what to do, we are not in a rush, our priority is good projects and not simply short results, you know for example that we have a good cash position at the moment as you saw from the financials, but we are not going to rush, our priority is to follow our strategy but to access very good projects.

With regard to the volumes, yes; as I mentioned at the beginning, the volumes now are low because the thermal plants in general terms are down. Yes, we are finalizing the stage of the rainy season, probably just few weeks to end that, anyway the analysis that we have from the hydrological authority is that the rain in this year has been kind of an average of the raining, so this year has not been a called *La Niña*, so is not raining more than normal, is raining as a normal year, so that means that most likely by the second half of the year the thermal plants will be on again, not all of them but probably they will switch on again some of those, and probably the gas volume will increase in the second half as I said. It has been raining but on average of historic statistics, is not raining very high, is simply raining as a normal year. So that means we expect the volumes increases in the second half and early next year.

Any other questions?

Operator: Thank you, our next question online comes from Oswaldo Olivier from Davivienda Corredores, please go ahead your line is open.

Mr. Olivier: Hi Antonio and Julián thank you very much for the presentation, I have two questions my first one is complementary to the one that Mark asked you about the new projects, the new opportunities, and is regarding the time in which those projects are going to be operational and are going to generate revenue, do you have an estimate on when are those projects going to be operational? Both in the projects that are directly assigned to you and those that are to be assigned via tender.

The other question is about you mentioned something on the Debt to EBITDA ratio, you mentioned that ratio is going to go down on October and I didn't understand that part on why is that going to be lower on October this year? Those are my two questions, thank you very much.

Mr. García: Ok I will answer the first one and Antonio the second, with regard to the first one

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the projects that are in execution, the date that I told you is the date when we will start receiving the revenues. For example the *Cusiana Phase III* we are expecting to start receiving revenues June-July because we'll declare the commercial operation in the next few weeks, with regard to the projects that are under execution.

With regard to the expansion projects in the medium term, the ones that are with the government, we are expecting according to the timetable of the government, those projects should be in operation, some in 2020 and some in 2021, so the revenues will be starting to be seen in those years, 2020-2021 is more less the schedule that the government has and of course the schedule that should be the basis for us to plan.

Mr. Angarita: Ok regarding the second question, the total Debt to EBITDA, the reason why in October that indicator will decrease is because in October when the company pays the final figure for the hedge contracted in 2009 the total debt will decrease, and that is the reason.

We will have this indicator in the lower level and also we will have a small amount of debt (INAUDIBLE) this is what we forecasted for this year, so is in the level that is controlled by the company. We included the hedge to our Total Debt, that's the reason why when we pay the final amount the Total Debt will decrease, that's the explanation.

Any other questions?

Operator: Thank you our next question online comes from Diego Buitrago from Bancolombia. Please go ahead your line is open.

Mr. Buitrago: Thank you for the presentation I have two questions, one is regarding the dates of the start of operations for the projects, we have noted that frequently those dates moved forward, so I want to understand how works the deadline in the projects, and what is the implication on TGI due to the fact of postpone the start of operation of the projects, beyond the direct impact on revenues, I want to know what are the main reasons to postpone those dates of the start of operation of the project.

And the last one is if Antonio could repeat the last answer because the communication was not good enough, thank you.

Mr. García: Ok, yes some projects are let's say, below the schedule that was anticipated two years ago or some months ago when they were approved, some of those are environmental permitting for example the *Armenia Loop*, which has obtained the permitting but it took more months that we anticipated, so one of the reasons has been the permitting.

You know that we are not the only sector where it happens; there are some problems in obtaining the environmental permitting, for example in the *Armenia Loop* we needed to do a lot of archaeology approvals because we are in an area where usually there's some archaeological findings, so it took more time than expected to obtain all the approvals for the archaeological permitting.

In case of other projects we had some problems with the initial contractors, we had to change contractors like in *Cusiana Phase III*, so we had some delays because of that which were solved and all the contractors are now worked, all the projects are contracted and all the contractors are working in place.

Mr. Angarita: But regarding revenues, *Cusiana Phase III* will contribute with 750 thousand dollars per month, the operational declaration is very close, maybe at the end of June, so since July of this year we will receive this new revenue from *Cusiana Phase III*, but all the contracts were already signed, this is the main impact.

Cusiana-Apiay-Ocoa that is a project mainly for Ecopetrol, for their needs in the plant close to Villavicencio will enter into operation in December. That will be another important source of revenues.

Mr. Buitrago: Please repeat the last answer that you gave us because the communication was not good enough.

Mr. Angarita: The reason why the Total Debt to EBITDA will decrease in October is because we will pay the hedge that the company contracted in 2009, we will pay the final amount on October of this year, the Total Debt will decrease because of that, because we included that hedge in our Total Debt, that's the reason why we are in a good level, we consider it as a good level, but we are controlling constantly these indicators related to Debt, so in any case we have enough cash for additional payments unnecessary but we are not considering any additional payment of debt during this year.

Mr. Buitrago: Ok, let me do the bonus. And is regarding the opportunities that you are looking in the region, could you tell us any specific country that TGI are more interested?

Mr. García: Ok, yes we are reviewing several opportunities in several countries, probably one of the projects that we are working harder is in Peru, you know that TGI is shareholder in CONTUGAS together with our parent company (EEB), so we are working in projects such as the delivery of gas to the south of Peru, this is one of the opportunities we are looking, you know that these projects have some problems because the concession was terminated, so that creates new opportunities to seek delivering gas to the south of Peru.

So this is one of the specific projects that we are working, is not a secret that we are looking for that, because we are already in the country, we already have some infrastructure that is already in operation and of course we want to expand our business in Peru.

Mr. Buitrago: Ok thank you.

Operator: And we have our following question from Mark Heins from BTG Pactual

Mr. Heins: Hi guys, I was wondering if you can answer me two more questions, the first one is regarding financing of the projects that are coming for 2020 and 2021, how much of this is going to be financed via bonds or perhaps credit lines? And also the regasification plan, I want to know if you're seeking like a partner, investment partner or are you planning to invest in the whole project on this plan.

And the second question, since you're currently looking for the Gasoducto Sur Peruano, I wanted to ask you if you're trying to follow the same scheme or the same infrastructure as the previous contractor? Or are you looking for alternatives such as transportation via other parts of the region? Thank you.

Mr. García: Ok, with regard to the first one, how to deliver the projects I will answer in two parts, with regard to the projects that are directly assigned to us we think that we can execute those by ourselves, 100% ourselves, probably part of that with some funding as part of the normal corporate funding of the company, if it

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requires some financing yes, probably we will seeking some funding through financing.

With regard to the more expensive and more challenging projects like the regasification plan, we are seeking for partnering and as well as we're thinking that these type of projects, that are normal infrastructure projects, usually are funded through Project Finance, so of course we will do for this type of projects, use some kind of project finance.

For the second question, yes we are seeking for alternative routes to deliver gas to the south, and as I mentioned we are already through CONTUGAS in the western part transportation system, so probably an alternative route, a cheaper route will be to extend our CONTUGAS system which is a lot shorter and a lot easier, cheaper and quicker to construct an extension of the CONTUGAS to the south compared to the construction or the concession that was terminated.

Mr. Angarita: I would like to complement the question related to financing these projects because we have enough capacity for supporting big percentage of the total investment. As we presented, we have funds from operations between 200 and 250 million dollars, this amount is available for projects, for new projects and also for dividends of course, but a big part can be used for the growth of the company, and this is very important with our financial, maybe if we are awarded in the future with all these six projects we will need an small amount of new debt for concluding these projects. So we have enough financial capacity for these six projects.

Operator: We have no further questions at this time.

Mr. Olazabal: Good morning everyone and thank you for joining us today, on behalf of the company, I would like to welcome you to the Calidda's 1st quarter 2017 Results Call, my name is Jorge Olazabal and I am the Chief Executive Officer of Calidda. I would like to start this presentation by giving an overview of our business during the past quarter, we have concluded the first quarter of the year with better than expected results, our EBITDA was 45 million dollars, 21% higher than first quarter of last year result of 29 million dollars, also our Adjusted EBITDA Margin increased from 54% to 61% due to higher distribution revenues.

I would also like to mention that we connected more than 26.000 customers to our distribution system, which sets our total clients base pass the 464.000 mark, thanks to this performance we now have more than 2.000.000 people who benefits of the use of natural gas in Lima.

On the other hand, we are currently working on our new business strategy; we have redesigned our organizational structure focusing on our business vision.

With this we will ensure that our generating and supported areas have the conditions to present our customers with effective energy proposals.

I will now handover to Martin Mejía Calidda's Chief Financial Officer who will go over the presentation.

Mr. Mejía: Ok thank you Jorge and good morning everyone, my name is Martín Mejía I am the Chief Financial Officer of Calidda, now please follow me inside of the presentation. First I would like to begin with Calidda's first quarter 2017 highlights, in the right side of the slide you will find Calidda's first quarter 2017 results compared to first quarter 2016, as you can see in the first chart which

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illustrates our key operational results, our client base over the last twelve months increased by more than 95.000 customers and it's now composed by almost 465.000 clients, this represents a 26% growth in terms of connected clients during the last twelve months. Also invoiced volume reached 751 million cubic feet per day which represents an 8% increase compared to the same period of 2016. This growth was supported by the construction of over 1.300 kilometers of new pipeline infrastructure over the last twelve months; with this the entire distribution system extends of 7.691 kilometers of underground pipelines.

Regarding the second chart in which you will find our key financial results, you will see that our total revenues and our total adjusted revenues from first quarter 2017 increased 13% and 10% respectively compared to the last year results.

This is explained by higher distribution revenues, mainly for additional contracted take-or-pay volumes and higher connection fees.

As a reminder, I would like to mention that total adjusted revenues reached almost 55 million dollars are calculated of total revenues less pass-through concepts, as explained in the note number 3, this 6 million dollars increment compared to last year results.

Seeing our EBITDA there are not direct cost associated with our distribution and connection revenues which amounted more than 35 million dollars and 21% increment.

In the next slide you'll find our Commercial Performance, as of first quarter 2017 Calidda has connected almost 464.000 clients from the residential segment in 20 districts within Lima and Callao, of which almost 26.000 were connected to Calidda's distribution system during the first quarter 2017.

It is important to mention that currently most new residential clients benefit from two Peruvian Government programs created to further increase the use of natural gas and achieve the massification of Natural Gas service in Peru. These programs subsidize up to 100% of their connection cost to Calidda's gas distribution system, and these programs are the Bonogas and the Promotional Discount programs. Both programs can be accessed only by people from the economic sectors C, D and E which are low income population, and benefits more than 92% of our new residential connections

Moving on the next slide, you will find the connection performance of our three main client segments in terms of volume invoice, in the power generation segment there has not been thermal plants connections this year, however a cogeneration client has been connected, which is an industry capable of generating its own electricity. As for the Industrial and NGV sectors, 5 industries and 4 NGV Stations have joined our distribution system during the last quarter. It is important to notice that NGV Stations supply natural gas to more than 177.000 vehicles in the city of Lima and Callao.

You will see in the next slide, which is the Commercial Performance too, you will see the Calidda's historic invoiced volume as of March 2017, as you can observe the invoiced volume shows an average growth of 10% since 2011. If you compare last quarter results against the last quarter results of 2016, Calidda's invoiced volume increased by 8% and it is mostly explained by the demand of the power generation segment due to a higher Take-or-Pay contracted volume, it is important to mention that the Take-or-Pay invoiced volume represents 80% of the total invoiced volume of this first quarter 2017 minimizes the impact of volume volatility derived from the seasonal effect on

volume demand from the power generation segment.

Moving on the next slide, you will find our invoiced volume breakdown by client segment in four charts, the most important volume increment came from power generation, due to a renegotiation of the contract with two of our main clients increasing our Take-or-Pay contracted volume during since May 2016.

The industrial sector volume shows an increase of 1% whereas the NGV Stations segment shows a slightly decrease of 3% due to a lot of competitiveness against other fuels.

On the other hand the most dynamic segment was the residential and commercial sector, which invoiced volume increased by 5% explained by the successful addition of more than 26.000 customers in the last quarter.

Well, in the next slide you'll see our historic operational performance as of the first quarter of 2017, as you can see in the first graph to the left, Cálidda's distribution system consist of 7.691 km of underground pipelines as result of construction of 9 km of steel high pressure network and 257 km of polyethylene low pressure pipelines during the last quarter.

In the second chart you will find Cálidda's network efficiency, which we can measure by quantifying the connected clients over the number of potential clients located in front of Cálidda's network. This efficiency ratio increased in 1% through the last quarter which allowed raising the network penetration rate up to 61%. Now we have almost 773.000 potential clients of which more than 465.000 are currently connected to our gas distribution system.

In the next slide of our operational performance I would like to talk about Cálidda's installed capacity and distributed volume, as of the first quarter 2017, Cálidda's distribution system capacity is 420 million cubic feet per day measured from the City Gates at Lurin which is located at south of Lima to Ventanilla is located at north of Lima. Now 51% of this capacity is currently in use by our regulated and independent clients located within this region, equivalent to 215 million cubic feet per day.

As a reminder I would like to mention that we contract natural gas and transportation capacity in order to serve our regulated clients, and independent clients contracted this activity directly with the natural gas producer and transporter which are Pluspetrol and TGP. Our contracted natural gas supply and transport capacity considering Take-or-Pay and interruptible volumes amounts to 223 million cubic feet per day and 228 million cubic feet per day respectively. That allows us to attend 144 million cubic feet per day volume demand from our regulated clients.

It is important to say that for both, natural gas supply and transportation contracts Cálidda's capacity cost is totally transferred to the final client and the tariff is recalculated quarterly. We also have independent clients located in Chilca in the south of the city gates at Lurin which has a large power generator with Take-or-Pay contract that consumed 242 million cubic feet per day during the last quarter.

In total Cálidda's distributed volume amounted 467 million cubic feet per day, this is lower than the 751 million cubic feet per day invoiced volume due to Take-or-Pay contracted volume.

In the next topic which is the Financial Performance and Key Metrics which are represented in graphics, you'll find three graphs that represent our invoiced volume, our distribution revenues and our adjusted revenues for the first quarter 2017.

These are evidence that even though 76% of all the invoiced volume came from the single client segment; which is the power generation sector, our revenues are diversified.

Please allow me to elaborate on that; the first pie to the left is the invoiced volume presented before, as you can appreciate even though the residential and commercial segments represents only 1% of the total invoiced volume, it explains 11% of our distribution revenues as you can see it in the middle pie.

Then in the third pie, If we add the revenues generated by our client connection business, we can see that the residential and commercial segment represents 36% of Calidda's Adjusted Revenues. As a reminder, Calidda's Adjusted Revenues are the total revenues less the pass-through concepts.

On the other hand, while Power Generators represents 76% of the invoiced volume, segments relevant come down to 51% when analyze our distribution revenues, and 33% of the Adjusted Revenues. This shows that the residential and commercial segment, and the Power generation segment are equal important in terms of Adjusted Revenues, other Revenues represent 7% of the Adjusted Revenues, mainly explained by income received from NGV clients connections fees and pipeline's relocation services.

Please follow me in the next slide, at the end of March 2017 Total Revenues were 552 million dollars including Pass-through & IFRIC 12 revenues, which represent a 3% increase compared to the first quarter 2016 results, nevertheless Total Adjusted Revenues increased by 3% from 207 million to 212 million dollars.

On the second chart to the right, we can see Calidda's historic EBITDA which totalize 130 million dollars, showing a steady increase since 2011 as well as our Adjusted EBITDA Margin.

In the third chart bottom left, Funds from Operations calculated as of first quarter 2017 (Net Profit + Depreciation + Amortization) were 89 million dollars, and in the last chart bottom right, you can find the Debt and Net Debt to EBITDA ratio, as you can see we have maintained our Debt to EBITDA below the 3.5 times target, and closed last quarter with a ratio of 2.6 times our EBITDA.

To sum up, in the next two slides you will find Key Financial Metrics, they reveal that our Financial Performance over the past years is consistent with the company's' vision and expected results of our shareholders, you'll find debt indicators and ratios as Total Debt, Debt / Capitalization ratio, Interest Coverage, Funds From Operations / Net Debt, Total Assets, Equity, Net Income, CapEx.

With this said, I would like to end this presentation by mentioning that 2017 will be a year that marks our transition towards a new business model to close the needs of our customers.

We anticipate that this process will be followed by an evolution in the financial performance of our company that will be reflected in a sustained increase of our revenues and profitability.

In this sense, it is important to mention that the results of the first quarter shows that we are on track to meet our annual targets which includes to connect 120.000 clients to our distribution system of natural gas and achieve an EBITDA of 130 million dollars.

Well, thank you for your time and we are ready to start the question and answer session.

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”, there will be a delay before the first question is announced, 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.

And we're standing by for questions.

We have a question online from Mark Heins from BTG Pactual, please go ahead.

Mr. Heins: Hey guys thank you for the presentation, I had a couple of questions the first one is regarding new connections for this year, and how many are you planning to add during the year?

The second one is how are you viewing new connections on thermal clients and industrial clients? You mentioned that this year you didn't expect new connection from thermal agents but I was wondering if you could give us some kind of guidance or expectancy of the future of these two sectors in the country or in the in the region where Calidda operates.

The third one is if you're planning to distribute dividends the way as you have done during the previous periods and the last question is regarding maintenance CapEx once you have constructed or all your lines and you have reached your target, how much can we expect to for maintenance this CapEx for your whole distribution network? Thank you very much.

Mr. Olazabal: Regard to the question number two, yes; we do not expect new power thermal generation plants within the next few years. But you see in the presentation an Industrial with cogeneration capability...

Mr. Mejía: Well, regarding the new connections that we are going to do this year, we think about 120.000 new clients according to our plan.

Regarding the dividends, this year we are going to give the result of 2016 which are 50 million dollars to our shareholders and this will paid on June, and regarding the maintenance CapEx, during the following years we are going to invest around 600 million dollars to expand our distribution network to connect 500.000 clients to our system, and this is to reach our target of 1 million clients connected to our system in the year 2022, and for this is important to mention that we are going to take around of 400 million in new debt to finance the 600 million dollars for this expansion project that we have.

Operator: Thank we have no further questions at this time.

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Thank you ladies and gentlemen this concludes today's conference thank you for participating you may now disconnect speakers please standby for your post conference.