# Investors Report
# 1H 2015

**Bogotá D.C., 26th August 2015**

## INDEX

## 1. EXECUTIVE SUMMARY AND RELEVANT FACTS

### 1.1. The natural gas market in Colombia

**Table N° 1 - Natural gas demand in Colombia**

| Demand (GBTUD) | 2Q 15* | 2Q 14 | Var. % |
|---|---|---|---|
| Thermal | 297.6 | 379.1 | -21.5 |
| Residential – commercial | 183.8 | 194.6 | -5.5 |
| Industrial – refineries | 378.9 | 435.1 | -12.9 |
| Vehicle | 91.6 | 87.0 | 5.2 |
| Petrochemical | 20.9 | 20.6 | 1.5 |
| **Others** | 24.5 | 25.5 | -3.9 |
| **Domestic Demand** | 997.2 | 1,141.8 | -12.7 |
| Export | 63.0 | 59.4 | 6.0 |
| **Total** | **1,060.2** | **1,201.2** | **-11.7** |

Source: Concentra

During the first half of 2015 domestic natural gas demand decreased by 12.7% compared with the same period of 2014.The two main causes of the decrease in domestic demand were the sector thermal and industrial refineries consumption. Tthermal consumption experienced a decrease of 21.5%, mainly due to chances of occurrence of El Niño phenomenon during the first six months of 2014 that increase thermo consumption; these expectations were not confirmed during 2015.

### 1.2. Summary of TGI financial results 2Q 2015

As of 2015, the company adopted the International Financial Reporting Standards – IFRS -, thus complying with the timetable established by the Utilities Superintendence and the Colombian Government corresponding to theses standard convergence. The issuance date of the first comparative financial statements under IFRS will be 31 December 2015, therefore these figures show preliminary results and may be subject to changes.

For more information on the main specific impacts of IFRS implementation in TGI; please refer to Annex no. 9 in this report.

**Table Nº 2 - TGI Selected indicators**

| | 2Q 15 | 2Q 14 | Var % |
|---|---|---|---|
| Operating revenue – USD Thousands | 218,996 | 244,253 | -10.3 |
| Operating profit - USD Thousands | 143,516 | 160,707 | -10.7 |
| EBITDA YTD - USD Thousands | 189,106 | 198,132 | -4.6 |
| Net Profit - USD million | 50,048 | 82,406 | -39.3 |
| Transported volume - Mm cfd | 469.4 | 469.1 | 0.1 |
| Firm Contracted capacity - Mm cfd | 669.0 | 646.0 | 3.6 |
| Latest international credit ratings: | | | |
| S&P - Sep. 14: | BBB-, stable | | |
| Fitch - Oct.14: | BBB, stable | | |
| Moody's – Abr. 14: | Baa3, stable | | |

EBITDA YTD reduced by 4.6% compared to first half of 2014 mainly due to a decrease in revenues (-10.3%), which were affected by devaluation Colombian Peso devaluation during 2015; lower transported volume during the first half of 2015, compared with the same period in 2014, due to a lower dispatch to thermo plants in the center of the country; and a reduction in non – recurring charges, TGI since the beginning of the year no provides this service for a regulatory reasons. The operating costs showed a relevant decrease, by which the percentage change of the EBITDA is proportional less compared with the revenues.

### 1.3. Highlights

- TGI continues with the transition process to IFRS, according with the Colombian government rules. For this process TGI was supported by KPMG and PWC, and specialized teams for SAP-ERP. Given that the company belongs to group 1, the mandatory transition period began on 1 January 2014 and the date of issuance of the first comparative financial statements under IFRS will be 31 December 2015.

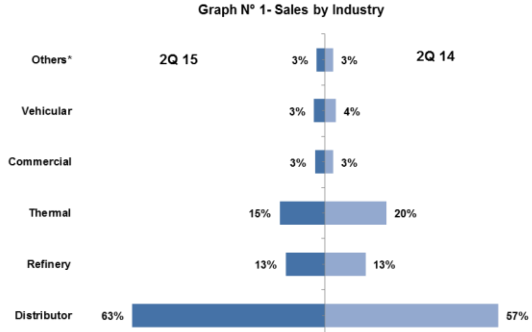
- Currently, the Energy and Gas Regulation Commission – CREG (for its Spanish acronym), is undertaking the process to review the regulatory WACC calculation methodology. TGI has showed its technical comments to the regulator, in order to contribute in the final methodology definition., which is expected will be defined at the end of this year.
- Taking into account the structuring defined by EEB for the acquisition of 31.92% of the stake in TGI; the company is currently conducting a merger process with IELAH, a special purpose vehicle in which, The Rohatyn Group (former Citi Venture Capital - CVCI) maintained such investment, which was acquired in July 2014 by EEB. The process should be completed during the 1H of 2016.
- During the month of June, TGI granted an intercompany loan to its parent company EEB amounting to COP 50,000 mm.
- The Board of Directors approved the expansion of the Loop Ramal – Armenia, allowing the increase in transport capacity by approximately 8 MMSCFD, and estimated CapEx is US$ 17 million.
- During the year, TGI's average transported volume through its infrastructure amounts to 499.5 MMSCFD, and maintains a market share of 51.3% at the closing of 2Q 2015.
- In order to align future capacity needs to its clients, with the projects that the company currently is undertaking, TGI submitted to its main clients three significant expansion infrastructure projects: i) Cusiana – Vasconia Phase IV (100 and 150 MMSCFD), ii) Bidireccionality Ballena – Barrancabermeja (45, 100 and 150 MMSCFD) and iii) Mariquita - Gualanday (12.6 MMSCFD), with an estimated total CapEx of US$ 430 million. Based on this information, the interested clients will submit their capacity requirements for each of these projects and subsequently, TGI will revise its financial closing.
- On July 5th, a leak was founded in Cusiana- APiay pipeline near to Upia River. This incident affected 8 clients whom had interrupted service during 9 days, meanwhile the pipeline was repair. On July 13th the services was reactivated.

## 2. COMMERCIAL PERFORMANCE

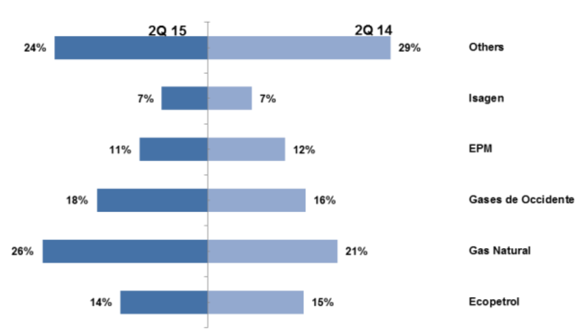
### 2.1. Sales by sector

The distribution sector, which includes household consumption, continues as the main driver of revenues for the company, with a share of 63%. The thermal sector reduced its share in terms of total company revenues, moving from 20% to 15% when compared to the same period of the previous year. Nominally, average thermal generation during 2Q 2015 increased by 10.2 MMSCFD totaling 60.9 MMSCFD, when compared to the average during 1Q 2015, which reached 50.7 MMSCFD. Finally, the Apiay production field underwent maintenance and did not deliver gas to the transport system between May 12th and June 30th, and its average production amounts to 10 MMSCFD, therefore there was a noteworthy reduction on the Apiay-Usme stretch.

Graph N° 1- Sales by Industry

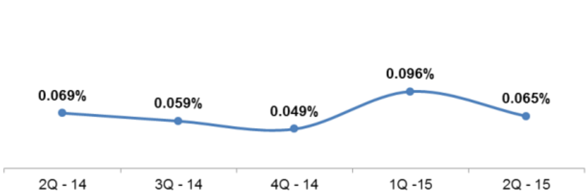



Graph N° 2 - Sales by Client



Sales participation of main clients did not experience relevant changes during the period, therefore Gas Natural, Gases de Occidente, Ecopetrol, EPM and Isagen continue being TGI´s main clients, reaching a participation of 76% of company's operational revenues.

Graph N° 3 - Delinquency Ratio




The support provided to collections during 1Q 2015, allowed the company to obtain a delinquent index of 0.065% on invoiced revenues during the past twelve months, which further strengthens the company's cash flow.

## 2.2. Contractual Structure

The main sectors serviced by TGI show stable consumptions without seasonality. 100% of its contracts are in firm and are entered into based on a set of charges comprising, more or less, 89% fixed charges and 11% variable charges.

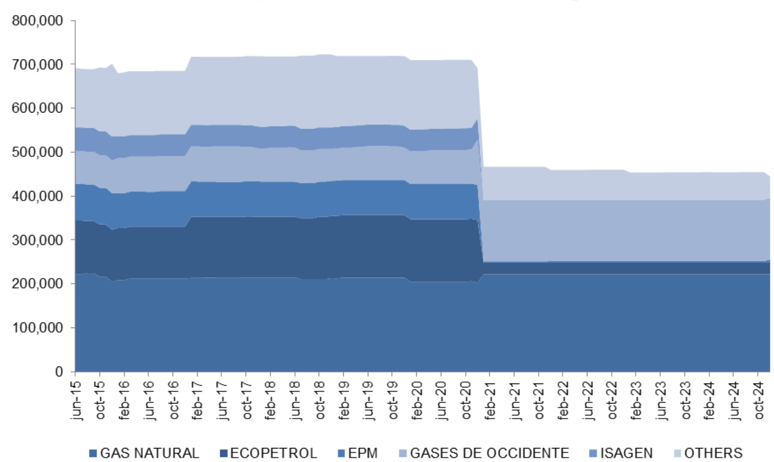
At the end of the 1H, total contracted in firm capacity by the company amounted to 671 MMSCFD, which is equal to 94% of available capacity.

**Table N° 3 - Contractual Structure**

| | 2Q 15 | | | 2Q 14 | | |
|---|---|---|---|---|---|---|
| Type of contract | No | Volume Mmcfd | Average remaining lifespan (years) | No | Volume Mmcfd | Average remaining lifespan (years) |
| Firm (1) | 1,132 | 671 | 10.0 | 123 | 650 | 7.5 |

Footnotes in annex 6

Graph No. 4 - TGI Contractual life remaining




In the 1H of 2015, 63 natural gas transport contracts expired; however, the market served through these contracts were renewed by other contracts or served thorugh other contracts of the same carrier. On the other hand, currently there are 1,132 natural gas transport take or pay contracts of which, 239 correspond to transport contracts of the enhancement projects proposed by the company.

It is worth highlighting that the increase in the number of contracts vis-à-vis the same period of the previous year, is explained by regulatory changes that affect the company (Resolution CREG089-2013), according to which the client shall contract per every stretch in the system and with standard capacities in each of these stretches.

## 3. FINANCIAL PERFORMANCE

### 3.1. Financial Results

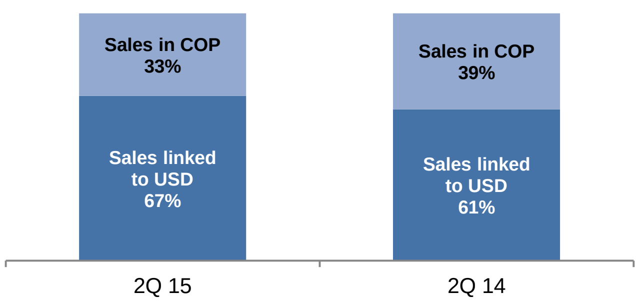
At the closing of 1H 2015,89.8% of TGI revenues on account of natural gas transport services was derived from fixed charges established based on take or pay contracts; 1.2% of revenues correspond to non-regulated revenues, therefore 9.0% of remaining revenues could be affected by potential fluctuations in the demand.

**Table N° 4 - Revenues Structure**

| | USD Miles | | Variation | | Participation | |
|---|---|---|---|---|---|---|
| | 2Q 15 | 2Q 14 | USD | % | 2Q 15 | 2Q 14 |
| Operating Revenue | 218,996 | 244,253 | (25.3) | -10.3 | | |
| By currency | | | | | | |
| Sales linked to USD (1) | 144,320 | 154,386 | (10.1) | -6.5 | 65.9% | 63.2% |
| Sales in COP (1) | 74,676 | 89,867 | (15.2) | -16.9 | 34.1% | 36.8% |
| By type of charge | | | | | | |
| Sales charges capacity and AO&M (2) | 196,510 | 194,677 | 1.8 | 0.9 | -90% | 80% |
| Sales variable charges (3) | 18,982 | 32,200 | (13.2) | -41.0 | -9% | 13% |
| Non - Recurring charges (4) | 1,229 | 12,651 | (11.4) | -90.3 | -1% | 5% |
| Others (5) | 2,274 | 4,725 | (2.5) | -51.9 | -1% | 2% |

Footnotes in annex 6

**Graph No. 5**
**Total Sales- Type of Currency**




The non.recurring charges decreaseeddue to regulatory matters and the reduction in AOM revenues correspond to the devaluation of the Colombian peso so far in this year. It is noteworthy that AOM revenues are denominated in pesos and if they are compared in this currency show a 6.3% increase due to higher take or pay recruitment from 650 mmcfd in June 2014 to671 mmcfd in June 2015.

**Graph N° 6**
**Type of Charge**

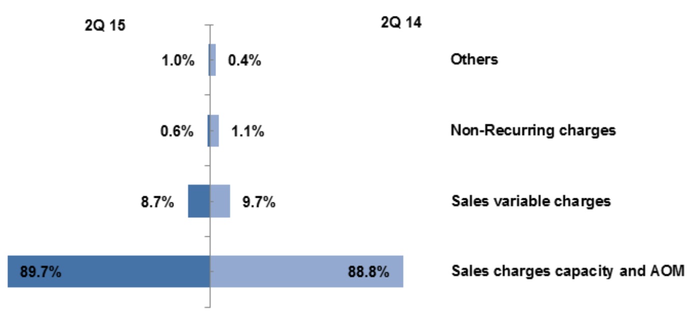



**Table N° 5 – Financial Results 2Q 2015**

| | USD Thousands | | Var | |
|---|---|---|---|---|
| | 2Q 15 | 2Q 14 | USD | % |
| Operating Revenue | 218,996 | 244,253 | -25,257 | -10.3 |

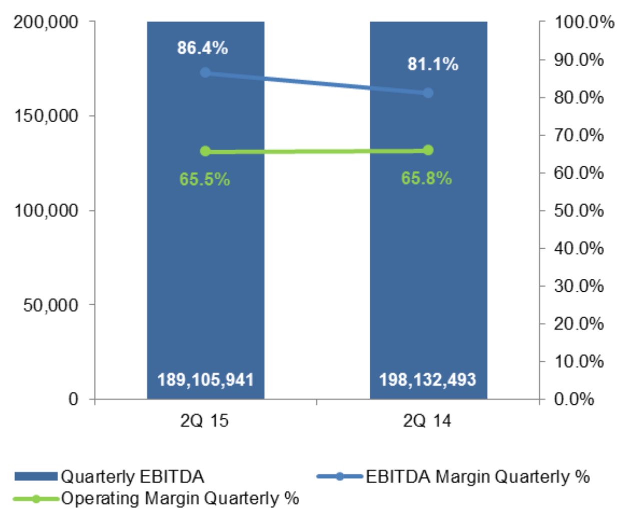
| | | | | |
|---|---|---|---|---|
| Operating costs and expenses | 75,376 | 83,877 | -8,501 | -10.1 |
| Others Revenues/(Expenses) | 104.1 | -330.9 | 435 | -131.5 |
| **Operating Profit** | 143,516 | 160,707 | -17,191 | -10.7 |
| **Operating Margin %** | 65.5 | 65.8 | | |
| Profit/(Loss) Non Operational Net | -29,678 | -25,354 | -4,325 | 17.1 |
| Foreign Exchange | 18,065 | 4,869 | 13,195 | 271.0 |
| Income Tax | 45,724 | 57,816 | -12,092 | -20.9 |
| **Net Profit** | 50,048 | 82,406 | -22,619 | -39.3 |

Footnotes in annex 6

Operating revenues were reduced by 10.3% mainly to: (i) a reduction in non-recurring revenues by 90.3%, due to a new regulation coming in force (CREG resolutions 089 of 2013 and 089 of 2014), occasional services cannot be provided by TGI, because the new role of the natural gas market administrator (Gestor del Mercado); (ii) in the variable revenues by 41% due to less transported volume of 4.5% during the first half of the year; and (iii) a devaluation of the Colombian peso during the year of 8.1%, which affects revenues denominated in pesos given TGI's functional currency is US Dollar.

EBITDA YTD fell by 4.6% which is proportionally below to the decrease in operating income, due to both costs and operating expenses compared with the same period of the previous year. In particular the gas offsets OBAS - by its acronym. Operational Balancing Agreements- which meant approximately US$ 6 million higher EBITDA and the aforementioned devaluation.

**Graph No 7 - Quarterly EBITDA**
**USD**




## 3.2. Debt indicators

**Table Nº 6- Debt Indicators**

| | 2Q 15 | 2014* | Unit | |
|---|---|---|---|---|
| Net Debt (1) / EBITDA LTM (2) OM: < 4,8 | 1.53 | 1.81 | Times | |
| EBITDA LTM (2) / Interest UDM (3) OM: > 1,7 | 6.27 | 6.18 | Times | |
| **Debt structure** | Amount | Currency | Cupón (%) | Maturity |
| Senior – International bonds (4) | 750 | USD Mm | 5.700% | 20-mar-2022 |
| Subordinated (5) | 370 | USD Mm | 6.125% | 21-dic-2022 |

Footnotes in annex 6| * As of December, 2014

**Table Nº 7 – Indicators Detail**

| | USD Thousands | |
|---|---|---|
| | 2Q 15 | 2014* |
| EBITDA LTM | 362,156 | 371,182 |
| Total debt | 883,862 | 866,747 |

| | | |
|---|---|---|
| Cash and cash equivalents | 329,803 | 207,114 |
| Net debt | 554,059 | 659,633 |
| Interest Expenses LTM (1) | 57,802 | 60,029 |

Footnotes in annex 6| * As of December, 2014

The company continues complying with the covenants established in the Indenture Bonds issuance 2022, in the credit metric matters, which showed an enhancement due to less financial expenses in the interest for the last twelve months and larger cash and temporary investments. It is important to highlight that the covenants are suspended because of the investment grade granted by the three risk rating agencies.

## 4. OPERATIONAL PERFORMANCE

TGI maintains its leadership in the natural gas transport market, enjoying a market share of 51.3%. By 2Q 2015, the total transported volume through the national system decreased by 82 MMSCFD, compared to the same period in 2014. It is worth highlighting an increase of 11.2% of transported volume by other operators in this transport market.

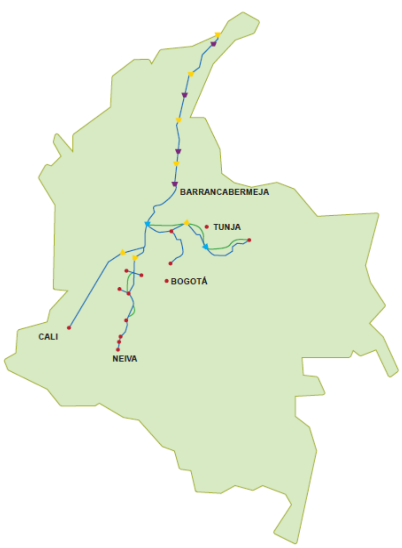



**Table Nº 8 - Volume by carrier – Mm cfd**

| | 2Q 15 | Part. % | 2Q 14 | Part. % |
|---|---|---|---|---|
| TGI | 499.5 | 51.3 | 543.6 | 51.5 |
| Promigas | 320.0 | 32.9 | 373.0 | 35.4 |
| Otros* | 153.7 | 15.8 | 138.2 | 13.1 |
| Total | **973.1** | **100.0** | **1,054.7** | **100.0** |

Source: Concentra.Inteligencia en Energía
*Industries directly linked to transport

**Table Nº 9 - Selected operational indicators**

| | 2Q 15 | 2Q 14 | Var % |
|---|---|---|---|
| Total capacity – mm cfd (1) | 733.8 | 730.3 | 0.5 |
| Transported volume – mm cfd (2) | 499.5 | 543.6 | -8.1 |
| Firm contracted capacity – mm cfd (3) | 671.0 | 650.0 | 3.2 |
| Load factor - % (4) | 66.2 | 66.8 | -0.9 |
| Availability - % (5) | 100.0 | 100.0 | 0.0 |
| Losses - % (6)* | - | 0.02 | |
| Gas pipeline length – Km | 3,957.0 | 3,957.0 | |
| Pipeline length – Mi | 2,459.0 | 2,459.0 | |

Footnotes in annex 6

At the closing of 2Q 2015, the increase in contracted capacity in firm is explained by the company's commercial task force in the quest for new contracts. Likewise, the enhancements to the system and operational improvement of the system have contributed to the increase in transport capacity. Lastly, system losses are maintained well below the regulator's maximum accepted level of 1%.

**Table Nº 10 – TGI Total capacity by section TGI – 2Q 15**

| By Section – Mmcfd | Transport Capacity | Transported Volume Average |
|---|---|---|
| Ballena – Barrancabermeja | 260.0 | 108.1 |
| Mariquita – Gualanday | 15.0 | 14.8 |
| Gualanday – Neiva | 11.0 | 9.1 |
| Cusiana – Porvenir | 392.0 | 331.9 |
| Cusiana – Apiay | 33.0 | 30.1 |
| Apiay – Usme | 17.8 | 3.8 |
| Morichal – Yopal | 5.0 | 1.7 |
| **TOTAL** | **733.8** | **499.5** |

## 5. CAPITAL INVESTMENTS

**Table Nº 11 - Capex**

| | USD Millions | |
|---|---|---|
| | 2Q 15 | 2Q 14 |
| Investment (1) | 15.5 | 20.3 |
| Maintenance (2) | 0.7 | 2.2 |

Footnotes in annex 6

**Cusiana Phase III:**

The Cusiana Phase III project consists on enhancing compression capacity of the gas pipeline in the Cusiana – Vasconia stretch, by means of the supply and start up of operations of three new natural gas compression units (in the existing stations of Miraflores, Puente Guillermo and Vasconia). The project will enable the enhancement of capacity by 20 MMSCFD and comprises a total investment of approximately US$31 million. Commercial start up is expected to occur during 1Q 2016. To date, project's progress is at **33.7%**

**Cusiana – Apiay Ocoa:**

The project will increase the transport capacity of the gas pipeline Cusiana – Apiay by 32 MMSCFD and the Ramal Apiay – Ocoa by 7 MMSCFD and will allow to service natural gas demand of carriers for thermal electric generation, residential and industrial distribution. It comprises a total investment of approximately US$48 million. Operation start up will take place during 1Q 2017.

## 6. ANNEXES

### Annex 1: Legal Notice and Clarifications

*This document contains words such as "anticipate", "believe", "expect", "estimate" and others which meaning is similar. Any historic information, including, but without limiting to that referring to the Company's financial situation, its business strategy, its plans and management objectives, relates to forecasts.*

*Forecasts in this report were made under assumptions related to the economic, competitive, regulatory and operational environment of the business and took into account risks beyond the Company's control. Forecasts are uncertain and they may not materialize. One may also expect that unexpected events or circumstances occur. As a result of the foregoing, actual results may differ significantly from forecasts herein contained. Accordingly, forecasts in this report must not be considered as true facts. Potential investors must not take forecasts or assumptions in this report, neither should they base their investment decisions upon them.*

*The Company expressly waives any obligation or commitment to distribute updates or reviews of any of the forecasts herein contained.*

*Company's past performance may not be considered as a pattern for future performance.*

### Clarifications to the report

- Only for information purposes, we have converted some of the figures in this report to their equivalent in USD, using the market representative rate (TRM – for its Spanish acronym) at the end of the period as listed by the Colombian Financial Superintendence. Capex is converted into TRM at the end of the period. Exchange rates used in such conversion, are as follows:
  TRM as of June 30th 2014: 1,881.19
  TRM as of June 30th 2015: 2,585.11
- In the figures, a comma is used (,) to separate thousand and a full stop (.) is used to separate decimals.
- EBITDA is not an acknowledged indicator under accounting standards in Colombia or the United States, and may show some difficulties as an analytical tool. Therefore, it should not be taken into account in an isolated manner as a company cash flow indicator.
- EBITDA for the period was calculated taking operational profit (or loss), plus amortization of intangibles and depreciation of fixed assets for said period.

### Annex 2: Link to Consolidated Financial Statements 2Q 2015:

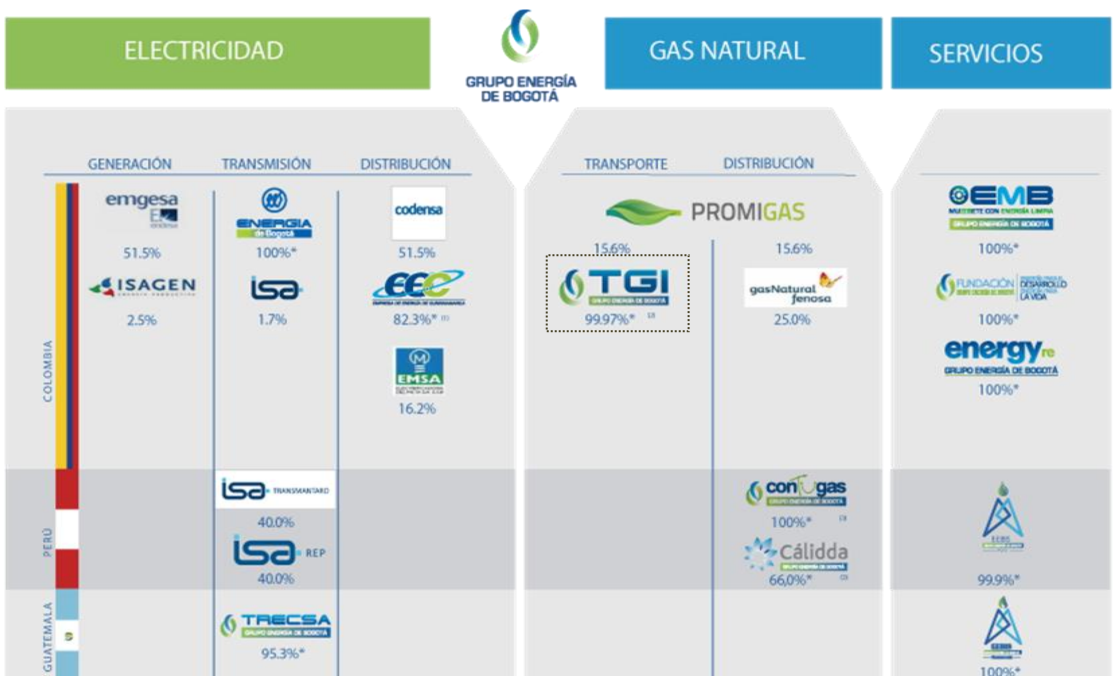
http://www.grupoenergiadebogota.com/inversionistas/estados-financieros

### Annex 3: Outlook of Holding Company – EEB

- EEB is an integrated company in the energy sector with operations in Colombia, Peru and Guatemala;
- The Company was founded in 1896 and controlled by the District of Bogota – 76.2%. Due to the fact that EEB's share is listed in the Colombian public market, it abides by international standards of corporate governance.
- EEB has in place an expansion strategy focused on transport and distribution of electric power in Colombia and other countries within the American region.
- EEB participates in the entire power value chain and in almost the entire value chain for natural gas; it does not participate in E&P activities for this hydrocarbon.
- Grupo EB is among the most important corporate debt issuers in international capital markets. In October 2007, EEB and TGI conducted a corporate bond issuance in the 144A market, which amounted to US$ 1.36 billion In 2012, TGI conducted a debt management operation to reduce coupon rate by 380 bps and extend debt term by five additional years.

- As of 2009, EEB's share is traded in the Colombian stock market

## Annex 4: Overview of TGI




TGI is a key player in EEB's growth strategy, it is the largest natural gas transport company in Colombia and operates a natural monopoly in a sector with high growth potential and which development is of special interest to the National Government. TGI is the only natural gas transport in Colombia connecting main supply sources - Guajira and Cusiana – with main consumption centers.

TGI is subject to regulations from the Ministry of Mines and Energy and CREG. CREG defines the maximum rates that TGI may charge its uses based on financial viability and economic efficiency principles. The rate scheme is designed so investor may receive adequate return on investment and recover cooperation and maintenance costs. Part of the rate the provides the return on investments is expressed in the COP/US$ exchange rate, providing the company with natural hedging vis-à-vis its obligations in foreign currency.

Almost all company sales are supported in in-firm and long-term contracts entered into with sound companies operating in Colombia.

In 2013, TGI completed the most ambitious expansion plan of natural gas infrastructure in Colombia: the enhancement of the Guajira and Cusiana gas pipelines, which cost amounted to US$650 million.

TGI has a stock of 36% in the Peruvian company ConTUgas – the remaining 64% is property of EEB-. This company has been awarded the concession to build the natural gas transport and distribution network in the south of Peru – Ica department, estimated cost amounted to US$ 346 million. ConTUgas began full commercial operation of the project on 30 April 2014.

## Annex 5: Terms and Definitions

- ANH: Agencia Nacional de Hidrocarburos, National Hydrocarbons Agency. Colombian entity responsible of defining hydrocarbon related policies.
- BR: Banco de la República. Colombian Central Bank, responsible for monetary and exchange rate policies in the country.
- Bln or bln: Billion of US$. Factor 109
- BOMT: Build, Operate, Maintain and Transfer Contract.

- COP / COP: Colombian pesos.
- CREG: Comisión de Regulación de Energía y Gas de Colombia – Colombian Energy and Gas Regulatory Commission. State owned agency in charge of regulating electric power and natural gas household utilities in Colombia.
- Cuota de Fomento – Development Quota: Relates to resources Ecogas collected from users to carry out new natural gas infrastructure projects.
- DANE: Departamento Administrativo Nacional de Estadística. National Administrative Department of Statistics. Is the entity in charge of planning, surveying, processing, analyzing and disclosing official statistics in Colombia.
- DNP: Departamento Nacional de Planeación – National Planning Department. Entity in charge of Economic Planning in the country.
- EEB: Empresa de Energía de Bogotá. Holding shareholder of TGI.
- GNV: Gas natural vehicular – Vehicle natural gas.
- GPC: Giga cubic feet. Factor 109
- IED: Foreign direct investment.
- IPC: Colombian consumer price index.
- Km: Kilometers
- MEM: Peruvian Ministry of Energy and Mines.
- Mi: US miles.
- Mm/mm: million
- Mlm / Mlm: trillion
- PBS: Basic points, equivalent to 0.01%
- Pcd or pcd: cubic feet per day.
- SF: Superintendencia Financiera. Financial Superintendence. State agency in charge of regulation, oversight and control of the Colombian financial sector.
- TGI: Transportadora de Gas del Internacional
- Tpc / tpc: Tera cubic feet. Factor 1012
- TRM: Tasa representativa del mercado – Market Representative Rate; is an average of prices in which peso-dollar transactions are traded, calculated on a daily basis by the SF.
- R/P: Reserves production ratio
- UDM: Last twelve months
- UPME: State entity in charge of planning in the mines and energy sectors in Colombia.
- USD: US$

## Annex 6: Footnotes to Tables

**Footnote delinquent portfolio index table**

(1) Delinquent index is calculated measuring in arrears portfolio – exceeding thirty days – on amounts invoiced in the past twelve months.

Return

**Footnotes Table Nº 3: Contractual structure**

(1) Contractual modality ensuring maximum volume of transported gas during a specific period of time. Remuneration of this type of contract may be per capacity and/or variable.

Return

**Footnotes table Nº 4: Revenue structure**

(1) Regulation for gas transport in Colombia divides the rate to users, one part acknowledges investments and the other administration, operation and maintenance costs and expenses - AOM. The portion acknowledging investments is expressed in US$ it's adjusted annually with IPP "Capital Equipment" from the USA and payable in COP at the TRM at the end of each month. Portion acknowledged by AOM is defined in pesos and expressed annually with Colombian IPC.

(2) Capacity charges or fixed charges make carrier maintain an available transport capacity in the event the client so requires. On the other hand, the client commits to paying such capacity irrespective of the volume transported.
(3) Variable charges make carrier maintain an available capacity in the event the client so requires. However, and contrary to the foregoing, the client only pays what was transported but at a higher rate. In general terms, TGI clients maintain contracting schemes combining fixed and variable charges.
(4) Occasional charges are the result of a scheme that does not generate an obligation in firm for the carrier. In other words, carrier has the right to interrupt when, for example, it deems fit to service in firm contracts.
(5) Additional services render by the company, such as new connections or odorization.

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**Footnotes table Nº 6: Debt indicators**

(1) According to the international notes contract, company's net debt only takes into account TGI senior debt less cash value and temporary investments.
(2) The sum of operational profit, amortizations, depreciations and reserves.
(3) Interests incurred derived from TGI's financial debt.
(4) The value of notes issued by TGI Internacional and endorses by TGI.
(5) Corresponds to intercompany loans between TGI with EEB.

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**Footnotes tabla Nº 7: Indicators detail**

(1) The net financial expenses are net of revenues from the treasury and the coupons received by Opposite Swaps contracted.

Return

**Footnotes table Nº 9: Operational indicators in Colombia**

(1) Nominal system transport capacity.
(2) Average of actual volume transported.
(3) A contracting modality binding TGI to maintain a determined volume available in its transport capacity when the client so requires.
(4) It is the percentage usage of the gas pipeline and it is obtained as the ratio between nomination and transport capacity.
(5) Is the actual gas transport capacity in a specific period vis-à-vis nominal capacity.
(6) It is the difference between gas volumes received less gas delivered taking into account changes in inventories. It is measured in percentage terms as regards the volume received from clients. CREG acknowledges through its rates maximum losses of 1%.

Return

**Footnotes table Nº 11: Capex**

(1) Corresponds to those investments aimed at increasing the company's transport capacity.
(2) Correspond to those investments aimed at maintaining the adequate status of company assets to allow normal working thereof and maintain transport capacity at its current levels.

Return

## Annex 7: Statement and Quarterly EBITDA

**Table N° 13 – Detailed Financial Results**

| | USD | | Var | |
|---|---|---|---|---|
| | 2Q 15 | 2Q 14 | USD | % |
| **Operating Revenues** | **218,995,681** | **244,253,006** | **(25,257,324)** | **-10.3** |
| **Costs of Sales** | **56,595,617** | **67,204,742** | **(10,609,125)** | **-15.8** |
| Operating and maintenance | 20,615,526 | 31,953,786 | (11,338,261) | -35.5 |
| Provisions, depreciation and amortization | 35,980,091 | 35,250,955 | 729,136 | 2.1 |
| **Gross Profit** | **162,400,064** | **177,048,264** | **(14,648,199)** | **-8.3** |
| **Operating and Admin. Expenses** | **18,780,397** | **16,672,617** | **2,107,780** | **12.6** |
| Personnel and general services | 9,274,215 | 14,166,727 | (4,892,512) | -34.5 |
| Provisions, depreciation and amortization | 2,452,273 | 2,505,891 | (53,618) | -2.1 |
| Equity tax | 7,053,909 | - | 7,053,909 | |
| **Other Revenues** | 378,945 | 333,853 | 45,092 | 13.5 |
| **Other Expenses** | 483,056 | 2,995 | 480,061 | 16030.7 |
| **Operating Profit** | **143,515,556** | **160,706,505** | **(17,190,949)** | **-10.7** |
| **Non-operating revenues** | **6,979,078** | **12,241,581** | **(5,262,503)** | **-43.0** |
| Financial (1) | 6,979,078 | 5,962,639 | 1,016,439 | 17.0 |
| Hedging Valuation (2) | - | 6,278,942 | (6,278,942) | -100.0 |
| **Non-operating expenses** | **36,657,281** | **37,295,429** | **(638,148)** | **-1.7** |
| Financial (3) | 35,691,805 | 37,295,429 | (1,603,624) | -4.3 |
| Hedging Valuation (2) | 965,476 | - | 965,476 | |
| **Net Foreign Exchange (4)** | **18,064,859** | **4,869,421** | **13,195,438** | **271.0** |
| **Profit before income tax** | **95,772,494** | **140,522,077** | **(44,749,583)** | **-31.8** |
| Income tax | 45,724,393 | 57,816,270 | (12,091,877) | -20.9 |
| **Net Profit** | **50,048,101** | **82,705,808** | **(32,657,706)** | **-39.5** |

(1) Includes financial yields for temporary investments.
(2) Reflects the valuation of hedging contracted by the company to reduce risk of paying the capital of debt in foreign currency.
(3) Financial expenses related to company's debt.
(4) Reflects the impact of the devaluation/revaluation on the conversion to USD of assets and liabilities of the company in colombian pesos.

**Table Nº 14 – EBITDA Quaterly Breakdown**

| USD | 2Q – 15 | 2Q – 14 |
|---|---|---|
| Revenues. | 218,995,681 | 244,253,006 |
| (-)Operating and maintenance exp.. | 20,615,526 | 31,953,786 |
| (-)Personnel and general expenses4. | 9,274,215 | 14,166,727 |
| **EBITDA** | **189,105,941** | **198,132,493** |
| **EBITDA Margin %** | **86.4%** | **81.1%** |

## Annex 8: Financial Information of TGI's Main Clients

| Company | Overview | Main clients served |
|---|---|---|
| Ecopetrol | ▪ Largest gas producer in Colombia.<br>▪ Integrated Company of the hydrocarbon sector.<br>▪ Publicly traded company controlled by the Colombian government<br>It is part of the Group of 40 of the world's largest oil companies Contrato en firme por 7 años.<br>▪ Ratings: Foreign: Baa2 (Moodys) / BBB(Fitch) /BBB(S&P) ; AAA local | ▪ Refineries.<br>▪ Thermal generators.<br>▪ Trading. |
| gasNatural Colombia | ▪ Main gas distributor in Colombia<br>▪ Controlled by Spanish Gas Natural Fenosa; EEB holds 25% of the company's shares.<br>▪ Firm contract for 11 years.<br>▪ Rating: Local AAA. | ▪ Residential (1)<br>▪ Small businesses.<br>▪ Industries<br>▪ Natural Gas for Vehicles<br>▪ 2.7 Million users |
| Gases de Occidente energía natural | ▪ Gas distributor in the Southwest region of Colombia.<br>▪ Private company controlled by Promigas.<br>▪ Provides its services to more than 900,000 users.<br>▪ Firm contract for 7 years<br>▪ Rating: Local AAA. | ▪ Residential (1)<br>▪ Industries<br>▪ Natural Gas for Vehicles<br>▪ 937K users |
| epm | ▪ Main electricity generator in Colombia and gas distributor in the Northwest region of the country<br>▪ Integrated company with interests in electricity and natural gas.<br>▪ Firm contract for 7 years<br>▪ Ratings: Foreign: Baa3 (Moodys) / BBB(Fitch) /BBB-(S&P) ; AAA local. | ▪ Residential (1)<br>▪ Thermal generation<br>▪ 877K users |
| ISAGEN energía productiva | ▪ Third electricity generator in Colombia<br>▪ 57% controlled by the Colombian government<br>▪ Firm contract for 7 years<br>▪ Ratings: Foreign: Baa3 (Moodys) / BBB-(Fitch);AA+/BB+ local | ▪ Thermal generation<br>▪ Trading. |

Source: Company information.
(1) Residential users refer to the number of residencies served, not the population, which would be approximately five times larger.

### Annex 9: Main Implementation IFRS Impacts

- Transportadora de Gas Internacional S.A. ESP -TGI-, filial of Grupo Energia de Bogotá, in accordance with the provisions of the 1314 Act of 2009 and the regulatory decree 2784 of December 2012, started the convergence process of the Colombian GAAP to the International Financial Reporting Standards - IFRS.
- Given that the company belongs to group 1, the mandatory transition period began on January 1, 2014 and the issuance date of the first comparative financial statements under IFRS will be December 31, 2015.
- During the years 2013 and 2014, TGI carried out activities regarding the preparation and adaptation of the resources needed to advance the process of convergence to IFRS in accordance with legal requirements.
- TGI, with technical support from their accounting advisors, determined that the effects that such changes will have on the financial statements.

| Description | IFRS/IAS Applied | Main Impact | Financial impact | Complexity of implementation |
|---|---|---|---|---|
| Deferred income tax | IAS 12 | The deferred tax calculation was made under the balance method obtaining temporary differences. | | |
| Property, plant and equipment | IAS 16 | TGI took the value of technical appraisal as attributed cost. BOMT Contract (Mariquita - Cali), and some inventories are included in PPE. | | |
| Functional Currency | IAS 21 | Accourding to analysis, the functional currency is the American dollar (USD). | | |
| Intangible asset | IAS 38 | Intangible assets (servitudes), with an indefinite useful life are not amortized but the entity shall assess at the end of each reporting period if there is any indication of impairment in accordance with the IAS 36. | | |
| Equity | IFRS 1 | The adjustments are recorded against equity in first-time adoption of International Financial Reporting Standards. | | |
| Provision | IAS 37 | TGI includes provisions for environmental licenses, employee benefits, and legal processes. | | |
| Long term employee Benefits | IAS 19 | The difference between preferential rate and market rate of Loans to employees is registered as expense. | | |
| Financial obligation | IAS 39 | The costs of issuing bonds are amortized over time. | | |

High Impact    Lower Impact