

Grupo de Energía de Bogotá had outstanding results in 2016

- **\$1.3 trillion in net profits** of Grupo de Energía de Bogotá (GEB) in 2016, for an increase of 27.8% from 2015.
- Dividend distribution will be the highest in the Company's history **\$909 billion**.
- GEB consolidated in 2016 as the leader in new projects in Colombia with the **execution of 42% of the projects of the National Interconnected System**, which are under construction.
- In Peru, GEB is the leader in massive use of natural gas.
- In 2016, CEO Astrid Álvarez led the creation of a new strategy to position GEB as energy leader in the region in 2025, to increase GEB's presence from 4 to 6 countries, as well as the number of homes connected from 6 to 12 million.

Bogotá, March 7, 2017. Empresa de Energía de Bogotá (GEB) CEO, Astrid Álvarez Hernández, stated that 2016 "was an outstanding year of *Grupo Energía de Bogotá*". "Last year we had very good results and built a new Strategic Plan that will lead *Energía de Bogotá* to become the energy leader in the region," she pointed out. "Today, we are big, but we have the potential to become giants," Astrid Álvarez, GEB CEO assured.

One of the main achievements was the increase in net profits, which reached COP 1.3 trillion, for a growth of 27.8 in comparison to net profits in 2015.

Likewise, Astrid Álvarez pointed out that dividends for COP 909 billion will be distributed among the more than 3,000 shareholders and that this distribution is the highest in the Company's history.

She also underscored how strongly EEB has positioned in the stock exchange. EEB stocks performed positively at an average price of \$1,825, up 5.82% in 2016, occupying the 11th place in Colcap. Even during the year, stocks reached a historical maximum with \$1,915 in September.

"Our indicators are doing quite well and the market knows it; this is why, last week's bond issue was very successful," EEB CEO, Astrid Álvarez, noted, referring to the first bond

placement by EEB on the Colombian market. \$630,000 million in bonds were placed and offers for \$1.3 trillion were received, for an excess demand of more than double.

“We’re expanding our transmission infrastructure twice”

Álvarez, who is the leader of a group of 14 companies, also highlighted the fact that in 2016, GEB positioned as the leader in the development of new electricity interconnection projects in Colombia, since the Group is executing 42% of projects that are strengthening the National Interconnected System. “We’re expanding twice our transmission infrastructure in Colombia,” Álvarez added.

At present, GEB is building 12 transmission projects of 110, 230 and 500 kV in the Departments of Antioquia, Bolívar, Boyacá, Caldas, Cauca, Cesar, Cundinamarca, Huila, Magdalena, Meta, Nariño, Putumayo, Quindío, Risaralda, Santander, Tolima, and Valle del Cauca.

Furthermore, in the natural gas transportation business, the Group remained as the leader thanks to Transportadora de Gas Internacional (TGI), which is operating the most important gas pipeline in the country with 3,957 kilometers in length.

In Guatemala, GEB obtained significant results in 2016, through the activities of its company TRECSA that is responsible for the construction of 850 kilometers of lines in the Transmission Expansion Plan of the Central American country.

TRECSA is the most ambitious interconnection project in Central America, because it would change forever the energy architecture of a region that lacks transmission networks even though it has good generation capacity, which is very important from the strategic point of view.

In Peru, significant progress was made in 2016. The firm Cálidda reached 440 thousand users in Lima and Callao, thus positioning as the most important ally for the massive supply of natural gas in Peru, and Contugas consolidated as the most important natural gas suppliers in the Department of Ica. GEB benefits 32% of the population in Peru, which accounts for 44% of Peruvian GDP.

President Pedro Pablo Kuczynski, at a meeting with GEB CEO, recognized the importance of the company for the development of gas in Peru during the upcoming years, when 2 million homes are expected to be connected.

Good rating from risk rating agencies

The good performance of Empresa de Energía de Bogotá in 2016 received multiple recognitions.

The Stock Exchange of Colombia made special reference to the transparency and EEB's information disclosure process within the Investor Relations program.

Likewise, GEB was included for the fifth year in a row in the category of emerging markets – natural gas sector of the Dow Jones Sustainability Index. The Index places the Group over the average among the sector industries with a general score of 73.

GEB has been especially recognized by the main risk rating agencies. In October 2016, Fitch Ratings reiterated its BBB rating with stable perspective for corporate debt. In September, Standard and Poor's (S&P) reaffirmed the credit rating (BBB-) of the corporate debt of EEB, Transportadora de Gas Internacional (TGI) and Gas Natural de Lima y Callao (Cálidda), a rating that corresponds to the investment grade. And in November, Moody's, in its Credit Opinion report, maintained at Baa2 the investment grade rating and the stable perspective of Empresa de Energía de Bogotá thanks to the good debt management and to a sensible and sustainable dividend policy.

The new Strategic Plan

One of the most impressive movements made in 2016 under the leadership of Astrid Álvarez was the adoption of a new Corporate Strategic Plan for the Group, with which, GEB will strengthen its businesses in large urban axes in Latin America.

Through this new strategy, GEB will develop its activities in three strategic business areas that will be aimed at 1) interconnecting power generation sources with the markets in the largest cities in Latin America; 2) meeting the electric energy and natural gas demand as well as the

new energy consumption and production forms in mega cities in the continent; and 3) looking for new opportunities of renewable and low emission energies.

Concerning Low-Emission Generation, GEB created the new Renewable Energy Management so as to generate new opportunities and projects focused on looking for renewable energy-based solutions to facilitate the transition of Colombia and the region to a sustainable energy matrix.

In response to the requirements of the new Strategic Plan, the Group redefined its Corporate Government, aiming at a management focused on the implementation of the best practices; appointed a new board of directors in which 33% of members are independent, so as to fully comply with the legal requirement of 25%.

In 2016, relevant tools were developed to strengthen the fight against corruption, such as the adoption of an independent audit model of the company, the creation of a channel and a code of ethics, and the publication of all the relevant information of the company on the Internet.

Furthermore, under the leadership of CEO Astrid Álvarez, EEB developed a new supply model, thanks to which, hiring times were cut by 60% and savings for USD\$12 million were obtained.

"We have designed a powerful and challenging strategic plan. We have set an ambitious goal: becoming the leading energy "multilatina" in the region by 2025," Álvarez stated.

Large investments for 2017

Grupo Energía de Bogotá's direct investment for 2017 is estimated at USD\$530 million (approximately COP\$ 1.6 trillion) to continue consolidating as the main electric power and gas "*multilatina*" in the region.

Of this amount, USD\$171 million will be invested in the energy transmission projects being developed by the Group in Colombia, USD\$174 million will be earmarked for natural gas transportation, in an effort to strengthen Transportadora de Gas Internacional (TGI) and interconnect it with other gas markets in the region.

Furthermore, investment for USD\$120 million will be made in gas businesses in Peru through Cálidda and Contugas with the aim of increasing penetration in the Peruvian market.

GEB's goal is becoming the non-mining company with the highest profits in the Colombian market by 2025. The companies of the Group are expected to generate revenues exceeding COP 35 trillion. Currently, the Group is operating in 4 countries and has plans to expand its businesses to 6 countries thereby positioning as the most valuable group in the Latin American Integrated Market (MILA).

"2016 was a year of outstanding achievements, in which Grupo Energía de Bogotá restated its purpose and set the goal of becoming the most important gas and energy multilatina in Latin America. Today we are big, but we have the potential to become giants," Astrid Álvarez, GEB CEO, stated.