

Operator	<p>Good morning ladies and gentlemen and welcome to GEB'S Earnings' call two thousand seventeen results and key developments. My name is Sylvia and I will be your operator for today's call. At this time all participants are on a listen only mode. As a reminder this conference call is being recorded. Under the tab download you will find today's presentation. I would now like to turn the call over to Mrs. Paula Viloría Financing and Investor Relations Manager of Grupo Energía de Bogotá. Please go ahead Mrs. Viloría</p>
Paola Viloría	<p>Good morning and welcome to our earnings Conference Call for the full year result of 2017 of Grupo Energía de Bogotá, my name is Paola Viloría I am the Financing and Investing Relations Manager of Grupo Energía Bogotá. Today's presentation will be made by Mr. Castilla. He is Financial officer of GEB. The presentation is also divided into four parts. First, our CFO will make some introductory comments and key updates. Second, we will briefly review the main developments during last year. Third, we will have a look to GEB's financial performance during 2017 and the most important financial indicators. To conclude this conference, we will be placed to open the call to a Q&A session. Now I turn the call over to our CFO Mr Castilla, please go ahead:</p>
Felipe Castilla	<p>Thank you, Paola. Good morning and welcome everybody to our earnings conference result for the full year of 2017. I would like to start by walking you through what we have achieved. GEB is the only energy group in Latin America to operate in the entire lower emission energy chain including power generation, transmission, distribution, commercialization and natural gas transportation and distribution. Our businesses currently impact our six million customers in Colombia, Brazil, Peru and Guatemala. As you probably know, we recently changed our corporate identity to restrengthen our values as a group and our new strategy already in motion. We have also reoriented our company into three strategic businesses with three clear values creating the strategies and already appointed senior leaders in this area. Mr. Alvaro Villasante leading the lower emission generation team and Mr. Andres Baracaldo leading urban energy solution team. We found our growth by developing and growing large energy companies in high construction and production regional accesses also by partnering with sophisticated operators who are leaders in their market. In that regard we held our consistent good financial performance over one point one billion US dollars consolidated revenue and five hundred twenty-five million net profit in the whole year. The company paid dividends in 2017 for an amount of nearly nine hundred nine billion Colombian pesos to our 3.000 shareholders with evidences the company's spend and profitability due to its natural monopoly businesses in the markets where GEB operates. General Shareholder Assembly that took the 26 of March 2018 decreed a dividend of one hundred fifteen pesos per share representing more than one point one billion Colombian pesos of decreed dividends to our shareholders during this year. Our share shows a strong positive behavior on the local market throughout this year with an average value of nineteen hundred thirty eight pesos per share each during the whole year and closing price for the end of the year 2015. GEB shares were also placed in the tenth position in Colcap ranking with a weight of four point twenty five per cent toning into a practice (Illegible) investing opportunity for local and international investors not only by (illegible) of the sixteen point eight percent achieved during last year but also by its outside picture valuation potential. Furthermore, GEB share had a high of two thousand ninety five pesos on November 21st last year. We have continued our speedy role in terms of consolidated adjusted EBITDA, which by the end of the year reach over two point four Colombian billion pesos, slightly decreased compared to previous year's figures, mainly due to mainly lower dividends coming from associates used for their ambitious expansion programs. GEB</p>

keeps its successful record and consolidated as the second transmission entity in Colombia with approximately fifty per cent market share in the income of the national transmission system and we are proud to announce that on February 15, 2018, we were the winners of the UPME awarded Colectora Project consisting in some substation and associated transmission line in the departments of Guajira and Cesar. This is an important project for Colombia because it will allow for the transportation of energy generated through wind park generation in la Guajira department to the NTS which promotes the use of non-conventional renewable energy in this country. Also GEB is executing out of eighteen SPN projects that are being currently developed in Colombia one additional project of SPN system and the regulatory mechanism called Extension, it is also in charge of the execution of two in (illegible) expansion project of regional transmission system awarded to a public tender process and finally executed in one partner initiative are also under execution for a total of twelve projects will strengthen transmission reliability in Colombia. We expect to complete them as early as possible and continue our dedicated work in this matter. By year 2025 GEB will receive our estimated of approximately one hundred twenty million dollars in annual revenues due to this new transmission projects. We are also proud to announce that CPM (Illegible) in a control company with thirty percent participating interest of GEB was awarded by the end 2017 with the energy transmission project connection of 500 kilowatts, Mandaro, Nuevayanmango, Parapongo in Peru. The transmission line will bring forth the Peruvian transmission system and will provide a better reliability in the energy supply of these three regions of Guadalupe, Cerro del Paso and Ancash, with this new two hundred and seventy two million dollar project the presence of Grupo de Energia de Bogota in Peru will be reinforced and the importance of working with the strategic shareholders at Interconeccion Electrica S.A. E.S.P ISA in the framework of this corporate strategic plan. Regarding our natural gas segment, TGI consolidated a mayor gas transportation company in Colombia with networks to 14 departments and 157 municipalities transporting 55% of total natural gas consumed in the country with nearly four thousand kilometers of pipelines. We keep our good results track and we reach a yearly EBITDA of three hundred and twenty three million dollars maintaining an EBITDA margin of 78% which is a very high standard for the industry. We are also preparing for the public bidding process in the LNG gasification plant and all the infrastructure required for this governmental new source in the Pacific Ocean. In Guatemala through Tresca we are significantly progressing over there in developing of the bet one project for the construction of new 230 kilowatts transmission lines through 528 miles and twenty four expansions and construction work for a substation. We will help double the National resistance transmission capacity. We have already energized more than 60% of this infrastructure and we keep working closely with Ebis Guatemala in other mayor infrastructure projects. As a reminder the Guatemalan government extended the final stage of this project to November 2021. In 2017 our Company Cálidda surpassed five hundred and seventy six thousand residential and industry gas connection in the region of Lima and Callao reaching a network population of approximately 70%. Another 1.5 million people will benefit at the end of year 2020. Grupo Energia Bogota is today a key partner of the Peruvian Government in masssification of natural gas. We also reached important results in our company Contugas with an EBIDTA of forty million dollars and the company is advancing towards its commitment with the Peruvian government to bring natural gas to more than fifteen thousand households by 2020. By the end of 2017 Contugas has reached forty seven thousand which will represents 94% of its original concession

commitment. We are also actively looking for opportunities to participate in new projects in Peru. In terms of our main associate companies, Emgesa and Codensa, we have an aggregate net income of 1 point five billion Colombian pesos during the year 2017 reflecting easy merge with Codensa at the end of 2015 as well as the stated operating results. Efficient management and lower financial expenses. Both companies executed a combined Capex of one trillion Colombian pesos during the year 2017. GEB is working in this new line of businesses of renewable energy generation by picking out opportunities not only in Colombia but also in the region. We expect that soon we can close our first business in that strategic unit. Last, but not least, we successfully placed our second tranche of local bonds issues last year completing our plan of one hundred and fifty million dollars for 2017. This will help us mainly from our transmission new assets highlighting that for the first time we have tenures of thirty years according to the life of projects. This shows the confidence of the market in the company. As you probably know, we call the bond EEB2021 which was seven hundred and forty nine million dollars outstanding debt and replace it by syndicated loan that will improve our consolidated credit for file condition and to have better contractual condition. Now, I will turn to present our result for 2017.

In the presentation that we have prepared, we have five topics. The first one is another view of GEB. In the second part we will mention some key updates for the year 2017 and beginning of 2018 and the third place we will talk some on our expansion projects. Topic four it will be the financial performance of the year 2017 and by the end we will leave some section of Q&A.

Going to the GEB overview as we have been presented in previous presentations we have been divided in three strategic businesses; one is the Urban Energy Solution that has all the matters related to power, distribution and natural gas distribution. In that segment we have over three point five million clients in power distribution and two point seven million clients in natural gas distribution. In the second strategic business we have been called interconnection for market developments; we have everything that relates to interconnecting projects. In the third place we have power transmission lines and also we have natural gas transportation and we have more than twelve thousand kilometers of transmission lines in all our projects to our different countries and we have more than forty two hundred kilometers of gas pipelines that comprehends TGI and also the gas pipeline in Contugas; and last, we have the lower emission strategic business in which we have power generation at this moment Emgesa and we have something like thirty five hundred installed capacity in megawatts installed capacity and for year 2017 we have something like fourteen thousand eight hundred gigawatts/ hour in power generation.

Just as a quick result for last year we have one point one billion dollars in consolidated revenue if we compare what has been the role for the last five years in compared to the 14% per year. We have adjusted EBIDTA of eight hundred and twenty three million dollars with a compounded growth of more than 8% in the last five years. We have a market Capex of six point five billion dollars if we counted the price and the exchange rate for February 28 of 2018. The dividend yield for the period 2011 to 2018 has been 4.57% if we are just seeing what is going to be the result for 2017 it was 5.6 at the end of this year. For year 2017 we have an investment in the range three hundred and seventy seven million dollars that correspond just for controlled subsidiaries and we are not adding what has been invested into our associates and just as a quick remind we are in an investing rate under the three main rating agencies. In the case of Fitch we are BBB, in Standard & Poor's we are BBB- and in Moody's we are BWA2. Just as a quick remind



we are present in four countries. Our main investment is in Colombia followed by Peru, Guatemala and Brazil. The case of each of our companies as you can see in the graph we are leaders in almost each of the companies in which we have presence in those countries. On the key updates for 2017 as the case of GEB, first we have to mention that the Minister of Finance approved an intercompany loan with one of our bankers outside Colombia for one hundred million dollars. That process is still in process. We have not signed yet that contract. For the case of Colombia Fitch affirmed the local outlook for our bonds in the range of AAA with a stable outlook. On October the Empresa Ecopetrol sold the remaining portion of the equity that they had in EEB of .31%. At this moment they sold all the participation that Ecopetrol had in GEB. On October S&P ratified the credit rating of the group as an investment grade and maintained a stable outlook. We have the amendment of the changing the name of Empresa de Energia de Bogota to Grupo Energia Bogota and was registered here in Colombia and now we are just using our consolidating name as a business group. On October 31st we paid the second installment of dividends corresponding to the result of 2015 and just as a remind last year we paid 99 pesos per share of year 2015. On November we placed our second tranche of local internal debt of three hundred thousand million Colombian pesos that is equivalent to two hundred and twenty five million dollars and with maturity for selling of fifteen and thirty years. With this second program we complete the program of four hundred and fifty million dollars and in December we were in the process of selling some strategic assets and we sold our participation in ISA and completed almost eighty five million dollars corresponding to a full package that we had in that company.

Also in December the city of Bogota authorized the selling of the 20% of the stake that they have in the Grupo de Energia corresponding to something like one point eight billion shares. On December 21 we announced the purchase of our bond issue of tenure 2021 and we switched to a corporate note and that transaction was executed in January and now we have the three main banks that participated in that one was Bank of America, TD and Sumitomo.

Also in December the District of Bogota announced the rules for disposal of the first stage of the selling of the 20% that corresponded to the law 226 in which they have to first offer to the solidarity segment. On January, our two new business vice-presidents were hired, Alvaro Villasante and Andres Baracaldo. In January we also announced previously we were awarded with the construction of the project Colectora, that is the first project that will collect energy supply by eolic parks in the department of Guajira; and lastly, at the level of the group, at the last general assembly that was held on March 22, the assembly approved the payment of billion and one hundred and fifteen pesos per share. That amount will be something in the range of one point one billion pesos for the year 2017.

At the level of TGI we are still working in resolution 090 of 2016 and we are just reviewing what is going to be the final results of that resolution. We are also in consideration of resolution 182 of 2017 which was published in December and addresses issues related to the reorganization for competitive process project included in the natural gas supply prepared by the UPME and adopted by the Ministry of Mining and through the resolution 4006 of January of 2017.

We are also reviewing what is going to be the new project of importing natural gas through the Pacific Ocean and we expect that that process can be open by the end of the year beginning of next year and we will participate and just as a quick resume, we have a TGI net income of one hundred and forty million dollars and an EBITDA of three hundred and fourty twenty four million



dollars respecting.

In the case of Cálidda we are having a new achievement and in the case that in just for the year 2017 we were able to connect more than one hundred and thirty eight thousand new clients, that's 48% more than the additional clients that we had in 2016. Now we have a client base and invoice volume increased by 2017 by 32% and in the case of the clients and 3% in invoicing clients compared with the 2016 figures, our network was enlarged by more than 900 kilometers while in the distribution system we reached total more than eight thousand kilometers of lines. The Cálidda revenues and EBIDTA by 8% and 11% driven by the new clients that we have been connected within last year. We have four new cogeneration clients that were connected in 2015; forty two new industrial plants were connected in the same year; seventeen new NGB stations joined Cálidda's distribution system. Cálidda also add more the one hundred and thirty seven thousand clients in the residential segment and more than one thousand clients in the conventional segment and Cálidda had a net income reach of forty eight million dollars and an EBIDTA of almost one hundred and thirty eight million in last year.

Just giving you an overview on expansion projects we have included on page 13 of our presentation what is the distribution company by company we have included in this job not only what we have been achieved in our subsidiaries but also what the investment has been made in the associates. For last year the total investment program was almost nine hundred and forty million dollars. CPM was the largest investor. We are also, CPM and Codensa were the largest investors and also our transmission segment is investing in this new investment program. If you see in segment the interconnecting program the energy market segment was 42% urban energy solution, 48% and lower emission generation 7.5%. Most of our investments are located here in Colombia, almost 74%; Peru with almost 20% and the remaining portion in Guatemala; and if we just splitted what has been invested through our associates almost 60% and through our controlled subsidiaries 40%.

Just as a quick review on page 14, those are the projects that we have been executing. We are not including the new Colectora Project that will have revenues of more than twenty million dollars but just as an approach we have ninety three million dollars of new revenues that are going to come to these new transmission projects and almost, more than twenty million in this new project totaling almost one hundred and twenty million dollars in revenues of this expansion project.

Just as a history in controlled subsidiaries, last year we had investment in three hundred and seventy seven million dollars. If we compare what we have invested in the last five years is in the range of one point nine billion dollars just in controlled subsidiaries. We expected that the same amount of investment will be made to our subsidiaries not taking into consideration new acquisition that just project that has been signed and it's what we foresee in the following five years.

On the financial performance, first we will have to mention our operating revenue. If we compare with the same period of 2016 we have been increased 6%. I guess that the main drivers of this growth are electricity transmission as we have mentioned and our new expansion projects have been entering in line and also new revenues coming from the portion of the project in Guatemala that totals almost 24%.

In the natural gas transportation we have decreased in the operating revenue of 7.2%. I have to point out that is due to a reduction in the demand of the thermalelectrical powers, considering that in the same period of the previous year we were facing the El Niño phenomenon and in that sense we are not having the same additional revenues for 2017 and also because we have

been having exchange rate that has been lower than in the previous years and that impacts business that is almost all the business denominated in US Dollars.

In the natural gas distribution we have a growth of 14.23%, mainly as I mentioned before of the new revenues coming in new users in the case of Cálidda and Contugas mainly from new power generation and residential clients.

Going to the operational profit we have a profit that has been increased by 2.11% compared to 2017. In the case of electricity transmission is the same effect this increase of almost 47% was mainly for our contribution to energy funds does it pass in our balances account the provision from Electricaribe and the precision due to some impermanent in the case of Trecca.

We have a reduction of 18% in natural gas transportation and this is due as mentioned in lower revenues and also in the case that we have been achieving a new maintenance that were not present in previous years and also we have an increase of 84% in the natural gas distribution in the case of Cálidda and Contugas.

In the main results you can see the bridge analysis. I am not going to mention but as you can see in the we have had an increase of EBITDA of 1.1 billion Colombian pesos to a net profit of 1.5 billion that we consider is the largest net profit that the Group has had for history if we consider as a normal life results. Just as a quick remind this is in the page 19 the way in which our EBITDA has been grown from the previous year, year 2017 we have in Colombian pesos an EBIDTA of almost nine hundred and fifty thousand Colombian pesos. By that time 33% of the EBIDTA was generated on controlled subsidiaries and 67% were in non-controlled subsidiaries.

By the year 2017 that situation has been reverted and now, something like 70% of our EBITDA was generated in controlled subsidiaries and 30% in non-controlled subsidiaries.

I don't want to point it out but the results between the year 2016 and year 2017 corresponds to less dividends that we will receive from our associates and the growing of a very ambitious programs during the next coming five years.

Just if we splitted that EBITDA for year 2017 we have that the natural transportation gas segment corresponds to 44% that is mainly TGI, followed by the natural gas distribution with almost 20%; and in the consolidated EBITDA just putting in the new strategic businesses the interconnection for market development generated something like 57% over the EBITDA of the Group. 32% was generated by Urban Energy Solutions and in the case of Low Emission Generation just corresponds to 11%.

I just want remind that way in which we generates our EBITDA corresponds to the EBITDA generated on our controlled subsidiaries plus the dividends that we receive from our associates. That said, the EBITDA for example from Emgesa is much larger that we are just adding what we receive dividends from them. Just looking in page 20 to our main indicators, by the end of year 2017 we have a net debt on the consolidated of an adjusted EBITDA of almost 3. We have an all, by the time we have some covenants that allow us to be less than 4.5%. In that sense we have only have space to leverage our expansion projects. In the case of our consolidate adjusted EBITDA on net interest we are above seven and our covenants require that we are above 2.25%. In the consolidated Tel composition, as you can see in the lab we have been rebalancing our debt with local debt in order to have more balance between the way that we generate revenues. In the case of the Group more than 15% comes in US dollars and the remaining portion comes in local currency and in that sense we are trying to balance our debt in the same



	<p>regard the way that we generate revenues. In that maturity profile so what we have been doing is trying to look for a debt that are more adequate to the way that which we have projects and in that sense as I mentioned before we have debt that now has a maturity of year 2042 and year 2047 and we are just in the process of trying to making some kind of liability management for the debt that are due in the next coming 5 years. Now I will leave the station of Q&A. Please go ahead.</p>
Operator	<p>Thank you we will now begin the questions and answer session. If you have a question please press star and 1 on a touch tone phone. If you wish to be removed from the queue please press the pound sign or the hash key. If using a speakerphone you may need to pick up the handsets before pressing the numbers. Once again, if you have a question please press star then 1 on your touchtone phone. And the first question comes from Ricardo Sandoval from Corredores Davivienda.</p>
Ricardo Sandoval	<p>Hi thank you for the presentation, I just have one question. Recently we saw in Bloomberg that you may be interested with ISA to acquire some enterprise of utility in Argentina. I just want to know if you have some comments about it or if you are looking for entering in this market, thank you.</p>
Felipe Castilla	<p>Thank you for the question. At this moment we are analyzing several opportunities not only in Colombia, but also in the region. Argentina is one of the countries that we have been reviewing. At this moment we don't have any final answer on that, but we are still on our pipeline of projects the possibility to see projects in that country</p>
Operator	<p>Our next question comes from Andres Duarte from Corficolombiana.</p>
Andres Duarte	<p>Hello thank you for the presentation. I have three questions. The first two are related to Promigas and the third one is related to Regasificadora del Pacifico. So the minimum selling price during the second stage of the democratization process that is taking place should incorporate the divestiture or the investment of Promigas's share from EEB. So my question is if you are expecting to use part of this cash to pay an extraordinary dividend. That's the first question. The second question is what kind of assumptions should be considered regarding this selling price of Promigas related to the market price and the previous selling price, that's my second question; and the third question is if you had an idea of the mechanism that is going to be used to recognize for the investment in the regasification plant. Thank you very much.</p>
Felipe Castilla	<p>Andres thank you for your question. I guess we already finalized the first phase for the process of selling Promigas shares. At this moment we have been monitoring out. The share has been behaving in the Colombian market and we haven't decided when we are going to go for the second phase and what will be the price for that phase. We are still in the process of analyzing and we are just looking at the market but any decision has been taken when we are going to continue with that process. In that sense I guess with your first question on extraordinary dividends is I don't have the elements at this moment to answer it because until the moment that we have been decided to continue with that process and defining what will be the price at that moment we will define what will be end of the dividends that we receive or the cash that we receive from that sale. I will next let the question regarding the regasification plant to our specialist in that matter. He will answer in Spanish for your question</p>
Specialist	<p>Good morning. Regarding your question about the regasification plant, there are two things to consider, first, this is a project that initially will recognize or compensate for all the demand while not all the demand is regulated as long as no contracts are made to service the non-regulated demand, i.e., as non-regulated demand is contracted, the tariff to be paid as a stamp to the</p>

	regulated demand will be lower. Second, we need to take into account that this will be a project that will be remunerated through a mechanism of regulated income for which it is assigned and this income will be recognized, because what is being proposed today is that it is recognized for a period of 25 years.
Felipe Castilla	Ok. Thank you.
Operator	We have no further questions at this time and pardon me we have Mark Hynes online with a question.
Mark Hynes	Yea guys, thank you for your time. I have two sets of questions, the first one is related to your expectations of EBITDA net income growth for 2008 and the second question is regarding the contract signed between Emgesa and Enel Green Power, regarding the energy purchase from renewable sources. I just wanted to know if you knew you could give us a little bit more color of this agreement. If you could tell us at what price was this purchase set and if you could also tell us if this is going to be a new strategy for Emgesa and Enel Green Power in the coming years, thank you
Felipe Castilla	Can you repeat the first question, I couldn't hear it clearly
Operator	Yes, sure the first question was your expectations of EBITDA growth and net income growth for 2008
Felipe Castilla	2018?
Mark Haynes	Yes Sir
Felipe Castilla	Let's say we have in regard of your first question what we have is a ten year strategic plan and what we believe is that we plan to grow at a double digit each year. In that regard I will tell you that our idea is that at least our net profit will grow no less than 10% in year 2018. On the second question I don't have the information. I guess that I will look for that information and we can answer it through our Investor Office because I don't have those specific numbers.
Mark Haynes	Thank you just a quick follow on question; you are expecting a double growth in EBITDA for 2018 also?
Felipe Castilla	Yes
Mark Haynes	Ok thank you
Operator	No further questions at this time.
Felipe Castilla	Thank you to everybody for having the possibility to present our results and to try to clarify the questions. If you have any additional questions you can use our Investor Office and they can answer any question that you may have. Thank you very much and we expected that we can present our good results for the first quarter in the next year. Thank very much.
Operator	Thank you ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.