

# **Annual Report 2015**

**ODINSA S.A.**



**ODINSA**

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## **Company Profile**

Odinsa is a subsidiary company from Grupo Argos, specialized in structuring, promoting, managing and developing great infrastructure projects in Latin America and the Caribbean.

It was established in 1992 by Companies from the construction and engineering industry seeking the best outcomes for their clients and shareholders. Thus, it has consolidated itself as a leader in the Colombian infrastructure industry and participated successfully in the construction and concession of city streets, highways, airports, ports, power plants, railroads and real estate projects. Nowadays it is present in six countries: Colombia, Dominican Republic, Ecuador, Aruba, Panama and Chile.

The company issues local bonds and its shares are traded in the Colombian Stock Exchange (BVC). Due to its performance, it has turned into a good investment option, taking into account its financial capability, and the technical and human qualities of its personnel.

The future poses several challenges and opportunities for Odinsa. The commitment of those who are part of the company, from the shareholders to its employees, is to guarantee that Odinsa remain as market leader, and becomes a world-class corporation. Its sustained growth during the last years, validate this commitment and clearly indicates its projection.

## **Board of Directors**

### **JOSÉ ALBERTO VÉLEZ CADAVID**

President

#### **Studies**

- Management Engineer from the Universidad Nacional de Colombia.
- Master of Science in Engineering from the University of California (UCLA).
- Specialized courses in Harvard University, Northwestern University, Massachusetts Institute of Technology (MIT), Columbia University and Sorbonne.

#### **Experience**

- Professor at the School of Mines at the Universidad Nacional de Colombia.
- City councilman for Medellín.
- Antioquia's assistant governor.
- Planning Manager, Sales and Marketing Vice-president, Investment Vice-president, CEO for Inversura and CEO for Suramericana de Seguros.
- CEO for Cementos Argos.

### **ALEJANDRO PIEDRAHITA BORRERO**

Vice-president

#### **Studies**

- Business Administrator from EAFIT.
- Master in Political Science in Economic Development from the London School of Economics.
- Diploma Course in Corporate Finances at Boston University.
- Senior Business Management Program (PADE) from the Inalde Business School at the Universidad de la Sabana.

#### **Experience**

- Senior Analyst of Corporate Finance and Head of Economic Research for Corfinsura.
- Risk Structuring and Management Manager for Bancolombia.
- Vice-president of Capital Market Structuring in Investment Banking for Bancolombia.
- Corporate Finance Vice-president for Grupo Argos.

### **LUZ MARÍA CORREA VARGAS**

(Non-independent member)

## **Studies**

- Business Administration and Finance Specialist from EAFIT University.
- Harvard Business School, Leadership Executive Program 2010.
- Yale School of Management Executive Education, Corporate Governance and Performance Program 2014.
- Chicago Harris, Public Policy. The University of Chicago, Global trends for inclusive growth 2015.
- Columbia University School of International and Public Affairs, Social Management Program 2015.

## **Experience**

- She has held the following positions at Construcciones El Cóndor: General Manager, Financial Manager, Administrative Manager, CEO of Grupo Cóndor Inversiones S.A. She is currently Corporate President for Construcciones El Cóndor.

## **SAMUEL RUEDA GÓMEZ**

(Non-independent Member)

## **Studies**

- Economist from the Universidad Jorge Tadeo Lozano.

## **Experience**

- Shareholder at Seguros Confianza Swiss re Corporation.
- Partner and Manager at Samuel Rueda & CIA S en C.
- Partner at Inversiones CGS S.A.
- Partner and shareholder at Grupo Conka S.A.S.

## **RICARDO MEJÍA RAMÍREZ**

(Non-independent Member)

## **Studies**

- Civil Engineer and Administrator from the Universidad Nacional School of Mines in Medellín.
- Specialist in Hydrology and Hydraulic Resources from the Massachusetts Institute of Technology (MIT).

## **Experience**

- General Manager for Instituto Metropolitano de Valorización de Medellín.
- Manager and partner at Ingeniería Sanitaria LTDA.

- Manager and partner at M y Z S.A.

### **JORGE ANDRÉS BOTERO SOTO**

(Independent Member)

#### **Studies**

- Civil Engineer from the School of Engineering of Antioquia.
- Financial Specialist from EAFIT.
- MBA with emphasis in Corporate Finances from Ohio State University.

#### **Experience**

- Vice-president of Capital Investment for Bancolombia S.A.'s Investment Banking.
- Head of Credit Audit, Analyst of Corporate Finance and Project Manager in Corporate Finance for Corfinsura.

### **SERGIO RESTREPO ISAZA**

(Independent Member)

#### **Studies**

- Business Administrator from EAFIT University.
- Master of Science in Management (SLOAN Program) Stanford University.

#### **Experience**

- CEO for Corfinsura.
- Executive Vice-president for Grupo Bancolombia.
- Vice-president of Capital Market for Bancolombia Group.

## **Steering Committee**

### **MAURICIO OSSA ECHEVERRI**

CEO

#### **Studies**

- Business Administrator from EAFIT University.
- Specialist in International Marketing from EAFIT.
- Advanced Management Program from Universidad de la Sabana in Bogotá.
- Management courses in the Kellogg School of Management in Illinois, United States.

#### **Experience**

- Vice-president for the Caribbean Region and Legal Representative of Cementos Argos.
- Industrial Business Manager and National Marketing Manager.

### **EDUARDO BETTIN VALLEJO**

Vice-president of Legal and Institutional Affairs

#### **Studies**

- Lawyer from Universidad de La Sabana.
- Senior Business Management Program (PADE) from the Inalde Business School at Universidad de la Sabana
- Specialization course in CEO Management Program from ADEM Business School - New York University.

#### **Experience**

- CEO for Sator, coal business of Grupo Argos.
- Legal Director for Cementos Argos.
- Secretary- General for Cementos del Caribe and Cementos Paz del Río.
- Acting CEO, Executive Vice-president and Secretary-General for Acerías Paz del Río S.A.

### **PABLO ARROYAVE FERNÁNDEZ**

Financial Vice-president

#### **Studies**

- Engineering manager from the School of Engineering of Antioquia.
- MBA from New York University with specialization courses in Corporate Finances and Strategy.

#### **Experience**

- Mergers and Acquisitions Manager for Grupo Argos.
- Head of Mergers and Acquisitions for Grupo Argos.
- Assistant to the CEO for Cementos Argos.
- Investment Banking Capital Market Analyst for Corfinsura.

### **CARLOS MARIO ALZATE TORO**

Vice-president of Human and Administrative Resources

#### **Studies**

- Public Accountant from Eafit University.
- Senior Business Management Program (PADE) from Inalde Business School at the Universidad de la Sabana.

#### **Experience**

- Human and Administrative Resources Manager for Sator, coal business of the Grupo Argos.
- Administrative Manager for Cementos Argos and Cementos El Cairo.

### **GUSTAVO ORDOÑEZ SALAZAR**

Vice-president of Road Concessions

#### **Studies**

- Civil Engineer from Universidad Javeriana.
- Specialist in Corporate Finance from Colegio de Estudios Superiores en Administración, CESA.

#### **Experience**

- Technical and Concessions Vice-president for Odinsa.
- Business and Project Coordinator in CSS Constructores and Project Manager for Luis Héctor Solarte Solarte.

## **Letter from the President of the Board of Directors**

Dear Shareholders:

In this annual report, Odinsa presents its 2015 outcomes, highlighting the most important economic, environmental and social facts, not only within the company, but also from the projects in which it participates.

Undoubtedly, the most important milestone was that Grupo Argos (a holding company involved in sustainable infrastructure investments) acquired a majority holding and a controlling position.

Through this operation, Grupo Argos enters the road and airport concessions industry and seeks to consolidate it as one of its strategic businesses and strengthen its growth. This is motivated by the opportunities created by the fourth generation highways program taking place in Colombia nowadays and the investment plans that are projected in Latin America and the Caribbean in order to increase the region's efficiency and competitiveness in the new international economical dynamics.

Starting from the third trimester of 2015, when Grupo Argos attained control, an intervention program was put into place in order to align corporate governance, sustainability, transparency and behavior practices, the revision and adjustment of procedures and definitions of an organizational nature according to the parent company, in order to facilitate the performance, goal achievement and interaction of the working teams.

Precisely, as a way of adopting the corporate policy of sustainability of the business group that tends to generate responsible value with a long-term criteria, we expect to present the next assembly with a comprehensive report of Odinsa's management, following the G4 Global Reporting Initiative (GRI) guidelines, used for communicating the economic, social and environmental management of companies.

We are pleased to have obtained positive consolidated results, as well as the normal advance on the ongoing concessions, the allocation of new and important projects to companies where Odinsa participates and the acquisition of 50% of Quiport, a company which largely owns the economic rights of the Quito Airport.

We have great challenges, important plans and great expectations for 2016 and the oncoming years, with the purpose of strengthening Odinsa's leading role in the great plans foreseen by the infrastructure industry in Colombia and in the region.

Lastly, taking into account that I am retiring as President for Grupo Argos on March 30 of 2016, I say farewell to the Board of Directors, to whom I presented my letter of resignation in February. To Jorge Mario Velásquez, who will succeed me as leader of the business conglomerate; to the other board members; to Mauricio Ossa, new CEO of Odinsa, and to all the employees, I express my sincere gratitude and wish you great success in incorporating your efforts to the continued consolidation of a solid, thriving and sustainable company with strong ethical, integrity and transparency principles.

## Management Report

Dear Stakeholders:

It is gratifying to be able to present the most important outcomes and facts for Odinsa during 2015; a year in which we continued to position ourselves as leaders in the industry, by participating in some of the most important infrastructure projects in the region.

In 2015, Grupo Argos became a controlling shareholder of Odinsa, so we are now part of a corporation that is a renowned leader in growth, good governance and sustainability.

We have achieved an overall positive balance in our investments regarding road, port, airport and power plant concessions located in Colombia, Ecuador, Chile, Panama, Aruba and Dominican Republic.

In order to strengthen the development of the road concessions, the National Infrastructure Agency (ANI), has allocated us the private sector initiative for the Malla Vial del Meta road network, for an estimated value of COP 3.2 billion<sup>1</sup>. This project includes the operation and maintenance of 354 kilometers, of which 269 are to be repaired. It also stipulates paving 69 kilometers of the road in order to facilitate the access to the Vichada department. Odinsa holds a 51% participation in the Concesión Vial de los Llanos S.A.S. Company, which owns the project's license.

On the other hand, Estructura Plural del Nus, where Odinsa participates with 22.21%, received the allocation of the Vías del Nus private PPP (Public Private Partnership). This project has an approximate investment of COP 1.2 billion pesos and includes 157 kilometers, improving the connectivity between Antioquia and the Caribbean region through the Puerto Berrio corridor.

Odinsa's airport concessions also grew during 2015, and expanded internationally. In June, the agreement to acquire 50% of Quiport, owner of 93% of the economic rights of the concessionaire for the Mariscal Sucre Airport in Quito, Ecuador became official. Likewise, in the El Dorado International Airport of Bogotá, construction work for increasing the yearly passenger capacity continued, which required an investment of US\$200 million. In the energy segment, we started building the 14 megawatts photovoltaic power plant in northern Chile. This first power plant estimates an investment close to US\$25 million and is being built in the land adjacent to the Termopacífico thermal power plant, owned by Genpac S.A., an Odinsa subsidiary.

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<sup>1</sup> Billions of Colombian pesos

## **Results**

At the end of 2015, Odinsa reported an income of COP 209,095 million, which represents an increase of 16%. The accumulated EBITDA for the year amounted to COP 292,145 million; that is an increase of 49%, while the net income amounted to COP 133,190 million, an increase of 56%.

## **Stock Performance**

2015 was a difficult year for both the local and international stock market. The local market dropped 27%, mainly due to the drop in oil prices and its impact on the exchange rate for the Colombian peso.

In spite of the difficult market situation, the Odinsa share finished the year at \$8.500 per share, which represents an increase of 7.6% for the year, versus the \$7.900 price on December 31, 2014. Likewise, between January 1 and December 31, 2015, the share price fluctuated between a minimum of \$6,500 and a maximum of \$9,500, with an average of \$8,356.

It is important to highlight that the number of shares increased in 2015 because 100% of the dividends for 2014 were paid in shares. Taking into account the new number of circulating shares, i.e. 196.046.822, the market capitalization as of December 31, 2015 is of \$1.67 billion pesos<sup>2</sup>, which is above the \$1.45 billion reported on December 31, 2014. The highest market capitalization reached this year was \$1.86 billion, based on the maximum price per share of \$9,500 registered on April 14, 2015, when Grupo Argos acquired the first significant batch of shares.

During 2015, 110.8 million Odinsa shares were traded, mainly due to the share acquisitions by Grupo Argos, who nowadays owns 107 million.

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<sup>2</sup> Billion of Colombian pesos

## **Relevant Facts**

The legal dispute between GENA and Proenergy Services was solved in January of 2015, with an agreement in which GENA paid USD13.5 million to the contracting company. The initial claim was for USD 27 million.

On February 10, the Arbitration Tribunal passed judgment on the controversy between Confase, a company controlled by Odinsa and the IDU, ordering the construction company to pay COP 16,277 million versus an expectation of COP 50.685 million.

On April 9, 2015, the ANI issued Resolution No. 638 “by which it justifies direct contracting and allocates the Originator Estructura Plural Autopistas del Meta, made up by the Grupo Odinsa S.A, Murcia y Murcia, S.A., Construcciones El Cóndor S.A. and Saruga y CIA S en C, a Concession agreement in the way of a Public-Private Association of Private Initiative in order to accomplish the project whose goal is to: “Conduct the necessary studies, designs, funding, construction, operation, maintenance and social, property and environmental management of the following: i) Granada – Villavicencio – Puerto López – Puerto Gaitán – Puente Armena corridor. ii) Villavicencio ring road and city’s access – Malla Vial del Meta,” according to the conditions agreed upon between the Originator and the Agency. The concession agreement between the company, Concesión Vial de los Llanos S.A.S, and ANI was signed in May.

On April 16, 2015, Grupo Argos acquired 48,619,611 Odinsa shares in the Colombian Stock Exchange, which corresponds to a 24.8% share in the company’s capital. On April 17, 2015, the Superintendence of Finance received the request to authorize a takeover bid from Grupo Argos over ordinary shares of Grupo Odinsa S.A.

In June of 2015, the agreement to sell 33.34% of the shares and political rights of Proyecto Transversal de las Américas Sector 1 was signed between Odinsa and Construcciones El Cóndor. Its object was to transfer Odinsa’s participation in this project to Construcciones El Cóndor. This contract is subject to compliance with the conditions precedent for transferring the bare ownership of the shares. Therefore, from the date of its agreement, Construcciones El Cóndor exerts the political rights and will be the titleholder of the economic rights originated from the shares stipulated in the contract’s subject.

The takeover bid made by Grupo Argos over Grupo Odinsa S.A.’s ordinary shares concluded on June 5, 2015, with the acquisition of 49,011,706 shares and 49.75% of share ownership was transferred.

On September 1, 2015, Gupo Odinsa S.A. was informed of the content of the Resolution No. 53027 of 28/08/2015, issued by the Superintendence of Industry and Commerce (SIC), which resolved the appeal for reversal filed by Grupo Argos S.A., against Resolution No. 36075 of 14/07/2015. It authorizes, under several conditions, the business concentration operation in which Grupo Argos acquires a percentage of shares that would give it a controlling position in Grupo Odinsa S.A. In accordance with the authorization granted by the SIC, during the trading day of September 16, 2105, Grupo Argos acquired 9,704,318 shares of Grupo Odinsa, which are equivalent to 4.95% of the company’s circulating shares.

With this acquisition Grupo Argos' participation in the social capital of Odinsa increased to 54.75%, thus achieving control over the company according to what is established in Number 1 of Article 261 of The Code of Commerce, modified by article 27 of Law 222 of 1995.

On October 1, 2015 the PPP private initiative Vías del Nus was issued in the Public Contracting Electronic System (SECOP). Its purpose is to “conduct the studies, designs, funding, environmental, property and social management, construction, repairing, improvement, operation, maintenance and reversion of the NUS road concession, according to Technical Appendix 1 of the Contract’s Draft”. The ANI allocated the concession contract, under the PPP method, to the originator by means of Resolution 2018 of December 3, 2015. Grupo Odinsa had a 22.21% participation in the originator and has the same participation in the concessionaire company.

The documents that formalize the agreement to acquire 50% of the company which owns 93% of the economic rights of the concessionaire of the Mariscal Sucre Airport in Quito, Ecuador were signed on December 10, 2015 in New York. This acquisition was made through Marjoram Riverside Company (BVI), a company controlled by Odinsa Holding Inc., subsidiary of the Grupo Odinsa.

That same day, the concessionaire company, Autopistas de los Llanos S. A. and the National Infrastructure Agency (ANI), signed the liquidation act for the Concession Agreement No. 446 of 1994, whose object was to “conduct the studies, final designs, restoration works, operation and maintenance of the Villavicencio – Granada- Villavicencio – Puerto López and Villavicencio – Restrepo – Cumaral roads in the department of Meta through the concession system”. The liquidation act states the main aspects of the contract’s execution, and it highlights that there were no sanctions during the contract’s development. As a result, the General Shareholder’s Assembly decided to dissolve the company known as Autopistas de los Llanos S.A., and register this event in the Chamber of Commerce on December 29, 2015.

## **Supervening Issues**

Change in the company's presidency

On the meeting held on January 25, 2016, the Board of Directors of Grupo Odinsa designated Mauricio Ossa Echeverri as new CEO for the company starting February 1, 2016, in replacement of Victor Manuel Cruz Vega, who communicated his resignation on December 22, 2015, to be effective as of January 30, 2016.

In 2015 some organizational structure changes were suggested, starting with the Steering Committee and its succession processes, in order to better adjust them to the corporate structure of the controlling shareholder, Grupo Argos. These initial modifications in the first level of the organizational structure were approved by the Board of Directors on its meeting of February 22, 2016.

### **CEO**

Mauricio Ossa

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#### **Financial Vice-president**

Pablo Arroyave

#### **Vice-president of Legal and Institutional Affairs**

Eduardo Bettin

#### **Vice-president of Human and Administrative Resources**

Carlos Mario Alzate

#### **Vice-president of Road Concessions**

Gustavo Ordóñez

#### **Vice-president of Airport Concessions**

Vacant

The curriculum from each Vice-president is published in the company's webpage.

### **Company's Foreseeable Evolution**

The company's growth perspectives increase with the sustainable development strategy that is based on Grupo Argos' belief in participating even more in sustainable investments in the strategic industry of infrastructure, focusing in good governance practices, since the challenges presented by the region in road and airport projects are a unique opportunity for the region's growth.

## Legal Aspects

Contingencies: The legal proceedings and the company's overall legal situation have developed under normal conditions. The contingencies can be found in the Annex 1 of this document.

## Intellectual Property Regulations

In 2015 Odinsa complied with the intellectual property, copyright and software license regulations, as established by Law 603 of 2000.

## Operations under Number 3 of Article 446 of the Code of Commerce

	<b>2015</b>	<b>2014</b>
Salaries paid to management	4.037.364	4.384.132
Representation payments and public relations		
Representation costs	61.922	102.481
Board of Directors costs	463.603	1.033.020
Assembly costs	81.335	46.882
Advertising and Publicity	534.160	306.009
Consultancy		
Legal	554.224	1.518.391
Taxes	117.754	55.248
Technical	2.086.549	1.473.669
Statutory audit and audit committee	516.504	269.377
Financial	2.502.245	134.796
Quality Assurance	2.000	0
Donations	568	7.969

It is important to state that this document was made available to the stockholders during the period of time established by Law for the right of inspection.

## Good Governance

Santa Marta Concession – Paraguachón

## Good Governance

Taking into account the suggestions made by the Country's Code (Código País), an extraordinary shareholders' meeting took place on August 14, 2015, where the company's bylaws were modified in order to remove the alternates in the Board of Directors. Once this modification was approved, a new Board of Directors constituted by 7 members (2 independent and 5 non-independent) was appointed without alternates.

On September 16, 2015, Grupo Argos attained control over the company, when its ownership reached 54.75% of Odinsa's block shares, in accordance to what is established in number 1, Article 261 of the Code of Commerce, modified by the article 27 of Law 222 of 1995.

By attaining this controlling position, Odinsa is now part of the Argos corporate group and under its direction has been working in implementing the guidelines and corporate practices of the corporation.

During 2015 the company's Board of Directors was as follows:

From March 26, 2014 until August 14, 2015

<b>Principals</b>	<b>Alternates</b>
Luz María Correa Vargas	Ana María Jaillier Correa
Francisco Luis Vélez Sierra	Jesús Mario Restrepo Arango
Ricardo Mejía Ramírez	Jose Alberto Gómez Montoya
Luis Miguel Isaza Upegui	Alexandra Greidinger Restrepo
Samuel Rueda Gómez	Alejandro Hernández Páramo
Jorge Andrés Botero Soto (independent)	Juan Sebastián Barrientos Saldarriaga
Sergio Restrepo Isaza (independent)	Francisco Javier López Chaves

From August 14, 2015

<b>Principals</b>	<b>Status</b>
Jose Alberto Vélez Cadavid	Non-independent
Alejandro Piedrahita Borrero	Non-independent
Luz María Correa Vargas	Non-independent
Samuel Rueda Gómez	Non-independent
Ricardo Mejía Ramírez	Non-independent
Jorge Andrés Botero Soto	Independent
Sergio Restrepo Isaza	Independent

Additionally, the Board of Directors approved the modification to the Code of Ethics (New code of business conduct), as well as the different policies that should be implemented under the mentioned code. This took place during meeting No. 321 of November 30, 2015 and by recommendation of the Audit Committee. Those documents were issued based on the current ones from Grupo Argos in the following way:

- Code of business conduct
- Gifts and hospitality policy
- Anti-fraud policy
- Data protection policy
- SAGRLAFT Policy (System for self-controlling and managing money laundering risks and terrorism funding).

The divulgation process of these documents started in December of 2015 with the publication of the code of business conduct and the gifts and hospitality policy on the company's webpage. It was also sent to each Odinsa employee.

The other approved policies will be implemented and communicated during the first semester of 2016.

#### **Good Governance Code**

Grupo Odinsa's Board of Directors adopted the Good Governance Code on February 14, 2002. It has undergone several modifications, the last one was in May of 2014 and you can find it published in the company's webpage.

## **Board of Directors**

The Board of Directors met 12 times during 2015.

We have continued using the agenda of an ordinary board, by which we monitor what happened during the month, we review the commitments that were set during the last meeting, analyze Grupo Odinsa's operative and financial results and there is also time dedicated to analyze and assess new businesses.

Likewise, the Board of Directors monitors and confirms the considerations and approvals of the following committees:

- Audit
- Government, compensation, human resources and conflict of interests.
- Social responsibility and sustainability

## **Conformation of the committees that support the Board of Directors and the Audit Committee**

### **Audit Committee:**

- Jorge Andrés Botero
- Sergio Restrepo Isaza
- Alejandro Piedrahita Borrero

### **Government, Compensation, Human Resources and Conflict of Interests Committee:**

- José Alberto Vélez Cadavid
- Luz María Correa Vargas
- Samuel Rueda Gómez
- Jorge Andrés Botero Soto
- Sergio Restrepo Isaza

### **Social Responsibility and Sustainability Committee:**

- Alejandro Piedrahita
- Jorge Andrés Botero Soto
- Sergio Restrepo Isaza

## **Disclosure and control system of financial reports**

In accordance to article 47 of Law 964 of 2005, Odinsa's disclosure and control systems of financial reports have been working appropriately; therefore the outcome of the information process is satisfactory.

### **Certification**

#### **Law 1676 of 2013**

In accordance to Title IX "on factoring activities", article 87 of law 1676 of August 20, 2013, management recorded that the free circulation of the invoices issued by the commercial area and the providers was not hindered.

Besides what is reported in this document, the company has not received true or final information of important facts happening between the date of accounting closure and the preparation of this report that might compromise its evolution or the shareholders' assets.

### **Board of Directors**

- José Alberto Vélez Cadavid (president of the Board)
- Alejandro Piedrahita Borrero
- Luz María Correa Vargas
- Ricardo Mejía Ramírez
- Samuel Rueda Gómez
- Jorge Andrés Botero Soto
- Sergio Restrepo Isaza

### **CEO**

- Mauricio Ossa Echeverri

## **Investor Relations**

*Mariscal Sucre Airport. Sunrise in Quito, Ecuador.*

## **Investor Relations**

The Investor Relations area from Grupo Odinsa seeks to maintain constant, direct and transparent communication with its shareholders and investors. For this reason, it constantly develops strategies to give them relevant, timely and necessary information, in order for them to be able to decide on relevant issues.

- Grupo Argos acquired 54,75% of Odinsa
- In 2015 we continued strengthening the different communication channels available with our shareholders. In order to achieve this, we have organized more than 200 one-to-one meetings with investors and other capital providers such as funders and insurers.
- As usual, we had a quarterly results presentation, with a good number of investors present. In the last ones, we added a streaming transmission, which helped us reach a greater number of shareholders and investors, and thus have their virtual or on-site participation, and having closer contact with our CEO and CFO.
- On September 7, 2015, and for third consecutive year, Colombia's Stock Exchange (BVC), renewed the Reconocimiento Emisores – IR (award for issuing companies), for complying with all its standards, which promote the adoption of better practices for revealing information and relating to investors (IR).

## Human Resources' Development and Welfare

During the last years, Grupo Odinsa has worked in recognizing and promoting talents, and generating training, development and welfare programs that contribute to improving the quality of life of its employees and motivate them to reach the established goals. A proper management of the employees' capacities, abilities and knowledge fosters results orientation and the definition of organizational strategies that add value to the company.

During 2015 several changes were adopted within the group in order to strengthen the bond that the worker and his/her family have with the company. These involved several social actors that promote human talent programs and include staff training and development, advances in quality of life and a socially responsible company.

By focusing on human and social issues, the human resources department worked in consolidating different processes that not only strengthened the work force, but also helped its teams (human resources, payroll, culture and welfare) achieve an important performance within the company. They were able to socialize a policy in which the human being and its family are the most valuable and important resource that motivates us to work and move towards achieving better organizational practices for everyone.

Total number of employees	Women	Men	Total
Odinsa S.A.	192	94	286
Odinsa Proyectos e Inversiones	751	226	977
Odinsa Servicios	4	8	12
<b>Total</b>	<b>947</b>	<b>328</b>	<b>1275</b>

Total number of employees by type of contract	Indefinite term	Fixed term	Total
Odinsa S.A.	275	11	286
Odinsa Proyectos e Inversiones	968	9	977
Odinsa Servicios	12	0	12
<b>Total</b>	<b>1255</b>	<b>20</b>	<b>1275</b>

New recruitments in 2015	Men	Women	Younger than 30	Between 30 and 50	Older than 50
Odinsa S.A.	13	65	44	34	0
Odinsa Proyectos e Inversiones	43	205	120	127	1
Odinsa Servicios	3	0	0	3	0
<b>Total amount of persons recruited in this period</b>	<b>59</b>	<b>270</b>			

## Talent development and management

Developing and training its human talent is very important for Grupo Odinsa. Thus, during 2015 it offered 1,984 hours of training in different organizational subjects such as: pavement management, asphalt mix, pavement engineering, NIF and IFRS international regulations, environmental education, environmental legal updates, updates in integral systems, customer services, conflict resolution, healthy life styles, road safety, working at heights, defensive driving and SGSST. These are a broad range of possibilities that allow employees to remain up to date and contribute to strengthening daily performance.

- **Our leading program**

Odinsa's "English for executives" program aims to improve language usage abilities. During 2015, six managers benefited from this program through individual classes and 5 directors, 2 coordinators and 6 base employees had in-group classes.

A well -recognized, certified company is our strategic partner in this English program. Thus, we can ensure that they offer an excellent service with mostly native teachers that help our employees pursue their objectives.

- **Competency evaluation**

Developing talent is a priority for Odinsa; with leadership as one of the pillars needed to achieve a culture of high performance and motivation within our company. For this reason, we implemented a platform that enabled leaders and team members to evaluate organizational competencies such as excellence in service, sense of ownership, teamwork, change orientation and continuous learning, and for leaders, development and team building. We reached 100% of participation in Grupo Odinsa, Odinsa Proyectos e Inversiones and Odinsa Servicios. One of the main innovations of this process during 2015 was that the team members at the main office were able to evaluate their leaders.

<b>Average hours of annual training according to level</b>	<b>Managers</b>	<b>Directors</b>	<b>Coordinators</b>	<b>Base</b>
	Average hours of training			
Odinsa S.A.	22.04	21.00	3.,00	6.00
Odinsa Proyectos e Inversiones		6.00	2.00	5.00
Odinsa Servicios			9.00	8.00
<b>Total average by levels</b>	22.04	27.00	48.00	19.00

English program	Managers		Directors		Coordinators		Base	
	# of persons	# of hours						
Odinsa S.A.	6	720	2	160	2	160	6	480
Odinsa Proyectos e Inversiones	0	0	2	270	0	0	0	0
Odinsa Servicios	0	0	1	80	0	0	0	0
<b>Total number by level</b>	<b>6</b>	<b>720</b>	<b>5</b>	<b>510</b>	<b>2</b>	<b>160</b>	<b>6</b>	<b>480</b>

Coverage of employees who have a competency evaluation	13 Managers	25 Directors	26 Coordinators	37 Base
Odinsa S.A.	100%	1 100%	4 100%	948 100%
Odinsa Proyectos e Inversiones		1 100%	2 100%	9 100%
Odinsa Servicios		100%	100%	100%

The development evaluation coverage was 100% for all group companies and we hope that the performance evaluation process will begin in 2017.

## Culture and Welfare

On 2013 we implemented the Culture and Welfare Unit as a way to respond to our employees' needs and as a bet to retain the best talent for Odinsa. Supported by the Family Compensation Fund, Compensar, this unit has consolidated three action lines that are set within the work developed between 2014 and 2015: support for employees, quality of life and family, and leisure and recreation. Each work line promotes several programs that intend not only to increase employee satisfaction by generating more time and places to share with the family, but also to guarantee talent retention.

- Recognizing our employees. This line of action is centered in acknowledging the job performed by our employees, and their capabilities and institutional contributions by means of programs such as quinquenios (five-year period awards), Mujeres Odinsa Proyectos e Inversiones, PI, performance based bonuses, Christmas bonus, and life and death insurance. During 2015, we invested \$2,578,040,000, which means that this is one of the lines of action with the highest economical investment.
- Quality of life and family. Its main objective is to involve the family in programs that enable it to get to know and share the institution, developing a sense of ownership not only in the employee, but in those who surround him/her. Some of the programs included in this line of action are the Halloween party, Odinsa's children and baby party, flexible schedule and wedding compensation. We invested \$106,610,685 during the past year. Additionally, this year we started giving a maternal kit to the employees who gave birth during 2015, which were 12.

- Leisure and recreation: trying to strengthen the human being and trying to find a balance between personal and work life, the company has recreation programs that foster healthy competition, mental health, acknowledgment and fun, such as: a bowling tournament, end of the year party, birthdays, special day's anniversaries (women, men, secretary, mothers, fathers, saint valentines, engineer) and Christmas novena. This program received an investment of \$41,440,000.

Among other initiatives, we would like to highlight the flexible schedule, the health week performed in a joint effort with HSEQ, the acquisition of the virtual bulletin board and the vending machine for the building located in Calle 93, in Bogotá.

Investment by welfare action line	2015
Employee acknowledgement	\$2,578,040,000
Quality of life and family	\$106,610,685
Leisure and recreation	\$41,440,000
<b>Total</b>	<b>\$2,726,090,685</b>

Life insurance	Number of employees	Total investment
Odinsa S.A.	286	\$102,000,000
Odinsa Proyectos e Inversiones	977	\$98,400,000
Odinsa Servicios	12	\$2,940,000
<b>Total</b>	<b>1275</b>	<b>\$203,340,000</b>

In 2015 we invested \$2,412,135,025 in the programs led by Human Talent, for 1,275 employees and their families.

Quality of life and family  
 Leisure and recreation  
 Employee support  
 Employees' fund  
 Family compensation fund

#### **Grupo Odinsa's Employees' Fund, FEGO**

FEGO's mission is to provide efficient and quality savings, credit and social welfare services to its associates, trying to strengthen the link and solidarity between its associates, their comprehensive development and increasing their economic, social, educational and cultural level. During 2015 some welfare programs were implemented for the associates, such as educational and eyesight assistance that not only benefited the employee, but its family as well. This had an important impact in the level of education of Odinsa's family: 168 employees received this benefit for a total of 466 assistance packages for a total investment of \$24,368,400.

The credit service includes several lines such as: unrestricted use, vehicle, vehicle's insurance, taxes and automatic credit. The social credits are: education, health, funeral expenses, family emergency, home improvement, purchases and home insurance. All these credit lines have different features according to installments, quota, and requirements and have a competitive interest rate compared to the market. The credit line that is mostly used by the associates is for unrestricted use, where the interest rate ranges from 9% to 13% effective annual rate.

Additionally, last year our associates were able to benefit from the agreements reached with several companies that promote welfare and quality of life, within the health field: Prepaid Medicine (Colsanitas - Medisanitas), Home health care (EMI, EMERMEDICA), Bodytech, GMO glasses and lenses; entertainment: Cinecolombia, Teatro Nacional, Divercity, Casa Editorial El Tiempo, Alkosto, Viajes & Cruceros; insurance: SURA (car insurance, SOAT, home insurance, policy for covering contributions and savings, debtor policy), PREVER funeral coverage.

	Number of associates	Number of associates with credits	Number of associates with educational assistance
Odinsa S.A.	175	128	108
Odinsa Proyectos e Inversiones	117	76	55
Odinsa Servicios	9	9	5
Total	301	213	168

#### Family Compensation Fund – Compensar

Compensar is a strategic ally for Odinsa in consolidating the initiatives that promote better human talent. Supported by the Culture and welfare unit, this fund created a space and interaction with the organizational life that allows us to discover the employees' needs and actively mitigate them.

In 2015 Grupo Odinsa contributed \$315,690,024 to Compensar, \$30,108,867 of which was returned to the company in monetary and educational assistance, benefiting the employees and their families.

Odinsa's contributions also benefited city programs such as donating school meals to 102,834 children, developing programs to eradicate child labor, sexual exploitation and programs to prevent teenage pregnancies. The fund helped 331,652 members with monetary and housing assistance, 114 of which are employees from the group, who due to their earnings are qualified to receive them.

Health and subsidized system	51,299,629
FONINEZ	11,049,151
FONEDE	15,784,501
Contribution to Superintendence of Subsidies	3,156,900
Legal reserve	378,828

Administrative expenses	25,255,202
FOVIS	64,716,455
Monetary quota	79,238,196
Education	6,471,645
Services	58,339,516

Contributions and grants given to CCF in 2015	Annual contribution	Family grants
Odinsa S.A.	\$252,557,310	\$7,725,747
Odinsa Proyectos e Inversiones	\$55,744,159	\$22,118,126
Odinsa Servicios	\$7,388,555	\$264,994
Total	\$315,690,024	\$30,108,867

### **Internal Communications**

One of the most important factors in consolidating an adequate organizational climate is communication, since it enables the transparent flow of information and prevents job uncertainty and instability from permeating in the organizational structures. For this reason, and in order to keep the Odinsa community informed, in December of 2015 a journal led by the head of corporate issues was created.

The main objective of this initiative is to inform the entire group and create a space where people can express their doubts. It is a digital journal that circulates every fortnight and it is projected as one of the most important information media for Odinsa. For example, the integration between Grupo Argos and Odinsa, important news from the work areas, results, recruitments, acknowledgements, news about national and international projects, projects, airports and relevant themes about Grupo Argos, are part of the information that can be found in the journal. To date, five journals have been published, with information that fosters the organizational change process in which Grupo Odinsa is immersed, allowing clarity and serenity for the Odinsa workers.

### **Autopistas del Café Concession**

Odinsa owns 61.192% of the Autopistas del Café Concession. During 2016, the Concession continued to develop the object of its Agreement, generating a net profit in the amount of COP 36,848 million and distributing dividends in the amount of COP 58,635 million.

### **Operating results**

The average daily traffic on the Concession routes reached 3,609 vehicles, an increase of 8.2% in comparison to the previous year. This number is consistent with the increase in collection, which reached COP 157,533 million in 2015, and total traffic, which reached 12,147,089

vehicles. That number had been previously established as an objective, in an effort to exceed the average of one million vehicles per month.

Construction revenue reflected in the income statement reached COP 3,700 million, and includes the advance of the following works:

During 2015 the following works were completed: Circassia 11/2 in the Department of Quindío and the intersection of Calle 52 in the municipality of Dosquebradas, in the Department of Risaralda. In addition, the rehabilitation of the Calarca – La Española stretch reached an implementation rate of 80% by year-end, an issue that is highly relevant due to its importance in the Bogotá – Buenaventura corridor.

Likewise, rehabilitation and upgrading works were performed on the Paso Cinco Bridge in the Department of Valle del Cauca; an infrastructure which was built in the 80s, and was not able to withstand the high traffic flow, particularly the heavy traffic leaving from the port of Buenaventura bound for Bogota and the east.

As for the works contracted through the Adaptation Fund, the interventions on the La Chila slope in the city of Manizales, mitigation works in the Chinchiná intersection and protection works on the Cenicafé Bridge was completed, all during 2015.

The approval of the environmental license was obtained for the La Paz relief road, with only the approval for the transfer of epiphytes and the permission for rescue and monitoring by the Colombian Institute of Anthropology and History pending. Given the archaeological potential of the region and according to the explorations performed, there is no significant archeological potential, at least for the layout of the relief road.

During 2015, the tasks deployed regarding routine road maintenance were of great importance, particularly activities related to signaling, which totaled 832,542 lm in painting and total of 46,692 m<sup>2</sup> of signaled areas in different sections of the highway; signaling was supplemented with the installation of 36,379 studs and 1,945 vertical signals; work of great importance due to their contribution to safety.

The company generated a monthly average of 601 direct and 159 indirect jobs.

The influx of visitors to the Tambos service centers totaled 268,287 during 2015, for an accumulated total of 678,255 visitors, since 2012.

During 2015, 33,003 services were rendered to users, of which the "AYUDAME.COM.CO" system services were particularly important, with a total of 13,280 requests. This application, developed by the Concession, has established itself as the most important application for travelers; with three updates to date which have substantially improved customer assistance and service.

Ambulance services and crane services totaled 1,273 and 4,682 respectively which were provided with an average of 25 kilometers per service, totaling 148,875 kilometers traveled in roadside emergencies and events.

All deployments mentioned in 2015, were also reflected in the project's operating and financial results.

### **Financial Results**

Operating income in 2015 reached COP 172,529 million, which represents an increase of 9.1% in comparison to 2014.

There is a reduction in income in the adaptation fund works segment, however it is more than compensated by the increase in traffic.

Operating profits in 2015 reached COP 46,190 million and net income 36,847 million.

During 2015, COP 55,500 million in credits were taken, with a balance of COP 20,976 million by December 31, 2015. As of year-end 2014 the balance of obligations was COP 13,797 million.

### **Highlights**

Some of the highlights of 2015 were:

- Technology on toll equipment was changed. The Wall video for the Operations Control Center was updated, which currently has 12 screens. The Helicoidal Tunnel lighting was put into operation.
- Currently, Autopistas del Café is responding to a request by the DIAN, which has been addressed in timely manner and the opinion given by the tax advisor is that the risk is remote; however the Board of Directors of Autopistas del Café, as part of its responsibility for risk management and mitigation, recommended that a provision of COP 7,933 million be allocated from 2015 profits.
- On the other hand, discussions are moving forward with the National Infrastructure Agency - ANI - on the differences with CAPEX investments, changes in the investments for Circasia 1 and the interpretation of the Agreement, in which, according to the ANI, financial engineering should be updated based on the real CPI from the beginning of the concession. These issues have been discussed in various meetings, and according to the ANI the project had already reached the IRR. The documentation process for the project investments in an effort to justify the difference in CAPEX continues, as well as the analysis on the grounds which determine that the claim on the displacement of the work for Circasia 1 is incorrect; and that the grounds supporting the request by the ANI for updating the financial engineering based on the IPC, as well as its fiscal impact is also incorrect. One of the main arguments is that the tax risk is borne by the concessionaire. Regarding issues pertaining to the ANI, the possibility of escalating the process to an arbitration court is not ruled out, if the explanations are not accepted by the ANI.

### **Social Responsibility**

Autopistas del Café S.A., as part of its social responsibility commitment, has offered to neighboring communities and especially to students attending schools located along the

Concession's corridor, different activities and elements that foster direct interaction with the communities:

In an effort to support and facilitate the educational processes of children in the region, one thousand (1000) school kits were handed out to children in nineteen (19) schools.

It participated in the Social Work Association Program on behalf of the National Police, by donating 80 school supply kits in an effort to help the children of the Police officers in the Risaralda Sectional Police force, who live in vulnerable situations and are at risk for personal calamity.

In an effort to motivate children from four (4) schools located in neighboring villages which are considered as high vulnerability areas, in December, the Concessionaire donated 114 pairs of school shoes.

The Concessionaire's social department continuously implemented activities aimed at road safety training; such activities were carried out in different schools located along the Armenia-Pereira-Manizales and Calarcá-La Paila corridors.

The Concession's operations departments and the highway police implemented different educational campaigns for road users. Various types of communications, such as flyers and posters, were handed out in an effort to raise awareness.

In addition, users who demonstrated good behavior by complying with traffic regulations received complimentary passes to the National Coffee Park, the San Vicente Hot Springs and the Botanical Garden in Quindío.

Finally, in addition to its social projects, the Concession participated in environmental projects. In 2015, 800 trees were planted in Condina relief road, 11 trees in the Circassia 1 ½ area, 80 trees on 52nd street and 200 trees in the Chila sector.

### **Autopista de los Llanos Concession**

On May 5, 2015, the plural ownership structure known as Autopistas del Meta, made up of Grupo Odinsa S.A. with 51%, Murcia Murcia S.A. with 30%, Construcciones el Condor S.A. with 11% and Sarugo and CIA. S en C with 8% signed Concession Agreement No. 004 of 2015, in the form of a Public Private Partnership, or PPP. The object of this project is to perform the expansions for the entrances into the city of Villavicencio and the Villavicencio Ring Road, as well as the implementation of other complementary works on Meta's road network.

This important project will offer the capital of Meta new infrastructure facilities, and improve mobility conditions along the department's road network.

### **Operating results**

During the first semester of operations, the new company has been carrying out planning and design works as well as acquiring basic control infrastructure for the project.

To date, the operating infrastructure and equipment for customer care services are available for the project, and a competent and technical team has been established to comply with the contractual obligations.

At the beginning of January, and within the period specified in the agreement, the Concession presented the design layout and geometric design, which will be the basis for the development of studies and detailed designs for each of the 11 functional units in which the project is divided. The inspection group is reviewing the layout study, and once a no objection response has been received, land management will begin.

With every passing day the project interacts more with the communities due to the work by the social and environmental team, through presentations and forums, events and discussion groups where the projections of the works are shown.

The project is comprised of the following toll stations: Iraca, Ocoa, La Libertad, Casetabla and Yucao, which are operating since the signing of the Act of Initiation for the project, and the El Cairo toll station which will enter into operation once the works planned for Villavicencio Ring Road are completed.

The average monthly traffic of the five toll stations recorded during the second half of 2015 was 634,767 vehicles per month, an increase of 7.51% over the average for the first half of 2015.

The Ocoa toll station recorded the largest share, with 48.3% of total traffic reported since the beginning of the project. The share for other toll stations in terms of traffic is: La Libertad (18.5%), Iraca (16.1%), Casetabla (10%) and Yucao (7.1%).

It is worth noting that the Villavicencio - Puerto Lopez - Puerto Gaitan route, where the Yucao and Casetabla toll stations are located, has been affected by a significant decrease in freight vehicle traffic, which mainly corresponds to vehicles used by oil companies. This decrease is more noticeable in the V and VII categories.

During the second half of 2015 an average collection of COP7, 308 million per month was registered, reaching COP48, 848 million pesos for December 31, 2015.

### **Financial Results**

During 2015 the company reported revenues in the amount of COP 41,049 million in construction works.

COP 1, 237 million was also recorded in Operation and Maintenance (UFO) activities.

Net income for year-end 2015 was COP2, 988 million.

During 2015, the first capital contribution was made in the amount of COP 115,834 million, which is required in order to begin the Concession Agreement.

## **Highlights**

- Priority interventions along the Puerto Lopez - Puerto Gaitan corridor, and along the segments or stretches managed by INVIAS, in the previous concession agreement.
- The PPP Llanos Consortium was incorporated, which is responsible for the development of phase III studies and designs contracted through a consulting firm.
- The study and geometric layout for the entire project, which is under review by the inspection division was delivered within the scheduled timeline.
- The Compliance Index for Functional Unit 0 is being measured, starting from the second quarter of operation of the contract, obtaining 100% compliance in all measurements.
- The cooperation agreement with the Highway Police was signed.
- The project website was published.

## **Social Responsibility**

The Concession implemented a customer care system that has helped maintain communication with the different Stakeholders involved in the project. These activities allowed that more than 1,150 people received care and information, through the receipt and addressing of more than 90 requests from the community.

In an effort to develop a road culture program, and with the support of the National Police and the educational institutions located along the corridor concession, 18 road safety campaigns have been conducted, targeting drivers, motorcyclists, cyclists and pedestrians, which were attended by 1021 users. In addition, six workshop sessions have been organized with the participation of 265 students.

The interagency agreement was signed with the Iracá Educational Institution in order to initiate training for a school patrol and other road education activities.

## **Aburrá Norte – Hatovial Concession**

Odinsa owns 22.216% of the Concesión Aburrá Norte - Hatovial S.A.S., which operates in the Department of Antioquia and the Metropolitan Area of the Aburrá Valley. The purpose of the contract is to execute the Road Development Project for the North of Aburrá and its complementary road system which accesses the north of Valle de Aburrá.

## **Operating Results**

A consolidated total of 13,571 vehicles passed through along the Trapiche, Cabildo and Niquía tolls using the Quick Pass system. Which implied a savings of COP 924 million in toll operator wages and, and thus a collection of COP 9,659 million.

During 2015, routine maintenance activities continued for the roads under the Concession, as stipulated in the Concession Agreement, and using staff hired directly by Hatovial S.A.S.: for the Solla - Niquía - El Hatillo dual carriageway, the El Hatillo – Don Matías -Hoyo Rico, Hatillo -

Barbosa Western Mainline, and for the El Hatillo - Barbosa, Girardota - El Hatillo and Acevedo – Copacabana alternate routes.

In May 2015, the Puente de Fundadores began the operation and routine maintenance stage. This bridge links Copacabana in the San Juan de la Tasajera neighborhood, with a dual carriageway in the direction of Barbosa.

The patching and sealing of cracks continues in all operational stretches as part of the routine maintenance program.

The horizontal road signs were replaced for all roads under the concession, all existing lines and road markings were repainted, and missing studs replaced, a work which is done once a year as part of the Concession Agreement.

The annual increase in traffic amounted to 6.31%, which more than doubles financial model projections.

The works scheduled as part of the 2012-2015 Development Plan continue moving forward, as well as the land management portion of the Agreement.

Considering the high number of motorcycle accidents that occur on the road, the Concessionaire is constantly developing and implementing campaigns that seek to create and maintain a culture of road safety for its users.

### **Financial Results**

Concession revenues received during 2015 amounted to COP 63,416 million, which represents an increase of 9.4% in comparison to 2014.

This improvement in revenues generated an EBITDA of COP 43,653 million in 2015, which represents an improvement of 9.2% over the previous year.

The consolidated results decreased from COP 38,744 million in 2014 to COP 7,902 million as of December 2015 due to taxes and other non-operational aspects.

The financial debt decreased by COP 17,326 million, with a year-end balance of COP 51,915 million.

### **Highlights**

- During 2015 the construction of the dual carriageway between Barbosa and Pradera continued, as well as on the Fundadores Bridge, which offers access to Copacabana; progress was also made in the construction of the overpass exchange which connects with Girardota.
- The rest of the stretches under construction are in the operation and maintenance stage. Routine maintenance was performed in the Solla – Niquía stretch, and some sectors of the Niquía - Hatillo stretch.
- During 2015, the Government completed the transfer of resources which the ANI provided for the project.

- There were no shutdowns in the roads operated by the concession, and as of April traffic was restored at Km 10 + 150 of the Hatillo - Don Matías stretch.
- IFRS were implemented for the concession; our Concession Agreement was included as a financial asset and the new accounting system manual was prepared.
- The development of applications for managing routine maintenance continued.

### **Social Responsibility**

The fourth county Sports and Values tournament was carried out as part of our social responsibility program; in coordination with the municipal administration of Barbosa, and the corresponding sports and recreation authority, Inder. There were 714 participants between the ages of 7 and 16, living in the urban and rural areas of the area of influence of the project.

The purpose of the tournament not only included the sports competition, but also the promotion of healthy recreation through values such as respect, responsibility, honesty, teamwork and fair play. The awards for the teams included first, second and third place medals in each category, and 53 tablets as a reward for compliance with the above noted values.

The Hatovial concession, in coordination with the Dean of the Yarumito School, the Ministry of Education of the municipality of Barbosa and SENA, sponsored an introductory course in Surveying with an intensity of 80 hours for 10 consecutive Tuesdays, for students in the 11<sup>th</sup> grade. On July 29, the 30 students who participated in the program received a diploma certified by the SENA.

In terms of the environment, in February, 1150 trees were planted in the Pedro Nel Ospina Battalion and the lot was enclosed; the Metropolitan Area supplied the trees and the Concession supplied the materials; the first tree maintenance was done during the month of December.

22 forest tree species were used in the Copacabana parks (Bodegas del Norte and Hacedores Parks) and 7 in the Girardota interchange. A group of Varasanta (*Triplaris americana*) was also planted in the Girardota exchange, and the other previously planted trees were checked

Environmental measures were taken regarding the execution of construction works in the Copacabana Parks, Fundadores Bridge and Girardota Interchange, which seek to preserve the quality of air, water, flora, fauna, and manage solid waste and hazardous waste, according to the Environmental Management Plan, (PMA). The implementation of environmental management measures continued in the stretches where operations are underway.

### **Vías del Nus, Vinus Concession**

The Concesión Vías del Nus S.A.S. - Vinus S.A.S., was created in order to execute a private initiative according to the framework of Law 1508 of 2012 by the national infrastructure agency, ANI.

The project was declared feasible by the ANI, after passing the assessments by the National Planning Authority (DPN), the Ministry of Finance and the Council of Ministers on 29 September, 2015. From this date, and until December 2, the ANI opened the call for interested parties. On December 2, a public hearing was held in order to close the bid process, without any interested parties stepping forward. On December 3, the ANI awarded the project to Estructura Plural Vías del Nus, which originated the initiative.

Odinsa owns 22.22% of this project.

### **Highlights**

- During 2015, the development of construction designs continued, making minor adjustments to the designs submitted for the feasibility stage, in an effort to present a final version, reviewing the construction designs of the UF-1 Pradera - Porcesito, UF-4 Cisneros Relief Road and critical sites of the UF-5 Cisneros - San Jose del Nus, on the 28<sup>th</sup> of February; the UF-2 Porcesito - Santiago and UF-5 Cisneros - San Jose del NUS (Includes third lane) on the on 31<sup>st</sup> of March; and the UF-3 Quiebra Tunnel, on the 30<sup>th</sup> of April.
- The feasibility studies on the property taxes are being adjusted, and the land required for the project is being surveyed to determine the actual boundaries thereof.
- The bylaws were signed and the company was registered in December.
- The most important event that occurred afterward was the signing of the Agreement, which occurred on January 25, 2016.
- On February 1<sup>st</sup>, the merit competition for the selection for Inspector was closed, in which 50 bidders participated.

### **La Pintada Concession**

Odinsa owns 25% of La Pintada Concession.

### **Operating Results**

For La Pintada Concession, 2015 was marked by important challenges and goals. The requirements for the Pre Construction stage, regarding Environmental, Social and Property, and Financial Management as well as the studies and designs were developed in following with the optimization of investment in the project.

The Pre Construction Stage concluded with the signing of the Initiation Minute on November 6<sup>th</sup>, which ushered in the rehabilitation of Functional Unit 5, which corresponds to the channel La Pintada-Primavera road.

The first year of operation and maintenance of existing roads is completed, for La Pintada-Peñalisa and La Pintada-Primavera; complying with quality indicators, through the implementation of road safety campaigns, which significantly affected the decrease of traffic accidents.

During 2016, work will continue on compliance with environmental licensing requirements, land acquisition and credit agreements, in order to begin construction of the La Pintada – Bolombolo dual carriageway in April, according to the work plan.

Average Daily traffic for 2015, amounted to 5,630 vehicles, resulting in a total income of COP 17,938 million from toll collection.

The works carried out during the construction phase should amount to COP 1,117 million, to be executed between 2016 and 2020. In total, the company has hired 130 direct and 149 indirect employees.

### **Financial Results**

Between 2015 and 2016, the company has received COP 49,215 million, through shareholder capitalizations and COP 47,000 million in loans. It currently has a bridge loan with Banco de Bogota in the amount of COP 130,000 million which will be paid with the first disbursement of the financial closure.

### **Highlights**

- In November of 2015 Conexión Pacífico 2 began the rehabilitation of 54 km of the La Pintada – Primavera road, including surface milling and paving of the affected areas. This is the first of five stretches included in the project; this rehabilitation initiated the construction phase, which will last approximately 5 years.
- As of year-end 2,015 negotiations with financial institutions for the financial closure of the project continue.

### **Santa Marta – Paraguachón Concession**

Odinsa owns 40.8% of the Santa Marta - Paraguachón Concession. During 2016 the Concession generated a net loss of COP 12,179 million.

### **Operating Results**

For 2015, the number of vehicles that travelled along the roads decreased by 5.64% in comparison to 2014, reaching 9,041 vehicles daily. This was due to a decrease in traffic for all categories; however the categories that contributed the most to the negative variation were I (cars) and heavy cargo.

The reason for this was the closure of the border by the Venezuelan Government as of September 8, 2015. In addition, there was a decrease in the heavy cargo categories due to a lower number of coal trucks passing through the Ebanal and Neguanje toll stations, as a the result of a reduced demand for coal.

The operation of the road corridor was also affected by users who avoid payment of the tolls through the use of trails located a few meters from the Alto Pino and Paraguachón toll stations, affecting both the collection for the Road Safety Fund, and revenues for the Concession.

Insecurity also increased; highway robberies in particular, especially in the stretch between Maicao and Paraguachón, after the closing the border.

Some positive results were achieved due to the Concession approaching different institutions, such as an increase in police assistance. For example, in the last quarter of 2015 the number of vehicles avoiding payment decreased from 17,000 to 2,400 for the two toll stations. The Army also helped by stationing its troops by the Paraguachón toll station, in order to ensure the safety and physical integrity of toll station employees.

As a result of the above, collection revenues for 2015 decreased by 8.42% in comparison to 2014, and amounted only to COP 33,165 million.

During 2015 the staff remained stable with 210 direct employees on average, in administrative and operative positions, and 102 indirect employees.

### **Financial Results**

Total operating income for 2015 amounted to COP 49,271 million, which represents a decrease of 14.8%. This variation is due to a decrease in traffic; and that COP 10,090 million in on-recurring income, obtained from an arbitration award, was received in 2014.

The company reported an operating loss of COP 8,787 million for 2015. The net loss amounted to COP 12,179 million.

Financial indebtedness was reduced to COP 14,142 million, compared to last year with a year-end balance of COP 35,626 million as of December 31, 2015.

### **Highlights**

- 2015 was one of the toughest years for the Company's finances, due to the considerable decrease traffic through the Paraguachón and Alto Pino toll stations, as a result of the "state of emergency" declared by the President of Venezuela, which led to the closure of the border between Colombia and Venezuela near the village of Paraguachón.
- Additionally the expectation that traffic flow increase was not met for the cargo vehicle categories; which was expected to rise due to the commissioning of the Brisa Port. In addition to these events the ANI did not acknowledge the value generated due to the differential rate between May 2011 and January 16, 2014, which is calculated in COP 1,111 million.
- During 2015, the company addressed various contractual issues with the ANI regarding billing, refunds, contributions and penalties, in an effort to finally define the issues to be submitted to the arbitration tribunal. As a positive outcome of many meetings and workshops, the ANI has admitted the arguments presented by the Concessionaire and determined not to proceed with payment previously stipulated, in the amount of COP 16,012 million which correspond to the displacement of the investment for the works carried out in 1994 and 1995. In terms of the collection for the displacement of the

investment in the years 2005-2006 regarding the works for the weighing sector, the ANI accepted some of the arguments presented by the Concession and the initial amount of COP 4,525 million dropped to COP 516 million in April 2015.

- Based on the few results obtained from the workshops held during the 2nd half of 2015 as part of the process of rapprochement with the ANI to define the topics on which an agreement could be reached without including them in the lawsuit, the issues to be included in the lawsuit were redefined. The Concession had the legal and financial support from Grupo Odinsa for this process. On December 30, 2015, the documents to be presented were defined, and on January 5, 2016 they were filed with the Center for Arbitration and Conciliation of the Chamber of Commerce of Bogotá, under the reference: Call for the Arbitration Tribunal to settle disputes between Sociedad Concesión Santa Marta Paraguachón S.A. and the National Infrastructure Agency - ANI. Total claims amount to COP 17,494 million. Among these are: collection of property taxes (COP 7,808 million), differential rate (COP 2,000 million), and profits from investments in assets from Addendum 10 (COP 2,097 million), among others.

### **Social Responsibility**

The concession designed, documented and filed the Road Safety Strategic Plan, in order to provide training to employees and avoid the risks associated with traffic accidents for drivers and pedestrians.

Interagency cooperation was the basis for developing the Marta Paraguachón Road Safety Program, in partnership with the Administrative Traffic and Transportation Authority of the department of Guajira (DAATG), the Sectional Transit and Transport Divisions of the Magdalena and Guajira Police, the Municipal Traffic Authorities such as Dibulla, INSTRAM, IMTTM, and strategic alliances with companies such as Cerrejon, SO-TRANS and AMTURS.

All this guaranteed its success, and the possibility to broaden the scope of intervention of activities in the area of direct influence of the concession project, coordinating the implementation of contingency plans for year's high traffic seasons.

On the other hand, a support system was created to provide answers and solutions to the different citizen claims, through the Control and Operations Center in each of the toll stations. These claims are then sent to the Social Management division for their analysis and response.

From the standpoint of connecting the road concession project with the social reality surrounding it, inter-agency activities have been implemented; support services for users have been communicated to the public, as well as road safety measures, tourist information points and comprehensive support stations (CSP-First Responders - PONAL- or Police). This has all been implemented from mobile classrooms, and with the support of regional media.

### **Autopistas del Nordeste Concession**

Odinsa Group owns 42.5% of the concession through its subsidiary Odinsa Holding.

Autopistas del Nordeste in Dominican Republic provides a shortcut between Santo Domingo and the northeastern region of the Samana Province, starting at kilometer 20 of Las Américas Highway and ending at the site known as Rincon de Molinillos.

The road was awarded as a concession to "Autopistas del Nordeste, S.A." by the Dominican government in 2001. In total it consists of 101.8 kms.

### **Operating Results**

In 2015, paying vehicles increased by 15.79% compared to 2014. The collection at toll stations also increased as a result of traffic and the increase in inflation-adjusted rates according to the concession contract, an average of 1.25%. Collection in dollars, at an average rate of DOP\$ 45.53 per USD amounted to USD11.9 million, up from USD10,3 Millions in 2014 (at an average rate of DOP 43.55 per USD), which represents a total increase of 14.89%. The increase in the number of vehicles and fares partly offset the devaluation of the dollar year on year, which remained stable at 4.55%.

During 2015 efforts were made for 2016 funds to be assigned to cover arrears. These efforts were successful; as is reflected in the General Budget Law for 2016 by which the Dominican government deposited the amount of \$ 60 million for the payment of bills and USD32.1 million for the payment of arrears, which will hopefully result in a current account payable for Autopistas del Nordeste by end of year 2017.

The following is the collection management for guaranteed minimum income in 2015:

Pending collection:

Capacity	Amount in USD M
June - August 2015	7.8
September- October 2015	7.9
	15.8

Collected:

Capacity	Amount in USD M
June - August 2014	8.4
September - November 2014	8.4
December 2014 - February 2015	7.8
March - May 2015	7.7
	32.2

In 2015, maintenance activities focused on the rehabilitation of the asphalt surface, horizontal demarcation pavement, replacement of metal bumpers, repair of bridge joints, changing the gradient of the bridges, and improving storm drains among others. These activities were carried out along the highway in places where intervention was required in order to maintain the service and security levels that users deserve.

Among the most important maintenance activities performed in 2015 were the optimization of signs at critical points and the vitalization of the horizontal pavement markings. Both are expected to contribute significantly to the accident decrease.

It is worth noting that during 2015 the traffic control and collection system was completely renovated, including installation and commissioning of the above equipment.

On average, the company had 77 direct and 101 indirect employees during the year.

### **Financial Results**

The Company prepared its financial statements in accordance with International Financial Reporting Standards.

EBIT recorded a decrease compared to 2014 due to an adjustment to the paving provision according to IFRS 9, resulting in an increase in the expenses of USD\$ 2.4 million.

Income before taxes was affected by the increases in the expenses listed above plus an increase in interest expenses of USD\$ 0.9 million, resulting from the capitalization of accrued interests on subordinated debt and unpaid in accordance with the terms and conditions stipulated in the promissory notes of the sponsors of the project, which form an integral part of the financing documents.

As a result of the implementation of the considerations of IFRIC 12, "Service Concession Agreements" the company proceeded to determine the fair value of the cash flow generated from the Minimum Income Guaranteed by the Dominican State, using a discount rate of 10.67%, which corresponds to the average rate of generating interest obligations held by the Company. As a result of the discount in cash flows, the financial assets increased by approximately USD\$ 200.7 million, which is being amortized using the aforementioned effective interest rate.

Financial asset movements as of December 31, 2014 and 2015 are presented as follows:

<b>All amounts in US Dollars</b>	<b>2014</b>	<b>2015</b>
Positive balance at the beginning of the year	225.7	222,4
Plus: Financial income acknowledged against results (effective interest rate)	23.5	23,3
Plus: Operating income determined according to the financial accounting model, acknowledged against results	13.1	13,1
Minus: Collection from the Minimum Income Guaranteed by the Dominican State	38.9	37,9
	222,4	220,9

From July 2013 the AND Concession began amortizing the principal of the bonds issued to finance the project. During 2015 the company deposited the amount of USD 8.7 million towards capital.

During 2015, USD 5.5 million were paid toward the subordinated debt with the Sponsors, thanks to the fact that the Dominican State complied with the contractual commitment of obtaining a stand-by letter of credit, which serves as collateral to the guaranteed minimum income; and negotiations with the bondholders in 2013 amended contractual terms, which allowed the Sponsors to access payment of the subordinated debt.

By year-end 2015, accounts receivable amounted to USD 18.7 million as a result of late payments by the Dominican State. The "Management for the Collection of Guaranteed Minimum Income" section explains in detail the status of collection.

### **Highlights**

- In February, the Concession received the certification of compliance in Safety and Health at Work Regulations for three years, starting October 17, 2014. It also received the ISO 9001-2008 certification in administration, operation and maintenance of toll stations, collection, custody, transportation and deposit of collected money, operation and maintenance of: electrical equipment for traffic control, support and protection equipment, effective for three years starting January 9, 2015.
- In December the follow-up audit to the Quality Management System was carried out, in accordance to standard ISO 9001-2008 issued by the certifying body, which resulted in zero nonconformities and allowed us to continue with the certificate obtained in December 2014.
- On the other hand, on January 22, 2016, Fitch Ratings revised the rating of the Concession bonds, increasing them to B + "positive" from a B + "stable". The ratings review is based on the review of the sovereign debt rating in December 2015, which reflects the improvement in the economic performance of the Dominican Government in comparison to similar governments, the reduction of external vulnerabilities and progress made towards fiscal consolidation.

### **Social Responsibility**

Since 2013, the Concession, in conjunction with the Animal Protection authority and Induspalma (private company that owns a significant amount of land along the highway), have been working to reduce the number of accidents caused by animals roaming along the highway.

Regarding road safety, and after two traffic accidents occurring in the second half of 2015, the company engaged the services of firm which specializes in contingency plans for these types of operating conditions.

On the other hand, the Concession implements an awareness campaign directed to road users regarding important issues, such as speed limits and driving while intoxicated, and the use of seat belts, accompanied by information about the free services offered to users by the Concession.

### **Boulevard Turístico del Atlántico, BTA**

Grupo Odinsa owns 42.5% of the Concession through its subsidiary, Odinsa Holding. The Boulevard Turístico del Atlántico, BTA, in Dominican Republic is in the second stage of the Concession Agreement for the administration of Tolls for the Santo Domingo - Cruce Rincón de Molinillos stretch. It is located in the jurisdiction of two provinces, María Trinidad Sánchez and Samaná, both located on the northeast.

The contract began in 2001. Its second phase was approved by the Legislative Chambers in 2009, starting construction in 2007 and ending in 2011.

The project involved the rehabilitation and improvement of 106.3 km of existing roads and 17.2 km. kilometers of new construction.

### **Operating Results**

During 2015 there was an increase in total traffic of 6.5%, or 1,355,404 vehicles as a result of the continued economic recovery that began in 2013.

Paying vehicles correspond to 14% of total traffic, i.e.188,792 vehicles annually.

In October 2015 repairs to Km10 + 000 to Km10 + 120 of B Stretch of the Sánchez-Samaná were completed.

Construction Works to Cruce Rincon de Molinillos were made by adding an additional lane, resulting in a left turn lane from the BTA to the AND, and other lane for drivers travelling from Sanchez/Samana to the province of Maria Trinidad Sanchez, Nagua.

This intervention was based on the recommendation of the road safety audit conducted on project in 2013 and the number of incidents that occurred at that site.

During 2015, efforts were made so the guaranteed minimum income payment fund earmarked for 2016 would cover the items left outstanding. These efforts were successful, as the Dominican Government allocated in their General Budget Law of 2016 the amount of \$60 million for the payment of invoices for this year and \$32 million for the payment of arrears; therefore, the Boulevard Turistico del Atlantico is expected to have no outstanding invoices by the end of the year.

At the end of 2015, the collection of the guaranteed minimum income from the Government is as follows:

Pending collection:

Capacity	Amount in USD M
May - July 2015	5.1
August - October 2015	9.8
	14.9

Collected:

Capacity	Amount in USD M
May - July 2014	9.2
August - October 2014	9.3
November 2014 - January 2015	9.1
February - April 2015	9.4
May - July 2015	4.6
	41.6

In total, the company employs 30 direct and 109 indirect employees.

### Financial results

The company prepares its statements in accordance with International Financial Reporting Standards and on the basis that the company will remain a going concern, which contemplates the realization of its financial asset and the extinguishment of its liabilities during the normal course of business.

The EBIT recorded an increase in 2015 compared to 2014 for the following reasons:

- Increase in income due to higher charges in relation to those established in the financial accounting model.
- Lower expenditure for the paving provision.
- Lower expenditure for insurance.
- Lower operating, general, and administrative expenses.

Net income increased due to the extraordinary income from the revaluation of the financial asset, representing an impact of USD 24 million.

The project has not yet reached the *Project Completion* milestone, and therefore it has not been possible to initiate payments to accrued interest on subordinated debt due to the restrictions on loan agreements with the Multilateral agencies.

At the close of 2015, the Dominican State had unpaid invoices amounting to USD 21.4 million as a consequence of payment delays.

As a result of applying IFRIC 12, "Service Concession Arrangements", the company proceeded to determine the fair value of cash flows resulting from the Guaranteed Minimum Income guaranteed by the Dominican State, using a discount rate of 9.626%, which corresponds to the average rate of interest generating obligations held by the Company. The discounting of the cash flows resulted in an increase financial asset of approximately USD 153.2 million, which is being amortized using the effective interest rate previously indicated.

Financial asset movements as of December 31, 2014 and 2015 are presented as follows:

All amounts in US Dollars	(Audited figures) 2014	(Preliminary figures) 2015
Positive balance at the beginning of the year	152.1	135.5

Revaluation of financial asset	n.a.	24.1
Plus: Financial income acknowledged against results (effective interest rate)	14.5	18.4
Minus: Collection from the Minimum Income Guaranteed by the Dominican State	47.8	41.4
Plus: Operating income determined according to the financial accounting model, acknowledged against results	16.6	19.8
	135.6	156.5

In recent years, the amount of estimated future cash flows has varied considerably with respect to the flows used for determining the value of the financial asset. This variation is caused by changes in the estimated versus the actual behavior of the model's variables, such as the rate of inflation and the consumer price index of the United States, among others. For this reason, the financial assets recorded in books was updated during 2015, according to the guidelines of IFRS 9 Part A - Financial Instruments (IFRS 9-2015).

### **Highlights**

- The administrative team completed the review process, updating all the operation phase instructional and procedure manuals for the collection stations. Similarly, all employees were re-trained and internal audits conducted, in order to be prepared for the first follow-up Quality Management System recertification audit based on the ISO 9001: 2008 norm.
- The Concessionaire developed and implemented on July 1, 2014 a Traffic Monitoring System, through which they will evaluate and grade the project's security conditions by gathering important data which, after a deep analysis thereof, will to allow them to identify existing and potential critical points affecting both users as well as the roadway.
- The timely and effective monitoring by the Joint Committee on Occupational Safety and Health continued in the first half of 2015.

### **Social Responsibility**

The communities near the roads of the concession present social, economic and environmental realities and the concession purpose is to provide communication channels through which guidelines were established to avoid, minimize or mitigate those conflicts that may arise between the company and communities.

The activities where:

- Children learned to move and behave safely on the road.
- Boards of neighbors who received answers to their requests for the construction of sidewalks, curbs and speed bumps.
- Awareness for the prevention of traffic accidents.
- Education and guidance on the right of way.
- Raising awareness of young people involved in motorcycle racing, as well as measures that the authority will take.
- Reduced traffic signal theft.

- Delivery of school supplies and Christmas gifts.

### **Aruba Green Corridor Concession**

Grupo Odinsa has 100% controlling interest of the Green Corridor Concession. Its purpose is the development of road and urban infrastructure to the Island of Aruba.

### **Operating Results**

On July 22, 2015 the financial closure of the project was achieved and the Green Corridor-DBFM agreement was signed. The scope includes the design, construction, financing and maintenance of roads for between the Airport and San Nicolas, the roads going south and north between San Nicolas and Sabaneta. The term of the agreement is 25 months, ending on August 17, 2017, the date on which the project ending on August 17, 2035 begins.

The main contractor (concessionaire) for the project is Caribbean Infrastructure Company NV (CIC) and the EPC contractor is Chamba Blou Ny; both corporations are registered in Aruba.

CAPEX has a current value of Afl.103 million (USD 58.0 million), of which 16% investment was implemented in 2015, and 65% and 19% are projected for 2016 and 2017 respectively.

To date, the Concession has 7 direct and 35 indirect employees.

### **Financial Results**

The works executed so far amount to USD 18.9 million. Resources for project implementation have been obtained from a complete structure by which the Deutsche Bank granted a USD 58.7 million loan for a term of 18 years and 6,587% interest. In turn, Deutsche Bank sold the project's receivables portfolio in August 2015 to Massachusetts Mutual Life Insurance Company, Sun Life Assurance Company of Canada and AIB Bank N.V.

On January 4, 2016 the CIC was granted the ISO 9001: 2008 certificate, which is one of the contractual requirements.

### **Highlights**

- On July 22, 2015 the financial closure of the project was achieved and the Green Corridor- DBFM agreement was signed. Simultaneously, construction began in accordance with the approved designs for the second carriageway between Reina Beatrix Airport and Pos Chiquito (6km).
- According to the first phase of the project, the main subcontracts to the project were performed, i.e., the foundation and construction of the Spaans Lagoen Bridge, and the supply and application of asphalt.

### **El Dorado Airport, OPAIN SA**

It is the concessionaire company in charge of managing, modernizing and expanding, operating, exploiting, commercializing, and maintaining the El Dorado International Airport. Odinsa Group has a 35% ownership in this company.

### **Operating Results**

During 2015, the Airport handled a total of 295,352 air operations, showing an increase of 16,757 operations (6.01%) compared to 2014, while keeping the standards and service levels of the terminal.

During said year, 30,235,622 passengers passed through the El Dorado Airport (arrivals – departures), of which 9,354,139 were international and 20,881,483 were domestic.

With regard to cargo, from November of 2014 to October of 2015, 631,730 tons of cargo were moved.

- Number of direct employees: 523
- Number of indirect employees: 1877

In 2015, the airlines KLM (Netherlands), AVIOR (Venezuela), and TAM (Brazil) started operations in the El Dorado Airport. New destinations were opened: Amsterdam, Valencia, and Barbados. For the second year running, the El Dorado Airport is rated with 4 stars by the British organization Skytrax.

Among the main improvements for 2015, the following stand out:

- The implementation of additional thermal cameras to reinforce the perimeter security system.
- Automatic boarding pass control system.
- Implementation of Baggage printing and relocation of self-service kiosks.
- Quality Management System with Isolation and Airport Security Management System with SMS.
- Launch of the El Dorado APP for android and iphone, with interactive maps; flight information; weather; store, restaurant, services, and airline directory; parking lots with their location, rates and number of spaces, etc.
- New integrations to the El Dorado web page, such as: dynamic maps, connections, currency converter, real time flight information, flight status, gate information, and weather, among others.

With regard to civil works carried out at the airport: preliminary activities, piling, and foundation activities were undertaken in both the north and south pier of the expansion works for the passenger terminal and concrete superstructure for the northern dock. Likewise, the following acquisition and contracting processes have been performed: vertical and horizontal transport equipment, steel structure deck, facade, air conditioning equipment, and voice and data systems.

### **Financial results**

Opain operating revenues reached COP 724,537 million, which means an increase with respect to 2014 of 36.4%. This increase is a result of increased passenger volume, air operations, and the significant devaluation of the Colombian peso, since international airport charges are defined in US dollars.

The big boost in revenue is also reflected in the EBITDA, which reached COP 234,371 million.

The profit after tax in 2015 is COP 61,574 million. Last year the company recorded a loss of COP 108,422 million (in IFRS), resulting mainly from a strong currency impact due to the fact that the concession had loans in foreign currency.

On May 8, 2015 the Refinancing Credit Agreement between OPAIN and Bancolombia S.A., BNP Paribas Securities Corp., HSBC Securities (USA), Sumitomo Mitsui Banking Corporation, and Bancolombia Panama S.A. was entered into; for the refinancing of the project for a total value of USD 500 million; the term of the loan expires in 2025, and amortization starting in 2016. This credit was used to cancel the Syndicated Loan Agreement which had been entered into with the Inter-American Development Bank, the Andean Development Corporation, and the China Development Bank, which amount disbursed as of December 31, 2014 reached USD 282.8 million.

The credit has 2 tranches: Tranche A amounting to USD 450 million aims to repay existing debt, termination and refinancing costs of the project, as well as the return of contributions to the shareholders; meanwhile Tranche B for US \$ 50 million aims to give the Concessionaire the necessary flows to complete the contractual works due on January 2017.

Among the benefits resulting from the refinancing, we highlight the following:

- The Sponsor Support Agreement is eliminated.
- The distribution of dividends and/or payment of loans with shareholders with the resources of the first disbursement of Tranche A is allowed.
- Better interest rates.
- Voluntary prepayments without prepayment commissions.
- Flexibilization of financial covenants.
- Possibility to meet DSRA funding requirement with letters of credit and distribution of replaced amounts bypassing waterfall payments.
- Flexibilization of rules on change of control.
- Inclusion of Additional Indebtedness regulation for supplementary and voluntary works of Phase 1.

### **Highlights**

- On May 11, 2015, section four of the Administrative Court for Cundinamarca, under file 110013337039201300044 of OPAIN S.A. against DIAN, issued a favorable and final ruling in favor of Opain S.A., ordering the return of COP 615.6 million plus default interests accrued since it became enforceable, resulting from the overpayment of stamp tax with respect to the concession agreement for the period of January to

November 2008. This ruling revoked the first instance decision which had been issued against OPAIN. The judgment became enforceable on May 14, 2015.

- During 2015 the Concession received a value of COP 12,721 million for the payment of the construction, operation, and maintenance of supplementary works agreed by means of Addendum No. 7 of 2012 which amended the Concession Agreement.
- On January 21, 2015 the Agreement to “make its best effort in the necessary preliminary activities and arrangements to allow the viability of entering into of an Addendum so that the Concessionaire carries out the supplementary and voluntary works at the El Dorado Luis Carlos Galán Sarmiento International Airport regarding the airport infrastructure represented in three (3) phases was entered into with ANI ”.

### Voluntary Works

Phase I - North: extension of the building in approximately 15,200 m<sup>2</sup> for the international operation.

Phase I - South: Extension of the building in approximately 30,200 m<sup>2</sup> for the domestic operation.

### Supplementary Works

Phase I - North: Corresponds to 2,800 m<sup>2</sup> of building and 14,500 m<sup>2</sup> of platform needed to serve 3 additional ECHO category contact positions or 6 CHARLIE category positions under MARS configuration. Phase I - South: Corresponds to 700 m<sup>2</sup> of building and 20,500 m<sup>2</sup> of platform needed for two additional CHARLIE category contact positions. As part of the supplementary works of Phase I – South, the relocation of the following infrastructure is included: Aerocivil Hangar, Collection Center, police Kennels. These works include the entire infrastructure that is located in the air side such as fixed and mobile parts of boarding bridges, VDGS, lateral access ramps.

Phase II: Corresponds to the continuation of the extension of the north dock of the Passenger Terminal in approximately 12,650 m<sup>2</sup> and 17,000m<sup>2</sup> of platform, in order to place an additional ECHO category position or 2 CHARLIE category positions under MARS configuration. As part of the building of this phase, a perpendicular jetty will be made to locate 3 additional CHARLIE category contact positions, which platform shall be included in Phase III.

Phase III: Corresponds to a platform of approximately 17.200 m<sup>2</sup>, necessary to place the 3 CHARLIE category positions which jetty would be included in Phase II plus 3 CHARLIE category remote positions.

- On February 2, 2015, the Conceptual Designs of Phases I, II, and III were filed. In addition, Clause 33 of the Concession Agreement was applied regarding the voluntary expansion works of the Passenger Terminal; and the official request was filed before Aerocivil for new constructions at the El Dorado International Airport in compliance with the regulations set forth in the Colombian Aeronautic Rules – RAC-.
- On July 3, 2015 the National Infrastructure Agency – ANI- and OPAIN S.A. entered into Addendum No. 13 to the Concession Agreement, in which they agreed on the

methodology to present and approve the detailed designs of the voluntary works under the fast-track methodology.

- On September 17, 2015 the National Infrastructure Agency – ANI- and OPAIN S.A. entered into Addendum No. 16 with the purpose of performing the basic designs of the Phase I supplementary works and defining the CAPEX for the eventual construction of these works as supplementary works under the framework of the Concession Agreement.
- On November 25 and December 11 of 2015, as per OPAIN's obligations, the basic designs for the supplementary works of Phase I were filed, including the necessary movements.

### **Mariscal Sucre International Airport**

Corporación Quiport S.A. is the concessionaire company for the airport service in the city of Quito, which includes the management and operation of the old Mariscal Sucre International Airport and the development, construction, management, operation, and maintenance of the new Quito International Airport and the performance of all of the activities inherent to the Concession Contract which was granted by the Municipality of the Quito Metropolitan District.

The contract has a 35 year horizon, which started in 2006 and goes until 2041.

On December 10, 2015, the agreement to purchase 50% of the company which owned 93% of the economic rights of the concessionaire of the Mariscal Sucre Airport in Quito, Ecuador, was made official in New York.

The acquisition was made through Marjoram Riverside Company (BVI), a corporation controlled by Odinsa Holding Inc., affiliate of Grupo Odinsa.

### **Operating results**

During 2015, 5,508,880 passengers passed through the airport (arrivals- departures), showing a 1.17% reduction with respect to 2014, with a participation of 2,427,972 international passengers and 3,080,908 domestic passengers.

In terms of cargo, 180,020 tons were moved during 2015.

During 2015, the Airport responded to a total of 61,159 operations, which represents a decrease of 5.45% in comparison to 2014.

By year-end there were 360 direct employees between the concessionaire and the operator. Total airport employees amount to 7,500.

In terms of routes, Quiport continued improving its position with the airlines:

- Martinair KLM increased its cargo capacity with a Boeing 747-400
- Jet Blue announced new operations between Quito and Fort-Lauderdale

- Viva Colombia opened two new weekly frequencies for the Quito – Bogotá route, reaching a total of 5.
- American Airlines increased the number of seats offered in its flight to Miami.
- Aeromexico increased the offer of seats in the flight to Mexico DF.
- United Airlines implemented a new seasonal flight in July with two frequencies in the Quito – Houston route.
- Insel Air started to operate the Quito – Aruba route with two weekly frequencies.
- Copa started its fifth daily flight to Panama with seven weekly frequencies.
- American Airlines opened a direct route from Quito to the city of Dallas in the United States.
- United Airlines implemented a seasonal flight in December twice a week.

### **Financial Results**

Despite the country's macroeconomic challenges and the decrease in passenger traffic company operations generated positive results. Income amounted to USD 165.4 million, which represents an increase of 4.67%.

Company EBITDA reached USD 115 million, with a 2.9 % increase in comparison to 2014, and Net Profits amounted to USD 58.8 million

Financial debt was reduced by USD 31.25 million for a final balance of USD 222 million, according to the project's financial planning.

### **Highlights**

- The replacement of the Security Equipment was finalized, achieving its operational acceptance and obtaining the Final Completion of the Construction.
- The 2015-2020 Master Plan was approved.
- Flower exports during Saint Valentine's season exceeded 13,000 tons.
- Implementation of new low visibility procedures which increased the operation time of the airport.
- Successful security operation at the airport during the visit of the Pope to Ecuador.
- Zero accidents at the airport.
- The airport was in operating conditions 99.5% of the time.
- In May the operation of Phase 2A of the passenger terminal began, which has 7,910 m<sup>2</sup> of construction, 870 additional seats, two new bridges for boarding passenger and ten boarding gates, representing a 30% increase in waiting room capacity. The investment in this work was USD 22 Million
- The construction ended in November and it was given to the Drug Enforcement Office.
- Among the commercial developments, an advance of 91% in the construction of the new Wyndham Grand Hotel Condor stands out. In May, a new VIP lounge, new business areas, and 3 food and beverage areas in the expansion area of the domestic terminal were opened. In addition, in November Attenza opened a new MAC (leading cosmetic brand) store in the international departures Duty Free.

## **Social responsibility**

- With the framework of Our Orchard project (“Nuestra Huerta”), each participating farmer received monthly revenues of close to USD 400. More than 200 direct employees of the concession were clients under this program.
- 63 scholarships were granted to children and youngsters who study in educational centers of areas close to the airport.
- The continuous implementation of the Social Management Plan (“Plan de Gestión Social”) allowed 4.744 persons to benefit from the airport’s social programs during the year.
- The Carbon Accreditation (Level 1 Mapping) of the International Airport Council - Latin America and the Caribbean (ACI-LAC) was received.
- Tueri, a harpy eagle which was wounded in the jungle, was rehabilitated at the airport and subsequently returned to its natural habitat.
- The IDB developed a “shared value project” with the Quito airport, which was the first one in the region.
- No significant accidents occurred during the construction in 2015.
- World Travel Awards 2015 and 2014 in the category of Leading Airport of South America.
- Skytrax granted a rating of 4 stars for the quality and service level of the airport.
- Airport Service Quality Awards 2014. Second place within the airports of Latin America and the Caribbean, and ninth place in the category of worldwide airports between 5 and 15 million passengers per year
- Peak of Success Award granted by The Bizz to the national and international VIP lounges of the airport.

## **Constructora Bogotá Fase III S.A. CONFASE**

The objective of Phase III of Transmilenio in the center of Bogotá is the maintenance of the Street for 5 years.

Grupo Odinsa controls this corporation with an ownership percentage of 51%.

## **Operating results**

Stretch 4 of Carrera 10 extends from Calle 7 until Calle 26, with a total length of 1,983 m. It consists of two mixed lanes and two Transmilenio lanes in each direction of the carriageway and its maintenance started in the month of January 2013.

During 2015 it met all the parameters required by the Urban Development Institute, IDU, which guarantee an optimal state of condition to all users. It is emphasized that the test which evaluates the state of condition of pavements in this sector (MDR) and which is a qualification criteria, had a satisfactory result of 97.72%. The average score obtained for this stretch during 2015 was: 99.52%

Stretch 5 of Carrera 10, which goes from Calle 26 in front of the Tequendama Hotel until Carrera 7 with Calle 34, has a total length of 1,044 m., and its maintenance started in the

month of December 2013. As well as the other evaluations of the state of condition of the pavement of this sector, the result was above the 98.013% required in the specifications of the contract. The average score obtained for this stretch during 2015 was: 99.87%.

Stretch 5 of Calle 26, between Carrera 13 and Carrera 18, includes the operational connection between Avenida Caracas and Calle 26, called Central Station (“Estación Central”) and the operational connection. As well as for the other biannual evaluations of the state of condition of the pavement of this sector, the result was above the 98.19% required in the specifications of the contract. The average score obtained for this stretch during 2015 was: 98.39%.

Stretch 6 of Calle 26, includes Calle 26 from Carrera 13 to Carrera 3 as well as Carrera 3 between Calle 26 and Calle 19. The average score obtained for this stretch during 2015 was: 99.74%.

On May 6, 2015 CONFASE S.A. reinitiated works at the Bicentennial Park (“Parque Bicentenario”), after a suspension of nearly three years, continuing with the architectural, metalworking, landscaping, and lighting works that were awaiting execution. It is worth remembering that final designs made by architect Giancarlo Mazantti were approved by the Ministry of Culture in late 2014 and endorsed by the Institute of Urban Development in March 2015.

The deadline to finish outstanding activities is 14 months from the above date foreseeing July 7, 2016 as the date for completion. The approximate value of outstanding works is nearly COP 12,000 million.

As of December 31, 2015, CONFASE S.A., has executed works for an approximate value of COP 4,700 million since reinitiating, at unit price, the percentage of completion of outstanding activities at Bicentennial Park is at 45%, with the execution of the landscaping and lighting works and the completion of some details of the architecture and the metalworking still pending, which have an approximate value of COP 7,000 million, and which will be done in the first half of 2016.

During 2015 CONFASE S.A., billed works for a value of COP 4,726,618,756, corresponding to works performed in other periods and to the work done during year 2015.

The company hired an average of 65 direct employees and 180 indirect ones.

### **Financial results**

During 2013 the ESFA (Opening Statement of Financial Position) was performed, which derecognised the deferred tax asset related to work costs for “networks, supplementary works, update “unrecognized” designs, with an impact of COP 55,000 million; during 2014 we were in transition and as of 2015 we are ready to report financial statements under IFRS.

There is a variation of 40% compared to 2014 which was caused by the reactivation of the works of the Bicentennial Park; in addition revenues were provisioned in the amount of COP 3,832 million in works executed and pending billing.

A variation of 18.08% is reflected in operating income compared to 2014, as a result of good management in the optimization of costs and expenses.

The increase in net income was caused by the payment of the award for works that had not been recognized in previous years.

During 2015 company shareholders made capitalizations in the amount of COP 12,600 million with a view to rebut the grounds for dissolution.

### **Highlights**

2015 was defined by the important technical and administrative activities which were carried out and the results of legal claims filed which somehow influenced the behavior of the Construction Company, of which the most important aspects are:

- Decision of the arbitral award by Court 1 of the Chamber of Commerce of Bogotá in February in the amount of COP 16,227 million in favor of CONFASE S.A., and presentation of the arbitration proceedings before Court 2
- Re-start of construction of architectural works in Bicentennial Park according to designs endorsed by the Ministry of Culture and completion of some outstanding works from the construction phase
- Accounting for 2015 was recorded under IFRS due to the fact that it was catalogued as Group 1 and financial statements were presented under IFRS.
- Utility network amounts were calculated, record levels, and information required for the preparation of minutes for settling accounts between the IDU accounts and Public Utility Companies.
- Completion of the second year of maintenance of the constructed works, three years remain.
- In June 2014, CONFASE S.A. presented a second arbitration lawsuit worth close to COP 21,000 million. By year-end 2015 the lawsuit has been reformed and replaced and the company is awaiting the schedule for the conciliation hearing and the beginning of the evidentiary stage.

### **Odinsa Proyects and Investments**

Concession for the collection of INVIAS tolls

Concession Contract 250 of 2011 entered into between Odinsa Proyectos e Inversiones S.A. - Odinsa P.I. S.A. - and the National Roads Institute - INVIAS.

Odinsa participates in Odinsa Proyectos e Inversiones as controlling company.

During 2015, Odinsa P.I. S.A., continued performing the contract for the management and operation of 39 toll stations and 2 weighing stations, located in the national road network run by INVIAS, according to the contractual obligations.

Since the month of May, the toll stations known as Cano, Daza and El Placer were included in the contract, as was the Cano weighing station. The El Placer toll station was in operation until October 28, ending the year with 41 toll stations, and a total of 100 toll collection booths.

As of December 31, 2015, 94.06% of the offered value of the contract was reached. It is expected to reach 100% in March 2016.

In the month of September 2015, INVIAS opened a prequalification bid under No. APP-IP-001-2015, of which its purpose is to "Form the list of prequalified entities for the public-private association project of public initiative, consisting in the concession for the equipping, operation, maintenance, organization, and management of the toll rate collection service at toll stations, and the equipping, operation, maintenance, organization, and complete management of the weighing stations which are run by the National Roads Institute - INVIAS."

Having obtained the due approvals, Grupo Odinsa S.A. participated in the prequalification process and having complied with the requirements and consequently was included in the prequalified list.

### **Achievements**

In the month of November 2015, the recertification of the Quality Management System was carried out, under regulation ISO 9001:2008; this is a cornerstone of the operation, through which monitoring, measurement, control, for each and every one of the processes that frame the obligations under the Concession Contract No.250-2011, was performed within the following scope:

"Management, operation, and maintenance of weighing stations. Management, operation and maintenance of toll stations. Supply, installation, operation, and maintenance of: traffic control electronic equipment, video and data transmission system, backup and protection equipment."

### **Financial Results**

Operating revenues in 2015 reached COP 62,627 million, which represents an increase of 4% in comparison to 2014, and corresponding to the operation of Concession Agreement 250 of 2011.

The company's EBITDA reached COP 18,665 million. Net income for the year 2015 closed at COP 11,481 million.

During 2015, more than 15 contingency plans were implemented in order to meet the traffic demand during holiday weekends, Easter, holiday periods, and school breaks; which implies the generation of approximately 360 indirect jobs 360 per season.

### **Social responsibility**

During the 16, 17, and 18 of October 2015, the fourth meeting of the so-called "Odinsa Women" took place in the city of Cartagena. This is a program designed and directed by the Juan Felipe Gomez Escobar Foundation, for the base level staff for the tolls operation, or the "friendly face of Odinsa PI on the roads", with the goal of empowering 54 selected employees to attend the event, as agents of progress for their families, work, and society.

Cornerstones of the program:

Personal transformation	Leadership	Empowerment
Self-motivation Resilience Self-control	Teamwork Effective communication Emotional intelligence Conflict resolution	Entrepreneurial thinking Winning mentality Continuous improvement
Women: Agents of progress		

At the closure of the event, Mrs. Nora Padilla assisted as special guest. She is an example of personal transformation, leadership, and empowerment, as the President of the National Recyclers Association of Colombia.

In December, 877 Christmas gifts were delivered for children of employees under 13.

### **Odinsa Servicios**

During 2015 Odinsa Servicios S.A.S. continued to develop road marking contracts.

Odinsa Servicios is 100% owned by Odinsa.

Demarcation and road signaling works were performed with the Autopistas del Café, Autopistas de los Llanos, La Pintada, and Santa Marta Paraguachón concessions, with Grupo Constructor Autopistas del Café, and Consorcio Constructor Nuevo Dorado.

### **Operating results**

15 contracts were performed, 2 entered into in previous periods and 13 during 2015. With these contracts, 1,317,526 ml and 46,744 m<sup>2</sup> were demarcated, 2,856 vertical signs were placed, as well as 23 flag – type signals and 35,760 reflective studs.

The execution of these contracts generated a monthly average of 45 direct jobs and 15 indirect jobs.

### **Financial results**

Financial information is presented excluding revenues and expenses generated by the equity method, thus allowing the evaluation of the commercial activity of the company.

Income of COP 3.255 million is reported, 6.32% higher than in 2014, with an operating profit of 309 million, 2.77% lower than the 2014 operating profit, a variation supported by a greater execution of vertical signaling contracts (35% in 2015 and 24% in 2014), with lower profits compared to those of horizontal demarcation.

### **Highlights**

Continuity in contracting was achieved through an assertive price offer with respect to the market, to the delivery of the required quality, and compliance with the scheduled times. Additionally, they resumed commercial relations with Opain S.A.

### **Santa Marta Port Society**

It is a corporation in which Grupo Odinsa has an 11% ownership. During 2015 the concession continued to develop the object of its contract obtaining a net profit of COP 12,393 million and distributing dividends in the amount of COP 13,248 million.

### **Operating results**

In 2015, the Santa Marta Port Society ended the year by establishing itself as the most efficient port in the country in terms of grain and coal operations; reaching the highest international standards in other operations such as containers, vehicles, and general cargo.

Likewise, thanks to investments in equipment, it achieved high levels of productivity, efficiency, and reduced costs with its own resources, which allowed it to maintain a high level of autonomy and a considerable improvement in the quality of services provided to customers and users. This has allowed an increase in the participation of port operations performed inside the terminal.

### **Containers**

2015 closed with 93.803 movements (171.373 TEU) which represent an increase of 6.5% with respect to the previous year, which closed with 88.096 movements.

The average yield in container operations during 2015 was 31.60 moves per ship hour, which represented a 2.73% growth compared to 2014, highlighting an increased productivity in the months of January and February of 34.67 and 34.13 moves per hour.

### **Solid Bulk, Carbon, and other Cargo**

During 2016, the highest historical record was achieved with regard to the operation of solid bulk through the Port of Santa Marta, mobilizing 1,776,824 million tons distributed between plant bulks, barite, and Clinker cement .

Total mobilized solid bulk is divided into 1,708,279 tons of clean bulk and 68,545 tons of dirty bulk (Barite, Fertilizers, and Clinker).

The average operating performance in ships during 2015 for grains only was 10,050 tons per day with actions that reached rates of up to 15,108 tons per day, due to the implementation of new suction specialized equipment and silo storage. It is worth noting that on July 7, 2015 the MN Grand Concord achieved a peak discharge in the first 16 hours, with a rate of 900 tons per hour, equivalent to a yield in the first 24 hours of 21 thousand 600 tons / day.

Likewise, 3,449,745 tons were exported through the coal terminal; this value represents an increase of 199% compared to 2014. The increase in coal exports through the Port of Santa Marta was due to the entry into operation of a new client in the terminal; the Port handled customers other than the traditional ones such as metallurgical coal and high-grade coking coal. The budget compliance in handled cargo exceeded 234%.

During 2015 213,951 tons of general cargo were mobilized, excluding vehicles and bananas. Likewise, import vehicle operations reached 37,306 units.

Additionally, 246,766 tons of liquid bulk were mobilized through the Maritime Terminal of Santa Marta, representing an increase of 3,457 tons with respect to 2014.

As a result of company operation, the Port of Santa Marta generated 466 direct jobs and 8,500 indirect jobs.

### **Financial results**

Operating revenues amounted to COP 100.430 million, representing an increase of 26.65% compared to earnings during 2014.

The operating profit for fiscal year 2015 increased by 62.23% compared to the previous year, reaching COP 35.100 million compared to COP 21,636 million obtained in 2014. The company's EBITDA margin for 2015 was 46.54%, compared with 43.73% for the previous year.

Now, with regard to the results for non-operating income and expenses, there was an increase of COP 7,705 million pesos which was mainly caused by the positive results in the subsidiaries.

Based on the above, net income recorded for 2015 was COP 12,288 million.

### **Highlights**

Through a public tender presented to the port of Corpus Christi in the United States, the Port of Santa Marta acquired a warehouse to handle refrigerated and frozen cargo, with characteristics which as of today do not exist in the country for the storage of this type of cargo, which include, among others, a dimension of 10 thousand square meters and the capacity to store 8,000 pallets with permanent monitoring, and various loading docks with different temperatures. The warehouse arrived at the terminal this past 25th of December.

During 2015, investments were made for the implementation of the master investment plan, which consisted in the upgrading of the port infrastructure, such as repowering of the sheet pile of wharf No 4 with a retaining wall, the repowering of wharfs 6 and 7, the construction of concrete defenses in wharfs 6 and 7, as well as the demolition and construction of pavement cobble in the area previously occupied by the free zone building, enabling an area of 2,070 m<sup>2</sup>

of new storage. An area of 15,000 m<sup>2</sup> of asphalt pavement in the outer zone II was also constructed. These investments accounted for an approximate amount of COP 4,785 million.

On this subject, it is worth noting what happened during the year regarding the judicial proceedings filed by the subsidiary of Sociedad Portuaria de Santa Marta SA, Sociedad Portuaria del Norte S.A. - SPN - and its subsidiary Barranquilla International Terminal Company - BITCO - which is being conducted at the Port of Barranquilla as a result of the incident with the MV Clipper Liss, in which first instance judgment was issued. The ruling declared the liability of the Captain, the ship owner and the Pilot for the events of September 5, 2010 and ordered them to pay the SPN and Bitco the sum of COP 36,080 million. In turn, the Constitutional Court maintained bank guarantee No.543 issued by Banco HSBC Colombia S.A worth USD 27 million, which may be collected once the final judgment on this case is issued.

In 2015 the Santa Marta Port Society acquired a nonintrusive scanning system, in response to government requirements on the subject, which undoubtedly means an important breakthrough for the company, as well as reinforcement on the issue of port security, in order to provide customers with more efficient and safe port operations. The mentioned system will begin operations during 2016.

### **Social responsibility**

By mandate of the Board of Directors of the Port of Santa Marta, every year 5% of its profits are allotted to the Company's Foundation, which in turn invests them in high-impact projects for vulnerable communities in the city of Santa Marta, seeking to improve the quality of life and education of children and youngsters.

In fulfilling this objective, during 2015 the following projects and investments described below were developed:

- **Higher Education Program:** This program aims to provide tools for the comprehensive education of youngsters in the city of Santa Marta, offering academic and support scholarships to students who obtain the best scores in the Saber tests which are taken in eleventh grade, both at the departmental and national levels.
- **Early Childhood Program:** 400 boys and girls from social strata 1 and 2 benefit through comprehensive care in 4 children's homes (Bastidas, Pedro Leon Acosta in Gaira, Taganga, and Mamatoco); this program is conducted in partnership with the Colombian Institute of Family Welfare.
- **Healing the Children of TODAY Program:** 70 Children were benefited from cleft lip and cleft palate surgeries through a partnership with Healing the Children Organization and UNIMA Santa Marta, the Foundation provided costs for lodging and the doctor's meals.
- **Strengthening the Fishermen Community Program:** 226 fishermen in the area of influence benefited from the delivery of an outboard engine specially designed for artisanal fishing, allowing them to fish offshore and the possibility of performing their tasks at other beaches. Also, 590 fishermen benefited from the anchoring of 6 artificial reefs in order to improve water quality and promote the breeding of marine species. As part of this project, the First Meeting Sharing Experiences - Artificial Reefs was held in order to strengthen the fishermen community.

- **Educational Improvement Program:** 20,000 children in 17 public educational institutions intervened benefitted through training in environmental issues and values. The objective of this program is based on the development of learning about values and environmental matters as a tool that contributes to the optimal comprehensive development of children and youngsters.
- **Area of Influence Awareness and Socialization Program:** 11 women heads of households received training in beauty care, thus contributing to the social and economic development of their families. 180 children benefited from recreational activities, training in values and environmental education, with the aim of contributing to strengthening their knowledge and creating spaces for their comprehensive development. 350 inhabitants of los Almendros neighborhood have benefited from the recovery of a public use boulevard adjoining the maritime terminal (Outer Zone 1), this initiative creates opportunities for interaction that contribute to healthy living. This project was conducted in partnership with the Colombian Reintegration Agency of the Presidency of the Republic - ACR. On the other hand, 60 senior citizens from the San Martin and Villa Tabla neighborhoods, benefiting from leisure and recreational activities in order to create opportunities for healthy living activities.
- **IAPH GOLD ENVIRONMENTAL PROTECTION Award.** In June 2015, the Port of Santa Marta was awarded the Gold Award in environmental matters, awarded by the International Association of Ports and Harbors (IAPH) for its acronym in English; an association that brings together more than 300 ports in 90 countries. This award was given in Hamburg, Germany during the Association's international congress, beating ports such as Bremen and Marseille, thus recognizing the environmental policies implemented in port operations.

**Coral reef barriers:** the Port of Santa Marta, through its Foundation, in partnership with ECOPETROL and the National Navy melted iron structured artificial reefs in the Caribbean Sea, in the sector of Pozos Colorados, to help the regeneration of marine life in the sector, benefiting the fishermen of the city as well as marine diversity.

During the Latin American Ports Congress of the International American Association of Port Authorities AAPA, for its acronym in English, which took place in Chile, the Port of Santa Marta was presented as a success story at continental level in environmental protection, highlighting its environmentally sustainable policies, especially in the operations of receipt, storage, and loading of coal, as well as the implementation of an important social work in the area of influence of the terminal.

## **Generadora del Atlántico GENA**

It is a corporation controlled by Grupo Odinsa with 59.66% ownership; its main office is located in Panama, and net revenues amounted to USD16.4 Million.

### **Operating Results**

2015 was the best year in the history of Generadora del Atlántico (GENA), for the third consecutive year a positive net income was obtained. An improvement in plant availability was also achieved, reaching 96%. The drop in fuel prices and the weather conditions resulted in low prices on the spot market and helped supply the energy for distributor contracts at a lower cost. The price of energy in the domestic market reached an annual average of USD91 per MWh. The contribution margin for the year was USD40.3 million, a result that was equal to the budget.

In 2015, Termocolón generated 120 GWh, which was 70% less than in 2014. The reduced generation was the result of the entry of new generation units during 2015, particularly Central Eólicas as well as of a very wet summer in the Caribbean basin, which allowed run-of-the-river plants and especially the Fortuna plant to generate above historical levels during the summer.

For 2015 the amount of contracted energy was 480 GWh, 10 GWh less than in 2014. Due to the low generation and the commitments of the energy contracts, sales in the spot market were lower than in 2014. By 2015 the energy sold in the spot market was 71 GWh versus 181 GWh in 2014.

The low generation meant that during the year more energy had to be bought in the spot market to honor contracts with distributors. Such purchases in 2015 reached 441 GWh, 168 GWh more than in 2014. The installed power capacity available for marketing was 130 MW, the same as the previous year.

As of year-end 2015, 65 employees were reported.

### **Financial results**

In 2015, operating income was USD 97 million, which, compared with 2014, reflect a decrease of USD 88.4 million; direct operating costs decreased in a greater proportion, reaching USD56.7 million. This allowed an increase in the contribution margin of USD 7.9 million for the period, reaching USD40.3 million.

In terms of O&M costs, a saving of USD1.6 million was achieved, compared to 2014, due in part to the decrease in the operation that allowed for the delay of maintenances that depend on the hours of use.

Financial expenses remained at USD 6.6 million, of which USD4.9 million correspond to the loan of La Concepción, a financial vehicle owned by Odinsa.

During 2015, it was possible to reduce the cost of working capital financing by using the credit line with Banistmo in the amount of USD 40 million; part of it was used to cancel the settlement of the Proenergy Services PES case. That loan was canceled last year.

## **Highlights**

2015 was an atypical year. During the dry season, which runs from January to April, there was no generation in the plant, and during the rainy season the plant generated through a combined cycle. This situation was due in part to the summer of 2015, which was characterized by an above average level of rainfall, especially in the Chiriqui basin, which allowed for the replacement of thermal generation at that power station. By contrast, the rainy season was affected by the El Niño phenomenon, which deprived the region of the rain that usually falls in this season, thus affecting the levels in the Fortuna and Bayano reservoirs.

The main investment project during 2015 was the installation of a submarine pipeline that produced benefits in terms of reliability and plant availability. In addition, oil coolers (radiators) for the buck boost transformer from 13.8k to 115kv of unit 100 were replaced.

In 2015, the availability percentage that was achieved was 96%, managing to exceed the projections of the administration.

On February 26, 2015 a payment and settlement agreement was entered into between ProEnergy, GENA, and Odinsa Holding Inc. on its own behalf and on behalf of the guarantors of GENA in the amount of USD13.58 million, which terminated and settled all disputes with this firm both in the United States and in Panama. The initial claims from Proenergy were for more than USD 27 million. Both parties agreed to withdraw all the claims related to the aforementioned awards.

As part of the continuous improvement process associated with Human Resource management, in 2015 the Company's Internal Regulation Work Code was prepared and submitted for the appropriate approval from the Ministry of Labor.

As part of management improvements, Evolution software was purchased; a system that will provide detailed information on personnel administration, payroll, and training, among other matters. This system is expected to generate valuable results for the human resources division and the organization in general. It is an essential tool that helps make strategic decisions.

## **Social responsibility**

Generadora del Atlántico is committed with the development of education in Panama, which is why it participates in social investment projects in public schools.

In addition, it contributes to culture with the donation of musical instruments (ten liras) to the Professional and Technical Institute of Colón (Instituto Profesional y Técnico de Colón (I.P.T.C.)), in order to strengthen school activities within the I.P.T.C.

The Benigno Jiménez Institute, which has a student population of approximately 1,500 students and is located close to the Termocolón Plant, received the support of the project through locative adaptations that allow students to have better conditions during their school day.

On January 9, 2016, volunteers and relatives of GENA employees, visited the El Querque community, located in Veraguas, 4 hours away from Panama City, in order to participate in activities with the inhabitants. 50 children participated, enjoying games and dynamics with the volunteer staff. Gifts were distributed to all children attending and lunch was prepared with the support of local families. A total of 100 people participated.

### **Generadora del Pacífico**

Termopacífico is a power plant located in the Copiapó desert in Chile, composed of 59 FG Wilson Perkins diesel motors with a maximum power of 1.600 kW prime each and normal power of 1,280 kw under continuous operation. Odinsa participates in this partnership with a 51.35% controlling interest.

### **Operating results**

In 2015, the plant was in operation for 41.30 hours, divided into 18 operation items, for a total of 1.75 GWH and a grand total of 111 GWH during the operational life of the plant.

The fundamental role of the power station is to serve as a backup to the SIC, Central Interconnected System, and is only called into operation for two reasons: first, for system security reasons, especially at peak hours. The second, in the case of the failure of any power generation, due to its ability to instantly supply the demand thanks to its quick response and charging capability. These two conditions are identified through the availability payment of firm power. This income is the basis for our business plan.

Power income is the revenue base for the company. During 2015, the various maintenance plans for engines and substation equipment were performed, without placing the power in a situation of unavailability or reducing its ability to deliver firm power. The CDEC-SIC report on the percentage of forced unavailability for the power station (IFOR) for 2015 and the previous 4 years shows a 0.6% of downtime during this period of time, indicating the success of the implementation of all maintenance programs.

Due to the high training of mechanical and electrical personnel by the FG Wilson factory, two generators in the plant have been fully repaired, without compromising the availability of the plant at any time. Also, this technical preparation of the personnel has significantly reduced repair times as well as different costs involved.

### **Financial results**

In 2015, the operating revenues for the company were mainly based on Firm Power payments, an amount that totaled USD \$ 7.4 million, which was 10.76% higher than in 2014. The paid firm power capacity was 51.36 MW at the Cardones 220kV node current price. The income from energy was very low, motivated almost exclusively on self-generation during equipment testing to demonstrate the base power that gives rise to the calculation of paid firm power (the energy generated during this procedure is only recognized at the spot price at the Cardones

connection node and not with the declared marginal cost of the plant of 172,36USD / MWH). It was possible to increase the base power from 75MW to 85.98 MW.

As for expenditures, there was a cost reduction of 63% associated to the energy business compared to 2014, driven by the reduction in the purchase of fuel, more efficient maintenance, and reducing own consumption of power from the plant by improving the engine preheating programming. Maintenance costs have followed the scheduled preventive plans and only the repair of two generators has had special costs duly authorized by the board of the company which have been capitalized in the financial statements. The headcount has not changed for two years and has only had the increase by adjustments approved by the Board. Similarly, the other administrative and operating costs have had the minimal authorized natural growth.

In Chile, international reductions in fuel prices have no immediate impact on the retail price and it takes a lot of time to benefit from this reduction. In addition, we must not forget the important devaluation of the Chilean peso, which has an important effect on the final value of imported inputs. The marginal cost is directly influenced by the purchase value of fuel (about 92%).

A Contribution Margin of USD 6.96 million, representing 27.49% more than the 2014 result, was achieved.

Finally, EBITDA reached USD 4.65 million, 40.4% higher than the previous year. After taking into account direct expenses, including financial expenses, a net profit of USD 3.3 million was obtained.

Financial debt was reduced by USD 5.2 million to USD 8.32 million for the first group of loans for the diesel plant. The new loan for the Photovoltaic project which had already been approved and was in the signing process was not included.

### **Highlights**

After obtaining all authorizations, the execution of the contract for the design, supply, and construction of the Photovoltaic plant in the site adjacent to the power plant began in August of 2015. At the end of the year, 97.87% of the supply of equipment and hardware had reached the site of the project and the execution was estimated at 34.24%, for a total advance of 89.37%. The 13.8 MW solar plant is expected to be completed in April 2016 and connected in May to the national network SIC. This project has generated valuable experience in these new NCRE systems technologies, which is funded through a new loan from Banco de Chile for a total of USD 24.3 million (including VAT) and is currently in the process of conclusion.

The training of our staff of mechanics by the FG Wilson factory, has allowed us to directly make major machinery repairs, reduce costs, and completely eliminate dependence on their representatives in the country.

The company will participate in the upcoming energy bids that CNE will open in May to offer solar power generated by the new PV project to the SIC system.

Security courses and seminars for plant staff have been increased, which is reflected in the complete reduction of occupational accidents during 2015. The courses have been delivered by the Chilean Safety Association, an entity which oversees the application of different regulation and security protocols.

### **Social responsibility**

Because we are aware of environmental responsibility for the sustainability of the business, the project for the construction of the GENPAC photovoltaic solar plant is underway in Copiapó, Chile.

The project started in 2015 and as of Monday, February 8, 2016 the construction of the grounding perimeter ditch and the foundation of the 7 support structures for inverters and transformers will start. The installation of solar panels on the 1.5 hectare lot will start on February 20 in order to avoid the risk of scratches due to the high levels of dust caused by earth movements. As of March 1 the mounting of panels in the 14.5 hectare lot will start. The end of the building works is envisaged for the first week of April 2016.