

**Grupo Odinsa S.A.**  
**Third Quarter 2013 Results Presentation**  
**Presented by Victor Cruz Vega**  
**President of Grupo Odinsa SA**

Good morning to all, we will present the results for the third quarter of 2013 of Grupo Odinsa.

The presentation is included in the web page of Odinsa. It starts with a few highlights. We will talk about the public private partnerships (PPPs) of private initiatives, the PPPs of public initiative, structured by ANI, and the results for the third quarter and annexes.

Of the eight highlights included in the presentation, it is worth noting that on October 18th, we were notified of the award of a road concession in Aruba. It is the road from the airport to the city. This project has a number of terms. What has happened so far is that we have held a press conference. This is a work of road infrastructure, that includes expanding eight kilometers to dual carriageway, extending 5 kilometers of existing roads, renovating 23 km of existing roads, and the construction of a 13 km cycle route. The period of construction, we estimate, will be 2.5 years with 18 years of maintenance. This is the main road of the island, will have no tolls and will receive payments similar to what is known as future budget allocations. What we are going to do now is the Pre -Work, a \$2.5 Million work, which we have to finish in the next nine months, while negotiating contracts with the government of Aruba and obtaining the financing. We hope to have this finished in the next six months. The value of this work is around \$57 Million. For us this is very important because of its the strategic location. As you know we have two concessions in the Dominican Republic and are looking for more opportunities in this region, especially in the Netherland Antilles, San Martin and others, where we believe there are good opportunities, we will establish our base in Aruba, not only for this concession but to seek opportunities in other areas such as airports, ports, electricity, among others. The project will be developed by a subsidiary to be established in Aruba for this purpose. This is the first work abroad this year.

In the existing highway concessions there are no significant things to highlight, however it should be noted there was a decrease in traffic following the agrarian strike that occurred in August. However in September traffic has recovered. We should note the growth in "Autopistas del Café" where truck traffic increased significantly as a result of recovering some of the traffic lost in August. In "Autopistas del Café" traffic so far this year has increased by 5.7% and is well above ANI's Minimum Guaranteed Income and collections increased by 6.9%. In "Autopistas del Café" we're looking to introduce new works to ANI (Acronym in Spanish for National Infrastructure Agency), under the format of PPPs of private initiative.

With regards to "Autopistas de los Llanos" an arbitration tribunal issued a ruling on October 16th where some claims made by Odinsa were accepted and some others were rejected. We had claimed that the concession, that originally ended on November 30, 2013, should have ended on September 2014 and also some construction works that had not been recognized. The tribunal did not accept the proposed end of the concession term but acknowledged the works and urged the parties to reach an agreement to exchange the additional works for additional concession time. What is being done with ANI is to reach an agreement so that they recognize what they owe with additional time and also to recognize some amounts for maintenance and operation,

while the PPP we have presented to ANI on the same routes is awarded. We hope the PPP is awarded in the month of March 2014. It is expected we reach an agreement in this regard in the coming days. As for traffic, it should be noted that it also fell in August and did not recover much in September. Cumulative traffic increased by 1.21% and revenue increased by 7.71%.

In "Santa Marta Paraguachón" we see that traffic is not growing. It's the only road where we see that traffic is not growing and is actually decreasing. As we can see in the presentation, traffic has fallen 3.43% and collections 4.16%. This fall we attribute to two factors, one the drop of trade with Venezuela, through the Paraguachón border and two, lower coal exports. This concession no longer has minimum guaranteed income, which it had up until 2012.

In Hatovial, this is in the Aburra Valley, traffic and collections increased by 1.77% and 5.15%. In this concession we have no major problems. It is worth noting that we have restarted works and that we will see a sharp increase in works in the coming months.

In Vías de las Americas we continue with construction. If you remember, we must complete many works in the seven departments of the coast. We have 33% of this concession. We have already executed part of the works. This concession is more like a work contract than a concession. We charge a toll but we will return the concession once the works are completed.

There are two concessions in the Dominican Republic as you know, Boulevard Turístico del Atlántico y Autopistas del Nordeste. These two concessions are far from the minimum income guaranteed by the government of Dominican Republic. These concessions require significant resource injections from the government of Dominican Republic. In no less than 10 years we will reach the point where these concessions will record more revenue than the minimum guaranteed revenue. Remember that some concessions, such as Autopistas de los Llanos, reach the level of minimum guaranteed income only after 10 years. In many cases you have to build the infrastructure to then generate the development that results in the required traffic levels.

With regards to the El Dorado Airport, of the Opain of the concession, the domestic terminal was inaugurated last October 22th. It is running without a hitch, it is integrated to the international terminal. The airlines, which depart from the terminal, book both domestic and international flights on the same site. This is possible as a result of the VHS, a system for handling baggage, which is the most advanced in the world, that allows the Interconnection of the two terminals. So far, only airlines that were operating in the old terminal are operating in the new terminal. The "Puente Aéreo" terminal will continue to operate until March. What we are doing now is demolishing the old domestic terminal to build the necessary platforms so that the inside part of "U" shaped terminal is enabled. When the inside of the "U" is enabled, this will give us between 9 and 12 additional positions. At that time, Avianca may move all operations from the Puente Aéreo terminal and other airlines may operate there. As you can see the number of passengers continues growing. Regulated revenues have grown 16.4%. Commercial revenues increased 58.5 %, as a result of the entry into operation of the new international terminal, which began operations in October 2012 and will continue growing as we continue opening more commercial spaces or to the extent we can think of more things to add to this new terminal.

In Sociedad Portuaria de Santa Marta, where we hold a stake, we are seeing that international maritime trade is not growing in the Caribbean, it is growing in the Pacific, which makes cargo at the national level stable. Particularly, in Santa Marta cargo is growing as a result

of increased volumes of solid bulk. Santa Marta is the most efficient port in Colombia in terms of bulk handling and that is causing cargo to grow 10%, equivalent to 100,000 tons. As you can see the operating and EBITDA margins are growing, even though coal cargo volumes are not. This confirms that Santa Marta no longer depends on coal cargo.

Additional topics :

- Confase's works on 26th street were completed, the works to be completed is limited to "Parque Bicentenario". This work may not be finished until a judge decides so. We have three years of maintenance for all these works. Moreover we have a series of claims against IDU. We are in an arbitration tribunal for that. In the following next or two years we will know the result of those tribunals. We are claiming greater permanence due to traffic management issues, as required by the city. In many cases we were not able to do the work because they did not give us permits to limit traffic as required. I consider this is normal and we will soon know who is right.
- Aerotocumen is over and a last US\$4 Million payment was received. We are not involved in the new tender. We will not participate in more public work tenders that are not part of concessions.
- As for Consorcio Constructor Nuevo Dorado, we have completed 68% of the works and will close with 80% of the works this year. The only thing remaining is to tear down the old terminal and build the new platforms, which we believe will be ready by March. The control tower also needs to be torn down, which will only be done when the new one is built. We believe that this will happen by the end of next year. We still have some works on the runways, mainly in the north runway, these can be performed once some permits are obtained, which basically correspond to an authorization to operate the southern runway at night, while the works in the northern runway are performed. Cargo planes operate at night; remember that Bogotá is the airport that handles more cargo in South America. We are working at that, in the coming months we will start works on the northern runway. That is the only thing pending on the contract for the modernization and expansion of the El Dorado airport.

Turning to our other business units, energy, we have GENPAC in the Copiapo desert, Chile. GENPAC is a plant of 96 MW, works with high revolution diesel engines, it is a backup plant and a system backup. What we are seeing is that every year, around this time, they make us generate as a result of restrictions in Interconnection system of Chile. As you may know, ISA has a contract to interconnect the center and north of the country, which is expected to be completed by 2018. While the interconnection is completed, this restriction will continue to exist and GENPAC is a plant that starts very fast and is widely used in this regard. In October we generated, we had been almost the entire year without generating. In November, we continue to generate in a very similar manner to last year, when a peak was generated in the last months of the year. This will result in profits when we consolidate the figures by year end. When we see the figures we see a small loss at GENPAC, unrelated to operational issues, generated by the devaluation of the Chilean peso in 2013. The functional unit for this subsidiary remains the Chilean peso, generating losses as debt is denominated in US Dollars. We are waiting to approve the change of functional currency, into US dollars, as revenues are indexed to the US Dollar. With this we would avoid fluctuations in net income caused by devaluation or revaluation of the Chilean peso. Operationally, EBITDA is fine and will improve in the last two months of the year due to higher levels of generation that will take place in the last two months. We continue with the photovoltaic generation project, Odinsa and partners Odinsa at GENPAC, are designing a 14 MW

plant right next to the existing plant. This project is the most advanced in the country and the largest photovoltaic generation. We have the environmental and property permits and we believe that we can start construction in January of next year and construction would last six months and is a very interesting project because it leverages existing central facilities, such as connection lines and even the staff, because it is right next to the existing facility. We have been working on this project for a year and two months and we monitored the levels of energy that will be generated and we have also completed the financial closing. We are waiting for the last permissions from the Ministry of Energy to start construction. The cost of this project is between US\$20 and US\$30 Million, depending on the solar panel tender.

As for Gena, our plant in Panama, of 146 MW, combined cycle diesel turbines, we are at the stage of no generation. We generated a lot from February to July. In August generation was much lower and the months of September, October and November are not months where we generate. We are using these months for maintenance of unit number two, in October, as planned. This is because a hydric cycle in Panama, where it is currently raining, as it is in Colombia. Nevertheless, we have an EBITDA of US\$13.5 Million for the year, when at this time last year we were reporting losses. I think we will close this year very well and going forward results will be similar, as last year we closed a capacity charge contract for years 2014, 2015 and 2016.

On other issues, the BVC awarded the IR recognition. This is a program to provide information in a sufficient and timely basis to investors.

As for public-private partnerships, we presented a new initiative, this is our fifth PPP of private initiative. The first we presented was "Vías de los Llanos", the second was "Paila Cajamarca" road, then National Road way Corridors to Invias, the "La Linea" tunnel and last the extension of the runaway of El Dorado Airport. These five initiatives total Cop\$5.8 Billion (US\$3.0 Billion). The most advanced is "Vías de los Llanos" which is in the feasibility stage. We already presented feasibility studies and are expecting in the next few weeks it is approved and passes on to National Planning Department and Ministry of Finance. In the "Paila Cajamarca" project feasibility studies were presented in November and will follow the same process as "Vías de los Llanos". Obviously the entity will require from us many things and we will answer and hopefully in January of next year we are in the same situation as "Vías de los Llanos" is today. As for the Invias and "La Linea" tunnel we are waiting for approval of the prefeasibility study to go on to feasibility. The expansion of the El Dorado runway, the latest, the idea is to intervene all the runways and taxiways that are not part of the Opain Concession. What we have proposed is to maintain all those streets, which are over 1 Million square meters, and extend the north runway and taxiways. Our proposal is to extend the runway by 600 meters to allow long-haul aircraft to use this runway, independent of load bearing. The new taxiway will allow for a greater number of operations per hour to keep the planes from turning and the end of the runway and make a 90° turn. In addition to this, there is a taxiway that connects the heads of the south and the north runways. This is used when there are problems in one of the runways or when there are changes in the winds. This will help to improve the operation of the airport. It is a construction work of Cop\$1,077 Billion (US\$557 Million). It must be emphasized that these works are not easy because all this area was previously a river, to settle the ground for these new meters is not an easy engineering work.

With regards to ANIs fourth generation concessions we are prequalified in five of the first nine. They have invited for seven new pre-qualifications. We will present in six. So far we have prequalified for the roads; Honda-Puerto Salgar-Girardot, Cartagena-Barranquilla-Circular-de-la -

Prosperidad , Autopista Magdalena Two, Autopista Pacifico One and Autopista Conexión Pacifico Two.

We will seek, together with our group of partners, which is the same for all, the award thereof.

The ANI has opened seven new prequalification processes. We have filed with the same partners in different percentages. It is worth noting that we will not participate in one of these processes, "Puerta del Hierro-Palmar de Varela y Carreto Cruz del Viso. In another of these, Villavicencio-Yopal, we will have the majority in the SPV because this road connects with the PPP we have presented, that of "Vias de los Llanos". This is an area where we have a presence today. If we pre-qualify and win the bid, the idea is to consolidate this concession with the PPP "Vias de los Llanos". And with this consolidate ourselves as the alternative for this area of the country.

In the other bids that have come out, we did not prequalify for the Barranquilla airport. There were twenty some groups and luck did not accompany us this time. There has been no news with regards to new prequalification processes nationwide.

As for the income statement, we will review revenue from road concession, energy generation, operation, construction and other services, comparing 2012 against 2013. The contribution margin for road concessions increased by 7.40%, for energy 400%, from Cop\$9 to Cop\$45 Billion (US\$23.2 Million), operations increased by 20 %, from Cop\$35 to Cop\$42 Billion (US\$21.7 Million), construction decreased by 22%, from Cop\$28 to Cop\$21 Billion (US\$10.9 Million). In this last business line, revenue has fallen by 38% but the effect on contribution margin is not that significant. Other Services fell 80 % from Cop\$6.6 to Cop\$1.2 Billion (US\$621 thousand), as a result of lower construction volumes in the Dominican Republic. It is very important to note, as we always do, that in Odinsa's Income Statement, construction revenue is not that relevant, as we are more of a concessionaire than anything else. Concessions are performing very well while the construction business has fallen quite significantly, as we are finishing current constructions and waiting for the construction of new concessions. The impact of this decline, in the contribution margin, has not been significant. What's more EBITDA has improved. Contribution margin increased by 15.79%, Operating Margin by 18.32% and EBITDA by 15.45%.

Odinsa's financial statements, on an individual basis, are very different from Odinsa's consolidated financial statements. Odinsa, on an individual basis, is a company that has interests in concessions. When we review the individual financial statements, under Colombian GAAP, we evidence a decrease in revenue, as a result of a decrease in construction revenue, which has fallen, while concession revenue has increased and is not reflected in those financial statements, as this is reported as an investment. When we see the consolidated financial statements, which are what we are seeing in the presentation, we see an increase in revenues and in operating and EBITDA margins, despite the decline in construction. This was something we anticipated. Construction will be strong in the next three or four years after the start of works for the new concessions. From an operational point of view we are very pleased with the evolution of the company, EBITDA and cash flow growth of 15%.

After EBIT, we have financial expense/income and corporate taxes. This year we have had two very significant impacts, which are reflected in profit before tax, which decreased from Cop\$140 Billion to Cop\$118 Billion (US\$61 Million), a reduction of 15% over the previous year. Firstly, between December of last year and January this year, ANI paid us accumulated Guaranteed

Minimum Income debt. That debt generated an 18% interest thereon. This caused a very significant financial income over 2012. This creates a distortion when comparing 2013 vs. 2012. The other issue is the devaluation of the Colombian peso. When the peso devaluates that has an impact on taxes paid. These two issues will accompanied us throughout the year. We cannot think that the Colombian peso will revalue. The more the peso devalues, the more our investments abroad are worth, generating a higher tax on capital appreciation of investments, although this has not been actually generated. This is a bit strange but true. As a result of this, income tax has increased from Cop\$24,000 Million to Cop\$38,000 Million, while profit before tax has decreased. Those two issues, the issue of lower financial interest received and higher taxes paid, on the increased value of oversea assets results in a drop of income before minority interest from Cop\$115 Billion to Cop\$80 Billion, with a 55% increase in taxes. Net profit, after minority interest, decreased from Cop\$82 to Cop\$46 Billion or 44%. In summary we are very pleased with the developments of the year, in terms of operating performance of the company as we evidenced by higher Revenues, EBIT, EBITDA and cash flow generation and the performance of the company as a whole. Punctually, this year, we have the two effects mentioned before, which make profit not as strong good as last year. From a strength standpoint, the company's results are equal to or better than those of last year as we are generating more operating cash flow than that generated last year.

By the end of the year we expect this to continue improving. If you remember in the presentation of three months net income was roughly half of which we are presenting in this opportunity. We expect a very good quarter -final of the year and although we believe it is very difficult to get the same result after taxes last year if we are going to bring a lot to the income before taxes, but unfortunately we will pay a lot more taxes than the last year.

This is what we wanted to share with you, up until the month of September 2013. I am open to the questions you may have.

**Question:** When discussing the PPPs of private initiative, you mentioned they had a percentage of approval. How did you come up this figure?

**Answer:** The percentages refer to Odinsa's participation in the special purpose vehicles that are to be created for each of its projects and not to the percentage of approval. In the "Llanos" PPP we will have 51%, in the "Cajamarca - La Paila", "Corredores Viales Nacionales" and the proposed extension of the runway of el Dorado we have 100%. In the "La Linea" tunnel we will go with 25%.

The "Llanos" PPP" is probably the most advanced PPP in Colombia. We believe that the ANI will approve the feasibility in the coming weeks. For the "Paila – Cajamarca" PPP we must present feasibility study before November 11th. The other three are under consideration by various entities. Two are at Invias and another at Aerocivil. Once they approve the pre-feasibility we have four months to deliver the feasibility study. If all goes well, as we hope, the "Llanos" PPP should be approved in April, May or June. The Cajamarca – La Paila PPP should also be approved. All three depend on how quickly the authorities approve the prefeasibility study.

**Question:** When you mention Odinsa did not participate in one of the prequalification processes what was the reason not to so?

**Answer:** Because of size and location, it was not interesting to Odinsa. Of the seven who come to market we have decided not to participate in only one. This is normal, we are talking of 16 bids that have out so far, plus the PPP we have presented, and the capacity to study projects is limited. We are sure there will be a large number of bidders for this tender, some 15, there are usually 20.

**Question:** What are the funding plans of the company? When do you believe will the company demand resources? Will you be taking debt from local banks? Will resources come from outside the country?

**Answer:** We have made an analysis of the optimal capital structure for Odinsa in the coming years. This study was hired with an investment bank. We will present it in the next board meeting. Looking a little ahead, Odinsa should be awarded two PPPs of private initiative and probably two fourth generation concessions. If this is the case, and considering that Odinsa has significant debt levels at this time, there is a range of possibilities available; first debt, then tap the market by year 2016. Next year will be a year of where projects will be awarded, acquisition of land right of way and completion of studies. Therefore, significant construction will only occur until 2015. If we start four projects in 2015, debt should peak by 2016. I do not think we have to tap the market before 2016, unless there is a special operation that requires it.

**Question:** Of the four contracts you hope to get awarded what would be the investment amount required?

**Answer:** The PPPs of private initiative we discussed before are of roughly Cop\$1.2 Billion each. In some we have 100% and in others less. If I get two, for a total of Cop\$2 Billion, and on average we have 70% of these projects we would have a Capex under my responsibility of Cop\$1.4 Billion. In the PPPs of public initiative, which are the same size, we have an average of 30%, which would result in Capex of over Cop\$600,000 Million. This would be a total Capex of COP\$2 Billion, in four projects, two private and two public initiative PPPs over the next three years.

**Question:** Reviewing the strategic plan presented, where there are plans to multiply EBITDA by four times, by 2015, seems unlikely with the current pipeline. Are you considering initiatives in other sectors such as energy, how do you expect to achieve such growth levels?

**Response:** Thus far, we did not want to revise the strategic plan, as there was uncertainty with regards to this whole issue of concessions. Now everything is much clearer, and we feel the strategic plan will be delayed for at least eighteen months. What this will do, undoubtedly, is to postpone what we presented. We are exploring the possibility of inorganic growth, but are in a difficult position as we will be needing resources for what will come out in Colombia. And when considering using those resources for inorganic growth, it must be very clear why to do so. We will take care of our position for the business that is to come in Colombia, without stopping looking at opportunities and considering only those opportunities that are very good.