

PRESS RELEASE

COP \$124,900,000,000 WATER BONDS SOLD
PROJECTS IN 29 MUNICIPALITIES TO BENEFIT

Bogota, Colombia, December 15, 2009, Grupo Financiero de Infraestructura Ltda successfully sold water bonds today to finance water and sanitation projects in 29 municipalities throughout Colombia.

The bond issue was in the amount of COP \$124,928,395,501 (approximately USD \$ 62,500,000). The bonds were sold in the Colombian capital market and were purchased by institutional buyers, such as pension funds and insurance companies. The issue has a 19 year term, is denominated in Colombian inflation adjusted units (UVR) and bears interest at 8 percent. The bonds were rated AA+ by BRC Investor Services, an affiliate of Moody's. The investment bankers were Citivalores and Corredores Asociados.

“This long term bond permits municipalities to build long term water and sanitation projects to meet local needs” said Christian Murrle, Director of Grupo Financiero de Infraestructura. He added that “this issue is the first in as series of bond issues that will finance many municipalities throughout Colombia to upgrade and expand their systems.

“This issue employs an innovative technique of organizing many small and medium sized municipalities into a legal trust, which becomes the technical issuer of the bonds and funder of the municipal loans. While this financing technique is innovative in many developing countries, it is based on a sustainable fund model used in Canada and

the United States and which is being promoted by international aid agencies for developing countries such as India, The Philippines and Mexico”, stated Martin Baker, Director of Colombia Infrastructure Group, LLC, the parent company of Grupo Financiero de Infraestructura. “It permits smaller municipalities to access the long term tenor available in the capital markets. This long term tenor substantially reduces the annual debt service costs across the interest rate spectrum. It also permits local capital market participants such as domestic insurance companies and pension funds to access stable, long term, domestic credits serving important social and environmental purposes.”

An advisor to the issuer, Alberto Carrasquila, the former Minister of Finance of Colombia stated that “This issue makes available a whole new source of financing for water and sanitation infrastructure. It allows the municipalities to leverage the annual transfer of money from the national government to provide credit support for the long term financing. This permits projects to be realized which could not otherwise be created.” He noted the support of the national government, and particularly of the Bureau of Public Debt and the Ministry of Environment in making this innovative financing possible.

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