



Grupo Enel

**EMGESA S.A. ESP
CALIFICACIÓN VALORES
1 DE MARZO DE 2016**

El pasado 19 de febrero de 2016 la agencia Standard & Poor's revisó la perspectiva de la calificación crediticia de largo plazo en escala internacional de Emgesa S.A. ESP de estable a negativa, y confirmó la calificación actual de BBB. La revisión de la perspectiva sobre la compañía sigue una acción de calificación similar sobre la República de Colombia. Ver comunicado de Standard & Poor's adjunto.

Research

Outlook On Three Colombian Corporate Entities Revised To Negative Following A Similar Action On The Sovereign

Primary Credit Analyst:

Luis Manuel M Martinez, Mexico City (52) 55-5081-4462; luis.martinez@standardandpoors.com

Secondary Contact:

Jose Coballasi, Mexico City (52) 55-5081-4414; jose.coballasi@standardandpoors.com

- On Feb. 16, 2016, we revised the outlook on the Republic of Colombia to negative from stable. At the same time, we affirmed our 'BBB' long-term foreign currency (FC) and 'BBB+' long-term local currency (LC) sovereign credit ratings on the sovereign. We also affirmed our 'A-2' short-term FC and LC ratings on the sovereign.
- Following this rating action, we're revising the outlook on three domestic corporate entities to negative from stable.
- We're also affirming our 'BBB' global scale ratings on these companies.

MEXICO CITY (Standard & Poor's) Feb. 19, 2016--Standard & Poor's Ratings Services revised its outlook on Grupo de Inversiones Suramericana S.A., Emgesa S.A. E.S.P., and Interconexion Electrica S.A. E.S.P. (ISA) to negative from stable. At the same time, we affirmed our 'BBB' long-term credit ratings on all three companies.

The outlook revision on these companies follows a similar rating action on the Republic of Colombia (foreign currency: BBB/Negative/A-2; local currency: BBB+/Negative/A-2). We believe that these companies won't overcome a sovereign default stress test scenario, which makes it highly unlikely for any of them to remain at their current rating level, if we were to lower the sovereign FC rating. Ultimately, if a sovereign's FC default occurs, there is a high likelihood that the three companies would default as well.

The outlook revision on Colombia reflects the risks that its external position could deteriorate further, particularly if the government fails to undertake

timely fiscal measures to contain its budget deficit.

The ratings on Colombia reflect its track record of sound fiscal and monetary policies that--coupled with significant improvement in domestic security in the past decade--have supported increased investment, growth, and resilience of the economy to terms of trade and other external shocks. The government took advantage of favorable commodity prices in recent years to make structural changes in fiscal policy, improve its debt profile, and develop its domestic capital markets.

The negative outlook on Colombia reflects the risk that its fiscal and external positions could deteriorate beyond our base-case expectations if the government is unable to advance with fiscal measures in 2016 that would help stabilize its recently rising debt burden and reduce economic imbalances.

We could lower the ratings if the peace negotiations with the country's main guerilla group flounder or political developments weaken the government's ability to adjust fiscal policy through a combination of spending and revenue measures. If, contrary to our expectations, the peace process suffers marked setbacks, the government may struggle take timely and adequate fiscal steps, especially amid a decelerating economy. Under such a scenario, the government's debt burden would rise and would likely further erode Colombia's weakened external profile, resulting in a downgrade.

The ratings could stabilize, if, in line with our base case, the peace process advances, facilitating the government's ability to bolster fiscal prospects with a combination of spending cuts and increased revenues. In addition, successful implementation of investment projects associated with the government's "4G" infrastructure program would help sustain GDP growth, cushioning the blow from low commodity prices, contributing to economic stability and fiscal revenues.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Investment Holding Companies, Dec. 1, 2015
- Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Corporate Methodology, Nov. 19, 2013
- Corporate Methodology: Ratios and Adjustments, Nov. 19, 2013
- Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Methodology: Industry Risk, Nov. 19, 2013
- Key Credit Factors For The Transportation Infrastructure Industry, Nov. 19, 2013
- Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Ratings Above the Sovereign - Corporate and Government Ratings: Methodology and Assumptions, Nov. 19, 2013
- Methodology: Management And Governance Credit Factors For Corporate

Outlook On Three Colombian Corporate Entities Revised To Negative Following A Similar Action On The Sovereign

Entities And Insurers, Nov. 13, 2012

- Stand-Alone Credit Profiles: One Component of a Rating, Oct. 1, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Republic of Colombia Outlook Revised To Negative On External Weakness; 'BBB/A-2' Foreign Currency Ratings Affirmed, Feb. 16, 2016

RATINGS LIST

Ratings Affirmed, Outlook Revised

	To	From
Emgesa S.A. E.S.P. Corporate Credit Rating Senior Unsecured	BBB/Negative/-- BBB	BBB/Stable/--
Grupo de Inversiones Suramericana S.A. Counterparty credit rating	BBB/Negative/--	BBB/Stable/--
Gruposura Finance Senior Unsecured	BBB	
Interconexion Electrica S.A. E.S.P. (ISA) Corporate Credit Rating	BBB/Negative/--	BBB/Stable/--

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2016 by Standard & Poor's Financial Services LLC (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.