

ENEL-CODENSA INVESTMENTS INCREASED BY OVER 8% IN 2018

Bogota, February 26th, 2019

Financial Results 2018

	FY 2018	FY 2017	Change %
<i>Million Colombian Pesos (COP)</i>			
REVENUES	5,059,809	4,541,571	+11.0%
EBITDA	1,556,956	1,550,076	+0.4%
EBIT	1,161,432	1,227,397	-5.4%
NET INCOME	608,641	623,486	-2.4%
NET FINANCIAL DEBT ⁽¹⁾	1,422,460	1,154,825	+23.2%
INVESTMENTS	852,498	786,484	+8.4%

(1) Short-term Financial Debt + Long-term Financial Debt - Cash and Other Financial Assets

Lucio Rubio, Enel's Country Manager for Colombia, said: *"The results posted in 2018 reflect the implementation of a robust investment plan, through which we aim at modernising Enel-Codensa's network by introducing state-of-the-art technologies to meet the growing energy demand and improve service quality indicators. These results demonstrate our commitment to bring the energy service we offer to the highest quality standards for the benefit of our customers in Bogotá and Cundinamarca."*

- **Revenues** increased compared to 2017, mainly due to:
 - Growth in energy demand in Enel-Codensa's area of operation, in particular in the residential and commercial segments following new connections, and also the increase in toll payments from the industrial sector, reflecting the recovery of Colombian economy.
 - An increase in the regulated tariff as a result of a higher Producer Price Index (PPI), to which the distribution component is indexed, and the growth of the generation component, due to long-term energy purchases at a higher average price.
 - Higher value of the charges for restrictions in the operation of the overall National Interconnected System.
- **EBITDA** registered an annual increase with respect to year-end 2017 explained by the abovementioned growth in revenues, which offset:
 - The Increase in cost of sales (+18.3%), mainly attributable to energy purchases at a higher average price. The increase is due to the fact that the energy consumed during 2018 was bought during 2015 and 2016, a period that was influenced by the El Niño Southern Oscillation (ENSO). This produced an increase in energy prices which generated a temporary effect on the results considering the comparable basis of energy purchases.
 - Increase in personnel expenses (+11.1%), due to the growth in the workforce to support the investment plan executed during 2018.
 - Increase in operating and maintenance expenses (+7.2%), mainly reflecting higher provisions related to labor and civil litigations, as well as higher costs associated with customer service and the improvement of quality and loss indicators.

- **EBIT** declined in 2018 due to the increase in depreciations (+13.1%) as a result of growth in the fixed assets base following the implementation of a significant investment plan in 2017 and 2018.
- **Net Income** was down reflecting the decrease in EBIT and greater financial expenses, as a consequence of higher average debt balance compared to 2017, due to the need to finance the company's investment plan. This effect was partially offset by a lower income tax rate after the 2016 tax reform and the implementation of the National Government Financing Act that improved the deferred tax rate.
- **Net Financial Debt** increased with respect to the figure registered at year-end 2017, as a result of the robust investment plan executed by the company.
- **Investments** increased significantly with respect to the same period of the previous year, focusing on projects to improve service quality, such as the implementation of remote control systems and smart metering, as well as connections for new customers and maintenance of the growing base of operating assets.

Operating Results 2018

	FY 2018	FY 2017	Change %
DOMESTIC ENERGY DEMAND (GW/h)	69,122	66,893	+3.3%
ENEL-CODENSA ENERGY DEMAND (GW/h) (1)	14,862	14,690	+1.2%
ENEL-CODENSA MARKET SHARE	21.5%	22.0%	-0.5%
AVERAGE ENERGY LOSS INDEX	7.74%	7.84%	-0.1%
TOTAL ENEL-CODENSA CUSTOMERS	3,438,620	3,340,457	+2.9%

(1) *Net demand without including losses*

- The increase in **domestic demand** followed the positive trend of the Colombian economy and the recovery of the industrial sector, which led to an increase in toll payments by 0.6%. The growth in energy demand in **Enel-Codensa's** area of operation was largely driven by the regulated market, especially in the commercial and residential segments.
- Enel-Codensa's **average energy loss index** decreased compared to 2017, reflecting the positive management in the energy losses control at low voltage levels, supported by actions such as inspection plans and the investments carried out in 2018.
- The **total number of Enel-Codensa customers** increased due to the new connections, in line with the company's organic growth, especially in the residential segment.

Dividends:

In 2018, Enel-Codensa paid 424,770 million COP in dividends to its shareholders.

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	FY 2018	FY 2017
<i>Million Colombian Pesos (COP)</i>		
Current Assets	1,412,073	1,202,528
Non-current Assets	5,412,592	4,981,657
Current Liabilities	2,142,430	1,669,202
Non-current Liabilities	1,914,398	1,866,165
Equity	2,767,837	2,648,819
Revenues	5,059,809	4,541,572
Costs	3,048,202	2,562,137
Contribution Margin	2,011,607	1,979,435
EBIT	1,161,432	1,227,397
Earnings Before Taxes (EBT)	978,404	1,051,499
Net Income	608,641	623,486

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