

EMGESA'S EBITDA INCREASED BY 15% DURING 2016

Bogota, February 23rd, 2017

2016 Financial Results

	2016	2015	Variation %
Millions of Colombian Pesos (COP)			
REVENUES	3,514,106	3,268,277	7.5%
EBITDA	1,984,481	1,725,429	15.0%
EBIT	1,690,309	1,560,843	8.3%
NET INCOME	753,725	885,455	-14.9%
NET FINANCIAL DEBT ⁽¹⁾	3,755,068	3,668,979	2.3%
INVESTMENTS	258,198	1,355,027	-80.9%

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

Lucio Rubio, Enel's Country Manager for Colombia said that, "EMGESA has successfully met the country's energy needs in 2016, delivering 9% more of energy than in 2015 despite the critical moments faced by the country's energy system due to the impact of El Niño. In the second half of 2016 the company carried out significant investments in modernisation and maintenance of its thermal power plants in order to continue to properly address the country's energy needs in a sustainable way."

- **Revenues** increased mainly thanks to a combination of:
 - Higher energy sales due to the entry into operation of the El Quimbo Hydropower Plant and better water availability in the basins where EMGESA's hydropower plants are located.
 - Higher Producer Price Index (PPI), to which most energy sale contracts are indexed, as well as higher spot market prices, as a result of the El Niño Southern Oscillation in the first months of the year.
- **EBITDA** grew in line with revenues and thanks to lower fuel purchase costs given the decrease of thermal generation during the second half of 2016.
- **EBIT** increased in line with EBITDA. This increase has offset the 27,000 million COP rise in depreciations and amortisations compared to 2015, resulting from the higher asset base following the entry into service of El Quimbo as well as bad debt provisions.
- **Net Income** decreased mainly due to a rise in financial expenses attributable to:
 - The fact that following completion of El Quimbo's construction, interest on debt raised to finance the related capex is no longer capitalised.
 - Higher average Consumer Price Index (CPI) in 2016, to which 66% of the Company's debt is indexed.
 - Higher average stock of debt at the end of the year as a consequence of the completion of investment for El Quimbo.

- EMGESA's **Net Financial Debt** increased, as previously explained, mainly due to the debt raised to finance investment in El Quimbo.
- EMGESA made significant **investments** for almost 258,198 million COP in 2016 despite a decrease compared to 2015 due to the completion of El Quimbo. Out of the overall company investments in 2016, more than 94,000 million COP were allocated for the modernisation and maintenance of its thermal power plants (Termozipa and Cartagena), to ensure their proper operation and reliability as required by the country.

2016 Operating Results

	2016	2015	Variation %
<i>GWh</i>			
NET TOTAL SYSTEM GENERATION	65,936	66,548	-0.9%
EMGESA GENERATION	14,975	13,741	+9.0%
SALES THROUGH CONTRACT	13,329	12,505	+6.6%
SALES SPOT MARKET	5,686	4,381	+7.0%
PLANT AVAILABILITY	91.36%	91.20%	+0.2%

- **EMGESA's generation** increased significantly, covering 22.7% of the **net total Colombian generation**, which slightly decreased during 2016. This increase was mainly due to the entry into operation of El Quimbo Hydropower plant and better hydro conditions compared to the country's average, in the basins where EMGESA's hydropower plants are located.
- The company's total output was as follows:
 - 93.7% hydraulic: 4.7% higher compared to 2015.
 - 6.3% thermal generation: in line with greater water availability in Colombia during the second half of the year.

Dividends:

- In 2016 Emgesa paid a total of 795.157 million COP in dividends to shareholders. These correspond to the final payment (25%) of dividends payable with respect to 2014 net profits, and to the first two payments (75%) of the dividends payable with respect to 2015 net income.

For further information, please contact:

ANDREA DELGADO C.

E-mail: andrea.delgado@enel.com

cel. 316 7409418