CONSOLIDATED FNANCIAL STATEMENTS

Codensa S.A. E.S.P. and its Affiliate

For the 12-month period ended on 31 December 2015 and 2014 and 1 January 2014 and Statutory Auditor Report.

Codensa S.A. E.S.P.

To the Shareholders of Codensa S.A.

I have audited the attached consolidated financial statements of Codensa S.A. E.S.P., which include the consolidated Financial Statementas of 31 December 2015 and the corresponding income statements, consolidated income, equity changes and cash flow statements for the year ending on that date, and the summary of significant accounting policies and other notes thereto.

The Administration is responsible for the preparation and proper presentation of the consolidated financial statements according to accounting principles generally accepted in Colombia, as well as for designing, implementing and keeping relevant internal controls for preparation and proper presentation of financial statements free of material errors, either on account of flat or ever, and for selecting and applying adequate rate accounting policies and establishing reasonable accounting estimates according to the circumstances.

My responsibility is expressing an opinion regarding the aforementioned consolidated financial statements, based on my audit. I obtained the necessary information for these and examining the documents according to auditing norms generally accepted in Colombia, which require compliance with ethical requirements, planning and performance of audit to obtain reasonable certainty on whether the consolidated financial statements are free of material errors.

An audit implies developing procedures in order to obtain information supporting figures and disclosures contained in the consolidated financial statements. These selected procedures depend on the auditor's judgment including the evaluation of the risk of material errors contained in the consolidated financial statements. Upon evaluating them, the auditor takes into account relevant internal controls for the preparation and presentation of the consolidated financial statements in order to design audit procedures according to the circumstances. Likewise, it includes an evaluation of accounting principles used and significant estimates made by the Administration, as well as the presentation of the financial statements as a whole. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the attached at consolidated financial statements faithfully taken from accounting books, reasonably present, in all their important aspects, the financial situation of the company as of December 2015, the results of its operations and the cash flow for the year ended on that date, in accordance with the accounting norms and financial information accepted in Colombia (NCIF).

Additionally, based on my audits, I am not aware of any circumstance indicating failure to comply with the following company obligations: 1) keeping Minutes, Shareholders book and accounting books, according to legal norms and the accounting technique;2) performing its activities according to the bylaws and the decisions of the Shareholders Assembly on the Board of Directors, also in accordance with the norms relative to integral Social Security; 3) keep correspondence and account vouchers; and 4) take internal control, conservation, and safekeeping measures relative to company includes or third party goods it may have in its possession. Additionally, there is coincidence between the financial statements attached to the accounting information included in the management report prepared by the Administration of the Company, which includes certification by the administration regarding free circulation of endorsed invoices issued by vendors or suppliers.

Angela María Guerrero Olmos
Statutory Auditor
Professional Card 104291-T
Appointed by Ernst & Young Audit S.A.S. TR-530

Bogotá, Colombia
27 January 2016

Codensa S.A. E.S.P. and its Affiliate

Financial Statements – Consolidated

(In thousands of pesos)

	Note	Until 31 December 2015	Until 31 December 2014	Until 1 January 2014
Assets				
Current assets:				
Cash and cash equivalents	4	$ 402,475,504	$ 522,461,391	$ 428,211,511
Other financial assets	5	-	69,062,850	268,088,259
Other non-financial assets	6	11,493,920	10,535,479	7,180,071
Commercial accounts and other receivables	7	439,041,362	367,314,132	323,866,075
Accoutns receivable from related entities	9	14,217,943	11,841,440	11,494,771
Inventories, net	10	61,069,129	20,454,348	20,146,678
Total current assets		**928,295,661**	**1,001,666,613**	**1,058,983,993**
Non-current assets				
Other financial assets	5	16,476	26,515	26,545
Other non-financial assets	6	10,331,577	10,153,817	8,779,062
Commercial accounts and other receivables	7	35,221,534	35,823,153	34,628,871
Investment in subsidiaries, joint ventures and associated	8	117,247,997	113,981,615	106,950,304
Intangible assets other than good will, net	11	73,392,804	69,166,310	69,152,401
Properties, plant and equipment, net	12	3,507,866,276	3,307,401,938	3,184,531,016
Assets for deferred taxes, net	13	32,968,992	96,858,830	94,147,069
Total non-current assets		**3,777,045,656**	**3,633,412,178**	**3,498,215,268**
Total assets		**4,705,343,514**	**4,635,081,818**	**4,557,202,633**
Liabilities and equity				
Current liabilities:				
Other financial liabilities	14	156,516,917	8,931,451	257,889,589
Commercial accounts and other receivables	15	680,605,627	632,962,904	530,635,555
Accounts payable to related entities	9	112,679,569	588,005,601	178,616,558
Provisions	16	23,373,270	28,941,946	21,774,546
Payable taxes	18	95,842,445	36,934,164	57,982,036
Provisions for employee benefits	17	70,363,490	60,441,314	55,804,560
Other non-financial liabilities	19	1,937,500	2,687,500	3,885,184
Total current liabilities		**1,141,318,818**	**1,358,904,880**	**1,106,588,028**
Non-current liabilities:				
Other financial liabilities	14	1.032.500.742	1.178.586.279	994.136.423
Provisions	16	14.097.656	14.260.719	29.801.592
Provisions for employee benefits	17	181.159.628	189.748.285	177.618.803
Total non-current liabilities		**1.227.758.026**	**1.382.595.283**	**1.201.556.818**
Total liabilities		**$ 2.369.076.844**	**$ 2.741.500.163**	**$ 2.308.144.846**

Codensa S.A. E.S.P. and its Affiliate

Financial Statements – Consolidated

(In thousands of pesos)

	Note	Until 31 December 2015	Until 31 December 2014	Until 1 January 2014
Equity				
Issued capital	20	$ 13,209,327	$ 13,209,327	$ 13,209,327
Issue premiums		13,333,540	13,333,540	13,333,540
Other reserves	20	134,562,808	57,567,062	57,567,062
Other integral results	30	(30,777,715)	(31,457,804)	(14,566,969)
Period profits		520,093,365	549,562,039	
Anticipated dividends		-	(352,236,817)	-
Retained profit		42,241,037	-	535,910,519
Retained profit for conversión to NCIF		1,643,604,308	1,643,604,308	1,643,604,308
Cummulative gain		2,205,938,710	1,840,929,530	2,179,514,827
Total equity		**2,336,266,670**	**1,893,581,655**	**2,249,057,787**
Total Liabilities and equity		**$ 4,705,343,514**	**$ 4,635,081,818**	**$ 4,557,202,633**

See attached Notes.

The undersigned Legal Representative and Accountant certify that we have previously verified statemetns contained in these financial statements and that they have been accurately taken from the Company accounting books. The openiong financial Statemtns as of 1 January 2014 and transition as of 31 Deember 2014, include conversión adjustments obtained pursuant to the guidelines described in Note 2.1 “Accounting Principles” adopted for the first time form accounting norms and financial information accepted in Colombia.

Luz Dary Sarmiento Q.

David Felipe Acosta Correa
Legal Representative

Luz Dary Sarmiento Quintero
Public Accountant
Professional Card 65450–T

Ángela María Guerrero Olmos
Statutory Auditor
Professional Card 104291–T
Appointed by Ernst & Young Audit S.A.S. TR−530
(See my report dated 24 February 2016)

Codensa S.A. E.S.P. and its Affiliate

Income Statement, by nature – Consolidated

(In thousands of pesos, except profit per share)

	Note	Year finished 31 December 2015 2015		Yearfinished 31December2014	
Revenues from ordinary activities	21	$	3.688.070.591	$	3.435.187.373
Other exploitation revenues	22		23.795.495		8.648.023
Total revenues from ordinary activities and other operational revenues			**3.711.866.086**		**3.443.835.396**
Provisioning and services	23		**(2.100.757.734)**		**(1.928.190.073)**
Contribution margin			**1.611.108.352**		**1.515.645.323**
Fixed asset works			18.667.723		15.581.207
Personnel expense	24		(154.189.207)		(125.065.787)
Other fixed operational costs	25		(236.951.746)		(225.712.073)
Operational results, gross			**1.238.635.122**		**1.180.448.670**
Depreciations and amortizartions amortizaciones	26		(249.600.971)		(253.653.303)
Losses for impairment (Reversions)	26		(338.759)		(8.415.199)
Operational resutls			**988.695.392**		**918.380.168**
Financial revenues			28.310.346		26.253.285
Financial costs			(145.555.553)		(119.318.383)
Exchange difference			2.383.199		161.366
Financial results	27		**(114.862.008)**		**(92.903.732)**
Equity in earnings of associates accounted for using the equity method			3.159.579		8.976.985
Asset sales results			(539.223)		162.995
Profit before tax			**876.473.740**		**834.616.416**
Results before taxes					
Cost for tax on profits	28		(356.360.375)		(285.054.377)
Profit for the period		**$**	**520.093.365**	**$**	**549.562.039**
Net income attributable to owners of the comptroller			**520.093.365**		**549.562.039**
Net income attributable to non-controlling interests		**$**	**520.093.365**	**$**	**549.562.039**

Codensa S.A. E.S.P. and its Affiliate

Income Statement, by nature – Consolidated

(In thousands of pesos, except profit per share)

	Note	Year finished 31 December 2015		Yearfinished 31 December 2014	
Profit per base share					
Profit per base share in continued operations (*)	29	$	3.889.61	$	4.124.17
Weighted average number of outstanding ordinary shares			**132.093.274**		**132.093.274**
Diluted earning per share					
Diluted earning per base share in continued operations (*)	29	$	3.889,61	$	4.124.17
Weighted average number of outstanding ordinary shares			**132.093.274**		**132.093.274**

(*) Expressed in Colombian pesos

See attached notes.

The undersigned Legal Representative and Accountant certify that we have previously verified statemetns contained in these financial statements and that they have been accurately taken from the Company accounting books. The opening financial Statemtns as of 1 January 2014 and transition as of 31 Deember 2014, include conversion adjustments obtained pursuant to the guidelines described in Note 2.1 "Accounting Principles" adopted for the first time form accounting norms and financial information accepted in Colombia.

Luz Dary Sarmiento Q.

David Felipe Acosta Correa
Legal Representative

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Public Accountant
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Appointed by Ernst & Young Audit S.A.S. TR−530

Codensa S.A. E.S.P. and its Affiliate

Integrated Income Statement– Consolidated

	Note	Yearfinished 31December2014	Yearfinished31December2014
Profit for the period		**$ 520.093.365**	**$ 549.562.039**
Components of other integrated results that will not be reclassified to the period results, before taxes			
Profit (Loss) for new measurements of defined benefit plans		1.064.806	(22.640.232)
Losses in new measurements of financial instruments		(10.039)	-
			-
Other comprehensive income equity method		106.803	1.945.674
INtegrated result that will be be reclassified as per period resutls, before taxes		(89.088)	
TAXES			
her		1.072.482	(24.585.906)
Components of other integrated Results that will be reclassified to the period results, before taxes			
Loss for hedging of cash flow		-	(3.951)
Other integrated Results that will be reclassified to the period results, before taxes		-	(3.951)
Taxes on earning related to components of other integrated results that will not be reclassified to the period results			
Effect of taxes for new measurements of defined benefit plans		(428.028)	7.697.679
Effect of taxes for hedging of cash flows		35.635	-
Total tax on earnings related to components of other integral results that will not be reclassified to the period results		(392.393)	7.697.679
Taxes on earning related to components of other integrated results that will be reclassified to the period results			
Effect of taxes for hedging of cash flows		-	1.343
Total taxes on earnings elated to components of other integral results that will be reclassified to the period results		-	1.343
Total other integrated result	30	680.089	(14.945.161)
Total integrated result		**$ 520.773.454**	**$ 532.671.204**

(In thousands of pesos)

See attached Notes.

The undersigned Legal Representative and Accountant certify that we have previously verified statements contained in these financial statements and that they have been accurately taken from the Company accounting books. The opening financial Statements as of 1 January 2014 and transition as of 31 December 2014, include conversion adjustments obtained pursuant to the guidelines described in Note 2.1 “Accounting Principles” adopted for the first time form accounting norms and financial information accepted in Colombia.

David Felipe Acosta Correa
Representante Legal

Luz Dary Sarmiento Quintero
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Designada por Ernst & Young Audit S.A.S. TR−530

Codensa S.A. E.S.P.and its Affiliate

Consolidated Statement of Equity Changes

			Reserves			Other integral result					
	Subscribed and paid capital	Stock Placement surplus	Legal Reserve	Occasional Reserve	Total Reserve	Cash hedged position	Gain and losses from new measurements of financial instruments measured at reasonable value	Gains and losses from benefit plans defined	Other	Accumulated profits	Total
Initial equity as of January 1st , 2014	**$ 13.209.327**	**$ 13.333.540**	**$ 6.604.664**	**$ 50.962.398**	**$ 57.567.062**	**$ 2.608**	**$ 0**	**($ 14.569.577)**	**$ 0**	**$ 2.179.514.827**	**$ 2.249.057.787**
Integral results											
Year Profit	-	-	-	-			-			549.562.039	549.562.039
Other integral results	-	-	-	-	-	(2.608)	-	(14.942.553)	(1.945.674)	-	(16.890.835)
Integral result	-	-	-	-	-	-	-	(14.942.553)	(1.945.674)	549.562.039	253.671.204
Declared dividends	-	-	-	-	-	(2.608)	-	-	-	(888.147.336)	(888.147.336)
Total Increase (reduction) in equity	-	-	-	-	-	(2.608)	-	(14.942.553)	(1.945.674)	(338.585.297)	(355.476.132)
Final Equity as of December 31st, 2014	**$ 13.209.327**	**$ 13.333.540**	**$ 6.604.664**	**$ 50.962.398**	**$ 57.567.062**	**$ 0**	**$ 0**	**($ 29.512.130)**	**($ 1.945.674)**	**$ 1.840.929.530**	**$ 1.893.581.655**
Changes in equity											
Year Profit	-	-	-	-	-	-	-	-	-	520.093.365	520.093.365
Other integral results	-	-	-	-	-	(53.453)	(10.039)	636.778	106.803	-	680.089
Integral result (N, 30)	-	-	-	-	-	(53.453)	(10.039)	636.778	106.803	520.093.365	520.773.454
Declared dividends	-	-	-	-	-	-	-	-	-	(78.088.439)	(78.088.439)
Increase (reduction) for changes in equity	-	-	-	76.995.746	76.995.746	-	-	-	-	(76.995.746)	-
Total Increase (reduction) in equity	-	-	-	76.995.746	76.995.746	(53.453)	(10.039)	636.778	106.803	365.009.180	442.685.015
Final Equity as of December 31st, 2015	**$ 13.209.327**	**$ 13.333.540**	**$ 6.604.664**	**$ 127.958.144**	**$ 127.958.144**	**(53.453)**	**(10.039)**	**($ 28.875.352)**	**($ 1.838.871)**	**$ 2.205.938.710**	**$ 2.336.266.670**

See attached notes.

The undersigned Legal Representative and Accountant certify that we have previously verified statements contained in these financial statements and that they have been accurately taken from the Company accounting books.

David Felipe Acosta Correa
Legal representative

Luz Dary Sarmiento Quintero
Public accountant
Professional Card 65450–T

Ángela María Guerrero Olmos
Statutory Auditor
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(See February 24, 2016 report)

-	-	(2.608)	-	(14.94

Codensa S.A. E.S.P. and its Affiliate

Estados de Flujos de Efectivo, Método Directo

(In thousands of pesos)

		Yearfinished 31December2015		Yearfinished 31December2014
Cash flows from (used in) operation activities:				
Types of charges for operation activities:				
Charges from goods sales and service provision	$	3,412,085,051	$	3,275,647,249
Charges from royalties, installments, commissions and other revenues from ordinary activities		159,594,834		179,522,460
Charges from bonuses and benefits, annuities and other benefits from subscribed policies		11,088,797		301,618
Other charges for operation activities		1,741,293,608		1,548,923,881
Types of cash payments from operation activities:				
Payments to vendors for supply of goods and services		(2,250,659,935)		(2,207,923,952)
Payments to and on behalf of employees		(156,525,606)		(147,248,087)
Charges from bonuses and benefits, annuities and other benefits from subscribed policies		(4,601,552)		(3,909,451)
Other charges for operation activities		(1,531,810,293)		(1,434,041,067)
Taxes on earnings reimbursed (paid)		(229,063,119)		(300,978,613)
Other cash inflow (outflow)		(153,489,576)		(150,653,947)
Net cash flows from operation activities		**997,912,209**		**759,640,091**
Cash flows from (used in) investment activities:				
Other charges for the sale of equity or debt instruments of Other Entities		337,292,735		268,084,309
Other payments for acquiring equity or debt instruments from Other Entities		(268,229,885)		(69,062,850)
Loans to related Entities		(34,653,849)		-
Purchases of property, plant and equipment		(537,343,274)		(263,276,567)
Charges from futures contracts, termed, financing options and swaps		308,749		23,296
Charges to related Entities		34,653,848		-
Interests received		13,840,759		12,065,498
Net Cash flows used in investment activities		**(454,130,917)**		**(52,166,314)**
Cash flows from (used in) financing activities:				
Dividends paid		(552,744,004)		(463,156,180)
Interest paid		(109,586,656)		(83,833,374)
Liability payments for financial leasing		(1,436,519)		(1,234,343)
Amounts from loans		-		250,000,000
Reimbursements from bond emission		-		(315,000,000)
Net cash flows used in financing operations		**(663,767,179)**		**(613,223,897)**
Increment (reduction) net of cash and cash equivalents		**(119,985,887)**		**94,249,880**
Cash and cash equivalents at the beginning of the period		522,461,391		428,211,511
Cash and cash equivalents at the end of the period	**$**	**402,475,504**	**$**	**522,461,391**

See attached notes.

The undersigned Legal Representative and Accountant certify that we have previously verified statements contained in these financial statements and that they have been accurately taken from the Company accounting books. The opening financial Statements as of 1 January 2014 and transition as of 31 December 2014, include conversion adjustments obtained pursuant to the guidelines described in Note 2.1 "Accounting Principles" adopted for the first time form accounting norms and financial information accepted in Colombia.

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Ángela María Guerrero Olmos
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Tarjeta Profesional 104291–T
Designada por Ernst & Young Audit S.A.S. TR–530
(Véase mi informe del 24 de febrero de 2016)

1. General Information

Economic Entity

Codensa S.A. E.S.P. is a household utilities company regulated by Law 142 of 1994. The Company has an indefinite term.

The Company was incorporated on 23 October 1997 and registered with the Chamber of Commerce on the same date with No. 00607668, with distribution and commercialization assets contribution of Empresa de Energía de Bogotá S.A. E.S.P. holding 51.52% of shares and cash contributions of other investors holding 48.48% of the shares.

The Company is of Colombian origin, with domicile and main headquarters located at carrera 13A No. 93-66, Bogotá D.C.

Codensa S.A. E.S.P. is an affiliate of Enersis S.A., which, in turn, is an affiliate of Enel Iberoamérica S.R.L, entity controlled by Enel, S.P.A. (hereinafter, Enel).

Their corporate purpose of the Company is the distribution and commercialization of electric energy, as well as execution of all activities related, associated, and supplementary to distribution and trading of electric power, the execution of the signed works, electrical engineering consultancy services and product trading in benefit of its clients.

Additionally, the Company's purpose also includes, among others, offering financing services for goods and services residential, urban, and moral clients, including the "Crédito Fácil Codensa" credit line, and offering subscriptions and insurance policies, part of which were transferred to Banco Colpatria Red Multibanca Colpatria S.A. as of 27 November 2009.

Inversora Codensa S.A.S. is a commercial corporation, incorporated on October 17, 2007, initially called Inversora Codensa Ltda. U. notarized by private document in the Notary 40 of Bogota. The company has legal duration of 10 years. Inversora Codensa S.A.S. aims to invest in domiciliary energy public service activities, especially the acquisition of shares of any utility company whose main object is services on electric energy in accordance with law 142 of 1994. On July 1, 2009, by private document signed on 15 August 2009 under No.01319972 Book IX, the Company Inversora Codensa Ltda. U. was dissolved without liquidation, reconstituted to continue under the social object Inversora Codensa SAS Within its business strategies are the participation in the process of disposal of shares approved by the Government in power companies.

Corporate Cooperation Agreements

Included in the credit portfolio sale process of the Codensa Crédito Fácil business and the transfer of the ongoing business, a corporate Corporation agreement was entered into with Banco Colpatria Red Multibanca Colpatria S.A., whose purpose is regulating terms and conditions between the parties for promotion, origination, administration, invoicing, and collection of financial services exclusive to the Codensa users of the "Crédito Fácil Codensa" business, and, in general, managing the "Crédito Fácil Codensa" ongoing business during its 10 years of operation + 4 years of wind–down. The remuneration base is directly associated to invoicing and collection. The agreement includes certain indemnity clauses, mainly associated to regulatory changes with the transferred deal, which involves economic sanctions as defined in the agreement.

Correspondent bank

In its meeting held on 27 March 2014, according to Minutes No. 56, the General Shareholders Assembly approved the inclusion of the correspondent bank activity in the Company's corporate purpose, which was made official through public deed 619 of 27 February 2015, registered with the Chamber of Commerce on 13 March 2015.

Currently, the Company has not started operations as banking correspondent.

Mapfre Seguros Contract

In August 2010, a contract was entered into with Mapfre Colombia Vida Seguros to provide the company energy clients access to the market channel built in order to allow Mapfre to sell insurance policies, for an eight – year term, and a single $6 billion payment, entered as revenues received in advance; it will be amortized in the contract term.

Codensa S.A. E.S.P. – Distribuidora Eléctrica de Cundinamarca S.A. E.S.P. – Empresa de Energía de Cundinamarca S.A. E.S.P. Merger

On 8 October 2015, the Shareholders Assembly in the Company's Extraordinary Meeting No 62 approved the merger commitment among Codensa S.A. E.S.P. Distribuidora Eléctrica de Cundinamarca S.A. E.S.P. (DECSA) and Empresa de Energia de Cundinamarca S.A. E.S.P. (EEC), by virtue of which Codensa will absorb the tool mentioned companies.

The data and figures supporting and, consequently, the Corporation described were taken from forecasts and valuation exercises of the companies participating in the process, and please were endorsed through an opinion furnace process by the investment bank BBVA Valores Colombia S.A. Comisionista de Bolsa.

Upon approval by the Shareholders Assembly's, on 27 and 30 October 2015, on 27 and 30 October 2015 the request for prior authorization to carry out the merger operation was presented to the Industry and Trade Superintendence and the Corporations Superintendence respectively. To date, the Company is waiting for the decision of the aforementioned Superintendences. It is expected that their decisions from the Superintendences will be obtained during the first four months in 2016.

On 15 December 2015, the General Assemblies were held simultaneously by the holders of bonds in the second issue, third issue, first tranche of the program, and second tranche of the program, in which the merger was approved unanimously.

On 21 January 2016, the General Assembly of the holders of bonds in the third tranche of the bond issue on placement program of the Company in its second call approved the merger unanimously.

Legal and Regulatory Framework

For implementation of the new framework stipulated by the Constitution, the Household Public Utilities Law (Law 142 of 1994) and the Electric Law (Law 143 of 1994) were issued, which defined the criteria and policies that are to govern the provision of household public utilities in the country, as well as the procedures and mechanisms for their regulation, control and monitoring.

The Electric Law makes the constitutional approach viable, regulates power generation, transmission, distribution and commercialization activities, creates the market and competition environment, and strengthens the sector and the State's intervention. Taking into account the characteristics of each activity or business, the general guidelines were established for development of such regulatory framework, the creation and implementation of rules that provide for free competition in power generation and commercialization businesses, while the guidelines for transmission and distribution were focused on treating said activities as monopolies, anyhow seeking competition conditions wherever possible.

The main institution in the electric energy sector is the Ministry of Mines and Energy, which, through the Mining Energy Planning Unit (UPME), reversed the National Energy Plan and the Generation – Transmission Expansion Plan. The Commission for Regulation of Energy and Gas (CREG) and the Superintendence of Public Household Utilities (SSPD) are responsible, respectively, for regulating and auditing the companies in the sector; furthermore, the Industry and Trade Superintendence is the national authority that governs competition protection issues.

The electric sector is based on the fact that commercialization companies and large consumers can negotiate electric energy by means of bilateral contracts. Additionally, the sector agents can negotiate energy through a short-term market, which is known as the spot market, which functions freely depending on supply and demand conditions.

2. Basis for the presentation of Consolidated financial statements

Codensa S.A. ESP ans its affiliate presents its general-purpose financial statements in Colombia in pesos and the volumes have been rounded up to the closest unit of thousands (COP$000), except when indicated otherwise.

The accounting principle used in its preparation are those described herein below:

2.1 Accounting Principles

The Company's general-purpose financial statements as of 31 December 2015, have been prepared in accordance with the Accounting and Financial Information Norms accepted in Colombia (NCIF), which take into account all International Financial Reporting Standards - IFRS-, International Accounting Norms –NIC-, the SIC interpretations, the CINIIF interpretations and the conceptual framework for financial information, as applicable, issued and approved by the International Accounting Standards Board (IASB) as of 31 December 2012, which were published in Spanish by such organization in August 2013, and incorporate the Colombian technical accounting framework through Law 1314 of 13 July 2009, regulated by the Only Regulatory Decree 2420 of 2015, amended by Decree 2496 of 2015. These decrees contained the following guidelines, which are exceptions to the NIIF as compared with those issued by the IASB:

- Article 2.1.2., Part 1 of book 2 of Decree 2420 of 2015, supplemented with Decree 2496 of 2015 provides for application of article 35 of Law 222, which states that holdings in subsidiaries must be recognized in the unconsolidated financial statements by the equity method instead of that of recognition, in accordance with that provided for in NIC 27, that is, the reasonable cost or value. This recognition shall apply as of this year 2016.

- Part 2 of book 2 of Decree 2420 of 2015, added by decree 2496 of 2015, stipulates that for determining post-employment benefits on account of future retirement or disability pensions, the parameters established in Decree 2783 of 2001 are to be used as the best market approach, instead of the requirements set out pursuant to NIC 19. The Company considers that decree 2783 of 2001 is of a tax nature and that, for accounting purposes, the regulatory framework of NIC 19 prevails.

The Company belongs to Group 1 for adoption according to the definitions of Decrees 2784 of 28 December 2012 and 3024 of 27 December 2013, according to which the Company has considered in its application schedule that 2013 was a preparatory period to define the plans for implementation and 2014 was the transition. To carry out in 2015 the full adoption of the new regulatory framework, also known as (NCIF) given some mentions in the current norms, which require preparation of an opening financial deterioration statement asked at 1 January 2014 according to the new norms so that all year long in 2014 the transition took place, with the simultaneous application of the foregoing and the new accounting regulations. The last official financial statements, pursuant to Decrees 2649 and 2650 of 1993 are those corresponding to the period ended on 31 December 2014, and the first financial statements under the new norms are those of 2015.

In view of the foregoing, on 28 February 2013, the company presented to the Superintendence of Public Household Utilities the implementation plan approved by the board of directors on 21 February 2013, according to Resolution N° SSPD 20131300002405 on 14 February 2013, which regulated the information requirements to apply decree 2784 of 28 December 2012.

The NCIF implementation plan that was presented included activities associated with the mandatory preparatory phase and the mandatory preparation of the opening financial statement, which were developed between 1 January 2013 and 31 December 2014.

In accordance with that provided for in Resolution N° SSPD 20141300033795 30 July 2014, whereby information requirements for public utility companies are established, classified in groups 1 and 3; the Company reported to the Superintendence of Public Household Utilities on 29 August 2014 the opening financial statement with figures estimated to that date and on 30 September 2015, it presented financial statements at the close of the transition.

The general-purpose financial statements have been prepared following the current business principle through the application of the cost method, with exception, according to NCIF, for such assets and liabilities that are registered at reasonable value.

The preparation of the financial statements in accordance with NCIF requires the use of some critical accounting estimates. It also requires management to apply its judgment in the process of applying accounting policies.

2.2 Transition to Accounting and Financial Information Norms accepted in Colombia (NCIF)

For every period until the year ended on 31 December 2014, the Company prepared its general-purpose financial statements in accordance with accounting principles generally accepted in Colombia. The financial statements as of 31 December 2015 are the first yearly financial statements prepared in accordance with the Accounting and Financial Information Norms accepted in Colombia (hereinafter NCIF). The company applied the NIIF 1 adoption for the first time for the recognition of the transition of its financial statements under local norms to the NCIF preparing its opening balance sheet as of 1 January 2014. The financial statements have been prepared in accordance with the policies described herein below.

Inversora Codensa’s consolidation was apllied in accordance with the Principles and Standards of Accounting and Reporting accepted in Colombia, in which Codensa has a 100 % for all periods compared .

a) Transition Procedures

The Company applied the following exceptions contained in the NIIF 1 Adoption for the first time in its transition process:

- In accordance with paragraph D16, letter a) “if a subsidiary adopts the NIIF for the first time after its holding company, the subsidiary shall measure assets and liabilities in its financial statements, either by:

  (a) Book entries that were included in the consolidated financial statements of the holding company, based on the date of transition of the holding company to the NIIF, if no adjustments were made for purposes of consolidation and for combining businesses for which the holding company acquired the subsidiary (this option is not available for the subsidiary of an investment entity, as defined in NIIF 10, which requires measuring at reasonable value with changes on results), or

(b) Book entries required by the rest of the NIIF, based on the date of transition to the NIIF of the subsidiary's NIIF..."

The Company has opted for taking as cost the entries in books included in the financial statements under the NIIF of Endesa, which is its holding company since 31 December 2003, which adopted the NIIF in 2004.

- Codensa S.A. E.S.P. holds 100% of Inversora Codensa S.A.S. and 48.9% of Distribuidora Eléctrica de Cundinamarca DECSA S.A. E.S.P., in line with that stated in the previous paragraph, the initial cost of the investments was defined on the basis of cost included in the financial statements under the NIIF of the holding company.

- The Company has been capitalizing costs for loans directly attributable to the acquisition and construction of a suitable asset.

- Total earnings and actuarial losses generated in the actuarial calculation of benefits defined for retirement pensions and employee long-term benefits are recognized as retained earnings.

- The Company used to estimate under NCIF, which are consistent with that applied under the Accounting Principles Generally Accepted in Colombia.

- Estimates included in the opening balance sheet and the transition reflected the conditions existing at the date of each financial statement. In particular, estimates relative to market prices, interest rate or exchange rates reflected the market conditions on such dates.

- According to paragraph D9 "A company adopting the NIIF for the first time can apply the transitory provision of the CINIIF 4 Determination as to whether a contract contains a leasing. Hence, an entity that adopts the NIIF for the first time may determine if a parent agreement on the date of transition to the NIIF contains a leasing, based on the consideration of facts and circumstances existing on said date." The Company included in its financial statements figures from contracts that were evidence to be financial leasing.

b) Reconciliation between the Accounting Principles Generally Accepted in Colombia under Decree 2649 and the NCIF

The transition to the NCIF as of 1 January 2014 (Opening Financial Statement– ESFA) and 31 December 2014 (Financial Statementat the End of the Transition) and for the period January – December for the consolidated income statement of 2014, the following reconciliations are summarized:

(In thousands of pesos)

ASSETS	Note		ClosingTransition Balance 31/12/2014		OpeningBalance 01/01/2014
Total assets under previous generally accepted accounting principles (hereinafter GAAP) (Decree 2649)		$	**5,595,903,115**	$	**5,527,961,612**
Adjustments for conversion to NCIF					
Properties, plant and equipment	a		(905,918,809)		(926,158,481)
Intangibles	b		(46,014,263)		(47,392,595)
Investments in subsidiaries, joint ventures, and associates	c		(56,870,646)		(46,159,003)
investments accounted using the equity method	I		9.734.115		2.702.804
Inventories	e		4.118.965		5,338,824
commercial accounts for collect	d		(12.422.003)		(11.384.757)
Other financial assets	f		726.359		9.443.935
Other non- financial assets	d		10.937.714		42,851,551
deferred tax	g		34.887.271		42.851.551
Total assets under NCIF		$	**4,635,081,818**	$	**4,557,202,633**

LIABILITIES	Note		ClosingTransition Balance 31/12/2014		OpeningBalance 01/01/2014
Total liabilities under previous GAAP (Decree 2649)		$	**2,818,969,402**	$	**2,379,529,797**
Adjustments for conversion to NCIF					
Current provisions for employee benefits	h		3,399,010		3,954,348
Outstanding commercial papers and other accounts payable	i-d		(1.012.744)		2,945,348
Deferred tax	g		(43,101,568)		(36,431,563)
Other financial liabilities	a		4,321,828		4,974,446
Other provisions	j		407,613		407,589
Other non-financial liabilities	b		(45,602,358)		(47,133,247)
Total liabilities under NCIF		$	**2,741,500,163**	$	**2,308,144,846**

EQUITY	Note		ClosingTransition Balance 31/12/2014		OpeningBalance 01/01/2014
Total assets under previous GAAP (Decree 2649)		$	**2.776.933.697**	$	**3.148.431.815**
NCIF conversion setting					
Property, plant and equipment	a		(905.918.809)		(926.158.481)
Intangibles	b		(46.014.263)		(47.392.595)
Investments in subsidiaries, joint ventures and associates	c		(56.144.287)		(46.159.002)
investments accounted for using the equity method	k		9.734.115		2.702.804
Inventories	e		4.118.965		5.338.824
trade receivables and other receivables	d		(1.484.290)		(11.384.757)
Other financial assets	f		-		(1.257)
Other non-financial assets	d		-		9.443.935
Deferred tax	g		77.988.839		79.283.114

Current provisions for employee benefits	h	(3.399.010)	(3.954.348)
Trade payables and other payables	i-d	(3.106.221)	(2.843.476)
other financial liabilities	a	(4.321.828)	(4.974.446)
other provisions	j	(407.612)	(407.589)
Other non-financial liabilities	b	45.602.359	47.133.246
Total patrimonio bajo NCIF		**$ 1.893.581.655**	**$ 2.249.057.787**

Statements Reconciliation	**Nota**	**Transtition statement 01/01/2014 a 31/12/2014**
Income under previous GAAP (Decree 2649)		**$ 507.321.002**
NCIF conversion settings		
Property, plant and equipment	a	20.236.474
Intangibles	b	(152.616)
Investments in subsidiaries, joint ventures and associates	c	62
Trade accounts receivable and other receivables	i	403.873
Deferred tax and current	g	(8.993.300)
Current provisions for employee benefits	h	23.195.570
Trade payables and other payables	i	(1.429.939)
other provisions	j	(23)
settlement forward	k	3.951
investments accounted for using the equity method	l	8.976.985
Total income as of December 31, 2014 under NCIF		**$ 549.562.039**

a) Adjustments of properties, plant and equipment:

- Adjustment at cost, elimination of valuation for ($696,455,016) and ($695,799,205) as of 1 January 2014 and 31 December 2014, respectively, in the Opening Financial Statement and at the End of the Transition.

  The exemption set out in D16 of the NIIF 1 Adoption was adapted for the first time, using values reported under NIIF by the holding company, valuating property, plant and equipment at cost; therefore, valuations are eliminated taking into account that they are not part of the asset cost.

- Adjustment at cost, elimination of adjustments for inflation (2004 and 2005) for ($152,226,442) and ($134,041,874) as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition, effective on the income statement of the period 1 January to 31 December for $18,184,568.

The exemption set out in D16 of the NIIF 1 Adoption was adapted for the first time, using values reported under NIIF by the holding company, valuating property, plant and equipment at cost, taking into account that the NIIF adoption by the holding company took place in the year 2004, eliminating adjustments for inflation for the years 2004 and 2005, and reversing their effects in the next depreciation.

- Reversion of capitalized financial costs – depreciation for ($82,190,643) and ($80,020,578) as of 1 January 2014 and 31 December 2014 respectively in the Opening Financial Statement and at the End of the Transition, effective on the income statement of the period1 January to 31 December 2014,for $2,170,062.

  Corresponds to elimination of financial costs that can be capitalized, which did not meet the requirements in accordance with the NIC 23 Costs for loans, taking into account that under the local norm, interests were capitalized on fixed assets, which under the international norm are not qualified assets.

- Car leasing for $4,713,620 and $3.942.848 as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition, effective on the income statement of the period 1 January to 31 December 2014, for ($118,156).

  The Company has car leasing contracts in place that, for their term and conditions, constitute an implicit leasing in accordance with that provided for in the NIC 17 Leasing; this adjustment recognized vehicles as property, plant and equipment and recognizes the liability for this commitment.

b) Intangibles adjustment:

- Adjustment at cost, elimination of monetary correction for ($47.133.246) and ($45.602.359) as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition.

  Under the Accounting Principles Generally Accepted in Colombia (GAAP), until 2005 the deferred debit and credit monetary correction was calculated over the works that were underway; it was amortized locally through the useful life of the operating good; this adjustment corresponds to the elimination of the balance to be amortized. This record does not affect the Results, as it is reflected on the assets (intangible) vs. liabilities (Other non-financial liabilities).

- Adjustment at cost, elimination of items that cannot be capitalized ($356,689) as of 1 January 2014 and 31 December 2014, in the Opening Financial Statement and at the End of the Transition.

  Corresponds to the elimination of expenditures made in the expansion of the Company's commercial system, which were capitalized locally, but do not meet the capitalization criteria as per NIC 38 Intangible Assets.

- Adjustment at cost, elimination of adjustment for inflation (2004 and 2005) for $97,340 and ($55,276) as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition, effective on the income statement of the period 1 January to 31 December for ($152,616).

  The exemption set out in D16 of the NIIF 1 Adoption was adapted for the first time, using values reported under NIIF by the holding company, valuating intangibles at cost, taking into account that the NIIF adoption by the holding company took place in the year 2004, eliminating adjustments for inflation for the years 2004 and 2005, and reversing their effects in the next depreciation.

c) Ajustments on investmetns in subsidiaries, joint ventures and associates:

- Adjustment at cost, elimination of valuations for ($44,490,921) and ($55.202.564) as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition, effective on the income statement of the period 1 January to 31 December for $261.

  Corresponds to the elimination of valuation of investments in Distribuidora Eléctrica de Cundinamarca S.A. – DECSA and Inversora Codensa SAS; these are recognized under local regulations but are not part of the investment cost under NCIF.

- Adjustment at cost, elimination of capitalized costs for ($1,668,082) as of 1 January 2014 and 31 December 2014 in the Opening Financial Statement and at the End of the Transition.

  Under the Accounting Principles Generally Accepted in Colombia, the expenditures made within the review analysis to make this investment were capitalized as part of the value of investment in Distribuidora Eléctrica de Cundinamarca S.A. - DECSA, while under NCIF this investment is to be valued at cost; therefore, the capitalized amount is eliminated.

d) Adjustment of outstanding commercial papers and other accounts receivable:

- Adjustment of portfolio net present value agreed for ($875,386) and ($471,546) as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition, effective on the income statement of the period 1 January to 31 December for $403,873.

  Corresponds to the adjustment for the discount off commercial accounts receivable at net present value, taking into account that these are long term receivables, with interest rate below market rates and, furthermore, its effect is recognized on the calculation of impairment of this line item.

- Netting of current taxes for ($1.065.436) and ($1,012,744) as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition.

  In accordance with the NIC 12 Tax on Earnings, thet net liabilities are shown for taxes on earnings and tax advanced payments. Adjustment of outstanding commercial papers and other receivables and their matching commercial papers and other Accounts Payable.

- Adjustment of net present value of employees credit benefit for ($9,443,935) and ($10,937,713) as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition.

  The Company provides its employees with credit below market rates and, therefore, the present value thereof is calculated by discounting the future flows at market rates, recognizing as an advanced benefit paid the difference between the market rate and the rate granted, chargeable to accounts receivable. Ajust outstanding commercial papers and other receivables and its macthing other non-financial assets.

e) Inventories:

- Recognition of goods on consignment for $5,338,824 and $4.118.965 as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition.

Corresponds to recognition as inventory of goods in consignment, given that according to the contractual form and in practice, there is no uncertainty level in purchasing thereof. Its matching entry is reflected in outstanding commercial papers and other Accounts Payable.

f) Adjustment of Other Fnancial Assets:

- Adjustment at cost, elimination of valuations for ($1.257) and $726.359 as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition.

  Corresponds to the elimination of valuations of investments in Empresa Electrificadora del Caribe S.A. E.S.P. – Electricaribe S.A. and Inversora Codensa SAS; recognized under local regulations but not part of investment cost under the NCIF.

g) Adjustment of Deferred tax:

- Calculation on adjustments under NCIF for $79,283,114 and $77,988,839 as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition, effective on the income statement of the period 1 January to 31 December for ($8,993,300).

  Corresponds to the deferred tax generated by adjustments for conversion to NCIF.

- Netting tax on debits and credits for ($36,431,563) and ($43.101.568) as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition.

  In accordance with the NIC 12 Tax on Earnings, the deferred taxes on debits and credits are netted for presentation purposes.

h) Adjustment of current provisions for employee benefits

- Actuarial calculation of retroactive severance pay for $659,874 and $832,499 as of 1 January 2014 and 31 December 2014 respectively, in the OpeningFinancial Statement and at the End of the Transition, effective on the income statement of the period 1 January to 31 December for $124,123.

  The liabilities for actuarial calculation of retroactive severance pays reflecting the obligation of the company with employees who are not covered by law 50 of 1990 are recognized by means of these adjustment, in accordance with that provided for in the NIC 19 Employee Benefits.

- Five-year actuarial calculation for $3,294,474 and $2.566.511 as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition, effective on the income statement of the period 1 January to 31 December for $727,963.

  This adjustment recognizes liabilities for their five–year actuarial calculation (See note 17), in accordance with that provided for in the the NIC 19 Employee Benefits.

- The pension actuarial calculation has no effect on the Opening Financial Statement nor on the End of the Transition, but it does have an effect on the results of the period 1 January to 31 December for $22,343,484.

  Under previous GAAP (Decree 2649), the financial cost was determined based on payments keeping as balance of liabilities the actuarial liabilities on this account. Under the NCIF, the financial cost is forecast using the GIQ corporate software, thus generating an effect on the results of intermediate periods.

i) Adjustment of outstanding commercial papers and other Accounts Payable.

- Taxes – net present value of the Equity Tax as of 1 January 2014 for $1,429,939 Opening Financial Situation Statement, with effect on the income statement for the period 1 January 2014 and 31 December 2014 of ($1,429,939).

  In 2011, there was recognition of the equity tax provided for in Law 1370 of December 2009, which for reporting purposes to the holding company under NIIF was recognized at 100% of the tax against the February results and, for local purposes, it is recorded against the revaluation line item of equity. These adjustment includes at the same time the update to net present value recognized as financial cost; payment of this tax was completed in September 2014 and, therefore, there is no adjustment as of 31 December 2014.

- Recognition of liabilities for goods on consignment for $5,338,824 and $4.118.965 as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition.

  Corresponds to liabilities for recognition as inventory of the goods in consignment, given that, in accordance with the contractual form and the practice, there is no uncertainty level in purchasing thereof. Its matching item is reflected on the inventory.

j) Ajustment of Other provisions

- Provision of Codensa Hogar risk for $407,589 and $407.613 as of 1 January 2014 and 31 December 2014 respectively, in the Opening Financial Statement and at the End of the Transition, with effect on the income statement for the period 1 January 2014 and 31 December 2014 of ($23).

  This adjustment reflects a provision for retained risk for the company in their sale of Codensa Hogar portfolio, because of different factors such as potential changes in local regulations that would prevent including these items in the electric energy bill.

k) Forward liquidation

In the foreward liquidation, the preliminary adjustment is reversed, through which the cost of valuation of Mark to Market had been transferred to other consolidated results, with effect on the income statement for the period 1 January 2014 and 31 December 2014 of $3,951.

i) Equity method accounted investments

Recognition of the equity method by $ 2,702,804 and $ 9,734,115 at January 1, 2014 and December 31, 2014 respectively, in the Statement of Financial Position Opening and Closing Transition, with effect on the income statement in the period of January 1 to December 31, 2014 of $ 8,976,985.

With this setting the equity method of the Company is reflected in Distribuidora Electrica de Cundinamarca DECSA S.A. E.S.P. consolidated .

2.3 Accrual Accounting Base

The Company prepares its Financial Statements using the accrual accounting base, except for cash flow information.

2.4 Accounting and Financial Information Norms Accepted in Colombia, issued but not yet in force

Article 2.1.2 of book 2, part 1 of Decree 2420 of 2015, amended by Decree 2496 of 2015 includes the norms that have been issued by the IASB and adopted in Colombia, which will be effective in years subsequent to 2015.

Information to be disclosed on the non-financial recoverable assets that are modified by the NIC 36 Asset Value Impairment (May 2013)

This amendment reduces the cases in which the disclosures of the recoverable value of assets or cash generating units are required; it clarifies such disclosures and introduces the explicit requirement of disclosing the discount rate used in determining impairment (or reversions thereof), were the recoverable value is determined using the present value.

CINIIF 21 Levies - new interpretation (May 2013)

The interpretation intends to provide guidance on the circumstances were a liability for levies is to be recognized, in accordance with the NIC 37. In this regard, the CINIIF may be applied in any situation that generates a current obligation of paying taxes or levies to the State.

Novation of derivatives and continuation of hedging accounting that is amended by the NIC 39 financial instruments: recognition and measurement (June 2013)

Under this norm, it would not be necessary to stop applying the hedging accounting on novated derivatives that meet the criteria set out thereunder.

Annual improvement of the NIIF: 2010-2012 cycle (December 2013):

These amendments include:

NIIF 3, NIIF 8: corresponds to a series of improvements that are necessary but not urgent, which amended the aforementioned norms.

NIC 16 Property, plant and equipment and NIC 38 Intangible Assets

The amendment is applied with proactively and it makes it clear in NIC 16 and NIC 38 that an asset may be reevaluated based on evident data, either by adjusting the gross asset value in books to the market value, or adjusting the cross value and the cumulative depreciation or amortization proportionately so that the resulting book value equals the market value. Additionally, the cumulative depreciation or amortization is the difference between the gross value and the book value of the assets.

NIC 24 Information to be disclosed regarding related parties

The amendment is applied retroactively and it makes it clear that a management entity (an entity that provides the services of key administration personnel) is a related party, subject to disclosure of related parties. Furthermore, a company that uses a management entity is bound to disclose the costs incurred on for such management services. This amendment is not relevant for the Company, as it does not receive management services from other entities.

Annual improvementd of their NIIF: 2011-2013 cycle (December 2013):

These amendments include:

NIIF 3, NIIF 13: corresponds to a serious of improvements that are necessary but not urgent, which amend the aforementioned norms.

Defined Benefits Plans: contributions for employees that are amended by the NIC 19 employee benefits (November 2013)

The NIC 19 requires that an entity should consider contributions to employees or third parties in the accounting of defined benefit plans. When retributions are associated to service, these must be attributed to the service as a negative benefit. These amendments make it clear that, if the amount of retribution is independent from the number of years of service, an agency may recognize said retributions as a reduction in the service cost during the period in which the services are provided, instead of allocating retributions to the service periods.

NIIF 9: hedging accounting financial instruments and amendments to NIIF 9, NIIF 7 snf NIC 39 (November 2013)

This amendment mainly changes the following aspects:

- Adds a new chapter concerning hedging accounting, introducing a new model where accounting and risk management are aligned, and improvements are introduced as related to disclosure of these items.
- Introduces improvements in the report of changes in the reasonable value of own debt of an entity, which is contained in the more easily available NIIF 9.
- Eliminates the effective date for mandatory application of the NIIF 9.

2.4.2 New Accounting and Financial Information Norms (NCIF) accepted in Colombia, applicable as of 1 January 2017, except for the NIIF 15, which is applicable as of 1 January 2018

NIIF 9 Financial Instruments: classification and valuation

In July 2014, the IASB published the final version of the NIIF 9 Financial Instruments, which compiles all the phases of the financial instruments project and substitutes the NIC 39 Financial Instruments: valuation and classification, and all previous versions of the NIIF 9. The norm introduces new requirements for classification, valuation, impairment and hedging accounting. The NIIF 9 is the application for exercises beginning on 1 January 2018, although Decree 2420 has established it for 1 January 2017 and its early application is permitted. Its retroactive application is required, but it is not necessary to amend comparative information. The early application of versions prior to the NIIF 9 is permitted (2009, 2010 and 2013) provided that the initial publication date is prior to 1 February 2015.

NIIF 14 Deferral of Regulated Activities

The NIIF 14 is an optional norm that allows for an entity, when adopting the NIIF for the first time and whose activities are subject to rate regulation, to keep on applying most of its previous accounting policies for regulated deferred accounts. The entities that adopt the NIIF 14 must present regulated deferred accounts as separate line items in the Financial Statement and present also the movements of said accounts in the income statement and the global income statement. The norm requires breakdowns relative to the nature and the risks associated with the company's regulated rates, as well as the impact of regulated rates on the Financial Statements. The NIIF 14 is commencing as of 1 January 2016. applicable to periods

Annual improvement of the NIIF, 2010 – 2012 cycle

These improvements are effective as of 1 July 2014. The improvements include the following changes:

NIIF 15 Revenues from ordinary activities derived from contracts with clients

The NIIF 15 was published in May 2014, and establishes a new five–step model that is applicable on revenues from contracts with clients. In accordance with the NIIF 15, the revenues are recognized as a volume reflecting the consideration that an entity expects to receive in exchange for the transfer of goods or services to a client. The principles of the NIIF 15 suppose a more structured approach to value and record revenues.
This new norm is applicable to all entities and will derogate all previous norms on recognition of revenues. It requires retroactive application or partially retroactive for periods commencing on 1 January 2018, but allowing early application thereof.

Amendments to the NIIF 11: accounting off acquisition of interests in joint ventures

Any amendment to the NIIF 11 requires a joint operator to account for the acquisition of an interest in a joint operation, which constitutes a business, applying the relevant principles of the NIIF 3 to account for business combinations. The amendments also clarify the previously held interest in the joint operation are not revalued by the acquisition of additional interest, as long as the joint control is kept. Additionally, an exception has been added to these amendments so that they are not applicable when the parties that share joint control are under the common control of and ultimately dominant company.

The amendments apply on initial interest acquisition in a joint operation and on the acquisition of any additional interest in the same joint operation. These will be applied prospectively for periods commencing on 1 January 2016, although early application thereof is permitted.

Codensa S.A. E.S.P. and its Affiliate

Amendments of NIC 16 and NIC 38: clarification of acceptable amortization methods

These amendments clarify that the risks reflect a pattern for obtaining benefits derived from the exploitation of a business (of which the asset is part), more than the economic benefits consumed by the use of the asset. Therefore, it is not allowed to amortize the fixed material using an amortization method based on revenues, and it can be used only in very few circumstances to amortize intangible assets. The amendments shall be applied prospectively for periods commencing as of 1 January 2016, although early application thereof is permitted.

Modifications to the NIC 27: equity method in unconsolidated Financial Statements

The amendments allow the entities to use the equity method tool accounted for subsidiaries, joint ventures and associated parties in their unconsolidated Financial Statements. The entities that have already applied the NIIF and opt for changing to the equity method, will have to apply these changed retroactively. The entities that apply the NIIF for the first time and opt for using the equity method in their unconsolidated Financial Statements, will have to apply the method since the date of transition to the NIIF. These amendments must be applied for periods commencing on 1 January 2016, although early application thereof is permitted.

Amendments to the NIIF 10 and NIC 28: sale or contribution of assets between the investor and its associated or joint ventures

The amendments address the conflict between the NIIF 10 and the NIC 28 as to treatment of loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the loss or gain resulting from the sale or contribution of assets that constitute a business, as defined in the NIIF 3, between the investor and its associate or joint venture is still recognized entirely. Any gain or loss resulting from the sale of or contribution of assets that does not constitute a business, nevertheless, is recognized only up to the interest of unrelated investors in the associate or joined venture. These amendments must be applied prospectively and are effective for periods that commence on or after 1 January 2016, with early adoption permitted.

Annual improvements *2012-2014 cycle*

These improvements are effective for annual periods that commence on or after 1 January 2016, with early adoption permitted. These include:

NIIF 5, NIIF 7 Correspond to a serious of improvements, necessary but not urgent, which amend the aforementioned norms.

NIC 19 Employee benefits

The amendment makes it clear that the depth of the market for high quality corporate bonds is assessed based on the currency on which the obligation is set out, instead of the country where the obligation is held. When there is no depth market for high quality corporate bonds in that currency, the government bond rates shall be used. This amendment must be applied in a prospective manner.

Amendments to the NIC 1 Disclosure initiative

The Amendments to the NIC 1 Presentation of the Financial Statements make it clear that instead of changing significantly, the existing requirements of the NIC 1 are:

- Requirements of materiality in the NIC 1.
- That specific lines in the income statements, the ORI, and the Financial Statement can be disaggregated.
- That entities have flexibility regarding the order in which the notes to the Financial Statements are to be presented.
- That participation in the ORI of the associates and joint ventures that are accounted for using the equity method must be presented in one single line and classified among the items that will be reclassified to the income statement.

Additionally, the amendments clarify that the requirements that apply when additional subtotals are submitted in the financial statements and the income statement and ORI. These amendments are effective for yearly periods commencing on or after 1 January 2017, with early adoption permitted.

2.5 Relevant estimates and accounting criteria

In the preparation of the Financial Statements, specific estimates have been used by the Company's management, the business areas, and the Support areas to quantify some assets, liabilities, revenues, expenses and commitments registered therein. Estimates basically refer to:

- Hypothesis used in actuarial calculation of liabilities and obligations with the employees, such as discount rates, mortality rates, salary Increases, etc.

- The useful life of properties, plant and equipment and intangibles. (See Notes 3.4 and 3.5)

- The hypothesis used for the calculation of the reasonable value of the financial instruments. (See Notes 3.1.2 and 3.1.3).

- Electric energy supplied to clients pending meter reading.

- Specific magnitudes of the electric system, including those corresponding to other companies, such as production, client billing, power consumed, etc., which allow for estimating the global liquidation of the electric system that are to be materialized in the respective final liquidations, pending billing on the date of issue of the Financial Statements that could affect the balances of assets, liabilities, revenues and costs registered therein.

- Probability of occurrence and amount or uncertain liabilities or contingent. (See Note 3.8)

- Future disbursements for reclaiming and decommissioning, as well as the discount rates to be used. (See Note 3.7)

- Tax results, which will be declared before the respective tax authorities in the future, twhich have been the basis for recording the various balances related to taxes on gains in the current Financial Statements. (See Notes 3.9.1 and 3.9.2)

In spite that these judgments and estimates have been made relying on the next information available on the date of issuing these Financial Statements, it is possible that future events will force their change, upwards or downwards, in future periods, which would be done prospectively, recognizing the effects of changes in the judgment or estimates in the respective future Financial Statements.

a. Affiliates

Subsidiaries are considered those companies controlled by Codensa S.A. E.S.P. directly or indirectly. Control is exercised if, and only if they are present the following elements: i) influence over the subsidiary, ii) exposure, or rights, to variable returns from these companies, and iii) ability to influence the amount of these yields.

Codensa S.A. E.S.P. has control over its subsidiary when it holds the majority of the rights of substantive vote, or without realizing this, has rights that give the current ability to direct its relevant activities, meaning activities that affect the return of the subsidiary.

Codensa S.A. E.S.P. reassess whether or not control a subsidiary if the facts and circumstances indicate that there have been changes in one or more of the control elements mentioned above.

2.6 Associated companies and joint agreements

An associate is an entity over which the Codensa S.A. E.S.P. It has significant influence over the decisions of financial and operating policy without achieving control or joint control.

Joint arrangements are considered those entities in which the Codensa S.A. E.S.P. exercises control thanks to an agreement with third parties and together with them, that is, when decisions about their relevant activities require the unanimous consent of the parties sharing control. Joint arrangements are classified as:

Joint venture: is an entity that the Company jointly controls with other participants, where they maintain a contractual arrangement that establishes joint control over the relevant activities of the entity; the parties have rights to the net assets of the entity. At the acquisition date, the excess of acquisition cost over participation in the net fair value of identifiable assets, liabilities and contingent liabilities assumed of the associate or joint venture is recognized as goodwill. Goodwill is included in the carrying amount of the investment is not amortized and individually tested for impairment.

Joint operation: agreement whereby the parties that have joint control have rights to the assets and obligations with respect to liabilities related to the agreement.

A joint operator shall recognize in relation to its participation in a joint operation: (a) its assets, including its share of the assets held jointly; (B) its liabilities, including its share of the liabilities incurred jointly; (C) its revenue from the sale of its stake in the product arising from the joint operation; (D) its share of the revenue from the sale of the product that makes the joint operation; and (e) its expenses, including its share of expenses incurred jointly.

At the date of issuance of the financial statements the Group has not recorded any goodwill generated in investments in associates and joint agreements.

Investments in associates and joint ventures are measured in the separate financial statements at cost.

2.7 Investments accounted for using the equity method

Shares the company holds in joint ventures and associates, are accounted for using the equity method.

According to equity method, the investment in an associate or joint venture is initially recorded at cost. From the date of acquisition, the investment is recorded in the statement of financial position by the proportion of its total assets representing the Group's share in its capital, once adjusted, if necessary, the effect of transactions with Group plus any capital gains that have been incurred in the acquisition of the company. If the resulting amount is negative, the share of zero in the statement of financial position is left, unless there is a present obligation (whether legal or implied) by the Group of replacing the financial position of the company, in which case, a provision is recorded.

Goodwill relating to the associate or joint venture is included in the book value of the investment and is not amortized or an individual impairment test is performed.

Dividends received from these companies are deducted from the value of the investment and the results obtained by the same, corresponding to the Group under its interest is recorded in "Equity in earnings (loss) of associates accounted for using the method category participation".

2.8 Principles of consolidation and business combinations

The subsidiaries are consolidated, including in the consolidated statements all of its assets, liabilities, income, expenses and cash flows after making the adjustments and eliminations of intra-Group transactions financial statements.

The comprehensive income of subsidiaries are included in the consolidated statement of comprehensive income from the date on which the parent company obtains control of the subsidiary until the date loses control over it.

The consolidation of operations Codensa S.A. E.S.P. Parent company and subsidiaries were determined using the following principles:

1. At the time of takeover, the assets acquired and liabilities assumed of the subsidiary are recorded at fair value, except for certain assets and liabilities are recorded following the valuation principles set out in other NCIF. If the fair value of the consideration transferred plus the fair value of any non-controlling interest exceeds the fair value of the net assets of the subsidiary acquired, the difference is recorded as goodwill. In the case of a bargain purchase, the resulting gain is credited to income, after reassessing whether correctly identified all the assets acquired and liabilities assumed and review the procedures used to measure the fair value of these amounts.

For each business combination, society choose if you value the non-controlling interests in the acquiree at fair value or at the proportionate share of the net identifiable assets acquired.

If it is not possible to determine the fair value of all assets acquired and liabilities assumed at the date of acquisition, the company will report interim values. During the measurement period, not exceeding one year from the date of acquisition retrospectively adjusted the recognized provisional values and additional assets or liabilities are also recognized, to reflect new information obtained about facts and circumstances that existed on the date acquisition, but they were not known to the administration at that time.

In the case of business combinations achieved in stages, at the acquisition date, measured at fair value the previously held equity interest in the acquiree and the resulting gain or loss, if any, is recognized in profit.

2. The value of the participation of non-controlling shareholders in equity and comprehensive income of subsidiaries is presented, respectively, under the headings "Total Equity: non-controlling interests" in the statement of financial position consolidated and "Gain (loss) attributable to non-controlling interests "and" comprehensive income attributable to non-controlling interests "in the consolidated statement of comprehensive income.

3. The consolidated companies functional currency is Colombian peso, therefore no foreign currency.

4. The balances and transactions between consolidated companies were eliminated on consolidation.

5. Changes in participation in subsidiaries that do not result in a gain or loss of control are recorded as equity transactions, adjusting the book value of the shares control and non-controlling interests, to reflect changes in their relative interests in the subsidiary. The difference that may exist between the value at which non-controlling interests and the fair value of the consideration paid or received is set, is recognized directly in equity attributable to owners of the parent.

6. Business combinations under common control are recorded using reference to the "pooling interest" method. Under this method, assets and liabilities involved in the transaction are held reflected the same books that were registered in the last matrix value, this without prejudice to the possible need for accounting adjustments to homogenize the accounting policies of the companies involved.

Any difference between assets and liabilities contributed to the consolidation and the consideration paid is recorded directly in equity, as a charge or credit to "other reserves". The company does not apply a retrospective registration of business combinations under common control.

3. Accounting Policies

The main accounting policies applied in the preparation of the general-purpose Financial Statements attached hereto, have been the following:

3.1 Financial Instruments

3.1.1 Cash and other equivalent liquid cash media

This line item in the Financial Statement includes cash, bank balances, term deposits and other short-term investment (equal to or less than 90 days after the date of investment), high liquidity that are rapidly realized in cash and which have a low risk of change in their value.

3.1.2 Financial Assets

The Company classifies its financial assets in the following measurement categories: goals measured at reasonable value and those measured at amortized cost. The specification depends on whether the financial asset is a financial asset or equity.

3.1.2.1 Debt Instrument

(a) Financial Assets at Amortized Cost

A debt instrument is classified as measured at "amortized cost" only if meeting the following criteria: the purpose of the business model of the company is to keep the asset to obtain contractual cash flows, and the contractual terms give rise, on specified dates, to receiving cash flows that are only payments of principal and interest on the capaital pending payment.

The nature of the derivatives implicit in a debt investment is considered to determine if the cash flows of investment are only payments of principal and interest over the capital that is pending payment and, in such event, these are not accounted for separately.

(b) Financial assets at reasonable cost

If any of the tools mentioned criteria for financial assets at costs are not met, the debt instrument is classified as measured at "reasonable value with changes in results".

3.1.2.2 Equity instrument

All variable income instruments are measured by their reasonable value. The equity instruments that are kept to negotiate are valued at reasonable value with changes in results. For the rest of equity instruments, the Company can make an irrevocable election in the initial recognition to recognize changes in the reasonable value chargeable to other results integrated in the equity, instead of the results.

3.1.2.3 Derivative financial instruments and hedging activities

The derivatives are recognized initially at their reasonable value on the date on which the contract is entered into and are constantly revised at their reasonable value.

If the derivative financial instruments are not qualified to be recognized through the hedging accounting treatment, they are registered at their reasonable value through the income statement. Any change in the reasonable value of the derivatives is immediately recognized in the income statement as “other gains/losses, net”. If they are designated for hedging, the method to recognize the gain or loss resulting from the changes in reasonable value of the derivatives depends on the nature of the risk and the item that is being covered.

The Company designates certain derivatives such as:

(a) hedging of reasonable value of recognized assets or liabilities (hedging of reasonable value);

(b) hedging of a particular risk associated with a recognized asset or liability or a highly probable foreseen transaction (hedging of cash flow), or

(c) hedging of net investment in an overseas operation (hedging of net investment).

The Company documents, at the beginning of the hedging, the relationship of the hedging instruments and the hedged items, as well as their objectives and risk administration supporting their hedging transactions.The company also documents its evaluation, both at the beginning of the hedging and periodically as to whether the derivatives used in the hedging transactions are highly effective to compensate the changes in reasonable volumes or in the cash flows of the hedged items.

The total reasonable value of the derivatives used as hedging is classified as non-current asset or liability when the maturity of the remaining hedged item is more than 12 months, and it is classified as current asset or liability when the maturity of the remaining hedged item is less than 12 months. The derivatives that are not used for hedging or that are kept for being negotiated, are classified as current assets or liabilities.

(a) Reasonable value hedging

The changes in their reasonable value of the derivatives that are designated and qualified as reasonable value hedging are registered in the income statement, and the gain or loss of the hedged item attributable to the covered risk adjust the book value of the hedged item and are recognized in the results for the period. The gain or loss related to the cash portion of the derivatives are recognized in the income statement as “financial costs”, as well as the non-cash portion that is also recognized in the financial results but this time as “other gains/(loss), net”.

If the hedging no longer meets the criteria to be recognized through the hedging accounting criteria, the adjustment of the book value of the hedged item is amortized in the results using the effective interest method in the remaining period until its maturity.

(b) Cash flow hedging

The cash portion of the changes in reasonable value of the derivatives that are designated and that qualify as cash flow hedging are recognized in the equity. The gain or loss elative to the non-cash portion is recognized immediately in the income statement as “other gains/ (losses), net”.

The amounts accrued in the net equity are registered in the income statement for the periods on which the hedged item affects them. However, when the hedged transaction foreseen results in the recognition of a non-financial asset, the gains or losses previously recognized in the equity are transferred from the equity and included as part of the initial cost of the asset. The capitalized amounts are finally recognized in the cost of sales when the products are sold, if dealing with inventory, or in the depreciation, if dealing with properties, plant and equipment.

When a hedging instrument expires or is sold, or when it no longer needs the criteria to be recognized through the hedging accounting treatment, any gain or loss accrued in the equity on that date is kept in the equity and recognized when the projected transaction affects the income statement. When expected that there will be no projected transaction, the accrued gain or loss in the equity is transferred immediately to the income statement as “other gains/(losses), net”.

(c) Net investment hedging overseas

The hedging of net investment of operations overseas are correct in a similar manner as the cash flow hedging. Any gain or loss of the hedging instrument related to the cash portion of the hedging is recognized in the equity. The gainor loss related to the non-cash portion of the hedging is immediately recognized in the income statement as “other gains/(losses), net”.

The accrued gains and losses in the equity are transferred to the income statement when the operation overseas is sold or partially cancelled.

3.1.3 Debts (financial obligations)

The debts are initially recognized at the reasonable value, net of the costs incurred in the transaction. The debts are booked subsequently at their amortized cost; any difference between the funds received (net of the costs of the transaction), and the redemption value is recognized in the income statement during the loan period, using the effective interest method.

The costs incurred to obtain the debt are recognized as transaction costs to the extent that it is likely that the debt will be received in whole or in part. In such case, the fees are deferred until the loan is received.To the extent that there is no evidence of probability that part or all of the dead will be received, the fees are capitalized as costs paid in advance for services to obtain liquidity and are amortized in the loan period to which they are related.

The loans are classified in the current liabilities, unless the company has thev inconditional right of deferring payment of the obligation at least 12 months counted as of the date of the balance sheet. On the date of presentation of these Financial Statements, the Company has debt in bonds, does not have any loans and these beng immaterial, the cost of the transactions have been booked as results at the time of the bond issue.

The cost of general and specific debts directly attributable to acquisition, construction or production of suitable assets, which are those requiring a substantial time to be prepared for the expected use or sale, are added to the cost of said assets until the time in which the assets are substantially prepared for their use or sale. Revenues for investments obtained in the temporary investment of resources obtained from specific debts that have not yet been invested on qualified assets are deducted from the costs of interest susceptible of capitalization. All other debt costs are recognized in the income statement in the period in which they are incurred.

3.1.4 Financial assets and financial liabilities with related parties

Credits and debts will be related parties are initially recognized at the reasonable value of the transaction plus the directly attributable transaction costs. After the initial recognition, these credits and debts are measured at their amortized cost, using the effective interest method. The amortization of the interest rate is recognized in the income statement as revenues or financial costs or as operational revenues or expenses, depending on the nature of the asset or liability that generates it.

3.1.5 Commercial accounts payable

The commercial accounts payable are payment obligations for groups or services that have been acquired from the vendors in the regular course of business. The accounts payable are classified as current liabilities if the payment is to be made in a one-year time or less. If the payment is to be made in a period of more than one year, these are then presented as non-current liabilities.

The commercial accounts payable are initially recognized at reasonable value and subsequently at their amortized cost using the effective interest method.

3.1.6 Recognition and measurement

Conventional purchases and sales of financial assets are recognized on the date of negotiation, which is the date in which the company undertakes to purchase or sell the asset.The financial assets that are cancelled when the right to receive cash flows have expired or have been transferred and the company has substantially transferred all risks and benefits inherent in the property.

In the initial recognition, the Company values their financial assets at reasonable cost laws, in the case of a financial asset that is not measured at reasonable cost with changes in results, that transaction costs that are directly attributable to the acquisition of the financial asset. The asset transaction costs that are measured at their reasonable value with changes in results are directly accounted for in the profit and loss account.

The gain or loss in a debt instrument that is subsequently valued at its reasonable cost and which is not part of a hedging operation are recognized in the results and presented in the income statement as "other (losses) /gain - net" in theperiod in which they are caused.

The gain or loss in a debt instrument that is subsequently valued at its amortized cost and is not part of a hedging operation are recognized in the results of the period when the financial asset is canceled or impaired and through the amortization process using the effective interest method.

Subsequently, the Company measures all equity instruments at reasonable cost. When the administration has opted for presenting gains or losses at reasonable cost, unrealized and realized, and losses in equity instruments in other consolidated results, the gains and losses at reasonable cost cannot be registered in the results for the period. The dividends of equity instruments are recognized in the results, provided that they represent a return on investment.

The Company must reclassify all affected debt instruments if, and only if its business model for management of financial assets changes.

3.1.7 Financial instruments compensation

Financial assets and liabilities are offset and their net value is presented in its Financial Statement when there is a legally demandable right to offset the volumes recognized and the Administration has the intention of liquidating the net amount or realize the asset and pay for liabilities simultaneously.

3.1.8 Reasonable values

The reasonable values of investment in the stock market are based on their current listed price. If the market for a financial instrument is not active or the instrument is not listed in the stock exchange, the company establishes its reasonable cost using appropriate valuation techniques depending on the situation. These techniques include the use of values observed in recent transactions performed as per the terms of free competition, reference to other instruments that are substantially similar, and analysis of cash flows discounted and models of options making the best possible use of market information and trusting to the extent possible on in-house specific data.

3.2 Inventories

The stock in inventories includes material on which the risks have been acquired and the typical benefits of property; these classifications include materials such as those handled in the warehouses of the Company’s logistic operator.

The inventories are shown in the current asset or Financial Statements, even if done after 12 months, to the extent in which it is considered that they belonged to the regular operation.

The cost of inventories is made up of purchase cost and all costs that are directly or indirectly attributable to inventory, for example: transport, cost of duties, insurance, non-recoverable in direct taxes, etc. and net of discounts, bonuses and premiums of a commercial nature.

The cost is measured in accordance with the weighted average method, which considered the units of an article purchased in different dates and costs as part of a set in which individual purchases are no longer identifiable but all of them are equally available.

The weighted mean cost must include additional charges, for example: Marine freight cost, costumes costs, insurance etc., chargeable and acquired during the period.

The cost of the inventories may not be recoverable if that inventories are damaged, or partially or totally obsolete, or in some cases due to low turnover.

Obsolete materials are understood as those not expected to be sold or used during the ordinary functioning cycle, such as scrap and technologically expired materials. Surplus at a stock level that can be considered reasonable, in accordance with the normal use expected in the ordinary operating cycle, which can be considered as of slow movement. Obsolete and slow movement inventories have the possibility of being used or realized, which in some cases represents their cost as scrap sales.

Inventory items that are used in maintenance affect the Company’s results.

3.3 Non-current assets maintained for sale and discontinued activities

The Company classifies as non-current assets those held for sale of property, plant and equipment, intangibles, investments in associates, joined venture’s and groups subject to disappropriation (more of assets that will be sold together with associated liabilities), relative to which on the date of closing of the Financial Statement active processing had commenced for sale thereof and it is estimated that such sale is highly probable.

These assets or groups subject to disappropriation are booked at the lowest value between the book value and the reasonable value, less costs until the sale, and are no longer amortized from the moment in which they are classified as non-current assets held for sale.

Non-current assets held for sale and the components of groups subject to disappropriation, classified as held for sale are presented in the Financial Statement as follows: “non-current assets or group of assets for disposal, classified as held for sale” and liabilities are also in a single line that reads “Liabilities included in groups of assets for disposal, classified as held for sale”.

In turn, the Company considers discontinued activities the significant and separable business line that have been sold or have been disposed of by different means, or that meet the conditions to be classified as held for sale, including, in each case, other assets that together with the business line are part of the same sales plan. Similarly, also considered discontinued activities are those entities acquired exclusively for resale purposes.

The results after taxes of discontinued activities are presented in a single line of the consolidated results reading “gain (loss) of discontinued operations”. On the date of presentation of the Financial Statements, the company does not have any non-current assets held for sale, nor discontinued activities.

3.4 intangible Assets

Intangible assets are recognized initially for their cost of acquisition or production and, subsequently, are valued at net cost of the respective cumulative amortization and the losses for impairment that, in each case, have been experienced.

Intangible assets are amortized linearly throughout their life, as of the moment in which they are in usable condition.

Criteria for recognition of losses for impairment of these assets and, in each case, the recovery of losses for impairment registered in previous years, are explained in the policy on impairment of asset value.

(a) Research and Development Costs

The Company applies the policy of recording as intangible assets in the Financial Statement the cost of projects in their development phase, provided that their technical viability and economic profitability are reasonably assured.

Research costs are recognized directly in the period results.

(b) Other intangible assets

These assets correspond fundamentally to IT software, rights and easements. Their accounting recognition is done initially at the cost of acquisition or production and, consequently, they are probably at net cost of the respective cumulative amortization and the losses for impairment that, in each case have been experienced.

Use life for amotization:

Concept	As of 31 December 2015 in years	As ofDecember 31 2014 in years
Studies and projects	2	2
Licences	3	3
Easements	50	50
Software	4	4

3.5 Properties, plant and equipment

Properties, plant and equipment are valued at their acquisition cost, net of the respective cumulative depreciation and the losses for impairment that have been experienced. Additionally, at the price paid for acquisition of each item, the cost also includes, in each case, the following factors:

(in thousands of pesos)

- The cost of general and specific interest that are directly attributable to acquisition, construction or production of suitable assets, which are those necessarily requiring a given substantial time before they are ready for the use expected or for sale, are added to the cost of said assets until the time in which the assets are substantially ready for their intended use or for sale. The Company defines substantial period as that exceeding 12 months. The interest rate used is that corresponding to the specific financing or, if not available, the average rate of financing of the Corporation making the investment. In 2015 no interest have been capitalized on construction projects.

- Personnel expenses related directly to constructions underway.

- Future disbursements that the Company will have to make in relation with the closing of its facilities are incorporated to the asset value for the updated value, recognizing from an accounting standpoint the respective provision for decommissioning or restoration. The Company reviews annually its estimates on the aforementioned future disbursements, increasing or decreasing the asset value in function of the results of said estimation. (See Note16, number 4).

- Some components of property, plant and equipment are the spare parts when they meet the recognition characteristics; these spare parts are not part of that material inventory.

Constructions underway are transferred to assets in exploitation wants the trial period has been completed, that is, when they are available for use, as often when their depreciation starts.

The costs for upgrading, modernizing or enhancing representing an increase in productivity, capability, efficiency or extension of the useful life of goods are capitalized as greater cost of the respective goods.

The substitutions or renovation of complete items that Increase the useful life of a good, or its economic capacity, are registered as greater value of the respective goods, taking the substituted or renewed items out of the accounting.

Periodical maintenance, conservation and repair costs are registered directly in the income statement as costs in the period they were incurred on.

The Company, based on the process of the impairment testing, considers that the accounting value of assets does not exceed the recoverable value thereof.

Property, plant and equipment, in this case net of its residual value, is depreciated distributing linearly the cost of the variable components during their estimated life, which constitutes the time in which the Company expects to use them. The estimated life and residual value are revised periodically and, if applicable, adjusted in a prospective manner. On the date of issue of these Financial Statements, the Company did not consider significant the residual value in it fixed assets.

Following are the main types of property, plant and equipment, together with their respective estimated useful life.

classes of property, plant and equipment	to december 31, 2015	to december 31, 2014	to January 1 , 2014
	Years	Years	Years
constructions and buildings			48
plant and ducts	17	17	20
Nets, lines and cables	15	14	30
Machinery and equipment	17	15	11
Equipment of office	10	10	9
Fleet and transport equipment	5	5	5
Equipment of comunication	7	9	7

At the beginning of the second half of 2014, the Company began the revide aimed at equalizing information on technical assets with the accounting information on them, defining the opening of its technical sytems in the electric assets, as well as the updating of their remaining useful life.

As a result of this project, on 29 December 2014, the opening of electric assets as substations, lines and networks in the accounting system was made in the accounting system and the remaining average useful life was modified, which were applied as of 1 January 2015.

The change in useful life corresponds to the average of each category, which may vary from one year to the other due to the effect of fully depreciated assets.

Lands are not depreciated as their useful life is undefined.

The excess of tax depreciation versus accounting depreciation generates a tax effect that is registered as a passive deferred tax.The Company, in addition, has established a reserve in Equity equivalent to 70% of the greater depreciation value requested from a tax perspective, in accordance with article 130 of Tax Statute.

The gains or losses arising from sales of goods under property, plant and equipment are recognized as other gains (losses) in the consolidated income statement, and are calculated by deducting the sum received for the sale, the net accounting value of the sale, and the respective sale costs.

3.6 Asset impairment

(a) Non-financial assets (except for Inventories and assets for deferred taxes).

Throughout the period and essentially on its date of closing, an assessment is performed to determine if there is any indication that an asset could have been the subject of loss for impairment. Should there be any sign, an estimation is made of the recoverable value of said asset to, determine, as the case may be, the value of the impairment. If dealing with identifiable assets not generating cash flows independnelty, the recoverability is estimated for the Cash Generating Unit (CGU) to which the asset belongs to, understanding as such the smaller group of assets generating independent cash inflows.

The recoverable value is the greater bewteen the reasonable value less the cost required for its sale and the value in use, understanding this as the effective value of estimated future cash flows. For calculation of the recovery value of property, plant and equipment, capital gain, and intangible assets, the value in use is the criterion used by the Company in nearly every case.

To estimate the value in use, the Company prepares the forecast of cash flows before taxes based on the most recent budget available. These projects incorporate the best estimates of the Administration regarding revenues and costs of the Cash Generating Units, using sectorial projections, past experience, and future expectations.

These projections, in general, cover the next 10 years, estimating cash flows for coming years by applying reasonable growth rates, which are neither growing, nor exceeding average long term growth rates, for the respective sector. These flows are discounted to calculate its current value add a rate before taxes, which reflects the business capital costs. For these calculation, the current cost of money is considered, as well as the risk premiums used in general by business analysts. In the event that the CGU recoverable value is less than the net book value of the asset, the respective provision is registered for the impairment loss for the difference, chargeable to the line item “Losses for impairment of value (Reversal)”in the income statement. Said provision is allocated, first, to the added value of the CGU, if any, and then to the other assets that make it up, by prorating on the basis of the accounting value of each of them, with a cap of their reasonable value less the sales cost, or its use cost, with no possibility of a negative value.

Losses for impairment recognized in an asset in previous years are reversed when there is a change in estimates of the recoverable cost, increasing the value of the asset, crediting it to the results with the cap of the book value that the asset would have had should the accounting adjustment not be made. With respect to capital gain, accounting adjustments that could have been made are not reversible.

(b) Financial assets

(in thousands of pesos)

The Company assesses at the end of each period if there is objective evidence of impairmanent on value of a financial asset or group of financial assets measured at amortized cost. A financial asset or a group of financial assets are impaired and the losses for impairment of value have been incurred if there is objective evidence of impairmanent resulting from one or more events that have occurred after the initial recognition of the asset (a "loss event") and the loss event (or events) has an impact on future estimated cash flows of the financial asset or group of financial assets that can be calculated in a reliable manner.

For determining the need of making an adjustment for impairment on financial assets, the procedure is as follows:

1) For commercial origin assets, the Company has defined a policy for the register of impairment provisions depending on the seniority of the balance due, which is applicable in general, except in cases were there is a special characteristic that makes it advisable to perform a specific analysis of collection probability.

The Company performed an analysis based on the nature, impairment and payment behavior by type of portfolio and nature of clients, having established the following impairment percentages:

Energy portfolio:

class portfolio	Residential	Comercial	Industrial	Oficial	Street lighting municipalities
Energy Portfolio					
between1 and 180 days	2,9%	4,6%	4,2%	0,4%	0,1%
Between 181 and 360 days	33,4%	28,6%	13,4%	6,4%	1,3%
Higher and 360 days	100%	100%	100%	100%	100%
agreed portfolio	13,8%	16%	35%	51,6%	51,6%
Frozen Portfolio					
Creditor agreement	100%	100%	100%	100%	100%
Less than 360 days	77,7%	77,2%	76,9%	96,9%	96,9%
Mor tan 360 days	100%	100%	100%	100%	100%

In the particular case of public lighting portfolio with the Capital District, an individual evaluation is performed.

The analysis of impairment percentages is reviewed every two years.

Other businesses

The following provision percentages will be applied to Codensa's portfolio of services, electrical work, and work for private parties, infrastructure and electricity companies.

Provision	Age
1,31%	Current portfolio - 1 to 30 days
7,16%	Portfolio between 31 and 90 days in arrears
20,74%	Portfolio between 91 and 180 days in arrears
34,23%	Portfolio between 181 and 360 days in arrears
100%	Portfolio of more than 360 days

The write-off of the portfolio is recognized once there is legal or material certainty of the debt loss. For this write-off to be applicable, it is required to prove the insolvency of the debtors, the lack of real guarantees or any other cause that proves the impossibility to recover the debt with certainty.

(1) In the case of financial origin balances receivable, the determination of the need for impairment is done through a specific analysis in each case; up to the date of issue of these Financial Statements, there are no financial assets for a significant amount that are not of a commercial origin.

3.7 Leasing

For determining whether a contract is, or contains, leasing, the Company analyzes the economic background of the agreement, evaluating if performance of the contract depends on the use of a specific asset and if the agreement transfers the right of use of the asset. If both conditions are met, at the beginning of the contract, based on their reasonable values, payments and considerations related to the leasing are separated from those corresponding to other items incorporated in the agreement.

The leasings where all risks and benefits inherent in the property are substantially transferred are classified as financial. The rest of the leasings are classified as operational.

The financial leasings under which the company acts as lesee, are recognized at the beginning of the contract, registering an asset according to its nature and liabilities for the same amount and equal to their reasonable value of the leased good, or at present value of minimum payments for the lease, should it be less. Subsequently, the minimum payments for leasing are divided between financial cost and debt reduction. The financial cost is recognized as expense and it is distributed between the periods that constitute the leasing term, thus obtaining a constant interest rate in each period. The financial cost is recognized as expense and is distributed among the periods that constitute the leasing term, so that a constant interest rate is applied in each period over the balance of debt pending amortization. The asset is depreciated in the same terms than the rest of similar depreciable assets, should there be reasonable certainty that the lessee will acquire the property at the end of the leasing. If there is no such certainty, the asset is depreciated in the shortest term between the useful life of the asset or the leasing term.

With regard to operational leasings, the installments are recognized as expense in case of being the lessee and as revenues in case of being the lessor, in a linear manner for its term, except if there is another systematic distribution base that is more representative.

3.8 Provisions, contingent liabilities and contingent assets

The obligations existing on the date of the Financial Statements, resulting from past events or that may generate equity damage of likely materialization for the company, whose amount and type of payment are uncertain, are registered in the Financial Statement as provisions for the real value that is estimated as most likely for the company to cancel the obligation.

The provisions are quantified taking into account the best information available on the date of issue of the Financial Statements, related to the consequences of the event, including their cost to be re-evaluated at the subsequent accounting close.

As part of the provisions, the Company includes the best estimates on risk of civil and labor lawsuits; therefore, it is not expected that liabilities will be derived therefrom other than those registered; given the characteristics of the risks covered by these provisions, it is not possible to determine a certain date for payment of the estimated obligation.

When evaluating the loss probability, the available evidence should be considered, as well as case law and juridical evaluation.

The risk of civil and labor lawsuits that are considered eventual are disclosed in the Notes to the Financial Statements.

A contingent asset is caused by the occurrence, or non- occurrence, of one or more uncertain events in the future, which are not fully controlled by the company. The likely occurrence of benefits is disclosed and, if the realization of revenues is almost certain, it is recognized in the Financial Statements. The Company shall abstain from recognizing any asset of a contingent nature.

3.9 Taxes

It includes the cost of mandatory general nature levys in favor of the State and payable by the Company on account of private calculations that are determined on the taxable basis of the physical year, in accordance with tax regulations of national and territorial order governing the locations where the Company operates.

3.9.1 Income and Supplementary Taxes, Equity Income Tax (CREE), and Deferred Tax

The cost of income on gains for the period includes income tax, equity income tax (CREE), CREE Surcharge and Deferred tax, resulting from application of the type of levy on the period's taxable base, after applying the deductions that are allowed from a tax perspective, plus the variation of assets and liabilities for deferred taxes and tax credits. DIfferences between the accounting value of assets and liabilities and their tax base generate the balance of deferred taxes of assets or liabilities, which are calculated using the tax rates expected to be valid when assets and liabilities are realized, considering for such purpose the rates that at the end of the period reported have been approved or the approval process is close to an end.

The provision for income tax is calculated at the oficial rate as of 31 December 2015 at a 39% rate. This rate includes the 25% income tax, the equity income tax, CREE, and the 14% surchage, using the accrual method, determining it based on the commercial profit in order to properly relate the revenues of the period with its respective costs and expenses, registering the amount of the estimated liabilities.

Law 1739 of 2014 modified the equity income tax rate (CREE) as of taxable year 2016, from 8% to 9%, indefinitely, which affects the taxable profits obtained each year; additionally, this same law established the CREE Surcharge of 5%, 6%, 8% and 9% for the years 2015, 2016, 2017 and 2018, respectively.

The asset or deferred taxes are recognized because of all deductible temporary differences, losses and tax credits not used, to the extent that it is likely that there will be future tax gains sufficient to recover deductions for temporary differences and to make tax credits effective, except if the deferred tax relative to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that:

(a) Is not a business combination, and
(b) At the time it was realized, it did not affect either the accounting guarantee or the tax gain (loss).

With respect to deductible temporary differences related to investment in subsidiaries, associates and joint ventures, assets for deferred taxes are recognized only to the extent that it is likely that the temporary differences will revert in the foreseeable future and if there are tax gains against which the temporary differences can be used.

Liabilities for deferred taxes are recognized for all temporary differences, except for those derived from the initial recognition of added values and those whose origin stems from the valuation of investment in affiliates, associates and joint ventures, where the company can control their reversion and it is likely that there will will be no reversions in a foreseeable future.

The effects of temporary differences that imply payment of a lower or higher income tax in the current year are booked as deferred tax credit or debit respectively at the current tax rate when the differences are reversed (40% for the year 2016, 42% for the year 2017, 43% for the year 2018 and 34% in subsequent years), provided there is a reasonable expectation that such differences will be reversed in the future and, also for assets, that in that moment sufficient taxable rate will be generated.

The current tax and the variations in deferred taxes on assets or liabilities are registered in the results or in Total Equity lines in the financial situation statement, according to where the gains or losses that give rise to them have been registered.

The discounts that can be applied to the amount determined as liability for current tax are chargeable in the results as a contribution to "Cost of Taxes on Gains", except if there are doubts about tax realization, in which case they are not recognized until their effective materialization, or if they correspond to specific tax incentives, which in that event are registered as grants.

For each accounting close, the registered deferred taxes are reviewed, both assets and liabilities, in order to prove that they are in force, making timely corrections thereon, in accordance with the results of the aforementioned analysis.

Income tax is presented net, after deducting advanced payments made on favorable withholdings at source.

Assets for deferred taxes and liabilities for deferred taxes are presented net on the financial situation statement, if there is a legal right to offset assets for current taxes against liabilities for current taxes, and only if such deferred taxes are related to taxes on gains corresponding to the same tax authority.

3.9.2 Taxes on wealth

Law 1739 of December 2014 created the tax on wealth for the years 2015 to 2017 for companies. The tax is determined at a rate of 1.15%, 1% and 0.4% for the years 2015, 2016 and 2017, respectively, for equities above $5,000,000; and are calculated annually on the liquid equity as of first January of each taxable year, less $5,000,000.

The legal obligation of the tax on wealth is applicable to taxpayers who are companies as of 1 January 2015, 2016 and 2017.

In January 2015, the Company recognized the liabilities for the tax corresponding to 2015, affecting the income statement.

3.9.3 Tax on Equity

Law 1370 December 2009 established a new tax on equity for the taxable year 2011, at a rate of 2.4% for taxpayers with a tax equity above $3,000,000 and below $5,000,000, and 4.8% for taxpayers with equity equal to or greater than $5,000,000.

Subsequently, Decreee 4825 of December 2010 established a 25% Surcharge on the tax on equity, for taxpayers with equity equal to or above $3,000,000.

This tax was imposed on equity held as of 1 January 2011 and its payment was made in eight equal installments between years 2011 and 2014. (See Note2.3, letter b, note h).

3.10 Employee Benefits

(a) Pensions

The Company has commitments related to pensions, both for defined provision and to defined contribution, which are managed basically through pension plans. For the defined provision plans, the company registers the costs corresponding to these commitments based on the accrual criterion throughout the employees' working life; on the date of the Financial Statements there are actuarial studies calculated with the projected credit unit method; costs for past services corresponding to variations in benefits are recognized immediately and the commitments for defined provision plans represent the current value of obligations accrued. The company does not have assets affected by these plans.

(b) Other obligations subsequent to the working relationship

The Company grants to its employees retired with pension benefits as educational, electric energy and heath aid. The right to the aforementioned benefits depends usually on the employee having worked until the age for retirement. The costs expected for such benefits are accrued during employment, using a methodology similar to that of the defined benefit plans. Actuarial losses and gains arise from adjustments based on experience and changes in actuarial assumptions, and are charged or credited to other integral results during the period of occurrence. These obligations are valued annually or when required by the home office, by qualified independent actuarians.

The retroactivity of severance pay, considered post employment benefit, is calculated for those employees belonging to the labor regime previous to Law 50 of 1990 and who did not embrace the regime change, liquidating this social benefit for the whole time worked, based on the last earned salary. In the latter case, only a reduced number of employees and actuarial gains and losses derived from adjustments from experience and changes in actuarial assumptions, are charged or credited to another integral result.

The Company implemented a voluntary retirement plan that contemplates within its benefits a temporary income for employees who embrace it and who have less than 10 years left to obtain the right to Old Age pension. The benefit consists in monthly payment between 70% and 90% of salary of an economic benefit, from the moment of contract termination upon mutual consent and up to four (4) months after the worker meets the age requirement currently set out by the law to have access to old age pension (62 years for men, 57 years for women); these payments will be made using resources allocated by the Company in a fund established for each beneficiary. It has been treated as a post–employment benefit given that it is the responsibility of the Company to supply the additional resources required for the fund to meet this obligation or to receive reimbursement in case of excess payments. The obligation for the benefits defined is calculated by independent actuarians using the projected credit unit method.

(c) Long Term Benefits

The Company recognizes its active employees benefits associated to their time of service, such as five-year periods. The costs expected for such benefits are accrued during employment, using a methodology similar to that used for the defined benefit plans.

The actuarial gains or losses arising from adjustments for experience and changes in actuarial assumptions are charged to or credited in the results for the period of occurrence. These obligations are valued annually or when required by the home office, by qualified independent actuarians.

(d) Benefits for employee loans

The Company grants its employees credits at rates below market rates, and therefore, there present value is calculated discounting future flows at market rates, recognizing it as paid benefit in advance the difference between the market rate and the rate granted, chargeable to accounts receivable. The benefit is amortized during the life of the loan as greater value of personnel expenses and the accounts receivable are updated to the amortized cost, reflecting its financial effect on the income statement.

3.11 Estimation of reasonable value

The reasonable value of an asset or liability is defined as the price that would be received for selling and asset or paid for transferring a liability in a transaction arranged among market participants on the date of measurement.

The measurement at reasonable value supposes that the transaction for selling an asset or transferring a liability takes place in the major market, that is, the market with the greatest volume and level of activity for the asset or liability. In absence of a major market, it is supposed that the transaction takes place in the most beneficial market to which the entity has access to, that is, the market that optimizes the price that would be received for selling the asset or minimizes the price that would be paid for transferring the liability.

For determining the reasonable value, the Company uses the valuation techniques that are appropriate for the situation and on which there is sufficient data available to make the measurement, maximizing the use of relevant evident input data and minimizing the use of non-evident input data.

Considering the hierarchy of input data used in the valuation techniques, the assets and liabilities measured can be classified in the following levels:

Level 1: quoted prize (not adjusted) in an active market for identical assets and liabilities;

Level 2: input data different than the quoted prices that are included in level I and which are evident for assets or liabilities, whether directly (that is, as price) or indirectly (that is, derived from price). The methods and hypothesis used to determine level 2 of reasonable values, by class of financial assets or financial liabilities, take into account the estimated future cash flows, discounted with the zero coupon curves of the type of interest of each currency. All the described valuations are carried out through external tools such as “Bloomberg”; and

Level 3: input data for assets or liabilities that are not based on evident market information (inputs not evident).

For the measurement of the reasonable value, the Company takes into account the characteristics of the asset or liability, particularly:

For non-financial assets, a measurement of the reasonable value takes into account the capacity of the market participant to generate economic benefits by using the asset at its optimal use, or through its sale to other market participants who want to use the asset at its optimal use;

- For liabilities and equity instruments, the reasonable value supposes that the liability will not be liquidated and that the equity instrument will not be canceled, nor extinguished otherwise on the date of measurement. The reasonable value of the liability reflects the effect of default risk, that is to say, the risk that an entity fails to meet an obligation, which includes, but without limitation, the risk of the Company’s own credit;

- As regards financial assets and financial liabilities with offset positions as to market risk or credit risk of the counterpart, it is allowed to measure their reasonable value on a net base, in coherence with the way in which market participants could set the price of net risk exposure on the date of measurement.

3.12 Conversion of foreign currency

(a) Operating currency and presentation currency

The line items included in the Financial Statements are valued using the currency of the main economic environment in which the Entity operates (Colombian pesos).

The Financial Statements are presented in “Colombian pesos”, which, in turn, is the operational currency and the presentation currency of the Company. Its figures are expressed in thousands of Colombian pesos, except for the net profit per share at the market representative rate, which are expressed in Colombian pesos while the foreign currency (for example dollars, euros, sterling pounds, etc.) are expressed in units.

(b) Transactions and balances

Company operations in any currency other than its operational currency are registered at the type of exchange rates in force at the time of the transaction. Throughout the year, the differences arising between the type of exchange booked and that the influence on the date of collection of payment are registered as exchange differences in the consolidated income statement.

Similarly, at the close of each year, the conversion of balances receivable or payable in a currency other than the operational one for each company, is done at the type of exchange in force on the closing date. The valuation differences are registered as exchange differences in the consolidated income statement.

Balances denominated in foreign currency are expressed in Colombian pesos at the exchange representative rates on 1 January 2014, 31 December 2014, and 31 December 2015 of $1,918.62, $2,392.46 and $3,149.47 for US$1 and $2,662.11, $2,910.67 and $3.437.64 for 1 Euro.

3.13 Classification of balance as current and non-current

The Company presents in its Financial Statement the assets and liabilities as current and non-current, after excluding the assets and liabilities available for sale; cash and cash equivalents are classified as current, as the intent is to realize, sell or use them during the normal cycle of operations of the Company or in the next 12 months after the reported period, all other assets are classified as non-current. Current liabilities are those that the Company expects to liquidate within the normal cycle of operations or within the 12 mnths following the reported period, all other liabilities are classified as non-current.

Assets and liabilities for deferred taxes are classified as non-current assets and liabilities in all events.

3.14 Revenues recognition

Revenues are booked according to the accrual criterion.

Regular revenues are recognized whenever there is gross inflow of economic benefits generated during the course of ordinary Company activities during the period, provided that such input generates an increment in the total equity that is not related to the contributions made by the owners of that patrimony and those benefits can be valued reliably. Ordinary revenues are valued at the reasonable value of the consideration received or to be received, derived therefrom and booked as per the accrual criterion.

The following criteria are followed for recognition thereof:

Distribution and commercialization of electric energy: revenues are registered in accordance with the amounts of electric energy supplied to the clients during the period, at prices established in the respective contracts or prices stipulated by the electric market under the current regulations, as the case may be. These revenues include an estimate of energy supplied but not yet read in the client's meter.

Ordinary revenues derived from the provision of services are recognized only when they can be estimated reliably and according to the degree of realization of service provision on the date of the financial statement.

The Company excludes from the ordinary revenues figure the gross inflows of economic benefits received when acting as agent or commissioner on account of third parties, registering as ordinary revenues only those that correspond to its own activity.

Exchanges of goods or services swaps for other goods or services of similar nature and price are not considered transactions that generate ordinary revenues.

The Company registers the net amount of purchase or sale contracts of non-financial items that are calculated by the net cash or other financial instrument. The contracts that have been entered into and maintained with the purpose of receiving or delivering said non-financial items are registered in accordance with the contractual terms of purchase, sale or utilization requirements expected by the Entity.

The gains or losses derived from changes in the financial assets at reasonable value with changes in results are presented in the profit and loss account under Others (losses)/gains- net in the period in which they arise.

Revenues for dividends of financial assets at reasonable value with changes in the results are recognized in the profit and loss account as part of other revenues upon establishing the right that the Company has to receive payments. Changes in the reasonable value of monetary and non-monetary securities classified as available for sale are recognized in the other consolidated results.

Revenues (expenses) for interests are booked considering the effective interest rate applicable to the principal pending amortization during the respective accrual period.

3.15 Costs and expenses recognition

The Company recognizes its costs and expenses to the extent of economic events occurrence so that they are registered systematically in the corresponding accounting period, regardless of the monetary or financial resource flow. Expenses are made up of payments not classified to be registered as cost or investment.

Costs include electric energy purchases, personnel costs or third party costs related directly to the sale or service provision, depreciation, amortization, etc.

Expenses include maintenance of assets, costs of the transmission system, taxes, public utilities, etc. all of the foregoing incurred by processes responsible for the sale or the service provision. Investment includes costs directly related to the creation or acquisition of an asset that requires a substantial period to get it into condition for use or sale. Also, costs that are capitalized as construction underway are costs of personnel directly related to the construction of projects, interest costs on debt destined to finance projects, and major maintenance costs that extend the useful life of the existing assets, among others.

3.16 Corporate equity

Ordinary shares, with or without preferential dividend, are classified under equity.
Incremental costs that are directly attributable to the emission of new shares or options are shown in the equity as a deduction of the amount received net of taxes.

3.17 Reserves

Registered as reserves are the appropriations authorized by the General Shareholders Assembly, chargeable to other period's results to comply with legal provisions or two cover expansion plans or financing needs.

Legal provisions that contemplate the establishment of reserves applicable to the Company are the following:

- Article 130 of the Tax Statute that contemplates the appropriation of net profits at 70% of the greatest value of tax depreciation over accounting depreciation, calculated pursuant to local accounting norms. This reserve can be released to the extent that the depreciations booked subsequently exceed those requested annually for tax purposes, or the assets that generated the greater deducted value are sold.

  The Commercial Code provides for the Company to appropriate 10% of its net annual profits determined pursuant to local accounting norms as legal reserve until the balance of such reserve is equivalent to 50% of the subscribed capital. The mandatory legal reserve cannot be distributed before liquidation of the Company, but it can be used to absorb or reduce net annual losses. The balance of the reserve exceeding 50% of the subscribed capital are freely available for shareholders.

3.18 Profit per share

The basic profit per share is calculated as the quotient between the net gain of the period attributable to Company shareholders and the average weighted number of ordinary outstanding shares in said period, after making the appropriation for preferent dividends corresponding to 20,010,799 shares as of 31 December 2015, 20.010.700 shares to 31 december 2015, 2014 and 1 January 2014 of Empresa de Energía de Bogotá S.A. E.S.P. Preferent dividends have a value of US$0.10 per share.

3.19 Dividend distribution

Mercantile laws in Colombia stipulate that, once making the appropriations for legal reserve, statutory reserve or other reserves and tax payments, the rest will be distributed among the shareholders, in accordance with the share distribution project presented by the Company Administration and approved by the Shareholders Assembly. The dividend payment will be made in cash on the dates set out by the Shareholders Assembly to those qualifying as shareholders at the time of payments being payable.

(in thousands of pesos)

When it is necessary to absorb losses, these will be covered with reserves specially designated for such purpose and, otherwise, with the legal reserve. Reserves whose purpose is to abosorb specific losses cannot be used to cover Others, except if so decided by the Shareholders Assembly.

At the close of the period, the amount of the obligation with the shareholders is determined, net of the provisional dividends approved in the course of the exercise, and it is registered in the accounting under the line “comercial bonds and other accounts payable” and under “accounts payable to related entities”, as the case may be, chargeable to total equity. The provisional and definitive dividends are registered as the lower “total equity” at the time of its approval by the competent body, which in first instance is the Company’s Board of Directors, while in the second case, the responsibility is of the General Shareholders Assembly.

3.20 Operational segments

An operational segment is a component of an Entity, which:

(a) develops business activities from which it may derive revenues, ordinary activities, and incur in expenses (including revenues from ordinary activities and expense for transactions with other components of the same Entity),
(b) whose operational results are reviewed regularly by the maximum operations decision making authority, to decide on resources that are to be allocated to the segment and to evaluate their performacne; and

(c) for which there is differentiated financial information. T

The Company, for all purposes, in accordance with the guidelines of the NIIF 8, only has one operational segment associated with the electric energy business. Inversora Codensa S.A.S. has investment purposes in domiciliary energy services.

4. Cash and cash equivalent

		As of 31 december 2015	As of 31 december 2014	As of 1 January 2014
Bank Balance	$	338.466.096	397.888.871	334.317.468
Term deposits (1)		60.000.000	114.500.000	78.951.977
Cash		21.569	9.690	17.672
Other cash and cash equivalents		3.987.839	10.062.830	14.924.394
	$	**402.475.504**	**522.461.391**	**428.211.511**

The equivalent detail in pesos by type of curreency of the previous balance is the following:

	As of 31 december 2015		As of 31 december 2014		As of 1 January 2014	
Colombian Pesos	$	402.093.343	$	522.184.555	$	428.158.930
U.S dollars		373.277		276.800		45.337
Euros		8.884		36		7.244
	$	**402.475.504**	**$**	**522.461.391**	**$**	**428.211.511**

(1) The term deposits correspond to a Term Deposit expiring in a term equal to or of less than three months from the date of acquisition and accrue market interest for this type of short term investment, which are listed below:

As of 31 December 2015:

(in thousands of pesos)

Entity		Value	Purchase Date	Manurity Date Term	(Days)	EA Rate
GNB Sudameris	$	30.000.000	23/12/2015	23/03/2016	89	6,60%
Banco de Bogotá		30.000.000	23/12/2015	23/03/2016	90	6,50%
Total	**$**	**60.000.000**				

As of 31 December 2014:

Entity		Value	Purchase Date	Maturity Date	(Days)	EA Rate
Banco de Bogotá	$	82.500.000	31/10/2014	28/01/2015	89	3,45%
Banco de Bogotá		12.000.000	18/12/2014	16/03/2015	88	4,2%
Banco GNB Sudameris		10.000.000	30/10/2014	28/01/2015	90	4,4%
Banco Avvillas		10.000.000	28/10/2014	28/01/2015	90	4,3%
Total	**$**	**114.500.000**				

As of 1 January 2014:

Entity		Value	Purchase date	Maturity Date	(Days)	EA Rate
Banco GNB Sudameris	$	65.500.000	25/10/2013	23/01/2014	90	3,45%
Banco GNB Sudameris		9.091.764	26/12/2013	25/03/2014	90	4,2%
Banco de Bogotá		4.360.213	11/12/2013	11/03/2014	90	4,4%
Total	**$**	**78.951.977**				

(2) Trusts and collective portfolios correspond mostly to:

		As of 31 december 2015	EA Rate		As of 31 december 2014	EA Rate		As of 1 january 2015	EA Rate
Fondo Abierto Alianza	$	3.464.077	2,72%	$	304.104	3,51%	$	-	-
Fiduciaria Bogotá		198.341	4,22%		264.537	2,85%		3.916	2,25%
Credicorp		172.296	4,69%		5.069.575	2,92%		-	-
Corredores Asociados		83.463	4,91%		88.110	3,16%		7.924.328	3,49%
Valores Bancolombia		36.803	5,07%		254.047	3,3%		106.168	3,18%
Fiduciaria Corficolombiana		26.846	4,49%		3.815.358	2,76%		6.750.023	2,60%
BBVA Fiduciaria		6.013	5,21%		267.099	2,65%		-	-
Alianza Valores		-	-		-	-		104.373	2,92%
Correval		-	-		-	-		33.123	2,76%
Fiduameris		-	-		-	-		2.463	2,99%
Total	**$**	**3.987.839**		**$**	**10.062.830**		**$**	**14.924.394**	

As of 31 December 2015, the Company had $4,403,766 authorized credit lines not used, jointly with Emgesa and its affiliate that can be reallocated between the two Companies, with respect to which, if required, the financial Entities will make an update of conditions for approval and disbursement.

Additionally, there in an intercompany approved credit line with Emgesa for USD$100 million for general purposes of the Company. As of 31 December 2015, thre are neither restrictions, nor limitations on the cash shown in the Financial Statements.

5. Other financial assets

	As of 31 december 2015		As of 31 december 2014		As of 1 January 2014	
	Current	Non- Current	Current	Non-current	Current	Non-current
Financial investment- not listed corporation Or with Little liquidity (1) investment	$ -	$ 16.476	$ -	$ 26.515	$ -	$ 26.545
Maintained until maturity	-	-	69.062.850	-	268.088.259	-
	$ -	**$ 16.476**	**$ 69.062.850**	**$ 26.515**	**$ 268.088.259**	**$ 26.545**

(1) Corresponds to financial investments in non listed corporations as follows:

Equity Securities	Economic Activity	Ordinary Shares	% share	As of 31 december 2014	As of 31 december 2014	As of 1 January 2014
Electrificadora del Caribe S.A E.S.P	Energía	654.735	0,0013%	$ 16.192	$ 26.231	$ 26.261
Sociedad Portuaria Central Cartagena S.A.	Admón. Portuaria	2.842	4,9%	284	284	284
				$ 16.476	**$ 26.515**	**$ 26.545**

As of 31 December 2015, the losses derived from investment in Electricaribe S.A E.S.P resulting from the Valuation by the multiples method were registered in other consolidate results for ($10,039). The Value of the losses are transferred directly to cummulative gains and will not be reclassified to the results of the equivalent period.

(2) Term deposits correspond mostly to TDCs expiring in a term of more than three months from their date of acquisition and accrue market interest for this type of short term investment listed below:

As of 31 December 2015, the Company does not have TDC's of more than 90 days. As of 31 December 2014:

		Value	Purchase Date	Maturity Date	Term (Days)	EA Rate
Banco Caja Social	$	8.000.000	26/09/2014	5/01/2015	99	4,35%
Banco Caja Social		8.000.000	26/09/2014	29/01/2015	123	4,35%
Banco Colpatria		9.000.000	26/09/2014	8/01/2015	102	4,40%
Banco Colpatria		9.000.000	26/09/2014	12/01/2015	106	4,40%
Banco Colpatria		9.000.000	26/09/2014	15/01/2015	109	4,40%
Banco Colpatria		9.000.000	26/09/2014	19/01/2015	113	4,40%
Banco Colpatria		9.000.000	26/09/2014	22/01/2015	116	4,40%
Banco Colpatria		5.000.000	26/09/2014	26/01/2015	120	4,40%
Bancolombia		3.062.850	5/12/2014	22/03/2015	107	4,70%
Total	**$**	**69.062.850**				

As of 1 January 2014, it corresponds mostly to:

		Value	Purchase Date	Maturity Date	(Days)	EA Rate
Banco de Bogotá	$	214.000.000	21/11/2013	11/03/2014	110	4,20%
Banco de Bogotá		37.000.000	26/12/2013	22/04/2014	117	4,05%
Banco Caja Social		9.084.309	12/12/2013	13/03/2014	91	4,00%
Banco de Bogotá		8.000.000	26/12/2013	27/03/2014	91	3,99%

6. Other non-financial assets

	Al 31 de December de 2015		As of 31 December 2014		Al 1 de enero of 2014	
	Corriente	No Corriente	Corriente	No	Corriente	No Corriente
Expense advance payment (1)	4.956.167	-	3.522.649	-	3.400.052	-
Advance for purchases of godos and services (2)	3.954.102	-	3.767.259	-	1.272.390	-
Employee benefits for loans (3)	788.071	10.252.911	862.562	10.075.151	743.539	8.700.396
Travel advances	80.007	-	30.420	-	28.166	-
Others (4)	1.715.573	78.666	2.352.589	78.666	1.735.924	78.666
	11.493.920	**10.331.577**	**10.535.479**	**10.153.817**	**7.180.071**	**8.779.062**

(in thousands of pesos)

(1) As of 31 December 2015, 2014 and 1 January 2014, the composition of this line item corresponds mostly to civil liability insurance policies, all risk and compliance for $4,956,167, $3,496,875 and $3,225,478, respectively.

(2) As of 31 December 2015, 2014 and 1 January 2014, the composition of this line item corresponds to stock transactions and international transactions of XM energy for $2,411,747, $176,762 and $250,866, for purchase of goods and services to local creditors for $1,542,354, $3,590,496 and $1,021.525, respectively.

(3) Corresponds to the recognition of the benefit paid in advance of employee credits agreed on at a rate of zero or below or below market rates, reason for which the Company discounts future flows at the market rate, recognizing as benefit paid in advance the difference between the market rate and the granted rate, and amortizing them over the life of the loan.

(4) The fourth section of the administrative contentious court issued a last instance ruling in favor of the Company on the special contribution of 2009 of the Superintendence of Household Public Utilities ("SSPD"), compelling this Entity to the devolution of $1,708,038. The aforementioned ruling was notified through edict dated 13 July 2015 and registered on 10 August 2015 in the Company.

As of 31 December 2014 and 1 January 2014, the composition of this line item corresponds mostly to accounts receivable for energy aids to employees for $2,365,911 and $1,747,088, respectively.

7. Commercial Accounts and Other Accounts Receivable, net

	As of 31 December 2015		As of 31 December 2014		As of 31 January 2014	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Commercial accounts, gross (1)	$ 489.939.676	$ 15.312.641	$ 419.607.683	$ 15.769.224	$ 371.904.316	$ 14.914.666
Other accounts receivable, gross, (2)	12.884.418	22.053.761	11.857.228	22.663.401	11.051.723	21.113.474
Total comercial accounts and other Accounts receivable, gross	**502.824.094**	**37.366.402**	**431.464.911**	**38.432.625**	**382.956.039**	**36.028.140**
Provision impairment comercial accounts	(63.453.953)	(2.144.868)	(63.846.862)	(2.609.472)	(58.783.374)	(1.399.269)
Provision impairment other accounts receiv	(328.779)	-	(303.917)	-	(306.590)	-
Total comercial accounts and other Accounts receivable, net	**$ 439.041.362**	**$ 35.221.534**	**$ 367.314.132**	**$ 35.823.153**	**$ 323.866.075**	**$ 34.628.871**

(1) As of 31 December 2015, the composition of comercial accounts is the following:

		Overdue Portfolio				
	Current portfolio	1-180	181-360	>360	Total current Portfolio	Non-current portfolio (c)
Energy Portfolio (a)						
Not- agreed portfolio	**$ 304.333.591**	**$ 47.130.403**	**$ 6.027.518**	**$ 71.131.256**	**$ 428.622.768**	**$ -**
Massive clients	139.177.033	4.808.882	177.053	5.537.482	149.700.450	-
Large clients	132.076.701	8.980.525	1.050.276	10.277.760	152.385.262	-
Institucional Clients (b)	33.079.857	33.340.996	4.800.189	55.316.014	126.537.056	-
Agreed portfolio (c)	**6.643.641**	**645.896**	**-**	**-**	**7.289.537**	**4.892.580**
Massive clients	1.285.460	111.091	-	-	1.396.551	1.153.389
Large clients	2.704.480	534.805	-	-	3.239.285	2.087.040
Institucional clients	2.653.701	-	-	-	2.653.701	1.652.151
Energy Gross	**310.977.232**	**47.776.299**	**6.027.518**	**71.131.256**	**435.912.305**	**4.892.580**
Energy portfolio impairment	(5.450.415)	(1.735.747)	(399.097)	(49.649.228)	(57.234.487)	(2.008.038)
Energy portfolio, net	**$ 305.526.817**	**$ 46.040.552**	**$ 5.628.421**	**$ 21.482.028**	**$ 378.677.818**	**$ 2.884.542**

Portfolio of Supplementary business and others (d)	Current Portfolio	Overdue portfolio 1-180	181-360	>360	Total Current Portfolio	Non Current Portfolio
Massive Clients	$ 18.821.643	$ 247.816	$ 24.743	$ 537.146	$ 19.631.348	$ 3.294.434
Large Clients	23.185.043	4.300.833	43.479	5.383.257	32.912.612	7.069.454
Institucional clients	1.481.004	20	-	2.387	1.483.411	56.173
Business Portfolio Supplementary, gross	**43.487.690**	**4.548.669**	**68.222**	**5.922.790**	**54.027.371**	**10.420.061**
Impairment business Suplementaries	(1.091.999)	(246.402)	-	(4.881.065)	(6.219.466)	(136.830)
Business portfolio Supplementary Net	**42.395.691**	**4.302.267**	**68.222**	**1.041.725**	**47.807.905**	**10.283.231**
total comercial Accounts, gross	**354.464.922**	**52.324.968**	**6.095.740**	**77.054.046**	**489.939.676**	**15.312.641**
Impairment Current account	(6.542.414)	(1.982.149)	(399.097)	(54.530.293)	(63.453.953)	(2.144.868)
Total Net Portfolio	**$ 347.922.508**	**$ 50.342.819**	**$ 5.696.643**	**$ 22.523.753**	**$ 426.485.723**	**$ 13.167.773**

As of 31 December 2014, the composition of comercial accounts is the following:

	Current Portfolio	Overdue Portfolio 1-180	181-360	>360	Total Portfolio Current	Portfolio Non- current (c)
Energy portfolio (a)						
Non-agreed portfolio	**$ 261.624.745**	**$ 37.198.025**	**$ 6.183.617**	**$ 58.380.464**	**$ 363.386.851**	**$ -**
Massive clients	117.006.049	4.787.017	215.676	40.879.507	162.888.249	-
Large clients	108.509.535	7.525.849	726.957	9.207.146	125.969.487	-
Institutional clients (b)	36.109.161	24.885.159	5.240.984	8.293.811	74.529.115	-
agreed portfolio (c)	**1.775.770**	**5.215.073**	-	-	**6.990.843**	**5.621.647**
Massive clients	412.359	895.422	-	-	1.307.781	1.051.644
Large clients	895.505	2.363.997	-	-	3.259.502	2.621.111
Institutional clients	467.906	1.955.654	-	-	2.423.560	1.948.892
Energy portfolio, gross	**263.400.515**	**42.413.098**	**6.183.617**	**58.380.464**	**370.377.694**	**5.621.647**
Impairment energy portfolio	(6.943.379)	(2.204.977)	(512.052)	(47.255.034)	(56.915.442)	(2.475.969)
Energy portfolio, net	**$ 256.457.136**	**$ 40.208.121**	**$ 5.671.565**	**$ 11.125.430**	**$ 313.462.252**	**$ 3.145.678**

Portfolio of supplementary business and other (d)	Current Portfolio	1-180	181-360	>360	Total Portfolio Current	Portfolio Non- current (e)
Massive clients	$ 18.603.716	$ 25.707	$ 42.449	$ 371.905	$ 19.043.777	$ 3.398.579
Large clients	20.198.972	2.812.759	-	5.344.156	28.355.887	6.620.476
Institutional clients	1.829.280	-	-	1.045	1.830.325	128.522
Portfolio of supplementary business, gross	**40.631.968**	**2.838.466**	**42.449**	**5.717.106**	**49.229.989**	**10.147.577**
Impairment of supplementary business portfolio	(639.246)	(725.248)	-	(5.566.926)	(6.931.420)	(133.503)
Portfolio of supplementary business, net	**39.992.722**	**2.113.218**	**42.449**	**150.180**	**42.298.569**	**10.014.074**
Total comercial accounts, gross,	304.032.483	45.251.564	6.226.066	64.097.570	419.607.683	15.769.224
Impairment comercial accounts	(7.582.625)	(2.930.225)	(512.052)	(52.821.960)	(63.846.862)	(2.609.472)
Total comercial accounts, net	**$ 296.449.858**	**$ 42.321.339**	**$ 5.714.014**	**$ 11.275.610**	**$ 355.760.821**	**$ 13.159.752**

As of 1 January 2014, the composition of the commercial accounts is the following:

	Current portfolio	Overdue portfolio 1-180	181-360	>360	Total Current	Non-current
Energy portfolio (a)						
Not agreed portfolio	**$243,159,097**	**$19,193,362**	**$ 1,257,364**	**$ 50,682,397**	**$ 314,292,222**	**$ -**
Massive clients	164,223,545	8,864,680	829,842	13,519,437	187,437,505	-
Large clients	52,228,104	638,651	129,716	737,414	53,733,886	-
Institutional clients (b)	26,707,448	9,690,031	297,806	36,425,546	73,120,831	-
Agreed portfolio (c)	**5,411,002**	**1,649,709**	**-**	**-**	**7,060,711**	**5,463,328**
Massive clients	4,002,411	869,561	-	-	4,871,972	3,769,759
Large clients	293,914	346,914	-	-	640,828	495,850
Institutional clients	1,114,677	433,234	-	-	1,547,911	1,197,719
Energy portfolio, gross	**248,570,099**	**$20,843,071**	**1,257,364**	**50,682,397**	**321,352,933**	**5,463,328**
Energy portfolio impairment	(5,090,468)	-	(8,513)	(48,097,780)	(53,196,761)	(1,246,707)
Energy portfolio, net	**$243,479,631**	**$ 20,843,071**	**$ 1,248,851**	**$2,584,617**	**$ 268,156,172**	**$4,216,621**

Portfolio of supplementary business (d)	Current portfolio	Overdue portfolio 1-180	181-360	>360	Total Current portfolio	Non-current portfolio (c)
Massive clients	$ 22,592,503	$ 112,570	$ 531	$ 489,480	$ 23,195,084	$ 3,834,956
Large clients	19,570,348	1,970,852	-	4,315,891	25,857,091	5,548,288
Institutional clients	1,421,179	39,976	-	38,053	1,499,208	68,094
Portfolio of supplementary business, gross	**43,584,030**	**2,123,398**	**531**	**4,843,424**	**50,551,383**	**9,451,338**
Impairment of supplementary business portfolio	(921,921)	(49,607)	(266)	(4,614,819)	(5,586,613)	(152,562)
Supplementary business portfolio, net,	**42,662,109**	**2,073,791**	**265**	**228,605**	**44,964,770**	**9,298,776**
Total commercial acc., gross	**292,154,129**	**22,966,469**	**1,257,895**	**55,525,821**	**371,904,316**	**14,914,666**
Commercial accounts impairment	(6,012,389)	(49,607)	(8,779)	(52,712,599)	(58,783,374)	(1,399,269)
Total commercial accounts, net	**$ 286,141,740**	**$22,916,862**	**$1,249,116**	**$2,813,222**	**$ 313,120,942**	**$13,515,397**

(a) As of 31 December 2015, 2014 and 1 January 2014, corresponding mainly to portfolio of regulated market clients for $374,449,469, $238,109,852 and $237,974,023,tolls portfolio $18,731,301, $18,947,898 and $16,723,108 and public lighting portfolio for $106,834,293, $80,057,485 and $47,944,522, respectively. Within the portolio listed above, as of 31 December 2015, and 2014 $75,026,655 and $57,024,026, respectively, are subject to claim process particularly by the Public Utility Services Special Administrative Unit (hereinfafter UAESP).

(b) The Company's main institucional client is the UAESP. As of 31 December 2015, and 2014, the main concepts subject to claim by the UAESP without impairment are described below:

IVA (VAT) portfolio of public lighting infrastructure

On 14 November 2013, the Administration filed a query with the DIAN regarding the applicability of Article 19 of Decree 570 of 1984, to determine the special taxable base for movable property; the DIAN issued an answer without solving the request made by the Company. Subsequently, on 4 November 2014, the DIAN issued a new opinion whereas it did not define the query of the Company and, thereefore, on 16 December 2014, a new request was submnitted requesting clarification of the opinion.

In parallel, in order to clarify if the rental of public lighting infrastructure gives rise to IVA (VAT), on 5 December, the Company filed a consultation with the DIAN.

On 6 June 2015, the Company presented a reconciliation request with the UAESP before the Attorney General Office, which was rejected initially arguing it was not relevant; nonetheless, the pertinent appeal was filed, which was resolved favorably on 1 July 2015, scheduling the conciliation hearing for 5 August 2015. The conciliation hearing was held on such date, but the parties decided to not conciliate.

Simultaneously, on 17 June 2015, the claim against the UAESP was filed in order to prevent the Entity's arguing expiry of the term for filing the claim, were it submitted after the conciliation hearing. On 2 October 2015, the Company requested precautionary measure that was aimed at getting the UAESP to pay in advance the outstanding balance, which was rejected by the Third Section of the Cundinamarca Administrative Court, considering that this was resolved in the sentence. On the date of this report, the process is in the first instance stage at the Cundinamarca Administrative Court and is pending answer to the appeal filed on 12 January 2016 against the precautionary measure decision.

The DIAN, through opinion No. 100202208-0808 of 1 September 2015 decided with respect to the treatment of the IVA (VAT) on rental of the public lighting service infrastructure, making it clear that public lighting service is a household public utility and, hence, it gives rise to IVA (VAT); this opinion supports the charge that the Company has been applying to the UAESP.

In compliance with the aforementioned opinion and pursuant to the communications issued by the Company to the UAESP, on 5 November 2015, charging of current and arrear interest began, calculated on the outstanding balance of this Entity. As of 31 December 2015, current interest amounts to $5,059,734 and interest in arrears amounts to $543,252.

As of 31 December 2015, and 2014 and 1 January 2014, the account receivable in arrears for the UAESP on account of IVA (VAT) for rental of lighting infrastructure rental invoiced but not collected since July 2013, not including the aforementioned interests, amounts to $26,741,306, $17,527,246 and $6,008,287, respectively.

The Administration, based on the interpretation of the tax norm, considers this ampount recoverable.

Portfolio for *public lighting inftastructure maintenance*

The UAESP, relying on the faculty granted by the agreement entered into with the Company relative to eventual situations whereby the customer has any observations concerning the invoiced values, requested clarification on the actual execution of the 2014-2015 preventive maintenance plan, accumulating a payable value as of 31 December 2015, and 2014 of $6,315,415 and $3,608,460. Nonetheless, the Company made the pertinent clarifications in the work table with the UAESP, and this Entity committee to make the payment on this account. On 2 September ¿2015, the UAESP paid the outstanding balance as of 31 July 2015.

Portfolio of public lighting electric energy service

Following the reconciliation on maintenance service, the UAESP has requested calrification in the calculation of the electric energy ítem on invoices for services provided between March and November 2015, accumulating a payable value of $17,226,438. In view of the observations submitted by the UAESP, the Company has offered the respective clarification, and to the date of this report there has been no response; however, the Administration expects that the communications have clarified the concerns expressed and that disbursement of the outstanding values will be ordered, taking into account that on 17 July 2015, a payment was recevived from the UAESP for $8,690,946 on this account.

(in thousands of pesos)

The balance of the due debt as of 31 December 2015 on this account is $8,535,492 and on account of interest in arrears, $652,264.

The Administration, based on the interpretation and supports considers that the various items described and making up the institutional clients portfolio are recoverable.

(c) The agreed portfolio corresponds to agreements between the Company and the clients on payment of a given sum, with a deadline and a pre-established interest rate; these agreements are applicable to clients requesting financing on account of electric energy consumption that are in arrears or at risk of not being paid. The detail on maturity terms of non-current portfolio is the following:

Year	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Less than one year	$1,766,623	$2,036,041	$1,921,255
Between one and two years	653,219	803,798	736,937
Between two and three years	317,008	343,215	306,395
Over three years	2,155,730	2,438,593	2,498,741
	$4,892,580	**$5,621,647**	**$5,463,328**

(d) As of 31 December 2015, 2014 and 1 January 2014, corresponds mostly to works for private parties, $22,390.564, $18,912,837 and $19,665,124, electrical works $21,230,132, 19,723,931 and $19,440,271, infrastructure $8,986,261, $8,097,623 and $9,144,318, Codensa Services $7,346,058, $7,476,922 and $5,742,114 and collection orders $3,941,518, $4,123,852 and $3,669,943, respectively.

(e) The supplementary business portfolio corresponds to agreements between the Company and the clients on payment of a given sum, with a deadline and a pre-established interest rate; these agreements are applicable to clients requesting financing on account of installations, adjustments, fines for losses and other services provided by the Company. The detail on maturity dates of non-current portfolio is the following:

Year	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Less than one year	$7,343,088	$7,221,449	$6,792,869
Between one and two years	2,692,926	2,696,093	2,658,404
Between two and three years	384,047	230,035	65
	$10,420,061	**$10,147,577**	**$9,451,338**

Portfolio Impairment

Movements of the provision for impairment of commercial current accounts are the following:

Debtors for expired sales, not paid, with impairment	Value
Balance as of 1 January 2014	**$60,182,643**
Increases (reductions) of period (i)	8,417,872
Written–off amounts (ii)	(2,144,181)
Balance as of 31 December 2014	**66,456,334**
Increases (reductions) of period	313,898
Written–off amounts (ii)	(1,171,411)
Balance as of 31 December 2015	**$65,598,821**

(in thousands of pesos)

i. The Company in 2014 carried out an analysis based on the nature, impairment and payment behavior of the type of portfolio and nature of the clients. As a result of such analysis, new provision percentages were determined, which were applied as of December 2014. As a result of such change, the provision for energy portfolio amounted to $2,869,868; the infrastructure portfolio was provisioned 100% in portfolios of less than 360 days of Supercable Telecomunicaciones S.A. for $1,786,309, as a result of default in presentation of the payment plan required by the Superintendence of Companies and the continuous default in payment of the client.

ii. The write-offs correspond primarily to those of energy massive portfolio.

The write-off of debtors in arrears is done once having depleted all collection efforts, legal actions and demonstration of insolvency by the debtors.

(2) As of 31 December 2015, 2014 and 1 January 2014, corresponds primarily to accounts receivable of employees of a present value of $27,847,245, $30,024,329 and $27,457,581, accounts receivable of retired personnel for a present value of $3,380,453, $2,180,317 and $2,342,382 on account of housing loans, home appliances, education, respectively. The loans granted to employees have interest rates ranging between 0% and 4.75% and for retired personnel from 0% to 7%; therefore, the Company discounts future flows at market rates, recognizing as advance paid benefit the differential of the market rate and the rate granted, and amortizing them during the life of the loan.

The detail of maturity terms is the following:

Year	As of 31 December 2015	As of 31 December 2014	As of 1 January
Less than one year	$9,173,938	$9,540,035	$9,156,221
Between one and two years	5,165,789	6,134,310	5,333,453
Between two and three years	4,135,623	4,480,578	4,139,276
Between three and four years	3,264,393	3,409,333	3,124,827
Over four years	9,487,955	8,640,390	8,046,186
	$31,227,698	**$32,204,646**	**$29,799,963**

As of 31 December 2015, the balance includes an equivalent of USD$757,875 receivable from Mapfre Seguros on account of casualty of the Usme Substation on 5 May 2014.

The movements for the provision for impairment of retired employees' portfolio are the following:

		Value
Balance as of 1 January 2014	$	**306,590**
Increase (reductions) of period		(2,673)
Written-off amounts		-
Balance as of 31 December 2014		**303,917**
Increase (reductions) of period		24,862
Written-off amounts		-
Balance as of 31 December 2015	$	**328,779**

(in thousands of pesos)

Guarantees established by debtors:

For clients subscribing to payment agreements for financing of products other than electric energy, the Company supports these debts with blank promissory notes. Likewise, for debts of employees, personal guarantees are established (promissory notes and instruction letter) and real guarantees (mortgages and pledges).

8. Investment in Subsidiaries, Joint Ventures and Associates accounted by equity method

The holdings that the Company has in Other associated Entities and subsidiaries are registered as per the cost method, in accordance with the defined policy *(See Note 3.4 and 3.5)*.

Following is the detail of investments recognized under the cost method:

Participative Securities in shares	Economic activity	Association	Ordinary shares	% Particiption	As of 31 December 2015	As of 31 December 2014	As of 31 January 2014
Distribuidora de Energía de Cundinamarca	Inversión	Asociada	104.247.499.548	48,99%	$ 117.247.997	$ 113.981.615	$ 106.950.304

The financial information as of December 31 2015 and 2014 for Distribuidora de Energía de Cundinamarca

	As of 31 December 2015	As of 31 December 2014
Current assets	$ 67.036.312	$ 54.599.734
Non-current assets	538.036.534	520.107.765
current liabilities	74.316.980	63.754.833
noncurrent liabilities	247.666.293	235.789.005
Equity	283.089.573	275.163.661
Income	363.620.024	313.163.255
Profit after tax	$ 8.084.654	$ 22.251.857

9. Balances and Transactions with Related Parties

Accounts Receivable from Related Entities

Company	Type of Association	Country of Origin	Typeof Transaction	As of 31 December 2015	As of 31 Dec, 2014	As of 1 January 2014
Emgesa (1)	Subsidiary	Colombia	Energy sales	$ 9,133,841	$ 8,191,465	$ 8,204,704
	Subsidiary	Colombia	Other	93,249	233,674	161,838
EEC (Emp de Energía Cun)	Associate	Colombia	Energy sales	1,078,221	993,985	920,652
			Other	969,123	511,653	322,780
Inversora Codensa	Subsidiary	Colombia	Other	-	321	-
Endesa Energìa (3)	Subsidiary	Spain	Other	133,642	104,012	61,663
Endesa España (4)	Subsidiary	Spain	Expatriates	128,039	-	-
Enel Iberoamérica (4)	Subsidiary	Spain	Expatriates	14,652	-	-
EOSC (3)	Subsidiary	Spain	Other	513,260	306,651	383,766
Enel SpA (4)	Subsidiary	Italy	Expatriates	523,020	-	-
Energía Nueva (4)	Subsidiary	Mexico	Expatriates	68,459	-	-
		Colombia	Energy sales	62,437	-	146,265

EEB	(*)	Colombia	Christmas lighting	1,500,000	1,500,000	1,293,103
				$ 14,217,943	**$ 11,841,761**	**$ 11,494,771**

(*) EEB is a shareholder of Codensa (See Note20)

(1) As of 31 December 2015, 2014 and 1 January 2014, the balance is made up of toll estimates, Regional Transmission System (STR), energy in meters for $8,510,457, $7,750,241 and $7,523,189, use of lines and networks for $266,971, $322,997 and $236,679 and electric energy billing for $356,413, $118,228 and $444,836, respectively.

(in thousands of pesos)

(2) As of 31 December 2015, 2014 and 1 January 2014, corresponds to toll estimates, STR, for $322,165, $306,702 and $266,311, use of lines and networks for $714,327, $648,980 and $116,492, electric energy billing for $41.729, $38,303 and $537,849, respectively. The notion of other services corresponds to mercantile offer for technical assistance services and rental of Christmas items.

(3) Corresponds to services provided by the CAT (Call Center).

(4) Provision for expatriate personnel costs in Spain, Italy and Mexico.

Accounts payable to related Entities

Company	Type of Association	Country of Origin	Typeof Transaction	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Emgesa (1)	Subsidiary	Colombia	Energy purchase	$26,663,641	$29,537,819	$46,219,269
	Subsidiary	Colombia	Other services	184,624	109,158	76,003
EEC (Empresa de Energía de Cundinamarca) (2)	Associate	Colombia	Energy purchase	4,393,281	3,539,817	3,618,237
Chilectra (3)	Subsidiary	Chile	Dividends	29,893,101	51,422,675	11,945,287
		Chile	Expatriates	18,687	-	-
Enel Distribuzione	Subsidiary	Italy	Other services	-	1,631,187	-
Enel Iberoamerica (4)	Subsidiary	Spaina	Other services	1,138,925	69,767	-
Enersis (3)(5)	Subsidiaria	Chile	Dividends	7,142,599	215,213,428	49,993,238
			Expatriates	58,052	-	-
Enel Spa (5)	Subsidiary	Italy	Expatriates	264,963	-	-
Fundacion Endesa	Subsidiary	Colombia	Other services	-	-	507,920
Enel Ingenieria e Ricerca Spa	Subsidiary	Italy	Other services	-	437,474	355,588
Enel Gren Power (5)	Subsidiary	Italt	Expatriates	288,678	-	-
Siei Ltda (6)	Subsidiary	Chile	Other Services	1,593,000	-	-
EEB (3)	(*)	Colombia	Dividends	41,040,018	286,044,276	65,901,016
				$112,679,569	**$588,005,601**	**$ 178,616,558**

(*) EEB is a shareholder of Codensa (See Note 20)

(1) Corresponds to estimated energy purchases made.

(2) As of 31 December 2015, and 2014, corresponds to billing for areas of distribution (ADD's) $4,198,533 and $3,355,642; estimated energy purchases $194,046 and $184,175 and other services $702 and $0 respectively.

(3) Corresponds to decreed payable dividends.

(4) Corresponds to provision for IT costs related to Support, maintenance, Oracle software licenses, SAP.

(5) Corresponds to provision of expatriate personnel costs from Spain, Italy and Chile in Colombia.

(6) Corresponds to the provision for sales force licenses.

(in thousands of pesos)

Most significant transactions and the respective effect on results:

Company	Concept of the Transaction	As of 31 December 2015	As of 31 December 2014
Revenues			
Emgesa S.A. E.S.P.	Tolls and use of lines and networks	$ 106,635,352	$ 97,642,055
	Energy and other services	1,070,807	694,751
	Other revenues	58,408	610,558
Empresa de Energía de Cundinamarca S.A. E.S.P.	Energy and other services	98,280	68,559
	Use of lines and networks	11,293,356	10,489,875
	Commission and equipment rental	1,099,388	523,543
Endesa Energía	Otherservices	204,719	196,167
	Exchange difference	27,058	16,530
Endesa España	Other services	128,039	-
Endesaoperations and Services	Exhange difference	724,890	571,978
		123,546	75,983
Enel Ingeniería E Ricerca S.P.A	Exchange difference	13,128	13,086
Enel Distribuzione Spa	Exchange difference	86,861	-
Enersis	Exchange difference	1,178	-
Enel Iberoamérica	Exchange difference	30,915	6,499
	Other services	14,652	-
Enel Spa	Exchange difference	8,597	-
	Other services	523,020	-
Energía Nueva Energía Limpia	Other Services	68,459	-
Empresa de Energía de Bogotá	Christmas lighting	1,500,000	1,500,000
	Substation operation, others	27,083	653,882
	Rental	9,717	-
		$ 123,747,453	**$ 113,063,466**
Costs and expenses			
Emgesa S.A. E.S.P.	Energy	$ 291,454,219	$ 373,620,996
	Other services	456,357	1,817,571
Empresa de Energía de Cundinamarca S.A. E.S.P.	Use of lines and networks	2,730,636	2,369,378
Endesa Energía	Exchange difference	29,364	8,795
Endesaoperations and Services	Exchange difference	90,737	21,135
Enel Distribuzione Spa	Exchange difference	25,952	-
Enel Iberoamérica	Informatics service	821,748	557,249
	Other services	486,878	228,124
Enel Spa	Diferencia en cambio	6,285	-
	Other services	264,962	-
Chilectra	Other services	58,052	-
Enersis SA	Other services	19,779	-
	Exchange difference	87	
Enel Ingeniería E Ricerca S.P.A	Studies and projects	130,266	500,622
	Exchange difference	1,809	-
Enel Green Power Italia	Other services	288,678	-
		$ 296,865,809	**$ 379,123,870**

Sales and purchases among related parties are made in equivalent conditions to those in place for transactions among independent parties.

(in thousands of pesos)

Board of Directors and key mnagement personnel

Board of Directors

The Company has a board of directors made up of seven (7) principal members, each of them with a personal alternate, elected by the General Shareholders Assembly by the electoral quotient system. While the company has the quality of Securities' issuer, 25% of the board members will be independent as provided for by law the appointment of board members will be for two (2) years, and they can be freely–elected indefinitely and without prejudice of the faculty of the Shareholders Assembly to remove them freely at any time.

The current Board of Directors as of 31 December 2015 was elected during the Regular Shareholders Meeting held on 26 March 2015.

In accordance with that provided for in Article 55 of their bylaws, it is the function of the General Shareholders Assembly tool set the remuneration of the Board of Directors members. The current remuneration as of 31 December amounts to USD$1,000, after taxes, for attendance to each session of the Board of Directors, approved by the General Shareholders Assembly in its regular session held on 26 March 2015.

Following is the list of fees paid to members of the Board of Directors:

Name	As of 31 Dec 2015	As of 31 Dec 2014
Roa Barragán Ricardo	$ 43,831	27,278
Rubio Díaz Lucio	40,472	29,696
Vargas Lleras José Antonio	40,836	29,730
Maldonado Copello María Mercedes	14,535	7,539
Cabrales Martínez Orlando	35,234	24,456
Acosta David Felipe	35,100	2,143
Gómez Cerón Gustavo Adolfo	8,513	29,702
Bonilla González Ricardo	32,055	20,191
Noero Arango Vicente Enrique	5,708	4,643
Herrera Lozano José Alejandro	18,720	4,544
González Borrero Jorge Iván	2,952	
Ardila Helga Maria	10,576	-
Pardo Juan Manuel	3,141	-
Lopez Vergara Leonardo	3,034	2,110
Fonseca Arenas Sandra	-	17,576
Moreno Restrepo Ernesto	-	4,699
Villareal Navarro Julio Ernesto	-	4,364
Fierro Montes Cristian	-	1,882
	$ 294,707	**$ 210,553**

(in thousands of pesos)

Management key personnel

Following is a list of Management key personnel:

Name	Position
David Felipe Acosta	Codensa CEO
Aurelio Bustilho de Oliveira	Administration and Finance Manager

The remuneration received by management key personnel includes salaries and short-term benefits, out of which the most representative want corresponds to the annual bonus for achievement of objectives. The detailed remunerations are listed below:

		Year ended on 31 December 2015		Year ended on 31 December 2014
Remuneration	$	1.893.498	$	1.786.314
Short-term benefits		420.207		385.207
	$	**2.313.70**	**$**	**2.171.521**

Incentives plan for Management key personnel

The Company has established for its executives and annual bonus for fulfillment of objectives and level of individual contribution to the Company. These bonuses corresponds to a specific number of gross monthly remunerations.

As of 31 December 2015, the Company does not have payment benefits based on actions of management key personnel, nor has it established warranties in favor thereof.

10. Inventories, net

	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Electric material, net (1)	$55,089,099	$17,038,570	$17,090,579
Transformers	4,940,108	2,404,244	3,038,886
Value added (2)	227,788	715,185	
Non-– electric material	812,134		17,213
	$61,069,129	**$20,454,348**	**$20,146,678**

(1) In 2015, the Company increased material procurement required for projects such as the maintenance plan of lines and networks and public lighting infrastructure, reinforcement of telecontrol network and equipment, under grounding small and medium voltage networks for the territorial organization plan (POT), expansion of high voltage capacity and other projects intended to improve quality indices and service capacity.

(in thousands of pesos)

Following is the detailed movement of the provision for impairment associated with electrical material:

Initial Balance 1 January 2014	**$**	**(867,736)**
Utilization of provision		767,144
Endowment of provision		(507,491)
Balance as of 31 December 2014		**(608,083)**
Utilization of provision		592,903
Recovery		15,180
Endowment of provision		(414,718)
Balance as of 31 December 2015	**$**	**(414,718)**

(2) Corresponds primarily to the inventory of induction stoves that is available for sale since November 2014; to date there are no signs of impairment of said inventory.

There are no pledged inventories as guarantee of debt fulfillment.

11. Intangible assets other than Added Value, net

	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Development costs	$2,168,003	$1,656,178	$2,511,391
Easements (1)	24,975,750	25,645,528	26,627,639
Licenses	6,240,569	2,715,059	1,398,847
Informatics software (2)	40,008,482	39,149,545	38,614,524
Intangible assets, net	**73,392,804**	**69,166,310**	**69,152,401**
Cost			
Development costs	29,476,288	28,811,906	28,155,680
Easement	32,100,437	31,643,824	32,405,272
Licenses	39,111,019	34,534,768	31,891,780
Informatics software	125,327,348	115,118,086	107,099,316
Intangible assets, gross	**226,015,092**	**210,108,584**	**199,552,048**
Amortization			
Development costs	(27,308,285)	(27,155,728)	(25,644,289)
Easement	(7,124,687)	(5,998,296)	(5,777,633)
Development costs	(32,870,450)	(31,819,709)	(30,492,933)
Easement	(85,318,866)	(75,968,541)	(68,484,792)
Intangible assets cumulative amortization	**$(152,622,288)**	**$(140,942,274)**	**$(130,399,647)**

(1) Corresponds to 28 easements, the main overweight are listed below:

	As of 31 December 2015	As of December 2014	As of 1 January 2014
Bacatá AT/AT and AT/MT Substation	$14,915,585	$15,376,749	$ 15,392,909
Noroeste AT/AT AT/MT Substation	3,484,041	3,503,929	3,625,704
Legalizing easements for AT/MT substation's	1,692,592	1,770,274	1,844,365

* AT (high-voltage), MT (Medium voltage) and BT (Low voltage)

(in thousands of pesos)

(2) Corresponds primarily to the following software:

	Net cost as of 31 December de 2015	Remainig lIFE (YEARS)	Net cost as of 31 december (YEARS)	Remainig lIFE (Años)	Net cost As of 31 December 2014	Remaining LIFE (YEARS)
Administrative management systems	**$ 5.001.032**		**$ 5.673.930**		**$ 5.545.269**	
Software SAP	4.424.363	3	5.230.951	4	5.545.269	5
Oracle Licensing	256.674	2	442.979	3	-	-
Archibus System	148.298	3	-	-	-	-
Latam Institutional Portal Project	171.697	3	-	-	-	-
Commercial management systems	**25.480.450**		**14.410.361**		**833.268**	
Project Synergia 4J	11.337.651	5	11.114.224	5	-	-
E - Order management commercial	5.003.528	3	-	-	-	-
Work large clients system IS-U	910.713	2	1.322.279	3	-	-
Sas Grid Manager Licensing	-	-	612.479	3	-	-
Operational system partners of ICT	288.634	2	250.002	3	-	-
online service business Portal	4.305.276	3	413.817	3	-	-
Promotion and development Web	101.782	2	237.491	3	373.199	3
Business operation system	-	1	460.069	2	460.069	3
Business intelligence software	1.954.076	3	-	-	-	-
Recharging automation system Vehícles	1.110.903	3	-	-	-	-
Builders Management Software	246.602	3	-	-	-	-
Bill in site	221.285	3	-	-	-	-
Distribution management system	**9.328.453**		**5.499.662**		**6.605.441**	
DMS / EMS Software	3.556.116	2	1.531.437	3	1.019.662	4
Scada Software	1.269.494	2	1.297.170	3	2.152.322	4
Sir regulation information system	1.486.023	4	1.781.810	4	2.055.934	5
Scada Software - Fronten Comunica-	1.230.401	3	-	-	-	-
Somec software licenses	-	3	575.292	4	-	-
Real property digital map	-	-	313.953	2	565.116	3
Bogota Sabana Real property	-	-	-	-	812.407	1
Oracle licensing	512.445	3	-	-	-	-
2015 Cas Projects 2015	460.043	3	-	-	-	-
Scada STM Software	429.171	3	-	-	-	-
effective monitoring	251.867	3	-	-	-	-
Novel IDM Licenses	132.893	3	-	-	-	-
Total	**$ 39.809.935**		**$ 25.583.953**		**$ 12.983.978**	

(in thousands of pesos)

The composition and movements of the intangible asset is the following:

	Development costs	Easement	Licences	Software	Intangible assets
Initial Balance 01/01/2014	$2,511,391	$26,627,639	$1,398,847	$38,614,524	$69,152,401
Movements					
Additions	851,982	433,913	2,708,044	8,997,087	12,991,026
Transfers	27,577	(252,399)	(65,056)	289,878	-
Withdrawal	-	-	-	(1,268,194)	(1,268,194)
Amortization (See Note26)	(1,572,107)	(1,163,625)	(1,326,776)	(7,483,750)	(11,546,258)
Other movements	(162,665)	-	-	-	(162,665)
	(855,213)	**(982,111)**	**1,316,212**	**535,021**	**13,909**
Final Balance 31/12/2014	**1,656,178**	**25,645,528**	**2,715,059**	**39,149,545**	**69,166,310**
Movements					
Additions	502,648	456,613	4,173,984	10,773,263	15,906,508
Transfers	161,733	-	402,268	(564,001)	-
Amortization (See Note26)	(152,556)	(1,126,391)	(1,050,742)	(9,350,325)	(11,680,014)
	511,825	**(669,778)**	**3,525,510**	**858,937**	**4,226,494**
Final Balance 31/12/2015	**$ 2,168,003**	**$ 24,975,750**	**$ 6,240,569**	**$ 40,008,482**	**$ 73,392,804**

As of 31 December 2015, the Company does not have any intangible assets of an indefinite useful life.

12. Properties, plant and equipment, net

	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Construction underway (1)	$522,807,723	$338,304,789	$233,235,871
Lands	77,511,545	73,955,513	63,154,641
Buildings	87,889,727	74,872,954	73,435,927
Plant and equipment	**2,756,019,497**	**2,761,619,424**	**2,759,227,553**
Substations and high voltage lines	538,587,243	535,770,310	523,114,908
Installations and distribution networks	2,217,432,254	2,225,849,114	2,236,112,645
Fixed installations and others	**61,127,638**	**54,706,410**	**50,763,404**
Fixed installations and fittings	21,292,139	18,053,481	11,186,958
Other installations	39,835,499	36,652,929	39,576,446
Financial leasing	2,510,146	3,942,848	4,713,620
Properties, plant and equipment, net	**3,507,866,276**	**3,307,401,938**	**3,184,531,016**
Construction underway	522,807,723	338,304,789	233,235,871
Land	77,511,545	73,955,513	63,154,641
Buildings	133,700,682	115,593,081	245,076,904
Plant and equipment	**6,271,042,019**	**6,081,111,636**	**5,862,178,891**
Substations and high voltage lines	1,295,233,673	1,263,635,321	1,217,719,559
Installations and distribution networks	4,975,808,346	4,817,476,315	4,644,459,332
Fixed installations and others	**170,666,035**	**164,526,044**	**151,746,891**
Fixed installations and fittings	56,905,190	49,992,618	43,760,975
Other installations	113,760,845	114,533,426	107,985,916
Financial leasing	6,787,276	6,787,276	6,204,300
Properties, plant and equipment,gross	**7,182,515,280**	**6,780,278,339**	**6,561,597,498**
Buildings	(45,810,955)	(40,720,127)	(171,640,977)
Plant and equipment	**(3,515,022,522)**	**(3,319,492,212)**	**(3,102,951,338)**

	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Buildings	(45.810.955)	(40.720.127)	(171.640.977)
Equipment	**(3.515.022.522)**	**(3.319.492.212)**	**(3.102.951.338)**
Substations and power lines	*(756.646.430)*	*(727.865.011)*	*(694.604.651)*
Facilities and electricity distribution networks	*(2.758.376.092)*	*(2.591.627.201)*	*(2.408.346.687)*
fixtures and other	**(109.538.397)**	**(109.819.634)**	**(100.983.487)**
fixtures and accessories	*(35.613.051)*	*(31.939.137)*	*(32.574.017)*
other facilities	*(73.925.346)*	*(77.880.497)*	*(68.409.470)*
Finance leases	(4.277.130)	(2.844.428)	(1.490.680)
Accumulated depreciation of property, plant And equipment	**$ (3.674.649.004)**	**$ (3.472.876.401)**	**$ (3.377.066.482)**

(1) The main assets undergoing construction correspond to the following projects:

Project	As of 31 December de 2015	As of 31 December 2014	As of 1 January 2014
Construction of Nueva Esperanza Substation 500-115Kva	$56,792,496	$33,266,935	$37,231,273
Modernization of public lighting Bogotá	54,981,252	22,436,271	1,152,167
Connection of urban massive lines	54,799,892	20,068,399	19,948,414
Telecontrol Latam – Codensa Project	50,343,141	5,802,680	
Replacement of transformers and rural equipment	41,946,730	6,515,585	2,643,210
Conditioning of Loss control metering equipment	29,158,023	12,879,838	17,260,682
Replacement of rural infrastructure Level 2	24,591,033	9,046,126	4,273,083
Standardization / qualityservice medium voltage	18,566,297	8,911,320	3,040,747
IDU Territorial Organization plan – Municipalities	18,169,432	7,735,313	12,648,562
Standardization / qualityservice high voltage	16,775,924	8,522,333	781,898
Medium voltaje line concessions	14,325,467	9,780,460	179,304
Medium voltaje quality lines medium voltaje plan	12,444,400	14,779,492	25,338,826
Expansion of medium voltage capacity	11,487,975	6,743,021	4,720,319
Compensations 115kv Interconnnection high voltage Tibabuyes-Usme-Bacatá	11,327,206	13,823,392	229,890
Replacement of rural infrastructure Level 1	10,195,473	9,195,518	4,648,205
Channel infrastructure evolution	10,097,180	-	23,342,232
Expansion of output in Gorgonzola substation	8,021,736	5,367,123	32,316
Compensation Ubaté substation	2,059,234	-	5,177,102
Decommissioning of transformers with PCBS	1,901,061	-	11,467,158
Expansion of Bacatá second transformer	-	12,680,392	189,137
Other minor projects	74,823,771	130,750,591	58,931,346
	$522,807,723	**$338,304,789**	**$233,235,871**

(in thousands of pesos)

The composition and movements of the item Properties, plant and equipment are detailed below:

				Plants and Equipment				
	Ongoing construction	Terrains	Buildings	Substations and High tension lines	Facilities and Electric distribution	Other Facilites	Financial leases	Property plant and equipment
Initial Balance 01/01/2014	$ 233,235,871	$ 63,154,641	$73,435,927	$523,114,908	$ 2,236,112,645	$ 50,763,404	$ 4,713,620	**$3,184,531,016**
Movements in Property, Plant and Equipment								
Additions	347,961,589	9,975,956	2,543,363	-	-	3,728,611	582,976	**364,792,495**
Transfers	(243,030,951)	930,430	4,489,652	45,914,307	176,513,586	15,182,976	-	**-**
Withdrawals	(8,209)	(105,514)	(363)	-	-	(9,596)	-	**(123,682)**
Depreciation expenses	-	-	(5,595,625)	(33,258,905)	(186,939,782)	(14,958,985)	(1,353,748)	**(242,107,045)**
Other increments (decrements)	146,489	-	-	-	162,665	-	-	**309,154**
Period movements	**105,068,918**	**10,800,872**	**1,437,027**	**12,655,402**	**(10,263,531)**	**3,943,006**	**(770,772)**	**122,870,922**
Final Balance 31/12/2014	**338,304,789**	**73,955,513**	**74,872,954**	**535,770,310**	**2,225,849,114**	**54,706,410**	**3,942,848**	**3,307,401,938**
Movements in Property, Plant and Equment								
Additions	435,803,260	1,074,722	-	-	-	943,692	-	**437,821,674**
Transfers	(251,874,773)	2,488,799	17,765,161	45,640,542	165,794,917	20,185,354	-	**-**
Withdrawals	(2,052)	(7,489)	-	-	-	(3,337)	-	**(12,878)**
Depreciation costs	-	-	(4,748,388)	(42,823,609)	(174,211,777)	(14,704,481)	(1,432,702)	**(237,920,957)**
Other increments (decrements)	576,499	-	-	-	-	-	-	**576,499**
Period movements	**184,502,934**	**3,556,032**	**13,016,773**	**2,816,933**	**(8,416,860)**	**6,421,228**	**(1,432,702)**	**200,464,338**
Final Balance 31/12/2015	**$ 522,807,723**	**$ 77,511,545**	**$87,889,727**	**$ 538,587,243**	**$2,217,432,254**	**$ 61,127,638**	**$ 2,510,146**	**$3,507,866,276**

Additional information of properties, plant and equipment, net

Main investments

As of 31 December 2015, and 2014, additions to properties, plant and equipment correspond to investments made in conditioning, modernization, expansion and construction of substations, lines and networks in high, medium and low voltage and distribution transformers in order to enhance efficiency and quality of service level. The main additions to property, plant and equipment correspond to:

Additions by projects	Type	As of 31 December 2015	As of 31 December
Expansion of lines and networks AT, MT and BT*	Lines and networks	$148.601.808	$91.023.304
Conditioning/modernization on lines and networks, AT, MT and LT	Lines and networks	109.532.594	81.785.802
Expansion substation Bacata second transformer 550/115 Kva	Substations	11.819.536	12.680.392
Conditioning, modernizaion and expansion AT/MT and MT/MT* substations	Substations	70.173.004	48.056.883
Expansion/conditionig distribution Transformers MT and BT*	Lines and networks	18.663.166	19.650.488
Procurements metering devices for loss control MT and BT*	Lines and networks	12.522.900	24.421.276
Expansion and modernization of rural and urban public lighting	Lines and networks	39.319.643	36.501.992

* AT (High Voltage), MT (Medium Voltage Tensión) and BT (Low Voltage)

(in thousands of pesos)

Main transfers to operation

As of 31 December 2015, the main ongoing constructions starting operations correspond to:

Project	Bogotá Urban	Cundinamarca	Full activation
Modernization, conditioning and expansion of voltage lines/networks and	$58.319.963	$48.957.561	$107.277.524
Modernization, conditioning and compensation high and medium voltage*	44.034.221	19.980.385	64.014.606
Modernization, conditioning and expansion low voltage lines/networks	18.231.299	18.670.185	36.901.484
Modernization, conditioning and expansion distirbution transformers	10.162.706	1.797.412	11.960.118
Modernization, conditioning and expansion of public lighting	3.193.828	752.659	3.946.487
Modernization, conditioning Loss Control metering devices	1.123.762	1.135.977	2.259.739
Modernization, conditioning and expansion high voltage lines/networks	550.001	1.258.428	1.808.429

*Corresponds primarily to the installation of the second 500 mva transformer at the Bacatá substation for $25,165,114, which doubles the transforming capacity of the substation, reaching 900MVA. The Bacata substation contributes to improve the levels of reliability and stability of the energy system in the central zone of the country, improve service quality for 2.8 million clients and expand the service capacity as per the new demand.

As of 31 December 2014, the main constructions starting operation correspond to:

Project	Bogotá Urban	Cundinamarca	Full activation
Modernization, conditioning and expansion ofm voltage lines/networks	$10.440.307	$458.081	$10.898.388
Modernization, conditioning and compensation high and medium	358.082	-	358.082
Modernization, conditioning and expansion low voltage lines/networks	18.644.107	6.301.119	24.945.226
Modernization, conditioning and expansion distribution transformers	101.030.051	17.191.359	118.221.410
Modernization, conditioning and expansion of public lighting	935.014	-	935.014
Modernization, conditioning Loss Control metering devices	36.082.324	20.428.168	56.510.492
Modernization, conditioning and expansion high voltage lines/networks	12.354.172	3.197.162	15.551.334

Fully depreciated assets in use

As of 31 December 2015, 2014 and 1 Janaury 2014, the fully depreciated assets in use correspond to civil works in susbtations for $14,827,365, $15,361,004 and 15,361,004, respectively.

Financial leasing

As of 31 December 2015, 2014 and 1 January 2014, properties, plant and equipment includes $2,510,146, $3,942,848 and $4,713,620, corresponding to the accounting net present value of assets that are the object of financial leasing contracts.

The financial leasing contracts correspond to leasing contracts for vehicle established mostly with Unión Temporal Rentacol destined to support Company operation, Mareauto Colombia S.A.S. and Banco Corpbanca destined to the transport of company executives.

The contract’s term, on average, ranges between 48 and 60 months, period in which the recognized assets are amortized.

74% of the vehicle fleet was contracted with Unión Temporal Rentacol, which will be finally amortized in a maximum period of 31 installments.

(in thousands of pesos)

The present value of future payments derived from said contracts are the following:

Minimum Payments for leasing, obligations for financial leasing	As of 31 December 2015			As of 31 December 2014			As of 1 January 2014		
	Brute	Interest	Present Value	Brute	Interest	Present Value	Brute	Interest	Present Value
Less than one year	$ 1,674,790	$ 225,259	$ 1,449,531	$ 1,809,539	$ 373,020	$ 1,436,519	$ 1,641,104	$ 464,855	$ 1,176,249
After one but less than five Five Years (See Note14)	1,516,137	79,109	1,437,028	3,190,927	305,618	2,885,309	4,404,009	605,812	3,798,197
Total	**$ 3,190,927**	**$ 304,368**	**$ 2,886,559**	**$ 5,000,466**	**$ 678,638**	**$ 4,321,828**	**$ 6,045,113**	**$ 1,070,667**	**$ 4,974,446**

Operational leasing

The income statement as of 31 December 2015, and 2014, includes $7,053,193 and $6,832,915, respectively, corresponding to all accrual of operational leasing contracts, mainly real estate, including:

	Initial date	Final date	Purchase option
Administrative headquarters He			
North Point	Jan-03	Jan-17	No
Calle 93	jun-14	may-19	No
User service offices			
Calle 80	Jan-09	Dec-22	No
Chapinero	Sep-11	Sep-21	Yes
Suba Rincón	Oct-14	Oct-24	No
San Diego	Oct-10	Sep-20	No
Kennedy	Aug-13	Jul-23	Yes
Soacha	Oct-11	Oct-21	Yes

As of 31 December 2015, related contracts are adjusted annually in accordance with the Consumer Price Index (CPI), and also on contracts that establish a purchase option, the Company has no expectations of exercising said option.

As of 31 December 2015, future payments derived from said contracts are the following:

Minimal future payments for not payable leases. Lesees,	As of 31 December 2015
Not after one year	$ 5,475,668
After one year but less than five years	10,749,756
Over five years	2,729,749
	$ 18.955.173

With

The above information does not include IVA (VAT)

Insurance Policies

Following are the policies for the protectoin of Company goods

Property Insured	Risks Cover	Insured Value (In thousands)	Maturity	Insurance Company
Company Equity (*)	Third Party Civil Liability	USD $20.000	1/11/2016	Generalli Colombia
	Third Party Civil Liability (tier of USD 200 million in excess of USD 20 million)	USD $200.000	1/11/2016	Mapfre Seguros Colombia
Civil Works, equipment, contents, stores and profit loss (*)	All risk material damage, earthquake, seaquake, HMACC – AMIT, Profit loss and machinery breakdown	USD $50.000	1/11/2016	Mapfre Seguros Colombia
Vehicles	Third Party Civil Llability Límite $700.000 por vehículo		31/12/2016	Seguros Mundial

(*) The Company's policy contracts are enteres into in dollars

As of 31 December 2015, the Company has claims underway with insurance companies for casualties; however, on the date of this report, Mapfre Seguros is pending to pay the equivalent balance on account of casualty at the Usme substation for USD$757,875 from the recognition of the casualty occurred in the Usme Substation on 5 May 2014.

13. Deferred taxes

The recovery of asset balances for deferred taxes depends on obtaining sufficient tax profit in the future. The Administration considers that future tax profit are sufficient for asset recovery.

The following is the detail of the deferred tax asset net as all 31 December 2015:

	Initial Balance 31-12-2014	Increase (Decrease) for taxes deferred in Results	Increase (Decrease) Other Results Resultados Integrales *(See Number 1 note 30)*		Final Balance 31-12-2(
Asset deferred tax					
Depreciación and adjustments for inflation Properties, plant and equipment	$98,951,759	$(8,170,903)	$	-	$90,780,856
Provisions and others (1)	39,285,826	10,359,903		-	49,645,729
Defined contribution Obligations	1,155,664	906,174		86,727	2,148,565
Hedging instruments	-	-		35,635	35,635
Investment	567,148	(567,148)		-	-
Total Deferred tax	**139,960,397**	**2,528,026**		**122,362**	**142,610,785**
Deferred Tax Liabilities					
Excess tax depreciation on accounting value (2)	42,220,787	65,753,907		-	107,974,694
Others (3)	880,780	786,318		-	1,667,099
Total Deferred Tax Liabilities	**43,101,567**	**$**	**6**	**-**	**109,641,793**
Deferred tax assets Net	**$96,858,830**				**$32,968,992**

(in thousands of pesos)

(1) As of 31 December 2015, the detail of Deferred tax asset on account of Other provisions corresponds to:

	Initial Balance 31-12-2014	Increase (Decrease) for taxes deferred in Results	Final Balance 31-12-2015
Provision for bad debt accounts	$9,354,984	$3,602,331	$12,957,315
Preovision for labor obligations	8,065,073	2,074,741	10,139,814
Provision for industry and trade	4,389,716	837,275	5,226,991
Provisions for Works and services	7,404,629	5,140,141	12,544,770
Provision for quality compensation	2,613,210	(1,429,246)	1,183,964
Provision – Claims with third parties	5,850,000	150,000	6,000,000
Others	1,608,214	(15,339)	1,592,875
	$39,285,826	**$10,359,903**	**$49,645,729**

(2) As of 1 January 2015, corresponds to depreciation requested in excess for additional shifts in the year 1998 ($42,220,787). On 26 March 2015, the General Shareholders Assembly, according to Minutes No. 60 approved, for tax purposes, the use of the depreciation method by reducing balances as of 2014. As of 31 December 2015, the effect on the deferred tax from implementation of the aforementioned method amounts to $65,199,835.

(3) As of 31 December 2015, corresponds mainly to the deferred tax for deduction from science and technology.

The deferred tax as of 31December 2015 by rate is the following:

	Income and	2015 Surcharge	2016 CREE CREE and	2017 CREE and	2018 CREE and	En CREE adelante and
Provisions and estimated liabilities	$98,715,291	$15,907,102	$61,441,902	$5,821,037	$1,936,463	$13,608,786
Properties, plant and equipment	(50,433,157)	-	19,327,983	(40,343,442)	17,400,360	(46,818,058)
Portfolio	32,393,286	-	32,393,286	-	-	-
Science and Technology	(6,668,392)	-	-	-	-	-
	74,007,028	**15,907,102**	**113,163,171**	**(34,522,405)**	**19,336,823**	**(33,209,272)**
Rate	25%	14%	15%	17%	18%	9%
	$18,501,757	$2,226,994	$16,974,475	$(5,868,809)	$3,480,628	$(2,988,834)
Ocassional gain	6,427,806					
Rate	10%					
Tax	642,781					
Total Deferred tax debit	**$ 32,968,992**					

Following is the detail on assets for net deferred tax as of 31 December 2014:

	Initial Balance 01-01-2014	Increase (Decrease) for taxes deferred in Results	Increase (Decrease) for taxes deferred in other Integral Results	Increase for deferred taxes in Results for Exchange Rate (*)	Final Balance
Depreciation and adjustments for inflation of properties,	$ 100,552,676	$(10,840,071)	$ -	$9,239,154	$ 98,951,75
Provisions and others (1)	28,170,553	6,108,869	-	5,006,404	39,285,826
Contribution obligations	1,304,935	(284,156)	100,895	33,990	1,155,664
Investment	550,467	-	-	16,681	567,148
	130,578,631	**(5,015,358)**	**100,895**	**14,296,229**	**139,960,397**
Deferred Tax Liabilities					
Excess tax depreciation on accounting value	36,431,562	-	-	5,789,225	42,220,787
Others	-	880,780	-	-	880,780
Total Deferred Tax	**36,431,562**	**$880,780**	**$ -**	**$5,789,225**	**43,101,567**
Deferred tax assets, net	**$94,147,069**				**$96,858,830**

(*) The Increase (Decrease) for taxes deferred in Results includes the impact from the tax reform in accordance with Law 1739 of 2014, which created the CREE Surcharge and increased from 8% to 9% the CREE tax from 2016 on.

(in thousands of pesos)

(1) As of 31 December 2014, the dbreakdown of the deferred tax asset on account of Other provisions corresponding to:

	Initial Balance 31-12-2014	Increase for taxes deferred in Results	Increase for taxes deferred in Exchange Rate	Final Balance 31-12-2015
Provision for bad debts	$6,062,573	$ 2,093,054	$1,199,357	$ 9,354,984
Provision for labor obligations	6,075,076	956,013	1,033,984	8,065,073
Provision for industry and trade	3,575,408	251,524	562,784	4,389,716
Provisions for Works and services	5,006,390	1,448,928	949,311	7,404,629
Provision for quality compensation	1,341,814	936,369	335,027	2,613,210
Provision – Claims with third parties	5,100,000	-	750,000	5,850,000
Others	1,009,292	422,981	175,941	1,608,214
	$28,170,553	**$ 6,108,869**	**$5,006,404**	**$ 39,285,826**

El Deferred tax As of 31 December 2014 by rate is shown below:

	Income	2015 CREE and surcharge and Surcharge	2016 CREE and surcharge and Surcharge	2017 CREE and surcharge and Surcharge	2018 CREE and Surcharg	From now on CREE and surcharge
Provisions and other estimates	$77,845,633	$ -	$ -	$ -	$ -	$3,901,982
Properties, plant and eequipment	192,896,597	26,963,914	26,509,092	(33,736,172)	23,381,975	149,777,788
Portfolio	23,987,138	23,987,138	-	-	-	-
Science and Technology	(3,523,268)	-	-	-	-	-
	291,206,100	50,951,052	26,509,092	(33,736,172)	23,381,975	153,679,770
Rate	25%	14%	15%	17%	18%	9%
	$72,801,525	$7,133,147	$3,976,364	$(5,735,149)	$4,208,756	$13,831,179
Ocassional Gain	6,430,081					
Rate	10%					
Tax	643,008					
Total Deferred tax debit	**$96,858,830**					

The deferred tax as of 1 January 2014 by rate is shown below:

	Income	Until 2016 CREE	From now on CREE
Provisions and other estimates	$111,129,673	$110,864,895	$264,778
Properties, plant and equipment	148,378,076	10,511,549	137,866,528
Portfolio	18,706,485	18,706,485	-
	278,214,234	**140,082,929**	**138,131,306**
Rate	25%	9%	8%
	$69,553,559	$12,607,464	$11,050,504
Ocassional Gain	9,355,424		
Rate	10%		
Tax	935,542		
Total Deferred Tax Debit	**$94,147,069**		

(in thousands of pesos)

14. Other financial liabilities

	As of 31 december 2015			As of 31 December 2014			As of 1 January 2014		
	Current		Non current	Current		Non-Current	Current		Non-Current
Issued Bonds (1)	$ 145,000,000	$ 9,978,298	$	$ -	$ 7,494,932	$ 1,175,700,970	$ 250,000,000	$ 6,713,340	$ 990,338,226
Leasing obligations (2)	1,449,531	-	1,437,028	1,436,519	-	2,885,309	1,176,249	-	3,798,197
Forwards (3)	89,088	-	-	-	-	-	-	-	-
	$ 146,538,619	**$ 9,978,298**	**$ 1,032,500,742**	**$ 1,436,519**	**$ 7,494,932**	**$ 1,178,586,279**	**$ 251,176,249**	**$ 6,713,340**	**$ 994,136,423**

(1) The movement of bonds fom January 2014 to December 2015 is summarized as follows: payments for $250,000,000 of Subseries B10 on 11 March 2014, bond emission of the Sub-series B7: $185,000,000 a Coupon Rate IPC + 3.53% E.A. on 25 September 2014 and classification in February 2015 from long to short term of the Sub-series B6 bond for $145,000,000 with maturity on 17 February 2016.

The total Company financial debt is represented in five (5) current bond emissions in the local market. Following below are the main debt financial features of bonds issued since 2004 and current as of 31 December 2015.

Second bond emission

On 14 February 2007, the Colombinn Finance Superintendence through Resolution No. 0208 of 2007 ordered the registration in the National Register of Securities and Issuers (RNVE) of the second emission of Codensa Ordinary Bonds for an amount of $650,000,000 and and authorized its public offering.

This emission was placed in three lots, as described below:

Total Placed Value:	$650.000.000 as follows: 1st Lot: 14 March 2007 for $225,800,000 2nd Lot: 20 June 2007 for $305,500,000 3rd Lot: December 2007 for $118,700,000 Total amount was placed in 4 sub-series, as follows: Sub-series A3: $139,800,000 Sub-series A10: $391,500,000 Sub-series B3: $84,980,000 Sub-series B5: $33,720,000
Current balance at 31 December 2015	$391,500.000 (Sub-series A10)
Nominal value per bond:	$10,000
Emission terms:	Sub-series A3: 3 years Sub-series A10: 10 years Sub-series B3: 3 years Sub-series B5: 5 years
Date of issue:	14 March 2007,for all sub–series
Maturity date:	Sub-series A3: 14 March 2010 Sub-series A10: 14 March 2017 Sub-series B3: 14 March 2010 Sub-series B5: 14 March 2012

(in thousands of pesos)

Emission Administrator:	Deceval S.A.
Coupon Rate:	Sub-series A3: IPC + 4,60% E.A. Sub-series A10: IPC + 5,30% E.A. Sub-series B3: DTF + 2,09% E.A. Sub-series B5: DTF + 2,40% E.A.
Rating :	AAA (Triple A) Granted by Duff& Phelps de Colombia S.A. S.C.V. (currently FitchRatings Colombia S.A. S.C.V.)

The $391,500.000 balance is split in two lots of $147,000,000 and $244,500,000; the latter had a premium in bond placement that corresponds to the greater value received for the placement of ordinary bonds as a result of the rate differential existing between the Coupon Rate of the bonds and the yield rate for bond placement. Consequently, the Company received $3,533,025 in 2007 of which as of 31 December 2015, a total of $3,096,739 have been amortized; the pending balance to be amortized is $436,286, which is being amortized over 118 months, equivalent to the validity term of the bonds from their placement to their maturity date.

Third Bond Emission

The Finance Superintence of Colombia, through Resolution No. 0332 of 10 March 2008, provided for the registration in the National Register of Securities and Issuers (RNVE in Spanish) of the third emission of ordinary bonds of Codensa amounting to $350,000,000 and authorized its public offer.

This emission was placed in two lots as described below:

Total Placed Value	$350,000.000, as follows: 1st lot: 11 December 2008 for $270.000.000 2nd lot: 27 March 2009, for $80,000.000 Total amount was placed in 4 sub-series, as follows: Sub-series A5: $75,500,000 Sub-series A10: $80,000,000 Sub-series B2: $109,000,000 Sub-series B5: $85,500,000
Current balance at 31 December 2015	$80,000,000 (Sub-series A10)
Nominal value per bond:	$10.000
Emission terms:	Sub-series A5: 5 years Sub-series A10: 10 years Sub-series B2: 2 years Sub-series B5: 5 years
Date of issue:	11 December 2008 for all sub–series
Maturity date	Sub–series A5 and B5: 11 December 2013 Sub-series A10: 11 December 2018 Sub-series B2: 11 December 2010
Emission Administrator:	Deceval S.A.

Coupon Rate:	Sub-series A5: IPC + 5.99 % E.A. Sub-series A10: IPC + 5.55% E.A. Sub-series B2: DTF T.A. + 2.11% Sub-series B5: DTF T.A. + 2.58%
Rating :	AAA (Triple A) Granted by Duff& Phelps de Colombia S.A. S.C.V. (currently FitchRatings Colombia S.A. S.C.V.)

As of 31 December 2015, the current balance of the Third Emission of Bonds corresponds to sub-series A10 for $80,000,000.

Bond emission and placement program

Through Resolution No.194 of 29 January 2010, the Finance Superintendence of Colombia provided for the registration in the National Register of Securities and Issuers (RNVE in Spanish) of the Program for Emission and Placement of Ordinary Bonds of Codensa for an amount of up to $600,000,000 and its public offer.

Through Resolution No. 0624 of 3 April 2013, the Finance Superintendence of Colombia authorized the renovation of the validity term of the authorization for the public offer of the program ordinary bonds for a three-year term counted as of the signing of the aforementioned Resolution, that is, until 30 April 2016. Subsequently, having fulfilled that required for such purpose, the Limit for the Emission and Placement Program was extended on 13 March 2014 through Resolution No. 0407 of 2014 of the Finance Superintendence of Colombia in $185,000,000, increasing the Program's Global Limit to $785,000,000. The Limit of the Emission and Placement Program was extended once again on 7 October 2014 through Resolution No. 1780 of 2014 of the Finance Superintendence to $165,000,000, increasing the Program's Global Limit to $950,000,000, with $785,000,000 in bonds, with an available amount of $165,000,000.

As of 31 December 2015, three (3) emissions have taken place under the Program. The first Tranche was issued on 17 February 2010, the second tranche on 15 November 2013 and the third tranche on 25 September 2014.

Second Tranche under the Program

Total Placed Value	$225,000,000, as follows:	
	Sub-seriesB3:	$80,000,000
	Sub-series B6: $145,000,000	
Current balance at 31 December 2015	$145,000,000	
Nominal value per bond	$1,000	
Emission terms	Sub-series B3: 3 years Sub-series B6: 6 years	
Date of issue	17 February 2010 for all series	
Maturity date	Sub-series B3: 17 February 2013 Sub-series B6: 17 February 2016	
Emission Administrator	Deceval S.A.	
Coupon Rate:	Sub-series B3: IPC + 2.98% E.A. Sub-series B6: IPC + 3.92% E.A.	
Rating	AAA (Triple A) Granted by Duff& Phelps de Colombia S.A. S.C.V. (currently FitchRatings Colombia S.A. S.C.V.).	

(in thousands of pesos)

The balance of current bonds under the First Tranche of the Bonds Program as of 31 December 2015 is $145.000.000.

Second Tranche under the Program

Total Placed Value	$375.000.000, as follows: Sub-series B5: $181.660.000 Sub-series B12: $193.340.000
Current balance at 31 December 2015	$375.000.000
Nominal value per bond	$10.000
Emission terms	Sub-series B5: 5 years Sub-series B12: 12 years
Date of issue	15 November 2013 for all series
Maturity date	Sub-series B5: 15 November 2018 Sub-series B12: 15 November 2025
Emission Administrator	Deceval S.A.
Coupon Rate:	Sub-series B5: IPC + 3.92% E.A. Sub-series B12: IPC + 4.80% E.A.
Rating	AAA (Triple A) Granted by DUff& Phelps de Colombia S.A. S.C.V. (currently FitchRatings Colombia S.A. S.C.V.).

The balance of current bonds under the Second Tranche of the Bonds Program as of 31 December 2015 is $375.000.000.

Third tranche under the program

Total Placed Value	$185.000.000, as follows Sub-series B7: $185.000.000
Current balance at 31 December 2015	$185.000.000
Nominal value per bond	$10.000
Emission terms	Sub-series B7: 7 years
Date of issue	25 September 2014
Maturity date	Sub-series B7: 25 September 2021
Emission Administrator	Deceval S.A.
Coupon Rate:	Sub-series B7: IPC + 3,53% E.A.
Rating	AAA (Triple A) Granted by DUff& Phelps de Colombia S.A. S.C.V. (currently FitchRatings Colombia S.A. S.C.V.).

The balance of current bonds under the Third Tranche of the Bonds Program as of 31 December 2015 is $185,000,000.

On 11 March 2014, payment was made for maturity of the B10 sub-series of the First Emission of Codesa Bonds in 2004, amounting to $250,000,000. This payment completed all of the sub-series issued under the First Emission and, therefore, there is no current balance thereof.

On the other hand, the non-current bonds since January 2014 to June 2015 have varied only in the aforementioned short term classification and a placement of $185,000.000 a Coupon Rate IPC + 3.53% E.A. carried out on 25 September 2014.

(in thousands of pesos)

The detail of Obligations for debt bonds as of 31December, 2015 is the following:

		Current		Non-Current			
Series	EA Rate *	Less than 90 days	Total current	1-2 years	2-3 years	5 to 10 years	Total Non-Current
Bonds B102 Tranche	12.03°h	$835,118	$835,118	$147,000,000	$ -	$ -	$147,000,000
Bonds B102 Tranche	12.03°h	1,311,855	1,311,855	244,063,714	-	-	244,063,714
Bonds B103	12.29°h	541,274	541,274	-	80,000,000	-	80,000,000
Bonds B604	10.56°h	146,818,064	146,818,064	-	-	-	-
Bonds B5-13	10.56°h	2,378,952	2,378,952	-	181,660,000	-	181,660,000
Bonds B12-13	11.50°h	2,746,046	2,746,046	-	-	193,340,000	193,340,000
Bonds B7-14	10.15°h	346,989	346,989	-	-	185,000,000	185,000,000
		$154,978,298	**$ 154,978,298**	**$ 391,063,714**	**$ 261,660,000**	**$ 378,340,000**	**$ 1,031,063,714**

(*) Type of Rate: variable
The payment of interests is quarterly and the amortization of the principal is done on the date of maturity of hte emission.

The detail of Obligations for debt bonds as of 31December, 2014 is the following:

		Current			Non-Current					
Series	EA Rate	Less Than 30 days	Over 30 days	**Total Current**	1 to 2 years	2 to 3 years	3 to 4 years	5 to 10 years	Over 10 years	**Total Non-Current**
Bonds B102	8.31°h	$ 1,647,490	$ -	$1,647,490	$ -	$390,700,970	$ -	$ -	$ -	$ 390,700,970
Bonds B103	8.57°h	418,394	-	418,394	-	-	80,000,000	-	-	80,000,000
Bonds B604	6.89°h	1,340,746	-	1,340,746	145,000,000	-	-	-	-	145,000,000
Bonds B5-13	6.89°h	1,754,378	-	1,754,378	-	-	181,660,000	-	-	181,660,000
Bonds B12-13	7.80°h	2,081,314	-	2,081,314	-	-	-	-	193,340,000	193,340,000
Bonds B7-14	6.49°h	252,610	-	252,611	-	-	-	185,000,000	-	185,000,000
		$ 7,494,932	**$ -**	**$7,494,933**	**$145,000,000**	**$390,700,970**	**$261,660,000**	**$185,000,000**	**$193,340,000**	**$ 1,175,700,970**

(*) Type of Rate: variable
The frequency for payment of interest is quarterly and capital amortixation is done upon maturity of hte issue.

The detail of the Obligations for comercial leasing as of 31December, 2015 is the following:

			Current			Non-current			
Entity	Rate	Type of Rate	Less than 90 days	Over 90 days	Total Current	1 to 2 years	2 to 3 years	3 to 4 years	Total Non Current
Mareauto Colombia SAS	10.08°h	Fixed	11,621	36,665	48,286	53,384	28,770	82,154	
Banco Corpbanca	7.27°h	Fixed	88,697	139,184	227,881	102,213	60,433	162,646	
			$381,940	**$1,067,591**	**$1,449,531**	**$1,347,825**	**89,203**	**$1,437,028**	

The detail of the Obligations for comercial leasing as of 31December 2014 is the following:

			Current			Non-current			
Entity	Rate	Type of Rate	Less than 90 days	Over 90 days	Total Current	1 to 2 years	2 to 3 years	3 to 4 years	Total Non Current
Rentacol Temporary Union	10.80°h	Fixed	$252,914	$800,839	$1,053,753	$1,173,364	$ 1,192,228	$ -	$ 2,365,592
Mareauto Colombia SAS	10.08°h	Fixed	10,511	33,163	43,674	48,286	53,425	28,729	130,440
Banco Corpbanca	7.27°h	Fixed	82,476	256,615	339,091	227,737	102,403	59,137	389,277
			$345,901	**$1,090,617**	**$1,436,518**	**$1,449,387**	**$ 1,348,056**	**$87,866**	**$ 2,885,309**

(2) The Company as of 31 December 2015, has established a forward with Bancolombia at a rate of EURO $3,540,07, date of commencement 23 December 2015, with maturity on 25 January 2016, to hedge thew type of exchange underlying the invoice of EUR$1,261 with the vendor EFACEC for the purchase of Mobile Substation.

(in thousands of pesos)

15. Commercial and Other Accounts Payable

		As of 31 December 2015		As of 31 December 2014	As of 1 January 2014
Commercial accounts payable	$	195,492,992	$	128,197,412 $	114,710,863
Other accounts payable		485,112,635		504,765,492	415,924,541
	$	**680,605,627**	**$**	**632,962,904 $**	**530,635,404**

The detail of comercial accounts payable and Other accounts payable as of 31 December 2015, is the following:

	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Supplies for energy purchases (1)	$195,492,992	$128,197,412	$ 114,710,863
Taxes other tan Income (2)	35,814,500	35,549,357	61,565,854
Accounts payable godos and services	348,940,310	371,099,220	273,363,408
Collection in favor of third parties (4)	52,724,183	36,945,530	29,143,786
Balances in favor of clients (5)	8,905,336	20,665,583	9,119,470
Fees	3,101,272	6,296,340	7,390,163
Other accounts payable (6)	35,627,034	34,209,463	35,041,860
	$ 680,605,627 $	**632,962,904**	**$ 530,635,404**

(1) The main suppliers for purchase of electric energy correspond to:

	As of 31 December 2015	As of 31 de December 2014	As of 1 January 2014
Empresas Públicas de Medellín S,A, E,S,P,	$64,358,156	$27,205,170	$21,918,495
XM SA E,S,P, (Compras bolsa de energía)	54,607,973	41,631,220	37,200,399
Isagen SA E,S,P,	30,980,005	16,307,570	10,807,364
Celsia S,A E,S,P,	-	-	3,482,784
AES Chivor and Cia, SCA E,S,P,	17,679,551	12,906,411	4,115,596
Generarco S,A E,S,P,	6,034,665	1,441,719	17,111,696
EBSA S,A,	5,923,702	5,036,816	
EPSA S,A E,S,P,		3,280,286 10,848,106	7,526,148

As of 31 December 2015, there are bank guarantees for $164,000,000 established in favor of XM Compañía de Expertos en Mercado S.A.E.S.P., to ensure compliance with transactions in the Spot Market according to CREG Resolution 019 of 2006.

(2) As of 31 December 2015, 2014 and 1 January 2014, taxes other tan income tax correspond to:

	As of 31 de December 2015	As of 31 de December 2014	As of 1 January 2014
Provision for payment of taxes (a)	$18,372,735	$18,847,015	$16,499,534
Equity Tax (b)	-	-	30,311,244
Territorial taxes, municipal contributions and similar (c)	17,441,765	16,702,342	14,755,076
	$35,814,500	**$35,549,357**	**$61,565,854**

(a) As of 31 December 2015, 2014 and 1 January 2014, corresponds to withholding at source for $12,998,085, $14,072,398 and $12,159,995 and self-withholding of the CREE for $5,374,650, $4,774,617 and $4,339,539, respectively.

(b) Law 1370 of December 2009 established a new equity tax for taxable year 2011, at a rate of 2.4% for tax payers with fiscal equity above $3,000,000 and below $5,000,000, and of 4.8% for equity equal to or greater than $5,000,000.

Subsequently, Decree 4825 of December 2010 established a 25% surcharge on equity tax for tax payers with an equity equal to or greater than $3,000,000 million.

(c) This tax was imposed on equity held as of 1 January 2011, and its payment was distributed in eight equal installments over the years 2011 to 2014.

(d) As of 31 December 2015, 2014 and 1 January 2014, corresponds mostly to industry and trade taxes for $11,467,594, $10,242,938 and $9,450,469, respectively. The Company is subject to the industry and trade tax in Bogotá at the rates of 0.966% on operational revenues, 1.104% over on other non-operational revenues and at a 15% rate for signs and boards. In other municipalities in which the Company pays the industry and trade tax, it is paid in accordance with rates set out for each municipality.

(3) As of 31 December 2015, and 2014, corresponds mostly to the account payable to Banco Colpatria Red Multibanca Colpatria S.A. on account of collection of receivables of the business "*Crédito Fácil Codensa*" reconciliated and pending to pay for $107,777,336 and $117.315.14, respectively.

This balance is paid in January every year.

(4) As of 31 December 2015, 2014 and 1 January 2014, corresponds mostly to liabilities for mandate contracts of subscription to periodicals, magazines and insurance policies for $16,936,689, $15,549,834 and $12,516,321; Banco Colpatria Red Multibanca Colpatria S.A. $22,240,748, $13,381,977 and $12,423,386 for the collection made by the Company of the credit portfolio of the business "*Crédito Fácil Codensa*" sold to the Bank, in accordance with the business collaboration contract, respectively. The collection made by the Company is reconciled periodically by the parties and transferred subsequently.

(5) As of 31 December 2015, 2014 and 1 January 2014, balances in favor of clients are recognized, generated mostly by the greater value paid by the clients on account of billing and adjustments thereon.

In 2014, the Company opted for applying the regulatory mechanism of rate option pursuant to CREG Resolution 057 of 2014, which was intended to reduce the impact from rate increases applied to the final user through a financing scheme defined in CREG Resolution 168 of 2008 "Whereby the Rate Option is established to define maximum costs of service provision that can be transferred to regulated users of the electric energy public utility service under the National Interconnected System". Because of the application of the rate option in 2014, the Company collected a greater value vs. the value financed through the application of rates in the rate option scheme, which as of 31 December2014 amounted to $11,143,721. During the first half of the year, the Company made the final liquidation of the rate option, leaving $9,844,149, and, therefore, the clients were reimbursed, by means of their bill, during the second quarter of 2015. On the date of issue of this report, there are no balances pending payment for the application of the rate option.

(6) As of 31 December 2015, 2014 and 1 January 2014, corresponds mostly to liabilities on account of energy distribution areas (ADDs) for $23,861,328, $23,970,132 and $24,542,045, respectively. The ADDs correspond to the distribution charge of other Network operators that, by regulatory mandate, must be invoiced and collected by the Company from its final users under the distribution areas scheme. The area distribution is a regulatory mechanism implemented in Colombia as per CREG Resolution 058-068 and 070 of 2008, which is intended for distribution of the costs that are to be assumed by final users, in an equitable manner, in the different regions among all users over the country.

(in thousands of pesos)

16. Provisions

	As of 31 December 2015		As of 31December2014		As of 1 January 2014	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provision for legal claims (1)	**$ -**	**$ 4,627,055**	**$ -**	**$ 4,660,055**	**$ -**	**$ 6,229,023**
Labor	-	1,717,000	-	1,382,000	-	1,616,000
Civil and other	-	2,910,055	-	3,278,055	-	4,613,023
Decommissioning, costs of restoriation and rehabili-tation (2)	3,355,971	7,587,001	2,229,968	8,522,198	-	10,958,525
Other provisions	**20,017,299**	**1,883,600**	**26,711,978**	**1,078,466**	**21,774,546**	**12,614,044**
Public lighting (3)	15,000,000	-	15,000,000	-	15,000,000	-
Archaeological rescue Nueva Esperanza substation substation Nueva Esperanza (4)	297,976	-	2,485,066	-	6,774,546	2,221,455
Nueva Esperanza Environmental Compensation (5)	4,719,323	1,334,159	9,226,912	670,854	-	9,985,000
Other provisions	-	549,441	-	407,612	-	407,589
Total Provisions	**$ 23,373,270**	**$ 14,097,656**	**$ 28,941,946**	**$ 14,260,719**	**$ 21,774,546**	**$ 29,801,592**

(1) As of 31 December 2015, the Value of pretensions in claims to the Company for administrative, civil labor and constitutional action claims add up to $1,135,618,385; based on the assessment of success probability in the defense of these cases, $4,627,055 have been provisioned to cover probable losses for these contingencies. The Administration estimates that the result of the lawsuits corresponding to the non-provisioned portion will be favorable to the interests of the Company, and will not result in material liabilities that are to be accounted for, if any, these would not affect significantly the Company's financial position.

Given the characteristics of the risks covered by these provisions, it is not possible to determine a reasonable calendar with payment dates.

The Value of claims for administrative, civil, labor and contractor processes is detailed as follows:

Processes	Number of Processes	Number of Processes (undetermined amount)	Rating	Value of the ccontingency	Provision value
	20	5	Probable	$ 2,910,055	$ 2,910,055
Civil	128	44	Eventual	431,022,688	-
	31	19	Remote	2,401,707	
Civil	**179**	**68**	Total	**436,334,450**	**2,910,055**
	14	-	Probable	1,717,000	1,717,000
Labor	76	20	Eventual	6,178,000	-
	17	1	Remoto	1,170,000	-
Total labor	**107**	**21**		**9,065,000**	**1,717,000**
Total Processes	**286**	**89**		**$ 445,399,450**	**$ 4,627,055**

(a) The value of the contingency corresponds to the amount which, according to the experience of the lawyers, is the best estimate of payment in case of a decision unfavorable to the Company. The provision is determined by the lawyers as the amount of loss in the event that the decision is probable; Processes qualified as probable are provisioned one hundred per cent on the value of the real contingency.

Following are the details of the main legal proceedings that the Company has as of 31 December 2015, which are considered probable:

a. Claim of Adriana Pereira Carrillo and others

Claimant: Adriana Pereira Carrillo and Other

Date of commencement: 2010

Pretension: $1,000,000

Provisioned: $650,000

Object of Trial: the claim is intended to request that there was a work contract between the claimants and the Company CBR Construcciones Ltda., which ended by virtue of the death of workers in work related accidents, and requests making the defendant company liable and the Company in a solidary manner. In view of the foregoing, they demand recognition and payment of indemnity for damage and resulting patrimonial and extra-patrimonial damage generated by the death of the workers.

Current status and proceeding situation: in the first period between 4 September to 24 September 2014, the court requested the defendant CBR Construcciones Ltda. to present the respective response, which was term approved did not present such response. In the year 2015, the proceeding file was held in the Judge office waiting for the final decision.

b. Rita Saboya Cabrera Trial

Claimant: Rita Saboya Cabrera

Date of commencement: 2010

Pretension: $ 2,156,963

Provisioned sum: $500,000

Object of Claim: electrocutions. Extra-contractual civil liability for electrocution lesions.

Payment of patrimonial and extra-patrimonial damage suffered because of the death of her spouse and father of her children, Mr. José Del Carmen Umbarila upon contact with the distribution network.

Current status and trial situation: on 7 April 2015 notice was posted by the Court admitting our cassation appeal, filed on 9 June 2014 against sentence dated 13 November 2013, issued by the Superior Court of the Bogota Judiciary Dictrict - Civil Room. The Court notifies the defendant party and the guarantee call to respond. Following the respective transfer, the claim was sent to Court for a decision on 27 May 2015.

c. Luz Angela ÁlvarezBerrioTrial

Claimant: Luz ÁngelaÁlvarezBerrio

Pretension: $356,786

Provisioned: $356,786

Object of Claim: indemnity for the death of Humberto Robles Hernández upon contact with the distribution network.

Current status and trial situation: in first instance, ruling was issued in favor of the Company. The decision was appealed by the claimants and is currently undergoing the appeal process.

d. Honorio Vargas Alvarado Trial

Claimant: Honorio Vargas Alvarado

Date of commencement: 2010

Pretension: $800,000

Provisioned: $350,000

Object of Trial: indemnity for damage caused by the death of Mrs. Ofelia Cañon upon contact with the distribution network.

Current status and trial situation: The Company filed an appeal before the Bogota Superior Court, Reporting Judge Jorge Eduardo Ferreira Vargas. Appeal admitted on 1 October 2015

e. Gloria Amparo BetancourthTrial

*Claimant:*Gloria Amparo Betancourth

Date of commencement: 2010

Pretension: $925,000

Provisioned sum: $300,000

Object of Trial: electrocutions. Extra-contractual civil liability for electrocution lesions.
Payment for patrimonial the patrimonial and extra-patrimonial harm suffered in relation with the death of her spouse and father of her children, Mr.Sebastián Cárdenas Solórzano, upon contact with the distribution network.

Current status and trial situation: on 21 November 2014 notice was posted by the Court admitting our cassation appeal. The Court notifies the opposing party to respond. Following the respective transfer, the claim was sent to Court for a decision on 15 May 2015.

f. José Serrato Malaver Trial

*Claimant:*José SerratoMalaver

Date of commencement: 2013

Pretension: $300,000

Provisioned: $300,000

Object of Trial: indemnity sought for physical, material, moral, psychiatric and life damage, derived from the disability suffered by a minor after receiving an electric shock generated by a lightning strike, all of them calculated from the age the girl had at the time of the occurrence (13 years old) until the date calculated by the DANE as life expectation.

Current status and trial situation: currently the trial is in the evidentiary phase, waiting for an expert opinion to estimate the value of the emerging damage allegedly suffered by the claimants as a result of this occurrence.

g. Proceso Sandra Liliana Lancheros

*Claimant:*Sandra Liliana Lancheros

Date of commencement: 2003

Pretension: $400,000

Provisioned :$240,000

Object of Claim: payment of subjective indemnity derived from liability in the work accident of her spouse.

Current status and trial situation: currently filing extraordinary cassation appeal before the Labor Cassation Room.

h. María Jeaneth Pasives Rincón Trial

*Claimant:*MaríaJanethPasivesRincón

Date of commencement: 2012

Pretension: $238.745

Provisioned: $238.745

Object of Trial: indemnity for the death of minor upon making contact with distribution network.

Current status and trial situation 6th Civil Court of the Circuit. Objection did not prosper and costs of trial were paid. .

i. Gabriel AlirioGarzónTrial

Claimant: Gabriel AlirioGarzón

Date of commencement: 2007

Pretension: $225,524

Provisioned: $225,524

Object of Trial: indemnity for the death of minor Laddy Johana Garzon upon making contact with distribution network.

Current status and proceeding situation: in first instance, it continues in the evidentiary stage. 30th Civil Court. Origin Court. On 19 September 2013, it was sent to 10th Civil Court of the Circuit for Backlog Clearance. Currently it is at the 46th Civil Court of the Permanent Circuit.

j. Hernando Rivera Espinosa Trial

Claimant: Hernando Rivera Espinosa

Date of commencement: 2013

Pretension: $192,000

Provisioned:$192,000

Object of Trial: indemnity for dismissal without just cause.

Current status and proceeding situation: trial commenced before the 18th Labor Court of the Bogota Circuit. The case is currently at the Supreme Court, having filed the cassation appeal since 7 December 2015. Second Instance.

(In thousands of pesos)

(2) Taking into account that Colombia, through Law 1196 of 2008, embraced the Stockholm convention, inasmuch as this event is regulated through Ministry of the Environment Resolution No. 222 of 15 December2011, though provision for PCB (polychlorinated biphenyls) contaminated transformers was recognized) as of 31 December 2015. The Company updated the provision discounting future flows from the net present value, at an EA rate of 8.82% generating a reduction for the financial effect of ($355,161); the most adequate discount rates are considered to be the government bond interest rates (TES), with maturities similar to those of the obligation. As a result of the periodical revision of estimated flows, the provision registered with cutting date at 31 December 2015, underwent a net increase of $576.469 for (i) updating of provision at current prices $ 859,526 (ii) adjustment in the process cost for exports, in accordance with that estimated in the contract ($642,739),(iii) adjustment in the schedule of medium voltage equipment from 5 to 3 years, for $135,747 and (iv) adjustment in the schedule for limitations on final disposal of PCB contaminated transformers, $223,967. Furthermore, the provision for $30,533 was used.

On 11 November 2014, a contract was entered into with Lito S.A.S, which is intended to carry out the disposal process of PCB contaminated transformers, with prior authorization of the border transit permit issued by the ANLA (National Authority of Environmental Licenses). The ANLA, through Resolution 0323 of 17 March 2015, granted the cross-bordering transit permit for hazardous substances to perform the final disposal process of contaminated transformers to be managed by Lito S.A.S, leaving from the port of Barranquilla (Colombia) with the shipping company MAERSK, passing through Panama, with Spain as final destination. However, the shipping company MAERSK was limited during the authorization period to carry out the transport agreed, considering the existence of a restriction period exclusively for food destined to Europe during the year 2015. The final disposal date that had been authorized expired on 13 November 2015, taking into account the date of issue of the transport permit by the destination country in November 2014.

Currently, the company is evaluating the transport required for three shipping companies on different routes, in order to apply for the additional permits for the transit authorization and the completion of the process. In this same token, the Company adjusted the projected flows and the activities associated to fulfill the targets initially stated.

As of 31 December 2015, the value of the projected flows, not discounted, are the following:

Year	As of 31 December 2015	As of 31 December 2014
2015	$ -	$ 2,229,968
2016	3,355,971	2,229,968
2017	3,039,269	2,233,975
2018	2,325,731	2,129,542
2019 and subsequent	4,143,559	3,877,223
	$ 12,864,530	**$ 12,700,676**

(3) As of 31 December 2015, corresponds to the provision for the public lighting lawsuit for $15,000,000. Following is a brief description of the main facts on which the litigation is based.

On 20 April 1997, an inter-administrative agreement was entered into bythe District and the EEB (Bogota Electric Energy of Bogota), which guarantees the supply of electric energy to the city for public lighting purpose. The agreement was assigned to the Company on 23 October 1997; the same year, the CREG, through Resolution No 99/97, modified the household electric energy service, expressly excluding public lighting, and the Company submitted to the District some invoices where it made its own, unilateral calculation of the value of electric energy it supplied. The District questioned the Company's rate, but paid what it considered was the fair cost.

On 25 January 2002, the parties established a methodology that would be applicable in the future and decided to prepare a georeferenced inventory, for its results to be compared with the existing census so that, in the event of differences, the costs and remunerations would be recalculated with respect to given periods as applicable. The georeferenced inventory (prepared between the years 2000 and 2003) resulted in a difference of 8,661 luminaries less than those invoiced by the Company to the District, so that the Company is requested to recalculate, and to include interest in arrears for the excess values paid between 1998 and 2004.

A first instance ruling was issued on 09/11/2009 compelling the UAESP and the Company to take all necessary actions, within two months as of the issuance of the ruling, to finally settle the balance, in favor or against, duly updated with the DTF (values updating formula), plus interest. Should no agreement be reached, the UAESP must prepare within two months a liquidation for consideration of the company, which can resort to pertinent government channels and in case of no payment, it can proceed to execute the sentence. The second instance sentence confirms what was declared and currently is firm, without other recourses being applicable.

To comply with the above, the Company and the UAESP met and reached an agreement under which the former committed to pay to the Bogota District an amount close to 5.4 million euros. This agreement, in addition, had to be authorized by the director of the UAESP and ratified by Administrative Judge Nº10 of Bogotá (who was aware of the process in first instance).

Subsequently, the Comptroller's office issued an opinion favorable to the Company and recommended to the UAESP to send it to the Judge in order to settle the controversy with the Company. We are waiting for the judge to decide about the conciliation process carried out between the District and the Company.

(4) Corresponds to the estimated value payable because of the archaeological rescue of remains found in the lands where the Nueva Esperanza substation is built. As of 31 December 2015 and 2014, this provision was executed for $1,923,478 and $6,774,545, using the discount rates of 6.9% and 8.46%, respectively, which contemplates the archaeological rescue activities, archaeological monitoring, execution of the public archaeology program and the tenancy program of public archaeology, plus the tenancy plan in the area were the Nueva Esperanza 500/115 Kv. project is located.

(5) Corresponds to compensations included in Resolution 1061 and Agreement 017 of 2013 between the Ministry of the Environment and the Cundinamarca Regional Autonomous Corporation, respectively, which approves the substitution of the protecting and producing forest reserve on the high watershed of the Bogota River, committing the company to implement a compensation and reforestation plan in the construction area of the Nueva Esperanza substation.

Environmental License: on 31 July 2014, through Resolution No.1679, Cundinamarca Regional Autonomous Corporation – CAR, granted the Environmental License for development of the project "Construction of the Nueva Esperanza 500/115 kV substation, its 115 kV lines and the connection modules". Nevertheless, on 8 August 2014, the company filed an appeal for reconsideration against said ruling, based on article 55 of the aforementioned Resolution, which requests including and clarifying issues associated with the geographical zone, the compensations, the census, etc.

On 30 December 2014, the Company was notified about Resolution 3788 of 24 December 2014, whereby the appeal for reconsideration is resolved, granting the Environmental License for the construction and operation of the "Nueva Esperanza" project. The appeal corrects the essential aspects and compensates favorably all of the issues presented by the Company in the appeal for reconsideration. This is a fundamental factor for the project and enables us to continue with the application for the construction license.

On 20 February 2015, the partial purchase sale promise was executed between the Company and Álvaro Eduardo Convers for $1,350,000 for acquisition of property No 5 El Pireo, which is intended for compliance with the environmental compensation obligation associated with the construction of the Nueva Esperanza Substation.

In accordance with clause 5 of the purchase sale promise, the company paid $675,000 equivalent to 50% of the property price.

On 30 June, 14 August and 10 November 2015, the parties executed to Amendments aimed at extending the term for fulfilling processing before the competent authorities to obtain the license for segregation and the canceling of marginal notes 2 and 3 on the registration page 2 and 3 dealing with the property that is the subject of the sale. The time granted for fulfilling these obligations expires two months after the execution of the last amendment.

Ban Release: Resolution No. 1702 of 17 July 2015 “Whereby a partial release of the ban is ordered and other decisions are made”, issued by the Ministry of the Environment and Sustainable Development. The ban is partially released through the aforementioned resolution for taxonomic groups of Bromelias, Orchids, Moss, Lichen and Hepactics and for five (5) individual of the species Cyatheacarasacana, reported in the area of intervention of the Nueva Esperanza project, according to the pertinent coordinates.

The Company was notified of Resolution 2128 of 30 September 2015, whereby the appeal for reconsideration, associated with the Ban Release of the “Nueva Esperanza” project is resolved. The recourse corrects essential aspects and replaces favorably all of the points presented by the company in its appeal for reconsideration. This fact is fundamental for the project and enables continuing with the construction of the 115kV transmission lines.

On 1 December 2015, the environmental compensation contract was executed between the Company and the Geosintesis Consortium, which is intended for forest use of 3,600 tree individuals, establishment, isolation and maintenance of protecting forest plants, ecological reclaiming of 0.5 hectares, forest management plan of El Pireo property, design, establishment and maintenance of a life barrier for the Nueva Esperanza substation, among other direct influence activities of the project. The term for contract performance is 36 months.

As part of the commitments set out in the Environmental License, there is an obligation for protecting the species, Choloepus Hoffmanni (Sloth) during the construction activity of the high-voltage lines. On 18 December 2015, the contract was executed for implementation of the protection plan for this species between the Company and ANTEA Colombia S.A.S, for a 12-month term.

Additionally, in 2015 payments have been made for $1,140,141, mainly for epiphyte surveys with the firm Ambiental Consultores for $983,510.

As of 31 December 2015 and 2014, the Nueva Esperanza provision was updated to net present value at a rate of 7.84% EA (IBR + 2,25%) and 6.53 % EA (DTF + 2,05%) generating a financial effect for $222,057 and ($83,562). The discount rate applied by the Company or the interest rates with due dates similar to those of the obligation; in this case, the local banking rate for 4-year credits was applied, expressed in IBR for the Company.

(In thousands of pesos)

Value of projected cash flows without discount is presented below:

Year		As of 31 December 2015		As of 31 December 2014
2015	$	-	$	9,226,911
2016		4,719,322		282,906
2017		752,936		282,906
2018 and So on		747,427		188,604
	$	6,219,685	$	9,981,327

The movement of provisions between 1 January 2014 and 31 December 2015 is the following:

	Provision for legal claims (a)	Decommissioning, reclaiming and rehabilitation costs	Archaeological rescue	Nueva Esperanza	Public lighting and Other	Total
Initial balance as of 1 January 2014	**$ 6,229,023**	**$ 10,958,525**	**$ 8,996,000**	**$ 9,985,000**	**$ 15,407,590**	**$ 51,576,138**
Increment (Decrement) in existing provisions	1,796,192	146,491	-	-	-	**1,942,683**
Used provision	(983,026)	-	(6,774,545)	-	-	**(7,757,571)**
Financial effect updating	-	(352,850)	-	(83,562)	-	**(436,412)**
Recoveries	(2,382,134)	-	-		-	**(2,382,134)**
Other increment (Decrement) (b)	-	-	263,611	(3,673)	23	**259,961**
Total movement of provisions	**(1,568,968)**	**(206,359)**	**(6,510,934)**	**(87,235)**	**23**	**(8,373,473)**
Final balance as o in existing provisions	**4,660,055**	**10,752,166**	**2,485,066**	**9,897,765**	**15,407,613**	**43,202,665**
Increment (Decrement) in existing provisions	760,000	576,500	-	-	100,068	**1,436,568**
Used provision	(270,062)	(30,533)	(1,923,479)	(1,815,141)	-	**(4,039,215)**
Updating of financial effect	-	(355,161)	-	222,058	-	**(133,103)**
Recoveries	(522,938)	-	-		-	**(522,938)**
Other increment (Decrement) (b)	-	-	(263,611)	(2,251,200)	41,760	**(2,473,051)**
Total movement of provisions	**(33,000)**	**190,806**	**(2,187,090)**	**(3,844,283)**	**141,828**	**(5,731,739)**
Final balance as of 31 December	**$ 4,627,055**	**$ 10,942,972**	**$ 297,976**	**$ 6,053,482**	**$ 15,549,441**	**$ 37,470,926**

(a) The movement of provisions for legal claims corresponds primarily to:

Type of proceeding	Claimant	Object of the claim	Value
2014 Mvements			
Ordinary civil	Jose SerratoMalaver and Other	Lesions for electrocution	$ 300.000
Ordinary civil	Maria Jeaneth PasivesRincón and Other	Lesions for electrocution	240.000
Ordinary civil	Carlos Uriel Ballen and Other	Death for electrocution	(550.000)
Nullity and reestablishment	EdificioCalle 100	Contribution for solidarity	(360.000)
Ordinary civil	Luis Guillermo Perilla and Other	Lesions for electrocution	(270.000)
2015 Movements			
Civil	Honorio Vargas Alvarado	Death electrocution	350.000
Laboral	Hernando Rivera Espinosa	Indemnity for dismissal without just cause	192.000
Civil	Maria Cristina Romero de Herrera	Death for electrocution	(270.062)
Civil	Edificio Santa Catalina	Easement	(200.000)

Corresponds to recovery of the provision because of executing the sale promise of the property El Pireo.

(In thousands of pesos)

17. Provisions for Employee Benefits

	As of 31 December 2015		As of 31 December 2014		As of 1 January 2014	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Obligations for post – employment and long term defined benefits. (1)	$ 33,240,820	$ 177,690,982	$ 28,076,180	$ 189,748,285	$ 27,618,495	$ 177,618,803
Social benefits and contributions to Social Security (2)	36,358,658	-	32,365,134	-	28,186,065	-
Retirement plan benefits (3)	764,012	3,468,646	-	-	-	-
	$ 70,363,490	**$ 181,159,628**	**$ 60,441,314**	**$ 189,748,285**	**$ 55,804,560**	**$ 177,618,803**

(1) The Company grants different defined benefits plans; post–employment obligations and long-term benefits to its active or pensioned employees; all these in accordance with fulfillment of previously defined requisites, which refer to:

Retirement Pensions

The Company has a defined benefit pension plan on which it does not percent specific assets, except for all resources derived from the performance of its operational activity. The pension benefit plans establish a pension benefit amount that an employee will receive upon retirement, which usually depends on one or more factors such as age of employee, years of service and compensation.

The recognized liability in the financial situation statement, with respect to defined benefit pension plans, is that present value of the obligation of defined benefit on the date of the financial situation statement, together with adjustments for unrecognized actuarial gains or losses. The obligation for the defined benefit is calculated by independent actuaries using the projected credit unit method. The present value is the defined benefit obligation and is determined discounting the estimated cash outflows, using interest rates based on the yield curve of the Public Debt Bonds of the Government of Colombia (TES),expressed in real value units (UVR), whose terms are close to those of that pension obligation until maturity.

Actuarial losses and gains derived from adjustments based on experience and changes in actuarial hypothesis are charged or credited to the net equity in other consolidated results, in the period of occurrence.

The retirement pension obligation includes the effects of the respective application to the new mortality rates authorized by the Finance Superintendence, through Resolution 1555 of 30 July 2010.

The pensioner base for recognition of this benefit corresponds to:

Concept	As of 31 December 2015	As of 31 December 2014	As of 1 January 2015
Pensioners	850	848	848
Average Age	62.45	61.47	60.45

Other post – employment benefits

Pensioner benefits

The company provides the following aids to employees retired for pension: (i) Education aid, (ii) Electric energy aid, and (iii) health aid in accordance with that provided for in the labor collective pact.

(In thousands of pesos)

The right to the aforementioned benefits is generally granted to employees, regardless of having worked until the retirement age or not. The costs expected from these benefits are acquired during the time of employment. Missing a methodology similar to that of the defined benefit plans. The actuarial gains and losses derived from the adjustments for experience and changes in the actuarial assumptions are charged or credited to other consolidated results in the period of occurrence. These obligations are valued annually by qualified independent actuaries.

The pensioner base used for recognition of this benefit corresponds to:

	As of 31 December 2015	As of 31 December 2014	As of 1 January 2015
Educational aid			
Pensioners	274	334	378
Average Age	17,96	18,21	17,55
Electric energy			
Pensioners	796	801	803
Average Age	62,38	61,43	60,43
Health aid			
Pensioners	1.027	1.104	1.247
Average Age	52,25	50,16	46,71

Retroactive severance pay

Retroactive severance pay, which is considered a post–employment benefit, is liquidated for employees belonging to the labor regime that was in force prior to Law 50 of 1990 and who embraced this regime change. The social benefit is liquidated for the whole time worked based on the last salary earned and is paid regardless or the employee being dismissed or if retiring voluntarily. The actuarial gains and losses of the adjustments for experience and changes in actuarial assumptions, are charged or credited to another consolidated result.

The employee base used for recognition of this benefit corresponds to:

Concept	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Employees	51	53	53
Average Age	50,83	50,32	49,32
Seniority	24,17	23,04	22,04

Long-term benefits

The Company recognizes to its active employees benefits associated to seniority, such as five-year periods, consisting in making an additional payment for every 5 years of uninterrupted service to employees whose date of contracting was September 2005 and which accrues as of the second year in accordance with that defined in the collective labor agreement.

The costs expected from these benefits are accrued during the employment period, using a methodology similar to that used for the defined benefits plan. The actuarial gains and losses derived from adjustments for experience and changes in the actuarial assumptions are charged or credited to the results of the period of occurrence. These obligations are valued by qualified independent actuaries.

(In thousands of pesos)

The employee base used for recognition of this benefit corresponds to:

Concept	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Employees	141	146	146
Average Age	48,46	47,57	46,63
Seniority	20,95	19,88	18,88

As of 31 December 2015, the actuarial calculation of post–employment benefits performed by the firm Aon Hewitt México, which used the following set of hypotheses:

Financial Hypothesis:

Type of Rate	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Discount Rate	7.44%	7.04%	7.25%
Salary increase rate (active personnel)	4.20%	4.00%	4.00%
Pension increment rate	3.20%	3.00%	3.00%
Estimated inflation	3.20%	3.00%	3.00%
Health service inflation	8.00%	8.00%	4.00%

(In thousands of pesos)

Demographic Hypothesis

Biometric Base

Mortality rate	2008 colombian mortality rate (valid rentier)
Disable ortality rate	Enel internal table
Total Permanent disability	EISS
Turn over	Enel internal table
Retirement	Women: 57 Men: 62

The movement of obligations for benefits defined as of 31 December 2015 is the following:

	Retired Personnel		Active Personnel		Defined Benefits
	Pensions	Benefits	Retroactive Severance Pay	Five year	Plan
Initial balance as of 31 December 2014	**$157.258.439**	**$ 55.268.503**	**$ 1.572.721**	**$ 3.724.802**	**$ 217.824.465**
Cost of current service	-	-	75.886	200.675	**276.561**
Cost for interest	10.557.412	3.751.669	107.639	247.864	**14.664.584**
Contributions paid	(13.826.287)	(6.306.941)	(290.366)	(665.682)	**(21.089.276)**
Actuarial (Gains) losses from changes in financial assumptions	(2.747.983)	(1.917.424)	(13.648)	(34.061)	**(4.713.116)**
Actuarial (Gains) losses from changes in adjustments for experience	963.060	2.382.463	268.727	354.334	**3.968.584**
Final balance as of 31 December 2015	**$ 152.204.641**	**$ 53.178.270**	**$ 1.720.959**	**$ 3.827.932**	**$ 210.931.802**

(In thousands of pesos)

The movement of obligations for benefits defined as of 31 December 2014 is the following:

	Retired Personnel		Active Personnel		Defined Benefit Plan
	Pensions	Benefits	Retroactive Severance	Five-year term	
Initial balance as of 1 January 2014	**$ 162,055,597**	**$ 37,525,955**	**$ 1,339,371**	**$ 4,316,375**	**$ 205,237,298**
Cost of current service	-	-	72,335	265,146	**337,481**
Cost for interest	10,875,177	2,609,348	93,772	298,093	**13,876,390**
Contributions paid	(19,348,539)	(3,534,080)	(229,506)	(414,711)	**(23,526,836)**
Actuarial (Gains) losses from changes in financial assumptions	(1,352,887)	16,161,341	333,118	(398,616)	**14,742,956**
Actuarial (Gains) losses from changes in adjustments for experience	5,029,091	2,505,939	(36,369)	(341,485)	**7,157,176**
Final balance as of 31 December 2014	**$ 157,258,439**	**$ 55,268,503**	**$ 1,572,721**	**$ 3,724,802**	**$ 217,824,465**

The following chart shows that behavior in the present value of the obligation for each of the defined benefits, related to that percent variation in 100 basic points above or below the Discount Rate used for the current calculation.

Changes in Discount Rate	Retired Personnel		Active Personnel		
	Pensions	Benefit	Retroactive Severance PAY	Five year Term	Defined Benefits Plan
- 100 basic points	$ 168.113.832	$ 58.747.899	$ 1.890.956	$ 4.009.759	$ 232.762.446
+ 100 basic points	$ 138.833.897	$ 48.459.499	$ 1.569.969	$ 3.661.277	$ 192.524.643

(2) As of 31 December 2015, 31 December 2014 and 1 January 2014, corresponds primarily to bonuses $24,367,937, $20.591.996 and $17.791.223, vacation and vacation bonus $7,276,206, $7,225,928 and $6,221,395. Likewise, the Company makes periodical contributions established by Law for severance pay and integral social security: health, professional risks and pension, to the respective private funds and Colpensiones, which managed these obligations entirely. As of 31 December 2015, 31 December 2014 and 1 January 2014, the Social Security and extra-legal contributions amount to$2,725,047, $2,688,873 and $2,560,375, and severance pay and interests thereon to $1,875,572, $1,740,658 and $1,536,428, respectively.

On 24 July 2015, the direct settlement stage between the Company and Sintraelecol union finished after full agreement of the parties. The Labor Collective Agreement was signed on 5 August 2015 and deposited with the Labor Ministry on the same date when it came into force. The main aspects agreed include a three-year term for the Collective Bargaining (2015 - 2018), keeping the same application fields for the current bargaining (beneficiary employees), the increased value of current pact benefits and recognition of prerogatives related to savings, free investment and health.

(3) On nine November 2015, the Company commenced the communication and implementation of the voluntary retirement plan “San José Plan”, intended for 122 employees hired through standard contracts who meet the characteristics described in the following Groups:

Group 1: unionized employees who: (i) joined the Company before 1 January 1992. (ii) did not meet the conventional pension requirements as of 31 July 2010 (Legislative Act 01 of 2015) (iii) as at the date of the Sann Jose San Jose have 0 and 10 years to reach the retirement age pursuant to the Law.

Group 2: integral and unionized employees who currently have 0 to 2 years to reach the retirement age pursuant to the Law.

Group 3: integral and unionized employees selected in accordance with the new Company structure.

The Company extended the acceptance period until 31 March 2016 in order to give employees prudential time to analyze and consult their decision individually and with their social environment.

As of 31 December 2015, 58 employees accepted the offer presented under the San Jose Plan, who commenced their retirement between 11 November 2015 and 31 January 2016, with prior conciliation before the Labor Judge.

The benefits granted through the San Jose Plan are described herein below:

Temporary Income: consists in monthly payment ranging between 70% and 90% of economic provision salary from the time of work contract termination by mutual consent and up to four (4) months after the employee meets the age requirement provided for in the Law for having ages to old age pension (62 years for men, 57 years for women). The full payment of this benefit will be paid through the pension fund, Protection S.A., without it being considered a Company asset.

This benefit was offered to employees meeting the characteristics described in Group 1 and Group 2. As of 31 December 2015, the proposal was accepted by 13 employees out of the 28 offers made.

For employees who accepted the liabilities recognized in the Financial Statement, with respect to temporary income, it is the present value of the defined benefit obligation on the date of the financial situation statement, less payments made to the pension fund. The obligation for the defined benefit is calculated by independent actuaries using the projected credit unit method. The present value of the defined benefit obligation is determined by discounting the estimated cash outflow, using interest rate calculated as of the yield curve of the Public Debt Bonds of the Colombian Government (TES) denominated in real value units (UVR), which have terms close to the terms of the obligation.

As of 31 December 2015, the actuarial calculation of temporary income was prepared by the firm Aon Hewitt Mexico, which used the hypothesis described in the post–employment benefit plans.

Additionally, the Company established a provision in accordance with the probability of acceptance of employees pending acceptance in accordance with the extension period.

Retirement bonus: consists in a one-time payment to the employee at the time of signing the respective settlement minutes, whereby work contract is terminated upon mutual consent and it will be liquidated based on the salary of the employees and their seniority. This benefit was offered to employees meeting the characteristics of Group 3. As of 31 December 2015, the proposal was accepted by 45 employees out of 94 offers made.

For employees who accepted, the Company recognized effects on the income statement in accordance with the liquidation and payment of the retirement bond.

Additionally, the Company established a provision in accordance with the probability of acceptance of the employees pending acceptance in accordance with the extension period.

(In thousands of pesos)

Other Benefits: in addition to the above described benefits, the Company offered, and benefits to unionized and integral employees following the termination of the work contract by mutual consent and until 31 December 2016, including prepaid health and insurance benefits, among others.

The movement for purposes of the San José Plan as of 31 December 2015 is the following:

	Temporary Annuity	Retirement Bonus	Other Benefits	Total voluntary retirement plan benefits
Period cost for accepted offers	$ 3,973,297	$ 6,108,187	$ 72,327	$ 10,153,811
Employer contributions	(2,273,437)	(6,108,187)	-	(8,381,624)
Provision cost for expected acceptance	1,768,786	691,685	-	2,460,471
Final balance as of 31 December 2015	**$ 3,468,646**	**$ 691,685**	**$ 72,327**	**$ 4,232,658**

18. Payable Taxes

Income Tax

Tax returns for taxable year 2013 and 2014 are open for review by tax authorities, as well as the CREE income tax on equity for 2013 and 2014. However, as per Management opinion, in the event of occurrence, no significant differences are expected.

Included below is the income tax:

	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Current income tax (1)	$ 334,318,553	$ 284,190,959	$ 282,017,885
Income advance	(76,286,232)	(98,615,649)	(103,775,130)
Withholdings and	(99,336,283)	(93,135,691)	(87,271,634)
Tax discount (2)	(3,089,137)	-(55,505,470)	
CREE self withholding		(59,764,471)	(32,989,095)
	$ 95,842,430	**$ 36,934,149**	**$ 57,982,026**

(1) Liabilities for current income tax payable is comprised by:

	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Tax on earnings related to the results of the period (See Note 28)	$ 333,803,798	$ 291,789,087	$ 283,509,326
Tax on earningos related to components of other consolidated results (See number 1 Note 30)	514,755	(7,598,128)	(1,491,441)
	$ 334,318,553	**$ 284,190,959**	**$ 282,017,885**

(In thousands of pesos)

(2) Corresponds to the tax discount on sales tax for the import or acquisition of fixed assets and heavy equipment for the basic industry, pursuant to Articles 258-1 and 258-2 of the Tax Statute.

The main reconciliation items between profit before taxes and the taxable net income that explain the difference between the 25% rate for companies corresponding to income tax and the 14% tax on income for equity – CREE, and the CREE Surcharge are:

Concept		As of 31 December 2015		As of 31 December 2014
Accounting profit before income tax	**$**	**873,294,956**	**$**	**825,639,601**
Line items increasing net income				
Tax on wealth		22,100,606		
- Equity tax o		-		1,429,413
Non-deductible costs (1)		2,280,722		17,401,031
Non-deductible provisions		41,878,549		33,032,860
Contribution to financial transactions		8,585,799		8,708,116
Other line items that increasenet income		317,728		-
Non-deductible taxes		54,345		61,186
Deferred amortization		2,867,961		848,870
Presumed interest		12,871		17,959
Total line items that increase net income		**78,098,581**		**61,499,435**
Line items that decreasenet income				
Tax depreciation and amortization		(78,560,971)		(25,510,300)
Losses for new measurement of defined benefit plans		(16,544,045)		(22,640,232)
Fixed assets disposal		-		(89,326)
Difference of parafiscal contributions and pensions		-		151,453
Tax profit in sale of fixed assets		(62,825)		(505,041)
Deductions for contracting with the disabled		(46,077)		(46,612)
Other line items that reduce net income		-		(2,791,033)
Non-taxed revenues		(402,308)		(95,976)
Total line items that reduce net income		**(95,616,226)**		**(51,527,067)**
Net taxable income		**855,777,311**		**835,611,969**
Income tax rate		25%		25%
Income tax		**213,944,328**		**208,902,992**
Occasional gains		62,825		505,041
Tax rate on occasional gains		10%		10%
Occasional gains tax		**6,283**		**50,504**
Total income tax and supplementary taxes		**$ 213,950,611**	**$**	**208,953,496**

(1) As of 31 December 2015 corresponds to expenses without causal relationship such as invitations to employees, sports, recreation, well-being amounting to $1,249,122, low condemnation $308,598, disposal of obsolete material $212,993, subscriptions and affiliations $72,133, and Others $437,876.

As of 31 December 2014, corresponds mainly to amortization of Almaviva in previous years $13,884,894, and accounting adjustments for disposal of intangibles not meeting the requisites $1,264,012.

(In thousands of pesos)

Equity Income Tax - CREE

Concept		As of 31 December 2015		As of 31 December 2014
Taxable ordinary net income	**$**	**855.777.311**	**$**	**835.611.969**
Plus special deductions				
Donations		632.000		1.162.091
Contracting of disabled		46.077		46.612
Special deductions for investment in science and technology		6.482.175		
Non-taxed revenues and deductible expenses				
Amortization science and technology investment		(2.867.961)		(848.870)
Presumed interest		(12.871)		-
CREE taxable Net income		**860.056.731**		**835.971.802**
CREE tax rate		9%		9%
CREE income tax		**77.405.106**		**75.237.463**
Taxable income tax CREE		**860.056.731**		**-**
Exemption CREE surcharge		800.000		-
CREE surcharge on taxable net income		**859.256.731**		**-**
CREE tax rate		5%		-
CREE surcharge income tax		**42.962.836**		**-**
Income tax CREE and surcharge		**120.367.942**		**75.237.463**
Total payable income tax and CREE	**$**	**334.318.553**	**$**	**284.190.959**

Equity reconciliation

		As of 31 December 2015		As of 31 December 2014
Accounting equity	**$**	**2.323.268.707**	**$**	**1.883.849.244**
Estimated liabilities		111,706,126		73,223,280
Tax adjustment on assets		260,234,421		279,269,681
Debtors provision		32,602,209		24,331,984
Assets provision		1,459,234		1,652,599
Expenses capitalized on investment		1,721,472		
Other		183,357		562,000
Monetary correction		(1,578,777)		(1,653,956)
Investment on science and technology		(6,668,392)		(3,523,120)
Debit deferred tax		(32,968,991)		(96,858,830)
Deferred depreciation		(297,630,571)		(110,398,439)
Tax equity	**$**	**2,392,328,795**	**$**	**2,050,454,443**

(In thousands of pesos)

Transfer Prices

Taxpayers of income tax who enter into operations with economic associates or related parties abroad are bound to determine, for income tax purposes, their ordinary and extraordinary revenues, costs and deductions, assets and liabilities, considering for these operations the prices and profit margins that would have been used in comparable operations with independent entities. For 2014, the external advisors perform the update of the transfer price and support documentation study, as required by tax provisions, intended for proving that operations with economic associates abroad were carried out at market prices in 2014 and, therefore, it is not necessary to include adjustments in the tax returns for the same year. The information statement and support documentation were presented on 16 July 2015. For 2015, the external advisors value dated the operations to be performed with each economic associate. The study and support documentation will commence on 2016, which expire in July of the same year.

19. Other Non-Financial Liabilities

	As of December 31 2015	As of December 31 2014	As of 1 January 2014
Deferred income (1)	$ 1,937,500	$ 2,687,500	$ 3,885,184

(1) Corresponds primarily to the contract entered into in August 2010 with Mapfre Colombia Vida Seguros, a contract for access to the market channel for electric energy clients of the Company, aimed at enabling Mapfre to commercialize insurance contracts among Company clients. This contract is for a term of eight (8) years, having agreed a one-time payment of $6,000,000, which are amortized over the term of the contract.

20. Equity

Capital

The authorized capital is represented in 28,378,952,140 shares with a par value of $100 each; subscribed and paid 132,093.274 shares.

Equity share as of 31 December 2015 is shown below:

	Ordinary Shares with the right to vote		Preferential shares without the right to vote		Shareholder Structure	
Shareholders	%of Participation	Number of Shares	%of Participation	Number of Shares	%of Participation	Number of Shares
Empresa de Energía de Bogotá S. A. E.S.P.	42,85%	48.025.920	100%	20.010.799	51,5%	68.036.719
Enersis S.A.	46.11%	51,685,039			39.13%	51,685,039
Chilectra S.A.	11.02%	12,349,522			9.35%	12,349,522
Other minority shareholders	0.02%	21,994			0.02%	21,994
	100%	112,082,47	100%	20,010,799	100%	132,093,274

Out of the total shares of Empresa de Energía de Bogotá S.A. ESP, 20,010,799 correspond to shares without voting right, with a preferential dividend of US$0.10 per share.

(In thousands of pesos)

Dividend distribution

The General Shareholders Assembly, for the period ended on 31 December 2014, ordered the distribution of profits chargeable to net profit generated according to previous generally accepted accounting principles (Decree 2649 of 1993), in force under mentioned closing date.

The General Shareholders Assembly held on 26 March 2015, as per Minutes No. 60, ordered the distribution of dividends for $78,088,439 chargeable to net profit as of 31 December 2014.

The Board of Directors, as per Minutes No. 216 of 13 August 2014, asked the Administration to make a Financial Statement with cut off date on 31 August 2014, in order to present it for consideration of the General Shareholders Assembly for approval thereof and of dividend distribution. The General Shareholders Assembly held on 29 October 2014, as per Minutes No. 59, ordered dividend distribution for $352,236,817 chargeable to the net profit of August 2014.

The General Shareholders Assembly held on 27 March 2014, as per Minutes No. 56, ordered dividend distribution for $535,910,519 chargeable to the net profit as of December 2013.

The dividends on profit for the period between 1 September and 31 December 2014 for $78,088,439 (578.37 (*) per ordinary share) will be paid as follows: 100% of the dividends will be paid on 26 March 2016.

Dividends on profit for the period between 1 January to 31 August 2014 for $352,236,817 (2,647.20 (*) per ordinary share) paid as follows: 100% of preferred dividend and 56.02% of ordinary dividend on 23 June 2015, and 43.98% on 27 October 2015.

Dividends on profit of 2013 for $535,910,519 (4,027.87 (*) per ordinary share) paid as follows: 100 % of preferential dividend and 37.42% of ordinary dividend on 25 June 2014, 24.88% of the ordinary dividend on 26 November 2014 and 37.70% of the ordinary dividend on 28 January 2015.

Dividends on 2012 profit for $510,992,818 (3,841.64 (*) per ordinary share) paid as follows: 100 % of preferential dividend and 9.14% of ordinary dividend on 5 June, and subsequent payments of 10.14%, 18.13%, 19.27% and 18.13% of the ordinary dividend on days 20 June, 23 October, 28 November and 3 December2013 respectively; and 25.18% of the ordinary dividend on 23 January 2014 2014.

(*) Figures in Colombian pesos

Other reserves

	As of 31 December 2015	As of 31 December 2014	As of 1 January 2014
Reserve for Differed Deppreciation (Art. 130 ET)	$ 127.958.144	$ 50.962.398	$ 50.962.398
Legal Reserve	6.604.664	6.604.664	6.604.664
	$ 134.562.808	**$ 57.567.062**	**$ 57.567.062**

Legal reserve

In accordance with Colombian law, the Company must transfer at least 10% of the year profit to a legal reserve, until it is equal to 50% of the subscribed capital. This reserve is not available for distribution; however, it may be used to absorb losses.

(In thousands of pesos)

Reserve for deferred depreciation (Article 130 of the Tax Statute)

The General Shareholders Assembly held on 26 March 2015, as per Minutes No. 60, ordered the establishment of the reserve on account of accelerated depreciation provided for in Article 130 of the Tax Statute for $76,995,746 chargeable to the net profit of the period between 1 September and 31 December 2014. It should be noted that for tax purposes the method of depreciation method of reducing balances will be used as of 2014 and for accounting purposes, the straight-line system will continue being used.
Additionally, in previous periods, 70% excess reserve was established as requested since 1998 for tax purposes, amounting to $50,962,398.

21. Revenues from Regular Activities

	Year ended on 31 December 2015	Year ended on 31 December 2014
Regulated market (1)	$ 2,950,622,856	$ 2,756,214,996
Public lighting (2)	81,395,834	75,907,751
Sport Market (3)	2,603,497	872,412
Electric energy sales	**3,034,622,187**	**2,832,995,159**
Tolls and transmission	377,598,001	359,353,734
Rental of public lighting infrastructure	79,733,197	74,553,174
Mutual support(4)	65,513,056	55,316,859
Provision of goods and services to private parties	66,244,080	55,433,384
Commissions (6)	28,759,418	25,143,032
Maintenance of public lighting infrastructure	9,604,722	9,157,128
Sale of metering equipment	9,413,746	8,620,664
Reconnections	7,671,537	7,421,085
Connection service	5,961,857	5,173,529
Equipment rental	1,158,937	1,167,051
Other	1,789,853	852,574
Other service provisions	**653,448,404**	**602,192,214**
	$ 3,688,070,591	**$ 3,435,187,373**

(1) As of 31 December 2015 and 2014, electric energy sales in the regulated market amount to 8,202 and 7,966 Gwh, with residential clients accounting for 4,664 and 4,575 Gwh, commercial clients 2,280 and 2,213 Gwh, industrial clients 1.011 and 931 Gwh and official clients 247 and 247 Gwh, respectively.

(2) As of 31 December 2015 and 2014, electric energy sales on account of public lighting amount to 260.7 and 259.4 Gwh, mostly from consumption in the Capital District 212.8 and 212,3 Gwh and Other municipalities for 47.9 and 47,1 Gwh, respectively.

(3) As of 31 December 2015 and 2014, electric energy sales in the spot market amount to 12.2 and 4.7 Gwh, respectively.

(4) Corresponds to revenues for rental of electricity infrastructure such as goals and inspection cameras mainly from the telecommunications company in order to allow for laying the network for service provision. The variation found is caused by an increase in the number of rented posts and in the rental rate mainly because of the raise in the Producer Price Index (PPI).

(In thousands of pesos)

(5) The provision of goods and services to private parties corresponds mostly to:

	Year ended on 31 December 2015	Year ended on 31 December 2014
Contract for collaboration and financing of goods and services (a)	$ 37,561,872	$ 33,625,078
Works on electrical works	8,483,954	6,404,691
Christmas lighting (b)	7,204,898	5,464,390
Technical inspections	5,178,133	4,305,114
Equipment installation	1,747,449	1,527,960
Calibration and installation of seals	2,071,838	1,764,955
Induction stoves	913,015	41,568
Electrical mobility services	332,982	234,549
Other value added services (c)	2,749,939	2,065,079
	$ 66,244,080	**$ 55,433,384**

(a) As of 31 December 2015 and 2014, corresponds primarily to a revenues generated by the billing and collection of the business called "*Crédito Fácil Codensa*" according to the business collaboration contract entered into with Banco Colpatria Red Multibanca Colpatria S.A for $33,267,180 and $28,795,627, respectively. Likewise, it includes revenues from financing services and electrical work provided by the Company to third parties for $ 4,294,692 and $ 4,829,451, respectively.

(b) On 9 November 2015, the Company and Villa Hernandez and Cía. S.A.S. established a Temporary Union for a four-month term intended for providing rental, installing, commissioning and maintenance of Christmas lighting for 2015 in the municipality of Chía. As of 31 December 2015, because of service provided, the Company recognized revenues for $859,915.

(c) As of 31 December 2015 and 2014, corresponds primarily to charges for advertising of products offered to clients of the company, distributed with billing (Product in your hands) for $1,856,533 and $1,404,713 respectively.

(6) Corresponds primarily to commissions recognized within the framework of the mandate contracts that the Company has entered into with business partners for subscriptions, insurance, etc.

22. Other Exploitation Revenues

Following is the detail of Other Revenues:

	Year ended on 31 December 2015	Year ended on 31 December 2014
Casualty indemnities (1)	$ 13,092,467	$ 303,614
Fines and sanctions (2)	2,960,787	1,205,619
Recovery of energy losses	2,968,536	3,209,311
Sale of obsolete material	1,967,387	1,558,007
Other	2,806,318	2,371,472
	$ 23,795,495	**$ 8,648,023**

(In thousands of pesos)

(1) As of 31 December 2015, corresponds to recognition by the insurance companies of the following casualties:

Claim Accident	Date	Insurance Company	Type of Accident		Amount in Pesos
Usme Substation	mayo/2014	Mapfre	Fire	$	4,036,123
Concordia Substation	November/2013	Mapfre	Fire		6,668,097
Concordia Substation (a)	November/2013	Seguros Bolivar	Fire		1,144,561
Chíchala Substation	September/2013	Generalli	Fire		1,243,686
				$	**13,092,467**

(a) On 12 March 2015, Seguros Bolívar indemnified for the reimbursement of payments made to third parties affected by the casualty.

(2) As of 31 December 2015 and 2014, corresponds primarily to the collection of fines and sanctions to contractors for default or delays in contract performance for $2,434,164 and $86,195, and fines to service users for $526,623 and $1.117.255, respectively.

23. Provisioning and Services

		Year ended on December 2015		Year Ended on 31 December 2014
Electric Energy purchase (1)	$	1.577.746.003	$	1.459.730.026
Transports cost (tolls and transmission)		347.640.222		308.848.550
Other variable provisions and services (2)		175.371.509		159.611.497
	$	**2.100.757.734**	**$**	**1.928.190.073**

(1) As of 31 December 2015 and 2014, electric energy purchases amount to 9,536 and 9,262 Gwh; purchases testing to the regulated market are attributed a 97.5% share derived in contracts with 8,178 and 7,931 Gwh and spot market purchases of 1,121 and 1,092 Gwh, with the remaining 2.5% corresponding to purchases testing to the unregulated market for 238 and 239 Gwh, respectively.

(2) Following is the detail of Other variable provisioning and services:

		Year ended on 31 December 2015		Year ended on 31 December 2014
Industry and Trade tax	$	44,278,195	$	41,849,873
Maintenance public lighting and Other (a)		36,550,864		31,035,026
Costs associated to metering equipment		24,790,077		21,774,685
Costs of goods and service provision to private parties		37,433,331		32,143,680
Service quality compensation		16,374,124		18,297,351
Cutting and reconnecting services		10,151,398		9,306,278
Contributions among regulators		4,023,237		4,118,298
Other local taxes associated with sales		1,770,283		1,086,306
	$	**175,371,509**	**$**	**159,611,497**

(a) The variation corresponds to an increase in preventive activities, as required by the UAESP and the implementation of the maintenance plan aimed at improving service quality and maintenance performed on critical circuits remunerated under the distribution charge differential.

(b) Corresponds primarily to business associated costs of value added services such as electrical works, Christmas lighting, and subscriptions to magazines, insurance and other products.

(In thousands of pesos)

24. Personnel Expenses

		Year ended on 31 December 2015		Year ended on 31 December 2014
Wages and salaries (1)	$	112.600.638	$	100.220.841
Social security service and other social charges		26.586.932		24.276.285
Expense (Revenues) for post-employment benefit obligation		630.894		(4.003)
Expense for retirement plans obligation (3)		12.614.282		
Other personnel expenses		1.756.461		572.664
	$	**154.189.207**	**$**	**125.065.787**

(1) As of 31 December 2015 and 2014, corresponds to wages and salaries for $82,542,052 and $78,323,503, bonuses $8,021,840 and $11,220,724, vacation and vacation bonus $6,734,271 and $6,630,743, service bonus $2,484,421 and $2,185,937, severance pay and interests thereon $2,105,057 and $1.859.934 and amortization of employee benefits for $2,233,507 and 3,198,884, respectively.

(2) As of 31 December 2015 and 2014,corresponds to parent service cost for active personnel associated to the benefit of retroactive severance pay for $75,886 and $72,336, five-year periods $200,675 and $ 265,146, respectively. As of 31 December 2015, because of the actuarial calculation made by the firm AON, it includes the effect of actuarial losses in five-year terms derived from changes due to modification of variables for $354,334 and ($341.485), respectively.

(3) Corresponds to expenses associated with their voluntary retirement plan “San José Plan” *(See Note 17)*.

25. Other Fixed Costs of Exploitation

		Year ended on 31 December 2015		Year ended on 31 December 2014
Independent professional services, outsourced and Other (1)	$	116,611,505	$	115,110,034
Repairs and conservation		59,446,288		68,996,435
Taxes and charges (2)		23,961,105		1,485,172
Other supplies and services (3)		18,829,746		21,600,678
Rental and monthly payments		7,053,193		6,832,915
Insurance premiums		4,846,627		3,890,906
Advertising, propaganda and public relations		4,097,212		6,488,767
Transport and traveling expenses		2,105,275		1,306,996
	$	**236,950,951**	**$**	**225,711,903**

(In thousands of pesos)

(1) Following is the detail of professional independent, outsourced and other services:

		Year ended on 31 December 2015		Year ended on 31 December 2014
Market recovery contracts	$	15,399,784	$	17,693,411
Ratings		14,724,030		13,827,132
General administration expenses		13,538,325		13,731,799
Collection contracts		12,672,631		12,204,143
Other administration and operation contracts		11,087,494		12,880,628
Customer service contracts		9,367,262		9,511,422
Computation equipment maintenance		6,940,198		5,345,315
Diagnosis, inspection and maintenance of substations, networks and electrical		5,243,039		4,747,065
Fees		4,886,097		3,494,627
Bill delivery		4,637,145		4,344,190
Logistics operator contract for materials /inventories		3,614,545		2,722,554
Transport services administration		3,526,563		3,724,584
Safety		2,104,271		1,928,485
Telecommunications services		1,909,598		1,717,708
Services for development of software and applications		1,767,418		1,629,685
Temporary personnel services		1,581,861		1,372,895
Casualty losses		1,358,244		1,749,275
Non-payment management contracts		1,162,418		1,141,208
Casino and cafeteria		618,943		711,156
Office material and supply		471,639		632,752
	$	**116,611,505**	**$**	**115,110,034**

(2) As of 31 December 2015, corresponds primarily to recognition of the tax on wealth in 2015 for $22,100,606 in accordance with Law 1739 of December 2014, which created the tax on wealth for the years 2015 to 2017 for companies.

(3) As of 31 December 2015 and 2014, corresponds primarily to electrical material for $3,324,811 and $5,949,653, security and surveillance services $6,529,136 and $6,072,004, studies and projects $1,085,306 and $833.098 respectively.

26. Expense for Depreciation, Amortization and Impairment Losses

		Year ended on 31 December 2015		Year ended on 31 December 2014
Depreciations (Note 12)	$	237,920,957	$	242,107,045
Amortizations (Note 11)		11,680,014		11,546,258
Depreciations and Amortizations		**249,600,971**		**253,653,303**
Reversion (Losses) for impairment of financial assets (1)		338,759		8,415,199
	$	**249,939,730**	**$**	**262,068,502**

(1) As of 31 December 2015 and 2014, correspondsto energy portfolio endowment ($593,242) and ($6,595,366), recovery (endowment) supplementary business portfolio $278,109 and ($1,882,678), (endowment) employees portfolio recovery ($24,861) and $2,673 and other recoveries for $1,235 and $60,172, respectively.

(In thousands of pesos)

27. Financial Results

	Year ended on 31 December 2015	Year ended on 31 December 2014
Cash revenues and other equivalent means(1)	$ 11,455,680	$ 11,833,962
Other financial revenues	599,176	1,447,152
Interest on financing to clients (2)	6,813,291	3,040,601
Interest in arrears	6,409,193	5,890,577
Interest on employee loans (3)	3,033,006	4,040,993
Financial revenues	**28,310,346**	**26,253,285**
Financial obligations (4)	(112,432,765)	(84,834,655)
Obligation for post-employment benefits	(14,630,523)	(13,477,775)
Levy on financial movements	(17,171,650)	(17,416,231)
Financial leasing (Leasing)	(374,271)	(482,707)
Other financial costs (5)	(946,344)	(3,107,015)
Financial costs	**(145,555,553)**	**(119,318,383)**
Revenues for exchange difference	6,540,036	1,218,487
Expense for exchange difference	(4,156,837)	(1,057,121)
Net exchange difference (6)	**2,383,199**	**161,366**
Total financial result, net	**$ (114,862,008)**	**$ (92,903,732)**

(1) Corresponds primarily to financial yield in local currency from deposits and investment in various entities such as AlianzaFiduciaria, Avvillas, BBVA, Banco Bogotá, Caja Social, Citibank, Colpatria, Corficolombiana, Corpbanca, Corredores, Pichincha and ValoresBancolombia.

(2) As of 31 December 2015, the Company recognized current interests corresponding to the balance owed by the UAESP of IVA public lighting for $5,059,734 (See Note 7).

(3) As of 31 December 2015, and 2014, corresponds to the financial interest of housing credits $799,499 and $842,109, and the financial effect of loans to employees agreed at the differential market rate $2,203,507 and $3,198,884, respectively.

(4) Value corresponding to interest on bonds issued and generated under the Company's Bond Emission and

Issue	Year ended on 31 December 2015	Year Ende don 31 December 2014
Bonds Interest B102	$ 48.637.893	$ 39.219.636
Bonds Interest B604	12.842.918	9.933.699
Bonds Interest B5-13	16.116.540	12.463.825
Bonds Interest B12-13	18.825.157	14.923.187
Bonds Interest B7-14 (a)	15.647.513	3.505.096
Bonds Interest B10 (b)	-	4.106.668
Other comercial loans	-	319.800
	112.070.021	**84.471.911**
Amortization Premium for emission of Bonds B102	362.744	362.744
	$ 112.432.765	**$ 84.834.655**

(In thousands of pesos)

(a) Corresponds primarily to the interest of bonds issued on 25 September 2014 for the third tranche under the Company's Bond Emission and Placement for $185,000.000 of an only Sub-series B7 at 7-year term.

(b) Corresponds primarily to interest on Bonds of sub-series B10 of the firs emission for $250,000,000, which were paid on 11 March 2014.

(5) As of 31 December 2014, corresponds primarily to the updating of present value of the equity tax for $1,429,912.

(6) The origin of effects on results for Exchange differences correspond to:

	Year ended on 31 December 2015	
	Revenues for Exchange Difference	**Costs for Exchange Difference**
Cash	$ 259,718	$ (3,905)
Bank balance	33,795	(1,649,717)
Cash and cash equivalents	293,513	(1,653,622)
Current accounts receivable	104,212	(60,632)
Total assets	**397,725**	**(1,714,254)**
Accounts payable goods and services	6,026,374	(2,415,386)
Advance payment to clients	115,937	(27,197)
Total liabilities	**6,142,311**	**(2,442,583)**
Total exchange difference	**$ 6,540,036**	**$ (4,156,837)**

	Year ended on 31 December 2014	
	Revenues for Exchange Difference	**Costs for Exchange Difference**
Cash	$ 3,344	$ (4,284)
Bank balance	5,996	(114,079)
Cash and cash equivalents	9,340	(118,363)
Current accounts receivable	72,310	(27,104)
Total assets	**81,650**	**(145,467)**
Accounts payable goods and services	935,068	(905,357)
Advance payment to clients	201,769	(6,297)
Total liabilities	**1,136,837**	**(911,654)**
Net results	**$ 1,218,487**	**$ (1,057,121)**

(In thousands of pesos)

28. Expenses for Tax on Gains

The provision booked to the results of the period, for income taxes and CREE (income tax for equity) is broken down as follows:

		Year ended on 31 December 2015		Year ended on 31 December 2014
Current Income Tax 2015	$	213,620,639	$	216,551,625
Current CREE 2015 Tax		120,183,159		75,237,462
		333,803,798		**291,789,087**
Income tax previous years (1)		(41,455,656)		(4,138,528)
Deferred tax movement		19,060,018		(3,659,660)
Movements deferred tax previous years		44,952,180		1,063,449
	$	**356,360,340**	**$**	**285,054,348**

(1) The General Shareholders Assembly of 26 March 2015, as per Minutes No. 60, ordered the establishment of a reserve on account of the accelerated depreciation set forth in accordance with Article 130 of the Tax Statute for $78,088,439 chargeable to net profit as of 31 December 2014, taking into account that for tax purposes the depreciation method of reducing balances as of 2014 is used and for accounting purposes, the straight line system is used.
Because of the implementation of depreciation for balance reduction, ($39.021.233) were registered in the current tax, and $40,016,135 in the deferred tax as of 31December 2014.

Included below is the reconciliation of the income tax that would result from applying a current general tax type to the "results before taxes" and the expense-registered equivalent to an effective rate on profits as of 31 December 2015 and 2014 of 40.81% and 34.53%, respectively:

Reconciliation effective tax rate		**Year ended on 31 December**	**Rate**		**Year ended on 31 December**	**Rate**
Year Profit	$	520.093.365		$	549.562.039	
Cost of gain tax		356.360.375			285.054.377	
Gain before taxes		**876.453.740**			**834.616.416**	
Legal tax rate in forcé impuestovigente		39%			34%	
Tax as per current legal rate		**(341.816.959)**	(39%)		**(283.769.581)**	(34%)
Permanent differences:						
Non-deductible taxes (1)		(3.369.656)	(0,39%)		(2.981.563)	(0,36%)
Non-deductible tax on wealth		(8.619.236)	(0,99%)		-	-
Non-deductible tax on equity		-	-		(486.170)	(0,6%)
Expenses without causality relation with other non-deductibles (2)		(794.394)	(0,09%)		(518.998)	(0,06%)
Expenses from previous exercises		(95.088)	(0,01%)		(5.283.345)	(0,65%)
Net effect of estimated liability movements Presumed interest		(280.866)	(0,03%)		34.189	(0,0%)
Disabled additional deduction		(3.218)	0%		(6.106)	0%
Revenues from previous years		11.519	0%		15.848	0%
Profit for sale of fixed assets taxed for occasional gain		10.801	0%		290.737	(0,04%)
Other permanent differences Adjustment for exchange difference–deferred adjust		9.424	0%		121.210	(0,01%)
previous years		(63.096)	0,01%		549.215	(0,07%)
2014 income adjustment in tax returns (3)		875.027	(0,10%)		3.928.647	(0,48%)
Income from participation method		(3.496.523)	0,40%		31.847	0%
Inversora nondeductible loss Codensa		1.232.235	(0,14%)		3.052.175	(0,37%)
Presumptive Income Inversora Codensa		(310)	0%		(58)	0%
CREE effect adjustment surtax		(35)	0%		(29)	0%
		40.000	0%		(32.385)	0%

Total differences	**(14.543.416)**	**(1,66%)**	**(1.284.786)**	**(0,53%)**
Expenses for tax on gains	**$ (356.360.375)**	**(40,66%)**	**$ (285.054.377)**	**(34,53%)**

(1) As of 31 December 2015 and 2014, corresponds to the effect on income tax and CREE of the levy on financial movements for $3,348,462 and $2,960,759 and taxes on vehicles for $21,194 and $20,803, respectively.

(2) As of 31 December 2015, corresponds mainly to the effect on income tax and CREE, for expenses without causality relation such as invitations to employees, sports, recreation, well-being, loan condonations.

(3) As of 31 December 2015, corresponds to the adjustment of 2014 income tax returns for the amortization of Almaviva in previous years $2,119,694, depreciation for balance reduction $994,902, estimated liabilities and provisions $558,816, deduction for investment in science and technology ($432.961) and Others for $256,073.

29. Profit per Share

The profit per basic share is calculated dividing profit attributable to the Company shareholders adjusted to preferential dividends after taxes, between the weighted averages of common outstanding shares over the year. As of 31 December 2015 and 2014, there are no common shares acquired by the Company.

	Year ended on 31 December 2015	Year ended on 31 December 2014
Year profit attributable to owners	$ 520.093.365	$ 549.562.039
Preferential dividends (1)		
Year profit attributable to owners adjusted to preferential dividends weighted average of outstanding shares	6.302.341	4.787.504
Year profit attributable to owners	513.791.024	544.774.535
Profit per basic share	132.093.274	132.093.274
	$ 3.889,61	**$ 4.124,17**

(1) Out of total shares ofEmpresa deEnergía de Bogotá S.A. ESP, 20,010,799 shares correspond to shares without voting rights, and an annual preferential dividend of US$0.10 per share.

(In thousands of pesos)

30. Other Consolidated Results

The breakdown of other consolidated results is shown herein below:

	Año terminado el 31 de diciembre de 2015	Año terminado el 31 de diciembre de 2014
Component of other consolidated results that will not be reclassified to period results		
Losses for new measurements of defined benefit plans (1)	$ 1.064.806	
Losses in new measurement of financial tools at reasonable value Losses in new measurements of financial tools measured at reasonable	(10.039)	-
Ganancias (pérdidas) por coberturas de flujo de efectivo	106.803	(1.945.674)
Others	(89.088)	-
Other consolidated result that will not be reclassified to period results resultado del pe-	**1.072.482**	**(24.585.906)**
Components of other consolidated period results, before taxes		
Gains (losses) for cash flow hedging	-	(3.951)
Consolidated results that will be reclassified to the period Results, before taxes	**-**	**(3.951)**

	Año terminado el 31 de diciembre de 2015	Año terminado el 31 de diciembre de 2014
Tax on gains relative to components of the other cosolidated results that will be reclassified to the period results		
Tax effect for losses of new measurements of defined benefit plans (1)	(428.028)	7.697.679
Tax effects for cash flow hedging	35.635	-
Total taxes on gains relative to components of other consolidated results that will not be reclassified to the period result	**(392.393)**	**7.697.679**
Taxes on gains relative to components of other consolidated results that will be reclassified to the period result		
Tax effect for cash flow hedging	-	1.343
Total taxes on gains relative to components of other consolidated results will be reclassified to the period result	**-**	**1.343**
Total other consolidated results	**$ 680.089**	**$ (16.890.835)**

(In thousands of pesos)

(1) Corresponds to the effect of actuarial losses valued by the firm Aon Hewitt México. As of 31 2015 and 2014, actuarial losses with effect on equityare shown below:

	Year ended on 31 December 2015				Year ended on 31 December 2014		
	Pensions and Benefits		Retroactive Severance Pay		Pensions and Benefits		Retroactive Severance Pay
Initial Balance	**$**	**(28,723,014)**	**$**	**(789,115)**	**$**	**$**	**(593,261)**
Gains (loss) actuarial		1,319,884		(255,079)	(22,343,483)		(296,749)
Tax effect		(514,755)		86,727	7,596,784		100,895
Final Balance	**$**	**(27,917,885)**	**$**	**(957,467)**	**$**	**$**	**(789,115)**

Loss value is transferred directly to cumulative gains and will not be reclassified to the results of the equivalent period.

(2) As of 31 December 2015, corresponds to losses derived from investment in Electricaribe S.A E.S.P because of applying valuation by multiples, registered in Other consolidated results by ($10,039). The loss value is transferred directly to cumulative gains and will not be reclassifiedto the results of the equivalent period.

31. Assets and Liabilities in Foreign Currency

The norms existing in Colombia for free negotiation of foreign currency through banks and financial institutions at free exchange rates. Nonetheless, most of the transactions in foreign currency require compliance with certain legal requisites.

Summary of assets and liabilities expressed in foreign currency:

	Al 31 de diciembre de 2015					
		(en EUR)		*(in US Dollars)*		*(in thousand pesos)*
Cash and cash equivalent	€	2.584	US$	118.521	$	382.161
Debtors		257.917		736.495		3.138.876
Accounts payable		(4.134.065)		(2.231.093)		(22.309.712)
Position (liability), net	**€**	**(3.873.564)**	**US$**	**(1.376.077)**	**$**	**(18.788.675)**
	As of 31 December 2014					
		(in EUR)		*(in US Dollars)*		*(in thousand pesos)*
Cash and cash equivalent	€	13	US$	115.697	$	276.836
Debtors		143.416		391.950		1.190.283
Accounts payable		(1.068.876)		(2.543.077)		(8.910.799)
Position (liability), net	**€**	**(925.447)**	**US$**	**(2.035.430)**	**$**	**(7.443.680)**

	As of 1 January 2014					
		(in EUR)		*(in US Dollars)*		*(in thousand pesos)*
Cash and cash equivalent	€	2.721	US$	23.529	$	52.581
Debtors		177.838		264		458.015
Accounts payable		(313.830)		(1.416.044)		(3.569.043)
Position (liability), net	**€**	**(133.271)**	**US$**	**(1.392.251)**	**$**	**(3.058.447)**

32. Sanctions

As of 31 December 2015, the Company was notified of the Resolution with the following sanctions:

- On 17 November 2015, through Resolution No. SSPD-20152400051515 issued by the Household Public Utilities Superintendence decided to impose a $20,619 fine on an issue of recognizing the property of assets by the gym called “Hard Body”. Status: appeal for reconsideration was filed.

Following are the sanctions presented in 2014:

- In March 2014, the Household Public UtilitySuperintendence imposed sanction to the Company of $77,814, for breaching the operations regulations regarding timing of TAPS maneuvering. Through Resolution 2014240005655 of 7 March 2014, the SSPD confirmedthe sanction indicating that the Company breached the operations regulations, insofar as it exceeded the times allowed for in the regulations. Current Status: concluded and paid.

- In March 2014, the Household Public Utility Superintendence (SSPD), imposed sanction to the Company of $127,332, fore failure in service provision – failure of DES indicator. Through Resolution 2014240005125 of 5 March 2014, the aforementioned sanction was imposed insofar as the Company did not provide the electric energy utility service continuously, by exceeding the maximum admissible levels of the DES marker, pursuant to that set forth in Article 136 of Law 142 of 1994 and section 6.3.4 of CREG Resolution 070 of 1998. Current Status: concluded and paid.

- On 16 July 2014 through Resolution N° 20142400025295,the Household Public Utility Superintendence (SSPD) confirmed sanction to the Company for $13,558, for failure to comply with Resolution CREG 097 of 2008, insofar as it did not accredit within the deadline set out (6 April 2010) compliance with the requisites to commence the application of the service quality scheme. Current Status: concluded and paid.

33. Other Isurance

The Company, in addition to insurance listed in Note on Property, Plant and Equipment (see Note 12), has the following: *(See Note 12)*:

Property/person insured	Risks covered	Insured amount (figure in thousands)	Expiration	Insurance Company
Transported Merchancy	Loss or damage to the transported goods	$2.500 Limit	30/12/2016	Mapfre
Employees having a direct contract with Codensa	Death, Total and Permanent incapacity	Maximum individual insured sum : $1.800	01/01/2016	Generalli Colombia
Counsellors or directors	Civil Responsibility of Directors and administrators	USD $ 5.000	10/11/2016	AIG

34. Commitments and Contingencies

I. Purchase commitments:

The Company as of 31 December 2015 has commitments to purchase electric energy as follows:

Year	Commitments with Third Parties	Commitments with Emgesa S.A. E.S.P.	Total
2016	668,325	$ 613,219	$ 1,281,544
2017	548,914	647,724	1,196,638
2018	455,871	476,354	932,225
2019	302,550	800,822	1,103,372
2020	20,377	538,059	558,436
	$ 1,996,037	**$ 3,076,178**	**$ 5,072,215**

Commitments for purchases of materials supply as of 31 December 2015 are the following:

Period	Value
2016	$ 306,883,172
From 2017 to 2018	59,124,047
	$ 366,007,219

(In thousands of pesos)

Following is the summary of commitment of service procurement:

Year		Commitments with Third Parties		Commitments with associates		Total
2016	$	228,435,973	$	601,142	$	229,037,115
De 2017 a 2018		168,583,924		801,523		169,385,447
De 2019 a 2020		3,763,092		-		3,763,092
De 2021 a 2025		1,236,322		-		1,236,322
	$	**402,019,311**	**$**	**1,402,665**	**$**	**403,421,976**

II. Litigation and arbitration:

a. The main lawsuits that the Company has as of 31 December 2015 qualified as eventual are:

Group action due to El Niño phenomenon.

Claimant: Gerardo ForeroTriana and Other.

Date of commencement: 23.02.2015

Amount in local currency: $163.000.000

Object of Trial: to counteract impact from potential El Niño phenomenon that influences the rate, the Commission for the Regulation of Energy and Gas, CREG, established the Rate Option, through CREG Resolution 168 of 2008, which allows for deferring the electric energy rate for up to two years, instead of doing it immediately, thus smoothing the impact of the raise for the final users.

The Company voluntarily terminated the Rate Option it had applied and, by virtue thereof, it must carry out a balance of the actual rate values and those invoiced resulting from the Rate Option based on the balances and the historical record of values transferred to the final user's rate, in compliance with CREG Resolution 168 of 2008.

The resulting value after comparing rates must be reimbursed to final users as the values of the Rate Option, as cumulative balances, are always above the values that should have been invoices if not having opted for such alternative.

The pretension is for individual monetary indemnity derived from the non-devolution of values that were paid on time by the users in excess of the real unit cost (CU) per kilowatt, pursuant to CREG Resolution 168 of 2008, since the Company embraced this Resolution.

Current status and trial situation: pending notification and answer to the claim.

ConvenciónColectiva

Claimant: Javier Cabrera Garzón and Other

Date of commencement: 09.07.2012

Amount in local currency: $136,000

Object of Trial: A Collective Bargain Agreement was entered into between the Company and Sintraelecol for the period 2004-2007, in accordance with the Colombian Labor Law, which was automatically extended.

In July 2011, Bargain Agreement Minutes was signed whereby it amended, deleted or added some articles of the 2004-2007 Collective Bargain Agreement between the Company and Sintraelecol. Some employees who are affiliated to Sintraelecol pretend that the Collective Bargain Agreement Minutes signed in July 2011 to be declared illegal and, thus, apply fully all the prerogatives enshrined in the 2004-2007 Collective Bargain Agreement. Company's Defense relies on the illegitimacy of the claimants to claim on this cause, inasmuch as it refers to collective rights rather than individual rights and, therefore, the claim should be filed by the organization to which they are affiliated, Sintraelecol in this case.

It is pertinent to note that the Company paid a given amount of money for the subscription to the Collective Bargaining Agreement and, should the claimants' pretension prosper, there is a risk of losing said sum.

Current status and trial situation; first instance ruling issued in favor of the Company. Pending second instance decision.

Case for electric energy recovery

Claimant: Emilce Amparo Suba Cucaita.

Date of commencement: 2013

Amount in local currency: $645,000

Object of Trial: order reimbursement by the Company of the values charged for Energy Recovery to users since the year 2011, due to violation of due process for the users, understanding that the procedures carried out by the Company for energy recovery do not match that set out in the Uniform Conditions Contract, thus generating gains without just cause.

Current status and trial situation: the appeal for reconsiderationwas decided by the Court, which partially revoked the evidentiary order and ordered taking the testimonies requested by the Company and some processing requested by the claimant. Pending evidence taking.

Collective action by usersbeloning to voltaje one level

Claimant: Centro Médico de la Sabana PH and Other.

Date of commencement: 29.09.2014

Amount in local currency: $337,000,000

Object of Trial: claimants pretend the Company to reimburse what it has allegedly charge in excess for not applying the rate benefit to said users' group belonging to Voltage Level One, who are, in addition, owners of the distribution assets.

The pretension and main fact of the claim argue that the Company is obtaining illegal gains, as it is not applying any rate benefit to users who belong to this voltage level and who are owners of the infrastructure, pursuant to that provided for Resolution 082 de 2002, amended by Resolution 097 of 2008. The claimant determines the value of this claim arguing that this situation is replicated with approximately 550,000 users and that each of them has the right to an indemnity of 235 Euros ($600).

Current status and trial situation: a conciliation hearing took place, but no agreement was reached. To this date, the Company is following up and judicially overseeing the case while waiting for the evidentiary decree.

(In thousands of pesos)

b. Main litigations as Claimant:

As of 31 December 2015, the Company acts as claimant in four lawsuits that, in the event of being decided favorably, could generate an asset. These lawsuits correspond to nullity actions and re-establishment of rights filed against resolutions whereby the Household Public Utility Superintendence liquidated the special contribution set forth in article 85 of Law 142 of 1994 for taxable years 2012, 2013, 2014 and 2015 on a taxable base in excess of that provide for by the law. The amounts subject of discussion are $1,578,128, $2,956,882, $2,717,202, $3,339,604 and $5,102,330 for the aforementioned years.

35. Risk Management

The Companyes exposed to certain risks it manages through application of identification, measurement, concentration limitation, and supervision systems.

The basic principles defined by the Company to implement its risk management policy include the following:

- Comply with good corporate governance norms.
- Comply strictly with all corporate regulatory system.
- Each management and corporate area defines:
    a. Markets in which it can operate based on sufficient knowledge and capacity to ensure efficient risk management.
    b. Criteria about counterparties.
    c. Authorized parties.
- Management and corporate areas establish for each market where they operate their risk exposure in coherence with the defined strategy.
- All management and business operations are performed within the limits approved in each case.
- Managements, corporate areas and business lines establish risk management controls as necessary to ensure that market transactions are carried out in accordance with the policies, norms and procedures of the Company.

Interest Rate Risk

The variations of interest rates change the reasonable value of such assets and liabilities earning a fixed interest rate, as well as the flow of assets and liabilities referenced at variable interest rate.

The purpose of risk management relative to interest rates is to reduce the volatility of the financial cost reflected on the income statement.

Depending on the estimates by the Company and the objectives of debt structure, hedging operations were undertaken through the contracting of derivatives that mitigate such risks. Instruments that can be used correspond to rate swaps, setting from variable to fixed rates. Currently the Company has not contracted interest rate hedging.

The following chart shows the sensitivity analysis of the financial cost associated with issued debt, relative to the per cent variation of interest rates as follows:

Changes in the Interest Rate	As of 31 December 2015		As of 31 December 2014	
IPC +/- 267 basic points (a)	(+/-)$	32.849.154	(+/-)$	30.208.049

(a) Movements of interest rates were taken based on the historical volatility of the CPI over a three-year period (2012-2015 and 2011-2014; for calculations of 2015 and 2014, respectively) taking twice the standard variation of the series.

Type of exchange risk

The type of exchange risks can be presented, fundamentally, with the following transactions:

- Debt contracted by the Company in a currency other than that at which its flows are indexed to.
- Payments to be made for acquisition of materials associated with projects in a currency other than that at which its flows are indexed to.
- Revenues direclty related to the evolution of currencies other than that of its flows.

Taking into account that the functional currency of the Company is the Colombian peso, it is necessary to mitigate the type of exchange minimizing the exposure of flows to the risk of type of exchange variations.

The instruments that can be used correspond to derivatives (forwards and/or options) of type of exchange.

Risk of the "commodities"

The Company is exposed to the risk of Price variation of "commodities", essentially through electric energy purchase-sale operations in local markets.

The Company performs most of its electric energy purchase transactions through contracts for which it has previously agreed on a prize, thus mitigating this risk.

Liquidity Risk

The Company has in place a consistent liquidity policy for contracting long-term credit facilities, cash and temporary financial investment, for amounts that are sufficient to support the needs projected for a period depending on the situation and expectations of debt and capital markets.

The resources available must cover the needs of financial debt service (principal plus interest) net, that is, after financial derivatives.

Included below are the contractual cash flows of financial liabilities with third parties, undiscounted:

	Current			Non-Current			
Concept	Less than 90 days	More than 90 days	Total Current	1 to 3 years	3 to 5 years	5 to 10 years	Total Non-Current
Issued Bonds (principal + interest)	$ 173,967,032	$ 73,948,861	$ 247,915,893	$ 762,042,020	$ 55,344,670	$ 434,958,410	$ 1,252,345,100
Obligtations for financial Leasing (principal + interest)	452,385	1,222,549	1,674,934	1,517,243	-	-	1,517,243
Commercial accounts payable and other accounts payable	428,251,464	-	428,251,464	-	-	-	-
	$ 602,670,881	$ 75,171,410	$ 677,842,291	$ 763,559,263	$ 55,344,670	$ 434,958,410	$ 1,253,862,343

Credit Risk

The Company performs detailed follow-up of credit risk.

Commercial Accounts Payable

As regards credit risk corresponding to accounts receivable from the commercial activity, this risk is historically limited, given that the short-term collection from clients prevents individual accumulation of significant amounts.

As regards default in payment, the supply is suspended and in almost every contract, payment default is considered cause for termination of contract. Hence, the credit risk is monitored, measuring the maximum amounts exposed to payment risk, which, as already mentioned, are limited.

Financial nature assets

The investment of company available resources (treasury investments), originated in the operation and in other non— operational revenues and the operation of financial derivatives will be carried out with national and foreign first line entities that meet the minimum risk rating required by the Company.

The minimum risk rating of their financial counterparties must be long-term international investment level, or its equivalent at local scale, taking into account the minimum international rating in foreign currency for the Republic of Colombia. The investment can be made only in counterparties with lower ratings, within the limits established for counterparty's risks, level of investment or prior approval through a valid "Waiver" granted on risks. The local risk ratings must be issued by a risk rating agency that is well recognized and legally established in Colombia. For international risk rating, those granted by Moody's, S&P and Fitch are aceptable. When a Financial Counterparty has more than one rating, the lowest one shall be considered for the purposes set in this section.

The liquidity surplus operations must meet the following general criteria:

- Security: in order to preserve the value of the investment portfolio, the available resources for placement must meet the credit rating requirements set forth herein.
- Liquidity: the instruments that are part of the investments must have high liquidity in the market.
- Profitability: within the risk limits allowed for, the highest possible return on investment must be sought.
- Diversification: risk concentration must be avoided in a given type of issuer or counterparty.
- Transparency: All operations and commitments undertaken for management of available resources must be explicitly registered and supported, and shall be governed by the norms and procedures in force.

Risk Measurement

As to the exchange rate risk, the Company calculates the effectiveness of currency forwards that replicate on 100% of underlying flows, contracted to cover risk of variation of the Colombian peso with respect to the dollar for hedging of payments.

Therefore, the effectiveness calculation is made through the retrospective and prospective tests. The prospective test is defined as the quotient between the quarterly difference of the fair value (MTM) of the real forward and the quarterly difference of the fair value of the hypothetic forward.

The hypothetic derivative is defined as the forward that on the date of contracting reduces the whole type of exchange risk and replicates on 100% of the underlying flows for the period covered. On each evaluation date, which will be quarterly, the quotient must be in the range of 80-125% for the forward to be considered effective and, hence, rated as accounting hedging.

(In thousands of pesos)

The prospective effectiveness test shall be made by comparing changes in fair value between the actual derivative that has been contracted and a hypothetical derivative for various Exchange type cases. This simulation analysis consists in setting the type of forward exchange type on two hypothetical scenarios: +20% and -20%. The results of variations in fair value of both instruments will be compared having to find a range between 80% - 125% to be able to apply hedging accounting. Thus, it is proved that changes in type of exchange affect also the fair value of the hypothetical derivative and the actual derivative.

36. Information on Reasonable Values

The reasonable value of financial assets and liabilities is presented for the value at which the instrument could be swapped in a current transaction between the parties, by mutual consent rather than in a forced transaction or liquidation, in accordance with the defined policy (See Note 3.1.8 and 3.13).

Shown below are the financial assets and liabilities with variations between the book value and the reasonable value as of 31 December 2015:

Financial assets		Value in the Books		Reasonable Value
Commercial accounts and other accounts receivable	$	439,041,362	$	435,530,724
Financial Liabilities				
Issued Bonds (1)	$	1,186,042,012	$	1,181,653,809
Financial leasing obligations (1)		2,886,559		3,087,542
	$	**1,188,928,571**	**$**	**1,184,741,351**

(1) The Company evaluates accounts receivable and other long-term receivables based on parameters such as interest rates, risk factors in each country, customer solvency and risk characteristics of the financed portfolio. Based on this evaluation, provisions are registered to account for expected losses on these accounts receivable.
(2) The financial obligations and financial leasing are estimated by discounting future cash flows using available rates for debts with conditions, credit risk and similar maturities. The Company uses discount rates of the zero coupon curve in accordance with maturities of each emission.
(3) The reasonable value of cash and cash equivalents and commercial accounts payable are rounded up to their book value, due to the short-term maturities of these instruments.
(4) As of 31 December 2015, The Company keeps in its Financial Statement the following financial assets and liabilities, measured at their reasonable value, classified by levels, in accordance with the defined policy *(See Note 3.13)*:

Financial assets		**Level 2**
Financial Investment-not listed corporations or wich have limited liquidity (see note 5)	$	16.192
Financial liabilities		
Forwards *(See Note 14)*		
	$	89.088

37. FinancialStatements Approval

The general purpose Financial Statements of the Company as of 31 December 2015 were approved by the Board of Directors as per Minutes No. 238 of 16 February 2016 for submittal to the General Shareholders Assembly, pursuant to the Commercial Code.