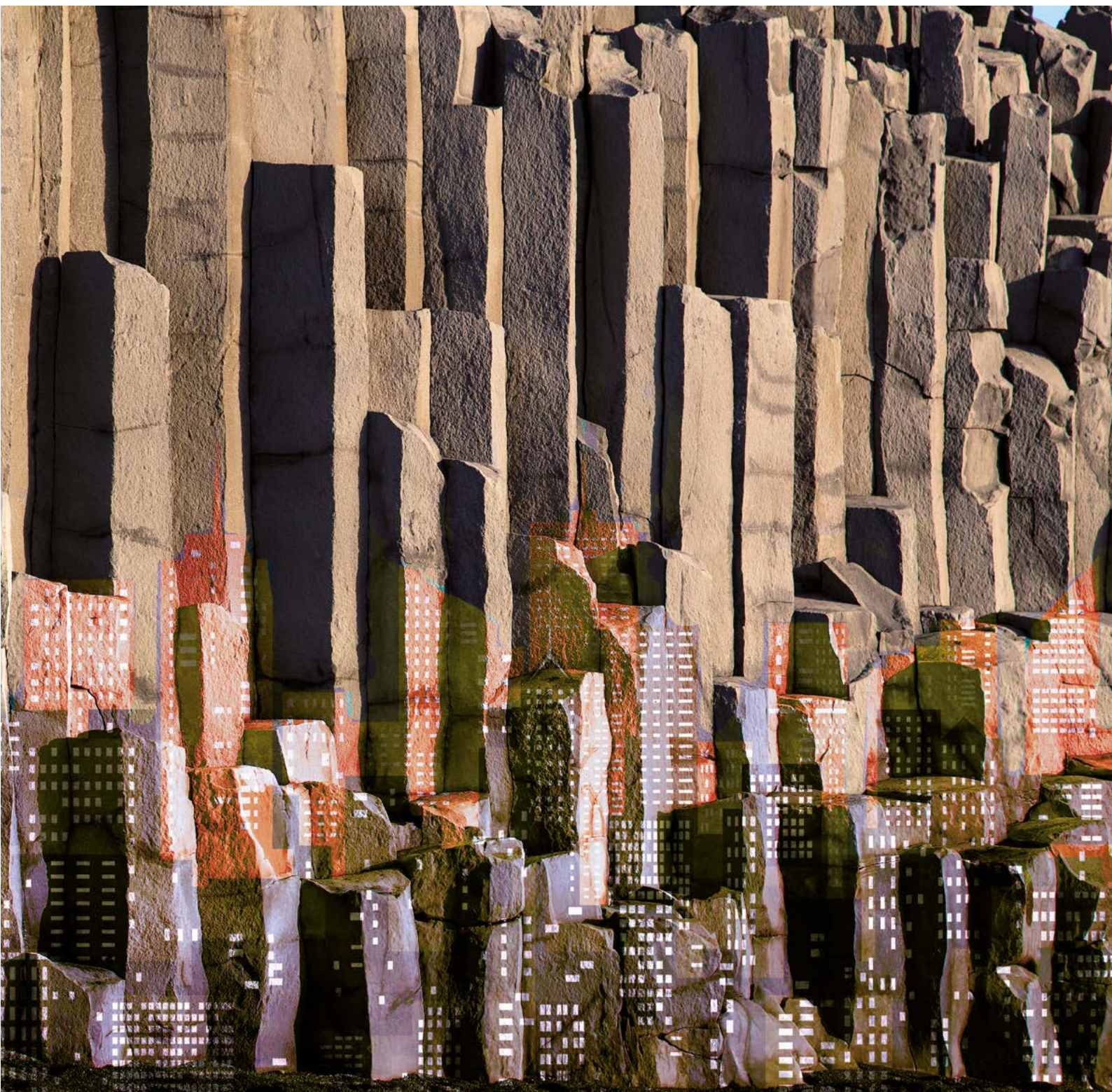


Annual Report Codensa 2014



codensa

Corporate name:	Codensa S.A. E.S.P.
Type of entity:	PRIVATE LAW STOCK COMPANY-PUBLIC HOUSEHOLD UTILITY SERVICES COMPANY
RUT (Tax ID No.):	830.037.248-0
Address:	Carrera 13A # 93-66 Bogotá, Colombia
Telephone:	571 601 6060
Fax:	571 601 5917
WEB page:	www.codensa.com.co
E-mail:	contactenos@codensa.com.co
External Auditors:	ERNST & YOUNG
Securities Superintendence Registration:	26139
Subscribed and paid capital:	COP 13.209.327.400

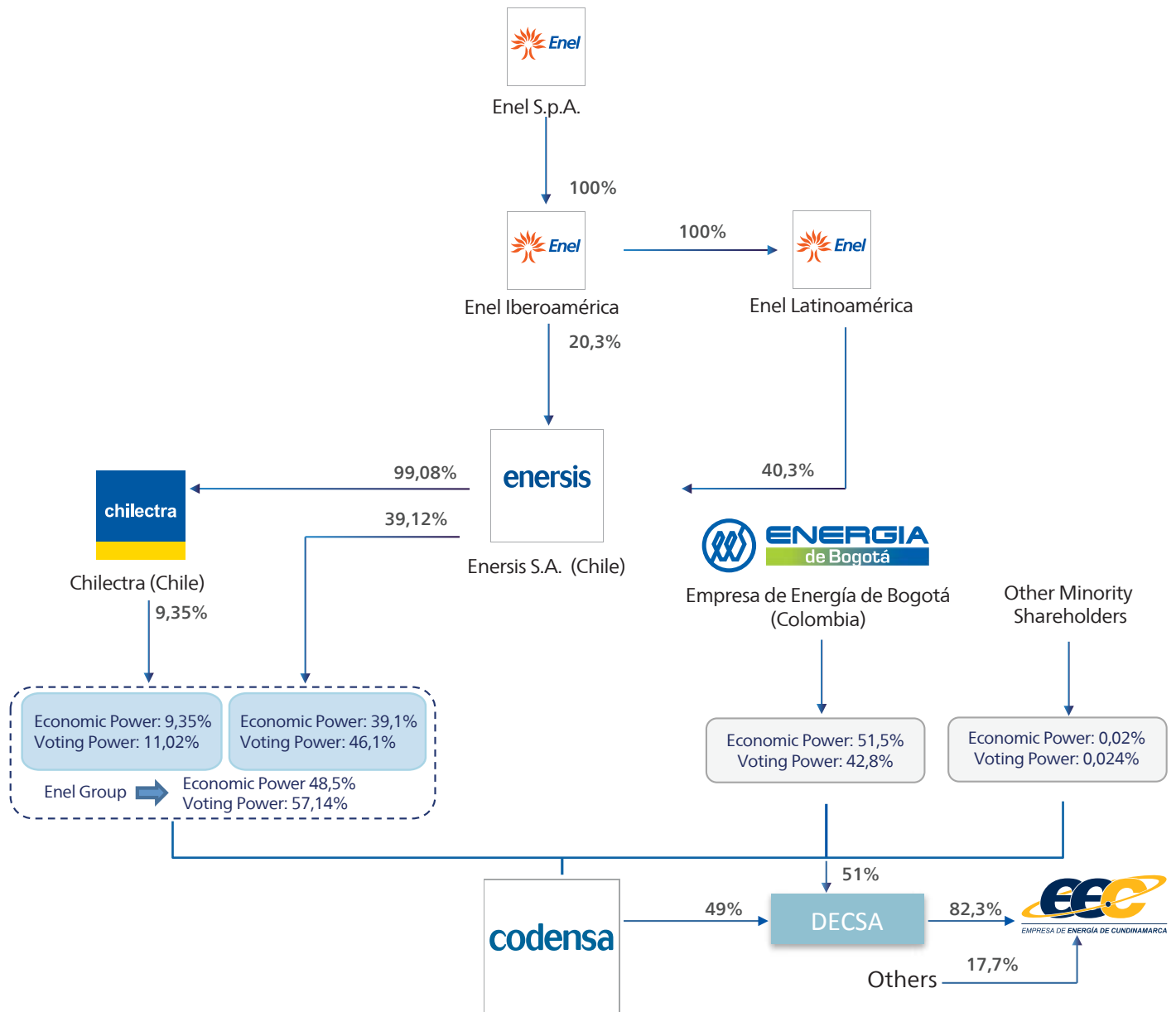
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Enel is a multi-national power company and a leading integrated player in the world's power and gas markets, with a particular focus on Europe and Latin America. The Group operates in 32 countries in 4 continents, generating power from 95 GW of net installed capacity and distributing electricity and gas through a network spanning around 1.9 million km. Enel, with its 61 million of clients, has the largest customer base among its European peers and is among the leading power companies in Europe in terms of installed capacity and reported EBITDA.

Ownership Structure



Shareholding Composition

SHAREHOLDER	NUMBER OF SHARES	PARTICIPATION
Empresa de Energía de Bogotá S.A. E.S.P.		
Ordinary shares	48.025.920	
preferred share	20.010.799	
Total Empresa de Energía de Bogotá S.A. E.S.P.	68.036.719	51,506573%
Enersis S.A.	51.685.039	39,127685%
Chilectra S.A.	12.349.522	9,359092%
Minority shareholders	21.994	0,016650%
TOTAL	132.093.274	100,000000%

Board of Directors

President: José Antonio Vargas Lleras

Principal Member	Alternate member
Cristian Fierro Montes	Gustavo Adolfo Gómez Cerón
José Antonio Vargas Lleras	Leonardo López Vergara
Lucio Rubio Díaz	David Felipe Acosta Correa
Ricardo Roa Barragán	Ernesto Moreno Restrepo Restrepo
Ricardo Bonilla González	Jorge Iván Gonzalez Borrero
Orlando José Cabrales Martínez	Vicente Enrique Noero Arango
María Mercedes Maldonado Copello	José Alejandro Herrera Lozano

Chairman of the board	David Felipe Acosta
First alternate chairman	Jaime Alberto Vargas Barrera
Second alternate chairman	Juan Manuel Pardo Gómez

Senior Staff

General Manager	David Felipe Acosta Correa
Administration, Finances, and Control	Aurelio Ricardo Bustilho de Oliveira
Supplies Manager	Raúl Gonzalo Puentes Barrera
Legal Assistance and Corporate Affairs	Andrés Caldas Rico
Audit Manager	Mauricio Carvajal García
Commercial Manager	Jaime Alberto Vargas Barrera
Communications and Institutional Relations Manager	María Celina Restrepo S.M.
Business Development Manager	Diana Marcela Jiménez Rodríguez
Organization and Human Resources Manager	Rafael Carbonell Blanco
Regulation and Environment Manager	Omar Serrano Rueda
Labor Health and Safety Manager	Robert Camilo Torres Vega
General Services and Equity Manager	Ana Lucía Moreno Moreno
Ict Manager	Patricia Delgado Meza
Technical Manager	Gustavo Gómez Cerón

Corporate Object

The Company's main object is distribution and trading of electrical power and performance of all related and supplementary activities related to distribution and trading of electrical power; performance of work, designs, and consultancy services on electrical engineering and trading of products in benefit of its clients. The Company may also perform other activities related to the provision of public utility services in general; manage and operate other public utilities companies, execute special management agreements with other public utilities companies and sell or provide goods or services to other economic agents inside and outside the country, as related to public utilities services. It may also participate - as a partner or shareholder - in other public utilities companies, directly or in association with other persons or creating consortiums with them. In development of the above main object, the Company may promote and create establishments or agencies in Colombia or abroad, acquire in any form all types of real or personal properties, sell or lease them, and apply liens and use them as collateral; participate in any form of association or corporate collaboration scheme with natural or legal persons in order to perform activities related and supplementary to its corporate object in order to perform activities related or supplementary to its corporate object; exploit brands, trade names, patents, inventions, or any other intangible good, provided related to its main object; draw, accept, endorse, collect, and pay all types of securities, negotiable instruments, shares, enforceable documents, and others; participate in public and private tenders; give to or receive from its shareholders, parent companies, subsidiaries, and third parties money under loan; execute insurance, transportation, and participation accounts and contracts with bank or financial entities.

Letter to the Shareholders

We are glad to present the Company results and the most relevant aspects of its activities during the period between January 1 and December 31 of 2014.

The Colombian macroeconomic environment continued to show good behavior, as mainly evidenced by the Colombian GNP evolution, which between January and September 2014 grew 5% compared to 2013, mainly driven by the construction activity's 13.7% growth. The Colombian GNP's 4.2% growth during Q3 2014, compared to 2013, was above that of other companies in the region (2.2% in México, 0.8% in Chile, -0.2% in Brazil, and -3.2% in Peru). However, upon being in the lower part of the interval forecasted by the Central Bank's technical team (4.0% - 5.2%), it is quite possible that the 2014 growth will be under 5%, as opposed to previous predictions from such technical team, which forecasted a 5% growth.

The CPI had a 3.66% variation in 2014, exceeding the 2013 inflation rate (1.94%) by 1.72%. Faced with the accelerated inflation scenario seen since the first months of 2014, the Central Board's Board of Directors in April started increasing its intervention interest rate at a pace of 25 basic points each month, in August setting it at 4.5%, level it kept until the end of 2014.

The Producer's Price Index (PPI) had a 6.33% change in 2014, 6.82% higher than 2013 (-0.49%), which negatively affected our purchases under electrical power contracts, in balance with the positive effect of our revenues since part of the rate is also indexed to this metric.

The peso market representative rate (MRR) against the American dollar at the end of December 2014 was \$2,392.46/USD, a 24.2% nominal devaluation compared to the previous year's rate of exchange (\$1,926.83/USD). During Q4 2014, the MRR had a clear Colombian peso devaluation tendency, which significantly increased in December, mainly as a result of the expectations of fewer American dollars entering the Colombian economy from the drop in oil exports caused by the drop of international crude prices, which in December continued to fall even further, reaching levels not seen for the last 5 years.

A recent relevant fact of our macroeconomic environment is the Colombian Congress approval in December 2014 of the new Tax Reform, promoted by the National Government. Among the most relevant aspects of this Reform is the creation of the richness tax (applied to net fiscal worth),



which in the case of Codensa will be subject to a rate that will be gradually reduced in the following 3 years (in 2015 the rate is 1.15%, in 2016 1%, and in 2017 0.4%). We should also note that the Income Tax for Equity (CREE for its Spanish acronym) has been permanently set at 9%. A surcharge on this tax was also created, which will bring it to 14% in 2015, 15% in 2016, 17% in 2017, and 18% in 2018. This Tax Reform extends the Tax on Financial Activities (4x1000) between 2015 and 2018 and establishes a gradual reduction for this tax of 1% each year from 2018, until finally disappearing in 2022.

From all points of view, this new Tax Reform will significantly increase the already heavy tax burden our Company has been assuming, as well as that of all agents in the Colombian electrical sector, which - we must not forget - has traveled a long road in its consolidation process during the last 2 decades, starting with the sanctioning of Laws 142 (Household Public Utility Services System) and 143 (Electrical Sector System) of 1994, which has resulted in the country today having a reliable and competitive electrical power generation offer that has allowed responding to a growing demand, hand in hand with the country's economic development. This consolidation process has only been possible thanks to the great effort we have made in substantial investments, both as a company and as a sector, so that we cannot be indifferent to the possibility of this new Tax Reform placing at risk new investments required for expanding the installed generation capacity and the country's transmission and distribution systems. These investments will be necessary to ensure a reliable and competitive supply of electrical power, essential to the Colombian

well-being and crucial for the country to continue its journey on an economic development sustainable path. We concur with the opinion of the most important economic groups in the country in the sense that the National Government's efforts in fiscal aspects should be focused on controlling the high evasion levels and contraband, not on burdening companies that, like ours, have compliance with the law as the governing and essential principle of all our activities.

Looking at 2015, we should highlight some risks the Colombian economy could be facing, as evidenced by the results of the "Survey on the Financial System Risks Perception" carried out by the Central Bank in December 2014 and involving Colombian financial system entities, business groups, economic investigation centers, and universities. Specifically, a few of the surveyed entities went on to say that, considering the high dependency the Colombian economy has on the oil sector, it is quite likely that in 2015 we will be seeing a reduction in economic growth, driven by international low oil prices, as well as greater fiscal pressures.

The Colombian electrical power demand had a 4.4% TAM growth, mainly explained by the increase in the electrical power demand in construction activities (89.8%) and the growth in mines and quarries exploitation (18.6%), in contrast with the electrical power demand in the area served by Codensa, which had a 2.61% increase - 1.05% higher than in 2013 - due to the increase in the regulated demand and tolls, in which the industrial sector has greater participation.

At the end of the year, the Company had 2,772,352 clients, 3.18% more than in December 2013, adding 85,923 new electrical power supply points or new clients to our system. 8,225 GWh were sold during 2014, a 2.69% increase in electrical power provided compared to the previous year. 5,442 GWh were billed on account of electrical power transportation tolls, a 2.05% increase compared to December 2013.

The Company continues executing its Market Discipline Program, with significant progress. The loss index in the Codensa distribution area closed December 2014 in 7.19%, a 100 basic points reduction for the last 5 years upon going from 8.19% to 7.19%. This result is based on the effectiveness of investments made by the Company in state-of-the-art generation technology and on work fronts focused on reducing theft and low electrical power readings in meters tampered with.

Regarding the supply quality behavior, measured with international indicators, both the interruptions frequency index (SAIFI) and the interruptions duration index (SAIDI) dropped, mainly the result of significant problems we had the year, such as the Usme substation event in May, which affected some 85,000 families. The weather also affected the quality of the service, such as the wind season during August and September and the strong rains seen during the last few months of the year.

Several technical activities were carried out during 2014, according to the 2011-2016 Quality Plan, which included initiation of the Telecontrol Project involving installation of 3,787 power equipment units in order to improve the service quality, as well as the redesign and replacement of intermediate voltage lines, normalization

of auxiliary services, activities carried out in the Concordia substation's high and intermediate voltage lines, and intermediate voltage normalization. The total value of investments made on service quality in 2014 was COP \$55,226 million.

In 2015, the Company will continue with its efforts to improve the service quality, especially focusing on two fronts: substations, which will include cell train changes, normalization of auxiliary services, normalization of the Colegio substation control system, and fiber optics in the intermediate voltage substation. The Telecontrol project will be continued, which includes reinforcing 1,800 km of electric lines and installation of 1,260 equipment units. Projects related to replacements and changes, MT normalization, and load capabilities will also be developed.

To ensure the Bogotá and Cundinamarca system reliability, Codensa commissioned three compensation banks in the Tibabuyes, Bacatá, and Usme substations, which started operations in November and December 2014 with an investment of close to COP \$12,000 million pesos.

We are glad to say that operational revenues reached COP \$3,400 million, represented in COP \$3,200 million from the sale of electrical power and COP \$200 million from the sale of other associated services, meaning that operational revenues grew 7% compared to the previous year.

Cost of sales was COP \$2500 million, a 9% increase compared to the previous year.

Administration expenses grew 19.7%, mainly due to the greater value of overtime of personnel assigned to the action plan implemented to solve the Concordia and Usme substation problems.

Accumulated as of December 2014, Codensa generated a COP \$1,100 million EBITDA, 2% higher than in 2013.

The Company net profits during 2014 were COP \$507,321 million, 5.3% lower than in the previous year, mainly due to the greater financial expense (27.9%) from greater indebtedness-debt rates tied to the CPI.

With the January-December 2014 results, Codensa achieved 9.1% profitability on total assets, 18.3% on total equity.

Dividends corresponding to the 2013 profits were declared in March 2014, for COP \$535,911 million. The last installment of dividends corresponding to the 2012 profits was paid in January 2014, for COP \$127,748 million.

In March, with pre-financing resources achieved with the second tranche of the bonds program and with its own resources, Codensa made the \$250,000 million payment of its first bond issuance, structured in February 2010.

Dividends for the period January-August 2014 were declared in October, for COP \$352,237 million, which will be paid during the following 12 months.

The December 31 of 2014 financial debt was COP \$1,200 million, represented in bonds issued in the local market.

In July 30, 2014, Fitch Ratings Colombia confirmed in AAA (col) the Codensa long-term national rating and

maintained its stable perspective. It also confirmed in AAA (col) the rating of all Codensa current bond issuances, as well as its current ordinary bonds issuance and placement program for COP \$785,000 million. Such ratings reflect the solid competitive position of the Company, its low risk business profile, its strong credit protection metrics, and its high liquidity. It also considers the risk associated to possible regulatory changes subject to affecting Company results.

In August 2014, Codensa received for the second time the IR recognition from the Colombian Stock Exchange upon voluntarily improving its information disclosure management and investors relations models, in excess of requirements contained in local norms, and upon making available quarterly and annual information to the investors in both English and Spanish, in the Company webpages.

In 2014, the Company continued implementing the Financial Information International Norms - "NIIF", as defined in the 1314 Convergence Law of 2009 and in Decree 2784 of December 2012. Implementation of the NIIFs in the Company brings significant benefits, with the opening to the international financial market and groups of interest through comparable, reliable, and transparent figures and reports under a world-class standard allowing sharing such information in equal conditions with other organizations.

The first results of the adoption of international NIIF norms were submitted to the Superintendence of Public Household Utility Services, one of the most significant milestones of the project. The opening balance is the result of the study, analysis, and review of accounting policies made during the last 10 months by the Accounting Assistant Managers Office team.

The most relevant aspects regarding regulatory issues for the Codensa activities are the guidelines for the remuneration of the distribution activity for 2015-2019, whose purpose is ensuring proper expansion and replacement of assets, along these lines including replacement incentives and a far-reaching investors plan that will allow including new and better technologies, improving the quality of the service, and controlling energy losses, resulting in a greater investments in remunerated assets.

In addition, the Regulatory Commission has issued the methodology to calculate the regulated remuneration rate - WACC - for electrical power distribution and transmission activities, as well as for distribution and transportation of natural gas, leading to the assets' lower remuneration rates.

Regarding the rate formula, the Commission published the basis based on which studies will be carried out to establish the service provision unit cost formula for the following rate period.

Law 142 - the law governing public utility companies in the country - was issued in 1994. This is a positive indication of the electrical business' legal stability.

Codensa continued enforcing its open, frank, and timely communications policy with the public, consolidating itself as a reliable and effective source of information.

We should highlight the good relationships with the Bogotá Mayor's Office regarding issues of interest to the city and the Company, such as public lighting, electric mobility, and Christmas lighting.

Included in the commitment the Company has with its clients, it carried out various activities and projects whose purpose is strengthening its customer service culture, including Training in Infrastructure and Retie Technical Norms and Integral Electrical Power Management.

As a result of the various activities the Company carried out to improve the service quality and get closer to its clients, the Residential Sector Customer Satisfaction CIER 2014 Survey achieved an 83.2% ISCAL, the Company having rated 8th among 37 Central and South America distributors.

Looking to use electrical power as a renewable and environmentally friendly resource, activities focused on promoting electric mobility in the country continued in 2014, as a result of which significant progress was achieved and understanding agreements established with various stakeholders in the sector.

Currently, the electrical taxis pilot program includes 43 vehicles, 4 electric charging stations, and 41 charging units, making it the largest in Latin America. These vehicles have traveled a total of 2,200,000 kilometers, avoiding issuing 551 tons of CO2 into the atmosphere.

The Transmilenio S.A. authority started in March the feasibility phase of the Public-Private Association - APP, presented by Bogotá Eléktika S.A.S. (7 current system operators) for the transfer of the phase I and II buses (1,216 buses) to clean technologies, in which CODENSA S.A. E.S.P. and EMGESA S.A. E.S.P. act as technical assistants in everything related to electrical infrastructure and supply of electrical power.



Included in the technological appropriation and market promotion plan, the current Company electrical vehicles' fleet was expanded in December with the purchase of 2 electrical vehicles and 1 hybrid truck.

Regarding electrical mobility programs in the Company, we should mention the E-Bike to Work program and the Electrical Bicycle Loan Program for Company employees, implemented in 2011.

Codensa participated in the Latin America Solar Decathlon tender from the United States Department of Energy, organized by GIP Pacífico. The Universidad de los Andes proposal - sponsored by the Company - was selected to participate in the construction phase. 30 teams participated, of which 16 were selected.

Based on the Company's commitment with the environment and its intention to seek friendlier solutions, Codensa created an Energy Efficiency Plan that includes a market and competitive analysis of these types of services in Colombia, as well as a market quantification and an evaluation of opportunities existing in this field in the national market in light of the experience the Company has, and the definition of product lines to be promoted alongside its development strategies regarding value added services and electrical power services.

As a result of the above, the induction stoves' program was started on November 18, through the Codensa channel, offering 3 different brands.

The main advantage of these devices is the energy efficiency provided by such technology, in addition to benefits such as fast cooking, easy cleaning, safety, and innovative design compared to gas technologies.

Regarding public lighting, the first phase of the Public Lighting Modernization Project was started, which involves installing 11,800 LED fixtures of the total of 33,000 fixtures included in the entire project. 1,374 had already been replaced in various areas of the city by the end of 2014.

The 2014 Christmas Route, called "Light Moments That Move You through Bogotá", with an investment of close to COP \$12,000 million, featured 83 locations with Christmas lighting, including streets, facades, and parks, distributed in 57 sectors in the city, visited by 4 million citizens and visitors and offering large recreation spaces for everyone, free of charge.



In addition to Bogotá, other cities were lit in 2014, such as Manizales and Ibagué.

Human resource activities continued to be one of the most important Company development pillars during 2014, allowing it to achieve its mission with activities such as performance management evaluations focused on strengthening the Company collaborators' capacities and skills. As in previous years, efforts were made to train and develop Company personnel with training activities focused on strengthening their technical abilities, increasing business knowledge and improving management systems, organizational culture, and innovation.

The Company continues with its "Equipares" Labor Equity Seal Program, according to the Women Empowerment World Pact initiative.

Significant improvements were achieved regarding labor safety and occupational health metrics during 2014, having exceeded goals contained in the accident frequency index (own + contractors) and going from 3.51% in 2013 to 2.09% in 2014. This is the result of the training given to Company and collaborating companies' personnel on issues related to occupational health and industrial safety, according to the zero tolerance principle for accidents at the worksite.

By the end of 2014, our Company payroll included 1,043 collaborators, with whom we work hand-in-hand to continue consolidating our Company as an attractive and competitive employer in the labor market, always in search of creating sentiments of belonging and pride in our collaborators.

We would like to conclude this presentation of our Company activities emphasizing our belief in the quality and commitment of our human resource, as well as in the support afforded from belonging to a world-class energy group as the ENEL Group is. This will allow us tackling with optimism the challenges we will be facing on a day-to-day basis and the short, mid, and long-term challenges imposed by the evolution of the electrical sector at national and regional levels, as well as the ever-changing needs of our clients and of the regions we are present in.

Also, there were no significant events affecting the Company after December 31 of 2014 that we should mention.

In order to comply with article 47 of Law 222 of 1995 regarding activities carried out with the shareholders and the administrators, we report that they have followed applicable legal norms and are duly included in the financial statements. Similarly, Codensa meets all norms on intellectual property and copyrights and declares that all software used for Company activities is properly licensed, consequently complying with current intellectual property and copyright laws in Colombia.

In order to meet conditions in article 87 of Law 1676 of 2013, we inform that the Company has not obstructed the free circulation of invoices issued by vendors or suppliers.

According to the Codensa corporate bylaws, we are submitting the following reports to the Shareholders:

- General Manager's Management Report corresponding to January-December 2014, approved by the Board of Directors.
- Internal Control Report from Ernst & Young Ltda., in its capacity of statutory auditor.
- Report according to article 446 of the Trade Code.
- Special report from the Corporate Group according to article 29 of Law 222 of 1995.

To conclude, we would like to thank our clients and the national and local authorities, which have guided us, as well as our shareholders, for their confidence, which makes possible this major corporate project. We reiterate our firm commitment to continue working to meet our workers, clients, and the neighboring communities' expectations, as well as those of our groups of interest.



DAVID FELIPE ACOSTA CORREA
General Manager



JOSÉ ANTONIO VARGAS LLERAS
Chairman of the Board of Directors



Operational Activities

Energy sales

Type of client	GWh	\$COP million
Residential	4.575	1.724.867
Commercial	2.213	806.360
Industrial	931	330.920
Other clients	506	159.637
Tolls	5.442	183.392

Energy purchases

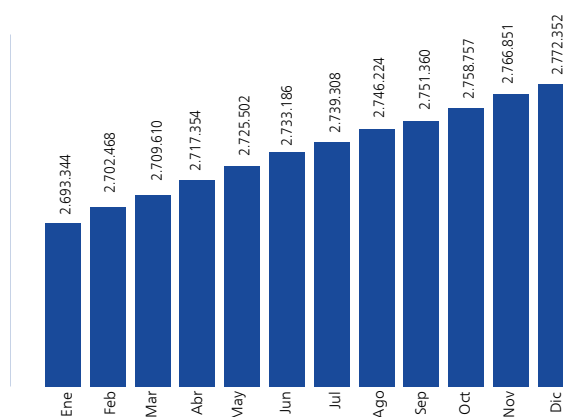
9,256.9 GWh were purchased in 2014, for COP \$1,410 million.

Item	GWh	COP\$million
Regulated market	9.022,6	1.376.382
Contracts	7.930,6	1.124.369
Pool purchases	1.092,0	252.014
Non-regulated market	231,9	34.447
Contracts	222,4	30.874
Pool purchases	16,7	3.573
Purchases	9.261,6	1.410.829
Pool sales	4,7	922
Total energy purchases	9.256,9	1.409.907

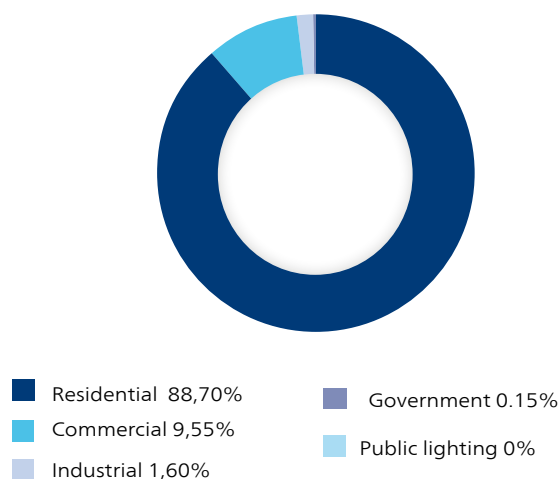
Clients

The number of clients grew 3.18% compared to the previous year.

Development of Electricity Services



Customer Composition by Sector



Commercial Activities

Contracting Activities - Energy Purchases

Hedging for energy contracts for H1 2014 was 87%, with an average spot price of 271.28 \$/kWh. For July-November, hedging was 90%, with an average pool price of 190.41 \$/kWh. During the year, the average contract price (153.31 \$/kWh) has been 34.6% under the spot price.

The rate option was made available to our clients in the first half of the year, taking into account pool price increases associated to lower rain levels and the El Niño phenomenon expectations.

8 energy purchase tenders were opened in 2014 for 2015-2020, for the Codensa regulated market, which allowed awarding 13,129 GWh for COP \$2,060 million in December 2014 and 38 long-term contracts.

Efficient purchases bring benefits both to our clients and to the Company. According to the rate model, as of November 2014 efficiency reached a margin of COP \$3,683 million.

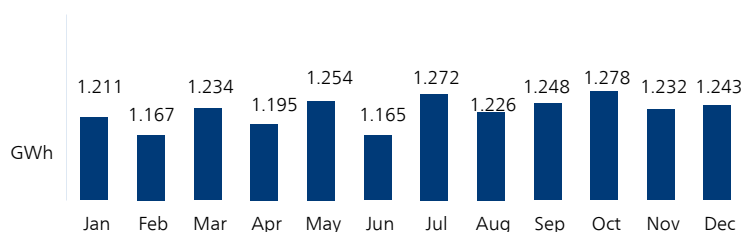
In 2014, the value of transactions in the wholesale market on account of purchases under contracts, pool purchases and sales, and charges associated to purchases was COP \$1,650 million.





Demand Evolution

The Codensa demand closed in 14,726 GWh, with a 374 GWh increase compared to the previous year and a 2.61% growth. National demand was 63,396 GWh, with a 4.11% growth. The Codensa demand represents 23.2% of the national demand.



In 2014, Codensa purchased 9,257 GWh to serve its regulated clients and public lighting, 271 GWh more than in 2013, representing a 3% growth.

Energy Balance Auditing

The ENEL Audit Department reviewed the energy balance process at the end of 2013, resulting in 4 recommendations which were fully implemented during 2014. The most significant milestones include:

- Installation of 32 measurement points between Codensa and EEC, allowing recording 10.77 GWh/year.
- Consolidation and updating of the boundary equipment inventory registered before XM (CTs, PTs, and meters). Equipment investment projects were developed in order to meet the minimum required accuracy. This phase will be closed and executed together with investment projects from the new Measurement Code, Resolution 38 of May 2014.
- Points where boundaries lacked measurement and points where the equipment had no proper locations were identified in the Viani Cambao system. 8 intermediate voltage boundaries were normalized, together with 12 low voltage boundaries, separating the Codensa and the EEC markets in this area.



Loss Control

For the last 5 years Codensa has been developing various projects, whose purpose is diminishing energy theft and fighting the public utility services theft culture that affects our market. This effort is reflected in the evolution of the loss metric, which had a 1% reduction between 2010 and 2014 upon going from 8.19% to 7.19%. This shows the effectiveness of investments made by the Company in state-of-the-art technologies and work fronts focused on diminishing theft and electrical power under-measurements, allowing reducing physical losses and becoming a point of reference in the market, at a national level.

Friendly Electric Bill

In order to potentiate our main channel of communications with the client - i.e. the electric bill - and in order to afford greater understanding and comprehension of the information therein included, an opportunity for improvement was identified and changes made to make it simpler and easier to understand, availing of the customer satisfaction studies made by the Company. The Codensa South and North branches' Project was implemented in August, benefiting close to 2,300,000 clients in Bogota.





Zoning Upgrade

As a result of the increase in Bogotá clients during the last few years, an imbalance has resulted in the meter reading and distribution areas. Additionally, the high standards of the mass operation allow bringing down the costs of special operations in corporate clients. Consequently, the Upgrade Project is being considered, which is divided into 3 phases:

1. Corporate migration: executed in May 2014.
2. Circuit cycles for Bogotá: started in December 2014, ending on May 2015.
3. Group leveling: to start May 2015.

Group leveling

Given the distribution of the cycles in circuit in this last stage of the project, we will inspect and improve the productivity of each reading group making movements among cycles without affecting the client in billing days.

Circuit cycles

In this stage we contemplate the redistribution of cycles in Bogotá in a sequential way to improve the productivity in the operation and the performances in the commercial system processes.

Corporate Migration

This phase consisted in the migration of 26.755 accounts of the branch 2.000 to massive cycles of the branches 1.000, 3.000, 4.000 and 5.000.

Update of Stratification Decree 291 in Bogotá

Decree 291 was issued on June 26 of 2013, adopting the results of the 6th update of the Bogotá urban stratification for the city's residential properties. Based on this update, from October until March 2014 a full review was made of the Bogotá residential clients existing in the commercial information system in order to update accounts that since their creation have been classified in manners other than the official.

For this, three persons working half-time made validations and chart analyses, through the GIS and with field and office information.

Following are the review results:

- Account analysis: 1,991,299
- Block review: 52,000
- Accounts going to lower levels: 11,351
- Accounts going to higher levels: 51,957
- Updated accounts: 63,308



New “Electric Design” Product

With the new requirement according to the RETIE Regulation (technical requirement for electrical installations), which includes the need to submit an electrical design for all new connections and load increases, this new product was developed in response to market needs, the electrical design being prepared by an electrical engineer at the collaborating company’s headquarters, with information provided by the crew at the client’s facilities by means of GPRS transmission of photographs and technical information. The result is emailed to the crew, to PDAs, allowing printing the design prepared in the field.

Rural Area Activities

The Cundinamarca New Connections Department is responsible for handling macro-measurement processes, inspections, and technical measurements associated to loss control, suspensions, and reconnections, new connections, and billing.

In September 2014 the operation had already been going on for 4 years, achieving synergies with the various areas and ensuring integral management of Company needs and of the rural client, optimizing results despite existing limitations associated to dispersion and road access. Following are the most relevant facts for this year:

Greater scope of the loss operation on GC: The Mantis installation started in October for representative clients identified in the loss process, representing a resource optimization for the Company.

Customer satisfaction: The official report on the customer satisfaction survey for the first half of the year included a result 94.9% higher than the previous 2013 report, additionally being the highest historical value achieved, which goes on to show that the user is aware of Company good practices and of the significant improvements in its operations in Cundinamarca.

Non-client user legalization plan in direct service

(PL UNC SD): A legalization plan was implemented, including the offer of internal installations and network customization - especially in populated areas involving non-client users’ massive theft cases. This plan surpasses our expectations, with a cumulative recovery in excess of 400 MW and 1,870 users legalized.

Control and billing plan on public lighting:

This plan is one of the main contributions to the loss metric in the rural area, since municipalities expand public lighting according to their territorial development and growth.

An inventory validation was made in 2014 in one of the largest province centers, Ubaté, identifying an estimated recovery of 34 MW/month and making an agreement with the administration to suspend unauthorized public lighting fixtures (possibly installed by the inhabitants) and billing those actually found being public lighting. This municipality was fully normalized in December; an inventory verification will be made in 2015 in 16 additional municipalities in order to make the necessary adjustments and invoice the administrations.

Prepaid Bill Project: The purpose of this project is implementing a prepayment bill for rural clients living far from Cundinamarca, this way improving the efficiency of the billing and of the service suspension and reconnection processes and diminishing the risk generated by traveling and other associated aspects.

An economic feasibility analysis was made in 2014, concurrently with preliminary investigations on methodology and application. Subsequently, the supplier of meters and functional tests was selected. Proposals for the Uniform Conditions Contract were recently received, as well as the gratuitous bailment agreement, for execution in 2015.

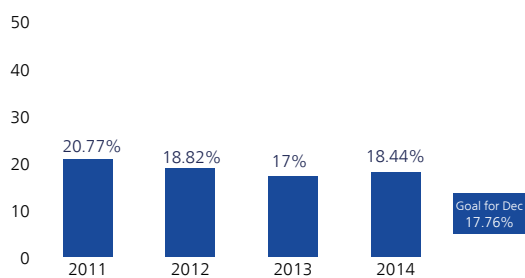


Late Electric Bill Payment Metric

The late electric bill payment metric closed in 18.44%, 68 basic points above the goal, i.e. COP \$1,750 million above the goal.

A new model was implemented to manage delinquent payments currently in pre-legal and legal collection status, with two collaborating companies. With this, it was possible to improve the efficiency of the definition of delinquent accounts delivered to the collaborating companies through the exchange mechanism and portfolio turnover, made periodically.

Default Payment Rate



During this year, Codensa held the second Collections Symposium, attended by 15 companies from the electric sector that shared their best practices in portfolio recovery management aspects.

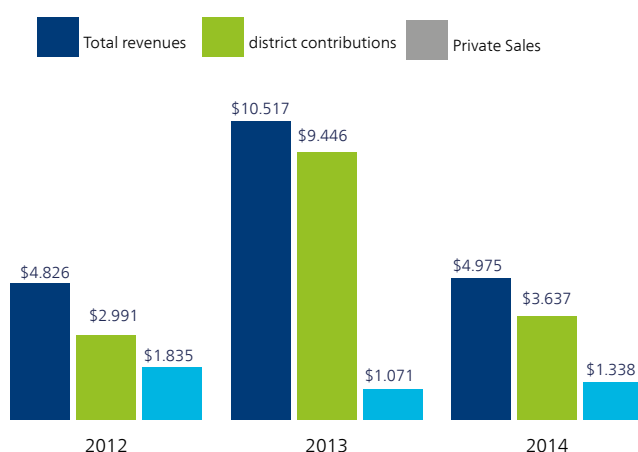
Products and Services Portfolio Sale - Realtors Channel

A new sales channel was created in 2014, focused on constructor clients, which achieved sales for COP \$1,211 million represented by the sale of 66 projects. The 2014 goal was COP \$600 million, exceeding the goal by 200%.

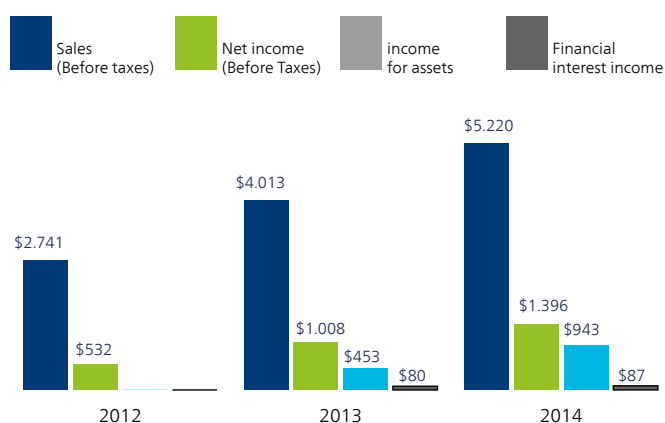
Christmas Lighting

The Christmas lighting value added products and services' operational margin (Bogotá and third parties) had a 131% compliance, with a value of COP \$2,515 million; 24 large client lighting projects were developed, meeting the goal of lighting the cities of Manizales and Ibagué. Assets were included for the third-party business for a value close to COP \$950 million and with no additional investments, thanks to the "Use for the First Time Lease" mechanism.

Revenues from Bogota customers (Mill COP\$)



Sales vs. Revenues (Mill COP\$)





The 2014 Christmas Lighting most relevant milestones are the following:

- The novel aspect of the lights is that they are 100% LED, additionally with movement (strober-type lights).
- The lights were turned on Friday, December 28, off on January 7 of 2015.
- These were 40 days in which close to 4 million people from Bogotá and visitors enjoyed Christmas.
- And investment of close to COP \$12,000 million was involved.
- More than 450 direct employees worked in the installation.
- 900,000 man hours worked 7x24.
- New sectors: Plazoleta del Veinte de Julio and Plazoleta de Lourdes in calle 63 with carrera 13.



Locations with Christmas lighting: There were 83 locations among roads, facades, and parks, distributed in 27 sectors.

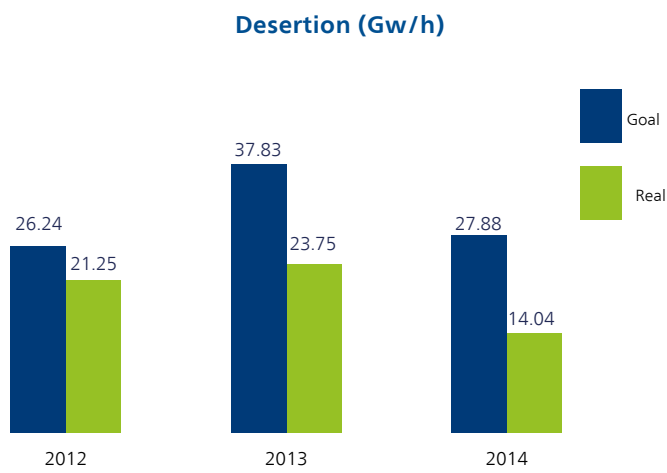
12 million LEDs installed.	100 kilometers of lighted hoses.	167.000 m of mini LED extensions.
More than 120.000 m² of lighted parks and squares.		Close to 7.5 km of lighted streets.

Provides large recreation and entertainment spaces for everyone, at no cost. The lighting design is conceived so that every day during the Christmas season locals and visitors will have entertainment spaces at the 4 points of the compass.



Desertion

Desertion as of the end of 2014 was 14.03 Gw/h, represented in 66 accounts from the corporate area. Compared to the previous year, there was a 40.9% reduction in invoiced electrical power, 59.76% in the number of accounts. The net desertion was 11.67 Gw/h.



The desertion strategy corresponds to a proactive strategy with vulnerable clients, in order to advise corporate clients regarding compliance with the RETIE certificate and the energy quality verification by means of measurements made with grid analyzers.

Institutional Clients - Infrastructure Management

During 2014, the infrastructure lease business generated revenues of close to COP \$56,777 million, a 10% increase compared to 2013.

In 2014, the safety cameras installation project in the municipalities of Cundinamarca allowed increasing the use of the infrastructure in this area of influence, adding 10 new clients which - after an evaluation related to the impact on the community living in the area of the project - were given a special rate.

A pilot fiberglass post test is being developed in search of new infrastructure use alternatives, featuring wireless cellular antennas, called e- posts. The model consists in changing the conventional Codensa posts by the new ones, which are pollution free and provide an additional use to the infrastructure.



Bogotá Public Lighting

The Bogotá Public Lighting System Modernization Project will modernize 33,000 fixtures to LED technology and change 141,000 fixtures to sodium technology with electronic ballasts.

Together with UAESP, sites being modernized were defined during 2014; the equipment tender process was carried out and the first phase of the modernization program was started. By the end of December 1,374 fixtures had been changed in streets such as Calle 45 between Cra 13 and Cra 30, Calle 72 between cra 7 and Av Caracas, and Calle 44 sur.

A new public lighting response system was created, which allowed meeting the expansion plan defined with UAESP and reaching a maintenance level of close to 1,000 requests.



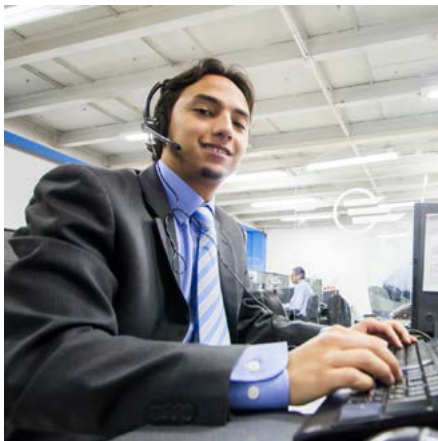
Tocancipá Church (Cundinamarca).

Public Lighting in Municipalities

More than 1,600 lighted points were installed during 2014, approved by the Sabana and Cundinamarca Mayors Offices.

Also, during 2014 the embellishment project of municipalities associated to Public Lighting was structured and launched. This project included installation of the new LED lighting fixtures in the main square and in the Tocancipá church. Chocontá approved the main square, the church, and the Mayor's Office's embellishment project, to be carried out H1 2015.

The first project related to the modernization of public lighting systems in the municipalities was carried out, modernizing the Cavelier Avenue in the municipality of Cajicá.



Distance Customer Service

Fonoservicio: The 2014 metrics were satisfactory, closing with a cumulative service level of 84.73% and a customer service level of 95.01%. Between January and December 2014, 1,956,104 calls were answered, 9% less than in 2013. This is mainly the result of the decommissioning of the Insurance and Withholdings operations in May. The training process was restructured this year to make the process more efficient regarding the operation. An ethnographic study was carried out, which allowed redesigning the self-response systems of the 7115115 and 115 telephone lines and the emergencies, losses, and reports IVR.

Virtual means: 3,333,630 visits were made to residential and corporate portals, a 7.65% increase compared to 2013. 4,932,147 transactions were made, a 14.10% increase. Regarding social networks, Facebook closed with 293,969 fans and Twitter with 8,215 followers in @codensaenergia. 119,893 bill queries were made in Facebook (a 148% increase compared to 2013) and 1,496 applications. Twitter became a service channel, having answered 9,773 comments and growing 84% compared to the previous year. The new Codensa mobile application was made available in Apple Store and Google Play (Android), the NEOL project having successfully gone into production - which includes the new module for the residential and corporate segments. The portal closed 2014 with a total of 523,225 registered users. The new commercial portal for the Codensa commercial customer service went into production on December 9,

with the new functionalities of the Residential Segment, Common Corporate Elements, and Large EMGESA Clients modules. This new channel will offer added benefits and will improve our clients' customer service experience. Before then, during November and during the first week of December, training was given to internal personnel interacting with the Company virtual channel in order to minimize the impact on daily tasks and the clients.

Face-to-Face Customer Service

Through projects such as "From Within", 34 macro processes and 117 processes of the organization have been defined with the various Codensa areas in order to strengthen our service culture, applying the service management methodology. Through the Leaders Network we continued working with the various companies in the network so that good practices will be encouraged, as well as customer service improvement projects.

During this year work has been done to define the service model for the face-to-face channel so that it will afford memorable experiences to our clients and will encourage a culture of good service. Through the Service Standards Project, 10 standards have been established that will allow unifying the behaviors and actions that should be taken in situations arising at the Customer Service Centers in order to continue strengthening the service culture in the face-to-face channel.

2,337,685 customer service requests were handled in 2014, a 0.2% (5,274) increase compared to the previous



year. 1,380,642 self- requests were made, a 2% increase (24,765) compared to the previous year. The cumulative service level was 83.3%, a 3.2 points increase compared to the goal. This improvement is the result of having included new strategies focusing on better using the resources:

- Remote response, supporting cross-office activities.
- Response with mobile devices modernizing customer service, better handling client waiting times, and providing a memorable experience, finally resolving problems.
- Liaison model with clients of the rural area which allows implementing customer service strategies according to client characteristics.

Customer Relationship

An average of 8,460 requests were received each month during 2014, a 5% reduction compared to 2013. The same tendency is seen in processed cases, since for this same period in the average 8,617 requests were handled, 7% less than the previous year. Regarding pending requests, during 2014 we had an average of 4,156



requests, 12% more than the previous year. This increase is more evident from May on, the main reason being the events that happened in the inspection area and in public lighting affecting the department activities. Action plans are being carried out that will allow bringing operations back to normal, such as advanced scheduling in all routes during weekends, scheduling overtime in areas subject to greater requests, such as billing and solutions, and hiring additional personnel (13) distributed in billing, solutions, and CNR (December).

Improvements in the operation

In order to get even closer to our clients, during the year projects such as Context and Express Yourself with Service were developed and implemented with our clients, which will allow for a new communications channel with them and deliver of timely information according to their needs. Additionally, projects have been developed to improve the operational conditions in the department, as is the case of Control Tower and ESEL.

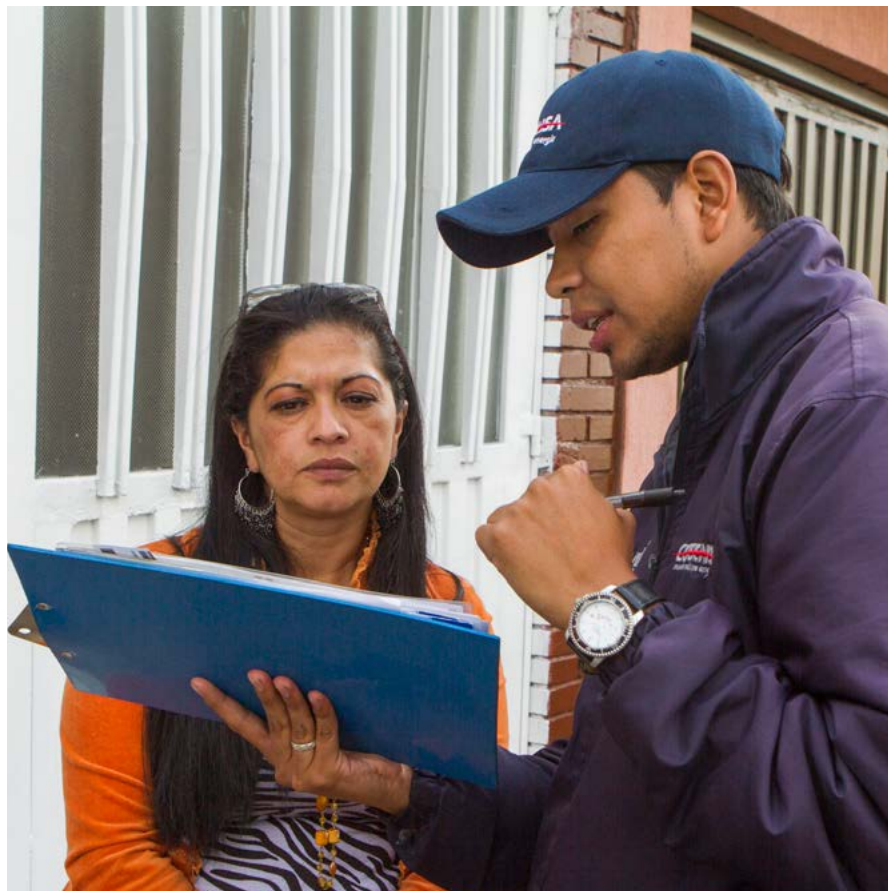
Through technological tools, these two projects focus on optimizing both technical and human resources. The Service Standards Project defined 10 services for process related to responding to written and verbal communications. Additionally, 5 service standards were defined for the civil liability process - repairers. This allowed unifying behaviors and good practices existing in the customer relations processes and continuing strengthening the service to our clients.

Service to Communities

Within the process of strengthening the skills and abilities of our clients - as users of the Codensa products and services - we provide information on the productive, efficient, responsible, and safe use of electrical power and electric appliances. We also seek building a positive experience and improving on our clients' trust and closeness.

To achieve this, during 2014 the following activities were carried out:

- 913 work sessions with the Customer Assistance Mobile Center.
- 560 lectures on productive, responsible, and efficient use of electrical power and electric appliances.
- 48,996 door to door visits in 2 and 3 social level properties with the project "Next to You in Your Neighborhood".
- 230 old refrigerators replaced by new and efficient refrigerators.
- 1,750 door to door visits in residential complexes in 3 and 4 social level properties with the program "Next to You in Your Housing Complex".
- 17 electrical bicycles delivered in recognition to participation in activities and encouraging the responsible use of electricity.
- 34,304 children and youngsters trained and certified as Energy Watchers in 142 schools of the city.
- 12 work sessions of "Next to You We Share Rights and Duties" in various municipalities of Sabana and Cundinamarca, with more than 750 registered clients.
- 12 Breakfasts with Energy, attended by 171 persons among legal representatives, local authorities, and condominium administrators in 4, 5, and 6 social level properties.
- 8 work sessions of "Codensa Lights Your Park", attended by some 1200 people.
- 4 work sessions of the project "Next to You in Shopping Malls" attended by 894 adults and 1,470 children.

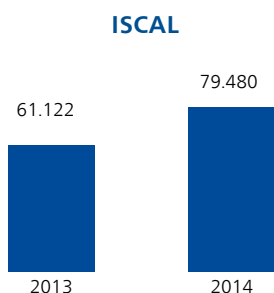




CIER 2014 Satisfaction Results

The Codensa ISCAL (quality satisfaction metric) for 2014 was 83.2%, achieving the 8th position among 37 Central and South America distributors. Regarding the ENEL group companies in Latin America, we placed second after Coelce, which had an 86.8% ISCAL.

The Company with the best satisfaction result is Copel from Brazil, with 89.3%.



Electric Mobility

Mass - Transmilenio Eléctrico: The Transmilenio S.A. authority started in March the feasibility phase of the Public-Private Association - APP, presented by Bogotá Eléktrika S.A.S. (7 current system operators) for the transfer of the phase I and II buses (1,216 buses) to clean technologies, in which CODENSA S.A. E.S.P. and EMGESA S.A. E.S.P. act as technical assistants in everything related to electrical infrastructure and supply of electrical power.

Total resources associated to this APP are close to 2,200 million euros (including the bus fleet, the required infrastructure, and other components in the proposal), in which the electrical infrastructure required is of the order

of 100 million euros, corresponding to electrifying 66 km of the system (recharge infrastructure).

Electric Taxis

A plan was implemented to expand the cargo network in the city and establish the basis for the development of an electrical taxis' mass policy in the city.

Regarding the cargo fleet growth, an agreement was executed with the company Aparcar for the implementation of a recharge station capable of handling 5 electric cars in the northern sector of the city (calle 77 with 16). The agreement with BYD and Praco Didacol was formalized for acquisition of a charging station in calle 26 with carrera 78, where 60% of all charges are handled. The Salitre charging station was commissioned in May, capable of handling 13 electric cars. Activities carried out with the Administrative Department for the Defense of Public Space – DADEP allowed for a resolution granting 6 charging spaces in a public bay located in calle 154 con 21, to be commissioned Q1 2015.

For the Company, the year closed with a recharge infrastructure including 6 electric charging stations and 41 charging points.

Regarding the electric taxi fleet mass plan, a field investigation was made which allowed individually characterizing the habits of each vehicle in the pilot program, which together with results obtained during the first year of operations allowed the Company to develop a study, which was submitted to the Secretary of the Environment with aspects and considerations for such mass project. It identified a potential of 6,000 vehicles for the next 5 years, with an estimated demand of 425 Gwh, achieving a reduction of 340,000 ton the users' s of CO2, for which additional incentives are required from the government.



Encouraging the users' recognition of electric taxis, together with the "Agency at Home" program from the Bogotá Mayor's Office, Codensa prepared a pamphlet to promote the blue and white colors, with the same rates as the yellow cabs, and zero environmental emissions. 400,000 pamphlets were included in the December electric bills. The year ended with 41 vehicles, turning it into the largest in Latin America. These vehicles have traveled 2,200,000 km and have avoided emitting 550 tons of CO₂.

Companies and private citizens

segment: An agreement was executed with the Unicentro shopping mall for erection and operation by Codensa of the first quick public recharge station in the country, compatible with the various types of electric and hybrid cars available. The recharge station installation and testing were concluded in December 2014, the official launch being scheduled for early 2015. For this project, Codensa executed infrastructure development agreements with Autogermana (BMW), Dinissan (Nissan) and Sofasa (Renault).

The electric mobility webpage was concluded in December 2014 (www.codensamovilidadeléctrica.com), featuring news, products and services offered by Codensa regarding recharge systems, energy services, and other mobility projects.

During the first half of the year Codensa technically assisted the national agency "Colombia Buys Efficiently" regarding the electric cars' specifications, for their purchase by government entities. Within this new system of state contracting, Renault started selling electric cars to entities such as the Ministry of the Environment and Sustainable Development (2 units) and SENA (4 units). Codensa works together with Renault in recharge solutions.

Included in the technological appropriation and market promotion plan, the current Company electric cars fleet was expanded with the acquisition of 2 Nissan LEAF vehicles and 1 Mitsubishi (PHEV) Outlander hybrid vehicle.

Regarding office construction or new housing projects, two agreements were executed with Superficies Colombia and Construcciones Planificadas. The first considers support to the designs and promotion of electric infrastructure for the "El Palco" project. The agreement executed with Construcciones Planificadas involves providing support to the electric infrastructure promotion and designs for the projects T7/T8 (Corporate City from the firm Sarmiento Angulo) and Centro Comercial el Edén (formerly called "Alsacia").

28 recharge points were installed during 2014 for electric car clients in the cities of Bogotá and Medellín. At the end of 2014 there were 95 Codensa recharge sites, including corporate and residential clients, real estate projects, own fleet, and public recharge stations for taxis and private vehicles.

Together with the Company's regulations area, the Company actively participated in the ANDESCO workshops in preparation of the sectorial public policy proposal regarding electric power and gas for the 2014-2018 National Development Plan, proposal that included customs and tax incentives to the offer and the demand, as required to make electric traction technologies available to the public.



Automation of recharge systems:

Under a tender in which 5 proponents participated, the recharge points' automation process was awarded to the local Company ITELCA in July, company that kicked off the project in August. This initiative will allow going from the current per-kilometer charge system to a charge considering Units of Vehicle Recharge, to electronically follow up the stations' operation, and to develop management initiatives regarding demand and integration into intelligent networks.

The system in general, including the mobile application, was called "EVA" (Electric Vehicle Application), developed considering the following phases: fine-tuning of technical and functional requirements contained in the tender documents; technical and functional design of the automation management system, of the mobile application, and of anti-vandal structures; development of civil and electric work at the recharge stations considered for the project; unit and integral tests of hardware and software developed, and commissioning of the solution.

Eco-energies

In May 2014, the government sanctioned Law 1715 establishing tax and customs incentives for investments made in nonconventional renewable energy sources and the possibility for self-generators to deliver surplus energy to the network. In December 2014, the Ministry of Mines and Energy issued the energy policy guidelines regarding delivery of self-generation surpluses and issued norms related to implementation of demand response mechanisms.

A cooperation agreement was executed in October with the Cundinamarca Governor's Office for installation of 75 photovoltaic systems in some ZNIs of the department, which will be fitted with batteries and will include electric appliance DC kits.

The supply, erection, and installation of a 41 KWp photovoltaic system was commissioned in November, on the roof of the calle 93 building, system that will cover part of the building's demand. Supply and structuring activities were carried out to develop 4 photovoltaic pilot projects during 2013, for various client segments.

Together with the Company innovation area, the photovoltaic system erection was structured with translucent panels (BIPV) at the Suba service center facilities. This project will allow to better understand this technology and determine the constructors' segment acceptance level.

Regulations and norm management

The results of the demand contracting study were submitted to the country committee, the district secretaries, Fedesarrollo, Invest in Bogotá, and the Bogotá Chamber of Commerce. The study identified the regional economic dynamics affecting the energy demand of large consumers. This study was carried out jointly with the business development, energy purchases, large clients, and institutional clients areas.

There are 4 automated regulatory trading reports: excluded costs, accounts receivable, cost of managing losses, and disconnected users. The 2015 regulatory reports were prepared according to the program prepared for such automation program. This activity was carried out by the commercial management division and the business development area.



Support was provided to the Regulation Manager's Office with information from accounts receivable and trading costs, in order to support sector debates related to the trading costs' remuneration, AOM of losses, and recognition of non-recoverable accounts receivable.

Smart Metering

The definition of the Company strategy related to the massive use of Smart Metering was concluded, which includes benefits at government, users, and Company level, as well as investments, risks, and opportunities. A technical document was prepared, as well as the necessary justification to include the AMI infrastructure in the National Development Plan as part of the OR assets base.

Result of the Clients' Relationships System (Src)

The Codensa IRC result (client relationships metric) was 80.82%, which is the average of metrics achieved by each process:

Products implemented			
Suspension of the electric service	Insurance telephone sales	Face-to-face certification support	PaP insurance sales
Electric service reconnection	New demand, telephone service feasibility	Face to face support, current energy period	Telephone sales, publications
Electric failure in Bogotá	New office demand, constructor	Face to face support, insurance disaffiliation	Preventive maintenance
Electric failure in Cundinamarca	New demand, work reception	Face-to-face support, credit payment agreement	Distance support, date and amounts payable
Commercial inspections	Clients' relationship, Bogota billing	Face-to-face support, advance credit payment	Distance support, electric failure, Bogotá
Bogota billing, reading	On-site billing	Distance support, statement of accounts, Bogotá	Distance support, electric failures, Cundinamarca

Processes are evaluated two ways: service (the manner in which to respond to and interact with clients) and solution (steps required to deliver the solution to the client). These measurements are made using the unknown client tool, all audits being filmed in order to document and provide feedback regarding the service experience provided by the processes to the clients.

Insurance

The cyclic payment policies in 2014 grew 7.17%, the year closing with 654,836 active policies. Additionally, the Traffic Accidents Mandatory Policy (SOAT) provided for 79,000 sales this year.

Facts mainly driving such growth were the following:

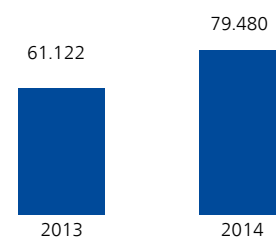
Improvement in client retention and loyalty

campaigns : Several client retention campaigns were carried out during the year, significantly improving on desertion levels. Filters related to inclusion of new clients were improved, allowing to sustainably increasing the clients base.

Traffic Accidents Mandatory Policy (SOAT) Growth:

As a result of the support provided to Seguros del Estado in the Call in House, the previous year's base renewal percentage increased, going from 41% to 61.5%. The continuous promotional campaigns resulted in meeting the proposed SOAT sales level, which increased by 30% compared to the previous year. It should be noted that Codensa has the point of sale issuing the largest number of policies for our leading partner in this product in the market, i.e. the Centro de Servicio Venecia.

Sales of SOAT

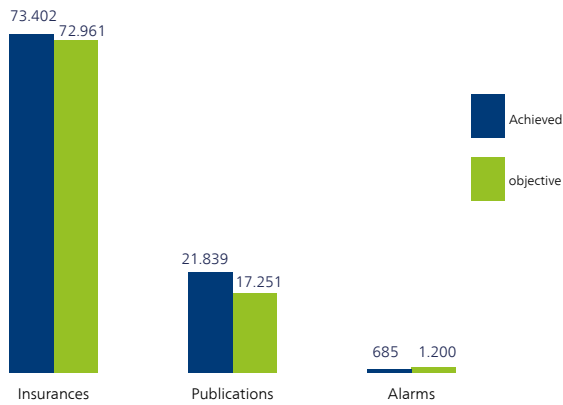


Average sales in 2014 were 6,580 vs 5,080 in 2013, for a total of 79,480 units.

PSVA's face-to-face channel sales: The following aspects should be highlighted for the face-to-face channel during 2014:

- The operation growth, having reached more than 300 persons to achieve the proposed goal.
- Condominium channel re-launch.
- Evaluation of the new "Transmilenio" channel.
- Launch of the new "Negocio Seguro" (safe deal) product, focused on the small business segment.
- Migration to new contracts in August. Due to the repeated defaults of the Aenco contractor, an additional migration was made in November, affecting the channel continuity.

Following are the year's final results:



Presence in advertising media: Investments were made in the Company positioning strategy, using insurance as an emotional link between clients and Codensa.

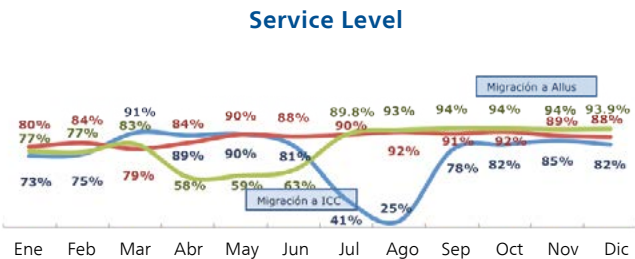
A media campaign was carried out to reinforce the Company presence in the media and achieve better positioning.

The insurance web portal was improved.

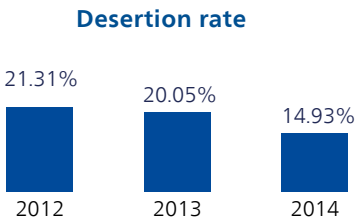
New products: The following products were launched:

- Electrical appliances assistance.
- Insurance business.

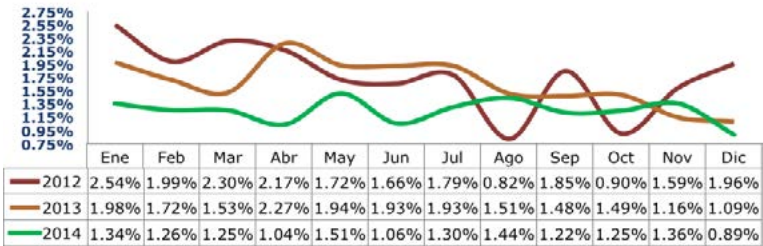
Customer service: The customer service line and the Allus to Interactivo retention migration process was concluded in May. Despite this migration's implications, the annual cumulative 85% service level was met. The following graph illustrates this.



Insurance Churn: A monthly 1.27% churn average was kept during 2014, in insurance, achieving an accumulated value of 14.93% and meeting 120.55% of the 18% goal.



Historical Desertion Rate

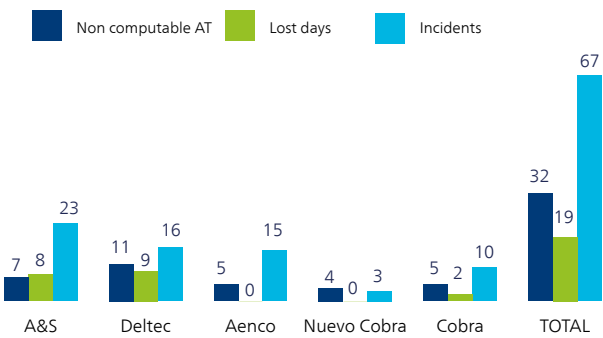


This result thanks to the increase in the retention area's effectiveness and the early churn management from validations made by the control section.



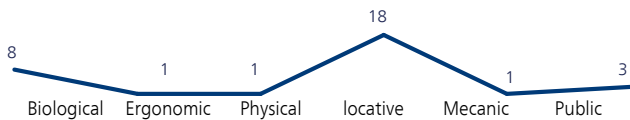
Safety: Significant work was done in safety, ensuring the conditions of each person collaborating in the project and providing field follow-up and control to each supplier to ensure compliance with requirements. Several “Tarjeteando por la vida”, “Christmas Plan” trainings with dogs, and Citronela implementation activities were carried out. The above allowed closing the year with zero accidents.

Accidents per collaborating company



Accident severity was significantly reduced thanks to the early management program and the support provided by the safety departments of collaborating companies and Codensa. The risk most affecting the operation was the location risk, followed by the biologic risk.

Accidents by Type



Publications

By December 31 of 2014, 1,026,000 collections from the publications line had been made, the Televisa publications having had the greatest participation.

This business line generated approximate resources of COP \$2,390 million.

Televisa: The number of active Televisa clients increased from 36,968 in January to 41,916 in December 2014, a 13% increase. This represents the highest number of clients in the history of the Codensa-Televisa relationship.

A significant improvement was achieved in the Televisa SCP measurement, in the “delivery of the magazine or newspaper” attribute, going from 33.8% in the first measurement to 63.8% in the third and last measurement of 2014.

El Tiempo: An increase in the number of active clients in El Tiempo subscriptions, going from 38,395 in January to 44,119 in December, a 15% increase (according to newspaper sources, we are the channel growing the most).

Publicar: Commission revenues of close to 381 million pesos were generated, compared to 251 million pesos in 2013, a 52% increase.

Digital Line and Communications

DIRECTV launch: One month before the launch of the alliance, which consists in charging and collecting the television service charge with the electric bill for the 1, 2, and 3 social level Bogotá and Soacha Codensa clients, 95% of the DirecTV prepayment sales in the door-to-door channel were made using the Codensa means of payment. Other important indicators as of December 31 of 2014 are:

Electric work

Advertising and promotion plans were developed in 2014, creating awareness of our products, significantly aiding in positioning and promoting the electrical works portfolio, increasing the number of calls, offers, and works, and allowing for more persons to know us, value the benefits we offer, and contact us to resolve their electricity needs. Following are the most relevant results:

- Regarding placements in PDP (payment petitions), we grew 2.8% compared to 2013, invoicing COP \$16,039 million for the two contracts.
- We received close to 343,087 calls during the year.
- We executed close to 30,295 works during the year.



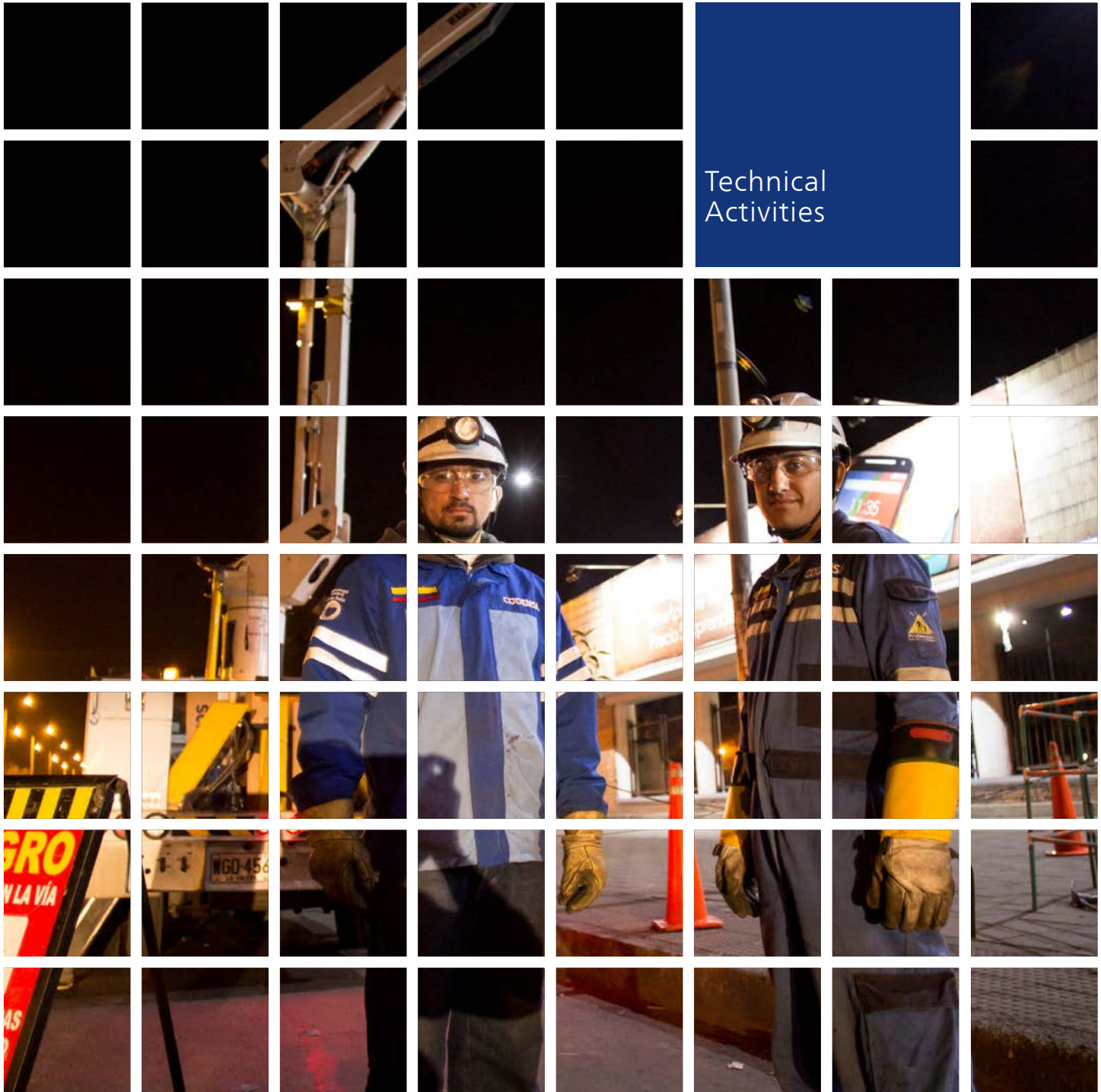
Other ratios as of December 31, 2014:

The induction trading started in November 18 through the Codensa channel, offering 3 different brands.

The main advantage of these devices is their energy efficiency, in addition to benefits such as cooking speed, easy cleaning, safety, and their innovative design, setting them apart from gas appliances.

This supplements the electrical appliances offer, providing "full electric" solutions for both new and used housing.





Physical system data

Líneas aéreas de transmisión	Tensión 115 Kv - 1.131 Km Tensión 57.5 Kv - 116 Km
Subestaciones	122 SSEE de Potencia 67.839 Centros de Distribución
Transformadores de potencia	AT: 233 Unidades - 8.955 MVA MT: 98 Unidades - 382 MVA
Transformadores de distribución	68.594 Unidades - 9.147 MVA
Alimentadores MT	Urbanos 776 / 9.524 Km Rurales 178 / 10.492 Km
RED MT y BT	Aérea 42.030 Km Subterránea 6.122Km

Quality Plan and metrics

The main technical steps carried out during January-December 2014, according to the 2011-2016 Quality Plan, are the following:

- Network Telecontrol
- Redesign and replacement of intermediate voltage grids
- Protection management
- Intermediate voltage concordance
- High voltage concordance
- Forest management
- Weather seasons
- Normalization of auxiliary substation services
- Intermediate voltage normalization

Regarding the supply quality behavior, measured with international metrics, the frequency of interruptions increased (SAIFI) mainly due to the following situations:

- A fire in the Usme station in May.
- Evidence of the risk of tripping header switches in 7 substations.
- Greater follow-up of grid incidents.
- Greater execution of scheduled work.
- Adverse weather conditions, such as the wind season during August and September and strong rains during the last months of the year.

Regulatory metrics

Favorable results were achieved during 2014 in the 2-3 groups voltage level, unfavorable in the 1 voltage level. Table 1 shows closing global regulatory metrics projections for 2014.

Metric	Value achieved	Change with respect to IAAD k-2 (reference)
IAAD k-1 voltage level 1 [1]	0.0026619	+1,21%
IAAD k-1 voltage levels 2 and 3, grouped [2]	0.000899	-5,1%

Global regulatory metrics

[1] Annual grouped metric of discontinuities and incidents in the local distribution system perceived by voltage level 1 clients, according to CREG 097 of 2008 and others amending or supplementing it.

[2] Annual grouped metric of discontinuities and incidents in the local distribution system perceived by voltage levels 2 or 3, grouped, according to CREG 097 of 2008 and others amending or supplementing it.

Competitiveness metrics (international)

As a supplement to regulatory requirements related to service continuity, the SAIDI and SAIFI international indicators are shown in:

Indicator	Unit	Value achieved	Change with respect to 2013
TAM SAIDI Global AT+ MT[4]	Horas	13,15 Horas	+12,8%
TAM SAIFI Global AT+ MT [5]	Veces	12,19 veces	+10.8%

SAIDI and SAIFI Index

[4] System Average Interruption Duration index, incidents in intermediate and high voltage for own reasons, by third parties, scheduled and not notified to clients, according to the calculation methodology defined by the Enel Group Common Continuity Indexes.

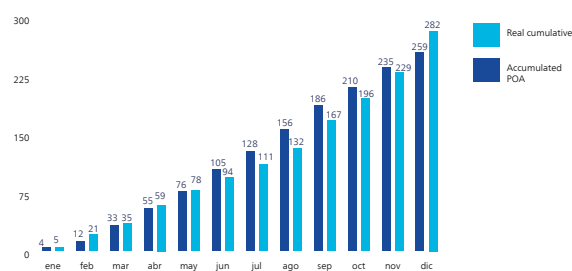
[5] System Average interruption frequency index, incidents in intermediate and high voltage for own reasons, by third parties, scheduled and not notified to clients, according to the calculation methodology defined by the Enel Group Common Continuity Indexes.

Investments

During 2014, the Technical Manager's Office executed COP \$281,783 million in its investment projects (including COP \$457 million on innovation), in projects focused on the distribution business' sustainability and growth, 9% more

than the value initially considered. Emphasis was mainly made on new demand, improvement of service quality, distribution system reliability, and compliance with legal requirements, among others.

**Forecast vs. Real
As of December 31, 2014**



Forecast

The Codensa Investment Plan was defined for 2015-2024, which includes short, mid, and long-term resources required for expansion, modernization, and replacement of the transmission and distribution system and for public lighting; consolidation of the loss reduction and sustainment plan; supplementary infrastructure for the business, such as the new integrated operational headquarters and service centers; investments in acquisition, updating, renewal, and unification of technical, commercial, and corporate systems; communications support and operation elements, generating value and contributing to comply with the Company Strategic Plan, the Bogotá Development Plan, and the Bogotá and the municipalities' territorial development plans.

Codensa submitted the Regional Transmission System Expansion Plan - STR to UPME, establishing the growth path and the reliability improvement for the following years, highlighting new interconnection action projects with the National Transmission System-STN in the northern and southern parts of Sabana de Bogotá, which will allow importing large blocks of electrical power from other areas of the country to the Bogotá and Cundinamarca regions.

New power substation projects are being developed to respond to the mid-term demand in Bogotá and in neighboring municipalities north and south of the capital city, which will provide assurance and reliability regarding the electrical power supply in the Codensa coverage area.

Investments are being considered to improve the quality of service in Bogotá and Cundinamarca, ensuring safe and reliable technical conditions in the supply of electrical power, permanently and sustainably.



Relevant management milestone

The Technical Manager's Office is leading the implementation of the Telecontrol project for the intermediate voltage distribution grid. The project considers installation of 3,787 power equipment units to improve service quality in circuits having the greatest impact on service quality metrics.

The 30 MVar capacitive offsetting banks were commissioned in the Tibabuyes 115 kV, Bacatá 115 kV, and Usme 115 kV substations, part of the "3x30 offsettings". This project is essential to the national strategy, mitigating the negative effects caused by delays in the Nueva Esperanza project. Such offsetting improves the power system performance under normal and contingency operational conditions. Codensa has made agreements made with the National Planner (UPME) and the Regulatory Commission (CREG) to ensure commissioning before reaching the 2014 peak demand level.

86,374 clients were connected during 2014, of which 54,012 have required grid expansions, for which investments have been made - both in the city and in neighboring municipalities - of close to COP \$50,000 million.

The mass public lighting modernization project with LED technology was started in the Bogotá main streets. 1,374 lighting fixtures were installed.

The CAMPO project was executed, focused on honoring commitments with clients requiring replacing wooden posts in poor condition. 2,700 posts were replaced in 2014, starting by honoring commitments and written promises given to clients in the Cundinamarca area.

On December 30, Codensa was notified of Resolution 3788 of December 24 of 2014 deciding on the appeal filed by Codensa against Resolution 1679 of July 31 of 2014, granting an environmental license for construction and operation of the “Nueva Esperanza” project. The appeal corrects aspects mentioned by the Company in the appeal and modifies the respective obligations. This is essential for the project and allows continuing with the construction license application.

The scientific investigation permit was obtained in the NORTE project, as required to continue with the environmental impact study. A promissory agreement for the purchase of the land property associated to the project was executed with Empresa de Energía de Bogotá (EEB). Work continues for the main design of the electrical substation and the high voltage lines.

During 2014, CREG submitted a service quality study regarding the Local Distribution System (SDL), the market costs, the creation of construction units, and the methodological review of the distribution remuneration, as well as a review of the rate of return related to the electrical power distribution activity (WACC). According to the CREG’s regulatory agenda, during Q1 2015 CREG will answer the question related to the remuneration methodology for the distribution charges and will make a final decision for the new rate period. For this purpose, several Company work groups are analyzing the technical, regulatory, economic, and legal effects of the electrical distribution activity’s rate negotiation process.

The Grid Burying (POT) and Infrastructure Regulation projects were defined in order to comply with regulations associated to district planning instruments, such as Decrees 190 of 2004 and 87 of 2010, developing the projects’ initiation and planning phases and obtaining budget approval so that the work teams will be able to start them. Part of the detail engineering for the 2015 execution and the project direction plant were developed for the POT.

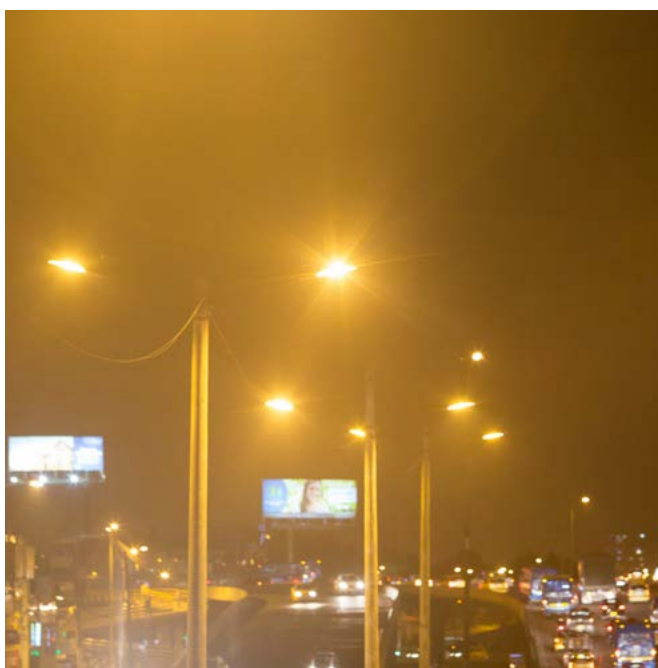




The remote protection management investment project continues successfully, whose purpose is remote communication with all digital protection devices existing in the Codensa substations, allowing for the operation process to have first-hand information on short circuit values and on characteristics of failures occurring at various grid locations. This makes it an essential tool for operational decisions and to reduce service restoration times. As of December 2014 there were 55 substations with remote management, guaranteed with IP addresses, representing 1,221 relays with connections to control centers through the Metrolan network. The last 9 substations included in the project will be concluded in 2015.

The CREG 025 2013 and the CREG 043 of 2010 resolutions were complied with, having installed 818 tele-controlled equipment units and 76 meters for clients with tele-measurement.





The Business Development Manager's Office activities focused on the Company's businesses strategic planning and growth opportunities, ensuring its sustainability and growth.

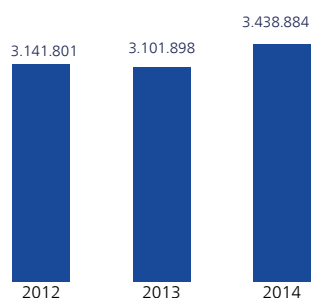
The 2014 activities were associated to the creation of the Country Energy Efficiency Plan, which included a market and a competitive analysis regarding these types of services in Colombia, quantifying the market, evaluating existing opportunities in this field in the national market in light of the experience and the skills of the group companies in Colombia, as well as the definition of product lines to be promoted - with their development strategies - in aspects related to value added services and energy services.



Financial results

During 2014, operational revenues reached COP \$3,400 million, represented in COP \$3,200 million from the sale of energy services and COP \$214,531 million from the sale of other associated services. Total operational revenues increased by 7.06% compared to 2013. The increase in operational revenues is mainly the result of the demand growth, the inter-temporal effect of the increase in the value of the generation component in the regulated rate, the greater level of the PPI compared to the previous year (metric the Company revenues are tied to), and greater revenues from the recognition of administration and maintenance expenses from May 2014, according to the periodical review of such component in the rate.

Operating Income



The cost of sales was COP \$2,400 million, a 9.01% increase compared to the previous year, result of greater prices of pool purchases to serve the regulated clients Codensa sells electrical power to, representing 18.98% of total purchases in 2012, as well as the 2.61% increase in electrical power sold by the Company compared to 2013. The result of changes in Company revenues and in the cost of sales resulted in an EBITDA of COP \$1,100 million, a 1.99% growth compared to 2013, and an EBITDA margin (EBITDA over operational revenues) of 32.87%.

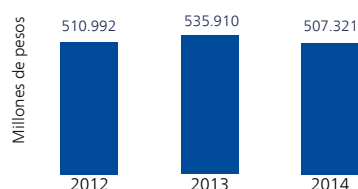
Administration expenses increased 19.72%, reaching COP \$97,195 million, mainly due to the greater value of overtime of personnel assigned to the response plan to solve failures in the Concordia and Usme substations.

In 2014, Codensa generated operational profits of COP \$859,550 million, 0.64% higher than in 2013.

Net Company profits were COP \$507,321 million, a 5.33% reduction compared to the previous year, since the slight increase in the EBITDA failed to offset the 27.9% growth in financial expenses, from higher average inflation rates during 2014 compared to 2013 (metric the entire Codensa debt is tied to) and due to fewer expenses subject to capitalization as related to projects under construction, compared to 2013.

With the 2014 results, Codensa achieved a 9.07% profitability on total assets, 18.27% on total equity.

Net Income



As of December 31 of 2014, total Company assets were COP \$5,600 million, available cash and short-term investments having reached COP \$591,521 million. Available cash and investments had a 15.05% reduction compared to 2013, due to the lower generation of operational cash in the Company.

During 2014, Codensa made investments for COP \$373,119 million, mainly focused on improving the service quality and responding to the new demand, including the purchase of combined equipment units for loss control purposes, such as meters, intermediate voltage substation expansions, development of the Telecontrol project, and replacement of rural infrastructure, among others.

Total liabilities were COP \$2,800 million, an 18.47% increase compared to December 31 of 2013. As of the end of 2014, the Company financial debt was COP \$1,200 million, a 5.1% reduction compared to 2013, as a result of the combination between the third bond issuance amortization for COP \$250,000 million in March 11 of 2014 and placement of the third lot of the third tranche under the Bonds Issuance and Placement Program for COP \$185,000 million on September 25 of 2014. The Company's net financial debt went from COP \$545,203 million at the end of 2013 to COP \$591,675 million at the end of 2014, an 8.52% increase. This is mainly the result of the indebtedness assumed from issuance of the third tranche of the Codensa Issuance and Placement Program.

The Company continues with its policy to minimize its income statement exposure to exchange rate variations, so that on December 31 of 2014 the entire Company debt was concentrated in pesos, in bonds in the local market. On the other hand, the entire debt was indexed to the CPI.

The average debt cost as of the end of 2014 was 8.40% annual effective. The debt's average life went from 4.18 years in December 2013 to 4.59 years at the end of 2014.

Following are the scheduled maturities as of December 31 of 2014.

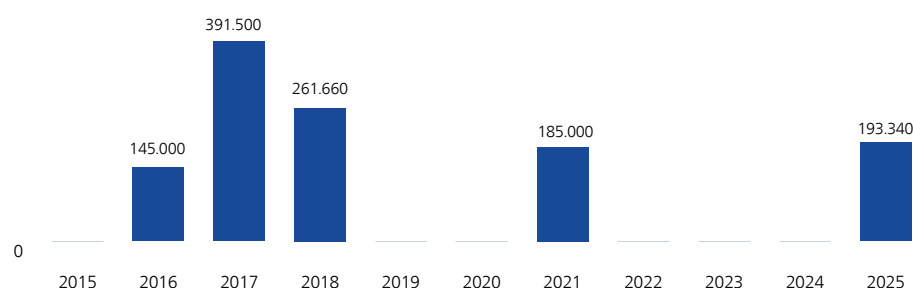
The Company's pension liabilities as of December 31 of 2014 were COP \$212.527 million, fully reserved.

Company equity was COP \$2,800 million at the end of 2014.

Dividends

In January 27 of 2014, during its ordinary session the General Shareholders Assembly approved distribution of the January-December 2013 profits for COP \$535,911 million, which were paid during the following 12 months. Dividends declared were equivalent to \$4,027.17/ordinary share and \$4,224.47/preferential share. During 2014, Codensa made payments to its shareholders on account of dividends for a total of COP \$463,161 million. The last dividend payment was made on January 2014, corresponding to

Debt Profile



the 2012 profits, for COP \$127,748 million. In June and November of 2014 dividends corresponding to the net 2013 profits were paid for COP \$203,033 million and \$132,380 million, respectively, corresponding to 62.59% of the 2013 net profits.

On October 29 of 2014, during its ordinary session the General Shareholders Assembly approved distribution of the January-August 2014 profits for COP \$352,237 million, which will be paid within the following 12 months.

Issuance and maturity of securities

On March 11 of 2014, Codensa paid the titles of series B10 of the First Bond Issuance for COP \$250,000 million, with resources from the pre-financing achieved with the second tranche of the Bonds Program, for COP \$214,000 million in November 2013 and with surplus Company cash for COP \$36,000 million.

The first lot of the third tranche under the Bonds Issuance and Placement Program was placed on September 25 of 2014, for COP \$185,000 million, placement that had a total demand of 2.1 times the value offered and reached COP \$391,710 million, awarded in a single series with a 7-year term at a coupon rate of the CPI +3.53%. The placement resources were used to finance long-term Company cash flow requirements, including its working capital and its investment plan.

Current ratings

In July 30 of 2014, Fitch Ratings Colombia ratified in AAA (col) the Codensa long-term national rating and kept its stable perspective. It also ratified in AAA (col) all current Codensa bond issuances and its current Ordinary Bonds Issuance and Placement Program for COP \$785,000 million. Such ratings reflect the Company's solid competitive position, its low risk business profile, its strong credit protection metrics, its high liquidity, and the support of the ENDESA Group (international BBB+ rating from Fitch) in terms of know-how and good corporate practices. The rating also considers the risk associated to possible regulatory changes subject to affecting Company results.

IR RECOGNITION (BVC)

In August 2014 Codensa received for the second time the IR recognition from the Colombian Stock Exchange upon voluntarily raising its information disclosure management and relationship with the investor models above requirements in local norms and upon making available to the investors quarterly and annual information, both in English and in Spanish, at the companies' webpages.

Assistant Treasury Managers Office Process quality certification

Since 2010 and 2011, the companies' payment management and liquidity surplus processes have obtained the ISO 9001 quality certification granted by the international certifying entity Bureau Veritas. These two processes are focused on managing the companies' monetary resources.

Internal control

During 2014, the Internal Control Unit (UCI) coordinated the self-evaluation of the internal control model in compliance with Italian Law 262 and Sarbanes Oxley (SOX) for H1 2014.

Internal Corporate Auditing and External Auditing audited the relevant Company processes, making design and operational tests to controls. As a result of the above, improvement opportunities were identified and action plans prepared.

Implementation of NIIF Norms

During 2014 the Company concluded the transition phase according to the schedule contained in Convergence Law 1314 of 2009 and Decree 2784 of December 2012, which involves keeping its accounting according to current norms in Decree 2649 of 1993 and simultaneously preparing information according to the new norms in order to compare it with financial statements to be issued according to NIIF in December 2015.

According to Resolution SSPD 20141300033795 of July 30, 2014, on August 2014 the Company submitted the opening financial statement - ESFA, the equity conciliation, disclosures, and policies as of January 1 of 2014 to the Superintendence of Public Household Utility Services.

Within the NIIF adoption process, the Company is carrying out the various activities considered in the implementation project, including the following:

- Analysis workshops on technical issues, attended by the group implementing the NIIF and an external advisor. Analyses are made of all items in the balance sheet in order to establish possible impacts.

- Definition of accounting policies. It was decided that the accounting policies would be those of the Enel parent Company.
- Information systems: a project was developed together with the ICT area in order to apply parameters to the SIE system, including customization work to the properties, plant, and equipment module and preparing additional reports.
- Training plan: training sessions have been held during 2014, focused on the accounting, technical, commercial, production, finances, treasury, legal, regulatory, taxes, and ICT areas.
- Communications plan: being executed according to schedule and focusing on issues relevant to the NIIF project. A multimedia program was launched with basic NIIF concepts such as definition of norms, the norms' framework, and the implementation schedule, among others, in order to reach everyone inside the organization.
- Presence in business groups and groups of interest: the Company led analysis and discussion meetings with

the Stock Exchange, which allowed reviewing the effects of implementing NIIF norms and adoption of best practices. A lecture on the effects of the NIIF implementation on security issuers was given in October.

Decree 2649 of 1993 will no longer apply from January 1 of 2015 on, for legal accounting purposes, the new NIIF starting to apply. For fiscal purposes, Decree 2649/93 will be the starting point for establishing the fiscal balance.

The General Manager and the Administration, Finances, and Control Manager continued working in process and systems' assurance and in other fronts required for submitting the first financial statements according to NIIF from January 1 of 2015 on, this way complying with the National Government norms.

Tax activities

As a result of activities carried out during 2014, we have eliminated possible risks for COP \$40,039 million.

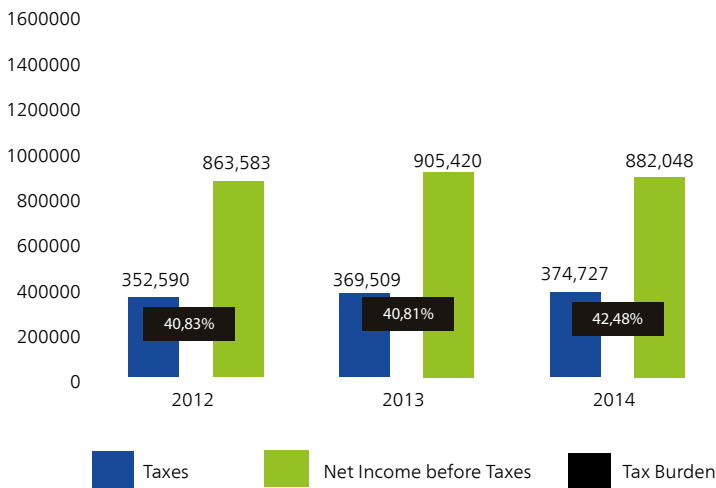


Support continued to be given during 2014 to the public lighting area in order to reduce risks associated to collection of the public lighting tax as a means to finance the service.

Support was given to the commercial area in the creation of the most efficient tax structure in order to implement the electricity-intensive appliance trading business.

Following is the tax burden for the last 3 years:

Figures in million pesos





Regulatory Activities

During 2014, the distribution regulatory activities have focused on successfully tackling methodological reviews made by the distribution and commercial areas.

The review of the regulated distribution charges started in 2013 with publication of the Remuneration Methodology Bases proposed by CREG (Comisión de Regulación de Energía y Gas) in Resolution 43 of 2013. Such bases were supplemented by developing the distribution activity remuneration purposes and guidelines for 2015-2019, as contained in Resolution CREG 079 of 2014. This resolution was issued based on policies defined by the Ministry of Mines and Energy, seeking to ensure proper expansion and customization of assets, as such including incentives to their replacement and a wide coverage investment plan that will allow including technologies, improving the quality of the service, and controlling electrical power losses. Guidelines defined by the regulator have been studied in depth and have been supplemented with propositions led by Codensa in order to ensure proper remuneration of operational assets.

Additionally, the Regulatory Commission issued Resolutions CREG 083 of 2014 and 112 of 2014, defining the methodology to be used to calculate the WACC-regulated remuneration rate for electrical distribution and transmission activities, as well as for natural gas distribution and transportation. Due to the importance a proper remuneration of the invested capital has, Codensa has aided in strengthening a transparent, robust, and long-term methodology with the study "Electric Distribution Rate of Return in Colombia" carried out by the Cambridge Economics Policy Associate – CEPA

for Codensa. This study features opportunities to assess risks typical of the distribution activity and proposes crosschecks that will allow confirming the validity of capital costs generated by the WACC methodology.

Regarding the regulated trading charge, the final charge methodology was not published in 2014; it will be published H1 2015, its review having been postponed during the last few years. Codensa has made comments on the methodology draft, mainly focused on proper recognition of the cost of managing and maintaining energy losses and proper valuation of the credit portfolio risk the Company faces as a trader.

Regarding the rate formula, the Commission published Resolution CREG 135 of 2014, which contains the basis for the studies that will be made to establish the unit cost for the provision of the service for the next rate period.

Resolution CREG 038 of 2014 included the Measurement Code, defining the technical characteristics the measurement system should meet with respect to accuracy, certification of product conformity, installation, testing, calibration, operation, maintenance, and protection. It also establishes the responsibilities of agents and users in the electrical power measurement process. Finally, through business groups Codensa has been keeping tabs on the definition of policies in nonconventional renewable energies, which were finally approved by Law 1715 of 2014. In response to this Law, the Ministry of Mines and Energy published Decree 2492 adopting norms related to implementation of mechanisms to respond to the demand, Decree 2469 containing energy policy guidelines related to delivery of self-generation surpluses.



Codensa a través de las agremiaciones sectoriales estuvo atenta a la definición de políticas de incentivos al desarrollo de energías renovables no convencionales que finalmente fueron aprobadas en la Ley 1715 de 2014. En respuesta a esta ley el Ministerio de Minas y Energía publicó el Decreto 2492, por el cual se adoptan disposiciones en materia de implementación de mecanismos de respuesta a la demanda y el Decreto 2469 establece los lineamientos de política energética en materia de entrega de excedentes de autogeneración.

Environmental Management

In 2014, environmental activities focused on improving the environmental management system, preparation of environmental studies, processes to obtain permits and environmental licenses, projects to minimize impacts, and the study of advanced environmental impact measurement metrics.

The following norms were issued by the environmental authorities regarding environmental regulations:

- **From the Ministry of the Environment and Sustainable Development:**
 - i) The new environmental licenses' Decree.
 - ii) The partial amendment to the Resolution setting the rates for services related to evaluation and follow-up of licenses, permits, authorizations, and other control and environmental management instruments.
 - iii) Implementation of zoning and organization of various forest reserves as contained in Law 2 of 1959.
 - iv) Regulation of the study permit for collection of wildlife from the biologic diversity in order to prepare environmental impact plans.

- **From Corporación Autónoma Regional de Cundinamarca- CAR:**

vii) Adoption of the methodological guidelines for limitation of rounds in its jurisdiction. This document allows limiting round areas for activities related to exploitation and occupation of river beds, beaches, and rivers.

- **From the District's Secretary of the Environment:**

viii) Adoption of the Hazardous Waste Integral Management Plan for the Capital District.

ix) Guidelines and procedures to offset areas with vegetation affected by public entities performing infrastructure work, directly or through third parties.

Hard work has been done in establishing measures related to compliance with the environmental legislation regarding handling of debris and the PCB inventory.

Regarding environmental management processes, the environmental license for construction and operation of the project "Nueva Esperanza" has been concluded, once CAR favorably decided on the appeal filed by Codensa, after submittal to CAR of the Environmental Impact Study for construction of the "Gran Sabana" substation and line, and the beginning of the preparation of the



environmental impact studies for the construction projects of the “Norte” y “Compartir” substations and lines. The Bosque Renace (Hacienda Canoas) restoration plan was submitted to CAR, which will allow the voluntary and mandatory offsets the Company is required to make in this place.

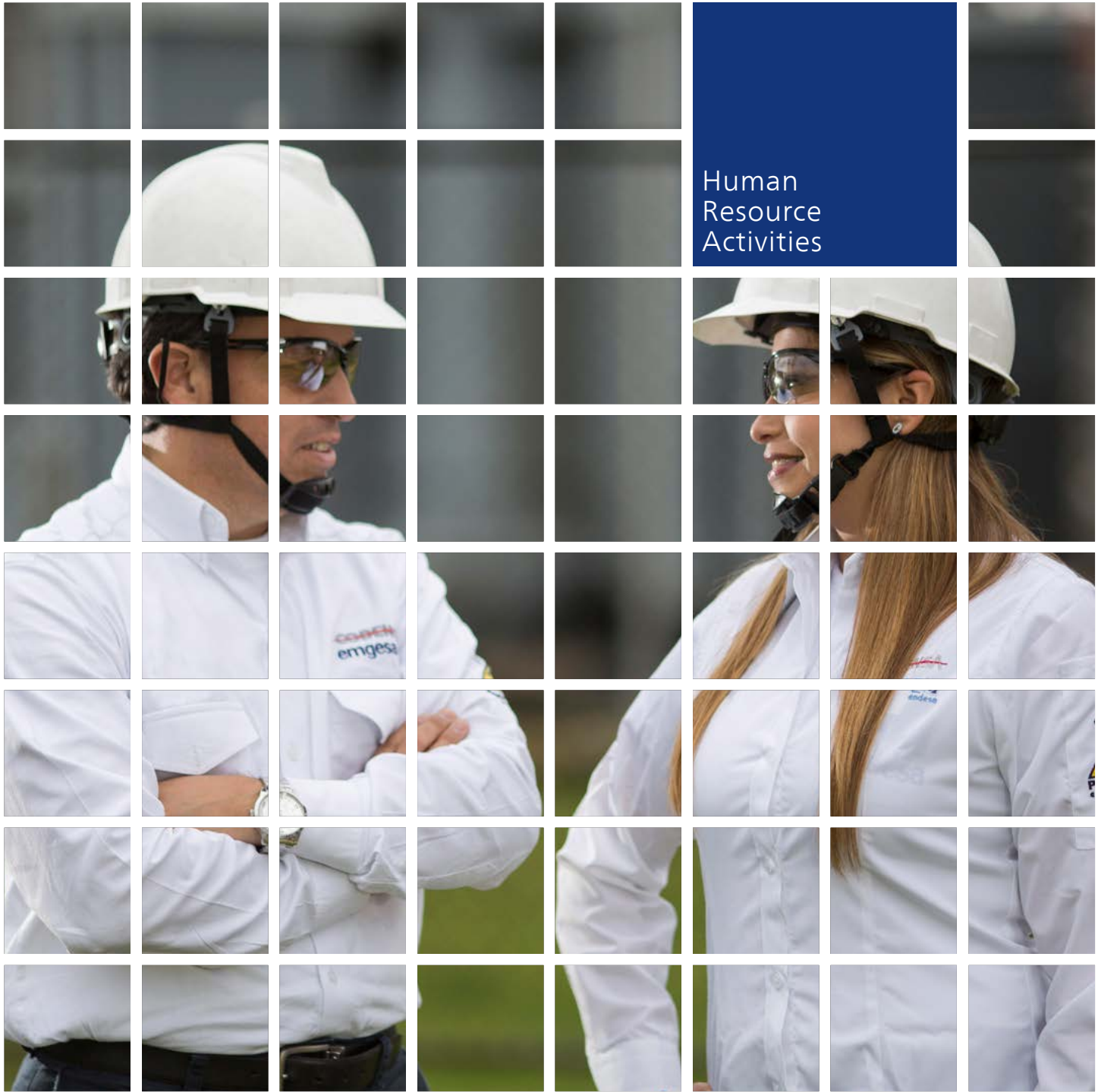
Projects focused on minimizing the environmental impact and related to the reuse and use of construction and demolition waste, decontamination of equipment with PCB by washing without using solvents, ultrasound, and replacement of equipment possibly polluted with PCB to prevent releasing this substance into the environment. The first one concluded its investigation phase, RCD reuse and use alternatives having been proposed; the second concluded its experimental phase with positive results, the last one being implemented.

A tool is being implemented to improve the environmental management system in order to comply with legal requirements and operational controls, which will allow knowing in real time the level of environmental

compliance and recording information related to environmental aspects by collaborating companies. The study related to measurement limits for the lifecycle analysis of the electrical power distribution was started. Measurements were made regarding the collaborating companies’ environmental behavior, evaluating findings made during the environmental inspections.

Ecological environment studies were made for projects in operation, as well as the preliminary environmental study and the study on environmental restrictions for the construction project related to the “Terminal” substation and lines; the internal environmental culture measurement diagnosis was started.

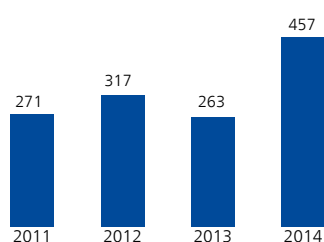
Included in the SGA maintenance process, 14 internal audits were made, as well as an external audit in follow-up to the environmental management system certification by Bureau Veritas Certification, with zero defaults, maintaining the ISO 14001 certification for 11 consecutive years. 12 training sessions were carried out, continuously following up major environmental aspects.



Selection process

A 96% effectiveness average was achieved in selection processes during 2014, a reduction compared to the previous year when the result was 97%.

Comparative selection processes



The following selection processes were carried out in 2014, compared with 2011, 2012, and 2013.

Codensa	Type of contract		
	Direct	Students/apprentices	Temps
2011			
2012	96	162	59
2013	72	109	91
2014	102	166	189

Internal opportunities

Growth opportunities were given to Group employees during 2014, filling 63.3% of all vacancies internally.

Codensa	Vacancies filled	
	Internally	Externally
2011	33	50
2012	17	79
2013	56	72
2014	63	39

63 promotions were made. The personalized feedback process continued with all applicants in internal processes in order to inform them of their strengths and opportunities of improvement, this way affording transparency to the process.

Brand pride and recruiting

A number of activities were carried out in 2014, focused on developing the employer brand with corporate alignment and making emphasis in attracting talent. The main activities were:

1. Defining the employer brand concept based on strategic guidelines of growth, competitiveness, and sustainability.
2. Defining the target market (careers, universities, and institutes) according to the Recruiting Colombia team experience and knowledge.
3. Redesigning actions in order to be present in target universities.
4. Strengthening alliances with headhunters: update and presence through the portal empleo.com and LinkedIn.



Development Division

Organizational Environment

The Great Place to Work survey was carried out on December 2013, with a 99% participation in Codensa. The labor environment index obtained was 65.5%, a 5 point increase compared to the previews 2012 measurement. Work was done during 2014 in the 2013-2014 Colombia Action Plan, which originated from the result of the surveys (Great Place to Work 2013 and the 2012 Environment and Safety Global Survey). The plan considered 11 initiatives, focused on improving perception regarding the following categories or action lines: personal development, change management, and meritocracy. The Great Place to Work survey was again developed in December 2014, with 96% global participation. The results of the study will be informed to the employees Q1 2015.

The environment thermometer was applied in April in order to follow-up the employees' commitment level and their perception regarding the labor health and safety culture with respect to the most recent global survey. Colombia was the country with the highest participation in Latin America and IBAL. Additionally, the sustainable commitment index remained stable at 83%, improvements having been made in all categories, demonstrating the effectiveness of action plans implemented.

The “feedback thermometer” tool was used in September 2014 in order to know the workers’ perception regarding this development element. From the selected sample, 89.94% stated having received feedback, 78.84% rating it between 4 and 5 in a scale from 1 to 5.

Performance management

The 2013 evaluation process was concluded in 2014 with participation of 86% of the workers and the definition of individual development plans for 933 persons, representing an 89.19% coverage. The 2014 objectives definition process was also concluded.

Leaders Program

The following initiatives were developed in 2014:

- Coaching: 40 collaborators.
- Mentoring: 15 leaders.
- Management Skills Program - Universidad de Los Andes, with 33 leaders participating.
- Manager’s Anatomy Program, with 79 leaders participating in 13 sessions.
- Change Management Program: 85 participants.
- “The Art of Leading Teams” conference, attended by 90 persons.
- 3 discussion sessions held to share the environment practices among leaders: 7 persons participated.
- A leadership practices homogenizing program is being developed, up to now 13 basic principles of a leader having been defined, to be informed early 2015.
- Customer service conference with the hospital director Jorge Tobón, attended by 63 persons.

Internal Tutors Program

We have 15 tutors in Codensa, who concluded their support process to their respective pupils.

Other Initiatives

- The talent retention and attraction program was started in order to create job opportunities for collaborating companies, encouraging 11th grade students to study issues related to the electrical business. 45 persons have already been selected in the process, which will start their training in January 2015.
- “I Sure am an Example” project: up to now, 3 of the labor competence norms have been prepared for Level I:
 - Follow-up the to the level of development of the life protection culture, based on results achieved by the work teams.
 - Anticipate the risk exposure affecting labor safety and health in the work.
 - Lead the organization towards strengthening of a life protection culture, based on corporate safety and health policies.

Each norm describes performance criteria, knowledge, essential understandings, application range, and evidences required.

Concurrent work is being done with SENA so that these norms will be approved by the electric sector and will be applied nationally.

Evaluation instruments were developed and a pilot test made with workers of collaborating companies.



International Assignments

International Mobility - Colombians abroad

13

Codensa employees working in various Group countries.

International Mobility - Foreigners in Colombia

3

foreigners working in Colombia.

Training Division

The Training and Development Plan included activities focused on strengthening issues strategic to the Company, such as occupational prevention in occupational health and industrial safety, languages, and innovation, among others. The investment in training was COP \$413 million, 5% less than in 2013. The total number of hours was 92,143.25, 11% more than in 2013, with 5,120 participants, 2% more than in 2014. The above thanks to training initiatives and inter-institutional agreements made to optimize costs and expand coverage.

Other projects

- 366 persons participated in the customer service strengthening workshop.
- Within the knowledge community programs, two diploma courses in project management and one in contract management were taught, together with a programming, follow-up, and control course in MS Project.

Corporate induction

2-day corporate induction sessions were held, in which participants receive information on the organization businesses and support areas, visiting generation stations and the training or control center.

7 corporate sessions were held in 2014 for direct personnel and interns.

127 employees participated, representing a 78% attendance level.

Satisfaction regarding the induction process during the year was 4.6 in a 1 to 5 scale.

Quality of Life

Familiarly Responsible Company Certification (Efr)

Codensa was again certified in August by Fundación Más Familia as a familiarly responsible company at a global level, together with group companies from America and Spain.

As a familiarly responsible company and under the management model focused on positively affecting the quality of life of its workers upon promoting balance between personal, family, and labor life, during 2014 Codensa developed programs and initiatives that allowed providing the workers and their families with integration and well-being spaces.

Activity	Participation of workers and their families
Sporting activities	2.948
Recreation and cultural activities	4.991
Energy explorers	48

Programs were implemented and strengthened, as of December having reached 3,364 in the use of flexibility measures. The following are the most used:

Programs	Use
Balance day	2.338
Flexible work hours	453
Birthdays	266
Tele-work	110
Assistance to sick relatives	105
Short Christmas work days	47
Halloween with the children	12
First day in school	12
Voluntary work day and balance	10
Gradual postnatal return to work, mothers	9
Postnatal fathers	2
Total general	3.364

New Quality of Life Benefits

The purpose of these benefits is granting, supporting, and promoting a positive working environment affecting the quality of life of Company employees.

Labor Equity Certification

The labor equity certification – “Sello Equipares” - is a cultural and organizational transformation tool focused on improving the companies’ internal systems in order to eliminate differences, barriers, and gender gaps existing in labor aspects.

It is a pilot initiative from the Ministry of Work, from the Presidential Higher Presidential Advisor on Women Equity, and from the United Nations Development Program, covering 8 aspects:

1. Personnel recruiting and selection.
2. Professional promotion and development.
3. Training-performance.
4. Remuneration and salary.
5. Conciliation between family and work life.
6. Sexual and labor harassment.
7. Working and health environment.
8. Nonsexist communication.

The Codensa upper management is committed in obtaining such certification. The process includes a diagnosis with gender shades, using as a tool the results of the environment and EFR results. An instrument was applied to the directors-employees. Group activities are currently being carried out. After this phase, actions contained in the plan will be defined and implemented in order to close existing gaps. Finally, internal and external audits will be made before obtaining the labor equity seal.

Loans to Date

During 2014 the Company provided economic resources for employee loans for COP \$16,146 million in the various credit lines, distributed as follows:

Type of loan	Value
Housing for unionized workers	\$6.393.286.642
Integral housing	\$4.210.061.193
Study loan	\$415.910.171
Vehicle loan	\$2.524.732.072
Higher studies loan	\$627.119.221
Domestic accidents/injuries loan	\$13.500.000
Dental loan	\$23.968.000
Guaranteed college loan	\$268.994.000
Vacation loan	\$820.642.821
3 investment with mortgage guaranties	\$847.800.000
TOTAL	\$16.146.014.120

Other Benefits

Benefit	Description
Prepaid medical plan	The Company gives to workers with integral salaries a benefit guaranteeing proper health coverage in prepaid medical plans for the employee and its basic family group. 407 workers and 1,231 beneficiaries had access to this program in 2014. Contract value: COP \$2,216,325,639
Medical care to relatives	The Company gives to unionized and retired workers the benefit of a medical plan for its basic family group. 1,238 beneficiaries had access to this program in 2014. Contract value: COP \$3,126,760,894
Excellence scholarship	During 2014, the Company granted excellence scholarships, consisting in subsidizing professional studies of our workers' children with the highest ICES grades in SABER 11 tests, having placed higher at a national level. The winner was Luis Felipe Ariza, son of our worker Miguel Gabriel Ariza.

Innovation Management

Innovation activities in 2014 had excellent results. 342 ideas were recorded in the IDEO innovation system through idea workshops, the Eidos Market, and the email address ideo@endesacolombia.com.co. Our workers fed the innovation system with their ideas, sharing their knowledge and their thoughts to generate value for projects, demonstrating that the Company has a consolidated innovation culture.

410 persons participated, 39.5% of the Company payroll, generating ideas and managing projects. Communications were sent and activities carried out throughout the year to promote and consolidate a culture of innovation. This time the campaign was called IDEO PLAYERS and consisted in giving play to innovation.

The activities supported various Company areas in order to create innovation skills and be applied to daily life and to everyone's work. For this reason, this year we had a different approach regarding the manner in which to impact culture: we went from innovation workshops to innovation experiences, in which more than 465 persons participated, including 50% of middle managers. Experiences: different coffee, cooking and innovating, amazing race, world ideas, innovating, the exercise of happiness, given by Mario Chamorro, chain reaction, and change rally.

In order to acknowledge projects in the IDEO system, every year we hold a recognition delivery event. This year we delivered COP \$114 million to 82 workers who participated in execution and closing of innovation projects, which according to results obtained received such recognition. The bonus is delivered in Sodexo passes.

This year we also had the innovation day in December. The IDEO FEST -as we call it- was held. This was a quite innovative event providing a live prototype experience, materials, tools, and new tendencies. A Projects Fair was also held in order to be informed of new developments in progress.

This year we participated in external events and in several investigation and development events, such as CIER with one project, and in the ASOCODIS event, Amber award for investigation and development, with 4 projects, 3 of them having been selected among the 12 finalist projects. One was selected as one of the 6 best projects. In January we received the award for 2013 Innovation for the Efecto Carson project; this was a significant achievement since this award has become one of the most important in the country.

17 projects were conceptualized this year; 13 innovation projects were approved, submitted in 4 innovation committees chaired by the country director, who together with the Company's directive team approved COP \$2,373 million of risk capital to invest in projects generated by the workers' ideas.

The good system results reflect on value generation. This year we also participated in the invitation made by Colciencias to obtain tax benefits, in which we requested a total of COP \$12,011 million, of which COP \$3,922 million were approved for 5 projects, this way deducting 25% of the executed value. In addition to this value, benefits for COP \$10,401 million were achieved from pilots, additionally generating value opportunities for COP \$33,044 million.

Finally, we participated in the Solar Decathlon Latin America tender from the United States Department of Energy, organized by GIP Pacífico. The proposal submitted by Universidad de los Andes and sponsored by Codensa was selected for the construction phase. 30 teams participated, of which 16 were selected.

Processes and Continuous Improvement Activities

Improvement model

The continuous improvement model was consolidated during 2014 looking to transform our initial state from directed and corrective improvement to a mature state in which continuous improvement will be autonomous and proactive. It consists in solving problems by applying the Lean Six Sigma philosophy.

134 persons have been trained in continuous improvement methodologies, of which 48 were accredited in the Yellow Belt and Green Belt levels, having met the requirements, passed the knowledge test, and having submitted an improvement project.

Under this model, 53 projects were developed, which allowed achieving savings close to COP \$600 million, a 31% in error and nonconforming products reduction and 60% in reduction of processing times.

ISO 9001:2008 Quality Management System

The "Order of Excellency" ceremony was held in April, recognizing processes having shown improvements in their performance, according to program criteria. The following macro processes achieved the "specialists".

The planning macro processes' normalization of the Grid, Grid Engineering, and Grid Construction was concluded in order to have them certified in 2015 and have the necessary business macro processes.

New internal client satisfaction study

Looking to make aware all Company employees of the importance of their role as client or supplier of a service, as well as of the importance of providing high-quality services for their internal clients, sensitization workshops and service validation workshops were held.

The internal client evaluation was made in November, whose purpose is knowing what the internal client thinks of services provided by other Company processes, with a 78% attendance.

Development of the Value Chain Project with suppliers

This project continued development, which in 2014 had two main focuses: development of 12 countermeasures for objectives developed during 2013 and development of the remaining objectives during 2014. Additionally, new members were added to work teams previously created, such as Yellow Belt and Green Belt.

Personnel Management

By the end of December 2014 the Company had 1,043 direct workers, of which 96.16% had indefinite term work contracts, itemized according to payment systems as follows: 30 directive employees, 442 integral workers, and 571 unionized workers. Additionally, the Company had 52 apprentices and 56 university interns.

Disciplinary Prevention Program Programa – HACER

The Disciplinary Prevention Program HACER is an initiative from the Labor Relationships Division that seeks consolidating a fault prevention ethical culture in the workers, sustainable in time, by defining general conduct rules ("rules of life") and providing information on norms through workshops in which the workers interact with such guidelines and learn and apply them to their work.

This program is the result of the need the workers have of being informed of norms related to their work relationship, also being a manner in which to consolidate an ethical culture in all work done, all this by means of pedagogical and dynamic activities motivating the "doing it well" and "acting well" aspects of our activities.

The program concluded its design and consolidation phase during the first half of 2014. Phase 1 was started in August with 7 workshops in each Company center, attended by 179 workers who achieved an average 4.5/5 grade.

These workshops were developed according to the "build with the word" methodology in order to encourage the workers to perform their obligations, their ethical behavior, knowledge of applicable norms, analysis of specific cases, and effective consultation with their superiors.

The purpose of the program is reaching all Company workers at the end of workshops scheduled for the next year, in what would be phase 2 of the program.

Election of Work Coexistence Committees

This is a dual committee upon having representatives from both the workers and the employer, this way ensuring a proper space in the Company in which to discuss these types of issues and propose solutions to controversies.

Its purpose is having participation, prevention, and conciliation spaces and presenting improvement actions or ideas and/or mediating in possible work harassment conflicts arising during the work, discussing the respective issues according to Resolutions 652 and 1356 of 2012 from the Ministry of Work.

The representatives of the 2015-2017 second Work Coexistence Committee were elected this year. 13 candidates registered, from which 2 workers were elected as principal members and 2 as alternate members. We had significant personnel participation, with 420 votes.

Pension assistance

The pension assistance program was consolidated as a service provided by the Labor Relationships Division to support direct and retired workers in pension-related issues and clarify any concern they could have.

The program will be implemented in each Company center. To date, collective pension training workshops have been held in generation stations. Support has been given in legal actions and in obtaining favorable administrative decisions.



Remuneration

According to the Company remuneration policy and looking to improve its salary competitiveness, its internal equity, and its personnel retention, during 2014 594 salary adjustments were made, 339 for unionized workers and 195 for workers in the integral system.



Jaime Alberto Vargas Barrera,
Commercial Manager

Organizational Structure

Organizational Changes in the Commercial Manager's Office

Energy Purchases

In January 2014, the Energy Purchases Division - which previously reported directly to the Commercial Manager - became part of the Commercial Development Assistant Manager's Office, according to the new structure for the commercial distribution area.

Special Projects

In order to standardize the Commercial Distribution Manager's Office organizational structure at the Latin American level and manage new business opportunities for the distribution line in Colombia by structuring singular projects within the mass electric mobility concept, in March 1 of 2014 the creation of the Special Projects Division was approved in this office

Técnica Colombia

The new organizational structure has been defined and approved for the Colombian Distribution Technical Manager's Office, in alignment with the homogeneous model defined for Latin American companies, looking to successfully tackle new strategic challenges and projects in this area.

New Accounting Assistant Managers Office Structure

Looking to achieve greater organization efficiency and focus on work centered in processes, the new structure for the Accounting Assistant Managers Office was created and implemented. This organizational change has resulted in creation of the Accounting Criteria and Internal Control Offices, involving a change in the roles and activities of those in this office and providing professional development opportunities to its members.

New Human Resources and Organization Operational Model

Looking to be “closer to the business and persons”, a new Human Resources and Organization Manager’s Office operation model was implemented, to be the sole point of contact in this area with the people and the businesses, advised and supported by the specialists units.

The purpose of this new model is getting the RHO function even closer to the business and to people, improving the service effectiveness and quality, and reinforcing its role as change agent capable of leading the Company’s transformation process.

Work Safety

During the first half of the year there was participation in the Cundinamarca Regional Office’s Quality Plan-Grids Assistant Managers Office, verifying compliance with contractual requirements and activities to confirm individual and collective protection elements, dielectric tools, and technical equipment considered in the safe work procedures.

In June, ENEL made the “Peer Review”, whose purpose is business knowledge and application of Operational Instruction No. 9 (safety and health standards), a visit during which recognition was achieved regarding cross-adoption of good safety procedures and practices (operational board, life cards, among others).

The need to create awareness on the importance of signs and labeling of work areas was identified.

In the documentary area, safety norms were developed according to current norms and corporate policies on high work, confined spaces, and excavations, activities that were



supplemented with instructions provided on specific tasks such as handling of manual loads, access to basement substations, work done in flag-type structures, opening of inspection holes, and safe work in facades, among others.

The Delfos Mobile project was migrated to the Android platform in 2014, expanding the application options and the range of intelligent mobile devices for its execution.

Labor Health

Participation of all the target personnel was achieved in preventive programs related to bone-muscular conditions, cardiovascular risks, psychosocial risks, and vaccination, additionally motivating the workers.



The entire population authorized to do high work was covered by periodical specialized medical tests, continuing with the epidemics surveillance program.

Emergency Plans

Evacuation drills were made using rescue tubes installed at the corporate headquarters, as training to personnel working in floors 4 through 8 of the building.

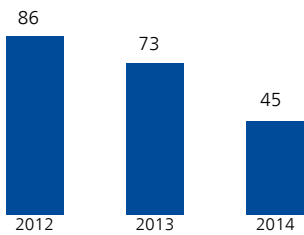
Fire detection systems were installed in the Cerrosuba and North Point centers; the system includes detection elements, alarms, and bullhorns.



Metrics

According to our global accident metrics, including information from own and contractor personnel.:

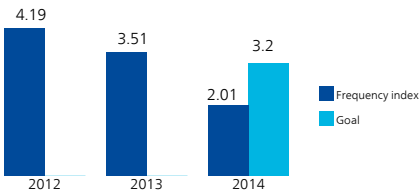
Computable accidents



The year closed with a 38.3% improvement compared to 2013.

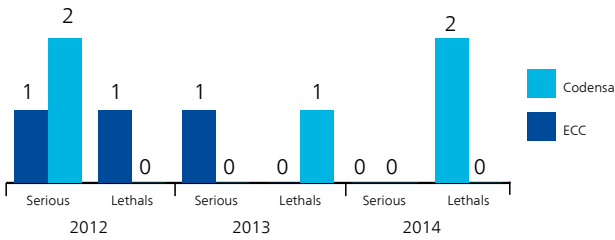
Frequency metric

Frequency metric

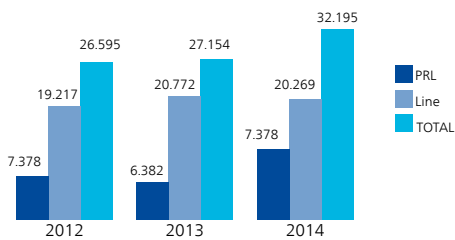


In December 31, the accumulated frequency index closed with a 37% improvement compared to the 3.2 goal defined for 2014.

Fatal Accidents

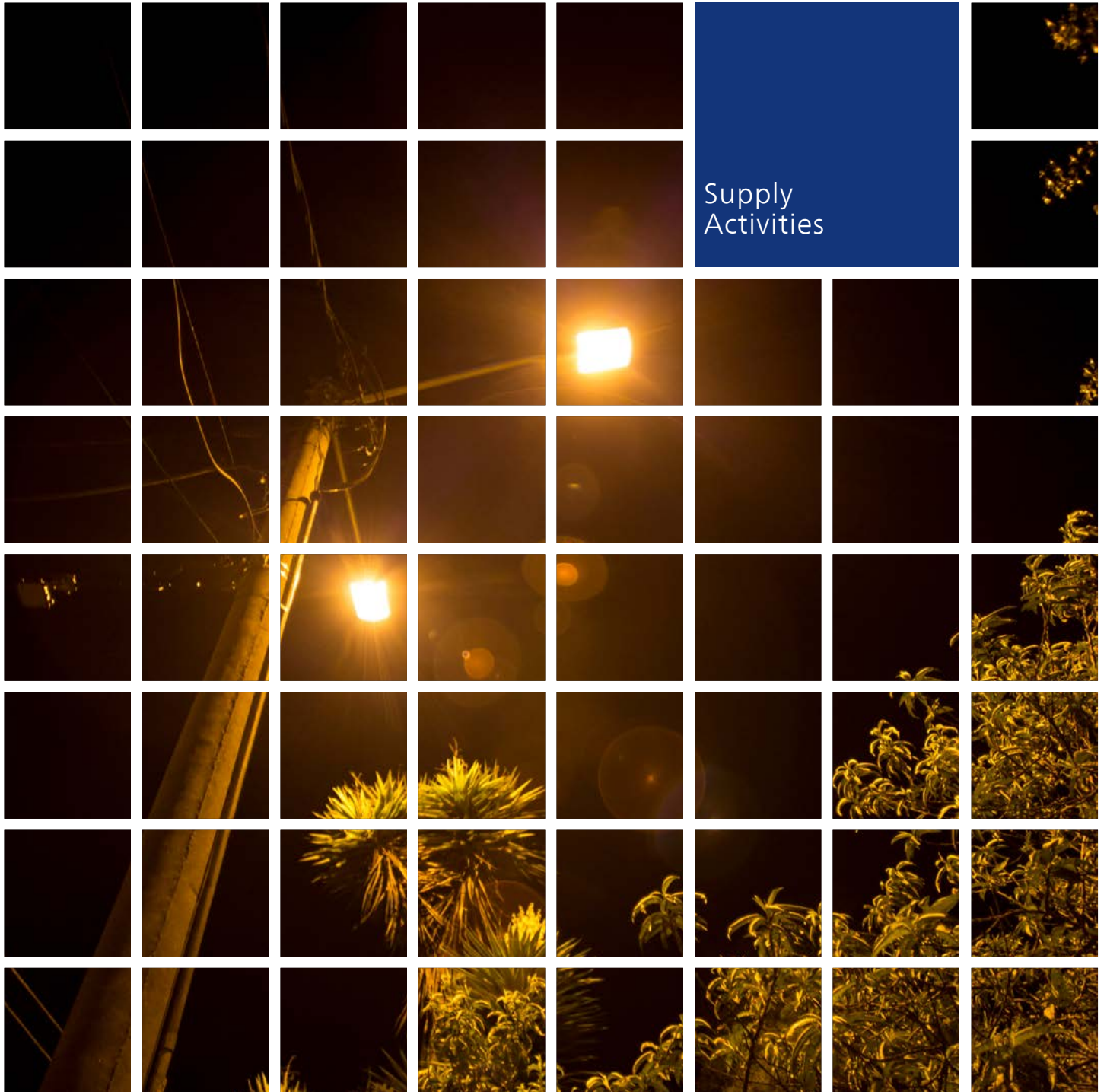


IPAL Inspections



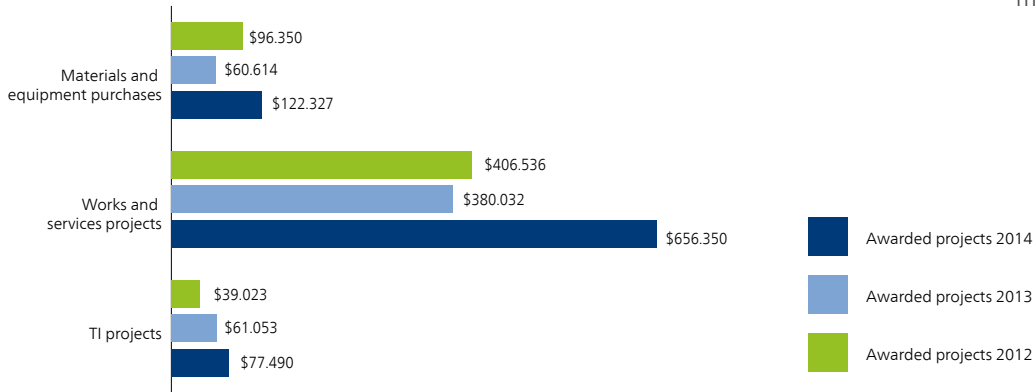
Related companies <i>ONE SAFETY</i>	
DELTEC	OBRAS Y DISEÑOS
CENERCOL	JM SEDINKP
CAM	INMEL
AENCO	AC ENERGY
MECM	ARINDEC
CONSORCIO MECAM	GALAXTET
MICOL	SERINGEL CAM
ESINCO	COCOLIVA
TRENDICOM	ACCIONES Y SERVICIOS
VILLA HERNÁNDEZ	INCER
INGEVESA	PROING
FYR	COBRE
	GESAR
Workers	
One safety carried out	
Own	7.549
Contractors	3.952
TOTAL	11.501





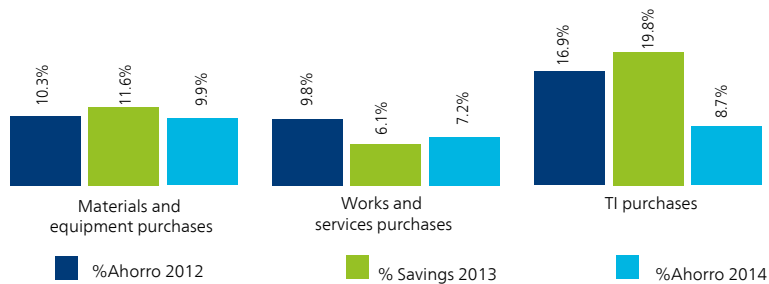
Main 2014 Metrics

Adwards to Codensa 2012-2014



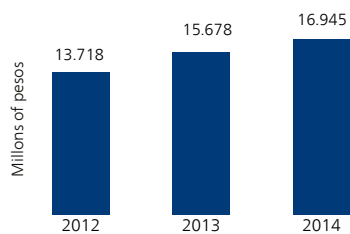
Awards: Awards for COP \$856,166 million were made during 2014.

Codensa's savings 2012-2014



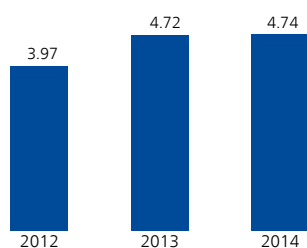
Savings activities: Savings of 7.7% were achieved during 2014, distributed by purchase portfolios as follows.

Inventories stock



Inventories: The inventory of stock elements in Codensa at the end of 2014 was COP \$16,945 million.

Inventory Turnover



Inventory turnover : At the end of 2014 the inventory turnover was 4.74, 0.54 higher than the 4.2 goal established for 2014.

Main 2014 Activities

- The implementation of purchases under the Category Management methodology was included during 2014 for the materials and equipment purchasing area. Such redefinition has allowed managing - in an integrated manner and under e-tenders - most of the ENEL Group companies' needs in Latin America, benefiting from volume purchases. At the end of 2014, materials and equipment purchases had been awarded in the Company groups in Colombia for EUR 60.9 million, of which EUR 48.6 million (79.8%) were for Codensa with a savings of EUR 5.3 million (9.9%).
- The new corporate "Portal One" portal was commissioned during the second half of 2014, which allows grouping in a single database all the ENEL group suppliers. It is an easy to access environment in which suppliers will be able to keep their corporate information updated. It provides the necessary tools to access e-tenders the vendor is invited to under the various Company tender processes.
- The e-tender implementation and development process continued during 2014, using the SAGA7 tool, allowing our suppliers to participate in tenders whose paper trail will ensure equal opportunities, more efficient purchasing processes, and availability of electronic information.
- The Vendor Rating evaluation methodology was implemented and consolidated in 2014. This methodology allows evaluating the provision of services and the supply of materials to the Company. In work and services, the quality, timeliness, safety, and compliance with legal labor aspects categories are evaluated. 66 vendors are evaluated every 3 months in the average, as well as 88 contracts and 38 families. In materials, under the corporate model the categories of timeliness and quality are evaluated. In 2014 twelve recurrent material families were evaluated, as well as 23 vendors. The model used to measure the categories of safety and compliance with legal labor aspects has been updated, approving a global model in coordination with the PRL and Contractor Control areas.
- The monthly contract execution follow-up and control program continued during 2014, allowing for advanced decisions and scheduling the critical tenders' planning processes, together with the various user areas.
- Implementation of the purchasing process report (new or expansions) to be submitted to the Board of Directors with a 6-month horizon, in order to share their scope and clarify possible concerns.
- Active participation - together with the Business - in development and implementation of the "Value Chain with Suppliers" and "Energy" projects, allowing optimizing the supply chain from need planning to the vendors' performance evaluation, emphasizing ethics as one of the Company values and its importance in all our acts.

- The warehouse logistics operations service tender was launched, which will result in transferring all materials to a new distribution center. The service will be awarded in early 2015.

Purchasing Activities

Contracting of Work and Services

Some relevant processes contracted during 2014:

- Maintenance service and work on the public lighting system in the Bogotá and Sabana areas for COP \$122,000 million with a 5-year term.
- Maintenance and construction of intermediate and low voltage lines north of Cundinamarca for COP \$104,000 million with a 5-year term.
- Loss control service for the mass-market clients and for large clients and maintenance of the macro-measurement system, for COP \$38,000 million and a 3-year term.
- Synergy commercial operations services east of Cundinamarca, for COP \$25,000 million and a 5-year term.
- Customization services for 9 Codensa service centers located in Cundinamarca and Bogota for COP \$17,000 million and a 2-year term.

Materials and Equipment Purchases

Some relevant processes:

- Tender for the supply of grid telecontrol equipment: reconnectors, breakers, and fault indicators in order to improve the service quality by automating the electric distribution grids. These supplies are of the order of EUR 7.6 million.

- Tendering of the first phase of the 33K Capital District Public Lighting Modernization Project for the supply of 11,000 LED light fixtures in order to light the main streets of the Capital District. The negotiation consisted of an e-auction of the project's net present value under the economic evaluation methodology established by RETILAP. The value awarded to the firm SCHREDER was EUR 6.1 million, with a savings of 6.83%.
- Tender for the supply of hybrid equipment for the North substation. This technology is widely known around the world and will be used for the first time in Codensa, with a significant reduction in physical space required at the substation and improved performance, with lower maintenance. The process was awarded to ALSTOM for EUR 2.1 million, with a savings of 13.02%.

It Purchases

- Included in contracts executed during 2014 is the supply of an electric mobility recharge system automation system for COP \$1.465 million and an 8.4% savings. The purpose of this project is implementing this system in Bogotá, including supply, erection, and commissioning of the system, and of information management applications for internal Codensa use, as well as mobile applications for the users and the design and supply of anti-vandal structures for the electric vehicles' recharge units.

Activities with Suppliers/Vendors

Qualification:

- The purpose of the Corporate Rating Model is evaluating - in legal, economic, and financial terms - all Company suppliers. 81 suppliers were qualified, this way increasing the number of qualified suppliers to 163.
- The strategic families' suppliers qualification model continued in 2014, process that allows verifying - subject to a tender process - whether suppliers fully meet corporate, safety, labor health, and technical requirements. Currently, there are 48 qualified vendors, divided into 11 service families.
- 47 suppliers had been qualified by the end of 2014 using the safety and labor health rating model, process that allows verifying whether suppliers meet requirements contained in safety and occupational health policies, subject to a tender process. There currently are 114 qualified suppliers.

On-site audits

- Execution of the "on-site" auditing program, based on a safety and occupational health auditing model that seeks verifying, at the worksite, effective application of the safety management system, which during 2014 included 19 audits in 8 strategic service families.

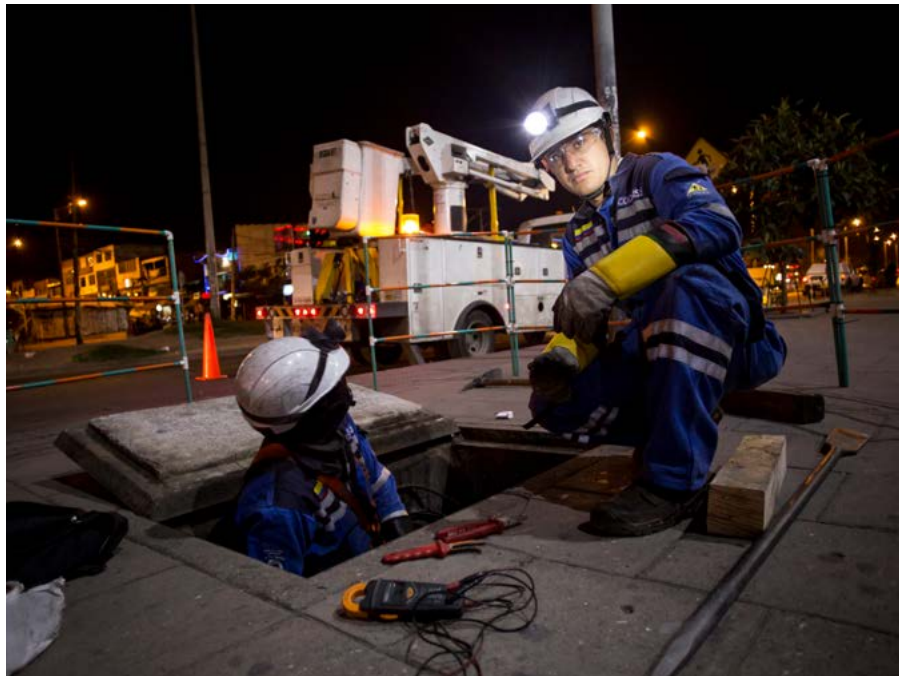
Supplier development

- 12 suppliers were developed for distribution materials, 7 for work and services, according to plan.

Logistics and Purchasing Support Activities

Materials stock management

- Meetings were held with our internal clients during 2014 in order to improve the turnover indicator and forecast material requirements. Such interaction allowed redefining delivery dates and ensuring that stock reserves were adequate.
- Ongoing follow-up and interaction with the Category area in order to have enabled open orders, this way responding to Company needs, continuing with the execution, and honoring our service promise to our client.
- Materials required for the operation, both related to preventive and corrective public lighting maintenance, such as the modernization project, were resupplied, this way honoring promises made to our client, the District.





Material logistics

- A physical inventory was made in 2014 (physical counts). Differences were conciliated and all inventories settled in November, a month ahead compared to 2013.
- Installation of 7 new warehouses for technical operations, work, and public lighting in Bogotá and Sabana. These contracts annually involve COP \$43,200 million in materials.
- The new Contract for the Provision of the Administrative Processes Service to Supplies (BackOffice) started in 2014. This service has a 3-year term.
- The Codensa waste management has generated revenues for the Company on account of scrap sales for COP \$1,038 million, inclusive of VAT.
- Together with the Environment Unit and the Technical Manager, oil-based equipment inventories were loaded to the IDEAM tool. Supplies provided information on 2,140 equipment units.



Press Office Activities

Codensa continued reinforcing its open, frank, and timely policy with the media and the community in general, looking to consolidate itself as an effective and timely source of information.

During the year, the media published news on the Company, its activities, its operations, its financial results, and the quality of its service, among others.

Of significant importance were issues related to social responsibility, sustainability, and electric traction.

Among social issues, worth mentioning are the editions of the Gerente and RS magazines, which featured Company activities in these fields in their covers, with in-depth covering, recognizing the joint work done with the communities.

The first Codensa Cup took place, the media widely recognizing the 5 Sub-15 Soccer Cup, the most important one held in Bogotá and the first one in working on a number of significant values: respect, solidarity, responsibility, loyalty, honesty, trust, commitment, and fair play.

Another important social responsibility activity was the 8th version of the “Codensa Flight Days”, a campaign focused on making the children and their families aware of the importance of flying kites in safe locations, away from voltage lines, and looking to protect them physically and avoiding negative effects on the quality and the continuity of the electric power service.

Activities with social networks: Twitter

@CodensaComunica, a communications channel with the media, considered an alternative to discuss corporate issues in this social network, mainly focused on communications with journalists, the media, and opinion leaders. During this year it has included issues such as scheduled maintenance and the start of corporate projects such as the Codensa Cup, the Sustainability Report, electric traction, Codensa Easy Credit, and public lighting, among others.

Advertising activities

Campaigns addressed to the residential clients' sector were carried out during 2014 regarding positioning and trading of the Company products and value added services portfolio, including the launch of the induction stoves offer in November. Various communication issues were also worked on, which will improve the Company's operation and client satisfaction metrics: E-payments, Culture of Legality, Include Yourself, scheduled maintenance, Days of Flight, rights and obligations, efficient use of energy, and risks and hazards, among others.

Activities supporting the Company's liaison strategy with its clients were carried out for the corporate segment.

Between April and June, the Codensa and its value added products portfolio (We Give Life to Your Moments) campaign took place, whose initial phase lasted until December.

Digital Communications activities

Web portals

Various strategies encouraging the use of Company digital elements were implemented in 2014.

At the webpage level, the strategies related to search engines resulted in additional visits and searches. In total, in 2014 the Codensa portals received 3,359,786 visits, representing a monthly average of 279,982 visits and a 7.65% increase compared to the previous year.

4,932,147 transactions were made, 609,000 more than in 2013. The transaction most used by the user is the Factura and Likinormas.

New web pages were developed in 2014, worth mentioning being the processes guideline in <http://guiatramites.micodensa.com/>, whose purpose is supporting the users so that they will be able to identify processes and requirements more quickly in order to file any type of request to the Company. The second is the electric mobility page <http://www.codensamovilidadeléctrica.com/>, in which users will be able to receive information on projects, new initiatives, and updated news.

Social networks – Facebook

The group in Facebook / Codensa Energía closed 2014 with 293,978 fans. Our community's profile is represented by 48% women and 51% men, mainly between the ages of 18 and 34 years.

In order to increase the number of fans, three specific initiatives were carried out, as well as a strong contents strategy associated to sustainability and innovation, and two liaison campaigns in which our fans were able to interact with the brand in a different fashion. This metric closed at 5.3%, exceeding expectations.

At the service level, through Facebook 119,000 questions regarding electric bills were made, 1,446 service cases.



Communication services activities

Participation in events and sponsorships

As of December 2014, Company representatives had participated in 26 events, in which issues related to corporate management were discussed in several areas, such as sustainable management, corporate social responsibility, capital market, infrastructure risk management, innovation in Colombia, smart grids, and electric mobility, among others.



Codensa sponsored 23 events in order to aid in the sustainable, social, and economic development of the regions it is present in. The main lines these initiatives focused on where:

- Sustainable development.
- Responsible environmental management.
- Efficiency and quality in the provision of public utility services.
- Well-being and social integration based on support to groups running the risk of being socially excluded and victims of armed conflicts.

Events addressed to Codensa clients

Under the Liaison Plan with Constructor Clients, Infrastructure, and Corporate Clients, 15 events were carried out in Bogotá and Cundinamarca, including the following: training in infrastructure and technical norms and Retie, and training in integral management of electrical power, in which some 700 clients participated.

In order to position the Codensa value added products - induction heaters and stoves - we participated in the CAMACOL Constructors Assembly and in the Corferias Home Fair.

Institutional Codensa events

In order to strengthen the Company's corporate identity and socialize the organization projects, initiatives, challenges, and strategic results - thus achieving common education targets defined by the areas - in 2014 90 corporate events were held, addressed to various groups of interest.

Some of the issues discussed during these events were:

- Strategic planning.
- Innovation system.
- HR programs for the workers.
- Encounters with cooperating companies.
- Encounters with the financial sector.
- Encounters with leaders.
- Strategic planning events.

Development of Codensa Communication Pieces

Some 400 physical, digital, and audiovisual pieces were conceptualized during 2014, focused on supporting the business's typical activities, the communication campaigns, and initiatives addressed to the public of interest.

Internal communications activities

Codensa has 6 different internal systems covering the workers' communication needs in the various offices and cities the Company is present in. A novel one is "En Directo", in which during a monthly meeting, both face-to-face and virtual, the workers can listen to the General Director present the main issues of the organization and make questions. During this year, 152 questions were answered in this event, in which 591 persons were recognized for their contributions to the Company. 750 persons attended these events.

The internal communication campaigns have focused on issues strategic to the organization:

Innovation

The Ideo campaign invited the workers to participate as innovation players, empowering them in idea generation processes. Two main activities were carried out: the April International Creativity and Innovation Day, with participation by 300 workers, and in the end of the year the Innovation Day under the concept of “Ideo Fest”, in which 10 projects developed by the workers thanks to this system were explained, projects that benefited the business. More than 400 workers from various Company areas participated.

Safety

The Act Safe Campaign continued in 2014, inviting the workers to live a culture of self-care and care for their peers. A strategy was developed by means of safety videos, reinforced by an activity carried out at the various Company locations, participated by more than 550 persons. A road safety campaign was also started, focused on the use of the safety belt in 10 of initiative and operational Company locations under the slogan of “Use Your Belt, Cling on to Life “

Environment

The “I Want to See You Green” campaign, whose purpose is for the workers to efficiently and rationally use resources, was activated during the environment week.

Strategic planning

The Our Ecosystem campaign focused on highlighting the importance each collaborator has in Company activities and in demonstrating their contribution to the more than 100 strategic projects the Company has.

Customer service

The second phase of the “Live Energy: With the Best Service Attitude” was started, seeking remembering the service promises with cooperating companies, providing customer service advises, and generating nearness with the workers. 13 contractors were visited in 2014, affecting more than 3000 collaborators.



Social responsibility activities

Education

Support was given to communities living in the area of influence of the Bogotá River and the Negro River in educational infrastructure, installing two children parks and providing learning materials to more than 500 children. The John F. Kennedy School in the municipality of La Palma was renovated; in the municipality of Viotá, the school construction activities were completed, delivering a backhoe, all of which will benefit more than 200 children.

Codensa Cup

The Codensa Cup took place, in which children between 13 and 15 years old from Bogotá participated in this competition, promoting values and equality. Together with the Revel Foundation, belonging to the Real Madrid Foundation in Colombia, participation by 384 children from the 20 locations in Bogotá was encouraged, in which the winners received an award consisting in a trip to Madrid for the winners; for the runners-up, a trip to Chile, for the second runner-up a trip to Medellín.

Codensa is Inclusive

A sensitization and training campaign for our workers was carried out in 2014, training more than 80 persons, directors, and service assistants and implementing a diagnosis in 5 service centers - 4 in Bogotá and 1 in Cundinamarca - in order to structure improvement plans in aspects related to service and service attitude. A diagnosis was made to the companies' non-face-to-face channels, telephone channels, and corporate web pages in order to make them more accessible. There were ongoing conversations with disabled persons and senior citizens, focused on their needs and expectations regarding the care they need. An inclusive culture for the companies was built with leaders of the organization.

The World of Energy

The World of Energy in the Divercity theme park in Bogotá provided an opportunity for children to learn the electrical power generation, distribution, and trading process, allowing them to experience the electrical power process. To date, over 250,000 children have learned with this; in 2014, more than 1,600 children from various municipalities participated, as well as students from district schools and from the foundations.



Local development

We participated in the construction of the San Carlos en Caparrapí (Cundinamarca) community Development Center, a meeting place for the community, included in activities considered in the Magdalena Development for Peace Program, which Codensa is a part of. Materials and equipment were delivered to five fire stations in Cundinamarca (El Colegio, San Antonio del Tequendama, Sibaté, Gachalá and Gachetá), delivering one ambulance to the San Antonio del Tequendama fire station.

Fundación Endesa Colombia activities

Education

Training for work - Technical training

Education activities have focused on providing skills, such as the support given to 250 children from the Company's areas of influence, with alliances with educational institutions and agreements with SENA, in order to provide technical training to rural areas in Cundinamarca.

Educating with Energy

Together with Compensar, this project carries out its activities in six district educational institutions in Bogotá, benefiting more than 5,000 children in the 8th through 11th grades and developing their social-emotional skills, which will allow them to participate in the labor market in the

future. It also strengthens vocational and professional orientation aspects, providing support to the teachers and allowing them to update the strategies they use to develop their students' life project.

Local Development

Development Program for Peace in Central Magdalena

350 persons were trained on issues related to community participation and democracy in the municipalities of Yacopí, Caparrapí, and La Palma. We started working with youngsters in the area in order to encourage their participation in development processes in the region, with the community in general to implement human rights encouragement actions, artistic workshops, and processes related to public aspects.



Productive chains

300 producers from the provinces of Guavio and Tequendama benefited from strengthening productive activities related to cattle breeding and coffee, avocado, and fruit growing. Support was given to techniques related to the use of good agricultural practices, in addition to activities related to coffee growers.

Sustainability Management

Sustainability Report

In July 2014 we published the 10th version of the Sustainability Report corresponding to 2013, reporting the Company's sustainable activities. The report was prepared according to GRI standards and verified by Deloitte & Touche according to Norm ISAE 3000, receiving an A+ rating.

Woman Empowerment

In December 2014, during the International Day of Human Rights, ONU Mujeres and Pacto Global Colombia recognized the Company's achievements regarding its commitment to encourage women rights and gender equality in corporate activities, as part of its participation in the Women Empowerment Principles Initiative.

Elimination of children work

We executed the agreement as one of the Red Colombia Contra el Trabajo Infantil founding companies. The initiative, led by the Ministry of Work, is supported by the IWO, the Colombia Global Pact, and the United States Embassy. The main objective of the network is aiding in the prevention and elimination of children work in the companies, in its supply chain, and in their respective areas of influence.

RENACE Forest

Between 2012 and 2014 we planted more than 23,000 native species' trees. Under an alliance with the Zoológico Santacruz Foundation, we are characterizing species living in the forest; to date, we have identified 235 wildlife and plant species. At the end of 2014 we presented the forest management and communication strategy to the internal and external public.

Sustainable mobility

As part of the Corporate Sustainable Mobility Plan, in 2014 the Company participated in the second Week of the Shared Car, during which our employees shared their vehicles and were made aware of the efficient use of such means of transportation, this way contributing to the city's mobility. The initiative is led by the Chevrolet Foundation and by Universidad de los Andes. As a result of this, the Company received an award in the category of "Greatest Participation in Communications during the second Week of the Shared Car" for its active participation in social networks.

Other Programs and Activities

Voluntary work with employees

The Social Responsibility Division led activities encouraging personnel to voluntarily participate with their time and effort in social action work benefiting the community. 3 campaigns were carried out during 2014, participated by more than 30 employees.

Adopt an Angel in Christmas

In Christmas, our employees gave 524 gifts to children and low income elder citizens in foundations and communities located in Bogotá, Ubaté, Mesitas del Colegio, Cartagena, Ubalá, and Yaguará.

Deliver a bottle cap and help save a life

During 2014 we continued collecting plastic bottle caps to contribute with the Sanar Foundation. Thanks to the cooperation of all our employees, we delivered more than 6,000 kg of recyclable materials, such as paper, cardboard, and newspapers. The foundation works with children diagnosed with cancer and with their families in their diagnosis, in their integral care, and in their fight against the disease, giving them a new life meaning and increasing their hopes.

Bosque Renace walk with patients from the Simmon Foundation

The natural trails of the Renace Forest were perfect for the Company voluntary workers, together with their families, to make ecologic walks with 50 patients from the Foundation, entity that takes care of cancer patients.

Campaigne Deliver a bottle cap and help save a life!
Sanar Foundation.





93 Street, Headquarters

Real Estate Activities

Investments

- Purchase of a 9,600 m2 property for COP \$8,640 million to build the Urban Terminal Substation.
- Letter of intention for the purchase of the property where the new North substation will be built, for COP \$820 million.
- Purchase of a property for the Restrepo commercial office for COP \$1,250 million.

Normalization of land properties

- **Circo substation:** A perpetual easement right was obtained for the property currently used by the substation. This will allow obtaining licenses, doing work, and ensuring the provision of the service.
- **Tunal substation:** An inter-administrative agreement was executed between EEB y DADEP in order to occupy the substation land property, making possible the execution of a document that will allow the Codensa operation in this area with no restrictions.

Security

506 problems associated to electronic security systems remained in Codensa from previous years (CCTV, alarms, access control). 413 of these incidents were resolved and closed in 2014, an 82% progress. The security systems' designs were concluded for Q93 and the Salitre and Tercer Milenio electric charging stations. Designs for 6 commercial offices were concluded.

An internal campaign was carried out in order to encourage the workers to report incidents and protect the Company's tangible and intangible assets. Sensitization activities were carried out, such as lectures, contests, posters, etc., with a 96% success rate.

A campaign was launched, addressed to the clients, looking to promote a positive attitude towards reporting suspicious activities subject to affecting the Company infrastructure, highlighting the importance of using the response line and confirming the identity of workers in the field.

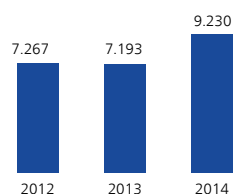
The above resulted in a 22% reduction in stolen assets in 2014, compared to 2013.

Regarding the number of cases sent for investigation on account of acts related to corruption in 2014, a 4% reduction was achieved compared to 2013, mainly the result of the VALORES program, focused on changing the behavior of contractor workers, which is being carried out since 2012 and has included training for 2,382 workers, of which 727 attended in 2014.

Contractor Control

Statistics - Information Management

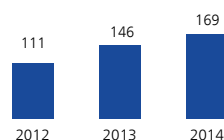
Workers Evolution



Partnership companies evolution



Service Contracts evolution



Man hours worked in 2014

Month	Total man hours
January	1.572.208
February	1.511.516
March	1.583.322
April	1.442.876
May	1.629.788
June	1.483.441
July	1.889.834
August	1.766.910
September	1.931.011
October	2.085.439
November	1.849.252
December	2.047.677

Training Center – Bosanova

CE - Bosanova	2012	2013	2014
Courses	243	399	466
Workers	8.227	11.702	14.845
Companies	32	33	50
Subjects	42	60	76
Man hours training	90.604	248.712	261.651

Labor control

Integral audits	32
Findings	106
Work inspections	109





Relevant facts

- Service level agreements were executed and implemented in the various managers offices in order to improve control and reports related to collaborating companies' compliance.
- Norms, procedures, and instructions managed by the Contractors Control Division were updated, including the PC123 for controlling man hours worked, implementing the NO076 norm (principles of contractor control management) which regulates labor control.
- The Encounter with Cooperating Companies was held for the 6th consecutive year, focused on strategic alignment of contractor employees with corporate objectives. Attended by some 300 persons, it allowed sharing results, setting goals, and emphasizing the important work done by our collaborators. Included were the relevant subjects of "continuous improvement, "live energy", "ES value" and the Recognize Program, attended by 10 companies and 19 projects.

- The COLABORA contractor companies' Information Management System was against launched and implemented, training 114 companies (93% of the goal). Follow-up was done on the use of the tool by the managers and by collaborating companies.
- The Vendor Rating performance evaluation was made in the Correcteza module (compliance with legal-labor obligations, to more than 100 contracts.

Personnel Management

Process Automation - HR Management

The HR Administration Division processes were automated in April. Their purpose is responding to our workers' most frequent online requests and optimizing the Nostrum and SAP-Pago systems' IT tools.

Workers now has access to the following products, through the Nostrum-self service portal:

- Queries and printing of payroll payment vouchers.
- Generation and printing of standard work certificates, including basic salary, entry date, type of contract, position, organizational unit, and average salary.
- Vacation queries.

General Services

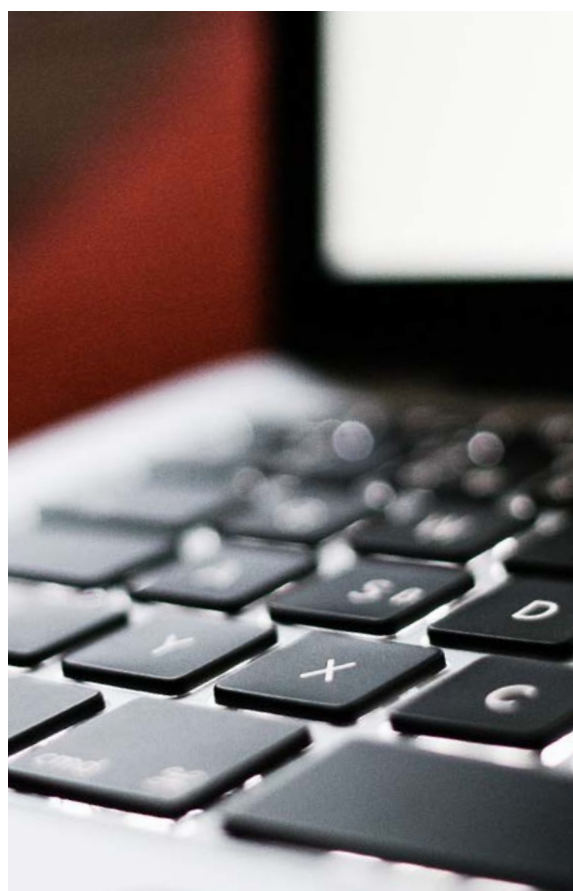
Service levels and response times to complaints improved in 2014 by 3% compared to the previous year, going from 93% to 96%.

The new Service Model was designed for the Integral Service Managers Office, which will be implemented in April 2015, looking to improve our internal clients' satisfaction.

Three new services were implemented (corporate trips, trip documentation session, and express maintenance), continuing with the ecologic car wash pilot test in Calle 93, strengthening the service portfolio offered to our clients.

A 98% execution was achieved regarding budget resources assigned to our portfolio services, including the following:

Service	Annual value (million pesos)	Main work/activities carried out
Work and maintenance	17.066	Customization of the Q 93 office building.
		Sidewalks, Calle 93 building.
		Construction of new internal coffee shops, operational offices.
		Renovation of air-conditioning systems, administrative and operational offices.
Transporte	4.017	Closing of substations.
		Restoration of roofs, walls, floors, civil work, and worksites.
		Support to new business investment projects.
Transporte	7.380	Definition of the new types of vehicles.



Regarding industrial safety and occupational health, goals defined by the Company in the frequency and severity indexes were met.

Telecommunications and It

The main activities carried out and implemented during the year focus on 3 work areas:

- IT projects.
- Infrastructure projects.
- Services.

A. It Projects

1. Niif Colombia Project

Its purpose is adopting the NIIF norms in order to comply with regulations established by government entities for accounting and fiscal issues.

Work was done in 2014 to ensure migration of financial and accounting information to such norms, activities that will be completed in February 2015.

2. Upgrade SIE2000A - Codensa Project

The migration project (technical upgrade) of the SAP SIE2000A financial system was developed, going from version 4.7 to version 6.0. Its benefits include unification of the Group's corporate platforms and an increase in system functionalities for financial and logistic aspects. The project was concluded in June 2014.

3. Phase II Payment

A second development and implementation phase is required for the Regional Payment Project in order to respond to new payroll payment requirements at the Latin American level. The GBS Latam (HR Administration) and ICT had joint participation in the project.

Global functionalities were implemented, such as Salary Projections (IT 9800), Fidelity Bonus, Cost Distribution (TREI), Delfos Report (IT2001-IT2006), and post-payroll control reports. At the end of 2014, project progress was 85%. Local requirements will be finally implemented during H1 2015.

4. Migration of Saga Dossiers

Part of the 2ONE Project, old dossiers from the SIE2000A system were migrated to the new SAGA vendor portal. This new functionality will allow Company vendors to enter a web portal, record and update information, and participate in tender processes.

5. Invoice System Upgrade

With this project, version 5.5 was updated to version 5.7, together with more than 50 virtual PCs in Latin America which went from Windows XP to Windows 7.

Company benefits from this update are:

- Better performance of virtual PCs, resulting in better processing and added memory capacity.
- Increase in the interpreter service speed, increasing the interpretation speed and invoice transfers threefold.
- Upon separating the Colombia activities from those of Brazil and Chile, it was possible for the invoicing process to be carried out automatically, reducing waiting times.

6. Commercial Web Portal Project

This project is part of the strategic front "Passion for the Client", whose general purpose is providing to the Codensa clients a virtual channel to expedite processes with the Company, additionally allowing meeting objectives related to efficiency, sales, and brand image, improving the service experience through a more modern platform.

The new Codensa commercial service channel was implemented in December 2014, with functionalities from the residential, the companies' common elements, large clients, and PYMES elements.

The public lighting, infrastructure, and constructors' modules will be fully commissioned by January 2015.

7. Field Work Project – E-Order

The purpose of the project is implementing a new common field work management solution for the areas of commercial management and technical management. The project will allow Codensa to maximize the effectiveness of the operation of these two areas, as one of the Company's strategic acts, in order to reduce costs upon optimizing the operation, minimizing travel time of field teams by including mobile solutions, and optimizing customer service. The project is undergoing its integrated functional design phase, progress at a local level being 15%.

8. Proyecto Datamining SAS Project (Delinquency Rate and Losses)

This project seeks developing predictive statistical models and projections by applying data mining technology for managing the Codensa accounts receivable and loss control processes. The project included the design, construction, and implementation of new models and migration of some already existing models. The project was implemented in September 2014.

Its main benefits for the business include:

- A better information process, so that better response times will be available for information analysis.
- Support to processes' efficiency, allowing optimizing effectiveness in operations.
- Improvement of technological tools for decision-making purposes.

9. Customer Service Project

Its purpose is improving service channels installed in service centers, allowing renewing the self-service technology and evolving the customer service management systems to optimize minimize response times. The project is 49% complete.

10. Stealing Clients Follow-Up Project

Its purpose is following up the behavior of clients and transformers showing consumption abnormalities, according to contracted services, which could lead to electrical power losses and fluctuations in the quality of the service, affecting the community. The system to be implemented will allow detecting and timely managing such cases. The project is in its construction phase, progress being 23%.

11. Credit Portfolio Management Project (Kayros)

Its purpose is including a technological solution allowing managing and controlling delinquent accounts and providing accountability to activities carried out pertaining integral management, in order to manage the Company's credit portfolio. The system was commissioned in August 2014.

The main benefits are:

- Improvements in the application of strategies and their follow-up.
- Better response times regarding new market needs.
- Analysis and management of information from various dimensions.
- A delinquent clients' information repository providing services to personnel involved in the process.
- Improving the consistency and quality of customer service.

12. ODT Web – CTRL.M

Its purpose is automating the batch processes workflow and collection activities for the commercial system. Its benefits are automation of manual processes, minimizing of operational times and human errors, optimization of resources, the quality of the operation, and compliance with the clients' ANS. The system allows creating and configuring an ODT processes' network so that they will be carried out according to established parameters and times. The project completed its stabilization phase and started its formal conclusion phase, with a 99% progress.

13. In Situ Invoicing

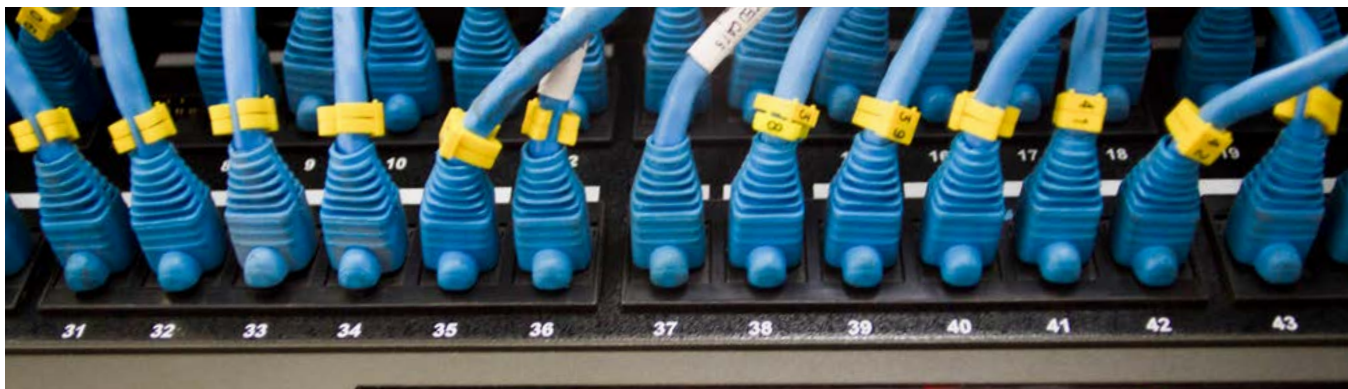
This project seeks updating the current SUP version, currently 2.0, to version 2.2, ensuring that the system will have the SAP vendor's support. In addition, the infrastructure will be updated to ensure stability in the service continuity. The update was made in July 2014.

14. Mobile Incident Management

This project will expedite the emergency response process by using mobile terminals. It automatically generates the GOM service order, records field work information, and reports materials used to the central systems. The project was implemented April 2014.

15. Customer Telephone Response System - Advanced G-Core II

Its purpose is modernizing the current customer service, allowing the telephone operator to provide timely information to clients reporting network problems. The new module is integrated into the network operation systems, into the real-time systems, and into the Company's commercial systems. The project was implemented in November 2014.



16. Substations Maintenance (Mansub) - Advanced Gcore li

The system will allow planning predictive and corrective maintenance for all distribution substations. Project progress is 25% and it should be concluded Q1 2015.

17. OPER-BT

Its purpose is fully supporting the low voltage operation processes and managing interruption processes, automatically deploying field teams and providing for intensive use of mobile technologies to collect in situ relevant information, no longer requiring using hardcopy documents and making multiple data entries. The project is undergoing its functional design phase.

18. Nautilus

A pilot test was successfully implemented, which will allow the management area to handle the Technical Manager's Office Information, having available corporate applications supporting processes to handle and manage inconsistencies and update information. It will generate significant cost reductions upon reducing the time required to update the information.

19. ETool

The system was implemented, which will allow planning, managing, and optimizing processes, controlling, and invoicing activities carried out by the field teams.

20. Eureka Project

The project will include in the Company's technical systems the various technological solutions created by the functional areas, in order to effectively respond to its daily activities. It covers the entire process, from collection of information to implementation of solutions, having the full support provided by systems management from the ICT Manager's Office. Its progress is 52%.

B. Infrastructure Projects

1. Cabinas Nas Project

This project allowed installing a specialized technology platform to store sensitive and strategic information, with an 18 TB capacity.

It features an on-line backup solution providing high availability for all information stored. It has growth capacities according to the business needs, remote information backup with low disk requirements, and low use of communication channels.

2. Technological Security Project

Its purpose is renewing the Codensa IPS platform and protecting the segment of the new Metro LAN network in the Technical Building. Its benefits include keeping updated the Company's security platform in order to support new functionalities, keeping all critical services protected. The project has been fully implemented.

3. Renewal of Computer Equipment

691 computers were slated for renewal in 2014, corresponding to 30% of all Codensa IT tools. By the end of the year, 529 equipment units had been updated, 77% of the budget. Considering the geographical dispersion, the remaining units will be completed Q1 2015.

4. Renewal of Plotters

8 last generation plotters were renewed, this way effectively supporting the current Company processes.

5. Self-Service Kiosk Renewal

The self-service kiosks' tender was awarded. Monitored equipment will be available, allowing responding to faults and providing greater availability.

New equipment was received at the end of the year in order to start renewal activities during the first few months of 2015.

6. Director Telecommunications Plan

The purpose of this plan is achieving the highest level of performance and use of the Company's telecommunication networks, based on the analysis of current and future needs made to each business area and the definition of a 5-year investment plan. This plan includes the following initiatives:

- **MetroLAN 10Gbps:**

Telecommunications equipment was purchased and installed, which will allow the current Metrolan network to implement new technologies in order to respond to future connection needs. The project was 98% implemented, at the end of the year the Suba-Bosa optical section installation pending for January 30, 2015.

- **Metrolan high availability:**

Fiber optics and 10 new telecommunication links were enabled in this project, in order to provide high reliability and availability to services provided by the Metrolan communications network. Progress is 48%, conclusion being expected for January 2015.

- **Metrolan IP (SDH/PDH):**

This project allowed migrating the voice, data, and tele-protection services to the Metrolan network, optimizing obsolescence levels. 97% of the project was implemented during 2014, only the noncritical teleprotection migration still pending. Not all migration was done since no work was allowed due to electrical grid changes, looking to minimize risks subject to compromising the service quality and the network availability metrics. The project should be concluded by January 23, 2015.



7. Electronic grid renovation

This project updated the grid electronics with last generation equipment, mitigating the occurrence of incidents affecting communications in the commercial and operational offices. The project was 97% concluded, only 8 access points still pending in the North Point building. It should be fully concluded by January 9, 2015.

8. Improvements to the high availability electronics architecture

This project increased the data network availability for users of the Technical and Corporate Building in calle 93, with last generation equipment and a modular and flexible architecture, with improvements to the security functions and access speeds. The project was fully implemented.

C. Services

Together with the various business areas, 24 initiatives were identified, such as the IMPROVEMENT PROGRAM project scope whose purpose is prioritizing needs arising from daily activities and requiring of integral response, so that greater availability and reliability will be achieved. These initiatives leverage on the business operation metrics and commitments with the regulatory entities.

As part of the strategy to improve customer satisfaction, we have been included in the "From Within" project, in which the integral service improvement plan was designed and implemented, whose purpose is strengthening in all Company areas the service knowledge and the projects we will be developing, also improving our internal processes in order to provide a better service.



During 2014, the Legal Assistance and Corporate Affairs Manager's Office supported the Company in its expansion projects, including those of the Nueva Esperanza and Norte substations and in governmental licensing aspects, in general providing legal support to its corporate object.

From the regulatory point of view, it actively participated in structuring new deals, analyzing the various regulatory proposals submitted by CREG, and following up legislative initiatives affecting Company activities. Support regarding compliance with requirements from surveillance and control entities was provided.

Support was also provided to the various areas regarding public lighting, land property clearances, easements, social responsibility and innovation, promotion of new products and services generating value added, as well as the legal assistance required for continuous improvement of activities, operations, and global functions of the new Company's organizational structure.

In line with the development, promotion, and generation of energy alternatives helping offset weather changes and improve the efficiency of transportation systems, it provided support in the analysis of new deals with the main car companies at a global level, structuring various electric traction business models in order to promote electric mobility in Colombia.

56 final legal decisions were issued in 2014, of which 47 were favorable, representing an 83.93% acquittal rate. According to the demands, savings have been achieved for COP \$336,450 million, with approximate gains of COP \$17 million.



Statutory Auditor Report

To the
Codensa S.A. E.S.P. Shareholders:

I have audited the attached Codensa S.A. E.S.P. Non-consolidated financial statements, which include the general balance sheet as of December 31, 2014, August 31, 2014, and December 31, 2013, and the corresponding consolidated income, equity changes, financial changes, and cash flow statements for the four-month periods ending December 31, 2014 and the eight-month period ending in August 31, 2014, and the twelve-month period ending in December 31, 2013, together with significant accounting policies and other explanations. The balance sheet as of August 31, 2013 and the corresponding consolidated income, equity changes, financial changes and cash flows statements for the four-month period ending December 31, 2013 and the eight-month period ending August 31, 2013 were included to show the operations results for comparative purposes, which were not subject to my evaluation according to generally accepted auditing norms, which give me a reasonable basis for an opinion; therefore, I am not submitting any opinion regarding the aforementioned financial statements.

The Administration is responsible for 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 fraud or error, and for selecting and applying adequate accounting policies and establishing reasonable accounting estimates according to the circumstances.

My responsibility is expressing an opinion regarding such consolidated financial statements, based on my audits. I obtained the necessary information for this and examined the documents according to auditing norms generally accepted in Colombia, which require that audits be planned and carried out so as to provide reasonable certainty on whether the financial statements are free of material errors.

An audit includes developing procedures in order to obtain information supporting figures and disclosures contained in the financial statements. The selected procedures depend on the auditor, including the evaluation of the risk of material errors contained in the financial statements. Upon evaluating them, the auditor takes into account relevant internal controls for preparation and submittal of such financial statements so that he will be able to design audit procedures according to the circumstances. It also includes an evaluation of accounting principles used and of significant estimates made by the Administration, including their presentation as a whole. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the attached consolidated financial statements reasonably present - in all their important aspects - the Codensa S.A. E.S.P. consolidated financial situation as of December 31, 2014, August 31, 2014, and December 31, 2013, the Non-consolidated results of its operations, the changes in its financial situation, and cash flows for the four-month period ending December 31, 2014 and the eight-month period ending August 31, 2014, according to accounting principles generally accepted in Colombia, as issued by the National Government.

Additionally, based on my audits I am not aware of any circumstance indicating failure to comply with the following company obligations: 1) keeping Minutes, the 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 and the Board of Directors, also according to norms related to integral social security; 3) keep correspondence and account vouchers; and 4) take internal control, conservation, and safekeeping measures related to company goods or third-party goods it may have in its possession. Since the management report, which includes Company progress and its legal, economic and administrative situation, is currently being prepared by the Company's administration to be submitted to the Board of Directors in February, I was not able to verify the agreement between the financial information of the mentioned report and the attached financial statements.

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

Bogotá, D.C., Colombia
January 27, 2015

Codensa S.A. E.S.P.
Non-Consolidated General Balance Sheet

	As of December 31 2014	As of August 31 2014	As of December 31 2013
<i>(Thousand pesos)</i>			
Assets			
Current assets:			
Cash and cash equivalents <i>(Note 3)</i>	\$ 591,520,893	\$ 246,591,986	\$ 696,296,398
Inventories, net <i>(Note 6)</i>	715,185	–	–
Debtors, net <i>(Note 5)</i>	387,079,548	465,896,079	340,246,934
Expenses paid in advance, net	3,522,649	3,879,783	3,399,812
Total current assets	982,838,275	716,367,848	1,039,943,144
Inventories, net <i>(Note 6)</i>	15,620,198	20,859,208	14,807,854
Debtors, net <i>(Note 5)</i>	48,979,290	46,447,321	45,498,739
Long-term investments, net <i>(Note 4)</i>	105,990,164	105,987,936	105,986,997
Properties, plant, and equipment, net <i>(Note 7)</i>	3,506,602,709	3,389,347,317	3,405,651,297
Deferred taxes <i>(Note 17)</i>	61,971,559	46,658,866	51,295,517
Other assets, net <i>(Note 8)</i>	123,670,521	118,520,560	123,872,307
Valuations <i>(Note 9)</i>	750,230,383	747,061,051	740,905,596
Total assets	\$ 5,595,903,099	\$ 5,191,250,107	\$ 5,527,961,451
Liabilities and equity			
Current liabilities:			
Outstanding commercial papers and bonds <i>(Note 13)</i>	\$ 7,132,189	\$ 9,595,597	\$ 256,350,596
Accounts payable <i>(Note 10)</i>	1,091,483,315	744,986,966	568,116,847
Taxes, liens and rates <i>(Note 17)</i>	73,496,250	45,795,421	122,043,227
Labor obligations <i>(Note 12)</i>	31,574,774	26,535,901	27,327,091
Estimated liabilities and reserves <i>(Note 14)</i>	60,532,024	35,697,303	51,393,923
Retirement pensions <i>(Note 16)</i>	28,076,180	27,701,837	27,618,495
Other liabilities <i>(Note 15)</i>	61,665,664	58,018,463	54,435,831
Total current liabilities	1,353,960,396	948,331,488	1,107,286,010
Long-term liabilities:			
Outstanding commercial papers and bonds <i>(Note 13)</i>	1,176,063,711	990,942,468	990,700,970
Estimated liabilities and reserves <i>(Note 14)</i>	13,853,107	20,173,542	22,879,609
Retirement pensions <i>(Note 16)</i>	184,450,762	175,921,237	171,963,058

Deferred taxes (Note 17)	43,101,567	36,431,562	36,431,562
Other liabilities (Note 15)	47,539,859	48,535,071	50,268,427
Total long-term liabilities	1,465,009,006	1,272,003,880	1,272,243,626
Total liabilities	2,818,969,402	2,220,335,368	2,379,529,636
Equity (Note 18):			
Subscribed and paid capital	13,209,327	13,209,327	13,209,327
Capital surplus	13,333,540	13,333,540	13,333,540
Reserves	57,567,062	57,567,062	57,567,062
Equity revaluation	1,787,495,354	1,787,495,354	1,787,495,354
Valuation surplus	750,230,383	747,061,051	740,905,596
Surplus, participation method	13,846	11,588	10,417
Period net profits	155,084,185	352,236,817	535,910,519
Total shareholders equity	2,776,933,697	2,970,914,739	3,148,431,815
Total liabilities and equity	\$ 5,595,903,099	\$ 5,191,250,107	\$ 5,527,961,451
Memorandum accounts, debtors (Note 19)	\$ 571,643,318	\$ 1,126,025,069	\$ 1,003,997,736
Memorandum accounts, creditors (Note 19)	\$ 5,870,978,795	\$ 6,066,808,182	\$ 4,338,205,555

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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Appointed by Ernst & Young Audit S.A.S. TR–530
(See my January 27, 2015 report)

Codensa S.A. E.S.P.

Non-Consolidated Income Statement

	Four-month period from September 1 through December 31		Eight-month period from January 1 through August 31	
	2013		2013	
	2014	(Not audited)	2014	(Not audited)
	<i>(Thousand pesos, except for net profits and preferential dividends per share)</i>			
Operational revenues (Note 20)	\$ 1,171,414,286	\$ 1,093,401,134	\$ 2,267,469,274	\$ 2,118,816,998
Cost of sales (Note 21)	(855,121,249)	(763,010,402)	(1,627,017,602)	(1,513,901,176)
Gross profits	316,293,037	330,390,732	640,451,672	604,915,822
Administration expenses (Note 22)	(38,176,770)	(29,270,516)	(59,017,934)	(51,914,730)
Operational profits	278,116,267	301,120,216	581,433,738	553,001,092
Non-operational revenues (expenses):				
Financial revenues (Note 23)	8,664,123	10,441,924	16,851,731	23,329,087
Extraordinary revenues (Note 24)	4,035,790	2,971,117	16,778,523	9,963,636
Financial expenses (Note 25)	(32,253,461)	(23,016,615)	(54,767,371)	(45,016,047)
Extraordinary expenses (Note 26)	(14,878,017)	(8,153,403)	(20,631,116)	(9,518,441)
Profits before income tax	243,684,702	283,363,239	539,665,505	531,759,327
Net Income tax (Note 17)	(88,600,517)	(95,020,337)	(187,428,688)	(184,191,710)
Period Net profits	\$ 155,084,185	\$ 188,342,902	\$ 352,236,817	\$ 347,567,617
Preferential dividends per share	\$ 79.75	\$ 64.23	\$ 127.91	\$ 129.03
Net profits per share	\$ 1,161.97	\$ 1,416.10	\$ 2,647.20	\$ 2,611.68
Number of outstanding subscribed and paid shares	132,093,274	132,093,274	132,093,274	132,093,274

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.

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Codensa S.A. E.S.P.

Non-Consolidated Statement of Equity Changes

	Subscribed and paid capital	Capital surplus	Reserves	Equity revaluation	Valuation surplus	Surplus using the revaluation method	Accumulated profits	Total
<i>(Thousand pesos)</i>								
Balances as of August 31, 2013 (Not audited)	\$ 13,209,327	\$ 13,333,540	\$57,567,062	\$ 1,787,495,354	\$ 740,176,967	\$ 12,418	\$ 347,567,617	\$ 2,959,362,285
Adjustment to valuation of investments	-	-	-	-	1,210,554	(2,001)	-	1,208,553
Adjustment to valuation of properties, plant, and equipment	-	-	-	-	(481,925)	-	-	(481,925)
Period net profits	-	-	-	-	-	-	188,342,902	188,342,902
Balances as of December 31, 2013	13,209,327	13,333,540	57,567,062	1,787,495,354	740,905,596	10,417	535,910,519	3,148,431,815
Declared dividends	-	-	-	-	-	-	(535,910,519)	(535,910,519)
Adjustment to valuation of investments	-	-	-	-	6,476,504	1,171	-	6,477,675
Adjustment to valuation of properties, plant, and equipment	-	-	-	-	(321,049)	-	-	(321,049)
Period net profits	-	-	-	-	-	-	352,236,817	352,236,817
Balances as of August 31, 2014	13,209,327	13,333,540	57,567,062	1,787,495,354	747,061,051	11,588	352,236,817	2,970,914,739
Declared dividends	-	-	-	-	-	-	(352,236,817)	(352,236,817)
Adjustment to valuation of investments	-	-	-	-	3,504,095	2,258	-	3,506,353
Adjustment to valuation of properties, plant, and equipment	-	-	-	-	(334,763)	-	-	(334,763)
Period net profits	-	-	-	-	-	-	155,084,185	155,084,185
Balances as of December 31, 2014	\$ 13,209,327	\$ 13,333,540	\$ 57,567,062	\$ 1,787,495,354	\$ 750,230,383	\$ 13,846	\$ 155,084,185	\$ 2,776,933,697

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.

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Codensa S.A. E.S.P.
Non-Consolidated Statement of Changes in the Financial Situation

	Four-month period from September 1 through December 31		Eight-month period from January 1 through August 31	
	2014	2013 (Not audited)	2014	2013 (Not audited)
<i>(Thousand pesos)</i>				
Financial resources provided by:				
Net period profits	\$ 155,084,185	\$ 188,342,902	\$ 352,236,817	\$ 347,567,617
Plus (minus) entries not affecting working capital:				
Depreciation and amortization	96,474,361	85,449,449	174,169,940	168,607,970
Amortization of bonds	121,243	121,246	241,498	241,498
Actuarial losses	11,291,665	4,523,589	11,051,819	—
Loss from the sale of properties, plant, and equipment	889,768	1,302,255	1,025,442	1,805,939
Loss from sales of other assets	—	—	1,268,195	—
Retirement pensions reserve	4,494,841	(2,684,027)	8,989,683	18,030,450
Inventory reserve	507,491	867,736	—	—
Loss from participation method	28	36	233	191
Assets deferred tax	(15,298,036)	(3,995,548)	466,276	1,189,710
Deferred debit tax previous years	(14,657)	—	4,170,375	3,412,437
Liabilities deferred tax	6,670,005	—	—	—
Profits from the sale of properties, plant, and equipment	(177,762)	(3,685)	(415,566)	(585,339)
Total provided by operations	260,043,132	273,923,953	553,204,712	540,270,473
Long-term bond issuance	185,000,000	375,000,000	—	—
Product of the sale of properties, plant, and equipment	200,000	19,000	459,069	790,300
Increase in estimated liabilities and reserves	—	9,291,853	—	10,458,010
Decrease in inventories	4,731,519	—	—	—
Decrease in other assets	545,213	477,504	985,674	987,206
Total working capital provided	450,519,864	658,712,310	554,649,455	552,505,989
Applied financial resources:				
Increase of long-term debtors	(2,531,969)	(1,667,941)	(948,582)	(629,301)
Increase of properties, plant, and equipment	(210,717,497)	(150,932,497)	(149,922,074)	(130,329,893)
Reclassification from equity tax payment	—	(15,870,578)	—	(15,870,578)
Increase in inventories	—	(20,557)	(6,051,354)	(2,633,178)

Increase in other assets	(9,619,435)	(5,205,402)	(5,914,954)	(6,457,013)
Reduction of estimated liabilities and reserves	(6,320,435)	–	(2,706,067)	–
Transfer of short term pension liabilities	(7,256,981)	(8,256,873)	(16,083,323)	(17,824,829)
Reclassification of short-term bonds	–	–	–	(250,000,000)
Reduction of other long-term liabilities	(995,211)	(279,825)	(1,733,356)	(1,487,206)
Declared dividends	(352,236,817)	–	(535,910,519)	(510,992,818)
	(589,678,345)	(182,233,673)	(719,270,229)	(936,224,816)
Increase (reduction) of working capital	\$ (139,158,481)	\$ 476,478,637	\$ (164,620,774)	\$ (383,718,827)
Changes in working capital components:				
Cash and cash equivalents	\$ 344,928,907	\$ 347,772,997	\$ (449,704,412)	\$ (234,459,742)
Debtors	(78,816,531)	(63,608,011)	125,649,145	83,544,549
Increase in inventories	715,185	–	–	–
Expenses paid in advance	(357,134)	910,095	479,971	(457,595)
Outstanding bonds	2,463,408	169,633,522	246,754,999	(179,708,631)
Accounts payable	(346,496,349)	119,854,417	(176,870,119)	(145,808,712)
Taxes, liens and rates	(27,700,829)	(64,332,663)	76,247,806	95,354,771
Labor obligations	(5,038,873)	(4,549,311)	791,190	(1,184,446)
Estimated liabilities and reserves	(24,834,721)	(23,356,281)	15,696,620	10,674,278
Retirement pensions	(374,343)	32,987	(83,342)	205,621
Other liabilities	(3,647,201)	(5,879,115)	(3,582,632)	(11,878,920)
Increase (reduction) in working capital	\$ (139,158,481)	\$ 476,478,637	\$ (164,620,774)	\$ (383,718,827)

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

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(See my January 27, 2015 report)

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

Codensa S.A. E.S.P.

Consolidated Cash Flow Statements

	Four-month period from September 1 through December 31		Eight-month period from January 1 through August 31	
	2013		2013	
	2014	(Not audited)	2014	(Not audited)
	<i>(Thousand pesos)</i>			
Operational activities				
Period net profits	\$ 155,084,185	\$ 188,342,902	\$ 352,236,817	\$ 347,567,617
Adjustments to conciliate period net profits and net cash provided by activities:				
Depreciation and amortization	96,474,361	85,449,449	174,169,940	168,607,970
Bond amortization	121,243	121,246	241,498	241,498
Active deferred tax	(15,298,036)	(3,995,548)	466,276	1,189,710
Previous years deferred tax	(14,657)	—	4,170,375	3,412,437
Passive deferred tax	6,670,005	—	—	—
Retirement pensions	4,494,841	(2,684,027)	8,989,683	18,030,450
Loss from participation method	28	36	233	191
Loss from the sale of properties, plant, and equipment	889,768	1,302,255	1,025,442	1,805,939
Actuarial losses	11,291,665	4,523,589	11,051,819	—
Portfolio reserve	4,411,493	484,825	4,105,952	1,361,304
Portfolio reserve recovery	(9,300)	(602,391)	(92,946)	(350,244)
Inventory reserve	507,491	867,736	—	—
Loss from the sale of other assets	—	—	1,268,195	—
Recovery of costs and expenses	(2,724,366)	(251,560)	(1,049,134)	(1,191,102)
Revoqued (declared) dividends	807,113	—	(807,113)	(4,360,213)
Recovery of contingencies	(422,749)	(303,038)	(1,959,385)	(182,533)
Contingency reserve	635,978	685,424	1,529,228	175,395
Profits from the sale of properties, plant, and equipment	(177,762)	(3,685)	(415,566)	(585,339)
Net change in operational assets and liabilities:				
Debtors	71,075,256	57,697,422	(129,803,620)	(80,824,697)

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

Inventories	4,016,334	(20,557)	(6,051,354)	(2,633,178)
Expenses paid in advance	357,134	(910,095)	(479,971)	457,595
Suppliers and accounts payable	142,580,454	162,097,242	(11,970,517)	(150,095,970)
Taxes, liens, and rates	27,700,829	64,332,663	(76,247,806)	(95,354,771)
Pension liabilities (payments)	(6,882,638)	(8,289,860)	(15,999,981)	(18,030,450)
Labor obligations	5,038,873	4,549,311	(791,190)	1,184,446
Estimated liabilities and reserves	20,954,733	32,344,249	(17,345,382)	809,195
Other liabilities	3,197,202	6,076,795	2,834,950	11,378,920
Net cash provided by operational activities	530,779,478	591,814,383	299,076,443	202,614,170
Investment activities				
Increase in properties, plant, and equipment	(210,717,497)	(150,932,497)	(149,922,074)	(130,329,893)
Received dividends	–	4,360,213	–	–
Increase in other assets	(9,619,435)	(5,205,402)	(5,914,954)	(6,457,013)
Sale of properties, plant, and equipment	200,000	19,000	459,069	790,300
Net cash used in investment activities	(220,136,932)	(151,758,686)	(155,377,959)	(135,996,606)
Financial activities				
Financial obligations and interests	215,850,182	401,588,156	53,621,729	50,262,216
Payment of financial obligations and interests	(33,313,591)	(196,221,678)	(300,376,728)	(120,553,585)
Payment of dividends	(132,379,651)	(281,778,600)	(330,777,318)	(214,915,359)
Equity tax payment	(15,870,579)	(15,870,578)	(15,870,579)	(15,870,578)
Net cash provided (used) in financial activities	34,286,361	(92,282,700)	(593,402,896)	(301,077,306)
Net increase (reduction) of cash and cash equivalents	344,928,907	347,772,997	(449,704,412)	(234,459,742)
Cash and cash equivalents at the beginning of the year	246,591,986	348,523,401	696,296,398	582,983,143
Cash and cash equivalents at year's end	\$ 591,520,893	\$ 696,296,398	\$ 246,591,986	\$ 348,523,401

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 Luz Dary Sarmiento Quintero

Legal Representative

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Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements

Four-month period ending December 31, 2014 and eight-month period ending August 31, 2014

(All values shown in thousand pesos, except amounts in foreign currency, exchange rates, and the shares' number and nominal values).

1. Main accounting policies and practices

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 established on October 23, 1997 with the Empresa de Energía de Bogotá S.A. E.S.P. distribution and commercialization assets contribution with 51.52% of shares and cash contributions of other investors with 48.48% of the shares.

The Company's main purpose is distribution and trading of electrical power, as well as execution of all activities related, associated, and supplementary to distribution and trading of electrical power, the execution of design 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 to residential, urban, and rural 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. on November 27, 2009.

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 cooperation agreement was executed 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 involve economic sanctions as defined in the agreement.

Corresponding Bank

During its March 27 of 2014 meeting and according to Minutes No. 56, the General Shareholders Assembly approved including the corresponding bank activity in the Company's corporate object.

The Company has not yet started operations as a corresponding bank and is formalizing its bylaws with a public deed and the respective registration before the Mercantile Registry, taking the following into account: (i) Codensa S.A. E.S.P. is a bond issuer, (ii) according to article 6.4.1.1.42 of Decree 2555 of 2010, during the issuance term the issuer will not be able to change its corporate object unless authorized by the bondholders' assembly, and (iii) on December 16, 2014, the first simultaneous assembly of ordinary bondholders of the 5 current local bond issuance was held ; however, since the necessary

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

quorum for deliberation was not present, it was necessary to invite to a second meeting, not yet held.

Mapfre Seguros Contract

In August of 2010 a contract was signed with Mapfre Colombia Vida Seguros to provide the Company energy clients access to the market channel in order to allow Mapfre to sell insurance policies with an eight-year term and a single \$6,000 million payment, entered as revenues received in advance; it will be amortized during the contract term.

Legal and Regulatory Framework

The Company is governed mainly by Law 142 of 1994 - or Public Utilities Law - and Law 143 of 1994 - or Electric Law -, as well as by its bylaws and other conditions contained in the Trade Code.

Law 142 or Public Utilities Law defines general criteria applicable to the provision of public household utilities services in Colombia, while Law 143 or Electric Law sets forth norms applicable to electrical power generation, transmission, distribution, and trading activities, also defining the economic, rates, and subsidy system applicable to the sale of electrical power and to the sector's operational aspects.

The electrical power sale rating system is regulated by Comisión de Regulación de Energía y Gas (CREG - Energy and Gas Regulatory Commission), a technical entity belonging to the Ministry of Mines and Energy.

Basis for the presentation

The attached financial statements have been prepared based on accounting records kept according to the historical cost method and accounting principles generally accepted in Colombia, as contained in Regulatory Decree 2649 of 1993 and in other norms and resolutions issued by surveillance and control entities, including the modification from the Superintendence of Public Household Utilities which eliminated application of inflation adjustments for accounting purposes as of January 1 of 2006 for legal or private public utility companies.

These accounting principles and policies could in certain cases differ from other international accounting norms.

The Company records its activities according to the unique accounts plan for public utility companies issued by the Superintendence of Public Household Utilities.

Relative importance criterion

An economic fact has relative importance should, due to its nature, value, and surrounding circumstances its knowledge or lack of knowledge could significantly affect the economic decisions of those using the information. The financial statements itemize specific lines according to legal norms, as well as those representing 5% or more of total assets, current assets, current liabilities, noncurrent liabilities, working capital, equity, revenues, costs, and expenses, as applicable, as well as the use of estimates. Lower values are described should they allow for better interpretation of financial information.

Accounting period

According to its bylaws, the Company should close its accounts and prepare and disclose general-purpose financial statements once every year, on December 31.

The duly formalized Company bylaws authorize the Board of Directors to establish the necessary account closing dates. Through Minutes No. 216 of August 13 of 2014, the Board of Directors ordered the Administration to close its financial statements as of August 31 of 2014 and submit them - together with a

Notes to the Non-Consolidated Financial Statements (Continuation)

profits distribution proposal - for approval by the Shareholders Assembly.

The attached financial statements for the periods ending August 31 of 2014 and 2013 correspond to 8-month periods, the periods ending on December 31, 2014 and 2013 corresponding to 4-month periods. No early closing was done in 2013; the respective figures are provided for comparison purposes only.

Recognition of revenues, costs, and expenses

Revenues from sales are recognized each year as services are provided. Costs and expenses are entered on accrual basis. Revenues from the sale of electrical power are represented by electrical power supplied and not yet invoiced at the end of each year, valued at the sale price according to current rates. Such values are included in outstanding assets, in the debtor clients line. The cost of such electrical power is included in the cost of sales.

Operational revenues also include revenues from the corporate cooperation agreement executed with Banco Colpatria Red Multibanca Colpatria S.A., directly associated to invoicing and collection of the "Crédito Fácil Codensa" deal financial services, as mentioned in Note 1.

Use of estimates

Preparing financial statements according to generally accepted accounting principles requires the Administration to make estimates that could affect the values of assets, liabilities, and income. Current or market values could be different from such estimates. The administration believes such estimates and assumptions used are adequate.

Transactions in foreign currency

Transactions in foreign currency are carried out according to current legal norms, recorded using exchange rates existing on the respective day. Balances in foreign currency are expressed in Colombian pesos, applying exchange rates of \$2,392.46, \$1,926.83 y \$1,918.62, \$1,935.43 per US\$1, and \$2,910.67, \$2,662.11, and \$2,527.40, \$2,552.25 per Euro as of December 31 2014 and 2013 and through August 31, 2014 and 2013, respectively. Exchange differences are charged to assets or liabilities and to income, revenues, or expenses, as applicable.

Cash and Cash Equivalents

Cash includes cash available and cash in banks and in savings accounts. Cash equivalents correspond to investments made in fixed income instruments, easily redeemable in the short term between 1 and 120 days, presented at face value and valued applying yield accrual.

Fixed term deposit certificate have been considered short-term investments, since the interest agreed with bank entities is fixed, thus making the risk low. Additionally, if required they are easily convertible into cash before their maturity.

Financial Instruments

Financial instruments represent the value of agreements executed between two or more parties for the purchase/sale of assets in the future, such as foreign currency, securities, or financial futures on exchange rates, interest rates, or stock exchange indexes, previously defining the transaction value, price, and date in order to provide/obtain hedging. According to current norms, these operations are valued at market prices at the end of the year, affecting the non-operational revenues/expenditures accounts in order to keep results according to market prices and provide reasonable figures, adjusted to the economic reality. The Company carries no hedging activities with speculative purposes.

Notes to the Non-Consolidated Financial Statements (Continuation)

Investments, net

Short-term investments are accounted for using the cost method; investments in non-controlled companies were adjusted for inflation up to December 31 of 2005. Investments involving more than 50% of the subscribed capital were accounted for using the equity participation method, i.e. the proportion corresponding to profits (losses) of the subordinated company is recognized in each year's income, equity changes not coming from the income statement being recognized as surplus using the participation method. The cost of investments does not exceed the market value. Investments of non-controlled companies are reserved should the investment, valued at intrinsic value, be lower than the book value.

As of December 31 the Company does not have investments to redeem during the next five years.

Bad Debts Reserve

This reserve is reviewed and updated based on the risk analysis, on its recovery, and on evaluations made by the Administration. Amounts considered bad debts are periodically charged to this reserve.

During 2014, the Company made an analysis based on nature, deterioration and payment behavior, by type of portfolio and client. As a result of the analysis, the following reserve percentages were established, which were applied from December 2014:

Electrical Power Portfolio

Portfolio type	Residen-tial	Commer-cial	Indus-trial	Govern-mental	Public lighting
Electrical power Portfolio					
<i>Between 1 and 180 days</i>	2,9%	4,6%	4,2%	0,4%	0,1%
<i>Between 181 and 360 days</i>	33,4%	28,6%	13,4%	6,4%	1,3%
<i>More than 360 days</i>	100%	100%	100%	100%	100%
Agreed portfolio	13,8%	16%	35%	51,6%	51,6%
Frozen Portfolio					
<i>Creditor agreements</i>	100%	100%	100%	100%	100%
<i>Less than 360 days</i>	77,7%	77,2%	76,9%	96,9%	96,9%
<i>More than 360 days</i>	100%	100%	100%	100%	100%

Notes to the Non-Consolidated Financial Statements (Continuation)**Other businesses**

The following reserve percentages will be applied to the Codensa services portfolio and it to electrical power works, work done to third parties, infrastructure, and electrical power companies.

Reserve	Time
1.31%	Current portfolio - 1 to 30 days
7.16%	Portfolio 31 to 90 days delinquent
20.74%	Portfolio between 91 to 180 days delinquent
34.23%	Portfolio between 181 to 360 days delinquent
100%	Portfolio older than 360 days

The reserve policy applied through November 30 includes the following percentages:

Electrical power portfolio

- 100% More than 360 days delinquent
- 20% Current credits agreed, pending application
- 100% Portfolio frozen in other creditors' agreements
- 100% Portfolio frozen on other accounts >360 days delinquent

Other debtors

- 1.6% Current between 1-30 days delinquent
- 5% 31-90 days delinquent
- 20% 91-180 days delinquent
- 50% 181-360 days delinquent
- 100% More than 360 days delinquent

Infrastructure and electrical power generation companies' portfolio

- 100% Older than 360 days

- 100% The extended guarantie and the vehicle insurance policy is excluded from the financial services portfolio

Portfolio write-offs will be recognized once there is legal or material certainty on the loss of the debt. For this to apply, the debtors' insolvency, the lack of real guaranties, or any other circumstance confirming that the debt will be lost should be confirmed.

Inventories, net

Inventories are goods acquired for subsequent sale or use in the electrical power distribution service. Inventories include equipment requiring transformation, such as electric meters, materials and accessories for the provision of the service, and goods in transit. Company inventories are entered at

Notes to the Non-Consolidated Financial Statements (Continuation)

average cost based on technical obsolescence analyses and low turnover. An inventory protection reserve exists.

Properties, Plant, and Equipment, net

Properties, plant, and equipment are entered at cost adjusted for inflation up to 2005, which includes financial expenses and exchange differences from foreign currency financing, up to the asset's commissioning.

Depreciation is calculated over acquisition cost adjusted for inflation up to 2005, using the straight line method based on the assets' service life. The average service life used to calculate depreciation is the following:

Item	Years (*)
Constructions and buildings	49
Plants and ducts	27
Grids, lines, and cables	30
Machinery and equipment	15
Office equipment	10
Transportation fleet and equipment	5
Communications equipment	9

() The average service life is revised at the end of each year and excludes fully depreciated properties, plant, and equipment.*

These lines include the remaining service life of assets purchased from Empresa de Energía de Bogotá in 1997. For electric assets, this average is calculated taking into account the service life obtained based on technical studies made by the Company Distribution Manager.

The Company does not estimate any residual value for its assets upon not considering this important, such assets being consequently fully depreciated.

Profits/losses from the sale or disposal of properties, plant, and equipment are recognized in the operations of the year during which the transaction is carried out. Normal disbursements made on account of maintenance and repairs are charged to expenses, significant disbursements improving the efficiency or extending service life being capitalized.

At the beginning of the second half of 2014, with the support of the Consulting Company Unidos S.A. the Company started reviewing its fixed assets' structure in order to standardize the assets information in the technical file with the accounting information system, defining opening of its technical systems in electrical power assets, as well as updating the remaining service life.

Notes to the Non-Consolidated Financial Statements (Continuation)

As a result of this project, on December 29, 2014, electrical power assets - such as substations, lines and grids - were opened in the SIE 2000A system AM module; the average remaining service lives were adjusted and will be applied from January 1, 2015, to the following:

Item	Years
Plants and ducts	17
Grids, lines and cables	14

Deferred depreciation

The excess fiscal depreciation over accounting depreciation has a tax effect that is entered as a deferred passive tax. The Company has created a reserve in equity, equivalent to 70% of the greater value fiscally required, according to article 130 of the Tax Code.

Expenses paid in advance

Expenses paid in advance correspond to:

- Insurance policies and prepaid medical care, amortized during their life.
- Advance payment to the Financial Superintendence, amortized during the year.

Other assets – Intangibles

Represent mainly the cost of acquisition, development, or production of licenses, software, studies, investigations in projects, and easements, amortized as follows: 3 years for licenses and software, 5 years for studies and projects, 50 years for easements.

Valuations

Properties, plant, and equipment

Correspond to the differences between a) the net book value and the market value of land properties, b) the replacement value of plants, machinery, and equipment, established by authorized capable experts. Appraisals are less than 3 years old and have been updated according to the metric applicable to each group.

Properties, plant, and equipment valuations are entered to separate accounts in assets, as a valuation surplus in equity, not susceptible to distribution. Devaluation of properties, plant, and equipment is directly entered in the income statement as a year's expense.

Equity investments using the cost method

Correspond to differences existing between the cost of investments (adjusted for inflation up to December 2005) and their intrinsic value. Investment valuations are entered to separate accounts in assets, as a valuation surplus in equity, not susceptible to being distributed. Investment valuations are entered as a lower value and a lower surplus from valuations in equity, without prejudice to the net balance being of a different nature.

Taxes, liens and rates

The income tax reserve was calculated at the official rate of 34% in 2013 and 2014 (this rate includes the

Notes to the Non-Consolidated Financial Statements (Continuation)

25% income tax and the 9% CREE equity tax) and 33% for 2012, using the accrual method and established based on commercial profits, in order to properly correspond the year's revenues with their costs and expenses, entered using the estimated liability value.

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

The effect of temporary differences involving payments of lower or greater income taxes during the year is entered as a credit/debit deferred tax, respectively, at the current tax rates whenever differences are being reverted (39% for 2015, 40% for 2016, 42% for 2017, 43% for 2018 and 34% from 2019), should there be reasonable expectations that such differences will revert in the future, in addition for the asset that at that time there will be sufficient taxable income.

The income tax is shown net, after deducting advances paid and credit withholdings.

The active deferred tax resulting from the temporary difference originated by the elimination of accounting inflation adjustments from January 1 of 2006 is amortized according to the fixed assets' service life for which it was generated; additionally, the deferred tax is recognized on account of other temporary differences existing between accounting and fiscal balances.

The passive deferred tax results from the temporary difference existing between the accounting and fiscal depreciation resulting from the implementation of additional shifts in 1998, and the special deduction due to investments in science and technology.

Equity tax

Law 1370 of December 2009 established a new equity tax for the fiscal year 2011, with a rate of 2.4% for taxpayers with a fiscal equity exceeding \$3,000 million and no higher than \$5,000 million, and of 4.8% for taxpayers with an equity exceeding \$5,000 million.

Subsequently, Decree 4825 of December 2010 established an equity tax surcharge of 25% for taxpayers with an equity exceeding \$3,000 million.

This tax was accrued on equity held on January 1, 2011 and the payment was made in 8 equal installments between the years 2011 and 2014.

According to what was officially established by Law 1111 of 2006, the Company entered the equity tax in equity revaluation.

Wealth tax

Law 1739 of December 2014 established a wealth tax for legal entities for 2015 through 2017. The tax will be applied with a rate of 1.15%, 1% and 0.4% for 2015, 2016 and 2017, respectively, for equities exceeding \$5,000 million; it is calculated annually over net worth held on January 1 of each fiscal year decreased in \$5,000 million.

Labor obligations

Labor laws consider paying a deferred compensation to certain workers leaving the Company. The amount received by each employee depends on the date of admission, type of contract, and salary. In certain cases, 12% interests are included on amounts accumulated in favor of each employee. Should the contract have been unjustifiably terminated, the employee will have the right to receive additional payments, which could vary according to his salary and time of service in the Company.

Notes to the Non-Consolidated Financial Statements (Continuation)

The Company makes periodical severance and integral social security payments for health, professional risks, and pensions, to the respective private funds or to Colpensiones, which fully assume such obligations.

Additionally, the aforementioned laws contain an obligation for companies to pay retirement pensions to employees meeting age and time of service requirements. The pension liability is established through studies made by recognized actuaries, according to parameters established by the National Government. The retirement pensions' obligation includes the effects of the application corresponding to the new mortality rates authorized by the Financial Superintendence in Decree 1555 of July 30, 2010, and represents the present value of all future monthly payments the Company will make to employees meeting requirements to exercise the pension right, such as time of service and age, among others.

Contingency accounting

On the day the financial statements are issued there could be circumstances resulting in losses for the Company that could only be known should certain circumstances occur in the future. The administration and the Company counsel evaluate this regarding their nature, the possibility of their occurrence, and amounts involved, making decisions on changes that would have to be made to values reserved and/or disclosed. This analysis includes current legal processes against the Company.

The Company establishes reserves to cover estimated liabilities and possible losses. Other contingent liabilities are not included in the Company financial statements, however being disclosed in memorandum accounts. Contingent assets are not included in the financial statements, however being included in memorandum accounts should their contingency be probable.

Bond placement discount

Corresponds to the lower value received from placement of ordinary bonds issued by the Company as a result of the negative differential existing between the bonds' face value and the yield rate they were sold at on placement day. This balance is amortized in 119 months from June 2007, time equivalent to the bonds' term from their placement.

Memorandum accounts

These accounts include mainly contingent rights and responsibilities, differences between accounting and fiscal figures, and commitments of credits assigned to clients and workers.

Net per-share profits

Established based on outstanding subscribed and paid shares at the end of the year. The per-share profits calculation includes clearing of preferential dividends corresponding to 20,010,799 shares as of December 31, 2014 from Empresa de Energía de Bogotá S.A. E.S.P. Preferential dividends are valued at US \$0.10 per share.

New accounting pronouncements

Convergence to International Financial Information Norms

According to Law 1314 of 2009 and Regulatory Decrees 2706 and 74 of December 2012, the Company is required to start the convergence process related to accounting principles generally accepted in Colombia to International Financial Information Norms (NIIF or IFRS), as issued by the International Accounting Standards Board and issued up to December 31 of 2012. Furthermore, there are exceptions to full implementation of the NIIF, which would lead to including an explicit and unreserved statement of NIIF implementation NIIF with some exceptions.

Notes to the Non-Consolidated Financial Statements (Continuation)

Considering that such conversion is complex and will have significant effects on the companies, the Technical Public Accountants Council classified the companies into 3 groups for such transition.

The Company belongs to Group 1, whose transition period starts January 1 of 2014; the first comparative financial statements under NIIF will be issued on December 31 of 2015.

On February 28 of 2013 the Company submitted the NIIF Implementation Plan to the Superintendence of Public Household Utilities, approved by the Board of Directors on February 21 of 2013, according to Resolution N° SSPD 20131300002405 of February 2013, regulating information requirements in order to apply Decree 2784 of 2012.

The submitted NIIF Implementation Plan includes activities associated to the mandatory preparation phase and preparation of the opening financial statements, to be carried out between January 1 of 2013 and December 31 of 2014.

According to Resolution N° SSPD 20141300033795 of July 30 of 2014, establishing information requirements for public utilities companies classified in groups 1 and 3, on August 29 of 2014 the Company submitted to the Superintendence of Public Household Utilities the opening financial situation statement, the equity conciliation, and the January 1 of 2014 disclosures and policies.

As of December 31 of 2014, the Company has carried out the following activities: creation of the project's leader team, definition and assignment of project resources, diagnosis of relevant effects caused by the implementation process, analysis of implementation scenarios and policies definition; it is estimated that during 2015, training plans and internal communications will continue to be carried out, and the IT systems and internal norms and control will be concluded and the opening balance audited.

2. Assets and liabilities in foreign currency

Existing basic norms in Colombia allow for free negotiation of foreign currency through banks and other financial institutions, at free exchange rates. However, most transactions in foreign currency require complying with certain legal requirements.

Summary of assets and liabilities in foreign currency:

As of December 31, 2014				
	<i>(in EUR)</i>	<i>(in US Dollars)</i>	<i>(Thousand pesos)</i>	
Cash and cash equivalents	€ 13	US\$ 115,697	\$ 276,837	
Debtors (Note 5)	143,416	391,950	1,190,282	
Accounts payable (Note 10)	(1,068,876)	(2,543,077)	(8,910,799)	
Net (passive)position	€ (925,447)	US\$ (2,035,430)	\$ (7,443,680)	

As of August 31, 2014				
	<i>(in EUR)</i>	<i>(in US Dollars)</i>	<i>(Thousand pesos)</i>	
Cash and cash equivalents	€ 2,975	US\$ 184,284	\$ 361,093	
Debtors (Note 5)	163,467	130,596	681,824	

Notes to the Non-Consolidated Financial Statements (Continuation)

Accounts payable (Note 10)	(85,802)	(1,127,242)	(2,371,012)
Active (passive) position, net	€ 80,640	US\$ (812,362)	\$ (1,328,095)

As of December 31, 2014

	(in EUR)	(in US Dollars)	(Thousand pesos)
Cash and cash equivalents	€ 2,720	US\$ 23,529	\$ 52,580
Debtors (Note 5)	177,838	264	458,015
Accounts payable (Note 10)	(313,829)	(1,416,044)	(3,569,043)
Net (passive) position	€ (133,271)	US\$ (1,392,251)	\$ (3,058,448)

3. Cash and cash equivalents

	December 31 2014	August 31 2014	December 31 2013
Banks, local currency	\$ 397,885,523	\$ 133,513,628	\$ 334,314,096
Term deposit certificates (1)	183,562,850	68,000,000	347,036,285
Trust accounts (2)	10,062,830	45,064,264	14,924,394
Cash	9,690	14,094	17,672
Futures – liquidity operations (3)	–	–	3,951
	\$ 591,520,893	\$ 246,591,986	\$ 696,296,398

(1) Fixed income investments generate yields at an average effective rate of 4.33%, 4.0%, 4.13% as of December 31, August 31, 2014 and December 31, 2013, respectively. The balance as of December 31, 2014 corresponds to term deposit certificates with maturities on the first quarter of 2015.

(2) The balance of trust accounts as of December 31, 2014 corresponds mainly to: (i) Correal for \$5,069,575 ; (ii) Fiduciaria Corficolombiana for \$3,815,358 ; (iii) Fiduciaria Alianza for \$304,104 ; (iv) BBVA Fiduciaria for \$267,099 ; (v) Fiduciaria Bogotá for \$264,537 ; (vi) Valores Bancolombia for \$254,047 and (vii) Corredores Asociados for \$88,110.

No liquidity operations were carried out during 2014. The balance as of December 31 of 2013 corresponds to a hedging agreement (non-delivery) executed on November 24 of 2013 with Banco BNP Paribas for the purchase of US \$1,669,994 at an exchange rate of \$1,927.50, maturing on January 15, 2014. As a result of the contract valuation at market prices, the Company entered \$3,951 against income.

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

4. Long-term investments , net

	As of December 31 2014	As of August 31 2014	As of December 31 2013
Equity investments - cost method	\$ 105,973,023	\$ 105,973,023	\$ 105,973,023
Bonds convertible into shares	1,044,516	1,044,516	1,044,516
Equity investments – equity participation method	17,141	14,913	13,974
	107,034,680	107,032,452	107,031,513
Minus investments reserve	(1,044,516)	(1,044,516)	(1,044,516)
	\$ 105,990,164	\$ 105,987,936	\$ 105,986,997

Following is the balance of equity investments:

	% Participation	As of December 31 2013	As of August 31 2013	As of December 31 2014
Majority participation:				
Inversora Codensa S.A.S.				
Cost of acquisition	100.00	\$ 5,000	\$ 5,000	\$ 5,000
Surplus using the participation method		13,845	11,588	10,417
Loss using the participation method		(1,704)	(1,675)	(1,443)
		\$ 17,141	\$ 14,913	\$ 13,974
Minority participation:				
Distribuidora Eléctrica C/marca S.A. E.S.P.				
	48.90	\$ 105,915,581	\$ 105,915,581	\$ 105,915,581
Electrificadora del Caribe S.A. E.S.P.				
	0.0013	57,442	57,442	57,442
		\$ 105,973,023	\$ 105,973,023	\$ 105,973,023

Losses entered from valuated investments using the participation method are:

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

Company	Valuation methods	Number of shares	Class of shares	Adjusted acquisition cost	Loss from participation method September 1 to December 31 2014	Loss from participation method January 1 to August 31 2014	Accumulated loss from participation method December 31 2013	Accumulated loss from participation method December 31 2014
Inversora Codensa S.A.S.	Participation	5,000	Ordinary	\$ 5,000	\$ (28)	\$ (233)	\$ (227)	\$ (1.704)

Financial information of Inversora Codensa S.A.S. as of December 31, 2014:

	As of December 31 2014	As of August 31 2014	As of December 31 2013
Assets	\$ 17,477	\$ 15,237	\$ 14,135
Liabilities	336	325	161
Equity	17,141	14,912	13,974
Net period loss	\$ (261)	\$ (233)	\$ (227)

Valuations and devaluations entered from valuated investments using the cost method are:

As of December 31, 2014:

Company	Valuation method	Number of shares	Class of shares	Adjusted acquisition cost	Intrinsic share value	Valuation
Distribuidora Eléctrica C/marca S.A. E.S.P.	Intrinsic value	104,247,499,998	Ordinary	\$105,915,581	1.54	\$ 54,461,122
Electrificadora del Caribe S.A. E.S.P.	Intrinsic value	654,735	Ordinary	57,442	42.00	(29,943)
						\$ 54,431,179

As of August 31 2014:

Company	Valuation method	Number of shares	Class of shares	Adjusted acquisition cost	Intrinsic share value	Valuation
Distribuidora Eléctrica C/marca S.A. E.S.P.	Intrinsic value	104,247,499,998	Ordinary	\$105,915,581	1.50	\$ 50,956,155
Electrificadora del Caribe S.A. E.S.P.	Intrinsic value	654,735	Ordinary	57,442	43.33	(29,072)
						\$ 50,927,083

As of December 31 2013:

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

Company	Valuation method	Number of shares	Class of shares	Adjusted acquisition cost	Intrinsic share value	Valuation
Distribuidora Eléctrica C/marca S.A. E.S.P.	Intrinsic value	104,247,499,998	Ordinary	\$105,915,581	1.44 \$	44,480,503
Electrificadora del Caribe S.A. E.S.P.	Intrinsic value	654,735	Ordinary	57,442	42.03	(29,923)
						<u>\$ 44,450,580</u>

The financial statements' closing dates for evaluating investments are December 31, 2014 for Sociedad Portuaria Central Cartagena S.A and Distribuidora Eléctrica de Cundinamarca S.A. E.S.P. and November 30, 2014 for Electrificadora del Caribe S.A. E.SP.

Company investments had no restrictions or liens as of December 31 of 2014. The Company has no redeemable investments for the following 5 years.

5. Debtors , net

	As of December 31 2014	As of August 31 2014	As of December 31 2013
Clients (1)	\$ 383,022,902	\$ 422,542,801	\$ 332,766,523
Payment agreements (2)	40,518,086	41,680,175	38,476,629
Participating companies and parties (Note 11)	10,341,761	45,482,437	10,201,669
Advance payments (3)	6,128,469	1,160,771	2,384,169
Deposits delivered	176,762	297,829	250,866
Advance payments on contributions (4)	1,012,745	10,543,966	1,065,436
Other debtors (5)	61,659,293	54,442,409	61,130,543
	<u>502,860,018</u>	<u>576,150,388</u>	<u>446,275,835</u>
Minus – Clients reserve	(66,801,180)	(63,806,988)	(60,530,162)
	<u>436,058,838</u>	<u>512,343,400</u>	<u>385,745,673</u>
Minus – Short-term portion	(387,079,548)	(465,896,079)	(340,246,934)
Long-term portion (6)	<u>\$ 48,979,290</u>	<u>\$ 46,447,321</u>	<u>\$ 45,498,739</u>

- (1) As of December 31, August 31, 2014 and December 31, 2013, the client portfolio is comprised of the following: energy portfolio \$ 301,802,690, \$ 343,174,563 and \$245,428,147 bad debts \$54,099,099, \$54,864,799 and \$53,941,189, work for third parties and other services' portfolio \$ 27,121,113, \$24,503,439 and \$27,941,717, respectively.

Additionally, as of December 31, August 31, 2014, and December 31, the Company had a balance of

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

\$2,815,839, \$2,256,774 and \$5,455,470, respectively, on account of the income solidarity and redistribution fund from the deficit resulting in the subsidies and contributions mechanism.

Codensa S.A. E.S.P. decided to apply the rate option regulatory mechanism according to Resolution CREG 057 of 2014, whose purpose is reducing the impact of increases to the rate applied to the end user through the financing system defined in Resolution CREG 168 of 2008 "Establishing the rate option to define maximum costs applicable to the provision of the service that could be transferred to the electrical power public service regulated users in the National Interconnected System". As of August 31 of 2014, the value to be charged on account of this option is \$38,586,815, which corresponds to the amount financed by the year's end. As of December 31, 2014, the rate option balance is (\$ 11,143,721) shown in (Note 10).

On November 14 of 2013 a question was made to DIAN regarding the applicability of article 19 of Decree 570 of 1984 to determine the special taxable base in leasing personal properties; DIAN gave a reply which did not solve the request made by the Company. Subsequently, on November 4, 2014, DIAN issued a new concept which again did not resolve the Company's inquiry, and therefore on December 16, 2014, a new request to clarify the concept was submitted.

Concurrently, in order to clarify whether the lease of public lighting infrastructure is subject to the VAT, on December 5 Codensa made a question to DIAN, which at the time of this report is still pending reply.

As of December 31, 2014, the UAESP accounts receivable for public lighting infrastructure lease is \$15,639 million, which corresponds to the VAT invoiced and not recovered since July 2013. The administration believes this value is recoverable, based on its interpretation of the fiscal norms.

- (1) Payment agreements correspond to agreements between Codensa S.A. E.S.P. and its clients related to payment of a specific amount of money with pre-established terms and interest rates. These agreements apply to clients requesting financing on account of use, installation, customizations, fines for losses, and other services provided by the Company. Following are maturities:

Year	As of December 31 2014	As of August 31 2014	As of December 31 2013
2014	\$ —	\$ 25,164,688	\$ 22,791,758
2015	24,277,348	9,736,876	8,984,977
2016	9,428,263	3,606,357	3,321,735
2017 and following	6,812,475	3,172,254	3,378,159
	\$ 40,518,086	\$ 41,680,175	\$ 38,476,629

- (2) As of December 31, 2014, the main advanced payments made to suppliers correspond to: (i) Consorcio MECAM for \$ 1,400,000, for maintenance of grids and work associated to new connections (ii) Obras y Diseños S.A. for \$ 2,515,869 for a maintenance contract, public lighting work, and emergency services.
- (3) As of December 31, 2014, corresponds mainly to the positive value of taxes and contributions from advance payments made in 2013, itemized in the industry and trade tax for \$150,312 and other contributions for \$862,433.

As of August 31, 2014, corresponds to the net balance of income tax and CREE for \$9,536,976, industry and trade for \$144,556, and other contributions for \$862,433

- (4) As of December 31 and August 31 of 2014, and December 31 of 2013, this line includes mainly accounts

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

receivable from employees, for \$ 40,962,041, \$38,477,718 and \$36,901,517, respectively.

- (5) Long-term accounts receivable include the "Crédito Fácil Codensa" business portfolio for \$ 4,204, energy portfolio payment agreements for \$ 6,093,160, portfolio of electrical work agreed for \$6,927,756, portfolio agreed services for \$3,215,617, and employee credits for \$ 32,738,552; as follows:

Year	As of December 31 2014	As of August 31 2014	As of December 31 2013
2015	\$ —	\$ 17,245,805	\$ 16,860,978
2016	17,760,742	9,516,483	9,386,743
2017 and following	31,218,548	19,685,033	19,251,018
	\$ 48,979,290	\$ 46,447,321	\$ 45,498,739

Following is the portfolio reserve:

	As of December 2014	As of August 2014	As of December 2013
Initial balance	\$ 63,806,988	\$ 60,530,162	\$ 61,428,616
Reserved – charged to income (1)	4,411,493	4,105,952	1,846,129
Recoveries	(9,300)	(92,947)	(952,635)
Write-offs (2)	(1,408,001)	(736,179)	(1,791,948)
	\$ 66,801,180	\$ 63,806,988	\$ 60,530,162

- (1) During 2014 the Company made a portfolio analysis based on the nature, deterioration, and payment behavior, by portfolio and client type. As a result of the analysis, new reserve percentages were determined (See *Note: Main accounting policies and practices*), which were applied from December. As a result of these changes, the energy portfolio reserve increased to \$2,869,868. As of August 31, 2014, the infrastructure portfolio was reserved at 100% in the Supercable Telecomunicaciones S.A. portfolio of less than 360 days, for \$ 1,786,309, as a result of not having submitted the payment plan required by the Superintendence of Companies and the client's continued late payments.

- (2) As of December 31, 2014, the write-offs mainly correspond to the mass of electrical power portfolio.

6. Inventories, net

Notes to the Non-Consolidated Financial Statements (Continuation)

	As of December 2014	As of August 2014	As of December 2013
Raw materials and supplies (1)	\$ 16,943,466	\$ 21,488,924	\$ 15,675,590
Minus – obsolescence reserve (2)	(608,083)	(629,716)	(867,736)
	\$ 16,335,383	\$ 20,859,208	\$ 14,807,854
Minus – short term portion (3)	(715,185)	–	–
	\$ 15,620,198	\$ 20,859,208	\$ 14,807,854

- (1) As of December 31, 2014, the Company inventory corresponds to materials and supplies purchases for distribution system maintenance, such as substations and high, mid, and low voltage lines and grids for \$15,946,975 and electric meters for \$281,306.

In 2013, the technical area identified elements that, due to their characteristics, should be part of fixed assets, such as the buffer inventory for \$971,059. For 2014, spare parts identified as assets are directly entered to properties, plant, and equipment and are depreciated to their technical life span plus an estimated time and storage.

- (2) Following is the obsolescence reserve:

	As of December 2014	As of August 2014	As of December 2013
Initial balance	\$ 629,716	\$ 867,736	\$ 702,725
Reserves – charged to income	507,491	–	867,736
Uses	(529,124)	(238,020)	(702,725)
	\$ 608,083	\$ 629,716	\$ 867,736

- (3) Corresponds to the inventory of appliances with high electric consumption levels (induction stoves and pot sets) for \$715,185, available for sale on November 2014.

7. Properties, plant, and equipment, net

As of December 31, 2014, following are the values of properties, plant, and equipment:

Codensa S.A. E.S.P.**Notes to the Non-Consolidated Financial Statements (Continuation)**

As of December 31, 2014			
	Cost	Accumulated depreciation	Net value
Grids, lines, and cables	\$ 5,343,161,382	\$ (2,999,681,815)	\$ 2,343,479,567
Plants, ducts, and tunnels	1,207,732,838	(638,795,713)	568,937,125
Ongoing constructions (1)	260,412,539	–	260,412,539
Constructions and buildings	128,311,677	(53,480,550)	74,831,127
Machinery, plant, and equipment under erection (1)	121,834,112	–	121,834,112
Land	80,383,319	–	80,383,319
Communications and computer equipment	75,366,942	(50,265,633)	25,101,309
Machinery and equipment	52,980,048	(34,814,743)	18,165,305
Furniture, furnishings, and office equipment	39,384,360	(27,958,893)	11,425,467
Transportation and lifting equipment	6,182,753	(4,149,914)	2,032,839
	7,315,749,970	(3,809,147,261)	3,506,602,709
Deferred depreciation Db			
Deferred depreciation Cr	–	110,398,439	–
Grids, lines, and cables	–	(110,398,439)	–
	\$ 7,315,749,970	\$ (3,809,147,261)	\$ 3,506,602,709

As of August 31, 2014, following are the properties, plant, and equipment values:

As of August 31, 2014			
	Cost	Accumulated depreciation	Net value
Grids, lines, and cables	\$ 5,318,266,203	\$ (2,925,947,230)	\$ 2,392,318,973
Plants, ducts, and tunnels	1,117,699,302	(583,526,674)	534,172,628
Ongoing constructions (1)	140,409,543	–	140,409,543
Constructions and buildings	203,048,306	(96,945,841)	106,102,465
Machinery, plant, and equipment under erection (1)	86,069,135	–	86,069,135
Land	70,745,700	–	70,745,700
Communications and computer equipment	75,249,755	(48,213,701)	27,036,054
Machinery and equipment	57,761,385	(37,204,994)	20,556,391

Notes to the Non-Consolidated Financial Statements (Continuation)

Furniture, furnishings, and office equipment	36,513,306	(26,517,656)	9,995,650
Transportation and lifting equipment	5,893,972	(3,953,194)	1,940,778
	<u>7,111,656,607</u>	<u>(3,722,309,290)</u>	<u>3,389,347,317</u>
Deferred depreciation, debit	–	110,398,439	–
Deferred depreciation, credit	–	(110,398,439)	–
	<u>\$ 7,111,656,607</u>	<u>\$ (3,722,309,290)</u>	<u>\$ 3,389,347,317</u>

As of December 31 of 2013, following are the properties, plant, and equipment values:

As of December 31, 2013

	Cost	Accumulated depreciation	Net value
Grids, lines, and cables	\$ 5,176,118,934	\$ (2,795,108,904)	\$ 2,381,010,030
Plants, ducts, and tunnels	1,077,110,620	(562,502,109)	514,608,511
Constructions and buildings	201,719,088	(93,964,318)	107,754,770
Ongoing constructions (1)	169,217,752	–	169,217,752
Communication and computer equipment	71,353,531	(44,138,477)	27,215,054
Land	69,594,472	–	69,594,472
Machinery and equipment	46,880,456	(35,504,263)	11,376,193
Machinery, plant, and equipment in assembly (1)	110,213,375	–	110,213,375
Furniture, furnishings and office equipment	37,204,544	(24,756,705)	12,447,839
Transportation and lifting equipment	5,823,606	(3,610,305)	2,213,301
	<u>6,965,236,378</u>	<u>(3,559,585,081)</u>	<u>3,405,651,297</u>
Deferred depreciation, debit	–	110,398,439	–
Deferred depreciation, credit	–	(110,398,439)	–
	<u>\$ 6,965,236,378</u>	<u>\$ (3,559,585,081)</u>	<u>\$ 3,405,651,297</u>

(1) As of December of 2014 and 2013, ongoing constructions and machinery being assembled correspond to civil work for the improvement of productive and general administration facilities.

Following are depreciation values:

Notes to the Non-Consolidated Financial Statements (Continuation)

	As of December 2014	As of August 2014	As of December 2013
Initial balance	\$ 3,722,309,290	\$ 3,559,585,081	\$ 3,325,908,046
Year depreciation	92,550,100	165,319,774	239,825,559
Depreciation removals	(5,712,129)	(2,595,565)	(6,148,524)
Final balance	\$ 3,809,147,261	\$ 3,722,309,290	\$ 3,559,585,081

Properties, plant, and equipment have no restrictions or liens limiting their realization or negotiability, representing goods fully owned by the Company. They are insured with an all-risk corporate policy.

8. Other assets, net

	As of December 2014	As of August 2014	As of December 2013
Intangibles (1)	\$ 68,970,437	\$ 63,698,291	\$ 68,837,500
Deferred monetary correction (2)	45,602,359	46,147,571	47,133,247
Improvements to third-party properties (3)	6,464,147	6,213,323	5,301,569
Studies and projects	1,734,100	1,561,897	1,700,513
Goods received in payment	899,478	899,478	899,478
	\$ 123,670,521	\$ 118,520,560	\$ 123,872,307

(1) Correspond mainly to:

	As of December 2014	As of August 2014	As of December 2013
Software (a)	\$ 122,647,654	\$ 115,675,031	\$ 114,299,976
Licenses	34,347,926	33,120,866	31,704,938
Easements	27,757,339	27,757,339	27,941,014

Notes to the Non-Consolidated Financial Statements (Continuation)

Inflation adjustments	17,000,500	17,000,499	17,000,499
Rights	3,173,281	2,808,093	2,808,093
	204,926,700	196,361,828	193,754,520
Minus – accumulated amortization	(135,956,263)	(132,663,537)	(124,917,020)
	\$ 68,970,437	\$ 63,698,291	\$ 68,837,500

(a) During the period September 1, 2014 - December 31, 2014, the Company made developments to the ICT online service portal for \$2,465,415; additionally, field developments have been made to the EORDER application for \$1,452,229, including development of electric vehicles' automated recharge for \$1,116,769, development of commercial, operational and technical distribution systems for \$1,925,450. It includes the costs of projects related to the distribution system improvement and optimizing, amortized during 2 and 5 years, respectively.

(2) Corresponds to the existing and/or under erection fixed assets' inflation, entered until December 2005 and amortized during up to 45 years. The portion corresponding to the equity inflation adjustment was entered as a passive deferred monetary correction.

(2) During 2014 the Company made improvements to third-party properties at the Calle 80 centers, administrative buildings at Calle 82 - floors 5 and 6, and the Q93 building floors 2 and 3 for \$ 2,543,363, of which \$1,739,882 were concluded as of August 31, 2014.

9. Valuations

	As of December 2014	As of August 2014	As of December 2013
Investments: (1)			
Investments in non-controlled companies (Note 4)	\$ 54,431,179	\$ 50,927,083	\$ 44,450,580
Properties, plant, and equipment: (2)			
Grids, lines, and cables	506,443,627	506,720,791	506,839,214
Plants and ducts	125,624,059	125,628,455	125,655,046
Land	39,475,554	39,484,449	39,511,960
Constructions and buildings	18,066,428	18,066,428	18,066,428
Machinery and equipment	2,983,948	3,027,540	3,027,540
Communications equipment	2,336,989	2,337,706	2,337,706
Transportation fleet and equipment	739,275	739,275	868,310
Furniture, furnishings, and office equipment	129,324	129,324	148,812
	\$ 750,230,383	\$ 747,061,051	\$ 740,905,596

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

- (1) Corresponds mainly to the update to the investment Codensa S.A. E.S.P. has in Distribuidora Eléctrica de Cundinamarca S.A. E.S.P. – DECSA, for its intrinsic value.
- (2) According to Regulatory Decree 2649 of 1993, the Company should make a technical appraisal of its properties, plant, and equipment minimum every 3 years, entering the resulting valuations and/or devaluations. The last appraisal of fixed assets at commercial value was made Q3 2012 by Consultores Unidos S.A. In 2014 valuations were adjusted based on fixed asset disposals.

Following is the valuations/devaluations balance for each type of fixed asset during 2014:

For the period between December 31 and August 31, 2014

Type of asset	Valuation as of December 31, 2014	Valuation as s of August 31 2014	Valuation adjustment August 31 through December 31 2014
Grids, lines, and cables	\$ 506,443,627	\$ 506,720,791	\$ (277,164)
Plants and ducts	125,624,059	125,628,455	(4,396)
Land	39,475,554	39,484,449	(8,895)
Constructions and buildings	18,066,428	18,066,428	–
Machinery and equipment	2,983,949	3,027,540	(43,591)
Communications equipment	2,336,989	2,337,706	(717)
Transportation fleet and equipment	739,275	739,275	–
Furniture, furnishings, and office equipment	129,324	129,324	–
	\$ 695,799,205	\$ 696,133,968	\$ (334,763)

For the period between August 31, 2014 and December 31, 2013.

Following is the balance of valuations and devaluations entered for each type of fixed asset as of August 31, 2014:

Type of asset	Valuation as of December 31, 2014	Valuation as s of August 31 2014	Valuation adjustment August 31 to December 31 2014
Grids, lines, and cables	\$ 506,720,791	\$ 506,839,214	\$ (118,423)
Plants and ducts	125,628,455	125,655,046	(26,591)

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Notes to the Non-Consolidated Financial Statements (Continuation)

Land	39,484,449	39,511,960	(27,511)
Constructions and buildings	18,066,428	18,066,428	–
Machinery and equipment	3,027,540	3,027,540	–
Communications equipment	2,337,706	2,337,706	–
Transportation fleet and equipment	739,275	868,310	(129,035)
Furniture, furnishings, and office equipment	129,324	148,812	(19,488)
	\$ 696,133,968	\$ 696,455,016	\$ (321,048)

10. Accounts Payable

	As of December 31 2014	As of August 31 2014	As of December 31 2013
Participating companies and related parties (1) (Note 11)	\$ 588,005,601	\$ 407,484,008	\$ 178,381,753
Purchase of goods and services, national	462,173,553	313,154,885	359,392,111
Creditors	39,844,082	23,551,911	29,569,642
Purchase of goods and services, abroad	1,459,894	795,977	773,158
Other Accounts Payable	185	185	183
	\$ 1,091,483,315	\$ 744,986,966	\$ 568,116,847

- (1) On October 29, 2014, with Minutes N° 59 of the general Shareholders Assembly the Company declared dividends for \$352,236,817 charged to net profits as of August 31, 2014 (Empresa de Energía de Bogotá S.A. E.S.P. \$182,755,495 including preferential dividends, Enersis S.A. \$136,748,671, Chilectra S.A. \$32,674,460, and others \$ 58,192), which will be paid as follows: 100 % of the preferential dividend and 56,02% of the ordinary dividend on June 24, 2015, and the 43,98% of the ordinary dividend will be paid on October 28, 2015.

Additionally, on March 27, 2014 through Minutes N° 56 59 of the general Shareholders Assembly, the Company declared dividends for \$535,910,519, of which the entire preferential dividend was paid during the year for \$3,948,191 to Empresa de Energía de Bogotá S.A. E.S.P., and 62,31% of the ordinary dividend \$331,460,575 (Empresa de Energía de Bogotá S.A. E.S.P. \$170,706,786, Enersis S.A. \$129,679,782, Chilectra S.A. \$30,985,433 and others \$88,574; 37.69% is still pending payment for \$200.501.754 (Empresa de Energía de Bogotá S.A. E.S.P. \$103,288,781, Enersis S.A. \$78,464,757, Chilectra S.A. \$18,748,215).

- (2) As of December 31, 2014, Codensa has accounts payable with Colpatria for \$ 117,315,174 for a “Crédito Fácil Codensa”, which will be paid in January 2015.
- (3) Codensa S.A. E.S.P. decided to apply the rate option regulatory mechanism according to Resolution CREG 057 of 2014, whose purpose is reducing the impact of increases to the rate applied to the end user through

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

the financing system defined in Resolution CREG 168 of 2008 "Establishing the rate option to define maximum costs applicable to the provision of the service that could be transferred to the electrical power public service regulated users in the National Interconnected System". As of December 31 of 2014, the value to be charged on account of this option is \$11,143,721, which corresponds to a higher value recovered through invoicing due to the use of the rate option during the first quarter of 2015.

11. Transactions with participating companies and related parties

Transactions with participating companies - defined this way upon having common shareholders and/or administration - at general market prices and conditions.

Following are the Debtors and Accounts Payable balances with participating companies:

	As of December 2014	As of August 2014	As of December 2013
Debtors (Note 5)			
Emgesa S.A. E.S.P. (1)	\$ 8,425,140	\$ 42,911,129	\$ 8,366,541
Empresa de Energía de Cundinamarca S.A. E.S.P. (2)	1,505,638	1,049,328	1,243,433
DECSA (3)	—	807,113	—
Endesa Operaciones y Servicios	306,651	309,220	383,767
Empresa de Energía de Bogotá S.A. E.S.P.	—	297,343	146,265
Endesa Energía S.A.	104,011	108,304	61,663
Inversora	321	—	—
	\$ 10,341,761	\$ 45,482,437	\$ 10,201,669

- (1) As of December 31, August 31 of 2014 and December 31 of 2013 toll and STR estimates were made for \$ 7,711,607, \$7,712,798 and \$7,428,189, respectively. Additionally, as of August 31, 2014, Codensa made an advance payment for energy purchases of \$34,451,632 which was amortized on September 1, 2014.
- (2) As of December 31, 2014, corresponds mainly to the sale of energy, toll estimate and STR for \$306,702 and technical assistance for \$511,653.
- (3) On November 6, 2014, Distribuidora Eléctrica de Cundinamarca S.A. E.S.P through Minutes No. 009 of the Extraordinary Shareholders Assembly revoked the decision to distribute profits approved on March 26, 2014, for \$ 807,113.

As of December 2014	As of August 2014	As of December 2013
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Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

Accounts payable (Note 10)

Empresa de Energía de Bogotá S.A. E.S.P. (4)	\$ 286,044,276	\$ 171,485,558	\$ 65,901,016
Enersis Chile (5)	215,213,428	130,270,475	49,993,238
Chilectra S.A. (5)	51,422,675	31,126,572	11,945,287
Emgesa S.A. E.S.P. (6)	29,646,977	70,075,988	46,295,272
Empresa de Energía de Cundinamarca S.A. E.S.P. (7)	3,539,817	3,588,118	3,618,237
Fundación Endesa Colombia	–	700,644	507,920
Enel Ingeniería e Ricerca Spa	437,474	171,269	120,783
EnelEnergyEurope	69,767	65,384	–
ENEL DISTRIBUZIONE SPA	1,631,187	–	–
	\$ 588,005,601	\$ 407,484,008	\$ 178,381,753

Estimated liabilities and reserves (Note 14)

Enel Ingeniería e Ricerca Spa	\$ –	\$ –	\$ 234,805
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- (1) Corresponds mainly to dividends payable to Empresa de Energía de Bogotá S.A. E.S.P. for \$286,044,276 as of December 31, 2014.
- (2) As of December 31, 2014, corresponds to dividends payable to Enersis and Chilectra for 130,270,475 and \$31,126,572 respectively.
- (3) As of December 31, 2014, August 31, 2014 and December 31, 2013 corresponds mainly to estimated invoicing for energy purchases for \$ 29,537,818, \$35,544,174 and \$46,219,269, respectively
- (4) Corresponds mainly to ADDs (distribution charges) for \$3,355,642.

Following is the effect on income of transactions with participating companies as of August 31 of 2014 and 2013:

Company	September 1 - December 31	Four-month period from		Eightmonthperiod	
		September 1 - December 31 2014	September 1 - December 31 2013	January 1 – August 31 2014	January 1 – August 31 2013
Revenues					
Emgesa S.A. E.S.P. (1)	Tolls and grid use and energy grids	\$ 33,686,424	\$ 30,911,257	\$ 63,955,631	\$ 59,619,522
	Energy and other services	263,807	305,967	430,944	426,486
	Financial revenues	213,306	349,167	392,678	721,632
	Extraordinary revenues	1,680	1,302	2,893	2,578

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

Empresa de Energía de Cundinamarca S.A. E.S.P.(2)					
	Use of lines and grids	3,533,709	3,383,867	6,956,166	6,515,629
	Equipment commission and leasing	398,530	270,380	125,013	249,548
	Energy and other services	40,708	—	27,851	24,589
					158,995
	Extraordinary revenues		—	—	—
	Financial revenues	—	997,228	-	2,279,766
Endesa Energía	Call center services	77,775	60,878	118,392	119,934
	Exchange difference	12,481	2,834	4,049	13,587
Endesa Operaciones y Servicios					
	Other services	243,116	214,042	328,862	294,364
	Exchange difference	46,516	13,136	29,467	535,953
Enel Ingeniería E Ricerca S.P.A					
	Exchange difference	6,499	(17,484)	—	17,484
EnelEnergyEurope	Exchange difference	6,587	17,533	6,499	—
DECA	Dividends	—	—	807,113	4,360,213
Empresa de Energía de Bogotá					
	Christmas lighting	1,500,000	1,293,103	—	—
	Substation operation, others	(36,959)	310,663	690,842	560,033
		\$ 39,994,179	\$ 38,113,873	\$ 73,876,400	\$ 75,900,313
Costs and expenses					
Emgesa S.A. E.S.P.(1)					
	Energy purchases	\$129,941,391	\$201,393,417	\$243,679,605	\$386,004,082
	Other	897,472	313,602	920,099	275,809
Empresa de Energía de Cundinamarca S.A. E.S.P. (2)					
	Use of lines and grids and other contracts	693,047	651,496	1,676,331	1,171,555
Endesa Energía	Exchange difference	3	89	8,792	3,399
EnelEnergyEurope					
	IT service.	69,341	—	487,908	340,365
	Others	2,070	2,973	226,054	359,312

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

DECA (3)	Dividends	807,113	—	—	—
ICT Servicios Informáticos Ltda.	IT service.	—	—	—	415,200
Endesa Operaciones y Servicios	Exchange difference	8	-	21,127	7,905
Enel Ingeniería E Ricerca S.P.A	Studies and projects	329,354	234,805	172,268	—
	Exchange difference	—	924	—	—
		\$132,739,799	\$202,597,306	\$247,192,184	\$388,577,627

- (1) As of December 31, 2014 and 2013, and August 31 2014 and 2013, revenues correspond mainly to the use of lines and grids, STR estimates, tolls, STN connection charges, and SD invoicing for \$33,686,424, \$30,911,257, \$63,955,631 and \$59,619,522 and energy purchase costs for \$ 129,941,391, \$201,393,417, \$243,679,605 and \$386,004,082, respectively.
- (2) As of December 31, 2014, and 2013, and August 31 2014 and 2013, revenues correspond mainly to the use of lines and grids, STR estimates, tolls, STN connection charges, and SD invoicing for \$ 3,533,709, \$3,383,867, \$6,956,166 and \$6,515,629 and energy purchase costs for \$693,047, \$651,496, \$1,676,331 and \$1,171,555, respectively. Additionally, Financial revenues correspond to deductions for timely payment of advance payments granted by ADDs; in 2013 \$114,929,791 were granted, none in 2014.
- (3) In November 6, 2014, Distribuidora Eléctrica de Cundinamarca S.A. E.S.P through minutes No. 9 of the Extraordinary Shareholders Assembly revoked the decision to distribute profits approved on March 26, 2014, for \$ 807,113.

12. Labor obligations

	As of December 2014	As of August 2014	As of December 2013
Bonuses	\$ 20,591,996	\$ 15,920,243	\$ 17,791,222
Vacation	6,204,160	5,709,554	5,371,756
Severance	2,216,334	1,662,375	1,979,810
Vacation bonus	1,051,767	1,186,745	849,639
Seniority bonus	786,709	777,446	777,446
Other	459,262	364,818	321,103
Interests on severance	264,546	132,842	236,115
Service bonus	—	781,878	—
	\$ 31,574,774	\$ 26,535,901	\$ 27,327,091

Notes to the Non-Consolidated Financial Statements (Continuation)

On February 11, 2004 the Company signed a collective workers labor agreement with Sindicato de la Energía de Colombia – SINTRAELECOL– benefiting unionized employees from January 1 of 2004 until December 31, 2007 and affecting unionized employees, partially amended with Minutes No. 1 July 8 of 2011 for a 4-year term from January 1 of 2011. As of December 31, 2014 there were 571 unionized workers.

13. Outstanding commercial papers and bonds

	As of December 2014	As of August 2014	As of December 2013
Bonds issued (1)	\$ 1,176,500,000	\$ 991,500,000	\$ 1,241,500,000
Bond interests	7,494,933	9,958,341	6,713,340
Bond discounts (2)	(799,033)	(920,276)	(1,161,774)
	1,183,195,900	1,000,538,065	1,247,051,566
Minus short-term portion (3)	(7,132,189)	(9,595,597)	(256,350,596)
Total long term portion	\$ 1,176,063,711	\$ 990,942,468	\$ 990,700,970

- (1) On September 25, 2014, the third tranche under the Codensa bond placement and issuance program was issued for \$185,000,000 in one B7 sub-series for 7 years. Resources from this placement were used to finance long – term Company cash flow needs, including working capital and the business investment work plan.
- (2) Corresponds to the lower value received from the ordinary bonds placement of June 20 of 2007, generated by the difference between the face value rate and the rate offered on placement day. As a result of this, the Company failed to receive \$3,671,495, of which as of December 31, 2014, \$2,872,465 had been amortized, a balance of \$799,030 still outstanding which will be amortized in 27 months, time equivalent to the remaining bonds' term.
- (3) As of December 31 and August 31 of 2014 and 2013, corresponds mainly to interests payable from outstanding issuances. As of December 31, 2014, corresponds mainly to bonds from the B10 sub-series and the first issuance for \$250,000,000, which were paid on March 11, 2014.

As of December 31, 2014, the entire Codensa financial debt is represented by 5 current bond issuances in the local market. Following are their firm financial characteristics:

Second bond issuance

On February 14 of 2007 the Colombian Financial Superintendence - through Resolution No. 0208 of 2007 - ordered registering in the National Securities and Issuers Registry (RNVE) the Codensa second ordinary bond issuance for \$650,000 million and authorized its public offering.

This issuance was placed in three tranches, according to the following:

Notes to the Non-Consolidated Financial Statements (Continuation)

Total value placed:	\$650,000,000 as follows: 1 st Tranche: on March 14, 2007 for \$225.800.000 2 nd Tranche: on June 20, 2007 for \$305.500.000 3 st Tranche: on December 6, 2007 for \$118.700.000 The 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
Balance as of December 31, 2014,	\$391,500,000 (Sub-series A10)
Bond face value:	\$10,000
Issuance terms:	Sub-series A3: 3 years Sub-series A10: 10 years Sub-series B3: 3 years Sub-series B5: 5 years
Issuance date:	March 14, 2007, for all sub-series
Maturity date:	Sub-series A3: March 14, 2010 Sub-series A10: March 14, 2017 Sub-series B3: March 14, 2010 Sub-series B5: March 14, 2012
Issuance administrator:	Deceval S.A.
Coupon rate:	Sub-series A3: IPC + 4.60% E.A. Sub-series A10: IPC + 5.30% E.A.
Coupon rate:	Sub-series B3: DTF + 2.09% E.A. Sub-series B5: DTF + 2.40% E.A.
Rating:	AAA (Triple A) Appointed by Duff & Phelps de Colombia S.A. S.C.V. (Today Fitch Ratings Colombia S.A. S.C.V.)

Third bond issuance

The Colombian Financial Superintendence, through Resolution No. 332 of March 10, 2008 ordered registering in the National Securities and Issuers Registry (RNVE) the third Codensa ordinary bond issuance for \$350,000 million and authorized its public offering.

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Notes to the Non-Consolidated Financial Statements (Continuation)

This issuance was placed in two tranches, according to the following:

Balance as of December 31, 2014,	\$80,000,000 (sub-series A10)
Bond face value:	\$10,000
Issuance date:	December 11, 2008 for all sub-series
Maturity date	Sub-series A5 and B5: December 11, 2013 Sub-series A10: December 11, 2018 Sub-series B2: December 11, 2010
Issuance 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) Appointed by Duff& Phelps de Colombia S.A. S.C.V. (Today Fitch Ratings Colombia S.A. S.C.V.)

On December 11, 2010, the B-2subseries payment was made for \$190,000,000. On December 11, 2013 an A5 and B5 sub-series bond maturity payment was made for \$75,000 and \$85,500 million, respectively.

Bond issuance and placement program

With Resolution No. 194 of January 29, 2010, the Financial Superintendence of Colombia ordered registering in the National Securities and Issuers Registry (RNVE) the Codensa ordinary bonds issuance and placement program for up to \$600,000,000 and its public offering.

Through Resolution No. 0624 of April 3, 2013, the Financial Superintendence authorized the term renovation for the public offering of the Program ordinary bonds for a three year period, starting on the effective date of the above resolution, i.e. until April 30, 2016. Subsequently, after meeting requirements established the placement and issuance program quota was extended on March 13, 2014 through Resolution No. 0407 of 2014 from the Financial Superintendence of Colombia by \$185,000,000, increasing the Program's Global Quota to \$785,000,000. The placement and issuance program quota was again increased on October 7, 2014 through Resolution No. 1780 of 2014 from the Financial Superintendence by \$165,000,000, increasing the Program's Global Quota to \$950,000,000, of which \$785,000,000 have been issued in bonds.

As of December 31, 2014, three issuances have been made under the Program. The first tranche was issued on February 17, 2010, the second tranche on November 15, 2013 and the third tranche on September 25, 2014.

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Notes to the Non-Consolidated Financial Statements (Continuation)

First program tranche

Total amount placed	\$225,000,000, as follows: Sub-series B3: \$ 80,000,000 Sub-series B6: \$145,000,000
Current balance as of December 31, 2014,	\$145,000,000
Bond face value	\$10,000
Issuance terms	Sub-series B3: 3 years Sub-series B6: 6 years
Issuance date	February 17, 2010 for all series
Maturity date	Sub-series B3: February 17, 2013 Sub-series B6: February 17, 2016
Issuance 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) Appointed by Duff & Phelps de Colombia S.A. S.C.V. (Today Fitch Ratings Colombia S.A. S.C.V.).

During 2013, a B3 sub-series bond maturity payment was made for \$80.000 million

Second program tranche

Total amount placed	\$375,000,000, as follows: Sub-series B5: \$ 181,660,000 Sub-series B12: \$193,340,000
Current balance as of December 31, 2014,	\$375,000,000
Bond face value	\$10,000
Issuance terms	Sub-series B5: 5 years Sub-series B12: 12 years
Issuance date	November 15, 2013 for all series
Maturity date	Sub-series B5: November 15, 2018 Sub-series B12: November 15, 2015
Issuance administrator	Deceval S.A.

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Notes to the Non-Consolidated Financial Statements (Continuation)

Coupon rate:	Sub-series B5: IPC + 3.92% E.A. Sub-series B12: IPC + 4.80% E.A.
Rating	AAA (Triple A) Appointed by Duff & Phelps de Colombia S.A. S.C.V. (today Fitch Ratings Colombia S.A. S.C.V.).
Total amount placed	\$375,000,000, as follows: Sub-series B5: \$ 181,660,000 Sub-series B12: \$193,340,000

Third program tranche

Total amount placed	\$185,000,000, as follows: Sub-series B7: \$ 185,000,000
Current balance as of December 31, 2014,	\$185,000,000
Bond face value	\$10,000
Issuance terms	Sub-series B7: 7 years
Issuance date	September 25, 2014
Maturity date	Sub-serie B7: September 25, 2021
Issuance administrator	Deceval S.A.
Coupon rate:	Sub-series B7: IPC + 3.53% E.A.
Rating	AAA (Triple A) Appointed by Duff & Phelps de Colombia S.A. S.C.V. (today Fitch Ratings Colombia S.A. S.C.V.).

On March 11, 2014, payment for the first 2004 Codensa Bonds Issuance was made for the B-10 sub series for \$250,000,000. With this payment, all subseries issued under the first issuance were paid, so that as of today there are no outstanding balances. Currently, the Company is canceling this issuance before the Colombian Financial Superintendence.

First bond issuance

Through Resolution 14 of February 24 of 2004, the Colombian Financial Superintendence ordered registering in the National Securities and Issuers Registry (RNVE)an ordinary bond issuance for up to \$500,000,000.

The issuance was fully placed on March 11 of 2004, according to the following:

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Total value placed:	\$500,000,000 as follows: Sub-series B5: \$ 50,000,000 Sub-series B7: \$200,000,000 Sub-series B10: \$250,000,000
Balance as of December 31, 2014	\$0,000
Face value:	\$1,000
Issuance terms:	Sub-series B5: 5 years Sub-series B7: 7 years Sub-series B10: 10 years
Issuance date:	March 11, 2004, for all sub-series
Maturity date:	Sub-series B5: March 11, 2009 Sub-series B7: March 11, 2011 Sub-series B10: March 11, 2004
Issuance administrator:	Deceval S.A.
Coupon rate:	Sub-series A5: IPC + 4.90% E.A. Sub-series A7: IPC + 6.14% E.A. Sub-series A10: IPC + 6.34% E.A.
Rating:	AAA (Triple A) Appointed by Duff & Phelps de Colombia S.A. S.C.V. (today Fitch Ratings Colombia S.A. S.C.V.)
Total value placed:	\$500,000,000 as follows: Sub-series B5: \$ 50,000,000 Sub-series B7: \$200,000,000 Sub-series B10: \$250,000,000
Balance as of December 31, 2014	\$0,000

Notes to the Non-Consolidated Financial Statements (Continuation)

As of December 31, 2014, the balance of the bonds' principal payable during the following years, exclusive of interests and bond discounts, is the following:

Year	Value
2016	\$ 145,000,000
2017	391,500,000
2018	261,660,000
2021	185,000,000
2025	193,340,000
	<u>\$1,176,500,000</u>

14. Estimated liabilities and reserves

	As of December 2014	As of August 2014	As of December 2013
Infrastructure projects (1)	\$ 20,896,889	\$ 2,347,187	\$ 13,300,726
Costs and expenses (2)	25,693,190	23,930,700	24,569,453
Participating companies and related parties (Note 11)	–	–	234,805
PCB's dismantling (3)	10,752,166	10,261,424	10,958,525
Nueva Esperanza environmental offsetting(4)	9,897,765	9,520,035	9,985,000
Litigations (5)	4,660,055	4,720,837	6,229,023
Archaeological rescues (6)	2,485,066	5,090,662	8,996,000
	<u>74,385,131</u>	<u>55,870,845</u>	<u>74,273,532</u>
Minus – short term portion	(60,532,024)	(35,697,303)	(51,393,923)
Total long-term portion (7)	<u>\$ 13,853,107</u>	<u>\$ 20,173,542</u>	<u>\$ 22,879,609</u>

(1) As of December 31, 2014, corresponds mainly to the acquisition of the terminal lot for \$864,000, civil works and grids \$12,997,832, easements \$1,887,765, insurance policies (RCE, vehicles, all-risk, terrorism, and directors and administrators) \$4,198,362.

(2) As of December 31, 2014, includes the reserve for the public lighting litigation for \$15,000,000, still under

Notes to the Non-Consolidated Financial Statements (Continuation)

conciliation with the Bogotá Capital District. Additionally, it includes the reserve for energy service quality compensation for \$ 6,700,538.

- (3) Considering that according to Law 1196 of 2008 Colombia participated in the Stockholm Agreement and that this fact was regulated with the Ministry of the Environment's Resolution 222 of December 15 of 2011, a reserve was made for dismantling of transformers polluted with PCB; as of December 31 and August 31 of 2014, the reserve made in 2014 was updated to the net present value at a rate of 6.44% EA, resulting in an \$81,608 and \$166,045 reduction, respectively. Additionally, as a result of the periodic review of the registered reserve estimated cash flows as of December 31, 2014, there was an increase of \$ 677,544 caused by an increase in transportation costs due to requirements in the export process. On November 11, 2014, the contract with Lito S.A.S was executed, whose purpose is dismantling transformers polluted with PCBs, which will be done the first quarter of 2014, subject to the ANLA approval of the border crossing permit (National Environmental Licenses Authority)
- (4) Corresponds to compensations included in Resolution 1061 and Agreement 17 of 2013 from the Ministry of the Environment and from Corporación Autónoma Regional de Cundinamarca, respectively, approving substituting the protecting and producing forest reserve of the Bogotá River upper basin, committing the Company to execute a compensation and reforestation plan in areas where the Nueva Esperanza station will be built. As of December 31 and August 31 of 2014, the reserve was updated to the net present value at a 6.53% EA and 6.46% EA rate resulting in a financial effect of \$ 404,567 and (\$ 488,129.), respectively.

Environmental license: on July 31 of 2013, through Resolution 1679, Corporación Autónoma Regional de Cundinamarca – CAR granted the environmental license for the project "Construction of the new 500/115 kV Nueva Esperanza substation and its 115 kV lines and connection modules". However, on August 8 of 2014 the Company filed an appeal against such act based on article 55 of the above resolution, requesting including and clarifying issues related to the geographical area, compensations, and the census, among others.

On December 30, 2014, Codensa was notified of Resolution 3788 of December 24, 2014, through which the appeal for reversal was resolved and through which the environmental license was granted for construction and operation of the "Nueva Esperanza" project. The appeal corrected important aspects and favorably resolved all issued presented by the Company in the appeal for reversal.

This is essential for the project and allows us to continue with the request for the construction license.

Based on the evaluation of the probability of success in the defense of these cases, reserves of \$4,660,055 as of December 31, 2014, \$6,229,023 as of December 31, 2013 and \$4,720,837 as of August 31, 2014, had been made to cover all probable losses due to contingencies. The administration considers that the result of lawsuits corresponding to the non-reserved portion will be favorable to the Company and will not result in significant liabilities that should be accounted for, otherwise not significantly affecting the Company's financial position.

As of December 31 of 2014 values of claims under administrative, civil, and labor litigations and contractors are the following:

Processes	Number of processes	Rating	Contingency value (a)	Reserve value
Administrative and civil	28	Probable	\$ 3,278,055	\$ 3,278,055
	117	Eventual	435,206,688	—
	33	Remote	4,101,707	—
	178		442,586,450	3,278,055
Labor and contractor	9	Probable	1,382,000	1,382,000

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Notes to the Non-Consolidated Financial Statements (Continuation)

	63	Eventual	6,308,000	–
	16	Remote	1,170,000	–
	88		8,860,000	1,382,000
Total processes	266		\$ 451,446,450	\$ 4,660,055

- (a) The value of the contingency corresponds to the value that, according to the lawyers' experience, is the highest value that would have to be paid in case of a ruling against the Company. This value differs from the value in the reserve since it is made based on the success probability and the value the Company would have to pay. The reserve is established by the lawyers as the highest loss value should the ruling be unfavorable. Processes considered probable are reserved at 100% of the real contingency value. Additionally, the Company enters the contingency value in memorandum accounts.
- (5) Corresponds mainly to the estimate of values to be paid for the archaeological rescue of the remains found in the land where the Nueva Esperanza substation is being built. As of December 31 and August 31 of 2014, uses of this reserve have been made for \$ 3,869,525 and \$ 2,905,020.
- (6) Estimated liabilities and long-term reserves include: litigations for \$4,660,055, PCB's dismantling for \$8,522,198, and Nueva Esperanza environmental compensation for \$670,854.

15. Other liabilities

	As of December 2014	As of August 2014	As of December 2013
Collections in favor of third parties (1)	\$ 47,533,683	\$ 48,010,571	\$ 41,262,445
Deferred monetary correction (Note 8)	45,602,359	46,147,571	47,133,245
Portfolio collection from third parties (2)	13,381,981	9,257,892	12,423,386
Revenues received an advance (3)	2,687,500	3,137,500	3,885,182
	109,205,523	106,553,534	104,704,258
Minus short-term portion	(61,665,664)	(58,018,463)	(54,435,831)
Total long-term portion	\$ 47,539,859	\$ 48,535,071	\$ 50,268,427

- (1) Corresponds mainly to the liability on account of ADD energy distribution areas and mandate agreements from subscriptions to newspapers, magazines, and insurance policies.
- (2) Corresponds to the value that has to be paid to Banco Colpatría Red Multibanca Colpatría S.A. from the collection made on behalf of the Company of the "Crédito Fácil Codensa" deal credit portfolio sold to the bank, according to the corporate cooperation agreement executed as mentioned in Note 1.

Notes to the Non-Consolidated Financial Statements (Continuation)

16. Retirement pensions

	As of December 2014	As of August 2014	As of December 2013
Actuarial calculations on retirement pensions and supplementary benefits	\$ 212,526,942	\$ 203,623,074	\$ 199,581,553
Minus current portion	(28,076,180)	(27,701,837)	(27,618,495)
Long-term retirement pensions and supplementary benefits	\$ 184,450,762	\$ 175,921,237	\$ 171,963,058

Following are values between January 1 – December 31 of 2014 and 2013:

	As of December 2014	As of August 2014	As of December 2013
Initial balance	\$ 203,623,074	\$ 199,581,553	\$ 206,031,851
Financial cost	4,494,841	8,989,683	15,346,423
Payments	(6,882,638)	(15,999,981)	(26,320,310)
Actuarial loss	11,291,665	11,051,819	4,523,589
	\$ 212,526,942	\$ 203,623,074	\$ 199,581,553

Following is the number used of employees for the actuarial calculation:

Number of retired employees	847	847	846
Number of active employees entitled to pension	1	1	2
	848	848	848

As of December 31 and August 31 of 2014, AON Hewitt (external specialist) made the actuarial calculation, which resulted in a greater value of pension liabilities of \$ 8,903,868 and \$4,041,521, respectively. This calculation includes the effect of applying the following rates: mortality table

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Notes to the Non-Consolidated Financial Statements (Continuation)

(before retirement and upon retirement), authorized by the Financial Superintendence with Resolution 1555 of July 30, 2010. (Mortality Table RC 08); total and permanent disability, EISS, and the 31% and 7.5% increase in medical care rates for 2014 y 2015, respectively. As of December 31, 2014, the actuarial liability is fully amortized.

The value of the pension obligation at the end of each year is established taking into account actuarial hypotheses, Colombian legal norms regarding pensions, and specific conditions applicable to each company regarding pensions and post-retirement benefits.

Financial hypotheses are summarized in 7.04% annual as of December 31, 2014, and 7.13 % annual as of August 31, 2014; a 3.0% pension increase (DANE rate according to Decree 2783 of 2001).

17. Taxes, liens and rates

	As of December 2014	As of August 2014	As of December 2013
Current income tax	\$ 97,228,548	\$ 186,962,411	\$ 282,017,885
Advanced income payment	(9,536,976)	(89,078,673)	(136,764,225)
Withholdings and self withholdings	(50,757,423)	(97,883,739)	(87,271,634)
Tax withholding	14,072,397	10,141,324	12,159,995
Industry and trade tax withholding	642,619	277,124	454,006
CREE withholding	4,774,617	4,659,663	4,339,539
Equity tax	–	15,870,578	31,741,157
Taxes, contributions, and rates payable	11,280,254	8,619,571	10,704,577
VAT	5,792,214	6,227,162	4,661,927
Taxes, liens and rates	\$ 73,496,250	\$ 45,795,421	\$ 122,043,227

Income tax

As of December 31, 2014 the 2013 income statement is open for fiscal review by tax authorities. However, the administration believes that – should it occur – no significant differences are expected. The income statement was filed on April 21, 2014.

The reserve charged to the year year results, for income taxes and CREE (equity income tax), is the following:

As of December 2014	As of August 2014	As of December 2013
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Current income	\$ 71,391,317	\$ 137,562,180	\$ 206,921,591
Current CREE	25,837,231	49,400,231	75,096,294
Deferred debit tax activities	(15,298,036)	466,277	(2,805,838)
Deferred credit tax to activities	6,670,005	—	—
	\$ 88,600,517	\$ 187,428,688	\$ 279,212,047

The main conciliation entries made between profits before taxes and taxable net assets that explain the difference between the 25% rate for companies corresponding to the income tax and the 9% equity income tax and regarding the effective rate on the 34.60% profits as of December 31, 2013, 34.64% as of August 31 of 2014, and 36.37% as of December 31 of 2014 are the following:

	December 31 of 2014	August 31 of 2014	December 31 of 2014
Accounting profits before income tax	\$ 243,684,702	\$ 539,665,505	\$ 815,122,566
Non-deductible reserves	26,917,309	6,115,551	19,287,526
Non-deductible expenses	16,534,886	8,035,758	7,626,624
Contribution to financial transactions	2,791,431	5,916,685	7,849,554
Not taxed revenues	212,949	(5,820,236)	(9,268,829)
Difference between non-fiscal payments and pensions	151,453	—	—
Assumed interests	17,959	—	—
Non-deductible taxes	5,318	55,868	53,017
Deductions from hiring of disabled employees	(15,393)	(31,219)	(44,813)
Investment in science and technology and fixed assets	(1,134,062)	—	(6,823,158)
Deferred amortization	(1,246,775)	1,321,955	1,691,197
Depreciation and fiscal amortization	(2,419,261)	(5,148,413)	(7,958,383)
Taxable net income	285,500,516	550,111,454	827,535,301
Tax rate	25%	25%	25%
Income tax	\$ 71,375,129	\$ 137,527,864	\$ 206,883,825

Notes to the Non-Consolidated Financial Statements (Continuation)

Taxable net income	\$ 285,500,516	\$ 550,111,454	\$ 827,535,301
Deduction in science and technology	1,162,091	–	6,823,158
Hiring of disabled persons	15,393	31,219	44,813
Donations	1,063,327	70,735	–
Amortization of investments in science and technology	(660,977)	(1,321,955)	–
Taxable net income CREE	287,080,350	548,891,453	834,403,272
CREE tax rate	9%	9%	9%
CREE income tax	\$ 25,837,231	\$ 49,400,231	\$ 75,096,294
Total income tax and CREE before occasional gains	\$ 97,212,360	\$ 186,928,095	\$ 281,980,119
Occasional gains	\$ 161,881	\$ 343,160	\$ 377,656
Occasional gains tax rate	10%	10%	10%
Occasional gains tax	\$ 16,188	\$ 34,316	\$ 37,766
Current income tax	\$ 97,228,548	\$ 186,962,411	\$ 282,017,885

Equity conciliation

	As of December 2014	As of August 2014	As of December 2013
Accounting equity	\$ 2,776,933,697	\$ 2,970,914,739	\$ 3,148,431,815
Estimated liabilities	69,416,657	80,350,509	79,242,512
Fiscal adjustment to assets and depreciation 2006	62,748,261	65,117,405	71,332,559
Deferred tax , credit	43,101,567	36,431,562	36,431,562
Debtors reserve	23,987,138	21,237,544	17,831,098
Assets reserve	1,652,599	1,674,232	1,040,565
Other debtors reserve	344,846	336,213	347,519
Depreciation of buffer inventory	47,135	–	–

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Monetary correction	(1,653,956)	(2,205,275)	(1,729,136)
Investment in science and technology	(3,523,120)	—	—
Investment valuation	(54,431,179)	(50,927,083)	(44,450,580)
Deferred tax , debit	(61,971,559)	(46,658,866)	(51,295,517)
Deferred depreciation	(110,398,439)	(110,398,439)	(110,398,439)
Valuation of fixed assets	(695,799,205)	(696,133,968)	(696,455,016)
Fiscal equity	\$ 2,050,454,442	\$ 2,269,738,573	\$ 2,450,328,942

Deferred tax

Following is the deferred tax as of December 31 and August 31 of 2014 and December 31 of 2013:

	December 31 of 2014	August 31 of 2014	December 31 of 2014
Deferred from fixed asset inflation adjustments \$	22,953,403	\$ 21,582,221	\$ 23,349,721
Other reserves	10,023,647	8,136,438	8,808,693
Debtors reserve	9,354,984	7,220,765	6,062,573
Labor obligations	8,065,073	1,954,177	6,075,076
Estimated liabilities	7,166,354	4,874,882	3,425,389
Industry and trade	4,389,716	2,890,383	3,575,408
Buffer inventory depreciation	18,382	—	—
Forward valuation	—	—	(1,343)
Total deferred tax, debit	\$ 61,971,559	\$ 46,658,866	\$ 51,295,517

Following is the deferred tax as of December 31 and August 31 of 2014 and December 31 of 2013:

	Income	2015 CREE and surcharge	2016 CREE and surcharge	2017 CREE and surcharge	2018 CREE and surcharge	Thereafter CREE and surcharge
Estimated liabilities and reserve estimates	\$ 76,059,419	\$ 76,059,419	\$ -	\$ -	\$ -	\$ -

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Asset inflation adjustment						
Portfolio	23,987,138	23,987,138	–	–	–	–
	162,794,818	107,071,348	6,984,235	5,554,855	4,492,345.00	38,692,034.00
Rate	25%	14%	15%	17%	18%	9%
	40,698,705	14,989,989	1,047,635	944,325	808,622	3,482,283
Total deferred tax debit	\$ 61,971,559					

Following are liabilities on account of the deferred tax, credit, as of December 31 and August 31 of 2014 and December 31 of 2013:

	December 31 of 2014	August 31 of 2014	December 31 of 2014
o			
Depreciation of additional work shifts, 1998	\$ (41,727,550)	\$ (36,431,562)	\$ (36,431,562)
Investment in science and technology	(1,374,017)	–	–
Total deferred tax, credit	\$ (43,101,567)	\$ (36,431,562)	\$ (36,431,562)

Equity tax

Law 1370 of December 2009 created a new equity tax for 2011: 2.4% for taxpayers with fiscal equities greater than \$3,000,000 and lower than \$5,000,000, 4.8% for taxpayers with equities equal to or greater than \$5,000,000.

Subsequently, Decree 4825 of December 2010 created a 25% equity tax surcharge for taxpayers with equities equal to or greater than \$3,000,000.

This tax applied to equity as of January 1 of 2011, payment having to be made in 8 equal installments between 2011 and 2014.

According to Law 1111 of 2006, the Company entered the equity tax under equity revaluation.

Wealth tax

Law 1739 of December 2014 established a wealth tax for legal entities for 2015 through 2017. The tax rates are 1.15%, 1% and 0.4% for 2015, 2016, and 2017, respectively, for equities exceeding \$5,000 million and is calculated annually over net worth held on January 1 of each fiscal year, reduced in \$5.000 million.

Trade and industry tax

The Company is subject to trade and industry tax in Bogotá with a rate of 0.966% over operational

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revenues, 1.104% over other non-operational revenues, and 15% for " avisos y tableros" in other municipalities. In other municipalities in which the Company is subject to trade and industry tax, the tax is paid according to the rate established by each municipality.

Transfer prices

For income tax purposes, taxpayers performing activities with economic related parties or related parties abroad are required to establish their ordinary and extraordinary revenues, their costs and deductions, and their assets and liabilities, considering for this profit prices and margins used in comparable operations between non-economically related parties. Independent advisors will update the transfer prices study in order to demonstrate that operations with economic related parties abroad were made at market prices during 2014. For this, the Company will submit an informative statement and will have available such study by mid September 2015. Any default could result in sanctions and in higher income taxes. However, the Administration and its advisers have analyzed the contracts in 2014 and have concluded that no adjustments will be made to the 2014 income tax.

18. Equity

Capital

The authorized capital is represented in 28,378,952,140 shares with a face value of \$100 each and 132,093,274 subscribed and paid shares shares.

Following is the shareholding composition as of December 31, 2014 and December 31, 2013:

Shareholders	Ordinary shares with voting rights		Preferential shares with no voting rights		Shareholding composition	
	(%) Participation	Number of shares	(%) Participation	Number of shares	(%) Participation	Number of shares
Empresa de Energía de Bogotá S. A. E.S.P.	42.85%	48,025,920	100.00%	20,010,799	51.50%	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
	100.00%	112,082,475	100.00%	20,010,799	100.00%	132,093,274

As of December 31, 2013 Enersis S.A. registered before DECEVAL S.A. as a Codensa shareholder, holding 26.662227% of the Company outstanding shares owned by Endesa Latinoamérica, having 39.127684% of the Codensa shares.

Of the total number of Empresa de Energía de Bogotá S.A. ESP shares, 20,010,799, correspond to shares with no voting rights, with preferential dividends of US \$0.10/share.

Distribution of dividends

On October 29, 2014 according to Minutes No. 59, the General Shareholders Assembly ordered distributing dividends for \$352,236,817 against the August 2014 net profits.

Notes to the Non-Consolidated Financial Statements (Continuation)

On March 27 of 2014, according to Minutes 56 the General Shareholders Assembly ordered distributing dividends for \$535,910,519 against the December 2013 net profits.

On March 20 of 2013, according to Minutes 54 the General Shareholders Assembly ordered distributing dividends for \$510,992,818 against the December 2012 net profits.

On March 21 of 2012, according to Minutes 51 the General Shareholders Assembly ordered distributing dividends for \$134,346,398 against the December 2011 net profits.

On December 20 of 2011, according to Minutes 50 the General Shareholders Assembly ordered distributing dividends for \$323,317,575 against the September 2011 net profits.

The \$352,236,817 dividends as of August 31, 2014, will be paid as follows: 100 % of the preferential dividend and 56.02% of the ordinary dividend on June 24, 2015, and the remaining 43.98% of the ordinary dividend will be paid on October 28, 2015.

Dividends on the 2013 profits, \$535,910,519, will be paid as follows: 100 % of the preferential dividend and 37.42% of the ordinary dividend on June 25, 2014, 24.88% of the ordinary dividend on November 26, 2014, the outstanding balance being 37.70% of the ordinary dividend, which will be paid on January 28, 2015.

Dividends on the 2012 profits, \$510,992,818, were paid as follows: 100% of the preferential dividend and 9.14% of the ordinary dividend on June 5; subsequently, payments of 10.14%, 18.13%, 19.27%, and 18.13% of the ordinary dividend on June 20, October 23, November 28, and December 3 of 2013, respectively, the balance payable being 25.18% of the ordinary dividend, payment that was made January 23 of 2014.

Dividends on the 2011 profits, \$457,663,973, were paid as follows: 100% of the preferential dividend and 25% of the ordinary dividend on April 25; subsequently, two payments of 25% of the ordinary dividend on June 26 and November 15 of 2012, the outstanding balance being 25% of the ordinary dividend, payment having been made on January 13 of 2013.

Reserves

	December 31 of 2014	August 31 of 2014	December 31 of 2014
Mandatory reserves:			
Reserves from fiscal norms	\$ 50,962,398	\$ 50,962,398	\$ 50,962,398
Legal reserve	6,604,664	6,604,664	6,604,664
	\$ 57,567,062	\$ 57,567,062	\$ 57,567,062

Legal reserve

According to the Colombian legislation, the Company is required to transfer minimum 10% of the year profits to a legal reserve, until reaching 50% of the subscribed and paid capital. This reserve is not available for distribution but can be used to offset losses.

Notes to the Non-Consolidated Financial Statements (Continuation)

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

Comprised of 70% of the surplus depreciation from 1998 for tax purposes.

Equity revaluation

Equity revaluation cannot be distributed as profits; it can, however, be capitalized. During 2011, the Company entered an equity revaluation charge for \$126,964,623 on account of the equity tax, according to Law 1370 of December 2009.

18. Memorandum accounts

	As of December 31 2014	As of August 31 2014	As of December 31 2014
Debtors:			
Contingent rights	\$ 323,970,683	\$ 436,219,220	\$ 480,678,340
Fiscal	52,261,766	10,445,950	—
Control of depreciated assets and others	195,410,869	679,359,899	523,319,396
	\$ 571,643,318	\$ 1,126,025,069	\$ 1,003,997,736
Creditors:			
Contingent liabilities	\$ 651,974,897	\$ 291,882,341	\$ 272,857,358
Fiscal	726,479,256	701,176,168	698,102,874
Electrical power purchase agreements	4,488,405,677	5,069,839,848	3,361,906,499
Merchandise under consignment	4,118,965	3,909,825	5,338,824
	\$ 5,870,978,795	\$ 6,066,808,182	\$ 4,338,205,555

20. Operational revenues

	Four-month period from September 1 to December 31 2013 2014		Eight-month period from January 1 to August 31 2013 2014	
		(Not audited)		(Not audited)
Energy services	\$ 1,091,802,326	\$ 1,017,805,572	\$ 2,132,549,787	\$ 1,991,547,616

Notes to the Non-Consolidated Financial Statements (Continuation)

Other services	79,611,960	75,595,562	134,919,487	127,269,382
	\$ 1,171,414,286	\$ 1,093,401,134	\$ 2,267,469,274	\$ 2,118,816,998

21. Cost of sales

	Four-month period from September 1 to December 31	Eight-month period from January 1 to August 31	Four-month period from September 1 to December 31	Eight-month period from January 1 to August 31
	2014	2013 (Not audited)	2014	2013 (Not audited)
Depreciation and amortization	95,201,663	84,154,701	171,922,760	166,178,751
Orders and contracts (2)	57,791,264	60,543,365	93,544,446	92,758,158
Contracts and maintenance (3)	35,158,209	28,905,301	54,771,427	45,046,932
Personal services (4)	31,117,437	24,419,140	59,202,750	67,456,691
Taxes (5)	16,199,429	11,905,305	28,105,024	29,556,127
Other operation and maintenance costs	9,014,163	9,292,543	12,933,231	11,766,819
General (6)	4,213,187	3,061,938	7,449,382	5,943,195
Contributions and royalties (7)	1,903,939	(1,200,269)	2,563,887	2,308,957
Leases	1,767,954	1,528,014	3,362,745	3,455,376
Insurances	1,347,812	1,238,853	3,341,080	2,797,189
Public utilities	701,768	311,498	1,162,724	999,525
Fees	3,455	99,526	111,411	–
	\$ 855,121,249	\$ 763,010,402	\$ 1,627,017,602	\$ 1,513,901,176

- (1) Corresponds mainly to energy purchases and other charges for electric power distribution.
- (2) This line includes meter readings, delivery of invoices, and other contracts for the operation.
- (3) Corresponds mainly to the cost of maintenance contracts for properties, plant, and equipment. From the second half of 2013 and during 2014, the Company implemented a maintenance quality and modernization of lines, grids, and lighting infrastructure plan looking to improve service quality indexes, which resulted in an increase in maintenance costs.
- (4) As of December 31 of 2013 and 14, and August 31 of 2014, corresponds mainly to the recognition of the financial cost of actuarial calculation for \$ 4,494,841, \$ 8,989,683, and 15,346,423, respectively.
- (5) Corresponds to the recognition of industry and trade taxes, stamps, property tax, and other taxes. As of December 31, 2014, and 2013, and August 31, 2014 and 2013, the industry and trade tax was entered for \$ 15,689,879, 11,237,671, \$26,160,000 and \$28,000,000, respectively.

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

- (6) General costs include advertising, studies and projects, communications, industrial safety, transportation, and others. In 2014, Codensa S.A. E.S.P. started the advertising campaign “we give life to your moments”, which aims strengthening the Codensa image among interest groups.
- (7) Contributions to CREG and to the Superintendence of Public Household Utilities for 2014. On December 6 of 2013, through Resolutions 20135300054585 and 20135300054595 from this Superintendence, Codensa recognized reimbursement of special contributions paid in 2008 and 2007 to such entity for \$1,688,903 and \$1,026,318, respectively.

22. Administration expenses

	Four-month period from September 1 to December 31		Eight-month period from January 1 to August 31	
	2013		2013	
	2014	(Not audited)	2014	(Not audited)
Other general services (1)	\$ 10,466,723	\$ 8,389,946	\$ 10,597,937	\$ 10,451,540
Integral salary	6,018,124	5,075,210	11,350,200	12,158,189
Other personnel expenses	6,136,400	5,475,544	11,529,915	10,909,341
Taxes (2)	5,588,178	5,088,674	12,043,632	10,866,488
Debtors reserve (3)	4,411,493	484,826	4,105,952	1,361,304
Leases (4)	1,525,093	744,756	1,895,423	1,260,408
Amortizations	990,204	988,294	1,714,251	1,813,004
Personal salaries	861,546	542,571	1,860,992	1,262,884
Contingency reserve (5)	635,978	685,423	1,529,228	175,395
Surveillance	618,090	435,174	1,480,693	706,617
Inventory reserve (6)	507,491	867,736	—	—
Depreciations	282,494	306,454	532,929	616,215
Medical expenses and medications	134,956	185,908	376,782	333,345
	\$ 38,176,770	\$ 29,270,516	\$ 59,017,934	\$ 51,914,730

- (1) Includes the entry on account of studies and projects, fees, maintenance, advertising, materials and supplies, general insurance, and other general expenses. As of December 31, 2014, and 2013, the most significant variation is due to the Company facilities and headquarters upgrade plan for \$1,622,712 and \$413,970.
- (2) As of December 31 of 2013 and 14, and August 31 of 2014 and 2013, it is entered under the financial activities tax, for \$5,582,861, \$5,073,534, \$11,833,370, and \$10,625,574, respectively.

Notes to the Non-Consolidated Financial Statements (Continuation)

- (3) During 2014, the Company made an evaluation based on the nature, deterioration and payment behavior by portfolio type and client type. As a result of this evaluation, new reserve percentages were determined (see the Note "Main Policies and Accounting Practices"), which started being applied December. As a result of this change, the energy portfolio reserve increased to \$2,869,868.
- (4) During 2014 and 2013, the Company made expenditures on account of administration and leasing of floors 5, 6, 7, and 8 of the calle 82 building. In 2014, floors 2 and 3 of the Q93 building were leased, resulting in a greater expense.
- (5) Corresponds mainly to litigations considered probable, as a result of changes in the evaluation made on the probability of an unfavorable ruling from administrative, civil, and labor litigations, and constitutional actions previously considered eventual/remote.
- (6) As of December 31, 2014, and 2013, the inventory reserve for cables and electric materials' obsolescence was not recognized.

23. Financial revenues

	Four-month period from September 1 to December 31		Eight-month period from January 1 to August 31	
	2013		2013	
	2014	(Not audited)	2014	(Not audited)
Financial interests and yield (1)	\$ 6,260,300	\$ 7,764,617	\$ 11,339,378	\$ 13,763,172
Late payment charges	1,837,870	2,536,907	4,052,706	4,956,342
Dividends (2)	—	—	807,113	4,360,213
Exchange differences	565,953	140,400	652,534	249,360
	\$ 8,664,123	\$ 10,441,924	\$ 16,851,731	\$ 23,329,087

- (1) Corresponds mainly to interests for client financing, interests over deposits, investment returns and early payment revenues. The variation corresponds mainly to early payment discounts from the ADD's invoicing of the EEC for \$ 3,276,994 generated in 2013, of which \$ 997,228 correspond to the period between September and December 2013.
- (2) On November 6, 2014, Distribuidora Eléctrica de Cundinamarca S.A. E.S.P through Minutes 9 from the Extraordinary Shareholders Assembly revoked the decision to distribute profits, approved on March 26, 2014, for \$807,113.

24. Extraordinary revenues

	Four-month period from September 1 to December 31		Eight-month period from January 1 to August 31	
	2013		2013	
	2014	(Not audited)	2014	(Not audited)
Recoveries (1)	\$ 1,598,392	\$ 1,660,559	\$ 9,096,107	\$ 1,835,024

Notes to the Non-Consolidated Financial Statements (Continuation)

Other (2)	1,362,127	908,511	6,285,157	6,658,963
Profit from the sale of materials	594,055	383,450	963,952	862,798
Indemnifications (3)	298,150		–	390
Profits from the sale of properties, plant, and equipment	177,763	3,687	415,566	585,339
Other	5,303	14,910	17,741	21,122
	\$ 4,035,790	\$ 2,971,117	\$ 16,778,523	\$ 9,963,636

(1) As of December 31 and August 31 of 2014, Codensa made recoveries from Colpensiones reimbursements and monthly pension payments for \$ 729,174 and \$ 4,565,823, from litigations and contingencies reserve for \$422,749 and \$ 1,959,385, respectively.

(2) As of December 31, 2014, and 2013, corresponds mainly to indemnifications due to material losses for \$239,685 and \$15,277, sanctions to users for \$422,717 and \$403,460, among others.

As of August 31 2014 and 2013, corresponds mainly to the previous year income tax adjustment for \$4,148,456 and \$ 4,091,295.

(3) As of December 31, 2014, corresponds mainly to a partial Seguros Bolivar payment for \$288,990 in recognition of the indemnification associated to the Concordia substation accident.

25. Financial expenses

	Four-month period from September 1 to December 31		Eight-month period from January 1 to August 31	
	2013		2013	
	2014	(Not audited)	2014	(Not audited)
Interests (1)	\$ 31,093,074	\$ 21,848,940	\$ 53,864,319	\$ 43,902,458
Comissions	291,159	772,652	39,382	160,740
Other financial expenses	277,159	249,746	398,358	454,963
Exchange difference	592,041	145,241	465,079	497,695
Loss from participation method	28	36	233	191
	\$ 32,253,461	\$ 23,016,615	\$ 54,767,371	\$ 45,016,047

(1) The increase corresponds to interests accrued by current bonds issued by Codensa S.A. E.S.P in September 25, 2014, corresponding to the third tranche under the Codensa Bond Issuance and Placement Program for \$185.000.000, subseries B7, for 7 years.

26. Extraordinary expenses

	Four-month period from September 1 to December 31	Eight-month period from January 1 to August 31
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Notes to the Non-Consolidated Financial Statements (Continuation)

	2013		2013	
	2014	(Not audited)	2014	(Not audited)
Other extraordinary expenses (1)	\$ 12,421,745	\$ 5,810,637	\$ 12,868,184	\$ 1,557,683
Loss from the sale and disposal of fixed assets and materials	1,262,136	1,068,671	1,190,290	2,320,433
Losses from accidents (2)	1,116,947	484,177	632,327	1,075,579
Expenses from previous years (3)	76,741	31,998	5,239,223	4,533,045
Sponsorships (4)	–	757,920	700,644	–
Non-deductible expenses	448	–	448	31,701
	\$ 14,878,017	\$ 8,153,403	\$ 20,631,116	\$ 9,518,441

- (1) As of December 31, 2014, August 31, 2014, and December 31, 2013, includes mainly the actuarial loss resulting from the actuarial calculation update to pensions made by AON Hewitt for 11,291,665, \$11,051,819, \$4,523,589, respectively. Additionally, on November 6 2014, Distribuidora Eléctrica de Cundinamarca S.A. E.S.P through Minutes 9 from the Extraordinary Shareholders Assembly revoked the decision to distribute profits approved on March 26, 2014, for \$ 807,113.
- (2) As of December 31, 2014, corresponds mainly to recognizing indemnifications paid by Codensa to the users for \$ 894,573 as a result of damages caused by an accident to in the Concordia substation in 2013.
- (3) For the eight-month period ending August 31, 2014 and 2013, corresponds mainly to the previous year deferred tax adjustment for \$4,170,375 and \$3,412,437, respectively. Additionally, as of August 31, 2014, commercial adjustment to the previous years' rate to Centro Comercial Metrópolis for \$1,015,606 and others for \$53,242.
- (4) The increase corresponds mainly to the recognition of the donation made to Fundación Endesa in August.

27. Reclassification in financial statements

In Note 5, for comparison purposes as of December 31, 2013, the other debtors line was reclassified to the clients line; the balance on account of the solidarity fund and redistribution as a result of the deficit generated by the subsidies and contributions mechanism for \$5,455,470; this information does not change the debtors net balance (Note 5) or the working capital composition.

For comparison purposes, in Note 8 as of December 31, 2013 the line "studies and projects, intangibles, the balance associated to the commercial SAP – ISU Génesis and Sinergia 4J "Epic@" commercial management system for \$14,935,769 does not change the other assets' balance, net (note 8) or the working capital composition.

Note 14 describes the following: Nueva Esperanza environmental offsetting, archaeological rescue, and PCB dismantling. For comparison purposes, as of December 31 of 2013 \$13,288,939 had been reclassified, corresponding to the short-term portion. The information does not change the balance of estimated liabilities and reserves (Note 14) however changing the working capital composition.

For comparison purposes, in Note 17 as of December 31, 2013, fiscal adjustments corresponding to the following had been reclassified: i) deferred amortization regarding fiscal depreciation and amortization for \$75,180 corresponding to monetary correction; ii) non-deductible expenses to amortization deferred by \$1,691,197 corresponding to the science and technology amortization; and iii) investments in science and

Notes to the Non-Consolidated Financial Statements (Continuation)

technology and fixed assets to revenues not subject to taxes for \$377,656 corresponding to fiscal profits from the sale of fixed assets. This information does not change the note's income tax balance.

For comparison purposes, in Note 21 as of December 31, 2013, the general line was reclassified to public utilities; the balance associated to expenses to public utilities for \$363,942. This information does not change the cost of sales balance (Note 21) or the working capital composition.

28. Financial metrics

The following financial metrics were obtained based on the following financial statements:

	Expression	December 31 of		August 31 of		Explanation
		2014	2013	2014	2013	
Liquidity						
Current ratio (Current assets / Current liabilities)	(times)	0,73	0,94	0,76	0,58	The capacity the Company has to handle its debts to current, committing its current assets
Indebtedness						
Total level of indebtedness: (Total liabilities / Total assets)	%	50,38%	43,05%	42,77%	42,74%	The level of leverage corresponding to the creditors' participation in Company assets
Short-term indebtedness: (Total current liabilities / Total assets)	%	24,20%	20,03%	18,27%	25,13%	The percentage of participation with third parties with short-term maturities,
Total long-term indebtedness: (Total long-term liabilities / Total assets)	%	26,18%	23,01%	24,50%	17,50%	The percentage of participation with third parties with mid- and long-term maturities
Activity						
Commercial portfolio turnover: (360/ (Operational revenues /total portfolio))	Days	44	41	50	44	The number of the commercial portfolio average turnover days
Vendor turnover: (360/ (cost of sales/ Accounts payable, vendors))	Days	76	69	56	44	The average number of days the Company takes to pay its vendors.
ROI						
Ross profits margin: (Gross profit / Operational revenues)	%	27,00%	30,22%	28,25%	28,55%	The capacity the Company has, in managing its sales, to generate gross profits, i.e. before administration and sales expenses, other revenues, other expenditures, and taxes

Codensa S.A. E.S.P.

Notes to the Non-Consolidated Financial Statements (Continuation)

Operational margin: (Operational profit/ operational revenues)	%	23,74%	27,54%	25,64%	26,10%	How much each sales peso contributes to operational profits generation.
Net profit margin: (Net profits/operational revenues)	%	13,24%	17,23%	15,53%	16,40%	The percentage of net sales generating profits after taxes in the Company
Equity yield (Net profit/total equity)	%	5,58%	5,98%	11,86%	11,74%	The shareholders return on investment
Total assets return (ROA) (Net profit/total assets)	%	2,77%	3,41%	6,79%	6,72%	Measures, for each peso invested in total assets, how much it generates in net profits

Bogotá, January 29, 2015

Messrs.
Shareholders
CODENSA S.A. E.S.P.
Bogotá

Gentlemen:

According to item 3 of article 44 6 of the Trade Code, we are presenting the following economic and financial information, in thousand pesos:

a) A description of expenses incurred regarding salaries, fees, trip expenses, representation expenses, bonuses, loans in cash and in kind, expenditures on account of transportation, and any other type of remuneration received by each Company director.

Fees paid to the members of the Board of Directors

Tercero	Periodo de cuatro meses del 1 de septiembre al 31 de diciembre de 2014	Periodo de ocho meses del 1 de enero al 31 de agosto de 2014	Total Año 2014
VARGAS LLERAS JOSE ANTONIO	12,083	17,647	29,730
GOMEZ CERON GUSTAVO ADOLFO	12,082	17,620	29,702
RUBIO DIAZ LUCIO	12,082	17,614	29,696
ROA BARRAGÁN RICARDO	9,631	17,647	27,278
CABRALES MARTINEZ ORLANDO	4,699	19,757	24,456
BONILLA GONZALEZ RICARDO	4,798	15,393	20,191
FONSECA ARENAS SANDRA STELLA	-	17,576	17,576
MALDONADO COPELLO MARIA	7,539	-	7,539
ERNESTO MORENO RESTREPO	4,699	-	4,699
NOERO ARANGO VICENTE ENRIQUE	4,643	-	4,643
HERRERA LOZANO JOSE ALEJANDRO	4,544	-	4,544
VILLARREAL NAVARRO JULIO ERNESTO	-	4,364	4,364
ACOSTA DAVID FELIPE	-	2,143	2,143
LOPEZ VERGARA LEONARDO	-	2,110	2,110
CUANTIAS MENORES A \$2,000	-	1,882	1,882
RETENCION EN LA FUENTE	-	927	927
TOTAL	76,800	134,679	211,479

This document is a preliminary version of the Codensa January-December 2014 Annual Report

Fees paid to the Audit Committee

Tercero	Periodo de cuatro meses del 1 de septiembre al 31 de diciembre de 2014	Periodo de ocho meses del 1 de enero al 31 de agosto de 2014	Total Año 2014
VARGAS LLERAS JOSE ANTONIO	3,677	5,277	8,954
CABRALES MARTINEZ ORLANDO	1,916	5,277	7,193
ERNESTO MORENO RESTREPO	3,642	-	3,642
BONILLA GONZALEZ RICARDO	36	3,603	3,639
FONSECA ARENAS SANDRA STELLA	36	3,603	3,639
CUANTIAS MENORES A \$2,000	5,404	1,673	7,077
TOTAL	14,711	19,433	34,144

b) Payments made on such accounts to advisors or managers, related or not to the Company under work contracts, should the main activity carried out be handling issues before public or private entities or advising or preparing studies in order to carry out such processes:

Fees paid on account of legal assistance provided:

Tercero	Concepto	Periodo de cuatro meses del 1 de septiembre al 31 de diciembre de 2014	Periodo de ocho meses del 1 de enero al 31 de agosto de 2014	Total Año 2014
GAMA GESTION LEGAL S.A.S.	Asesorías Legales	207,070	316,438	523,508
AESCA S.A.	Servicios Legales	93,037	68,442	161,479
BAKER & MCKENZIE SAS	Servicios Legales	49,774	69,370	119,144
HERNANDEZ CONTRERAS LUIS	Servicios Legales	20,099	77,977	98,076
CUELLAR TRUJILLO PEDRO ANDRES	Asesorías Legales	22,674	68,022	90,696
DIAZ ANTOLINEZ KAREN LIZETH	Servicios Legales	37,790	41,569	79,359
LLOREDA Y COMPANIA S.A.	Servicios Legales	48,209	28,120	76,329
ORDOÑEZ ORDOÑEZ ANDRES ELOY	Servicios Legales	-	53,200	53,200
TORRADO ANGARITA & PINZON	Servicios Legales	50,000	-	50,000
JAVIER TAMAYO JARAMILLO	Asesoría Jurídica	-	42,534	42,534
LOBOGUERRERO GUTIERREZ LTDA	Servicios Legales	15,171	25,068	40,239
LEAL ALMARIO JAIRO ALBERTO	Servicios Legales	10,300	23,100	33,400
CORTES Y COTE LTDA	Servicios Legales	25,956	4,153	30,109
FRANCISCO REYES Y ASOCIADOS	Servicios Legales	(2,320)	29,000	26,680
PRICEWATERHOUSECOOPERS LTDA	Servicios Legales	22,597	-	22,597
QUINONES CRUZ LTDA	Servicios Legales	-	19,592	19,592
SUAREZ MERCHAN JOSE IGNACIO	Servicios Legales	8,376	10,561	18,937
CANDIA GOMEZ YANETII	Servicios Legales	3,600	6,300	9,900
ALBA RODRIGUEZ BIBIANA PAOLA	Servicios Legales	8,200	-	8,200
LOPEZ & ASOCIADOS SAS	Servicios Legales	-	5,800	5,800
LEWIN & WILLS ABOGADOS LTDA	Asesorías Legales	3,330	2,160	5,490
LEON VEGA CARLOS AUGUSTO	Servicios Legales	2,400	-	2,400
CUANTIAS MENORES A \$2,000		1,728	500	2,228
PROPORCIONALIDAD DE IVA		65,922	55,226	121,148
TOTAL		693,913	947,132	1,641,045

This document is a preliminary version of the Codensa January-December 2014 Annual Report

Fees paid to advisors

Tercero	Concepto	Periodo de cuatro meses del 1 de septiembre al 31 de diciembre de 2014	Periodo de ocho meses del 1 de enero al 31 de agosto de 2014	Total Año 2014
ERNST & YOUNG AUDIT S A S	Revisoria Fiscal	269,333	202,365	471,698
ERNST & YOUNG AUDIT S A S	Auditoria Cierre Anticipado	279,021	-	279,021
ERNST & YOUNG AUDIT S A S	Auditoria Balance NIIF	107,880	-	107,880
ERNST & YOUNG S A S	Auditoria de gestión	65,573	111,411	176,984
CONSULTORES UNIDOS SA	Componentización A.F.	240,058	260,690	500,748
KPMG ASESORES	Proyecto Concentra	147,577	82,276	229,853
NEWLINK COMUNICACIONES	Asesoría Comunicaciones	48,646	45,699	94,345
PRICFWATERHOUSECOOPERS LTDA	Capacitación NIIF	200	46,626	46,826
AON MEXICO BUSINESS SUPPORT SA	Cálculo Actuarial	12,664	27,488	40,152
LEADERSEARCH S A	Reclutamiento	35,658	-	35,658
PSICOLOGOS ESPECIALISTAS	Reclutamiento	24,120	-	24,120
DELOITTE Y TOUCHE LTDA	Medios Magnéticos	-	20,300	20,300
CORPORACION CREO	Servicios generales	-	20,000	20,000
YANHAAS S A	Actividad Outdoor	19,690	-	19,690
BLOOM MOTION S.A.S	Seguridad Industrial	17,191	-	17,191
MARGARITA PAEZ Y CONSULTORES SA	Servicios generales	-	15,676	15,676
COLOMBIANA DE TEMPORALES S A	Servicios de Personal	15,590	-	15,590
RETOS Y TALENTOS LTDA	Reclutamiento	14,498	-	14,498
AMRINTAI CONSULTORES & CIA LTDA	Asesoría Medio Ambiental	-	11,853	11,853
GAIA SERVICIOS AMBIENTALES S A S	Análisis Distribución Energía	10,776	-	10,776
IIICUC SPEAKERS SAS	Conferencias	10,440	-	10,440
BIOLOGIKA PROYECTOS S A S	Asesoría Medio Ambiental	10,336	-	10,336
INLAC INSTITUTO LATINOAMERICANO	Servicios generales	-	9,350	9,350
CONINGLES LTDA	Reclutamiento	8,570	-	8,570
TOVAR ANGELARES JORGE DANIEL	Modelo de Formación	8,279	-	8,279
EVENTOS EFECTIVOS Y PRODUCCIONES S A	Seguridad Industrial	6,865	-	6,865
D&G ASESORES LTDA	Servicios de seguros	2,100	3,580	5,680
BVQI COLOMBIA LTDA	Asesoría ISO 9001	5,600	-	5,600
COLLIERS INTERNATIONAL COLOMBIA	Avalúos Técnicos	-	5,320	5,320
BERNAL QUINTERO CARLOS	Asesoría Medio Ambiental	-	2,506	2,506
CUANTIAS MENORES A \$2,000		70	1,995	2,065
PROPORCIONALIDAD DE IVA		106,603	9,380	115,983
TOTAL		1,467,338	876,595	2,343,933

c) Money transfers and other goods, gratis or in any other similar manner, made to natural or legal persons:

Tercero	Concepto	Periodo de cuatro meses del 1 de septiembre al 31 de diciembre de 2014	Periodo de ocho meses del 1 de enero al 31 de agosto de 2014	Total Año 2014
FUNDACION ENDESA	Donación	-	700,644	700,644
FUNDACION REVEL	Copa Codensa	10,000	150,000	160,000
ASOCIACION PARA LA CONSERVACION	Donación	90,000	-	90,000
FUNDACION SALDARRIAGA CONCHA	Codensa Incluyente	-	44,827	44,827
CORPORACION PROGRAMA DESARROLLO PARA LA PAZ DEL MAGDALENA CENTRO	Apoyo y Gestión Comunitaria	37,081	-	37,081
CUERPO DE BOMBEROS VOLUNTARIOS DE GACHETA	Apoyo y Gestión Comunitaria	30,000	-	30,000
FUNDACION DE INVESTIGACION AGROAMBIENTAL IAJM	Donación Material Didáctico	30,000	-	30,000
INSTITUTO MUNICIPAL DE RECREACION	Donación	30,000	-	30,000
RAMOS LOAIZA MARTHA LUCIA	Donación	30,000	-	30,000
PULECIO MORRIS RAMIRO	Donación Escuela Lucerna	8,773	15,331	24,104
MUNICIPIO DE VIOTA	Apoyo y Gestión Comunitaria	21,000	-	21,000
CORPORACION TALLERES DE CAPACITACION	Apoyo y Gestión Comunitaria	11,743	-	11,743

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Tercero	Concepto	Periodo de cuatro meses del 1 de septiembre al 31 de diciembre de 2014	Periodo de ocho meses del 1 de enero al 31 de agosto de 2014	Total Año 2014
FUNDACION AVANCEMOS JUNTOS PTI	Donación	11,743	-	11,743
EMBAJADA DE ITALIA	Aporte Actividades Culturales	-	5,000	5,000
TECNOLOGIA CIENCIA Y DIDACTICA S.A.	Donación Mobiliario	-	5,000	5,000
PROPORCIONALIDAD DE IVA		2,102	-	2,102
TOTAL		312,442	920,802	1,233,244

d) Advertising in radio, television, mail, printed, and intranet

Tercero	Concepto	Periodo de cuatro meses del 1 de septiembre al 31 de diciembre de 2014	Periodo de ocho meses del 1 de enero al 31 de agosto de 2014	Total Año 2014
CARAT COLOMBIA S.A.S	Servicio de publicidad	452,520	1,760,305	2,212,885
PUBLICIS GROUPE MEDIA S.A	Servicio de publicidad	290,184	950,080	1,240,264
YOUNG & RUBICAM BRANDS SAS	Servicio de publicidad	175,224	355,426	530,650
IMAGEPRINTING LTDA	Impresiones y Publicaciones	5,910	209,322	295,232
OOKRE IMPRESORES LTDA	Impresiones y Publicaciones	64,536	82,808	147,344
AD ORANGE S.A.S	Impresiones y Publicaciones	29,678	92,462	122,140
EVENTOS EFECTIVOS Y PRODUCCIONES	Coordinación de eventos	79,731	15,174	94,905
INTERNATIONAL ELECTROTECHNICAL	Renovación de suscripciones	-	76,172	76,172
YANHAAS S.A	Impresiones y Publicaciones	38,317	-	38,317
INSTITUTO COLOMBIANO DE NORMAS TECNICAS	Impresiones y Publicaciones	316	31,855	32,171
SOS SOLUCIONES DE OFICINA Y SUMINISTROS SAS	Impresiones y Publicaciones	834	29,789	30,623
CAMARA REGIONAL DE LA CONSTRUCCION	Seminario Actividad edificadora	3,806	17,437	21,243
EXITO PUBLICITARIO	Impresiones y Publicaciones	11,458	8,572	20,030
CARVAJAL SOLUCIONES DE COMUNICACION	Impresiones y Publicaciones	6,721	10,623	17,344
GRUPO PROYECTUAL F.U	Impresiones y Publicaciones	-	12,435	12,435
FIDUCIARIA DAVIENDA	Congreso MEM	12,280	-	12,280
CRANE FERRO JULIANA	Impresiones y Publicaciones	12,000	-	12,000
LA GALERIA INMOBILIARIA LTDA	Renovación de suscripciones	3,985	7,969	11,954
PRECISION TRANSLATORS LTDA	Impresiones y Publicaciones	11,107	-	11,107
PRIMERAPAGINA COLOMBIA SAS	Renovación de suscripciones	10,280	-	10,280
ARGUS MEDIA INC	Impresiones y Publicaciones	9,457	-	9,457
EDITORIAL EL GLOBO SA	Renovación de suscripciones	688	6,509	7,197
PSICOLOGOS ESPECIALISTAS ASOCIADOS	Servicios pruebas virtuales	-	6,583	6,583
COLOMBIANA DE SERVICIOS ESPECIALES	Soporte Publicitario	5,262	-	5,262
CAMARA DE COMERCIO E INDUSTRIA COLOMBO CHILENA	Cuota semestral afiliación	2,553	2,553	5,106
FUNDACIÓN CULTURAL JAVERIANA	Servicio de publicidad	5,000	-	5,000
T-UNO COLOMBIA S.A.S.	Publicidad y Comunicación	2,495	2,353	4,848
HICUF SPEAKERS SAS	Servicio de agenciamiento	-	4,500	4,500
COLOMBIANA DE TEMPORALES S.A.	Soporte Publicitario	4,168	-	4,168
BLOOM MOTION S.A.S	Publicaciones generales	-	4,009	4,009
ESTRATEGIAS MERCADEO Y PUBLICIDAD	Material publicitario	3,332	506	3,838
CASA EDITORIAL EL TIEMPO S.A	Renovación de suscripciones	1,197	2,043	3,240

Tercero	Concepto	Periodo de cuatro meses del 1 de septiembre al 31 de diciembre de 2014	Periodo de ocho meses del 1 de enero al 31 de agosto de 2014	Total Año 2014
INFOVALMER PROVEEDOR DE PRECIOS	Renovación de suscripciones	3,151		3,151
GLOBOTECH DISPLAYS DE COLOMBIA	Servicio de publicidad	3,055	-	3,055
CAMARA DE COMERCIO ITALIANA PARA COLOMBIA	Cuota de afiliación	-	3,000	3,000
DIRECTV COLOMBIA LTDA	Renovación de suscripciones	911	1,680	2,591
ELEKTROLINEAS	Publicaciones generales	-	2,426	2,426
LEGIS EDITORES S A	Impresiones y Publicaciones	-	2,238	2,238
ASOCIACION PARA EL PROGRESO DE LAS COMUNICACIONES	Servicio de agenciamiento	-	2,100	2,100
CUANTIAS MENORES A \$2,000		10,104	14,524	24,628
PROPORCIONALIDAD DE IVA		23,361	-	23,361
TOTAL		1,283,621	3,795,573	5,079,194

Participation in events and congresses

Tercero	Concepto	Periodo de cuatro meses del 1 de septiembre al 31 de diciembre de 2014	Periodo de ocho meses del 1 de enero al 31 de agosto de 2014	Total Año 2014
ASOCIACION NACIONAL DE EMPRESARIOS	Patrocinio ANDI Colombia	140,525	3,449	143,974
COMUNICAN S A	Patrocinio BIBO	69,600	-	69,600
FUNDACION CORAZON VERDE	Patrocinio costos y gestión	46,400	-	46,400
FUNDACION JUAN FELIPE GOMEZ	Patrocinio	43,103	-	43,103
GREATER BOGOTÁ CONVENTION BUREAU	Patrocinio Bureau Convention	29,000	-	29,000
ASOCIACION NACIONAL DE EMPRESAS DE SERVICIOS PUBLICOS Y COMUNICACIONES	Patrocinio Andesco	2,155	26,448	28,603
CORPORACION CENTRO DE INVESTIGACION	Patrocinio FISE	-	26,600	26,600
FUNDACION SOLIDARIDAD POR COLOMBIA	Patrocinio	8,621	-	8,621
ASOCODIS	Patrocinio Asocodis	6,612	-	6,612
ASOCIACION COLOMBIANA DE INGENIEROS	Patrocinio Enercol	5,530	-	5,530
CORPORACION RED LOCAL DEL PACTO GLOBAL	Patrocinio Pacto Global	4,500	-	4,500
CONFEDERACION COLOMBIANA DE CAMARAS	Patrocinio Confecamaras	3,500	-	3,500
PROPORCIONALIDAD DE IVA		10,573	516	11,089
TOTAL		370,125	57,093	427,218

e) As of December 31, 2014, cash or other goods the Company has abroad, and its obligations in foreign currency, are:

As of December 31, 2014					
	(EUR)		(USD)		(Thousand COP)
Cash and cash equivalents (1)	€	0,013	US\$	115,697	\$ 276,837
Debtors (2)		143,416		391,950	1,190,282
Accounts Payable (3)		(1,068,876)		(2,543,077)	(8,910,799)
Net passive position	€	(925,448)	US\$	(2,035,430)	\$ (7.443.680)

(1) As of December 31 of 2014, Codensa has in its books a clearing account in foreign currency, with the following characteristics:

(2)

Bank: BILBAO VIZCAYA ARGENTARIA S.A.

City: NEW YORK

Account number: 003037

Balance: US 112,380.58

(3) Corresponds mainly to the provision of non-energy services to foreign clients

(4) Corresponds mainly to liabilities associated to the purchase of goods and services from foreign suppliers.

f) Company investments in other companies - foreign or national:

Company	Valuation method	Number of shares	Class of shares	Adjusted cost of acquisition	Intrinsic value, share	Valuation	
Distribuidora Eléctrica C/marca S.A. E.S.P.	Intrinsic value	104,247,499,998	Ordinary	\$105,915,581	1.54	\$54,461,122	
Electrificadora del Caribe S.A. E.S.P.	Intrinsic value	654,735	Ordinary	57,442	42	-29,943	
						\$54,431,179	
Inversora Codensa S.A.S.	5,000	Ordinary	\$5,000		(\$233)	(\$227)	(\$1.70)

Cordially,

JOSE ANTONIO VARGAS LLERAS

Chairman of the Board of Directors

DAVID FELIPE ACOSTA CORREA

Legal Representative

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