



Operational and Financial Results Report- Codensa S.A. E.S.P. First Quarter of 2013¹

May 6, 2013

Executive Summary

- *Codensa's net income decreased by 5.7% during the first quarter of 2013 as compared to the same period of 2012, due to lower operational income caused by a decrease in energy sales resulting from the effect of the Easter break on energy demand and to lower revenues related to the use of Codensa's network by other commercialization agents.*
- *As a result of a decrease in the operating income, Codensa's EBITDA² decreased by 7.4% during the first three months of 2013.*
- *During the first quarter of 2013 the company executed investments for about COP\$35 billion (USD\$19 million), mainly focused in servicing new demand, improving safety and quality of service and control of nontechnical losses.*
- *Financial obligations, including accrued interest, totaled COP\$1,035 trillion (USD\$562 million) reflecting a 7.3% decrease as compared to December 2012, mainly explained by the maturity of COP\$80 billion (USD\$44 million) of local bonds in February 2013 using cash on hand.*

Codensa's net income reached COP\$118,6 billion (USD\$65 million) during the first three months of 2013

Codensa had a net income of COP\$118,6 billion (USD\$65 million) during the first quarter of 2013, representing a 5.7% decrease as compared to the same period of 2012, mainly due to a decrease in the volume of sales due to the impact of the Easter break in the energy demand, which was celebrated in March in 2013, and to lower revenues from the use of Codensa's network by other commercialization companies to serve industrial clients in the Bogota and Cundinamarca area. Net income benefited from lower financial expenses, as a result of amortizations of debt with cash on hand. This result represented a net margin of 15.6% over operational revenues as of March 2013.

¹Financial statements are prepared under Colombian GAAP in Colombian pesos. However, we present figures in USD for your convenience and analysis using the official COP/USD FX rate (TRM) applicable on the last day of the month (FX March 31, 2013 COP\$1,832.20).

² EBITDA is calculated adding back the depreciation and amortization (included in the cost of sales and administrative expenses) to the operating income.

Codensa's EBITDA reached COP\$246,5 billion (USD\$135 million) during the first quarter of 2013

Codensa's EBITDA reached COP\$246,5 billion (USD\$135 million) during the first quarter of 2013, a 7.4% decrease as compared to the same period of 2012. This result is due to an 8.8% growth in operating income with respect to the same period of 2012, reaching COP\$183,9 billion (USD\$100 million) in the first quarter of 2013.

Operating revenues decreased by 2.1% as compared to the same period in 2012, mainly due to an increase in the demand of energy in Codensa's area of influence at a lower pace, especially from clients in the industrial and construction sectors. Moreover, during the first quarter of 2012 we recorded a recovery of restriction costs from problems within the National Interconnected System, that make the first quarter 2013 lower in comparison. The cost of sales totaled COP\$558,7 trillion (USD\$305 million), which represents an increase of 0.2% as compared to the first quarter of 2012, mainly as a result of an increase in energy purchases in contracts but also from purchases in the spot market at higher prices than in the first quarter of 2012.

Administrative expenses grew by 2.1% as compared to the first quarter of 2012, reaching COP\$18,8 billion (USD\$10 million).

Net financial expenses totaled COP\$3 billion (USD\$2 million)

Net financial expenses during the first quarter of 2013 registered a decrease of COP\$9,4 billion (USD\$5 million) as compared to the same period in 2012. Financial expenses decreased by 25.7%, reaching COP\$16 billion (USD\$9 million), as a consequence of a lower average balance of financial debt resulting from local bonds redemptions for an accrued amount of COP\$113,7 billion (USD\$62 million), which have been entirely paid with the company's cash on hand since March 2012 and to lower interest rates in the economy.

Moreover, financial revenues increased by COP\$3,7 billion (USD\$2 million) due to a proactive cash management focused in the optimization of excess liquidity investment in alternatives that improve financial returns, including prepayment of energy purchases to Emgesa and ADD charges³ to Empresa de Energía de Cundinamarca S.A. E.S.P. (EEC).

³ Electric Energy Distribution Areas (Áreas de Distribución de Energía Eléctrica –ADD) , where companies the belong to the same area unify their charges to clients so that they compensate the differences among charges.

Energy demand in Codensa's area was 3,463 GWh during the first three months of 2013

Accumulated energy demand in Codensa's area between January and March 2013 was 3,463 GWh; reflecting an annual average growth rate of 1,6% and a positive annual variation of 0,8% compared to March 2012. During the same period, national demand had a 1,5% variation with respect to the same period of 2012 due to an increasing industrial activity in the northern part of the Country as many large manufacturing companies have decided to open new production facilities nearby the coastal areas to overcome the difficulties in infrastructure and transportation to export their products. The lower pace of demand growth in Codensa's area is due to the slowdown of construction and industrial activities.

Lastly, energy demand during March 2013 was affected throughout the Country by the Easter break, which this year was celebrated in March and extended for a whole week, reducing industrial demand overall.

During the first three months of 2013 Codensa represented 24% of the national energy demand and 23% of the regulated national demand. About 62% of the energy distributed by Codensa in this period was commercialized by Codensa to serve the regulated market while 38% was used by other commercialization companies.

Between January and March 2013, Codensa added 29,719 new clients to its network, reaching more than 2.6 million clients in Bogota and 103 municipalities in Cundinamarca.

The average index of energy total losses in Codensa's area was 7.20% for the last 12 months ended in March 2013 and 7.16% during the first quarter of 2013, presenting an improvement as compared to the same period in 2012, when they reached 7.58%.

With regards to quality service indexes in the first quarter of 2013, we had two specific events that affected continuity of Codensa's service measured under international competitiveness indexes: first, strong rains during three specific days of March that affected our networks increasing the number of interruptions and their duration, and second, we had a technical problems with two substations in the southern part of the city that caused them to be temporarily out of service affecting close to 62,000 clients. Consequently, the SAIDI (average interruption time perceived by the client) and SAIFI (average amount of interruptions perceived by a client) deteriorated in the first quarter of 2013 showing

an increase of 3.7% and 0.5%, respectively compared to December 2012 figures.

The following table presents Codensa's main operational results as of March 2013:

	March 2013	March 2012	Change (%)
National Demand (GWh)	14.687	14.472	+1,5%
Demand in Codensa's Area (GWh)	3.463	3.435	+0,8%
% Codensa's Market Share	23,58%	23,74%	-0,7%
No. of Clients	2.617.567	2.517.969	+4.00%
LT and MT Network (Km)	46.925	46.848	+0.2%
Losses Index (LTM)	7,20%	7,77%	-7,3%

Investment reached COP\$34 billion (USD\$19 million)

During the first quarter of 2013 the company invested more than COP\$34 billion (USD\$19 million), from which about 35% was dedicated to improve and update our network and to serve demand growth and repowering of circuits in the northern part of the city, 14% to improve the quality of service, 19% to safety of operations and 9% to control nontechnical losses. Among the investment figures just mentioned, the company expanded public lighting in the city of Bogota.

Balance Sheet Structure

As of March 31, 2013 the company's assets were COP\$5,2 trillion (USD\$ 2,8 billion), out of which property, plant and equipment represented 64.1% adding up to COP\$3,3 trillion (USD\$1,8 billion), while cash and temporary investments that corresponded to 6,3% reaching COP\$328,7 billion (USD\$179 million). Codensa's total liabilities as of March 2013 were COP\$2,5 trillion (USD\$1,4 billion) while total shareholder's equity totaled COP\$2,7 trillion (USD\$1,5 billion).

Regarding the financial structure of the Company, total liabilities represented 47.7% of total assets and total shareholder's equity was 52.3% of total assets. Financial debt was equivalent to 19.1% of total assets.

During the first quarter of 2013 Codensa paid dividends for COP\$113 billion (USD\$62 million), corresponding to the last portion of the 2011 net income and declared dividends for 100% of the 2012 net income,

which will be paid in several installments between June 2013 and January 2014..

Financial Debt

As of March 2013, Codensa's financial debt reached COP\$1 trillion (USD\$562 million) including accrued interest, presenting a decrease of 7.3% as compared to the balance in December 2012, mainly explained by the maturity of COP\$80 billion (USD\$44 million) of local bonds in February 2013 using cash on hand. Short-term financial debt totaled COP\$415 billion (USD\$226 million) in local bond maturities: COP\$161 billion (USD\$88 million) in December 2013 and COP\$250 billion (USD\$136 million) in March 2014. Long-term financial debt balance reached COP\$615 billion (USD\$336 million).

As of March 2013, 100% of Codensa's financial debt was denominated in pesos and was represented by local bonds. About 92% of financial debt had interest payments indexed to CPI and 8% indexed to DTF. The average life of Codensa's debt 2.7 years by the end of March 2013.

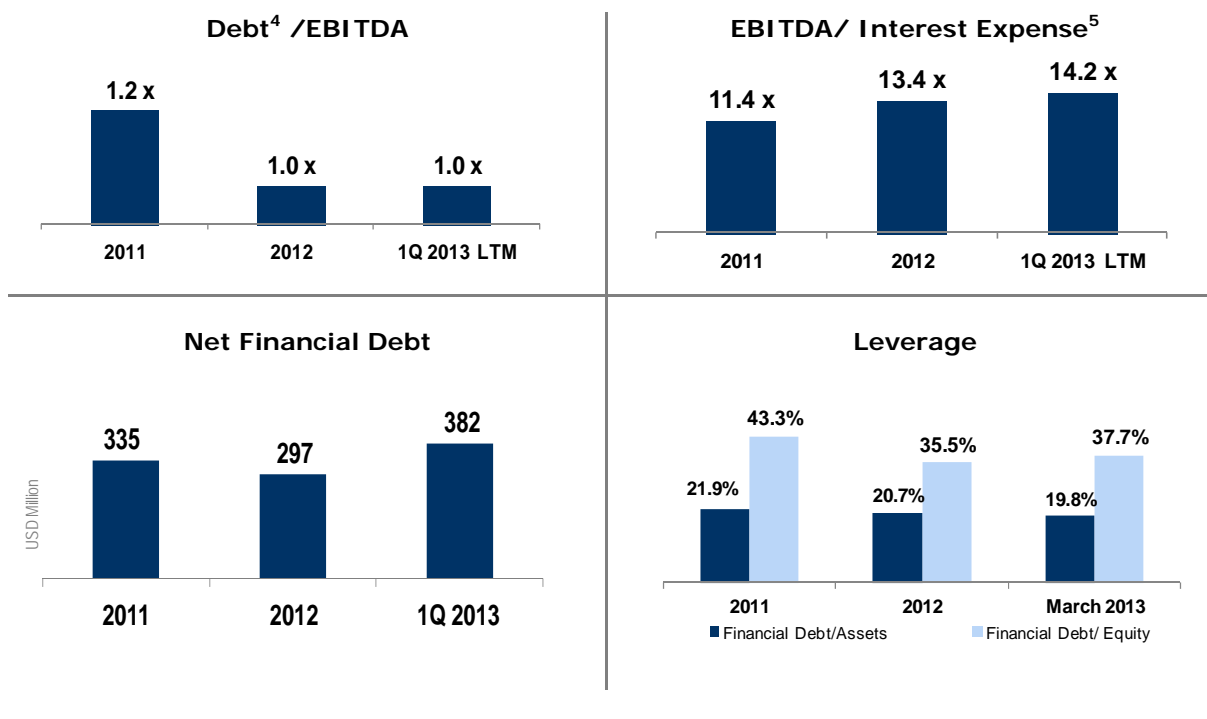
The following chart summarizes the conditions of Codensa's financial debt as of March, 2013:

Local Instrument	Coupon	Yield	Maturity	Amount (MMCOP)	Average Life	Credit Rating
First Bond Issuance	A10 Series: CPI + 6.34%	CPI + 6.34%	March 11, 2014	\$ 250.000	0,95	AAA
Second Bond Issuance	A10 Series: CPI + 5.30%	CPI + 5.30%	March 14, 2017	\$ 147.000	3,96	AAA
	A10 Series: CPI + 5.30%	CPI + 5.60%	March 14, 2017	\$ 244.500	3,96	AAA
Third Bond Issuance	A5 Series: CPI + 5.99%	CPI + 5.99%	December 11, 2013	\$ 75.500	0,7	AAA
	B5 Series: DTF + 2.58%	DTF TA + 2.58%	December 11, 2013	\$ 85.500	0,7	AAA
	A10 Series: CPI + 5.55%	CPI + 5.55%	December 11, 2018	\$ 80.000	5,7	AAA
Fourth Bond Issuance (First Tranche under Program)	B6 Series: CPI + 3.92%	CPI + 3.92%	February 17, 2016	\$ 145.000	0,95	AAA
Total				\$ 1.027.500	2,70	

As of March 2013 Codensa's long-term local rating was AAA (stable outlook) by Fitch Ratings Colombia S.A.

Key Credit Metrics

The following graphs present Codensa's key credit metrics as of March 31, 2013:



If you require any additional information, please contact our Investor Relations (IR) team:

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⁴ Includes only the principal balance of the financial debt of the company.

⁵ Corresponds to interest expense included in the P&L Statement of the company.