



Operational and Financial Results Report for Codensa S.A. E.S.P. As of December 2013¹

February 28th, 2014

Executive Summary

- *Codensa's net income grew 4,9% during 2013 as compared to 2012, due to growing operating results and lower net financial expenses as a result of lower interest rates.*
 - *Codensa's EBITDA in 2013 increased by 1.76% compared to 2012.*
 - *During 2013 the company executed investments for about COP\$281 billion (USD\$146 million), mainly focused in servicing new demand, improving quality of service, safety and control of nontechnical losses.*
 - *Financial obligations, including accrued interest, totaled COP\$1,25 trillion (USD\$647 million) reflecting a 12.2% increase as compared to December 2012, mainly explained by the issuance of the second tranche of bonds under the local bond program for COP\$375 billion (USD\$195 million) in November 2013.*
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Codensa's net income reached COP\$535,9 billion (USD\$278 million) in 2013

Codensa reported a net income of COP\$535,9 billion (USD\$278 million) in 2013, representing a 4.9% increase as compared to 2012, mainly due to higher energy sales as a result of the growth in demand, and to higher revenues associated to the transfer of energy to the networks of other operators outside of Codensa's area. Additionally, net financial expenses during 2013 decreased by 30.9% with respect to 2012 mainly due to the maturity of local bonds served using cash on hand in February 2013 and to lower interest rates. This result represented a net margin of 16.7% of total operating revenues to December 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 December 31, 2013 COP\$1,926.83).

Codensa's EBITDA reached COP\$1.1 trillion (USD\$575 million) in 2013

Codensa's EBITDA in 2013 totaled COP\$1,1 trillion (USD\$575 million), showing a 1.8% increase as compared to 2012.

As of December 2013 operating revenues increased by 2.2% as compared to 2012, mainly due to a 1.06% growth in energy demand in Codensa's area and to higher revenues associated with transfer of electricity to the networks of other operators outside of Codensa's area. On the other hand, the cost of sales amounted to COP\$2.3 trillion (USD\$1,2 billion), which represents an increase of 1.8% compared to 2012 as a result of higher energy purchases to serve the demand.

Administrative expenses grew by 5.7% as compared to 2012, reaching COP\$81.2 billion (USD\$42 million).

Net financial expenses totaled COP\$34.3 billion (USD\$18 million)

Net financial expenses during 2013 registered a decrease of COP\$15.3 billion (USD\$8 million) compared to 2012. Financial expenses decreased by 18.5%, reaching COP\$68.0 billion (USD\$35 million), as a consequence of a lower inflation rates at which 100% of Codensa's outstanding debt is indexed.

Energy demand in Codensa's area was 14,352 GWh during 2013

Accumulated energy demand in Codensa's area en 2013 was 14,352 GWh, reflecting an annual average growth rate of 1.06% and a positive annual variation of 3,8% compared to 2012.

National demand had a 2.85% annual average growth rate and a 2.6% increase with respect to 2012. The annual average growth rate as of December 2013 was below the one registered as of December 2012 (3.6%), mainly due to the reduction in energy demand from the oil and mining sector and the overall slowdown in electricity demand from industrial production on a national basis. The lower growth rate in Codensa's area of influence with respect to national figures is explained by the decreased energy demand by the industrial sector located in Codensa's area in spite of a recovery of residential and commercial demand.

During 2013 Codensa distributed 23.6% of the national electricity demand and 22% of the national regulated demand. About 62% of the

electricity distributed by Codensa during this period was commercialized by Codensa to serve the regulated market while 31% was destined to users of other commercialization companies and 7% was energy transferred to other network operators using Codensa's own networks.

Between December 2012 and December 2013 Codensa added 99.048 new clients reaching a total of 2,69 million clients in Bogota and other 103 municipalities in the center of the country. If we take into account the clients from Cundinamarca's Electricity Company (EEC in Spanish) during 2013 Codensa would have added 109,386 new clients reaching a total of 2,9 million clients.

The average index of total energy losses in Codensa's area was 7.03% for the last 12 months ended December 2013, presenting an improvement as compared to the index for the same period ended December 2012, when it reached 7.31%.

With regards to international quality of service indicators, SAIDI (average interruption time perceived by the client) and SAIFI (average amount of interruptions perceived by a client) presented mixed behaviors during 2013. SAIFI improved by 5.5% with respect to 2012, whereas SAIDI deteriorated by 8.1% with respect to 2012 closing. The main reasons that explain SAIDI's behavior are network failures associated to a highly rainy season in the first and fourth quarter of 2013 in Codensa's area of influence, as well as the mobility problems in Bogotá that pose difficulties for rapid response to reports related to service interruptions.

The following table presents Codensa's main operational results for the period:

	2013	2012	Change (%)
National Demand (GWh)	60.892	59.367	+2,6%
Demand in Codensa's Area (GWh)	14.352	13.829	+3,8%
% Codensa's Market Share	23,6%	23,3%	+0,3%
No of clients	2.686.896	2.587.848	+3.8%
LT and MT Network (Km)	47.727	46.848	+1,9%
Losses Index (LTM)	7,03%	7,31%	-0,3%

Investments reached COP\$281 billion (USD\$146 million)

During 2013 the company invested about COP\$281 billion (USD\$146 million), from which about 34% was dedicated to improve and update the company's network , focused on works required to satisfy demand growth and the repowering of circuits in the northern part of the city,

33% to improve the quality of service, 10% to safety of operations and 6% to the control nontechnical losses.

Balance Sheet Structure

As of December 31, 2013 the company's assets were COP\$5.5 trillion (USD\$ 2.9 billion), out of which property, plant and equipment represented 61.6% adding up to COP\$3.4 trillion (USD\$1.8 billion), while cash and temporary investments corresponded to 12.6% reaching COP\$696 billion (USD\$361 million). Codensa's total liabilities as of December 2013 were COP\$2.8 trillion (USD\$1.2 billion) while total shareholder's equity totaled COP\$3.1 trillion (USD\$1.6 billion).

Regarding the financial structure of the Company, total liabilities represented 43.0% of total assets and total shareholder's equity was 57.0% of total assets. Financial debt was equivalent to 23% of total assets.

On March 20, 2013, the ordinary Shareholder's Meeting approved the distribution of dividends corresponding to the net income of the period between January and December of 2012 for a total amount of COP\$510,9 billion (USD\$265 million). The decree of dividends was equivalent to COP\$3,841 per ordinary share and COP\$180.98 per preferential share. In the first two months of 2013 Codensa paid the last installment of the dividends corresponding to the 2011 net income for COP\$113,4 billion (USD\$59 million) and between June and December 2013 the Company paid 75% of the dividends decreed of the net income of 2012, totaling COP\$383,2 billion (USD\$199 million).

Financial Debt

As of December 31, 2013, Codensa's financial debt reached COP\$1,3 trillion (USD\$647 million) including accrued interest, presenting an increase of 12.2% as compared to the balance in December 2012, mainly explained by the issuance of bonds in local market in November 2013.

In February 2013 Codensa paid COP\$80 billion (USD\$42 million) of a local bond maturity using cash on hand.

On November 15 and 18, 2013, Codensa placed COP\$375 billion (USD\$195 million) in bonds under its local bond program under two different mechanisms: i) first through a Dutch auction reaching demands for COP\$1.1 trillion (USD\$571 million) equivalent to an oversubscription of 3,9 times and ii) and second through the "Demanda en Firme"

mechanism, which is similar to the figure of an increase in the international capital markets, which had demands for COP\$529 billion (USD\$274 million), equivalent to an oversubscription of 5,3 times.

The total second tranche was allocated in two series, as follows: subseries B5 COP\$181,7 billion (USD\$95 million) with a 5-year tenor and a coupon rate of CPI + 3,92% and subseries B12 COP\$ 193,3 billion (USD\$101 million) with a 12-year tenor and a coupon rate of CPI + 4,80%.

Short-term financial debt totaled COP\$250,8 billion (USD\$130 million) by the end of 2013, corresponding almost completely to the bond maturity of local bonds in March 2014. Long-term financial debt balance at the end of December 2013 was COP\$990,7 billion (USD\$514 million).

As of December 2013, all of Codensa's financial debt was denominated in pesos and indexed to CPI. The average life of Codensa's debt was 4.2 years.

The following chart summarizes the conditions of Codensa's financial debt as of December 31, 2013:

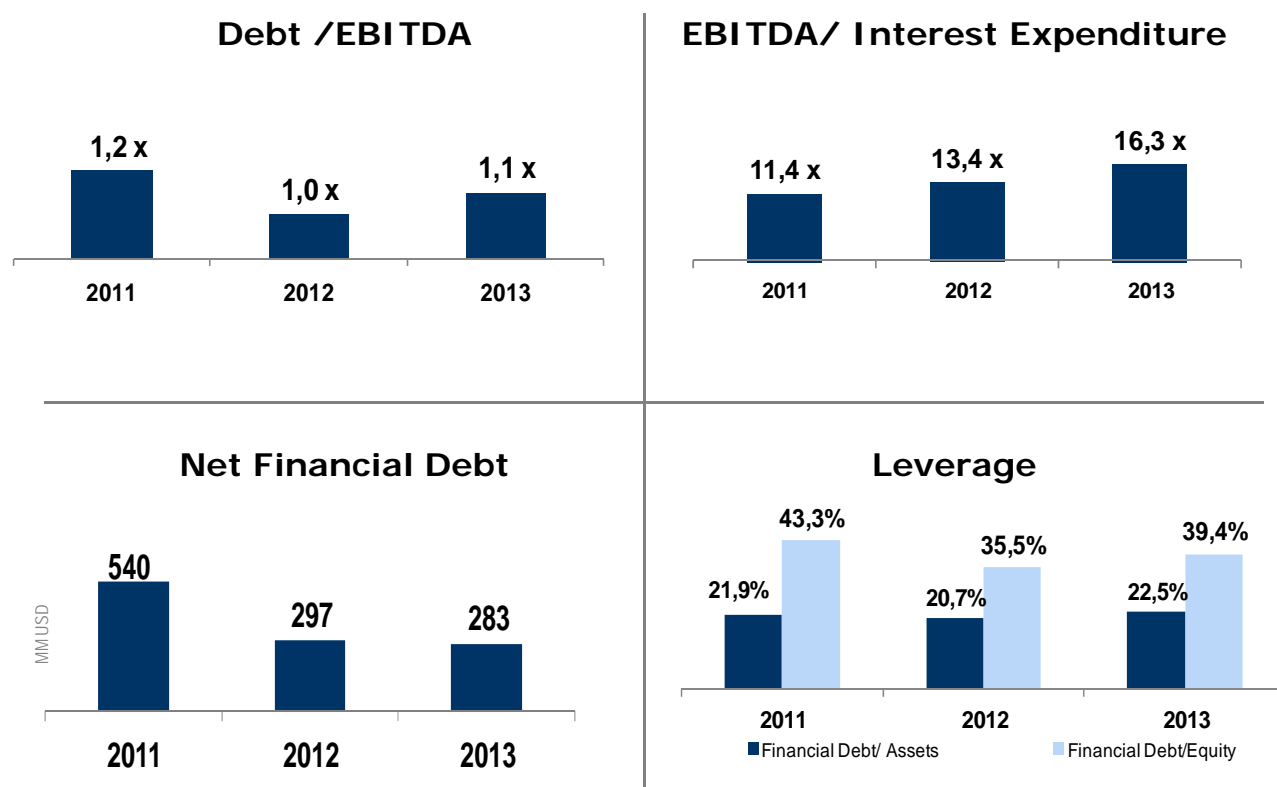
Local Instrument	Coupon	Yield	Maturity	Amount (MM COP)	Average Life	Credit Rating
First Bond Issuance	A10 Series: CPI + 6.34%	CPI + 6.34%	March 11, 2014	\$ 250,000	0,2	AAA
Second Bond Issuance	A10 Series: CPI + 5.30%	CPI + 5.30%	March 14, 2017	\$ 147,000	3,2	AAA
	A10 Series: CPI + 5.30%	CPI + 5.60%	March 14, 2017	\$ 244,500	3,2	AAA
Third Bond Issuance	A10 Series: CPI + 5.55%	CPI + 5.55%	December 11, 2018	\$ 80,000	4,9	AAA
Fourth Bond Issuance (First Tranche under Program)	B6 Series: CPI + 3.92%	CPI + 3.92%	February 17, 2016	\$ 145,000	2,1	AAA
Fifth Bond Issuance (Second Tranche under Program)	B5 Series: CPI + 3.92%	CPI + 3.92%	November 15,2018	\$ 181.660	4,9	AAA
	B12 Series: CPI + 4.80%	CPI + 4.80%	November 15,2025	\$193.340	11,9	AAA
Total				\$ 1.241.500	4,2	

In July 2013 Fitch Ratings Colombia confirmed Codensa's national long term debt rating in AAA(col) with stable outlook. The rating agency also ratified in AAA (col) the rating of Codensa's First Bond Issuance for COP\$500.000 million, the Second Bond Issuance for COP\$650.000 million, the Third Bond Issuance for COP\$350.000 million, and the company's local Bond Program for COP\$600.000 million. The rating

reflects the company's solid competitive position, its low risk business profile, strong credit protection metrics, high liquidity levels and the support of the Endesa group (rated BBB+ international by Fitch) in terms of know-how and best practices transfer.

Key Credit Metrics

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



IR Acknowledgement by the Colombian Securities Exchange (BVC)

In August 2013 Codensa was awarded by the Colombian Securities Exchange (BVC) with the IR acknowledgement in recognition to the company's commitment to voluntarily raise its information disclosure and investor relations management standards above those required by local regulation and making available to investors on its website the quarterly and annual information in both English and Spanish. Codensa was one of the five fixed income issuers awarded with this distinction, among the total 29 issuers awarded.

For additional information, please contact our Investor Relations Team (IR):

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