

CODENSA S.A. E.S.P. INCOME STATEMENT AS OF MARCH 2014

April 30, 2014

EXECUTIVE SUMMARY

- Codensa net profits for Q1 2014 grew 8.3% compared to 2013, thanks to the increase in energy sales resulting from greater demand in the Codensa area of influence.
- The Codensa EBITDA¹ grew 10.6% during Q1 2014 compared to the same quarter of 2013.
- Investments for COP \$40,251 million were made during Q1 2013 to respond to demand, quality of service, safety, and control of non-technical losses.
- Financial obligations, including interests payable, were COP \$992,572 million, a 20.4% reduction compared to December 2013, mainly on account of local bond maturities for COP \$250,000 million in March 2014.

Codensa net profits were COP \$128,460 million during Q1 2014, an 8.3% increase mainly from greater energy service sales resulting from increased demand and from additional revenues associated to energy transfers to other operators' grids outside the Codensa area. This result represents a 16.8% net margin over total operational revenues as of March 2014.

During Q1 2014 the Codensa EBITDA was COP \$272,706 million, a 10.6% increase compared to 2013.

Operational revenues as of March 2014 reached COP \$797,340 million, a 4.8% increase compared to the previous year, mainly due to the 1.98% increase in energy demand in the Codensa area of influence and additional revenues associated to the transfer of energy to other operators' grids outside the Codensa area. Cost of sales increased to COP \$568,563 million, a 1.8% increase compared to the previous year, mainly the result of additional energy purchases to respond to the growing demand.

Administrative expenses

Administrative expenses grew 10.5% compared to March 2013, reaching COP \$20,775 million. The net financial expenses was COP \$14,553 million.

Net financial expenses

The net financial expenses as of March 2014 grew by COP \$11,335 million compared to 2013, a 41.1% increase, for a total of COP \$22,910 million, as a result of greater average

¹ The EBITDA is calculated by adding depreciation and amortization (included in the cost of sales and in administrative expenses) to operational profits (estimated by subtracting the cost of sale and administrative expenses from operational revenues).

inflation rates during 2014 compared to the same period of 2013, metric which the entire current Codensa debt is indexed to.

Electrical power demand in the Codensa area

The accumulated electrical power demand in the Codensa area of influence as of March 2014 was 3,612 GWh, an average annual rate increase of 1.98%, with a positive variation of 4.3% compared to the accumulated electrical power demand in the Codensa area between January and March 2013.

The annual national demand grew 3.45% in the average, a 3.4% change compared with the first 3 months of the previous year. The average annual national demand growth rate as of March 2014 was higher than the average annual rate of 2013 for the same period (3.37%), due to the recovery of the electrical power demand experienced by the mine and oil sector and by the manufacturing sector in the central part of the country, also due to the high temperatures in the northern part of the country. The recovery of the electrical power demand in the Codensa area can be explained by the recovery of the regulated market demand and the manufacturing companies, as well as by tolls charged to other traders.

During Q1 2014, Codensa distributed 23.5% of the national electrical power demand and 21.8% of the country's regulated demand. 62% of electrical power distributed by Codensa during this time corresponded to the regulated market, 31% to other traders - through tolls -, and 8% to electrical power transferred to other operators through the Codensa grids.

Between December 2013 and March 2014 Codensa added 22,714 new clients to its client base, reaching 2,709,610 clients in Bogotá and 103 additional municipalities in the central part of the country. Taking into account the Empresa de Energía de Cundinamarca clients during Q1 2014, 25,260 new clients had been added for a total of 2,977,825 clients.

The average metric of total electrical power losses in the area of distribution covered by Codensa was 7.07% for the last 12 months ending on March 31 of 2014. The loss index increased slightly compared to the end of 2013, a reduction compared to the 7.20% of the end of March 2013.

The SAIDI international service quality metric (the interruption time international index) and the SAIFI index (the interruption frequency international index) displayed negative behaviors as of March 2014. SAIFI dropped by 13% and SAIDI 2.2%, both compared to March 2013. The main reasons for this were grid and transformer problems caused by the rainy season in the western rural area and in the central part of Cundinamarca.

Following is a summary of the main operational results as of March 31 of 2014.

Investments		Mar-2014	Mar-2013	Variation (%)	
Investments for COP million 2014, of were used to service 31% for grid	National demand (GWh)	15,382	14,582	+5.5%	were made \$40,251 during Q1 which 46% improve quality and improvement
	Codensa area demand (GWh)	3,612	3,463	+4.3%	
	% Codensa participation	23.5%	23.9%	-0.3%	
	Number of clients	2,709,610	2,617,567	+3.5%	
	Km of grids (BT and MT)	47,789	46,925	+1.8%	
	TAM Loss index	7.07%	7.20%	-0.1%	

and modernization, focused on the work required to meet the demand growth and circuit repotentialization, 12% to operations safety, and the remaining 12% to control of non-technical losses.

General Balance Sheet structure

As of March 31 of 2014, company assets were COP \$5,122,143 million, of which properties, plant, and equipment represented 66%; adding COP \$3,383,113 million and the balance of cash and investments represents 4.9%, with COP \$252,126 million. The Codensa total liabilities at the end of March were COP \$2,380,139 million, company equity COP \$2,742,005 million.

Regarding the Company's financial structure, liabilities represent 46.5% of total assets, equity 53.5% of assets. The financial debt corresponds to 19.4% of total assets.

During its March 27 of 2014 ordinary meeting, the General Shareholders Assembly approved discipline profits corresponding to the January-December 2013 period, for COP \$535,910 million. In January 2014 Codensa paid the last installment corresponding to the 2012 profits, for COP \$127,748 million.

Financial debt

At the end of March 2014 the Codensa financial debt was COP \$992,572 million (including interests payable), a 20.4% reduction compared to the December 2013 balance, as a result of the maturity of the March 11, 2014 first issuance bonds for COP \$250,000 million.

At the end of March 2014, the financial debt's long term portion was COP \$990,790 million, corresponding to almost the entire balance of COP \$991,500 million.

As of March 2014, the entire Codensa financial debt was expressed in pesos, in local market bond issuances indexed to the CPI. The Codensa debt average life was 4.9 years.

The following chart summarizes the Codensa financial debt as of March 31 of 2014.

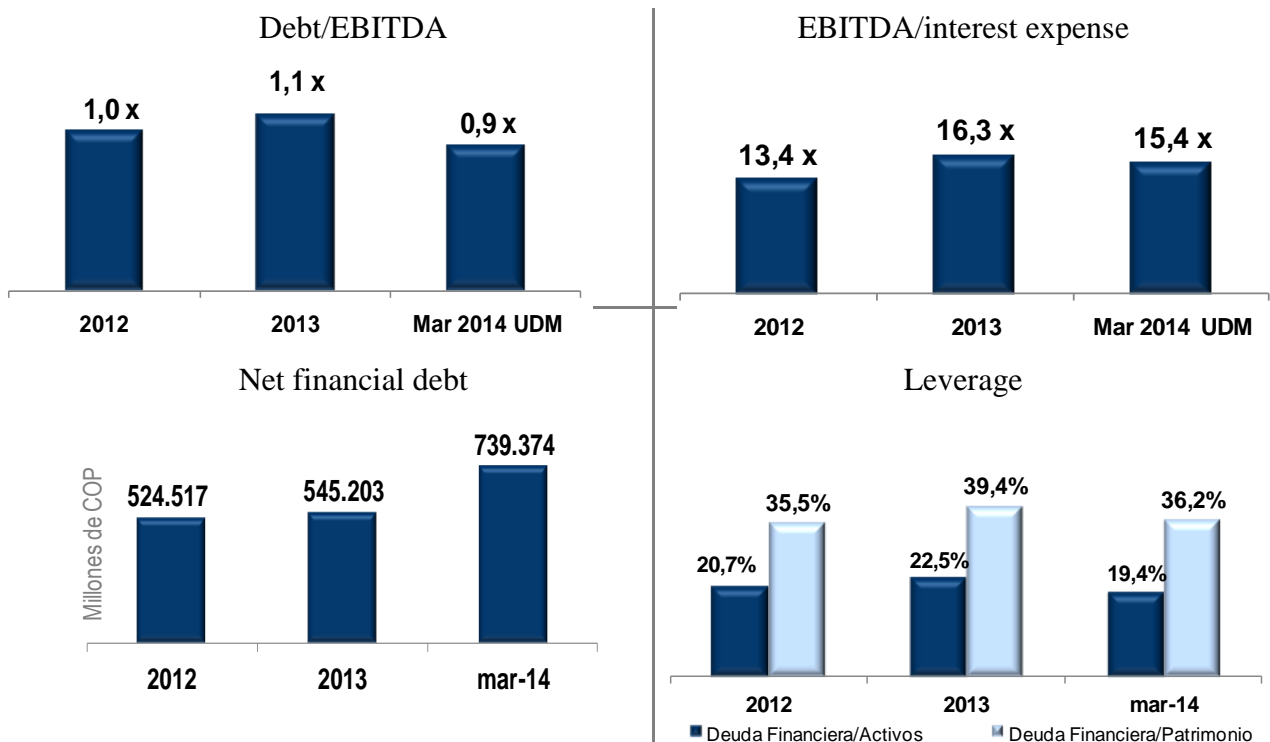
Bond	Coupon	Placement rate	Maturity	Value (MM COP)	Average term (years)	Rating (local)
2nd issuance bonds	Series A10: CPI + 5.30%	CPI + 5.30%	March 14, 2017	\$ 147,000	2.96	AAA
	Series A10: CPI + 5.30%	CPI + 5.60%	March 14, 2017	\$ 244,500	2.96	AAA
3rd issuance bonds	Series A10: CPI + 5.55%	CPI + 5.55%	December 11, 2018	\$ 80,000	4.70	AAA
4th issuance bonds (first program trench)	Series B6: CPI + 3.92%	CPI + 3.92%	February 17, 2016	\$ 145,000	1.88	AAA
5th issuance bonds (2nd program trench)	Series B5: CPI + 3.92%	CPI + 3.92%	November 15, 2018	\$ 181,660	4.63	AAA
	Series B12: CPI + 4.80%	CPI + 4.80%	November 15, 2025	\$ 193,340	11.64	AAA

Total	\$	991,500	4.94
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There were no changes in the Codensa national ratings during Q1 2014. The long-term national rating of the 2nd and 3rd issuances and the Codensa bonds placement rating were kept at AAA (col) by Fitch Ratings Colombia.

Financial ratios

Following are the main indebtedness metrics as of March 2014.



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