



Operational and Financial Results Report- Codensa S.A. E.S.P. As of March 31, 2015¹

May 29th, 2015

Executive Summary

- ***In 2015 Codensa adopted the International Financial Reporting Standards (IFRS)², thus the financial results as of March 2015 include effects derived from changes in the accounting standards.***
- ***Codensa's EBITDA³ decreased by 2.7% in the first quarter of 2015 as compared to the same period of 2014, mainly due to the effect of the a higher PPI, at which energy purchased are indexed.***
- ***During the first quarter of 2015 Codensa invested COP\$46,9 billion (USD\$18 million), principally in improvements to service quality, modernising of networks and meeting demand growth.***
- ***During the first quarter of 2015, Codensa concluded in record time the expansion of the Bacata Substation, with a 500.000 volts conversion. The project represented an investment of COP\$82 billion (USD\$33 million).***

Energy demand in Codensa's area totaled 3,648 GWh

Accumulated energy demand in Codensa's area between January and March 2015 was 3,648 GWh, equivalent to a 1.81% annual growth rate on the twelve month period ended in March 2015 and a 1,01% growth rate as compared to the same period of the previous year. This growth is attributable to the recovery of industrial consumption in the regulated market, which was 11.2% higher than during the first quarter of 2014.

National demand energy demand grew by an annual growth rate of 4.01% or a 3.3% growth between the first three months of 2015 and the

¹ Figures of the financial statements used in this presentation as of March 31st, 2015 were prepared in Colombian pesos under IFRS officially applied in the Colombia since January 2015. As a result of these transition during this year, the quarterly figures will be constantly subject to changes and adjustments, according to local regulation. The P&L statement as of March 31st, 2014 and the general balance sheet statement as of December 31st, 2014, used to calculate the variations with respect to the corresponding financial statements as of March 31st, 2015, were prepared under IFRS applicable to the Enel Group, which may vary in certain figures with respect to IFRS adopted in Colombia. The variations of the main figures of these two financial statements are presented only for informative purposes for the convenience of the readers of this presentation.

² In accordance with local regulation in Law 1314 of 2009 and the Decrees 2784 of 2012, 3023 of 2013 and 2615 of 2014 for the entities included in Group 1, Emgesa prepared the opening balance sheet under IFRS as of January 1st, 2014 and the comparative transition balance sheet under IFRS as of December 31st, 2014.

³ EBITDA is calculated by adding the depreciation and amortization charges to EBIT.



same period of 2014, as a result of the recovery from the mining and oil sectors.

Although, national energy demand showed a positive trend, the results as of March 2015 are 85 GWh below the estimated scenario of the local power planning entity, as they included higher energy demand from the oil sector in 2015.

During the first quarter of 2015 Codensa distributed 23.0% of the national energy demand and 21.4% of the national regulated demand. About 62.3% of the energy distributed by Codensa in this period was commercialized by Codensa to serve the regulated market while 30.1% was destined to other retailing companies and 7% was energy transferred to other network operators using Codensa's own networks.

In the first quarter of 2015 Codensa added 23,285 new clients reaching 2,79 million clients in Bogota and 103 more municipalities in the center of the country. If we consider the clients from Cundinamarca's Electricity Company (EEC for its Spanish acronym) the client base reaches 3,1 million clients.

The average energy losses index in Codensa's area of distribution was 7.08% for the twelve months ending on March 31st 2015, slightly higher than the 7.07% index observed during 2014. This is mainly attributable to the changes to regulated market billing cycles introduced by the company.

With regards to quality of service indicators, the SAIDI (average interruption time perceived by the client) and SAIFI (average amount of interruptions perceived by a client) experienced unfavorable results as of March 2015. SAIFI decreased by 2.2% as compared to the first three months of 2014 and SAIDI decreased by 4.9% during the same period of time. The main reasons for these results are related to failures in the networks and in the current transformers, the windy season and maintenances completed in January 2015.

The following table presents Codensa's main operational results as of March 2015:



	Mar-2015	Mar-2014	Change (%)
National Demand (GWh) LTM	15,892	15,382	+3,3%
Demand in Codensa's Area (GWh)	3,648	3,612	+1,0%
% Codensa's Market Share	23.0%	23.5%	-0,5%
Number of clients	2,795,637	2,709,610	+3,2%
LT and MT Network (Km)	48,304	47,789	+1,1%
Losses Index	7.08%	7.07%	+0,01%

Codensa's EBITDA reached COP\$280,5 billion (USD\$113,6 million) during the first quarter of 2015

Operating revenues between January and March 2015 reached COP\$869,9 billion (USD\$352 million), up by 8.9% over the same period of 2014. This result is mainly due to a higher Producer Price Index (PPI) in Colombia over the twelve months ending March 31st, 2015, as well as higher revenues from other business lines such as infrastructure renting and the CODENSA Hogar business.

The operating costs were COP\$480,7 billion (USD\$194,6 billion), an increase of 10.2% over the same period of the previous year. This is mainly attributable to higher prices in energy purchase contracts that came about as a result of the increase in PPI.

Furthermore, payroll related expenses grew by 46.6% as compared to the first three months of 2014, reaching a total of COP\$108,7 billion (USD\$44 million), as a result of the application of the wealth tax for 2015, as well as higher net financial charges and the increase in the income tax rates and the surcharge in income tax for equality (CREE, from its Spanish acronym).

As a result of the aforementioned factors, EBITDA for the first quarter of 2015 reached COP\$280,5 (USD\$113,6 million), a drop of 2.7% compared with the same period of the previous year, and equivalent to a 33.2% margin over operating revenues.

Net financial charger totaled COP\$28,2 billion (USD\$11,4 million)

Net financial charges during the first quarter of 2015 were COP\$28,2 billion (USD\$11,4 million), a COP\$3,7 billion (USD\$1,5 million) or 15.5% increase compared to the same period of 2014. Financial expenses increased by 11.4% , totaling COP\$34,4 billion (USD\$13,9 million) as a result of higher average inflation during the first quarter of 2015



compared to the same period of 2014, at which 100% of CODENSA's outstanding debt is indexed to. It was also due to a debt increase following the COP\$185 billion (USD\$74,9 million) bond issuance carried out in September 2014.

Codensa's net income reached COP\$105,3 billion (USD\$42,6 million) during the first quarter of 2015

As a result of the aforementioned factors, Codensa reported a net income of COP\$105,3 billion (USD\$42,6 million) during the first three months of 2015, down 21.0% compared to the same period of the previous year. This result was mainly due to the effects that of the 2015 wealth tax recognition, the adverse effect of the CPI on the financial expenses and an increase in the income tax rates and the surcharge in income tax for equality (CREE, from its Spanish acronym). This result represented a net margin⁴ of 12.5% over the operating revenues as of March 2015.

Investments reached COP\$46,9 billion (USD\$18 million)

During the first quarter of 2015 Codensa invested COP\$46,9 billion (USD\$18 million), 38% of which were dedicated to improve the quality of service, 35% to improve and modernize our network, to satisfy demand growth and the repowering of circuits, 7% to safety of operations, 7% to control nontechnical losses and 13% to IT, real state initiatives and legal requirements.

Investments made during 2015 included the Remote Control Project, which includes the installation of 3,787 remotely controlled switchgear facilities and the strengthening of 1,800 Km of networks. Moreover, the investments also included the Public Lighting Modernization Project in the City of Bogotá, with 33,000 new LEDs installed in the City of Bogota and the investments in the Nueva Esperanza and Norte Substations to serve the new demand in Codensa's are of influence.

During the first quarter of 2015, Codensa concluded the expansion of the Bacata Substation, one of the mega projects under development to serve the energy demand in the central region of the country. The project was developed during a 14 month period with an investment of COP\$82 billion (USD\$33 million), a 500.000 volts conversion capacity with 6 units and an additional unit for contingencies.

⁴ Net Margin = Net Income / Operating Revenues.



In March 2015, Emgesa and Codensa, in alliance with BMW, Nissan, Renault, ByD and Unicentro Mall, launched the first public recharge station for electric vehicles in Bogota. The station has a capacity of 96 daily recharges, with a 24 hour service opened to public during the seven days of the week, which will allow it to serve 280 vehicle per month with a universal charge system.

Balance Sheet Structure

As of March 31, 2015 the company's assets totaled COP\$4,3 trillion (USD\$ 1,7 billion), of which property, plant and equipment represented 76.1% valued at COP\$3,3 trillion (USD\$1,3 billion), while cash and temporary investments corresponded to 7.8% reaching COP\$341,1 billion (USD\$132 million). Total assets decreased by 6.2% as compared to the balance of December 31, 2014 mainly due to lower cash balances after paying dividends.

As of March 31, 2015, Codensa's total liabilities were COP\$2,4 trillion (USD\$939 million), decreasing by 11.5% as compared to the end of 2014, as a result of the dividend payment, while the shareholders' equity reached COP\$1,9 trillion (USD\$742 million), increasing by 1.4% as compared to December 31, 2014 as a result of the net income of the first quarter of 2015, the dividend declaration of the net income of the four month period between September and December 2014 and the constitution of an occasional reserve, associated to the fiscal effects of an accelerated depreciation starting in 201, in accordance with article 130 of the Tax regulation.

Regarding the financial structure of the Company, total liabilities represented 55,8% of total assets and the shareholders' equity was 44,2% of total assets. Total financial debt, including accrued interests, was equivalent to 27,4% of total assets.

Codensa paid its shareholders a total of COP\$200,5 billion (USD\$78 million) in dividends in January 2015, corresponding to the last tranche (37.5%) of the payout on 2013 net income.

Financial Debt

As of March 31, 2015, Codensa's financial debt⁵ reached COP\$1,2 trillion (USD\$461 million) including accrued interest, presenting a decrease of

⁵ Under IFRS, financial debt includes leasing operations.



0.4% as compared to the balance of December 2014. This is as a result of the inclusion of leasing operations, mainly on vehicles, as financial debt, which at the end of March 2015 reached COP\$4,2 billion (USD\$1,7 million). The leasing operations were not included in the comparative transition balance as of December 2014.

As of March 31, 2015, Codensa's total financial debt was denominated in Colombian pesos and 100% was represented by local bonds indexed to CPI. The average life of Codensa's debt was 4.37 years at an average cost of 8.98%.

The following chart summarizes the conditions of Codensa's financial debt as of March 31, 2015:

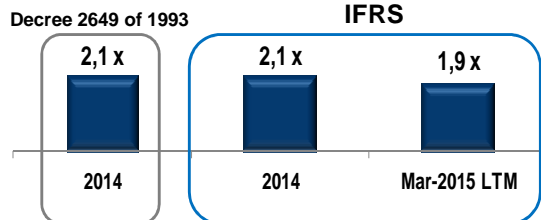
Local Instrument	Coupon	Yield	Maturity	Amount (MM COP)	Average Life	Credit Rating
Second Bond Issuance	A10 Series: CPI + 5.30%	CPI + 5.30%	March 14, 2017	\$ 147.000	1,96	AAA
	A10 Series: CPI + 5.30%	CPI + 5.60%	March 14, 2017	\$ 244.500	1,96	AAA
Third Bond Issuance	A10 Series: CPI + 5.55%	CPI + 5.55%	December 11, 2018	\$ 80.000	3,70	AAA
Fourth Bond Issuance (First Tranche under Program)	B6 Series: CPI + 3.92%	CPI + 3.92%	February 17, 2016	\$ 145.000	0,88	AAA
Fifth Bond Issuance (Second Tranche under Program)	B5 Series: CPI + 3.92%	CPI + 3.92%	November 15, 2018	\$ 181.660	3,63	AAA
	B12 Series: CPI + 4.80%	CPI + 4.80%	November 15, 2025	\$ 193.340	10,64	AAA
Sixth Bond Issuance (Third Tranche under Program)	B7 Series: CPI + 3.53%	CPI + 3.53%	September 25, 2021	\$ 185.000	6,49	AAA
Local Bonds Total				\$ 1.176.500	4.34	

Key Credit Metrics

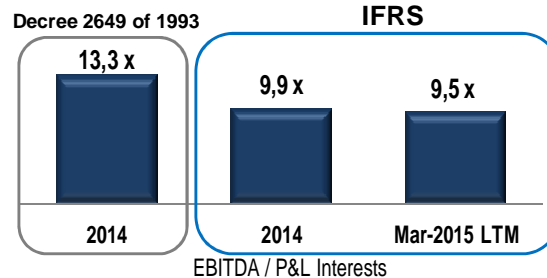
The following graphs present Codensa's key credit metrics as of March 31, 2015:



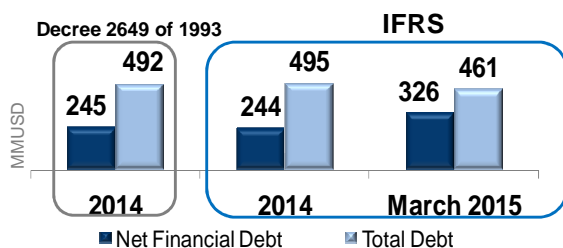
Debt / EBITDA



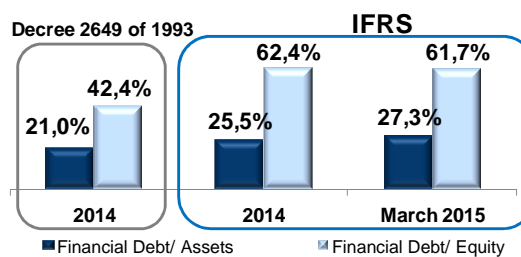
EBITDA / Financial Interest Expenditure



Financial Debt (USD Millions) ⁶



Leverage



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⁶ Net financial debt = Debt – Cash and Investments. Financial Debt = Total Debt (non including accrued interest)