



Grupo Enel

Operational and Financial Results Report- Codensa S.A. E.S.P. As of March 31st 2016¹

May 13, 2016

Executive Summary

- ***Codensa's EBITDA₂ increased by 10,5% in the first quarter 2016 as compared to the same period 2015, mainly due to the effect of higher operating revenues as a result of a higher Producer Price Index (PPI) over the period, the growth of energy demand in Codensa's area of influence that offset higher energy purchases at higher prices during El Niño weather phenomenon.***
- ***During 1Q2016, Codensa completed capital investments for a total amount of USD 42,3 million, 173% above the 1Q2015. The resources were mainly used in the project for remote control (Telecontrol), new operational stations, big clients wire connections and expansion of public lighting.***
- ***The quality of service index SAIFI (12 months) experienced favorable results during the first three months of 2016. However, SAIFI index showed an decrease in the same period due to changes in operations and the beginning of the rain season.***

Energy demand in Codensa's area of influence totaled 15,085 GWh

Accumulated energy demand in Codensa's area of influence between January and March 2016 was 15,082 GWh, equivalent to a annual growth rate of 1.9%.

Despite the annual growth of energy demand in Codensa's area of influence, March 2016 was impacted by the results of the program of energy saving "Apagar Paga" with a reduction of 5.73% compared to the same month 2015. Regulated demand, including industry, continues to show a good tendency with an annual growth of 2.2% at the end of March 2016. The increase in energy demand of the regulated industry grew by 6.6% and the large unregulated industry grew 2.3% in the same period, mainly driven by the food and beverage segment. At the same

¹ Figures of the financial statements used in this presentation as of September 30, 2015 were prepared in Colombian pesos under IFRS officially applied in the Colombia since January 2015.

² EBITDA is calculated by adding the depreciation and amortization charges to EBIT.



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time, demand for energy distributors tolls in the Codensa's area also showed 7,2% growth in the twelve months as of March 2016.

Meanwhile, domestic demand showed an average annual growth rate of 4.1%. The growth of domestic demand has not been uniform across regions. The Caribbean region has shown higher growth compared to other parts of the country as a result of high temperatures of the first quarter by El Niño weather phenomenon. In contrast the Central and Antioquia regions have been showing growth rates below the national demand, especially in the month of February. In addition, between the 8th and 31st March, energy demand in both national and Codensa's area were impacted by saving campaign with average savings rates of 4.97% and 6.78%, respectively.

During the first quarter 2016 Codensa distributed 22.5% of the total national energy demand and 20,4% of the national regulated demand. About 62,3% of the energy distributed by Codensa during this period was commercialized to serve the regulated market, while 30,3% was directed to other retailing companies and the remaining 7.4% was energy transferred to other network operators using Codensa's own networks.

Between December 2015 and march 2016 Codensa added 27.344 new customers reaching 2.89 million clients in Bogota and other 103 municipalities in the central region of the country. If we consider the clients from Cundinamarca's Electricity Company (EEC for its Spanish acronym) the total base of the company reaches 3.18 million clients.

The average energy loss index in Codensa's distribution area was 6,% for the twelve months ending on March 31st, 2016. This percentage was below the 7.10% observed at the same period 2015. Since March, Codensa initiated an operational reinforcement dedicated to theft inspections, from 93 crews to 105, in order to minimize impacts on the index behavior derived from external variables such as exchange rate, inflation and differential rate schedule established it initiated by CREG.

In regard to international quality of service indexes, the SAIDI (average interruption time perceived by the client) and SAIFI (average amount of interruptions perceived by a client) experienced favorable results in the first quarter 2016. SAIFI index had a 20% reduction over the first three months 2015, due to the success of the quality improvement plan that



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includes among others the Telecontrol Project, replacement and substitution, and a network faults reduction. Meanwhile, the SAIDI index showed a decline (increase) of 2% compared to the first quarter last year, mainly due to changes in operation and the start of rain season in Bogota.

The following table presents Codensa's main operational results for the first quarter 2016:

	Mar-2016	Mar-2015	Change (%)
National Demand (GWh) LTM	66.891	64.250	+4,1%
Demand in Codensa's Area (GWh)	15.082	14.802	+1,9%
% Codensa's Market Share	20,4%	21,4%	-1,1%
Number of clients	2.889.596	2.795.637	+3,4%
LT and MT Network (Km)	48.613	48.304	+0,6%
Losses Index (LTM)	6,98%	7,08%	-0,1%

Codensa's EBITDA reached COP 309,88 billion (USD 95 million) in the first three months 2016

Operating revenues in 1Q2016 reached COP 1,02 trillion (USD 312 billion), up by 16,7% over the same period 2015. This result is mainly explained to a raise in the Producer Price Index (PPI) in the period compared to 1Q2015, at which the energy prices are referenced to and the growth of energy demand in Codensa's areas of influence.

On the other hand, sales costs were of COP 607,7 billion (USD 187 billion), up 26,4% over the same period of the previous year. The main reason for this increase came from the higher prices in contracts of energy purchases as a result of the increase in PPI over the last twelve months and also the effect of "El Niño" phenomenon over energy prices in spot transactions.

Meanwhile, staff costs and fixed operating expenses decreased by 10,2% over the same period 2015, reaching a total of COP\$97,5 billion. This, mainly because of lower wealth tax due to the gradual decline in the rate of this tax, established in the tax reform approved in December 2014 (1% in 2016 vs. 1.15% in 2015%).

As a consequence of all of the above, the EBITDA for the first quarter 2016 reached COP 309,9 billion (USD 95 million), showing a 10,5%



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increase as compared to the same period of 2015, and equivalent to a 32,9% margin over operating revenues.

Net financial charges totaled COP36,8 billion (USD 16 million)

Net financial charges during the first three months 2016 had an increase of COP 8 billion (USD 2.5 million), up by 30,7% as compared to the same period 2015.

Gross financial expenses increased by 30,1%, totaling COP 44,7 billion (USD 14 million) as a result of higher inflation compared to what was registered in 2015 affecting CODENSA's outstanding debt which is 84% indexed to the CPI.

Meanwhile, financial income increased by 22,3% compared to the first quarter of 2015, due to higher rates for deposits, in response to rising in the Central Bank's rate of reference.

Finally, thanks to operational and financial results discussed above, Codensa reported a profit before tax (EBT) of COP\$209,5 billion in the first quarter of 2016, an increase of 8.3% over the same period last year.

Codensa's net profit reached COP 118,3 billion (USD 36 million).

Codensa reported a net income of COP 118,3 billion (USD 36 million) in the first quarter 2016, up by 12,3% compared to the same period 2015. This result was mainly due to higher EBITDA, an increase in energy demand, fewer fixed expenses explained by a lower wealth tax rate for 2016 and efficiencies in corrective and preventive maintenance, as well as investments in the network, which offset the higher net financial expense explained by an increase in CPI. This result represents a net margin of 13.7% on operating income.



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Investments reached COP\$127,9 billion

During the first three months of 2016, Codensa made investments of COP 127,9 billion (USD 42,3 million), which 54% was allocated to maintenance, including losses reduction, legal requirements, IT improvements, real estate and commercial fleet, and 46% oriented to growth in high, medium and low voltage connections, the improving in service quality and the remote control project.

Balance Sheet Structure

As of March 31st, 2016 the company's assets totaled COP 4.65 trillion (USD 1.43 billion), from which property, plant and equipment represented 76.9% valued at COP 3.6 trillion (USD 1.1 billion), while cash and temporary investments corresponded to 4.8% reaching COP 222,2 billion (USD 68 million). Comparing to the balance sheet as of December 31st 2015, total assets showed a decrease of 0,9%.

In 2015, Codensa's total liabilities were COP 2.7 trillion (USD 826 million), increasing by 13.3% as compared to December 2015. That was mainly due to the declaration of dividends for the period January to December 2015 made by the shareholders on March 29. Shareholders' equity reached COP 1,9 trillion (USD 606 million), decreasing by 15,3% as compared to December 31st 2015.

Regarding the financial structure of the Company, total liabilities represented 57,7% of the total assets and the shareholders' equity was 42,3%. Total financial debt, including accrued interests, was equivalent to 26,7% of total assets.

During 1Q2016 Codensa paid its shareholders a total of COP 78 billion in dividends, corresponding to the last tranche (37.5%) of the payout on the 2014 net income.

Financial Debt

As of March 31st 2016, Codensa's financial debt reached COP 1.18 trillion (USD 433 million) including accrued interest, presenting an increase of 4,6% as compared to the balance of December 2015. This can be explained by the disbursement of a credit with Bank of Tokyo Mitsubishi

UFJ for COP\$200 billion with a 3 years maturity an 8,41% rate. This credit was used to finance the maturity of the B6 series First Tranche Bond Program for COP\$ 145 billion in February 2016, which was attended temporarily with cash, and the remaining funds were used to meet Capex obligations. The credit allowed Codensa to reached competitive opportunities of funding with international banks making significant savings regarding rates when compared local banking credits.

At the end of March 2016, Codensa's total financial debt was denominated in Colombian pesos. The average life of Codensa's debt was 3.68 years at an average annual cost of 11.93%.

The following table summarizes the conditions of Codensa's financial debt as of March 31st 2016:

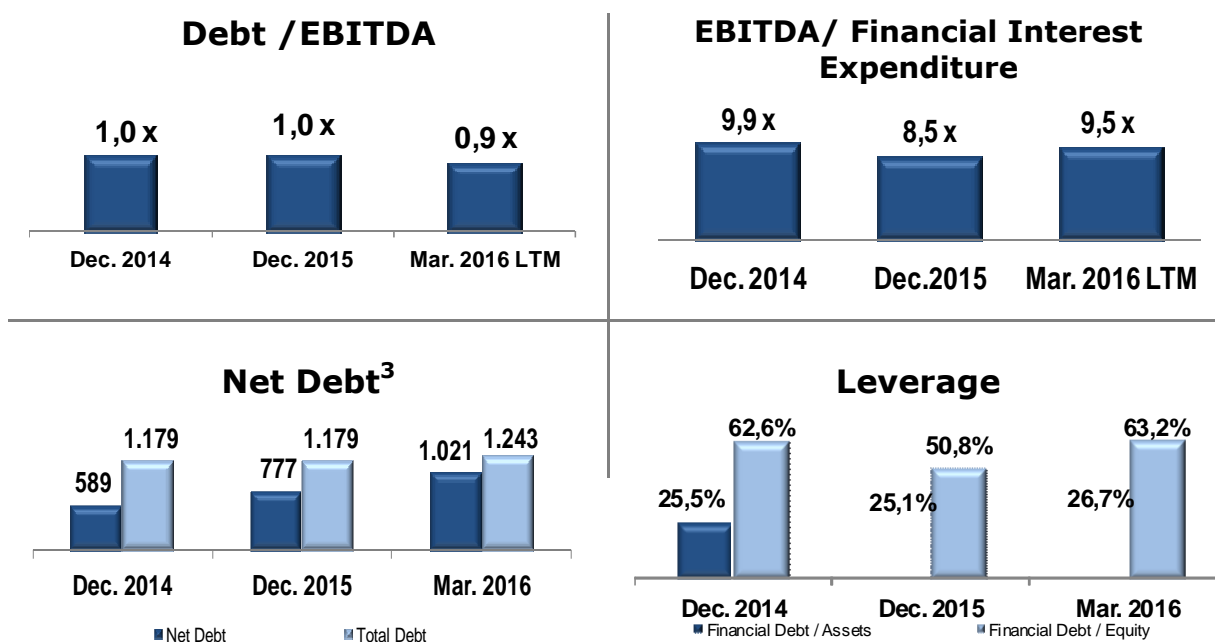
Local Instrument	Coupon	Yield	Maturity	Amount (MM COP)	Average Life	Credit Rating
Second Bond Issuance	A10 Series : CPI + 5.30%	CPI + 5.30%	March 14, 2017	\$ 147.000	0,95	AAA
	A10 Series: CPI + 5.30%	CPI + 5.60%	March 14, 2017	\$ 244.500	0,95	AAA
Third Bond Issuance	A10 Series: CPI + 5.55%	CPI + 5.55%	December 11, 2018	\$ 80.000	2,70	AAA
Fifth Bond Issuance (Second Tranche under Program)	B5 Series: CPI + 3.92%	CPI + 3.92%	November 15,2018	\$ 181.660	2,63	AAA
	B12 Series: CPI + 4.80%	CPI + 4.80%	November 15,2025	\$193.340	9,63	AAA
Sixth Bond Issuance (Third Tranche under Program)	B7 Series: CPI + 3.53%	CPI + 3.53%	September 25,2021	\$ 185.000	5,49	AAA
Total Bonds				\$ 1.031.500	3,82	
COP Indexed loan Bank of Tokyo MUFJ	8.41% E.A.	N/A	March 18, 2019	\$ 200.000	2,96	N/A
Total Loans				\$ 200.000	2,96	
Total				\$ 1.231.500	3,68	



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Key credit metrics

The following table summarizes the conditions of Codensa's financial debt as of March 31st 2016:



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³ Net financial debt = Debt – Cash and Investments. Financial Debt = Total Debt (non including accrued interest)