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Grupo Enel

Operational and Financial Results Report
Codensa S.A. E.S.P.
As of September 2017[1]

October 30, 2017

Executive Summary

- ***Codensa's results during the first nine months of 2017 reflect the incorporation of the assets and market operations of Empresa de Energía de Cundinamarca (EEC) following their merger in October 2016.***
- ***EBITDA for the first nine months of 2017 reached COP $1.151 billion, increasing 13.4% compared to the same period 2016.***
- ***Codensa continues to execute an important investment plan aimed at the modernization of the network, the improvement of the quality of service, and the support of organic growth, reaching COP $462 billion invested over the course of the year.***

Total energy demand in the Codensa area between January and September 2017 was 10.965 GWh

Energy demand in Codensa's area of influence in the first nine months of 2017 reached 10.965 GWh, which represents a positive variation of 0.6% with respect to the same period of the previous year. In addition, the accumulated national demand between January and September was 49.866 GWh, increasing by 0.3% with respect to the same period of the previous year.

It is important highlight that September is the third consecutive month in which energy demand for Codensa (measured as LTM basis) grew at a higher pace than National demand, which in fact shows a decrease rate of 0.03% in the same period.

Between January and September of 2017, Codensa distributed 21.99% of SIN energy demand, and 22.49% of the Country's total regulated demand, being the second largest operator in the country. 69.0% of Codensa's energy demand corresponded to the regulated market, and 31.0%

[1] Figures of the financial statements used in this presentation as of September 30th, 2017 were prepared in Colombian pesos under IFRS officially applied in Colombia.

corresponded to tolls (clients located within the Codensa network served by other marketers).

The results of Codensa's area operations reflect the effects on the behavior of the energy consumption derived from the following factors: i) deceleration of the economy, ii) lower demand from the unregulated market motivated by the "Apagar Paga" energy saving campaign during the El Niño phenomenon in 2016 and iii) the implementation of new energy efficiency technologies by the unregulated commercial sector.

Codensa added 66.017 new customers during the first nine months of this year, reaching a total of 3.314.587 as of September, located in Bogota and 103 municipalities in the Country's central region.

Energy losses index stood at 7.80% for the last twelve months ended September 30 2017, increasing in comparison to the 7.22% observed in the same period ended September 30, 2016. This was mainly explained by the incorporation of EEC's operation, which due to the rural nature of its market, brought at the time of integration a higher level of energy losses than Codensa's.

For the same reason, SAIDI (duration of interruptions) and SAIFI (frequency of interruptions), the international indicators for quality of service, increased compared to the same period of the previous year, totaling 837 minutes (+ 11.45%) for SAIDI and 9.8 times (+7.69) for SAIFI.

However, it is important to note that following the integration of the EEC market, an improvement in the TAM of 131 minutes in the SAIDI and 1.37 times in the SAIFI was observed between January and September 2017 with respect to the end of December 2016, thanks to the important investments implemented focused on the improvement of quality of service.

The following table presents Codensa's main operational results for the first nine months of 2017:

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	January – September 2017	January – September 2016	Change (%)
National Demand (GWh)	49.866	49.714	+0.3%
Demand in Codensa's area (GWh)	10.965	10.896	+0.5%
% Codensa's market share	21.99%	21.92%	+0,3%
Number of Clients	3.314.587(1)	3,248,570(2)	+2.0%
Energy Loss Index (LTM)	7.80%	7.22%	+8.0%

(1) Figures as of September 30 2017
(2) Figures as of December 31 2016

Codensa's EBITDA between January and September 2017 reached COP $1.151 billion (USD 392 million)

Operating revenues to September 2017 totaled COP $3.4 trillion (USD 1.144 million), up by 11.1% compared to the same period of the previous year. This was mainly explained by:

- The effect of the incorporation of revenues from the market previously served by EEC, which was absorbed by Codensa in October 2016;
- An increase in the regulated tariff, due to different variations in some of its main components, where the positive variations outweighed the negative, as follows:
  - An increase in the remuneration component of the distribution activity given the incorporation of new high voltage remunerated assets built by Codensa, which entered into operation during the first months of 2017, coupled with an indexation of the Producer Price Index (PPI) which had a positive variation over the period.
  - A rise in the remuneration component of the retailing activity, thanks to positive changes in the Consumer Price Index (CPI) to which the charge is indexed to.
  - A lower value of the Generation component, derived from lower spot prices, registered during 2017, compared to the same period of 2016, due to the impact generated the previous year by the El Niño Phenomenon.

The cost of sales amounted to COP $1.9 trillion (USD 644 million) during the first nine months of the year, equivalent to an 8.9% increase compared to the same period of 2016. This increase was mainly explained by:

- Increase in energy purchases (+6.2%) due to the higher volume of energy retailed, due to the incorporation of the EEC market, which was partially offset by lower spot prices.

- Increase in transmission costs due to the increased volume of energy transported and the growth of the regulated tariff (+$23/ kWh average)

In the value-added products and services business, revenues amounted to COP $149.029 million between January and September 2017, a $ 17.872 million COP increase compared to the same period of the previous year (+13.6% YoY), thanks to the significant growth of products such as insurance and customized energy solutions to final consumers (B2C segment).

Fixed costs, represented by personnel, operating and maintenance costs, grew by 16.4% compared to the same period in 2016, reaching a total of COP $319 billion (USD 109 million). This increase is explained by:

- The increase in the number of staff following the merger with EEC
- The increase in the number of operations due to:
    - The integration of the market previously attended by the EEC, which also represents a higher cost of operation derived from the high dispersion of its customers;
    - The winter season presented in the first quarter of the current year, which implied a higher number of prevention and corrective maneuvers.
- The CPI indexation of the majority of the personnel expenses and other fixed operating expenses.

Accordingly, EBITDA during the first nine months of 2017 reached COP $1.151 billion (USD 392 million), a 13.4% increase compared to the same period of 2016, representing a margin of 34.16% over operating revenues.

Depreciation and amortization showed an increase of 19.6% compared to the same period of the previous year, mainly due to the incorporation of EEC's assets, and the activation of Codensa's ongoing projects, resulting in a larger asset base subject of depreciation.

This way, Codensa's EBIT totaled COP$914 billion (USD 311 million), equivalent to an increase of 11.6% compared to the same period of 2016.

Net financial expenses reached COP $126 billion (USD 43 million)

Net financial expenses for the first nine months of 2017 totaled COP $126 billion (USD 43 million), increasing by 5.7% compared to the same period of 2016, explained by the following facts:

- Gross financial expenses rose 8.1% reaching COP $147 billion (USD 50 million), explained by an increase in the average debt balance due to the higher average debt balance that resulted from capex financing and the incorporation of EEC's debt, which was partially offset by lower CPI levels recorded in 2017, to which a significant portion of the coupons of Codensa's debt were indexed to.

- Financial income reached COP $23 billion (USD 8 million) during the first nine months of 2017, increasing 24.5% compared to the same period 2016, mainly explained by a higher level of cash balances during the period, compared to the previous year.

As a result of all of the above, Codensa's earnings before tax (EBT) were COP $783 billion (USD 266 million) to September of 2017, up by 13.5% over the previous year.

Codensa's net income reached COP $465 billion (USD 158 million)

Codensa's net income reached COP $465 billion (USD 158 million) during the first nine months of 2017, 14.8% higher than what was recorded a year ago, as a result of favorable performance of EBITDA, partially offset by the higher financial expense as explained above. There was also a decrease in the effective tax rate, which positively helped bottom line results compared to the previous year.

CAPEX reached COP $462 billion (USD 157 million)

Between January and September 2017, investments amounted COP $462 billion (USD 157 million), 7.6% higher than the previous year, out of which 65.4% were destined to growth projects, including those that result in an improvement of quality of service, as well as the expansion and modernization of the network. The remaining 34.6% was destined to maintenance capex.

On July 1st, 2017, the Nueva Esperanza Substation was inaugurated, with an investment close to $111 billion pesos (USD 38 million) between 2011 and 2017. The Nueva Esperanza substation is at the top in terms of technology in the country and its incorporation increases Codensa's power capacity by 11% in terms of energy exchange between the Regional Transmission System and the National Interconnected System, supporting the reliability and quality of service for the central-eastern zone of the country.

Balance Sheet Structure

As of September 30 2017, the company's assets amounted COP $5.8 trillion (USD 1.9 billion), of which property, plant and equipment represented 77.3%, valued at COP $4.5 trillion (USD 1.5 billion). Total assets increased by 1.2% compared to December 31st 2016, mainly due to an increase in fixed assets (+4.8%) resulting from the capex executed in the course of the year, partially offset by a 32.4% reduction in cash and temporary investments mainly due to dividends and capex payments made during the current year.

Codensa's total liabilities as of September 30 2017 were COP $3.3 trillion (USD 1.1 billion), a 4.1% increase compared to December 2016. In the analyzed period, total financial debt rose 13.5% mainly by an increase in the long-term financial debt used to as well as to fund the investment plan.

The Company's total equity amounted to COP $2.5 trillion (USD 846 million), presenting a 2.4% reduction compared to December 31st, 2016, due to the dividends decreed from Codensa's 2016 net income, as well as a 100% of the EEC's retained earnings for the period 2010 to 2016, which more than offset the accrual of the current period's net income.

Total liabilities and total equity as of September 30, 2017 represented 57.2% and 42.8% of total assets, respectively.

Between January and September 2017, CODENSA paid a total of COP $409 billion (USD 140 million) in dividends to its shareholders, as follows:

- In January 2017, COP $117 billion (USD 40 million), corresponding to the last installment of the dividends decreed from 2015 net income.
- In April 2017, COP $154 billion (USD 52 million), corresponding to EEC's net income accrued from January 2010 through September 2016 which had been retained prior to the merger.
- In May 2017, COP $140 billion (USD 48 million), corresponding to the first installment of the dividends decreed on 2016 net income.

Financial Debt

At the end of September 2017, Codensa's financial debt, including interests accrued and payable, amounted to COP $1.8 trillion (USD 627 million), a 13.5% increase over December 2016, after issuing two local bonds in March and June for a total amount of 630 billion(US 214 million), and servicing debt maturities for a total of $521 billion (US 178 million). The first bond was placed in two fixed-rate tranches with tenors of 2 and 5 years for a total amount of COP $430 billion (USD 146 million). The second bond was placed in a single fixed rate tranche with a 7 years tenor for a total amount of COP $200 billion (USD 68 million).

At the end of September of 2017, Codensa's total financial debt was fully denominated in Colombian pesos (COP), and its average life was 3.5 years. 35.2% of the debt had interest indexed to CPI, 5.4% to DTF and 59.4% had fixed rate.

The following table summarizes the financial terms and conditions of Codensa's financial debt[2] as of September 30 2017:

Instrument	Coupon/ Interest	Maturity	Amount (MM COP)	Average Life (years)	Credit Rating

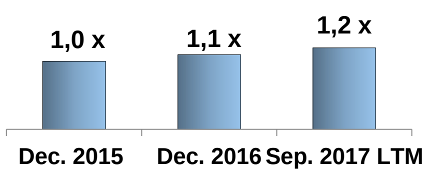
[2] Excluding leasing operations.

Third Bond Issuance	A10 Series: CPI + 5.55%	December 11, 2018	$ 80.000	1,20	AAA
Fifth Bond Issuance (Second Tranche under Program)	B5 Series: CPI + 3.92%	November 15, 2018	$ 181.660	1,13	AAA
	B12 Series: CPI + 4.80%	November 15, 2025	$193.340	8,13	AAA
Sixth Bond Issuance (Third Tranche under Program)	B7 Series: CPI + 3.53%	September 25, 2021	$ 185.000	3,99	AAA
Seventh Bond Issuance (Fourth Tranche under Program)	E4 Series: 7.70%	September 15, 2020	$90.000	2.96	AAA
Eighth Bond Issuance (Fifth Tranche under Program)	E2 Series: 7.04%	March 9, 2019	$160.000	1,44	AAA
	E5 Series: 7.39%	March 9, 2022	$270.000	4,44	AAA
Seventh Bond Issuance (Sixth Tranche under Program)	E7 Series: 6.46%	June 8, 2024	$200.000	6,69	AAA
		Total Bonds	**$ 1.360.000**	**4,15**	
COP Indexed loan Bank of Tokyo MUFJ	8.32% NASV	March 18, 2019	$ 200.000	1,46	N/A
COP Indexed loan Bank of Tokyo MUFJ	8.82% NASV	June 10, 2020	$ 162.000	2,19	N/A
Local Bank Loans	Average 7,68% E.A.		$98.316	0,94	N/A
		Total Loans	**$ 460.316**	**1,61**	
		Total	**$ 1.820.316**	**3,51**	

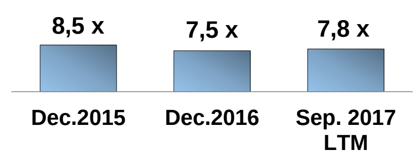
Key Credit Metrics

Main credit metrics as of September 30, 2017 are as follows:

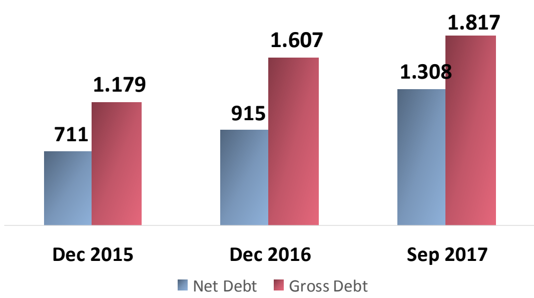
Financial Debt /EBITDA



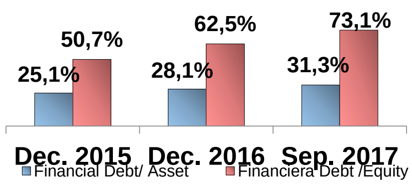
EBITDA/ Financial Expenses



Gross and Net Financial Debt[3]



Leverage



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[3] Net Debt = Principal balance of less effective financial debt and temporary investments.
Financial Debt = principal balance of financial debt (not including interest due to pay)