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Grupo Enel

Operational and Financial Results Report
Codensa S.A. E.S.P.
As of March 2018[1]

April 27th, 2018

Executive Summary

- ***Revenues increased 5.7% with respect to the 1Q2017, as a result of a positive demand performance and growth in the regulated tariff.***

- ***Codensa's EBITDA reached COP $333 billion in the first quarter of 2018, equivalent to a 28.6% margin over operating revenues.***

  Codensa maintains its important investment plan aimed at network modernization, improvement of service quality and attention to new connections. During the first three months of 2018, investments reached COP $112 billion.

Energy demand in Codensa's area of operation during the first quarter of 2018 was 3.622 GWh

National demand during the analyzed period reached 16.649 GWh, increasing by 2.7% compared to the same period of the previous year. Particularly within Codensa's area of operation, energy demand during the first quarter of 2018 was 3.622 GWh, showing a positive variation of 0.9% with respect to the same period of the previous year.

This positive performance is mainly explained by the growth in regulated demand, especially in the commercial and residential segments. The industrial segment in both, Codensa and other network operator's customers, presented negative rates of growth, partly explained by a consumption decrease due to Holy Week and the adoption of new efficient technologies in the unregulated market during the last 18 months.

Between January and March of 2018, Codensa distributed 21.8% of the SIN[2] energy demand and 22.6% of the Country's total regulated demand. The 67.7% of the energy distributed by Codensa corresponded to the regulated market, 29.8% to unregulated customers located within the

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[1] Figures of the financial statements used in this presentation as of March 30th, 2018 were prepared in Colombian pesos under IFRS officially applied in Colombia.

[2] SIN: Sistema Interconectado Nacional = National Interconnected System

Codensa's area of operation, and 2.5% to energy transferred to other network operators through Codensa's network.

Codensa added 23.491 new customers during the first three months of this year, reaching a total of 3.363.948, located in Bogota and 103 municipalities in the Country's central region.

The average energy losses index stood at 7.88% for the last twelve months ending March 31 2018, increasing 0.12% compared to the 7.76% observed in the same period ending March 31, 2017. This was mainly explained by a higher demand at low voltage level (N1), which requires a greater transformation and therefore is subject to larger energy losses. In order to mitigate this effect, the Company is implementing actions to manage non-technical losses such as investments aimed at improving the effectiveness of theft inspections, normalization of non-client users and enhancement in targeting methodologies.

International indicators for quality of service, SAIDI (duration of interruptions) and SAIFI (frequency of interruptions), improved compared to the same period of 2017, reaching 805 minutes (-13.81%) and 10.46 times (-2.24x) respectively. This is the result of the positive execution of investments in modernization, telecontrol and network automation projects, achieving higher efficiency in network operation and direct benefits in the quality of the service for users.

The following table presents Codensa's main operational results for the first three months of 2018:

	January-March 2018	January–March 2017	Change (%)
National Demand (GWh)	16.649	16.215	+2,7%
Demand in Codensa's area (GWh)	3.622	3.590	+0,9%
% Codensa's market share	21,8%	22,1%	-0,3%
Number of Clients	3.363.948(1)	3.340.457(2)	+0,7%
Energy Loss Index (LTM)	7,88%	7,76%	+0,1%

(1) Figures as of March 31, 2018
(2) Figures as of December 31, 2017

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Codensa's EBITDA reached COP $333 billion (USD 117 million) during the first quarter of 2018

Operating revenues during the first quarter of 2018 totaled COP $1.2 trillion (USD 408 million), up by 5.7% compared to the same period of the previous year. This was mainly explained by:

i) Growth in demand by 0.8% compared to March 2017, mainly in the regulated market.
ii) Increase in the regulated tariff, especially in the Gx component (Generation) as a result of higher energy purchase costs related to wholesale contracts signed with generators that began to apply at the beginning of 2018.

These effects were partially offset by the decrease in tolls, mainly in the industrial sector due to Holy Week.

Cost of sales amounted to COP $712 billion (USD 249 million) during the first three months of the year, equivalent to a 14.2% increase compared to the same period of 2017. This is mainly explained by energy purchases at a higher average price compared to the prices recorded in the first quarter of the previous year. It is important to remark that the cost of energy is a pass-through with a lag of two months in order to be recognized within the income, therefore this impact will end up being recovered in the coming months.

Fixed costs, represented by personnel, operating and maintenance costs, grew by 11.6% compared to the same period in 2017, reaching a total of COP $120 billion (USD 42 million). This performance is explained by:

i) Increase in headcount to leverage Capex and new businesses,
ii) Higher legal provisions due to changes in case law on legal and civil matters regarding payments when there are negative first instance sentences, and
iii) CPI indexation of the majority of the personnel expenses and other fixed operating expenses.

These impacts were partially offset by the elimination of the wealth tax.

Accordingly, EBITDA during the first three months of 2018 reached COP $333 billion (USD 117 million), a 10.4% decrease compared to the same period of 2017, representing a margin of 28.6% over operating revenues.

Depreciation and amortization showed an increase of 12.5% compared to the same period of the previous year, mainly due to the increase in the fixed assets base as a result of the important investment plan that CODENSA carried out during 2017.

Accordingly, Codensa's EBIT totaled COP $245 billion (USD 86 million), equivalent to a decrease of 16.1% compared to the same period of 2017.

Net financial expenses reached COP $38 billion (USD 13 million)

Net financial expenses for the first quarter of 2018 decreased by 1.2% compared to the same period of 2017, explained by the following reasons:

i) On the one hand, gross financial expenses on debt increased by 10.6%, reaching COP $50 billion (USD 17 million), explained by higher average debt balances, due to new financing raised within the last twelve months, in order to fund the investment plan. This was partially offset by lower CPI levels recorded during 2018, indicator to which 36% of the debt coupons were indexed to.

ii) On the other hand, financial income showed an increase of 68.2% compared to the same period of 2017, mainly explained by the financial update of the company's assets.

Finally, Codensa's earnings before tax (EBT) were COP $207 billion (USD 72 million) at the end of the first quarter of 2018, down by 18% compared to the previous year.

Codensa's net income reached COP $129 billion (USD 45 million)

Codensa's net income decreased by 17.8% compared to the first quarter of 2017, due to EBITDA's performance explained above, but partially offset by a slight decrease in net financial expense and a lower income tax due to a decrease in the effective tax rate compared the previous year.

CAPEX reached COP $112 billion (USD 39 million)

During first quarter of 2018, investments amounted to COP $112 billion (USD 39 million), 14.7% lower than the previous year. This effect is explained by the rescheduling of investments execution for the second half of 2018. Out of the total investment, 69% were destined to growth Capex in programs aimed at improving quality of service, network remote control program and new connections. The remaining 31% was destined to maintenance capex.

Balance Sheet Structure

As of March 31st 2018, the company's assets amounted to COP $5.9 trillion (USD 2.1 billion), of which property, plant and equipment represented 79.9%, valued at COP $4.7 trillion (USD 1.7 billion) and cash and temporary investments represented 4% (COP $225 billion). Total assets decreased by 4.1% compared to December 31st 2017, explained mainly by the reduction in cash and cash equivalents after the payment of dividends and the decrease in working capital in order to cover Opex and Capex obligations of the last two months of 2017.

Codensa's total liabilities as of March 31st 2018 were COP $3.6 trillion (USD 1.3 billion), a 1.8% increase compared to December 2017, explained mainly by the registration of dividends payable from 2017 net profits, and partially offset by a reduction in accounts payable.

The Company's total equity amounted to COP $2.3 trillion (USD 839 million), presenting a 11,9% reduction compared to December 31st, 2017, due to the dividends decreed from Codensa's 2017 net income.

Regarding the financial structure of the company, liabilities and equity represented 61% and 39% of total assets, respectively.

During the first three months of 2018, CODENSA paid a total of COP $93 billion (USD 33 million) in dividends to its shareholders, corresponding to the last dividend installment of 2016.

Financial Debt

At the end of March 2018, Codensa's financial debt, including interest, amounted to COP $1.8 trillion (USD 654 million), a 1.1% decrease over

December 2017, as a result of the amortization of credits with the local bank.

At the end of March of 2018, Codensa's total financial debt was fully denominated in Colombian pesos (COP) and its average life was 3.05 years.

The following table summarizes the conditions of Codensa's financial debt[3] as of March 31st 2018:

Instrument	Coupon/ Interest	Maturity	Amount (MCOP)	Average Life (years)	Credit Rating
Third Bond Issuance	A10 Series: CPI + 5.55%	December 11, 2018	$ 80.000	0,70	AAA
Fifth Bond Issuance (Second Tranche under Program)	B5 Series: CPI + 3.92%	November 15, 2018	$ 181.660	0,63	AAA
	B12 Series: CPI + 4.80%	November 15, 2025	$193.340	7,63	AAA
Sixth Bond Issuance (Third Tranche under Program)	B7 Series: CPI + 3.53%	September 25, 2021	$ 185.000	3,49	AAA
Seventh Bond Issuance (Fourth Tranche under Program)	E4 Series: 7.70%	September 15, 2020	$90.000	2.46	AAA
Eighth Bond Issuance (Fifth Tranche under Program)	E2 Series: 7.04%	March 9, 2019	$160.000	0,94	AAA
	E5 Series: 7.39%	March 9, 2022	$270.000	3,94	AAA
Ninth Bond Issuance (Sixth Tranche under Program)	E7 Series: 6.46%	June 8, 2024	$200.000	6,19	AAA
		Total Bonds	**$ 1.360.000**	**3,65**	
COP Indexed loan Bank of Tokyo MUFJ	8.32% NASV	March 18, 2019	$ 200.000	0,96	N/A
COP Indexed loan Bank of Tokyo MUFJ	8.82% NASV	June 10, 2020	$ 162.000	1,70	N/A
Local Bank Loans	Average 6,75%		$78.425	0,71	N/A
		Total Loans	**$ 440.425**	**1,19**	
		Total	**$ 1.800.425**	**3,05**	

[3] Excluding leasing operations.

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

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