27 | 02 | 2014

Emgesa and Codensa

FY2013 Results

As of December 31, 2013

Agenda

1 2013 Highlights

2 Emgesa and Codensa FY 2013 Operating Results

3 Emgesa and Codensa FY 2013 Financial Results

4 Q&A

2013 Highlights

Relevant topics of the year

Execution of projects under development (El Quimbo + Salaco + Nueva Esperanza)

Energy Tariff Revision (Commercialization and Distribution)

Achievements

Emgesa's and Codensa's Financing Operations

Execution of projects under development

Advances in the execution of strategic project for Colombia's energy supply

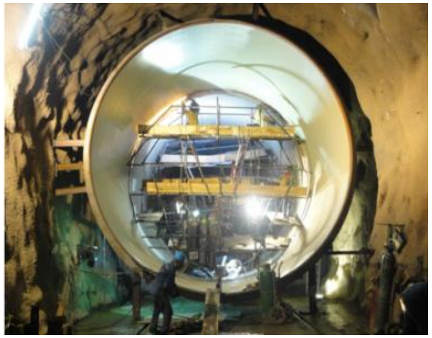
Quimbo

57,3% of physical execution

Budget: USD$837 million
Accumulated Investment of USD$564.8 million

Hydroelectric plant
400 MW (2x200 MW Francis)
Average generation of 2,090 Gwh/year

- Advances in:
  - Alternative routes – II Tranche and overpass bridge
  - Concrete face of dam
  - Dumping site
  - Auxiliary dam and engine room
- Advances in the production, supply and assembly of the engines, generator and gates



Repowering of Salaco

67,5% of physical execution

Budget: USD$43,7 million
Accumulated Investment of USD$22,54 million (constant USD of 2012)

Repowering of 6 generation units in the Salto II, Laguneta and Colegio power plants.
Increase of 144,8 MW in installed capacity for a total of 221 MW
Beginning of commercial operations: December 2014

- Important advances in the update of equipments and major maintenances.
- **2013: Beginning of commercial operations of Unit 2** (Nov 3, 2013)

Energy Tariffs Revision

2013: revision of methodological bases for the energy tariff period in place starting 2014

- **5 year regulatory period.**
- **Variable component of commercialization in place for almost 13 years,** with periodic updates by inflation and productivity factor.
- **Distribution component in place since September 2008.**

2013 – 2014 Revision

- **Revision of the WACC applicable to calculate the return on the investment in electrical assets.**
- **Update of methodologies to value assets.**
- **Commercialization component revision.**

Achievements

Public recognitions to the high quality standards of investor relations, efficiency and financial soundness

IR Recognition from Colombian Stock Exchange (BVC) to corporate issuers of fixed income and equity in Colombia for:

- Increasing their models of revelation of information and investor relations standards voluntarily.
- Making the entire content of the web pages in Spanish and English available to investors

Only 5 exclusively fixed income issuers (Codensa and Emgesa included) were awarded

86.4% satisfaction of the quality perceived by Codensa's clients in 2013

10.2% improvement compared to the 2012 result (sixth place in 2013)

Best performing variables:

- Image (88.5%)
- Client service (84.0%)
- Information and communication (77.8%)

CIER: Regional Commission of Electrical Integration. The members include Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay. The CIER performs an annual study measuring the satisfaction of residential clients of the distribution companies of Latin America regarding 5 different areas of quality of the energy supply image, information and communication, billing and client service.

Emgesa's Credit Rating Upgrade from S&P and Fitch Ratings

Emgesa's long-term foreign and local currency issuers ratings **increased from BBB- to BBB**

Fitch Ratings:

- Strong financial performance
- Robust cash flow generation
- Low to moderate financial leverage after beginning of operations of El Quimbo
- Asset diversification

Standard & Poor's:

- Integrated analysis with Codensa
- Strong competitive position
- Improved business environment
- Good operating efficiency
- Expected healthy consolidated financials

emgesa endesa
CODENSA mucho más que energía

Emgesa's Financial Operations

New resources for El Quimbo and benefits from liability management transactions

Issuance of the Fifth Tranche under Local Bond Program
COP$565 Bn
(equivalent to US$293 MM)
September 2013

- Bonds issued with **6 (COP$202 Bn) and 12 years (COP$363 Bn) tenors at yields of CPI + 4,25% and CPI + 5,00%,** respectively.
- **Total demand for more than COP$881 Bn** (2,2x oversubscribed)
- Great **interest in the deal from local investors confirming investor confidence in Emgesa's management** and high recognition as a **well-seasoned bond issuer**
- Use of proceeds for **El Quimbo** (COP$516 Bn) **and prefunding of 2014 bond maturities** (COP$49 Bn).

Refinancing of outstanding Club Deal
COP$305 Bn
(equivalent to US$158 MM)
December 2013

- Refinancing of outstanding Club Deal with local banks **as a result of the monetary policy easing started by the Central Bank in July 2012** and lower local rates available from local commercial banks.
- **More than COP$1.8 trillion (6x)** received in tickets from banks
- **113 pbs (US$1,8 MM/year) reduction in average interest rate** with a final average rate of IBR + 3.66% (6.96% on an annual basis) **and extension of 1,5 years in average life** (average life of 6,5 years)
- **Prepayment of obligations** and **signature of two new loan agreements with BBVA Colombia (COP $225 Bn) and CorpBanca (COP$80 Bn)**

Codensa's Financial Operations

Prefunding of 2013 and 2014 bond maturities

Local bond maturity served with cash on hand

COP$80 Bn

(equivalent to US$42 MM)

February 2013

- **Excess cash flow allowed the company to serve the COP$ 80 Bn (equivalent to US$ 42MM) bond maturity in February 2013** with cash on hand.
- **Excess resources came from the sell of the financial unit of home appliances and services called Codensa Hogar to Colpatria**, a local commercial bank, in 2009.
- The **sell of this unit has allowed Codensa to decrease its financial debt by more than 14% since 2009**, amortizing more than COP$342 Bn (equivalent to US$177 MM) of bond maturities with cash on hand.

Issuance of the Second Tranche under Local Bond Program

COP$375 Bn

(equivalent to US$195 MM)

November 2013

- Bonds issued with **5 (COP$182 Bn) and 12 years (COP$193 Bn) tenors at yields of CPI + 3,92% and CPI + 4,80%,** respectively.
- Total demand for more than COP$1.5 trillion **(4.3x oversubscription)**
- Great **interest in the deal from local investors** in spite of the lack of bond transactions from Codensa in the past two years.
- Use of proceeds: **prefunding of bond maturities in December 2013 (COP$161 Bn) and March 2014 ($250 Bn)**

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Emgesa's Generation

Increasing thermal generation from the total due to low rain levels

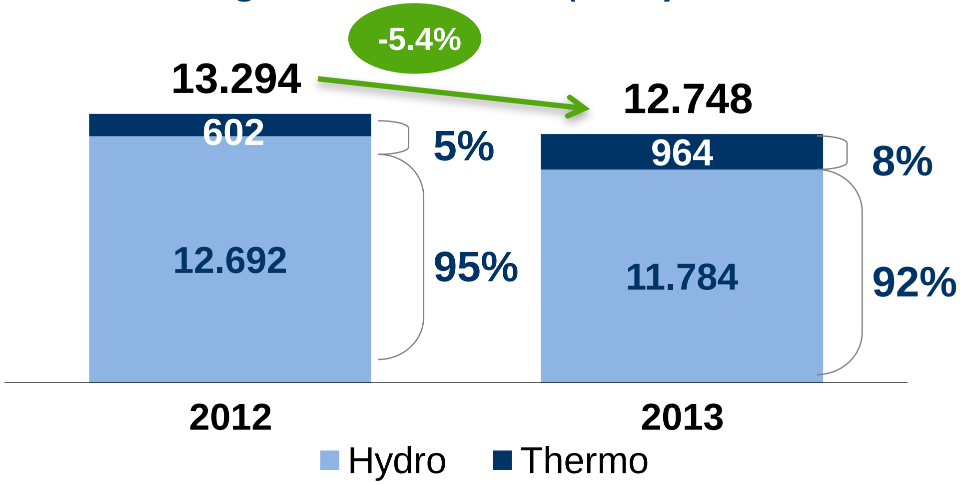
Availability index of plants: 92.5% (+2.1% vs.Dec.12)

Market share by installed capacity: 19.8% (-0.01% vs. Dec.12)

Market share by generation: 20.5% (-1.7% vs. Dec.12)

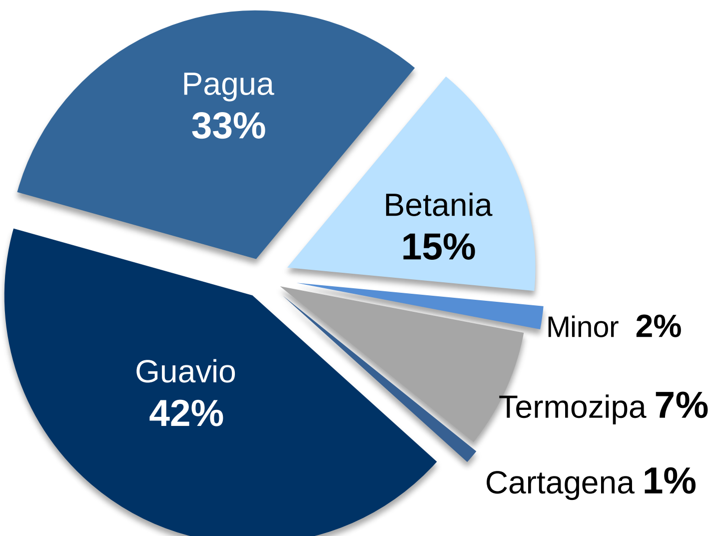
Source: Emgesa

Emgesa's Generation (GWh)



Emgesa's Generation Plants

(% of Emgesa's accumulated generation Jan.-Dec. 2013)

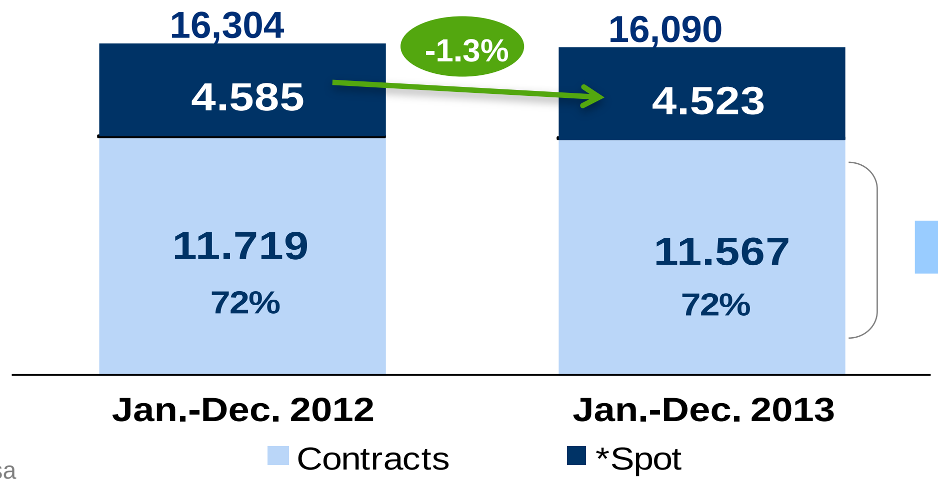


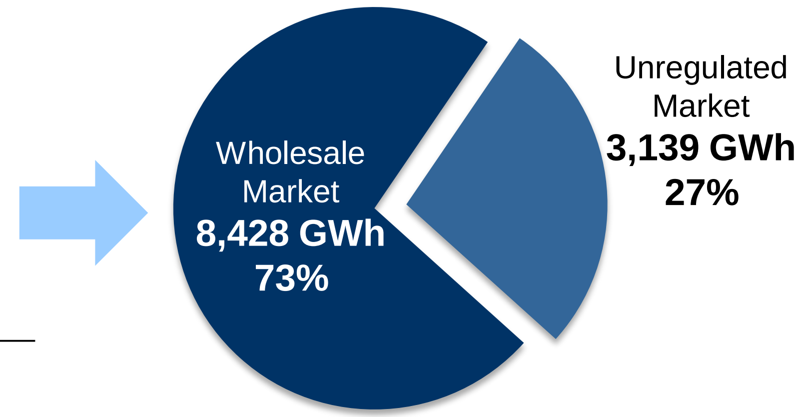
Persistence of dry conditions during 2013 leading to increased thermal generation to preserve water

Emgesa's Sales

Continued intermediation activity in the spot market to preserve water reserves

Energy Sales (GWh)

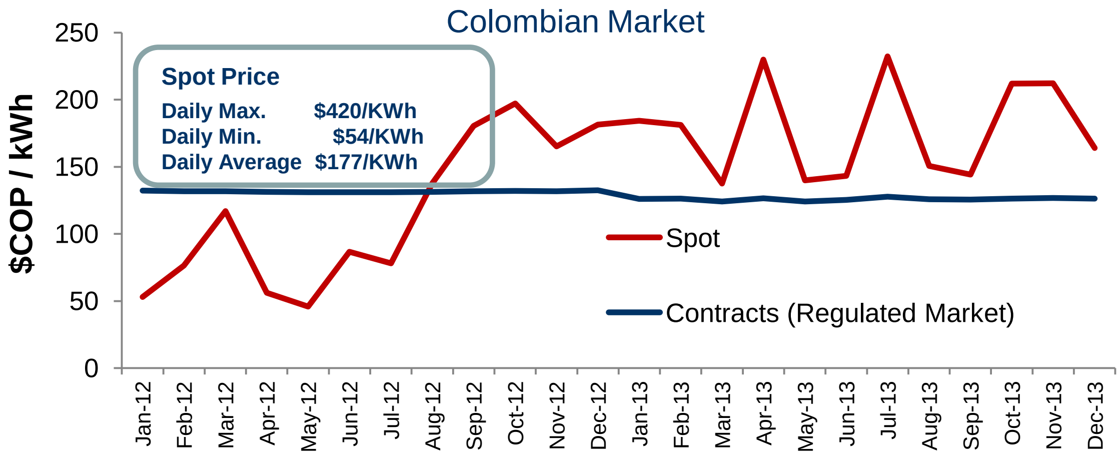




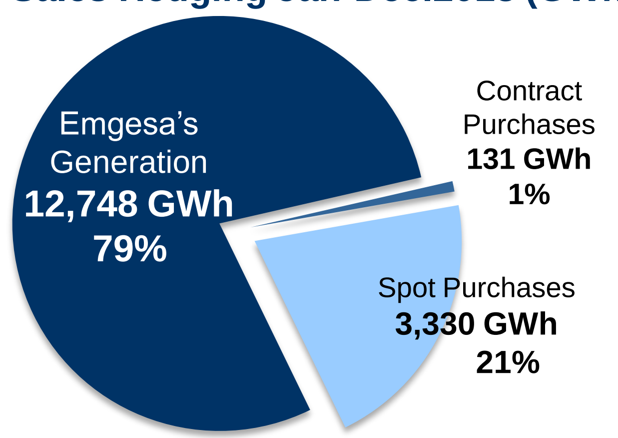
Source: Emgesa

* Sales in spot market include AGC, which is the secondary frequency regulation of certain power plants to regulate electricity frequency and the quality within the system.

Spot Price vs. Contract Prices 2013



Energy Sales Hedging Jan-Dec.2013 (GWh)



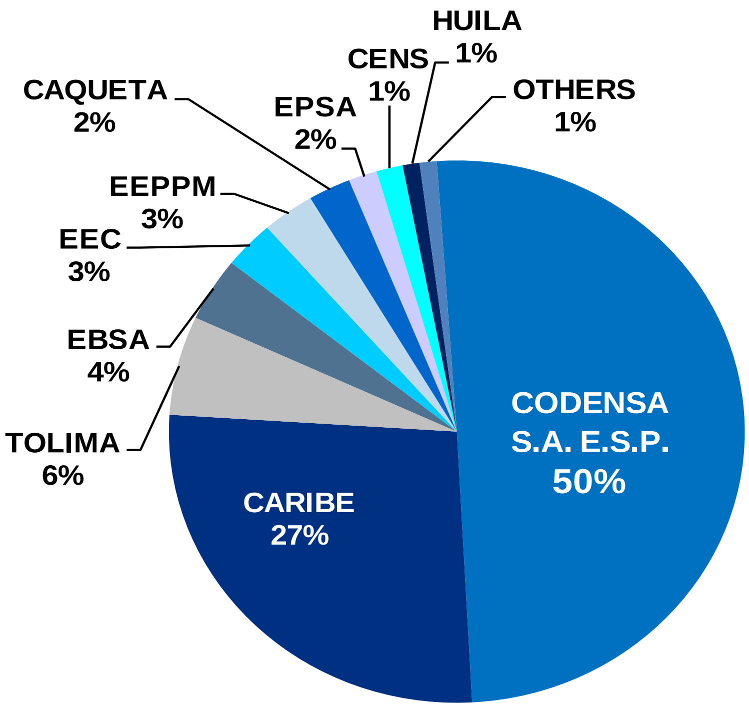
Commercial policy aims for the equilibrium between the sales through contracts and the spot market and the hedging of sales with own generation (79%) and spot purchases (21%)

Emgesa's Client Base

Optimal mix of sales through contracts to the wholesale and the unregulated markets

Wholesale Market Clients

(% of sales to the wholesale market in GWh Jan.-Dec. 2013)

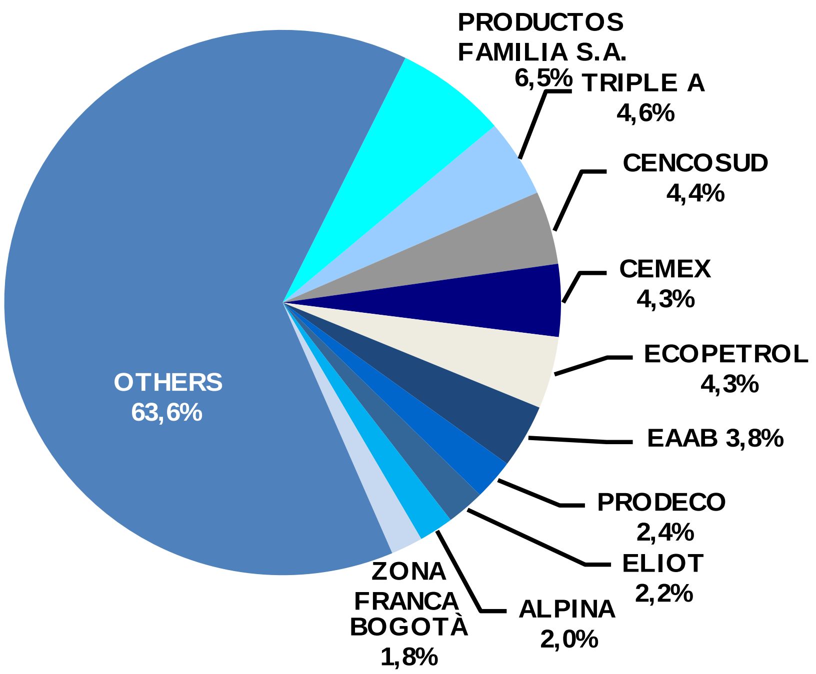


Sales to the Wholesale Market: 8,428 GWh

More than14 clients served in this market

Unregulated Market Clients

(% of sales to the unregulated market in GWh Jan.-Dec. - 2013)



Sales to the Unregulated Market: 3,139 GWh

Monthly average of **789 commercial frontiers served**

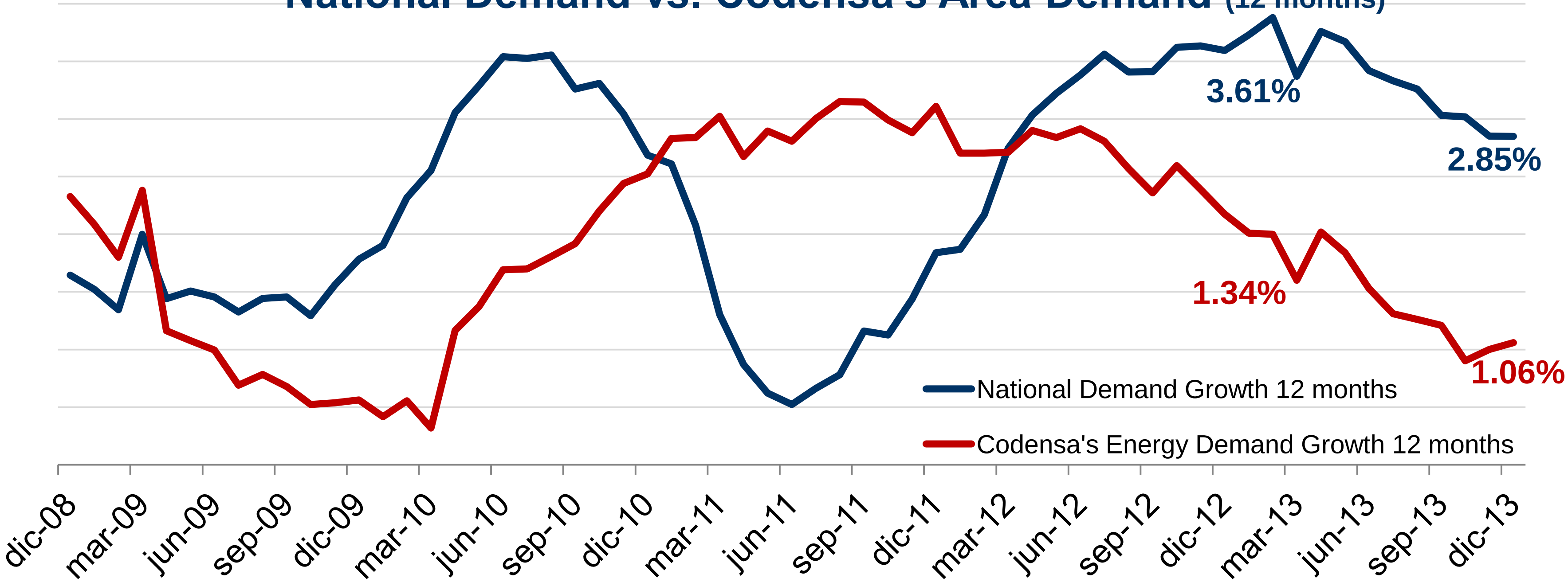
13,9% of the total of this market

3.4 % growth in sales through contracts to large industrial and commercial clients

Codensa's Area Demand

Slight recovery in the growth rate of energy demand in Codensa's area

National Demand vs. Codensa's Area Demand (12 months)



Source: Codensa. Annual Average Rates
* Energy demand in Codensa's area is calculated including the electricity received by the Guaca Substation which is destined to the regional distribution company of Tolima from 2013 on, increasing the use of Codensa's networks by other network operators. For comparison reasons the data from January 2011 was recalculated including this correction.

National energy demand growth at 2.85% as of Dec. 2013, moderating its growth due to the lower growth rates from the oil and mining sector and the slowdown in the industrial production

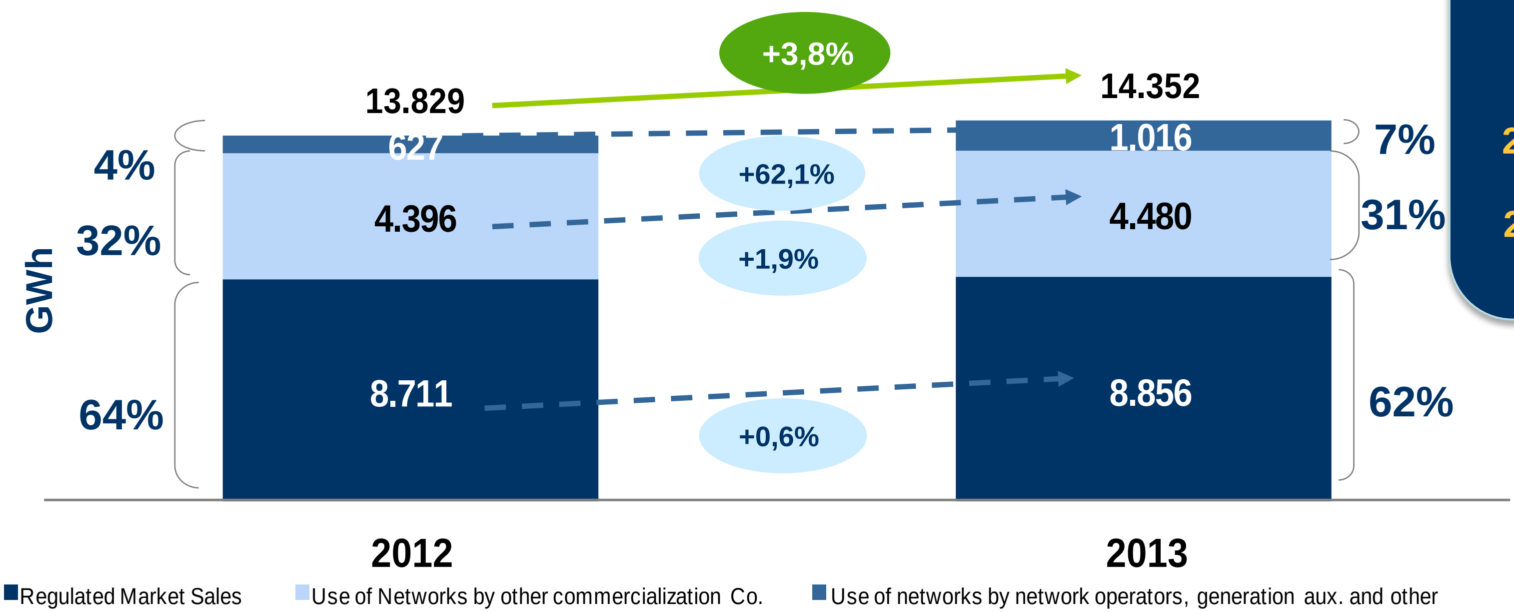
Growth rate of energy demand in Codensa's area at 1.06%, with a slight recovery from the regulated market (residential and commercial clients) and from the use of Codensa's networks by other commercialization companies

Codensa's Energy & Sales

Growth in the sales volume in the regulated market and in the use of networks by other commercialization Co.

Electricity Demand in Codensa's Area

(GWh)



Codensa: #1 distribution company in Colombia:

23.6% of National Demand

22% of Regulated Demand

Source: Codensa. Energy transferred to network operators from other regions includes energy sent to Tolima from 2011 to September 2013.

Dec. 12 vs. Dec. 13: +0,6% growth in energy sales volume to the regulated market

Dec.12 vs. Dec. 13: +1,9% in use of Codensa's networks by other commercialization Co.

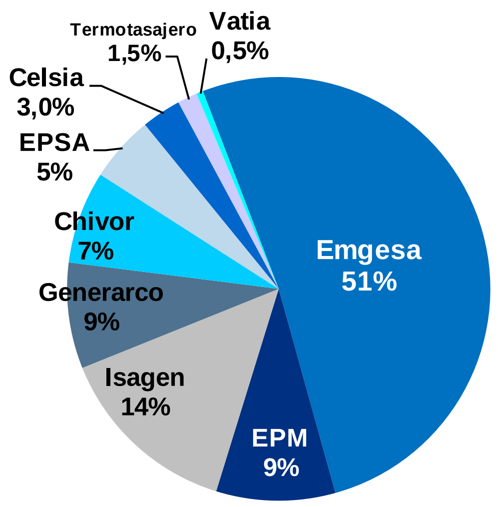
Dec.12 vs. Dec. 13: +62,1% growth of energy transferred to network operators from other regions from Codensa's area

Codensa's Commercial Policy

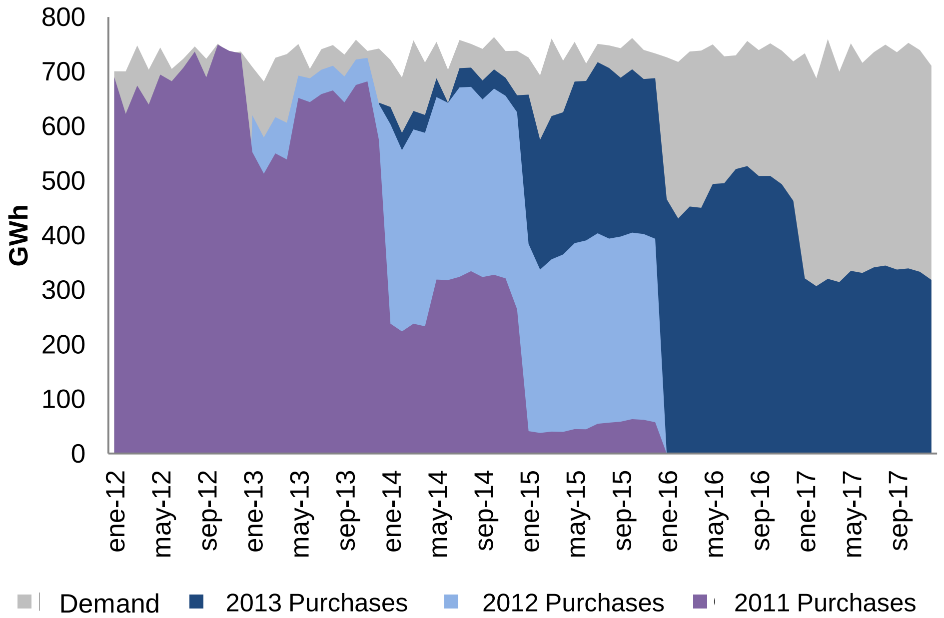
Active strategies to hedge prices of energy demand from the regulated market

Main Suppliers of Electricity for Codensa Jan-Dec. 2013

(% of purchases in terms of GWh)



Hedging Through Contracts (GWh)



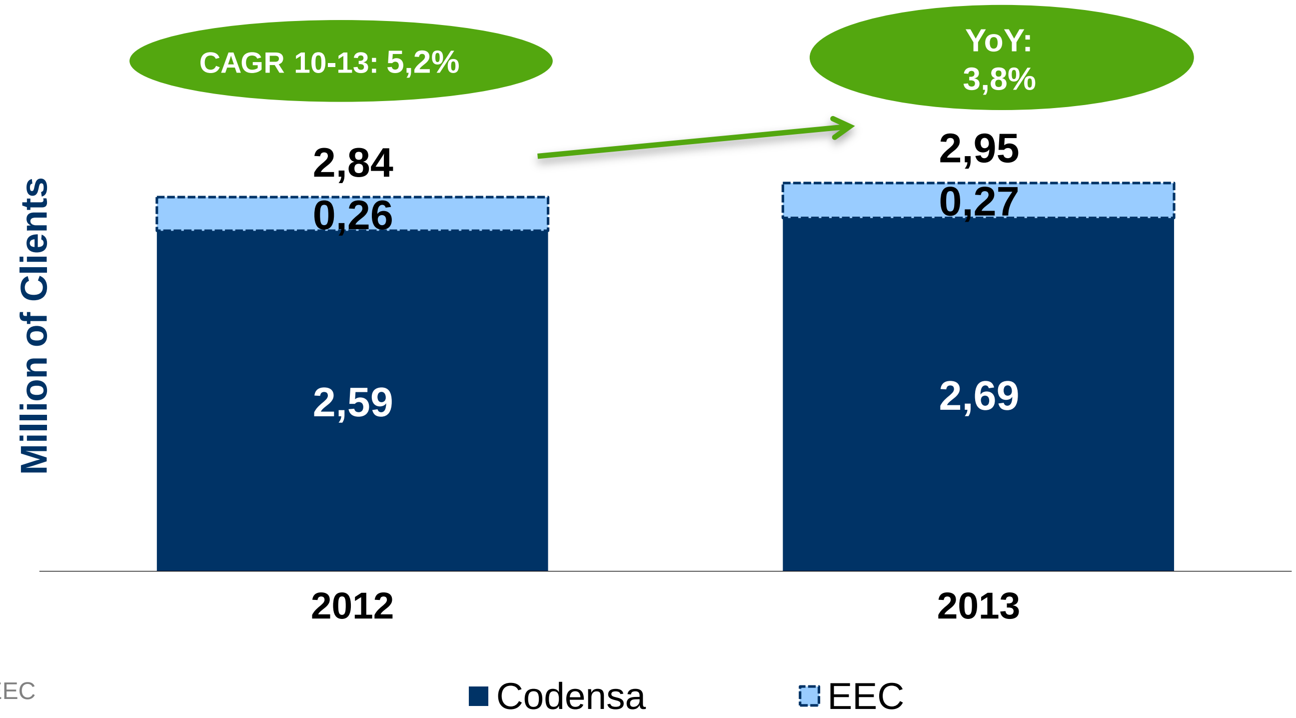
Energy purchase hedging through contracts: 90% (2014), 89% (2015), 64% (2016) and 44% (2017)

Commercial policy aims to increase hedging of energy demand through long term contracts to guarantee efficient and stable tariffs to the regulated market reducing the exposition of clients to changes in the spot price

Codensa's Growth of Client Base

Important organic growth of client base

Growth in Number of Clients in the Distribution Business



Source: Codensa and EEC

Important organic growth in Codensa's area:

+109,386 new clients added in 2013

More than 2 million calls from clients received and resolved and more than 4 million transactions via web page from Codensa's clients up to December 2013

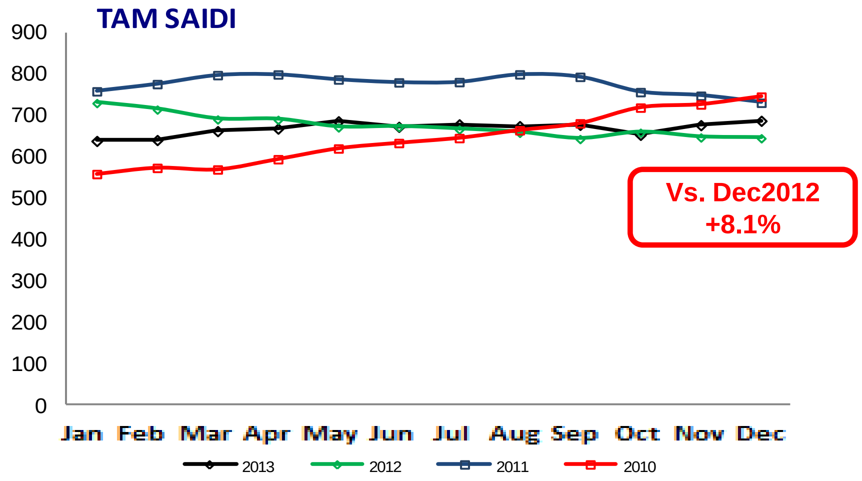
Condesa's Quality Indexes

Improvement in international quality of service indexes

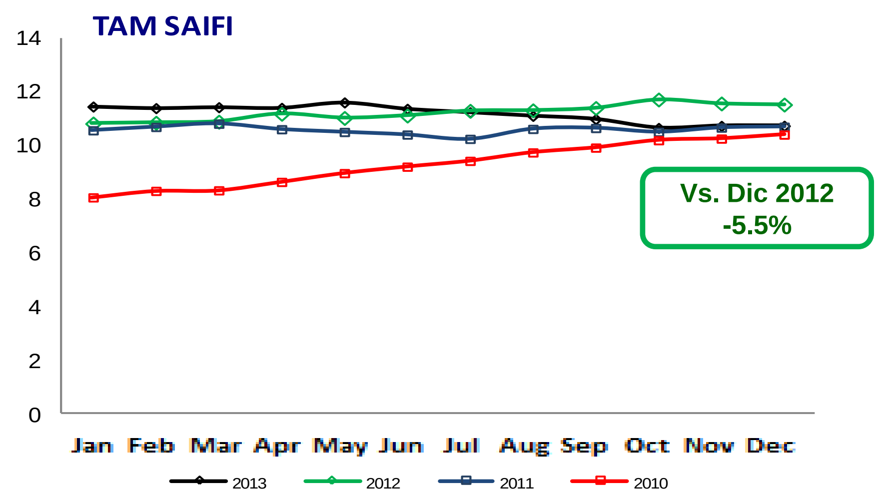
Quality of Service International Indexes

12 months

SAIDI*



SAIFI**



Source : Codensa

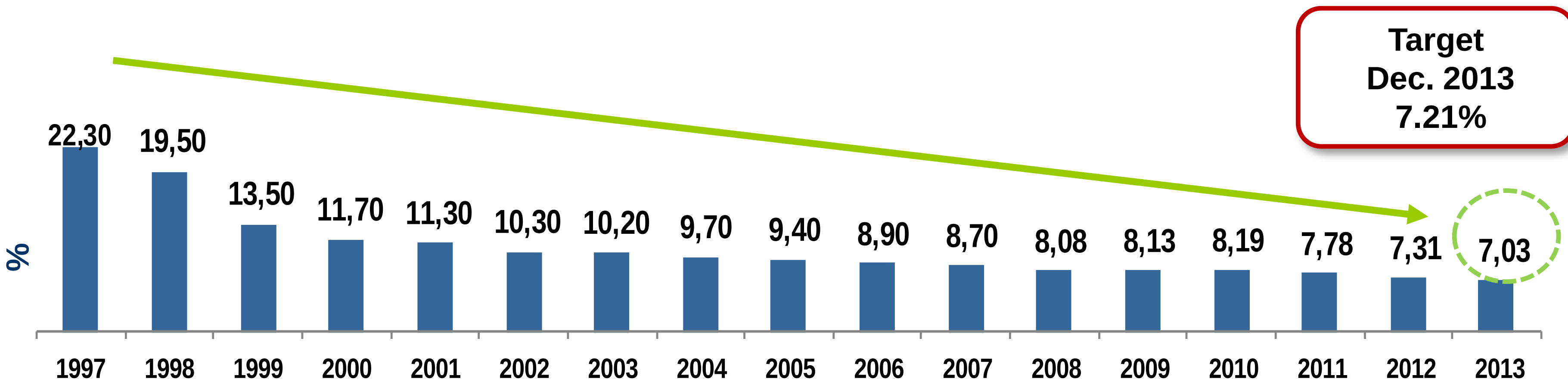
*SAIDI: Average Interruption Duration Index
**SAIFI: Average Interruption Frequency Index
Index results are considered manageable incidents by the company excluding the larger forces and external events.
Data just includes medium tension information.

Improvement in the SAIFI index reducing the number of interruptions of the electricity service. However, Codensa experienced an increase in the interruption time index (SAIDI index) due to some network failures and rains in during the 1Q and 4Q 2013 in the area of influence of Codensa.

Codensa's Losses Index

Continuing downward trend and record low levels of Codensa's losses index

Energy Losses Index



Source: Codensa

Losses Index remains lows: 7.03% as of December 2013 due to continuous efforts by the technical areas and new technologies implemented in the last years, such as the monitoring center *Mantis,* the remote measurement in medium tension, theft control, client monitoring and programs to incentivize payment of the energy service

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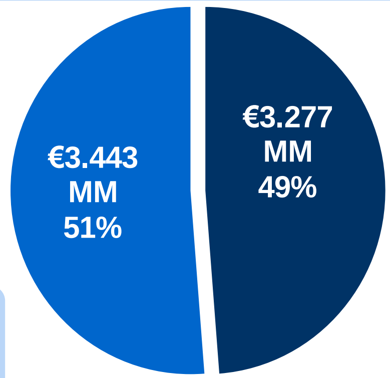
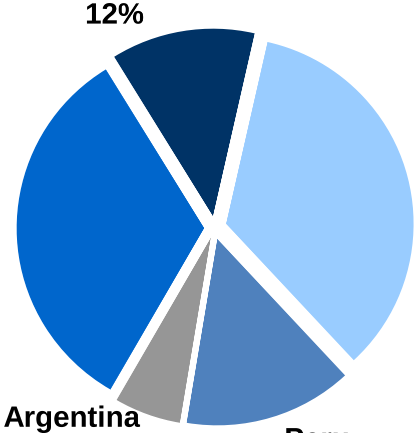
Colombia for the Endesa Group

Relevant assets with growing participation within the Endesa Group

EBITDA Endesa 2013
€6.7 Bn

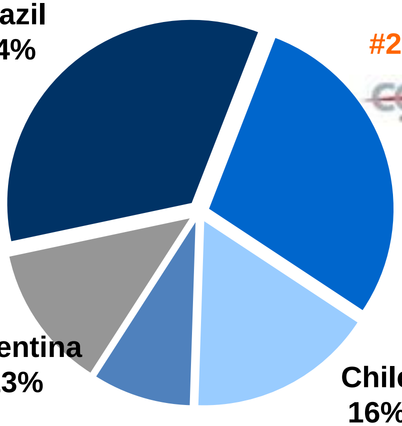


Latam Generation EBITDA
€1,789 MM



Colombia
35%
#1 in LATAM

Latam Distribution EBITDA
€1,654 MM



Colombia
28%
#2 in LATAM

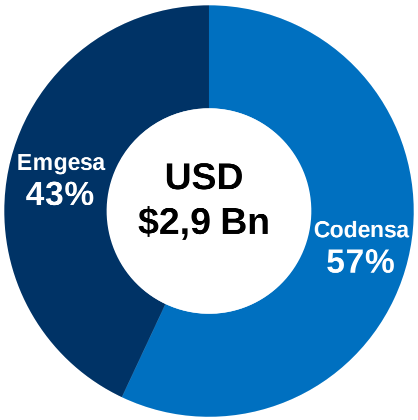
During 2013 Colombia was the first contributor of EBITDA en LATAM (31%) and represented 16% of the consolidated EBITDA of the Endesa Group

Endesa Group in Colombia

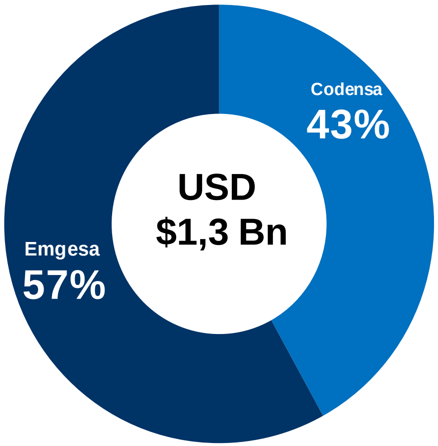
Aggregated figures for Codensa and Emgesa as of December 2013

Endesa Group in Colombia FY2013[1]

FY 2013 Revenues



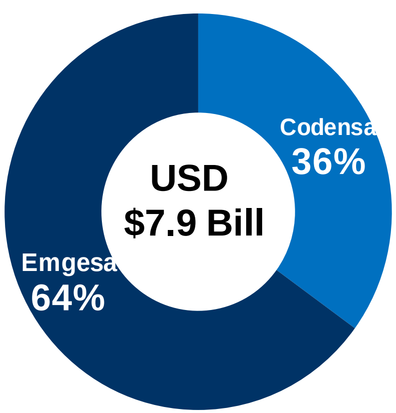
FY 2013 EBITDA



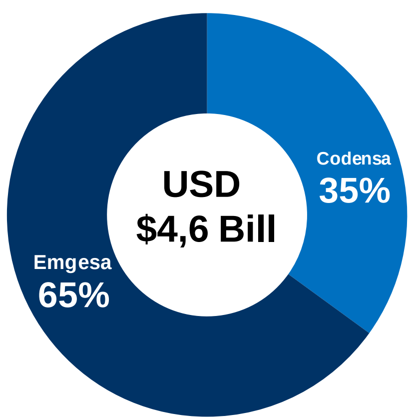
Generation:

FitchRatings STANDARD &POOR'S	International [2]: BBB /BBB
FitchRatings	Local: AAA

Assets as of December 2013



Equity as of December 2013



Distribution:

FitchRatings	Local: AAA[2]

(1) Corresponds to aggregated and audited figures for Codensa and Emgesa as of December 31, 2013

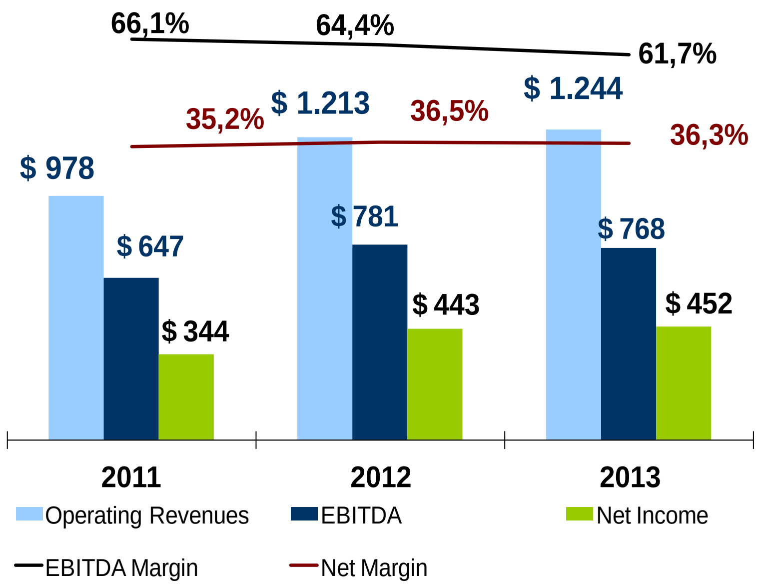
(2) Rating upgraded in May 2013 by Fitch Ratings and by Standard & Poor's

Financial figures are presented in USD using the official FX rate applicable by the end of each period. However, financial statements are prepared under Colombian GAAP in pesos, and therefore, we have calculated ratios and variations in COP in order to exclude any impact from the indicative FX conversion herein.

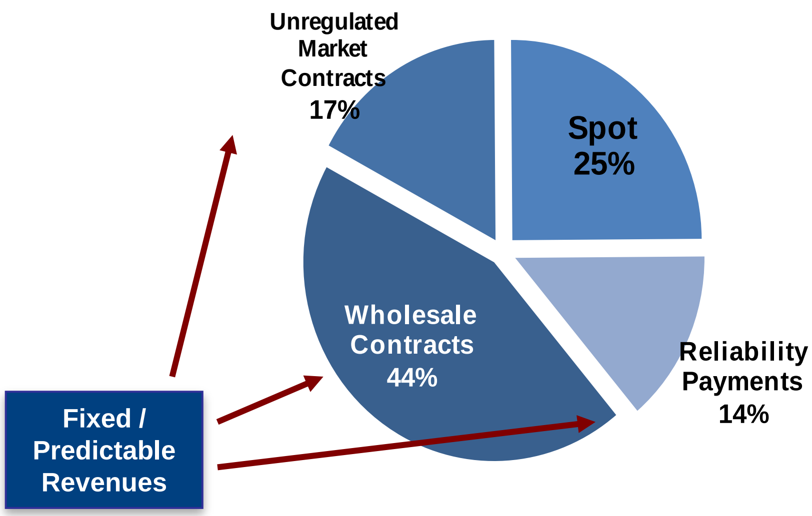
Emgesa's Financial Results

Commercial policy's effectiveness proven in financial results

Financial Results and Margins
(Million USD)



Sales Composition
Jan.- Dec. 2013 (% of operating revenues)



*EBITDA is calculated by adding back the depreciation and amortization (included in cost of sales and administrative expenses) to operating income.

+11.8% operating revenues, , +7.2% EBITDA and +11.1% net income (YoY)

Strong commercialization activity in the spot market to compensate for lower generation due to drier conditions during 2013, leading to positive results in operating revenues as energy prices were higher than in 2012

Despite the 17.8% increase in cost of sales, due to higher thermo generation, the commercial policy contributed to reduce volatility of the operational margin

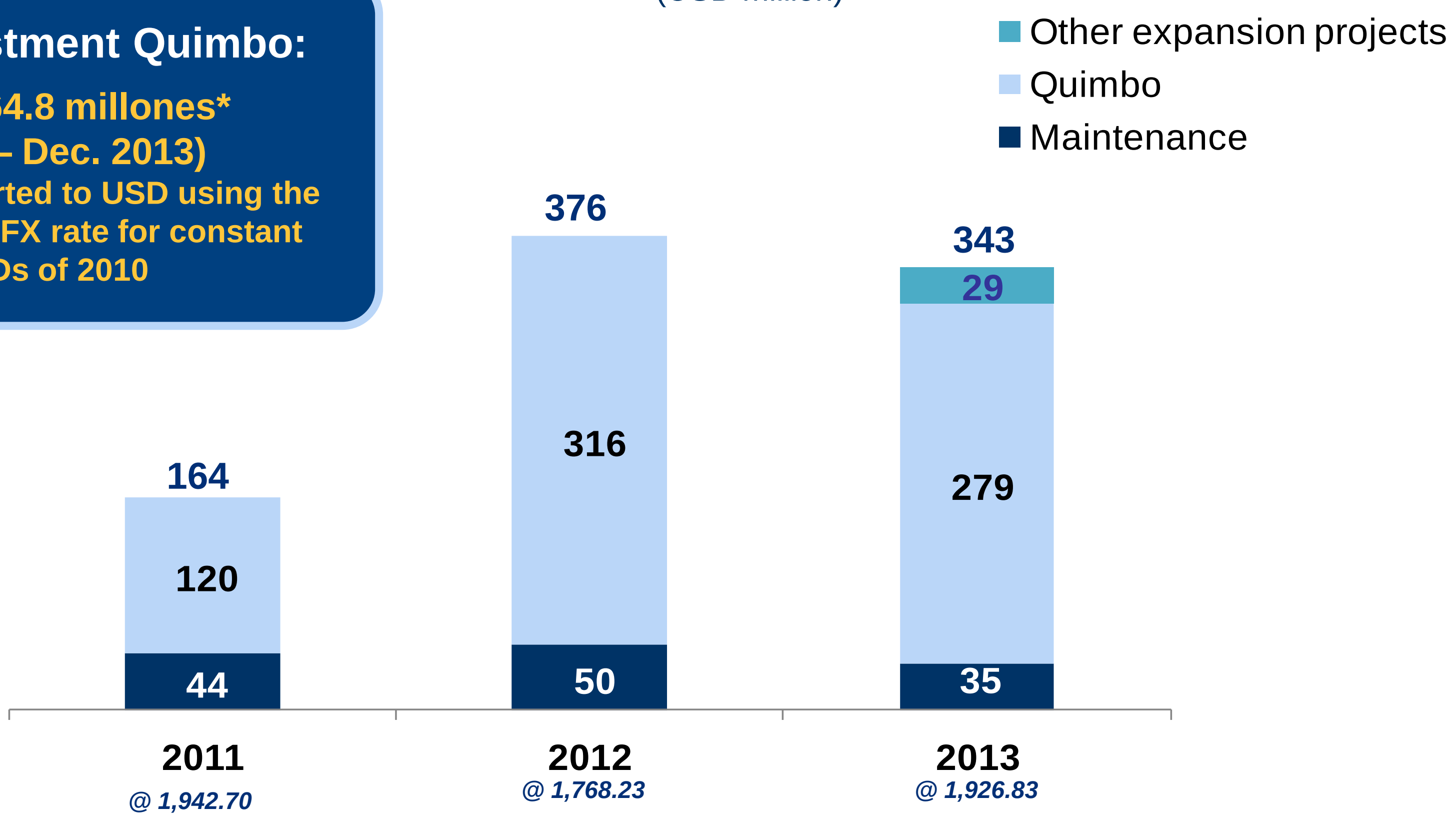
Emgesa's Investments

Execution of investments according to schedule

Total Investment Quimbo:

USD$564.8 millones*
(2010 – Dec. 2013)
*** Figure converted to USD using the homogenous FX rate for constant USDs of 2010**

Investments
(USD million)

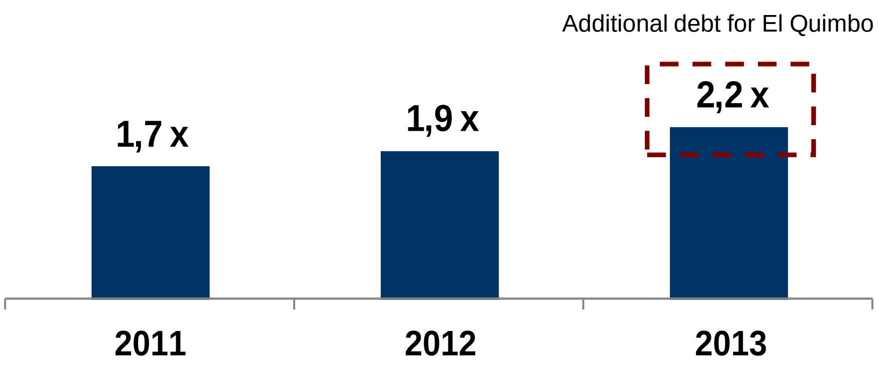


Emgesa's investments in 2013 totaled US$343 million destined to El Quimbo Project, the repowering of Salaco and the maintenance capex of hydro and thermo plants.

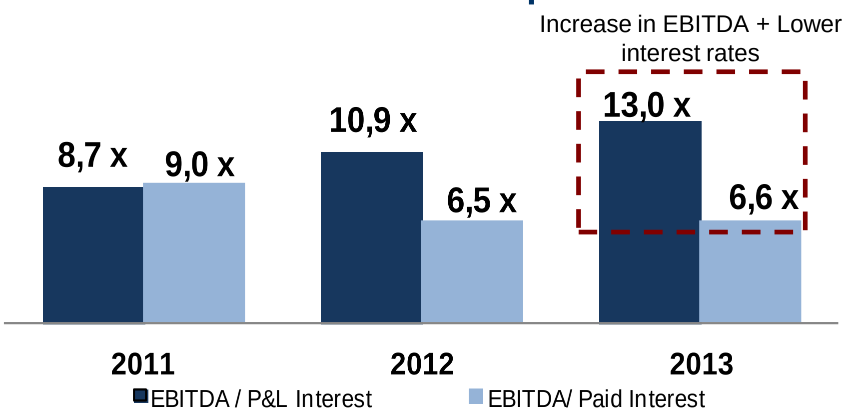
Emgesa's Key Credit Metrics

Strong financial ratios after funding El Quimbo

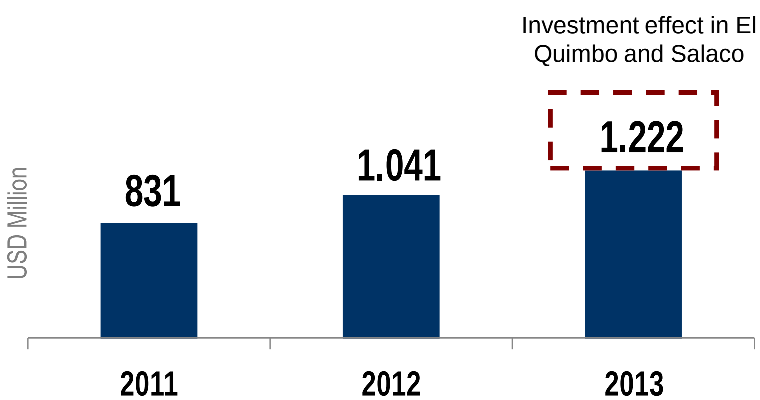
Debt/ EBITDA[1]



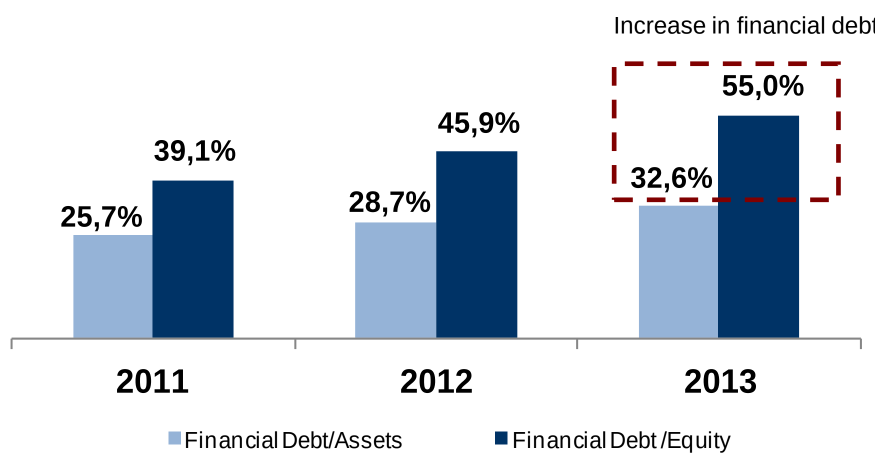
EBITDA / Interest Expenditure[2]



Net Financial Debt



Leverage



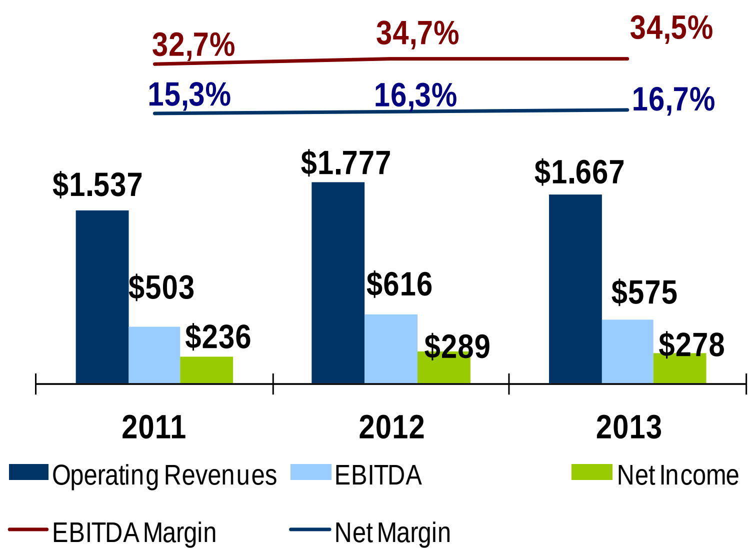
(1) EBITDA is calculated by adding back the depreciation and amortization (included in cost of sales and administrative expenses) to operating income.

(2) Financial expenditure associated to El Quimbo financing is being activated during the construction period of the project and will be reflected in the Company's P&L once the project starts its commercial operations. This is the reason for presenting two different calculations for the EBITDA/ Interest Expenditure.

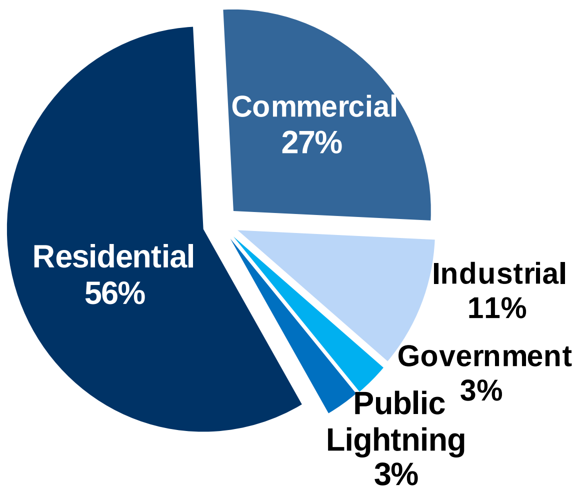
Codensa's Financial Results

Operational revenues growth and margin stability

Financial Results and Margins
(Million USD)



Sales Composition
2013 (% of Operating revenues)



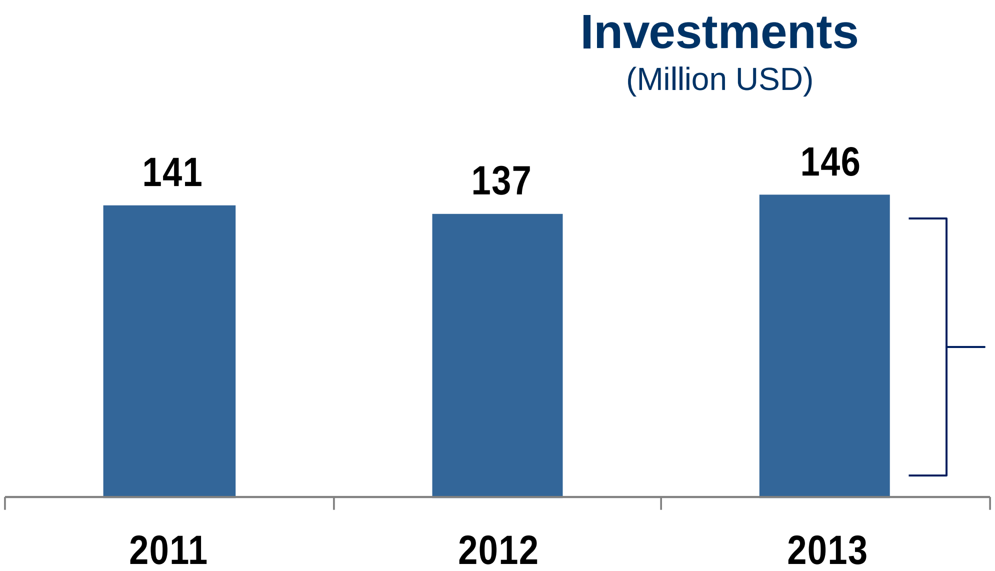
+2.2% operating revenues, +1.8% EBITDA and +4.9% net income (YOY)

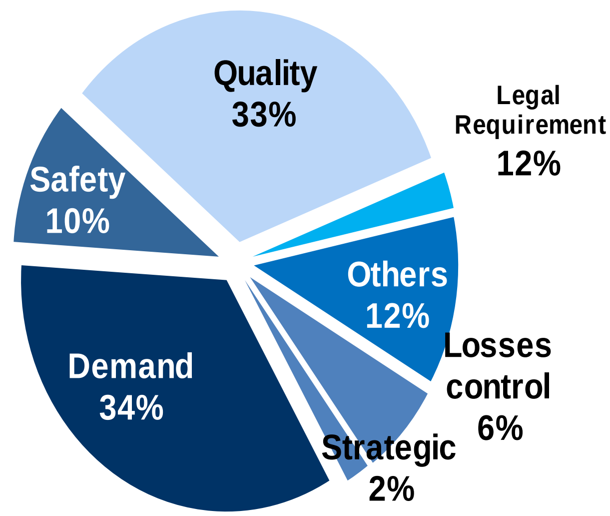
Stability in net and EBITDA margins. Slight recovery of energy demand from regulated and commercial clients and important reduction of net financial expenditure due to lower interest rates and debt balance.

Sales to residential and commercial clients: 84% of operational revenues

Codensa's Investments

Investments focused on serving demand growth, safety and quality service





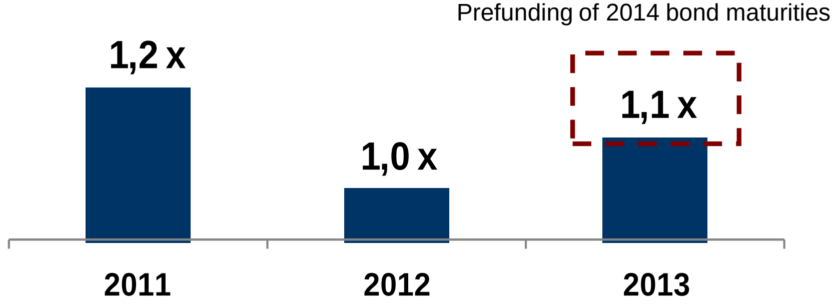
Total investments reached USD$146 million in 2013, mainly focused in:

- **Serving growing demand, through new substations that guarantee energy supply for the country, such as Nueva Esperanza, Norte and reactive power compensations in Bacatá, Tibabuyes, Usme and Ubate: USD$50.1 million**
- **Improved quality service and continuity: USD$48.1 million**
- **Control operational risks for safety conditions: USD$14.7million**

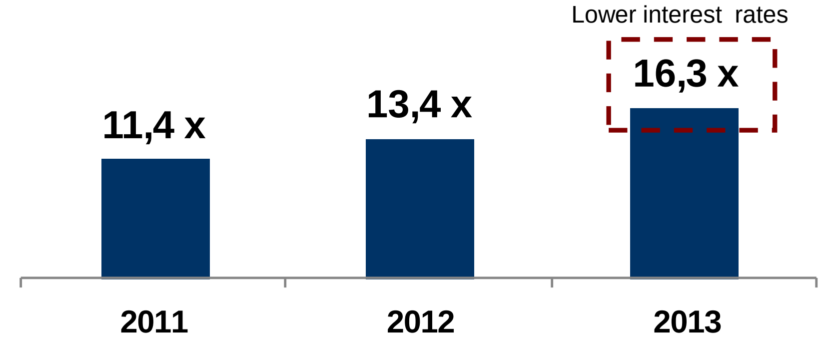
Codensa's Key Credit Metrics

Conservative risk profile consistent with the AAA local rating

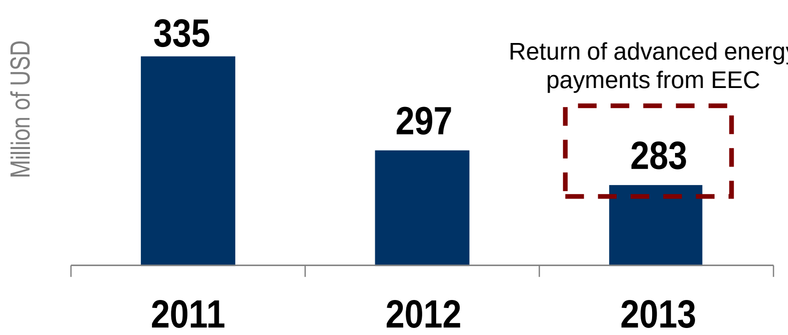
Debt/ EBITDA[1]



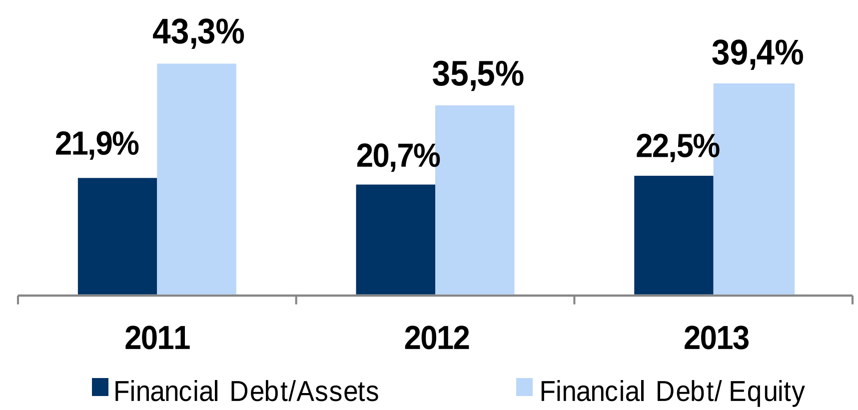
EBITDA / Interest Expenditure



Net Financial Debt



Leverage



Emgesa and Codensa Highlights

Strong operational and financial results for 2013

Important growth in operational results in spite of a dryer than average and expected season and a decrease in the national industrial production

Progress in the execution of major strategic projects for the energy sector in Colombia

Strong and stable financial results with low financial leverage and conservative credit metrics to face the challenges ahead

Recognition to our best practices in IR, client satisfaction with the quality of our service and improved financial condition and industry expectations from rating agencies

Agenda

1 2013 Highlights

2 Emgesa and Codensa FY 2013 Operating Results

3 Emgesa and Codensa FY 2013 Financial Results

4 Q&A

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Visit our web pages for additional information:
www.emgesa.com.co / www.codensa.com.co

Ownership structure of Emgesa and Codensa

Solid and reliable controlling group

Emgesa

- **Enel** owns **92.1% of Endesa S.A.**
- Endesa (through **Endesa Chile and Enersis)** owns 48.5% of the capital stock of Emgesa and controls the company as it owns 56.4% of the voting shares.
- The **EEB** owns 51.5% of the capital stock of Emgesa but only **43.6% are voting shares.**

Enel Energy Europe S.R.L(Italy)

↓ 92,1%

Endesa S.A. (Spain)

↓ 100%

América Latina

Endesa Latam (Spain)

↓ 60,6%

Enersis S.A. (Chile)

↓ 60%

Empresa Nacional de Electricidad S.A. (Chile)

↓ 26,9%

21,6%

Empresa de Energía de Bogotá

Other minority shareholders

Economic: 26,9% Voting: 31,3%	Economic: 21,6% Voting: 25,1%	Economic 51,5% Voting 43,6%	Economic: 0,005% Voting: 0,006%

Endesa Group ⇨ Economic Power: 48,5%
Voting Power: 56,4%

emgesa

Codensa

- **Enel** owns **92.1% of Endesa S.A.**
- Endesa (through **Endesa Chile and Enersis)** owns 48.5% of the capital stock of Emgesa and controls the company as it owns 57.14% of the voting shares.
- The **EEB** owns 51.5% of the capital stock of Emgesa but only **42.8% are voting shares.**
- **Important participation in EEC since 2009, through DECSA** along with the EEB.

Enel Energy Europe S.R.L(Italy)

↓ 92.1%

Endesa S.A. (Spain)

↓ 100%

América Latina

Endesa Latam (Spain)

↓ 60.6%

Enersis S.A. (Chile)

↓ 99.08%

chilectra

GRUPO ENERSIS

39.1%

↓ 9,35%

Empresa de Energía de Bogotá

Other minority shareholders

Economic: 9,35% Voting: 11,02%	Economic: 39,1% Voting 46,1%	Economic: 51,5% Voting: 42,8%	Economic: 0,02% Voting: 0,024%

Endesa Group ⇨ Economic Power: 48,5%
Voting Power: 57,14%

CODENSA mucho más que energía

49% → DECSA ← 51%

DECSA → 82.3% → EEC

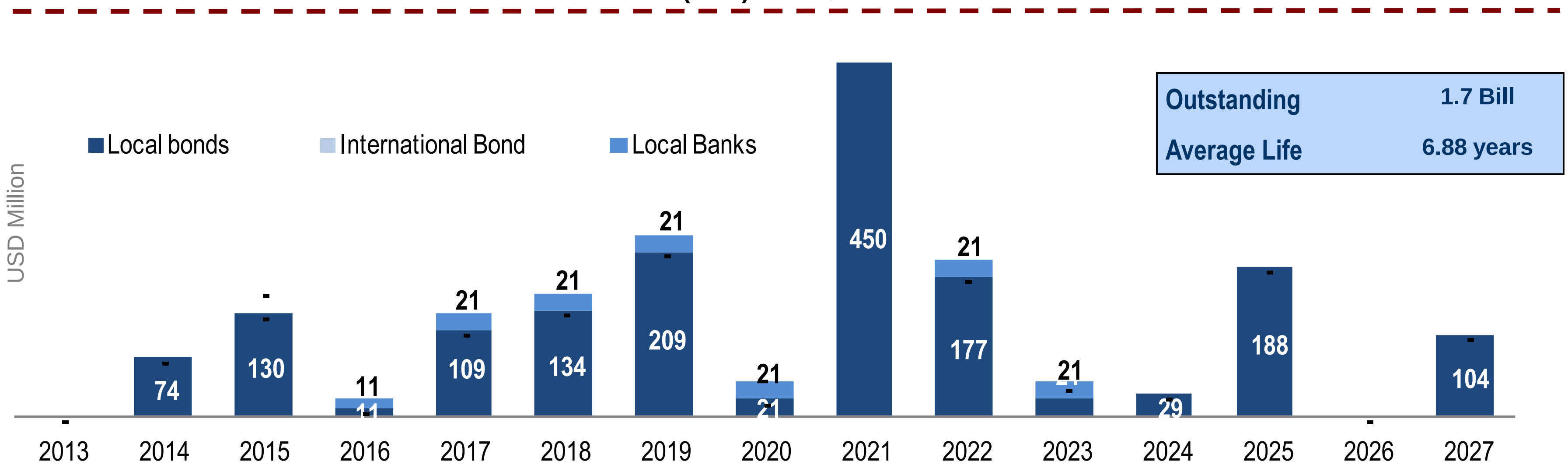
Emgesa's Debt Profile

Moderate amortization profile despite new projects development

Amortization Schedule

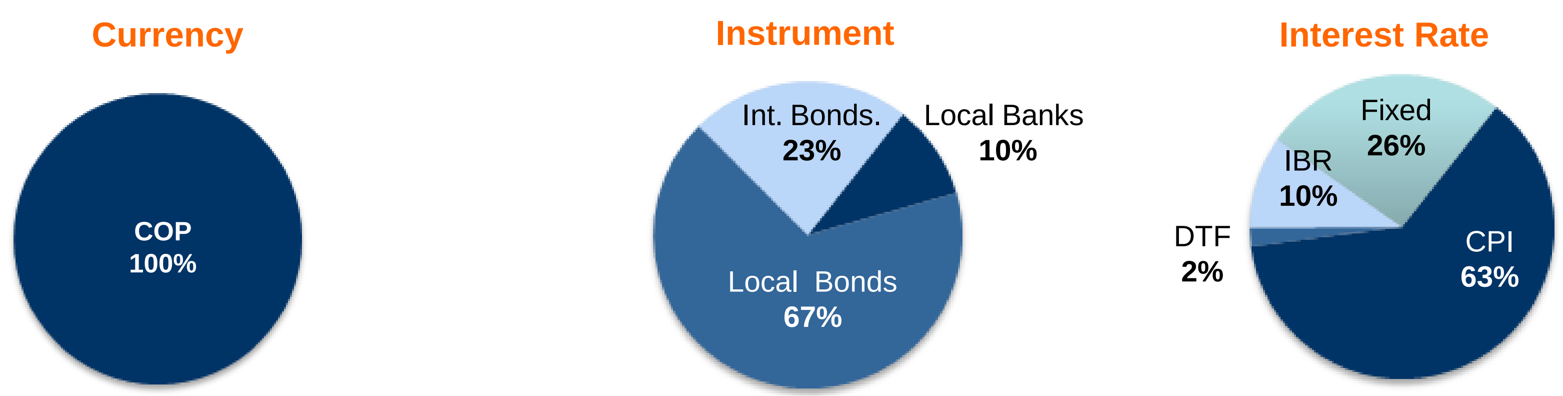
(MM USD) as of December, 2013

EBITDA (2013) ~ USD$768 Million



Financial Debt Breakdown*

as of December, 2013



Codensa's Debt Profile

Conservative Debt Profile

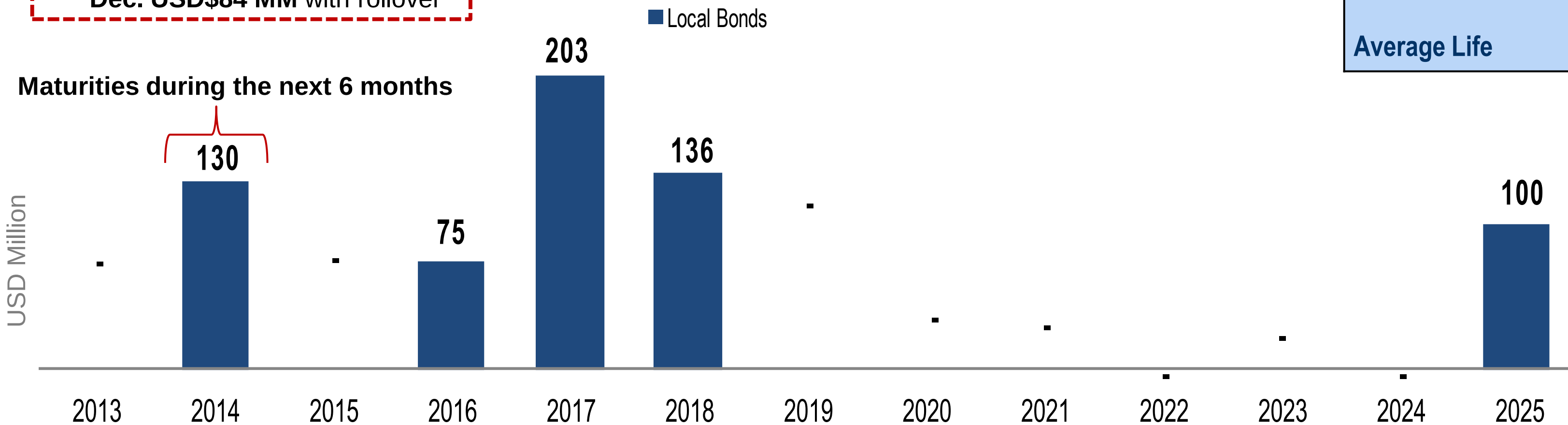
Amortization Schedule

(MM USD) as of December 2013

EBITDA (2013) ~ USD$575 Million

2013 Amortizations:
Feb: USD$42 MM without rollover
Dec. USD$84 MM with rollover

Outstanding	USD$644 MM
Average Life	4.18 years



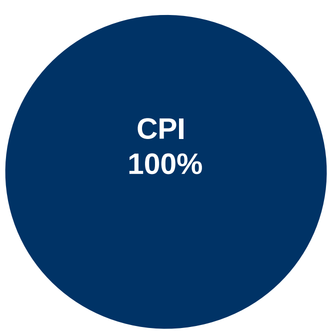
Financial Debt Breakdown

as of December 2013

Currency

Instrument

Interest Rate



luz · gas · personas

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