

05|06|2013

# Endesa in Colombia IQ13 Results

As of March 31st, 2013



- 1** **Emgesa and Codensa IQ 2013 Results**
- 2** **Update on Strategic Projects**
- 3** **Q&A**

# Emgesa's Generation

Proven operational efficiency of thermo plants to compensate for dry conditions

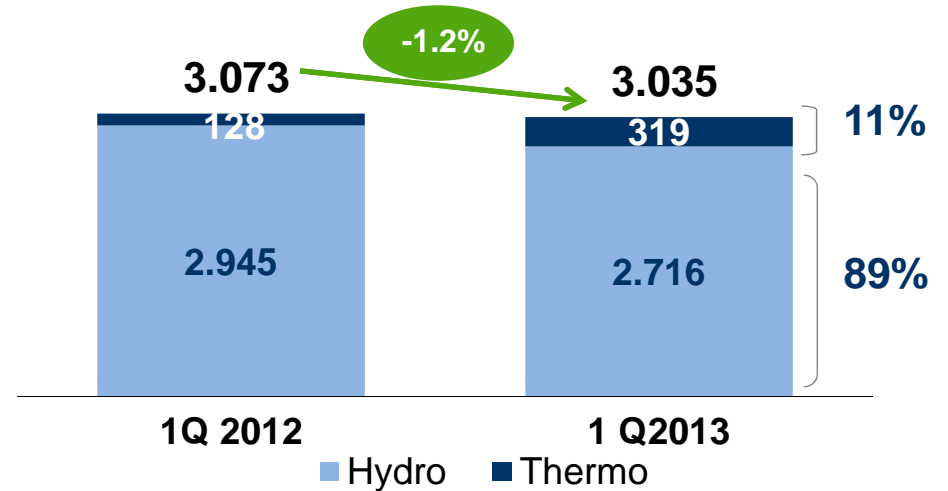
Availability index of plants: **89.1%**  
 (+3.8% vs. IQ2012)

Market share by installed capacity: **19.5%**  
 (-0.2% vs. IQ2012)

Market share by generation: **20.2%**  
 (-0.9 vs. IQ2012)

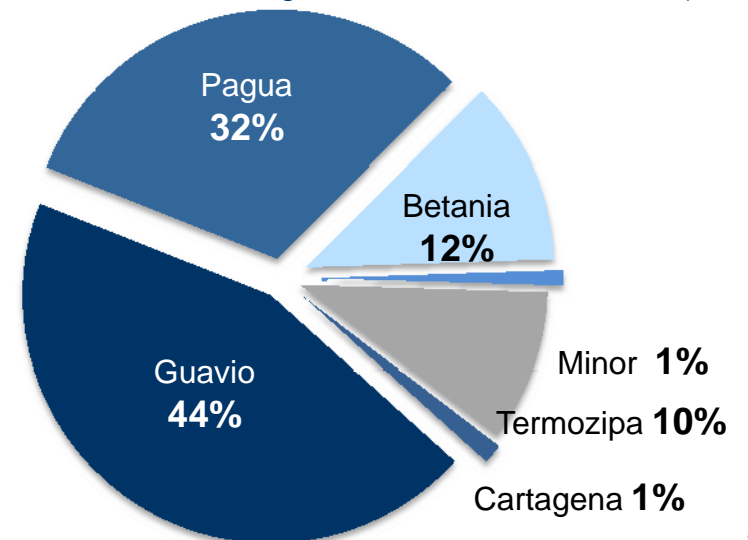
Source: Emgesa

## Emgesa's Generation (GWh)



## Emgesa's Generation Plants Share

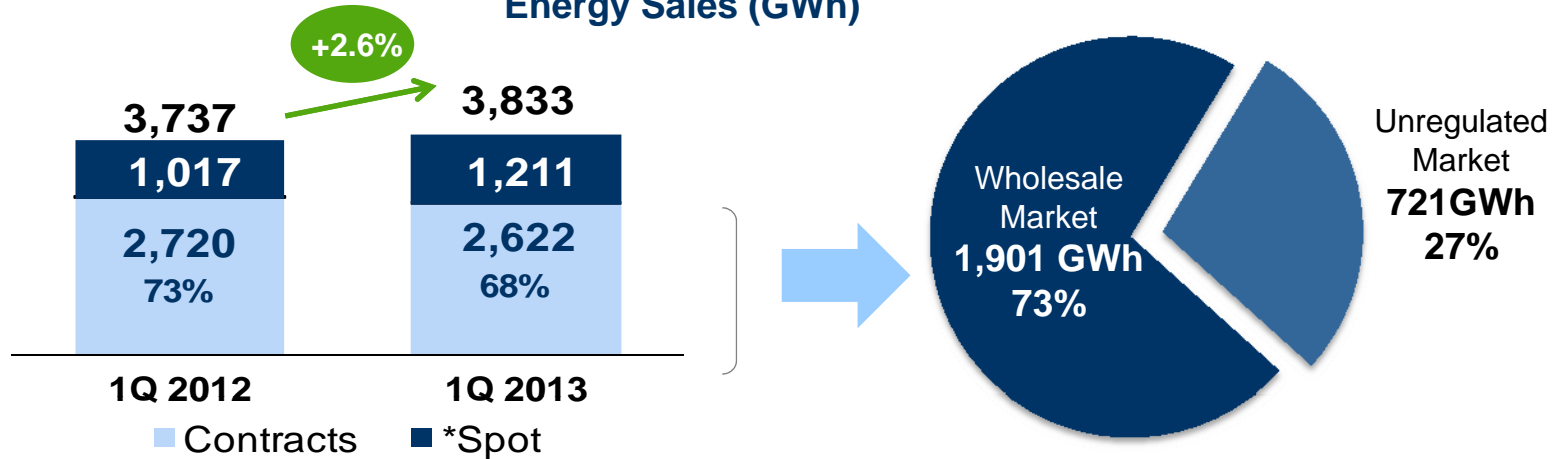
(% of Emgesa's accumulated generation as of March 2013)



**Lower generation due to a stronger dry season than in IQ2012 and the optimization of water reserves**

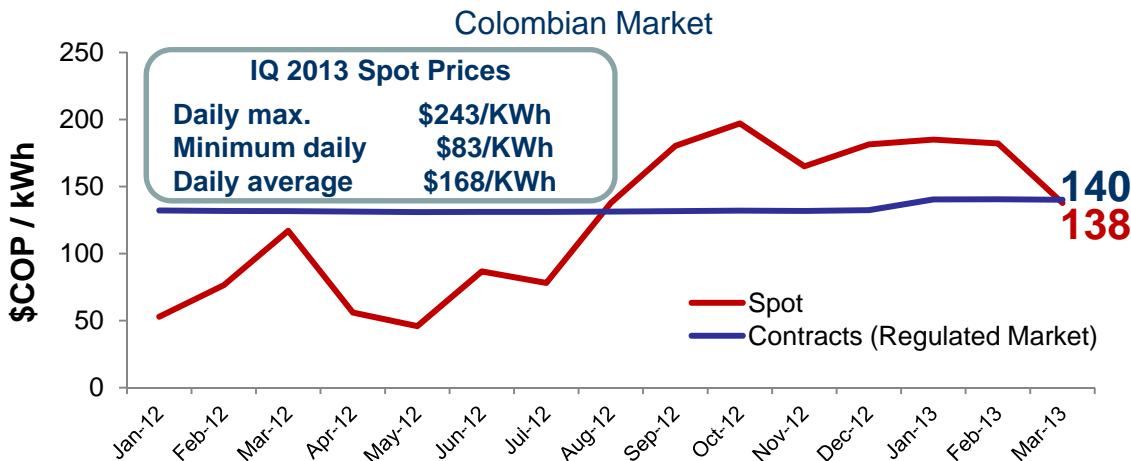
Increased intermediation in the spot market as we preserved water reserves

## Energy Sales (GWh)

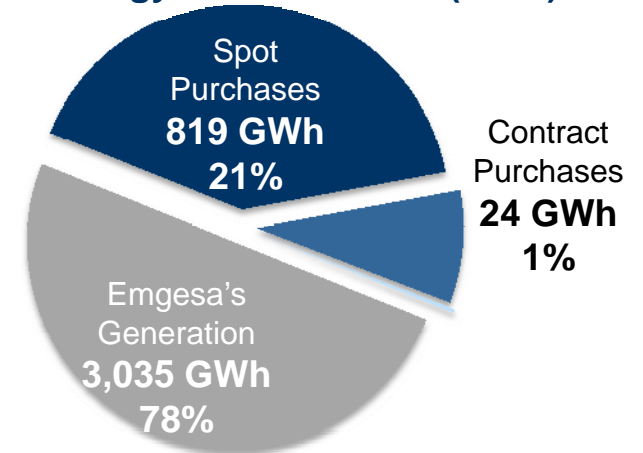


Source: Emgesa  
 \* Sales in spot market include AGC

## Spot Price vs. Contract Prices IQ2013



## IQ2013 Energy Sales Sources (GWh)

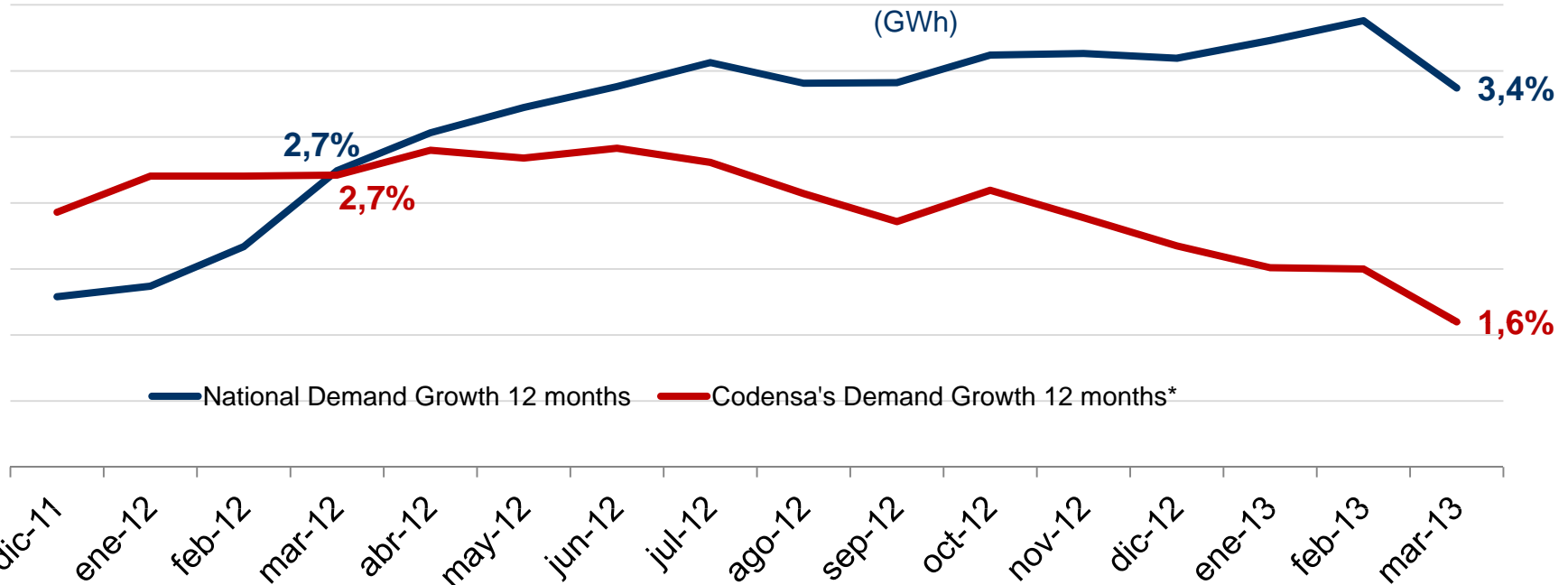


**Commercial policy focused on increasing intermediation in the spot market compensating for lower generation in order to preserve operational margin**

# Codensa's Area Demand

Growth rate of energy demand in Codensa's area remains on a downward trend

## 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.

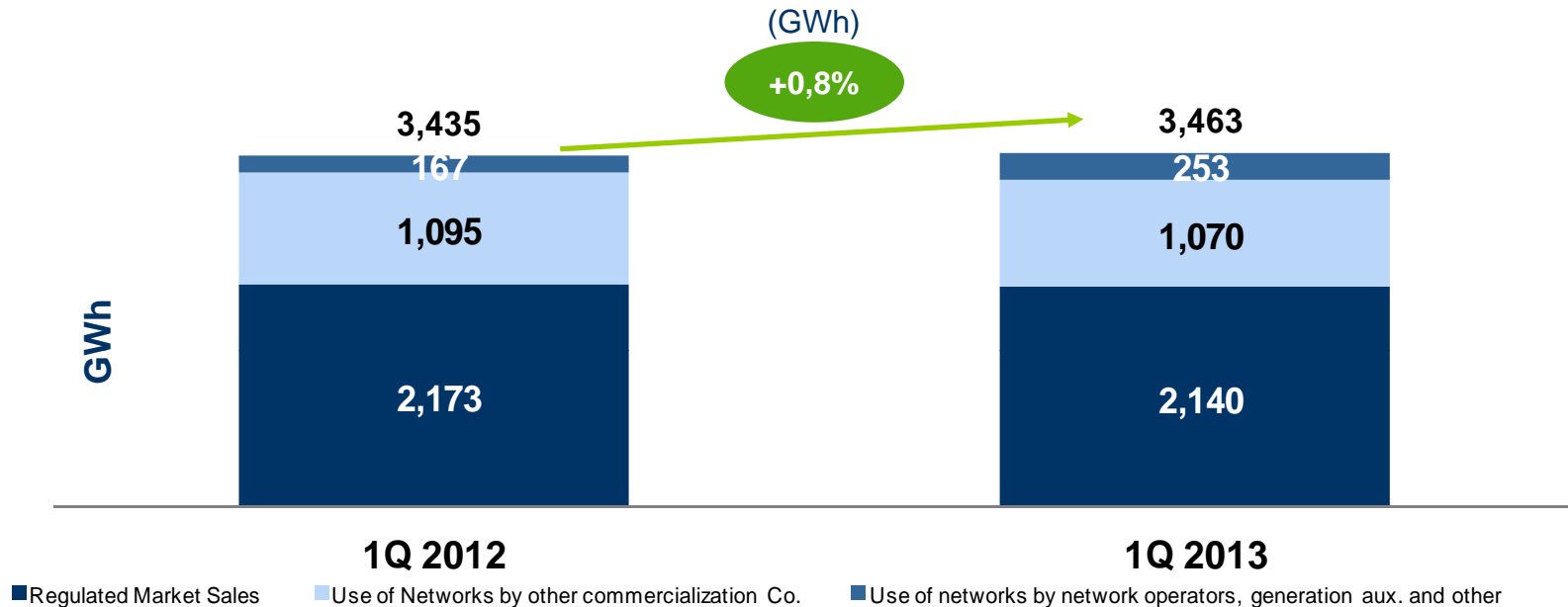
**National energy demand growth** as of March 2013 at **3.4%** affected due to the Easter break in March, but still growing at important rates as a result of higher demand from increased industrial activity in the northern regions

Growth rate of **energy demand in Codensa's area** at **1.6%** due to lower energy demand during Easter break and the slowdown in construction and industrial activities in the central region.

# Codensa's Energy & Sales

Growth in volume of sales due to the regulated market and the use of Codensa's networks

## Electricity Demand in Codensa's Area



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

**-1.5%** in energy sales volume to the regulated market

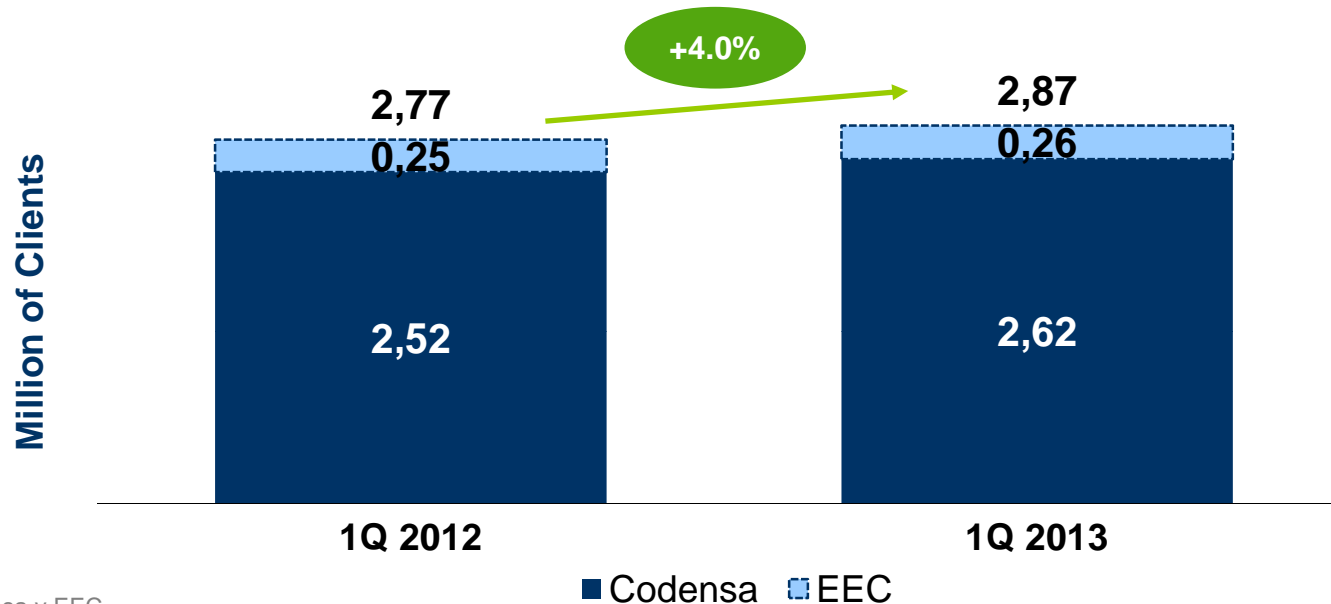
**-2.3%** in use of Codensa's networks by other commercialization Co., as a result of slowdown of industrial activity and construction

**+51.5%** growth of energy transferred to network operators from other regions from Codensa's area

# Codensa's Growth of Client Base

Important organic growth of client base

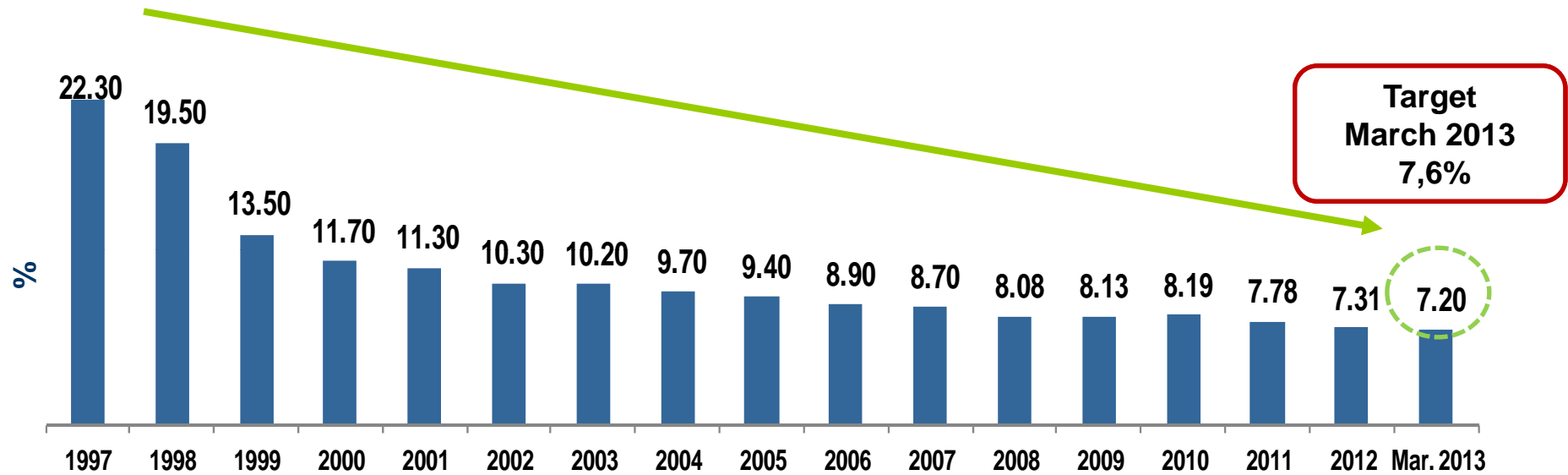
Number of Clients Growth in the Distribution Business



Important organic growth in Codensa's area: **+29,719 new clients added in IQ2013**

More than **228,000 calls from clients received and resolved** and **more than 1 million transactions via web page** from Codensa's clients up to March 2013

## Energy Losses Index



Source: Codensa

**Losses Index remains at historical lows: 7.20%** as of March 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.

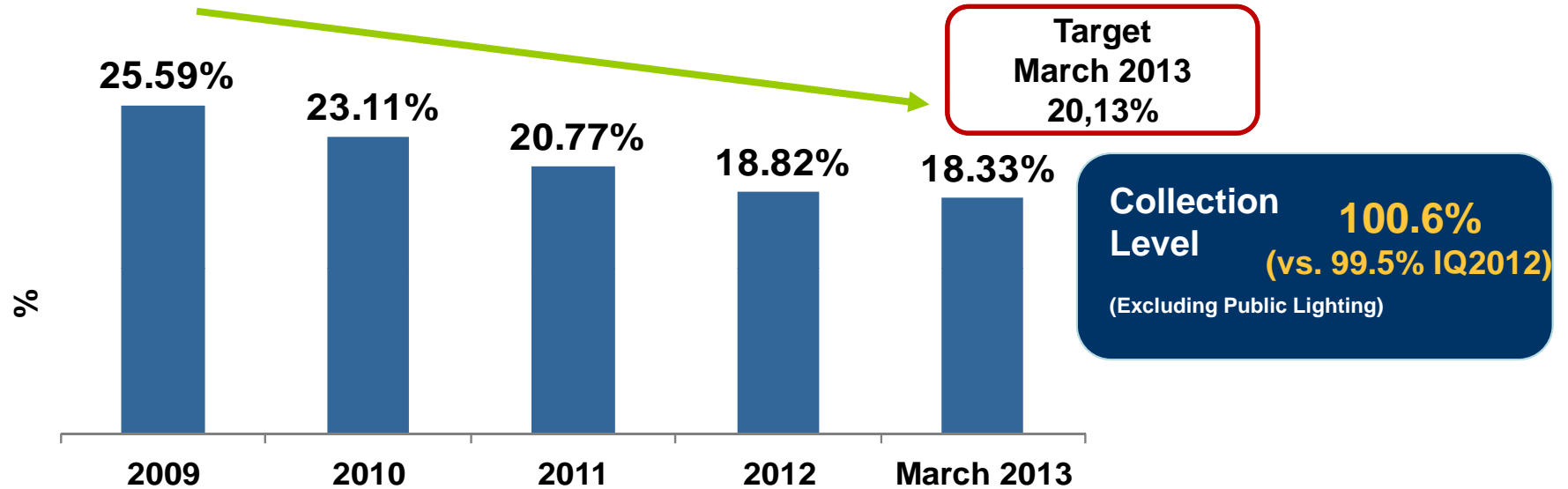


# Past Due Accounts Codensa

Improved results in collection of past due accounts

## Past Due Accounts Evolution \*

Excluding Public Lighting

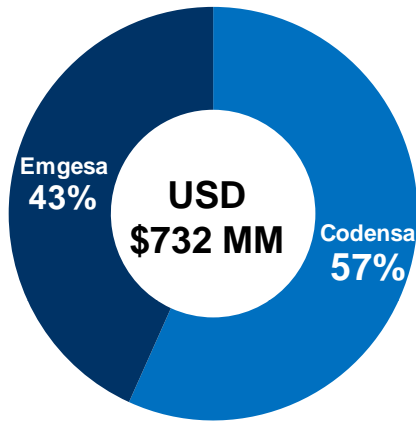


\*The past due accounts index of electricity service measures the percentage of past due accounts with more than 30 days of the 12 month average total amount energy charged to clients and to other commercialization companies for the use of Codensa's networks.

Improvement in the past due account index due to **collections from clients in the residential and commercial segment** and **from other commercialization companies**

**New agreements** with clients whose **past due accounts were above 12 months**

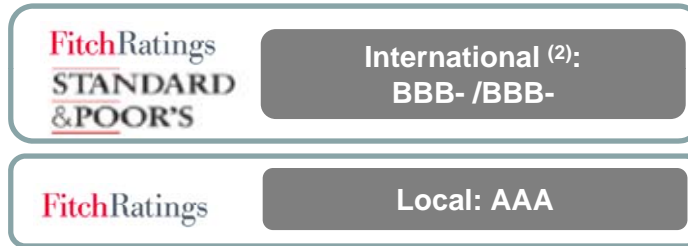
IQ2013 Revenues



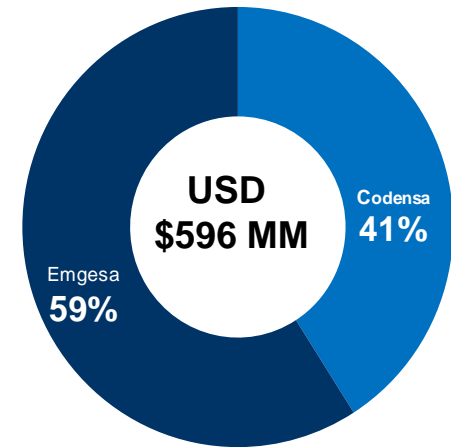
Endesa Group in Colombia IQ2013<sup>(1)</sup>



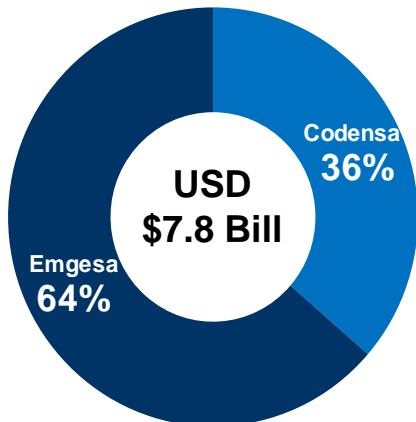
Generation:



IQ2013 EBITDA



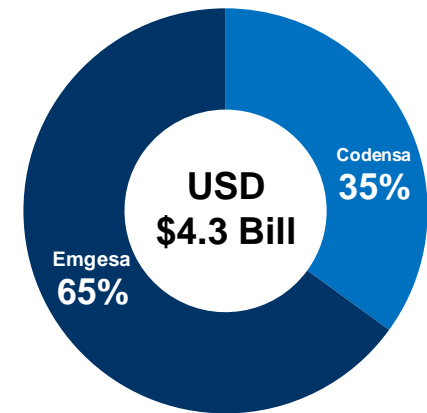
Assets as of March 2013



Distribution:



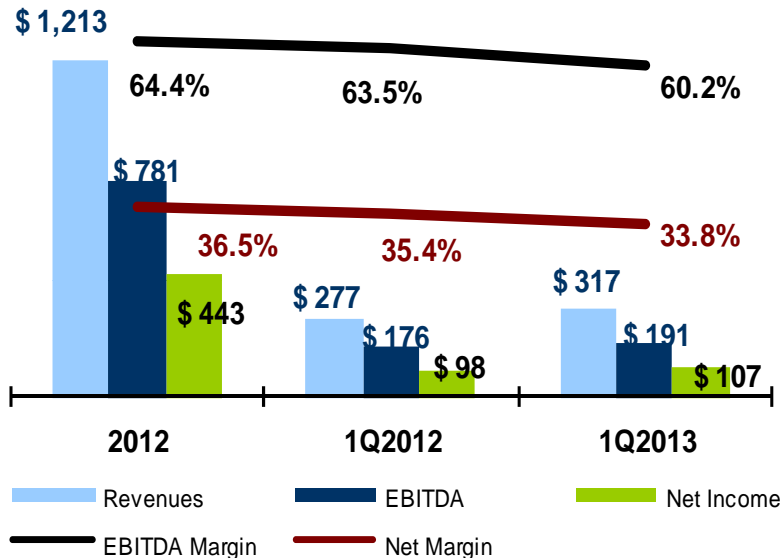
Equity as of March 2013



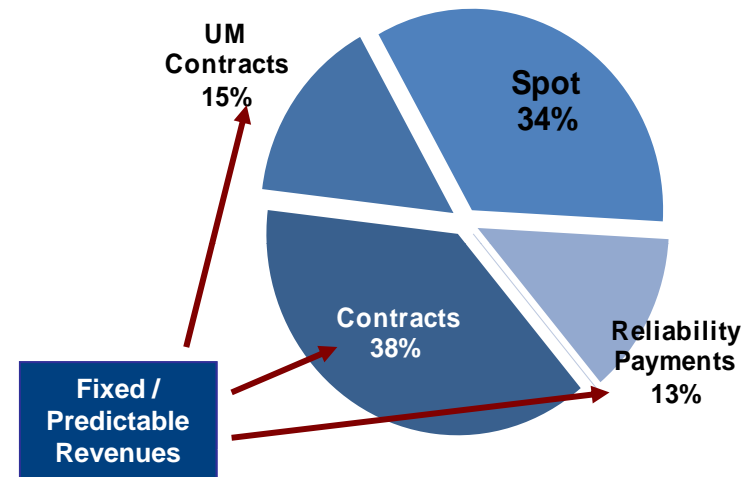
(1) Corresponds to aggregated and audited figures for Codensa and Emgesa as of March 31, 2013

(2) Ratings confirmed in May, 2012 by Fitch Ratings (positive outlook) and on April 30, 2013 by S&P (CreditWatch Positive)

## Financial Results and Margins (Million USD)



## Sales Composition 1Q 2013 (%)



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

**+11.5% net income, +10.6% EBITDA and +16.8% operational revenues (QoQ)**

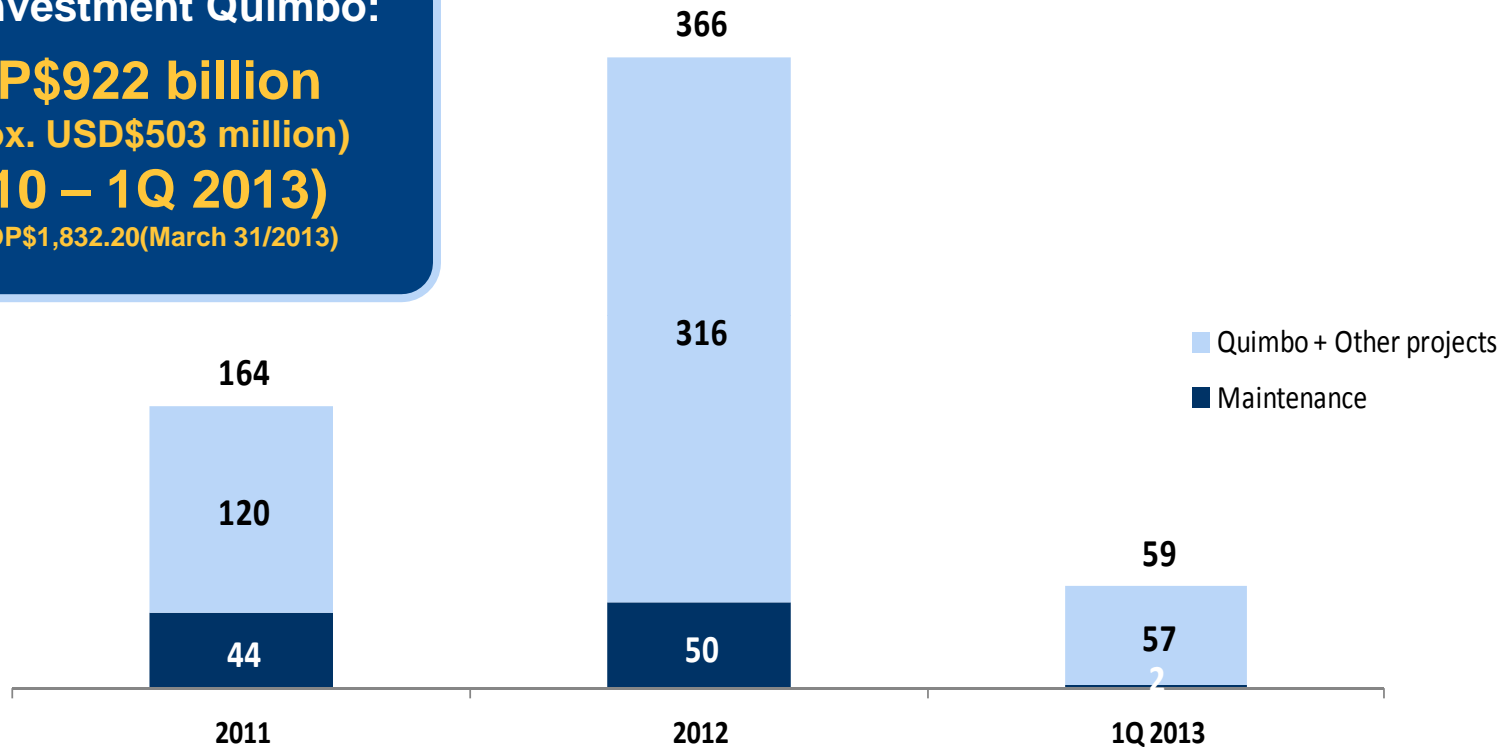
Increase in the commercialization activity in the spot market to compensate for lower generation due to drier conditions during 1Q 2013. This led to positive results for operational revenues profiting from higher energy prices

Although higher thermo generation resulted in a 26% increase in cost of sales, the commercial policy proved correct to reduce volatility of operational margin

## Investments (USD million)

Total Investment Quimbo:

**COP\$922 billion**  
 (approx. USD\$503 million)  
**(2010 – 1Q 2013)**  
 FX = COP\$1,832.20(March 31/2013)

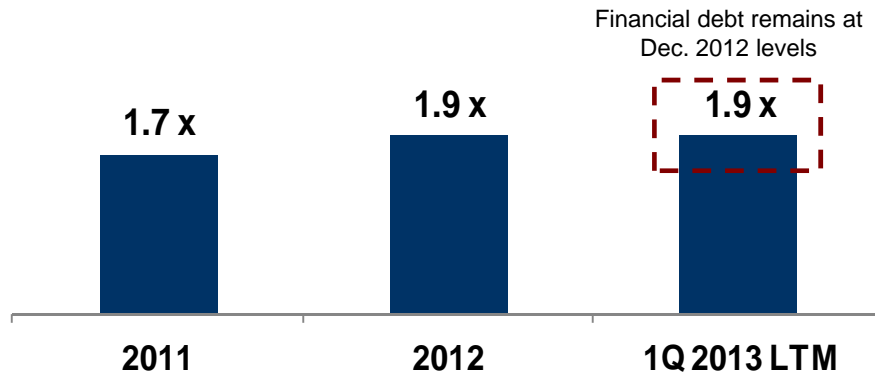


Investments focused in the execution of **El Quimbo Project and preventive maintenance** for hydro and thermo plants

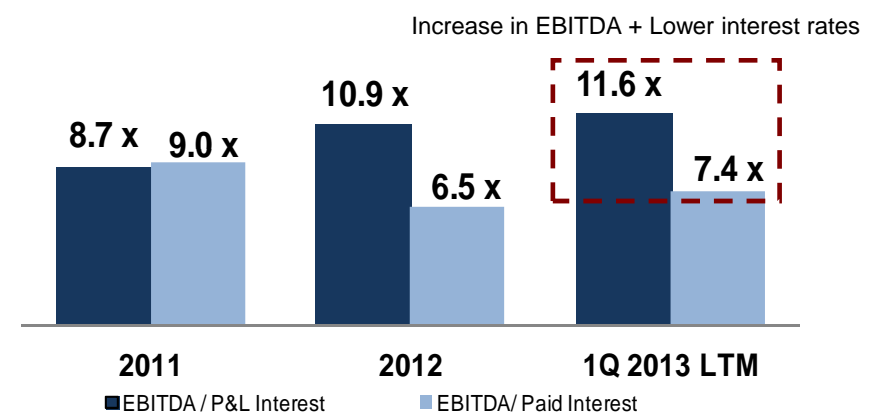
# Emgesa's Key Credit Metrics

Strong financial ratios after funding 57% of El Quimbo Project

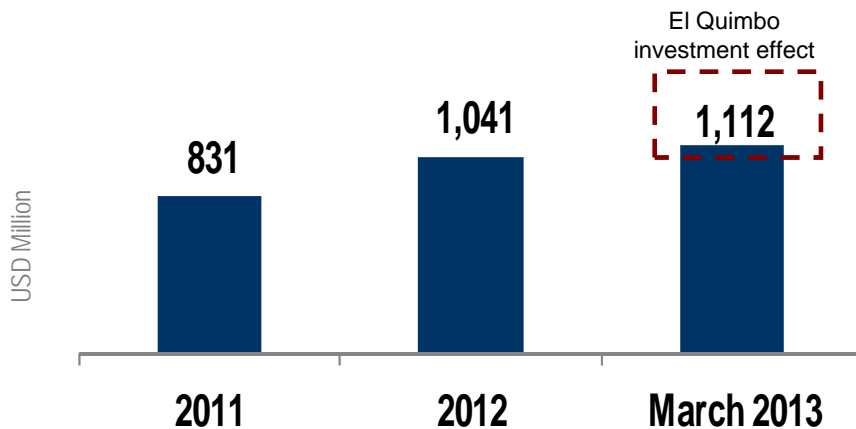
### Debt/ EBITDA<sup>(1)</sup>



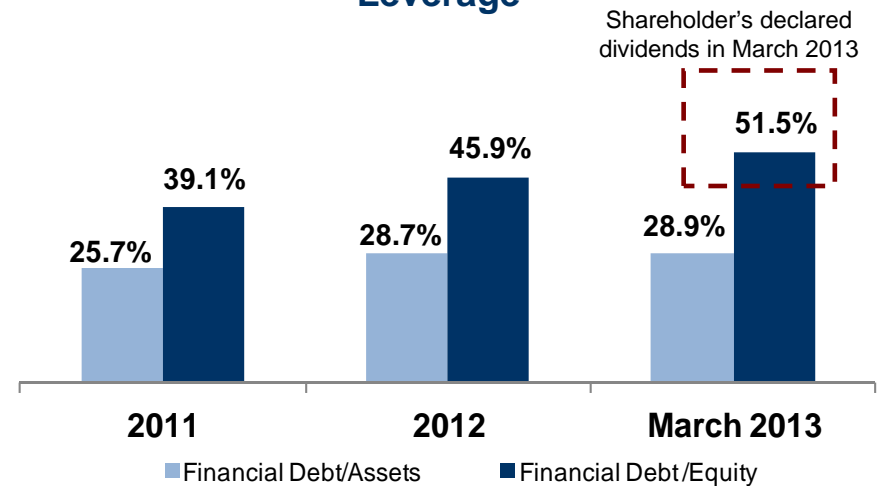
### EBITDA / Interest Expenditure<sup>(2)</sup>



### Net Financial Debt



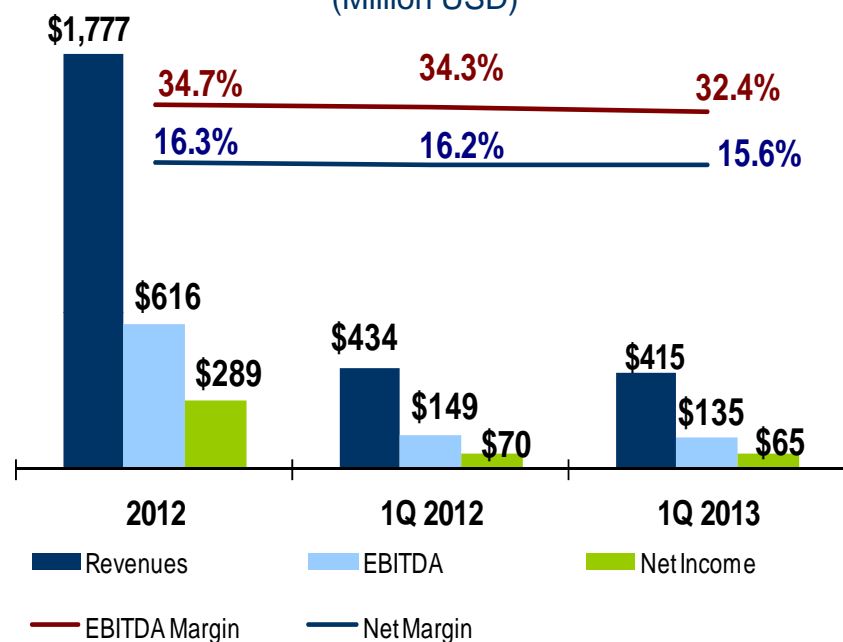
### Leverage



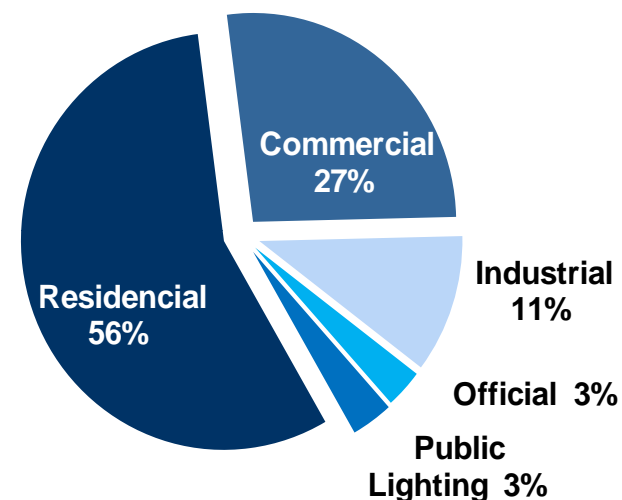
(1) EBITDA is calculated by adding back the depreciation and amortization (included in cost of sales and administrative expenses) to operating income.

(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.

## Financial Results and Margins (Million USD)



## Sales Composition 1Q 2013 (% of physical sales)



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

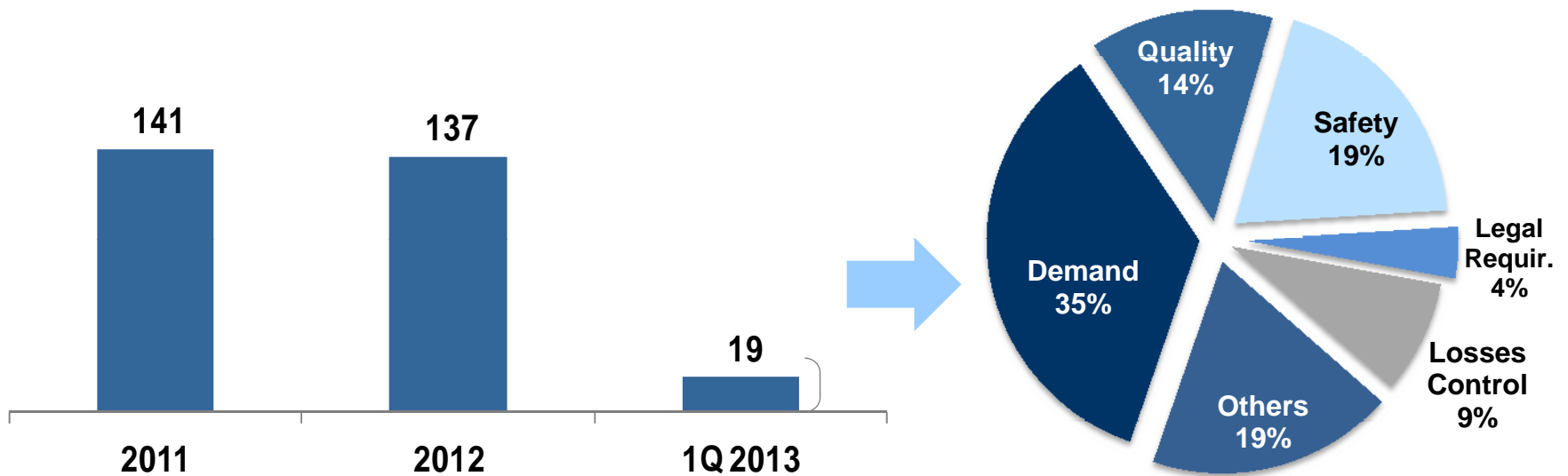
**-5.7% net income, -7.4% EBITDA and -8.8% operational revenues**

**Lower sales of energy, increase in the prices of energy purchases and higher costs of restrictions**

**Sales to industrial and commercial clients: 82% of operational revenues**

Investment serve demand growth, quality service and decrease losses

## Investments (USD million)



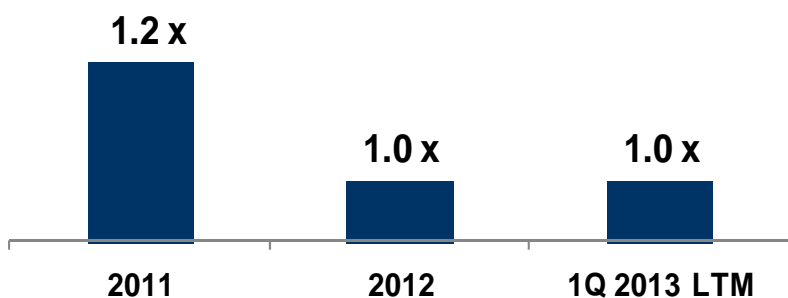
**Total investments reached USD\$19 million in the 1Q2013, focused in:**

- **Serving growing demand**, through new substations that guarantee energy supply for the country: *USD\$6.7 million*
- **Improve quality service and continuity**: *USD\$2.6 million*
- **Control operational risks** for safety conditions: *USD\$3.7 million*
- **Control of non-technical losses**: *USD\$1.6 million*

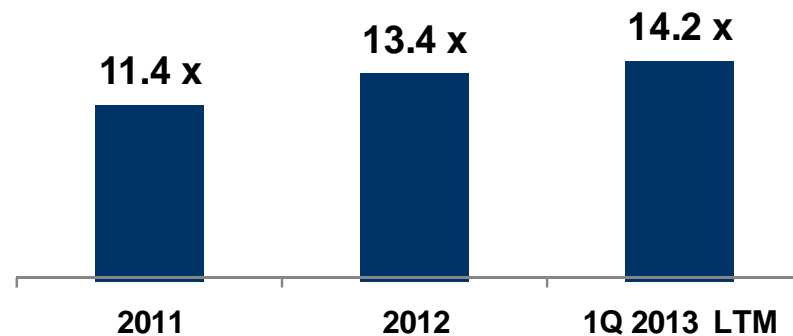
# Codensa's Key Credit Metrics

Conservative risk profile consistent with AAA local rating

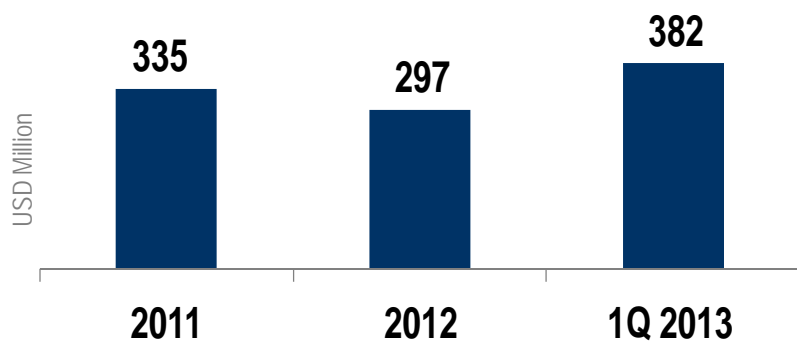
Debt/ EBITDA<sup>(1)</sup>



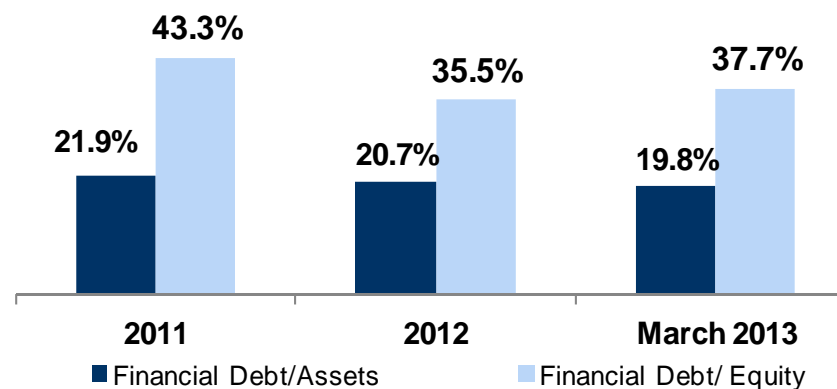
EBITDA / Interest Expenditure<sup>(2)</sup>



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) Corresponds to interest expense included in the P&L Statement of the company.



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**Improved results in Emgesa** in spite of a dryer than average and expected season, evidenced the benefits from our **flexible commercial policy** and the **support of our thermal assets**.

Continuous **increase of Codensa's client base** to sustain demand growth, and **improvement of collection indicators and losses index** for a more efficient operation.

**Positive demand growth in Codensa's area of operation**, but with a downward trend, leading to lower financial results compared to 2012's record high.

Important progress in the execution of **El Quimbo plant and the Salaco repowering**, two major generation investments that will **increase Emgesa's installed capacity by more than 18%** by the year 2015.

**Solid and sustained financial credit metrics and low leverage indicators**, both in Emgesa and Codensa, that support our **local AAA and international BBB-** credit risk ratings.

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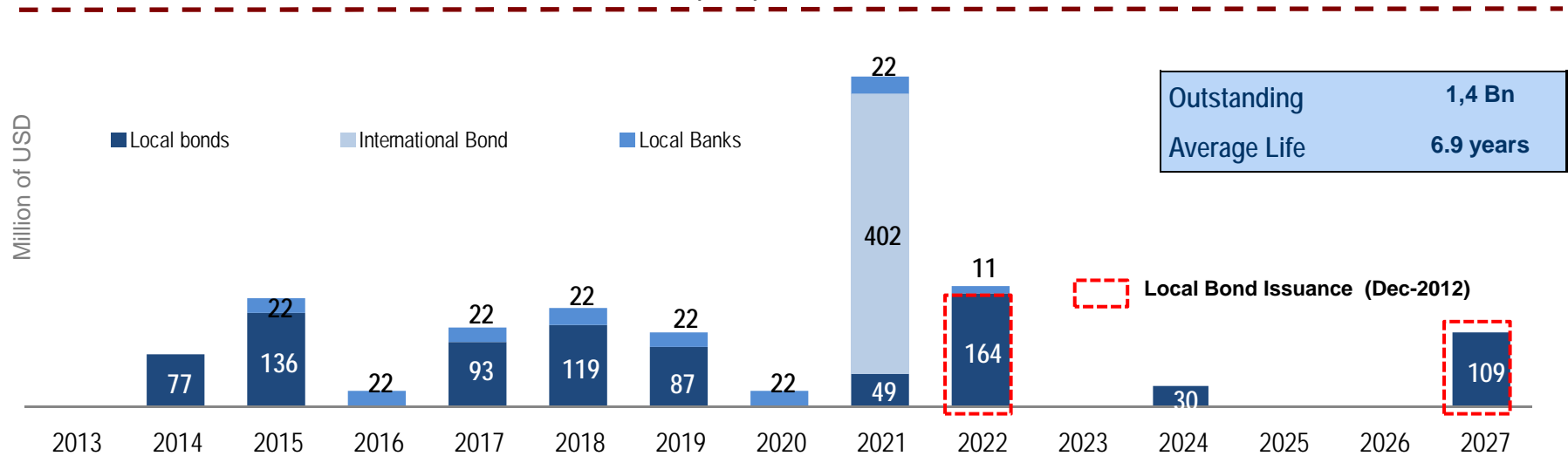
Visit our web pages for additional information:  
[www.emgesa.com.co](http://www.emgesa.com.co) / [www.codensa.com.co](http://www.codensa.com.co)

Moderate amortization profile despite new projects development

## Amortization Schedule

(MM USD) as of March, 2013

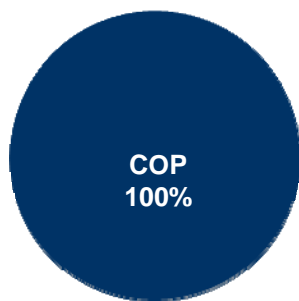
EBITDA (2012) ~ USD\$781 Million



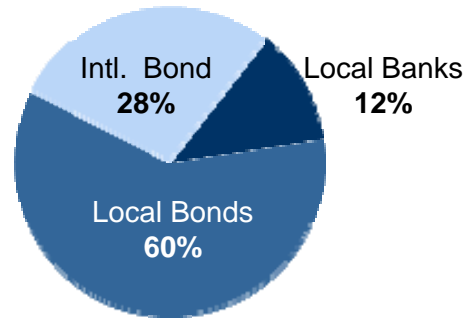
## Financial Debt Breakdown\*

as of March, 2013

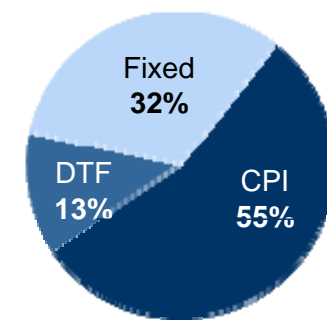
### Currency



### Instrument



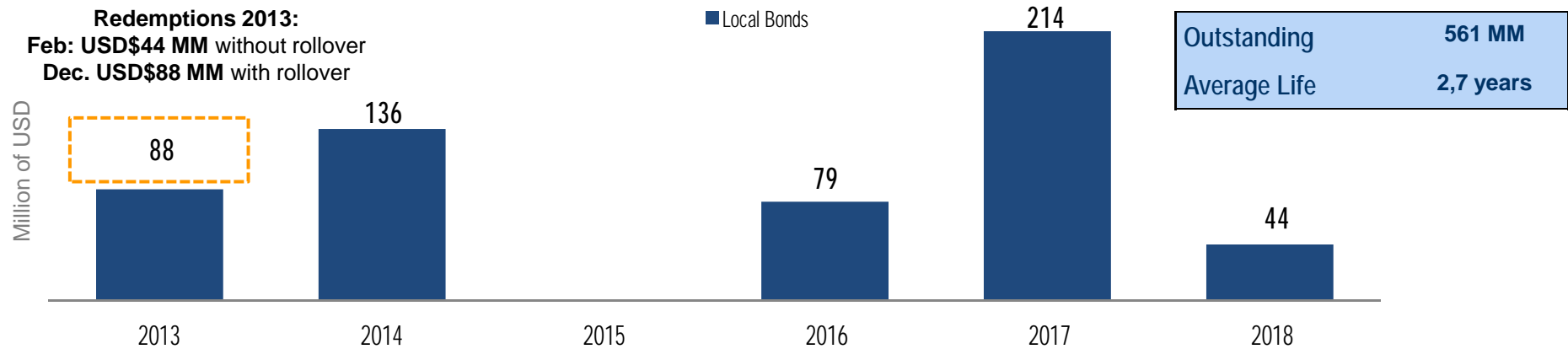
### Interest Rate



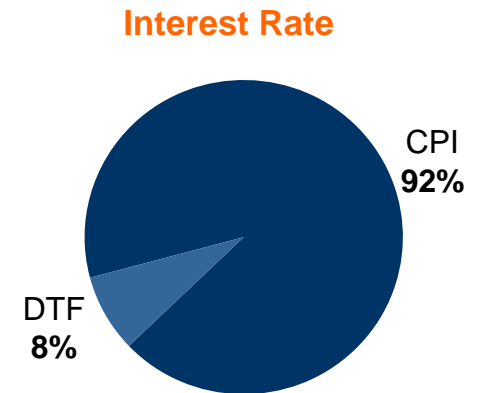
\* Calculated with CPI and DTF as of December 31, 2012

## Amortization Schedule (MM USD) as of March 2013

EBITDA (2012) ~ USD\$616 Million



## Financial Debt Breakdown as of March, 2013





*luz · gas · personas*

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