

1H 2015 Results

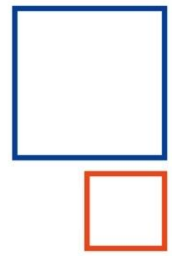
Emgesa and Codensa

August 31st, 2015



Compañías del Grupo Enel

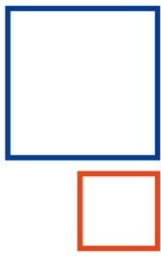




Agenda

- **2Q 2015 Highlights**

- 1H 2015 Results
- Closing Remarks
- *Exhibits*



Disclaimer

IFRS adoption

- 1. Figures of the financial statements used in this presentation as of June 30th, 2015 were prepared in Colombian pesos under IFRS officially applied in Colombia since January 2015. As a result of these transition during this year, the quarterly figures will be constantly subject to changes and adjustments, according to local regulation. The P&L statement as of June 30th, 2014 and the general balance sheet statement as of December 31st, 2014, used to calculate the variations with respect to the corresponding financial statements as of June 30th, 2015, were prepared under IFRS applicable to the Enel Group, which may vary in certain figures with respect to IFRS adopted in Colombia. The variations of the main figures of these two financial statements are presented only for informative purposes for the convenience of the readers of this presentation.*
- 2. The average exchange rate for the period January-June 2015 was \$2,484.92 COP / USD and the exchange rate as of June 30th, 2015 was \$2,588.66 COP/USD.*

2Q 2015 Highlights

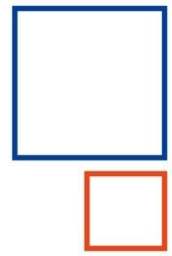
Filling of Quimbo's reservoir started on June 30th, 2015, after Emgesa met the requirements of the environmental license and the hydrological conditions in the Magdalena River were optimal to close the doors of the deviation tunnel.
94.3% of physical advance and **\$1.04 BnUSD¹** of accumulated investment.

Conclusion of the first stage of the Public Lighting Modernization project with 10,426 LED bulbs installed in 31 main roads in Bogota
Total investment: COP \$70 billion (USD\$ 28,2 MM)

Local regulator published final methodology to calculate discount rate for electricity distribution: changes in WACC tax rate, period to calculate WACC variables, sources for debt cost, market capitalization used to deleverage the Beta

US\$531 MM of aggregated operating cash flow in 1H 2015

(1) Constant US dollars of 2010.



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- **1H 2015 Results**

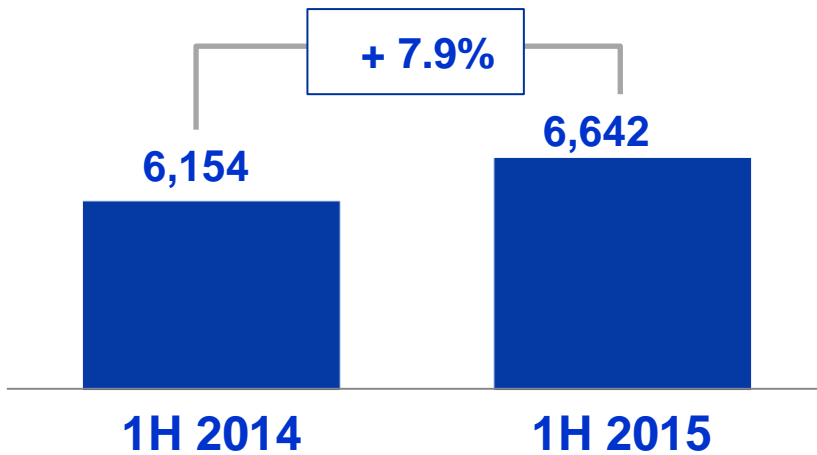
- Closing Remarks

- *Exhibits*

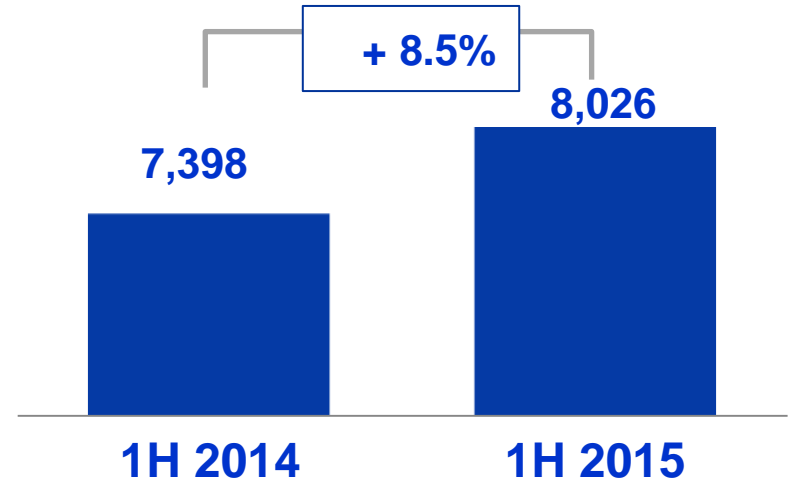
1H 2015 Results

Operating Results - Generation

Generation (GWh)



Energy Sales (GWh)



91% hydro, **9%** thermo

20,4% of system's generation

93,7% plants availability

US\$68/MWh Average spot price

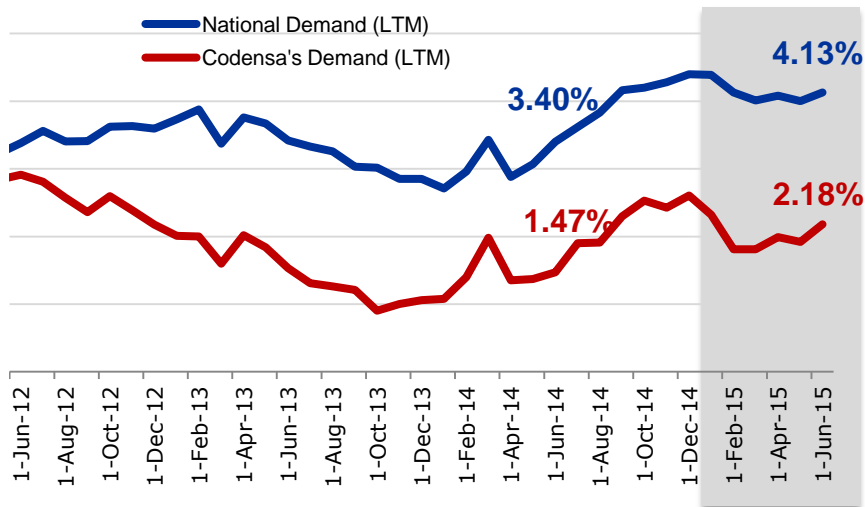
+8.2% in spot sales

71% of sales through contracts

1H 2015 Results

Operating Results - Distribution

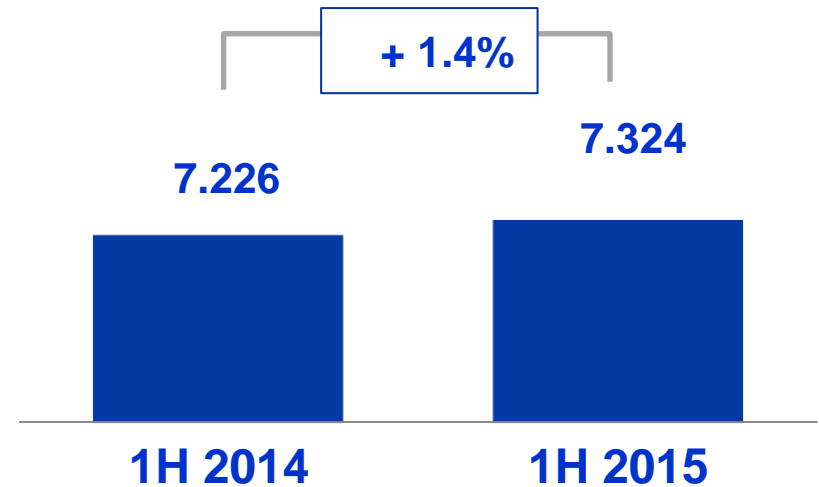
Energy Demand (GWh)



23% of national demand

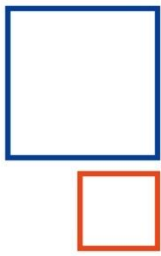
88.069 new clients vs. 1H 2014

Electricity Retailing (GWh)



+1.4% retailed electricity

7.15% losses index



1H 2015 Results

Regulation Update

Colombia

▪ **Electricity Retailing:**

Regulatory Authority (CREG) published Resolution No.180, lowering the margin over efficient costs.

▪ **Electricity and Gas Distribution:**

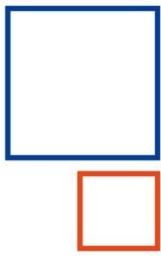
CREG's resolutions No.095 and No.096 of 2015 were published with the final methodology to calculate the discount rate (WACC) for the transportation and distribution of gas and the transmission and distribution of electricity.

Resolution CREG No. 095 of 2015- WACC methodology

- Tax rate used will increase over time (39% in 2015 to 43% in 2018).
- Use of public sources to determine the cost of debt.
- Use of market capitalization to deleverage the Beta instead of book value.
- Changes in period to calculate variables (from 90 days to 1 year average)
- Recognition of a premium due to differences in the regulatory framework between the reference market (USA) and Colombia.

Resolution CREG No. 096 of 2015- Fuel Gas Distribution WACC

- Premium for the activity of fuel gas distribution in Colombia will be 2.54% and the WACC for this activity will be 13.28% in 2015.



Consolidated results 1H 2015

Financial highlights- Emgesa

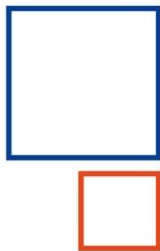
COP\$ Million	1H 2015 ⁽¹⁾	1H 2014 ⁽²⁾	Change (%) ⁽³⁾	1H 2015 MM US\$ ⁽⁴⁾
Revenues	1.315.629	1.277.482	3.0%	529
Operating Costs	(396.671)	(382.303)	3.8%	(160)
Other Costs	(105.382)	(51.359)	105,2%	(42)
EBITDA	813.576	843.820	-3.6%	327
EBIT	739.902	772.492	-4.2%	298
Net Income	428.930	490.670	-12.6%	173

1. IFRS Colombia

2. IFRS Enel

3. Comparisons between periods are made using Colombian pesos.

4. The average exchange rate for the period January – June 2015 was \$2,484.92 COP/USD and the exchange rate as of June 30st, 2015 was \$2,588.66 COP/USD.



Consolidated results 1H 2015

From EBIT to net income- Emgesa

COP\$ Million	1H 2015 ⁽¹⁾	1H 2014 ⁽²⁾	Change (%) ⁽³⁾	1H 2015 MM US\$ ⁽⁴⁾
EBIT	739.902	772.492	-4.2%	298
Net Financial Expenses	63.845	59.619	7.1%	26
Financial expenses	70.261	77.250	-9.0%	28
Financial income	6.416	17.631	-63.6%	3
EBT	676.057	712.874	-5.2%	272
Income Tax	247.127	222.203	11.2%	99
Net Income	428.930	490.670	-12.6%	173

1. IFRS Colombia

2. IFRS Enel

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Consolidated results 1H 2015

Financial highlights- Codensa

COP\$ Million	1H 2015 ⁽¹⁾	1H 2014 ⁽²⁾	Change (%) ⁽³⁾	1H 2015 MM US\$ ⁽⁴⁾
Revenues	1.776.305	1.670.839	6,3%	715
Costs	(988.134)	(953.792)	3,6%	(398)
Other Costs	(193.408)	(159.625)	21,2%	(78)
EBITDA	594.763	557.423	6,7%	239
EBIT	470.667	433.761	8,5%	189
Net Income	234.577	252.720	-7,2%	94

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Consolidated results 1H 2015

From EBIT to net income- Codensa

COP\$ Million	1H 2015 ⁽¹⁾	1H 2014 ⁽²⁾	Change (%) ⁽³⁾	1H 2015 MM US\$ ⁽⁴⁾
EBIT	470.667	433.761	8,5%	189
Net Financial Expenses	57.623	46.374	24,3%	23
Financial expenses	68.887	57.756	19,3%	28
Financial income	11.263	11.382	-1,0%	5
EBT	413.058	388.266	6,4%	166
Income Tax	178.481	135.545	31,7%	72
Net Income	234.577	252.720	-7,2%	94

1. IFRS Colombia

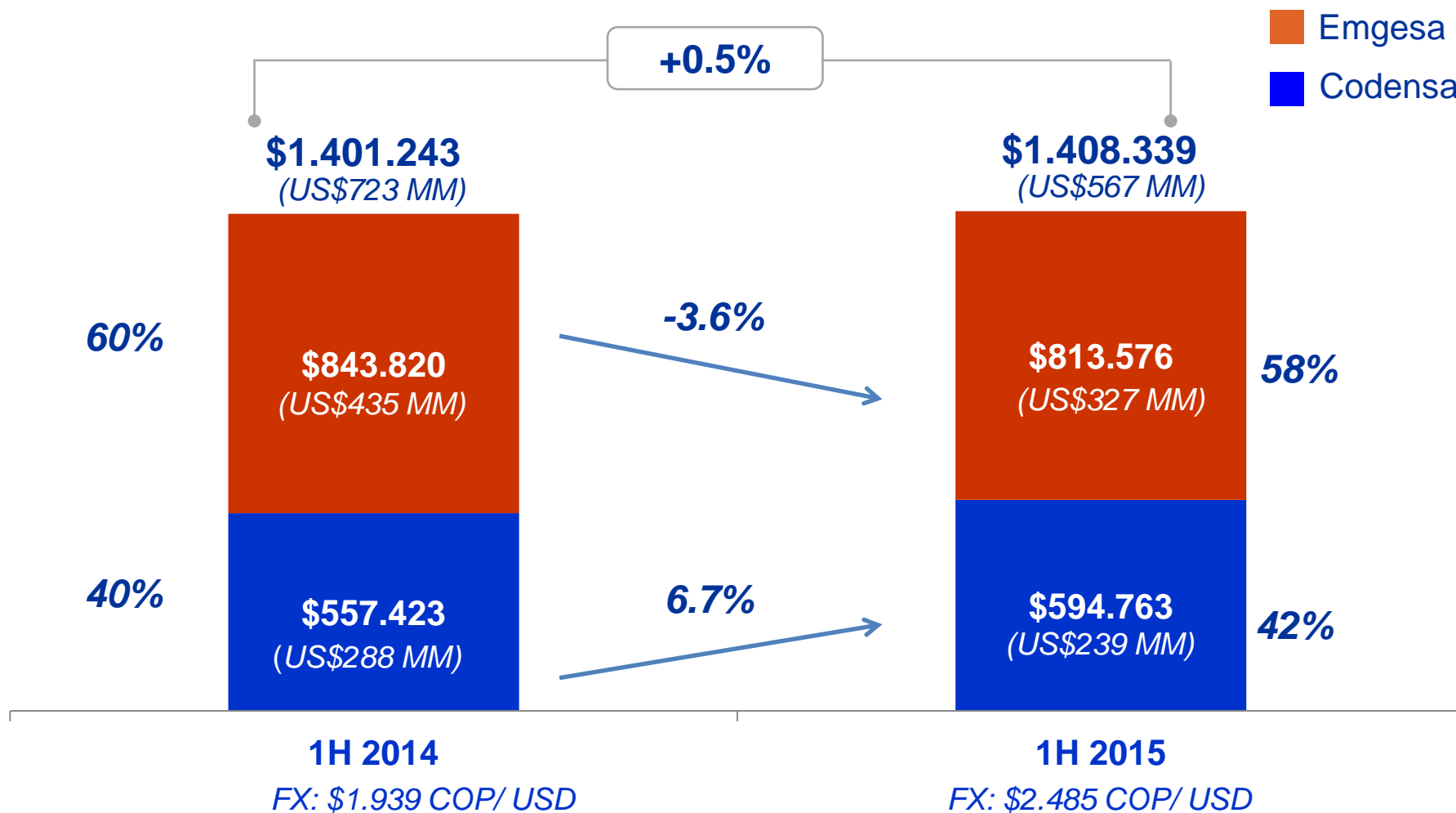
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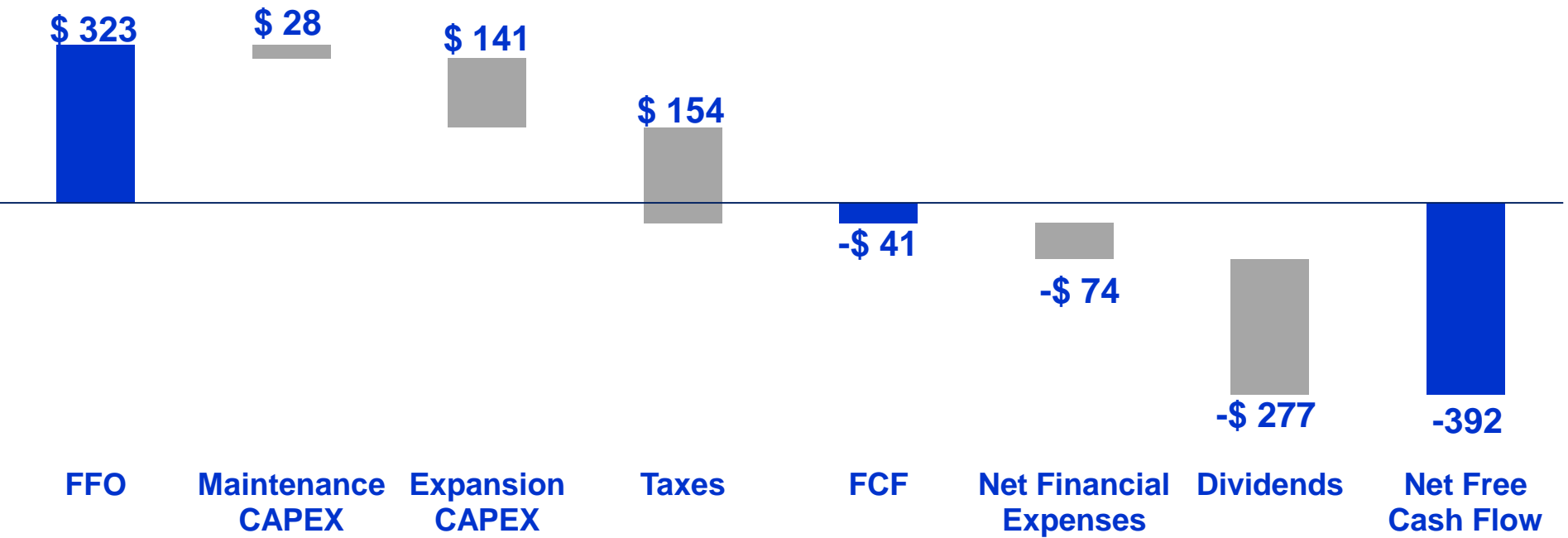
Consolidated results 1H 2015

EBITDA Evolution – Codensa and Emgesa (COP\$ Million)



Consolidated results 1H 2015

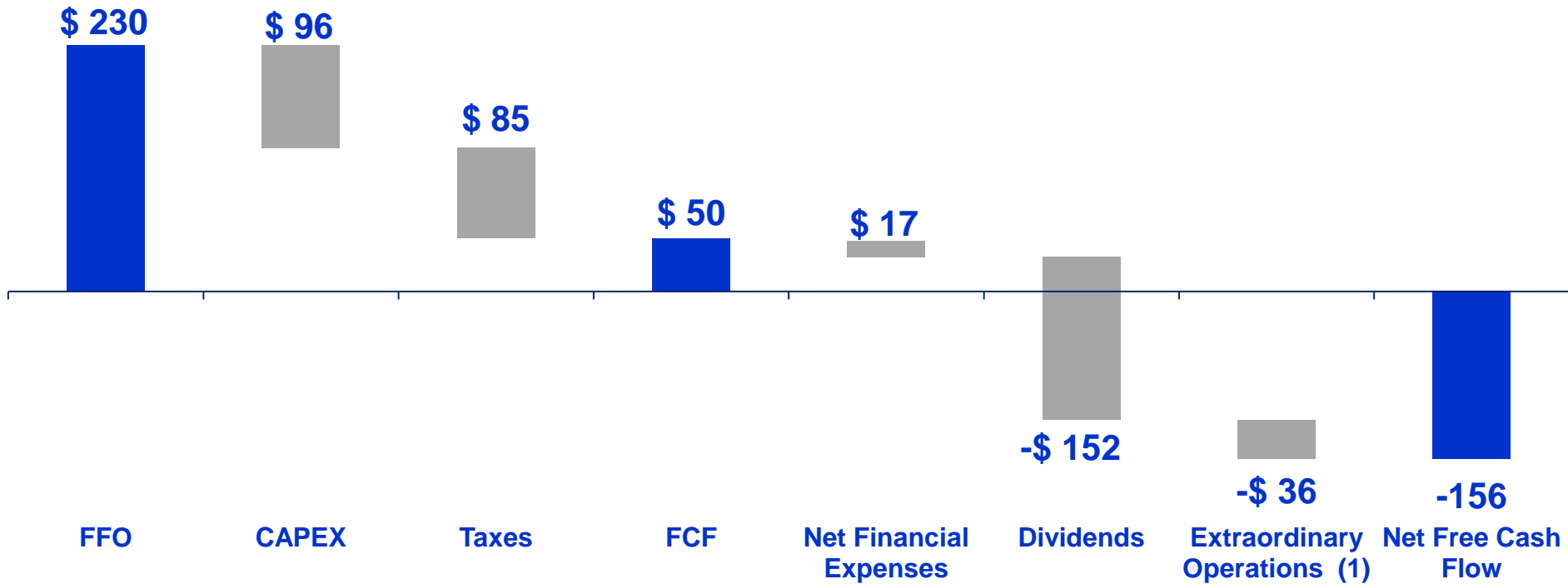
Cash flow- Emgesa (USD\$ Million)



Consolidated results 1H 2015

Cash flow- Codensa

(USD\$ Million)

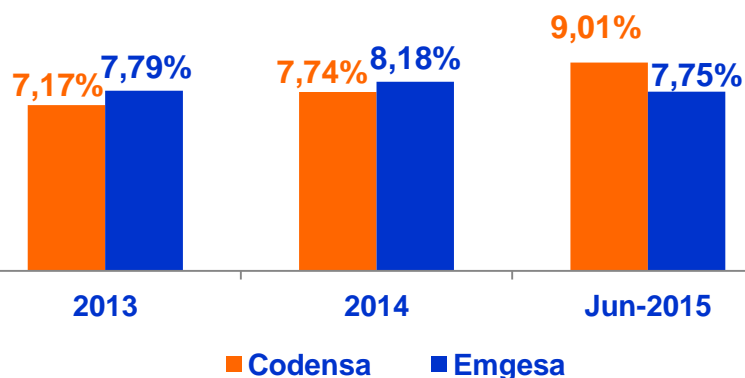


1. "Extraordinary operations" include the income associated with the Financing Unit ("Codensa Hogar") sold to Colpatría/Scotiabank in 2010.

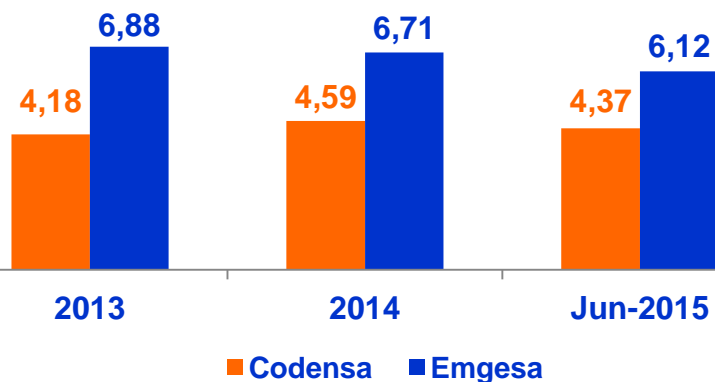
Consolidated results 1H 2015

Financial debt – Emgesa and Codensa

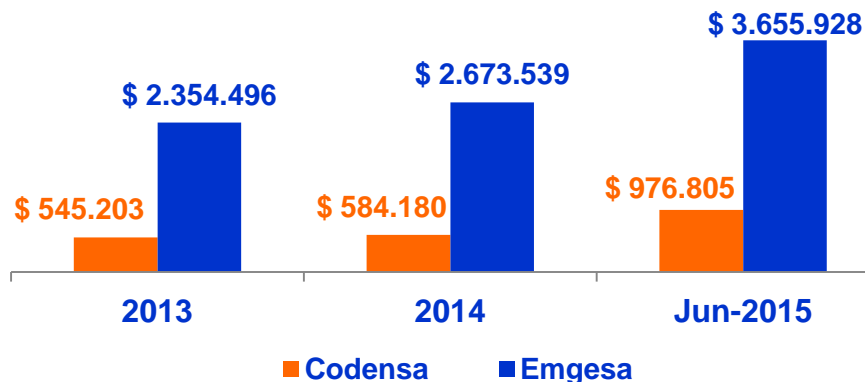
Average cost of gross debt



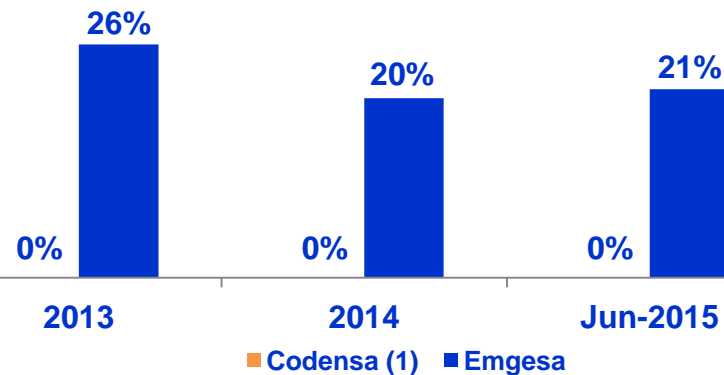
Average residual maturity (years)



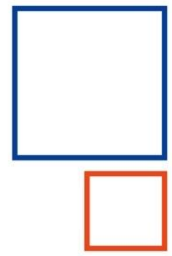
Net debt (COP\$ MM)



Fixed + hedged / Total gross debt

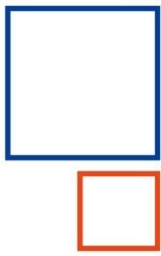


1. Codensa 's total debt is indexed to CPI (variable rate).



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Closing remarks

Higher hydropower generation, spot sales and PPI levels than in 1H 2014 in Emgesa were offset by the wealth tax, which affected EBITDA under IFRS standards.

Electricity demand recovery from industry and higher PPI levels than in 1H 2014 in Codensa's area of influence increased operating results and EBITDA compensating the effect of wealth tax partially.

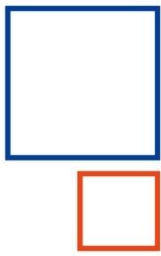
Uncertainty regarding the regulatory framework of electricity distribution.

Significant Dx and Gx investments in projects under development, which will ensure energy supply, reliability of the service and efficiency.

Important impacts on the net income of the companies due to higher average inflation which increased the financial expenses of Codensa and Emgesa and to the effects of the tax reform passed in December 2014.

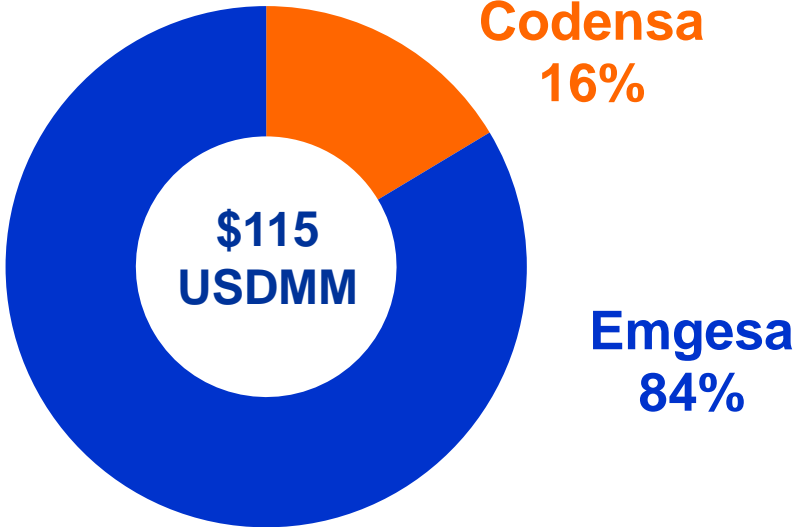
Exhibits





2Q 2015 Exhibits

CAPEX - Codensa and Emgesa



1. The average exchange rate for the period January-June 2015 was \$ 2484,9 COP / USD and the exchange rate as of June 30th, 2015 was \$ 2588.66 COP / USD.

2Q 2015 Exhibits

Balance Sheet – Emgesa

COP\$ Million	1H 2015 ⁽¹⁾	2014 ⁽²⁾	Change (%) ⁽³⁾	1H 2015 MM US\$ ⁽⁴⁾
Net Debt	3.655.928	2.673.539	36,7%	1.412
Equity	3.101.701	2.857.846	8,5%	1.198
Net Capital Employed	6.757.629	5.531.385	22,2%	2.610

1. Colombian GAAP

2. Enel GAAP

3. Variations calculated in Colombian Pesos.

4. The average exchange rate for the period January-June 2015 was \$ 2484,9 COP / USD and the exchange rate as of June 30th, 2015 was \$ 2588.66 COP / USD.

2Q 2015 Exhibits

Balance Sheet – Codensa

COP\$ Million	1H 2015 ⁽¹⁾	2014 ⁽²⁾	Change (%) ⁽³⁾	1H 2015 MM US\$ ⁽⁴⁾
Net Debt	976.805	584.180	67,2%	377
Equity	2.034.860	1.884.099	8,0%	786
Net Capital Employed	3.011.665	2.468.279	22,0%	1.163

1. Colombian GAAP

2. Enel GAAP

3. Variations calculated in Colombian Pesos.

4. The average exchange rate for the period January-June 2015 was \$ 2484,9 COP / USD and the exchange rate as of June 30th, 2015 was \$ 2588.66 COP / USD.

2Q 2015 Exhibits

Liquidity analysis – Emgesa

US\$ Million ⁽¹⁾	Amount	Outstanding	Available
Committed credit lines	-	-	-
Cash and cash equivalents	27	N.A.	27
Uncommitted lines	708	12	461
Total Liquidity	735	12	488

1. The average exchange rate for the period January-June 2015 was \$ 2484,9 COP / USD and the exchange rate as of June 30th, 2015 was \$ 2588.66 COP / USD.

2Q 2015 Exhibits

Liquidity analysis – Codensa

US\$ Million ⁽¹⁾

Amount

Outstanding

Available

Committed credit lines

-

-

-

Cash and cash equivalents

79

N.A.

79

Uncommitted lines

469

12

469

Total Liquidity

548

12

548

1. The average exchange rate for the period January-June 2015 was \$ 2484,9 COP / USD and the exchange rate as of June 30th, 2015 was \$ 2588.66 COP / USD.

2Q 2015 Exhibits

Debt Structure – Emgesa

- **Average debt maturity:** 6.12 years
- **Average cost of gross debt:** 8.53%
- **Fixed + Hedged/Total gross debt:** 21.0%
- **Rating:**
 - Standard & Poor's⁽¹⁾: BBB
 - Fitch Ratings⁽¹⁾: BBB / AAA, Stable

US\$ Million ⁽¹⁾	1H 2015	2014	Change (%)
Long-term	3.390.373	3.384.522	0,2%
Short-term	335.173	250.008	34,1%
Cash	69.618	960.991	-92,8%
Net Debt	3.655.928	2.673.539	36,7%

1. The average exchange rate for the period January-June 2015 was \$ 2484,9 COP / USD and the exchange rate as of June 30th, 2015 was \$ 2588.66 COP / USD.

2Q 2015 Exhibits

Debt structure – Codensa

- Average debt maturity: 4.1 years
- Average cost of gross debt: 9.2%
- Fixed + Hedged/Total gross debt: 0.0%
- Rating:
 - Fitch Ratings⁽¹⁾: AAA, Stable

US\$ Million ⁽¹⁾	1H 2015	2014	Change (%)
Long-term	1.033.613	1.175.701	-12,1%
Short-term	146.509	-	
Cash	203.318	591.521	-65,6%
Net Debt	976.805	584.180	67,2%

1. The average exchange rate for the period January-June 2015 was \$ 2484,9 COP / USD and the exchange rate as of June 30th, 2015 was \$ 2588.66 COP / USD.

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