



FY 2016 Results Emgesa and Codensa

February 23rd, 2017



Grupo Enel

Disclaimer



IFRS adoption

- 1. Figures of the financial statements used in this presentation as of December 31st, 2016 were prepared in Colombian pesos under IFRS officially applied in Colombia since January 2015.*
- 2. The average exchange rate for the period January-December 2016 was \$3,050.98 COP/USD and the exchange rate as of December 31st, 2016 was \$3,000.71 COP/USD.*

FY 2016 results

Highlights of year 2016

Aggregated EBITDA of USD\$1.112 MM (Dx:+13.8% and Gx:+15.0%) due to higher volume sales at higher prices in Emgesa, and higher regulated distribution and retailing tariff for Codensa.

Aggregated CAPEX of USD\$297 MM, decreasing by 50.2% compared to 2015, resulting from the completion main investments in El Quimbo in 2015. Growth Investments focused on the distribution business.

Emgesa was the # 1 generation company in terms of net output during 2016, with a 22.7% market share of the National Interconnected System (SIN) generation.

Completion of merger between Codensa and EEC effective from October 1st, 2016: shareholders and clients to benefit from operational and commercial efficiencies and higher economies of scale.

FY 2016 results

4Q Regulation Update - Colombia

Distribution

- **CREG Resolution No. 176 / 2016 – Remuneration methodology for distribution business**
 - ✓ Published by CREG defines the terms of the new remuneration methodology for the distribution business (in consultation).
 - Asset base: starting point of the asset base at Dec. 2016, partial reduction in useful life, changes in recognized depreciation
 - Investment plan: cap at 8% of gross asset base; changes of investment plan permitted every 2 years; investments on smart metering not recognized in tariff. WACC for distribution assets = 12.1%
 - Losses: up to 16% in low voltage subject to the fulfillment of investment plan.
 - Quality: Starting point based on SAIDI and SAIFI of 2015. Annual reduction of 8%.
 - ✓ Final regulation expected to be issued during the first quarter of 2017
- **CREG Resolution No. 199 / 2016 – Codensa and EEC market integration**

Generation

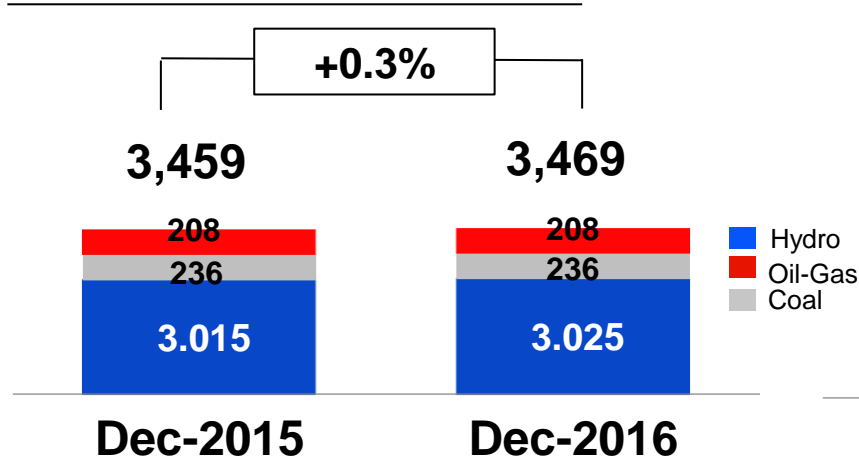
- **CREG Document 115 / 2016**
 - ✓ Based on demand projections carried out by UPME in October, concludes it is established that an OEF auction should not be carried out to guarantee the reliability of power supply for the period 2019-2020

FY 2016 results

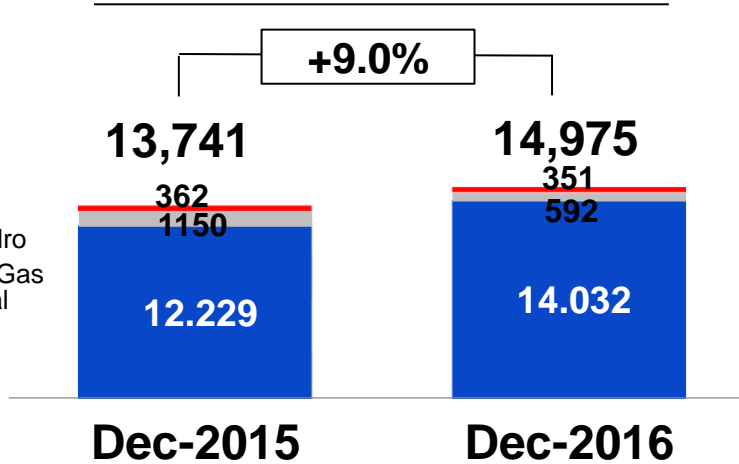
Operating Highlights

Generation

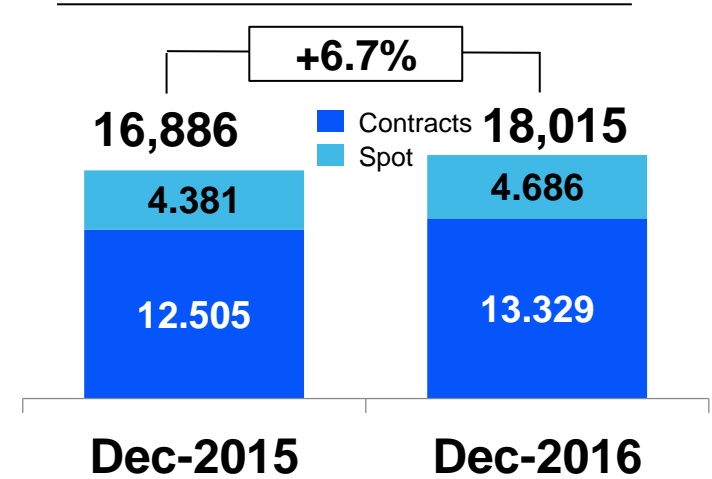
Installed capacity (MW)



Net Production (GWh)

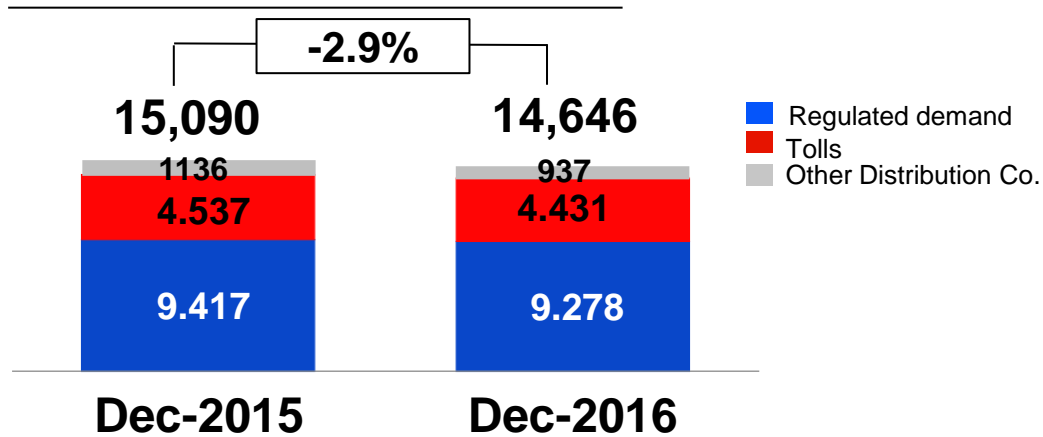


Electricity Sales (GWh)

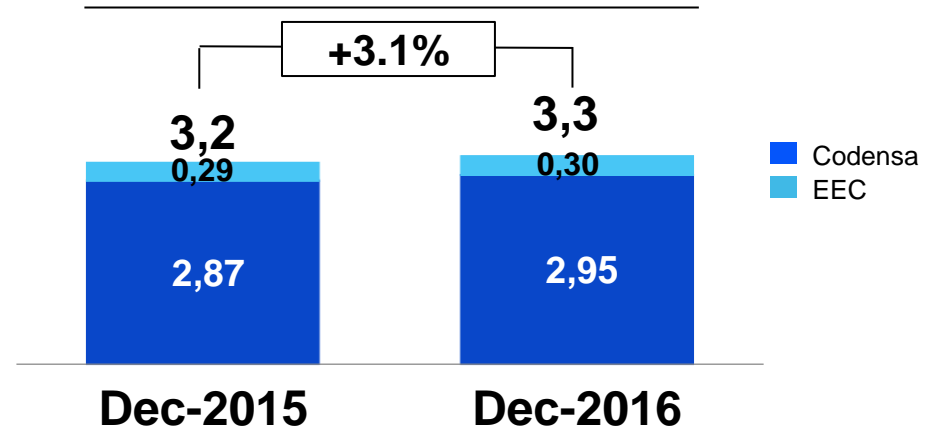


Distribution

Electricity Distributed (GWh)



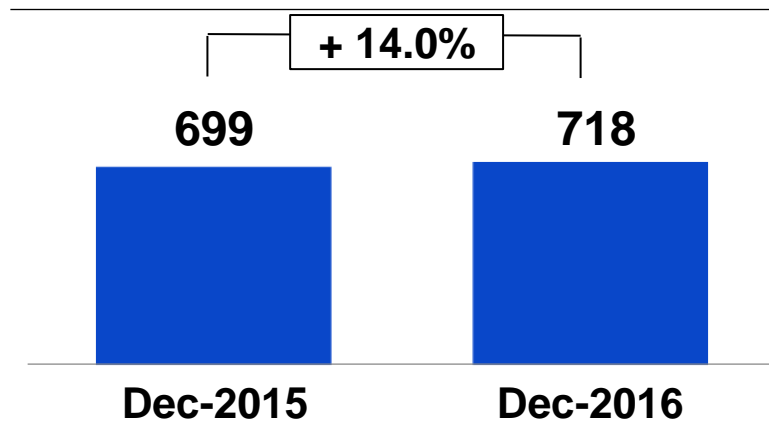
Number of Customers (Mn)



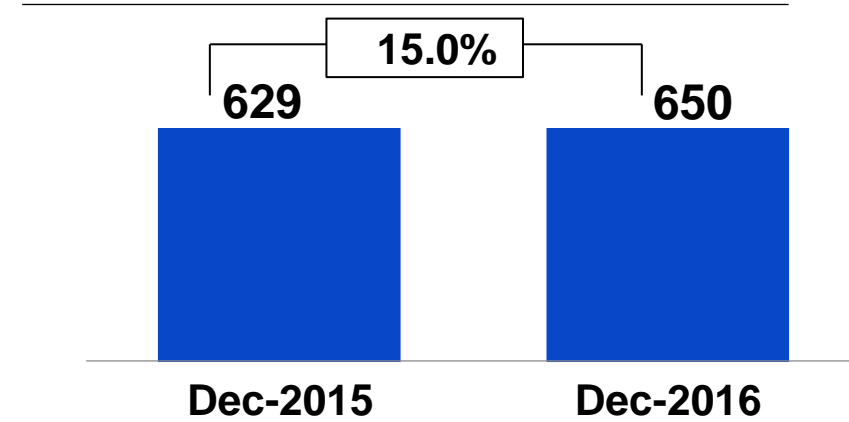
FY 2016 results

Emgesa's Financial highlights (US\$ mn¹)

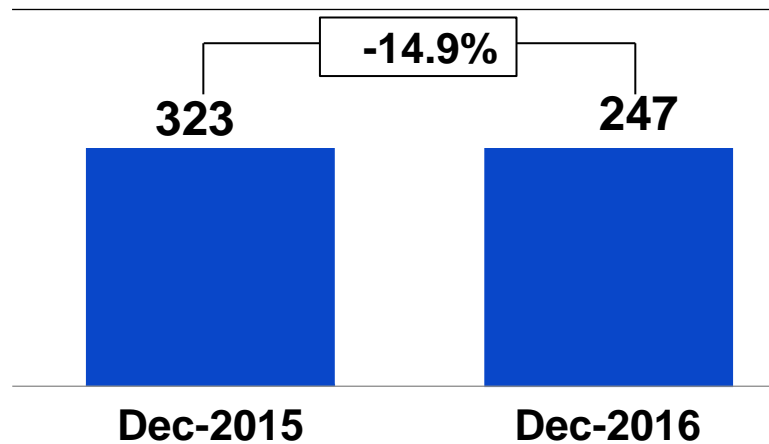
Gross Margin



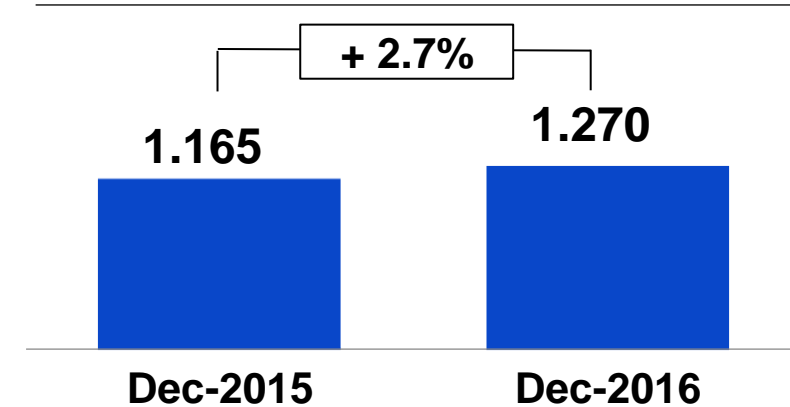
EBITDA



Net Income



Net Debt²

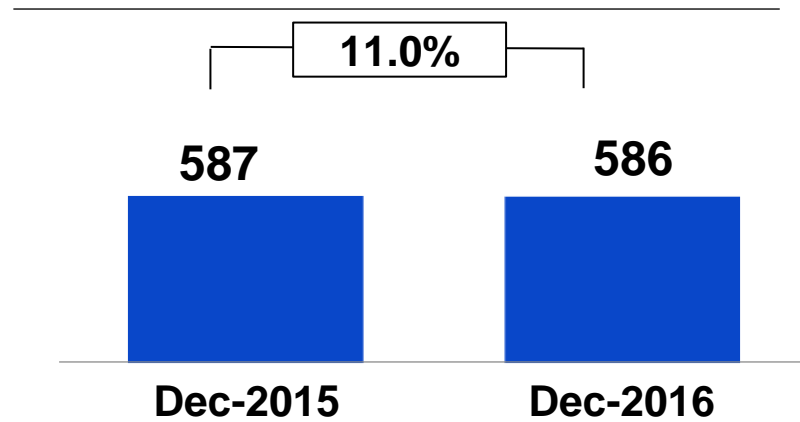


1. The average exchange rate for the period January-December 2015 was \$2743,39 COP/USD and the exchange rate as of December 31st,2015 was \$3149,47 COP/USD. The average exchange rate for the period January-December 2016 was \$3050,98 COP/USD and the exchange rate as of December 31st,2016 was \$3000,71 COP/USD.
 2. Comparisons between periods are made based on figures in Colombian pesos..

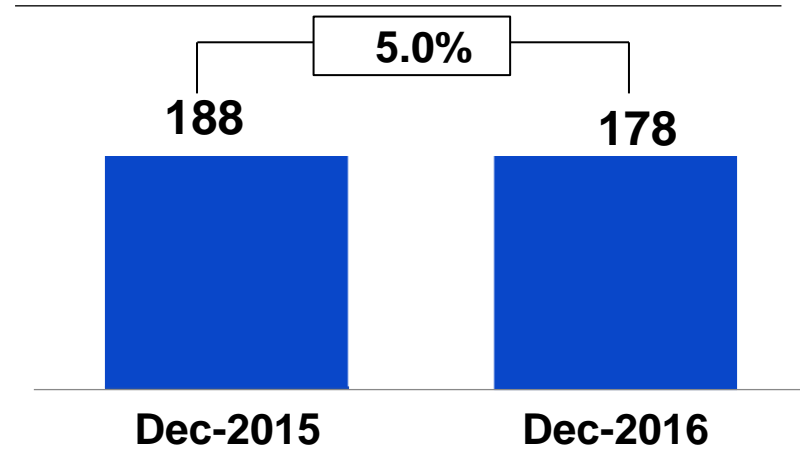
FY 2016 results

Codensa's Financial highlights (US\$ mn¹)

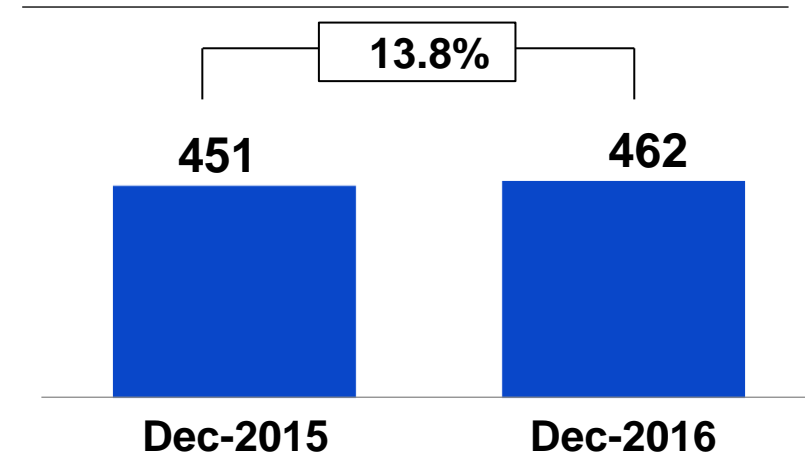
Gross Margin



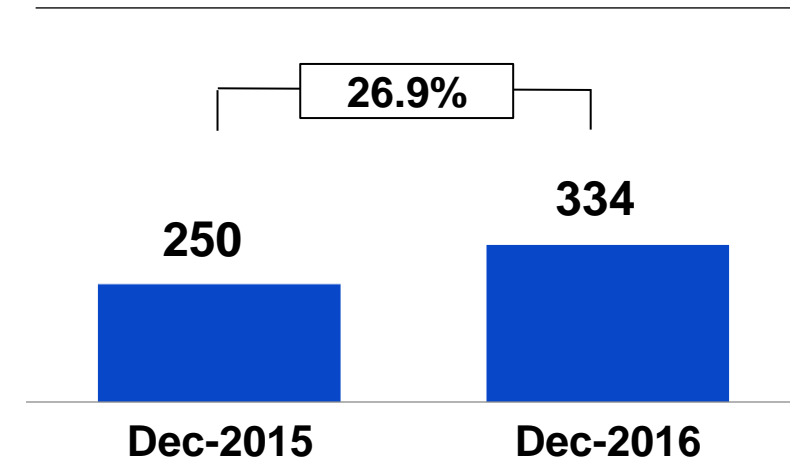
Net Income



EBITDA



Net Debt²

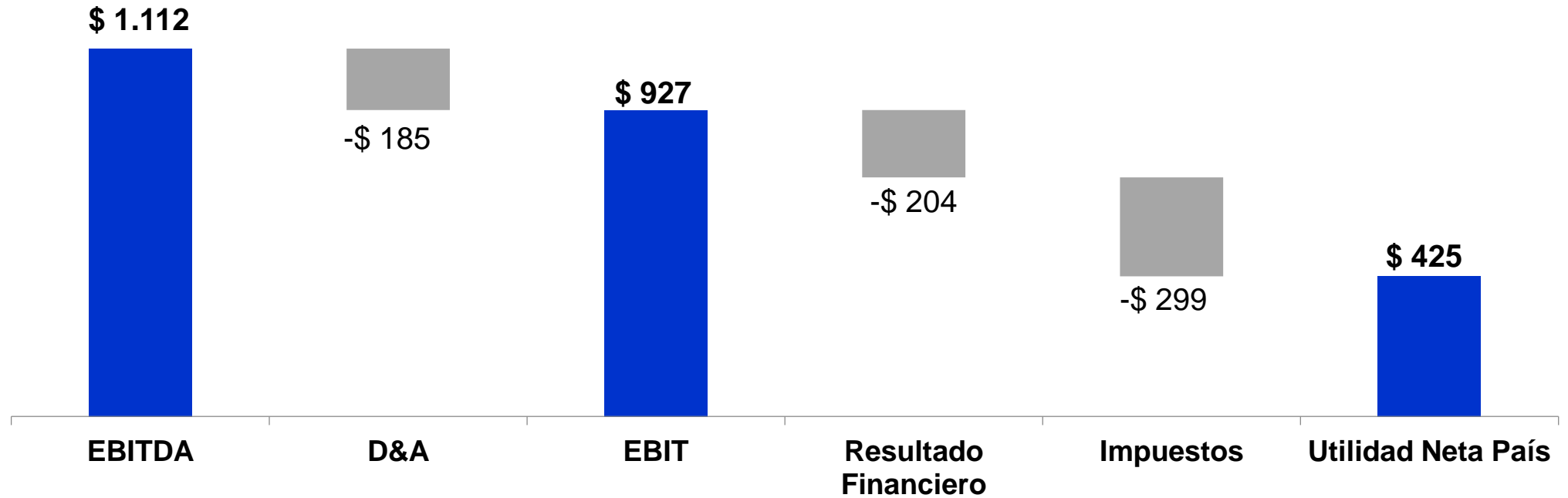


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2. Comparisons between periods are made based on figures in Colombian pesos..

FY 2016 results

Colombia- From EBITDA to Net Income (US\$ mn¹)

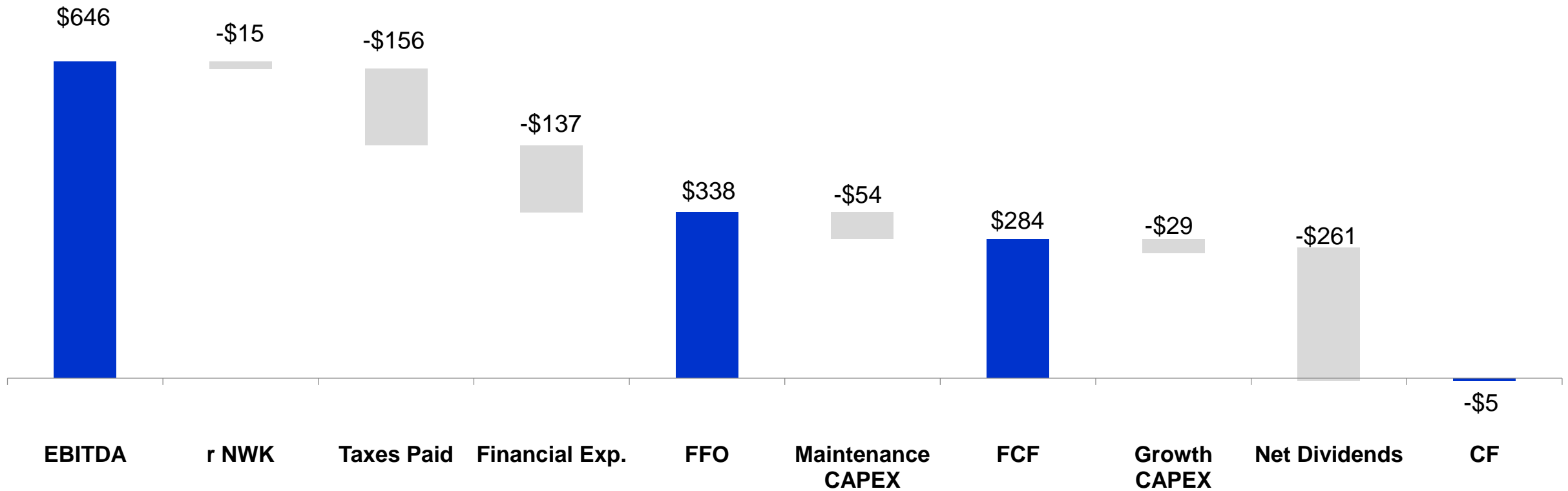


FY 2016	1.112	-171	927	-204	-299	425
Change YoY	14.5%	33.4%	11.0%	113.1%	3.4%	-7.5%

1. Comparisons between periods are made using the average USD FX rate as of December 31st 2016 equal to 3.050,98 COP/USD only for information purposes. Original data is in Colombian pesos.

FY 2016 results

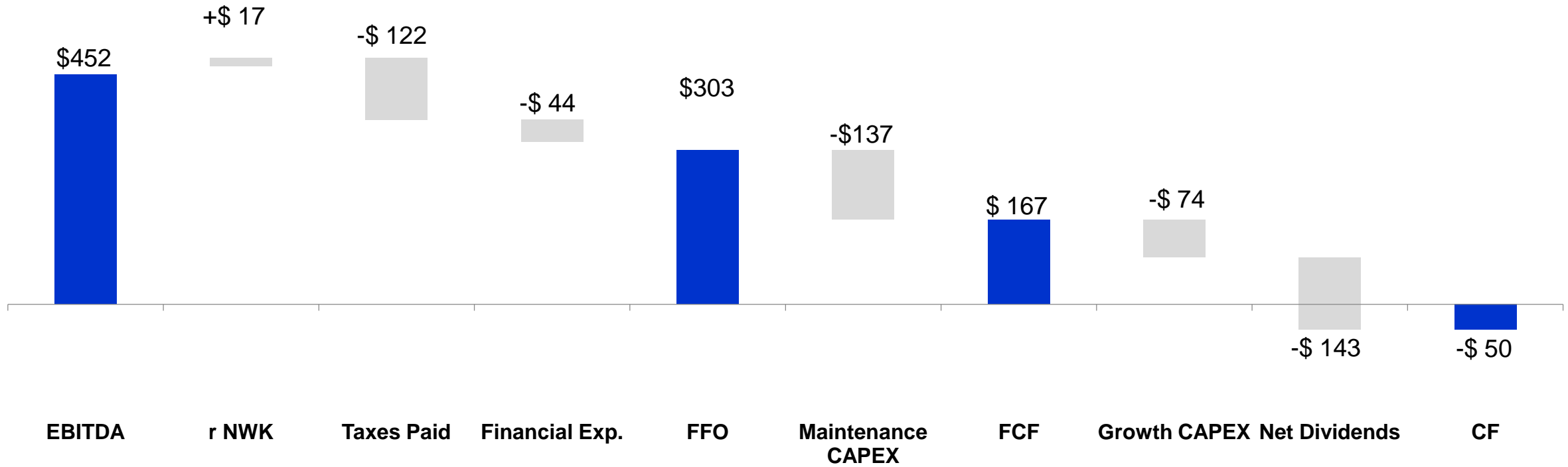
Emgesa- Cash Flow (US\$ mn)



FX: \$3,050.97COP/USD

FY 2016 results

Codensa- Cash Flow (US\$ mn)



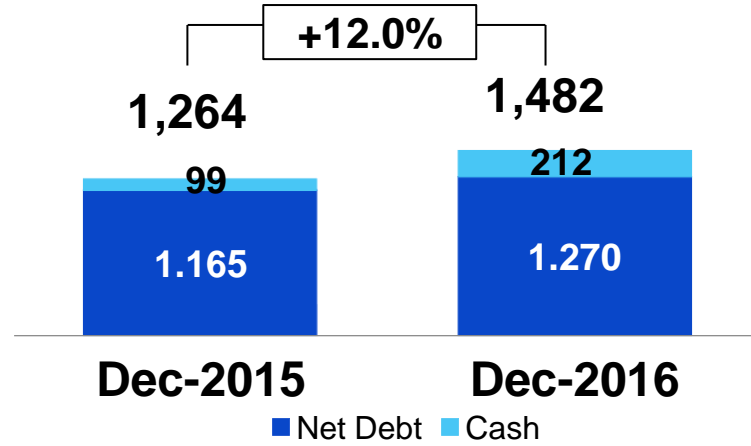
FX: \$3,050.97 COP/ USD

FY 2016 results

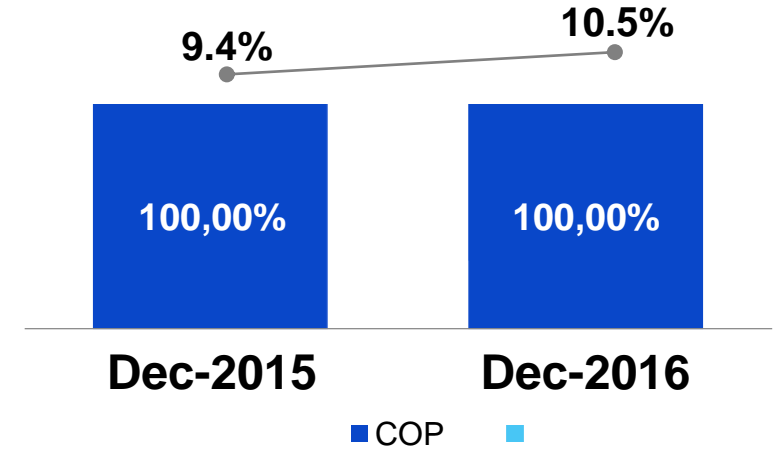
Gross debt breakdown (US\$ mn)

Generation

Gross and Net Debt (US\$ mn)

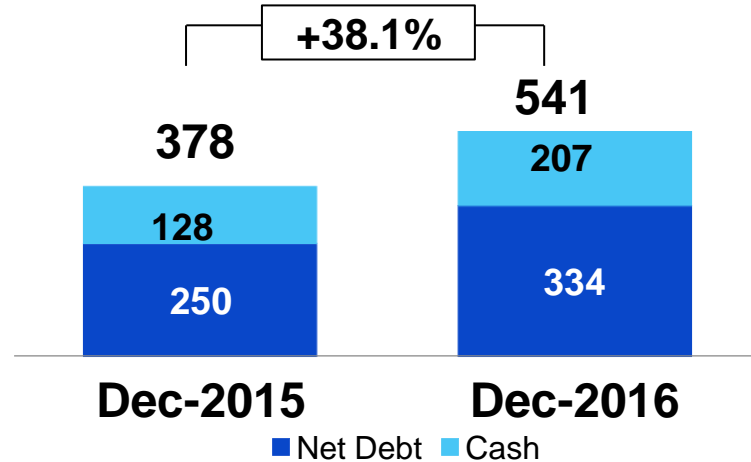


Gross debt breakdown by currency and Average Cost of Debt

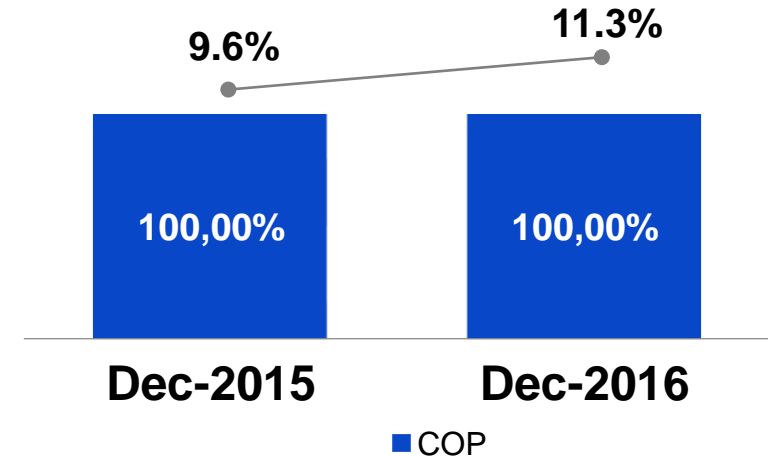


Distribution

Gross and Net Debt (US\$ mn)



Gross debt breakdown by currency and Average Cost of Debt



(1) 100% of principal and interest payments hedged to COP through derivatives

FY 2016 results

Closing Remarks



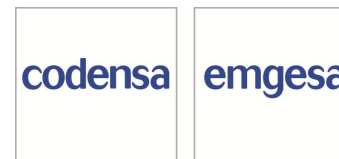
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Positive operating results for Codensa and Emgesa during 2016, from higher electricity prices due to increase in PPI levels, higher net output and number of clients, which offset cost increases.

Important impact on the net income due to higher net financial expenses resulting from higher CPI indexes and the beginning of commercial operations of El Quimbo

Record CAPEX execution focused on projects from the distribution business

Investor Relations Team



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El Reconocimiento Emisores - IR otorgado por la Bolsa de Valores de Colombia S.A. no es una certificación sobre la bondad de los valores inscritos ni sobre la solvencia del emisor

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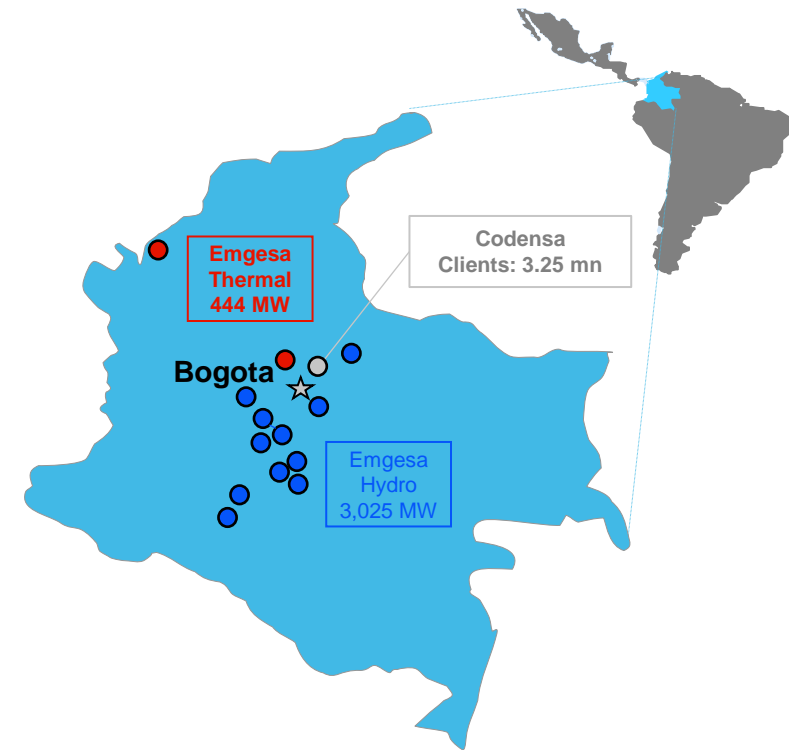


Exhibits

FY 2016 results

Snapshot of Operating and Financial results (US\$ mn) ⁽¹⁾

	Generation			Distribution			Total		
	FY 15	FY 16	% ⁽²⁾	FY 15	FY 16	%	FY 15	FY 16	%
Revenues	1.191	1.146	7.5	1,353	1.373	12.9	2.544	2,519	10.4
EBITDA	629	650	15.0	451	462	13,8	1.080	1.112	14.5
CAPEX	494	86	-80.9	166	211	41.5	660	297	-50.2
Net Production (GWh)	13,741	14,975	9.0	-	-	-	13,741	14,975	9.0
Energy Sales (GWh)	16,886	18,015	6.7	15,090	14,646	-2.94	-	-	-
Clients (mn)	-	-	-	3.15	3.25	3.1	3.15	3.3	3.1

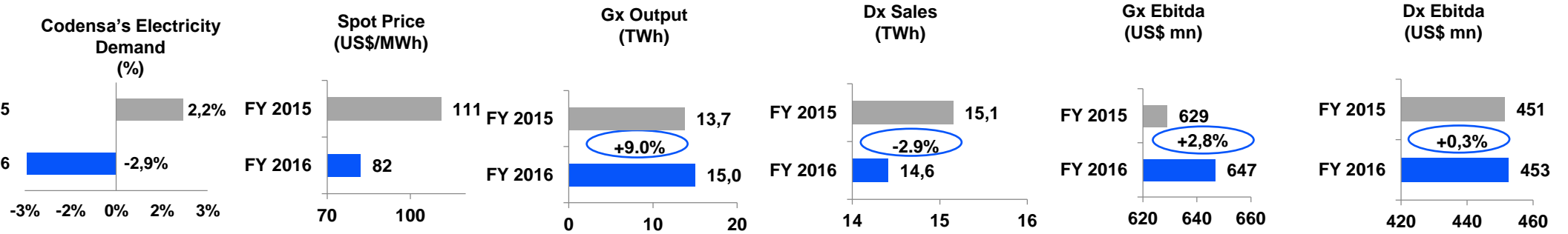


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Operating Exhibits FY 2016

Business context 2016 v/s 2015

Colombia



Net installed capacity Generation (MW)				Total Net Production (GWh)
GW	Hydro	Oil-Gas/ Coal	Total Capacity	Jan-Dec/16
Guavio	1.223			5.949
Pagua	601			3.963
Cartagena		208		351
Termozipa		236		592
Minor/ Run of the river	260			765
Betania	541			1.907
Quimbo	400			1.448
Total	3.025	444	3.469	14.975

Financial Exhibits FY 2016

Debt structure, liquidity and credit profile- Emgesa + Codensa

Liquidity (US\$ mn)	Amount	Outstanding	Available
Committed credit lines	-	-	-
Cash and cash equivalents	413	n.a.	413
Uncommitted lines ¹	1.796	524	1.272
Total liquidity	2.209	524	1.685

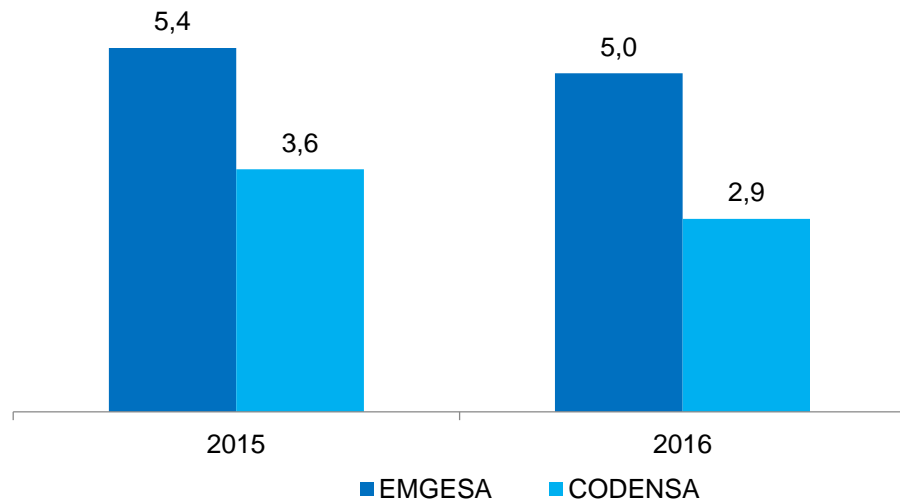
Company	Credit Profile as of Dec. 2016	S&P	Fitch
Emgesa	LT international debt	BBB	BBB
	LT local debt	-	AAA(cl)
	Outlook (Int'l)	Negative	Stable
	Local Bonds Issuances		AAA(cl)
Codensa	LT local debt	-	AAA(cl)
	Local Bonds Issuances		AAA(cl)

1. Includes cash and cash equivalence for more than 90 days

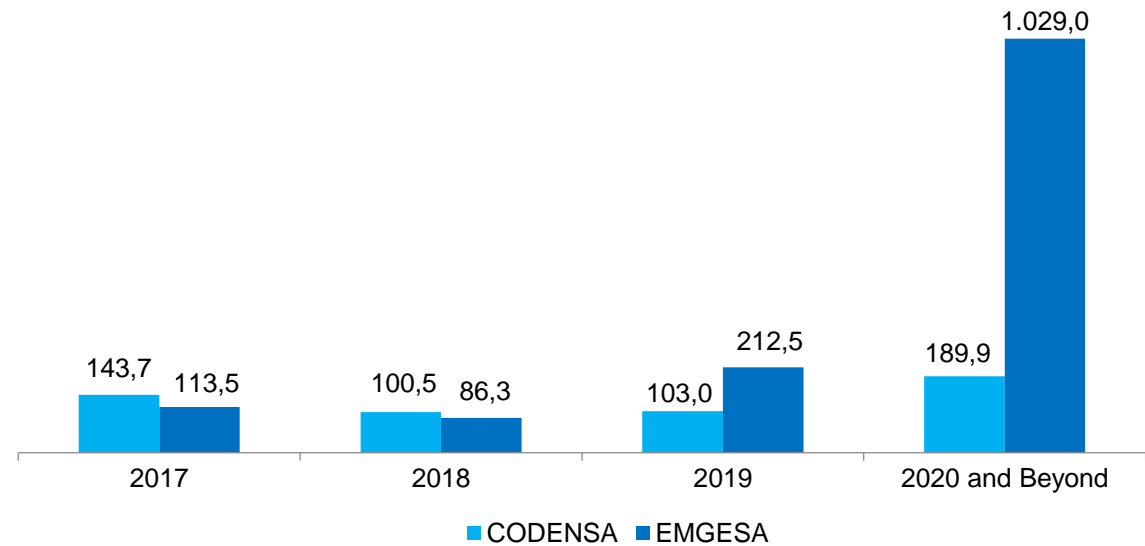
Financial Exhibits FY 2016

Debt maturity

Average residual maturity (years)



Debt profile (US\$ Mn)



Disclaimer

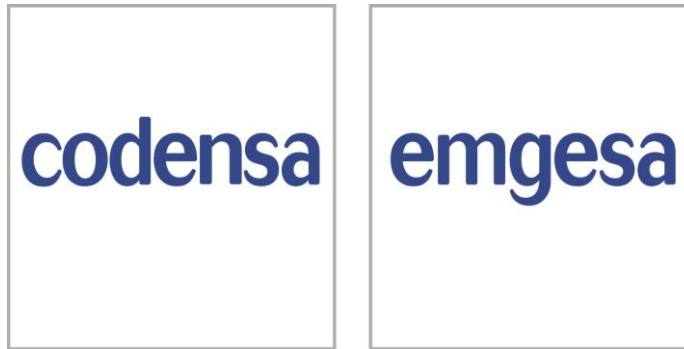


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