CONSOLIDATED FINANCIAL STATEMENTS[1]

Emgesa S.A. E.S.P. and its Affiliates

Years ending on December 31 of 2012 and 2011

With the Statutory Auditor's report

1 Financial Statements have been translated to English for convenience of investors exclusively. The auditors of the Financial Statements have not reviewed the translations.

Emgesa S.A. E.S.P. and its Affiliates

Consolidated Financial Statements

Years ending on December 31 of 2012 and 2011

TABLE OF CONTENTS

Statutory Auditor Report

To the Emgesa S.A. E.S.P. and its Affiliates' shareholders:

I have audited the attached Emgesa S.A. E.S.P. and its affiliates' consolidated financial statements, which include the consolidated General Balance Sheets as of December 31 of 2012 and 2011 and the respective consolidated income statements, equity change statements, statements on the Company's financial situation, and the cash flows for such dates, including a summary of important accounting policies and other explanatory notes.

The Administration is responsible for preparation and proper presentation of the d financial statements according to accounting principles generally accepted in Colombia, as well as for designing, implementing, and keeping relevant internal controls for preparation and proper presentation of financial statements that will be free of material errors on account of fraud or error, and for selecting and applying adequate accounting policies and establishing reasonable accounting estimates according to the circumstances.

My responsibility is providing an opinion regarding such consolidated financial statements, based on my audits. I obtained the necessary information for this and examined the documents according to auditing norms generally accepted in Colombia, which require that audits be planned and carried out so as to reasonably guarantee that the financial statements are free of significant errors.

An audit includes developing procedures in order to obtain information supporting figures and disclosures contained in consolidated financial statements. The selected procedures depend on the auditor, including the evaluation of the risk of material errors existing in the consolidated financial statements. Upon evaluating them, the auditor takes into account relevant internal controls for preparation and submittal of such consolidated financial statements that will enable him to design audit procedures according to the circumstances. It also includes an evaluation of the accounting principles used and of significant estimates made by the Administration, including their presentation as a whole. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the attached consolidated financial statements reasonably present - in all their material aspects - the Emgesa S.A. E.S.P. financial statements as of December 31 of 2012 and 2011, the consolidated results of its operations, the changes in its financial situation, and cash flows for the above years, according to accounting principles generally accepted in Colombia issued by the National Government and applied uniformly.

In addition, based on my audits I am not aware of any situation suggesting a default in compliance with the following Company obligations: 1) keeping minutes, the shareholders book, and accounting books according to legal norms and the accounting technique; 2) performing activities according to the bylaws and the decisions of the Shareholders Assembly and the Board of Directors, according to norms related to integral social security; 3) keeping correspondence and account vouchers; and 4) taking internal control and protection and custody measures regarding Company or third-party goods the Company may have in its possession.

Ángela Jaimes Delgado.
Statutory Auditor
Professional card 62183–T
appointed by Ernst & Young Audit Ltda. TR–530

Bogotá, D.C., Colombia
February 11, 2013

Emgesa S.A. E.S.P. at its Affiliates

Consolidated General Balance Sheets

		As of December 31 of		
		2012		**2011**
		(thousand COP)		
Assets				
Current assets:				
Cash and cash equivalents *(Note 3)*	**$**	**785,377,480**	$	511,654,182
Debtors, net *(Note 4)*		**255,242,586**		278,133,349
Related companies *(Note 5)*		**56,157,690**		131,243,994
Inventories, net *(Note 6)*		**42,141,010**		39,538,483
Expenses paid in advance		**10,960,157**		6,459,821
Total current assets		**1,149,878,923**		967,029,829
Permanent investments, net *(Note 6)*		**8,324,464**		8,324,464
Debtors, net *(Note 4)*		**13,470,164**		12,119,856
Inventories, net *(Note 6)*		**21,012,249**		21,704,166
Properties, plant, and equipment, net *(Note 7)*		**5,528,232,607**		5,037,982,715
Deferred charges, net *(Note 8)*		**119,228,420**		83,999,411
Deferred taxes *(Note 18)*		**69,608,238**		71,968,340
Intangible assets, net *(Note 9)*		**57,659,707**		54,181,998
Other assets *(Note 10)*		**5,671,288**		4,192,199
Valuations (*Note 11)*		**2,166,971,014**		2,004,455,426
Total assets	**$**	**9,140,057,074**	$	8,265,958,404
Liabilities and equity				
Current liabilities:				
Financial obligations *(Note 12)*	**$**	**105,826,910**	$	425,724,861
Accounts payable *(Note 13)*		**146,921,175**		119,144,314
Related companies *(Note 5)*		**173,768,410**		93,297,139
Labor obligations *(Note 14)*		**13,814,643**		9,604,204
Retirement pensions *(Note 15)*		**9,966,858**		10,260,434
Estimated liabilities and reserves *(Note 16)*		**51,246,075**		20,795,637
Taxes, charges, and rates *(Note 18)*		**159,454,982**		154,518,973
Other current liabilities (Note 26)		**4,707,609**		–
Premium for placement of bonds pending amortization		**776,881**		776,881
Total current liabilities		**666,483,543**		834,122,443
Financial obligations *(Note 13)*		**2,626,760,000**		1,821,760,000
Retirement pensions *(Note 15)*		**64,458,477**		63,978,806
Premium for placement of bonds pending amortization		**841,624**		1,618,505
Taxes, charges, and rates *(Note 18)*		**49,213,976**		98,427,952

Revenues received in advance	**2,177,834**	1,754,520
Estimated liabilities and reserves *(Note 16)*	**8,761,992**	1,224,185
Minority interest	**8,837**	10,846
Equity *(Note 17):*		
Subscribed and paid capital	**655,222,313**	655,222,313
Premium for placement of shares	**113,255,816**	113,255,816
Legal reserve	**327,611,156**	327,611,156
Occasional reserves	**178,127**	178,127
Equity revaluation	**1,674,583,276**	1,674,583,276
Effect on conversion	**(299)**	–
Valuation surplus	**2,166,971,014**	2,004,455,426
Net year result	**783,529,388**	667,755,033
Total equity	**5,721,350,791**	5,443,061,147
Total liabilities and equity	**$ 9,140,057,074**	$ 8,265,958,404
Memorandum accounts *(Note 18)*	**$ 4,499,458,776**	$ 2,722,123,560

See the attached notes.

The undersigned Legal Representative and Accountant certify that we have previously checked statements contained in these consolidated financial statements and that they have been accurately taken from the Company accounting books.

Lucio Rubio Díaz
Legal representative

Alba Lucia Salcedo Rueda
Public accountant
Professional card 40562–T

Ángela Jaimes Delgado
Statutory Auditor
Professional card 62183–T
Appointed by Ernst & Young Audit Ltda.
TR−530
(See my February 11 of 2013 report)

Emgesa S.A. E.S.P. and its Affiliates

Consolidated Income Statement

	Year ending on December 31 of 2012	2011
	(Thousand COP except for net per-share profits)	
Operational revenues *(Note 19)*	**$ 2,144,233,104**	$ 1,899,061,992
Cost of sales *(Note 20)*	**(880,529,588)**	(765,023,358)
Gross profits	**1,263,703,516**	1,134,038,634
Administration expenses *(Note 21)*	**(29,507,526)**	(29,336,054)
Operational profits	**1,234,195,990**	1,104,702,580
Other expenditures (revenues):		
Financial, net (*Note 22)*	**(122,216,842)**	(142,407,550)
Miscellaneous, net *(Note 23)*	**(9,857,387)**	6,821,880
Profits before taxes	**1,102,121,761**	969,116,910
Income tax *(Note 16)*	**(318,594,382)**	(301,356,208)
Current	**(317,162,183)**	(301,934,951)
Deferred	**(1,432,199)**	578,743
Net year profits	**783,527,379**	667,760,702
Minority interest	**2,009**	(5,669)
Net profits	**$ 783,529,388**	$ 667,755,033
Preferential dividend per share	**$ 195.74**	$ 215.06
Net profits per share	**$ 5,234.08**	$ 4,453.90

See the attached notes.

The undersigned Legal Representative and Accountant certify that we have previously checked consolidated statements contained in these financial statements and that they have been accurately taken from the Company accounting books.

Lucio Rubio Díaz Legal representative	Alba Lucia Salcedo Rueda Public accountant Professional card 40562–T	Ángela Jaimes Delgado Statutory Auditor Professional card 62183–T Appointed by Ernst & Young Audit Ltda. TR−530 (See my February 11 of 2013 report)

Emgesa S.A. E.S.P. and its Affiliates

Consolidated Statements-Equity Changes

	Subscribed and paid capital	Share placement premium	Reserves	Equity revaluation	Valuation surplus	Effect in conversion	Accrued profits	Total shareholders equity
					(thousand COP)			
Balance as of December 31 of 2010	$ 655,222,313	$ 113,255,816	$ 327,789,283	$ 1,871,439,181	$ 2,009,648,656	$ –	$ 155,324,183	$ 5,132,679,432
Equity tax, 2011	–	–	–	(196,855,905	–	–	–	(196,855,905
Declared dividends	–	–	–	–	–	–	(155,324,183	(155,324,183
Net year profits	–	–	–	–	–	–	667,755,03	667,755,03
Adjustment to valuation of permanent investments	–	–	–	–	(132,371	–	–	(132,371
Adjustment to valuation of fixed assets	–	–	–	–	(5,060,859	–	–	(5,060,859
Balances as of December 31 of 2011	655,222,313	113,255,816	327,789,283	1,674,583,276	2,004,455,426	–	667,755,033	5,443,061,147
Declared dividends	–	–	–	–	–	**–**	**(667,755,033**	**(667,755,033**
Net year profits	–	–	–	–	–	**–**	**783,529,388**	**783,529,388**
Adjustment to valuations of permanent investments	–	–	–	–	**126,283**	**(299)**	–	**125,984**
Adjustment to valuations of fixed assets	–	–	–	–	**162,389,305**	**–**	**–**	**162,389,305**
Balances as of December 31 of 2012	**$ 655,222,313**	**$ 113,255,816**	**$ 327,789,283**	**$ 1,674,583,276**	**$ 2,166,971,014**	**$ (299)**	**$ 783,529,388**	**$ 5,721,350,791**

See the attached notes.

The undersigned Legal Representative and Accountant certify that we have previously checked statements contained in these consolidated financial statements and that they have been accurately taken from the Company accounting books.

Lucio Rubio Díaz
Legal representative

Alba Lucia Salcedo Rueda
Public accountant
Professional card 40562–T

Ángela Jaimes Delgado
Statutory Auditor
Professional card 62183–T
Appointed by Ernst & Young Audit Ltda. TR−530
(See my February 11 of 2013 report)

Emgesa S.A. E.S.P.

Nonconsolidated Statements, Changes to the Financial Situation

	Year ending on December 31 of	
	2012	**2011**
	(thousand COP)	
Financial resources provided		
Net year profits	**$ 783,529,388**	$ 667,755,033
Items not affecting working capital	**–**	
Depreciation	**141,781,136**	146,069,672
Amortization of intangible assets	**2,059,113**	4,328,104
Deferred taxes, previous years	**927,903**	2,541,846
Amortization of deferred charges	**1,425,136**	1,406,851
Net loss (profits) in the sale of property, plant, and equipment	**(42,988)**	633,945
Removals on account of previous years' maintenance	**4,589,519**	900,888
Inventory reserve	**(512,544)**	749,909
Current deferred tax	**1,432,199**	(578,743)
Total provided by operations	**935,188,862**	823,807,505
Debtors increase	**(1,350,308)**	(2,071,768)
Reduction related companies	**–**	606,177
Reduction in deferred charges	**–**	945
Increase other assets	**(1,479,089)**	(1,299,578)
Total working capital provided	**932,359,465**	821,043,281
Financial resources applied		
Increase in financial obligations	**805,000,000**	431,750,947
Changes to equity tax payable	**(49,213,976)**	98,427,952
Recovery on account of Quimbo yield	**11,288,049**	18,598,973
Losses (profits) on account of forward valuation	**(6,554,662)**	1,847,053
Increase in revenues received in advance	**423,314**	847,137
Increase properties, plant, and equipment	**(636,577,559)**	(275,821,880)
Equity tax entry	**–**	(196,855,905)
Declared dividends	**(667,755,033)**	(155,324,183)
International Quimbo bond interests	**(32,998,014)**	(51,600,226)
Reduction (increase) of inventories	**1,204,461**	(2,012,807)
Increase in deferred charges	**(11,958,999)**	(18,908,591)
Emgesa Panamá conversion effect	**(299)**	–
Increase (reduction) of pension liabilities	**479,671**	(6,622,716)
Purchase of intangible assets		(4,122,997)
Increase (reduction) of estimated liabilities and reserves	**7,537,807**	(302,017)
Loss from withdrawing from expansion projects	**3,569,481**	776,976

Transfer of current bond placement premium	**(776,881)**	(194,015)
Minority interest	**(2,009)**	5,669
Total working capital used	**(581,871,471)**	(159,510,630)
Increase in working capital	**$ 350,487,994**	$ 661,532,651
Net changes in working capital		
Cash and cash equivalents	**273,723,298**	204,849,499
Debtors	**(22,890,763)**	89,308,764
Accounts receivable , related companies	**(75,086,304)**	(1,984,448)
Inventories	**2,602,527**	19,246,947
Expenses paid in advance	**4,500,336**	825,961
Financial obligations	**319,897,951**	(64,572,404)
Accounts Payable	**(27,776,861)**	(20,802,517)
Accounts payable, related companies	**(80,471,271)**	465,053,586
Labor and integral social security obligations	**(4,210,439)**	(204,890)
Retirement pensions and supplementary benefits	**293,576**	850,796
Estimated liabilities and reserves	**(30,450,438)**	4,880,077
Taxes, contributions, and rates payable	**(4,936,009)**	(39,415,923)
Other current liabilities	**(4,707,609)**	–
Premium in placement of bonds pending amortization	**–**	3,497,203
Increase in working capital	**$ 350,487,994**	$ 661,532,651

See the attached notes.

The undersigned Legal Representative and Accountant certify that we have previously checked consolidated statements contained in these financial statements and that they have been accurately taken from the Company accounting books.

Lucio Rubio Díaz
Legal representative

Alba Lucia Salcedo Rueda
Public accountant
Professional card 40562–T

Ángela Jaimes Delgado
Statutory Auditor
Professional card 62183–T
Appointed by Ernst & Young Audit Ltda. TR−530
(See my February 11 of 2013 report)

Emgesa S.A. E.S.P. and its Affiliates
Consolidated Cash Flow Statements

	Year ending on December 31 of 2012	2011
	(thousand COP)	
Net year profits	**$ 783,529,388**	$ 667,755,033
Depreciation and amortization	**145,265,385**	151,804,627
Recovery of accounts receivable reserve	**(492,674)**	(538,622)
Accounts receivable reserve	**658,489**	744,105
Inventory recovery	**(679,704)**	(294,406)
Loss (gain) on account of actuarial calculations	**4,425,633**	(2,052,873)
Recreation benefit recovery	**–**	(2,339,610)
Bond amortization premium	**(776,881)**	(3,691,218)
Deferred tax, debit	**1,432,199**	(578,743)
Deferred tax, debit, previous years	**927,903**	2,541,846
Loss from withdrawing from expansion projects	**3,569,481**	776,976
Inventory reserve	**167,160**	749,909
Retirement pension reserve	**5,869,361**	6,951,222
Loss (profits) in the sale of properties, plant, and equipment	**(42,988)**	633,945
Removals on account of previous years' maintenance	**4,589,519**	900,888
Net change in operational assets and liabilities		
Debtors	**21,374,640**	(90,565,441)
Expenses paid in advance	**(4,500,336)**	(825,015)
Inventories	**(1,398,066)**	(20,965,348)
Related economic parties	**721,570,094**	(327,993,463)
Other assets	**(1,479,089)**	(1,299,578)
Accounts Payable	**27,776,862**	325,829,527
Taxes, charges, and rates	**4,936,009**	(9,798,054)
Pension liabilities (payments)	**(10,108,899)**	(10,032,251)
Labor obligations	**4,210,439**	204,890
Other current liabilities	**4,707,609**	–
Estimated liabilities and reserves	**37,988,245**	(5,182,094)
Revenues received in advance	**423,314**	847,137
Net cash from operational activities	**1,753,943,093**	683,583,389
Investment activities		
Increase in properties, plant, and equipment	**(636,577,559)**	(275,821,880)

Quimbo international bond interests	**(32,998,014)**	(51,600,226)
Increase in deferred charges	**(11,958,999)**	(19,685,567)
Increase in intangible assets	**(5,536,822)**	(3,346,021)
Net cash used in investment activities	**(687,071,394)**	(350,453,694)
Financial activities		
Payment of financial obligations	**(305,009,052)**	(310,000,000)
Loan payments to related companies	**(64,167,664)**	(134,903,687)
Increase of financial obligations and interest payments, net	**790,111,101**	806,323,351
Equity tax payment	**(49,213,976)**	(49,213,976)
Recovery on account of Quimbo yield	**11,288,049**	18,598,973
Loss from forward valuation	**(6,554,662)**	1,847,053
Declared dividends	**(667,755,033)**	(155,324,183)
Dividend payment	**(501,844,856)**	(305,613,396)
Minority interest	**(2,009)**	5,669
Emgesa Panama conversion effect	**(299)**	–
Net cash used in financial activities	**(793,148,401)**	(128,280,196)
Net increase in cash and cash equivalents	**273,723,298**	204,849,499
Cash and cash equivalents at the beginning of the year	**511,654,182**	306,804,683
Cash and cash equivalents at year end	**$ 785,377,480**	$ 511,654,182

See the attached notes.

The undersigned Legal Representative and Accountant certify that we have previously checked consolidated statements contained in these financial statements and that they have been accurately taken from the Company accounting books.

Lucio Rubio Díaz Legal representative	Alba Lucia Salcedo Rueda Public accountant Professional card 40562–T	Ángela Jaimes Delgado Statutory Auditor Professional card 62183–T Appointed by Ernst & Young Audit Ltda. TR−530 (See my February 11 of 2013 report)

1. Main accounting policies and practices.

Reporting entity and affiliated entities

Emgesa S.A. E.S.P. (hereinafter the "Company ") is a commercial stock company established as a public utilities company regulated by Law 142 of 1994.

Corporate object **–** The Company corporate object is generation and trading of electrical power according to Laws 142 and 143 of 1994 and norms regulating, adding, amending, or derogating them. Accordingly, the Company may acquire generation plants and project, build, operate, maintain, and commercially exploit electrical power plants, taking the necessary steps to protect the environment and good relations with the community, making designs, work, and providing consultancy services in electrical engineering and trading its products in its clients' benefit. The Company may perform all activities related to exploration, development, investigation, exploitation, trading, storage, marketing, transportation, and distribution of minerals and rocks materials. The Company's term is indefinite.

"El Quimbo" Project **–** For the Hidroeléctrico el Quimbo Project approved through Resolution 899 of May 15 of 2009 and 1628 of August 21 of 2009, the environmental licensing process requires an "abandonment and final restoration plan". The Company will estimate the project operation phase costs in February of 2015.

The tender processes for construction contracts is in progress, contracts whose result will be replacing infrastructure affected by the reservoir, such as alternate roads and the La Jagua pond, as well as construction of irrigation districts and community infrastructure for resettled communities.

During 2012 and 2011, civil work progressed at the various work fronts, the deviation tunnel having been concluded. Significant progress was reported regarding the excavation work for the machinery room - already concluded - and the initial concrete work. The spillway and the loading tunnels' excavation work has been concluded, the first phase of the dam fill having been started. Regarding equipment, all main equipment is being currently manufactured, the Unit 1 pre-distributor being ready, en route to the work site, with significant progress reported in the traveling crane.

Regarding environmental commitments, the following contracts are being tendered: pilot restoration plan - focused on subsequently developing the restoration plan of the 11,079 ha -,

rehabilitation of wildlife areas, reservoir use, and creation of the protective fringe.

Land properties declared being of public benefit include a total of 16,276.36 ha, of which 14,394.51 have been registered, corresponding to 88.43% of the area required at the reservoir area, at the worksite, the restoration site, and the resettlement area.

According to environmental license requirements, studies and activities have been carried out pertaining delivery of environmental compliance reports, submittal of the restoration, vulnerability and ethnic plans, economic evaluation of environmental effects, and archaeological prospecting in the area of interest, among others, including socialization of the employment policy and trust support to the municipalities' investment plans.

Through the external audit performed by the System Administrator (XM), the Company reviewed the April of 2012 report, whose result was the increase in the policy in US $7,000,000, valid until July 18 of 2013, which was submitted to the Energy and Gas Regulatory Commission (CREG) on July of 2012; the first unit will be commissioned in December 2014, the second in February of 2015.

EMGESA SA ESP is the parent company with a 94.95% participation in Sociedad Portuaria Central Cartagena S.A and 100% in Emgesa Panamá

Affiliated entities - Sociedad Portuaria Central Cartagena (SPCC S.A.) is a stock commercial company Incorporated on November 18 of 2009, formalized with public deed 2643 of Notary 11 of Bogotá. Its legal term goes through September 18 of 2059.

Corporate object: SPCC SA has as its main object investment, construction, and maintenance of public and private berths and ports; port management, provision of loading and unloading services, and storage in ports, and other services directly related to port activities; development and exploitation of a multipurpose port according to the law, in addition to providing port services as port operator and allowing the provision of services by other port operators. Associate with other port companies or holders of special authorizations mentioned in article 4 of law 1 of 1991, temporarily or permanently, in order to facilitate the use of adjacent common maritime areas by performing work such as dredging, fills, and ocean engineering work, providing common benefit services as required.

Concession agreement

Object: right to occupy and use, temporarily and exclusively, beaches, low tide areas, accessory areas, and the existing port infrastructure located in the area of Mamonal, Cartagena district, department of Bolivar.

Contract value: US $371,524, corresponding to the present value of consideration paid on account of the temporary exclusive use of beaches, low tide areas, and accessory areas of common use, and infrastructure consideration.

Payment terms: initially agreed in 20 annual advance payments. On August of 2011, the company decided to pay the debt before the National Roads Institute and the Cartagena Treasury through a 7-year loan granted by EMGESA for $ US569,144, payment being made 100% capital plus interests upon maturity.

Investment plan: the contract sets forth an investment plan to be developed by SPCC in the area, equivalent to US $261,545, mentioning general activities, the investment value, the term, and the schedule for the 24 months following contract execution. Should the concession holder request changing the approved investment plan, it will guarantee that the investment present value will be equal to US $206,585.

Company obligations: SPCC undertakes to meet all legal and contractual obligations required to develop this contract, especially:

- Pay the concession value and the surveillance rate set forth in the contract, according to current legal norms and the respective terms.
- Develop port activities according to current legal norms.
- The infrastructure is in poor condition, however the concession holder undertaking to recover it during the concession's four initial years. Once the final infrastructure has been built, the concession holder will deliver it free of charge to the Nation.
- During the 1st year, the concession holder undertakes to operate initially with the existing port infrastructure and the floating berth. At the beginning of the 25th month, the final berth will be built.
- Not be involved in unfair competition.
- Not assign the concession agreement in part or in full without prior authorization.
- Follow the ports and transportation superintendence norms.
- Protect the environment.
- Inform the National Concessions Institute and the Ports and Transportation
- Superintendence the volume of cargo moved, submitting a monthly report containing tonnage moved by type of cargo.

Concession term: the concession term is 20 years from port concession contract legalization. No automatic extensions will be made. Contract extensions will be made provided authorized by the law or processed before competent entities according to applicable procedures.

Company obligations.

Affiliated entity - EMGESA Panama is a company established according to the laws of the Republic of Panama on July 3 of 2012. Its legal term is indefinite.

Corporate object: purchase, sale, import, and export of electricity; sale of electrical power and its associated power. Additionally, it may dedicate to industry and trade in general, executing transactions, operations, deals, acts, and activities allowed by Panamanian legislation to stock companies. The company is in its pre-operational phase.

The functional currency is the American dollar, the parent company recognizing the effect on conversion as an item in equity

Consolidation principles

Consolidated financial statements include the EMGESA SA ESP and its affiliates' accounts according to the following:

a) Should more than 50% of the capital belong to the parent company, directly or through its subordinated companies or their subordinated companies.

b) Should the parent company and subordinated companies jointly or separately have the right to cast votes representing the decision-making minimum number in the highest corporate body or having the necessary number of votes to elect the majority of the Board of

Directors.

c) Should the parent company, directly or through its subordinated companies, by reason of a deal or a business with the controlled company or with its partners, exercise dominant influence in the decisions of the company administrative bodies.

Consolidated financial statements have been prepared according to accounting principles generally accepted in Colombia. Consolidated financial statements include balances and transactions of the parent company EMGESA SA ESP and its affiliated companies Sociedad Portuaria Central Cartagena S.A. y Emgesa Panamá on which it owns 94.95% and 100% of their capital stock.

The EMGESA and its affiliates' assets, liabilities, equity, and income as of December 31 of 2012 are the following:

	Emgesa S.A. E.S.P	Sociedad Portuaria Central Cartagena S.A.	Emgesa Panamá
Total assets	$ 9,140,079,909	$ 1,369,884	$ 17,936
Total liabilities	3,418,729,118	1,194,887	8,363
Equity	5,721,350,791	174,997	9,573
Net year profits/losses	783,529,388	(39,776)	(8,221)

Presentation bases

The attached consolidated financial statements have been prepared based on accounting records kept under the historical cost norm and according to accounting principles generally accepted in Colombia, as amended by the Public Household Utilities Superintendence, which on January 1 of 2006 eliminated application of the inflation adjustments systems to private legal public service utility providers, for accounting purposes. The accumulated value of such adjustments at the end of 2005 is part of the historical balance of their respective costs.

The Company records its operations according to the accounts plan applicable to public utility companies issued by the Public Household Utilities Superintendence.

Accounting period

According to its bylaws, the Company settles its account and prepares and discloses its general-purpose consolidated financial statements once every year, on December 31.

The attached financial statements for the periods ending on December 31 of 2012 and 2011 corresponding to 12-month periods.

Monetary unit

According to legal norms, the monetary unit used by the Company is the Colombian peso.

Relative importance criterion

An economic fact has relative importance whenever, due to its importance, amount, and the surrounding circumstances, knowing or not knowing it could significantly affect the users' economic decisions. Consolidated financial statements itemize specific items according to legal norms, or those representing 5% or more of total assets, current assets, current and noncurrent liabilities, working capital, equities, revenues, costs, and expenses, as applicable, as well as the use of estimates. Additionally, lower amounts are described whenever they could provide better understanding of such financial information.

Transactions in foreign currency.

Operations in foreign currency are accounted for using applicable current rates. At the end of each year, balances receivable or payable in foreign currency are updated at the respective market exchange rate certified by the Colombian Financial Superintendence ($1,768.23 and $1,942.70 per American dollar as of December 31 of 2012 and December 31 of 2011, respectively). Exchange differences are charged to the respective asset or liability and to income, expenditures, or expenses, as applicable.

Cash and cash equivalents.

Cash and cash equivalents include cash in accounts, banks, and savings accounts. Cash equivalents correspond to available cash from investments in fixed income instruments, easily redeemable in between one and 122 days, entered at their market value and valued using the yield accrual method. Other investments are recorded at acquisition cost plus interests and adjustments earned, without exceeding their market value.

Equity investment using the cost method.

Equity investments recognized using the cost method are entered at cost adjusted for inflation (inflation adjustments recorded up to December 31 of 2005), valuated at intrinsic value and registering as a greater/lower value in the valuations account the difference between the adjusted cost and the intrinsic value of the investment. Investments in non-controlled companies are reserved whenever their intrinsic value is lower than their book value.

Financial instruments.

The Company carries out operations with derivative financial instruments in order to reduce its exposure to exchange rate fluctuations.

The purpose of Forwards established by the Company is covering payments of investment projects in foreign currency, mainly for the purchase of the Quimbo hydroelectric project equipment, adjusted each month to market value. The resulting adjustment is capitalized for this project to the deferred account.

Considering the possible volatility subject to affecting payment dates and amounts to be paid in American dollars to equipment vendors, the Company has established that its hedging strategy will be rollover, defined as follows:

- Adjusting hedging amounts and dates as estimated payment dates change. Adjustments can be made through new contracts, early liquidations, or adjustments to existing contracts. This strategy seeks achieving maximum effectiveness in exchange rate hedging.
- For insurance policies, the Company recognizes this adjustment directly in income statements.
- The cash and cash equivalents item recognizes valuation of forward contracts existing at the end

of each year. Forward valuation losses are recognized as other current liabilities. The Company does not use these financial instruments for speculation purposes.

Inventories.

Entered at the lower of average cost or net realization value , the lowest . Upon being inventories acquired while performing the basic Company activity, they are entered as current assets, deterioration or obsolescence conditions being analyzed based on technical aspects.

Debtors reserve.

The delinquent accounts reserve was established according to Company policies, which sets forth that this reserve will be made on 100% of delinquent accounts more than 360 days in arrears.

Properties, plant, and equipment, net.

Entered at cost adjusted for inflation (inflation adjustments registered up to December 31 of 2005), depreciated using to the straight line method according to the following annual depreciation rates:**Item**	**Average depreciation rates**	**Service life , average years**
Constructions and buildings	1.54%	65
Plants, ducts, and titles	1.41%	71
Machinery and equipment	5.18%	19
Grids, lines, and cables	6.67%	15
Communications equipment	7.75%	13
Furniture, furnishings, and office equipment	9.97%	10
Computer equipment	20.62%	5
Transportation, traction, and lifting equipment	18.55%	5

Significant improvements to assets are capitalized, maintenance expenses not extending service life or improving productivity and efficiency being charged to expenses as incurred. Profits/losses in the sale or removal of properties, plant, and equipment are recognized in the operations of the year the transaction is carried out.

Deferred charges, net.

The Company enters deferred charges as follows: a) costs incurred in securing financial obligations, amortized using the straight line method during the loan term; b) costs incurred while processing the integration (merger) process of Compañías Central Hidroeléctrica de Betania S.A. E.S.P. (absorbing entity) and Emgesa S.A. E.S.P. (absorbed entity), amortized using the straight line method during 5 years; c) pre-feasibility studies for plant projects, amortized once their productive phase has started; and d) legal stability premium for the Quimbo project, for $9,612,891 and 20-year amortization; and all costs associated to the Quimbo project not subject to being capitalized in fixed assets.

Intangibles, net.

Correspond mainly to: a) the acquisition cost of water rights from the Chingaza and Rio Blanco projects. Amortized using the straight line method during 50 years, and b) expenses incurred in licenses and software, amortized during 3 years using the straight line method.

Valuations.

Properties, plant, and equipment – Correspond to differences existing between the replacement value - established through technical recognized assessments made by experts from the market - and the net book value of such properties, plant, and equipment.

Entered to separate asset accounts, as a surplus on account of valuations in equity not subject to distribution. Value reductions of properties, plant, and equipment are entered directly in the income statement as a year's expense.

Equity investments using the cost method – Correspond to differences existing between the cost of investments and their intrinsic value. Investment valuations are entered to separate accounts in assets, as a surplus on account of valuations in equity not subject to being distributed. Investment value reductions are entered as a lower valuation value, surplus decreases to equity, without prejudice to the net balance being of a different nature.

Equity difference from conversion

Corresponds to the effect on conversion from the parent company functional currency exposure to the exchange rate, not subject to distribution.

Labor obligations.

Labor laws consider making a deferred payment to certain employees upon their leaving the Company. The amount received by each employee depends on his work contract date, the type of contract, and salary. Additionally, in certain cases 12% of annual interests are paid on amounts accrued to each employee. Should dismissal be unjustified, the employee will be entitled to receiving additional payments, which vary according to type of service and salary.

The Company makes periodical payments to severance and social security regarding health, professional risks, and pensions, to the respective funds or to the Social Security Institute.

The above laws consider the obligation for the companies to pay retirement pensions to employees meeting certain age and service time requirements. The pension liability is established by means of studies made by the actuary according to parameters set forth by the National Government. The retirement pension obligation includes the effects of applying new mortality rates authorized by the Financial Superintendence in Decree 1555 of July 30 of 2010, representing the present value of all future monthly payments the Company has to make to employees meeting or that will meet certain legal requirements regarding age, service time, and others.

Taxes, charges, and rates

The income tax reserve is calculated at the official 33% rate, using the accrual method and based on commercial benefits, in order to properly correspond profits to their respective expenses and costs, entered using the estimated liability amount method.

The effect of temporary differences involving greater or lower tax payments is entered as a deferred debit or credit tax, respectively, provided being reasonably expected that such differences will revert in the future, for the asset additionally that at that time sufficient taxable income will be generated. The income tax is net, after deducting advance payments and tax withholdings made.

The active deferred tax from temporary differences resulting from eliminating inflation adjustments from January 1 of 2006 is amortized according to the service life of fixed assets. The deferred tax is additionally recognized on account of other temporary differences existing between accounting and fiscal balances.

Law 1607 of 2012 modifiedthe income tax rate from the 2013 tax year, from 33% to 25%. It created the 8% equity income tax (CREE), applicable to taxable profits generated each year. However, this law temporarily established that the CREE rate will be 9% for 2013, 2014, and 2015, from 2016 on being 8%.

Law 1370 of December of 2009 created a new equity tax for the 2011 tax year, with a 2.4% rate for taxpayers with fiscal equity in excess of $3000 million and less than $5000 million, 4.8% for taxpayers with equities equal to or greater than $5000 million.

Subsequently, Decree 4825 of December of 2010 established a 25% surtax for taxpayers with equities equal to or greater than $3000 million.

This tax applies to equity existing as of January 1 of 2011, payment being made in 8 equal installments between 2011 and 2014.

According to Law 1111 of 2006, the Company enters the equity tax against equity revaluation.

Recognition of revenues, costs, and expenses.

Sales in wholesale and not regulated markets are recognized in the period when services are provided, according to Resolution CREG 131 of 1998.

In order to be considered a non-regulated user, power lower than 0.1 MW or usage in excess of 55 MWh-month is required. Clients must be represented by a trader, the latter being responsible for registering the user before ASIC, the Colombian market Commercial Interchange System Administrator, made by the Company XM.

The energy stock market is used to realize energy not committed under contracts. In this market, recognition exists whenever generators - daily and under in an hourly basis - offer the price based on energy available to the system.

Revenue estimates are made according to available information showing the most accurate consumption situation, valued at sale price according to current rates.

Costs and expenses are entered on accrual basis. The cost of such energy is included in the sale costs item.

Bond placement premium.

Corresponds to the greater value received from placement of ordinary bonds issued by the Company as a result of the positive difference of rates existing between the bonds' face value and the value offered on placement day during February of 2006. Amortized from March of 26, for a time equivalent to the bonds' term.

Use of estimates.

Preparing consolidated financial statements according to generally accepted accounting principles requires that the Administration makes estimates and assumptions subject to affecting values of assets, liabilities, and results. Current or market values could differ from such estimates. The

Administration believes estimates and assumptions made were adequate.

Net profits per share.

Established based on the year net profits divided by the number of outstanding shares. This calculation includes clearing preferential dividends corresponding to 20,952,601 shares as of December 31 of 2011, from Empresa de Energía de Bogotá S.A. E.S.P. Preferential dividends are valued at US$0.1107 per share.

Memorandum accounts.

Contingent rights and responsibilities are entered to memorandum accounts, mainly differences existing between accounting and fiscal figures.

Cash flow statements.

Prepared according to the indirect method. Cash and cash equivalents in the consolidated cash flow statements corresponded to available and current investments items.

Reclassifications.

Some figures in the income statement and in the cash flow statements of December 31 of 2011 were reclassified for comparison purposes with the 2012 figures, resulting in changes in the miscellaneous net items for $103,847, net cash in operational activities for $(776,976), and net cash in investment activities for $776,976.

New accounting statements.

Compliance with international financial information norms.

According to Law 1314 of 2009 and Regulatory Decrees 2706 and 2784 of December of 2012, the Company is required to initiate the process required for accounting principles generally accepted in Colombia to comply with financial information international norms (NIIF o IFRS), as issued by the IASB (International Accounting Standards Board). Since this is a complex process that will significantly affect the companies, the Public Accountants Technical Council classified the companies in 3 groups for this transition's purpose.

The Company belongs to group 1, whose transition starts on January 1 of 2014 (January 1 of 2015 for group 2), the first comparative consolidated financial statements having to be issued on December 31 of 2015 (December 31 of 2016 for group 2). For companies in group 3, this process will be carried out concurrently with group 1 companies.

2. Assets and liabilities in foreign currency.

Basic norms existing in Colombia allow for free negotiation of foreign currency through banks and other financial institutions, at free exchange rates. However, most foreign currency transactions require compliance with certain legal requirements.

Following is a summary of assets and liabilities in foreign currency:

	2012		**2011**	
	(In US dollars)	*(In thousand pesos)*	*(In US dollars)*	*(In thousand pesos)*

Cash and cash equivalents	**$ 11,297**	**$ 19,975**	$ 10,843	$ 21,064
Accounts Payable *(Note 14)*	**(2,682,299)**	**(4,742,921)**	(1,860,816)	(3,615,007)
Net liability position	**$(2,671,002)**	**$ (4,722,946)**	$ (1,849,973)	$ (3,593,943)

3. Cash and Cash Equivalents.

	2012	2011
National banks-savings *(1)*	**$ 565,885,521**	$ 460,219,274
National banks - checking accounts *(1)*	**65,432,753**	40,974,843
Investments in fixed income liquidity administration *(2)*	**154,051,861**	10,449,242
Cash	**7,345**	10,823
	$ 785,377,480	$ 511,654,182

(1) The 4th tranche of the local EMGESA bonds was issued during December of 2012, 4 $500,000,000.

Factoring operations on Codensa invoices were carried out for $43,964,171, at a nominal discount rate of 6.25% and 6.55%, according to invoice maturity dates. The total cost of the operation was $128,202, the net amount received in the Banco de Bogotá account being $43,835,968.

Confirming operations were carried out on the invoice issued to Codensa, for $13,816,993. The total cost of the operation was de $86,432, the net amount received in Banco Corpbanca being $13,730,561.

Early payment discounts were made with Energía de Cundinamarca for $1,255,912, Centrales Eléctricas del Norte for $6,805,252, Electrificadora del Huila for $4,994,318, Electrificadora de Santander for $4,300,926, and EPM for $11,511,859, for a total of $28,868,267 including a $140,244 discount.

(2) The balance of fixed income liquidity administration investments is comprised as follows:

	2012		2011	
	Average interest rate	Value	Average interest rate	Value
CDT	**5.70%**	**$ 146,548,000**	4.05%	$ 7,000
Trusts	**4.99%**	**7,503,861**	4.15%	8,222,956
Forwards *(Note 26)*		**–**		2,219,286
		$ 154,051,861		$ 10,449,242

4. Debtors, net.

	2012	2011
Energy service clients (1)	**$ 131,322,040**	$ 166,403,361
Advanced payments and advance payments delivered (2)	**111,587,920**	89,726,560
Other debtors (3)	**6,491,716**	16,946,365
Loans to employees (4)	**16,823,920**	15,614,201
Advance tax payments and balances	**5,750,084**	5,783,762
Deposits delivered	**165,425**	46,864
	272,141,105	294,521,113
Minus debtors reserve (5)	**(3,428,355)**	(4,267,908)
	268,712,750	290,253,205
Minus noncurrent portion	**(13,470,164)**	(12,119,856)
	$ 255,242,586	$ 278,133,349

(1) The change of energy service clients is mainly the result of the $26,850,227 stock portfolio resulting from changes in invoice maturity dates. Write-offs were made for $850,124.

(2) As of December 31 of 2012, equipment delivered corresponds to:

a. Advance payment for the Quimbo project, as follows:

Item	2012	2011
Work:		
Consorcio Impregilo – OHL	**$ 80,920,965**	$ 45,838,889
Proyecont Ltda.	**2,001,259**	1,226,511
Other	**365,084**	678,726
	83,287,308	47,744,126
Land properties:	**7,629,058**	8,994,970
Equipment:		
Alstom Brasil Energía y Transporte	**3,600,401**	11,447,281
Alstom Colombia S.A.	**6,081,942**	6,733,635
Schader Camargo Ingenieros	**5,750,881**	6,008,602
Other	**1,492,044**	116,360
Advanced travel expenses	**10,991**	306,916
Total Quimbo project	**$ 107,852,625**	$ 81,351,890

b. Advance paymentss for acquisition of goods and services:

Item		2012		2011
Surpetroil S.A.S.	$	**2,014,863**	$	6,044,588
Vansolix S.A en restructuración		**970,000**		1,299,884
Other		**750,432**		1,030,198
		3,735,295		8,374,670
Total advance payments	$	**111,587,920**	$	89,726,560

(3) As of December 31 of 2012 corresponds to:

a. The accounts receivable from the Ministry of Finances on account of payments made by the Company as a result of rulings against Betania under processes existing under the stock purchase-sale agreement, for $2,717,146.

b. Includes accounts receivable from laid-off employees, for $660,956, and other debtors for 3,113,417. Write-offs on account of dismissed employees were entered in December for $155,244.

(4) Housing loans to workers are agreed under the collective workers labor agreement or in the Company policies, with 4.75% and 0% annual effective interest rates.

(5) Following are the debtors' reserve activities:

		2012		2011
Initial balance	**$**	**(4,267,908)**	$	(5,374,368)
Reserve recovery		**492,674**		538,622
Write offs		**1,005,368**		1,311,943
Reserve adjustments-year results		**(658,489)**		(744,105)
Final balance	**$**	**(3,428,355)**	$	(4,267,908)

The debtors reserve balance is comprised of: a) the accounts receivable reserve for clients more than 360 days old as of December 31 of 2012, for $1,323,366 and (b) the reserve for other accounts receivable as of December 31 of 2012, for $2,104,989

5. Related companies.

Transactions with related companies - defined as such upon having a shareholder and/or common shareholders and/or administration - at general market prices and conditions.

Following is the list of accounts receivable/payable from/to related companies:

	2012	2011
Accounts receivable		
Codensa S.A. E.S.P. (1)	**$ 55,228,642**	$ 130,093,832
Empresa de Energía de Cundinamarca S.A. E.S.P.	**900,007**	1,150,162
Empresa de Energia de Bogotá S.A. E.S.P.	**29,041**	–
	$ 56,157,690	$ 131,243,994
Accounts Payable		
Empresa de Energia de Bogotá S.A. E.S.P. (3)	**$ 85,512,891**	$ 39,727,231
Endesa Chile (3)	**44,637,886**	20,725,242
Endesa Latinoamérica (3)	**35,890,431**	16,663,824
Codensa S.A. E.S.P. (2)	**7,161,558**	15,537,115
Empresa de Energía de Cundinamarca S.A. E.S.P.	**350,573**	466,510
Endesa Servicios	**–**	146,432
ICT Servicios Informáticos	**87,812**	30,785
Enel Energy Europe	**127,259**	–
	$ 173,768,410	$ 93,297,139

(1) Corresponds mainly to accounts receivable on account of energy sales.

(2) Corresponds mainly to the December energy estimate for $6,944,201 and others for por $217,357.

(3) As of December of 2012, corresponds mainly to non-paid declared dividends for the year ending on December 31 of 2011.

Following is the effect of transactions with related companies, shareholders, and the Board of Directors:

Company	Item	2012	2011
Revenues			
Codensa S.A. E.S.P.	Energy sales	**$656,249,442**	$677,030,071
Codensa S.A. E.S.P.	Use contract	**2,803,339**	2,803,339
Codensa S.A. E.S.P.	Technical and other services	**491,056**	369,339
EEC S.A. E.S.P.	Energy sales	**30,213,587**	32,622,417
CAM Ltda.	Electricity meters and telemeasurement	**–**	9,555
		$689,757,424	$712,834,721
Expenses			
Codensa S.A. E.S.P.	Energy transportation	**$ (88,336,035)**	$ (84,726,686)
Codensa S.A. E.S.P.	Financial expenses	**(2,435,174)**	(2,173,805)
Codensa S.A. E.S.P.	Use contract	**(3,337,531)**	(3,337,533)
Codensa S.A. E.S.P	Electricity and lighting	**(456,532)**	(503,395)
Codensa S.A. E.S.P	Other	**(534,769)**	(587,037)
EEC S.A. E.S.P.	Tolls	**(1,867,306)**	(1,565,276)
Synapsis Colombia Ltda.	Technical services	**–**	(42,808)
CAM Ltda.	Synapsis Colombia Ltda.	**–**	(291,003)
ICT Servicios Informáticos Ltda.	IT services	**–**	(92,373)
Endesa Servicios	ICT Servicios Informáticos Ltda.	**–**	(22,774)
Enel Energy Europe	ICT Servicios Informáticos Ltda.	**(124,908)**	–
Board of Directors	Fees	**(187,710)**	(191,159)
		$ (97,279,965)	$ (93,533,849)
Net effect on income		**$ 592,477,459**	$ 619,300,872

6. Inventories, net.

		2012		2011
Inventories of other fuels	$	**18,176,404**	$	23,942,824
Warehouse - spare parts (1)		**21,249,614**		22,454,075
Coal inventory		**23,964,606**		15,595,659
		63,390,624		61,992,558
Minus reserve for inventories		**(237,365)**		(749,909)
		63,153,259		61,242,649
Minus current portion		**(42,141,010)**		(39,538,483)
	$	**21,012,249**	$	21,704,166

(1) Corresponds mainly to spare parts that will be used in repairs and/or maintenance of plants according to maintenance plans defined by the Administration.

Following are the 2012 inventory reserves account activities:

		2012		2011
Initial balance	$	**(749,909)**	$	–
Use		**679,704**		–
Elements		**(167,160)**		(749,909)
Final balance	$	**(237,365)**	$	(749,909)

7. Permanent investments, net

Following is the balance of equity investments entered using the cost method:

El saldo de las inversiones patrimoniales contabilizadas por el método del costo se compone así:

	Participation		2012		2011
Minority participation					
Electrificadora del Caribe S.A. ESP. (a)	0.22%	$	**8,324,408**	$	8,324,408
Termocartagena S.A. ESP. (now Vista Capital S.A. en Liquidación)	0.00%		**56**		56
		$	**8,324,464**	$	8,324,464

Valuations and evaluations entered from investments are:

Company	Number of shares	Class	Acquisition cost	Intrinsic value per share as of December 31 of 2012	As of December 31 of 2012	As of December 31 of 2011
Electrificadora del Caribe S.A. E.S.P.	109,353,394	Ordinarias	$ 8,324,408	**$ 41,82**	**$(3,762,185)**	**$(3,891,222)**
Termocartagena S.A. E.S.P. (now Capital S.A. En Liquidación)	22	Ordinarias	56		**(56)**	**(56)**
					$ (3,762,241)	**$(3,891,278)**

8. Properties, plant, and equipment, net.

As of December 31 of 2012 and 2011, following are the property, plant, and equipment values:

	2012			2011		
	Cost	Accrued depreciation	Net value	Cost	Accrued depreciation	Net value
Plants, ducts, and tunnels	**$ 7,064,546,707**	**$ (2,541,099,025)**	**$ 4,523,447,682**	$7,022,334,318	$(2,419,366,124)	$4,602,968,194
Land (1)	**731,567,102**	**–**	**731,567,102**	141,587,685	–	141,587,685
Constructions in progress (2)	**194,226,288**	**–**	**194,226,288**	218,306,487	–	218,306,487
Land (1)	**72,929,721**	**(25,240,254)**	**47,689,467**	71,632,744	(23,160,376)	48,472,368
Machinery and equipment	**36,087,138**	**(23,211,988)**	**12,875,150**	34,184,209	(21,573,835)	12,610,374
Communications and computer equipment	**27,022,019**	**(21,723,015)**	**5,299,004**	24,913,580	(20,026,400)	4,887,180
Furniture, furnishings, and office equipment	**10,372,609**	**(5,076,738)**	**5,295,871**	9,159,541	(4,417,398)	4,742,143
Transportation, traction, and lifting equipment	**7,908,200**	**(4,978,020)**	**2,930,180**	6,273,293	(4,436,624)	1,836,669

Machinery, plant, and erection equipment	**4,901,863**	**–**	**4,901,863**	2,571,615	–	2,571,615
Grids, lines, and cables	**54,497**	**(54,497)**	**–**	544,970	(544,970)	–
	$ 8,149,616,144	**$ (2,621,383,537)**	**$ 5,528,232,607**	**$7,531,508,442**	**$(2,493,525,727)**	**$5,037,982,715**

(1) Includes land purchases during 2011 for the Quimbo project, for $42,180,749; Quimbo project financial expenses for $9,275,680 and legalization of Guavio station for $1,182,173.

(2) Includes equipment additions for construction of the Quimbo project during 2012 for $499,773,083, Central Termozipa for $23,232,578, Pagua for $15,071,172, Central Cartagena for $11,337,525, Central Guavio for $7,642,962, and other stations for $17,738,920.

9. Deferred charges, net.

	2012	2011
Other deferred charges (1)	**$ 74,652,684**	$ 45,747,802
Studies and projects (2)	**44,177,352**	37,706,692
Financial expenses and commissions	**329,783**	443,760
Accrued inflation adjustments	**68,601**	101,157
	$ 119,228,420	$ 83,999,411

(1) Correspond mainly to:

a) As of December 31 of 2012, includes net financial expenses associated to the Quimbo project, for $54,855,620, and project forward valuation for $4,707,609 (Note 26).

b) Legal stability premium, Quimbo project, for $9,612,891, resulting from the execution of the agreement between the Ministry of Mines and Energy and the Company, formalized on December 20, 2012. The Company will start amortizing the project once it is commissioned.

c) The Conversión Central Cartagena project for $866,680, to be amortized once the projects are started.

(2) Corresponds to deferred assets on account of studies and projects for the Cartagena plants for $6,063,365, alternative energy for $2,349,353, Guaicaramo for $7,339,110, Sumapáz for $5,032,190, Guatiquia for $1,467,746, Oporapa for $1,110,238, and other projects in minor plants for $1,718,758, which will be amortized once their productive phase starts.

Studies and projects include insurance policies for the Quimbo project for $11,045,647, costs incurred in obtaining the international bond for that same project for $5,484,709, land legalizations for $357,649, other Quimbo expenses for $918,926, and other projects for $1,289,662.

10. Intangibles, net.

	2012	2011
Chingaza water use rights (1)	**$ 65,364,594**	$ 65,364,594
Software	**9,663,159**	8,828,172
Licenses (2)	**6,796,896**	2,095,061
Concessions and franchises	**884,113**	884,113
Other intangible assets	**663,059**	663,059
	83,371,821	77,834,999
Minus accrued amortization	**(25,712,114)**	(23,653,001)
	$ 57,659,707	$ 54,181,998

(1) Emgesa S.A. E.S.P. recognized as intangible expenditures made to secure the use of greater water flows from the Chingaza and Río Blanco projects. Amortized using the straight line method during a 50-year period.

(2) Mainly for SAP ISU $3,025,725 and for the SIVI operational surveillance system for $1,647,452.

11. Other assets.

	2012	2011
Fiducia Mercantil Huila (1)	**$ 2,388,514**	$ –
Garzón administration trust (1)	**1,190,698**	795,353
Paicol administration trust(1)	**588,887**	576
Tominé administration trust(2)	**455,389**	1,901,284
Muña administration trust(2)	**350,228**	259,117
Gigante administration trust(1)	**285,131**	220,875
Tesalia administration trust(1)	**226,261**	589,615
Agrado administration trust(1)	**113,123**	108,196
Alta Mira administration trust (1)	**40,872**	39,068
Proyecol administration trust(1)	**–**	1,000
Work and improvements in third-party properties (3)	**32,185**	277,115
	$ 5,671,288	$ 4,192,199

(1) Trusts created in various Huila municipalities for $4,833,486. Their purpose is managing resources to be provided by trustee (the Company) in order to execute the trust agreement. Resource additions and withdrawals are managed by the Company.

The contractual term is one year, renewable for similar times until the parties agree on its liquidation, to happen once the Company has met economic commitments agreed with the municipalities.

Following is a the payment process:

- A Projects Committee has been created, to approve the approved investment initiatives.
- Once the investment initiative has been approved, Quimbo supplies will develop the contracting process.
- The project will manage resource to be transferred to each sub account, according to the payment schedule for the approved projects.
- The project will approve payments to contractors according to corporate guidelines.

(2) Administration and payment trusts created for the Muña y Tominé reservoirs recuperation work with funds from Acueducto de Bogotá, Empresa de Energía de Bogotá, and Emgesa S.A. E.S.P. The Company makes monthly adjustments to their values based on monthly statements received. During March and July of 2012, $516,600 and $344,000 were received for the Tominé reservoir work and in January of 2012 $630,000 for the Muña reservoir; as of December 31 of 2012, the balance is $805,617.

(3) Work and improvements in third-party properties correspond to work done in floors 5 and 6 of the building where the Company support areas are.

12. Valuations.

	2012	2011
Properties, plant, and equipment		
Plants, ducts, and tunnels	**$ 2,146,843,993**	$ 1,997,804,913
Land	**10,024,519**	3,516,313
Constructions and buildings	**7,748,359**	3,484,172
Transportation, traction, and lifting equipment	**376,835**	1,280,816
Communications and computer equipment	**134,488**	634,820
Furniture, furnishings, and office equipment	**1,027,435**	335,996
Grids, lines, and cables		361,705
Machinery and equipment	**4,577,626**	925,215
	2,170,733,255	2,008,343,950
Permanent investments in other companies *(Note 7)*	**(3,762,241)**	(3,888,524)
	$ 2,166,971,014	$ 2,004,455,426

According to regulatory decree 2649 of 1993, the Company must make a technical appraisal of its properties, plant, and equipment minimum every 3 years, entering the resulting valuations and/or devaluations. The last technical appraisal of fixed assets at commercial value was done on Q3 2012 by Consultores Unidos, resulting in a $169,613,075 valuation and fixed assets removed for $7,223,770.

Following is the value of valuations, devaluations, or reserves entered for each class of fixed asset as of December 31 of 2012 and 2011:

Class of asset	Accounting value as of September 30 of 2012	Commercial value as of September 30 of 2012	Valuation as of December 31 of 2012	Valuation as of December 31 of 2011	Valuation adjustment
Plants, ducts, and tunnels	**$ 4,533,297,911**	**$ 6,680,141,904**	**$ 2,146,843,993**	$ 1,997,804,913	$ 149,039,080
Land	**58,887,443**	**68,911,962**	**10,024,519**	3,516,313	6,508,206
Constructions and buildings	**47,648,252**	**55,396,611**	**7,748,359**	3,484,172	4,264,187
Machinery and equipment	**11,821,132**	**16,398,758**	**4,577,626**	925,215	3,652,411
Communications and computer equipment	**5,046,568**	**5,181,056**	**134,488**	634,820	(500,332)
Furniture, furnishings, and office equipment	**4,001,427**	**5,028,862**	**1,027,435**	335,996	691,439
Transportation equipment	**1,582,057**	**1,958,892**	**376,835**	1,280,816	(903,981)
Grids, lines, and cables	**–**	**–**	**–**	361,705	(361,705)
	$ 4,662,284,790	**$ 6,833,018,045**	**$ 2,170,733,255**	$ 2,008,343,950	$ 162,389,305

Valuation (devaluation) in investments corresponds to the adjustment to the intrinsic value of shares the Company owns in Electrificadora del Caribe S.A. E.S.P. and Termocartagena S.A. E.S.P. (now Vista Capital S.A. En Liquidación) for $3,762,241 (Ver Note 6).

13. Financial obligations.

	2012	2011
Ordinary bonds and outstanding commercial papers (3)	**$ 2,321,760,000**	$ 1,821,760,000
Bank loans in local currency (1)	**305,000,000**	305,009,053
Internal debt and bond interests (2)	**105,826,910**	120,715,808
	2,732,586,910	2,247,484,861

Minus current portion	**(105,826,910)**	(425,724,861)
	$ 2,626,760,000	$ 1,821,760,000

(1) Corresponds to:

Description	Yield	Maturity date	Accounting value
BBVA Colombia	DTF + 3.75% T.A.	April 10, 2022	$ 185,000,000
Bancolombia	DTF + 3.75% T.A.	April 10, 2022	68,446,001
Bancolombia	DTF + 3.75% T.A.	April 10, 2022	22,598,999
AV Villas	DTF .+ 3.75% T.A.	April 10, 2022	28,955,000
			$ 305,000,000

On April 12 of 2012, the Company made scheduled amortizations of the four peso loans with Bancolombia, Davivienda, BBVA Colombia, and Santander Colombia for $282,410 M, paying in advance the obligation due on August 12 of 2012 for $22,599 M, for a total of $305,009 M, refinancing with through three new peso loans with banks BBVA Colombia, Bancolombia, and AV Villas for $305,000 M. The new loan credits' term is 10 years, with capital amortization in 15 equal semi-annual installments from April of 2015, with a DTF + 3.75% T.A. interest rate.

(2) External debt and bond interests:

Description	2012	2011
Interests on bonds	**$ 99,516,567**	$ 101,225,729
Interests on bank loans	**6,310,343**	19,490,079
	105,826,910	120,715,808
Bank loans in local currency	**–**	305,009,053
Current financial obligations	**$ 105,826,910**	$ 425,724,861

(3) The Company has 5 current bond issuances in the local market as of December 31 of 2012, plus a bond issuance in the international market, as follows:

Third EMGESA local bond issuance

EMGESA bond issuance and placement program in the local market.

The Company has a bond issuance and placement program allowing it to make successive issuance under the global authorized and available limit, during its term. As of December 31 of

2012, EMGESA had offered and placed 4 bond issuances (also called "tranchees" according to the program terminology) against the program, which were current as of that day. All bond issuance made under the program are rated AAA (Triple A) by Fitch Ratings Colombia S.C.V., being dematerialized under the Deceval S.A. administration.

Total value placed	$250,000,000 in a single subseries (A10), in 2 lots:
	1st lot, February 23 of 2005 for $210,000,000
	2nd lot, February 23 of 2006 for $40,000,000
Balance as of December 31 of 2012	$250,000,000
Nominal value pair bond	$1,000
Issuance term	Subseries A10: 10 years
Amortization	On maturity
Issuance date	February 23, 2005
Maturity date:	February 23, 2005
Bond placement premium, 2nd lot	$6,927,200
Issuance administrator	Deceval S.A.
Coupon rate:	IPC + 5.04 % E.A.
Rating	AAA (Triple A)
	Assigned by Duff & Phelps de Colombia S.A. S.C.V. (today Fitch Ratings Colombia S.A. S.C.V.).

The second lot bond placement premium corresponds to the greater value received from placement of ordinary bonds as a result of the difference of existing rates between the bonds' face value and the bonds' placement yield. As a result of the above, the Company received $6,927,200 in 2006, of which on December 31 of 2011 a total of $4,531,813 had been amortized, $1,618,505 pending amortization. This value is being amortized in 107 months, time equivalent to the bonds' term.

Amortization during 2011 amounted to $776,881.

Following are the general financial conditions of the EMGESA bond issuance and placement program:

Class of security	Ordinary bonds
Initial approval from the Financial Superintendence	Resolution No. 1235 of July 18, 2006
Global limit initially approved	$700,000,000
Approval to the 1st limit expansion and placement term expansion	Resolution No. 0833 of June 16, 2009
1st increase to the authorize global limit	$1,200,000,000

Total authorized global limit as of August 31 of 2010	$1,900,000,000
Approval to the 1st placement term extension	Resolution No. 1004 of June 29, 2012
Balance issued as of December 31 of 2012	$1,335,000,000 (*)
Global available amount as of December of 2012	$1,565,000,000
Program expiration	July of 2015
Administration	Deceval S.A.

The Company has made 4 bond trancheesunder the above program, as follows:

1st tranche:

Total amount placed	$170,000,000
Balance as of December 31 of 2012	Subseries B10: $170,000,000
Nominal value per bond bono	$10,000
Issuance term	10 años
Issuance date:	February 20, 2007
Maturity date	February 20, 2007
Coupon rate	IPC + 5.15% E.A.

2nd tranche:

Total amount placed	$265,000,000 as follows: Subseries A5: 49,440,000 Subseries B10: 160,060,000 Subseries B15: 55,500,000
Balance as of December 31 of 2012	$265,000,000
Nominal value per bond bono	$10,000
Issuance term	Subseries A5: 5 years Subseries B10: 10 years Subseries B15: 15 years
Issuance date:	February 11, 2009, for all subseries
Maturity date	Subseries A 5: February 11 2014 Subseries B10: February 11 2019 Subseries B15: February 11 2024
Coupon rate	Subseries A 5: DTF T.A. + 1.47% Subseries B10: IPC + 5.78% E.A. Subseries B15: IPC + 6.09% E.A.

3rd tranche:

Total amount placed	$400,000,000, as follows: Subseries E5: $92,220,000 Subseries B9: $218,200,000 Subseries B12: $89,580,000
Balance as of December 31 of 2012	$400.000.000
Nominal value per bond bono	$10,000
Issuance term	Subseries E5: 5 years Subseries B9: 9 years Subseries B12: 12 years
Issuance date	July 2 of 2009 for all subseries
Maturity date	Sub-series E5: July 02, 2014 Sub-series B9: July 02, 2018 Sub-series B12: July 02, 2021
Coupon rate	Sub-serie B-9: IPC + 5.90% E.A. Sub-serie B-12: IPC + 6.10% E.A. Sub-serie E-5: Tasa Fija 9.27% E.A.

4th tranche:

Total amount placed	$500,000,000, así: Subseries B10: $300,000,000 Subseries B15: $200,000,000
Nominal value per bond bono	$10,000
Issuance term	Subseries B10: 10 years Subseries B15: 15 years
Issuance date:	December 13, 2012
Maturity date	Subseries B10: December 13 2022 Subseries B15: December 13 2027
Coupon rate	Subseries B–10: IPC + 3.52% E.A. Subseries B–15: IPC + 3.64% E.A.

The Company has a current bond issuance in the international market, as follows:

International global bonds in pesos

On January 20, 2011 the Company placed its first bond issuance in the international capital market for $736,760,000, with a 10-year term. Bonds issued by the Company, denominated in pesos and payable in dollars, have a fixed coupon rate of 8.75%.

According to the *Offering Memorandum,* the Company pays the necessary interests so that, once tax withholdings have been made (today 14% according to article 408 of the Tax Code), the bond holder will receive 8.75%, i.e. the rate before deducting the 14% will be 10.1744%.

The operation is part of the Quimbo hydroelectric station financial structure and allowed securing the three financing resources for project needs for 2011 and part of 2012 and refining other financial obligations.

Registration form	144 A/ Reg S
Total issuance value in pesos	$736,760,000
Use of funds	Financing of new projects such as el Quimbo and refinancing of other financial obligations, in addition to other Company needs.
Face value	$5,000 each bond
Term	10 years, with amortization upon maturity
Interest payment frequency	Annual
Day count	365/365
Issuance administrator, payment agent, calculation and transfer agent	The Bank of New York Mellon
Yield	8.75% E.A.[1]
International rating	BBB– (stable) by Fitch Ratings and Standard & Poor's

Cancellations

Emgesa commercial papers during 2011

The Colombian Financial Superintendence, through Resolution No. 1954 of December 17 of 2009, authorized registration before RNVE and public offering of commercial papers issued by EMGESA, for a total of $600,000,000. On November 19 of 2010, the Company issued the first lot of commercial papers for $70,000,000 with the following conditions:

1st lot value	$70,000,000
Face value	Subseries C353: $10,000 each
Term	353 days
Yield	Subseries C353: 4.20% E.A.
Use of funds	100% to pay liabilities before Codensa S.A. E.S.P. (a related Emgesa S.A. E.S.P. company), secured to refinance financial obligations.

On November 7 of 2011, the first lot of commercial papers issued in 2010 was amortized. As of December 31 of 2012, EMGESA had no current commercial paper issuances in the local market.

First issuance of ordinary bonds of Central Hidroeléctrica de Betania S.A. E.S.P. (absorbing entity)

Security class	Ordinary bonds
Financial Superintendence approval	Resolution No. 885 of 2004
Total issuance authorized value	$400,000,000
Use of funds	Substitution of financial liabilities
Face value	Series B: $1,000 each bond
Term	7 years, with 40% amortization in year 6, the remaining 60% upon maturity.
1st lot– Nov/04	$300,000,000
2nd lot– Feb/06	$100,000,000
2nd lot bond placement premium	$19,817,475
Issuance administrator	Deceval S.A.(TripleA)
Yield	Subseries B 07: IPC + 6,29 % T.V.
Rating	AAA Assigned by Duff & Phelps de Colombia S.A. S.C.V. (today Fitch Ratings Colombia S.A. S.C.V.).

On November 10 of 2011, the partial amortization considered for the Betania bond maturity was paid, equivalent to 60% (($240,000,000) remaining from the unpaid outstanding value of the Central Hidroeléctrica de Betania S.A. E.S.P. bond issuance (absorbing entity, now Emgesa S.A. E.S.P.), as considered in the issuance information prospect. The issuance registration before the RNVE was canceled through Resolution 350 of March 8 of 2012 from the Colombian Financial Superintendence.

Following is the summary of bonds issued and bank loans as of December 31 of 2012:

Description	Yield	Placement date	Maturity date	Accounting value
3rd issuance 1st lot	Subseries A10: IPC+5.04% E.A.	February 23, 2005	February 23, 2015	**$ 210,000,000**
3rd issuance 2nd lot	Subseries A10: IPC+5.04% E.A.	February 23, 2006	February 23, 2015	**40,000,000**
1st program tranche	Subseries B10: IPC+5.15% E.A.	February 20, 2007	February 20, 2017	**170,000,000**
2nd program tranche	Subseries A5: DTF+1.47% T.A	February 11, 2009	February 11, 2014	**49,440,000**
2nd program tranche	Subseries B10: IPC+5.78% E.A.	February 11, 2009	February 11, 2019	**160,060,000**
2nd program tranche	Subseries B15: IPC+6.09% E.A.	February 11, 2009	February 11, 2024	**55,500,000**
3rd program tranche	Subseries E5: fixed rate 9.27%E.A.	July 02, 2009	July 2, 2014	**92,220,000**
3rd program tranche	Subseries B9: IPC+5.90% E.A.	July 02, 2009	July 2, 2018	**218,200,000**
3rd program tranche	Subseries B12: IPC+6.10% E.A.	July 02, 2009	July 2, 2021	**89,580,000**
4th program tranche	Subseries B10: IPC+3.52% E.A.	December 13, 2012	December 13, 2022	**300,000,000**
4th program tranche	Subseries B15: IPC+3.64% E.A.	December 13, 2012	December 13, 2027	**200,000,000**
Global peso bond in foreign 144–A/ Reg S	8.75% E.A.	January 25, 2011	January 25, 2021	**736,760,000**
Loans with local banks	DTF + 3.75% T.A:	April 10, 2012	April 10, 2022	**305,000,000**
Total bonds and loans, non-current				**$ 2,626,760,000**

Following are the local currency bond and loan payments for the following years:

Year	As of December 31 of 2012	Item
2014	**$ 141,660,000**	Local bonds issued
2015	**250,000,000**	Local bonds issued
2015	**40,667,000**	Local bank loans
2016	**40,667,000**	Local bank loans
2017	**170,000,000**	Local bonds issued

2017	**40,667,000**	Local bank loans
2018	**218,200,000**	Local bonds issued
2018	**40,667,000**	Local bank loans
2019	**160,060,000**	Local bonds issued
2019	**40,667,000**	Local bank loans
2020	**40,667,000**	Local bank loan
2021	**89,580,000**	Local bonds issued
2021	**736,760,000**	International bond issued
2021	**40,667,000**	Local bank loans
2022	**300,000,000**	Local bonds issued
2022	**20,331,000**	Local bank loans
2024	**55,500,000**	Local bonds issued
2027	**200,000,000**	Local bonds issued
	$ 2,626,760,000	

Following is the summary of bonds issued as of December 31 of 2011:

Description	Yield	Placement date	Maturity date	Accounting value
1st lot 3rd issuance	Subseries A10: IPC+5.04% E.A.	February 23, 2005	February 23, 2015	**$ 210,000,000**
2nd lot 3rd issuance	Subseries A10: IPC+5.04% E.A.	February 23, 2006	February 23, 2015	**40,000,000**
Forth issuance, 1st program tranche	Subseries B10: IPC+5.15% E.A.	February 20, 2007	February 20, 2017	**170,000,000**
5th issuance, 2nd program tranche	Subseries A5: DTF+1.47% T.A	February 11, 2009	February 11, 2014	**49,440,000**
5th issuance, 2nd program tranche	Subseries B10: IPC+5.78% E.A.	February 11, 2009	February 11, 2019	**160,060,000**
5th issuance, 2nd program tranche	Subseries B15: IPC+6.09% E.A.	February 11, 2009	February 11, 2024	**55,500,000**
6th issuance, 3rd program tranche	Subseries E5: fixed rate 9.27%E.A.	July 2, 2009	July 2, 2014	**92,220,000**
6th issuance, 3rd program tranche	Subseries B9: IPC+5.90% E.A.	July 2, 2009	July 2, 2018	**218,200,000**
6th issuance, 3rd program tranche	Subseries B12: IPC+6.10% E.A.	July 2, 2009	July 2, 2021	**89,580,000**
144–a/ reg s bono global in pesos	8.75% E.A. (1)	January 25, 2011	January 25, 2021	**736,760,000**
Total bonds, noncurrent				**$ 1,821,760,000**

14. Accounts Payable.

		2012		2011
Vendors	$	**130,227,647**	$	67,724,499
Contractors, local currency		**1,054,277**		–
Contractors, foreign currency		**4,734,558**		3,615,008
Creditors		**10,904,693**		47,804,807
	$	**146,921,175**	$	119,144,314

15. Labor obligations

Bonuses (1)	$	**6,984,072**	$	3,766,151
Other bonuses		**2,238,521**		2,057,084
Vacation		**2,509,268**		2,003,099
Severance		**1,860,554**		1,588,642
Severance interests		**222,228**		189,228
	$	**13,814,643**	$	9,604,204

On December 31 of 2012 and 2011, the number of active Company employees was 517 and 497, respectively.

On September 21 of 2005, the Company signed the collective workers labor agreement with Energía de Colombia – SINTRAELECOL, benefiting unionized employees from January 1 of 2004 to December 31 of 2007, partially amended with document dated March 3 of 2011 for a 4-year term from January 1 of 2011. On December 31 of 2012 and 2011, 302 employees were unionized.

(1) The change in bonuses corresponds mainly to the increase of the loyalty bond reserve and the retirement bond, which as of December 31 of 2012 amounted to $2,636,252.

16. Retirement pensions.

	2012	2011
Actuarial calculations on retirement pensions and supplementary benefits	**$ 74,425,335**	$ 74,239,240
Minus current portion	**(9,966,858)**	(10,260,434)
Retirement pensions and supplementary benefits to noncurrent	**$ 64,458,477**	$ 63,978,806

Following are activities between of January 1 and December 31 of 2012 and 2011:

	2012	2011
Initial balance	**$ 74,239,240**	$ 81,712,752
Financial cost	**5,869,361**	6,951,222
Payments	**(10,108,899)**	(10,032,251)
Recovery or loss from actuarial gains	**4,425,633**	(2,052,873)
Recovery of recreation benefit	**–**	(2,339,610)
	$ 74,425,335	$ 74,239,240
Number of retired employees	**311**	312
Number of active employees entitled to pension	**2**	2
	313	314

On December 31 of 2012, includes the effects of applying decreased rates, i.e. mortality table (before and upon retirement), authorized by the Financial Superintendence through Resolution 1555 of July 30 of 2012. (Mortality Table RV 2008); full and permanent disability, EISS.

The pensions' actuarial liability had been fully amortized by December 31 of 2012.

The value of the obligation on account of pensions at the end of each year is established taking into account actuarial hypotheses, Colombian legal norms regarding pensions, and the specificity of conditions set forth for each company regarding retirement pensions and post-retirement benefits.

In December 31 of 2012, financial hypotheses are summarized in an 8% annual discount rate and a

3.5% pensions increase rate (DANE rate according to Decree 2783 of 2001); in 2011, these percentages were 8.5% and 3.5%, respectively.

On December 31 of 2012, AON (external specialist) made actuarial calculations resulting in a greater pension liability value of $186,095.

17. Estimated liabilities and reserves

		2012		2011
Reservee for costs and expenses	**$**	**5,274,993**	$	15,670,596
Reserve for the purchase of fixed assets (1)		**17,073,522**		4,825,942
Quimbo environmental license reserve (2)		**36,169,902**		–
Contingency reserve *(Note 27)*		**1,190,550**		1,224,185
Other reserves		**299,100**		299,099
		60,008,067		22,019,822
Minus noncurrent portion		**(8,761,992)**		(1,224,185)
Current portion	**$**	**51,246,075**	$	20,795,637

(1) Reserves for the purchase of assets correspond mainly to the Quimbo project, for $13,893,327, and studies and projects for $1,099,772.

(2) The Quimbo project environmental license liability reserve was entered, corresponding to obligations not yet contracted, and 1% of the total project investment value, as contained in paragraph 1 of article 43 of Law 99 of 1993 and Law 1450 of 2011.

18. Taxes, charges, and rates.

Income tax.

On December 31 of 2011 and 2012, the Company was responsible for the income tax, with an applicable 33% rate on net income.

According to Law 63 of 2000, energy generating companies are not subject to the presumptive income system. The 2010 and 2011 tax years are open for review by tax authorities. Taxes, charges, and rates are described as follows:

		2012		2011
Income tax	**$**	**96,138,126**	$	97,847,040
Tax on current equity		**49,213,976**		49,213,976
Other		**14,102,880**		7,457,957
	$	**159,454,982**	$	154,518,973

The noncurrent equity tax corresponding to December 31 of 2012 and December 31 of 2011 is the following:

		2012		2011
Noncurrent equity tax	**$**	**49,213,976**	$	98,427,952

In 2011, the Company opted for the alternate mechanism of entering as a lower value of the equity revaluation account the equity tax and the surcharge for $196,855,905. The outstanding values on December 31 of 2012 and 2011 were $49,213,976 and $98,427,952.

The liability corresponding to the income tax is net of tax payments, as follows:

		2012	2011
Current income tax	**$**	**317,162,183**	301,934,951
Advance payment on withholdings and self-withholdings		**(45,770,392)**	(41,946,294)
Income advance payment		**(175,253,665)**	(162,141,617)
	$	**96,138,126**	$ 97,847,040

The income tax expense is itemized as follows:

Current	**$**	**317,162,183**	$	301,934,951
Active deferred tax		**1,432,199**		(578,743)
	$	**318,594,382**	$	301,356,208

Following is a summary of the main conciliation items:

Assets on account of deferred taxes as of December 31 are the following:

		2012		2011
Fiscal inflation adjustment, 2006	**$**	**64,087,092**	$	65,840,899
Cost and expense reserves		**1,451,534**		3,325,968
Labor obligations reserve		**2,863,369**		1,682,054
Tocancipá valuation tax		**1,069,399**		1,037,946
Accounts receivable reserve		**117,753**		195,767
Industry and trade reserve		**19,091**		8,543
Forward valuation		**–**		(122,837)
	$	**69,608,238**	$	71,968,340

Law 1607 of 2012 reduced the income tax rate from the 2013 tax year, from 33% to 25%. It created the 8% equity income tax (CREE), applicable to taxable profits generated each year. However, this law temporarily established that the CREE rate will be 9% for years 2013, 2014, and 2015, from 2016 on being 8%. This affected the EMGESA deferred tax value, as follows:

	Income tax	CREE	CREE
Estimated liabilities	$ 16,238,663	$ 16,238,663	$ –
Fiscal inflation adjustments, 2006	193,870,973	10,967,099	182,903,875
	210,109,636	27,205,762	182,903,875
	25%	9%	8%
	52,527,409	2,448,519	14,632,310
Deferred tax as of December 31 of 2012	$ 69,608,238		

Industry and Trade tax

Calculated according to article 7 of Law 56 of 1981, based on the installed generation capacity, in municipalities where generation plants are located.

Contribution to the environment.

According to Law 99 of 1993, the Company is required to make transfers regarding basic sanitation and environmental improvement projects to municipalities and regional autonomous corporations, equivalent to 6% of gross energy sales - own generation - for hydraulic stations, and 4% for steam stations, according to the rate for lump sales indicated by Comisión Regulatoria de Energía y Gas (CREG). Contributions to the environment as of December 31 of 2012 were $49,467,074.

Equity tax.

Law 1370 of December of 2009 created a new equity tax for the 2011 tax year, with a 2.4% rate for taxpayers with fiscal equity in excess of $3000 million and less than $5000 million, 4.8% for taxpayers with equities equal to or greater than $5000 million.

Subsequently, Decree 4825 of December of 2010 established a 25% surtax for taxpayers with equities equal to or greater than $3000 million.

This tax applies to equity existing as of January 1 of 2011, payment being made in 8 equal installments between 2011 and 2014.

Transfer prices.

Independent advisors are updating the transfer prices study required by tax authorities, in order to demonstrate that operations with foreign economic related parties were carried out at market values during 2012. For this, the Company will submit a statement and will have the study available by mid-2013. A default could result in sanctions and increased income taxes. However, the Administration and its advisors believe the study will be concluded on time and will not result in significant changes to the base used to establish the income tax reserve for 2012, as was the case in 2011.

Legal stability contract.

Following are the main issues of the legal stability contract executed between the Nation (Ministry of Mines and Energy) and EMGESA, formalized on November 20, 2010:

Object: the Company undertakes to build the “El Quimbo” hydroelectric station (see Note 1).

Investment value and terms: Company investments related to the Quimbo project will not be less than $1,922,578 M.

Key norms object of legal stability (favorable):

a. 33% income tax, exclusive of presumptive income tax calculations and special deductions on account of investments in scientific development and other investments in the environment, among others.

b. Allows ensuring the special deductions stability of investments in real productive fixed assets (30%), which was eliminated on January 1 of 2011.

Arts obligations.

a. Company obligations:

Meet the planned investment for construction and commissioning of the Quimbo project.

Pay the legal stability premium of $9,612,891 (deposited on December 23 of 2010) – (*Note 9*).

Pay taxes on time.

Retaining independent auditors to review and certify compliance with contractual commitments, for which the Company hired a third-party specialist which issued his opinion without remarks on March 30 of 2012. Company management considers that the same opinion will result from the audit to be made during the remainder of 2012.

b. Nation obligations:

During 20 years, guarantee stability of norms included in the contract (favorable) for the Quimbo project.

Confidentiality of information.

c. Tax amendment (Law 1607 of 2012):

With this amendment, the income tax rate went from 33% to 25%, which the Company will apply according to the favorability principle.

The 8% equity income tax has been created, 9% for 2013, 2014, and 2015. Upon being a new tax, it was not stabilized.

19. Equity.

Capital

The authorized capital is comprised of 286,762,927 shares with a $4400 face value each. The subscribed and paid capital is represented by 127,961,561 ordinary shares and 20,952,601 shares with preferential dividends, for a total of 148,914,162 shares with a nominal value of $4,400, distributed as follows:

Shareholder	Participation (%)	Number of shares
Empresa de Energía de Bogotá S. A. E.S.P. (E.E.B.)	51.51%	$ 76,710,851
Endesa Latinoamericana S.A.	21.61%	32,176,823

Empresa Nacional de Electricidad S.A.	26.87%	40,019,173
Other minority shareholders	0.01%	7,315
	100.00%	$ 148,914,162

Of the total number of E.E.B. shares, 20,952,601 correspond to nonvoting shares, with a preferential dividend of US$0,1107 each.

Equity revaluation.

Equity revaluation cannot be distributed as profits, however being subject to capitalization.

Legal reserve.

According to the Colombian legislation, the Company must transfer minimum 10% of the year profits to legal reserve until reaching 50% of the subscribed and paid capital. This reserve is not available for distribution, however subject to being used to absorb losses.

Income tax.

According to the current legislation, foreign investment entitles its holder to issue abroad - in freely convertible currency - both net verified profits periodically generated according to general balance sheets and capital invested and capital gains. Dividends of shareholders not living in Colombia are subject to a 0% income tax for the nontaxable portion and 33% for the taxable portion, as of December 31 of the December 31 of 2012 and 2011.

Share placement premium.

Represents the greater value paid by the shareholder on the share face value.

Dividend payments.

Minutes No. 83 of the March 21 of 2012 General Shareholders Assembly ordered distributing dividends for $667,755,033 against the 2011 net profits. 100% of the preferential dividend was paid in April, of the ordinary dividends paid during the year of $501,844,856; the balance was paid on January 13 of 2013 for $165,910,176.

Minutes No. 79 of the General Shareholders Assembly of March 24 of 2011 ordered distributing dividends for $155,324,183 against the 3-month period from October to December of 2010. 100% of the preferential dividend, and 50% of ordinary dividends, were paid on September 7 of 2011; the remaining 50% was paid on January 11 of 2012.

20. Memorandum accounts.

	2012	**2011**
Debtors		
Contingent rights	**$ 1,464,171,124**	$ 233,933,212
Control	**167,572,591**	83,610,700
Fiscal	**46,268**	45,939
	$ 1,631,789,983	$ 317,589,851

Creditors:		
Fiscal	**2,269,658,637**	1,970,515,635
Contingent responsibilities (1)	**598,010,156**	434,018,074
Creditor memorandum accounts	**2,867,668,793**	2,404,533,709
	$ 4,499,458,776	$ 2,722,123,560

(1) Contingent responsibilities as of December 31 of 2012 are comprised mainly of legal, civil, and labor contingencies for $183,181,238, contractual guaranties for $251,546,427, and other contingencies for $163,282,491.

21. Operational revenues.

	2012	2011
Lump sales	**$ 1,151,627,611**	$ 1,023,734,970
Sales to non-regulated clients (trading)	**634,848,979**	583,365,022
Stock sales	**353,788,939**	287,328,865
Other services	**3,967,575**	4,633,135
	$ 2,144,233,104	$ 1,899,061,992

(1) Total revenues received from sales to Codensa S.A. E.S.P. represent 30.60% $(656,249,442) and 35.67% $(677,030,071) as of December 31 of 2012 and 2011, respectively, of operational revenues.

22. Sales costs

	2012	2011
Energy purchases and related costs	**$ 433,269,484**	$ 360,128,377
Depreciation	**139,886,234**	144,491,414
Use of indirect raw materials	**138,499,587**	99,593,453
Contributions	**65,528,756**	58,110,164
Other generation costs	**34,419,786**	39,424,204
Personnel costs (1)	**42,789,309**	39,579,099
Insurance	**14,436,335**	13,322,780
General	**5,037,729**	3,006,095
Deferred amortization	**1,188,761**	1,385,983
Intangible amortization	**1,462,286**	1,658,955
Leases	**2,597,895**	2,618,230
Public utilities	**1,413,426**	1,704,604
	$ 880,529,588	$ 765,023,358

(1) Includes the pension liability financial cost of $5,869,361 and $6,951,222, for 2012 and 2011.

23. Administration expenses.

		2012		2011
Wages, salaries, and bonuses	$	**7,407,764**	$	6,939,345
Financial activity tax		**4,695,478**		6,589,692
Other expenses (1)		**4,715,054**		4,094,746
Depreciation and amortization		**2,728,104**		2,539,793
Other general services		**3,328,946**		3,238,682
Commissions, fees, and services		**2,609,476**		1,788,980
Aremari contract		**1,584,442**		1,728,482
Social security payments		**1,288,864**		1,184,530
Other personnel expenses		**1,010,473**		847,203
Leases		**138,925**		384,601
	$	**29,507,526**	$	29,336,054

(1) On December 31 of 2012, other expenses are mainly represented by use contracts with Codensa for $3,337,531 and general administrative expenses for $1,377,523.

24. Financial revenues /expenditures, net.

		2012		2011
Financial revenues				
Interests on deposits	**$**	**7,737,925**	$	4,745,591
Exchange rate adjustments		**1,507,065**		1,490,097
Other		**686,559**		1,086,234
Late interest charges		**119,344**		106,170
Financial yield from accounts receivable and investments		**516,864**		84,727
		10,567,757		7,512,819
Financial expenses				
Interests		**(126,197,847)**		(143,893,796)
Exchange rate adjustment		**(2,494,961)**		(2,412,050)
Other (1)		**(4,091,791)**		**(3,614,523)**
		(132,784,599)		(149,920,369)
Financial expenditures, net	**$**	**(122,216,842)**	$	(142,407,550)

(1) Other financial expenses as of December of 2012 and 2011 correspond mainly to the

following:

- Financial discounts for $2,803,629 and $1,937,087, respectively.
- Amortization of expenses associated to bond issuances for $219,200 and $995,767, respectively, and commissions for $695,349 and $677,473, respectively.

25. Miscellaneous revenues/expenditures, net

	2012	2011
Other revenues		
Use contracts	$ **2,803,339**	$ 2,803,339
Previous years' income tax adjustment	**1,949,220**	–
Previous years' adjustments	**931,762**	1,771,887
Other extraordinary revenues	**724,851**	170,092
Revenue on account of coal pile volume calculation	**679,923**	–
Profit from inventory sale	**679,704**	294,406
Accounts receivable recovery	**492,674**	538,622
Recovery from outstanding invoices	**293,540**	1,789,053
Other recoveries	**287,351**	863,163
Extraordinary revenues from conciliation items	**186,107**	1,052,558
Profit from the sale of property, plant, and equipment	**61,100**	266,943
Insurance claim indemnification	**–**	2,052,873
	–	5,650,561
Recovery of recreation benefit	**–**	2,339,610
	9,089,571	19,593,107
Other expenditures:		
Previous years' adjustments, deferred tax	**(927,903)**	(2,516,369)
Payment of the purchase of the recreation benefit		(2,500,386)
Previous years' adjustment, income tax	**(315,284)**	(2,261,572)
Losses in properties, plant, and equipment	**(4,589,519)**	(900,888)
Actuarial loss	**(4,425,633)**	–
Previous years' adjustments of expansion projects	**(3,569,481)**	(776,976)
Legal contingencies	**(1,796,746)**	(722,573)
Other adjustments to previous years (1)	**(1,246,763)**	(924,448)
Debtors reserve	**(658,489)**	(744,105)
Other expenditures	**(632,868)**	(71,525)
Contribution to the ENDESA Foundation	**(599,000)**	(577,000)
Inventory reserve	**(167,160)**	(749,909)
Laws in properties, plant, and equipment	**(18,112)**	–
	(18,946,958)	(12,771,227)
Miscellaneous revenues, net	$ **(9,857,387)**	$ 6,821,880

(1) Other adjustments of previous years are mainly the result of energy costs, $432,858, adjustments to personnel expenses , $168,309, forwardly liquidation of insurance policies,

$372,233, and adjustments of costs associated to the Muña and Tomine trusts for $273,363.

26. Forward operations.

In order to hedge the effects of profits or losses on account of exchange rate differences in the foreign currency passive net monetary position, EMGESA established the following hedge contract (forward non-delivery), valued at the December 31 of 2012 and 2011 rates of exchange, on which the following financial revenues were recognized:

	2012	2011
40% all-risk policy (1)	**$ –**	$ 372,233
Quimbo project fixed assets (2)	**(4,707,609)**	1,847,053
	$ (4,707,609)	$ 2,219,286

(1) The forward generated revenues against results.

(2) Forwards established for the purchase of fixed assets associated to the Quimbo project generated revenues, recognized in the deferred charge.

Following is the itemization of forwards as of December 31 of 2012:

Entity	Starting date	Ending date	Negotiable rate	(000 USD)	(000 COP)	Value
Banco Santander S.A.	26–Jan–11	20–jun–13	2,001,60	**$ 3,761,117.07**	**$ 7,528,252**	**$ (727,698)**
Banco Santander S.A.	26–Jan–11	19–jul–13	1,992.09	**7,605,550.48**	**15,150,941**	**(1,355,972)**
Banco Santander S.A.	26–Jan–11	20–sep–13	2,021.64	**95,572.16**	**193,213**	**(19,402)**
Banco Santander S.A.	26–Jan–11	20–feb–14	2,055.29	**1,252,865.81**	**2,575,003**	**(256,899)**
Banco Santander S.A.	26–Jan–11	20–mar–14	2,062.81	**49,717.56**	**102,558**	**(10,275)**
Banco Santander S.A.	26-Jan-11	16-apr-14	2,074.89	**1,889,406.08**	**3,920,310**	**(402,298)**
Banco Santander S.A.	26-Jan-11	18-jul-14	2,093.97	**417,621.94**	**874,488**	**(88,714)**
Banco Santander S.A.	26-Jan-11	19-sep-14	2,110.03	**1,781,005.53**	**3,757,975**	**(383,087)**
Banco Santander S.A.	26-Jan-11	20-nov-14	2,126.08	**1,781,005.53**	**3,786,560**	**(388,109)**
Banco Santander S.A.	26-Jan-11	20-feb-15	2,149.37	**112,437.84**	**241,671**	**(24,872)**
Bbva Colombia	25-Jan-11	20-feb-13	1,952.73	**5,814,076.89**	**11,353,322**	**(1,013,227)**
Bbva Colombia	25-Jan-11	18-Jan-13	1,939.73	**222,828.46**	**432,226**	**(37,056)**
				$ 24,783,205.35	**$ 49,916,519**	**$ (4,707,609)**

Forwards as of December 31 of 2011 are:

Entity	Starting date	Ending date	Negotiable rate	(000 USD)	(000 COP)	Value
Citibank Colombia	13–Jan–11	20–Jan–12	1,868.50	USD 477,860.82	$ 892,883	$ 28,601
Citibank Colombia	13–Jan–11	20–feb–12	1,868.50	3,415,854.63	6,382,524	178,839
Citibank Colombia	13–Jan–11	20–mar–12	1,868.50	5,650,523.14	10,558,002	312,568
Citibank Colombia	13–Jan–11	20–apr–12	1,868.50	4,686,769.25	8,757,228	223,240
Citibank Colombia	13–Jan–11	18–may–12	1,868.50	3,804,420.24	7,108,559	175,683
Citibank Colombia	25–Jan–11	19–jul–12	1,859.00	4,784,647.80	8,894,660	226,671
Citibank Colombia	25–Jan–11	17–aug–12	1,859.00	1,641,892.71	3,052,279	72,405
Citibank Colombia	25–Jan–11	19–oct–12	1,859.00	2,277,236.42	4,233,383	61,793
Citibank Colombia	25–Jan–11	20–nov–12	1,859.00	4,953,668.45	9,208,870	110,901
Citibank Colombia	25–Jan–11	20–dec–12	1,859.00	7,469,722.06	13,886,213	207,272
Citibank Colombia	25–Jan–11	20–feb–13	1,859.00	5,814,076.89	10,808,369	73,652
Banco Santander	26–Jan–11	20–jun–13	1,867.00	3,761,117.07	7,022,006	(77,297)
Banco Santander	26–Jan–11	19–jul–13	1,867.00	7,605,550.48	14,199,563	(67,212)
Banco Santander	26–Jan–11	20–sep–13	1,867.00	95,572.16	178,433	(2,801)
Banco Santander	26–Jan–11	20–feb–14	1,867.00	1,252,865.81	2,339,100	(42,553)
Banco Santander	26–Jan–11	20–mar–14	1,867.00	49,717.56	92,823	(1,662)
Banco Santander	26–Jan–11	16–apr–14	1,867.00	1,889,406.08	3,527,521	(70,164)
Banco Santander	26–Jan–11	18–jul–14	1,867.00	417,621.94	779,700	(12,637)
Banco Santander	26–Jan–11	19–sep–14	1,867.00	1,781,005.53	3,325,137	(50,553)
Banco Santander	26–Jan–11	20–nov–14	1,867.00	1,781,005.53	3,325,137	(47,696)
Banco Santander	26–Jan–11	20–feb–15	1,867.00	112,437.84	209,921	(3,563)
JP Morgan–Chase Bank	28–apr–11	14–jun–12	1,767.00	2,849,058.00	5,034,285	495,262
Banco de Bogotá	24–aug–11	12–Jan–12	1,792.95	2,877,471.00	5,159,162	372,233
Banco de Bogotá	19–dec–11	20–feb–12	1,860.07	874,129.93	1,625,943	56,304
				US$70,323,631.34	$130,601,701	$2,219,286

27. Contingencies.

On December 31 of 2012 and 2011, following are the main litigations the Company is facing, regarding which the administration, with the support of its external and internal legal advisers, believes that the result of the non-reserved part will be favorable for the Company and will not cause significant effects that should be accounted for and will not significantly affect its financial position.

Environmental contingency

Group action against Emgesa S.A. E.S.P, Empresa de Energía de Bogotá S.A. E.S.P. and CAR for alleged material and moral damages caused to the people of the municipality of Sibaté, both to their health and to the value of their properties, as a result of environmental problems arising from the quality of the Bogotá river water in the Muña reservoir. The initial demand was $3,000,000,000. The action was handled altogether with another on account of the same facts, before the Cundinamarca Administrative Court, involving a large number of plaintiffs.

The administration and its advisors believe that this contingency is remote and that in the worst case scenario will represent damages for $106,093,800 (TRM 1USD=$1,768.23)

Industry and trade tax

Energy generation companies in Colombia have been required by municipalities being unaware of the application of the special system contained in Law 56 of 1981 to pay the industry and trade tax based on the installed energy generation capacity, attempting to tax their revenues based on Law 14 of 1983.

The municipalities of Yaguará, Caloto, Puerto Tejada, Yumbo, and Guachené have issued liquidations on account of this tax for the fiscal years of 1998 through 2011, for a total of $67,947,248, of which $62,899,944 correspond to suits with the municipality of Yaguará

Nullity and reestablishment of right actions are being processed before the Contentious Administrative Jurisdiction against such liquidations. During 2012, a favorable ruling was obtained regarding the Yaguará municipality demands for $122,786,896. Together with his external and internal advisors and based on reiterated legal decisions, the Company Finances and Administration Manager has concluded that contingent events related to such tax are remote for this case, with a 40% loss probability for other claims.

2003 income tax

The process is the result of the Company administration's unawareness of benefits resulting from applying the Paez Law. Tax authorities believe that the Company cannot benefit from this law regarding its total revenues. The process amount is $89,745,231. Together with his external and internal advisors and based on reiterated legal decisions, the Company Finances and Administration Manager believes that this contingent event is remote regarding the 2003 income.

OTHER CONTINGENCIES

AS OF DECEMBER 31 OF 2012, THE VALUE OF CLAIMS UNDER ADMINISTRATIVE, CIVIL, LABOR, AND CONTRACTOR LITIGATIONS IS THE FOLLOWING:

Processes	Number of processes	Risk	Contingency value	Reserve value
	53	Probable	$ 1,168,817	$ 1,168,817
	131	Eventual	32,961,885	–
Administrative and civil	29	Remote	125,018,702	–
	213		159,149,404	1,168,817
Labor and the contractors'	1	Probable	21,733	21,733
	5	Eventual	566,101	–
	13	Remote	23,444,000	–
	19		24,031,834	21,733
Total processes	232		$183,181,238	$ 1,190,550

As of December 31 of 2011, the value of claims under administrative, civil, labor, and contractor litigations is the following:

Processes	Number of processes	Risk	Contingency value	Reserve value
	14	Probable	$ 1,183,581	$ 1,183,580
	149	Eventual	35,175,932	–
Administrative and civil	26	Remote	131,081,651	–
	189		167,441,164	1,183,580
Labor and contractors'	1	Probable	40,605	40,605
	5	Eventual	696,101	–
	16	Remote	23,584,000	–
	22		24,320,706	40,605
Total processes	211		$191,761,870	$ 1,224,185

28. Subsequent events

a) Legal embargoes.

Through Resolutions 74 and 96 of 2012, the municipality of Guachené officially liquidated the industry and trade tax for the Company for 2007 through 2011. The Company filed a nullity and reestablishment claim against such administrative acts.

However, the municipality started legal collection and requested seizing the Company bank accounts. As a result of the above, between January 17 and 19 of 2013 bank accounts for $900,000 each were seized, for a total of $3,600,000.

Three accounts were released on January 23, for $2,700,000, $900,000 remaining seized. Activities are underway to release the remaining counts.

b) Corporate object change.

According to Minutes 84, the November 21 of 2012 Extraordinary General Shareholders Assembly authorized changing the EMGESA corporate object to include trading of combustible gas and all related and supplementary activities. This change is being approved by the EMGESA Bond Holders Assembly according to Decree 2555 of 2010, the change registration before the Chamber of Commerce being pending.

c) Change of shareholder.

Under the Spanish Company Endesa Latinoamérica S.A. partial spinoff process - Company that is controlled by the ENDESA Group, controlled by the Enel Group -, on December 26 of 2012 the Company assigned 100% of ordinary shares it held in Emgesa S.A. ESP to the Spanish Company Cono Sur Participaciones S.L., controlled by the same Group. Accordingly, on February 5 of 2013 Cono Sur Participaciones S.L. was registered before DECEVAL S.A. as an Emgesa S.A. ESP shareholder holding 21.6% of the Company outstanding shares.

Following is the shareholding distribution:

Shareholder	Number of shares	% Participation
Empresa de Energía de Bogotá S.A. Esp.	76,710,851	51.51346922
Preferential shares	20,952,601	14.07025411
Ordinary shares	55,758,250	37.44321511
Cono Sur Participaciones S.L.	32,176,823	21.60763125
Empresa Nacional de Electricidad S.A.	40,019,173	26.87398731
Other	7,315	0.001
Total preferential and ordinary shares	148,914,162	100

29. Commitments

"Canoas" Elevation Station Project

The Interinstitutional Agreement between la Empresa de Acueducto y Alcantarillado de Bogotá E.S.P. and the Company was executed on December 5 of 2011, whose purpose is joining efforts to guarantee construction of the "Canoas" Elevation Station through economic and operational contributions provided by the Company.

This agreement is important for the people living in the Bogotá river basin, inasmuch as it contributes to financing the necessary mega-work required to clean the Bogotá river and use this resource to generate electrical power, this way guaranteeing the electrical generation system's reliability.

The Company contribution is $84,048 M for the station and close to $7,000 M annual for its operation, administration, and maintenance. Such resources will be provided once Corporación Autónoma Regional de Cundinamarca – CAR makes a statement regarding the water concession term extension requested by the Company on September 21 of 2011, granting the concession for a similar time and under conditions that will be economically profitable and socially beneficial, and once the station is built by Empresa de Acueducto y Alcantarillado de Bogotá–EAAB.

30. Financial metrics

The following metrics were calculated based on consolidated financial statements described below:

Metric	Expression	2012	2011	Metric explanation
Liquidity				
Current ratio: *(current asses/current liability)*	(times)	1.73	1.16	Indicates the capacity the Company has to handle its current debts by committing its current assets
Indebtedness				
Total indebtedness level: *(Total liabilities/assets)*	%	37.40 %	34.15 %	Indicates the leverage degree corresponding to a creditors' participation in Company assets
Indebtedness to current: *(Total current liabilities/total assets)*	%	7.29%	10.09 %	Represents the debt percentage with 3rd parties, with current maturities
Indebtedness to noncurrent, total: *(total liabilities to noncurrent/total assets)*	%	30.11 %	24.06 %	Represents the debt percentage with 3rd parties, with mid and noncurrent maturities
Activity				
Commercial portfolio turnover: *(365/(operational revenue/total portfolio))*	Days	53	63	Indicates the number of average commercial portfolio turnover days in the year
Vendor turnover: *(365/(sales cost/accounts payable , vendors))*	Days	61	57	The average number of days the Company takes to pay vendor invoices

Profitability

Gross profits margin: *(gross profits/operational revenues)*	%	58.92 %	59.07 %	The capacity the Company has to handle its sales in order to generate gross profits, i.e. before administrative and sales expenses, other revenues, and other expenditures and taxes.
Operational margin: *(operational profits/operational revenues)*	%	57.55 %	58.16 %	Indicates how much each sales peso provides to operational profits.
Net profits margin: *(net profits/operational revenues)*	%	36.54 %	35.16 %	The percentage of net sales generating profits after taxes for the Company.
Equity yield *(net profits/total equity)*	%	13.69 %	12.27 %	The shareholders' investment yield
Operational return on assets (ROA) *(net profits/total assets)*	%	8.58%	8.08%	For each peso invested in total asset, measures net profits.